

# LOGISTICS MARKET COLOGNE

AT A GLANCE Q3 2022

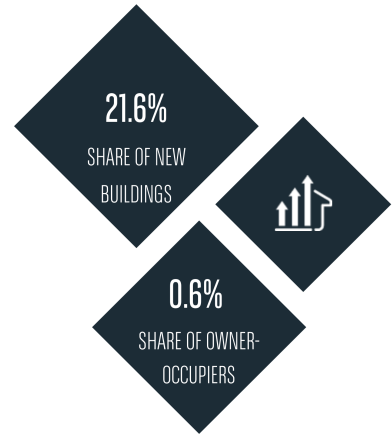
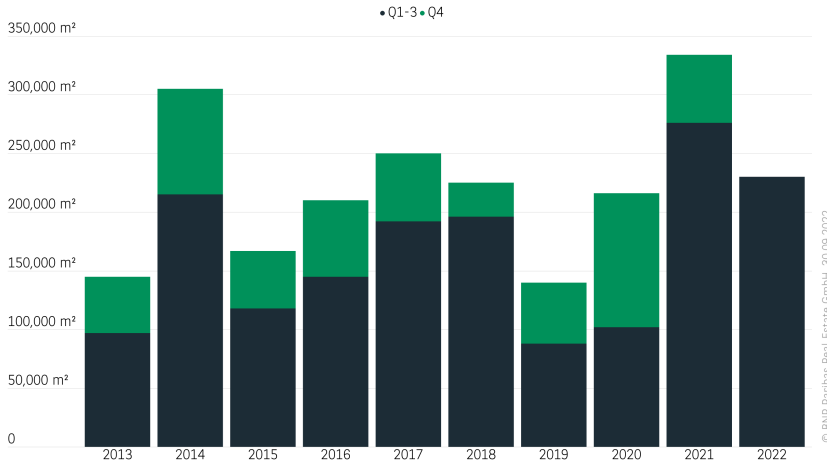


## STRONG DEMAND DRIVES TAKE-UP

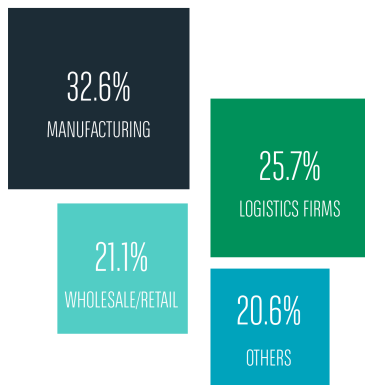
- / After the first nine months of 2022, the Cologne logistics market registered take-up of around 230,000 m<sup>2</sup>, exceeding the 10-year average by 39%. This is the second-best result in the last 10 years (only the previous year's figure was higher at 276,000 m<sup>2</sup>). The momentum was also maintained in the third quarter with 74,000 m<sup>2</sup> of take-up.
- / Striking is the currently very high market share of standing assets, at 78%. This can be attributed to several large-volume deals signed for space in existing assets which was instantly absorbed by the market once the previous leases had expired. A good example of this is the largest lease in the third quarter: once the electrical retailer AO closed its German business, the 30,000 m<sup>2</sup> warehouse in Bergheim will be used by another retail company.
- / Rents have risen sharply due to the shortage of space available at short notice and a steep rise in construction costs. The prime rent, for example, rose by 19% year-on-year to 6.90 €/m<sup>2</sup>.

# UNUSUALLY HIGH NUMBER OF LARGE DEALS

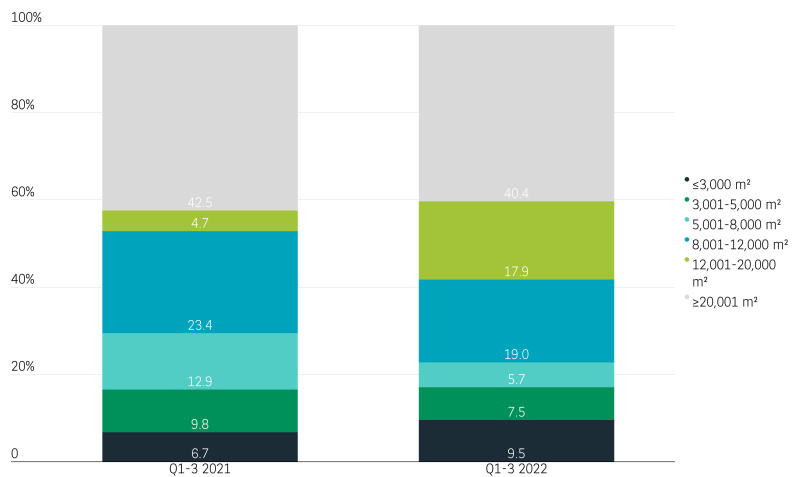
## Light industrial and logistics take-up in Cologne



## Take-up by sector



## Take-up by size category



- / The distribution of take-up across the individual size segments shows a rather unusual picture for the Cologne market in the year to date. No fewer than three deals were registered in the >20,000 m<sup>2</sup> segment, which means that around 40% of take-up is attributable to large deals. The long-term average is around 24%.
- / However, market activity is also comparatively dynamic outside the large segment. For example, around 20 transactions were registered for the size class up to 3,000 m<sup>2</sup> alone.
- / Meanwhile, the sector distribution is led by manufacturing companies, which account for around 33% of take-up or 75,000 m<sup>2</sup>, a new record for the sector. This is largely driven by the biggest deal of the year so far, the contract signed by a manufacturer of 42,500 m<sup>2</sup> in Gremberghoven.

