

September 2012

SPH newsletter special



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DEAR READERS!



Whenever Luxembourg is mentioned, there is nearly immediately the association of financial structures like SICAF, SICAR und SICAV, often named in short "Luxembourg vehicles". Different to other EU countries in Luxembourg these vehicles are linked with significant tax advantages. Apparently the fund industry and financial services, especially in the real estate segment, is of great importance for Luxembourg's economy.

However, looking only at this economical segment does not really come up with Luxembourg as location. Because limiting the apperception to these financial structures means to ignore the great variety of what the country has to offer. Strictly speaking, there is a double Luxembourg: On the one hand the Grand Duchy, on the other the capital city of the same name. And both they are more than only a "tax heaven".

In this special you will read some more about the characteristics of Luxembourg in general—the country and the city as well—and about the property markets. You will find information about how Luxembourg is preparing itself for the future, about trends and developments of the office, retail and residential markets, and about the logistics sector in the Grand Duchy as well. Furthermore there is presented Belval, a large-scale urban development project in the south of the country. There, on a large brownfield area, is emerging a completely new district whose "heart" will be the University of Luxembourg. Belval is the largest construction area ever in the country. And we have asked some international market participants about their impressions of and associations with Luxembourg.

Of course, regarding the Grand Duchy a broad range of other topics would have been interesting. However, for this time we wanted to present mainly the location, to pique attention and to offer those already familiar with the country the possibility of an up-date. We had much pleasure to develop this Special, and we have learned and discovered a lot about the Gand Duchy. And of course we hope, that after reading this Special you, dear readers, will state the same.

Yours,

Andreas Schiller



„K-Point“ on the Kirchberg plateau comprises office and retail space. The complex is the first investment of Unilnstitutional European Real Estate Fund in Luxembourg.

UNION INVESTMENT EXPANDS LUXEMBOURG PROPERTY PORTFOLIO

Union Investment has acquired the Luxembourg-based company holding the office building “K-Point” on Kirchberg plateau in Luxembourg. The vendor was AXA REIM. Union Investment will add the property to its Unilnstitutional European Real Estate Fund. The purchase price was not disclosed. The fully let property developed in 2008 by the Belgian developer Allfin consists of 8,169 square metres of office space, 1,041 square metres of retail space, 655 square metres of archive space and 87 parking units. “K-Point” is the first investment in Luxembourg on behalf of Unilnstitutional European Real Estate Fund. *September 2012*

SEB IMMOINVEST SELLS PROPERTY IN LUXEMBOURG

SEB Asset Management has sold a property in Luxembourg. The sale represent a further step in SEB ImmoInvest’s orderly liquidation. The new owner of the four-storey office building on 16a Avenue de la Liberté in Luxembourg is LP Immo SA. The purchaser plans to renovate the close to 1,100 square metres of space, which is currently unoccupied, and then let the offices to Société de Gestion Fiduciaire (SGF) following completion. The property was fully let to Luxembourg’s Finance Ministry until the end of 2011 and had been part of SEB ImmoInvest’s portfolio since 1996. *September 2012*

EXPEDITORS INTERNATIONAL TO OPEN IN LUXEMBOURG

The global logistics company Expeditors plan to open an office in the Luxair Cargo Center in September. The full service branch will offer air and ocean freight, customs clearance, and warehousing and distribution services. Expeditors headquartered in Seattle has more than 188 full service offices and 63 satellite locations on six continents. *August 2012*

IVG SELLS LUXEMBOURG OFFICE BUILDING TO PRIVATE INVESTOR

IVG Immobilien AG has sold Thomas SA, a company owning the Rue Thomas Edison property located in the Strassen-Periphery of Luxembourg for around EUR 20 million. Thomas SA was sold to a private Luxembourg-based family office. The property is fully let to various tenants and totals 5,700 square metres. In this transaction IVG was advised by Property Partners SA and the international law firm Baker & McKenzie. *July 2012*



„The Square“ is the first office building in Luxembourg that already in use has received a HQE certification.

INVESCO REAL ESTATE EXPANDS OPERATIONS IN LUXEMBOURG

Invesco Real Estate (IRE) has made seven new appointments in its Luxembourg office and thereby enlarged its team to 11 staff. The aim is to enhance the operational support provided to IRE's established and recently launched Luxembourg-domiciled funds and subsidiary companies. The increase of the team coincided with the company's move to new, bigger premises in Avenue J. F Kennedy.

July 2012

„THE SQUARE“: FIRST HQE CERTIFICATION FOR BUILDING ALREADY IN USE

The Square, owned by EuroSelect 16, one of the real estate funds managed by IVG Private Funds Management GmbH, and managed by Property Partners, has received the first 'NF Bâtiments Tertiaires en exploitation et utilisation – Démarche HQE' certification issued by Certivéa in the Grand Duchy of Luxembourg and internationally for an existing building. „The Square“ on Kirchberg plateau was built in 2003. It consists of four individual buildings, totalling around 54,000 square metres of leasable area. The total investment in the certification project is EUR 584,000.

June 2012

KPMG'S FUTURE KIRCHBERG HEAD-QUARTERS: LAYING OF 1ST STONE

KPMG Luxembourg celebrated the launch of the construction of its future headquarters in Kirchberg. The building is located on 39 Avenue J. F. Kennedy and will be due to open its doors in 2014. The construction of the new headquarters will allow the current 1,050 employees to work in one single building. Currently they are spread across three different locations.

April 2012

CORDEA SAVILLS APPOINTS HEAD OF LUXEMBOURG OFFICE

International property investment manager Cordea Savills has appointed Lorna Mackie as Head of the Luxembourg office. Lorna Mackie is responsible for fund corporate activities. She has over 16 years of experience in the Luxembourg fund industry. She joins Cordea Savills from Goodman Europe. Before Lorna Mackie spent nine years with Henderson Global Investors' third party administration business.

February 2012



Join Luxembourg's fastest growing area

Belval is the new address in the Grand-Duchy. A new city quarter with a unique mix of places to work, study, research and live is being created on a site of 120 hectares. The development company Agora and countless property developers and investors collaborate with the state of Luxembourg and the municipalities of Esch-sur-Alzette and Sanem to bring the new city quarter to life, investing in the future of a unique location.

Over a third of 700.000 m² gfa of public use is already finished or under construction. More than 200.000 m² gfa of private investments are finished and occupied. 250.000 m² gfa for housing and 300.000 m² for mixed use (office, retail, leisure) are still to come within next 10 – 15 years.

