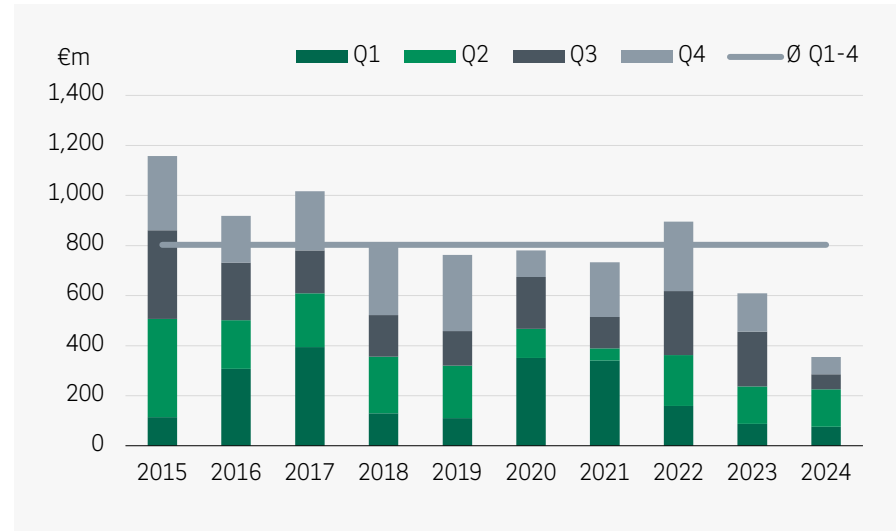


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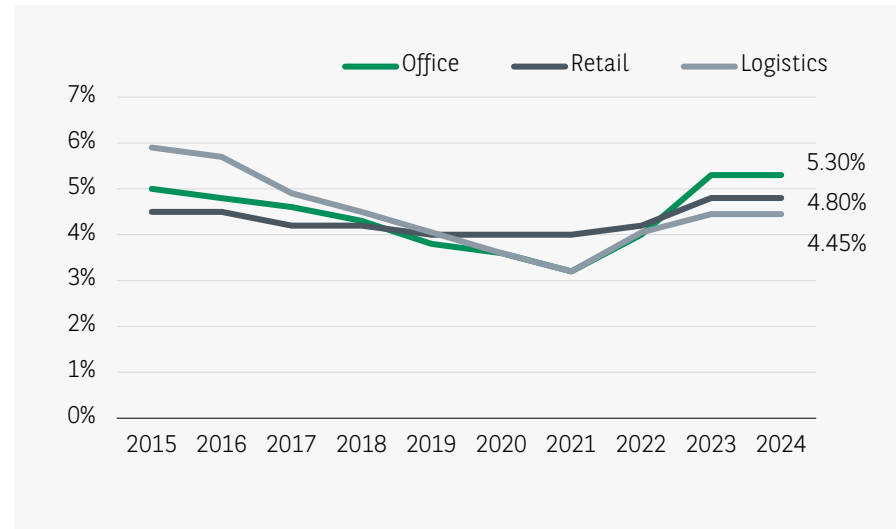
REPORT INVESTMENT MARKET

