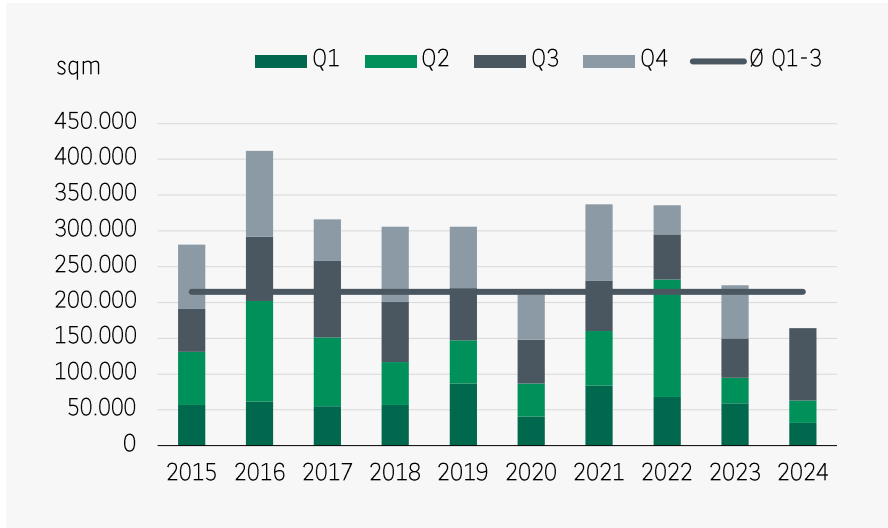


COLOGNE

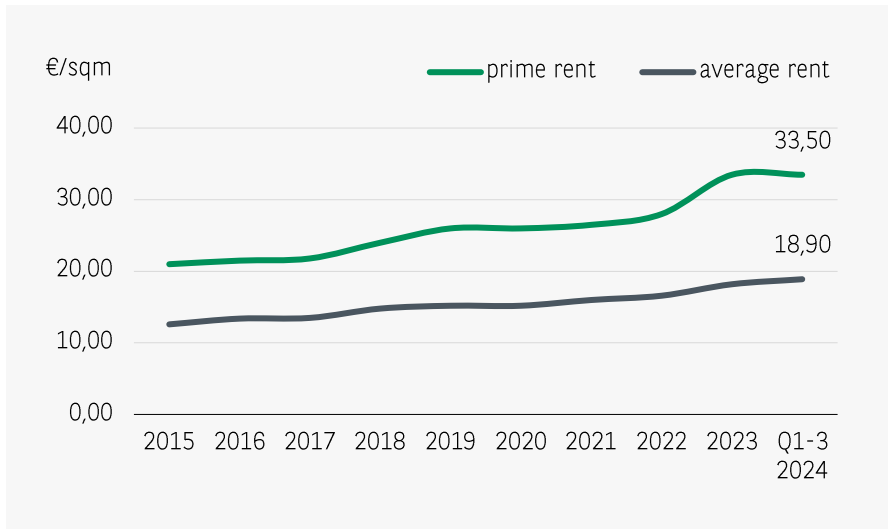
# REPORT OFFICE MARKET

Q1-3 2024

## Development of take-up



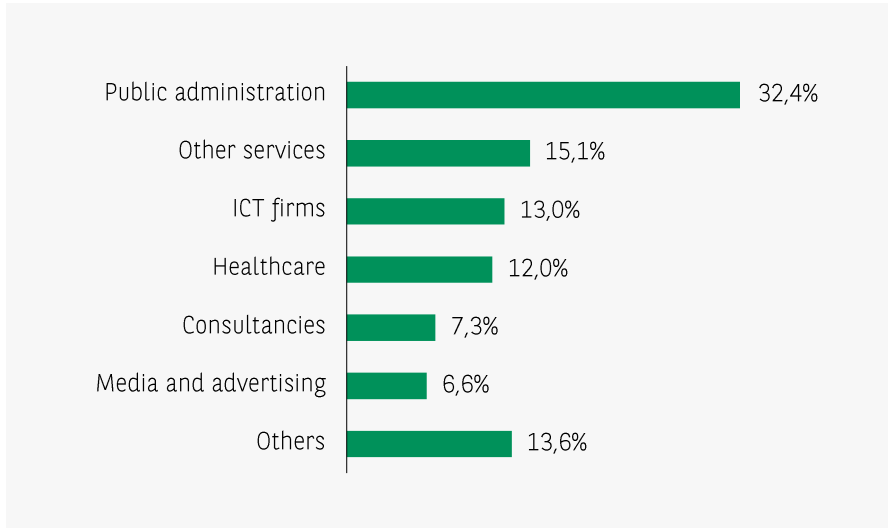
## Prime and average rents



## SOLID RESULT AFTER A STRONG THIRD QUARTER

- The Cologne office market has developed very positively over the course of the year and gained noticeably momentum in the third quarter. At the end of the third quarter, take-up totaled 164,000 sqm. Almost 62% of this result (101,000 sqm) was registered in the period between July and the end of September alone. Compared to the previous year, there has been an increase of around 9% in the first three quarters of this year. However, the 10-year average has not yet been reached (-23%).
- The increase in the result compared to the previous year is attributable, to the high proportion of large-scale lettings over 5,000 sqm (41%). The City of Cologne's new owner-occupier building (26,500 sqm) in MesseCity and the owner-occupier contract for 20,100 sqm signed by the Landschaftsverband Rheinland LVR, which both located in the Deutz submarket, are of particular interest. In contrast, significantly fewer contracts were concluded in the mid-range segment between 2,000 and 5,000 sqm, resulting in a decline of a good 13 percentage points to a low 5%. In total, only around 8,500 sqm has been taken up in this segment.
