



TEHDI-EDOUARD BABIGEON  
HEAD OF LETTINGS AND SALES

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## SUMMARY

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RealCorp had two representatives at the MIPIM conference in Cannes this year. Michael Chidiac, Managing Director at RealCorp Luxembourg, was accompanied by Greg Sheppard, our Head of Valuation and Advisory Services. The mood at MIPIM in 2009 and 2010 had seemed to be mostly "doom and gloom", and reports this year suggested that the 2011 attendance rate was relatively low, so we were wary of expecting too much. It was with pleasure, therefore, that we received this positive report from Michael Chidiac:

"It's in my nature to be optimistic, but in my training to be cautious, so I listened hard for clues that would justify my impression that things may be looking up this year. In general, the people we met were serious about doing business. Cautious, still, yes, but willing to explore possibilities. We had some good conversations with people looking to complete what they've started, and we emerged with some active leads.

We found funds looking to domicile in Luxembourg, equity available for investing in Luxembourg, and even some banks now willing to look at files that last year wouldn't have interested them. They seemed committed to lending for prime assets, with secondary still a little neglected, but even there I sensed a will from some to consider financing some well-chosen projects. A few even indicated that they are looking again at some speculative developments. I even received a few personal approaches from new funds seeking information and help on setting up in Luxembourg. So we have much to do!"

Michael has several years' experience as an Independent Director for Real Estate Regulated Investment Funds and for unregulated investment structures, so he was happy to have some initial conversations with enquirers about obtaining legal advice, finding premises, appointing Custodians, sourcing staff, etc. RealCorp specialises in providing solutions to funds, so we are actively pursuing these leads.

*\*This article is adapted from "Post-MIPIM musings", a post on the RealCorp Blog on 16 March 2011. Please join us there to add your opinion on the state of the market in 2011: <http://realcorp.lu/blog/>*

# CURRENT OFFERS

LUXEMBOURG – SPRING 2011



## CENTRE



### TO LET – J-P BRASSEUR

TYPE: OFFICE  
AREA: 585 sqm  
DIV: N/A  
AVAILABILITY: Immediate

COMMENTS: Stylish villa with high quality fittings, surrounded by a beautiful garden. The premises are completely cabled and offer the possibility of 9 parking spaces.

ref:218678



### TO LET

TYPE: OFFICE  
AREA: 234 sqm  
DIV: N/A  
AVAILABILITY: Immediate

COMMENTS: good conditions, natural lighting, ideal configuration and layout, parking.

ref: 204158



### TO LET

TYPE: OFFICE  
AREA: 6,600 sqm  
DIV: 230 sqm  
AVAILABILITY: Q1 2012

COMMENTS: new building very well located, very high quality fittings, HQE certification, flexible floor planning, parking.

ref: 203490



### TO LET

TYPE: OFFICE  
AREA: 425 sqm  
DIV: N/A  
AVAILABILITY: Immediate

COMMENTS: highly secured premises, 3 parking spaces.

ref: 203555



### TO LET

TYPE: OFFICE  
AREA: 690 sqm  
DIV: N/A  
AVAILABILITY: Immediate

COMMENTS: 1 floor still available, very high technical standard building, ideally located, parking, flexible floor planning.

ref: 203418



### TO LET – ROUTE D'ARLON

TYPE: OFFICE  
AREA: 3,900 sqm  
DIV: 448 sqm  
AVAILABILITY: contact us

COMMENTS: Building with great visibility on Route d'Arlon, located within the Commune of Luxembourg, 5 min from the city center. Direct bus access and proximity to the Belgian and French motorways. Parking.

ref: 208266

# CURRENT OFFERS

LUXEMBOURG – SPRING 2011



## CENTRE



### TO LET - JOSEPH II / EMILE REUTER

TYPE: OFFICE  
AREA: 202 sqm  
DIV: N/A  
AVAILABILITY: Immediate

COMMENTS: New building located at one of the main strategic crossroads of the city centre of Luxembourg. 1 floor with good access to natural lighting still available. Parking

ref. 203157



### TO LET

TYPE: OFFICE  
AREA: 891 sqm  
DIV: 294 sqm  
AVAILABILITY: Immediate

COMMENTS: recent building, natural light, central location,

ref. 205760



### TO LET

TYPE: OFFICE  
AREA: 1,650 sqm  
DIV: 800 sqm  
AVAILABILITY: Immediate

COMMENTS: high quality fittings, excellent view of one of the main streets of the city centre, well lit

ref. 204575



### TO LET

TYPE: OFFICE  
AREA: 410 sqm  
DIV: 120 sqm  
AVAILABILITY: Immediate

COMMENTS: Central area, flexible floor planning, full renovation foreseen, parking.

