RESEARCH

AVERAGE TAKE-UP
At 66,000 m², the take-up generated in the Leipzig office market by the end of September represented a solid performance within the range of the ten-year average, but was nearly 18 % below the very good prior-year figure. One positive aspect is the way activity picked up in the third quarter; it was responsible for almost half of the total so far. Just like last year, there have up to now been no contracts of over 5,000 m². Whereas the first half featured only one sizeable lease, by ista Germany for premises of 4,100 m², in the past three months this market segment has been somewhat livelier, with two further leases which can be considered more substantial by Leipzig standards. These were concluded by Unicredit Bank AG (4,800 m²) and CG Immobilien Gruppe GmbH & Co. KG (2,400 m²). One of these was in the sub-centres, which have moved to the top of the office market zone ranking with turnover of 27,300 m². The Centre Fringe/Centre Relief Area, with 24,200 m², was thus relegated to second place.

OTHER SERVICES AGAIN HEAD FIELD
Just as in 2014, the business-sector ranking at the end of the third quarter was headed by other services, which actually extended their lead by generating a share of almost one third of the total. Information and communications technology firms and consultancies also held on to their prior-year placings, coming second and third with just over 16 % and just over 13 % respectively. Then, with single-figure percentages, came healthcare, with just under one tenth of the total, banks and financial services (9 %) and industrial company headquarters (8 %). All the remaining business sectors, classified together in the category of ‘Others’, obtained a share of just under 12 %.

FURTHER REDUCTION IN VACANCY
Compared with the same time last year, vacancy has shrunk by almost 5 % to 337,000 m². The volume of vacant premises offering modern specifications has declined by more than one fifth. The biggest reserves of vacant space are located in the Centre Fringe, with 139,300 m² (more than 41 %), and in the sub-centres, with 90,300 m² (just under 27 %). Year-on-year the vacancy rate has fallen from 9.5 % to 9.0 %.
### LESS SPACE UNDER CONSTRUCTION

The scale of building activity, which was already very restricted at this time in 2014, has fallen even further: the volume of space under construction has slipped by more than 23% to 23,000 m² at present. Available space within this total has risen just marginally, to 14,000 m². Building on a speculative basis is mainly confined to the Centre Fringe submarket, which is also where the biggest volume of space under construction is to be found (15,500 m²). The available supply of space (vacancy + available premises under construction) has diminished by 4% to 351,000 m².

### PRIME RENT REMAINS STABLE

In the course of the past twelve months, the prime rent, obtained for premises with modern specifications in good parts of the City Centre, has stabilised at the level it had reached and thus stands unchanged at 12.50 €/m². In some submarkets, overall rental price levels are exhibiting an upward movement: while the individual top rents are generally static or climbing just slightly, the average rents in virtually all areas have climbed appreciably.

### OUTLOOK

Against the background of the upturn in demand in the past three months and in view of the fact that the final quarter traditionally produces strong activity, there is good reason to expect take-up in the year as a whole to be just over 90,000 m². In a long-term comparison, that would represent a satisfactory result overall, despite the weak first half. The limited supply of modern premises makes a modest rise in the prime rent seem at least a possibility.

## Key indicators Leipzig Q1-3 2015

<table>
<thead>
<tr>
<th>Submarkets**</th>
<th>Top rent* (€/m²)</th>
<th>Take-up (m²)</th>
<th>Vacant space (m²)</th>
<th>Space under construction (m²)</th>
<th>Space on offer (m²)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>from to</td>
<td>Q1-3 2015</td>
<td>total modern</td>
<td>of this, since completion</td>
<td>total available</td>
</tr>
<tr>
<td>1 City Centre</td>
<td>12.50 - 10.60</td>
<td>71,100</td>
<td>4,000</td>
<td>0</td>
<td>71,100</td>
</tr>
<tr>
<td>2 Centre Fringe/ Centre Relief Area</td>
<td>7.00 - 8.50</td>
<td>24,200</td>
<td>34,700</td>
<td>0</td>
<td>15,500</td>
</tr>
<tr>
<td>3 Subcentres</td>
<td>6.80 - 7.70</td>
<td>27,300</td>
<td>19,900</td>
<td>0</td>
<td>96,800</td>
</tr>
<tr>
<td>4 Periphery</td>
<td>6.00 - 6.00</td>
<td>3,900</td>
<td>26,400</td>
<td>0</td>
<td>36,300</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>66,000</td>
<td>337,000</td>
<td>85,000</td>
<td>0</td>
<td>351,000</td>
</tr>
</tbody>
</table>

* The top rent given applies to a market segment of 3-5 % in each case.
** The relevant office market zone can be found on our website under “Research”.

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