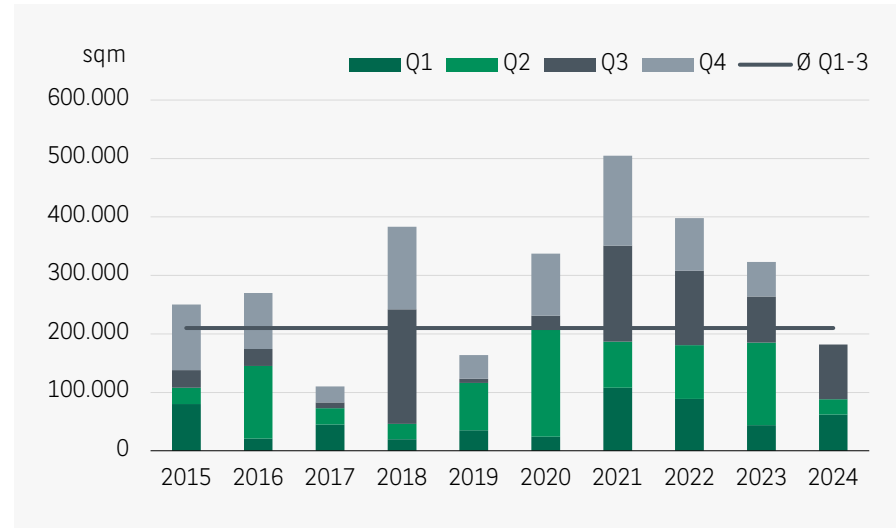


LEIPZIG

# REPORT LOGISTICS MARKET

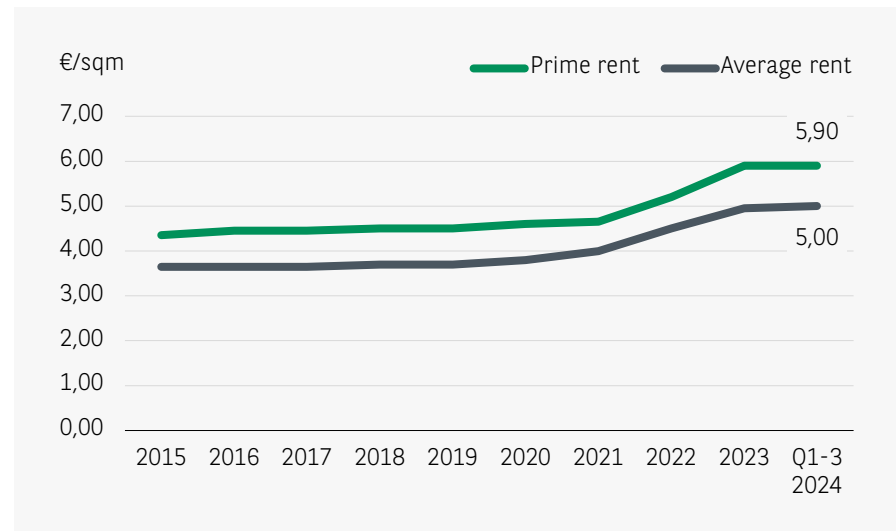
Q1-3 2024

## Development of light industrial and logistics take-up



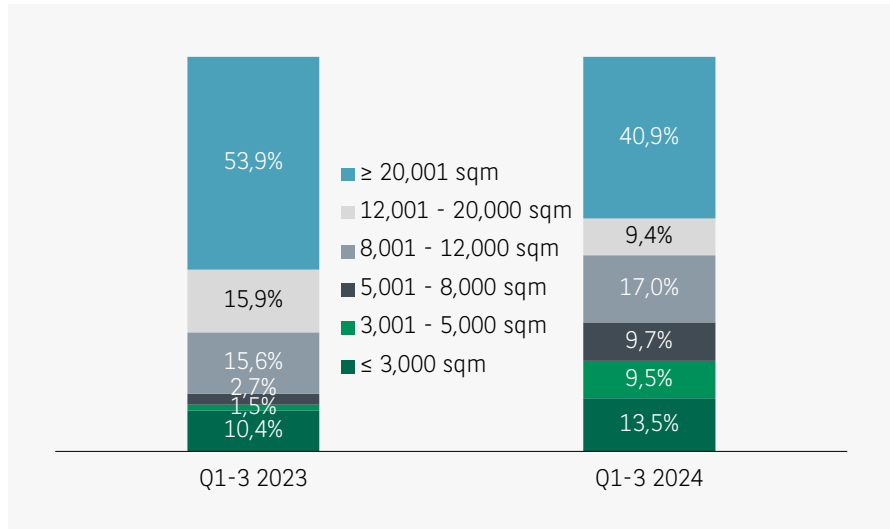
**TAKE-UP BELOW LONG-TERM AVERAGE - BUT UPWARD TREND IN THE THIRD QUARTER**

## Prime and average rents

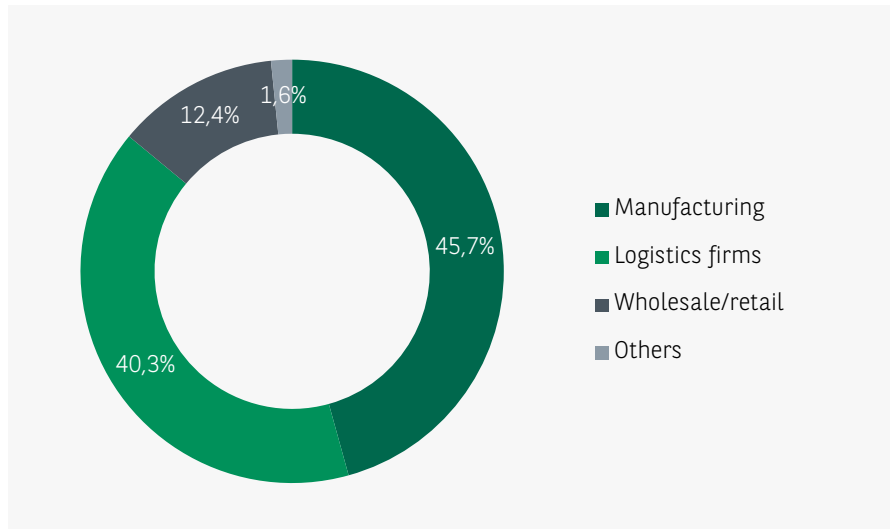


- The Leipzig market for warehouse and logistics space achieved take-up of 182,000 m<sup>2</sup> by the end of the third quarter of 2024. While this is almost a third less than the previous year's strong result, the decline compared to the long-term average is somewhat more moderate at -13%.
- The comparatively subdued result is largely due to the ongoing economic downturn in Germany. Overall, there is still solid demand on the Leipzig market, particularly for modern space in central locations. However, against the backdrop of the current economic uncertainties, many companies are currently delaying their rental decisions.
- Meanwhile, the slight increase in activity in the large-space segment above 10,000 m<sup>2</sup> in the third quarter can be seen as a positive sign. This was also directly reflected in take-up, which totalled 94,000 m<sup>2</sup> in the third quarter and was therefore higher than in the two previous quarters. The start of construction of the new logistics centre of owner-occupier Beiersdorf AG in Leipzig-Seehausen alone accounted for 40,000 m<sup>2</sup> of this total. The largest letting agreement - both in the third quarter and in the current year - was the letting of 17,000 m<sup>2</sup> by K&S Logistik in Halle.
- Rents have been moving sideways since the end of last year. While the average rent is €5.00 per m<sup>2</sup>, the peak rent stands at €5.90 per m<sup>2</sup>.

## Take-up by size category



## Take-up by sector



## MAJOR DEALS CONTRIBUTE SIGNIFICANTLY TO THE RESULT

- The distribution of take-up across the individual sectors is led by industrial and manufacturing companies, which account for 46% of the total. In addition to the aforementioned owner-occupier construction start, the list of the year's largest contracts also includes two other deals in the sector, namely the letting of 