



Office Market Report
Luxembourg
Q1 2019

INOWAI

PROPERTY PARTNERS

LETTING

LETTING MARKET – OVERVIEW Q1 2019

TAKE-UP Q1 2019

18.082 m²

(Q1 2018 : 39.107m²)

NUMBER OF
TRANSACTIONS

Q1 2019

52

(Q1 2018 : 73)

AVERAGE
TRANSACTION SIZE

341 m²

VACANCY RATE
Q1 2019

3,60%

(Q1 2018 : 4,92%)

TOTAL STOCK YTD

4.037.530 m²

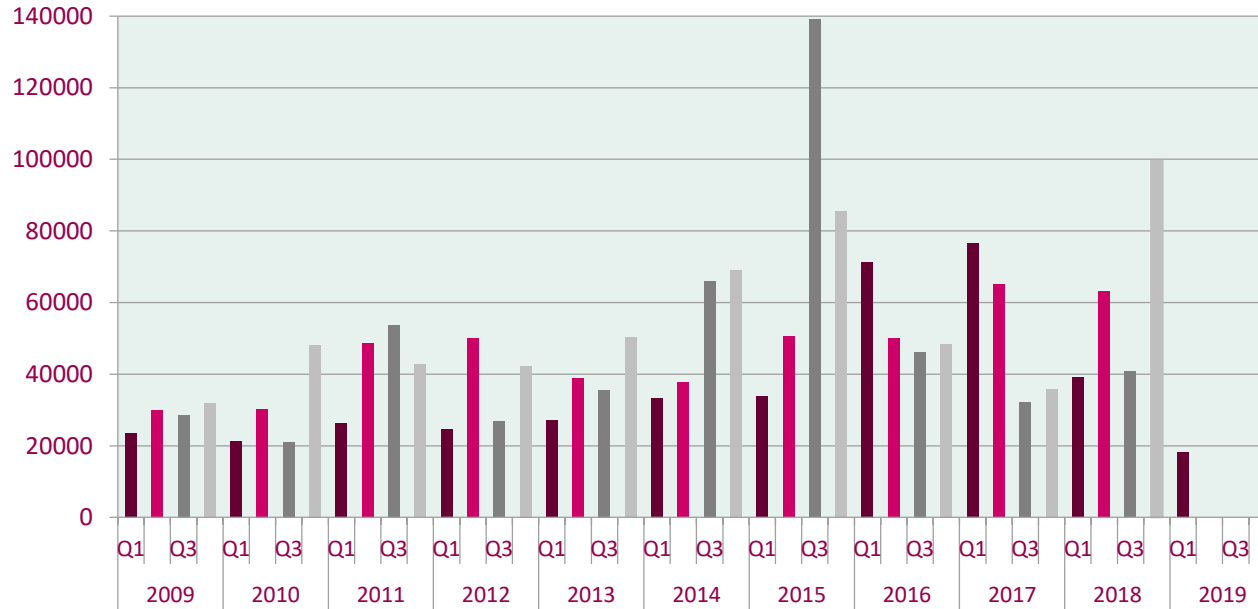
M² OFFICES
DELIVERED IN Q1

2019

0 m²

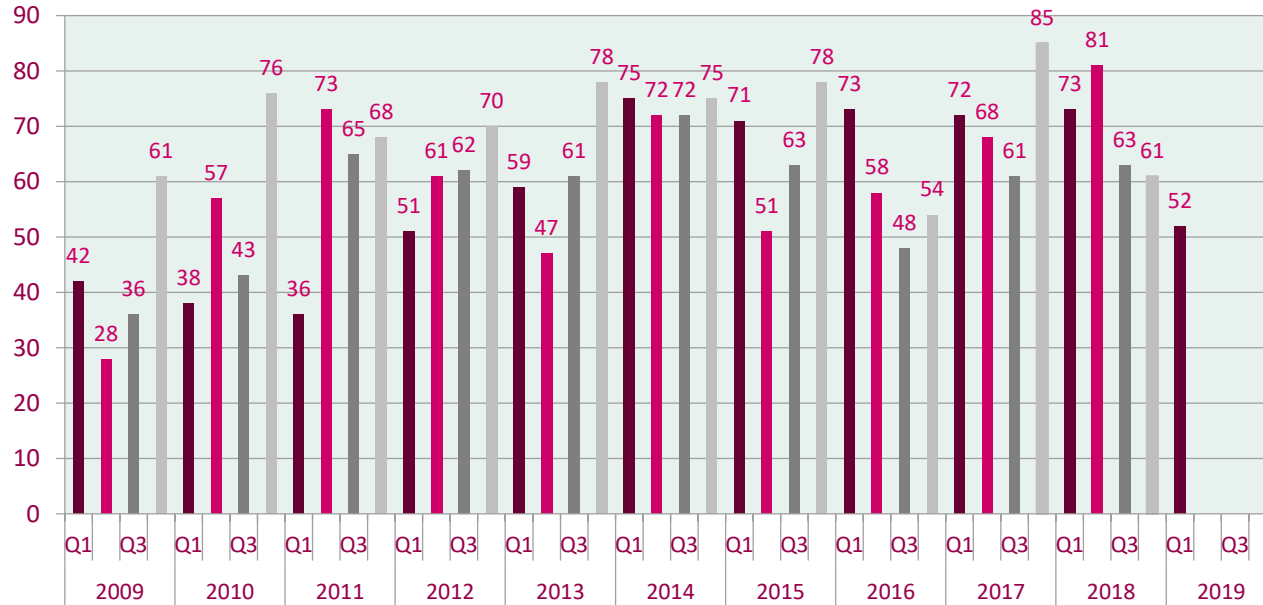
LETTING MARKET – OVERVIEW Q1 2019

Take up - m² / Quarter



LETTING MARKET – OVERVIEW Q1 2019

Take up - n° deals / Quarter



LETTING MARKET DEAL DISTRIBUTION & OUTLOOK

