



BNP PARIBAS  
REAL ESTATE

RESEARCH

# MARKET PRESENTATION LUXEMBOURG OFFICE MARKET Q1 2023

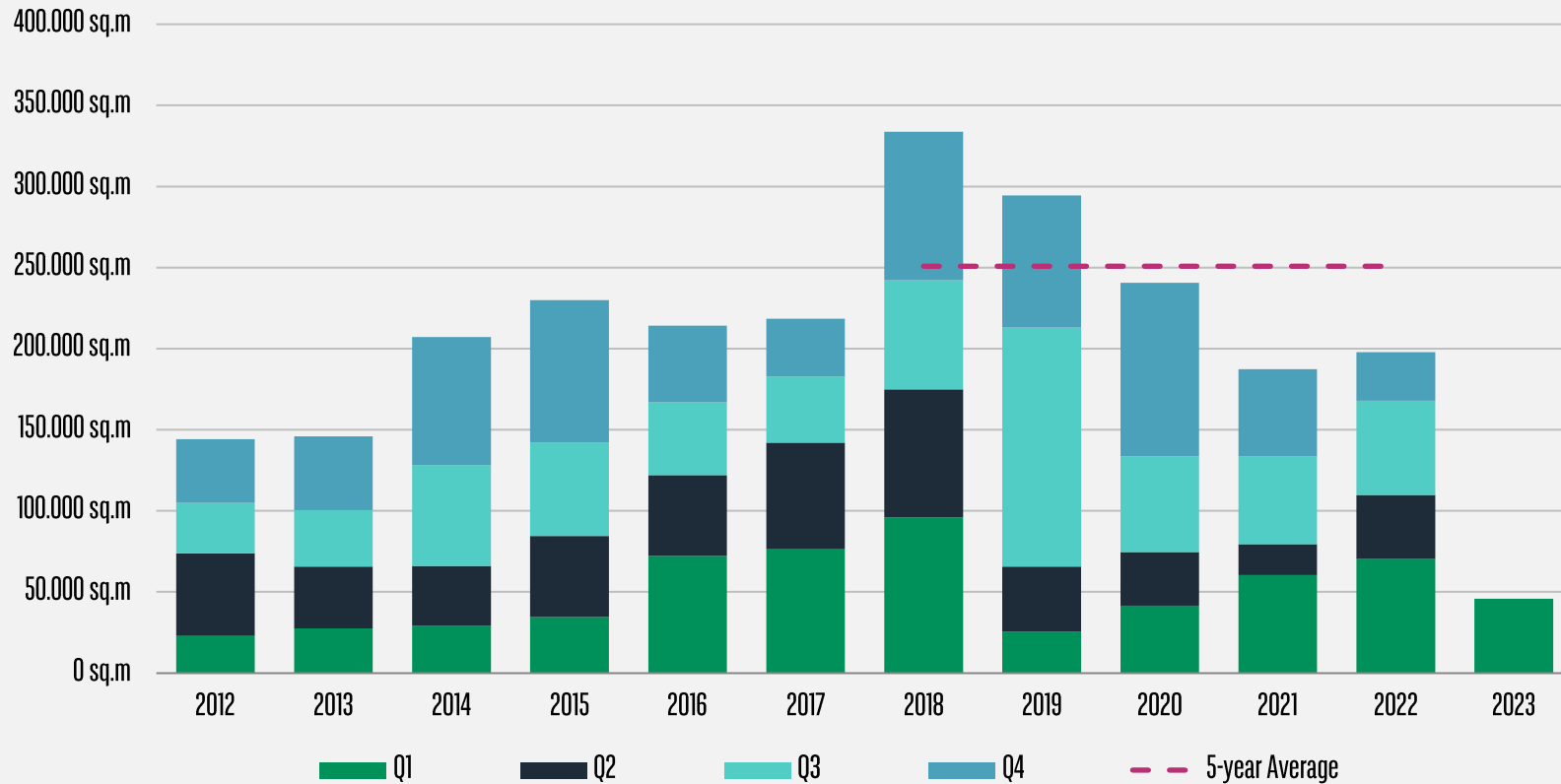
APRIL 2023



CHAPTER 1

# OCCUPIER MARKET

# MODERATED START



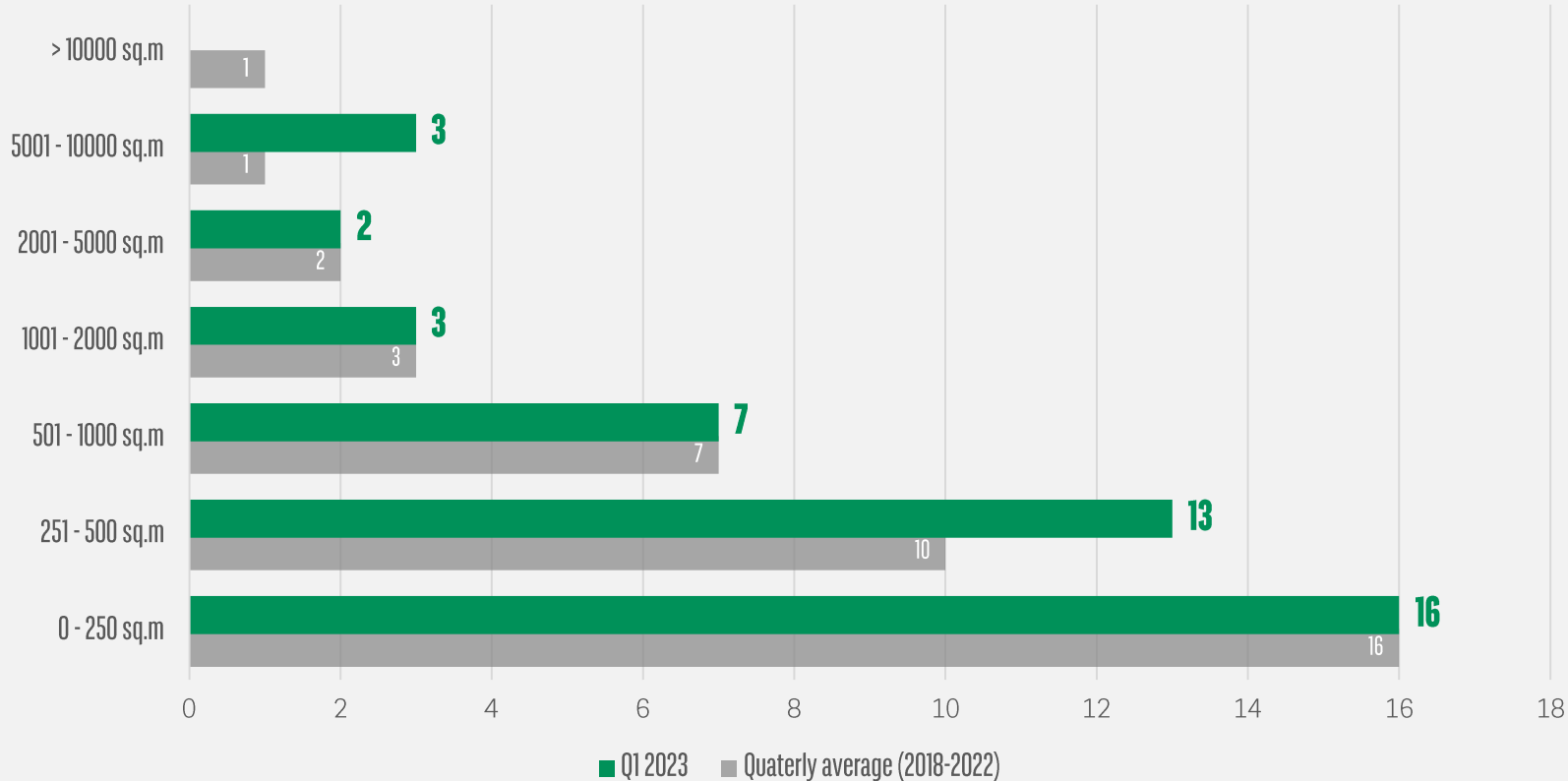
**45,900 sq.m**

MODERATED START REMAINING 26%  
BELOW THE QUARTERLY AVERAGE

**-35%** vs Q1 2022

**-26%** vs quarterly average (2018-2022)

# ABOVE THE QUARTERLY AVERAGE



**+7%**

OF TRANSACTIONS RECORDED OVER Q1  
COMPARED TO THE QUARTERLY AVERAGE  
(2018-2022)