10,800 m<sup>2</sup> by Opes Solar Mobility in Zwenkau and 10,000 m<sup>2</sup> by Thyssenkrupp Automotive Systems in Leipzig's Industriepark Nord. Logistics service providers also made significant contributions to take-up, accounting for 40% of the result. The 34,000 m<sup>2</sup> expansion of the existing DHL Multi-User Campus in Halle, for example, is the second-largest deal of the year to date.
- As is usual for the Leipzig market, the distribution of take-up by size category is again dominated by the >12,000 m<sup>2</sup> segment in the current year. Around half of the overall result is attributable to this segment.

## Major contracts

Quarter	Company	Location	sqm
Q3	Beiersdorf	Leipzig	40,000
Q1	DHL Supply Chain	Halle (Saale)	34,000
Q3	K&S Logistik	Halle (Saale)	17,000
Q1	Opes Solar Mobility	Zwenkau	10,800
Q1	Thyssenkrupp Automotive Systems	Leipzig	10,000

## OUTLOOK

- The Leipzig logistics market reflected the subdued overall economic development in Germany in the first nine months of the year. Many companies are currently adopting a wait-and-see approach, meaning that there are noticeably fewer expansion lettings in particular, from which the Leipzig market has benefited significantly in recent years.
- In view of the fact that, according to forecasts by leading economic research institutes, the economic turnaround is unlikely to be initiated in the final quarter of 2024, no major take-up leap is expected in the next three months. From today's perspective, a full-year result in the region of 250,000 m<sup>2</sup> is the most likely scenario. However, there are currently many indications of a stronger economic tailwind in 2025, meaning that a noticeable recovery in demand is to be expected in the short to medium term.
- Meanwhile, it remains to be seen how the rent level will develop. Due to the comparatively high level of construction activity in recent years, the focus of logistics space on the Leipzig market is now in the modern space segment. Accordingly, average rents are likely to continue to trend upwards in the coming months. At the peak, however, a sideways movement is likely as it will take a few quarters for the expected upturn in demand to absorb the current construction pipeline.