17 % of deals below 100 m²

46 % of deals below 200 m²

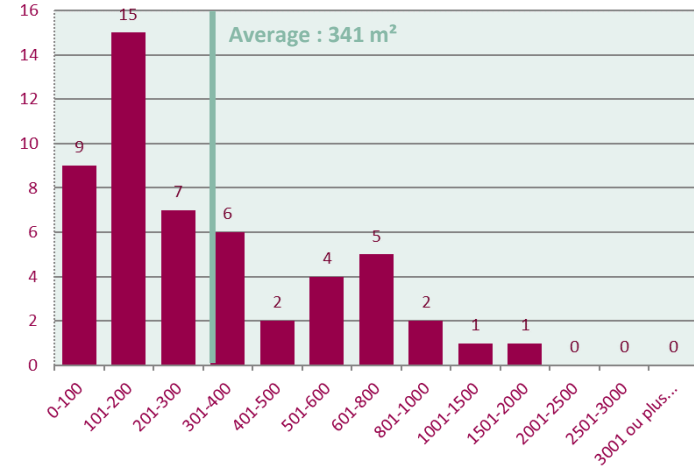
75 % of deals below 500 m²

81 % of deals below the average transaction size of 341 m²

4 % of deals over 1.000 m²

Median size : 218 m²

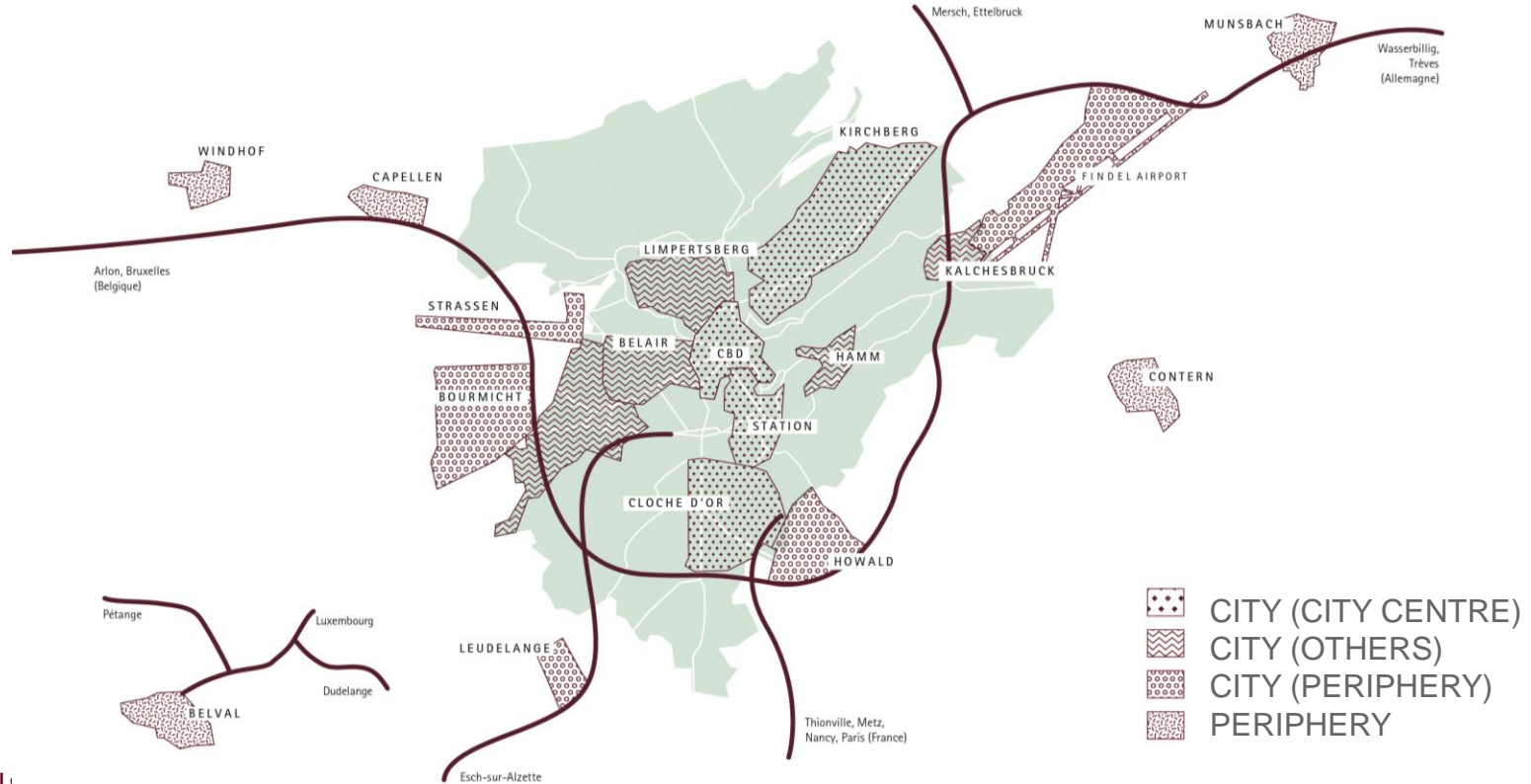
Deal distribution



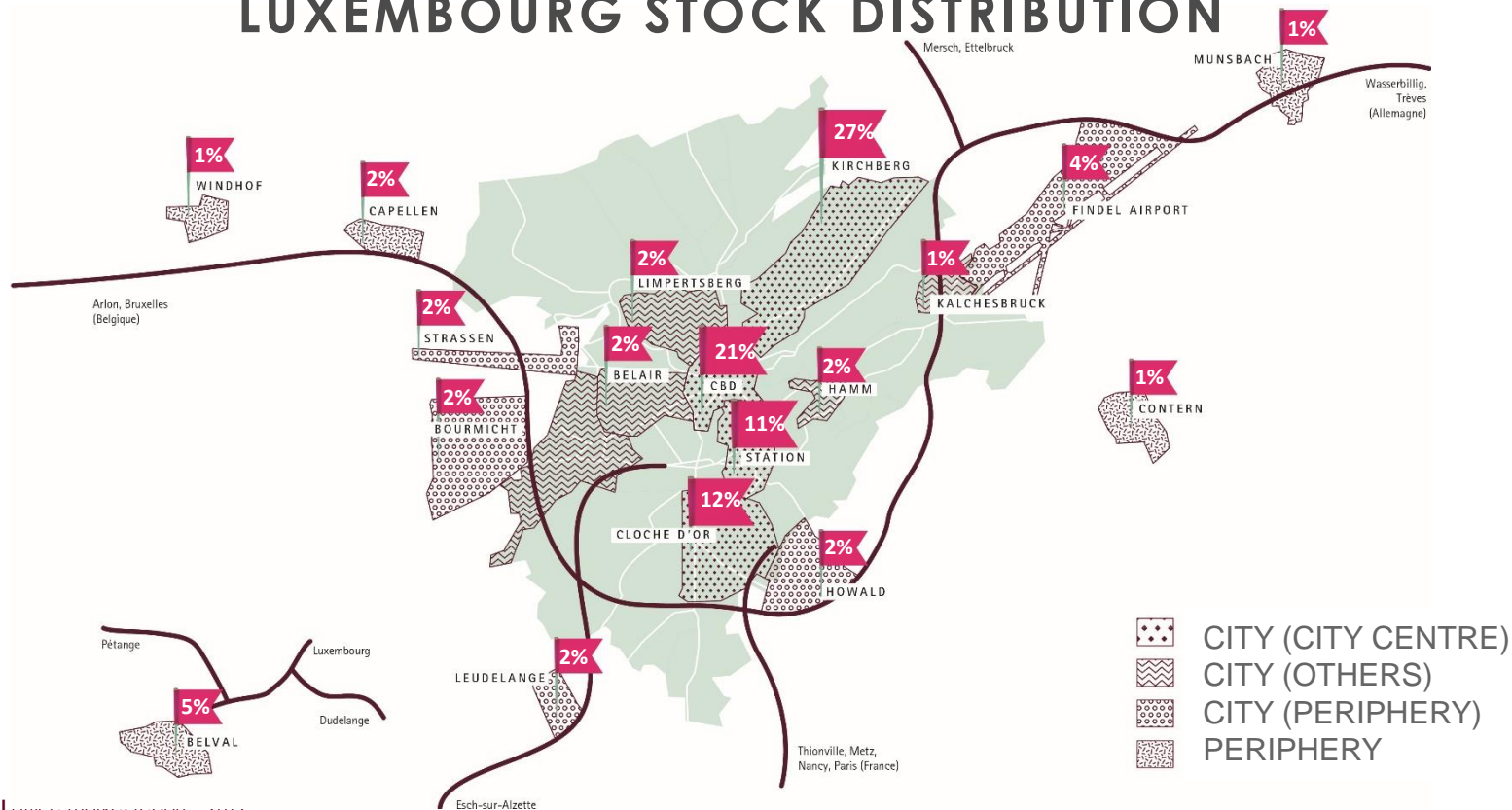
Office market outlook 2019

- Take-up is expected to establish around 200.000 m².
- New deliveries 2019 : 106.700 m² of new offices should be delivered this year, 75% of these new surfaces are however already pre-let, vacancy rate is expected to stabilize below 4%.
- Rental levels should remain stable in 2019