THE AVERAGE SIZE BY TRANSACTION  
STANDS AT 1,035 sq.m

LARGEST DEALS OF THE QUARTER

LETTING

# LUXEMBOURG STATE

Ettelbruck One | Ettelbruck

Surfaces : 8,744 sq.m



LARGEST DEALS OF THE QUARTER

PRE-LET

# INTERTRUST LUXEMBOURG

White House | Gasperich

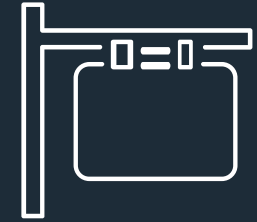
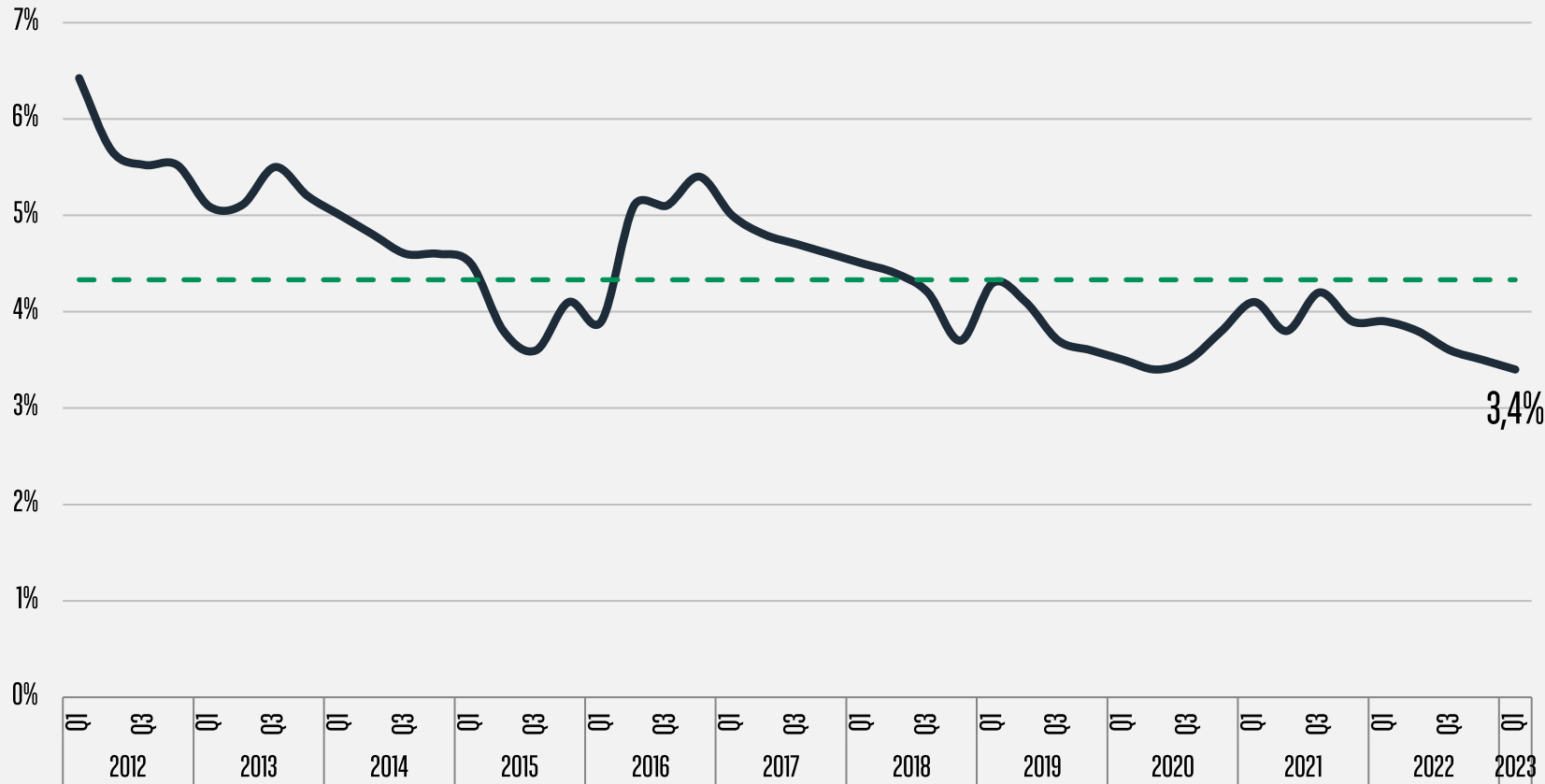
Surfaces : 6,479 sq.m



