



# LIFE SCIENCES & TECH

## LEASING 2023



### The market at a glance

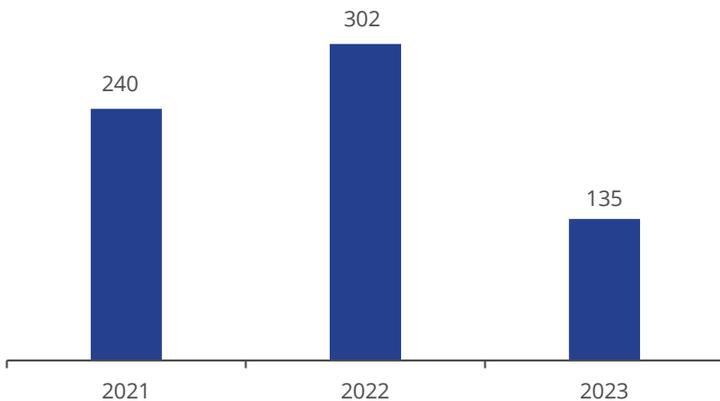
Take-up in life sciences & tech real estate in 2023 was just under 135,000 m<sup>2</sup>, around 51% below the previous year's result. Most of the degrees were concluded in the Rhine-Main and Rhine-Neckar regions, in the Munich metropolitan region, in the Ruhr area, as well as in Berlin and Hamburg.

One of the reasons for the weak demand is declining investment in life sciences and tech companies, especially by private equity. In addition, there was a dip in demand following the boom triggered by the pandemic, especially in the medical and biotechnology sectors.

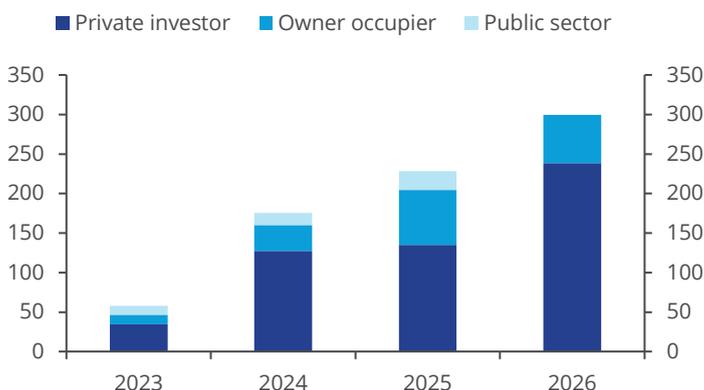
Furthermore, the low supply of adequate space limited take-up. In 2023, just over 58,000 m<sup>2</sup> of new life sciences and tech space was completed in Germany. However, the completion pipeline is well filled. By the end of 2026, a further almost 704,000 m<sup>2</sup> will be added.

We expect that the location decisions of chip manufacturers Intel in Magdeburg and TSMC in Dresden, those of the pharmaceutical company Eli Lilly in Alzey near Mainz or the location of Northvolt's battery factory near Heide will have a positive effect on the life sciences and tech market.

