

LUXEMBOURG OFFICE MARKET

MARKET PRESENTATION – Q3 2021

RESEARCH

LUXEMBOURG | OCTOBER 2021



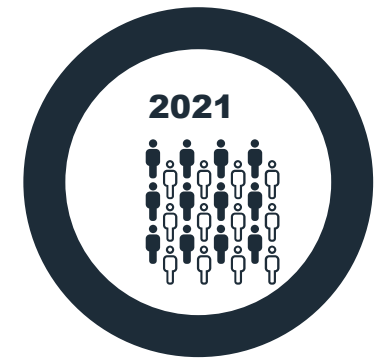
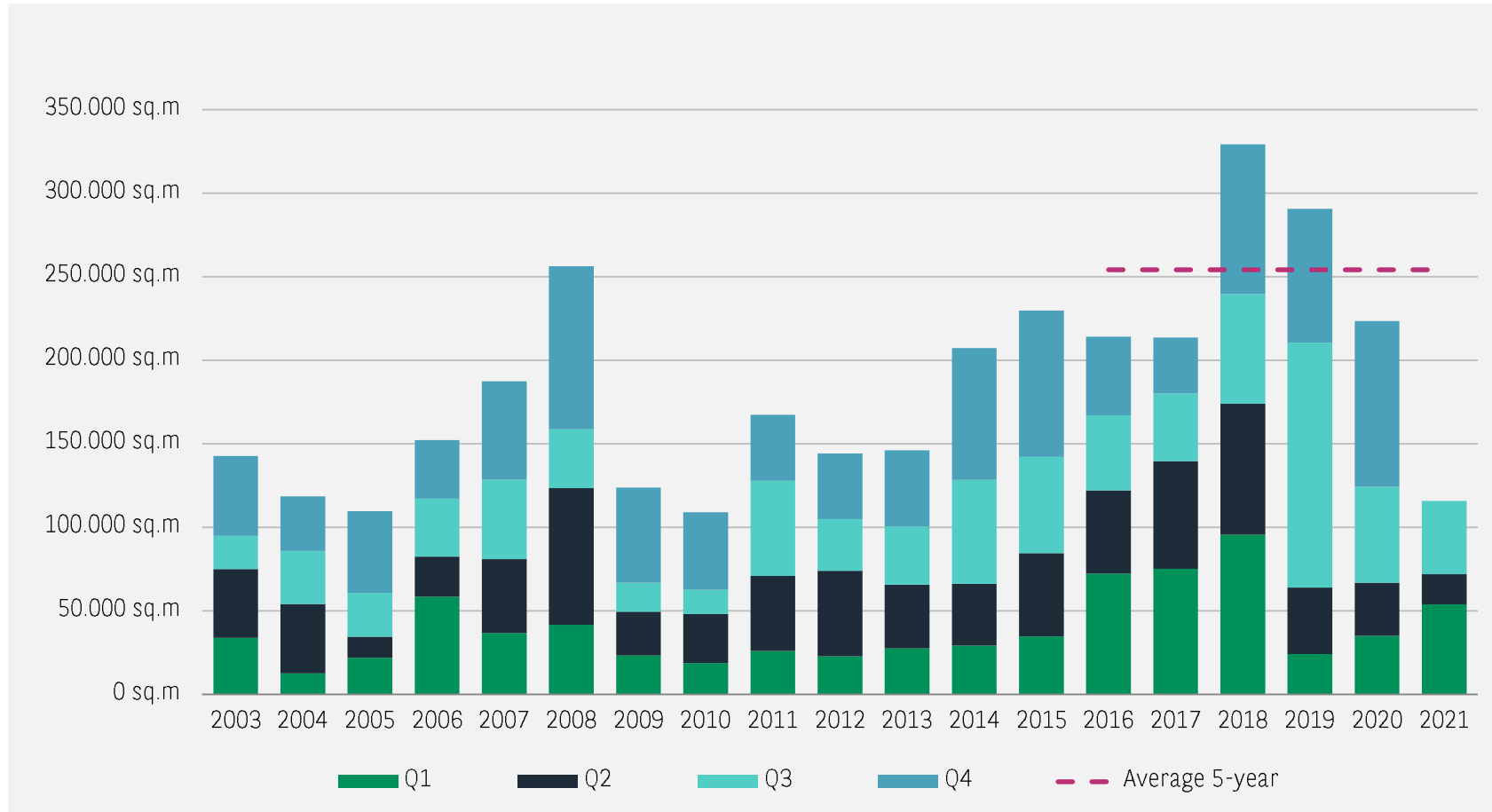
**BNP PARIBAS
REAL ESTATE**