OFFICE MARKET DISTRICTS



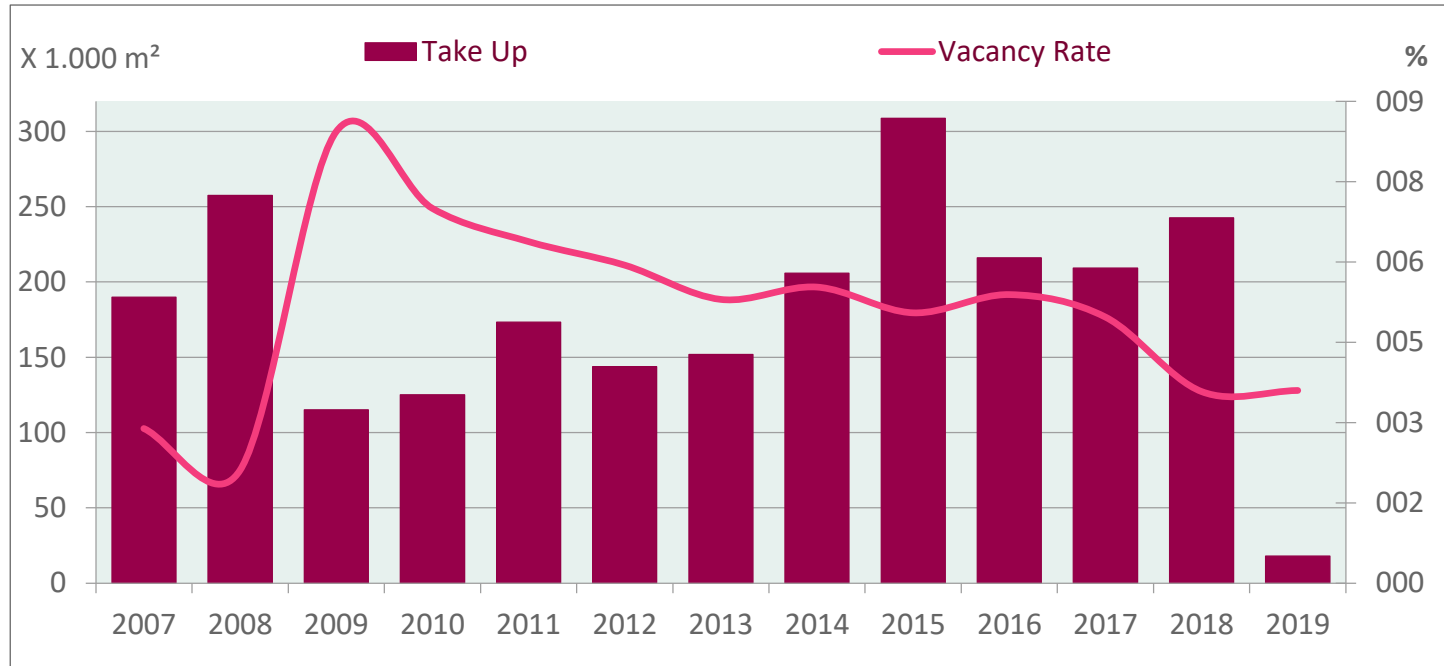
LUXEMBOURG STOCK DISTRIBUTION



OFFICE MARKET Q1 2019 STOCK & VACANCY RATE

	District	Stock sqm	Stock %	Vacancy sqm	Vacancy rate %
CITY	Kirchberg	1.077.500	26,69%	8.202	0,76%
	CBD	832.514	20,62%	18.431	2,21%
	Cloche d'Or	477.560	11,83%	28.274	5,92%
	Station	428.690	10,62%	10.840	2,53%
	Belair / Merl	101.100	2,50%	3.909	3,87%
	Limpertsberg	86.500	2,14%	3.508	4,06%
	Hamm	65.530	1,62%	9.111	13,90%
	Kalchesbrück	33.000	0,82%	1.500	4,55%
	Total:	3.102.394	76,84%	83.775	2,70%
CITY - PERIPHERY	Airport	171.355	4,24%	2.729	1,59%
	Strassen	86.650	2,15%	3.364	3,88%
	Bertrange/Bourmicht	91.000	2,25%	12.272	13,49%
	Leudelange	95.861	2,37%	10.470	10,92%
	Howald	62.600	1,55%	6.772	10,82%
	Total:	507.466	12,57%	35.607	7,02%
PERIPHERY	Belval	188.245	4,66%	12.822	6,81%
	Capellen	75.035	1,86%	7.098	9,46%
	Munsbach	60.100	1,49%	350	0,58%
	Windhof	40.600	1,01%	788	1,94%
	Esch-sur-Alzette	32.600	0,81%	1.920	5,89%
	Contern	31.090	0,77%	2.804	9,02%
	Total:	427.670	10,59%	25.782	6,03%
Total		4.037.530		145.164	3,60%
			+ Sub-letting :	10.217	0,25%

OFFICE MARKET Q1 2019 TAKE-UP & VACANCY RATE

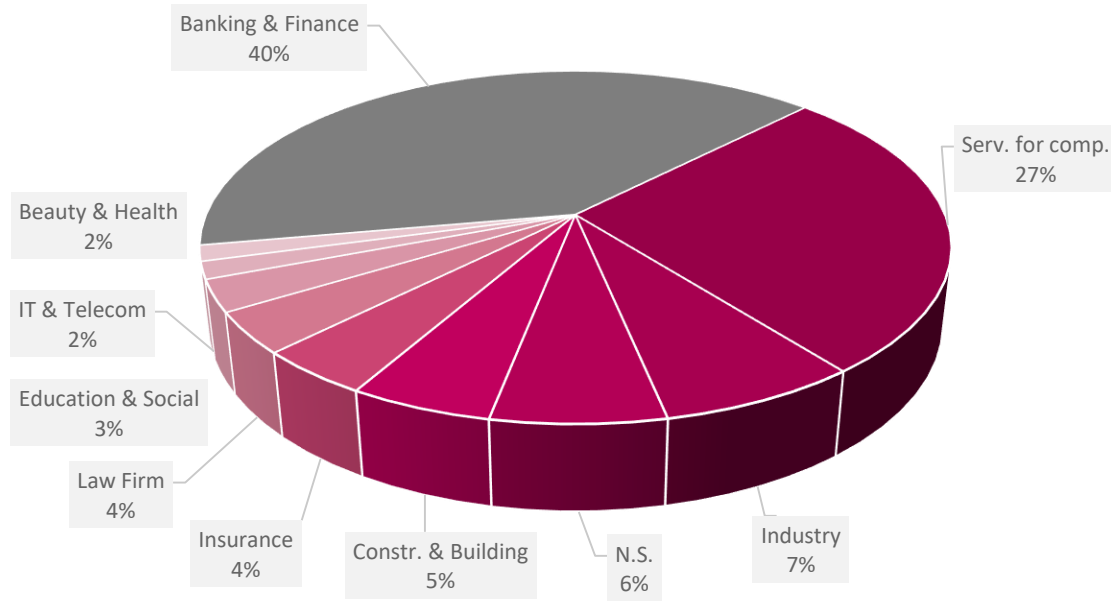


TAKE-UP Q1 2019 TOP 10 TRANSACTIONS

District	Tenant	m ²
Kirchberg	Regus	1.925
Kirchberg	The Royal Bank of Scotland	1.328
CBD	Ternium Investments	928
Kirchberg	Fisher Investments	821
Kirchberg	Caixa Geral de Depositos	782
CBD	Crestbridge	757
CBD	San Faustin	730
Station	Job Today	704
Belair / Merl	Y.L.P	680
Contern	IFSAM	600

