

LOGISTICS MARKET LEIPZIG

AT A GLANCE Q1 2023

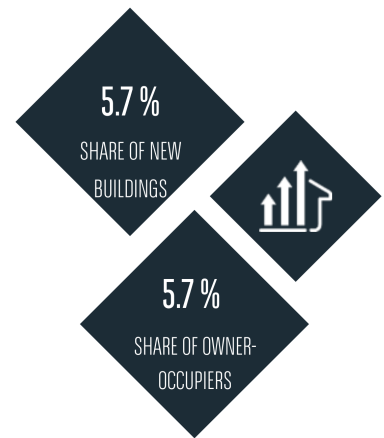
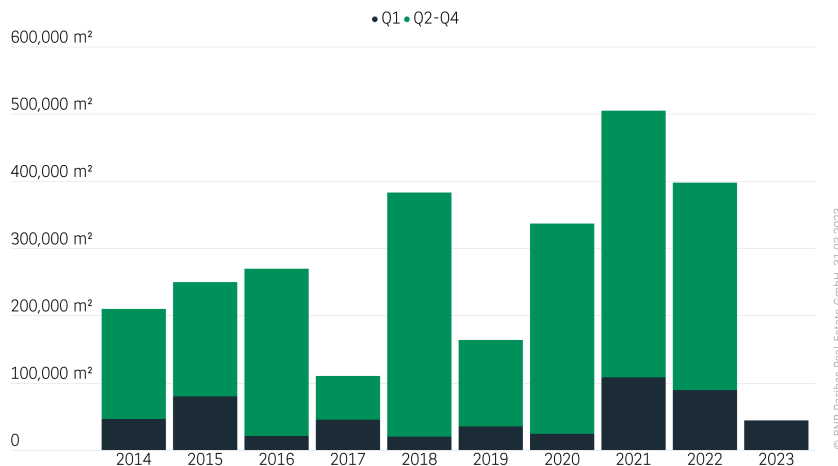


LOW SUPPLY LIMITS THE MARKET ACTIVITY

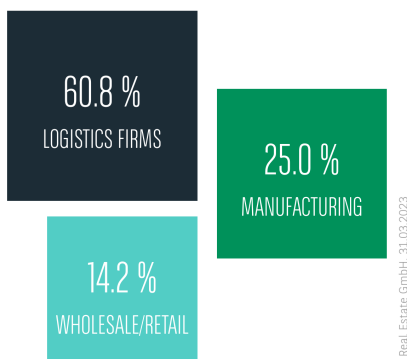
- / The Leipzig logistics market achieved a take-up of 44,000 m² in the first quarter and thus remains below both the previous year's result (-51 %) and the ten-year average (-14 %). While in the two previous years high take-up figures were already achieved at the start of the year through large-scale deals, no contract beyond the 20,000 m² mark has yet been recorded, which essentially explains the lower result.
- / Despite the partly difficult economic conditions, demand is at a stable high level. However, the extensive market activity of the past few years has led to significant existing and new construction space being absorbed by the market and supply has been minimised accordingly.
- / The prime and average rents have already risen to 5.20 EUR/m² (+12 % vs. Q1 2022) and 4.50 EUR/m² (+11 %) respectively by the end of 2022. However, asking rents for new-build properties are already at a higher level.

LARGEST DEALS BY LOGISTICS FIRMS

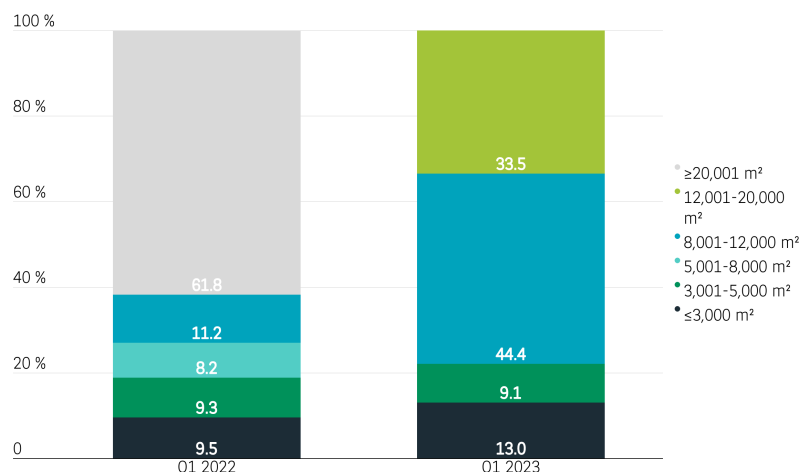
Light industrial and logistics take-up in Leipzig



Take-up by sector



Take-up by size category



- / Logistics firms dominated the distribution of take-up by sector in the first quarter with a share of 61 %. Two deals in particular in this segment have a significant impact here: firstly in Halle with 14,700 m² and secondly in the north of Leipzig with 9,500 m². While manufacturing companies contribute 25 %, retail companies are underrepresented with just over 14 %.
- / The distribution by size categories also shows a picture that is still untypical for the Leipzig market. While demand is generally quite broadly and evenly distributed across the segments, this is not yet reflected at present - with around 44 % in the 8,000 to 12,000 m² category and 34 % with contracts between 12,000 and 20,000 m².
- / The large-scale supply will be expanded in the coming quarters by speculatively started projects under construction. Due to a lack of alternatives, these new construction spaces are often fully let before completion.