Real Estate for a changing world

OCCUPIER MARKET



QUIET QUARTER BOOSTED BY A LARGE TRANSACTION



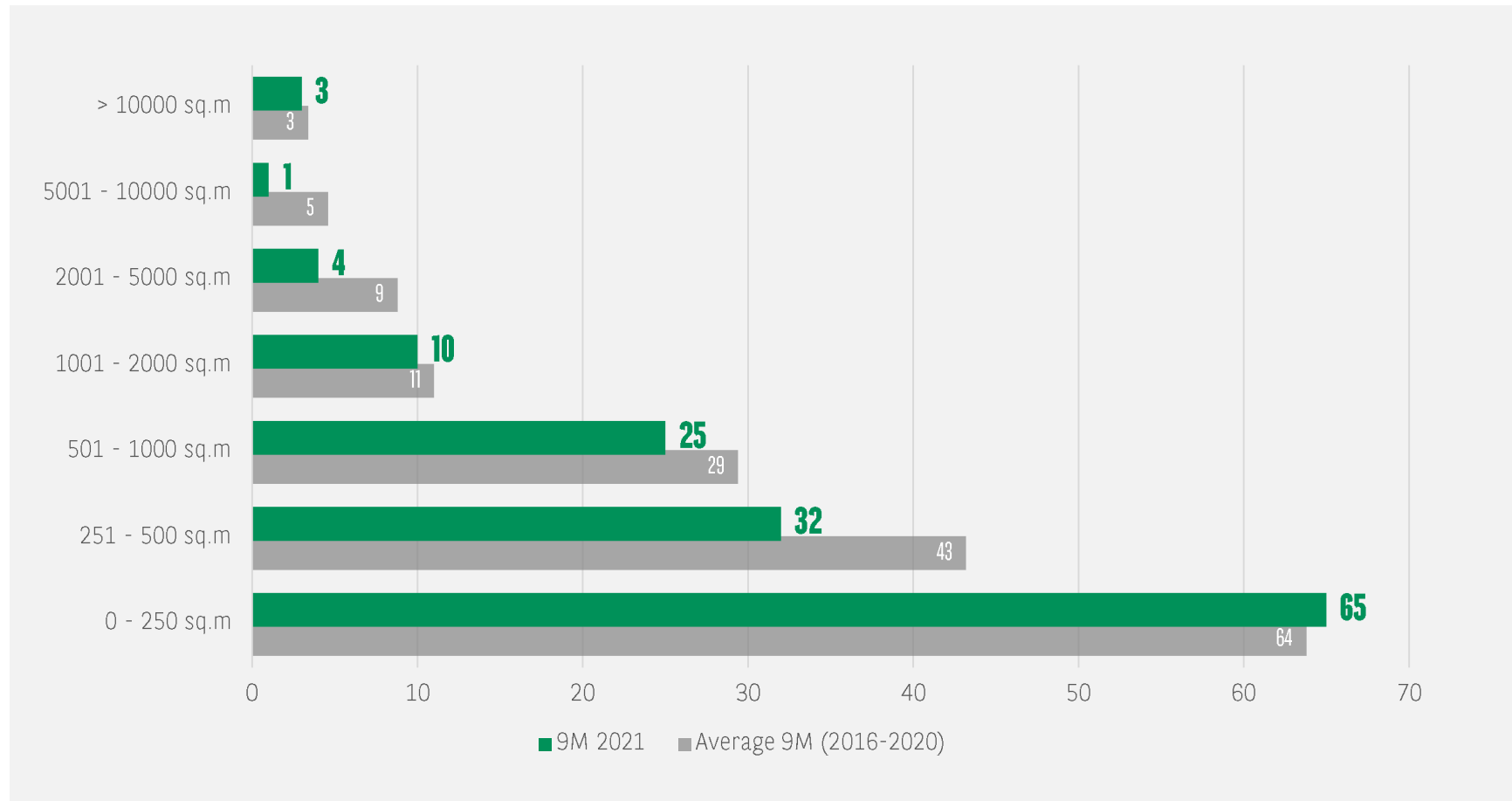
115,808 sq.m

STILL WELL BELOW THE
AVERAGE 9M

7% ↓
vs Q1-Q3 2020

-37% ↓
vs quarterly average Q1-Q3 (2016-2020)