Société de développement [Agora](#) s.à r. l. et cie, secs
3, avenue du Rock'n Roll
L-4361 Esch-sur-Alzette | Luxembourg
T +352 26 53 44 | F +352 26 53 44-44
marketing@agora.lu | www.agora.lu



A LOOK FROM OUTSIDE TO LUXEMBOURG



*Dr. Thomas Beyerle,
Head of Corporate Sustainability
& Research, IVG Immobilien AG*



*Alessandro Bronda,
Head of Global Property
Investor Solutions,
Aberdeen Asset Management*



*Volker Noack,
Member of the Management Board,
Union Investment Real Estate GmbH*

It is generally known that internal and external apperception are quite different. Therefore we have asked those who are familiar with Luxembourg and active in the country, but who are foreigners. For sure, the answers are not representative, but interesting and sometimes even surprising.

WHAT IS OCCURRING TO YOU SPONTANEOUSLY HEARING "LUXEMBOURG"?

Spontaneously? First of all the language, 'Letzeburgisch', a mixture of Moselle and Lorraine Franconian dialects as well as French. It is always uplifting to listen to the newcast of Luxembourg's German channel. Without knowledge in French only the half is to comprehend.

But there is no reason to scoff about the language because also in Germany not anybody is understanding everybody everywhere. Political more correct might be the answer: Jean-Claude Juncker, since the start of euro crisis appearing at least once a day in the newcast; job engine of the region; and impressing topography of its capital—city above Gr(o)und.

Dr. Thomas Beyerle

An economy, doing relatively well in European comparison, and no debt problem.

Alessandro Bronda

Spontaneous associations with Luxembourg are: financial centre, one of the political centres of the European Union, and of course the triple-A rating of the country. And last but not least Luxembourg is associated with a very high income per capita.

Volker Noack

Radio Luxembourg.

Dr. Georg Reul

Very important financial centre.

Dr. Knut Riesmeier

Small, but wealthy country.

Thomas Schmengler

IN LUXEMBOURG, WHAT IS DIFFERENT FROM GERMANY, FRANCE OR THE OTHER BENELUX COUNTRIES?

Despite the medieval flair of the fortress and the historic city centre Luxembourg is frantically international. Strolling through the city within some minutes one can hear at least five languages. Everything is small and picturesque, but the financial market is acting in vast proportions. Luxembourg is one of the most important locations of European banks, insurance companies and funds. Here 143 banks from 25 countries are located. All in all the financing sector and business services are generating nearly the half of the country's gross value added.

Dr. Thomas Beyerle

Taxes are lower.

Alessandro Bronda

Luxembourg as a location for business benefits in many aspects by the commuter flows from Germany, France and Belgium. Another advantage is the multilingualism of Luxembourg's population.

Volker Noack

Luxembourg is a small country strategically convenient located among large neighbour countries to which it wants to get well along. Looking at the economic history of the country it is obvious that Luxembourg had got into a severe crisis when mining and steel industry came down. The crisis was overcome by the purposeful development of a financial



*Dr. Georg Reul,
CEO, KGAL GmbH & Co. KG*



*Dr. Knut Riesmeier,
Managing Partner,
Riesmeier Capital GmbH*



*Thomas Schmengler,
Managing Director and Head
of Global Purchases and Sales,
Deka Immobilien GmbH*

market. Therefore Luxembourg will use all available political resources to keep the financial centre attractive for investments.

Dr. Georg Reul

The strongest support for future development of the EU.

Dr. Knut Riesmeier

The language, a mixture of the languages in the above mentioned countries.

Thomas Schmengler

has only about half a million inhabitants and a capital with just under 100,000 inhabitants! More than 168,000 employees are commuters from the neighbouring countries France, Germany and Belgium. Luxembourg's economic growth is regularly topping the EU average and often as well the growth in emerging countries. The typical Luxembourger is working and paying tax in Luxembourg, but lives in Treves, Lorraine, Arlon or in the Saarland.

Dr. Thomas Beyerle

WHAT DO YOU BRING ALONG AS "SOUVENIR" FROM LUXEMBOURG?

A canister of petrol, a carton of cigarettes, and coffee ... Hurrah for the price differential!

Dr. Thomas Beyerle

Cheap petrol!

Alessandro Bronda

First of all I have the idea of something eatable, mainly sausage. And I will take along some bottles of Luxembourg wine.

Dr. Georg Reul

Good feeling after having had a nice dinner at "Lea Linster".

Dr. Knut Riesmeier

Some goodies from Oberweis.

Thomas Schmengler

Its a very important centre for funds due to the very competitive tax regime

Alessandro Bronda

From an investor's point of view a main characteristic of the country is its stability especially regarding the government. Furthermore there is to emphasize the geographically central position in Europe.

Volker Noack

My impression is that policies and especially economic policies have a more business-focused approach than elsewhere.

Dr. Georg Reul

Excellent business relations to many countries also outside EU. Stability of the regulatory framework for the financial sector.

Dr. Knut Riesmeier

The country's flexibility to react quickly to changing general conditions and to retain its advantage of location.

Thomas Schmengler

USUALLY LUXEMBOURG IS ASSOCIATED WITH "FINANCIAL CENTRE" AND "LOCATION OF SEVERAL EU INSTITUTIONS". WHAT IS AT LEAST OF THE SAME IMPORTANCE TALKING ABOUT LUXEMBOURG?

The job-engine of the economically underdeveloped regions Saarland-Lorraine-Luxembourg, Rhineland-Palatinate and Wallonia. Since 1990 the number of employees in Luxembourg hat more than doubled to 374,000, in a country that

BY SIZE LUXEMBOURG'S PROPERTY MARKET IS RATHER MODERATE. WHY IS AN INVESTMENT IN THIS MARKET PROMISING ANYWAY?

Because of its size and topography Luxembourg's property market has spatially only limited expansion possibilities. Therefore investments in properties in the city centre

and on the Kirchberg Plateau will always generate reliable cash flows.

Dr. Thomas Beyerle

You can secure assets with good stable cash flows in a market that will continue to do well in future.

Alessandro Bronda

The property market is characterized by low vacancy rates and attracting initial yields. Beside the high quality of the buildings the potential for rental growth is in favour with office investments.

Volker Noack

The one who likes banks as tenants will find good investment opportunities. There is also a large and stable demand from expanding IT and e-commerce companies. However, the main argument is the purchasing power in Luxembourg: It is twice the EU average.

Dr. Georg Reul

Because of the stability of the market and expected future demand.

Dr. Knut Riesmeier

Luxembourg offers market conditions characterized by relatively stable rents and by a high-quality stock of properties.

