COLOGNE

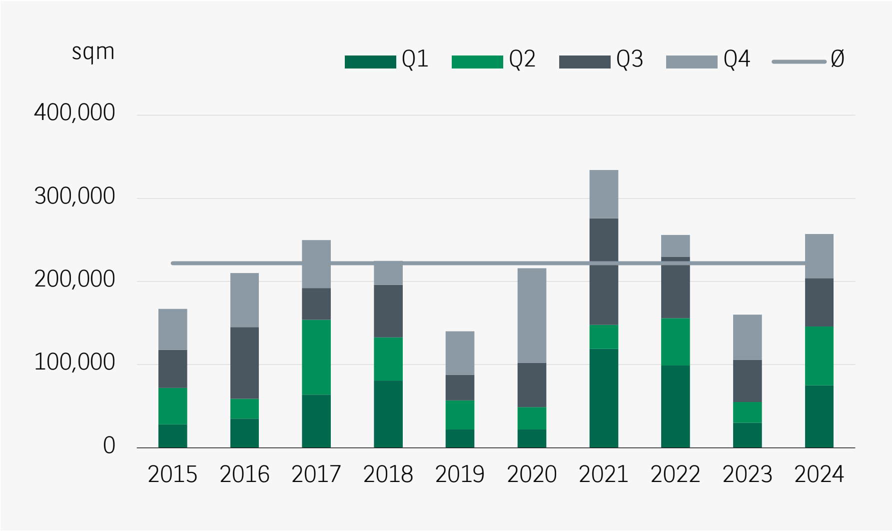
REPORT LOGISTICS MARKET

2024

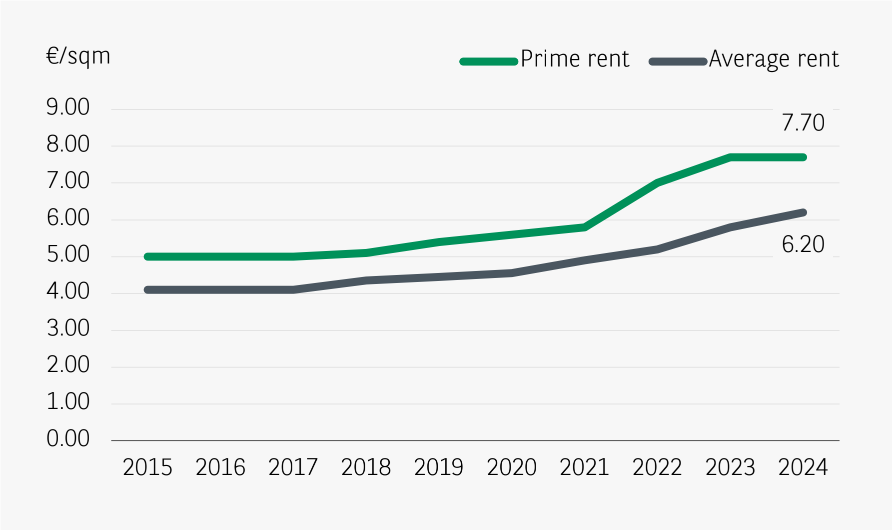
BNP PARIBAS REAL ESTATE

REAL ESTATE for a changing world

Development of light industrial and logistics take-up



Prime and average rents



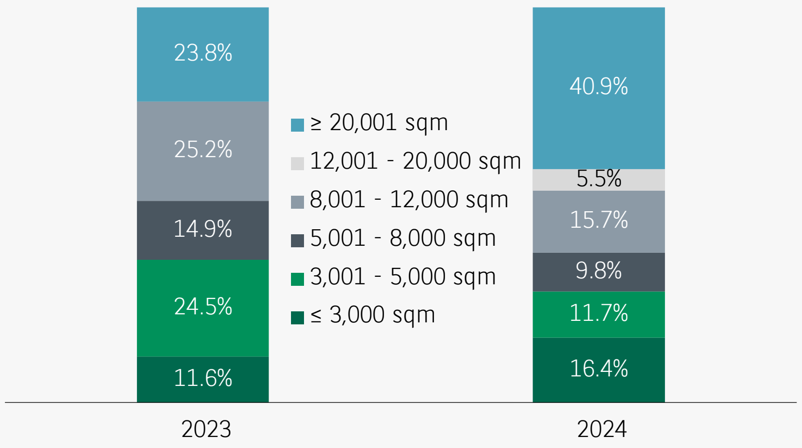
CONTRARY TO THE TREND – COLOGNE RECORDS AN INCREASE IN TAKE-UP

- At the end of 2024, the Cologne logistics market reported an increase in take-up compared to the previous year, making it the only market area besides Düsseldorf among the top locations to achieve this. Logistics and industrial take-up totalled around 257,000 sqm, almost 61% more than in 2023 and 16% above the long-term average. Against the backdrop of the persistently tense economic market environment, there are positive signals for 2025.

