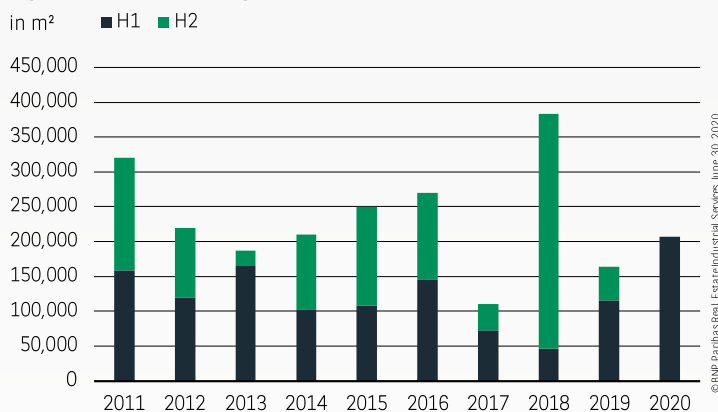




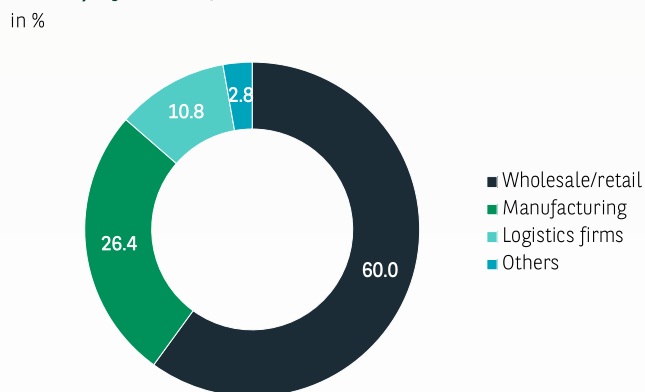
At a Glance **Q2 2020**

LOGISTICS MARKET LEIPZIG

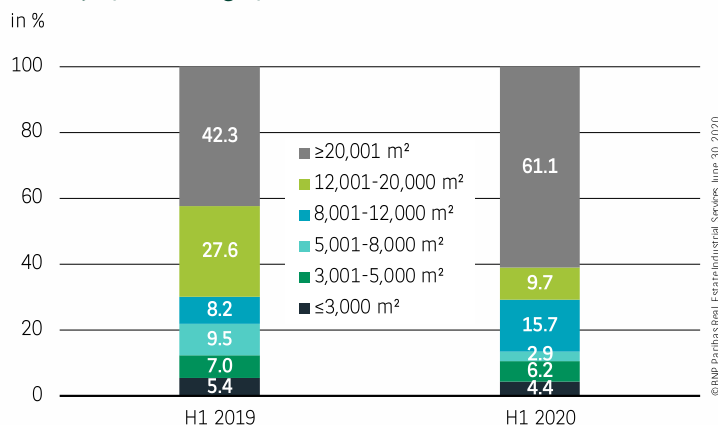
Light industrial and logistics take-up



Take-up by sector Q2 2020



Take-up by size category



NEW RECORD AT MID-YEAR

After a moderate start to the year, the Leipzig logistics market picked up speed in the second quarter and by the end of the first half of the year recorded a new all-time high of 207,000 m² take-up. It is not only remarkable that this result exceeded the long-term average by an impressive 67%, but also that more space had been taken up by the end of Q2 than in the entire previous year. Compared to the other major German logistics regions, the Saxony metropolis has performed extremely well during the Corona crisis and the lockdown. Although Leipzig also suffered a decline in demand in certain sectors, such as the automotive industry due to the looming recession, companies in the pharmaceutical industry and e-commerce were very active. Online retailers in particular benefited from the lockdown and the resulting higher order volume, which led to expansive market activity in the second quarter.

TRADING COMPANIES DOMINATE DEMAND

The distribution of take-up by sector clearly shows the increase in importance of trading companies in the Leipzig logistics market that has been observed for some time now. With 60% of the volume, this sector is impressively at the top of the distribution and achieves its best ever registered result, both in total and in proportion. This result is mainly based on two deals by e-commerce companies for 74,000 m² in Großkugel and 27,500 m² in Halle (both brokered by BNPPRE) and an Amazon deal for 20,000 m² in Schkeuditz. Therefore the sector is responsible for three of the five largest contracts. Industrial and manufacturing companies also made significant contributions, accounting for a good 26%. The Dräxlmaier Group's lease of 25,000 m² in a property currently under construction represents the most significant deal in this sector.

LARGE DEALS PARTICULARLY STRONG

In contrast to the first quarter, in which no deals for more than 12,000 m² were recorded, the large contracts with more than 20,000 m² are now strongly impacting the half-year result with a good 61% share. In addition to this dominance, however, the smaller segments under 12,000 m² have also recorded positive results in absolute terms (roughly in line with the long-term average), which illustrates the broad demand across all segments on the Leipzig market.