Thomas Schmengler

AND WHERE ONE SHOULD LOOK FOR A POTENTIAL INVESTMENT?

Because generally banks and states are paying the residential rents for their representatives in Luxembourg, prices for housing above EUR 3,000 per month are more the rule than the exception. Who has to pay himself for his flat prefers to move to Treves. Therefore investments in residential properties in Luxembourg are promising.

In spite of the euro crisis high-quality buildings inside the ring road and in Kirchberg are sound investments in the office sector. Regarding locations in the short- and mid-

term a look at the development area around the main station could be worthwhile because there an interesting mix of office, residential, retail and culture will be developed.

Dr. Thomas Beyerle

The office buildings we are invested in are mainly located in the Kirchberg submarket. As the central business district of Luxembourg city Kirchberg is characterized by low vacancy rates, high quality of buildings and reputable tenants.

Volker Noack

Meanwhile mainly at retail and residential properties.

Dr. Georg Reul

In the city centre of Luxembourg.

Dr. Knut Riesmeier

WHERE IN THE MID-TERM LUXEMBOURG WILL DEVELOP?

Towards south! In the long term the country's south—for example Belval—will accrete to the urban area of Luxembourg city. That might still take one or two decades. Because bureaucracy is never abolishing itself the number of EU employees, banks and lobbyists will continue to increase although at lower rates than in the 90s. For the office market it means that in the long run the already low vacancies will be filled up starting at the city centre and then at the peripheral locations. In the future only those buildings and locations that have become obsolete will see structural vacancies. Also attracting are investments in retail property because with relatively small investment (by acquiring a supermarket, retail park or shopping centre portfolio) one can easily become a local player of some importance.

Dr. Thomas Beyerle



Positive.

Alessandro Bronda

Luxembourg will continue to be an attractive financial and EU centre with a stable market development.

Volker Noack

It will see more investment managers than ever.

Dr. Knut Riesmeier

Luxembourg as a funds centre will continue to gain importance. Furthermore, also in the future EU institutions will be generating substantial office demand. However, with turbulences surrounding the German open-ended real estate funds an important group of investors will partly vanish from the market. This might have some impact on yields and investment demand.

Thomas Schmengler

REAL ESTATE. LEGAL. COUNSEL



DSM
AVOCATS A LA COUR

Mario Di Stefano
Avocats à la Cour
Rechtsanwalt

**2a, boulevard Joseph II
L-1840 Luxembourg**

Phone : +352 262562 1
Fax : +352 262562 2
E-mail : mdistefano@dsmlegal.com

DSM Di Stefano Moyse Avocats à la Cour has established itself as a leading player amongst independent law firms in the Luxembourg market, with a solid track record of excellence in each of its key sectors. The firm is a proven expert in working on high-end deals, combining exceptional business acumen with legal expertise. The partners are supported by a multinational and multilingual team that is highly experienced in dealing with issues involving all kinds of aspects of international and European law.

As managing partner at DSM, Mario Di Stefano fields a powerful team of lawyers specializing in Real Estate, M&A, corporate law, taxation, corporate finance and dispute resolution.

After a successful career within the trust industry Mario Di Stefano launched his legal practice in 1996. His strength and depth of knowledge of the Luxembourg jurisdiction is recognized by clients and peers alike. Mario speaks English, French, German, Italian and Luxembourgish.

During the last years the firm has assisted international clients in the field of industry, banking and retail industry with acquisition, in structuring their real estate acquisitions and their European holding operations.

Mario Di Stefano has an extensive track record of advising on complex real estate transactions. Founded upon innovative solutions and commercial

excellence, the Real Estate team consistently provides advice on transactions and follow up, handling the entire process from planning, structuring, development, contracting, financing to exit strategy. DSM has become a significant player for projects both within Luxembourg and across Europe, providing multilingual contractual support and becoming the Luxembourg firm of choice by a range of developers, institutional investors and high net worth individuals.

DSM assists its clients with all aspects related to real estate transactions including

- acquisition of real estate properties through share deals or asset deals: due diligence, drafting and negotiation of acquisition contracts and covenants;
- assistance in the setting up of joint ventures; drafting and negotiation of joint venture agreements and ancillary documents;
- assistance with the incorporation of corporate vehicles within the structuring of real estate projects;
- advice and assistance with respect to project development, in particular with respect to public law requirements for zoning and planning, licensing and agreements with local authorities and other public bodies;
- drafting and assistance with the negotiation of contracts pertaining to the implementation of a real estate project (contracts with service providers, in particular construction contracts);
- drafting and assistance with the negotiation of contracts pertaining to the exit in real estate projects, whether through share deal or asset deal;
- assistance and representation in dispute resolution in real estate / construction litigation, before the national jurisdictions of Luxembourg, as well as in other jurisdictions and in arbitration proceedings.



Extensive track record of advising on complex Real Estate Transactions

“WE WANT TO REMAIN WHAT WE ARE”

That is the motto of the people of Luxembourg. But many foreigners wonder who and what they actually are. Most associate the country with financial services and European Union institutions, or with Radio Luxembourg, which has since become RTL Radio. But it is well worth taking a closer look.

Luxembourg is the only grand duchy in the world, but the name and face of Prime Minister Jean-Claude Juncker will probably be better known than those of the head of state, Grand Duke Henri of Nassau-Weilburg. The Prime Minister has been in office for longer, since 1995, making him the longest-serving head of government in Europe. Staying with superlatives, Luxembourg is the second-smallest country in the EU (after Malta), with an area of 2,586.4 square kilometres and 512,400 inhabitants, but at the same time has one of the highest per-capita incomes in Europe and therefore plays in the same league as Norway and Sweden. Unlike the Scandinavian states, however, Luxembourg is a tax haven to the extent that it has the lowest rates of sales and income tax in the EU.

The notion of being small yet impressive is also reflected in the name: Luxembourg, or Lëtzebuerg as it is known in the national language, originally meant “small castle” (letzel or lützel = small; the word is related to English “little” and Low German “lütt”). The “little” state has established itself as an EU location—alongside Brussels and Strasbourg—and since the 1970s has transformed itself from a country of heavy industry to one of the most important financial centres in the world. Today, Luxembourg is a major global centre—second only to the USA—for fund companies, which manage around EUR 2 billion of assets.



Luxembourg is a small country by size, but of great importance within the EU.

This structural change has brought prosperity to the Grand Duchy and its citizens, with the financial sector contributing around 25 percent of gross domestic product.