ref. 205429



### TO LET OR FOR SALE - JOSEPH II

TYPE: OFFICE  
AREA: 448 sqm  
DIV: N/A  
AVAILABILITY: Immediate

COMMENTS: Stylish « Maison de Maître » located in the Embassy area with easy access to the City Centre. The available areas benefit from natural lighting with wide floor areas which are easy to partition.

ref. 206249



### TO LET

TYPE: OFFICE  
AREA: 220 sqm  
DIV: N/A  
AVAILABILITY: Immediate

COMMENTS: Central location, premises ideally fitted, decorated in a British style

ref. 205557

# CURRENT OFFERS

LUXEMBOURG – SPRING 2011



## BOURBON / STATION



### TO LET

TYPE: OFFICE  
AREA: 481sqm  
DIV: 234 sqm  
AVAILABILITY: Immediate

COMMENTS: Period property, refurbished in 2005, great view of the Rosengartchen.

ref: 203918



### TO LET

TYPE: OFFICE  
AREAS: 253 sqm  
DIV: N/A  
AVAILABILITY: Immediate

COMMENTS: 2 separate entrances, open plan space, kitchenette, well located.

ref: 210655



### TO LET

TYPE: OFFICE  
AREA: 280 sqm  
DIV: N/A  
AVAILABILITY: Immediate

COMMENTS: ground floor, window feature, refurbished, good state of repair

ref: 218974



### TO LET

TYPE: OFFICE  
AREAS: 185 sqm  
DIV: N/A  
AVAILABILITY: Immediate

COMMENTS: Ground floor + 4<sup>th</sup> floor, separate entrance, elevator.

ref: 203035

## KIRCHBERG - AIRPORT



### TO LET - KIRCHBERG

TYPE: OFFICE  
AREAS: 848 sqm  
DIV: 83 sqm  
AVAILABILITY: Immediate

COMMENTS: Totally refurbished in 2010 to a high standard, good access to natural lighting, parking.

ref: 217233



### TO LET

TYPE: OFFICE  
AREAS: 446 sqm  
DIV: N/A  
AVAILABILITY: Immediate

COMMENTS: High standards, partitioning, parking, close access to motorways and airport

ref: 214439



### TO LET

TYPE: OFFICE  
AREAS: 12,158 sqm  
DIV: 200 sqm  
AVAILABILITY: Immediate

COMMENTS: new building, internal garden, high quality fittings, parking

ref: 207442 / 207435

## CURRENT OFFERS

LUXEMBOURG – SPRING 2011



### OTHERS



#### TO LET - CAPELLEN

TYPE: OFFICE  
AREA: 6000sqm  
DIV: 336 sqm  
AVAILABILITY: Immediate

COMMENTS: 6 buildings, wide esplanade, direct access to the motorways

ref: 206227



#### TO LET – ROUTE D'ARLON / STRASSEN

TYPE: OFFICE  
AREA: 3770sqm  
DIV: 400 sqm  
AVAILABILITY: Immediate

COMMENTS: New building, Green Building Awards 2011, HQE certification, parking, good access to natural lighting

ref: 204944



#### TO LET - HOWALD

TYPE: OFFICE  
AREA: 9200 sqm  
DIV: 200sqm  
AVAILABILITY: Immediate

COMMENTS: new buildings, many parking spaces, high quality standards, BREEAM certified.

ref: 205508

HAVE A PROJECT,  
NEED ADVICE,  
OR SIMPLY WISH TO VISIT ?

### CONTACT US



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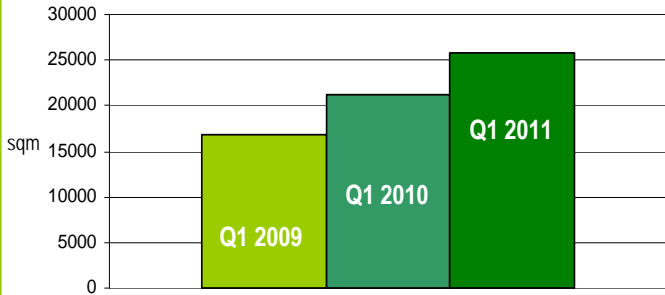
*Non contractual document – Spring 2011*

