



BNP PARIBAS
REAL ESTATE

RESEARCH

MARKET PRESENTATION

LUXEMBOURG OFFICE MARKET | Q2 2024

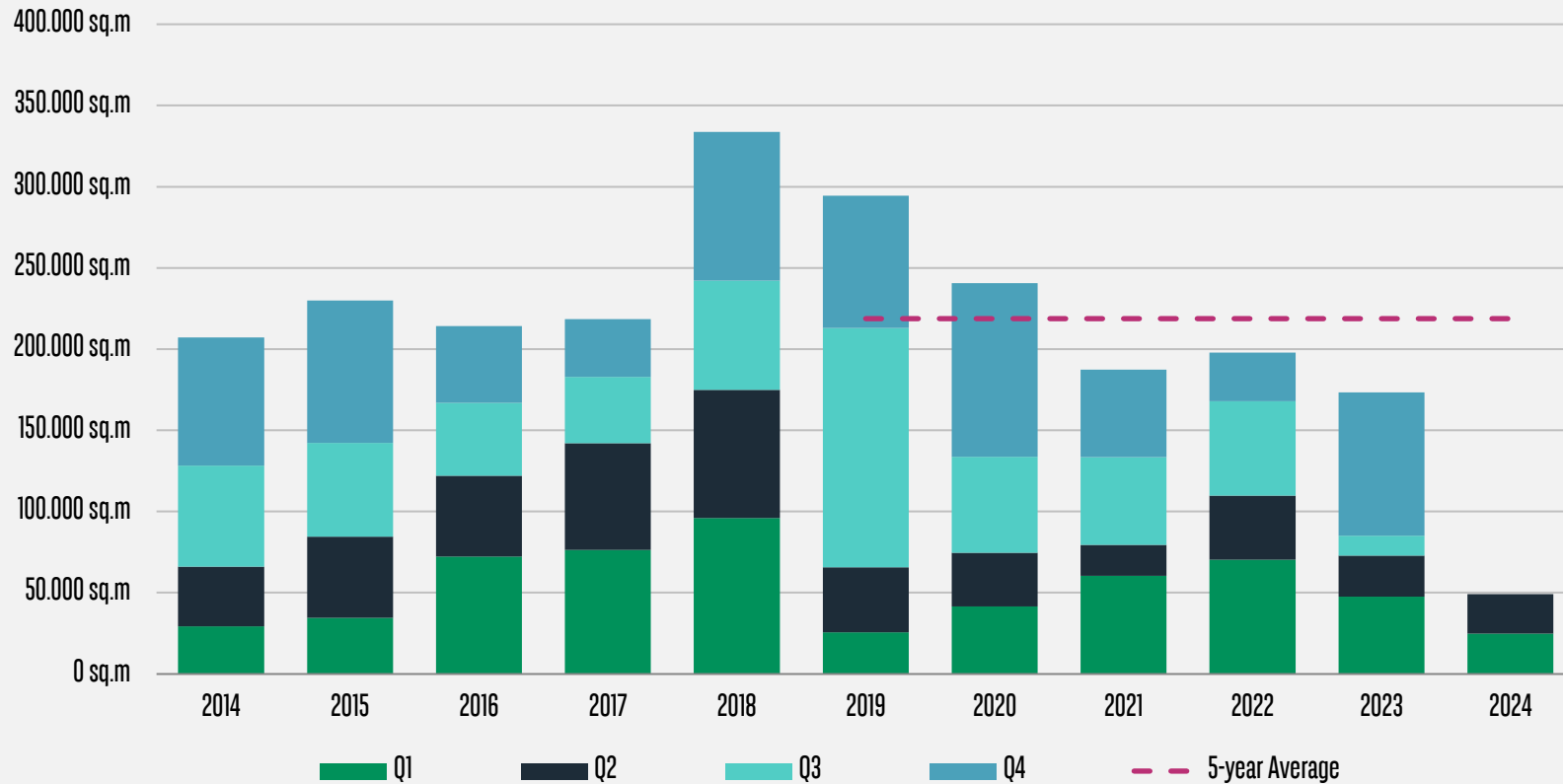
JULY 2024



CHAPTER 1

OCCUPIER MARKET

MINOR MODE



H1 2024

49,100 sq.m

