

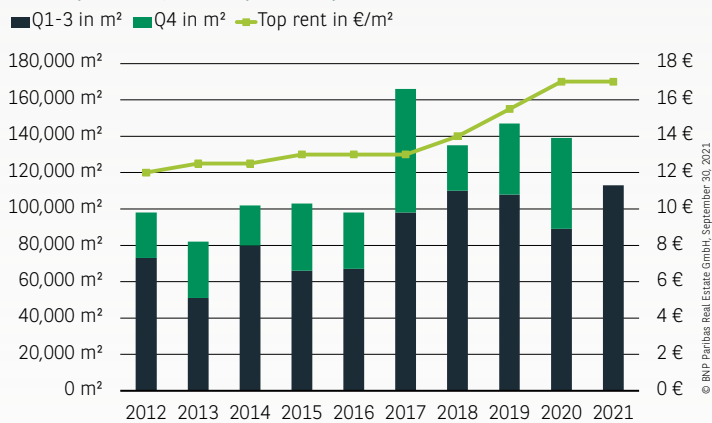


**RESEARCH**

At a Glance **Q3 2021**

# OFFICE MARKET LEIPZIG

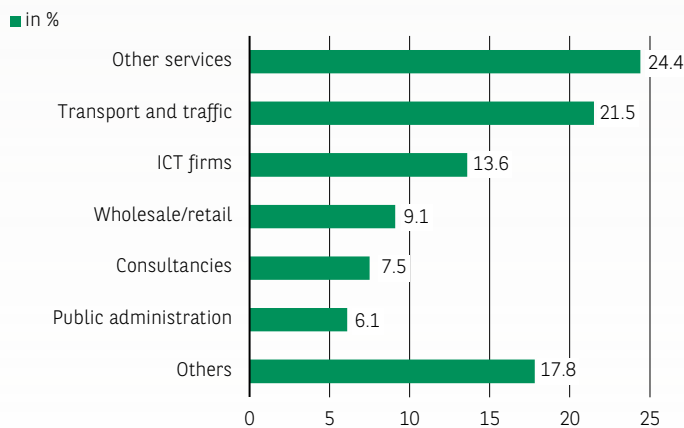
## Development of take-up and top rents



### ➤ A NEW REKORD AFTER THE FIRST NINE MONTHS

The very positive development of the Leipzig office market continued impressively in the third quarter of 2021. Take-up of 113,000 m² sets a new record for the first nine months of the year. This is not only around 27% higher than the previous year's result, but also a good 31% above the long-term average. With 50,000 m² take-up in the third quarter alone, market activity once again gained considerable momentum. One of the factors responsible for the strong outcome was the Deutsche Post DHL deal (22,000 m²) in the periphery, which also represents one of the largest lettings ever recorded in the Leipzig market area. However, the fact that not only the market segment of large deals is responsible for the extraordinarily good result becomes obvious when taking a look at the size classes of up to 1,000 m². Around 92% of the deals recorded to date are attributable to this market segment. And with take-up of around 57,000 m², those size categories reported an above-average result.

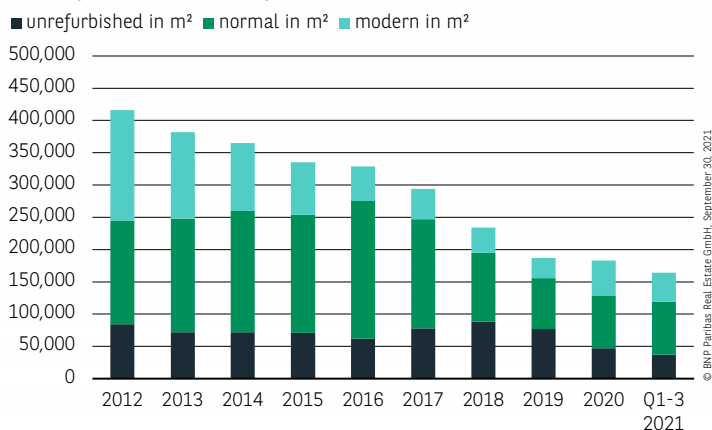
## Take-up by sector Q1-3 2021



### ➤ TRANSPORT AND TRAFFIC MOVES UP TO SECOND PLACE

Leipzig can once again rely on a broad demand base in 2021. With a contribution to take-up of a good 24%, the category "other services" is at the top of the sector distribution. With 21.5%, the transport and traffic sector achieves not only second place, but also the highest volume in a long-term comparison. This is mainly due to the Deutsche Post DHL deal. With 14%, companies operating in the field of ICT also continued to play a major role in the market and made a double-digit contribution. It is worth mentioning that the ICT volume is once again not based on individual major contracts, but on a large number of small and medium-sized deals. Retail companies also participated in the market with a good 9%.

