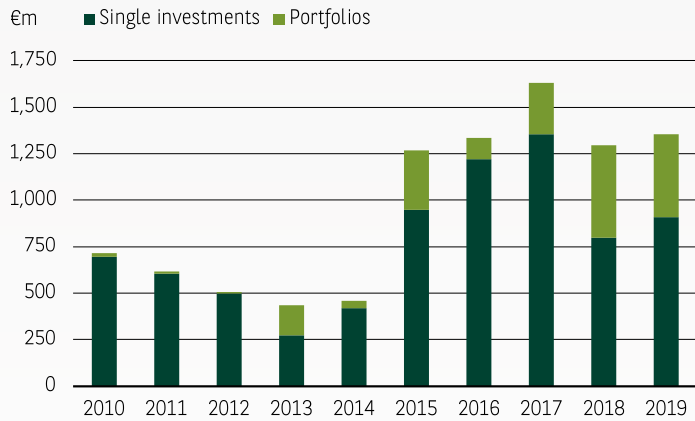




At a Glance **Q3 2019**

INVESTMENT MARKET COLOGNE

Investment volume in Cologne Q1-3

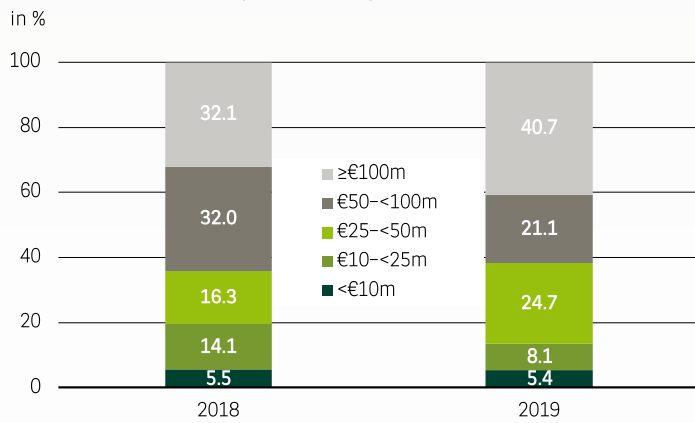


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COLOGNE MARKET STILL ON A HIGH LEVEL

Since 2015, the Cologne investment market has been operating at a different level and since then has continuously cracked the €1.25 billion mark in the third quarter. With an investment volume of almost €1.4 billion in 2019, the cathedral city can even report the second-best result of all times. The previous year's result was thus exceeded by around 5% and the 10-year average by a whopping 41%. Over a third (a good 34%) of the capital comes from abroad and flowed primarily into office and hotel properties. A number of large properties, which changed hands either as individual sales or as part of portfolios, made a major contribution to the overall pleasing result. Portfolio deals so far account for around one third of total turnover. This share is a remarkably high figure for Cologne in a long-term comparison and at the same time exceeds the current figures for most other A-locations.

Investments by € category in Cologne Q1-3

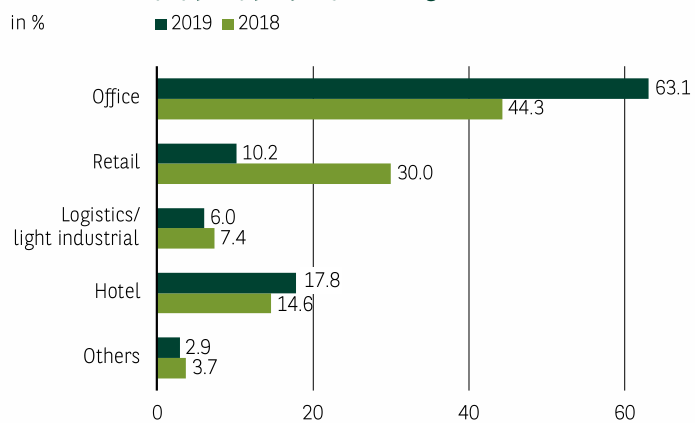


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MIDDLE SEGMENT ALSO STRONG

For every fifth registered deal, the purchase price was more than €50 million, for every tenth even more than €100 million. Together, these two size classes - both hotels such as the Steigenberger and office properties (Wallarkaden) are represented here - account for more than 60% of turnover and illustrate the willingness of buyers to invest larger sums in the cathedral city. In the shadow of these large tickets, however, numerous deals between €25-50 million could be observed. This class represents the second strongest group with almost 25%. The total volume of around €335 million is already one of the best full-year results of all time.