- The existing property sector in particular has emerged as a key driver of the result, with the focus in some cases on interim lettings or sublet space. In this context, the online furniture retailer Woltu rented around 44,500 sqm in an older building in the first quarter, which is bridging the gap until the property is converted into residential space. On the other hand, the two logistics service providers Blitz (25,400 sqm) and Goodcang (35,000 sqm in Bergheim) have each secured space for subletting, which further emphasizes the importance of this segment. In contrast, letting activity in the fourth quarter was much more fragmented, although a solid quarterly result of 53,000 sqm was achieved.

- Prime rents are likely to rise due to the high demand pressure in the new-build segment, after remaining stable at €7.70 per sqm compared to 2023. There is also a slight upward trend in average rents, which stood at €6.20 per sqm at the end of the year (+7% compared to 2023).

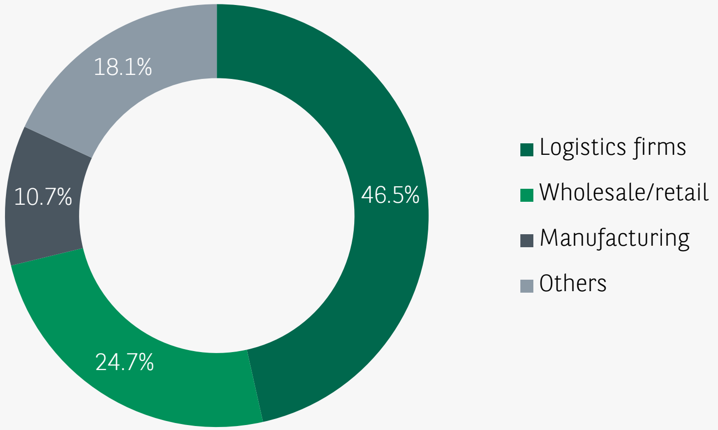
Take-up by size category



LOGISTICS FIRMS DOMINATE THE MARKET

- The distribution of take-up by sector was largely determined by two categories in 2024. Logistics firms clearly took the lead (46.5%) and, alongside retail companies (24.7%), generated the majority of take-up (71% in total). Both sectors made their mark with major contracts of at least 20,000 sqm: while the Woltu deal was attributable to the retail sector, the logistics companies benefited from the Blitz and Goodcang lettings. In addition to the key take-up factors, occupiers from the logistics sector were particularly active and contributed several mid-sized and smaller leases to the overall result.
- With 105,000 sqm (41% of the total), Cologne is also one of the top locations for large agreements over 20,000 sqm, although some of these contracts are interim leases or sub-lets that are not in the prime rent range.

Take-up by sector



Major contracts

Quarter	Company	Location	sqm
Q1	Woltu	Cologne	44,500
Q3	Goodcang	Bergheim	35,000
Q1	Blitz	Cologne	25,400
Q2	Logistics firm	Cologne	14,000
Q2	Logistics firm	Cologne	10,500

OUTLOOK

- Even though take-up was boosted by the exceptional major contracts, the Cologne logistics market remains a winner in the economically challenging year 2024, especially when comparing locations.
- The fact that more lettings were recorded in the past 12 months than in the two previous years, measured in terms of the number of contracts, is a further indication of the good letting activity in the Cologne market area in addition to the take-up. While logistics firms in particular were able to generate a comparatively high level of momentum in demand, higher market shares in the retail and manufacturing sectors are expected again as the economic outlook slowly improves.
- The supply side is likely to expand somewhat in 2025 due to the completion of speculative property developments. While there is excess demand, particularly in the smaller-scale segment and in central locations, some companies are still increasingly postponing major letting decisions in the large-scale new-build segment in order to await further economic developments. In peripheral regions of the market area, it can be observed that occupiers are not willing to pay the sometimes high asking prices in these sub-locations and are often choosing more centrally located sublet space instead.
- Nevertheless, it is expected that the excess demand for scarce new-build space in the prime locations will have an impact on the prime rent segment by 2025 so that the €8 per sqm mark could be reached or exceeded in the coming quarters.