Long before the crisis in 2008, the people of Luxembourg knew there were risks in “putting all your eggs in one basket”. The financial crisis has certainly heightened the need for action, because economic growth in 2011 was only 1.6 percent—against a forecast of 4 percent—and the economy has slowed even further this year. According to estimates by STATEC (the Grand Duchy’s statistical office), gross domestic product will rise by only 0.1 percent in 2012. The 2013 forecast is somewhat better at 1.7 percent.

Amid the financial crisis and sluggish growth, the country’s unemployment rate is also rising. At the end of 2012 it will be 6.2 percent and at the end of 2013

6.8 percent. These figures nevertheless conceal the fact that around 150,000 workers from the neighbouring French region of Lorraine, the Belgian provinces and the Rhineland-Palatinate and Saarland regions of Germany commute daily to Luxembourg. They are not included in the Luxembourg statistics.

Many people are drawn to the tiny country, and Luxembourg’s population growth is to a large extent driven by constant immigration. According to STATEC, 291,900 of the country’s 512,400 inhabitants are Luxembourgers and 220,500, or 43 percent, are immigrants, of whom by far the largest group are Portuguese (82,400), followed by French (31,500), Italians (18,100) and Belgians (16,900).

Luxembourg is international in the best sense of the word. That is due not only to the immigrants and the 7,500 or so employees of the EU institutions, but also

to the country's multilingual nature. The national language is "Lëtzebuergesch", a French-flecked Moselle dialect of German, but the official languages are French and German. And as everywhere in continental Europe, English is also taught in Luxembourg schools.

Although most people think of Luxembourg in terms of banking and financial services,

consultations between the government, employers and unions, means that labour disputes are largely unknown—and the favourable corporate tax regime has led to companies such as Amazon, eBay, Rakuten, Skype, PayPal, iTunes and Vodafone locating their European headquarters in Luxembourg. It is no coincidence that these are companies in the information and communication

ICT systems are becoming increasingly important in another field for which the country sees an economic future: medicine and biotechnology. Here the so-called Cluster Initiative of 2002 was reinforced five years later with a "National Action Plan" aimed above all at consolidating the field of molecular diagnostics to underpin a medical care system geared to the individual.



Mainly the change to a science-based society is promoted by Luxembourg.

the country has much more to offer. Some will be aware that it hosts the head office of the world's largest steel producer, ArcelorMittal, but far fewer will know that the Grand Duchy is home to the Goodyear Innovation Centre. Tyres are developed here for the entire global market. And all eyes were on Dubai in 2010 when the Burj Khalifa Tower, currently the world's tallest building, was opened, and yet hardly anyone will have spared a thought for the fact that the 600,000 square metres of special insulating glass used on the site was produced by the Luxembourg company Guardian Luxguard S.A.

The country's political and social stability—the "Luxembourg Model", i.e. regular

technology sector, since Luxembourg saw the opportunities and potential of the IT revolution at an early stage and allied this sector with two of its long-established companies, RTL Group and the satellite operator SES. Today, Luxembourg's ICT infrastructure is among the best in Europe.

Media, ICT and e-commerce make up one of the economic clusters in which Luxembourg is continuing to invest in order to expand its leading position into the research field. The University of Luxembourg, for example, has an Interdisciplinary Centre for Security, Reliability and Trust (SnT), which focuses on the security and reliability of ICT systems and ICT services.

In 2008, three Luxembourg research centres, CRP Gabriel Lippmann, CRP Henri Tudor and CRP-Santé, together with the University of Luxembourg, entered into a partnership with three US research institutes to develop a molecular biology centre of excellence in Europe's second-smallest country. That has since led to the development of the Integrated BioBank of Luxembourg (IBBL), the Luxembourg Centre for Systems Biomedicine (LCSB) and the Biomarker project for lung cancer (CRP-Santé).

The Cluster Initiative also gives prominence to material, environmental and space technologies as future focal areas of the Luxembourg economy. In material technologies, Luxembourg is leveraging its industrial potential and drawing on its heritage not only in iron and steel, but also in glass, cement, automotive components and a broadly based chemicals industry. Goodyear is a globally acknowledged example; another is DuPont de Nemours. Here too, the research and development field will be developed as a priority.

The same applies to environmental technologies. Here the emphasis is on ecological construction and ecologically sustainable materials, renewable energies and the most efficient possible use of energy.

A flagship project is the "Schmelz" sustainable urban development project, involving the conversion of a former heavy industrial site at Dudelange, one of the most important industrial locations in Luxembourg alongside Esch-sur-Alzette. Dudelange is located in the south of the

country, just 50 kilometres from the capital city of Luxembourg.

The satellite operator SES serves as the "anchor" for the development of the space cluster. This focuses on space communications, but also on global navigation systems, earth observation from space and systems to guarantee protection and safety of shipping.

In the case of shipping, many might ponder that as a landlocked state Luxembourg does not appear to be the ideal starting point for a voyage across the world's oceans. The interest in shipping stems from the field of logistics, which is another of the country's focal points (see p. 17).

If we look at these clusters that are earmarked for further promotion and develop-

ment, it is clear that the aim is to become a knowledge-based society. Luxembourg is therefore investing increasingly in the education of its population.

The University of Luxembourg was founded in 2003 and currently has around 5,000 students from 95 countries and 170 teaching staff from 20 countries. There are three faculties offering a range of courses: the Faculty of Science, Technology and Communication, the Faculty of Law, Economics and Finance and the Faculty of Language and Literature, Humanities, Arts and Education. Another focal point is the development of international schools, which are intended not only to offer the benefits of an international education but also to reflect the growing internationalization of the country's population. They should also help attract the

world's brightest minds to Luxembourg. And because "high potentials" usually have a choice of where to live, a location must offer not only good working conditions but also high quality of life. That is why Luxembourg is increasingly investing in the theatre, museums and other cultural establishments to make it an even more attractive location.

If we bear in mind the success Luxembourg has enjoyed in moving from an industrial to a finance- and service-based society, there are grounds for optimism about the objective of becoming a knowledge-based society. Because even if the Luxembourgers "want to remain what they are", they are well aware that they must not only adapt to the change but must also spearhead it in order to remain a small but prosperous grand duchy. | **Marianne Schulze**

BELVEDERE

REAL ESTATE

Projektsteuerung | Innenraumgestaltung | Bewertung

Ihr unabhängiger Immobilienberater in Luxemburg

SMALL BUT HIGH-QUALITY: THE COMMERCIAL PROPERTY MARKET

The Luxembourg commercial real-estate market is moderate in size and, as in other fields, most of the players know each other personally. Nevertheless, Luxembourg has a comparatively high level of international involvement.

