



LEIPZIG

REPORT OFFICE MARKET

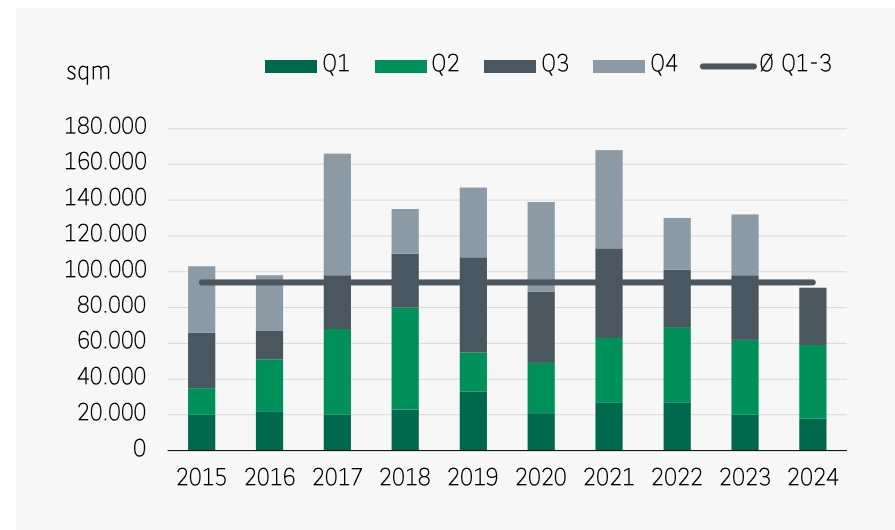
Q1-3 2024



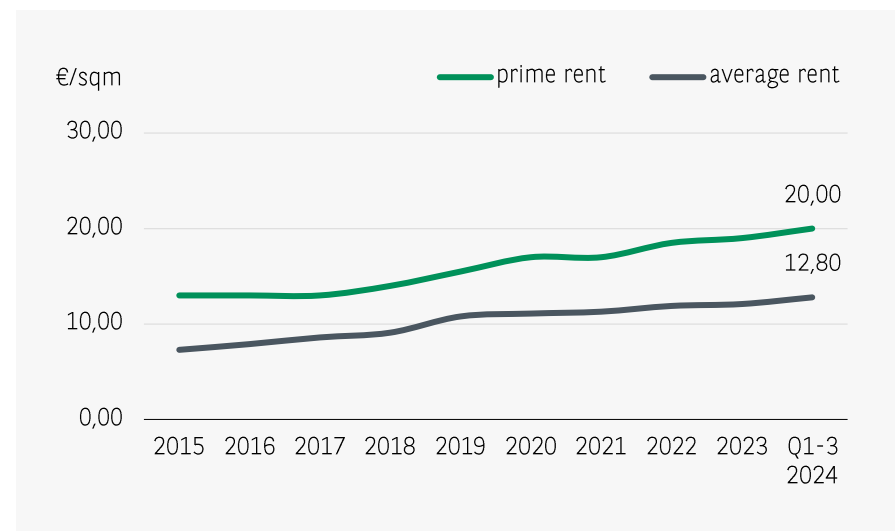
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Development of take-up



