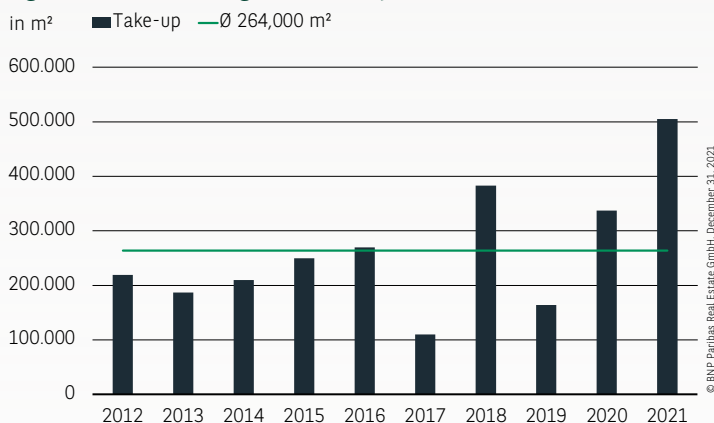




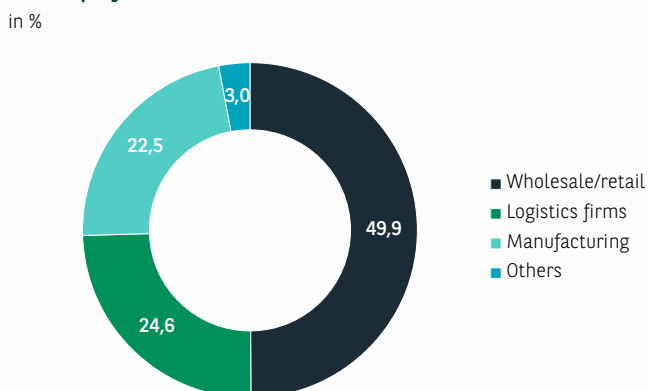
At a Glance **Q4 2021**

LOGISTICS MARKET LEIPZIG

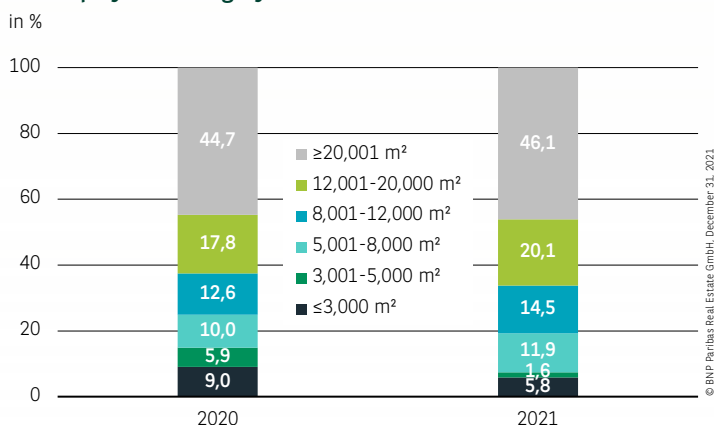
Light industrial and logistics take-up



Take-up by sector



Take-up by size category



TAKE-UP EXCEEDS THE HALF-MILLION MARK

Leipzig's real estate markets are rushing from record to record - not only in the office sector, but now also in logistics take-up. With an annual take-up of 505,000 m², an impressive new record was set, significantly exceeding the previous year's figure (+50 %) and outperforming the ten-year average by 91 %. This means that the trade fair city now belongs, together with Berlin, Frankfurt and Hamburg, to one of the few logistics regions in which the 500,000 m² mark was broken within one year. Responsible for the very positive development is on the one hand the noticeable increase in demand, not least from the e-commerce sector, but on the other hand also the greater availability of land compared to other locations. This applies primarily to the northern market area. Demand for large spaces of 5,000 m² and more has increased in particular. The most important deals include the leases of Relaxdays (51,000 m²) in Schkeuditz and CEVA Logistics (35,000 m²) in Leipzig. But the owner-occupier deal by Beiersdorf for 50,000 m² should also be mentioned here.

RETAIL COMPANIES ARE THE WINNERS

The big winners on Leipzig's logistics market are retail companies. The trade fair city benefits both from its central, convenient location in eastern Germany and from the availability of space already mentioned. Overall, half of the take-up is accounted for by the wholesale/retail sector, which is 20 percentage points above the long-term average. Also in Leipzig, the key buzzwords are E-commerce and city logistics. The logistics firms, which are traditionally strong in Leipzig, contribute about a quarter to the result and thus perform weaker than in most previous years. Manufacturing companies account for 22.5 %, in absolute terms they achieved the second-best result of all time.

AGAIN HIGH PROPORTION OF LARGE DEALS

Traditionally, take-up in Leipzig is strongly influenced by large deals. Here, too, it can be seen that the greater availability of land represents a certain locational advantage over other large logistics regions. It is therefore not surprising that in 2021 a good 46 % of take-up was again accounted for by contracts larger than 20,000 m². Seven deals could be counted in this market segment alone. But even the second largest category between 12,000 and 20,000 m² still accounts for a high share of a good 20 %. Smaller contracts up to 5,000 m², on the other hand, are noticeably less represented than in most other regions, with only a good 7 %.

