

21.02.2024

# Accessing the Luxembourg Real Estate Market via investment funds : Perspectives for 2024/2025



Conference AMCHAM  
18.04.2023



# THE EXCELLENT FUNDAMENTALS OF THE LUX. MODEL

## Strategic Location :

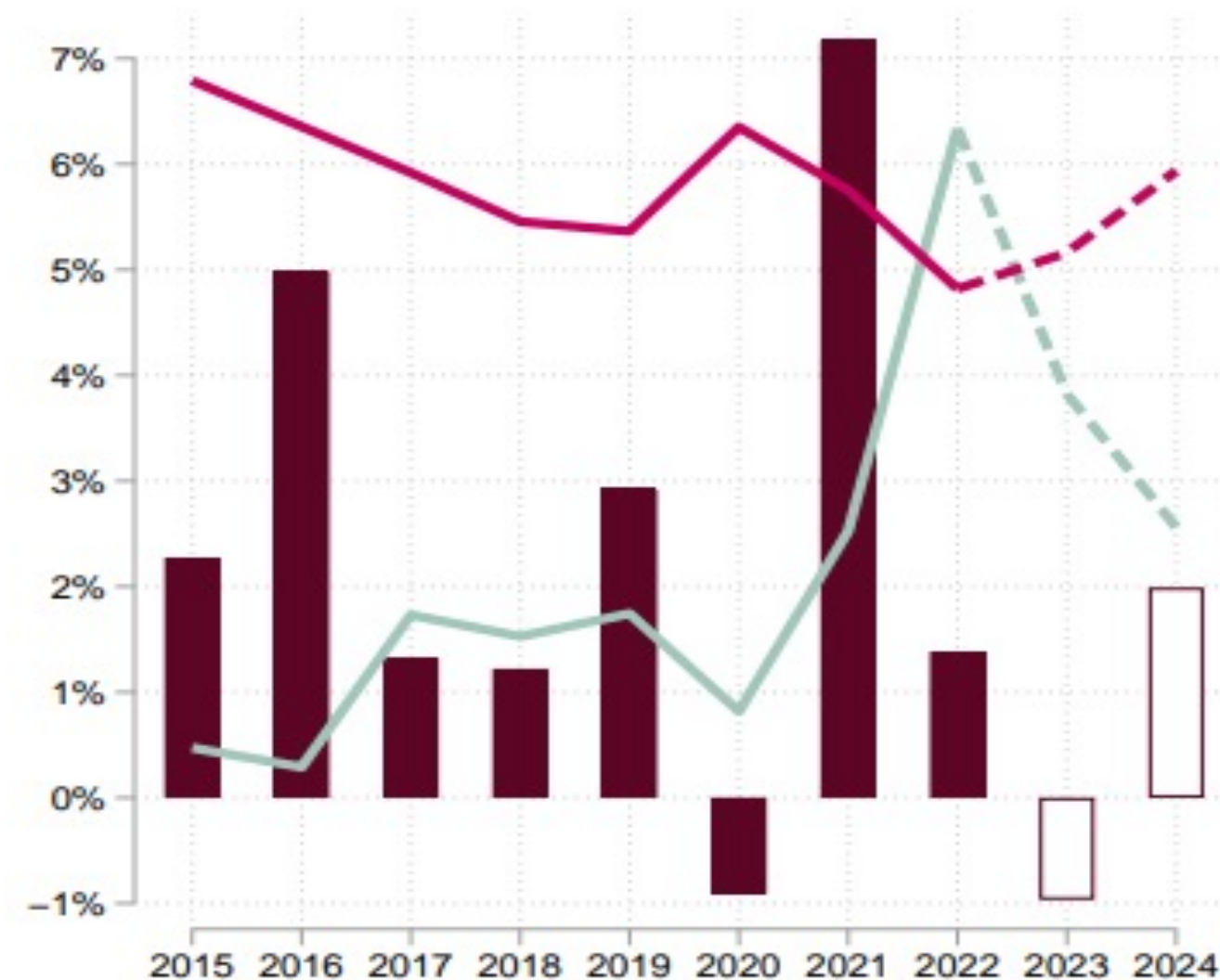
Financial hub, the presence of EU institutions, significant foreign investment, the favorable tax regime and make it an attractive destination for businesses.

## Stability of the Economy:

The highest purchasing power in the Eurozone, a AAA rating, and low unemployment rates, Luxembourg offers a favorable environment for real estate investment.

