LOGISTICS MARKET COLOGNE

AT A GLANCE Q1 2023

30,000 m²
TAKE-UP

- 70 %
Q1 2023 VS. Q1 2022

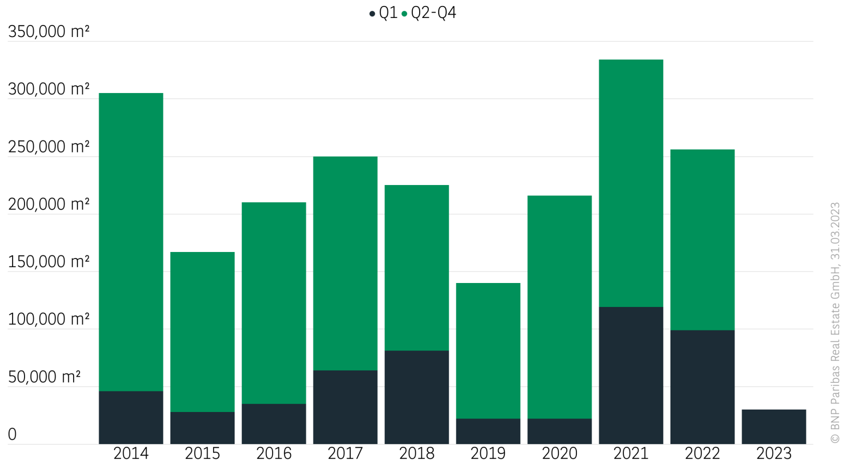
- 45 %
IN COMPARISON TO 10-YEAR AVERAGE

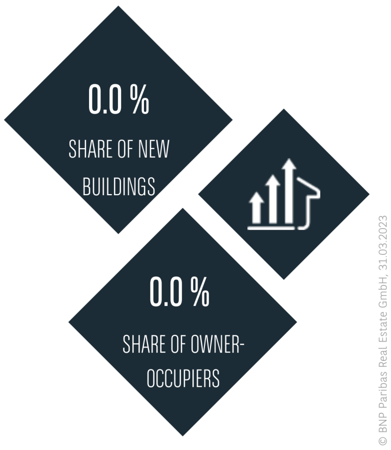
MODERATE RESULT DUE TO SMALL SCALE MARKET ACTIVITY

- The generally good demand situation was not yet reflected in take-up on the Cologne logistics market in the first quarter of 2023: with a total result of 30,000 m², the interim figure is 45 % below the long-term average. However, the fact that comparable starting quarters were recorded in 2015 (28,000 m²) and 2016 (35,000 m²) and the results from 2019 and 2020 (22,000 m² each) were even lower shows that the current volume is not an exceptional value.
- On the supply side, the bottleneck in the large-scale segment and on the occupier side the somewhat more wait-and-see attitude in the course of the general economic conditions are more evident. Another factor to be mentioned is the lack of new-build and owner-occupier completions in the quarterly result, which often drive the volume upwards.
- Both the prime rent (7.20 €/m²) and the average rent (5.20 €/m²) continued to rise by around 20 % and 6 % respectively in the last 12 months.