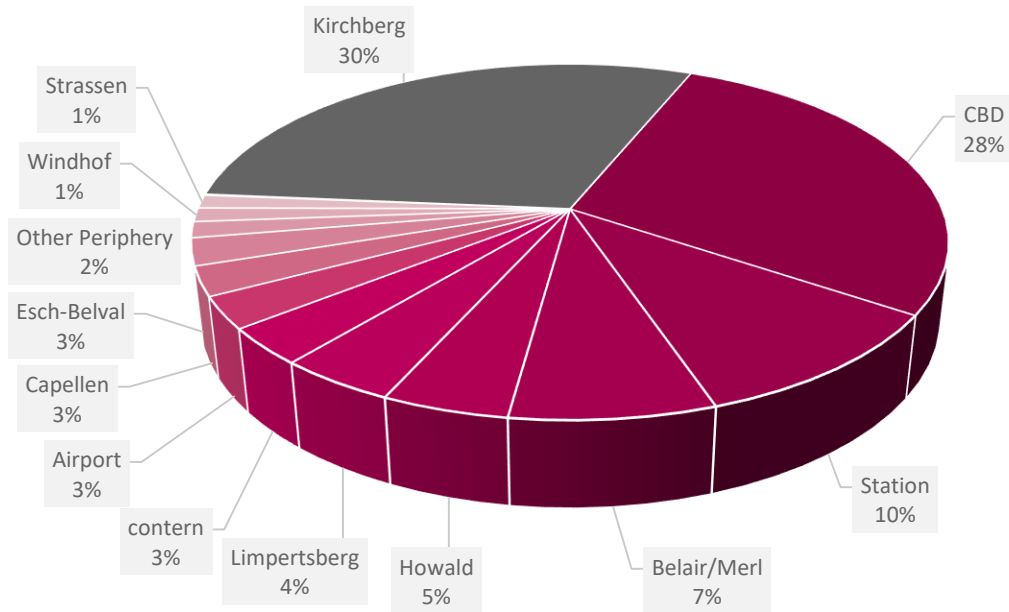
TAKE-UP Q1 2019 ACTIVITY

Split by activity/m²

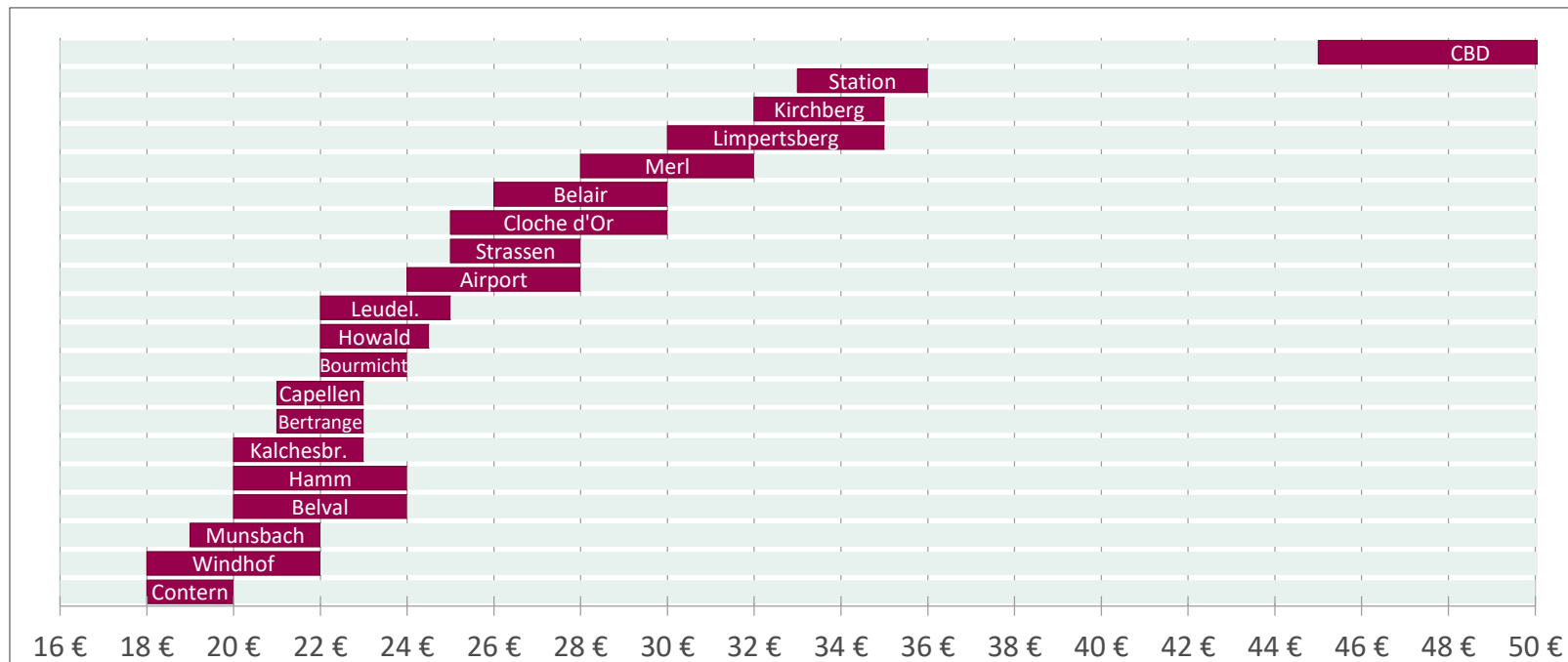


TAKE-UP Q1 2019 DISTRICT

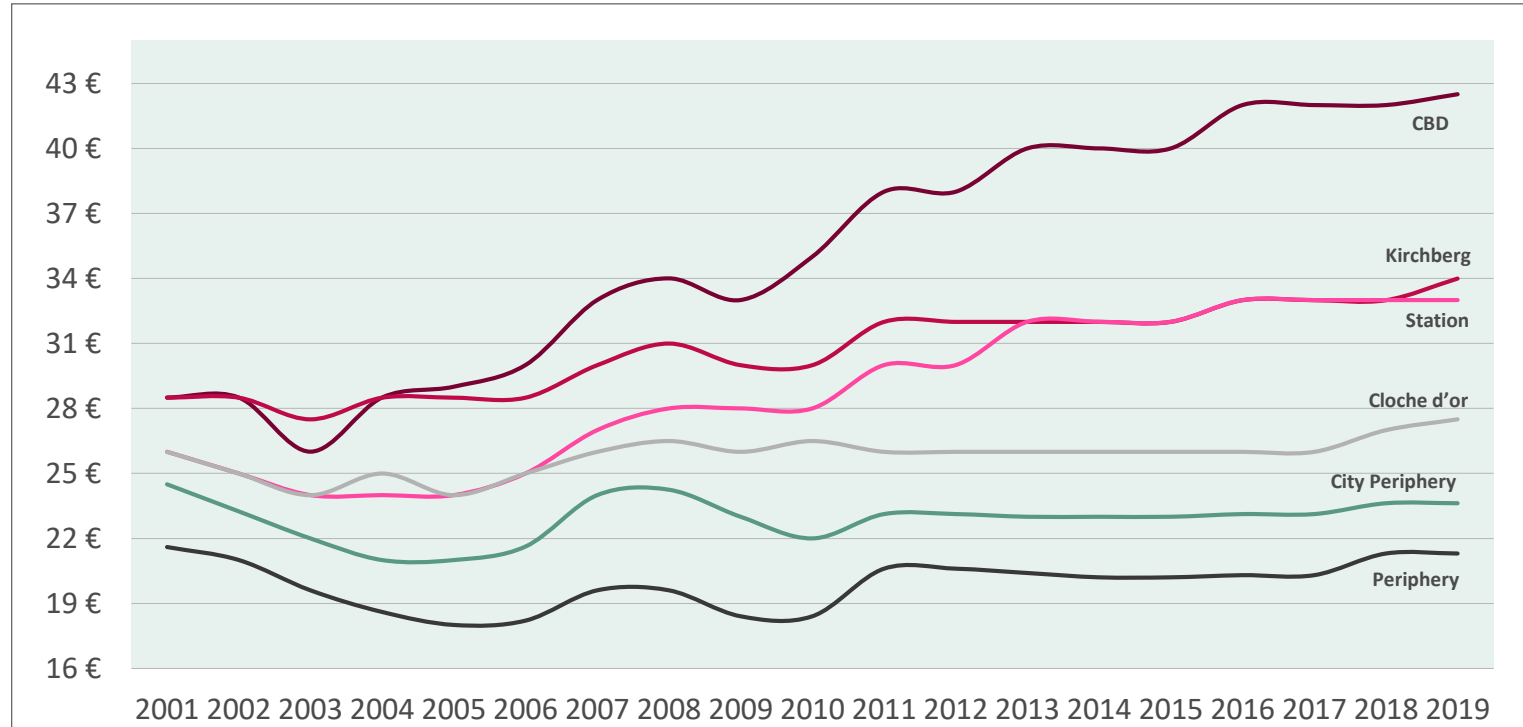
Split by District/m²



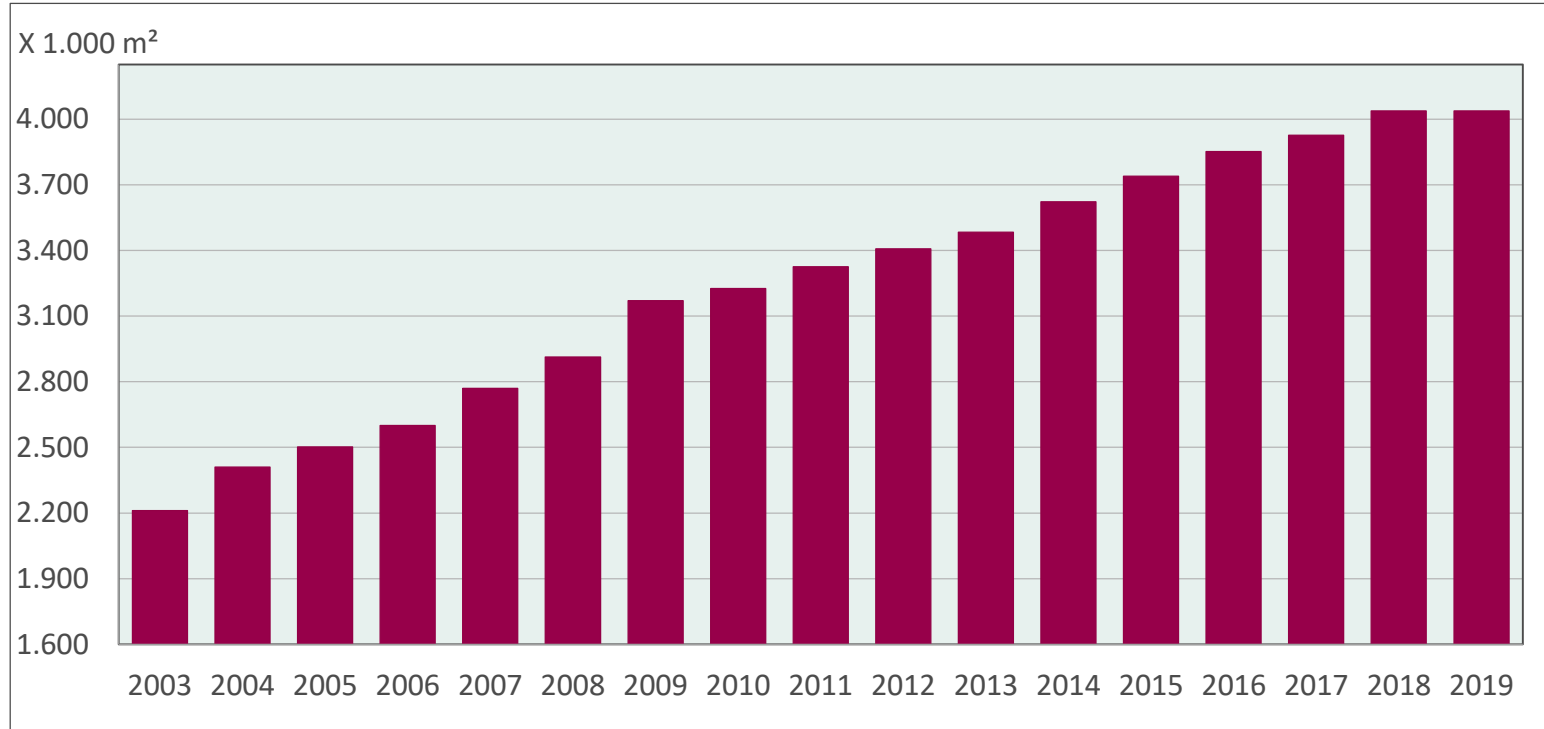
RENTAL BANDS NEW BUILDINGS €/m²/month (excl. VAT)



RENT TIME SERIES €/m²/month (excl. VAT)



TOTAL STOCK EVOLUTION



CAPITAL MARKETS

CAPITAL MARKETS - Q1 2019