NUMBER OF TRANSACTIONS BY SIZE



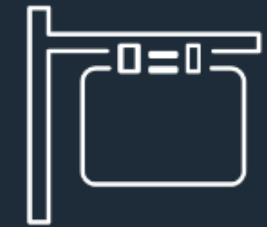
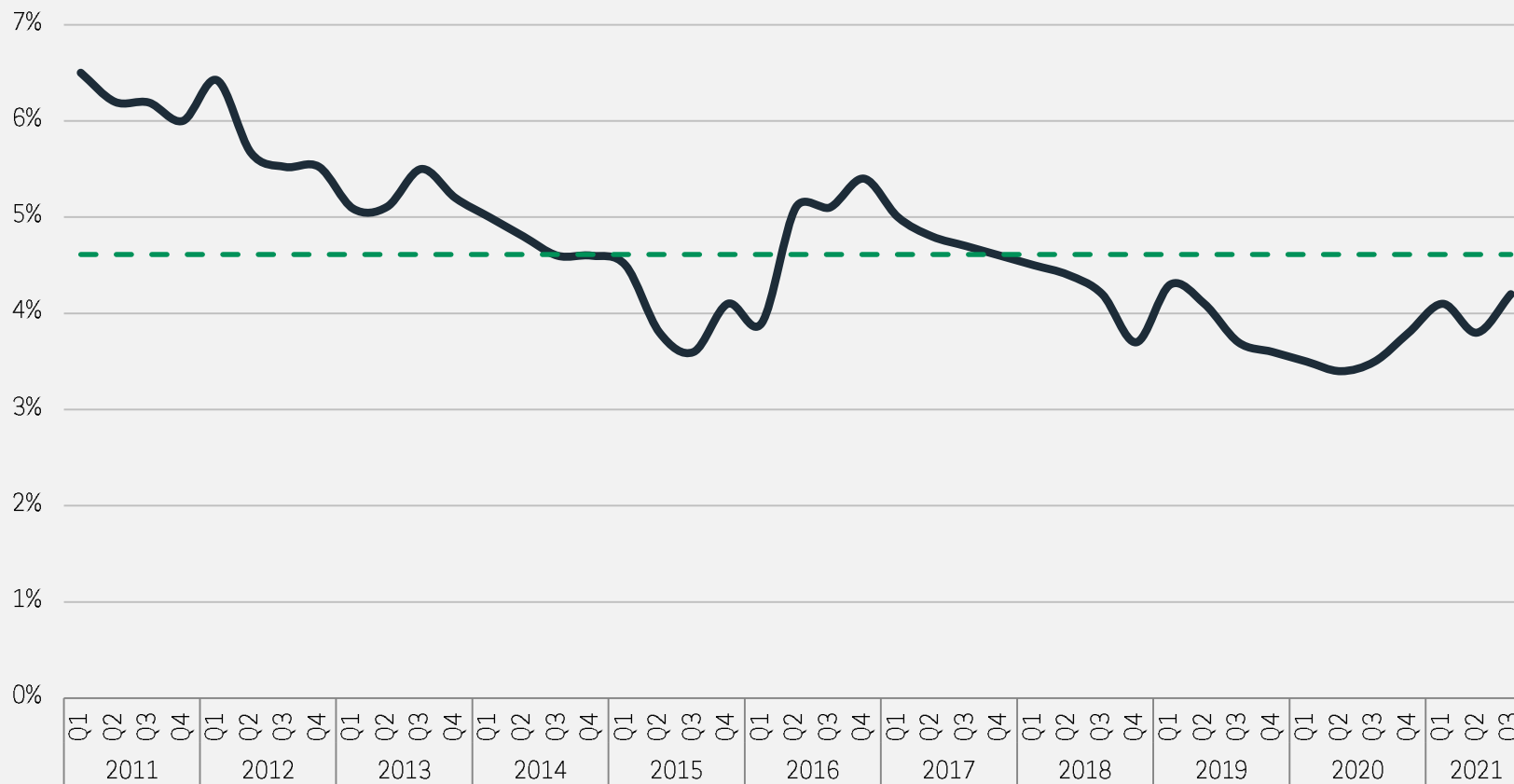
-15%

OF TRANSACTIONS SIGNED
DURING THE FIRST THREE
QUARTERS VS 9M AVERAGE
OVER THE LAST FIVE YEARS

NOTABLE TRANSACTIONS RECORDED IN 2021

Date	Tenant	Type of transaction	Offices Size	Street	Street Number	Building Name	Area
Q3 2021	BGL BNP Paribas	Own Occupation	18,300	Rue Edward Steichen	2	Tower III	Kirchberg
Q1 2021	Société Générale	Pre-Let	17.303	Porte de France		Icone	Esch - Belval
Q1 2021	La Croix Rouge	Pre-Let	13.400	Rue des Scillas	15-25	-	Howald
Q3 2021	BEI	Letting	5.100	Boulevard Pierre Frieden	43	LHO	Kirchberg
Q1 2021	Merbag	Own Occupation	3.768	Rue de Luxembourg	81	New Calyx Phase I	Southern Luxembourg
Q3 2021	Athome	Pre-Let	2.805	Rue Charles Darwin	5	The Bronze Gate	Gasperich
Q1 2021	CAMCA Assurance	Letting	2.072	Allée Scheffer	9	Business center Glacis C	Limpertsberg
Q1 2021	IKO	Own Occupation	2.034	Rue des Bruyères	22	Well 22	Howald
Q2 2021	CHL	Letting	1.933	Route d'Arlon	100-112	High 5	Belair - Merl
Q1 2021	Immobilière Feltes	Own Occupation	1.249	Rue du Kiem	161	Triside	Strassen
Q1 2021	Pandorus	Pre-Let	1.208	Rue d'Hollerich	31	Landewyck I	Station
Q3 2021	Financiere LX	Own Occupation	1.192	Rue Glesener	43-45	Residence Toscane	Station
Q3 2021	Brucher Thieltgen & Partners	Letting	1.188	Boulevard Emmanuel Servais	16-18	Servais 16-18	Limpertsberg
Q3 2021	Canal + Luxembourg	Letting	1.179	Rue Albert Borschette	4	K2 Ballade B2	Kirchberg
Q2 2021	Armacell International	Letting	1.130	Rue de Pafebruch	89B	WSV B	Capellen - Mamer
Q2 2021	FWU	Letting	1.094	Rue de Gasperich	33	H2O	Howald
Q1 2021	Etat du Grand Duché de Luxembourg	Letting	1.080	Val Fleuri	23		Belair - Merl
Q3 2021	Accenture	Letting	1.052	Rue Lou Hemmerr	7	Galileo	Airport

