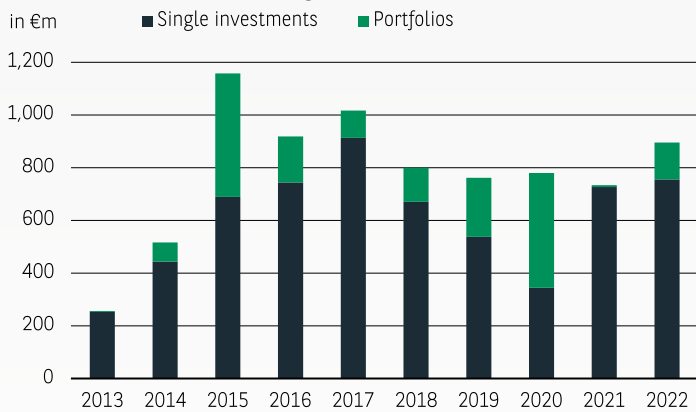




At a Glance **Q4 2022**

INVESTMENT MARKET LEIPZIG

Investment volume in Leipzig

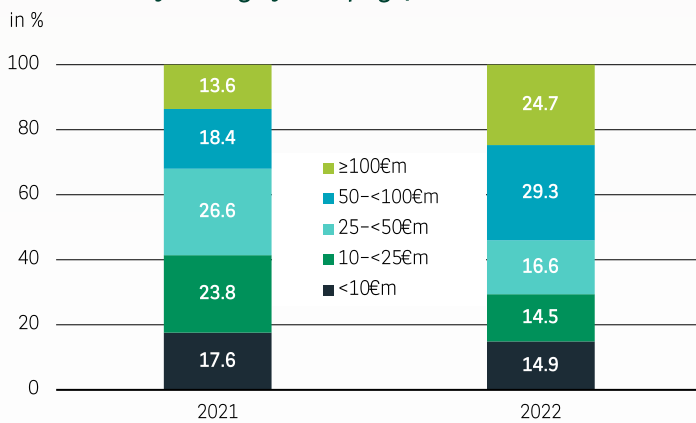


© BNP Paribas Real Estate GmbH, December 31, 2022

➤ **ABOVE-AVERAGE RESULT ON THE LEIPZIG MARKET**

The Leipzig investment market was highly resilient in 2022 despite the increasingly expensive financing conditions as well as the deteriorating macroeconomic outlook. With a commercial investment volume of €895 million, the Saxon metropolis achieved a very good result, which is both a good 14% above the long-term average (€783 million) and a strong 22% above the previous year's result. It is remarkable that the investment turnover increased from quarter to quarter in the course of the year, contrary to the overall economic uncertainties. Thus, a volume of €278 million can be reported for the fourth quarter (+9% compared to Q3). It should also be emphasised that, as in the previous year, a large part of the total result was based on individual deals. They account for the lion's share of the total volume with a market share of approximately 84% (€755 million). Leipzig once again demonstrated its high attractiveness as a business location in 2022.

Investments by € category in Leipzig Q1-4

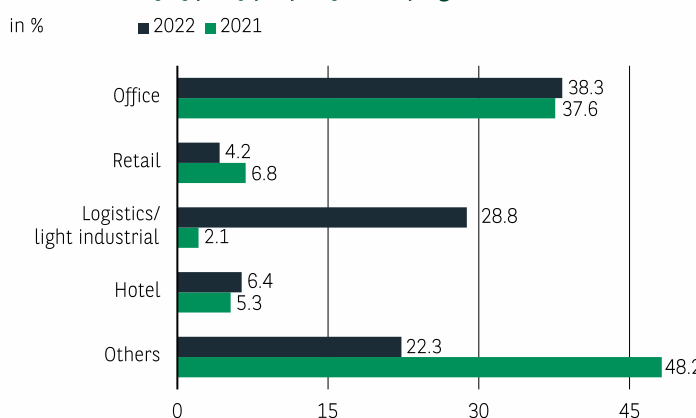


© BNP Paribas Real Estate GmbH, December 31, 2022

➤ **EVEN DISTRIBUTION IN ALL SIZE SEGMENTS**

Leipzig's high investment volume was again distributed relatively evenly across the different size segments in 2022, which speaks for a strong and broadly positioned market foundation. Last year, transactions in the range of €50 million to €100 million dominated market activity and contributed a volume of around €263 million (29%) to the result. Despite the difficult general conditions, the large-volume segment above the €100 million mark accounted for around €221 million and thus recorded an above-average result, even in a long-term comparison.

