COLOGNE

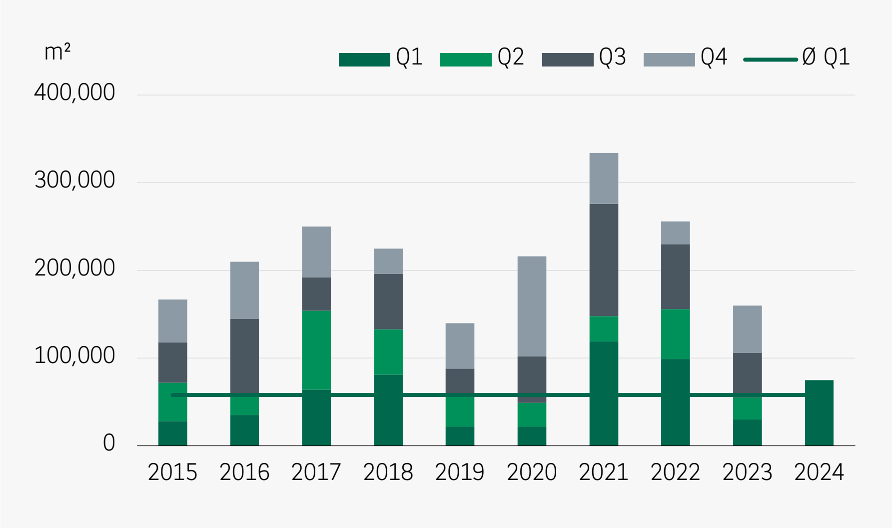
REPORT LOGISTICS MARKET

Q1 2024

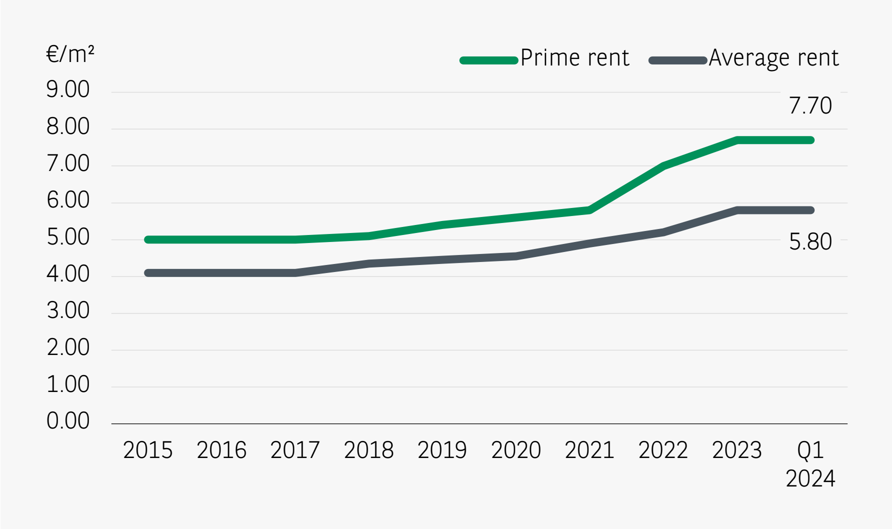
BNP PARIBAS REAL ESTATE

REAL ESTATE for a changing world

Development of light industrial and logistics take-up



Prime and average rents



HIGH TAKE-UP DUE TO LARGE-SCALE LEASES

- The Cologne warehouse and logistics market achieved a take-up of 75,000 m² in Q1 2024. This is one and a half times higher than the comparable result for the previous year and 29% above the ten-year average. Consequently, the Rhine metropolis is one of the few major logistics locations to achieve a significantly above-average result at the beginning of the year. This high volume was mainly due to large-scale contracts, which were hardly recorded in most other major markets.

- On the one hand, the e-commerce company Woltu has rented a total of approx. 44,500 m² in an older existing building and is thus utilizing the remaining time until the property can be converted into residential space. On the other hand, the logistics firm Blitz has leased 25,400 m² as a subtenant. Both contracts relate to the Cologne city area on the left bank of the Rhine.

- Beyond this, market activity has been rather subdued to date. Against the backdrop of the general economic conditions, some companies are still somewhat hesitant and, in case of doubt, are remaining in their existing space. In addition, the low supply in the larger and modern space segment and the general rise in rents are also contributing to the low level of fluctuation.

- In the first quarter, rents stabilized at the level reached at the end of 2023, resulting in a prime rent of 7.70 €/m² and an average rent of 5.80 €/m².

