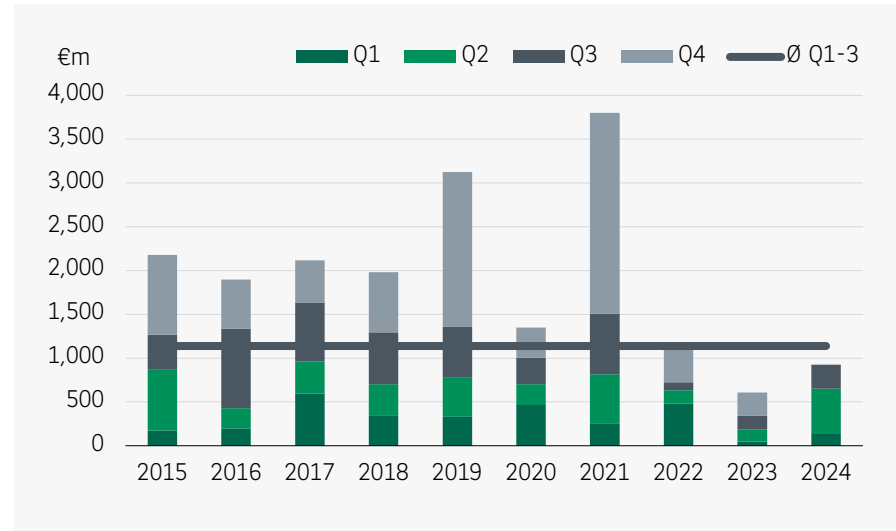


COLOGNE

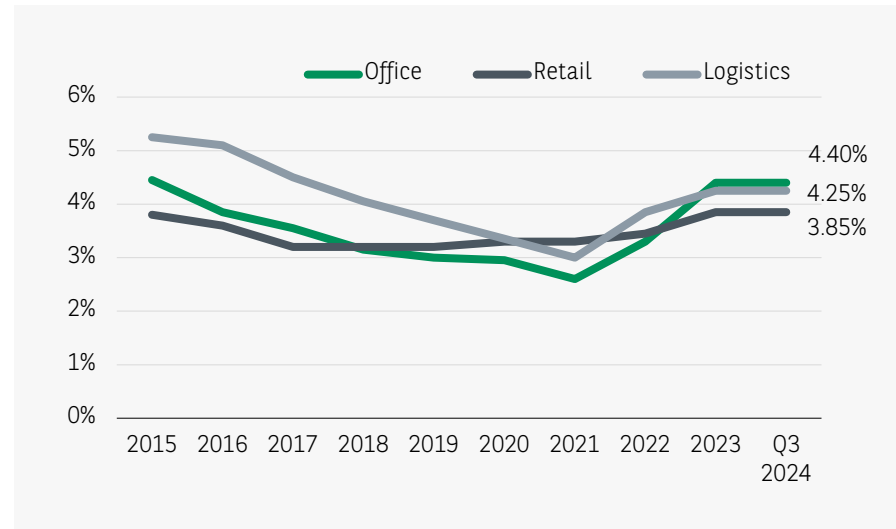
REPORT INVESTMENT MARKET

Q1-3 2024

Development of investment volume



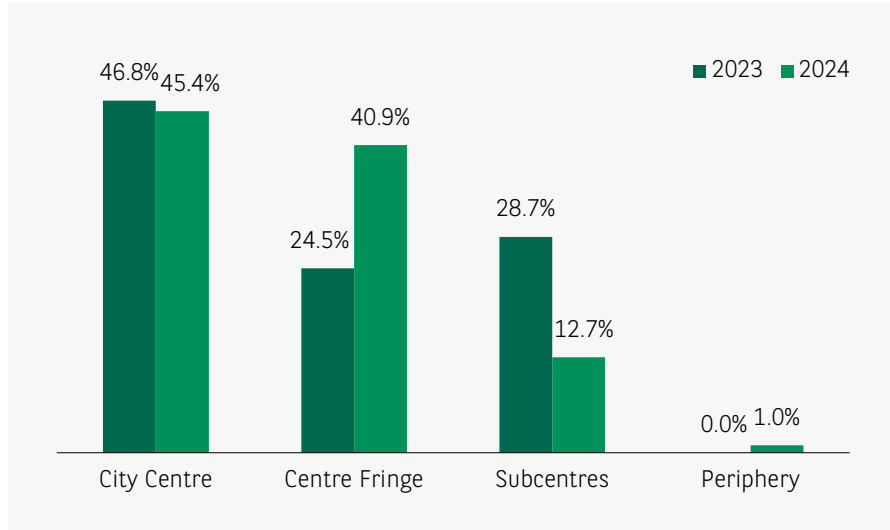
Net prime yields by type of property



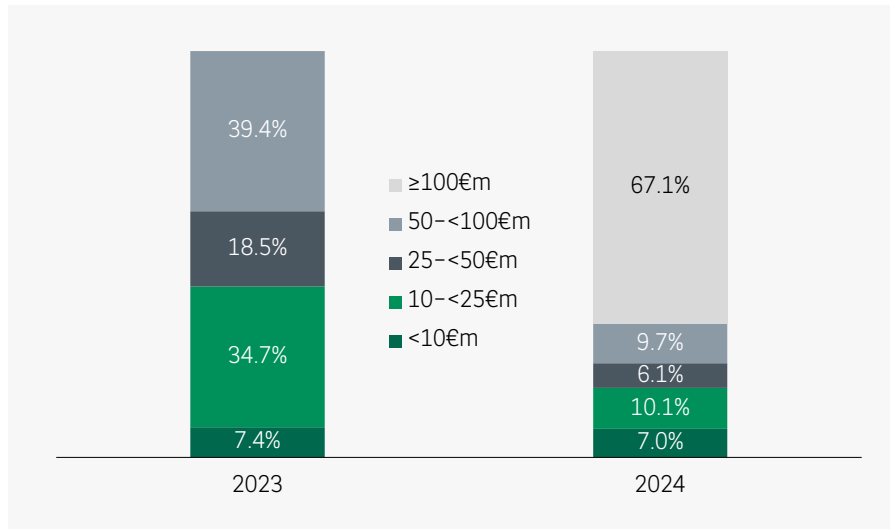
SIGNIFICANT INCREASE IN TURNOVER CITY OF COLOGNE MOST IMPORTANT MARKET PLAYER

- Cologne's investment market recorded a high transaction volume in the first three quarters of 2024, narrowly missing the billion euro threshold at €924 million. The weak prior-year result was thus exceeded by more than 170%, representing by far the strongest increase of all A-locations. In a nationwide comparison of investment volumes, this puts the city in fifth place behind Berlin, Munich, Frankfurt and Hamburg.
- However, it should be noted in this very positive development that around two thirds of the result is attributable to just two major sales. These were the northern site of the Koelnmesse and the Rossio office complex. In both cases, the City of Cologne acted as buyer, making it by far the most important player on the investment market to date. Without this special influence, Cologne would have achieved a volume comparable to that of the previous year.
- The trend in prime yields in Cologne is also similar to that seen in all other major German investment locations. Having already stabilised in the first half of the year, there was no change in the third quarter, as expected. As a result, net initial yields for office buildings remain at 4.40%. They are somewhat lower in the logistics segment, where 4.25% is also to be quoted in the cathedral city. For retail high street properties, they remain at 3.85%.

