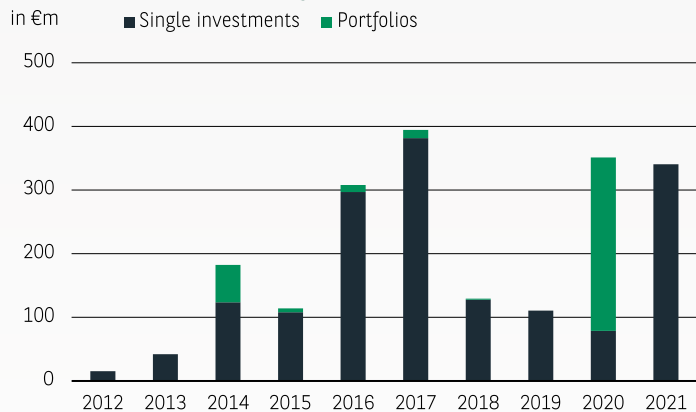




At a Glance **Q1 2021**

INVESTMENT MARKET LEIPZIG

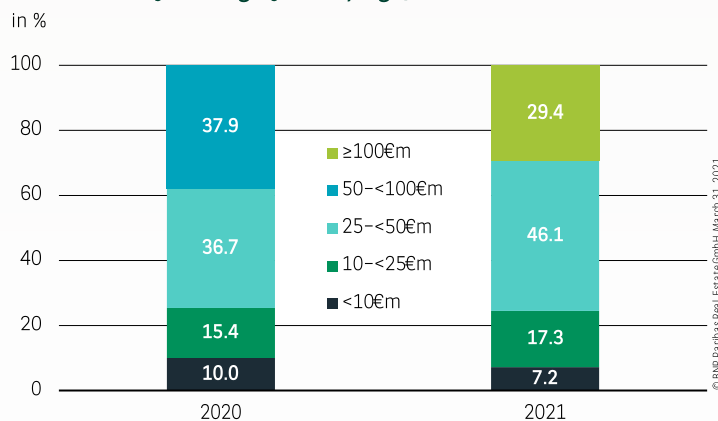
Investment volume in Leipzig



► DYNAMIC START TO THE YEAR

With an investment volume of €341 million, the Leipzig market had an extremely dynamic start into 2021. The very good result of the previous year was only just missed by 3%. This is the third-best start to the year in the history of the Saxon metropolis. This is all the more impressive as only individual transactions contributed to this very good result. Last year, Leipzig was still benefiting from large-volume, nationwide or supra-regional portfolio sales or even corporate takeovers such as that of TLG. Now, however, the growing interest and confidence of investors in Leipzig as a location is being expressed in a large number of individual investments. It is a strong signal that the economic region continues to be trusted for sustainable and powerful growth.

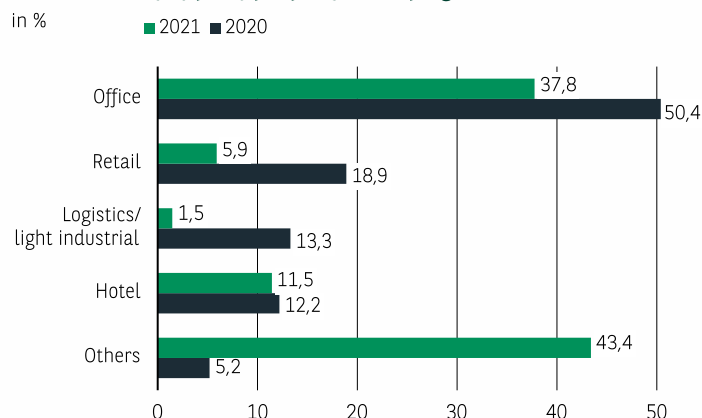
Investments by € category in Leipzig Q1



► BRISK INVESTMENT ACTIVITY IN THE MIDDLE SIZE SEGMENT

Compared to the same period last year, the increase in transactions beyond €100 million is particularly striking. They were completely absent in the first quarter of 2020 and have now reached a market share of just over 29%. However, this volume is attributable to a single contract signed in the first quarter of 2021. In contrast, an increased number of deals in the €25 million to €50 million size class contributed to the noticeable rise in market share to around 46%. The investment volume of around €157 million registered here includes development properties in Leipzig's Centre Fringe, which underlines the value and promising outlook of Leipzig as business location. Significantly less activity than in Q1 2020 was registered in the size segment below €10 million. Here, the volume fell from a good €35 million to just under €25 million at present.