2024

Development of investment volume



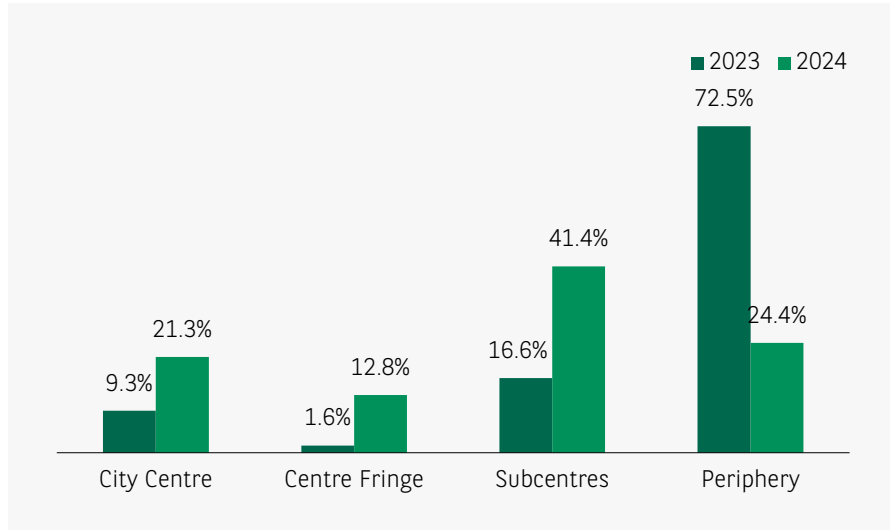
Net prime yields by type of property



NO MAJOR DEALS FROM INSTITUTIONAL BUYERS IN 2024, BUT THE SIGNS ARE BETTER FOR 2025

- The Leipzig investment market closed 2024 with a total volume of €354 million. This was around 42% below the previous year's result and 56% below the long-term average. However, if we look exclusively at market activity in the segments up to €100 million, the decline is much more moderate at -9 % (compared to 2023).
- The subdued result is therefore largely due to the lack of large-volume transactions, particularly on the part of institutional investors, who usually dominate investment activity in Leipzig. It is also striking that more than half of the total volume in the past year was attributable to the public sector, corporates, private investors or family offices. Their share is usually well below 20%. Although these buyer groups also recorded growth in absolute terms compared to previous years, this alone was not sufficient to lift the Leipzig market to its usual investment volume.
- The number of registered deals is an indication that market activity was no less dynamic than in the previous year despite the significantly lower volume: accordingly, the same number of transactions was included in the overall balance sheet in the past 12 months as in 2023.
- Prime yields have continued to consolidate at the level achieved. Top logistics assets (4.45%), premium high street properties in prime locations (4.80%) and prime office properties (5.30%) thus maintained their values from the end of 2023.