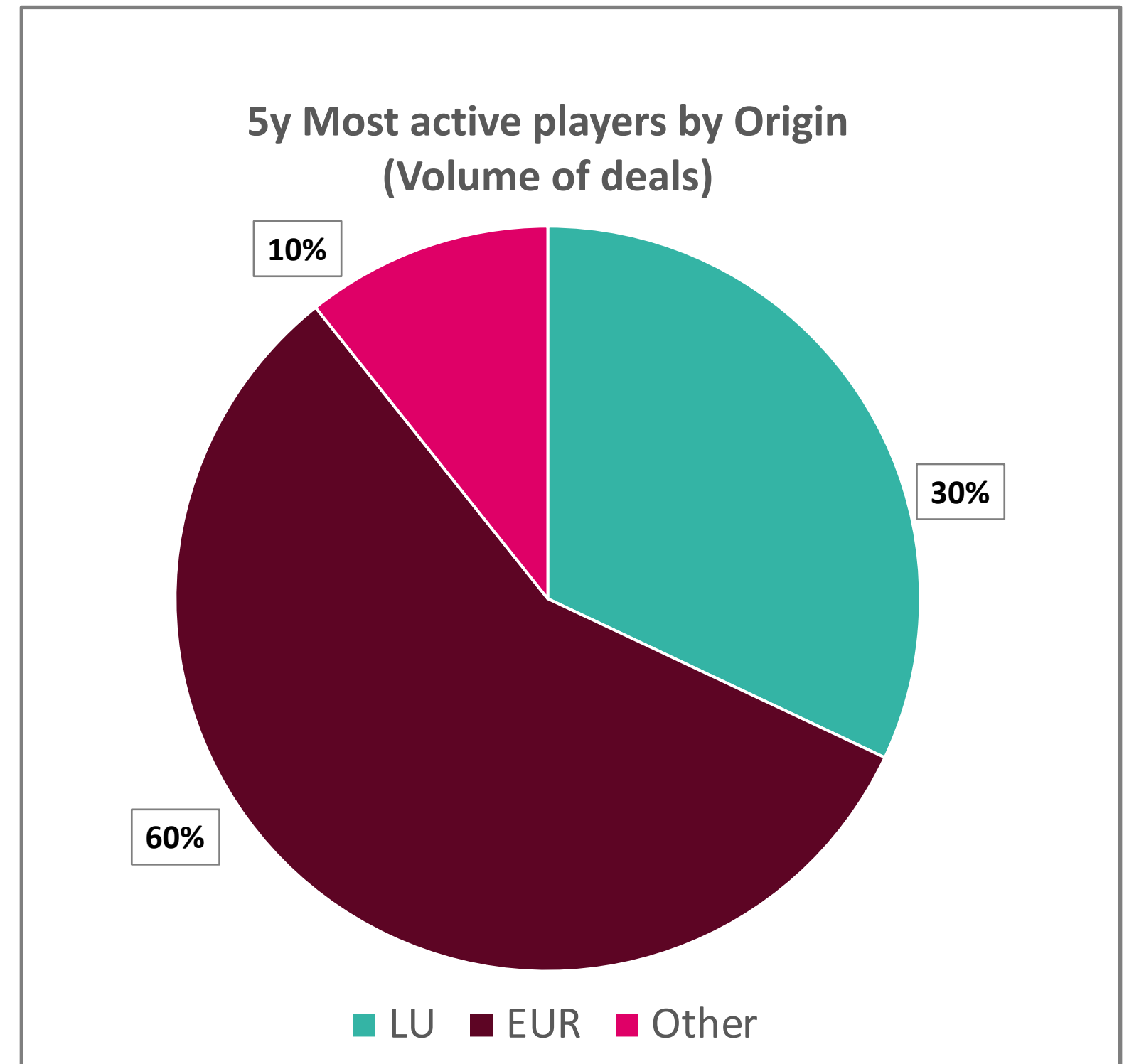
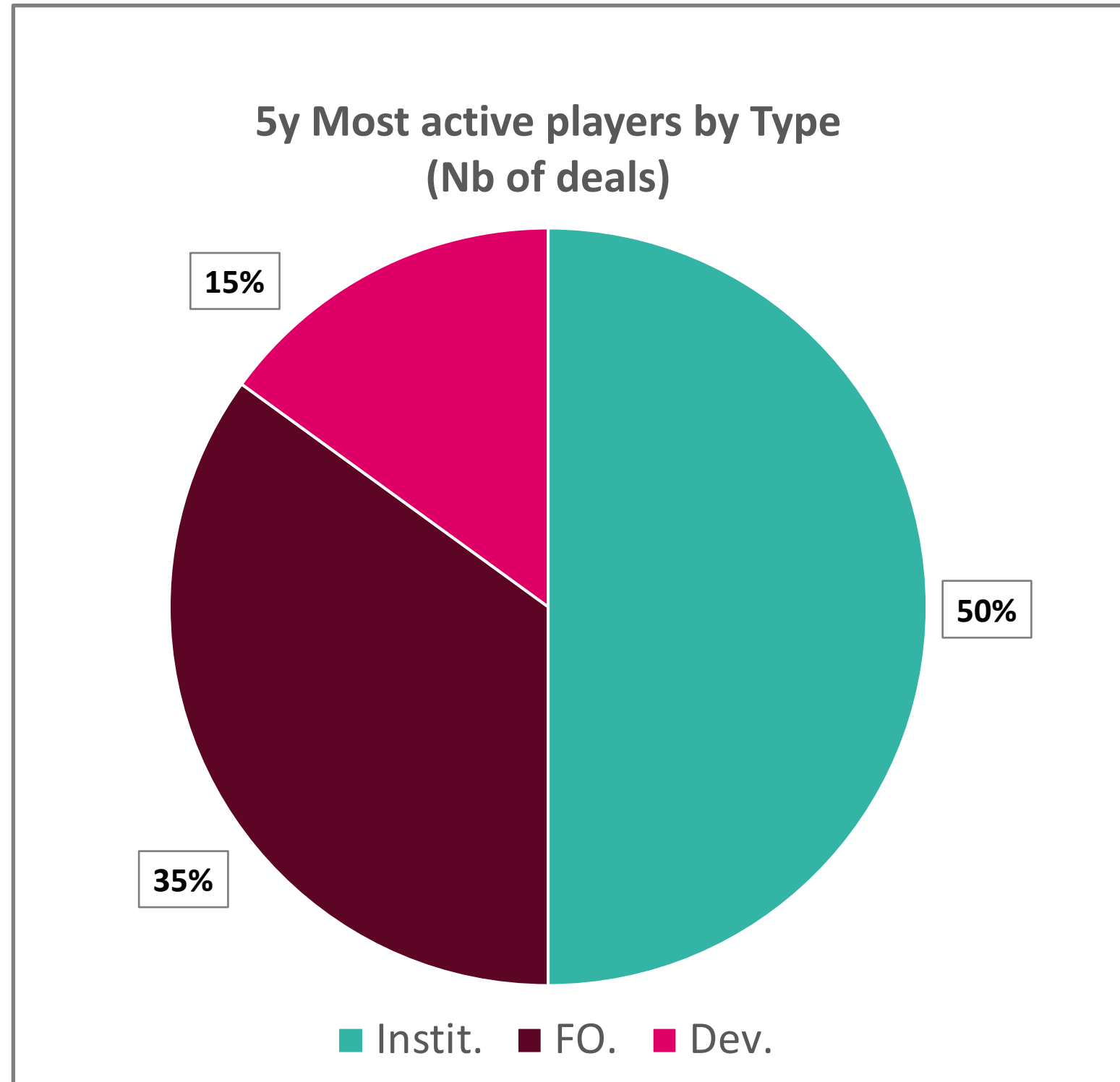
## High-Quality Infrastructure:

