

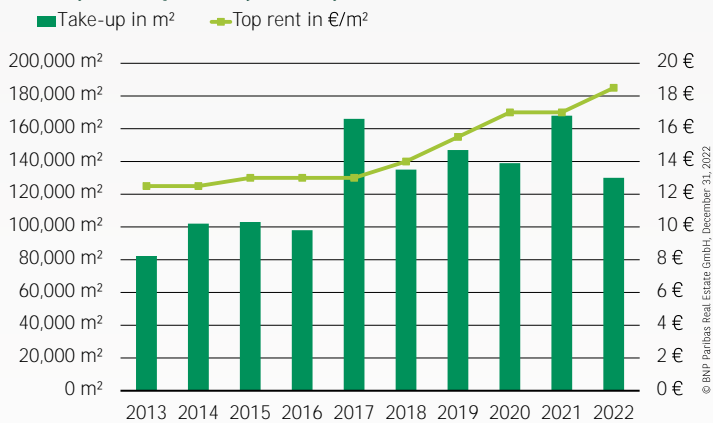


**RESEARCH**

At a Glance **Q4 2022**

# OFFICE MARKET LEIPZIG

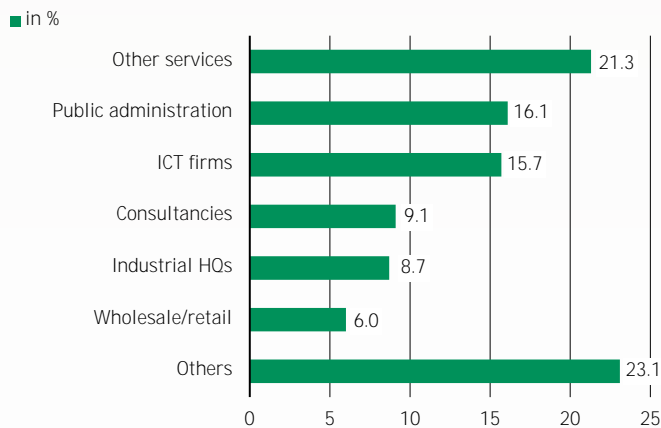
### Development of take-up and top rents



### TAKE-UP SLIGHTLY ABOVE AVERAGE

The Leipzig office market achieved a take-up of 130,000 m² in 2022 and thus a slightly above-average result in a long-term comparison (+2.4%). While in the previous year an extraordinary accumulation of large-area lettings ensured a new take-up record, in 2022 only one contract was recorded in the segment of 5,000 m² and above. This is the main reason for the almost 23% lower result. In contrast, the strong performance of the size category between 2,000 and 5,000 m² is striking, a new peak value of almost 44,000 m² was registered. All in all, remarkably, an above-average result was achieved despite a largely lack of major lettings. This underlines the broad demand base in the smaller and medium-sized space segments.

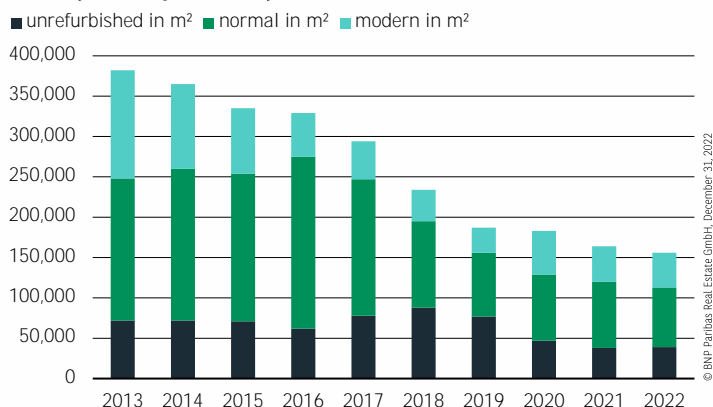
### Take-up by sector 2022



### BROADLY BASED DEMAND

In the distribution of take-up by sector, the other services, which are fuelled by a large number of mainly smaller contracts and very different companies, are in the lead with 21%. The good performance of public administration in second place (16%), on the other hand, is mainly due to the three largest contracts of the year. ICT firms followed closely with 16%. This presents a familiar picture for the Leipzig market: the three top-ranked sectors also occupy the podium in the long-term analysis. In addition, consultancies and industrial companies each account for around 9%.