- Cologne's prime rent has remained stable at €33.50 per sqm since the end of 2023 (+1.5% y-o-y). It is achieved in top city locations for well-equipped and high-quality office space.
- While remaining stable in the summer months, the average rent continued its growth trend. It now stands at €18.90 per sqm, which is a good 5% above the previous year's level.

## Take-up by sector Q1-3 2024



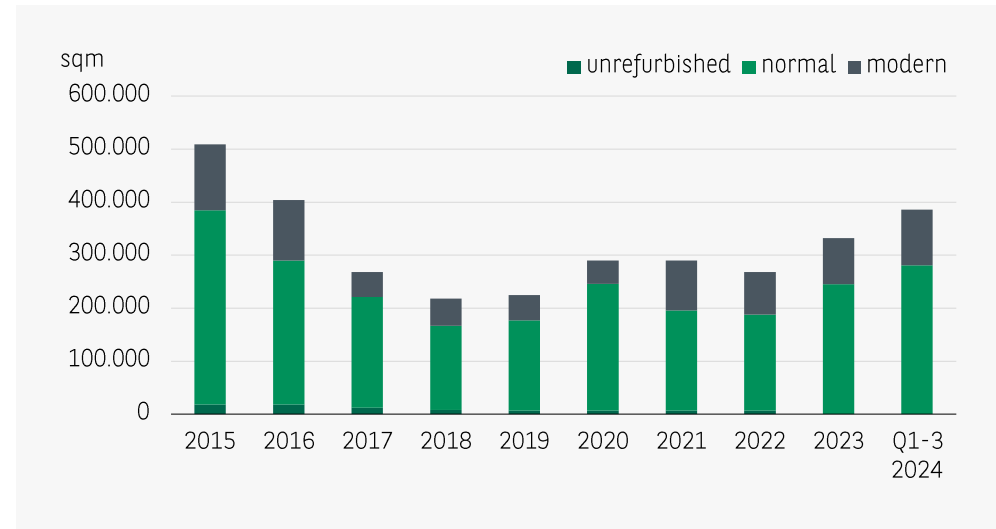
## LARGE CONTRACTS DOMINATE SECTOR DISTRIBUTION

- Public administration contributed around 32% or 53,000 sqm to the latest result. The two major contracts (owner-occupiers) above the 10,000 sqm mark are particularly significant here. In addition to other services, ICT firms are very lively, accounting for an above-average 13% or over 21,000 sqm of take-up.
- The vacancy volume has continued to rise moderately and currently stands at 386,000 sqm. This represents an increase of a good 10% compared to the previous year. However, only around 27% of all vacant space has a modern fit-out standard. The vacancy rate is at a low level of 4.7% and therefore still below the fluctuation reserve. In a nationwide comparison, Cologne thus has the second-lowest rate after Leipzig (4.5%).

## Major contracts Q1-3 2024

Quarter	Sub-market	Company	sqm
Q3	1.2	City of Cologne	26,500
Q3	1.2	Landschaftsverband Rheinland LVR	20,100
Q3	1.1	Mediapark Klinik Cologne	9,800
Q3	1.2	DEVK	6,200
Q3	2.4	Smartvillage	5,100
Q2	2.1	Avedo Köln / Ströer X	3,500

