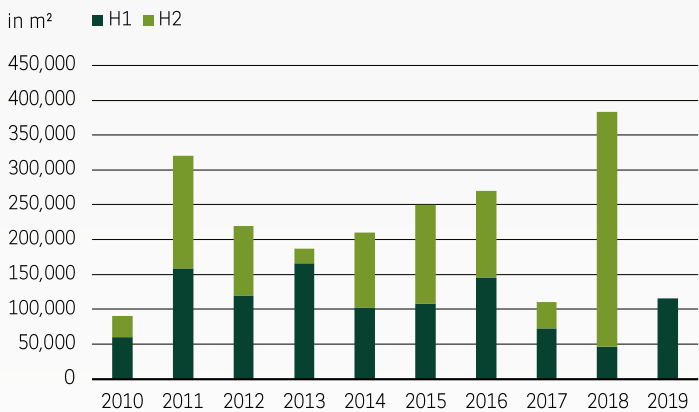




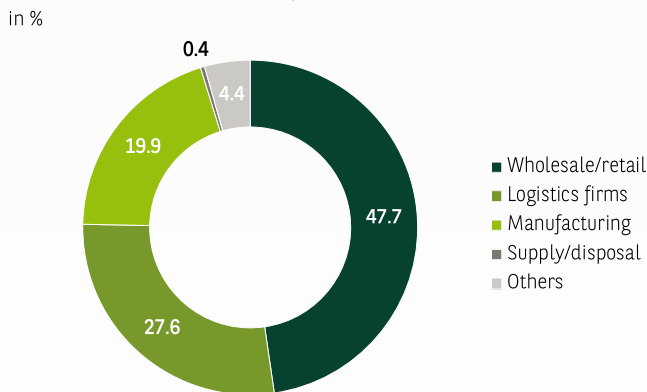
At a Glance **Q2 2019**

**LOGISTICS MARKET LEIPZIG**

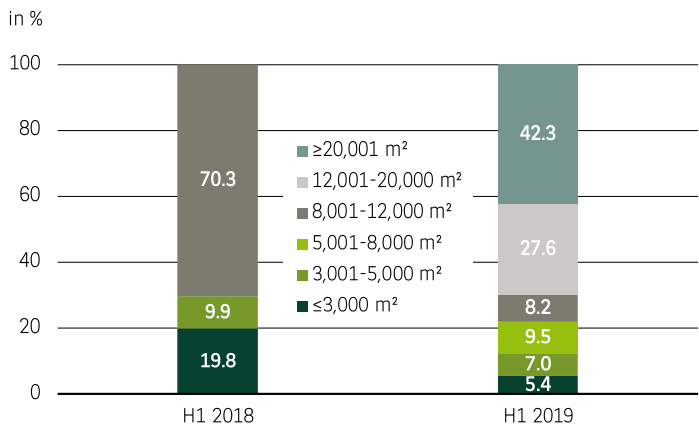
**Light industrial and logistics take-up in Leipzig**



**Take-up by sector in Leipzig H1 2019**



**Take-up by size category in Leipzig**



**STUNNING CATCH-UP IN THE SECOND QUARTER**

After a restrained start into the year, the Leipzig warehouse and logistics space market is picking up speed and achieved a take-up of 116,000 m² by the middle of the year. This means that the volume of the first quarter was more than tripled and that an above-average result (+6%) was reached in a 10-year comparison. On the one hand, this positive development was due to a number of large deals, most of which were still missing in the first three months of the year, and on the other hand, owner-occupiers are now increasingly participating in the market. This development is also reflected in the fact that an owner-occupier with a space of 26,000 m² in the outer periphery is responsible for the largest deal of the year so far. The dynamism of the market is also reflected in the extraordinarily high share of take-up accounted by new buildings, which is almost 82% and thus the highest ever recorded.

**TRADING COMPANIES LEADING THE FIELD**

Due to the high number of deals, two of which were major deals, the wholesale/retail companies clearly take the top position in the sector distribution. At just under 48%, this industry has reached its highest share in the last five years. The traditionally strong logistics firms rank second with just under 28%, mainly due to the letting of 18,000 m² to Dematic GmbH and the own use of 14,000 m² by Schäflein AG. The contribution made by manufacturing companies is slightly below average in a long-term comparison at around 20%. Although other companies have the second highest number of deals, they play, as usual, a rather insignificant role with a good 4%.

**MAJOR DEALS SHAPE MARKET DEVELOPMENT**

The half-year volume in the Saxon metropolitan region is characterised by a significant dominance of large deals. As a result of four deals with a volume of over 12,000 m², the size categories between 12,000 and 20,000 m² (just under 28%) and over 20,000 m² (a good 42%) determine the result. Compared to previous years, the units of up to 12,000 m² contributed the smallest volume in absolute terms since 2012, which is particularly due to the lack of available space at short notice. However, there is generally good demand in all market segments.