UPWARD TREND

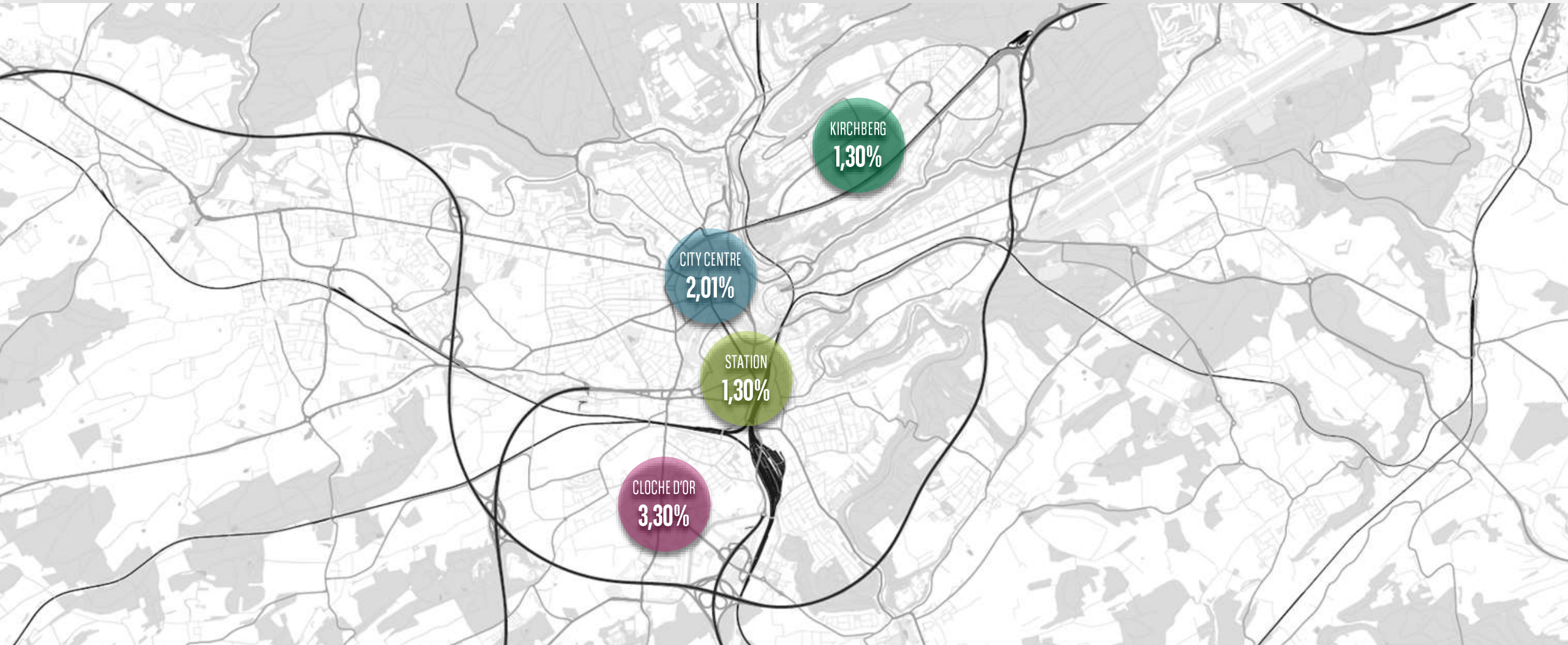


4.2%

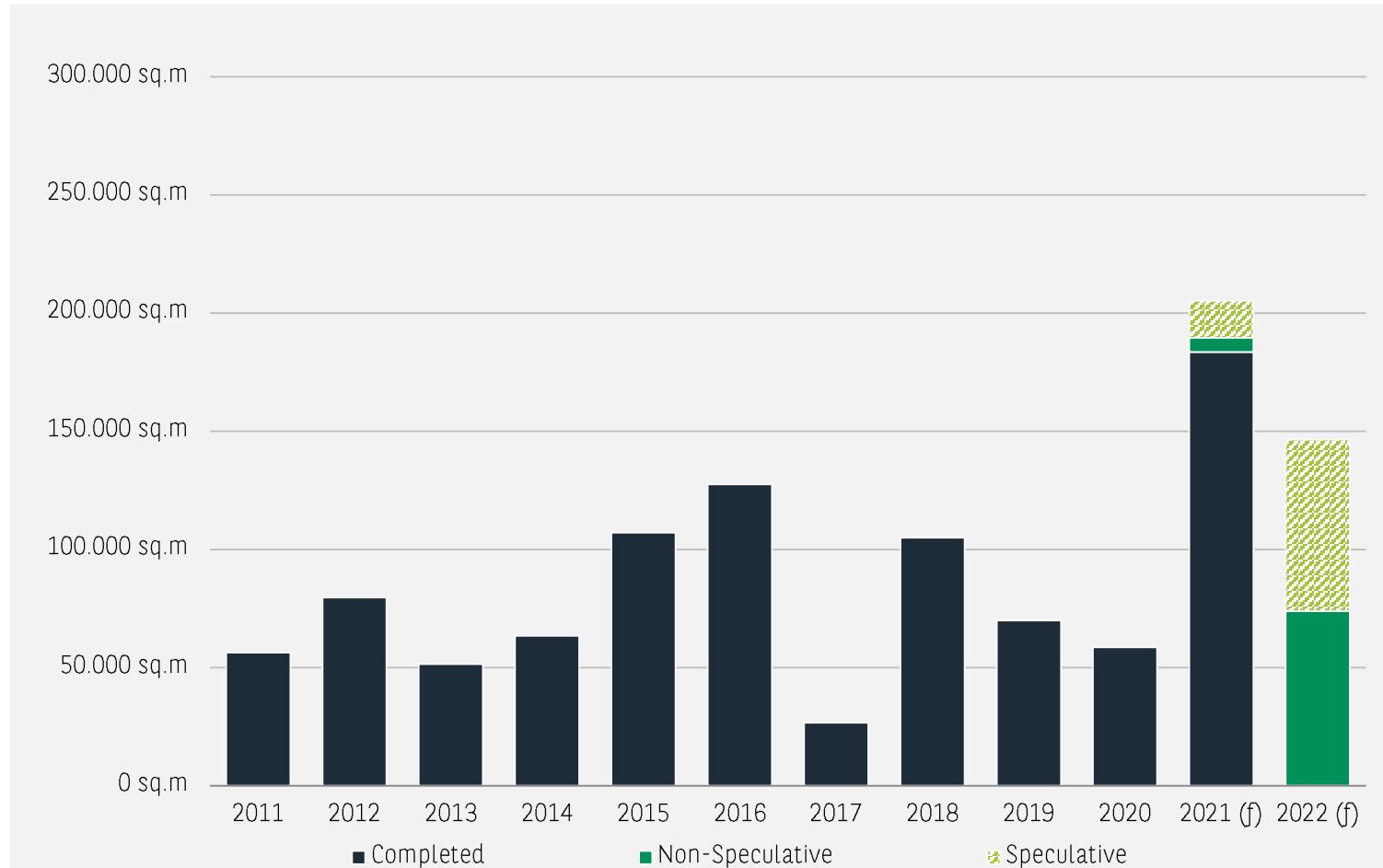
vs 3.5% in Q3 2021

INCREASE OF IMMEDIATE
SUPPLY RESULTING FROM THE
COMPLETION OF BUZZCITY
PROJECT IN LEUDELANGE

FOCUS ON CENTRAL BUSINESS DISTRICTS