Transportation networks and telecommunications, are essential for commercial real estate development and operation.

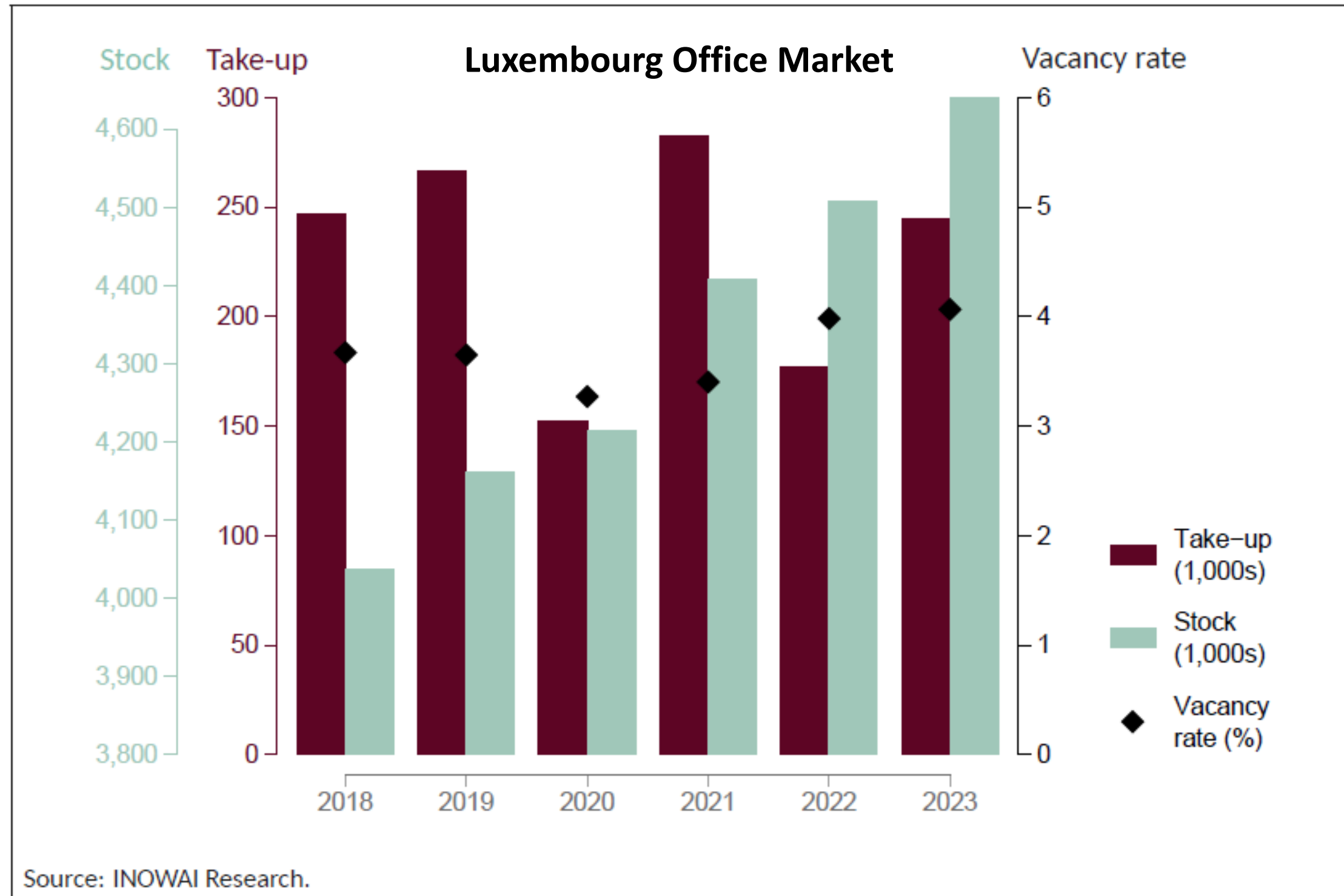


■ GDP growth  
□ GDP growth (forecast)  
— Inflation  
- - Inflation (forecast)  
— Unemployment  
- - Unemployment (forecast)

