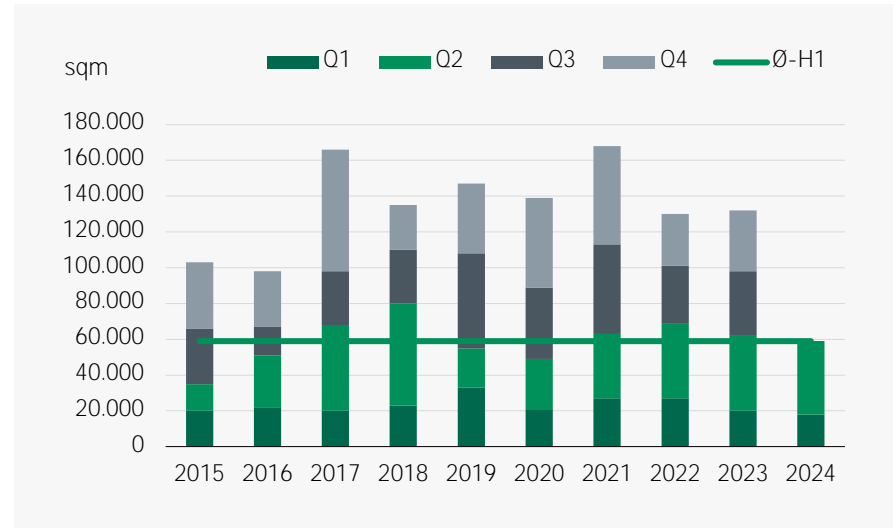


LEIPZIG

REPORT OFFICE MARKET

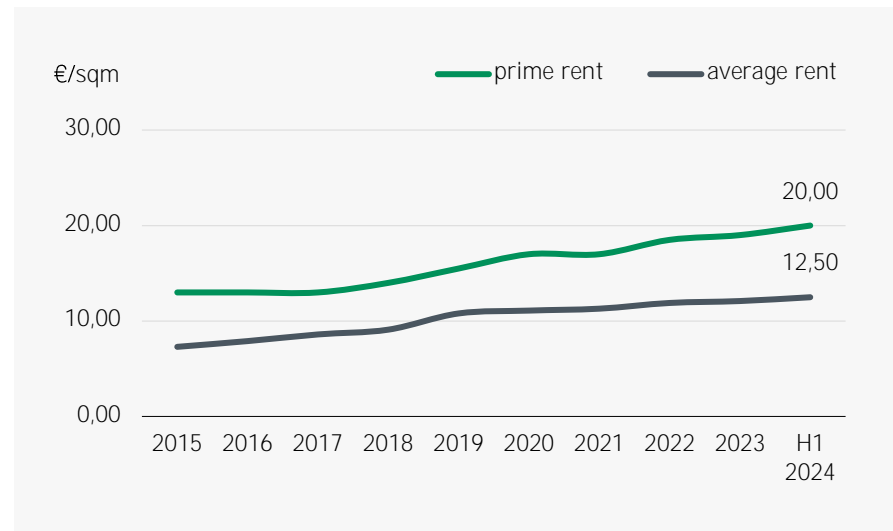
H1 2024

Development of take-up



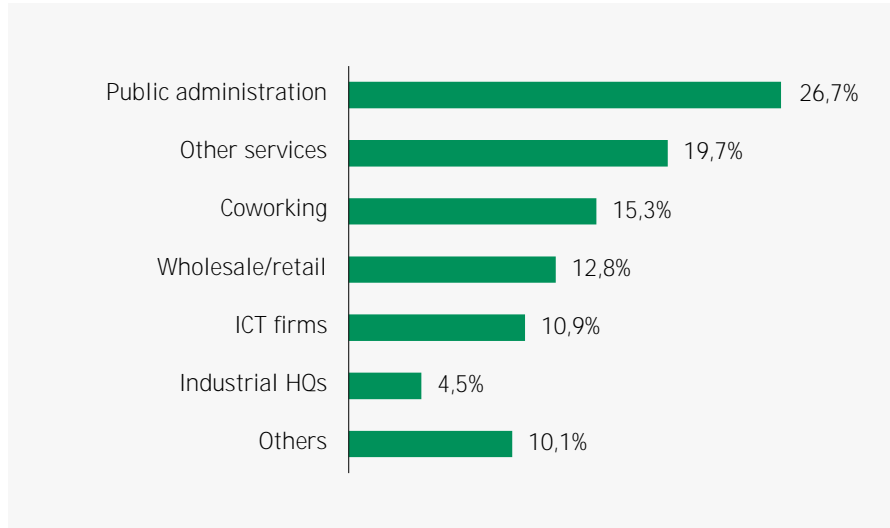
**VERY SOLID FIRST HALF-YEAR
TAKE-UP AT PRIOR YEAR'S LEVEL**

Prime and average rents



- With take-up totalling 59,000 sqm in H1 2024, the Leipzig office market recorded a comparable volume as in the same period of the previous year (62,000 sqm). The solid result is in line with the long-term average (59,100 sqm). Four large deals of over 5,000 sqm each made a significant contribution to the half year result. These include two owner-occupier deals for public administration of 5,000 sqm and 6,000 sqm respectively and coworking space of over 5,000 sqm. At 6,500 sqm, the largest deal is attributable to the EEX energy exchange in the CBD.
- A strong driver of take-up in the first half of the year was consequently the above-average proportion of larger contracts for between 5,000 sqm and 10,000 sqm of space at 21% (10-year average: 9%). The segment of medium-sized spaces between 1,000 and 5,000 sqm generated a share of 43%, which is above the long-term average (32%). Strikingly, and not only in comparison to the other top locations, letting activity in the small space segment (up to 1,000 sqm) was significantly less dynamic than on average (57%) with a share of only 37%.