PIPELINE OF PROJECTS



Q4 2021



LIMITED DELIVERIES

21,607
sq.m

Of which 73% on
speculative basis

FY 2022



LIMITED DELIVERIES

146,545
sq.m

Of which 50% are
already pre-committed

SCHEMES PLANNED FOR Q4 2021



ORIGIN | Strassen
4,500 sq.m : fully available



WELL 22 | Howald
5,237 sq.m : 34% pre-let

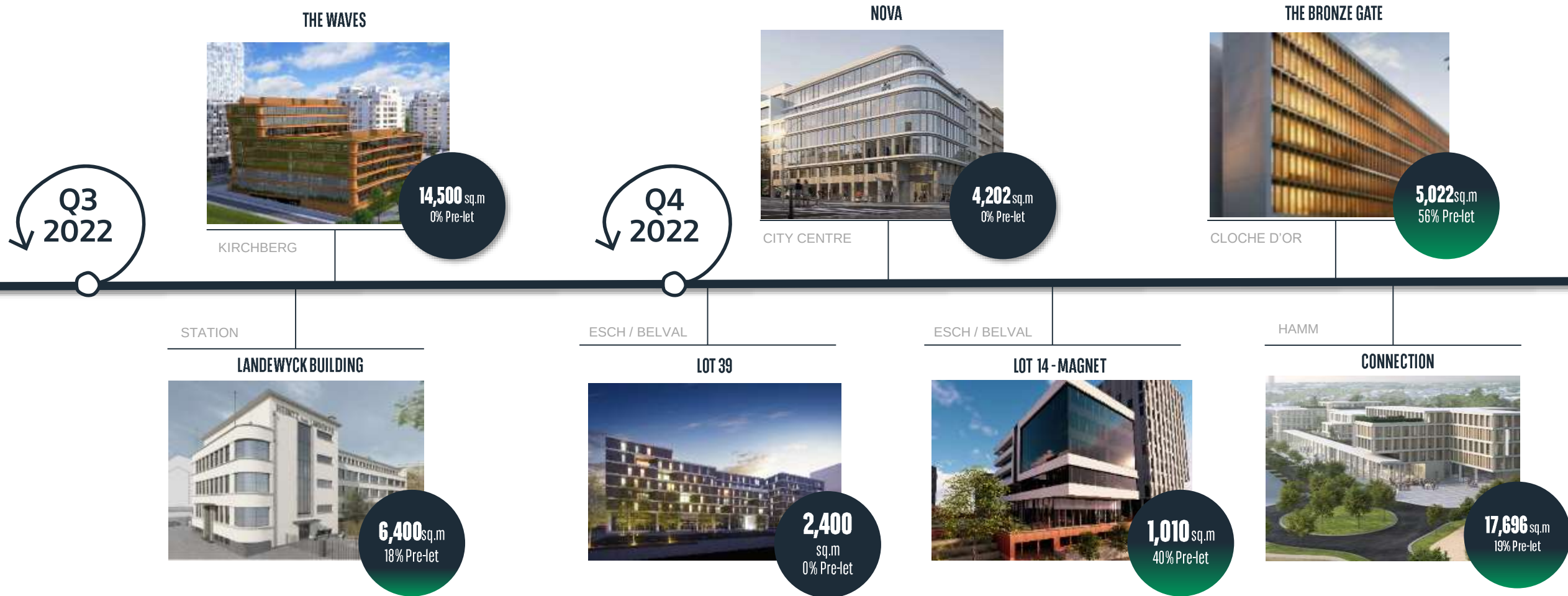


KI | Kirchberg
7,780 sq.m : fully available

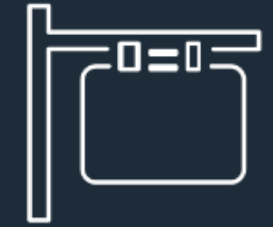
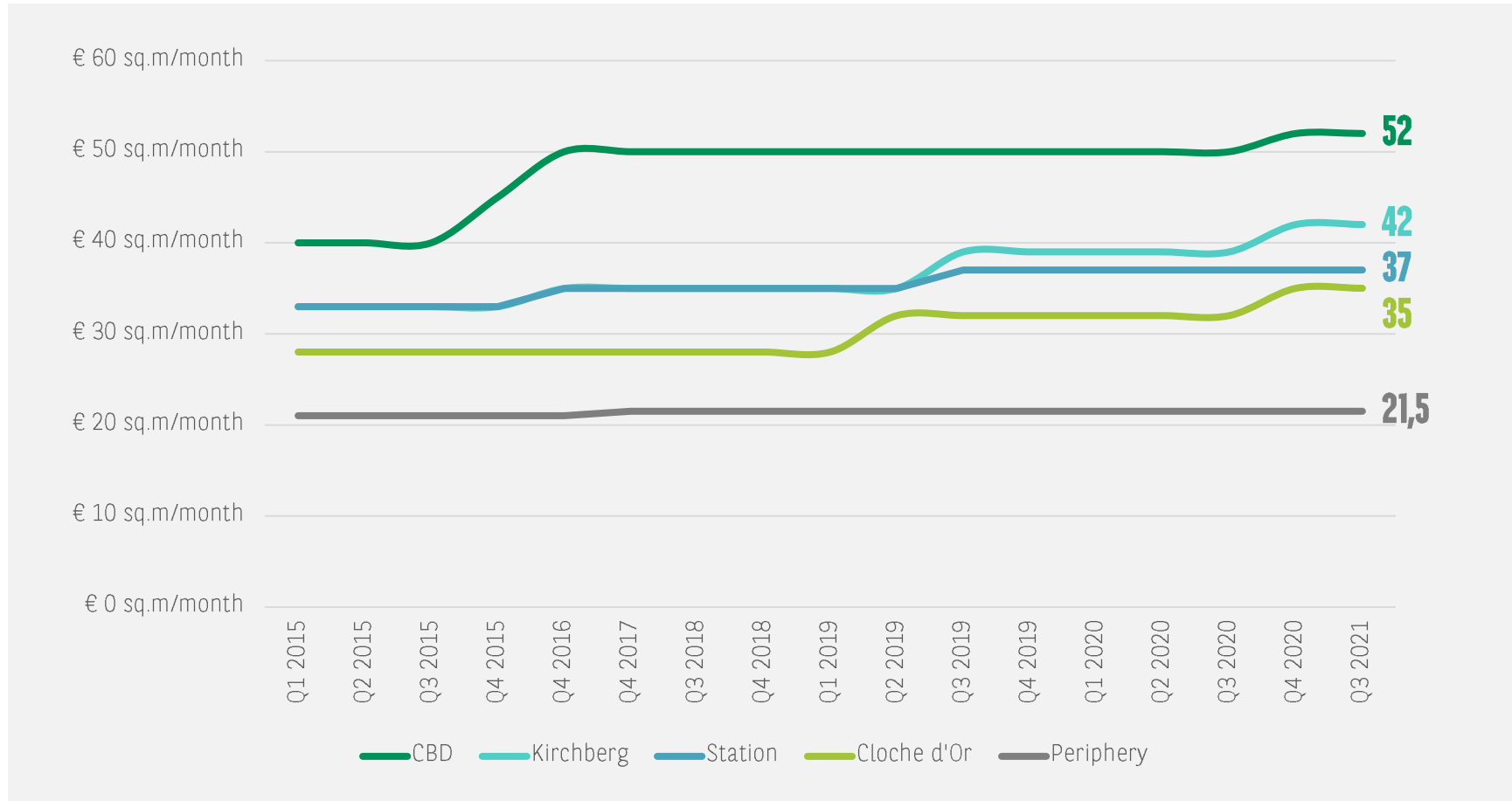
SPECULATIVE SCHEMES EXPECTED TO ENTER IN 2022