recorded over the first six months



LARGEST DEALS IN Q1 2024

LETTING

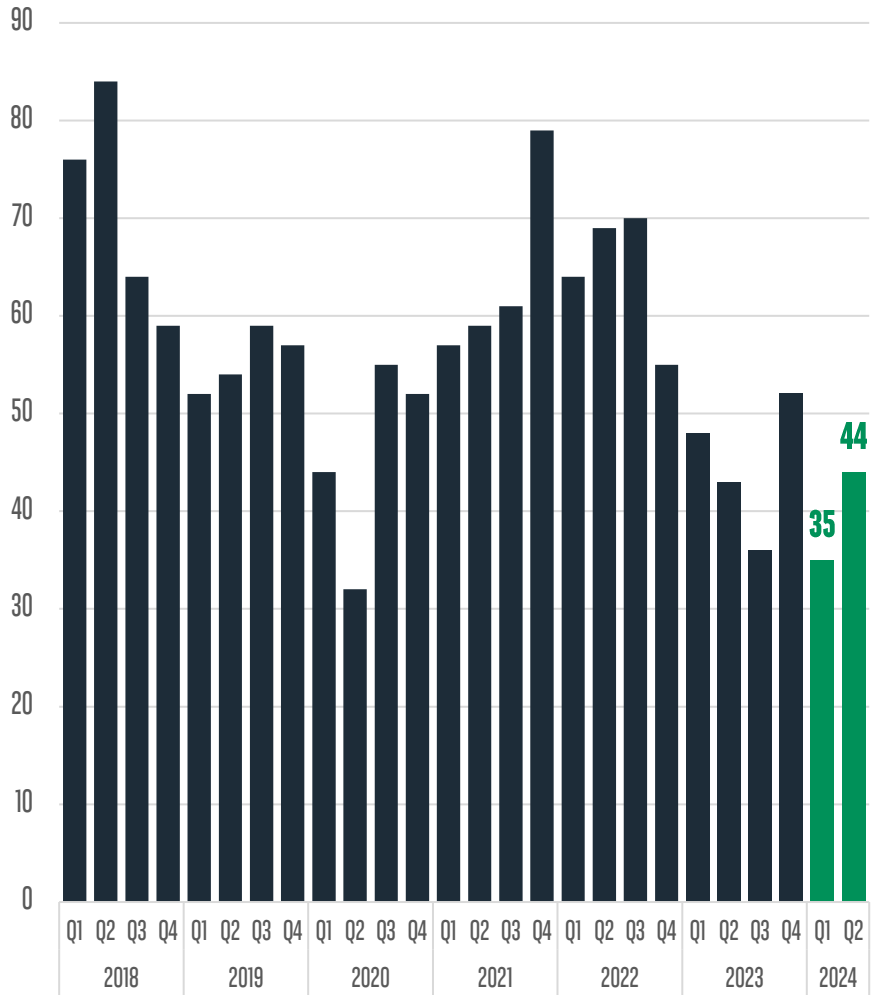
LUXEMBOURG STATE

LES TERRES ROUGES | ESCH-BELVAL

9,990 sq.m



STILL DRIVEN BY SMALL-SIZED TRANSACTIONS