# REAL ESTATE KEY PLAYERS IN LUX.



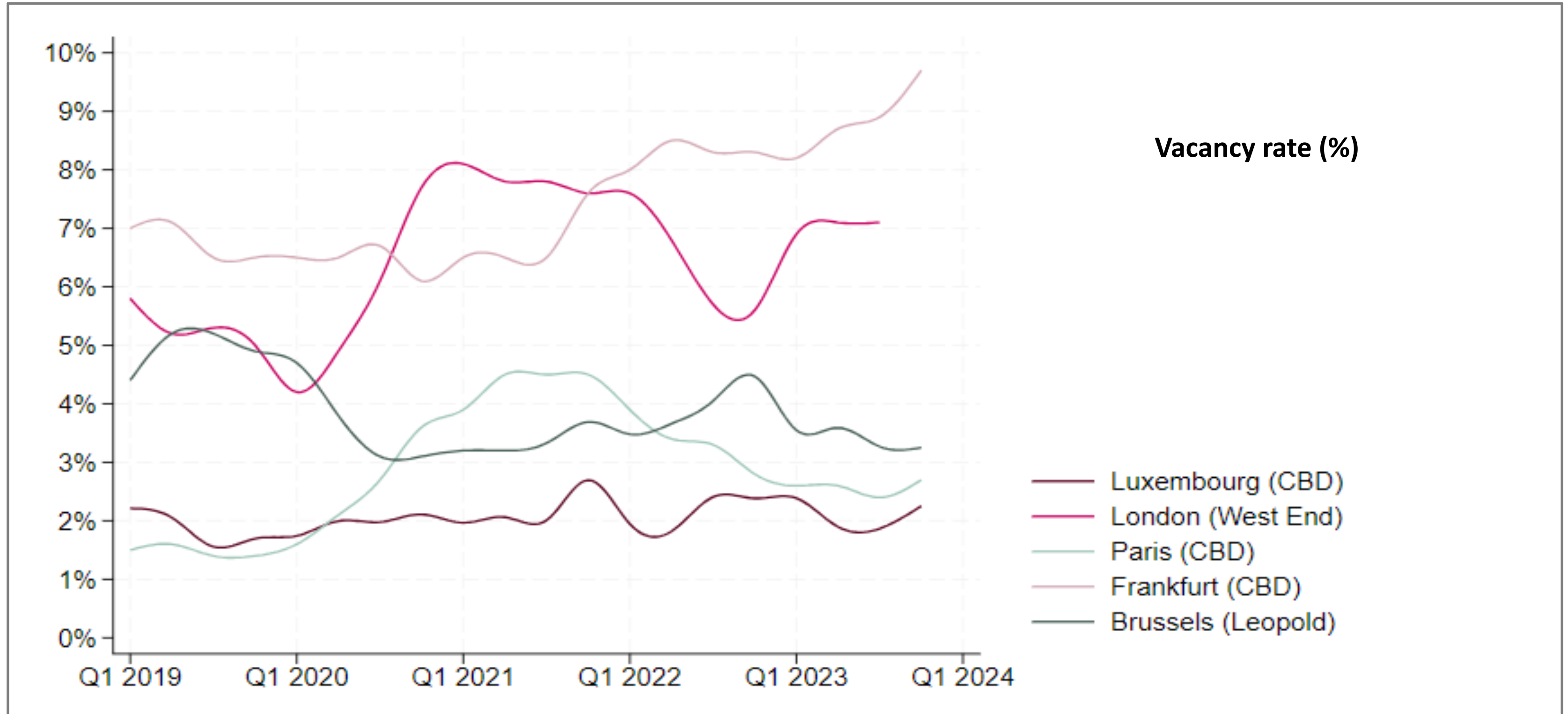
# STOCK, LETTING TAKE UP & VACANCY



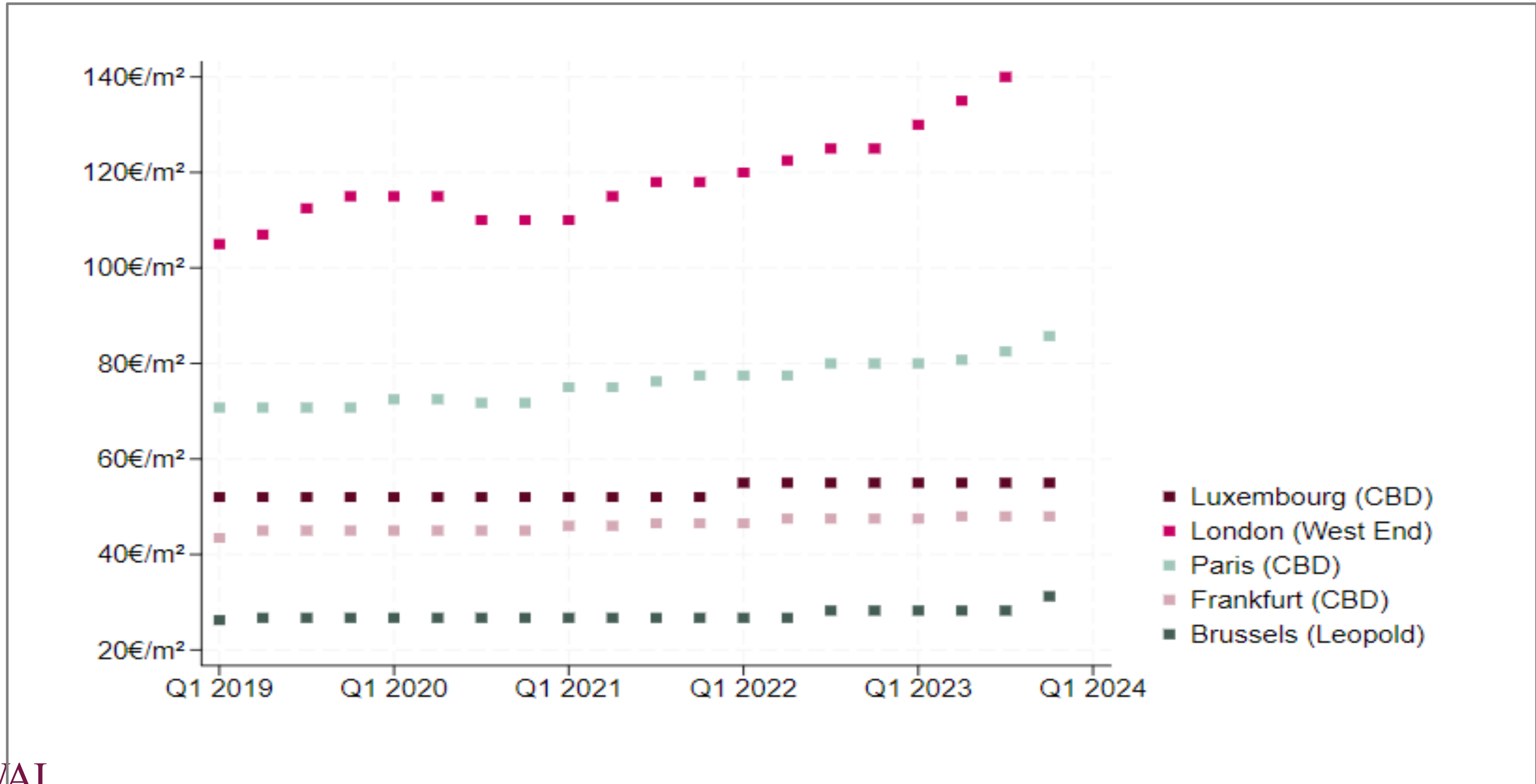
## Eur. CBD comparison (%)