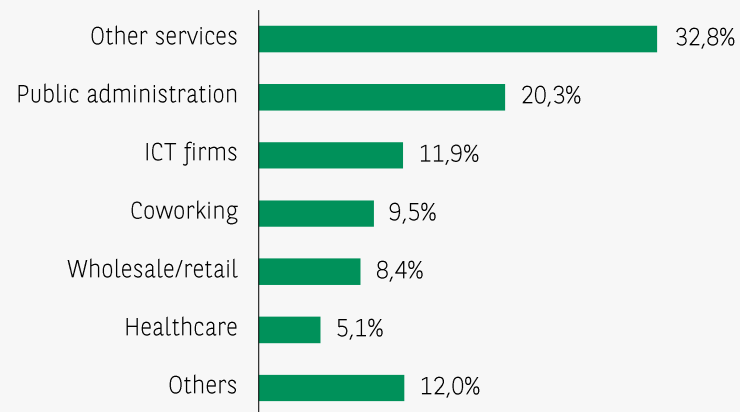
Prime and average rents



AGAIN GOOD LETTING PERFORMANCE: IN LINE WITH AVERAGE AND ALMOST ON A PAR Y-O-Y

- Leipzig's office market was once again characterized by consistent letting activity in the first three quarters of 2024: with take-up of 91,000 sqm at the end of September, Leipzig is on a par with its ten-year average of around 94,000 sqm (- 3 %). Observing that the highest interim result from 2021 was only 19% higher at a good 113,000 sqm is indicative of the fact that the Leipzig market is not characterized by exceptional results, either on the upside or on the downside.
- Looking at the third quarter separately, a total of 32,000 sqm was let, with the largest deal of the current year making a decisive contribution to this: from mid-2027, the Leipzig gas group VNG is planning to relocate its headquarters from Leipzig-Schönefeld to the Ringlage and has rented office space of more than 10,000 sqm in the former Telekom administration building near Johannisplatz for this purpose.
- This deal reflects the nationwide trend in which companies often opt for central and well-connected locations. The fact that Leipzig's city centre and centre fringe locations collectively account for 78% of take-up confirms this trend.
- As the market continued to develop favorably, prime rents reached the €20 per sqm mark for the first time over the course of the year and even exceeded this mark in individual contracts. The average rent is currently quoted at €12.80 per sqm and continues to show a slight upward trend.

Take-up by sector Q1-3 2024



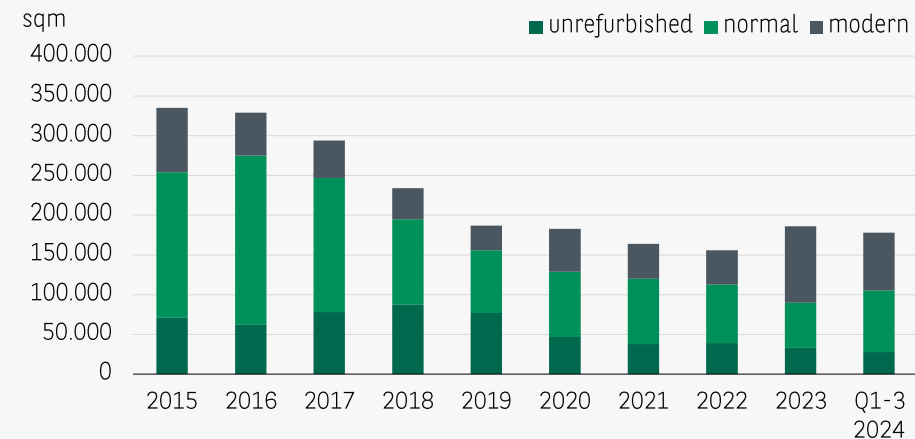
Major contracts Q1-3 2024

Quarter	Sub-market	Company	sqm
Q3	2.1	VNG AG	13,500
Q2	1.1	EEX AG	6,500
Q2	2.1	Public administration	6,000
Q2	1.1	Scaling Spaces	5,000
Q2	2.1	Public administration	5,000
Q3	2.2	Public administration	2,700

OTHER SERVICES AND PUBLIC ADMINISTRATION IN THE LEAD

- Two sectors stand out regarding the distribution of take-up by sector group, accounting for more than half of market activity: Driven not least by the major VNG contract, other services are at the top of the ranking with just under 33%. Public administration also proved to be very active, accounting for a good 20% of take-up due to several agreements in the medium-sized segment.
- Although the vacancy volume has risen by 9% to 178,000 sqm in the last 12 months, it is still well below the long-term average (227,000 sqm). The continued low vacancy level is also reflected in the vacancy rate, which at 4.5% remains below the fluctuation reserve. Space under construction has fallen by almost 10% in the last three months to currently 130,000 sqm. Encouragingly, the market was able to absorb new space in the third quarter, which has led to the rise of the pre-letting rate from 35% to 54%.