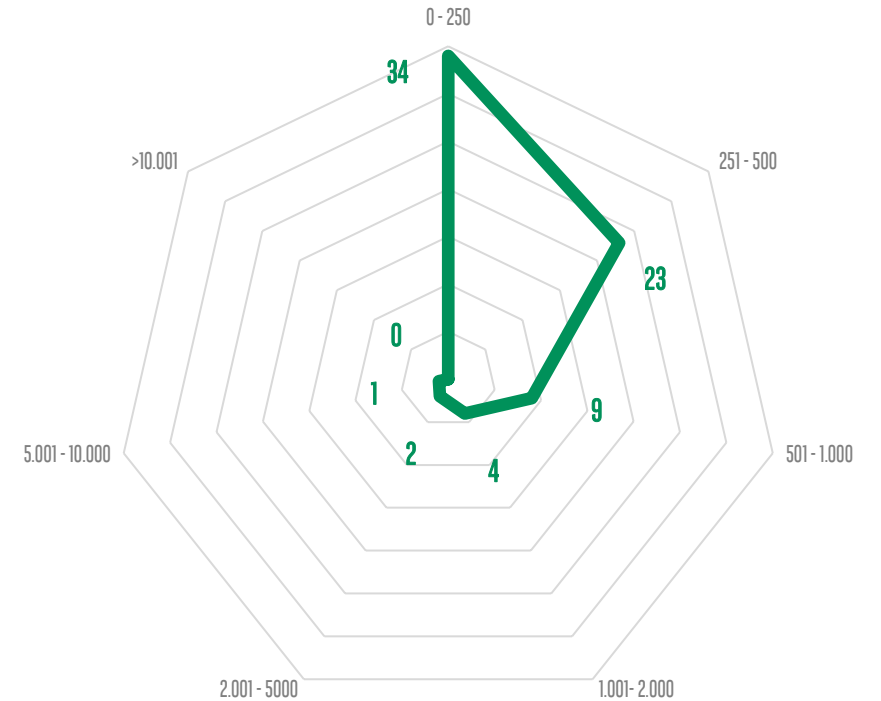
H1 2024
79

TRANSACTIONS
RECORDED

-19% vs H1 2023

-29% Vs H1 average (2019-2023)

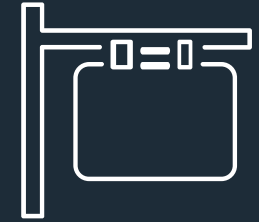
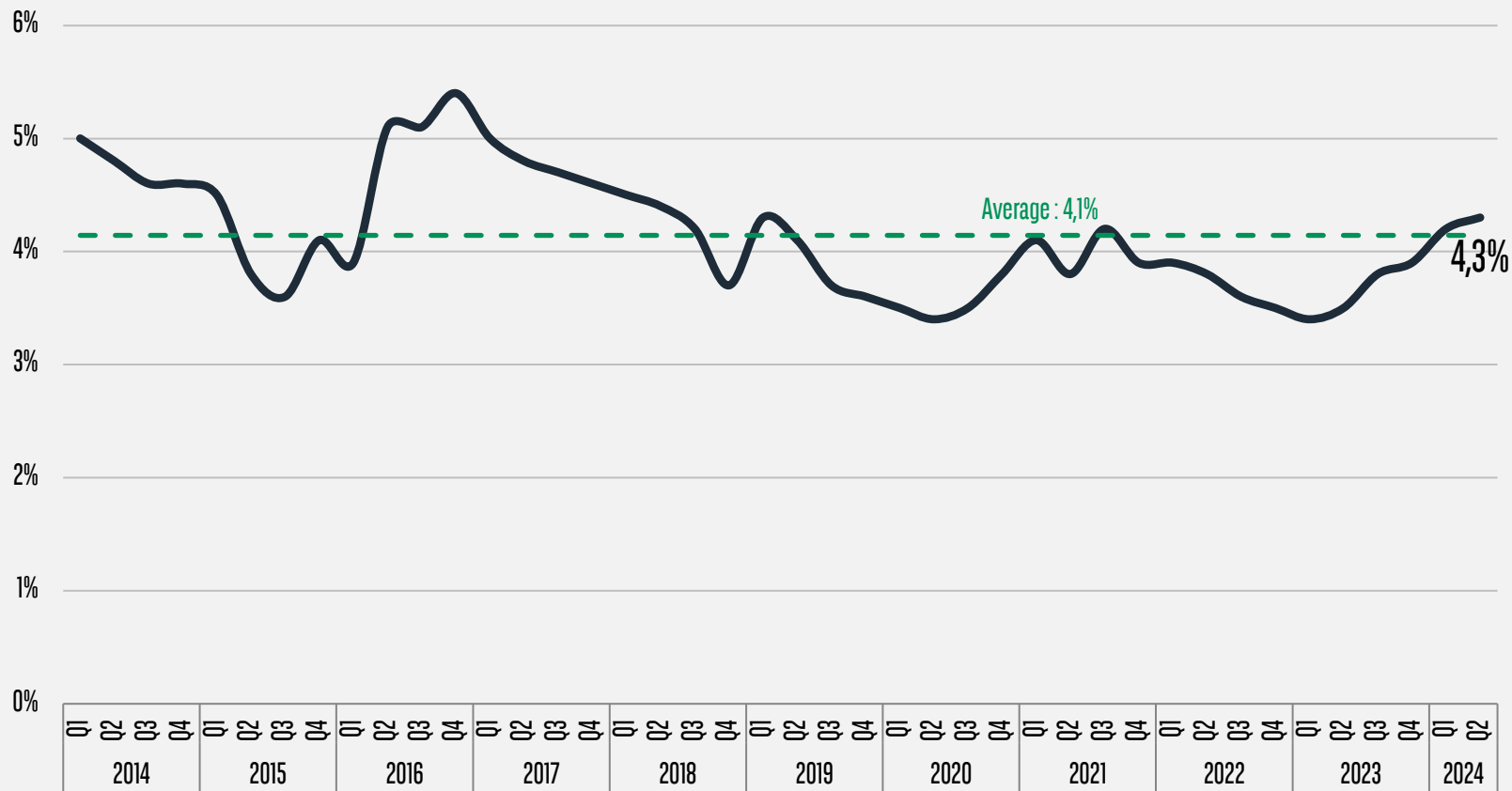
AVERAGE SIZE :
622 sq.m