When international property investors turn their sights to Luxembourg, they look mainly at the office market in the capital. Luxembourg has a total of around 3.5 million square metres of office space, at least 30 percent of which was built in the last five years.

It is true that the construction boom has been dampened recently—uncertainty in the financial markets and tougher conditions imposed by banks on the financing of projects have prompted a great deal of caution among investors and developers. Jones Lang LaSalle, for example, reports that only 12,000 square metres of office space was completed in the first half of 2012. By the end of the year, the total should reach 73,000 square metres, over half of which (around 40,000 square metres) has been prelet.

The total of new office space in 2012 is well below the average level of completions over the past 10 years—around 117,000 square metres came to the market on average each year—and below the level of completions in the past two years, when the level was still around 105,000 square metres. Jones Lang LaSalle believes the figure will rise again to around 92,000 square metres in 2013, and indeed users have already been found for 61,000 square metres. By contrast, CBRE expects just 71,000 square metres next year, 34,000 square metres of which has been prelet.



The StarGate project in the city centre was purchased by AXA in 2011.

The larger projects that are due to be completed during the current year include StarGate on Boulevard de la Foire in the city centre. The project was acquired by AXA in October 2011. StarGate offers 6,600 square metres of office space, 70 percent of which has been occupied by AXA Vie Luxembourg, in other words will be used by the owner of the property. The remaining 30 percent was let by April of this year.

Another example is the almost 5,000 square metres of office space in the Charlotte project on the corner of Boulevard Grand-Duchesse Charlotte and Avenue Monterey, also in the city centre. It has been prelet to Clifford Chance and was acquired by AG Real Estate of Belgium for around EUR 43 million.

This development is typical of Luxembourg in many respects: projects are often not

only largely prelet but also find buyers before completion. Investors, meanwhile, focus their interest on 'core' real estate in central locations with highly rated tenants committed for the longest term possible.

Investment property is becoming scarce, however, owing to the low level of new construction activity. That is due not only to reticence among investors but also to the lack of suitable property, which is causing the transaction volume to contract.

The investment volume in the first half of 2012 varies widely among consultants: the highest value stated is EUR 186 million (DTZ) and the lowest EUR 104 million (BNP Paribas Real Estate), with almost four-fifths in the office segment, 20 percent in retail property and 2 percent in industrial property. 35 percent of the transaction volume also relates to space acquired for own use.



Whether philharmonie or office building—Luxembourg has a lot of appealing modern architecture.

All consultants are unanimous in noting a high level of investor interest in office property in Luxembourg. Conversely, CBRE reports that more real-estate owners are now prepared to sell assets. And the fact that various open-ended funds will need to sell their property in Luxembourg in the medium to long term may also contribute to an easing of the market. The most recent example is the sale of a four-storey office building on Avenue de la Liberté by SEB Asset Management to LP Immo SA. Since 1996, the building comprising around 1,100 square metres of space has been part of the portfolio of SEB ImmoInvest, which is currently in liquidation.

The interest in office property investments in Luxembourg also has to do with a comparatively stable rental market. The rental volume in the first six months of 2012 was around 75,000 square metres, hence around the same level as in the first half of 2011. The highest demand remains from the banking sector—according to DTZ this segment accounted for around 50 percent of space transacted—followed by corporate services (21 percent).

A different breakdown applies in the case of BNP Paribas Real Estate, which attributes 78 percent of space transacted to the service sector, followed by consultants with around 20 percent. CBRE, for

its part, combines banking, finance and insurance, which account for around one-third of demand, followed by the service sector with a share of at least 15 percent.

The public sector was responsible for one of the three largest lets in the first half of 2012. The University of Luxembourg leased 8,600 square metres on the Kirchberg Plateau. In terms of space, this transaction was outstripped only by Société Générale Bank & Trust, which secured around 9,100 square metres in the Central Plaza office project close to the main station. The third major tenant is also a bank: Banque Privée Edmond de Rothschild leased around 4,300 square metres at 14-16 Rue Jean-Pierre Brasseur in the west of the city centre.

CBRE considers the high proportion of prelet property and purchases by future users to be a positive sign, since by taking these decisions the companies concerned are expressing their confidence in the future of their business activity and in the development of Luxembourg as a business location. On the other hand, it should be borne in mind that demand from the banking and financial sector, which is after all the largest source of turnover in the leasing market, may be dampened by the financial crisis and the turbulence surrounding the euro.

But the trends in the market for office space are still positive. The high vacancy rates are declining and pressure on rents is easing perceptibly. The low volume of new construction will not reverse this trend in the foreseeable future; on the contrary, many observers are already expecting rents to start rising again in the medium term, although that does not apply equally to all parts of the market.

If we look at the areas in which letting volumes have been generated, the preferred locations are clearly the CBD in the city centre, the Kirchberg Plateau and the main railway station district. These three submarkets also have the lowest vacancy rates: according to Jones Lang LaSalle, these stand at 3.6 percent in the CBD, 2.8 percent in the station district and just 2.3 percent in the Kirchberg quarter, against an overall vacancy rate of around 6 percent. Moreover, in the CBD they are mostly older buildings that are hard to let. The situation is different in the more peripheral locations, where it often takes longer to find an occupier, even in the case of new buildings.

Extensive reorganisation and development plans have been on the table for the rail station district for a considerable time, but these have not yet moved beyond the discussion stage. Once decisions have been taken, this could become an even

stronger focus of office development than was previously the case.

The Kirchberg quarter, one of the preferred locations together with the CBD, has taken on a whole new look in the last few years. The greenfield site first hosted European institutions such as the European Investment Bank (EIB), the European Court of Justice, parts of the European Commission and the European Court of Auditors, which then attracted many companies from the financial sector.

But in Luxembourg the aim was to avoid a monoculture of office and administrative buildings. Instead, the plateau to the north-east of the city centre should become a lively district combining all functions and including residential areas, retail facilities, cultural, leisure and sports infrastructure. The elevated site also hosts cultural establishments such as a new philharmonic hall, a museum of modern art (Musée d'Art Moderne Grand-Duc Jean), based on plans by the architect Ieoh Ming Pei, and the construction of the new fortress museum devoted to Luxembourg history. The construction work on the new national library site on the Kirchberg Plateau is also due to start in 2014.