### Take-up in 1,000 sq m

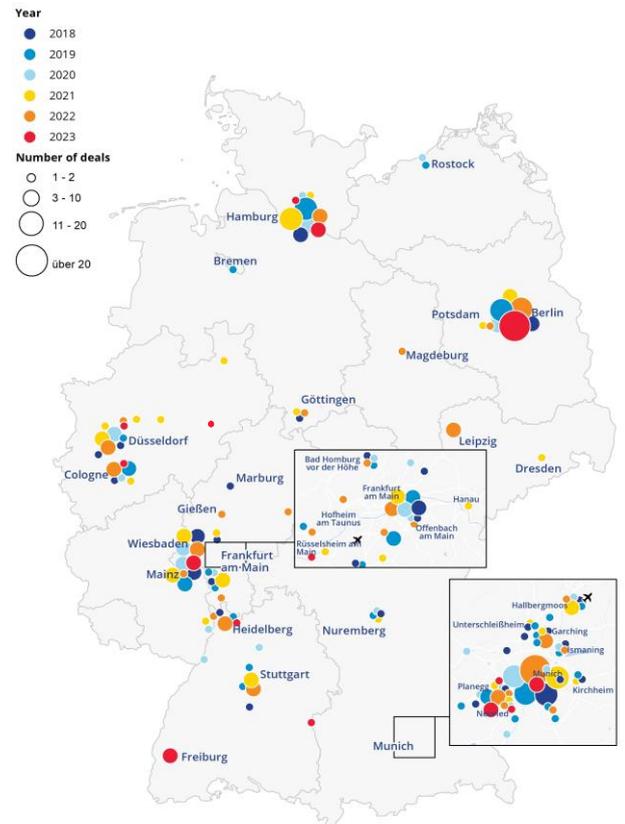


### Completions in 1,000 sq m



### Fast Facts

	2023	Change y-o-y
Take-up	135,000 sq m	-50,9%
Number of transactions	54	-50,9%
Completions	58,100 sq m	



### Characteristics of life sciences & tech locations and properties

**Proximity to universities/research institutions**

- Talent pools
- Innovations

**Dominant industry/technology**

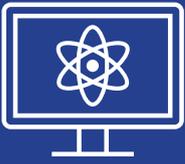
- Cluster

**Dedicated space**

- Different structural and technical requirements

**„Sticky Tenants“**

- Long-term location commitment



# LIFE SCIENCES & TECH

## CAPITAL MARKETS 2023



### The market at a glance

In perspective, the life sciences and tech real estate market in its small niche is performing better than the market as a whole, where transaction volumes have declined much more sharply by more than 50%.

In 2023, a total of 13 transactions were recorded in the life sciences & tech real estate sector, two more than in 2022. Overall, the transaction volume amounted to around EUR 420 million, a decline of 18% compared to the previous year.

The regions of Munich with five and Berlin with three transactions were able to generate the most deals in 2023 following the

pattern of existing and growing clusters. For the reason of the usual choice of location, the purchase of a property in Warstein by Garbe Institutional Capital and BC Partners Real Estate for the development of a research and development building in timber hybrid construction for Infineon Technologies is noteworthy.

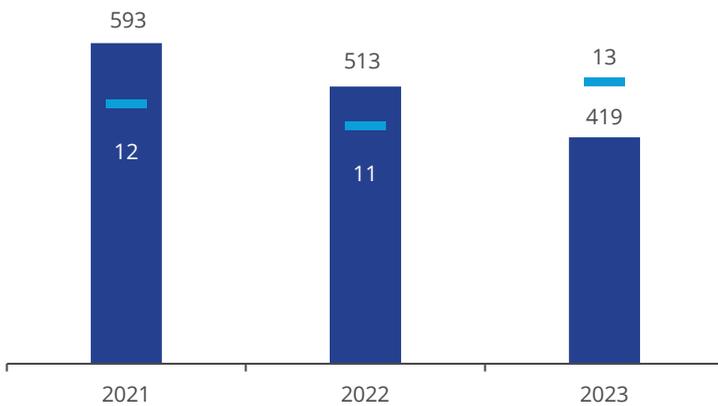
On average, the volume of transactions has decreased compared to the previous year. Most of these are project plots and new buildings. The nature of the investments is therefore clearly geared towards future growth.

### Fast Facts

	2023	Change y-o-y
Transaction volume	EUR 419mn	-18.3%
Number of transactions	13	+2

### Transaction volume in EUR million

### Number of transactions



### Opportunities and challenges of Life Sciences & Tech Real Estate from an Investment Perspective

#### Special properties

- New asset category
- Diversification potential
- Limited supply

#### Core product

- ESG and New Work compliance
- Cluster not reproducible
- Rental price growth potential

#### Lab on Demand

- Potential guarantor of success
- Fills the gap for occupiers

#### Redevelopments

- Limited possible in office stock
- Challenges under construction law
- Light industrial at an advantage

### Contact



**Andreas Trumpp FRICS, CREA®**  
 Managing Director  
 Head of Market Intelligence & Foresight  
 +49 151 67140411  
 andreas.trumpp@colliers.com