MAIN TRANSACTIONS RECORDED

Date	Tenant	Type of transaction	Offices Size (sq.m)	Address	Building Name	Area
Q1 2024	Luxembourg State	Letting	9,910	Porte de France	Les Terres Rouges F	Esch - Belval
Q2 2024	-	Letting	3,201	Rue Albert Simon	Albert	Sandweiler - Contern
Q2 2024	China Construction Bank (Europe) SA	Letting	2,939	boulevard Royal	Carrefour	CBD
Q2 2024	Ministry of National Education	Letting	2,580	rue Emile Mark	Gravity	Southern Luxemburg
Q1 2024	PwC	Letting	2,054	Boulevard F.W. Raiffeisen	The Emerald	Cloche d'Or
Q2 2024	Jetfly	Pre-Let	1,901	rue de Trèves	Skypark	Airport
Q1 2024	IWG	Letting	1,563	Route de Trèves	Moonar	Airport
Q2 2024	Como Global	Letting	1,500	Rue de l'Innovation	Park Verne	Cloche d'Or
Q1 2024	Fisher Investments Luxembourg	Sub-letting	1,364	Avenue John F. Kennedy	K2 Ellipse	Kirchberg
Q2 2024	Luxembourg School of Business	Letting	1,252	rue Guillaume Kroll	Technopolis	Cloche d'Or