The body charged with overseeing the development of this lively mixed-use district is the "Fonds d'Urbanisation et d'Aménagement du Plateau de Kirchberg", which directs the planning and is also responsible above all for allocating land for new buildings. This mixed use has already proved largely successful in the areas adjoining the Quartier Européen Nord, and now the European institutions' site is also to be reorganised. In 2005 the Fund commissioned an urban planning study by the architect Dominique Perrault, which has been implemented gradually since 2007 and is intended above all to breathe fresh life into the public spaces.

It is striking that market reports on Luxembourg concern almost solely office property. Retailing receives at best secondary

consideration, which is surprising given that purchasing power in Luxembourg is among the highest in Europe.

According to RegioData Luxembourg, the Grand Duchy's per capita retail spend of around EUR 9,000 is the highest in Europe—Germans spend just over half as much (EUR 4,700). If we look at the retail landscape in Luxembourg, however, we



Small shops are characteristic for the inner city of Luxembourg.

see that there are few shopping centres and that traditional inner-city sites dominate. The old part of Luxembourg city, the Ville-Haute, is the main retail location, featuring a large number of small businesses and very few larger stores. A second retail focal point is the railway station district.

Visitors seeking shopping centres in Luxembourg city centre will do so in vain, however. The country has only a handful of shopping centres with more than 10,000 square metres of space. One such is the Auchan shopping centre on the Kirchberg Plateau, which was opened in 1996 and comprises a 12,500 square

metre hypermarket and a mall with 50 retail units and a large number of catering outlets. In terms of the range of brands and the quality of visitor experience, it towers above all other shopping centres and therefore acts as a magnet. Other shopping centres, by contrast, serve more or less regional markets.

Up until 2006, the planning rules for large-scale retailing in Luxembourg were very restrictive. Once they were eased, this market segment regained momentum, although as CIMA Beratung + Management GmbH says in its study entitled 'Retail Plan for Luxembourg City – future location potential and control of retail development 2010', „retail development in the Luxembourg city region should be controlled," and above all realistically assessed.

And then the question arises as to whether Luxembourg needs any additional shopping centres, and if so how many. Because with around 400 square metres of shopping centre space per 1,000 inhabitants, Luxembourg is already well above the EU average.

In the city centre at least, Luxembourg is backing a different concept. After the demolition of a number of obsolete large buildings on Boulevard Royal, a 7,000 square metre "gap" opened up between Boulevard Royal, Grand-Rue, Rue Aldringen and Avenue Monterey, which is up for redevelopment. The plan is to create not only a connection to the old city but also an attractive public space and to develop the "Royal Hamilius" project, comprising both retail and restaurant premises as well as office space and around 70 homes.

Whether the location is in the Kirchberg quarter or the city centre, the principle is clear: Luxembourg will not allow any monocultures of whatever kind and is fundamentally backing mixed use. That is perhaps one of the reasons why the city is so attractive to many people. | **Christiane Leuschner**

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LOGISTICS HUB IN THE HEART OF EUROPE



Luxembourg's geographical position in the heart of Western Europe is one of the keys for its success in logistics.

One sector of the economy in which Luxembourg already ranks among the most important centres in Europe is transport and logistics. Expanding this sector further and strengthening Luxembourg's role compared with the rest of Europe is the goal of the "Cluster for Logistics Luxembourg" initiative.

The Grand Duchy of Luxembourg is one of the most important transport and logistics centres in Europe. One reason for this is the geographical position of the country: Luxembourg lies in the middle of Europe and the transit routes between Spain and Scandinavia, between Rotterdam and Italy and between Austria and Great Britain cross through this small country. It is a junction for various transport corridors: an

important European North-South rail traffic corridor runs through Luxembourg, it's here that European routes E 24 (A3) E 25 (A4) and E 44 (A1) intersect, and the airport in Findel is one of the leading air freight hubs in continental Europe.

In terms of European air-freight volumes, Luxembourg ranks as high as fifth after Paris, Frankfurt, London and Amsterdam. However, the gap between the top two cities and those in third and fourth place and again to Luxembourg in fifth is considerable. In 2010, around 2.399 million tonnes and 2.275 million tonnes respectively were transhipped in Paris Charles de Gaulle and Frankfurt Rhein-Main, in London Heathrow and Amsterdam Schiphol the figure was around 1.5 million tonnes each and, in Luxembourg

in the same period, 705,000 tonnes. Following the ban on night flying at Frankfurt Rhein-Main however, in future the respective weights could shift, thereby bringing more tonnage to Luxembourg. At least Cargolux, the largest European freight-only line and an important international air freight carrier, has its headquarters in the Grand Duchy and is a majority-owned Luxembourg company. However, Cargolux does not just restrict itself to freight transport, it also offers services such as the packaging, finishing, dispatch and invoicing of goods.

In order to strengthen Luxembourg as an air-freight location and also lessen the economic difficulties of the sector, recently landing fees were reduced and a volume discount of 15 percent determined not

only for this year but also retrospectively for 2011. Further financial incentives are a reduction in landing fees of 60 percent in the first and 40 percent in the second year for all new routes and frequencies in the air cargo sector.

Aside from the air freight sector, in general Luxembourg has developed into a hub between the European conurbations. More than 250 freight-forwarding companies are now based here, and approximately five percent of all blue-collar employees in Luxembourg work in the logistics sector. Although business has become more difficult since 2008, according to Alain Krécké, Cluster Manager of "Cluster for Logistics Luxembourg", the number of employees increased from 12,800 in 2005 to 16,200 by 2010.

In this respect, the logistics sector is one of those industries which are key to the economic growth of the country, not least because jobs for low-qualified workers are also being created here, a point emphasised by Luxembourg's Minister of the Economy Etienne Schneider. Having said that, the Luxembourg state is also encouraging training and further education in this segment as well as the development and application of innovative IT solutions in the logistics area in order to remain competitive.

The goal is not only the expansion of the logistics sector, but above all the establishment of innovative logistics businesses offering both growth and added value potential. A study drawn up in 2007 by Dornier Consulting for the Ministry of

the Economy and Foreign Trade distinguishes three areas: an area with high growth potential but with added value rated as comparatively low includes the chemical products, tyre and steel products industries; logistics, concentrating on pharmaceutical products, cosmetics and healthcare, foodstuffs and fresh produce (fish, meat, fruit and vegetables) offers high growth prospects and average added value potential. And both—high growth and high added value—can be achieved by focusing on waste disposal logistics, after-sales services, third party (3PL) and fourth party logistics (4PL) and cash-in-transit.

In Luxembourg, the difficulty of expanding the logistics sector lies in the fact that the country is relatively small and available



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land rare. Accordingly, land and rental prices here are significantly higher than in neighbouring countries. This is why Luxembourg is not very attractive as a transshipment point and has to focus on areas with high added value.

