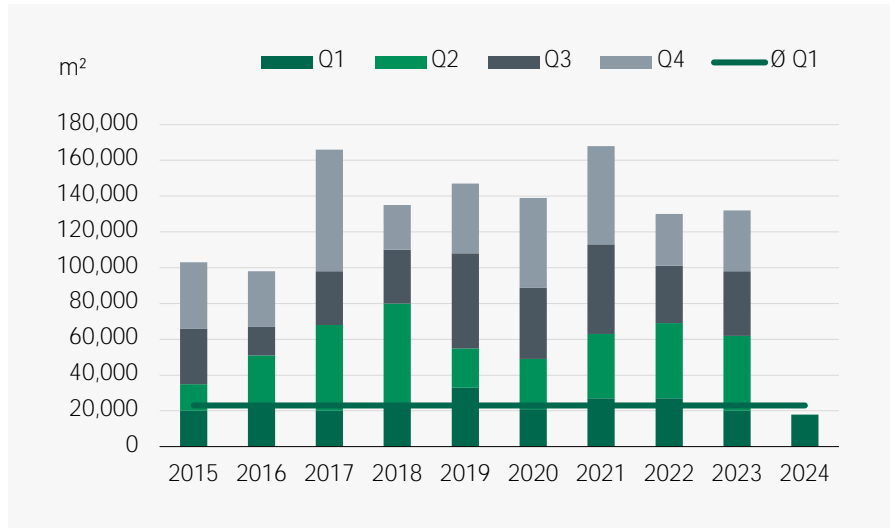


LEIPZIG

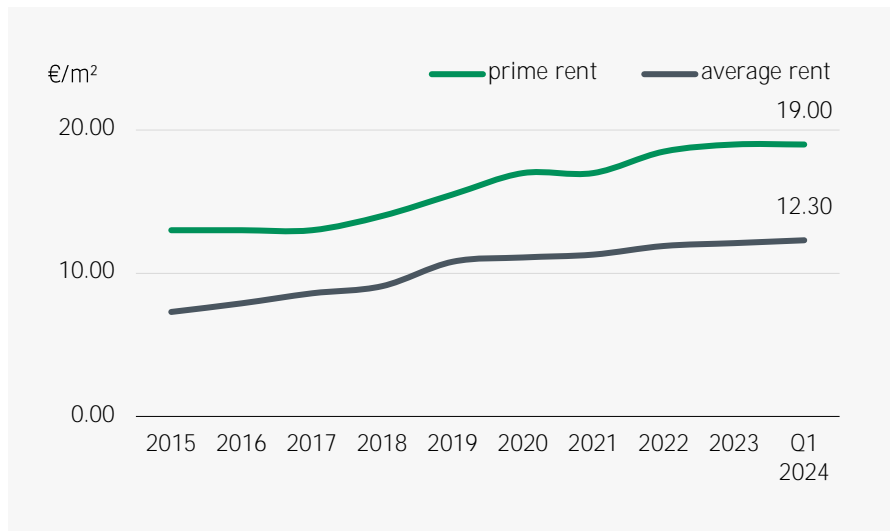
# REPORT OFFICE MARKET

Q1 2024

## Development of take-up



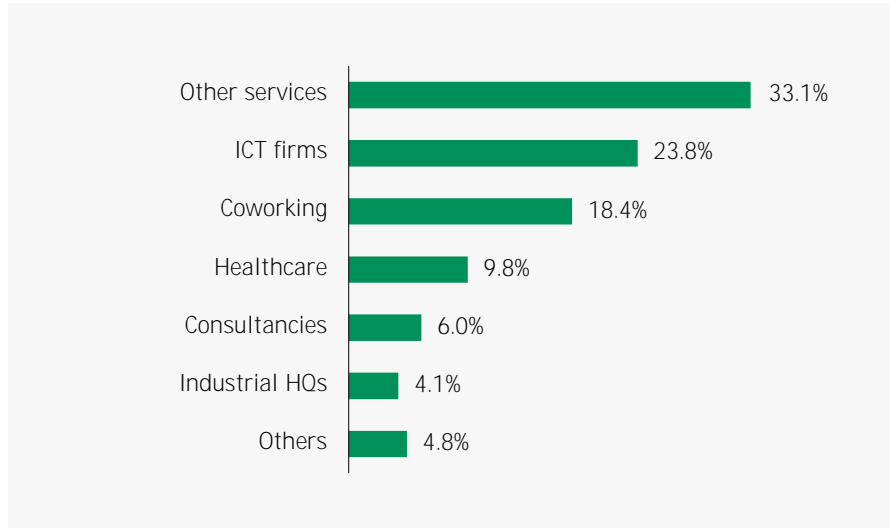
## Prime and average rents



## TAKE-UP SLIGHTLY UNDER PREVIOUS YEAR'S RESULT NO LARGE-SCALE LETTING SO FAR

- In the first quarter of 2024, a take-up of 18,000 m² was registered, slightly below the previous year's figure (-10%). Leipzig's office market has long been characterized by a relatively high degree of stability compared to the rest of Germany. This is primarily due to the fact that a relatively large number of small-scale contracts characterize the market and provide a solid foundation. This structural characteristic was confirmed once again at the beginning of the year.
- In total, around 87% of the result is attributable to contracts of up to 2,000 m², which is eight percentage points more than the ten-year average. As in the previous year, contracts for over 5,000 m² were