

# Focus on Luxembourg: Current developement projects at a glance

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Luxembourg is home to many investment funds specializing in real estate. These funds attract investors from around the world, and they also invest in projects worldwide. Recently, the local real estate market in Luxembourg has seen rising prices and a number of developments in office, residential, commercial and retail real estate. This suggests that the many real estate firms located in Luxembourg would do well to include the numerous investment opportunities that Luxembourg currently offers in their scope.

**W**hile driving through Luxembourg, one cannot ignore the multitude of construction sites dotting the capital and the rest of the country. We will now highlight a few of the major ongoing

developments in Luxembourg. The Kirchberg plateau is most probably the best-known development area, and has been for over 40 years now. [➔](#)





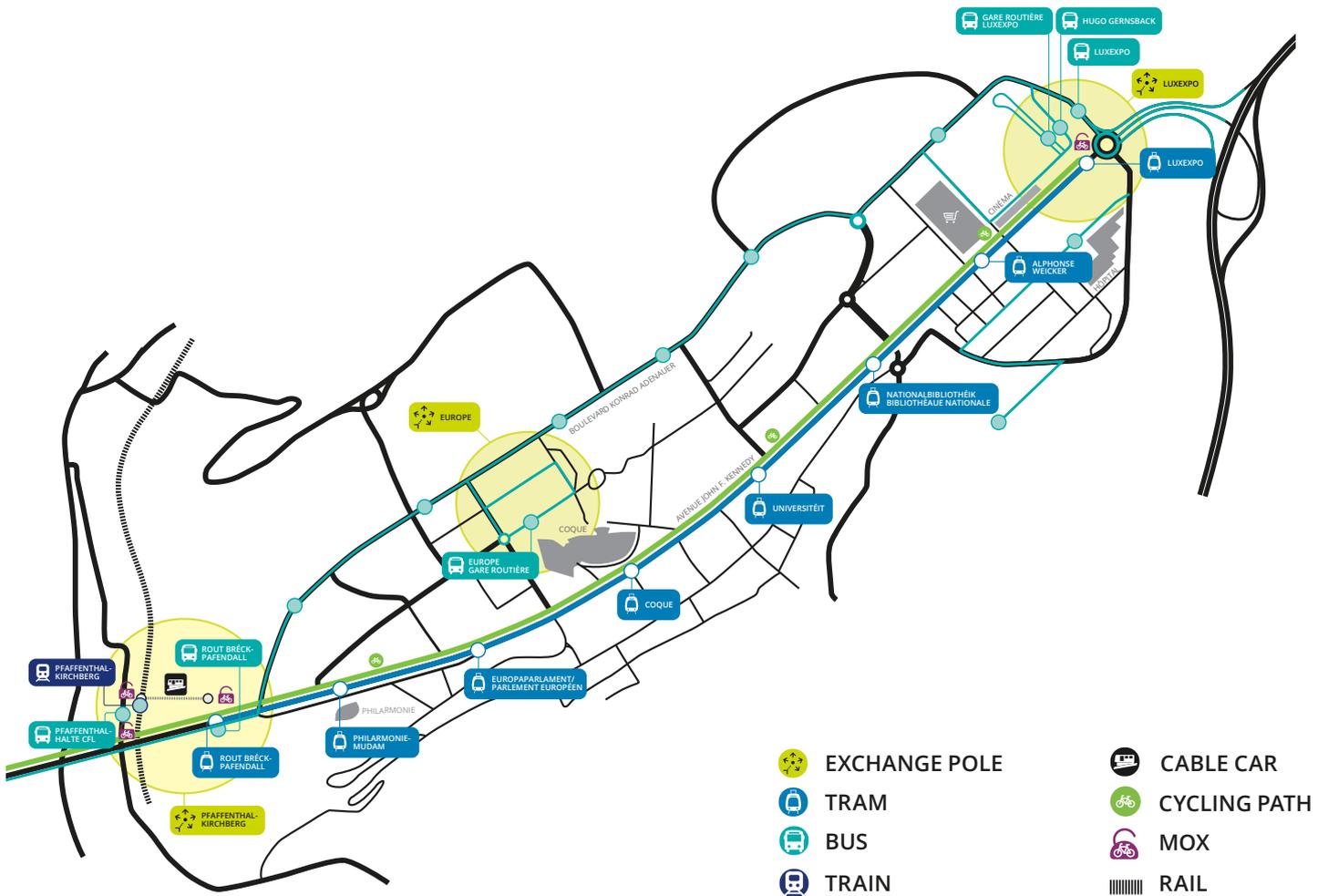
The Kirchberg plateau is most probably the best-known development area, and has been for over 40 years now.

With the construction of the Red Bridge at the end of the 1960s, Kirchberg developed into what is now Luxembourg's largest office district, with more than a million m<sup>2</sup> of office space, most of which is occupied by the European Union (Court of Auditors, Court of Justice, European Investment Bank, etc.).

In fact, looking at the latest figures, Kirchberg accounts for around 1,077,000 m<sup>2</sup> of office space, which is roughly 27 percent of the Luxembourg stock. At the end of 2017, the vacancy rate was less than 2 percent, compared to just under 5 percent for the country as a whole.