One initiative is the development of a free trade area at the airport in Findel. This freeport, based on the model of the free trade area in Geneva, is due to be opened in 2014, offering oppor-

neither customs duties nor VAT are payable. Equally, for the customer, storage charges plus all services for the stored items are free of VAT.

A second large project is the conversion of a 52-hectare former military zone near Bettembourg in the south of the country, around twelve kilometres from the centre of the city. This is where the Eurohub Logistics Centre is being built. The site offers attractive conditions for logistics-intensive

ers without their towing vehicles and drivers are transported. Already established in the southern part of the Eurohub Logistics Park is the logistics service provider Transalliance; further companies are set to follow.

A further goal in building and expanding the Eurohub Logistics Park is to accelerate traffic carrier networking, increase the logistics service level within the region and improve competitiveness. Bettembourg



The airport in Findel ranks as fifth in term of European air-freight volumes. Cargolux is the largest European freight-only line.

tunities to store works of art and other valuable goods, along with restoration and further finishing services. Project developer is the Swiss Group Natural Le Coultre (NLC), which specialises in the storage and transport of objets d'art and other valuable items and also runs the freeport in Geneva.

The new freeport in Findel will comprise, over four storeys, around 20,000 square metres of storage facilities for valuable items. A condition of the Swiss company's commitment—involving around EUR 30 million—was, among other things, reform of the 2011 Luxembourg VAT Act: as long as the goods are in the freeport,

industrial, commercial and service companies: the area is connected via the nearby motorway junction to the major motorways and lies only around 20 kilometres away from the airport.

A multimodal terminal is situated right next to the largest marshalling yard in the country and connects the logistics site to the rail network. From here, amongst other routes, the longest 'rail motorway' in Europe, at around 1,050 kilometres, also runs between Luxembourg and Perpignan in the south of France, just before the border with Spain. Unlike on the 'rolling road', where lorries are carried by rail, on the rail motorway only lorry trail-

especially is threatened by direct competition from the construction of a new logistics centre near Thionville in France, around 30 kilometres away.

A further point, on which Luxembourg is placing great emphasis, is better networking of the various transport locations: besides Bettembourg and Findel, these also include the industrial district of Contern and Mertert, a port on the Moselle. Whereas air freight logistics is concentrated more on the eastern side of the capital city in Findel and Contern as well, Bettembourg's focus lies rather in the area of cargo and rail freight. | **Marianne Schulze**

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HOUSING IN LUXEMBOURG: HIGH DEMAND FOR THE LONG TERM



„Vivre sans voiture“, the first car-free quarter in Luxembourg

The gap between supply and demand for housing in Luxembourg has kept on widening. As a consequence, rents and prices have risen. And the space available for new developments is limited. Nevertheless, Luxembourg is also daring to break new ground in residential construction.

The first reaction of anyone looking on the internet portal www.atHome.lu at the prices of property to rent or buy in Luxembourg will be to stare spellbound. For under EUR 1,000 per month, at best you'll find a room in a shared flat in Luxembourg City or a small flat outside the capital. For a three-roomed apartment you already have to pay at least EUR 2,000, depending on location and the quality of the fittings. If you want to buy an apartment, the price per square metre in new developments far outside the capital is still barely less than EUR 3,200, in the suburbs of Luxembourg EUR 4,000 to 5,000 and in the favoured city locations EUR 7,000 to 8,000.

In a certain sense, this is the reverse side and consequence of Luxembourg's success story. It is precisely the attractiveness of the country which has caused the rapid

growth in population that in turn is leading to living space becoming a rare and therefore also correspondingly expensive commodity. And it is impossible to foresee an end to this spiral.

In 2011 STATEC, Luxembourg's Office of Statistics, published a study on expected population growth by 2030. By 2030, STATEC expects the population to rise by 28 percent compared with 2010 to just under 650,000 inhabitants. The starting point for these calculations is population growth in the past: between 1988 and 2008 the population grew by a good 115,000 and in the last few years the rise has accelerated significantly. In 2006, STATEC was still assuming that the population of Luxembourg would only break the half million barrier by 2020 – in fact this threshold was passed as early as 2010.

However, in its forecasts STATEC does not stop at straightforward population growth but also gives details about the resulting number of households and the corresponding demand for dwelling units. Starting from the assumption of a general trend towards a decrease in the size of households—in 2005, on average

2.48 people still lived in one household, in 2010 this figure was only 2.42, by 2030 it will be only an average of 2.23 people—the number of households will rise more rapidly in percentage terms than the population, i.e. by around 40 percent to at least 284,000. This means that by 2030 around 129,000 homes will have to be built—on average 6,500 units per year. Already included in these figures is the necessary replacement of 45,600 dwelling units expected to become obsolete by 2030.

A study of atHome.lu is based on these figures but goes still further. For example, it examines planning permissions and completions between 2001 and 2010: both figures roughly correspond and have risen by around 30 percent in ten years. For example, in 2010 around 4,190 dwelling units were completed—a figure significantly below the 6,500 units required.

What is interesting is the connection between population trends and house prices established by atHome.lu: from 1988 to 2010, Luxembourg's population grew by 35 percent, between 1988 and 1998 prices for detached houses increased by 85 percent—that's an average of 6.3 percent a year – and between 1998 and 2008 by 145 percent or 10.3 percent a year.

Last autumn the average price of a detached house in Luxembourg was EUR 606,000, in the north of the country with its more rural character, EUR 431,000. Near the capital, however, it was EUR 782,000. As stated, these are average prices, because a good number of detached houses in and around the capital already easily cost EUR 1 million now. And the further the gap between supply and demand widens, the sooner the average price for detached houses will break the

EUR 1 million barrier—sometime between 2017 and 2020, atHome.lu expects.

Private investors can only be rubbing their hands in the face of these figures, but the trend also conceals an issue that is socially explosive. In this respect, Luxembourg City itself is actively working to create housing, in particular affordable accommodation. To keep prices within bounds, the land is being allocated on a hereditary leasehold basis, a method that reduces costs considerably despite the high land prices in the Grand Duchy.

Also based on this principle is a—you might almost say: experimental—urban development on Limpertsberg, an area of Luxembourg close to the city centre: this is where the project "Vivre sans voiture" [Liv-

ing without cars] is taking shape: a completely car-free quarter on a brownfield site comprising 0.7 hectares between Rue Ermesinde and Rue Henri VII and Avenue Pasteur and Avenue de la Faiencerie. The new quarter, which is due to be completed by 2015, includes 56 apartments, six shop sites and a social and cultural centre. No provision has been made for either garages or parking spaces. Instead, the project is linked to a car-sharing system, so that future residents will have access to a car as required in case of emergency.