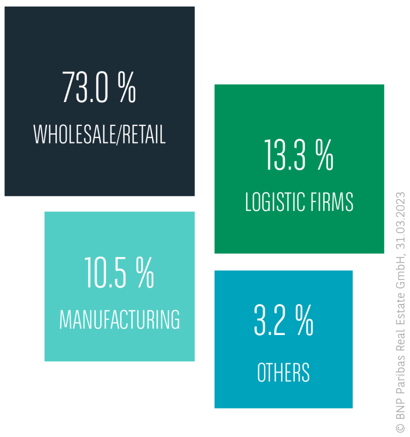
MAINLY DEALS UP TO 5,000 M², WHOLESALE/RETAIL ON TOP

Light industrial and logistics take-up in Cologne

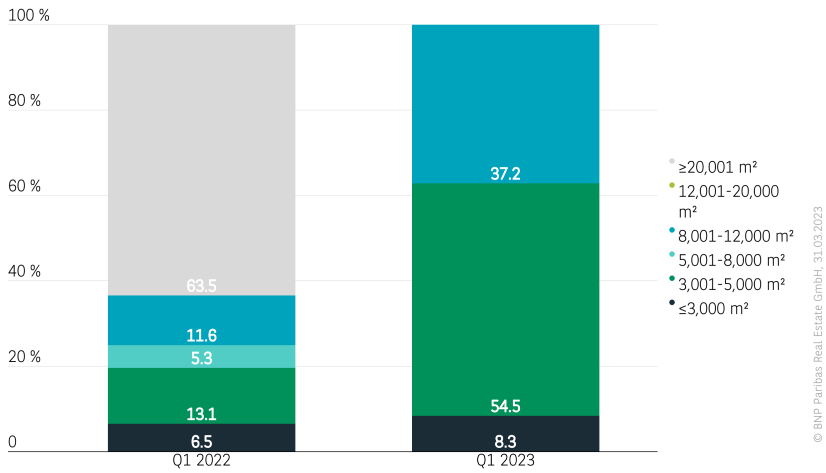




Take-up by sector



Take-up by size category



- Take-up has so far been made up primarily of deals up to 5,000 m², most of which are attributable to wholesale/retail companies. Overall, the retail sector was able to generate 73 % of the volume, and almost two thirds of the market activity took place in the size classes up to 5,000 m². While in the same period of the previous year 80 % of the result was achieved with deals above this mark, in the first three months of 2023 only one contract above 11,000 m² was registered in the large-scale segment.
- Logistics firms have accounted for a further 13 % of take-up so far this year, and manufacturing companies for 10 %.
- In addition, the demand behaviour within the Cologne logistics region is increasingly showing a trend towards compromises being made in favour of well-connected peripheral locations for reasons of the better availability of space.