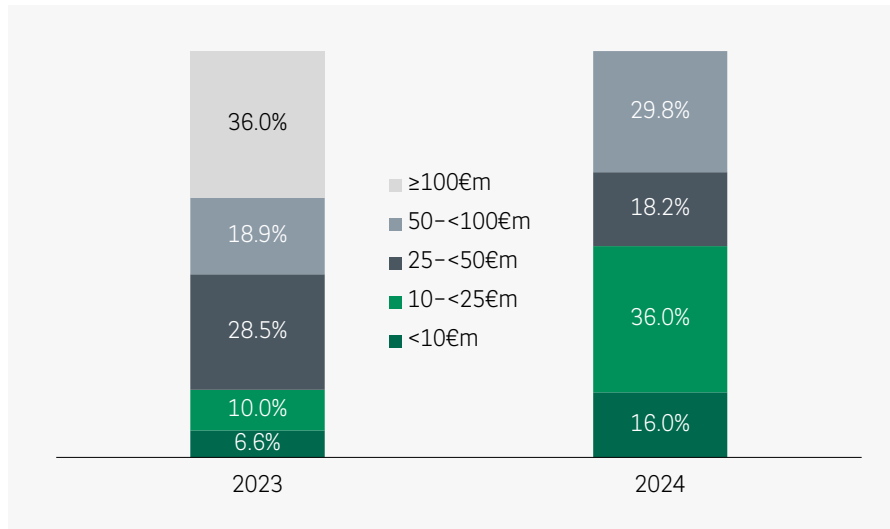
Investments by location



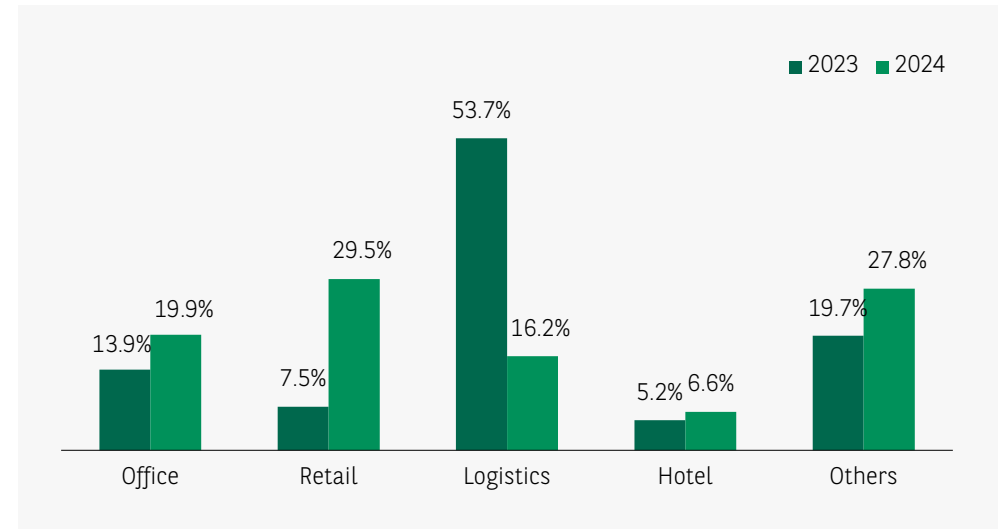
LOW AVERAGE VOLUME, SUBCENTRES AND RETAIL AT THE TOP OF THE RANKINGS

- The small-scale nature of the market is reflected in the distribution of the result by size category: around 52% of the total was attributable to smaller properties with a maximum volume of €25 million. One of the largest deals was the sale of the Allee Center, a shopping centre in the mid double-digit million euro range. Last but not least, this transaction played a significant role in retail investments taking the lead in the asset class ranking with just under 30% of the volume.
- However, office properties accounted for the largest share of investments (almost 20%), although all transactions were well below the €50 million mark. Logistics assets ended the year with a market share of just over 16%, while hotels closed the year with just under 7%. In a comparison of the various sub-locations within the Leipzig market area, the Subcentres (a good 41%), the Periphery (around 24%) and the City Centre (around 21%) all made substantial contributions.

Investments by € category



Investments by type of property



OUTLOOK

- Market sentiment in the investment segment improved noticeably, particularly in the second half of the year, even if the transaction volume recorded in Leipzig in 2024 was not yet able to reflect this on a sustained basis.
- In this context, it is hoped that the already slightly improved investment momentum will increasingly have an impact on investor activity in the large-volume segment again at the start of 2025. However, the basic prerequisites for this must be created on the supply side so that not only the number of deals but also turnover returns to a good level. If corresponding investment opportunities arise in the coming quarters, it can be assumed that the traditionally strong institutional buyers in Leipzig will increasingly reappear.
- Furthermore, it is currently very likely that the ECB will make further interest rate cuts in the coming months and that financing conditions will therefore improve further in the future. Accordingly, it can also be assumed for the development of net prime yields that the lower interest rate levels will lead to an initial slight compression over the course of the year with increasing investment activity in most asset classes.
- To summarise, the long-term average investment volume is likely to remain difficult to achieve in 2025 due to the slow gain in market momentum. Apart from this, however, gradually increasing investment turnover is once again the most likely scenario.

Key facts investment market Leipzig

INVESTMENT VOLUME	2023	2024	CHANGE
Total (€m)	610	354	-41.9%
Portfolio share	19.0%	28.5%	+9.6%pts
Share above €100 million	54.9%	29.8%	-25.1%pts
Office share	13.9%	19.9%	+6.0%pts
Share of city locations	9.3%	21.3%	+12.0%pts
Share of foreign investors	28.7%	35.1%	+6.5%pts

NET PRIME YIELDS	2023	2024	CHANGE
Office	5.30%	5.30%	0bps
Retail	4.80%	4.80%	0bps
Logistics	4.45%	4.45%	0bps

CONTACT

BNP Paribas Real Estate GmbH

Messehaus am Markt | Markt 16 | 04109 Leipzig

Phone: +49 (0)341-711 88-00

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