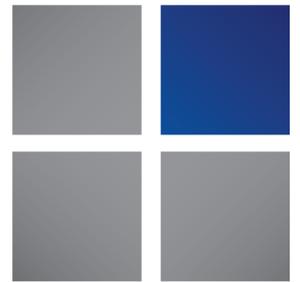
A competition was launched for this project and seven of the numerous companies and architectural practices which took part were shortlisted. The concept of Tracol Immobilier SA Groupe Getral and architect Tatiana Fabeck ultimately won the compe-

tion. The aim of this district is not only to create living space but also to enhance the quality of life in the Limpertsberg area. The location is ideal for this experiment: the new district is within 15 minutes' walking distance of the Ville-Haute and is connected to the local public transport system. The district itself is a mixed area with a lot of businesses, restaurants and cafés. There are a large number of schools as well as parks, sports and leisure facilities in the surrounding area.

The experiment seems to be working because, "although the project is not yet at the marketing stage, 300 people have already expressed an interest in living in this car-free district", confirms Marco Sgrecia, Managing Director of Tracol Immobilier Groupe Getral. | **Christiane Leuschner**

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NEW LIFE FOR OLD SITES

Small countries have a particular incentive to make careful use of precious land resources. Old industrial sites offer valuable opportunities. Belval in the southern part of Luxembourg is a recent example of how to successfully turn this kind of wasteland into a brand new district.

Around 20 kilometres southwest of the Luxembourg capital, within both the municipalities of Esch-sur-Alzette and Sanem, lies Belval, the largest urban development project in the Grand Duchy. Esch-sur-Alzette was once the centre of the iron and steel industry in Luxembourg. ARBED (now ArcelorMittal) used to operate mines and steelworks in the Belval area, the last of which was closed in 1996. An industrial site roughly 120 hectares in area lay unused here until the turn of the century, when a regeneration programme was launched. Leading the initiative is Agora, a development company in which the State of Luxembourg and ArcelorMittal have a stake.

The land available for the new development in Belval is a 122-hectare site, approximately two kilometres long and up to 800 metres wide. The original master plan for the site was drawn up by the Dutch architectural practice of Jo Coenen, but it has since been modified many times and adapted to changing requirements.

The aim in Belval is to develop a brand new district where 20,000 to 25,000 people work and 7,000 live. A maximum of one million square metres of built space will cover 69 hectares of the site. The remaining space will be used for streets and squares, but also for parks and green areas.

Belval is also intended to be a symbol of the knowledge society, with science,



Green areas instead of mining dumps: half of Belval's area remains not built-up.

research and innovation now taking the place of heavy industry.

Belval is already taking shape and life has started to re-emerge on this old abandoned site. Rockhal, the first building to be completed here, was inaugurated in 2005; it is an events centre for rock and pop concerts, with capacity for 6,500 in the main hall, and 1,200 in a smaller hall. Already many big names in the music world have performed here.

Next to the events centre is the Belval-plaza, an approximately 36,000 square-metre shopping centre comprising 40 stores, seven restaurants, cafés, bars, a multiplex cinema with seven screens, and a fitness centre. Nearby approximately 90 apartments have been built, plus office space, service facilities and a first Ibis hotel, opened in 2011.

From the shopping centre there is direct access to the new Belval – Université rail-

way station, officially opened in 2010. It is designed to cope with an expected 32,000 passengers by 2020, which will make it the second-largest railway station in the country. Already it is on a direct line between Thionville and Longwy, both of these towns just across the border in France, in Lorraine. A TER Métrolor with seating for 340 runs in both directions along this route four times a day, offering an improved service to commuters who live the other side of the border in Lorraine but work in Belval.

At the other end of „Terrasse des Hauts Fourneaux“, the part where the two blast furnaces were located (they will remain as an industrial monument), is the red building complex of BIL Banque Internationale à Luxembourg, now mainly used by RBC Investor Services. Built in 2006, this complex and its 17-storey tower has become a kind of landmark for the new district. The 27.6-hectare area between the two focal points of the Plaza and the BIL build-

ing is the central core of Belval. Here, already 250 apartments and 61,000 square metres of commercial space have been developed and completed, bringing more new life into the new town.

Above all Belval is set to become a "Cité des Sciences" which, when completed, will have a capacity for 7,000 students and 3,000 teaching staff and researchers. Luxembourg is investing around EUR 600 million in the first phase of construction, involving 20 new buildings in the north-eastern part of the former furnaces area, in order to also attract non-university research centres and start-up companies to the vicinity of the university.

The various faculties of the University of Luxembourg, founded in 2003, are currently spread across the country's capital. In 2014 the entire university will be located in a new campus in Belval. Only some parts of the Faculty of Law, Economics and Finance will partly stay in the capital.

The first institute of the university, the "Luxembourg Centre for Systems Biomedicine", has already moved into its new building, in 2011. Following suit, also last year, was the "Centre d'Études de Populations, de Pauvreté et de Politiques Socio-Economiques CEPS/INSTEAD", a multidisciplinary and multinational research centre.

Close by, in what used to be the changing rooms for the steelworkers, the "Technoport" was completed in mid 2012. This is an incubator for start-up companies in the field of new technologies, where around 90 people are projected to work.

Other institutions that have also moved to Belval are ITM (Inspectorate of Labour and Mines), the employment office and the environmental and water services department. Together these have brought a further 500 people to work in Belval.

The first apartment blocks are already completed in Belval-North, providing 98

out of a projected total of nearly 600 homes here. From 2015 family-friendly apartments and single-family housing will also be available in Belval-South. From this residential area it is only a few

Once the university has completed its move to Belval, the 735-metre long road tunnel which runs under the BIL building into France will be opened, provisionally at least. This tunnel will connect the



Belval is a symbol for the development from an industrial to a science society.

steps to the „Lycée Bel-val“, a secondary school embedded in the new Parc Belval. This 19-hectare park is being laid down as a green corridor, running right through Belval, with cycle paths and footpaths, football pitches and basketball courts as well.

Luxembourg road network from the A4/E25 motorway in Esch/Raemerich with the French road network in the direction of Micheville and the A30/E411. The aim is to provide French commuters from Lorraine with a faster link to the capital of Luxembourg and its suburbs. | **MarianneSchulze**

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UID: DE270670378

T: +49 22 02 989 10 80

F: +49 22 02 989 10 81

E: office@schillerpublishing.de

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