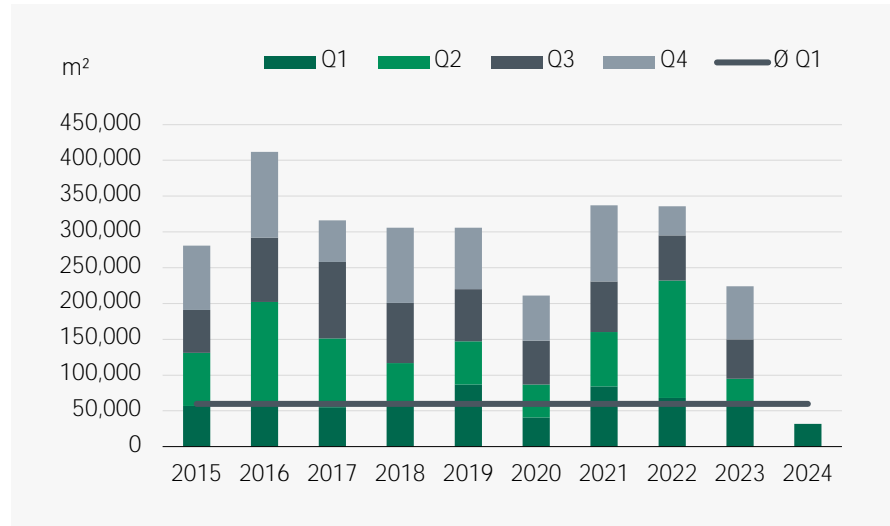


COLOGNE

REPORT OFFICE MARKET

Q1 2024

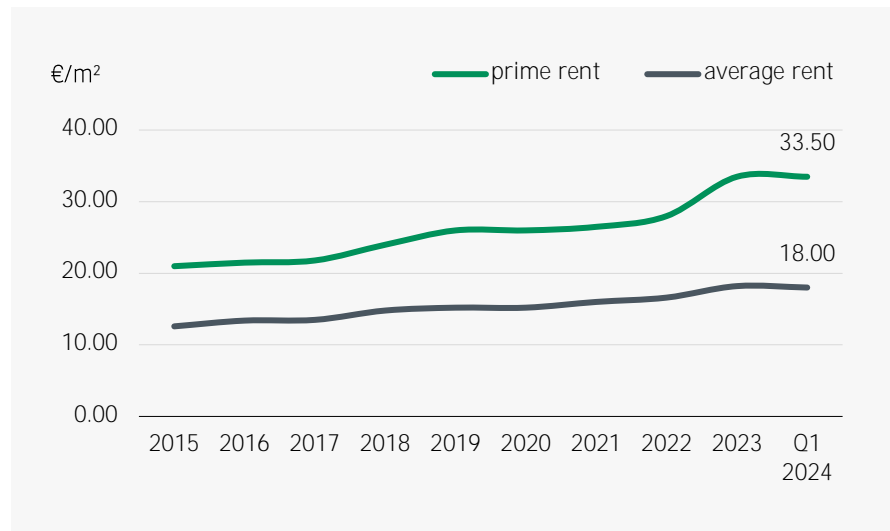
Development of take-up



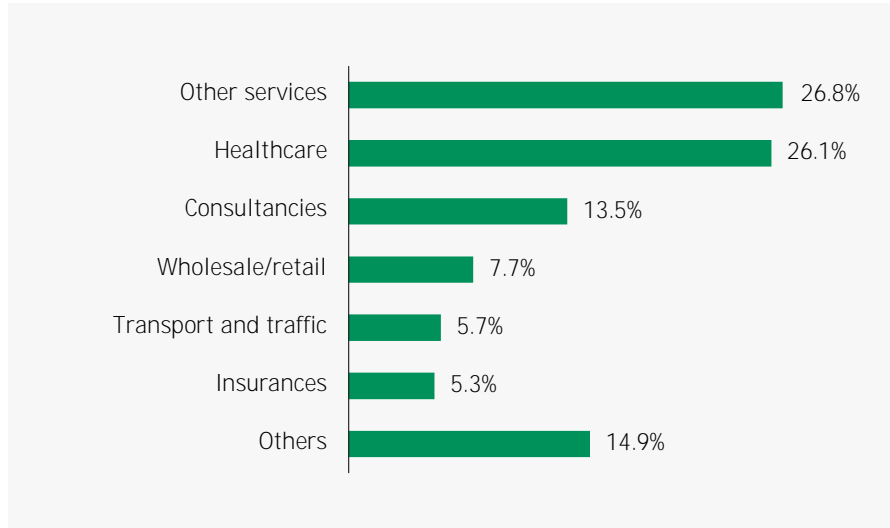
SLUGGISH START TO 2024

- With take-up of around 32,000 m², the Cologne office market got off to a rather subdued start to the year, falling short of the long-term average and the previous year's result by around 46%. Last year, the market benefited from larger deals, for instance. These are unfortunately still lacking, resulting in a shortage of contracts over 3,000 m². However, demand in the large-scale segment is also relatively lively, which is why an increase in the result should also be expected here in the further course of the year.
- The small and medium-sized segment is much more active. A good 31% of the current result is registered in the space segment below 500 m². An above-average 38% of take-up was achieved in the 1,000 to 5,000 m² segment. This also includes the largest letting to date by Worley Projects in the Ehrenfeld submarket with 2,300 m² of rental space.
- The prime rent in Cologne stabilized at the level of €33.50/m² achieved over the past three months. Compared to the previous year, however, there was an increase of 8%. It is achieved for high-quality office space in prime city centre locations. Although the generally more volatile average rent shows slight fluctuations in individual submarkets, the overall rent level is very stable. The average rent currently stands at €18.00/m² (-1% compared to Q4 2023).