# KEY FIGURES



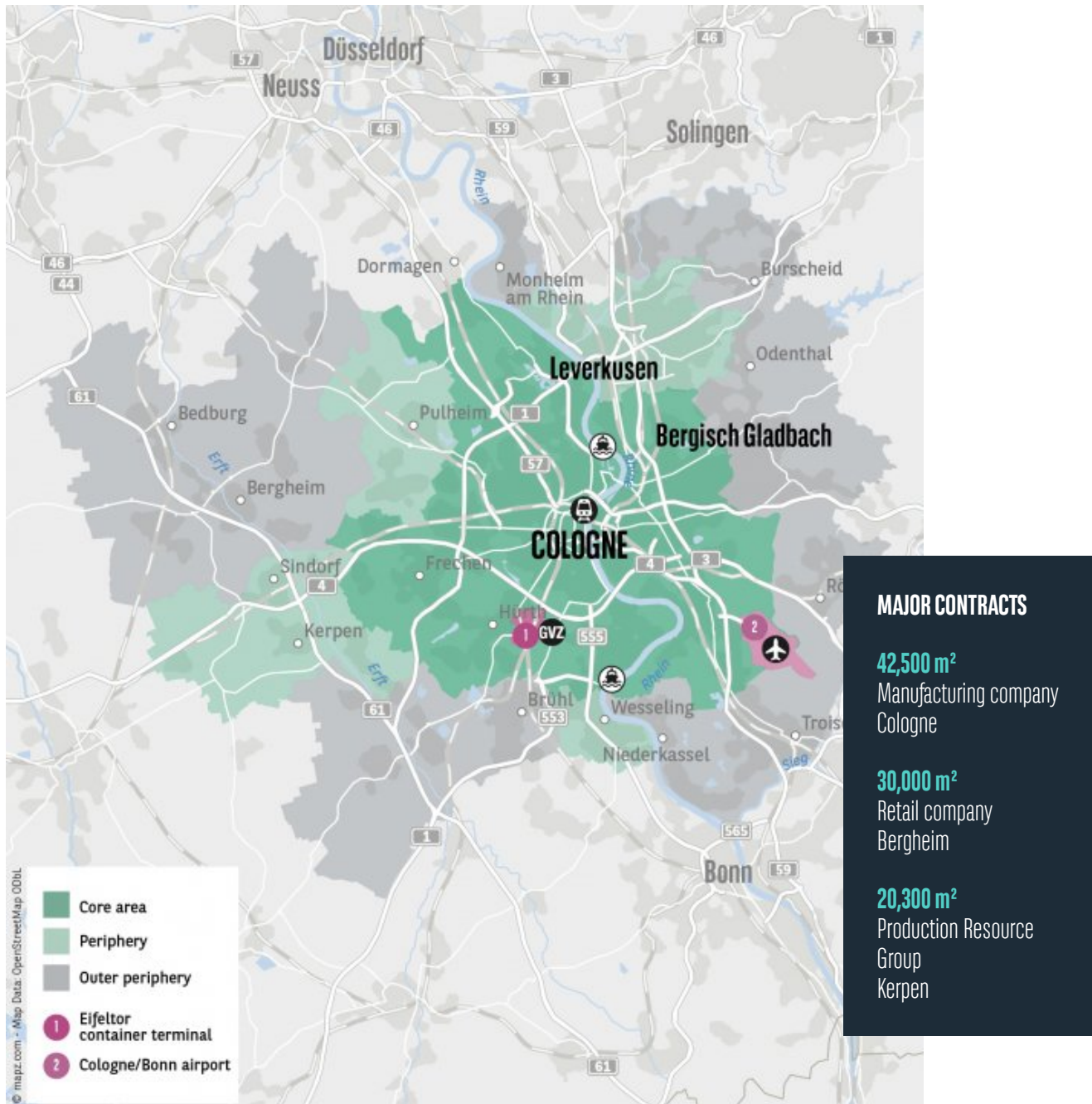
Rents	Q1-Q3 2021	Q1-Q3 2022	%-Difference
Prime rent (in €/m <sup>2</sup> )	5.80	6.90	19.0%
Average rent (in €/m <sup>2</sup> )	4.90	5.20	6.1%
Take-up and sectors	Q1-Q3 2021	Q1-Q3 2022	Long-term average
Total take-up	276,000 m <sup>2</sup>	230,000 m <sup>2</sup>	166,000 m <sup>2</sup>
Logistics firms	17.5%	25.7%	38.5%
Wholesale/retail	51.3%	21.1%	27.9%
Manufacturing	25.9%	32.6%	20.9%
Others	5.3%	20.6%	12.7%
Size categories	Q1-Q3 2021	Q1-Q3 2022	Long-term average
Share of deals > 20,000 m <sup>2</sup>	42.5%	40.4%	24.2%
Share of deals ≤ 20,000 m <sup>2</sup>	57.5%	59.6%	75.8%
Owner-occupiers/new building share	Q1-Q3 2021	Q1-Q3 2022	Long-term average
Share of owner-occupiers	30.5%	0.6%	14.5%
Share of new buildings	58.4%	21.6%	46.8%

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## OUTLOOK

- / The Cologne logistics market continues to be characterized by high transaction activity and market momentum. However, given that no further building completions are expected in 2022 and that space in all size categories is also in short supply in the existing stock, it is not unlikely that take-up in the core area will be somewhat more subdued in the final quarter. Whether the 300,000 m<sup>2</sup> mark can be broken for the second time in succession at the end of the year therefore remains to be seen for the time being.
- / As an increase in supply is not on the horizon in the short term, occupiers will continue to compete for the few available spaces in the coming months. Many logistics service providers are thus now prepared to look for speculatively built space, without a secured order in hand. In combination with high inflation and massive increases in construction costs, a further rise in rental prices cannot be ruled out in the coming months.

# LOGISTICS MARKET REGION COLOGNE



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