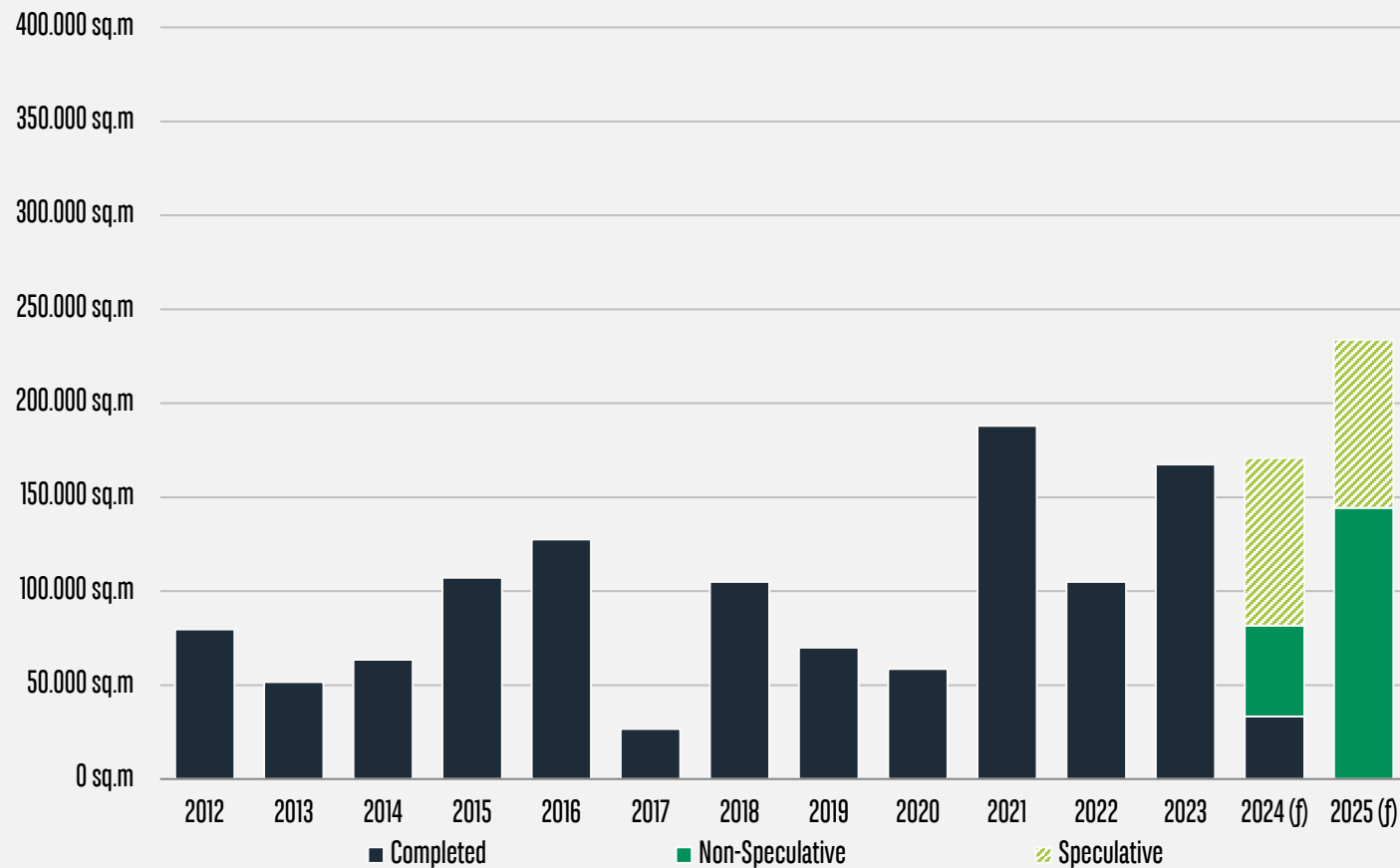
INCREASE LED BY VACANT SPACE RELEASED INTO THE MARKET



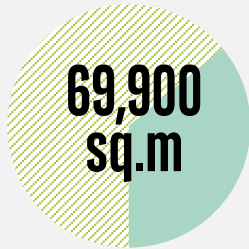
4.3%

vs 3.5% in H1 2023

PIPELINE OF PROJECTS