## OTHER NOTABLE TRANSACTIONS RECORDED

Date	Tenant	Type of transaction	Offices Size (sq.m)	Address	Building Name	Area
Q1 2023	Luxembourg State	Letting	5,542	Rue de Gasperich	H20	Gasperich
Q1 2023	Julius Baër	Letting	4,575	Rue Edward Steichen	Vertbois	Kirchberg
Q1 2023	DLA Piper	Letting	4,409	Boulevard Grand Duchesse Charlotte	NOVA	CBD
Q1 2023	Intertrust Luxembourg	Letting	1,798	Boulevard Friedrich Wilhelm Raiffeisen	Emerald	Gasperich
Q1 2023	Cube Infrastructure Managers SA	Letting	1,771	Place de la Gare 28-32	Central Plaza	Station
Q1 2023	Apex Fund Services	Letting	1,408	Rue Gabriel Lippmann	E-Building	Munsbach
Q1 2023	LetterOne Investment Holding	Letting	755	Rue du Kiem	Triside	Strassen
Q1 2023	KPMG Sàrl	Letting	725	Rue de Flaxweiler	Office Parc Potaschberg III	Eastern Luxembourg
Q1 2023	IBM	Letting	700	Boulevard des Lumières	MOIRE	Esch - Belval
Q1 2023	Langham Hall Luxembourg Sarl	Letting	579	Rue de la Gare 42-44	M2	Station