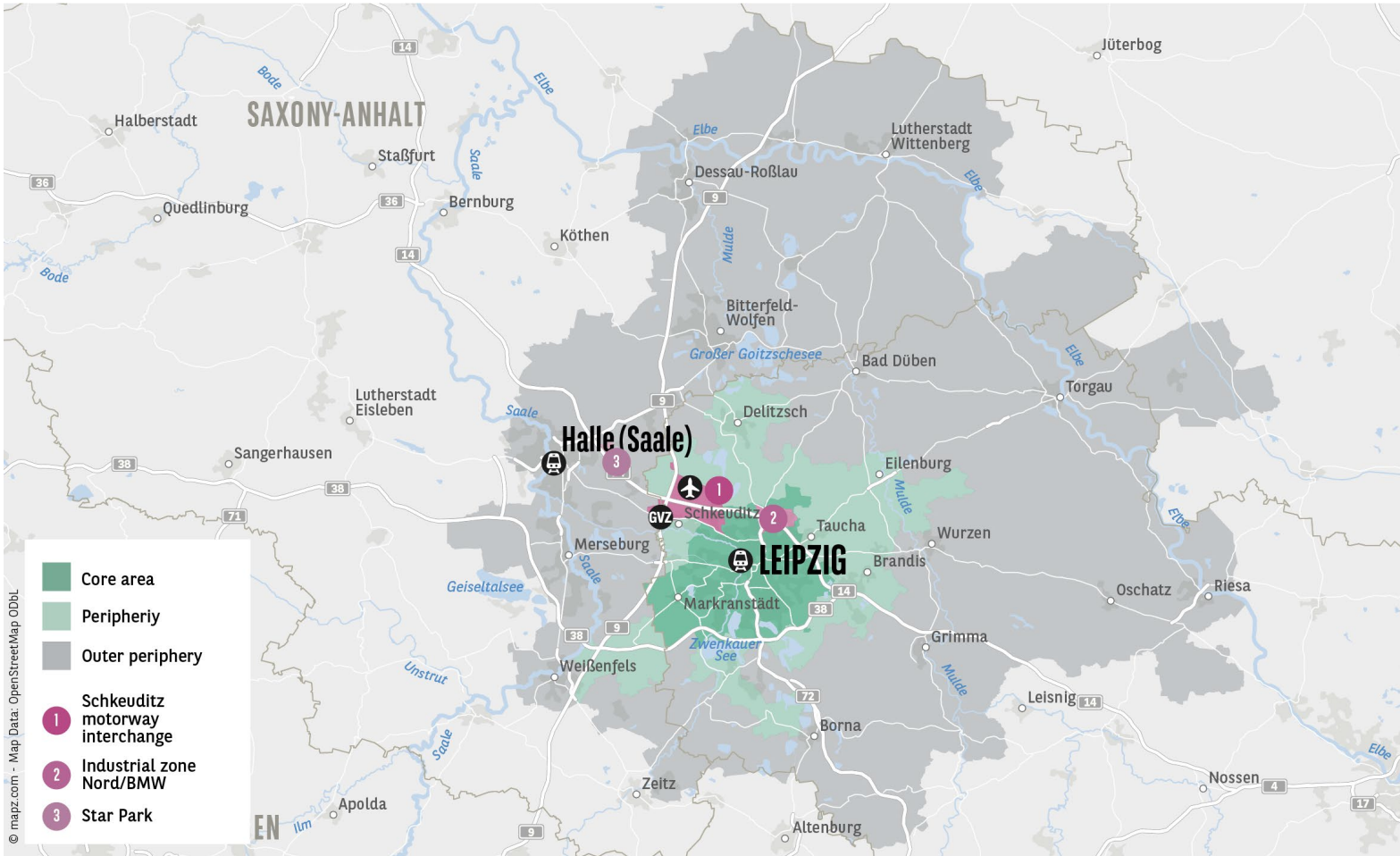
## Key figures logistics market Leipzig

RENTS AND TAKE-UP	Q1-3 2023	Q1-3 2024	%-DIFFERENCE
Prime rent (in €/sqm)	5.80	5.90	1.7%
Average rent (in €/sqm)	4.95	5.00	1.0%
Total take-up (in sqm)	<b>264,000</b>	<b>182,000</b>	<b>-31.1%</b>

SECTORS	Q1-3 2023	Q1-3 2024	LONG-TERM Ø
Logistics firms	23.5%	40.3%	30.9%
Wholesale/retail	3.4%	12.4%	26.3%
Manufacturing	66.7%	45.7%	36.5%
Others	6.4%	1.6%	6.3%

SIZE CATEGORIES	Q1-3 2023	Q1-3 2024	LONG-TERM Ø
Share of deals > 20,000 sqm	53.9%	40.9%	44.3%
Share of deals ≤ 20,000 sqm	46.1%	59.1%	55.7%

OWNER-OCCUPIERS/NEW BUILDING SHARE	Q1-3 2023	Q1-3 2024	LONG-TERM Ø
Share of owner-occupiers	19.3%	47.6%	28.7%
Share of new buildings	69.5%	70.2%	59.3%



LOGISTICS MARKET LEIPZIG

## CONTACT

### BNP Paribas Real Estate GmbH

Messehaus am Markt | Markt 16 | 04109 Leipzig

Phone +49 (0)30-884 65-0

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