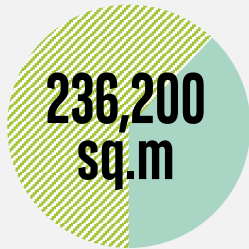


H2 2024



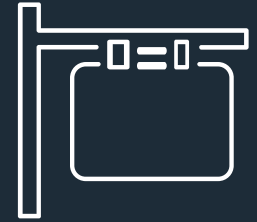
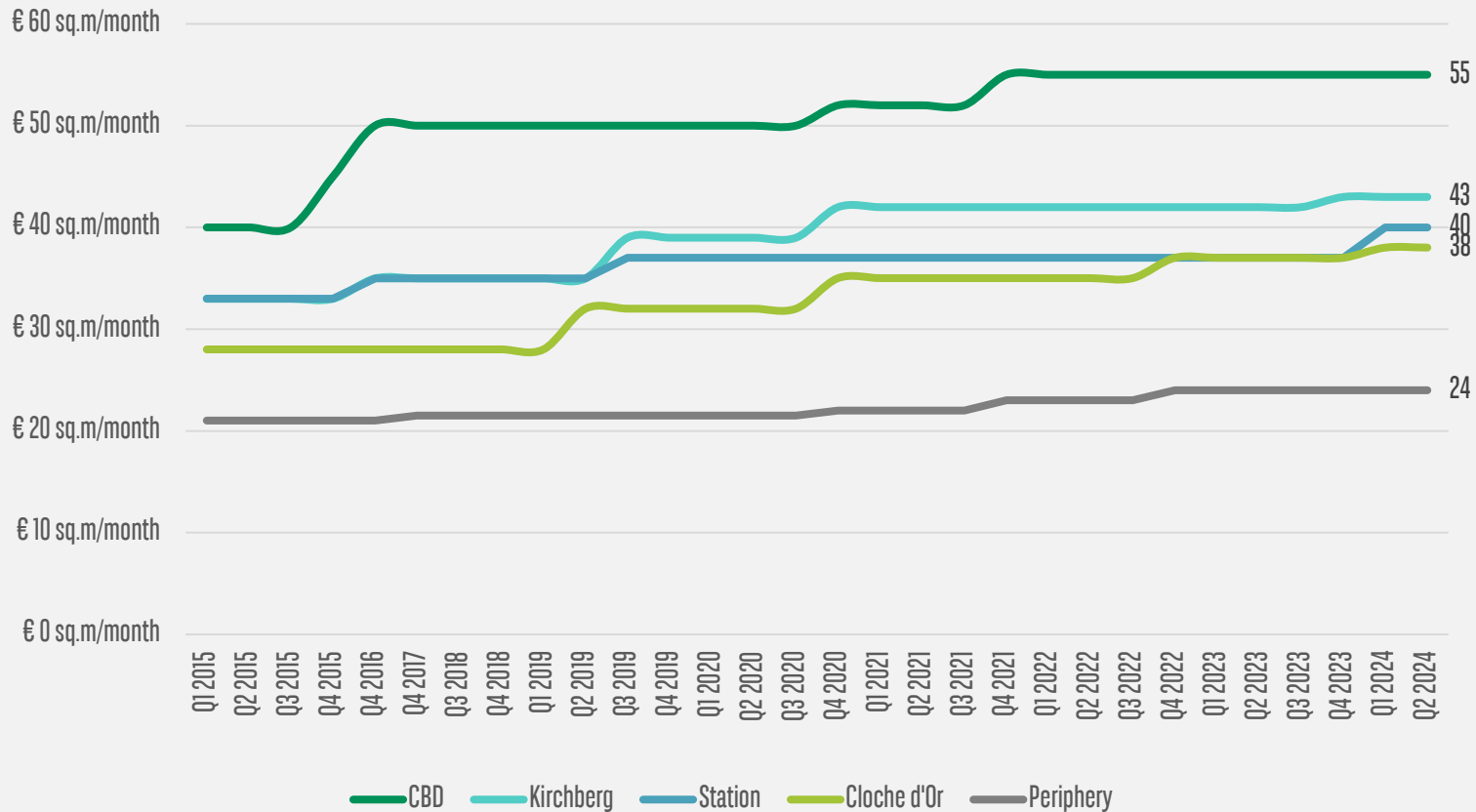
Of which 19% are pre-committed