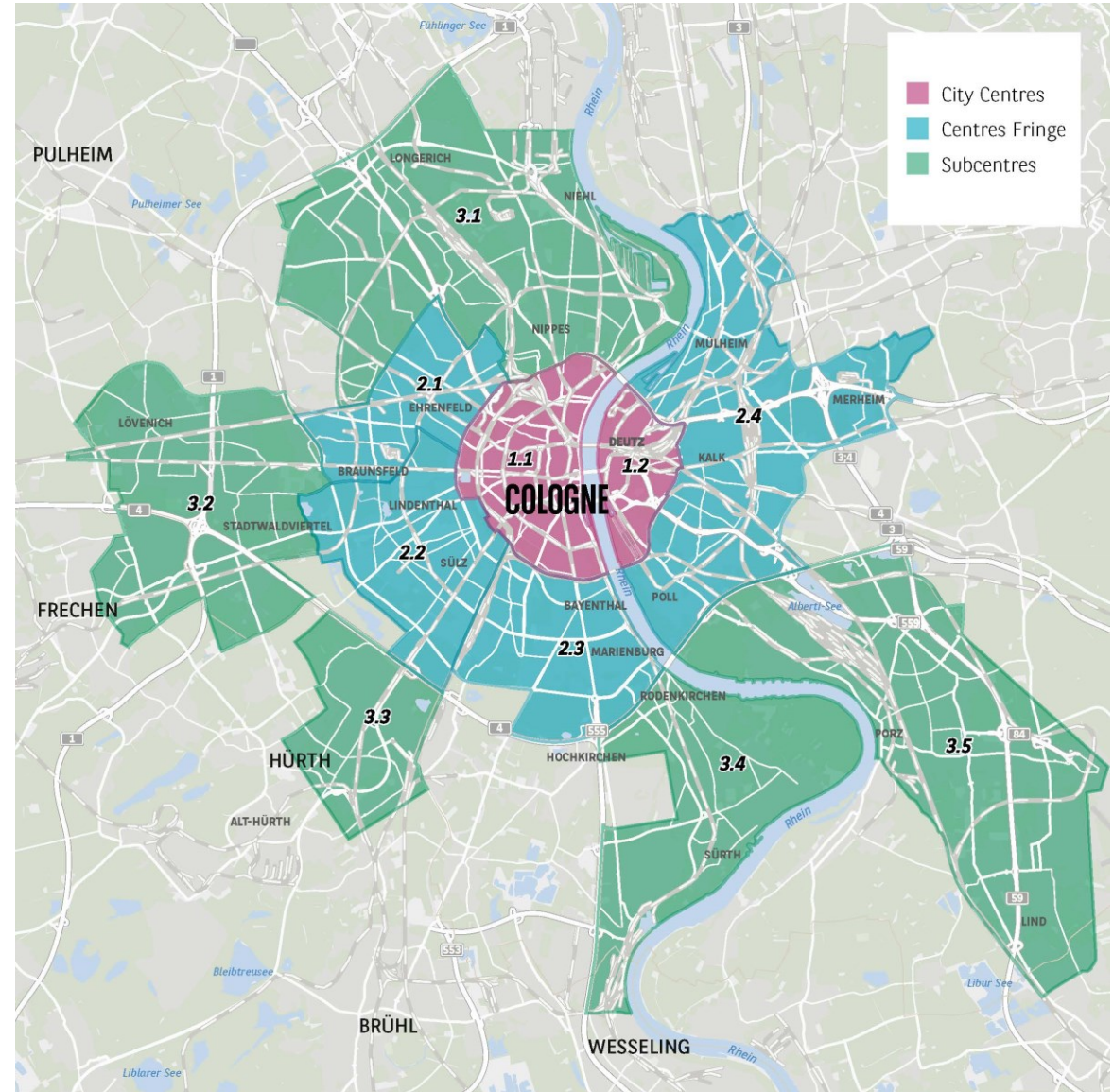
## Development of vacant space



## OUTLOOK

- Cologne's office market achieved a relatively solid result compared to the previous year. The market is approaching the final stages of 2024 with a cautiously optimistic outlook, driven by the recent increase in letting activity. In anticipation of a slowly recovering economy and assuming that a few larger lettings are completed, total take-up in the region of 200,000 sqm is an entirely realistic scenario.
- On the supply side, a further increase in vacancies is the most likely scenario, albeit at a slower pace, whereby the 400,000 sqm mark may be exceeded. A further increase in vacancies is to be expected in the segment of older and lower-quality office properties in particular, as these spaces usually do not or only partially correspond to the tenants' expectations.
- The challenging conditions for project developers are likely to continue to have a significant negative impact on new construction activity. The current construction volume (174,000 sqm) is already 4% below the comparable figure for the previous year. The majority of this space is no longer available on the market due to pre-letting or owner-occupation, leaving just 54,000 sqm, or 31% of the total construction volume, vacant.
- Regarding the rent level, a stable to slightly rising trend is currently emerging, particularly in terms of prime rents.

## Office submarkets Cologne



## Key indicators office market Cologne

	PRIME RENT* (€/sqm)		TAKE-UP (sqm)	VACANT SPACE (sqm)			SPACE UNDER CONSTRUCTION (sqm)		SPACE ON OFFER (sqm)	
	from	to	Q1-3 2024	total	modern	of this, since completion	total	available	available	projected
Submarkets**	1		2	3	4	5	6	7	8 = ( 3 + 7 )	9
1 City Centre										
1.1 City Centre		33.50	38,900	113,500	40,500	0	64,000	34,500	148,000	83,700
1.2 Deutz		23.90	57,700	7,600	1,300	0	68,600	0	7,600	0
2 Centre Fringe	17.80 -	21.60	37,400	105,600	19,300	600	29,500	14,700	120,300	226,400
3 Subcentres	13.80 -	17.50	30,000	159,300	43,900	2,400	11,900	4,800	164,100	103,900
<b>Total</b>			<b>164,000</b>	<b>386,000</b>	<b>105,000</b>	<b>3,000</b>	<b>174,000</b>	<b>54,000</b>	<b>440,000</b>	<b>414,000</b>

\* 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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