Investments by type of property in Cologne Q1-3

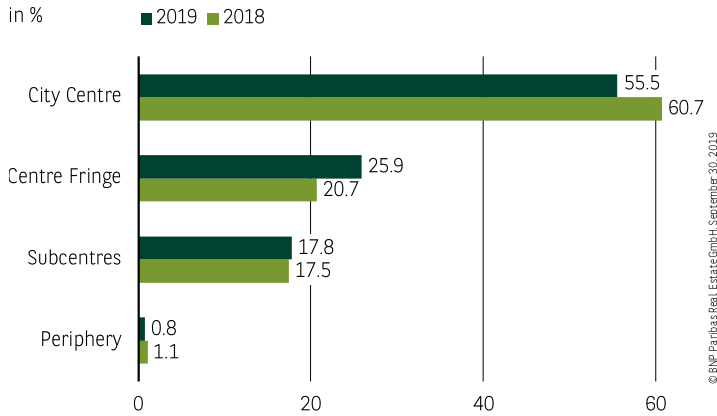


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OFFICES ARE A MUST, HOTELS ARE GAINING GROUND

Office properties are the dominant asset class in Cologne, underlining its leading position with a share of a good 63% and half of all registered deals. Hotel investments (just under 18%) have moved up to second place, confirming the good result of the previous year. The high demand for hotels has once again come to the fore and with a turnover of €242 million, Cologne even comes second behind Berlin in a comparison of the A-locations. Investments in retail properties, at €138 million, are around 44% below the 10-year average and occupy third place (a good 10%). Overall, there is a shortage of transactions or large deals. The number of transactions was already low in 2018, although this was not so noticeable due to the large Kaufhof deal.

Investments by location in Cologne Q1-3

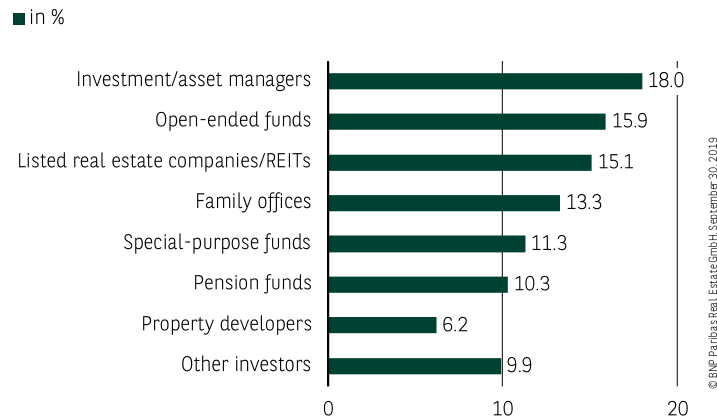


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CITY CENTRE REMAINS THE MOST IMPORTANT SUBMARKET

Four of the five largest transactions of the year took place in the City Centre office market zone with the City and Deutz submarkets. The Cologne City Centre thus remains the first point of contact for investors and achieves a total share of over 55%. The Centre Fringe accounts for just under 26% and profits above all from the purchase of the Barthonia Forum/Cologne Quarter in Ehrenfeld, which is one of the top 5 deals in the market. In addition, office properties in the single-digit to low double-digit million range were sold here in particular. A further €241 million (just under 18%) was invested in the Subcentres. The "Office Connect" office building in Cologne's Airport Business Park, an 8.5-ha industrial site in Sürth with over 40,000 m² of lettable space or a cross-dock facility in Hürth are symbolic of the wide range of deals concluded here.

Investments by buyer group in Cologne Q1-3 2019

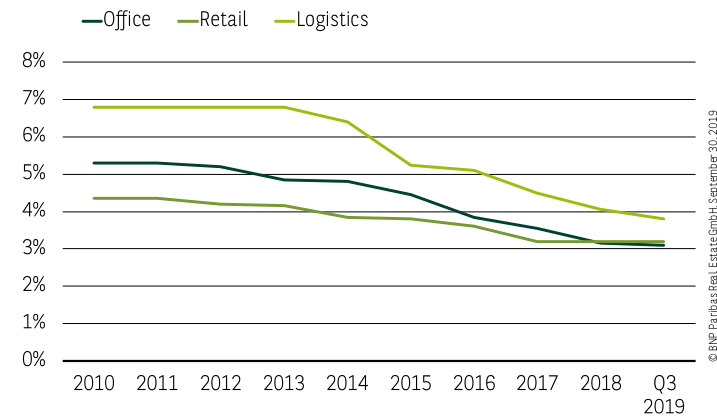


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MANY DEMAND GROUPS ACTIVE ON THE MARKET

The buyer side is exceptionally broadly positioned in 2019: for the first time since 2010, no investor group was able to achieve a share of more than 20%. Investment/asset managers lead with €244 million (around 18%). Open-ended funds, which in the past have only appeared sporadically, were able to secure some properties within the framework of portfolios and rank second with almost 16%. Listed real estate companies/REITs (a good 15%) also made it onto the podium with the acquisition of some hotel and office properties. They are followed by family offices (13%), special-purpose funds (11%) and pension funds (10%), three further groups that achieved double-digit shares.

Net prime yields by type of property in Cologne



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YIELDS FOR OFFICE AND LOGISTICS DECLINE FURTHER

In recent years, there has been a continuous decline in prime yields in all asset classes. This downward trend has developed differently recently. While the net prime yield for retail high street properties has stabilised at 3.20% for two years, it has fallen slightly by a further 5 basis points since the beginning of the year for office properties. It now stands at 3.10%. For logistics properties, the price trend continues to be highly dynamic and the yield of 3.80% is now 25 basis points lower than at the end of 2018.

OUTLOOK REMAINS POSITIVE

The pleasing result on the Cologne investment market confirms the positive development of recent years. With a mixture of individual and portfolio deals and a broad group of buyers, the result is based on a very good foundation which will ensure lively market activity in the further course of the year. The attack on the €2 billion mark is therefore quite realistic, but this will require further large-volume deals.

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