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Why Leipzig in Germany is starting to attract wealthier buyers

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It has a young population, historic architecture and an artistic culture, but prices are low compared with most German cities



Leipzig cityscape

When war broke out in 1939, Leipzig, in the eastern German region of Saxony, was the country's fifth-largest city. At the end of the war it found itself in what became the German Democratic Republic. In the decade following reunification in 1990, it lost almost 100,000 inhabitants, close to 20 per cent of its population.

People left for western Germany or the city's modern satellite towns. After dipping to 437,000 in 1998 the population has since risen to 552,000, and could reach 600,000 by 2023, Leipzig city hall predicts.

Leipzig's popularity with artists has earned it such monikers as "the new Berlin" and, less positively, "Hypezig". It is a city that feels far from the studied

glamour of Munich and the port-city swagger of Hamburg. In youthful Leipzig's trendiest streets, one can imagine how the over-forties may feel out of place.

Prices are low compared with most German cities. According to data from Capital magazine, the average price of resale in Leipzig, where the majority of residents rent their homes, stands at €1,400 per sq metre. In the handsome Bachviertel area, for instance — named after composer Johann Sebastian Bach, who lived in the city — small apartments especially can seem like a bargain. A 70 sq metre, two-bedroom flat on the ground floor of one of Bachviertel's typical, eggshell-coloured Gründerzeit mansions (the architectural style that flourished from the 1870s to the first world war) is on sale for €135,000 through CR Immobilien.

In the Schleussig district south-west of the city, a renovated four-bedroom, two-bathroom villa on a 920 sq metre plot with a terrace and garage has an asking price of €1.26m through Engel & Völkers. Schleussig is handy for Leipzig's International School and kayaking on the canals nearby.



Four-bedroom villa in Schleussig, €1.26m

“For the moment, €1m would be the top end of the market for an apartment,” says Antonio Nikolow, an estate agent at Künne Immobilien. “Like-for-like units sell for around a third of the values of Munich, but in the past 12 months we’ve seen price rises of 15 to 20 per cent in cases of [investors buying] whole apartment buildings,” says Nikolow. He notes that, after Germans, it is Austrians, Israelis and Swiss who are the most enthusiastic buyers. “All in all,” says Nikolow, “it’s a sellers’ market in Leipzig.”

From a tiny base, a high-end housing sector is beginning to emerge in the city. A new-build, 174 sq metre penthouse apartment with three bedrooms, two bathrooms and 144 sq metre rooftop terrace in the central Gohlis-Süd district has just been sold by Künne Immobilien for €875,000.

“When I first arrived in Leipzig in 2011 the city was like a giant abandoned film set,” says Candace Goodrich. The New York native is art director of the Kunstkraftwerk, a private arts centre occupying the hulk of a former power station in the western Plagwitz district.

“People compare Leipzig with Berlin, but Leipzig is certainly slower-paced and more provincial. It’s not really cosmopolitan, but the architecture is gorgeous and there is a great potential here,” says Goodrich, who lives in a loft close to the Kunstkraftwerk. Suitably for Leipzig, where Germany’s *Schrebergärten* (allotments) movement began, Goodrich rents a 300 sq metre plot to grow his own, a common pastime here. “It’s an example of how life in Leipzig is less consumer-driven than in some other medium-sized European cities,” she says.

With its bric-a-brac and junk shops, Plagwitz’s main drag, Karl-Heine Strasse, is visibly a work in progress, though increasing prosperity means it is losing some of its edginess. A GDR-era Interflug airliner perched on the roof of an events company strikes a quirky note among the newly arrived tapas bars and organic grocers.

Further south, in Markkleeberg, just outside the city, a former school listed for its architectural significance is being converted into apartments. The most expensive unit is a three-bedroom, 97 sq metre, top-floor apartment on sale for €323,844 through Dima Immobilien.

No one knows whether Leipzig can develop a critical mass of high-end homes as it draws in more residents. “The city is teeming with students, but it still has to catch up economically and create high-paying jobs to generate a wealthy class of apartment buyers,” says Julius Stinauer, associate director at real estate services firm JLL.” The car industry and logistics are key employers — Porsche, BMW and DHL have sizeable operations in and around the city.

For the moment, high-end boutiques are thin on the ground in central Leipzig, despite having the perfect infrastructure in a clutch of beautiful period shopping arcades. The city’s dining scene, however, is thriving. Leipzig has two Michelin-starred restaurants, including Falco, whose website promises “unadulterated flavours which permit ‘pristine’ taste within the simultaneous complex composition of the whole dish”. It is rather different to what appeared on GDR dining tables.



Buying guide

- Estate agents’ fees, for both buyers and sellers, are usually 3.5 per cent of the purchase price

- Property transfer tax in Saxony is 3.5 per cent
- Leipzig-Halle airport offers flights across Europe, including to Zurich and London
- Leipzig hosts one of the world's oldest trade fairs, dating back to 1165
- Temperatures in the city range from an average high of 24C in July to an average low of -3C in January

What you can buy for . . .

€500,000 A newly built, detached house with three bedrooms and two bathrooms on the outskirts of Leipzig

€750,000 A two-bedroom penthouse apartment in the Südvorstadt district

€1.25m A renovated Gründerzeit-era manor house with 20 rooms, about 20km from Leipzig-Halle airport

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