Investments by location Q1-3



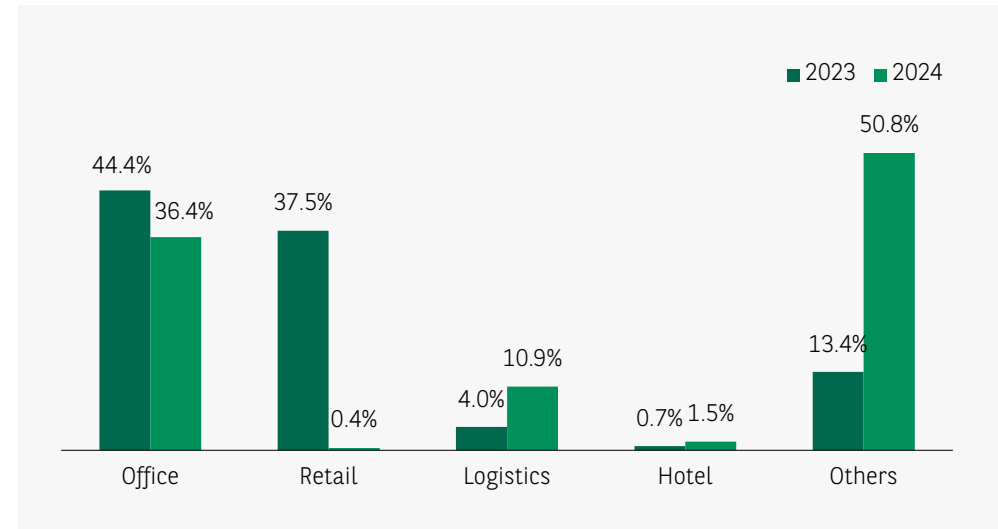
Investments by € category Q1-3



MAJOR DEALS INFLUENCE MARKET STRUCTURE

- The two major deals mentioned above, which account for two thirds of investment turnover, naturally also determine the current structural indicators of the Cologne market in the year to date. Against this background, a good 45% of the result is attributable to the City Centre and a further 41% to the Centre Fringe.
- The distribution of the individual size categories is similar. The category above €100 million dominates here, accounting for around two thirds. However, it is also worth noting that a good 17% is accounted for by smaller transactions of up to €25 million.
- The fact that the collective category 'Others' is at the top of all asset classes with a turnover share of almost 51% is due to the sale of Koelnmesse's north site. Office properties rank second with a good 36%, followed by logistics properties with almost 11%.

Investments by type of property Q1-3



OUTLOOK

- If one looks only at the pure figures for the current year, it would appear that the Cologne investment market has written an impressive success story. This assessment is somewhat relativised when one considers the large proportion of market activity accounted for by the two major transactions. Although large-volume deals are always necessary to realise very good investment volumes, such dominance is unusual. Without taking this special effect into account, the Cologne investment market would have tended to remain at the same level as the previous year and would therefore have performed similarly to the Düsseldorf market, for example. Against this backdrop, there is certainly still room for improvement in terms of a sustained revival of the market across the board. This clearly shows that Cologne is also struggling with the adversities of the continuing economic slowdown. In view of the further lowered forecasts for GDP development in the current year, this headwind is likely to continue for another quarter or two. Nevertheless, falling interest rates and the significant decline in inflation are likely to stimulate growth, which should revive the market and boost investor confidence.
- It can therefore be assumed that a noticeably higher transaction volume will be achieved in the current year than in the previous year due to the two major deals. At the same time, there is much to suggest that the noticeable improvement in sentiment will also gradually continue in Cologne. From today's perspective, everything points to the first slight compression in yields at the beginning of next year.

Key facts investment market Cologne

INVESTMENT VOLUME	Q1-3 2023	Q1-3 2024	CHANGE
Total (€m)	340	924	+171.8%
Portfolio share	24.9%	4.2%	-20.7%pts
Share above €100 million	0.0%	67.1%	+67.1%pts
Office share	44.4%	36.4%	-8.0%pts
Share of city locations	46.8%	45.4%	-1.4%pts
Share of foreign investors	34.0%	10.3%	-23.7%pts

NET PRIME YIELDS	Q3 2023	Q3 2024	CHANGE
Office	4.20%	4.40%	+20bps
Retail	3.80%	3.85%	+5bps
Logistics	4.10%	4.25%	+15bps

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