- Starting from a comparatively favourable price level, the prime rent has risen by 5% to € 20.00 per sqm in the past three months. Compared to the same period last year, this represents an increase of around 8%. In some cases, significantly higher rents are already being achieved for central, modern space. The generally more volatile average rent has also risen by around 5% in the last 12 months to currently €12.50 per sqm.

Take-up by sector H1 2024



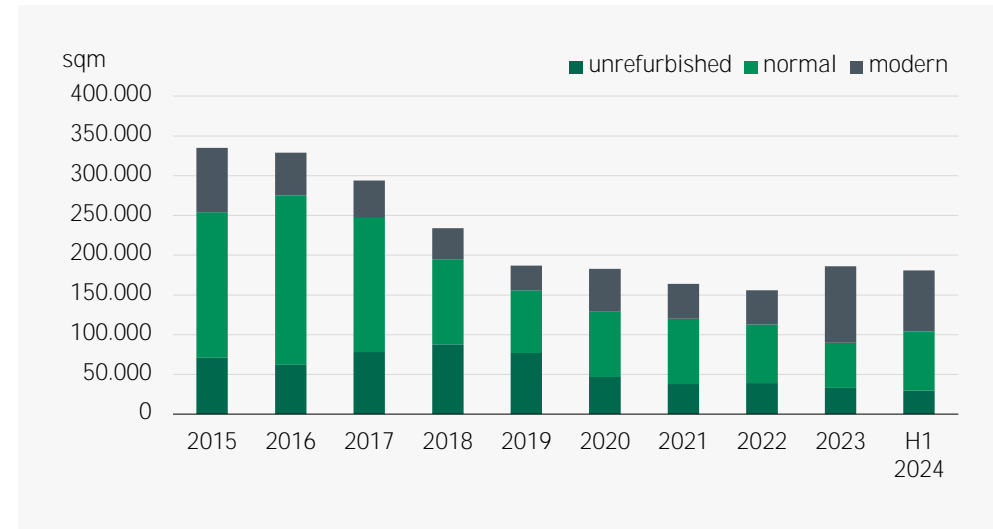
Major contracts H1 2024

Quarter	Sub-market	Company	sqm
Q2	1.1	EEX AG	6.500
Q2	2.1	Public administration	6.000
Q2	1.1	Coworking	5.000
Q2	2.1	Public administration	5.000
Q1	1.1	SimpliOffice	2.300
Q1	2.1	Distart Learn	1.600

MANY LETTINGS IN ENERGY SECTOR REGISTERED

- At 27% (two registered major deals), the public sector accounts for the highest share of take-up (10-year average: 13%). The coworking sector also performed strongly with an above-average share of 15% (10-year average: 3%). In the first half of the year, a relatively large number of contracts were also signed with companies from the energy sector, although these are subsumed in the collective category of "Other Services" or in the retail sector (major contract with EEX).
- Although the total vacancy volume has risen by 18% to 181,000 sqm in the last 12 months, it is still well below the long-term average (232,700 sqm). Space under construction has fallen by around 7% in recent months to a current 144,000 sqm. Encouragingly, the market is increasingly absorbing new space, which is reflected in an increased pre-letting rate of 55%.