Prime and average rents



Take-up by sector Q1 2024



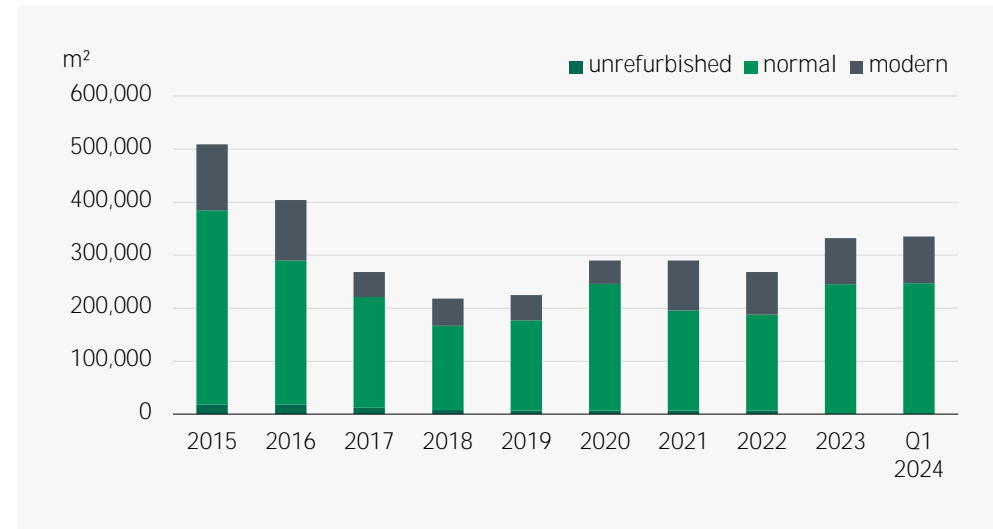
Major contracts Q1 2024

Sub-market	Company	m ²
2.1	Worley Projects	2,300
3.4	NDS Solar	1,600
2.4	Gesundheitswesen	1,300
2.3	Vella Versicherung OHG	1,300
1.2	Weber & Partner Ingenieurbürogesellschaft	1,100

LOWEST VACANCY RATE IN NATIONWIDE COMPARISON

- Even if the analysis by sector in Q1 is more of a snapshot, the three dominant sectors account for a good 66% of total volume. The above-average share of 26% accounted by the healthcare sector is particularly noteworthy.
- There are currently 170,000 m² of space under construction on the Cologne market. This represents a decrease of 26% compared to the same time last year. Of this, around 75,000 m² is still available on the market. The pre-letting rate is therefore just under 56%.
- The vacancy volume now stands at 335,000 m² (+1% compared to Q4 2023). Only around 88,000 m² (26%) of this space has the modern fit-out standard favored by tenants. Meanwhile, the vacancy rate for the whole market stands at 4.1%. A significantly lower rate is registered in the city centre locations. This means that Cologne also has the lowest rate in a nationwide comparison, ahead of Hamburg and Leipzig.

