

At a Glance Q1 2021

LOGISTICS MARKET COLOGNE

Light industrial and logistics take-up

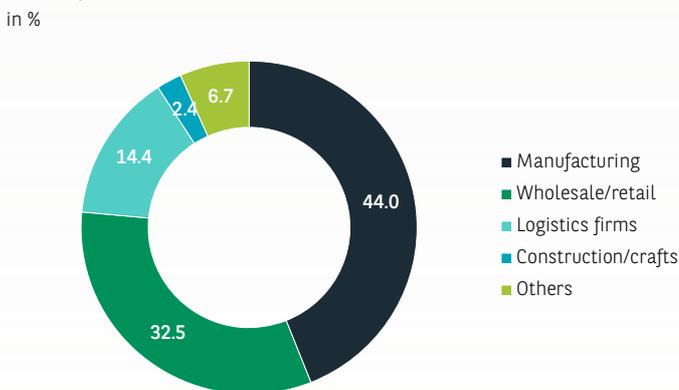


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➤ VERY STRONG START TO THE YEAR

With a take-up of 119,000 m², the Cologne market for storage and logistics space has had a brilliant start to the new year. It is by far the strongest first quarter in the history of the cathedral city. The ten-year average was exceeded by 143 % and the weak previous year's result of 22,000 m² was thus long exceeded. In the German ranking, Cologne was able to place itself behind Berlin (150,000 m²), Hamburg (129,000 m²) and Leipzig (128,000 m²), but still ahead of Frankfurt (116,000 m²). Two major deals in particular contributed to this very good result. WEG, a global manufacturer of electric motors, signed a lease for 40,000 m² in a property under construction in Kerpen, thus on the periphery of the market area. The wholesale company Lekkerland has also opted for Kerpen and, as an owner-occupier, has taken up approx. 27,000 m² as owner-occupier. This space is also currently under construction.

Take-up by sector

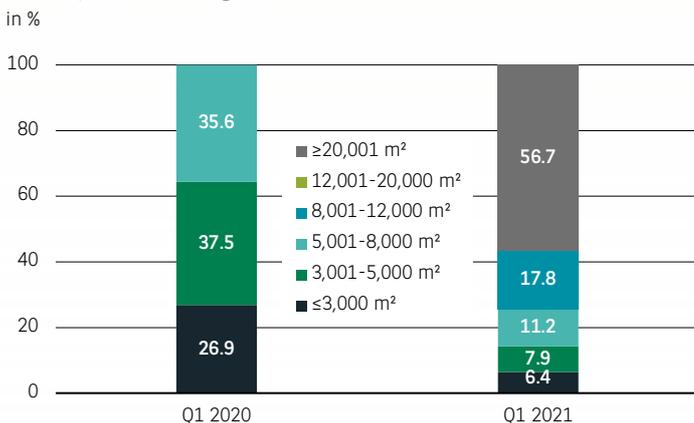


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➤ WHOLESALE/RETAIL COMPANIES REMAIN STRONG IN LEASING

The large lease from WEG (40,000 m²) and the contract from the Edelmann Group for just under 12,000 m² are responsible for the high market share of 44 % in the manufacturing sector. The wholesale/retail companies also remain on course. Having already had an above-average presence in 2020, it is now the deal by Lekkerland (27,000 m²) and two contracts in the mid-sized segment that have increased the share of this industry to around one third. Among the logistics firms, the 9,600 m² contract signed by Krüger Lagerlogistik in Kerpen is particularly noteworthy. In addition, two logistics firms were able to secure medium-sized space in the core area of the Cologne market, which is in high demand.

Take-up by size category



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➤ LARGE DEALS MAKE ALL THE DIFFERENCE

Transaction activity in 2021 is based on a completely different foundation than in the same quarter of the previous year. It is primarily the large deals beyond the 20,000 m² mark that make all the difference. They were missing completely in the first quarter of 2020, but now two deals in this size category have already been successfully closed. They generated more than half of the quarterly take-up. In contrast, no contracts have yet been registered in the 12,001 to 20,000 m² size category. With a market share of almost 18 %, deals between 8,001 and 12,000 m² made an above-average contribution to the result. The leasing activity in the segment up to 5,000 m² was also lively with a take-up of 30,000 m² (Q1 2020: around 22,000 m²).

Major contracts

Company	Location	Area(m ²)
WEG	Kerpen	40,000
Lekkerland	Kerpen	27,000
Edelmann Group	Burscheid	11,500
Krüger Lagerlogistik	Kerpen	9,600

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RENT LEVEL CONTINUES TO RISE

The supply of vacant space available at short notice remains scarce in the Cologne market area; this is especially true for the city area, which is in high demand. New construction space is being absorbed by the market accordingly quickly. Against this background, both prime and average rents have continued their upward trend. At the same time, the growth in rents has recently accelerated once again. The top rent, for example, has risen noticeably by 7.4 % over the past twelve months to 5.80 €/m². At the end of 2020, it was still 5.60 €/m². The average rent has risen in the past three months from 4.55 €/m² to 4.80 €/m² and is thus almost 8 % above the previous year's level.