SPECULATIVE SCHEMES EXPECTED TO ENTER IN 2022



STABLE BUT UNDER PRESSURE ON THE PRIME SEGMENT



€52

Stable on Q-Q

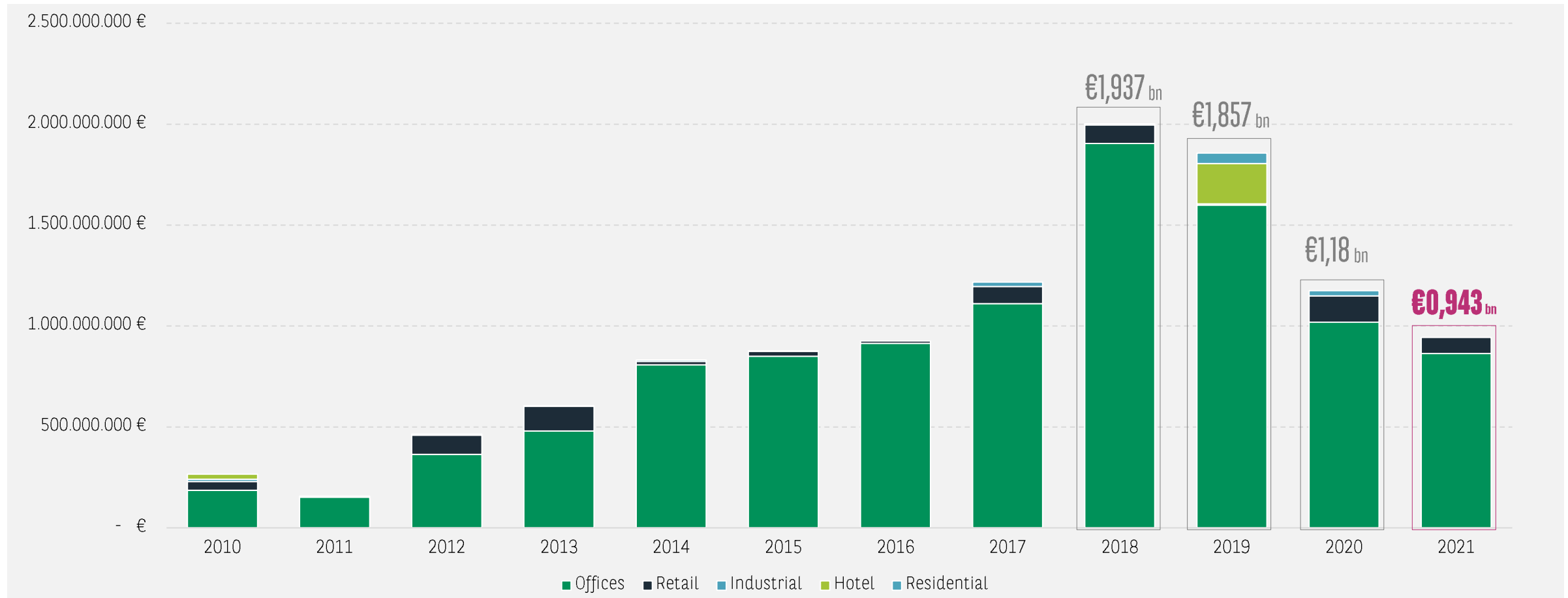
EXPECTED TO INCREASE DUE TO
OCCUPIER'S APPETITE FOR
HIGH QUALITY SPACE
COMBINED WITH THE LIMITED
SUPPLY