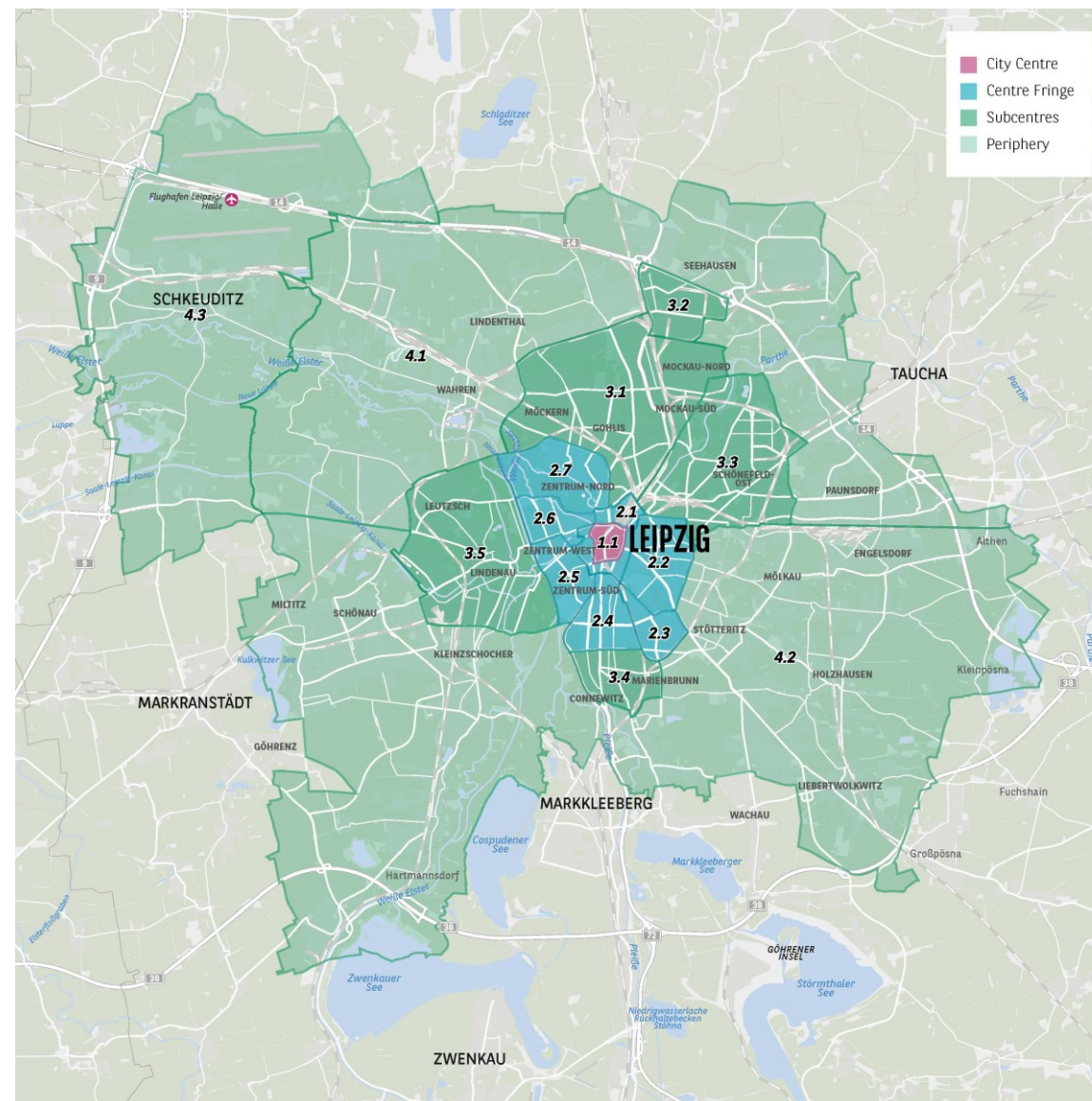
Development of vacant space



OUTLOOK

- The Leipzig office market recorded good letting momentum in the first three quarters of 2024. As in previous market trough phases, Leipzig is once again proving more resilient than some other major office locations, which is primarily due to the somewhat smaller-scale demand structure. Accordingly, the dependency on increasingly rare major deals is significantly lower in Leipzig than in other locations. Nevertheless, it is encouraging that one of these contracts, the major letting to VNG in the third quarter, contributed more than 10,000 sqm to the solid overall result in the running year.
- Another important market trend is the increasing focus on central locations that are very well served by public transport. The fact that take-up in the city centre and in the centre fringe zones rose by a remarkable 26% compared to the previous year is a clear indication of the increased location focus on the occupier side.
- On the supply side, a slight trend reversal in the recent vacancy rise towards stabilisation now appears to be emerging. The tightening of the supply situation is primarily due to the shrinking project pipeline in combination with a good pre-letting rate for new projects that have been initiated or are in the process of completion.
- Against the backdrop of the general conditions outlined above, take-up for the year as a whole is expected to be in line with the long-term average. In regards to future rent development, further slight increases are likely in the upcoming quarters, especially for premium space in prime locations.

Office submarkets Leipzig



Key indicators office market Leipzig

		PRIME RENT* (€/sqm)		TAKE-UP (sqm)	VACANT SPACE (sqm)		SPACE UNDER CONSTRUCTION (sqm)		SPACE ON OFFER (sqm)		
		from	to	Q1-3 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		20.00	22,200	23,200	15,900	11,000	12,900	7,400	30,600	5,000
2	Centre Fringe	11.00 -	18.50	48,900	54,500	29,400	1,000	79,500	43,900	98,400	243,000
3	Subcentres	9.50 -	15.00	15,900	69,200	24,000	0	27,800	4,000	73,200	109,000
4	Periphery	9.00 -	9.50	4,000	31,100	3,700	0	9,800	4,700	35,800	33,000
Total				91,000	178,000	73,000	12,000	130,000	60,000	238,000	390,000

* 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

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