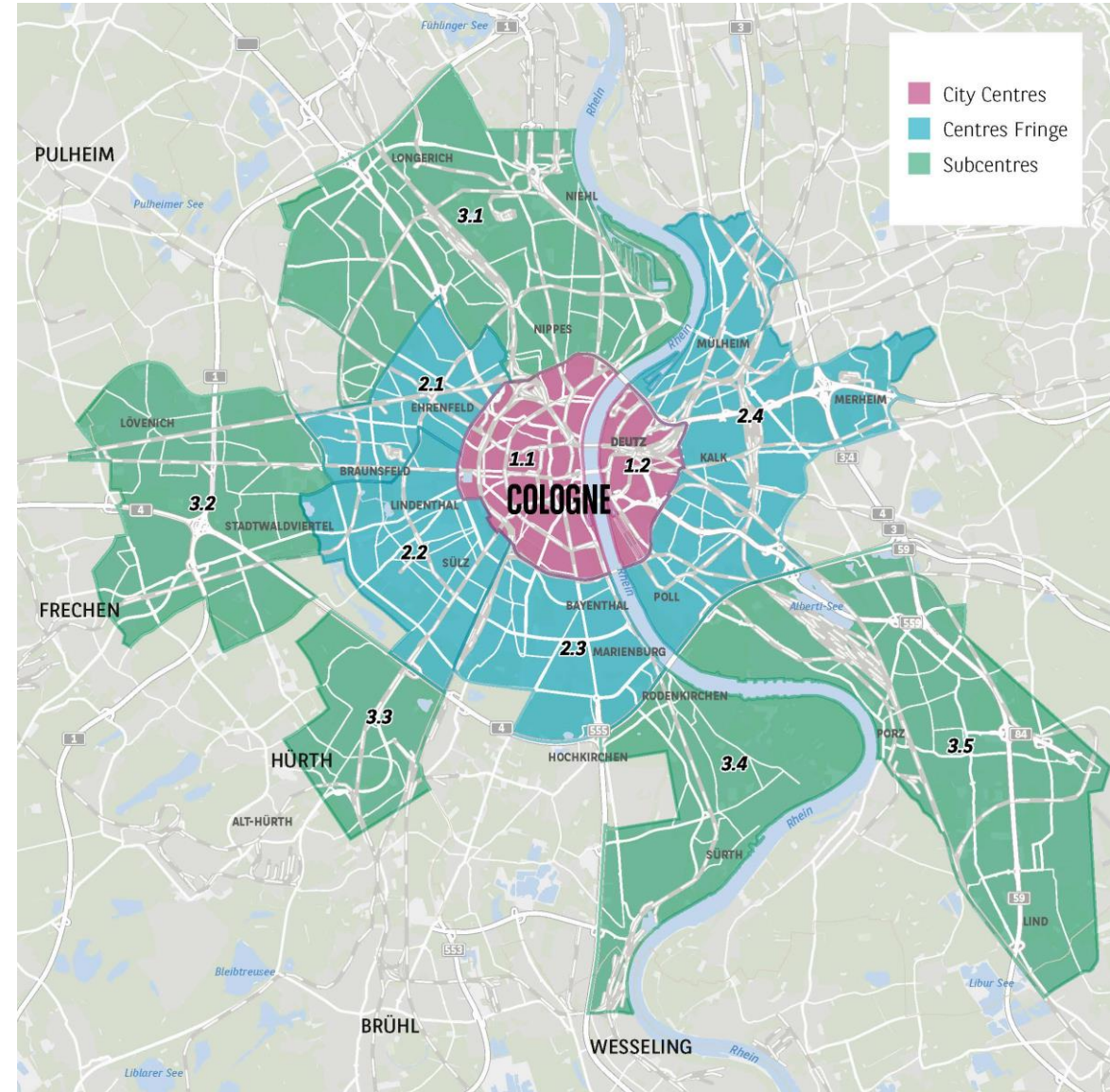
Development of vacant space



OUTLOOK

- Cologne's office market got off to a slower start in 2024 with a rather weaker result. In the first three months of this year, Cologne was unable to match the dynamic letting activity of the previous year. It is primarily the lack of larger contracts that is having a dampening effect on the quarterly result. To date, no contracts for more than 5,000 m² have been signed.
- Against the backdrop of the remaining macroeconomic uncertainties, a certain restraint on the demand side is likely for the time being. However, with an increasing economic momentum, a slight upward trend in take-up is likely to emerge, meaning that take-up at the previous year's level by the end of the year is a realistic scenario from today's perspective.
- A further increase in vacancies, particularly in the segment of lower-quality existing buildings, cannot be ruled out due to changes in tenant requirements for modern and ESG-compliant office space.
- Demand is likely to continue to be focused on the most attractive and traditionally strongest office market zones in the Cologne market area. The decline in construction activity and the associated shortage of new-build space are likely to exert further pressure on rents on the supply side.

Office submarkets Cologne



Key indicators office market Cologne

	PRIME RENT* (€/m²)		TAKE-UP (m²)		VACANT SPACE (m²)		SPACE UNDER CONSTRUCTION (m²)		SPACE ON OFFER (m²)	
	from	to	Q1 2024	total	modern	of this, since completion	total	available	available	projected
	1		2	3	4	5	6	7	8 = (3 + 7)	9
Submarkets**										
1 City Centre										
1.1 City Centre		33.50	5,500	85,400	24,200	0	58,000	28,900	114,300	72,100
1.2 Deutz		23.90	2,900	8,300	1,800	0	61,000	26,500	34,800	0
2 Centre Fringe	17.40 -	21.50	13,000	105,500	23,700	0	32,600	15,600	121,100	249,000
3 Subcentres	13.70 -	17.50	10,600	135,800	38,300	3,000	18,400	4,000	139,800	104,900
Total			32,000	335,000	88,000	3,000	170,000	75,000	410,000	426,000

* The prime rent given applies to market segment of 3-5 % in each case.
 ** The relevant submarket can be found on our website under „Research“.

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