FY 2025



Of which 72% are pre-committed

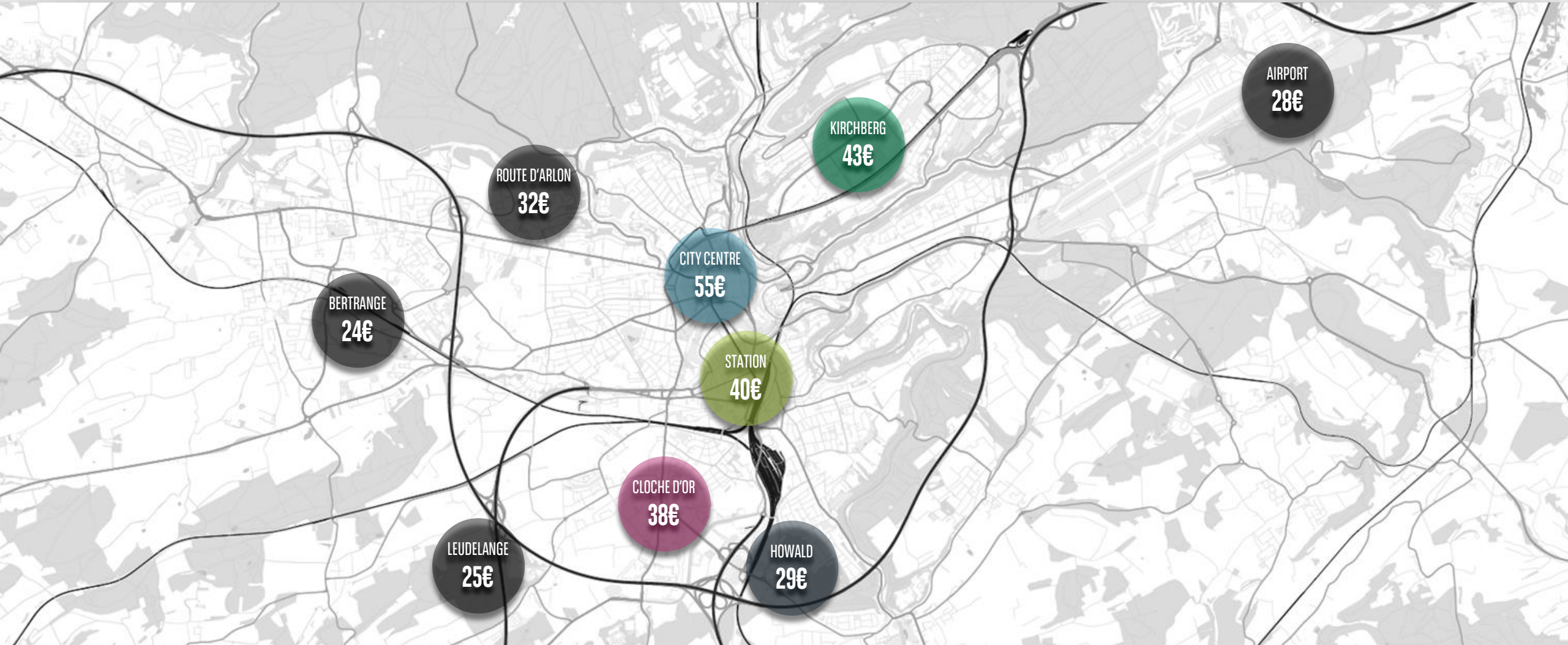
REMAIN UNCHANGED



€55

PRIME RENTS ARE STABLE BUT UNDER UPWARD PRESSURE

BY OFFICE DISTRICTS

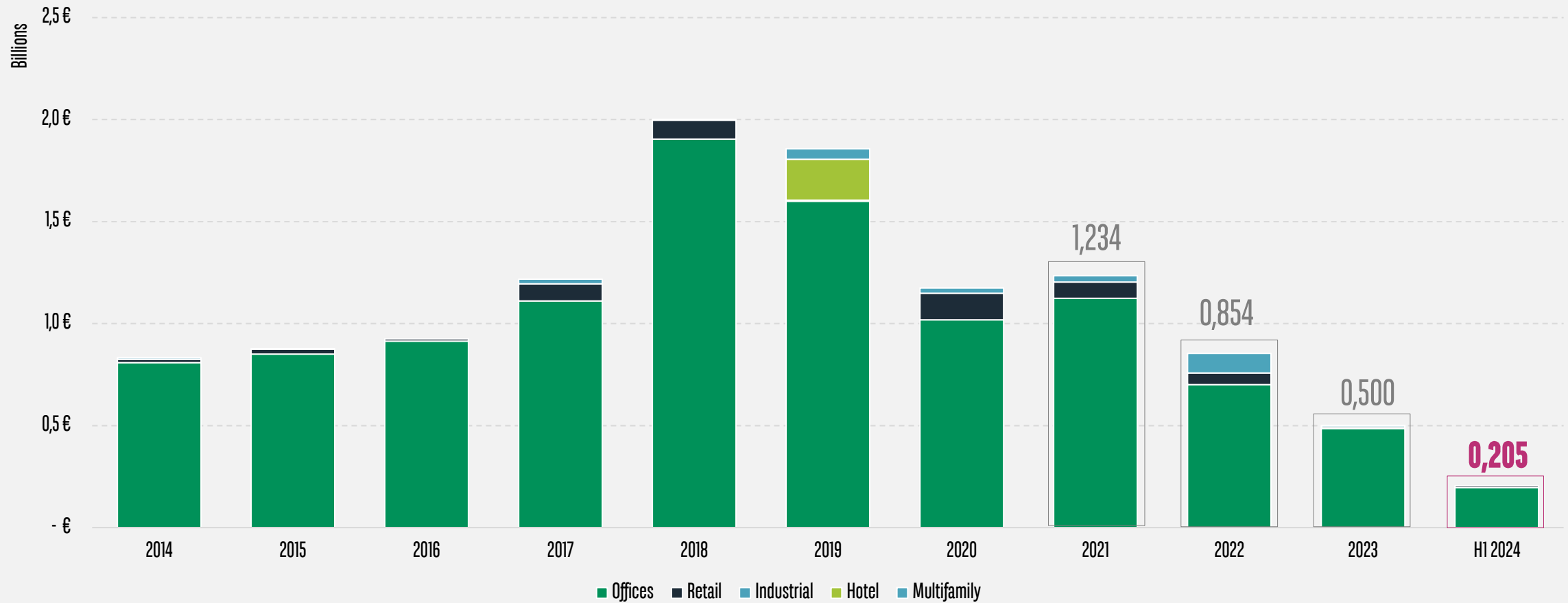




CHAPTER 2

INVESTMENT MARKET

WELL BELOW THE STANDARDS



* Excluding land and acquisition for own-occupation