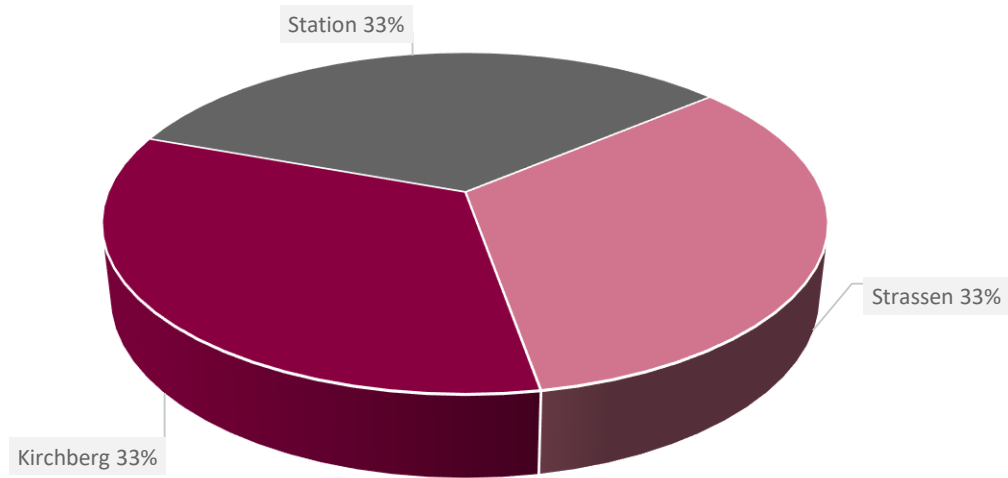
<p>INVESTMENT TRANSACTIONS Q1 2019 81,4 M€</p>
<p>STANDING INVESTMENTS 33,4 M€</p>
<p>DEVELOPMENT/ REDEVELOPMENT 48 M€</p>
<p>OCCUPIER/OWNER - M€</p>

<p>NUMBER OF TRANSACTIONS Q1 2019 3</p>
<p>STANDING INVESTMENTS 2</p>
<p>DEVELOPMENT/ REDEVELOPMENT 1</p>
<p>OCCUPIER/OWNER -</p>

<p>PRIME YIELDS</p>
<p>CITY 3,75% (2018 : 3,75%)</p>
<p>PERIPHERY 6,25% (2018 : 6,25%)</p>