Investments by type of property in Leipzig Q1-4

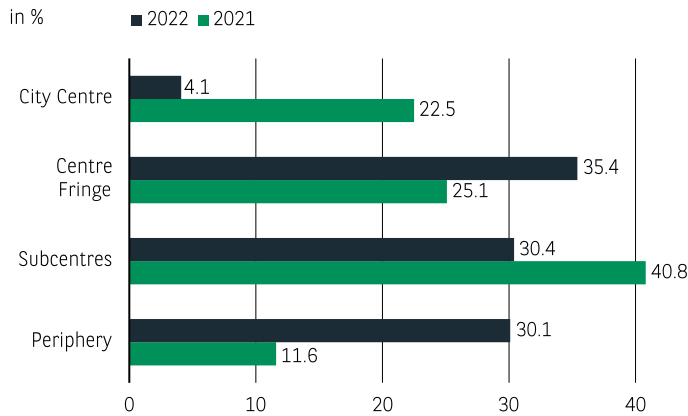


© BNP Paribas Real Estate GmbH, December 31, 2022

➤ **LOGISTICS SEGMENT WITH TOP RESULT**

As in the previous year, office properties contributed a good 38% of turnover to the result in 2022. Translated into absolute figures, this corresponds to a volume of €344 million, which exceeds the long-term average by 43%. With almost 29% or a turnover of €258 million, logistics properties ranked second and thus also achieved a clearly above-average result. This was made possible not least by the largest single transaction of the year, the sale of LogPark Leipzig for well over €100 million. The third-largest contribution came from the "others" category, which accounted for a good 22% of the total, with mixed-use properties (€104 million) and development plots (€71 million) making a significant contribution.

Investments by location in Leipzig Q1-4

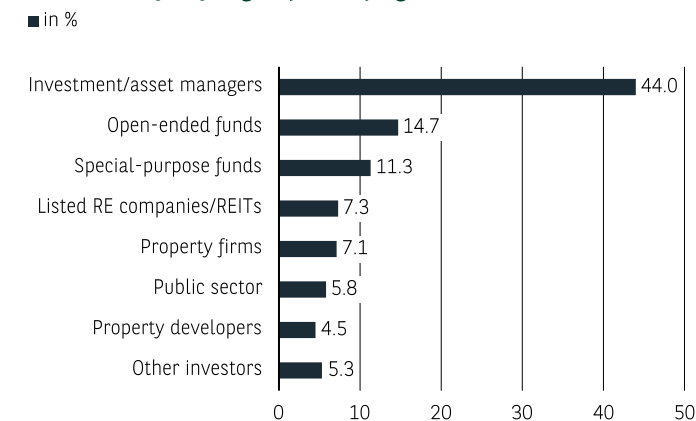


© BNP Paribas Real Estate GmbH, December 31, 2022

➤ CENTRE FRINGE MOST SOUGHT-AFTER LOCATION

As in the previous year, the investment volume was distributed over a large part of the market area, which generally indicates broad investor interest. The majority of Leipzig's investment volume was located in the city centre (35%) with an investment volume of €317 million. The exchange of various plots of land between the state of Saxony and the city of Leipzig, which essentially laid the foundation for the rapid development of Lauschnerplatz, contributed significantly to this. The equally strong shares in the secondary locations (30%) and in the periphery (30%) once again underline the general confidence in the Leipzig market. The city centre contributed only about 4% to the investment volume in the past year.

Investments by buyer group in Leipzig Q1-4 2022



© BNP Paribas Real Estate GmbH, December 31, 2022

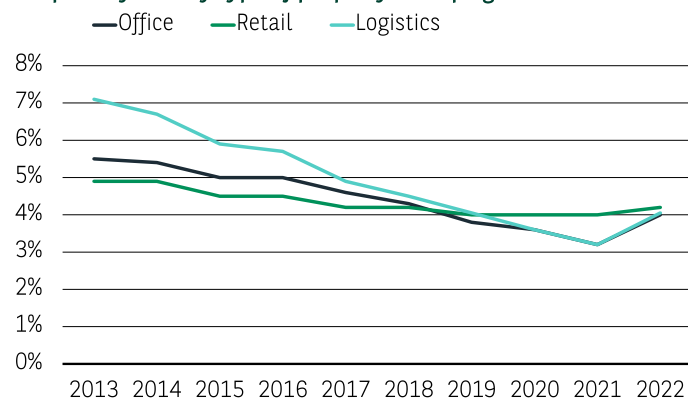
➤ INVESTMENT/ASSET MANAGER AT THE TOP BY FAR

Investment & asset managers account for the majority of the investment volume with a share of about 44%, which again underlines that real estate investments continue to be attractive for institutional investors despite the currently difficult market environment. Open-ended funds (15%), which can report a clearly above-average result with €132 million, are placed behind them. In addition, special funds (11%) with a turnover volume of €102 million also made a double-digit contribution to the result.

➤ YIELDS CONTINUE TO RISE

Against the background of more expensive financing conditions, yields also continued to rise in the fourth quarter. For office properties, the net prime yield increased by 35 basis points to 4.00% and in the logistics segment by 50 basis points to 4.05% compared to the third quarter. For inner-city retail properties, the prime yield rose somewhat more moderately by a further 10 basis points compared to the previous quarter to 4.20%.

Net prime yields by type of property in Leipzig



© BNP Paribas Real Estate GmbH, December 31, 2022

➤ OUTLOOK

Supported by well performing user markets that radiate stability and value, the Leipzig investment market has achieved a good result for the year as a whole. Investors and sellers in B locations such as Leipzig seem to be able to agree on a price level that works for both sides in the new market environment more quickly than in the A cities. Since financing costs, which have risen for the time being, will remain the dominant topic on the investment markets at the beginning of the year, a further slight increase in yields cannot be ruled out. Against the background of the current macroeconomic uncertainties, it remains to be seen how the dynamics on the market will develop in the coming months. However, from today's perspective, a transaction volume in line with the long-term average also appears possible in 2023.

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: 31.12.2022

Further Information BNP Paribas Real Estate GmbH | Branch office Leipzig | Phone +49 (0)341-711 88-0 | www.realestate.bnpparibas.de