| TAKE UP             | 2022                   | 2023                   | Evolution |
|---------------------|------------------------|------------------------|-----------|
| Bruxelles (Leopold) | 53.350 m <sup>2</sup>  | 51.793 m <sup>2</sup>  | -2,9 %    |
| Frankfort (CBD)     | 381.770 m <sup>2</sup> | 364.920 m <sup>2</sup> | -4,4 %    |
| Paris (CBD)         | 650.600 m <sup>2</sup> | 573.700 m <sup>2</sup> | -11,8 %   |
| Londres (West End)  | 462 657 m <sup>2</sup> | 298.125 m <sup>2</sup> | -35 %     |
| Luxembourg (CBD)    | 18.800 m <sup>2</sup>  | 24.800 m <sup>2</sup>  | +32 %     |

# VACANCY RATES (Prime districts)

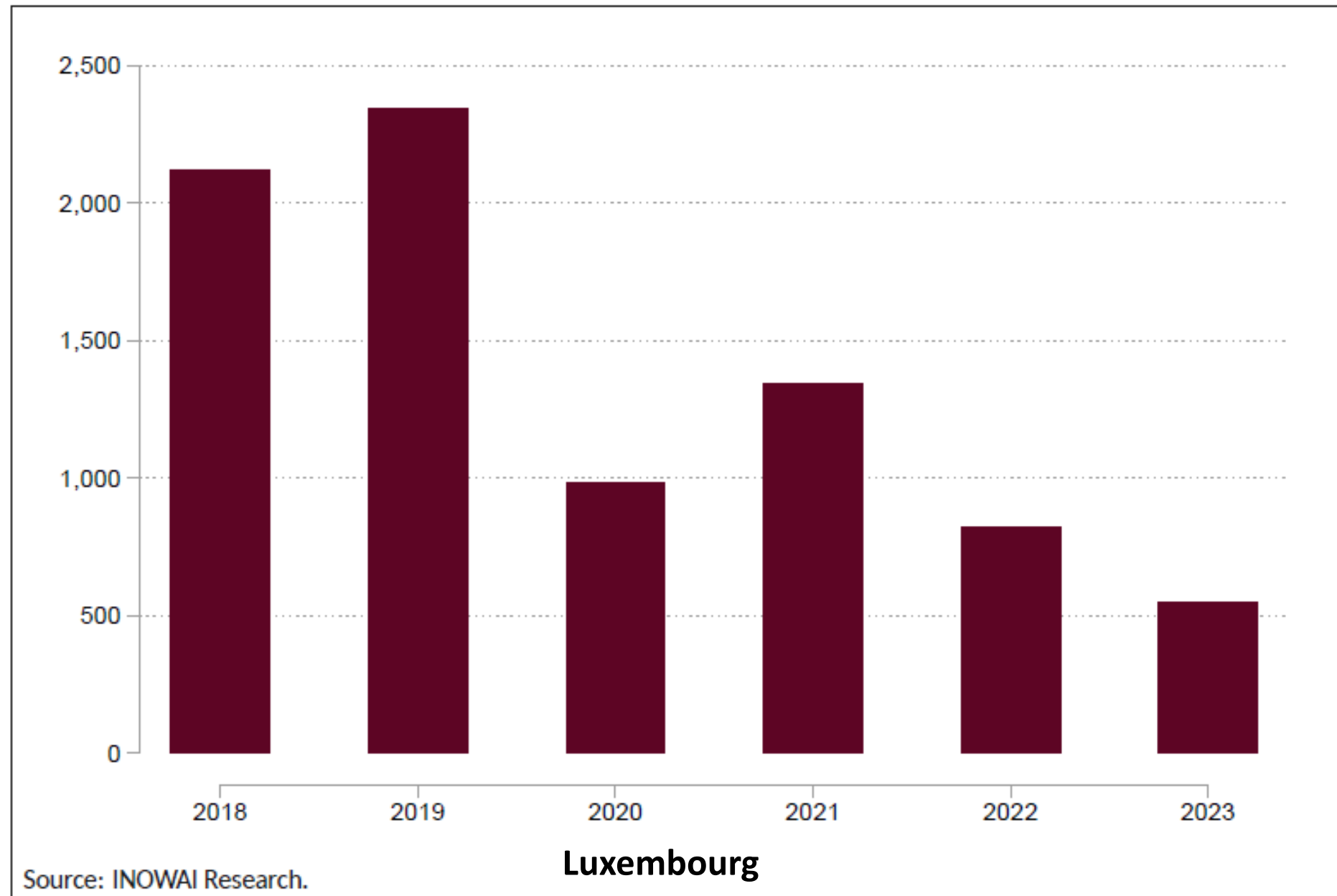


# RENT SERIES (Prime districts)

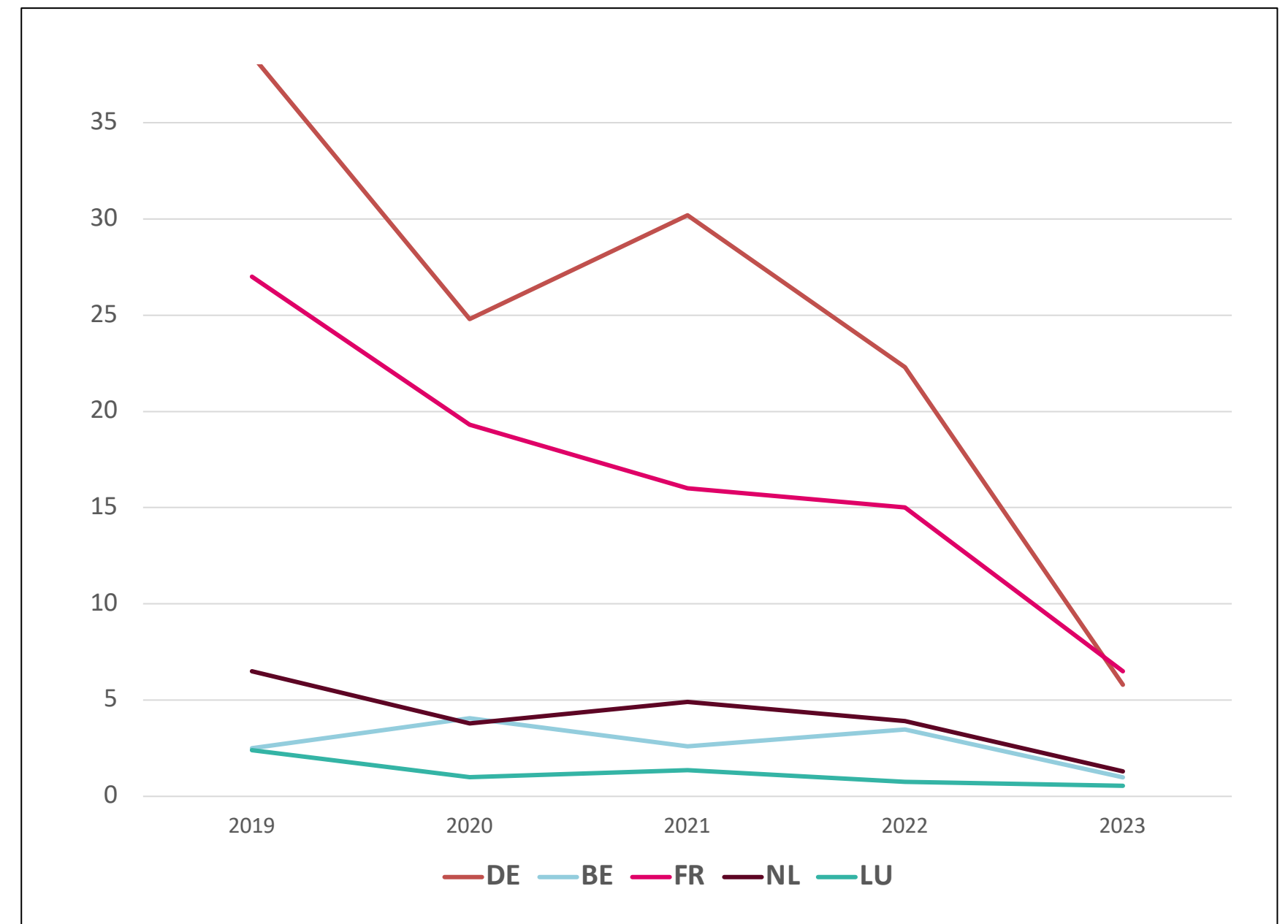


# INVESTMENT VOLUMES

Investment volume over time (mio €)