Major contracts

Quarter	Company	Location	Area (m²)
Q4	Relaxdays	Schkeuditz	51.000
Q1	Beiersdorf	Leipzig	50.000
Q4	E-Commerce	Bitterfeld-Wolfen	40.000
Q3	CEVA Logistics	Leipzig	35.000
Q3	Trek Bicycle	Halle (Saale)	30.000

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Key figures logistics market

	2020	2021	Trend 2022
Prime rent	4,60 €/m²	4,65 €/m²	➔
Average rent	3,80 €/m²	4,00 €/m²	➔
Take-up	337.000 m²	505.000 m²	➔
- Share of owner-occupiers	10,5 %	11,0 %	➔
- Share of new buildings	61,3 %	58,5 %	➔

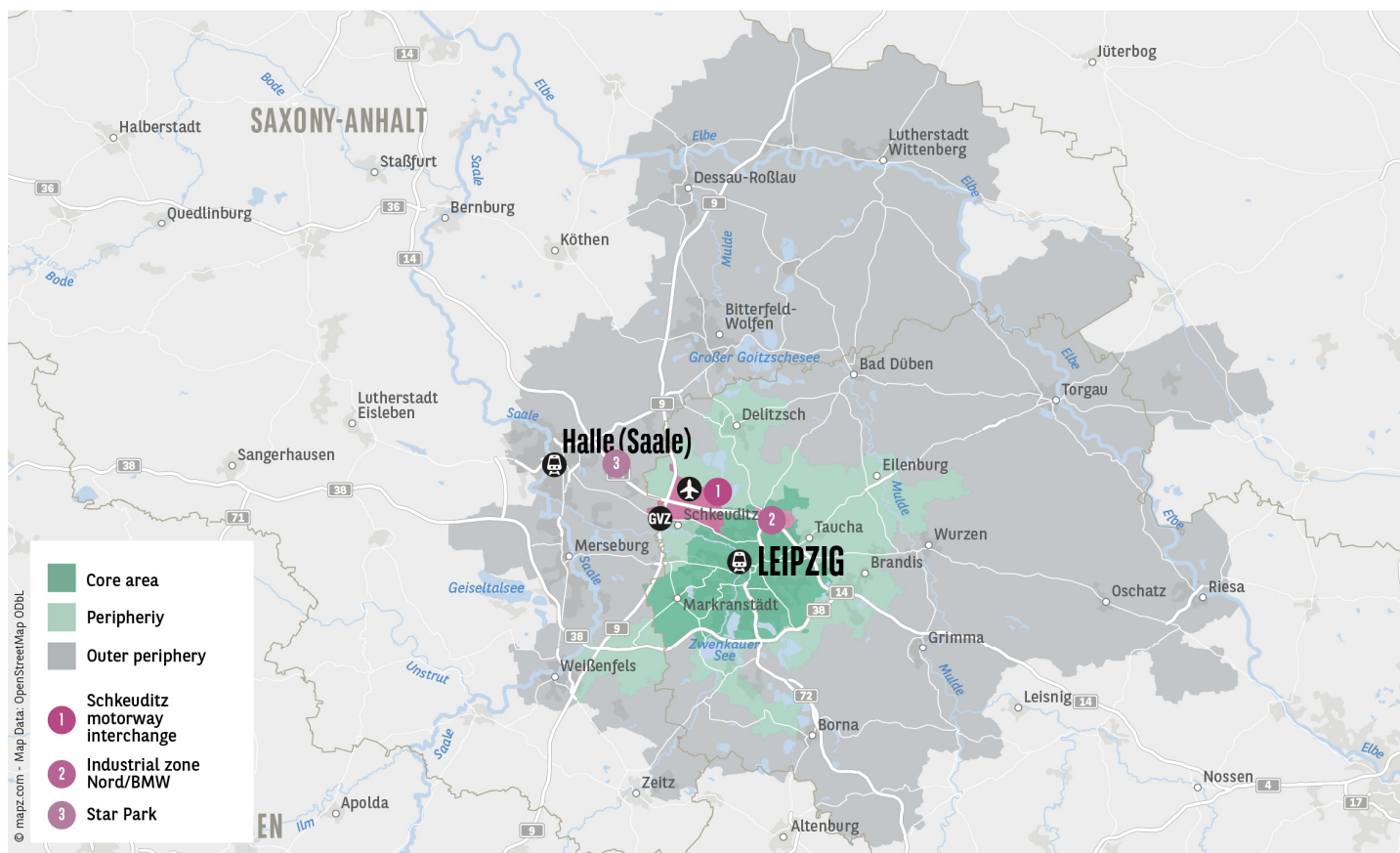
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➤ ONLY MODERATE RENT INCREASE

A few larger completions increased the volume of supply somewhat during the course of the year. However, it is pleasing that almost all additional offers could be let in the course of the year, which is a indicator for the high demand. Consequently, there are no signs of an excess in supply. Nevertheless, the supply/demand ratio is more favourable than in many other markets. This is also the main reason why the increase in rents is still relatively moderate. However, rents have also increased in Leipzig. Within a year, the prime rent has risen to 4.65 €/m². The development of the average rent was much stronger, rising by 5 % to 4.00 €/m².

➤ OUTLOOK

Leipzig will benefit from the foreseeable economic recovery in 2022, so that demand for logistics space will also remain at a high level. Although it seems unlikely that the 500,000 m² threshold will be broken again, a significantly above-average result is quite realistic from today's perspective. Due to the completion of some new construction projects, the supply is likely to expand slightly. Against this background, a sideways movement in the prime rent is the most realistic scenario, whereas the average rent is likely to increase further.



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