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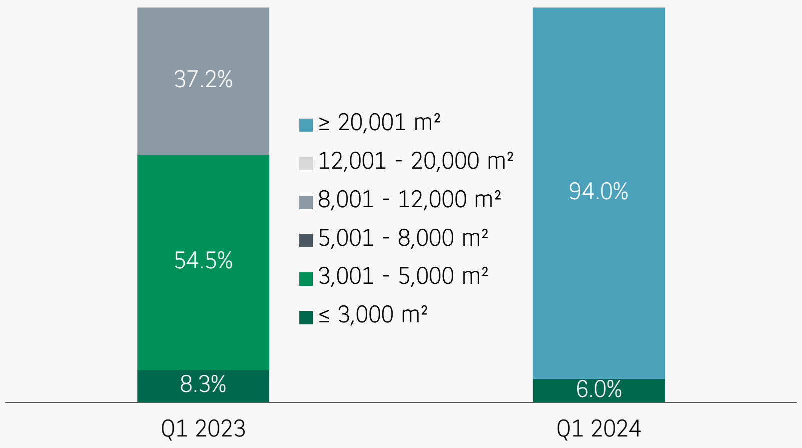
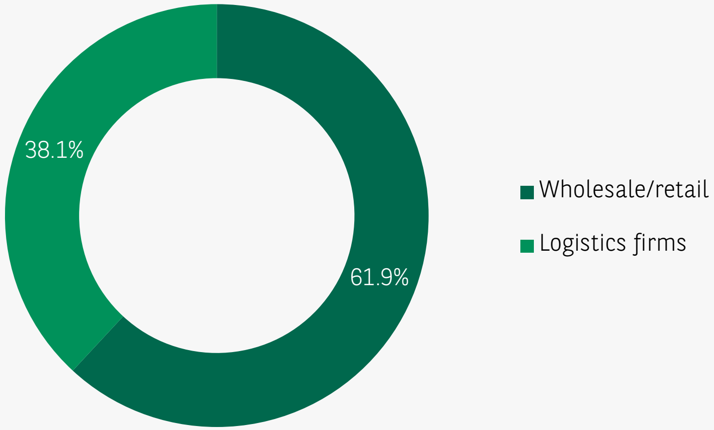
Take-up by size category



Take-up by sector



MAJOR CONTRACTS DOMINATE CURRENT RESULT

- As only a few other rental agreements were registered in addition to the two major lettings mentioned above, take-up by size category shows a rather unusual distribution. At 94% the majority of take-up is accounted by the category above 20,000 m². Beyond this, only the small-scale segment of up to 3,000 m² is represented, contributing a share of 6%.
- In line with the large contracts, wholesale/retail companies lead the sector distribution with 62%, ahead of logistics firms, which achieved 38%.
- In the first three months of the year, no contracts have been registered in the new-build segment or by owner-occupiers. However, projects currently under construction, which are partly speculative, are likely to result in lettings in the new-build segment over the course of the year.

Major contracts

Company	Location	m²
Woltu	Cologne	44,500
Blitz	Cologne	25,400

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OUTLOOK

- Due to two large-scale lettings, the Cologne logistics market achieved above-average take-up at the beginning of the year, which forms a solid basis for a good annual result overall. Therefore, the ten-year average of 226,000 m² appears to be quite achievable.
- After all, there is generally solid demand in the market, which should increase somewhat over the course of the year, especially if the economy gains momentum again and companies are more confident about their prospects. Especially in the previously unoccupied size categories between 3,000 and 20,000 m², a number of deals are still to be concluded - these account for the majority of take-up on a long-term average.
- The expected completion of some speculatively constructed space in 2024 should lead to a slight relief on the supply side. Especially in the central locations, there has been a shortage of space available for quite some time which meets the requirements of users, meaning that some of these users can only move to the periphery and might have to compromise with older existing space.
- In addition, the level of rents is likely to rise somewhat over the course of the year due to the new space coming onto the market. However, this should no longer be as dynamic as in the previous two years.

