

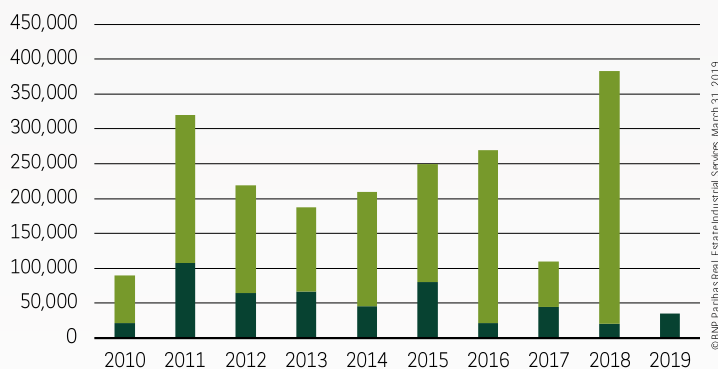


At a Glance **Q1 2019**

# LOGISTICS MARKET LEIPZIG

## Light industrial and logistics take-up in Leipzig

in m²



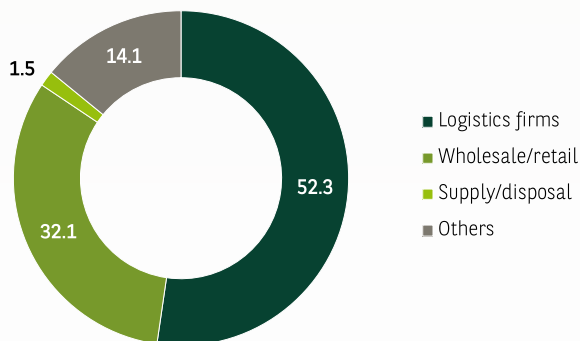
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## ➤ YEARLY KICK-OFF WITH STILL A LOT OF POTENTIAL

With a take-up of 35,000 m², the Leipzig warehouse and logistics space market is starting the year 2019 with a moderate outcome. Although a significant increase compared to the weak quarter of the previous year (+75 %) can be observed, the result is still 31 % below the 10-year average. If this result is put into a nationwide context, Leipzig is not the only region with a restrained start this year. The reasons for the Leipzig result are on the one hand the lack of large deals, which is essentially due to the insufficient supply of quickly available large areas. On the other hand, owner-occupiers are yet reserved. The rental of 18,000 m² by the logistic company Dematic is by far the largest contract. At a good 52 %, this letting also had a significant impact on the total take-up of the quarter. It is also noteworthy that owner-occupiers only contributed around 17 % to the volume, the lowest share in the last five years.

## Take-up by sector in Leipzig Q1 2019

in %



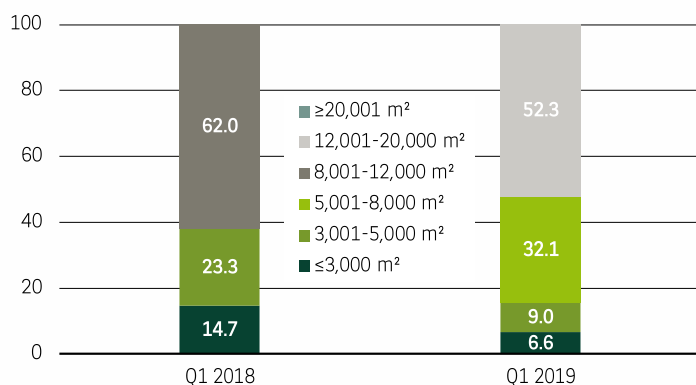
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## ➤ LOGISTICS FIRMS AT THE TOP

The traditionally high-volume logistic companies (52 %) occupy the top position within the quarterly industry distribution, with the result being entirely based on the Dematic letting. At just under a third, retail companies rank second, which is an above-average result in a long-term comparison. It is also striking that other companies are able to handle half of the contracts, but due to their size only account for a round 14 % of take-up. As in previous years, supply/disposal companies (1.5 %) play almost no role. If we consider the distribution of sectors in recent years, the lack of deals by industrial/production companies so far is also remarkable.

## Take-up by size category in Leipzig

in %



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## ➤ LARGE CONTRACT DOMINATES RESULT

With the dominant Dematic letting, only one major deal in the range between 12,000 and 20,000 m² was registered in the first three months of the year. With more than half of the volume, this size segment has a significant influence on the result, whereas in the same quarter of the previous year take-up was characterised by contracts between 8,000 and 12,000 m². Exceptionally high demand was recorded for contracts between 5,000 and 8,000 m² with a total share of around 32 %, in contrast to a rather small share of this size category in a long-term comparison.

## Major contracts in Leipzig Q1 2019

Company	Location	Area (m²)
Dematic	Leipzig	18,000
Wholesale/retail company	Brandis	5,100

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## ► SLIGHT RISE OF RENT

The continuous increase in prime rents over the past few years can also be shown by the slight rise of 5 cents to 4.50 €/m² compared to the same quarter last year. In particular these top rents are achieved in the immediate surroundings of the automobile industry and the airport in the north of Leipzig. In addition, a minimal increase of the average rent by 5 cents to 3.70 €/m² can also be recorded within the last 12 months. Regardless of this development existing properties that do not meet current tenants requirements are under price pressure.