not signed at all. As a result, market activity was again particularly lively in the small and medium-sized segment. The largest lettings include SimpliOffice for 2,300 m² and SAE Institute for 1,400 m², both in the city centre, as well as Distart Learn for 1,600 m² in centre fringe location.
- The comparatively stable overall market development in Leipzig is also reflected in rents. Following a continuous rise in prime rents in recent years, which was primarily due to a significantly larger supply of modern new-build space, it stabilized in the first quarter of 2024 and remains at €19/m². The upward trend in the average rent has actually continued. In the first three months of the current year, it rose again by almost 2% to €12.30/m².

## Take-up by sector Q1 2024



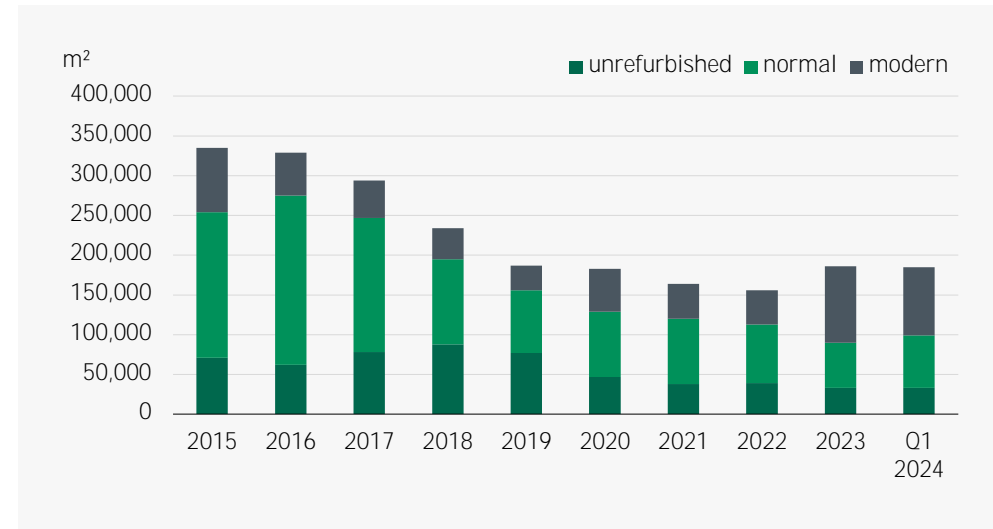
## Major contracts Q1 2024

Sub-market	Company	m <sup>2</sup>
1.1	SimpliOffice	2,300
2.1	Distart learn	1,600
1.1	SAE-Institute	1,400
2.2	Singular IT	1,100
2.2	SVA	800