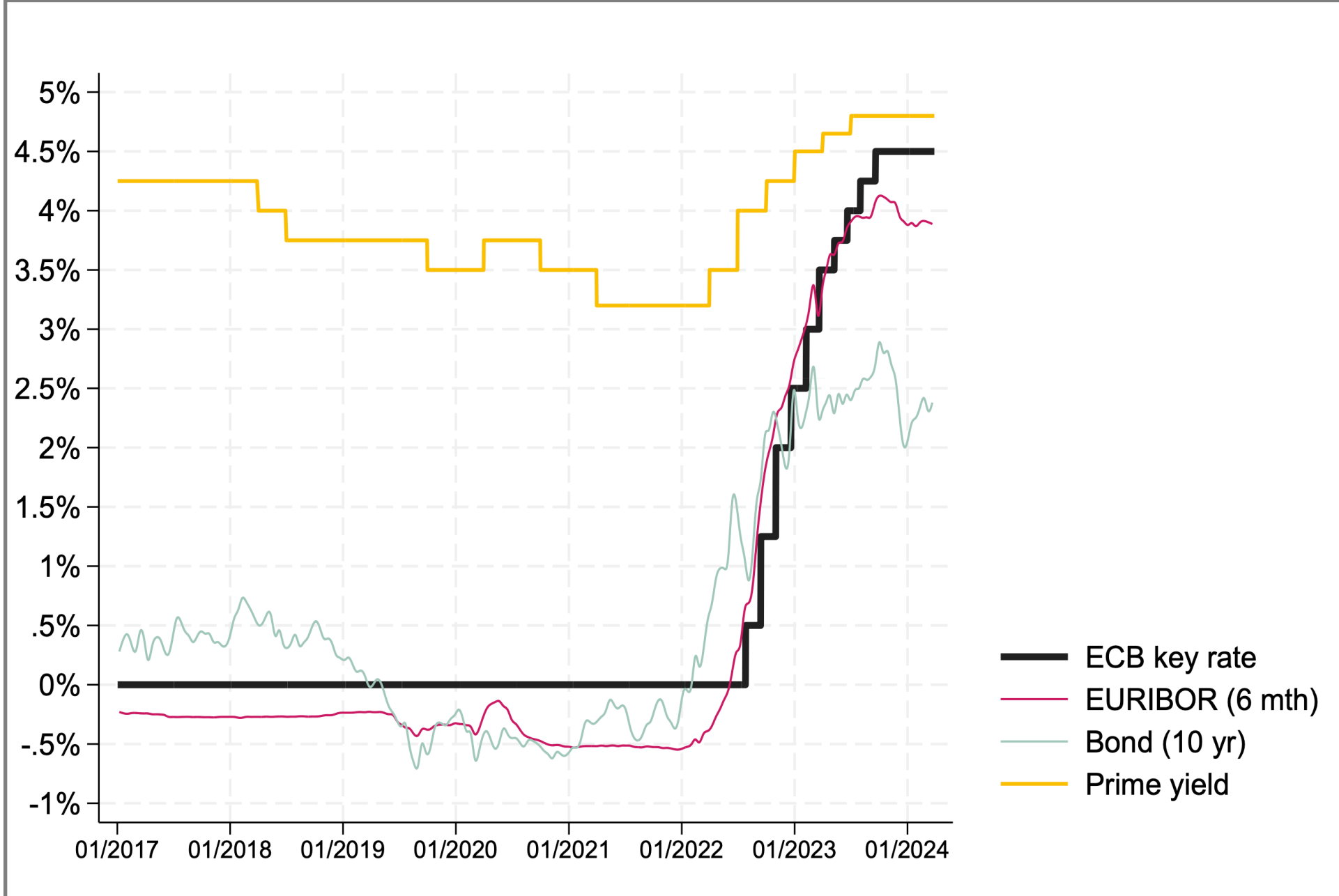


Take-up evolution (Bn €)

