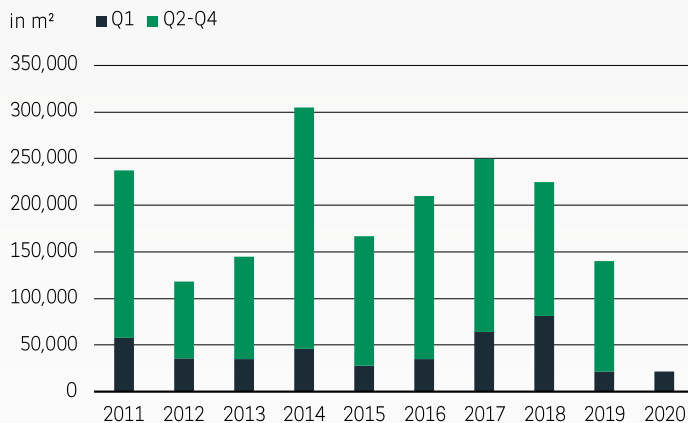




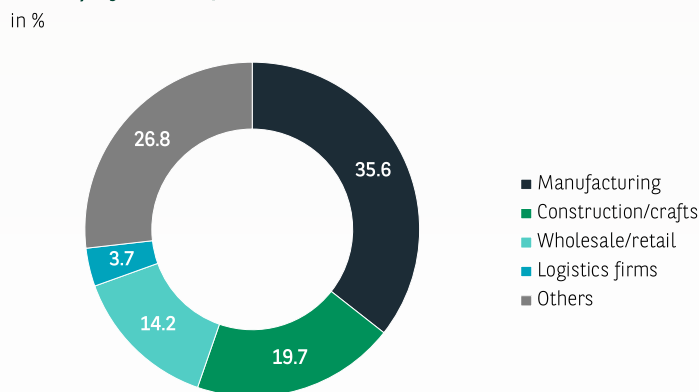
At a Glance **Q1 2020**

# LOGISTICS MARKET COLOGNE

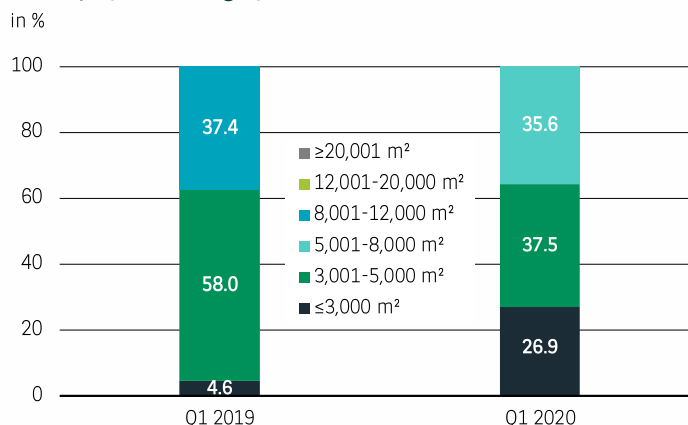
## Light industrial and logistics take-up



## Take-up by sector Q1 2020



## Take-up by size category



### ➤ SLOW START FOR THE SECOND YEAR IN A ROW

The Cologne market for warehouse and logistics space started the year with a weak result. As in the previous year, a take-up of only 22,000 m² was registered at the end of the first quarter, which is still equivalent to the lowest opening figure for the year ever. The long-term average was also undercut by a whopping 49%. However, with ten registered deals, twice as many contracts were registered as in the previous year, which is clear evidence that there was a certain market dynamic in the reporting period. The only thing that was missing for a better result were larger deals, which is mainly due to the lack of adequate premises. Against this backdrop, it would be premature to draw conclusions about possible cutbacks due to the corona crisis. Since the majority of the contracts concluded are negotiated with a considerable preparation period, the effects of the social and economic lockdown that has been in effect since mid-March cannot yet be identified in terms of take-up. It can be assumed that this will only be the case from the second quarter onwards.

### ➤ LOGISTICS AND TRADING COMPANIES RESTRAINED

The relatively high number of contracts ensures that, despite the low take-up, a highly diversified spectrum of active sectors was observed on the market in the first quarter. So far, the most active sectors have been production companies, which contribute more than a third of the outcome and have thus been able to place themselves at the top of the ranking for the first time since 2012. While the construction industry accounts for a share of just under 20%, which is well above the long-term average, the trading companies (14%) and especially the logistics service providers (4%), which are traditionally strongly represented in Cologne, have so far been very restrained.

### ➤ TAKE-UP IN SMALL SEGMENTS AT NORMAL LEVEL

A glance at the distribution of take-up according to size categories once again makes it impressively clear that the weak result is primarily due to the lack of major contracts. So far not a single deal has been registered in the segments above 8,000 m², which is why the share of small-scale take-up is disproportionately high compared to the long-term average. If we compare the figures in absolute terms, it is obvious that the 22,000 m² currently registered represent relatively accurately the 10-year average of take-up in the size categories up to 8,000 m².