### Development of vacant space



### FURTHER REDUCATION IN VACANCY

The ongoing reduction in vacancy continued in 2022. At the end of the year, a total of 156,000 m² was available at short notice, which is around 5% less than in the previous year. The level of modern standards of fit-out, on the other hand, has hardly changed. At 43,000 m², almost 28% of the total volume corresponds to this category, which is most in demand on the market. Particularly in the central locations of the city centre and the centre fringe/ centre relief area, there is often an inadequate supply of modern vacant space. Only the Graphisches Viertel/Prager Straße submarket has slightly more modern spaces available for short-term letting. The vacancy rate for the overall market has fallen to 4%.

### Major contracts

Sub-market	Company	m <sup>2</sup>
3.4	Public administration	8,200
2.1	Public administration	4,800
3.1	Public administration	4,200
3.4	Fraunhofer Zentrum IMW	4,000
3.3	Lobbyists	3,600
4.1	Wholesale/retail	3,200

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### ➤ NOTICEABLY INCREASE IN CONSTRUCTION ACTIVITY

Due to still falling vacancy and at the same time very high demand, construction activity had already risen significantly in 2021. This development continued in 2022 and peaked in the third quarter at 200,000 m<sup>2</sup>. Due to construction completions, this volume decreased again and amounted to 165,000 m<sup>2</sup> at the end of the year. Currently, 65,000 m<sup>2</sup> (39 %) of this space is still available to the market. A large part of this space is being built in the submarkets Graphisches Viertel/Prager Straße (26,400 m<sup>2</sup>) and city centre (21,400 m<sup>2</sup>), which are in high demand. The increased volume of projected space also illustrates the potential and continuing confidence of project developers in the market.

### ➤ RENTS CONTINUE TO RISE

Mainly due to the limited supply of modern premises, the rent level has continued to rise. While the average rent for the market as a whole rose by 5% to 11.90 €/m<sup>2</sup>, the prime rent has risen by almost 9% to now 18.50 €/m<sup>2</sup>. The highest rents continue to be achieved for premium space in the city centre.

### Trends in important market indicators

	2021	2022	Trend 2023
Take-up	168,000 m <sup>2</sup>	130,000 m <sup>2</sup>	➔
Vacant space	164,000 m <sup>2</sup>	156,000 m <sup>2</sup>	➔
Space under construction (total)	107,000 m <sup>2</sup>	165,000 m <sup>2</sup>	➡
Space under construction (available)	39,000 m <sup>2</sup>	65,000 m <sup>2</sup>	➡
Top rent	17.00 €/m <sup>2</sup>	18.50 €/m <sup>2</sup>	➔

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### ➤ OUTLOOK

Overall, the development of the Leipzig market is expected to remain stable. The volume of space under construction as well as the space still available is assumed to decrease again in the course of the year. Vacant space, on the other hand, is expected to stabilise at a low level. The overall brisk demand is therefore offset by a slightly improved supply, so that at least a take-up in the range of the ten-year average should be achievable again. A further increase in prime rents is quite realistic.

### Key indicators 2022

	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	2022	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		18.50	19,700	8,900	3,000	0	23,200	21,400	30,300	8,000	
2 Centre Fringe/ Centre Relief Area	10.80	- 17.50	37,000	33,200	11,500	800	51,000	26,400	59,600	117,300	
3 Subcentres	9.00	- 15.00	55,600	95,200	25,100	200	52,900	10,500	105,700	296,000	
4 Periphery		9.00	17,700	18,700	3,400	0	37,900	6,700	25,400	23,700	
Total			130,000	156,000	43,000	1,000	165,000	65,000	221,000	445,000	

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\* The top rent given applies to a market segment of 3-5 % in each case.

\*\* The office market zone map and the key indicator table at submarket level can be found under the following link: [Office market zone map and key indicator table 2022](#)

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