Major contracts in Leipzig H1 2019

Quarter	Company	Location	Area (m <sup>2</sup> )
Q1	Wholesale/retail company	Kabelsketal	26,000
Q2	Car manufacturer	Kabelsketal	23,000
Q1	Dematic	Leipzig	18,000
Q2	Schäfflein AG	Kabelsketal	14,000
Q2	Wholesale/retail company	Leipzig	9,500

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Key figures logistics market Leipzig

	H1 2018	H1 2019	Trend remaining year
Prime rent	4.45 €/m <sup>2</sup>	4.50 €/m <sup>2</sup>	➔
Average rent	3.65 €/m <sup>2</sup>	3.70 €/m <sup>2</sup>	➔
Take-up	46,000 m <sup>2</sup>	116,000 m <sup>2</sup>	➔
- Share of owner-occupiers	70.3 %	47.2 %	➔
- Share of new buildings	48.3 %	81.7 %	➔

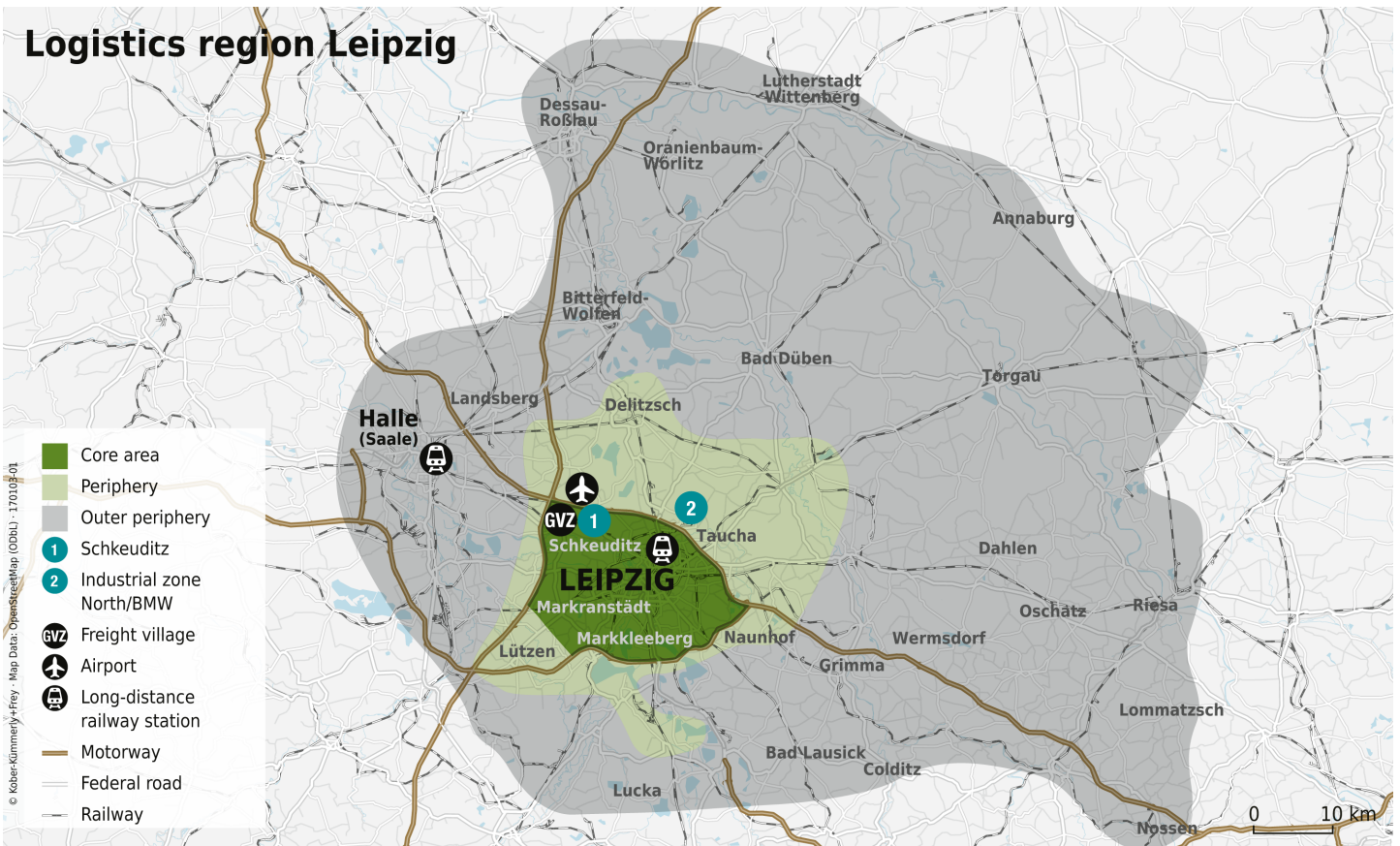
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➔ CONTINUAL RISE OF THE RENTS

The successive growth in rents on the Leipzig logistics market continues in 2019. Thus, the prime rent recorded a slight increase of 5 cents to 4.50 €/m<sup>2</sup> compared to the previous year. This price in particular is achieved in city locations, industrial parks and in the immediate surroundings of the automotive industry as well as the airport. A slight rise of the average rent can also be observed, which increased by 5 cents to 3.70 €/m<sup>2</sup> compared to the half-year 2018. Exception to this development continue to be old properties that do not meet market requirements and whose rents are therefore currently under pressure.

➔ OUTLOOK

As a result of the impressive catch-up in the second quarter of the year, the Leipzig logistic market can be seen with optimism. Against the backdrop of planned, speculative new buildings and emerging demand potential, such as the growth of e-commerce distribution centres and the expansion of e-mobility within the automotive industry, an equally positive development can be expected in the second half of the year. Consequently, an above average annual take-up seems realistic. Due to the slight increase in supply, rents are expected to stabilise for the time being by the end of the year.



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