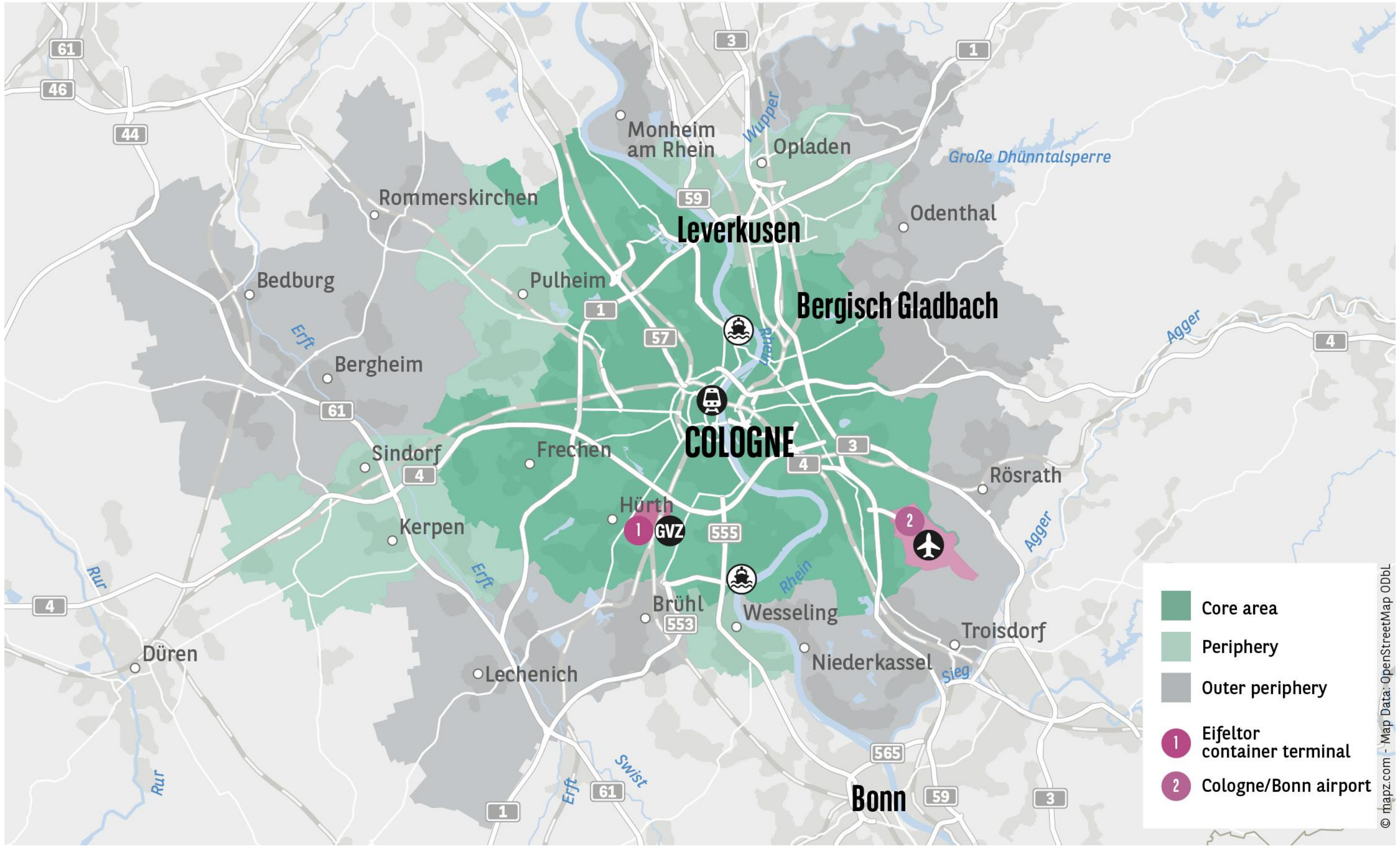
Key figures logistics market Cologne

RENTS AND TAKE-UP	2023	2024	%-DIFFERENCE
Prime rent (in €/sqm)	7.70	7.70	0.0%
Average rent (in €/sqm)	5.80	6.20	6.9%
Total take-up (in sqm)	**160,000**	**257,000**	**60.6%**

SECTORS	2023	2024	LONG-TERM Ø
Logistics firms	25.7%	46.5%	37.6%
Wholesale/retail	57.7%	24.7%	30.5%
Manufacturing	10.7%	10.7%	19.9%
Others	5.9%	18.1%	12.0%

SIZE CATEGORIES	2023	2024	LONG-TERM Ø
Share of deals > 20,000 sqm	23.8%	40.9%	24.8%
Share of deals ≤ 20,000 sqm	76.2%	59.1%	75.2%

OWNER-OCCUPIERS/NEW BUILDING SHARE	2023	2024	LONG-TERM Ø
Share of owner-occupiers	2.8%	4.1%	8.9%
Share of new buildings	6.6%	0.0%	33.2%



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