# NEW DECREASE



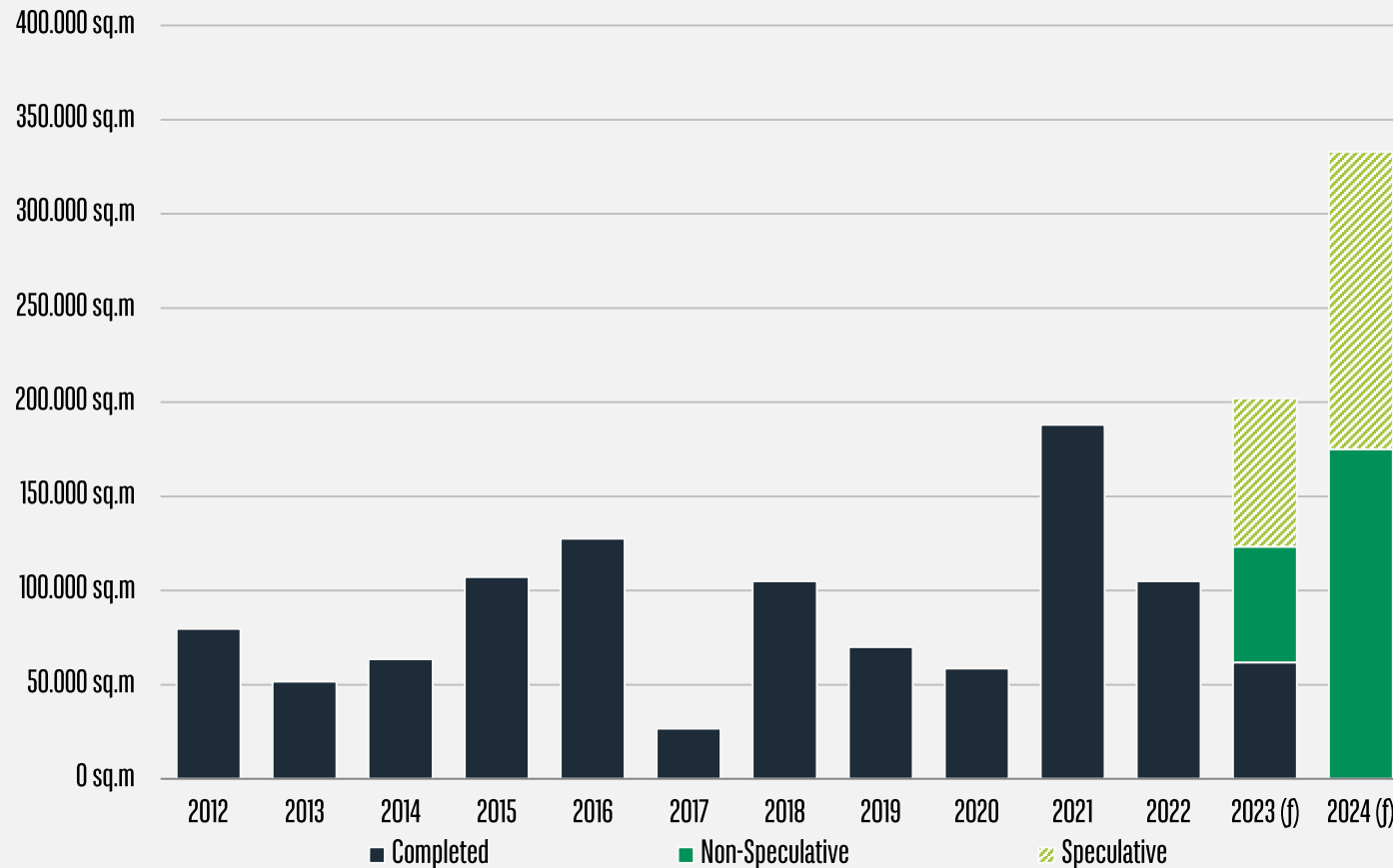
# 3.4%

vs 3.9% in Q1 2022

AVAILABLE SUPPLY REMAINS WELL BELOW THE LONG TERM AVERAGE DUE TO THE LIMITED SPECULATIVE DELIVERIES



# PIPELINE OF PROJECTS



Q2 - Q4 2023



Of which 47% are already pre-committed

2024

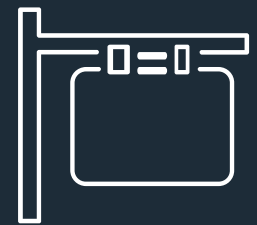
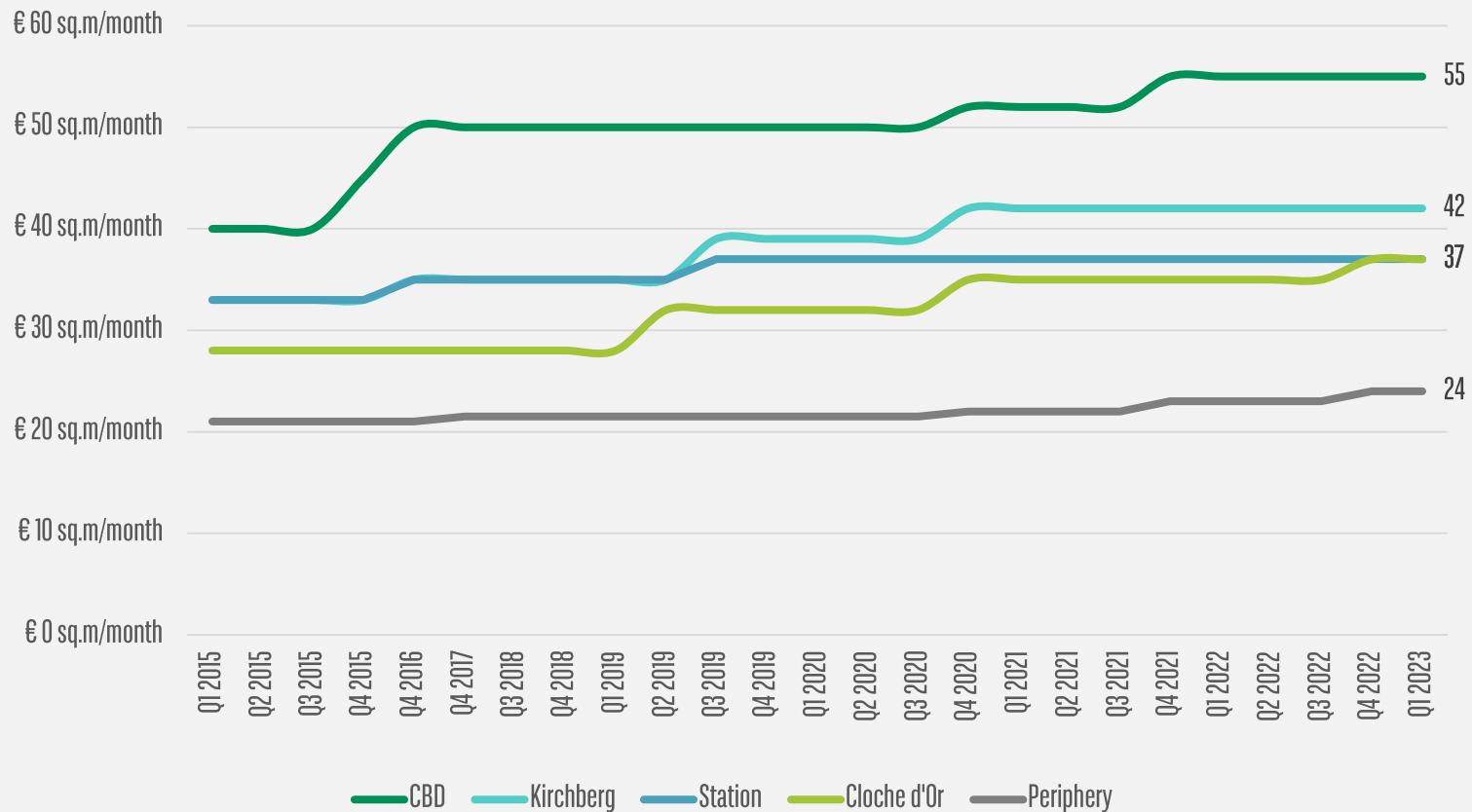