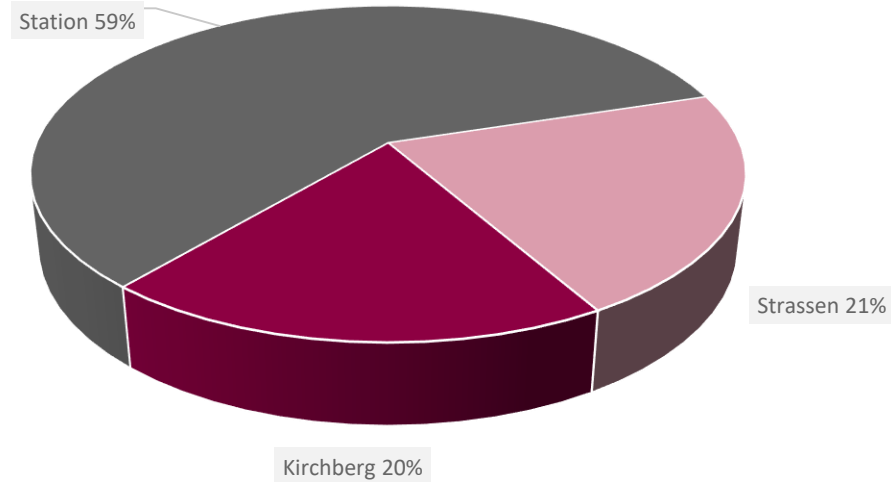
CAPITAL MARKETS 2018

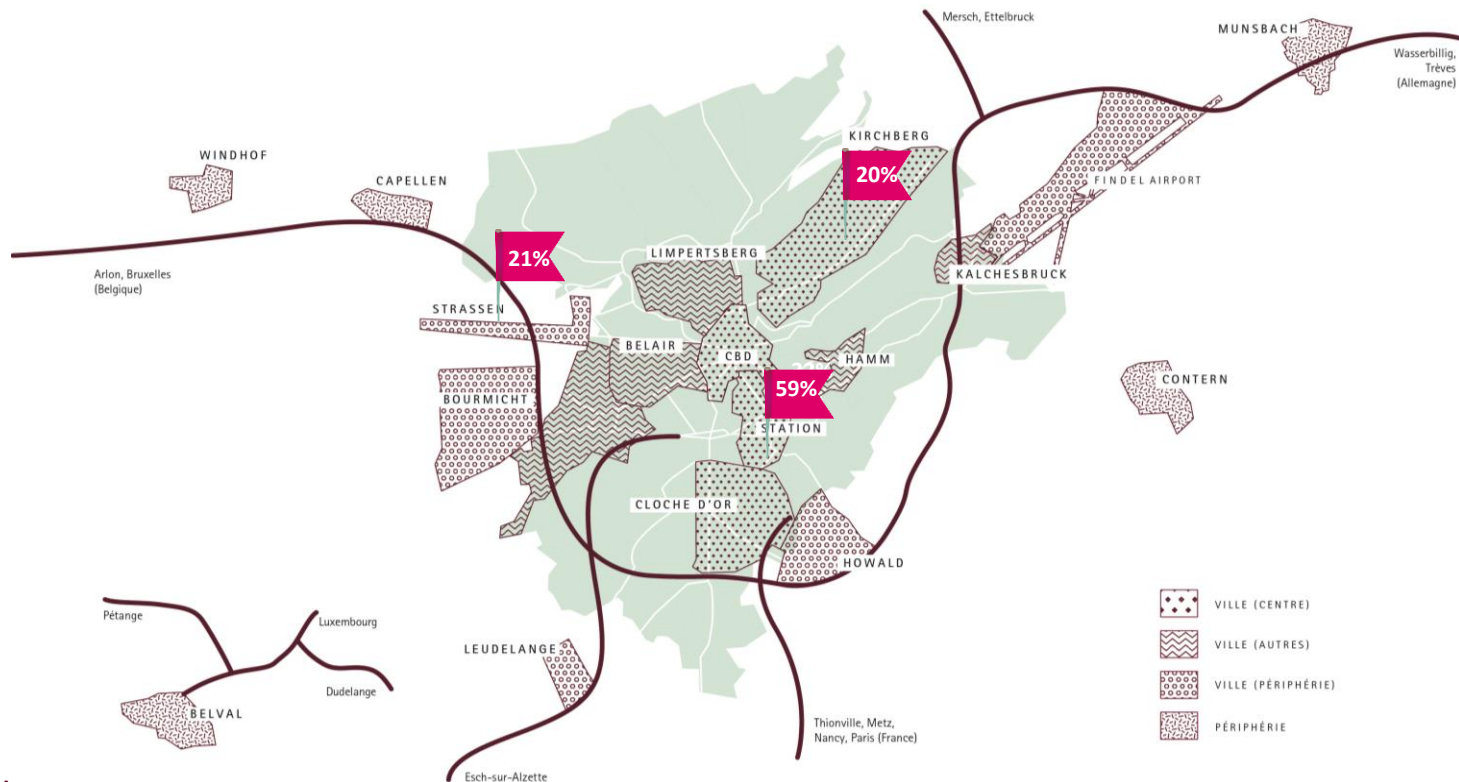
Split by # of deals



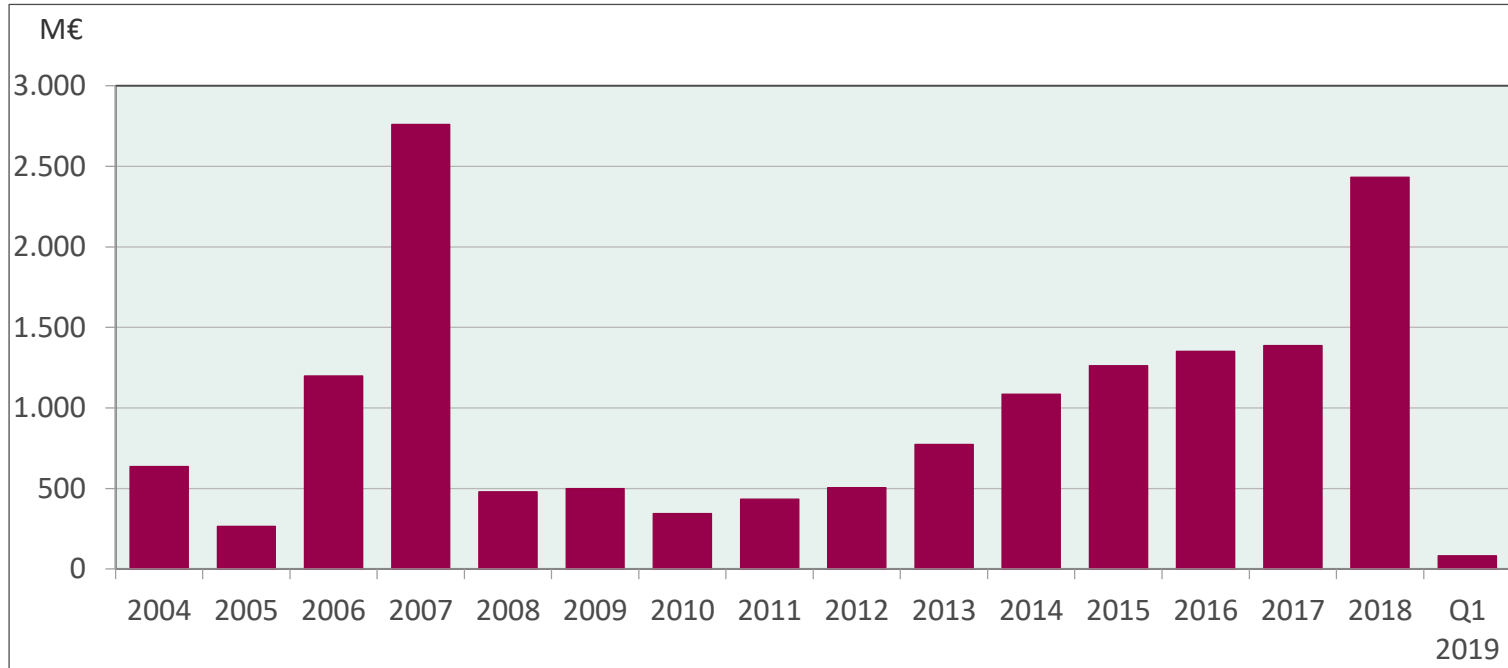
CAPITAL MARKETS 2018

Split by volume

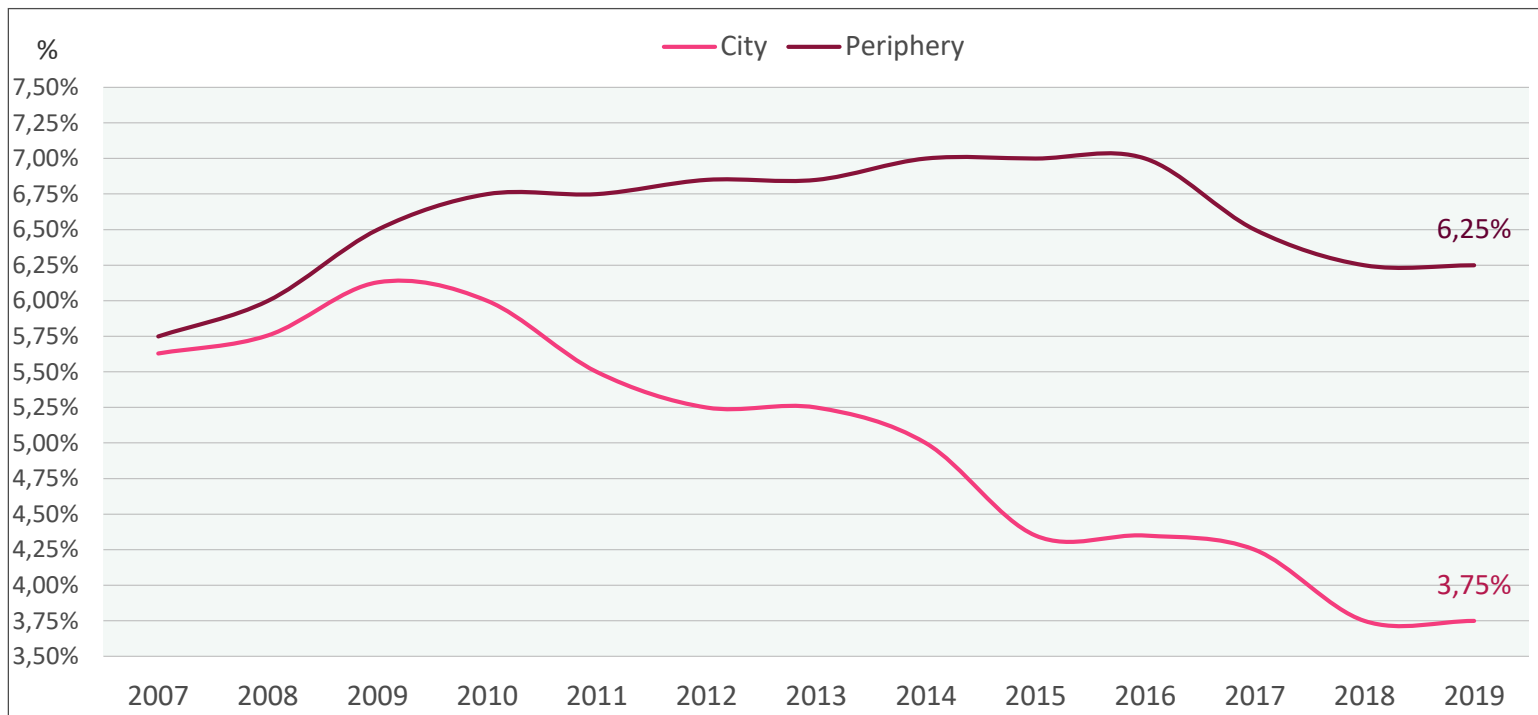




CAPITAL MARKETS INVESTMENT VOLUME EVOLUTION



CAPITAL MARKETS PRIME YIELD EVOLUTION



LUXEMBOURG OVERVIEW

MACRO ECONOMIC ZOOM

Total Population (Jan 2019): ≈ 613.894
 Luxembourg-City: ≈ 119.315
 Esch-sur-Alzette: ≈ 35.382

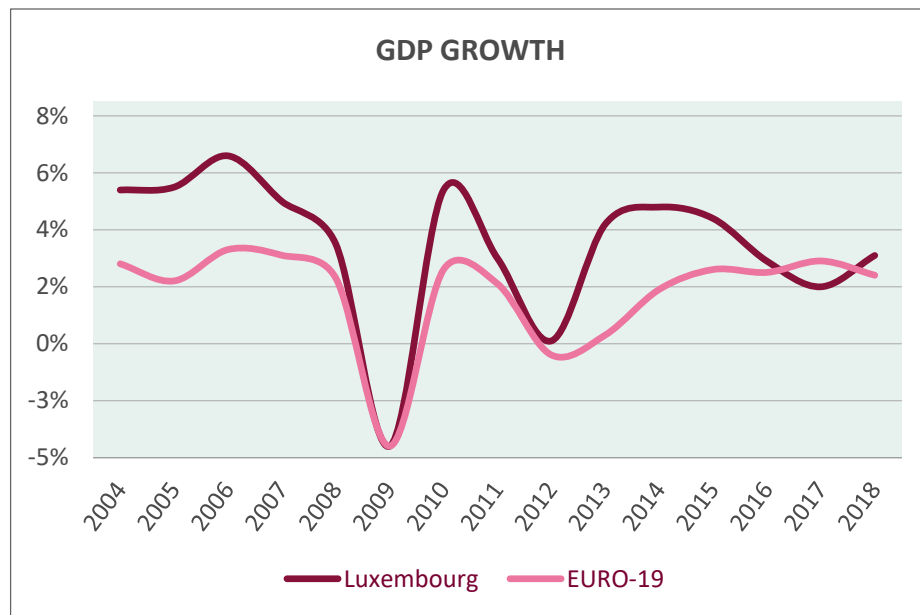
Wage-earners (Mar 2019): ≈ 433.363
Cross-border commuters (Mar 2019): ≈ 199.032
 50% F, 25% D, 25% B

Unemployment rate (Mar 2019): ≈ 5,4%

Inflation rate (Mar 2019): ≈ 2,2%

Growth rate 2017: ≈ 1,5%
Growth rate 2018: ≈ 2,6%
Growth rate forecast 2019: ≈ 3,0%

GDP per capita (€) Lux (2018): ≈ 80.800
GDP per capita (€) EURO-19 (2018): ≈ 31.000
GDP per capita (PPS) Lux (2017): ≈ 253
GDP per capita (PPS) EURO-19 (2017): ≈ 106



Source: Statoc

LUXEMBOURG RANKINGS

Ranking	Ranked	Out of	Year
Gross domestic product (GDP) based on purchasing-power-parity (PPP) per capita- (Global Finance)	2	185	2015
Labor productivity per hour - (the conference board)	1	43	2013
European micro cities with economic potential - (fdi magazine)	1	253	2012
Global Innovation Index - (INSEAD)	9	141	2015
Best Countries in Europe to raise a Child (NimbleFins)	2	29	2019