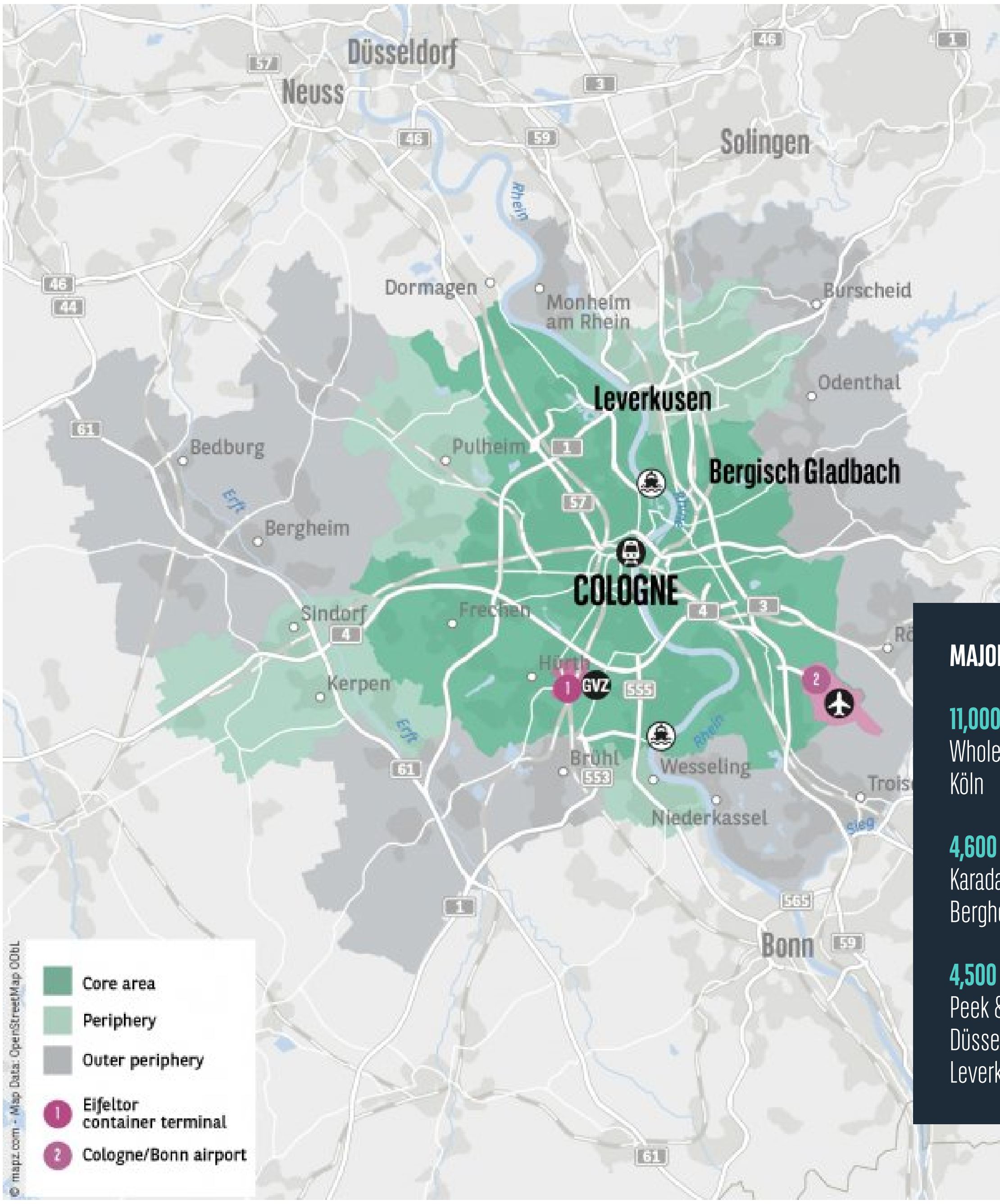
KEY FIGURES

Rents	Q1 2022	Q1 2023	%-Difference
Prime rent (in €/m²)	6.00	7.20	20.0%
Average rent (in €/m²)	4.90	5.20	6.1%
Take-up and sectors	**Q1 2022**	**Q1 2023**	**Long-term average**
Total take-up	99,000 m²	30,000 m²	55,000 m²
Logistics firms	11.6%	13.3%	25.0%
Wholesale/retail	14.7%	73.0%	32.5%
Manufacturing	50.8%	10.5%	23.1%
Others	22.9%	3.2%	19.4%
Size categories	**Q1 2022**	**Q1 2023**	**Long-term average**
Share of deals > 20,000 m²	63.5%	0.0%	19.8%
Share of deals ≤ 20,000 m²	36.5%	100.0%	80.2%
Owner-occupiers/new building share	**Q1 2022**	**Q1 2023**	**Long-term average**
Share of owner-occupiers	1.5%	0.0%	14.1%
Share of new buildings	25.3%	0.0%	28.0%

OUTLOOK

- Although the letting momentum on the Cologne logistics market was moderate in the first quarter, it only reflects the requests that could be realised in the end. Potential occupiers are not always successful, which is partly due to the fact that fewer speculative developments are being initiated as a result of the economic uncertainties.
- In addition, the few new developments are still in the planning phase or under construction, so they do not provide any short-term rental relief.
- Against the background of the improving economic outlook, it is therefore not so much the demand side as the supply bottleneck that should be named as the limiting factor for the development of take-up in the course of the year. As a result, the rental price level should also continue to rise slightly.

LOGISTICS MARKET REGION COLOGNE



MAJOR CONTRACTS

11,000 m²
Wholesale/retail
Köln

4,600 m²
Karadag
Bergheim

4,500 m²
Peek & Cloppenburg Düsseldorf
Leverkusen

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