# KEY FIGURES

LUXEMBOURG – SPRING 2011



## Evolution of the take-up: Q1 2009 – Q1 2011

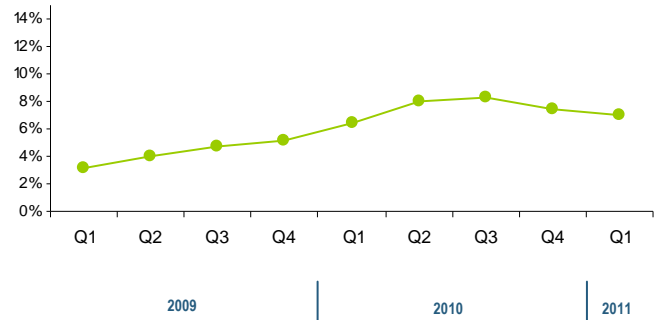


### High and medium areas lead the market

In comparison with the last two years, the good results of this first quarter (15% on Q1 2009, and 12% on Q1 2010), have to be put into perspective. The total market take-up represents several transactions of over 1000sqm (the "President" in Kirchberg for 5630m<sup>2</sup> and the "Horizon" in Strassen for 2179m<sup>2</sup>). On the other hand, the smaller AREA market (0 – 1000m<sup>2</sup>) was less dynamic than foreseen. So whilst the average take-up figure had increased significantly (890m<sup>2</sup> in 2011 versus 530m<sup>2</sup> in 2010), the actual number of transactions (29 in Q1 2011 compared with 40 for the same period in 2010), seems abnormally low.

## Evolution of the vacancy rate

### Q1 2009- Q1 2011



### A rapid decrease

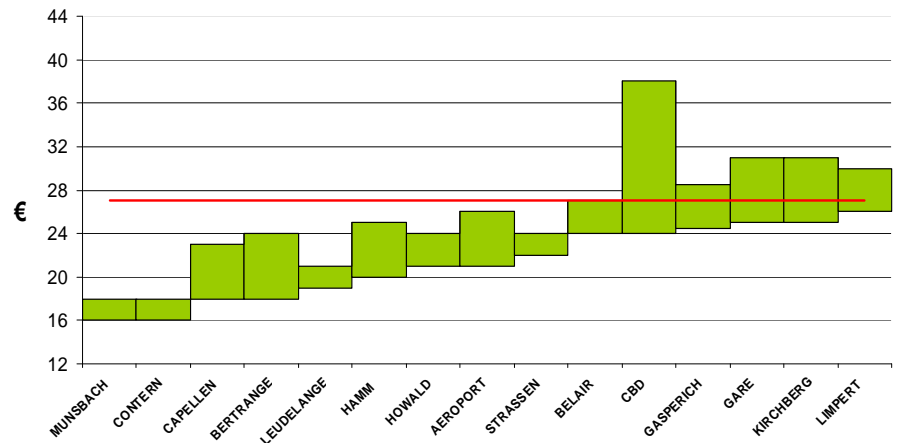
The figures produced at the end of this first quarter of 2011 indicate that the envisaged decline in the vacancy rate is fast becoming a reality.

This can be seen from the rental vacancy figures that touch on 7%, i.e. a reduction of approximately 5.5% compared to Q4 2010.

This fast decline is reflected not only in the status quo of new building delivery, but also in the larger-than-expected take-up (refer to take-up graph)

## Rents per sector / medium-range rent

Whilst the latest **prime** rent figures for the CBD and Kirchberg remain stable (€38/sqm and €31.5/sqm respectively), we see that the **base** rent has reduced slightly in comparison with the previous quarter. Indeed, the CBD recorded some transactions as low as €24.50/sqm (in comparison to €28/sqm in Q4 2010). This decrease relates primarily to older buildings and/or to those that have been available for a significant period of time.



In Kirchberg, the lowest rent transactions were in the region of €25-€27/sqm, which indicates that in this particular area, and under certain conditions, owners still show some flexibility. The Station area continues with restoration; the renovation of many stores and work being carried out on the station itself contribute to the progressive rise of rents which tend to approach those generally observed in Kirchberg.

In Q1 2011, the average rent was approximately €27/sqm corresponding to an increase of almost 8% compared with Q4 2010. However, these figures should be put into perspective: During the first three months of the year, more than half of the recorded transactions were for areas of more than 1000sqm and primarily covered the most dynamic sub-markets where rents are highest (Kirchberg and Gare), therefore disproportionately impacting the rise of average rents.

# FEATURE WELLNESS @ WORK

For many companies, the requirement for new office space is motivated primarily by considerations of one or more of the following:

- Space
- Budget
- Location
- Age of the building

More recently, a criterion has been added to this list. It affects the work environment and indirectly the real estate market: the "Wellness at Work" concept.

The principle is simple: providing a dynamic work environment that stimulates body and soul in order to create a positive and productive ambiance.