## VACANCY REMAINS UNCHANGED SINCE Q4 2023

- Vacancies totaled 185,000 m<sup>2</sup>, which corresponds to a year-on-year increase of 19%. In the last three months, however, it has remained stable. Only 46% of the total volume (86,000 m<sup>2</sup>) is of a modern and highly demanded quality. This supply segment even recorded a decline of 10% in the first quarter. The vacancy rate remains unchanged at 4.7%.
- Space under construction has also fallen by a quarter to 136,000 m<sup>2</sup> over the past twelve months. The space still available on the letting market fell by 13% to 71,000 m<sup>2</sup>.
- ICT firms generated the highest share of total take-up, accounting for just under 24%. Following in second place are coworking/business centres with a good 18%, the healthcare sector with almost 10% as well as consulting firms with 6%.

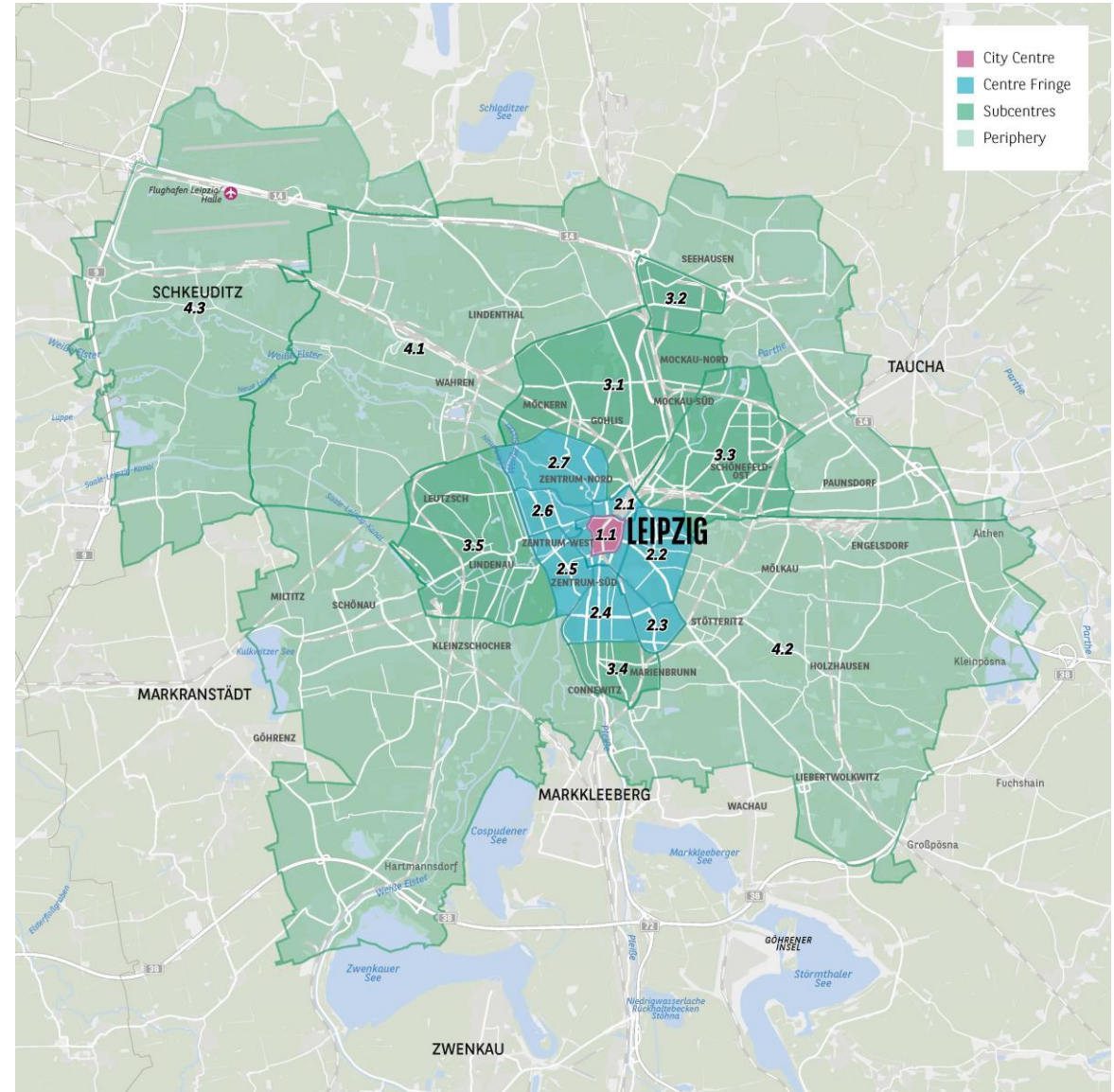
## Development of vacant space



## OUTLOOK

- Leipzig's office market performed relatively strong in the past years of crisis and generated comparatively stable take-up both during the coronavirus crisis and in the recessionary 2023. The main reason for this is that Leipzig is traditionally much less dependent on large lettings than the A cities, for example. Market amplitudes are therefore noticeably lower. The city of Leipzig is also likely to benefit from this in the current year.
- From today's perspective, take-up in 2024 is likely to be slightly below the previous year's figure, with a volume of 120,000 m<sup>2</sup> being a realistic benchmark. However, it should be noted that Leipzig was the only location in Germany that did not record any drastic declines in 2023, which clearly underlines its long-term stability.