LIMITED DELIVERIES



Of which 55% are already pre-committed

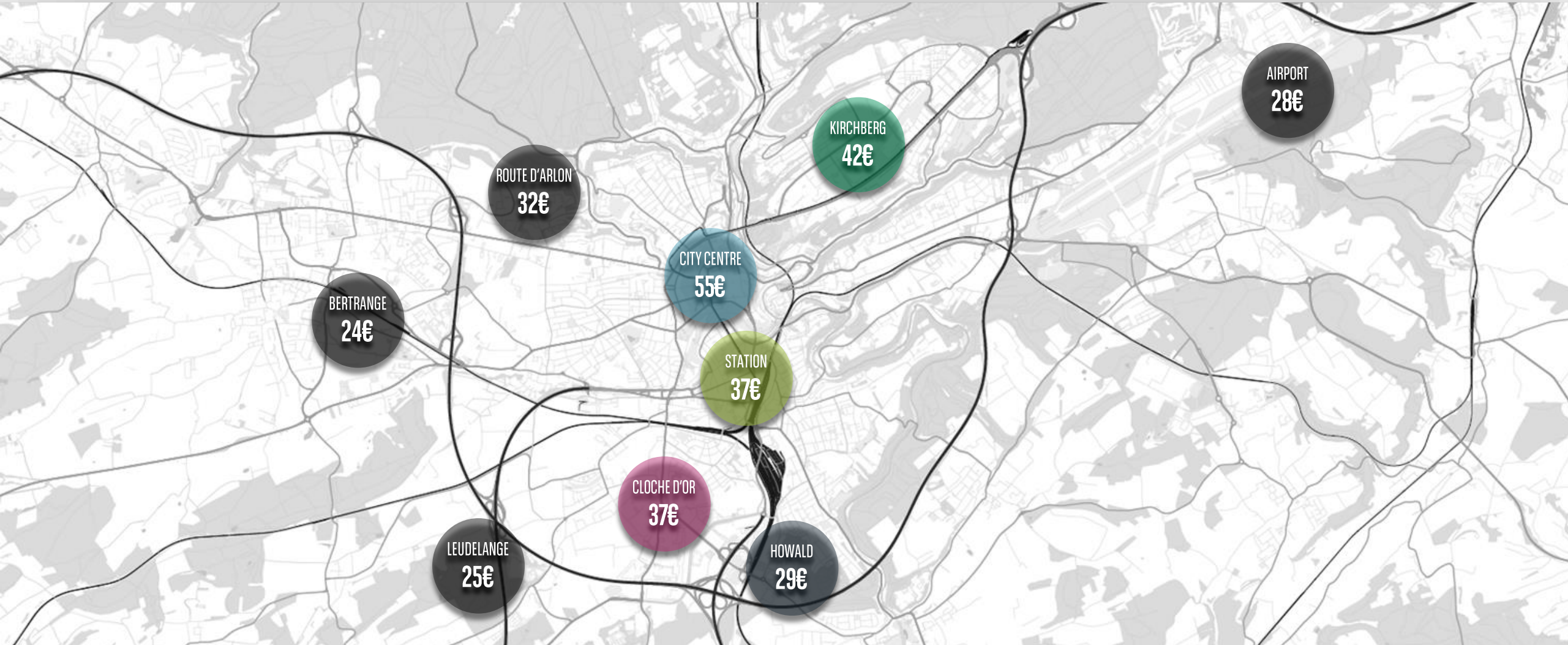
# DRIVEN BY THE FLIGHT TO QUALITY



€55

PRIME RENTS ARE STABLE BUT UNDER UPWARD PRESSURE

# BY OFFICE DISTRICTS

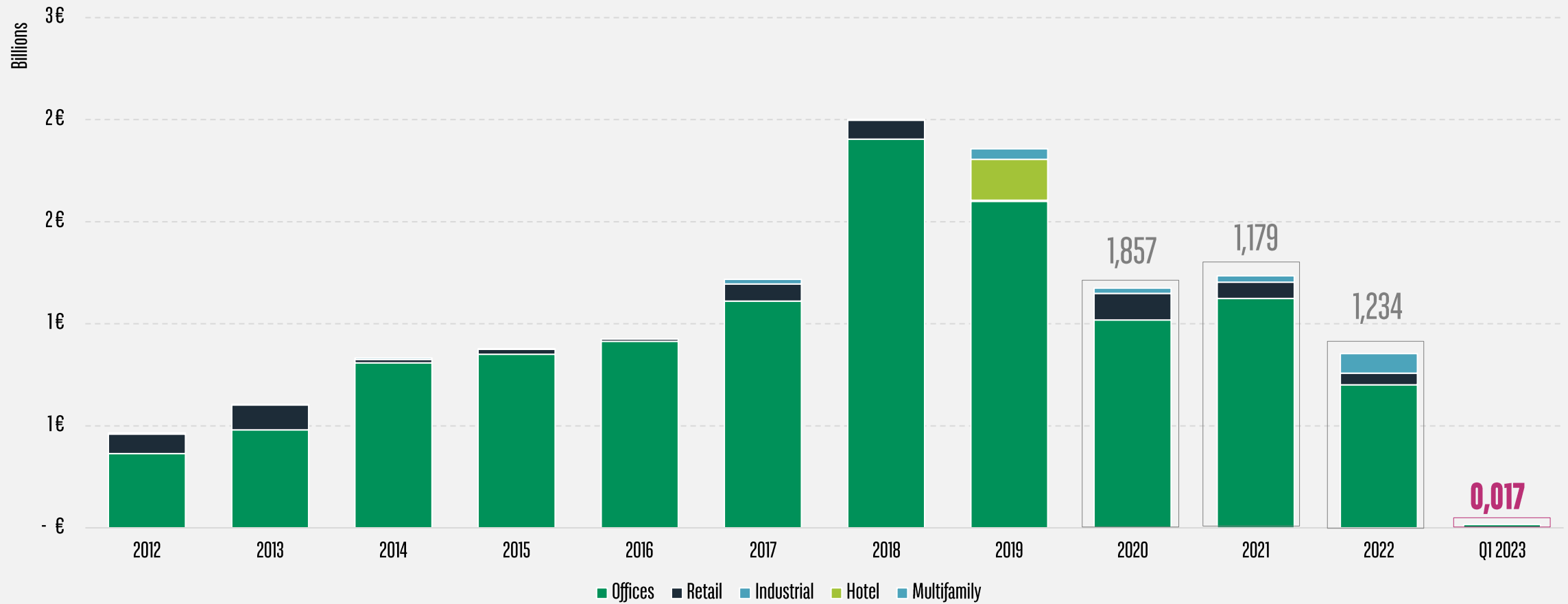




CHAPTER 2

# INVESTMENT MARKET

# ON PAUSE



\* Excluding land and own-occupation transactions

LARGEST TRANSACTION OF THE YEAR

**Boulevard Joseph II 7  
1840 Luxembourg**

Surfaces: 1,530sqm

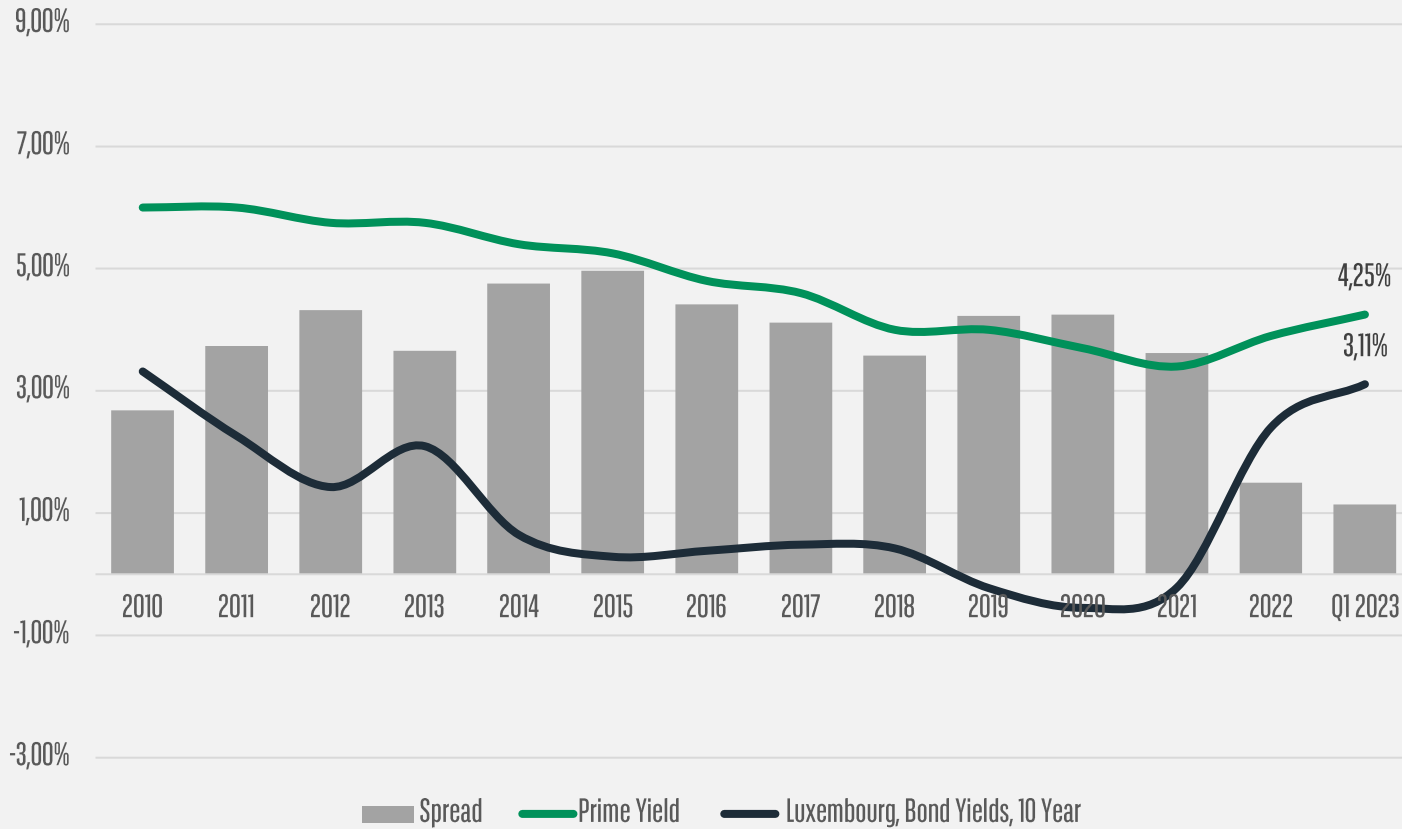
Investor: **GRUPE WAJSBROT**

Volume: €17 Million



# INVESTMENT MARKET

## YIELDS



# 4.25%

Prime office yield