BY OFFICE DISTRICTS



INVESTMENT MARKET

AWAITING A STRONG FINAL QUARTER



LARGEST TRANSACTION OF THE QUARTER

KIRCHBERG

THE STAGE

Surface : **14,000 sq.m**

Investor : **REAL IS**

Volume : **€130 million**

NOTABLE TRANSACTIONS 2021

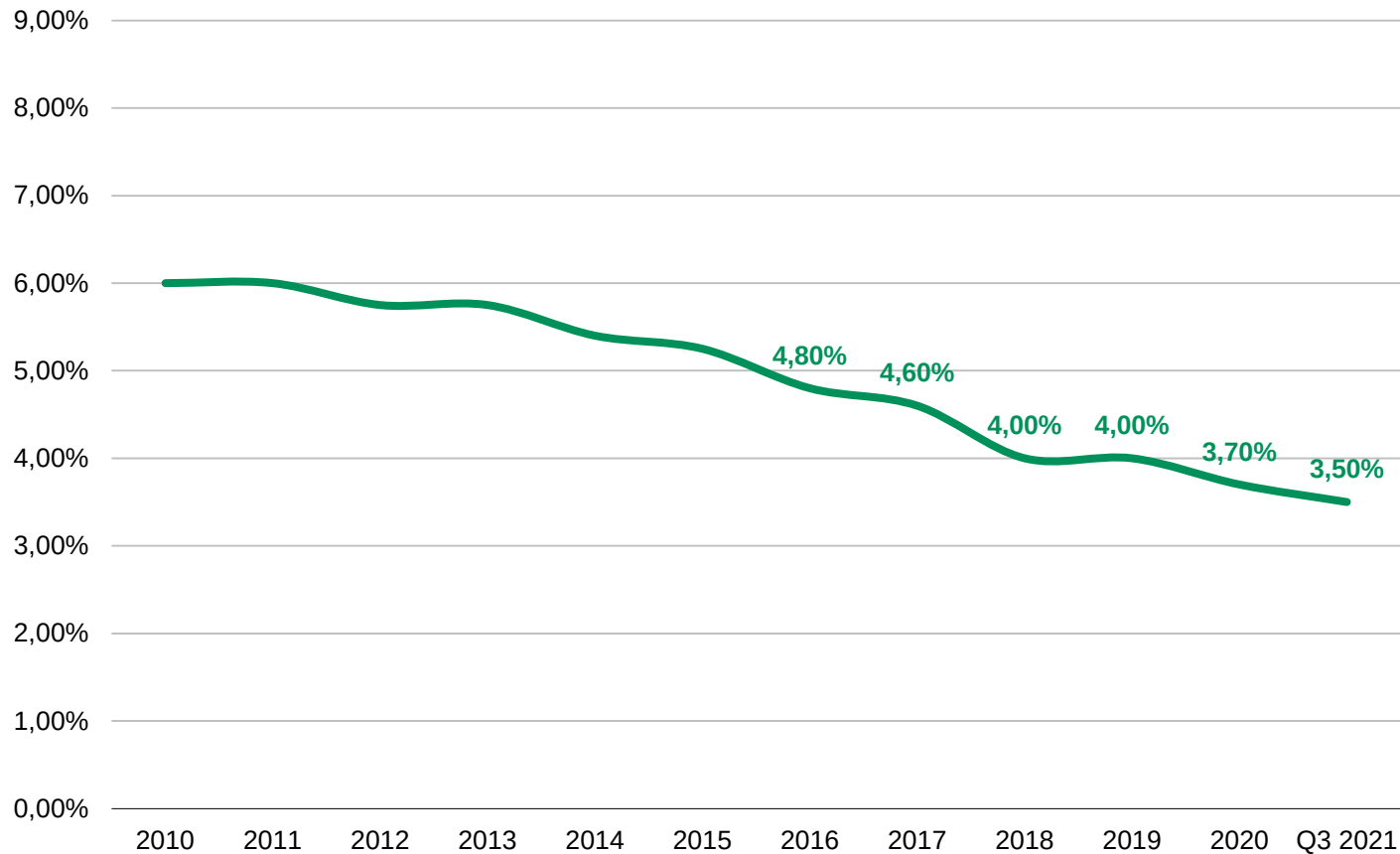
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NOTABLE TRANSACTIONS 2021

Date	Address	Building name	Transaction	Segment	Size	Investment Volume	Yield	Vendor	Purchaser	District
Q2 2021	Rue de Gasperich 33	H2O	Investment	Offices	2,6772	150 000 000	6,50%	Aerium	Lone Star	Howald
Q2 2021	Boulevard Raiffeisen	Ex-Renault	Redevelopment	Offices	30,000	130 000 000	-	Renault	Atenor	Gasperich
Q2 2021	Boulevard de Kockelscheuer	Melius	Investment	Offices	11,700	105 000 000	3,50%	Hannover Leasing	Generali	Gasperich
Q1 2021	Rue du Brill 11, 3898 Mondercange	Cora Foetz	Sales & Leaseback	Retail	12,100	70 000 000		Louis Delhaize	Private	Southern Luxembourg
Q1 2021	Rue des Primeurs 5, Strassen	Espace Strassen	Investment	Offices	10,500	70 000 000	5,50%	Ogeo	FFF Fund I	Bertrange - Strassen
Q1 2021	Rue Des Bruyeres 60, 1274 Hespérange	Show	Investment	Offices	8,000	52 000 000		Soludec	Catella Investment Management JV Bank J. Safra Sarasin	Howald
Q2 2021	Avenue Emile Reuter 10, L-2420 Luxembourg	Ravelin	Investment	Offices	1,900	41 500 000	3,35%	Baltisse	Spanish Family Office	CBD
Q3 2021	Rue Plaetis, 3a - 5	Plaetis	Investment	Offices	3,000	40 000 000	3,40%	AM Alpha	KanAm Group	CBD
Q1 2021	Rue de Bitbourg 11, 1273 Luxembourg	Bitbourg 11	Investment	Offices	20,000	30 000 000		Private Investor	AG Real Estate	Other Lux. City
Q1 2021	Rue Peternelchen 1, 2370 Howald	Cubus C1	Investment	Offices	5,000	29 750 000	5,50%	Iko Real Estate	Befimmo	Howald
Q3 2021	Rue Antoine Jans 10, L-1820 Luxembourg	Faience	Investment	Offices	1,925	24 000 000	3,90%	Fidentia	Private Investor Luxembourg	Other Lux. City
Q1 2021	Avenue JF Kennedy 41, L-1855 Luxembourg		Investment	Offices	2,000	21 000 000		Private Investor	Ceetrus	Kirchberg
Q1 2021	Rue de Strasbourg 5, L-2561 Luxembourg		Investment	Offices	1,550	14 500 000	4,80%	Baltisse	Private	Station
Q1 2021	Avenue JK Kennedy 43, L-1855 Luxembourg		Investment	Offices	1,410	14 000 000		Private Investor	Ceetrus	Kirchberg
Q3 2021	177 Rue de Luxembourg	Tango	Investment	Offices	3,600	11 000 000	6,00%	Private	Private	Bertrange - Strassen

INVESTMENT MARKET

YIELDS



3.50%

Prime office yield



BNP PARIBAS
REAL ESTATE

Real Estate for a changing world



THANK YOU



www.realestate.bnpparibas.lu