Recent events have accentuated the requirement for businesses to address the needs of their staff. Some companies have introduced "relaxation spaces" designed by experts dedicated to "Wellbeing".

Others have gone further by offering the services of a concierge.

The concierge can act as a personal assistant, providing specific functions such as arranging dry cleaning, purchase and delivery of shopping, personal administrative tasks, etc.

Simplifying the lives of office staff allows them to focus on their work.

For our clients, we interviewed representatives of two leading companies, *Mrs. Delphine Paul* for **Ambius**, and *Mr. Paul Heinz* for **ExtraTime**, in order to evaluate their "Wellness at Work" offerings.



# FEATURE

## WELLNESS @ WORK

### RealCorp: What are the customers' expectations? What are they looking for when they contact your company?

**ExtraTime (Paul Heinz):** The concept of creating a balance between a person's private and professional life is certainly not new, however in today's high-paced society, which sees individuals connected more and more to the work place either physically or remotely, the need for a form of respite has become increasingly apparent. The Wellbeing philosophy is being introduced by companies that understand that to enable people to carry out their role to the highest possible level, they need to reduce certain pressures. We are being approached by Companies actively seeking the latest effective solutions for their staff.

**Ambius (Delphine Paul):** Many business managers are facing an increase in absenteeism, mainly due to stress, and the traditional "burn out" that may arise. Companies like Ambius, specializing in "Wellness at Work" are contacted to improve the working environment of staff and prevent these situations. It should be noted that in 1999 the Belgian social parties established a collective labour agreement where stress management was a key concern. This agreement assisted in the integration of processes in the workplace relating to the prevention of avoidable stress.

### RC: What are the benefits for employers and for employees?

**E:** Businesses are now addressing the welfare of their employees for several reasons. By providing a supportive work environment, they are able to retain and/or attract key individuals; efficiency is improved by the alleviation of personal duties, and the knowledge that the company is aware of their employees' needs and provides such benefits is regarded highly in the professional world.

Depending on the employer's criteria and budget, the concierge service can be individualised based on the respective needs of the employees. Benefits may range from basic dry cleaner and shoe repair services to a more significant offering such as grocery collection, delivery and pick up of personal documentation, car wash and valet service.

This "personal assistant" approach provides the benefit of removing necessary, but time-consuming, personal requirements allowing the individual to focus fully during their working hours.

**A:** Another idea is to stimulate the five senses to create a positive working atmosphere and a pleasant environment. According to recent studies by Ambius University \*, 30% of employees have shown increased productivity and creativity when operating in a framework based on the concept of "Wellness at Work". The results show that companies have noticed a sharp decline in absenteeism and an increase in results.

\*Studies available upon request [info@realcorp.lu](mailto:info@realcorp.lu)

### RC: What other avenues are you exploring to add value for your clients?

**A:** We have seen, particularly since 2007, that demand for "Wellness at Work" has increased. Employees see the opportunities offered by their Companies as an added "plus", providing recognition. The possibilities on offer can range from fresh fruit baskets and aromatic scent diffusers to wellness workshops and so on. The focus is not only on the work environment but also on the needs of the employees.

**E:** The first step is to provide concierge-type services to virtually all employees. These services can be ordered via email, telephone or a web-based interface. Another approach is to implement a "concierge desk" where employees can be provided support and assistance with their needs. A range of services is of course essential. By providing a wide selection of offerings, the company will be able to meet the expectations of its employees.

# FEATURE WELLNESS @ WORK



## RC: Ambius / ExtraTime in a few words.

**A:** Ambius is a subsidiary of Rentokil and has been in operation in Belgium and Luxembourg since 1987. We offer expertise in interior landscaping, including houseplants, acoustic walls, decorations, vertical gardens, etc. for all types of companies, ranging from small offices to larger firms, and retail stores to shopping malls. We aim to create a harmonious environment and improve the well-being of employees and visitors (through pleasant ambiances, fresh fruit deliveries, wellness seminars etc). People identify our brand with customer satisfaction. Through our dedicated team of staff, we promise to serve our customers and build long-lasting relationships

**E:** ExtraTime is a Luxembourg-based company active in the area of "Conclerge Service" or "Personal Assistance" since 2005. Our goal is to provide time for our clients by relieving them of many tasks related to daily life, or to help them in their personal development. We can take over the domestic tasks (housework, gardening, vehicle maintenance,) and also assist with projects (office moves, building and business-related projects). Our service is aimed at everyone, whether at home or at work, and attracts not only employers, but also property developers, who can use it to demonstrate that their project is in touch with the latest trends.

Interviewed by:

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