## Major contracts Q1 2020

Company	Location	Area(m²)
Manufacturing company	Cologne	7,800
AWB Köln	Cologne	5,000
Stamhuis Deutschland	Cologne	3,200

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## BELOW AVERAGE SHARE OF NEW CONSTRUCTION

At only 22%, the share of new buildings of the result is well below average for Cologne, which is actually a symptom of the lack of supply of suitable building land for urgently needed project developments. As a result of the competitive environment for the few available premises with modern quality, the top rent has therefore risen by just under 3 % to 5.40 €/m² within a year. The average rent (4.45 €/m²) also recorded an increase, but at 5 cents it was only very moderate.

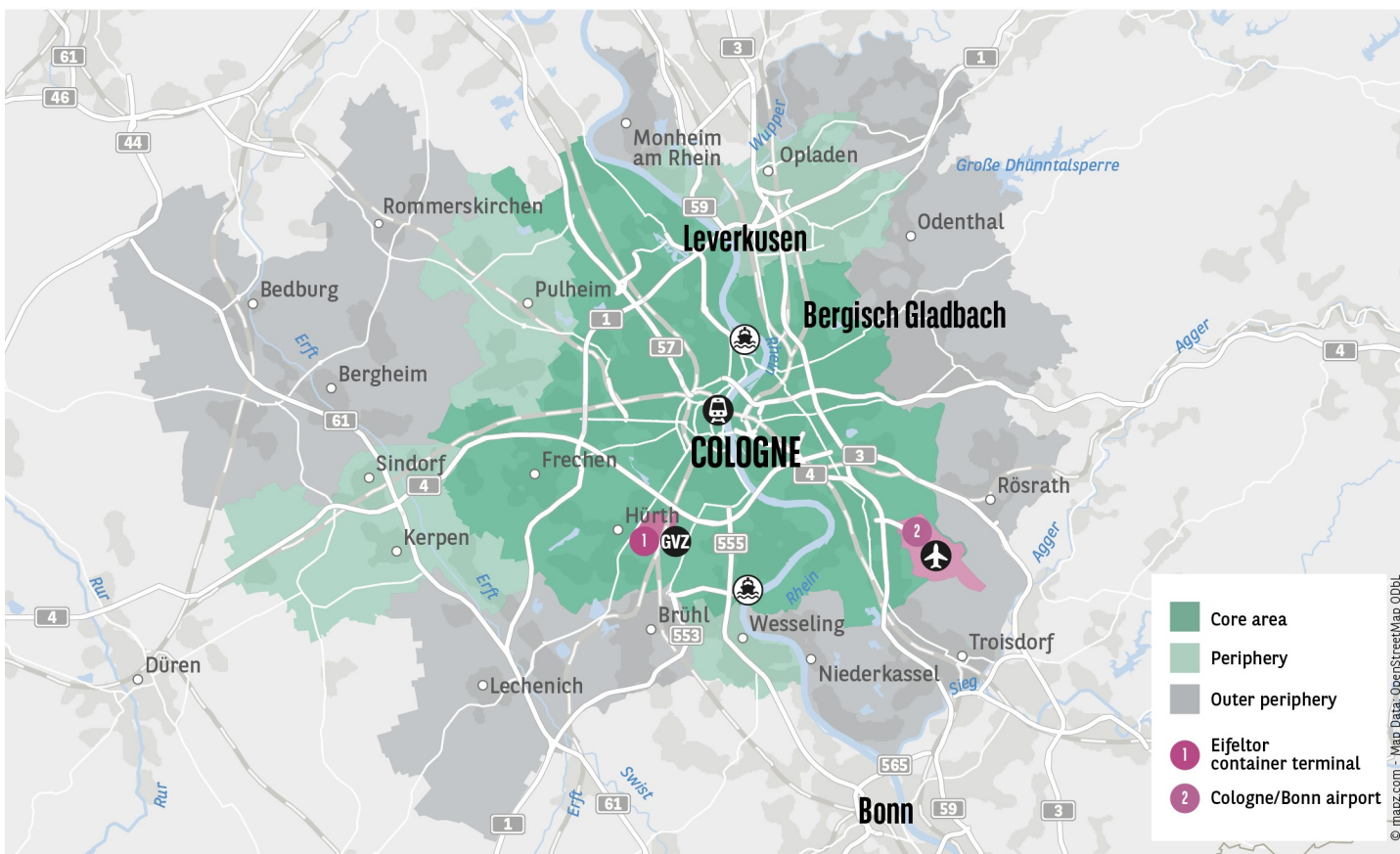
## OUTLOOK

The extent to which the corona crisis will ultimately affect the development of the logistics market cannot be reliably quantified at the moment. While on the one hand it is to be expected that lease requests as well as investments by production companies will be postponed in some cases, many logistics and trading companies are currently adapting in record time to the changing conditions caused by the crisis and are looking for opportunities to restructure their supply chains at short notice. Therefore, it cannot be ruled out that some companies are willing to pay higher prices for contracts with short periods. However, this is unlikely to be a sustained trend, so it is more likely that rents will remain generally stable.

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## Key figures logistics market Cologne

	Q1 2019	Q1 2020	Trend remaining year
Prime rent	5.25 €/m²	5.40 €/m²	➔
Average rent	4.40 €/m²	4.45 €/m²	➔
Take-up	22,000 m²	22,000 m²	➔
- Share of owner-occupiers	0.0 %	22.8 %	➔
- Share of new buildings	45.9 %	21.9 %	➔



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