Quality of life study - (ECA)	3	254	2012
Sustainable Governance Indicators - Bertelsmann)	8	40	2014
Global ICT Index - (world economic forum)	9	143	2015
Global trade enabling index - (world economic forum)	11	138	2014
Global competitiveness rankings - (institute for management development)	6	61	2015
Growth competitiveness index - (world economic forum)	19	144	2018

Luxembourg represents only 0,0017% of the Earth's surface and Only 0,0073% of the World's population.

The Grand Duchy is **one of only nine countries** worldwide to hold a **AAA rating by all three major credit rating agencies.**

LUXEMBOURG RANKINGS

	Ranking	Ranked	Out of	Year
Index of Economic Freedom (Heritage Foundation)		19	186	2016
European Smart Cities (TUWIEN)		1	77	2014
Fundamental Health Indicator (The Lisbon Council)		3	21	2015
Global Financial Centers (ZYEN)		14	86	2016
Global Talent Competitiveness (INSEAD)		3	93	2015
Open Market Index (ICC)		3	75	2015
Best Countries for Business (Bloomberg)		16	154	2014
ICT Development Index (ITU)		6	67	2015
Index of Globalization (ETH)		18	187	2016
International Property Rights Index (PRA)		4	129	2015
Logistics Performance Index (World bank)		8	160	2014

THE FINANCIAL CENTER – 47,000 EMPLOYEES

Banks: (Mar 2019)

Number of banks: 135
Employees: 26.317
Countries of origin: 29

Insurance & Re-insurance: (July 2018)