	District	Stock (m <sup>2</sup> )	Stock (%)	Vacancy (m <sup>2</sup> )	Vacancy rate (%)
<b>CITY</b> 	Kirchberg	1,077,500	27.44	20,401	1.89
	CBD	832,514	21.20	21,457	2.58
	Cloche d'Or	434,360	11.06	33,206	7.64
	Station	422,150	10.75	13,910	3.30
	Belair / Merl	91,500	2.33	9,057	9.90
	Limpertsberg	86,500	2.20	2,156	2.49
	Hamm	49,000	1.25	1,481	3.02
	Kalchesbrück	33,000	0.84	0	0.00
	<b>Total</b>	<b>3,026,524</b>	<b>77.07</b>	<b>101,668</b>	<b>3.36</b>
<b>CITY - PERIPHERY</b> 	Airport	171,355	4.36	8,220	4.80
	Strassen	86,650	2.21	11,637	13.43
	Bertrange/Bourmicht	82,000	2.09	15,304	18.66
	Leudelange	73,556	1.87	2,892	3.93
	Howald	62,600	1.59	11,560	18.47
	<b>Total</b>	<b>476,161</b>	<b>12.12</b>	<b>49,613</b>	<b>10.42</b>
<b>PERIPHERY</b> 	Belval	188,245	4.79	23,645	12.56
	Capellen	75,035	1.91	10,284	13.71
	Munsbach	60,100	1.53	5,951	9.90
	Windhof	40,600	1.03	705	1.74
	Esch-sur-Alzette	32,600	0.83	1,754	5.38
	Contern	27,890	0.71	1,668	5.98
	<b>Total</b>	<b>424,470</b>	<b>10.81</b>	<b>44,007</b>	<b>10.37</b>
<b>Total</b>		<b>3,927,155</b>		<b>195,288</b>	<b>4.97</b>

+ Sub-letting:  
11,353



2017 has been yet another extremely successful year for the Luxembourg real estate market. With more than 200,000 m<sup>2</sup> leased out, and over €1.35 billion in transactions, 2017 ranks in the top three best years of the last decade. With only 76,000 m<sup>2</sup> of new office space delivered during 2017, the overall vacancy

rate sank below 5 percent for the first time since 2008.

In December 2017, the first part of the new tramline (+/- 4 km) had its inauguration. Eventually, it will develop into a 16 km-long initial circuit enabling travel from the airport to the Cloche d'Or (by 2021/22).

The FUAK (Fonds d'Urbanisation et d'Aménagement du Plateau du Kirchberg) is developing a new bus-tram hub just next to the Serra roundabout at the end of Kirchberg. This will be paired with the development of two office buildings totalling 10,000 m<sup>2</sup>, as well as a new P&R (Park&Ride). ➔

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To the north of the Serra roundabout is the PAP Mediapark, the result of the ongoing redevelopment of the former RTL premises into a mixed development site (office/residential/retail) of around 100,000 m<sup>2</sup>. The first buildings (around 36,000 m<sup>2</sup>) were delivered in 2017. The last building in this development should be delivered by 2023.

Where Kirchberg meets the central city, there are four more large ongoing developments. Just opposite the Philharmonie, the mixed project Infinity will develop 6,500 m<sup>2</sup> of office space, 6,200 m<sup>2</sup> of retail space and a residential tower with some 150 apartments by early 2020.

North of Avenue J. F. Kennedy, the third “golden” tower of the Court of Justice is under construction, and two streets farther down, on Boulevard Konrad Adenauer, the European Investment Bank is working on their third building.

A bit farther down Avenue J. F. Kennedy, the European Parliament will move into the new KAD building in 2019/20, bringing the 120,000 m<sup>2</sup> building to life. ArcelorMittal recently announced the winner of the architectural tender for their new headquarters, a development of around 55,000 m<sup>2</sup> just next to the Centre de Conference on Avenue J. F. Kennedy, with delivery scheduled for 2021.

Currently, the “other” major area for development in Luxembourg is probably the Cloche d’Or district south of Luxembourg city. It is the natural competitor of the Kirchberg plateau. At the beginning of the XXI century, the massive development in the Cloche d’Or area had already made headlines. In 2017, the Lycée Vauban was the first building to become partially delivered and operational. Projects under construction (not accounting for road works) include the condominiums close to the future park, which total 72,000 m<sup>2</sup> (delivery in 2018/19), the new Auchan topped by two residential towers for a total of 100,000 m<sup>2</sup> (opening April 2019), the new Deloitte



headquarters tallying 30,000 m<sup>2</sup>, the new Alter Domus office building with its 10,000 m<sup>2</sup> and the new fire station near the Glück roundabout.

In total, the Cloche d’Or development site will consist of more than 110,000 m<sup>2</sup> of residential buildings, 150,000 m<sup>2</sup> of office buildings and, last but not least, some 100,000 m<sup>2</sup> of retail space. Opposite the highway, another large construction site has opened: the beginnings of the new national football stadium that is scheduled to be ready for 2019. With the new stadium will come a new P&R with around 2,000 parking spaces.

This P&R will also be the last stop on the tramline coming from the airport. All this is expected to be ready in 2021/22. Very recently, it was announced that a new complex with two hotels and one long stay

apartment complex totaling roughly 500 rooms will be also developed in this area, next to the football stadium.

These many real estate projects are a sign of Luxembourg’s growing economy, in which numerous professional firms are creating new jobs. At the same time, the Luxembourg government continues to invest in its infrastructure to accommodate the expanding business sector. Together, these developments paint Luxembourg as an increasingly interesting place to do business given the wide variety of specialized companies and services that have already opted to set up shop in the country. ●



Projects under construction on the Cloche d'Or development site – © Grossfeld PAP