Key figures logistics market Cologne

RENTS AND TAKE-UP	Q1 2023	Q1 2024	%-DIFFERENCE
Prime rent (in €/m²)	7.20	7.70	6.9%
Average rent (in €/m²)	5.20	5.80	11.5%
Total take-up (in m²)	**30,000**	**75,000**	**150.0%**

SECTORS	Q1 2023	Q1 2024	LONG-TERM Ø
Logistics firms	13.3%	38.1%	25.1%
Wholesale/retail	73.0%	61.9%	33.4%
Manufacturing	10.5%	0.0%	22.5%
Others	3.2%	0.0%	19.0%

SIZE CATEGORIES	Q1 2023	Q1 2024	LONG-TERM Ø
Share of deals > 20,000 m²	0.0%	94.0%	29.2%
Share of deals ≤ 20,000 m²	100.0%	6.0%	70.8%

OWNER OCCUPIERS/NEW BUILDING SHARE	Q1 2023	Q1 2024	LONG-TERM Ø
Share of owner-occupiers	0.0%	0.0%	9.0%
Share of new buildings	0.0%	0.0%	25.2%

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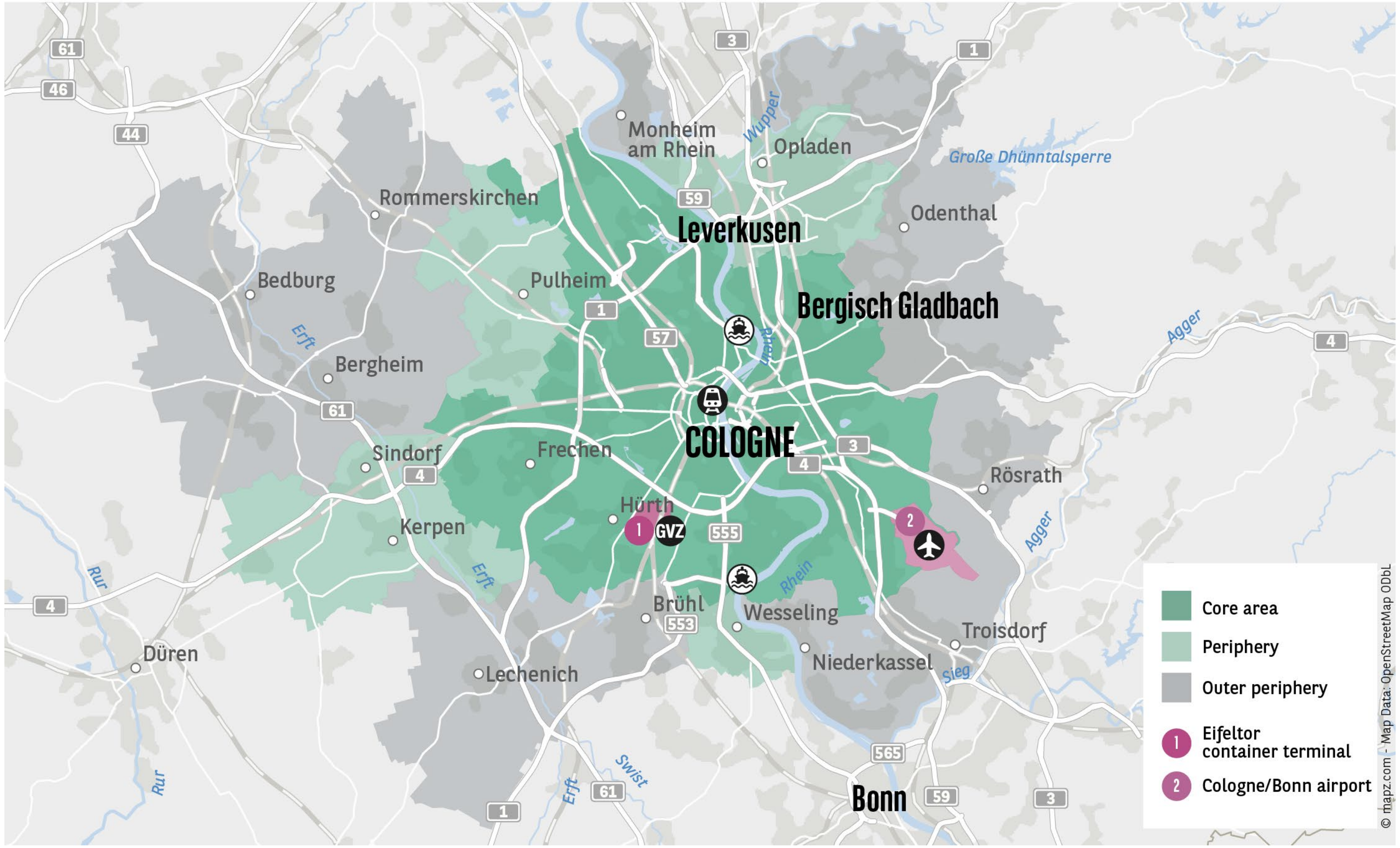

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