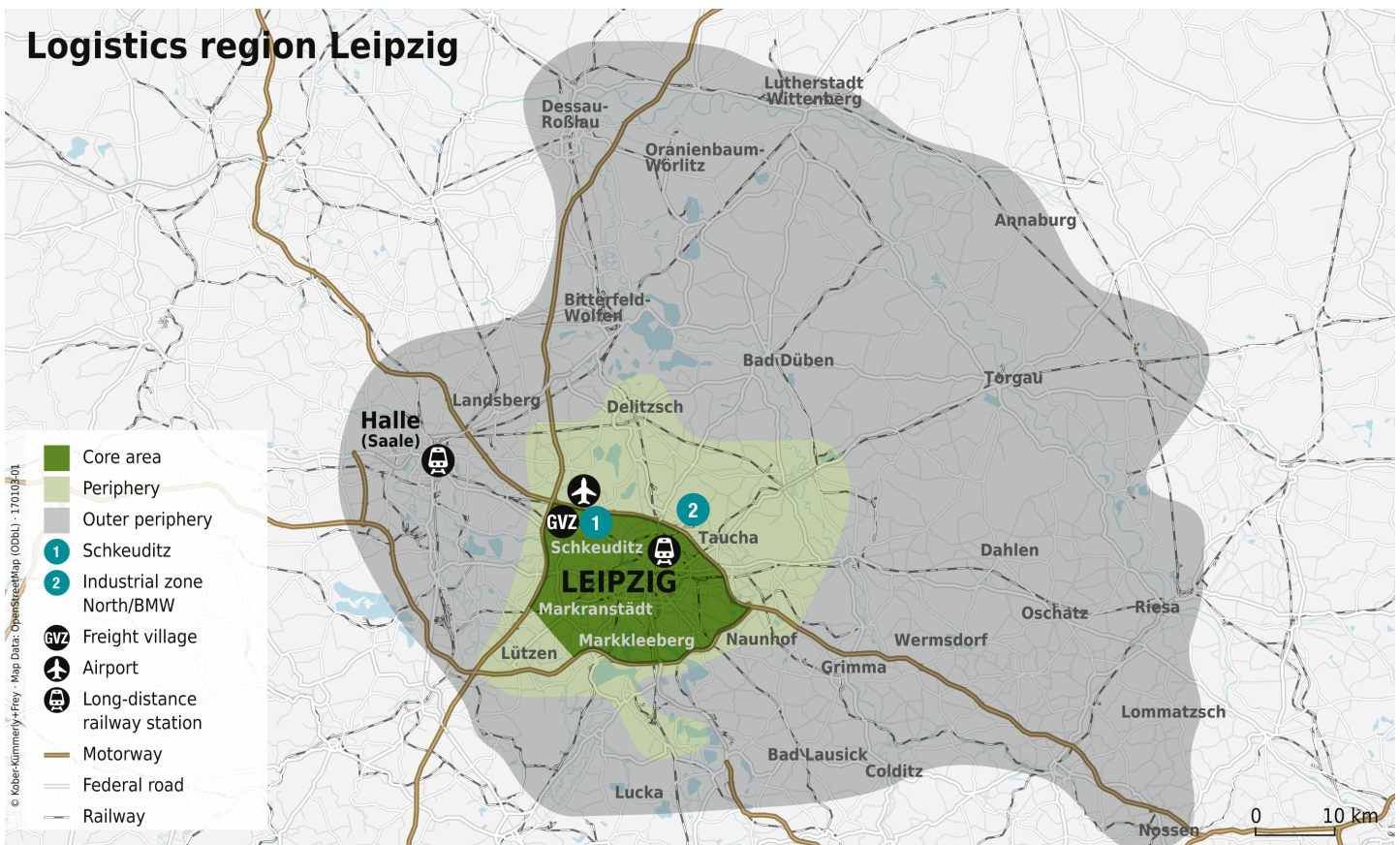
## ► PERSPECTIVES

Apart of the quarterly result, an annual development with a lot of potential can be assumed. First, there is an increasing demand for small spaces (1,000 to 5,000 m²) from medium-sized companies. In addition a slight increase in the supply due to individual project developments is also expected. Both should have a positive impact on take-up. Moreover, the growth of e-commerce distribution centres and the expansion of e-mobility within the automotive industry represent further demand potential. Against this backdrop an average annual letting volume in a long-term comparison is forecasted. In addition, it can be assumed that both prime and average rents will stabilise at the current level.

## Key figures logistics market Leipzig

	Q1 2018	Q1 2019	Trend remaining year
Prime rent	4.45 €/m²	4.50 €/m²	➔
Average rent	3.65 €/m²	3.70 €/m²	➔
Take-up	20,000 m²	35,000 m²	➔
- Share of owner-occupiers	62.0 %	17.3 %	➔
- Share of new buildings	62.0 %	35.4 %	➔

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