## Development of vacant space



### ➤ VACANCIES STILL DECLINING

In contrast to most other German major cities, Leipzig's office market has even since the start of the Corona pandemic reported a steady decline in vacancies. This is due to the consistently high take-up. The trend has continued in the third quarter of 2021. Currently, 164,000 m² of vacant office space is available in the short term, which is almost 14% less than 12 months ago. The low vacancy rate, which at 4.3% is below the required fluctuation reserve, underlines the low supply level. The availability of office space with modern fit-out quality, which is in particularly high demand, remains scarce at just 45,000 m².

**Major contracts**

Sub-market	Company	m <sup>2</sup>
4.2	Deutsche Post DHL Group	22,000
3.5	Service company	5,700
1.1	Relaxdays	5,500
3.5	the nu company	2,200
2.5	Public administration	2,100
3.4	ICT company	2,000

© BNP Paribas Real Estate GmbH, September 30, 2021

**➤ CONSTRUCTION ACTIVITY INCREASES SIGNIFICANTLY**

Dynamic demand and the intensifying shortage of space have led to a significant increase in construction activity over the course of the year. There is currently 92,000 m<sup>2</sup> of office space under construction, an increase of a good 39% year-on-year. The fact that only around 38% of this space is still available to the letting market shows that Leipzig's new-build space is highly in demand from tenants. The fact that the volume of projected space has also risen by an impressive 78% in the last 12 months demonstrates the high level of confidence that market players have in Leipzig as a business location.

**➤ RENTS WITH POSITIVE TREND**

Due to low supply and dynamic demand, a further increase of office rents took place in Leipzig during the past 12 months. The prime rent increased by around 6% year-on-year and stands at 17 €/m<sup>2</sup> since the beginning of the year. The average rent also climbed and now is 11.20 €/m<sup>2</sup>.

**➤ OUTLOOK**

In light of the economic recovery and positive growth forecasts for the coming quarters, the Leipzig office market is likely to continue its dynamic development in the upcoming quarters. From today's perspective, a take-up of around 140,000 m<sup>2</sup> by the end of the year appears realistic. The restrictive factor for an even higher market activity continues to be the low supply of new space. Due to the continuing tight supply and demand situation, a slight increase in rents is the most likely scenario.

© BNP Paribas Real Estate GmbH, September 30, 2021

**Trends in important market indicators**

	Q1-3 2020	Q1-3 2021	Trend remaining year
Take-up	89,000 m <sup>2</sup>	113,000 m <sup>2</sup>	➔
Vacant space	190,000 m <sup>2</sup>	164,000 m <sup>2</sup>	➔
Space under construction (total)	66,000 m <sup>2</sup>	92,000 m <sup>2</sup>	➔
Space under construction (available)	28,000 m <sup>2</sup>	35,000 m <sup>2</sup>	➔
Top rent	16.00 €/m <sup>2</sup>	17.00 €/m <sup>2</sup>	➔

**Key indicators Q1-3 2021**

	Top rent* (€/m <sup>2</sup> )		Take-up (m <sup>2</sup> )	Vacant space (m <sup>2</sup> )			Space under construction (m <sup>2</sup> )		Space on offer (m <sup>2</sup> )	
	from	to	Q1-3 2021	total	modern	of this, since completion	total	available	available	projected
Submarkets**	1		2	3	4	5	6	7	8 = (3 + 7)	9
1 City Centre										
1.1 City Centre		17.00	15,400	11,900	4,000	0	21,800	20,000	31,900	0
2 Centre Fringe/ Centre Relief Area	10.50 -	15.00	31,200	34,600	11,500	300	12,500	5,300	39,900	129,900
3 Subcentres	8.30 -	13.00	39,800	97,700	26,500	700	32,700	8,000	105,700	209,100
4 Periphery	7.90 -	7.90	26,600	19,800	3,000	0	25,000	1,700	21,500	18,000
<b>Total</b>			<b>113,000</b>	<b>164,000</b>	<b>45,000</b>	<b>1,000</b>	<b>92,000</b>	<b>35,000</b>	<b>199,000</b>	<b>357,000</b>

\* The top rent given applies to a market segment of 3-5 % in each case.  
 \*\* The relevant office market zone can be found on our website under "Research".

All rights reserved. At a Glance is protected in its entirety by copyright. No part of this publication may be reproduced, translated, transmitted, or stored in a retrieval system in any form or by any means, without the prior permission in writing of BNP Paribas Real Estate GmbH.

The statements, notifications and forecasts provided here correspond to our estimations at the time when this report was prepared and can change without notice. The data come from various sources which we consider reliable but whose validity, correctness or exactness we cannot guarantee. Explicitly, this report does not represent a recommendation of any kind, nor should it be regarded as forming a basis for making any decisions regarding investment or letting or renting property or premises. BNP Paribas Real Estate can accept no liability whatsoever for any information contained or statements made herein.

Imprint Publisher and copyright: BNP Paribas Real Estate GmbH | Prepared by: BNP Paribas Real Estate Consult GmbH | Status: 30.09.2021

Further Information BNP Paribas Real Estate GmbH | Branch office Leipzig | Telephone +49 (0)341-711 88-0 | [www.realestate.bnpparibas.de](http://www.realestate.bnpparibas.de)

© BNP Paribas Real Estate GmbH, September 30, 2021