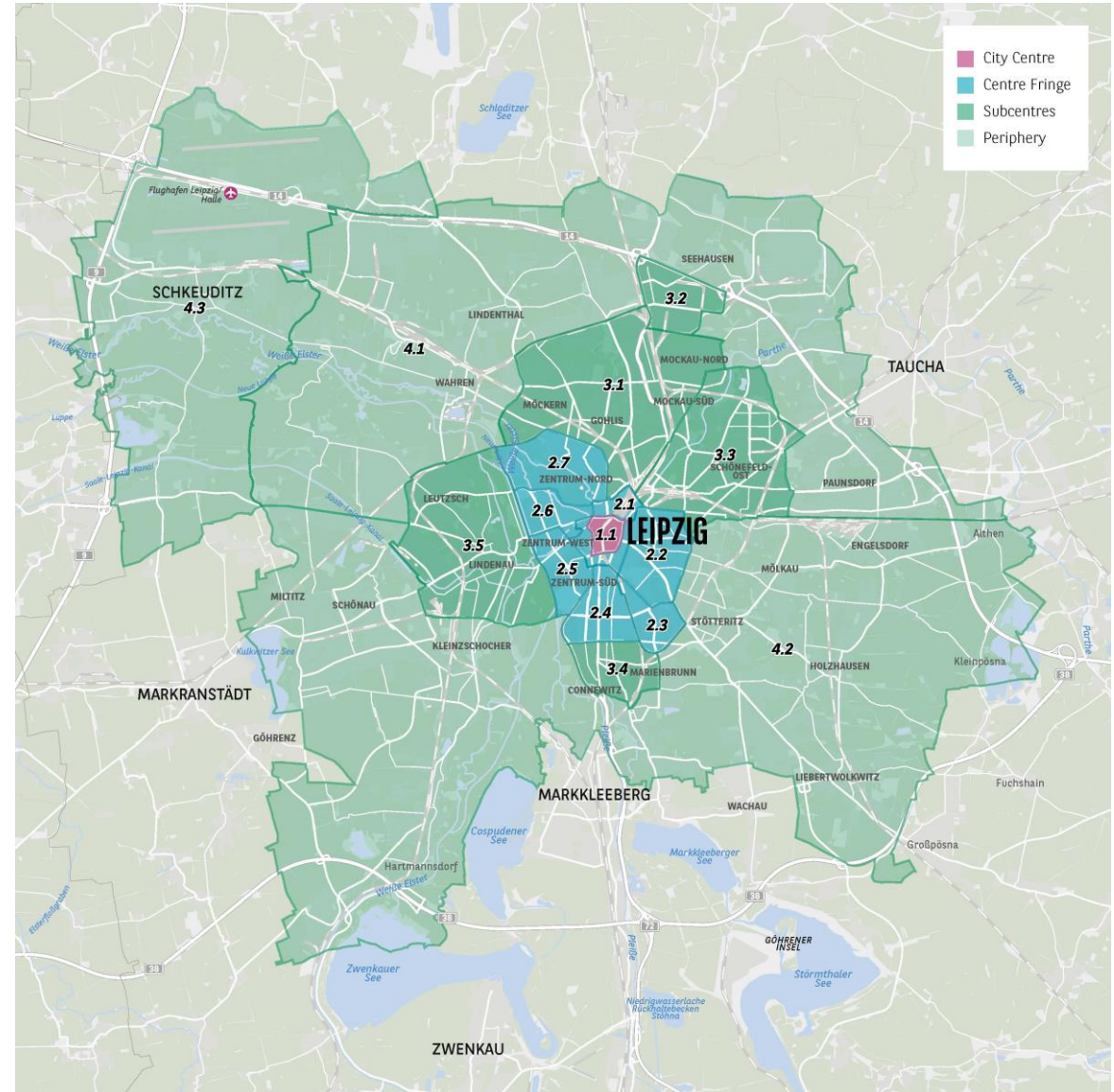
Development of vacant space



OUTLOOK

- The Leipzig office market experienced a very solid first half of the year. As in former times of crises in recent years, Leipzig's office market is once again proving its resilience. One reason for the market's below-average dependence on the economy is that Leipzig's demand structure tends to be dominated by small/medium-sized office deals. Leipzig is also expected to benefit from this in the latter half of 2024.
- On the supply side, the peak level may already have been passed. Space under construction has been in clear decline since the beginning of the year. This trend is likely to continue. On the other hand, the vacancy is likely to stabilise overall for the time being, while a decline is expected in the vacancies of modern prime space (due to an improved pre-letting rate).
- From today's perspective, a take-up by the end of 2024 in the region of the previous year and the long-term average (around 130,000 sqm) appears to be a realistic scenario which would imply that Leipzig remains one of the most stable markets among the office markets analysed.
- Given the shortage of high-quality space in central locations and a downward trend in supply, further rent increases both at the peak and on average up to the end of the year appear to be the most likely scenario from the current perspective

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	H1 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	17.100	25.000	16.000	11.500	11.500	7.300	32.300	6.800
2 Centre Fringe	11,00 -	18,50	26.600	60.800	32.200	500	84.300	44.400	105.200	317.500
3 Subcentres	9,50 -	15,00	12.300	69.400	25.100	0	38.200	8.500	77.900	122.700
4 Periphery	9,00 -	9,50	3.000	25.800	3.700	0	10.000	4.800	30.600	32.000
Total			59.000	181.000	77.000	12.000	144.000	65.000	246.000	479.000

* 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“.

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