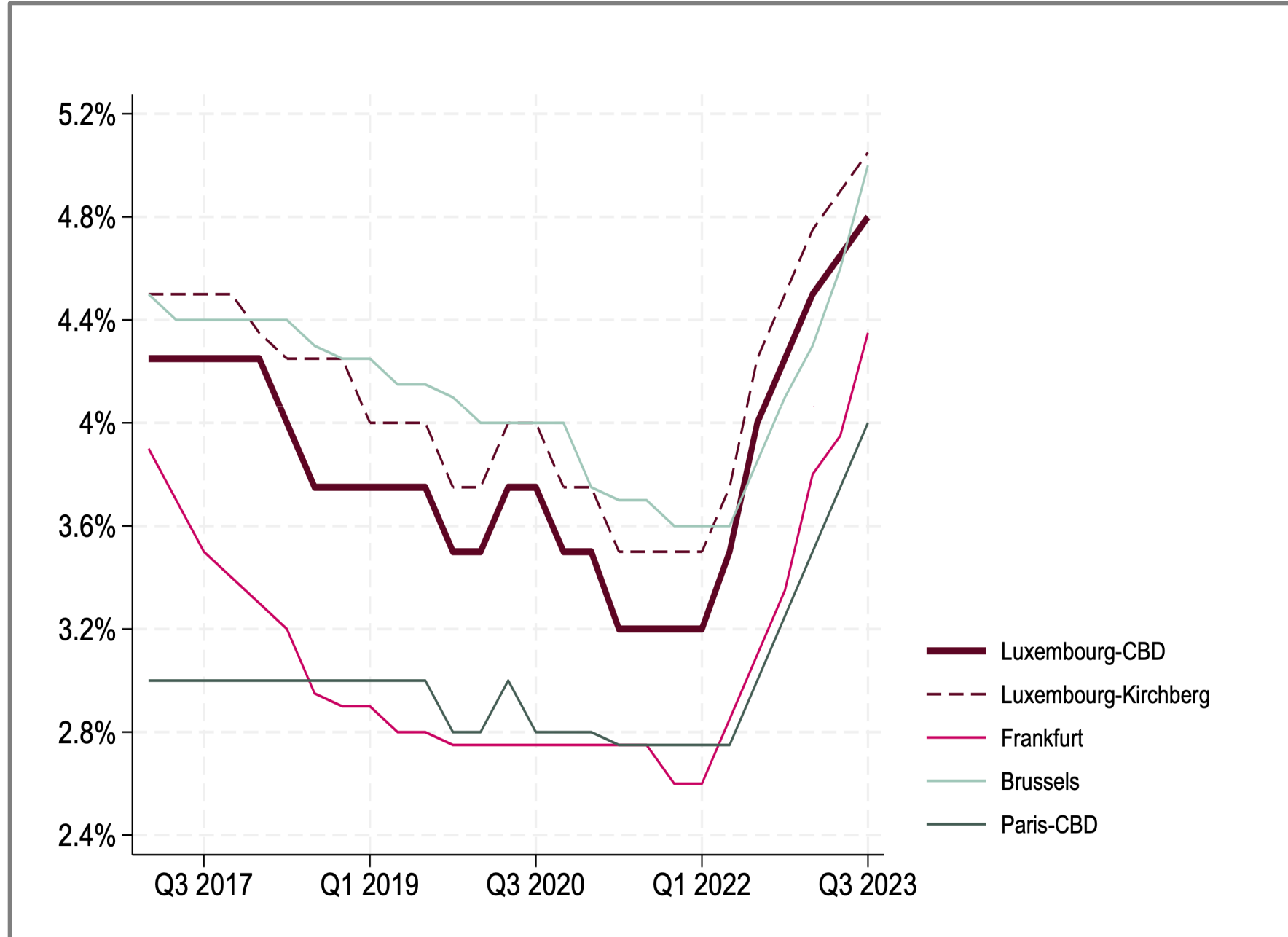


# PRIME YIELDS

Lux. Yield vs Interest rates (%)



European CBD Prime yields evolution (%)





# ESG : Investing in Sustainability



## ON THEIR PATH TOWARDS ESG COMPLIANCE, INVESTORS RELY ON THE SAME SOLUTION

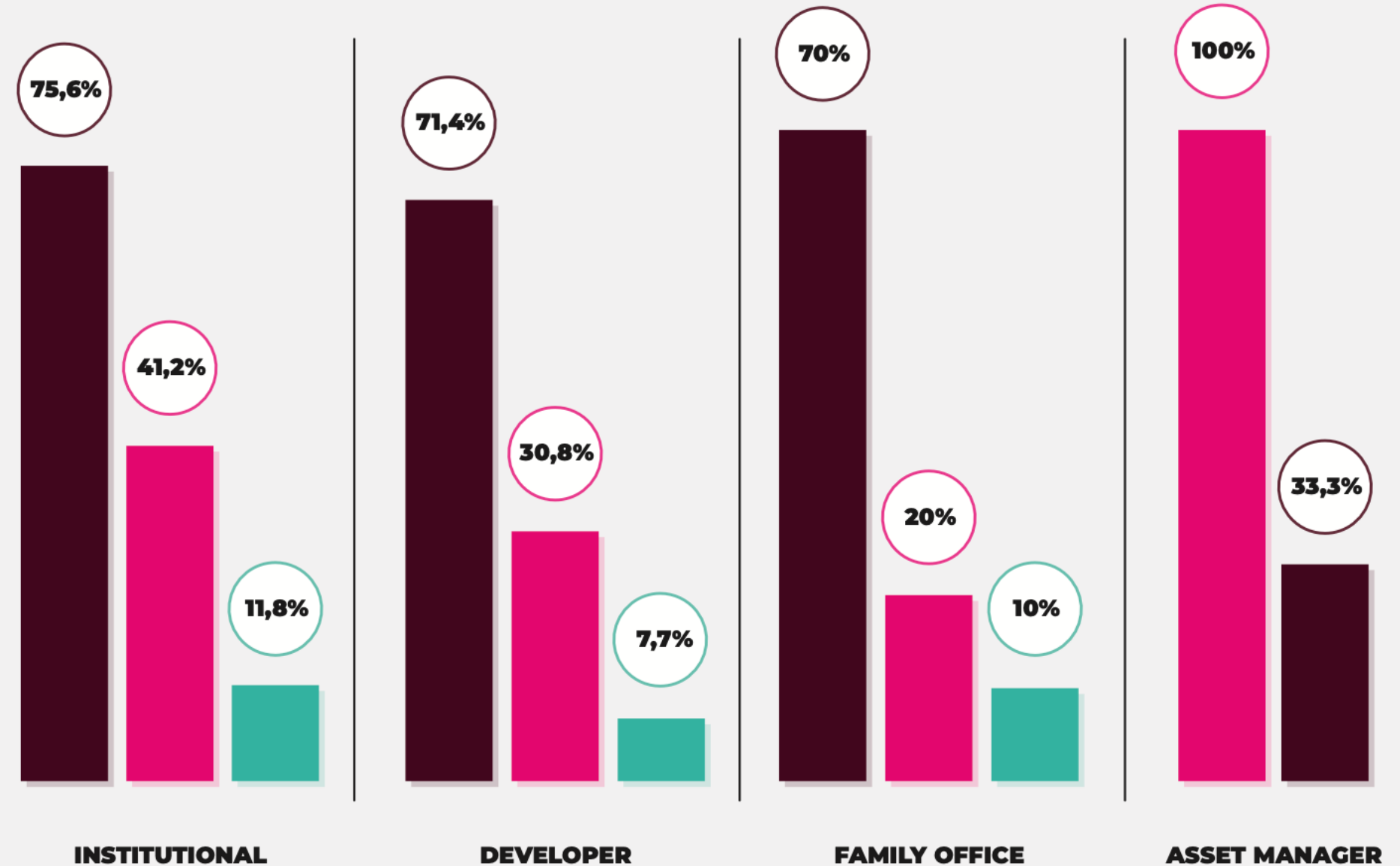
### Investors aim at improving existing assets to obtain ESG labels.

Investors are actively pursuing initiatives to enhance the sustainability credentials of their real estate assets, aiming to secure ESG labels.

By implementing energy-efficient upgrades, promoting community engagement, and adopting transparent governance practices, investors seek to align their real estate portfolios with ESG standards and meet the rising demand for socially responsible investment options.

## Approaches to implement ESG principles

- IMPROVE EXISTING ASSETS TO ACHIEVE ESG CERTIFICATION
- CONSIDER A PREMIUM TO ACQUIRE ESG-COMPLIANT ASSETS
- TEAM UP WITH EXPERTS IN ESG INITIATIVES



**Thank you for  
your attention**



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