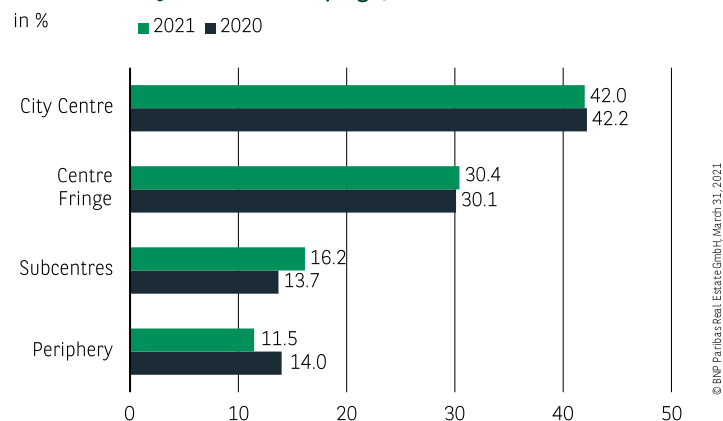
Investments by type of property in Leipzig Q1



► COLLECTIVE CATEGORY OTHERS TAKES THE LEAD

With a high market share of around 43% respectively an investment volume of almost €148 million, the collective category "others" has taken the lead. Once again, the development plots traded here are the driver of the good result. They alone accounted for almost €90 million in investment volume, alongside properties in the assisted living and mixed-use sectors. The market share of office properties of just under 38% is primarily attributable to a major transaction. Sales in the medium and small segments are of little significance here. Little movement is registered in the retail segment, and the current result in the logistics segment is also well below average. The sale of the Radisson project is responsible for the 11.5% market share of the hotel category.

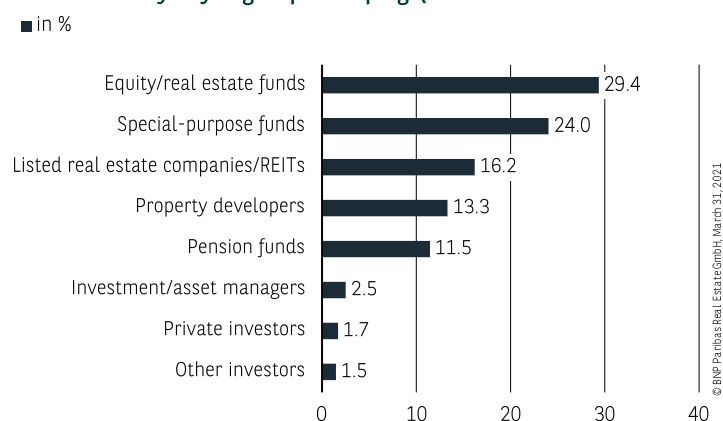
Investments by location in Leipzig Q1



CENTRAL LOCATIONS STILL PREFERRED

There has been little change in the distribution of the investment volume by location compared with the previous year. The City and Centre Fringe have each made a spot landing compared to Q1 2020, with 42% and a good 30% market share respectively. The result in the City is attributable to only two contracts signed. One office and one mixed-use property changed hands in the first three months of the year. The situation in the Centre Fringe is different, with several contracts concluded in the mid-sized segment. In addition to office properties, development sites were also successfully negotiated to completion here. The market share of Subcentres increased slightly to 16%. The sale of the Radisson hotel project had a positive impact here. Despite relatively brisk transaction activity, peripheral locations lost market share, particularly in the case of development plots. The still low investment volume in the logistics sector is particularly noticeable here.

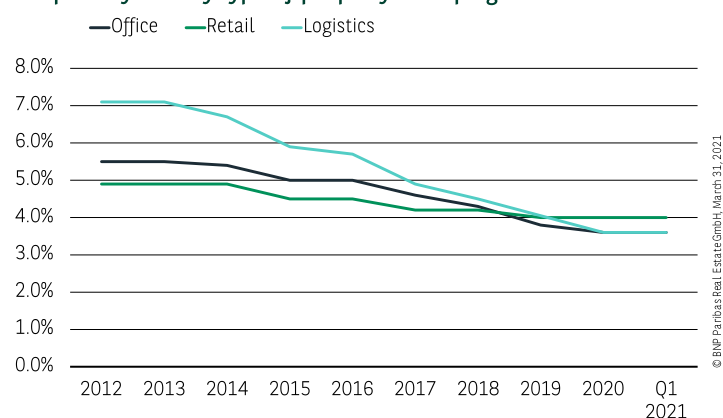
Investments by buyer group in Leipzig Q1 2021



EQUITY/REAL ESTATE FUNDS IN THE LEAD

A large transaction is responsible for the market share of almost 30% of the equity/real estate funds. The situation is different for the special-purpose funds, which rank second. This group of buyers successfully completed three transactions in the mid-sized segment. With a volume of €82 million, they have now already achieved their full-year result for 2020 (€81 million). Listed real estate companies/REITs are also on track with a volume of €55 million to date. In fourth place, with a market share of just over 13%, are the property developers, who have invested around €45 million in development plots both in Leipzig's urban area and in the wider periphery. The pension funds' market share of 11.5% is all attributable to the purchase of the Radisson development.

Net prime yields by type of property in Leipzig



YIELDS STABLE AT LOW LEVEL

Leipzig's net prime yields are stable at a low level across all segments at the start of 2021. The prime yield in the office segment is still quoted at 3.60%. A prime yield of 3.60% is also registered for logistics properties. For highstreet properties, it is 4.00%.

OUTLOOK

The stage is set for a good annual result. The start to the year has been more than successful, and with an acceleration in the vaccination process and easing of contact restrictions, a sustained upturn in the economy can be expected. Against this background, the number of portfolio transactions should increase, from which Leipzig should also benefit. Not to be forgotten is Leipzig's great attractiveness as an industrial and logistics location. Here, a continuous revival is to be expected in the months to come. A further, moderate compression in net prime yields cannot be ruled out.

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