Major contracts Q2 2020

Quarter	Company	Location	Area (m²)
Q2	E-commerce company	Großkugel	74,000
Q2	E-commerce company	Halle	27,500
Q2	Dräxlmaier Group	Leipzig	25,000
Q2	Amazon	Schkeuditz	20,000
Q2	Deutsche Post/DHL	Großkugel	10,300

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Key figures logistics market Leipzig

	H1 2019	H1 2020	Trend remaining year
Prime rent	4.50 €/m²	4.50 €/m²	→
Average rent	3.70 €/m²	3.75 €/m²	↗
Take-up	116,000 m²	207,000 m²	→
- Share of owner-occupiers	47.2 %	8.4 %	↗
- Share of new buildings	81.7 %	82.0 %	→

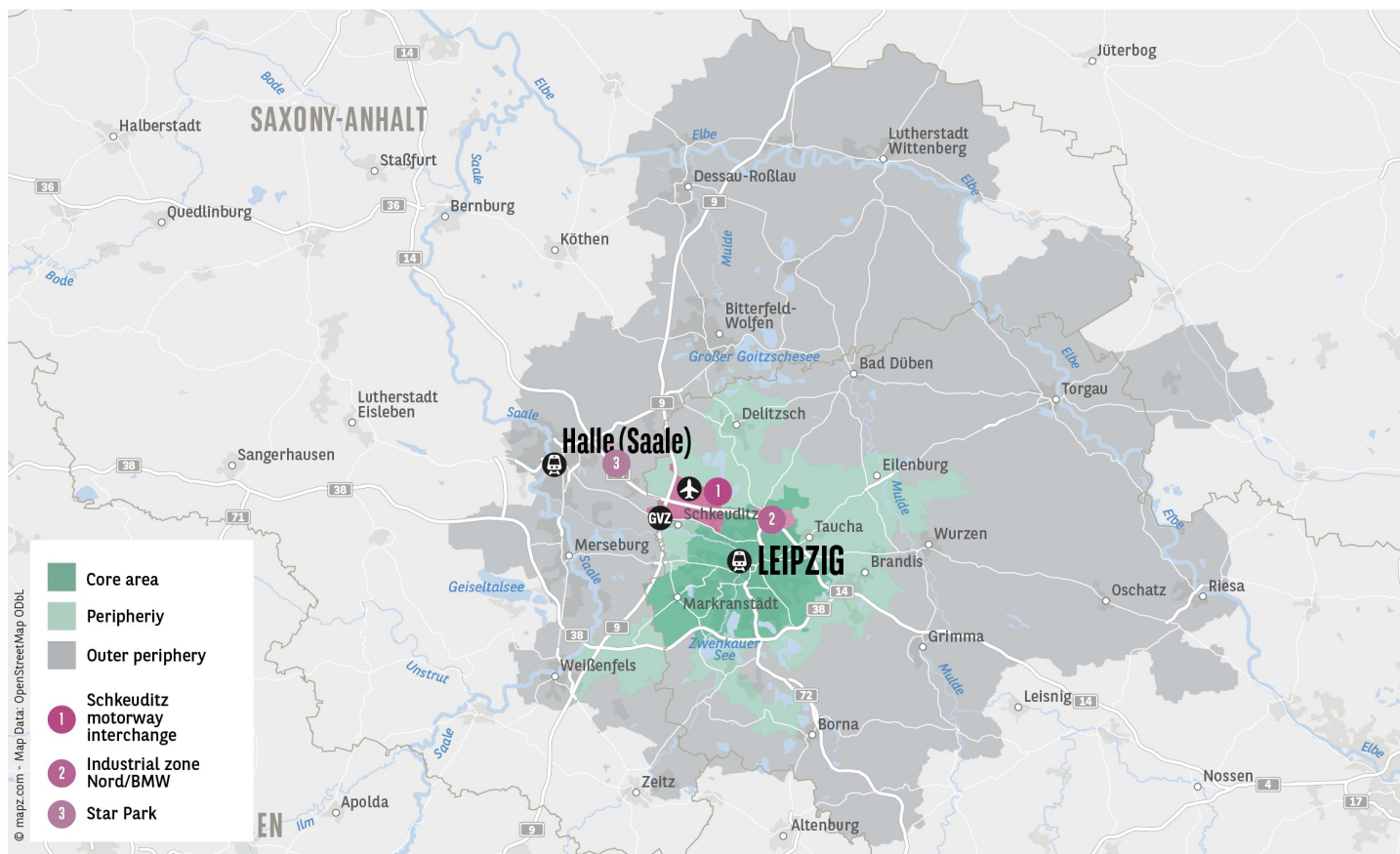
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RENTS ARE ROBUST

Due to the high demand for logistics space available at short notice with modern facilities and the low supply within this segment, rents remain stable even in uncertain times. The top rent stays at 4.50 €/m² and is achieved in modern existing properties in the north of Leipzig and near the motorway. An increase of 5 cents compared to the previous year can even be observed in the average rent, which currently stands at 3.75 €/m². The reason for this rise is, among other things, the ongoing reduction of rentable existing space.

OUTLOOK

Despite the uncertainties caused by the Corona pandemic, the logistics market in the Saxony metropolis has presented itself in an extremely stable condition. It remains to be seen how key players, such as the automotive industry, will behave during the rest of this year due to the current recession. However, on the basis of the very good half-year results, an above-average annual outcome does not seem unlikely. Against the background of the generally existing demand surplus, no adjustment of rental prices is expected in the coming quarters. If the trend remains the same, average rents could even rise slightly.



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