- On the supply side, the peak appears to have been passed. From today's perspective, all signs point to a further gradual reduction in vacancies over the next few quarters, which is likely to amount to around 10-15%. At the same time, space under construction is not expected to increase again, at least in the current year.
- As the supply of modern space in high-demand central locations in particular is trending downwards, rent levels are likely to rise further. This applies to both average and prime rents. There is a realistic chance that the prime rent could exceed the €20/m<sup>2</sup>-mark for Leipzig towards the end of the year.

## Office submarkets Leipzig



## Key indicators office market Leipzig

	PRIME RENT* (€/m²)		TAKE-UP (m²)		VACANT SPACE (m²)		SPACE UNDER CONSTRUCTION (m²)		SPACE ON OFFER (m²)	
	from	to	Q1 2024	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		19.00	4,400	31,800	25,800	21,800	11,400	7,300	39,100	6,800
2 Centre Fringe	10.50 -	18.00	8,100	64,800	32,000	1,200	76,100	48,200	113,000	296,900
3 Subcentres	9.50 -	15.00	3,900	69,100	25,500	0	38,600	10,800	79,900	139,400
4 Periphery	9.00 -	9.50	1,600	19,300	2,700	0	9,900	4,700	24,000	31,900
<b>Total</b>			<b>18,000</b>	<b>185,000</b>	<b>86,000</b>	<b>23,000</b>	<b>136,000</b>	<b>71,000</b>	<b>256,000</b>	<b>475,000</b>

\* The prime rent given applies to market segment of 3-5 % in each case.  
 \*\* The relevant submarket can be found on our website under „Research“.

## Contact

### BNP Paribas Real Estate GmbH

Messehaus am Markt | Markt 16 | 04109 Leipzig

Phone: +49 (0)341-711 88-0

All rights reserved. This report 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.

Publisher and copyright: BNP Paribas Real Estate GmbH | Prepared by: BNP Paribas Real Estate Consult GmbH | Status: 31.03.2024 | Further information: BNP Paribas Real Estate GmbH | Branch office Leipzig | Phone +49 (0)341-711 88-0  
Photo credits : © Antoine Huot

LEARN   
MORE