LARGEST DEALS IN H1 2024

ROYAL PARK | CBD

SURFACE : 10,500 sq.m

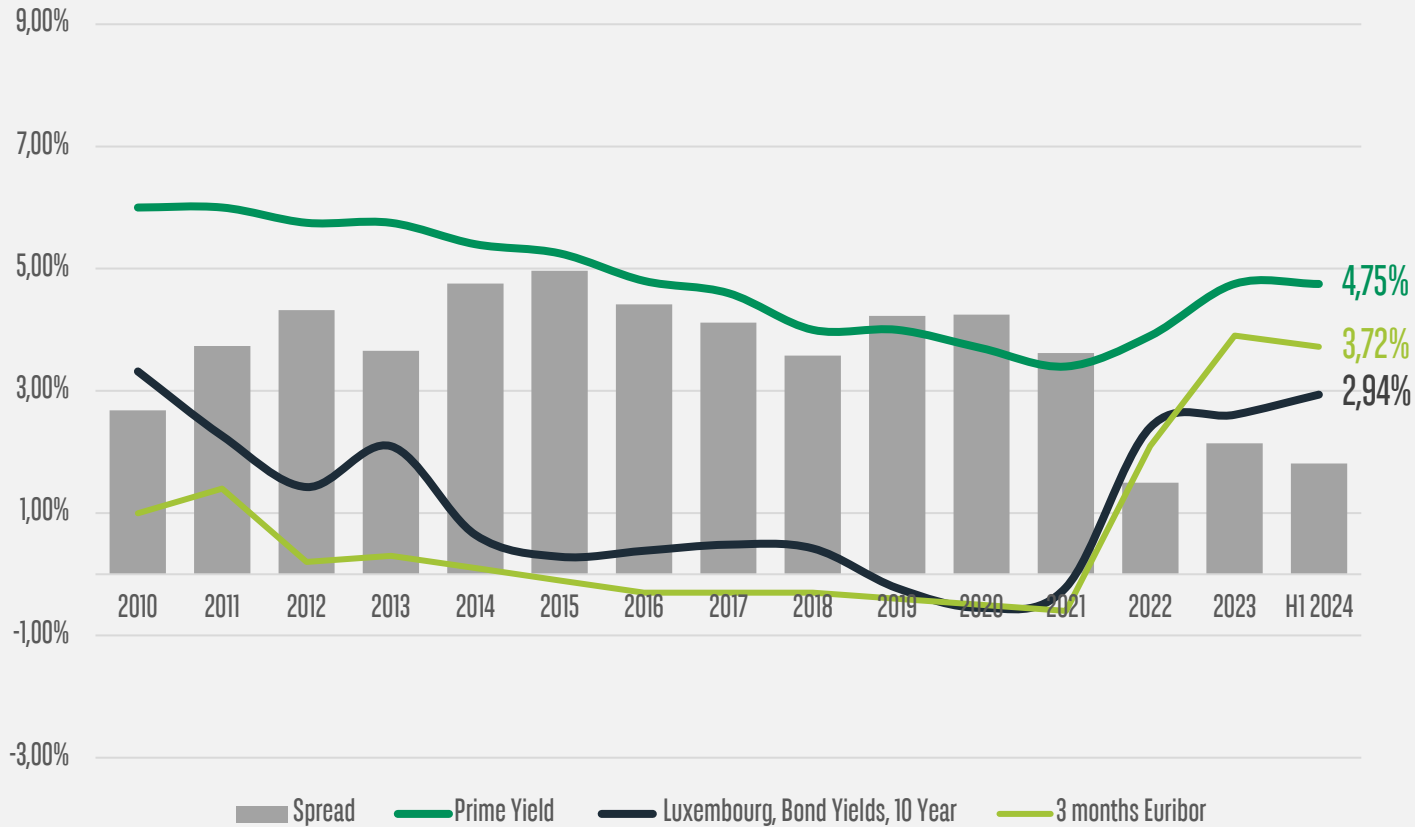
INVESTOR : Spanish private investor

INVESTMENT VOLUME : € 170M

YIELD : 4,75%

INVESTMENT MARKET

YIELDS



4.75%

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

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