# SENSITIVITY MATRIX : PRIME YIELD

VS EXPECTATION OF OLO 10 YEARS & RENT INDEXATION

Rent indexation	1.50%	1.75%	2.00%	2.25%	2.50%	2.75%	3.00%	3.25%	3.50%	4.00%
OLO 10 years										
3.50%	6,5	6,3	6,0	5,8	5,5	5,3	5,0	4,8	4,5	4,0
3.25%	6,3	6,0	5,8	5,5	5,3	5,0	4,8	4,5	4,3	3,8
3.00%	6,0	5,8	5,5	5,3	5,0	4,8	4,50	4,25	4,0	3,5
2.75%	5,8	5,5	5,3	5,0	4,8	4,5	4,25	4,00	3,8	3,3
2.50%	5,5	5,3	5,0	4,8	4,5	4,3	4,00	3,75	3,5	3,0
2.30%	5,3	5,1	4,8	4,6	4,3	4,1	3,80	3,55	3,3	2,8
2.25%	5,3	5,0	4,8	4,5	4,3	4,0	3,75	3,50	3,3	2,8
2.00%	5,0	4,8	4,5	4,3	4,0	3,8	3,50	3,25	3,0	2,5
1.75%	4,8	4,5	4,3	4,0	3,8	3,5	3,25	3,00	2,8	2,3
1.50%	4,5	4,3	4,0	3,8	3,5	3,3	3,0	2,8	2,5	2,0
1.25%	4,3	4,0	3,8	3,5	3,3	3,0	2,8	2,5	2,3	1,8
1.00%	4,0	3,8	3,5	3,3	3,0	2,8	2,5	2,3	2,0	1,5
0.75%	3,8	3,5	3,3	3,0	2,8	2,5	2,3	2,0	1,8	1,3
0.50%	3,5	3,3	3,0	2,8	2,5	2,3	2,0	1,8	1,5	1,0
0.25%	3,3	3,0	2,8	2,5	2,3	2,0	1,8	1,5	1,3	0,8
0.00%	3,0	2,8	2,5	2,3	2,0	1,8	1,5	1,3	1,0	0,5

This sensitivity analysis is modelled using the theoretical financial risk premium. The results may differ according to the economic environment and property fundamentals. For the prime assets, the market could tolerate real estate rate elasticity vs. long rates significantly lower.

Source: BNP Paribas Real Estate.





# BNP PARIBAS REAL ESTATE



[www.realestate.bnpparibas.lu](http://www.realestate.bnpparibas.lu)