KEY FIGURES



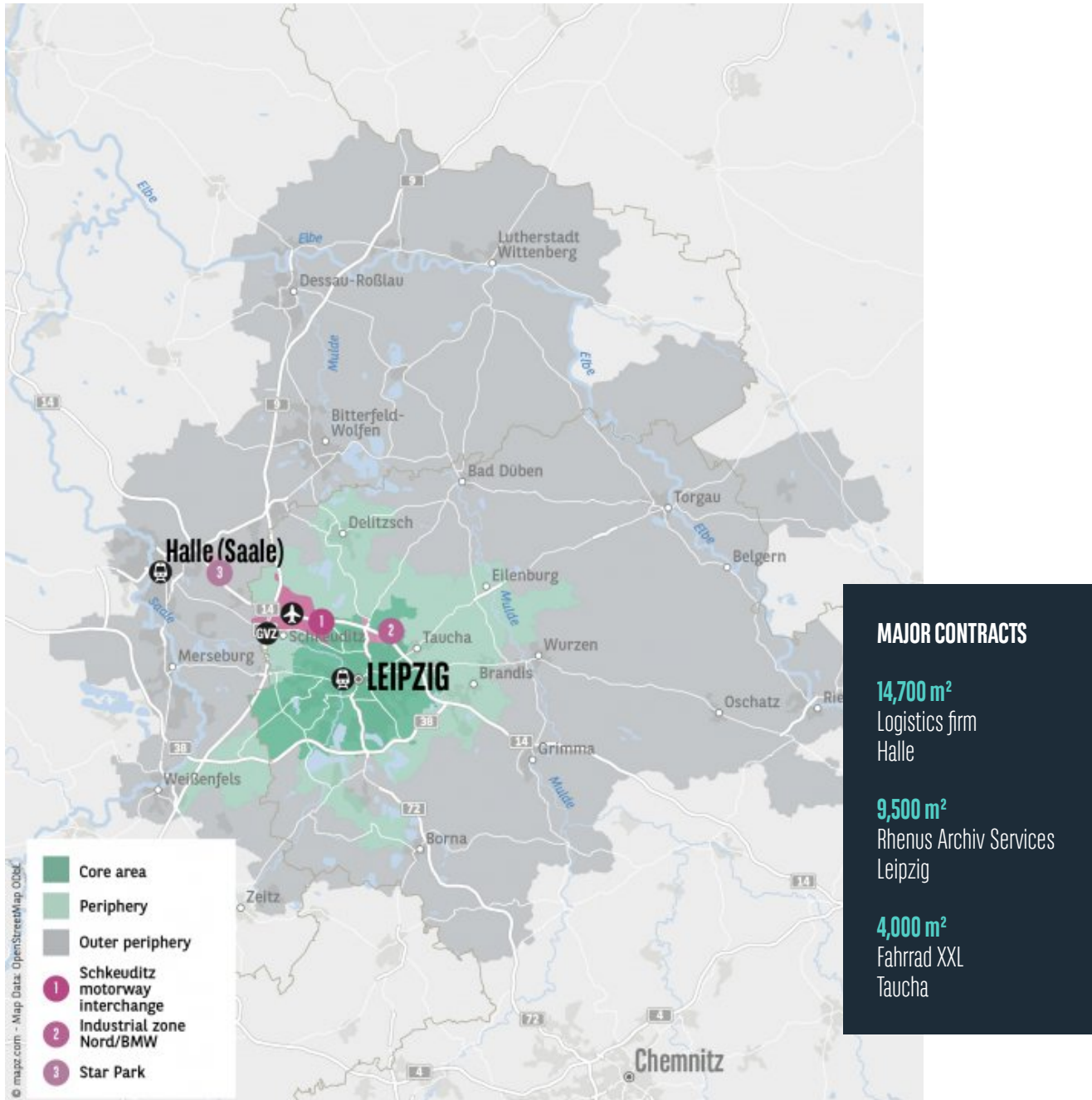
Rents	Q1 2022	Q1 2023	%-Difference
Prime rent (in €/m²)	4.65	5.20	11.8%
Average rent (in €/m²)	4.05	4.50	11.1%
Take-up and sectors	Q1 2022	Q1 2023	Long-term average
Total take-up	89,000 m²	44,000 m²	51,000 m²
Logistics firms	13.6%	60.8%	34.3%
Wholesale/retail	15.8%	14.2%	18.0%
Manufacturing	65.3%	25.0%	37.5%
Others	5.3%	0.0%	10.2%
Size categories	Q1 2022	Q1 2023	Long-term average
Share of deals > 20,000 m²	61.8%	0.0%	27.5%
Share of deals ≤ 20,000 m²	38.2%	100.0%	72.5%
Owner-occupiers/new building share	Q1 2022	Q1 2023	Long-term average
Share of owner-occupiers	0.0%	5.7%	36.3%
Share of new buildings	70.0%	5.7%	39.9%

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OUTLOOK

- / Due to the still high demand, take-up is likely to pick up more strongly in the course of the year. A brightening economic outlook in conjunction with overarching processes such as the adjustment of supply chains and restructuring of individual sectors lead us to expect corresponding market activity. However, this presupposes sufficient and short-term availability of large and modern logistics spaces, which currently hardly exists. Particularly in the case of existing space, such requests are not matched by sufficient supply. However, the supply-demand ratio is supposed to improve in the second half of the year due to the progress of properties already under construction.
- / The noticeable increase in construction and financing costs in the past year, new requirements with regard to the implementation of ESG criteria as well as the overall limited supply suggest that the rental price level will continue to rise in the future, both at prime level and on average.

LOGISTICS MARKET REGION LEIPZIG



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