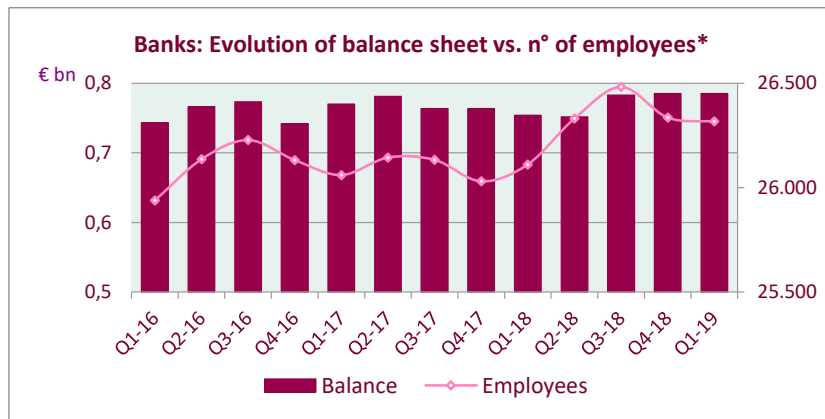
Number of insurances: 96
Number of re-insurances: 204

Investment funds : (Mar 2019)

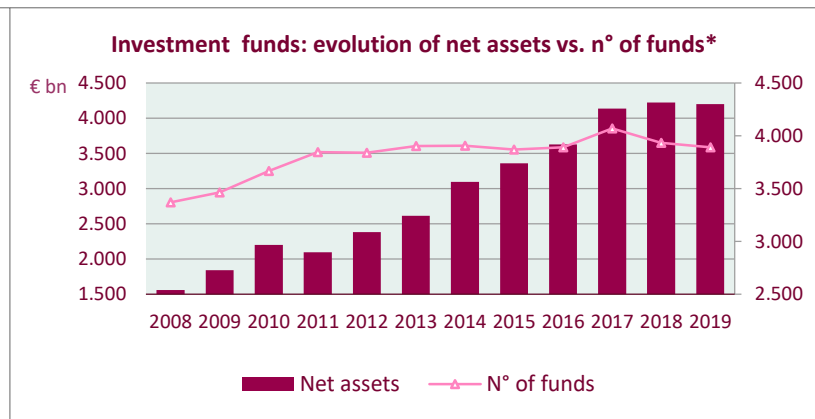
Number of UCIs: 3.890
Net assets: 4.199,72 bn €

PSF: (Jan 2019)

Number of PSF: 280
Employees: 16.526



Source: ABBL, CSSF, LFF



MAJOR COMPANIES (JAN 2018)

Company	Line of business	Employees
Group Post Luxembourg	Post & Telecommunications	4.480
Groupe CFL	Railway	4.260
Groupe Cactus	Supermarket	4.200
Groupe Arcelor Mittal	Steel Industry	4.120
Groupe Dussmann Luxembourg	Cleaning	3.880
BGL BNP Paribas	Bank	3.660
Goodyear Dunlop Tires Operations SA	Tyres	3.450
Groupe PricewaterhouseCoopers	Tax & Advisory	2.870
Luxair SA	Airlines	2.820
Centre Hospitalier de Luxembourg	Hospital	2.270
Amazon.com	E-commerce	2.250
Fondation Hôpitaux Robert Schuman	Hospital	2.240
Groupe Deloitte à Luxembourg	Tax & Advisory	2.140
Sodexo Luxembourg SA	Catering & Facilities Management	2.030
Centre Hospitalier Emile Mayrisch	Hospital	1.970
Fondation Stéftung Hëllef Doheem	Help and services for aged	1.940
Groupe BIL	Bank	1.890
Banque et Caisse d'Epargne de l'Etat Luxembourg	Bank	1.840
SERVIOR	Housing & services for aged & disabled	1.840
Elisabeth	Social Services	1.790
KPMG	Tax & Advisory	1.650
Government		27.716
City of Luxembourg		4.123

HEADQUARTER OF EUROPEAN INSTITUTIONS

Court of Justice of the European Communities

European Court of Auditors

European Commission

Eurostat (part of European Commission)

General Secretary of the European Parliament

European Investment Bank

European Investment Fund

Office for Official Publications of the European Communities

Translation Center for the Bodies of the European Union

European Stability Mechanism (ex EFSF)

**... over 700.000 m² office,
280.000 m² of extensions in construction
and over 60.000 m² in project**

LUXEMBOURG MAIN PROJECTS

PLACE DE L'ETOILE

2019 - 2025

OFFICE: 50.000 m²

RETAIL: 9.000 m²

RESIDENTIAL: 40.000 m²

DISTRICT: CBD



ROYAL HAMILIUS

2019

OFFICE: 10.000 m²

RETAIL: 12.000 m²

RESIDENTIAL: 16.000 m²

DISTRICT: CBD

INFINITY

2019

OFFICE: 6.800 m²

RETAIL: 6.500 m²

RESIDENTIAL: 16.000 m²

DISTRICT: KIRCHBERG



CLOCHE D'OR

2019 - 2030

OFFICE: 490.000 m²

RETAIL: 80.000 m²

RESIDENTIAL: 120.000 m²

DISTRICT: CLOCHE D'OR

PORTES DE HOLLERICH

2020 - ...

TOTAL SURFACE: 270.000 m²

RETAIL: 6.500 m²

RESIDENTIAL: 16.000 m²

DISTRICT: STATION



ESCH BELVAL

2019 - 2030

OFFICE: 300.000 m²

RETAIL: 100.000 m²

RESIDENTIAL: 350.000 m²

DISTRICT: ESCH-BELVAL

AIRPORT, FINDEL

2025-2030

TOTAL SURFACE: 50.000 m²

HOTEL

PARKING SPACES: 4.100

DISTRICT: AIRPORT




Stay in touch with us

Feel free to contact us should you have any further queries.



Marc Baertz, MRCIS
Partner & Head of Valuation

 +352 26 43 07 07 36

 mbaertz@inowai.com

Julien Pillot, MRICS
Head of Office Agency

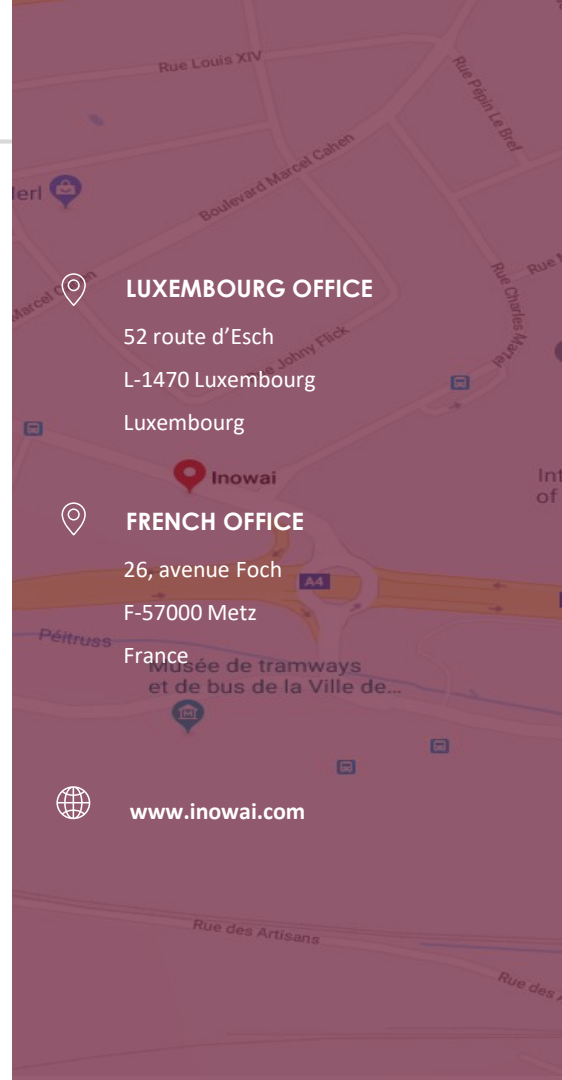
 +352 26 43 07 07 48

 jpillot@inowai.com

Laurence Brix
Marketing Manager

 +352 26 43 07 07 32

 lbrix@inowai.com



LUXEMBOURG OFFICE

52 route d'Esch
L-1470 Luxembourg
Luxembourg

FRENCH OFFICE

26, avenue Foch
F-57000 Metz
France

 www.inowai.com



THANK
YOU