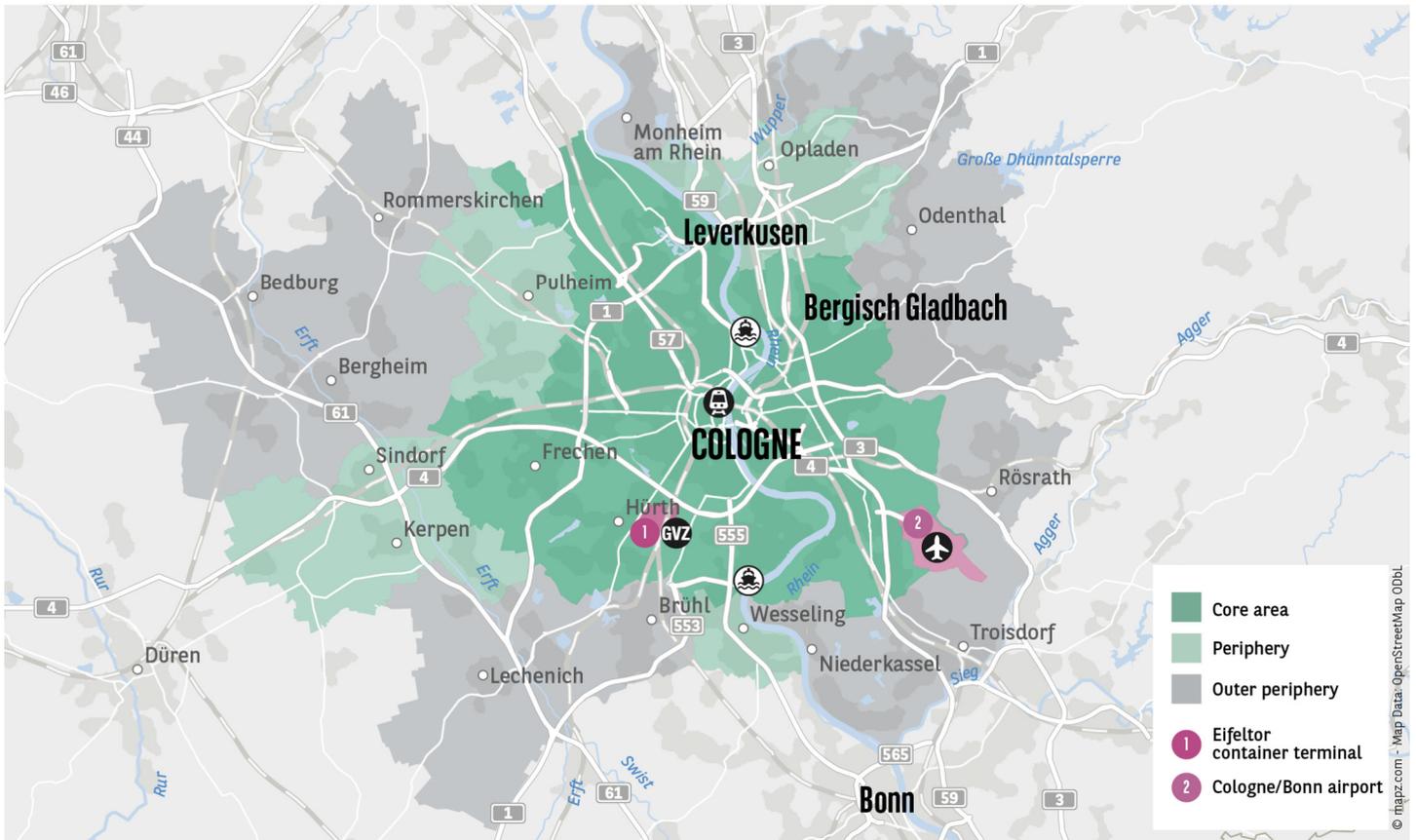
Key figures logistics market

	Q1 2020	Q1 2021	Trend remaining year
Prime rent	5.40 €/m ²	5.80 €/m ²	➔
Average rent	4.45 €/m ²	4.80 €/m ²	➔
Take-up	22,000 m ²	119,000 m ²	➔
- Share of owner-occupiers	22.8 %	22.8 %	➔
- Share of new buildings	21.9 %	72.0 %	➔

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OUTLOOK

Demand is expected to remain high for the rest of the year. The uncertainty in the market caused by the start of the Corona pandemic in 2020 is now clearly fading. Expansion plans and plans to start a new business are now back on the agenda of decision-makers. The catch-up effects will be felt positively in the market in the coming months. The surplus demand is likely to remain the defining market element. For the moment, a sideways movement is on the horizon for the development of rents, although further moderate rent increases are not unlikely.



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Further Information BNP Paribas Real Estate GmbH | Branch office Cologne | Phone +49 (0)211-93 46 33-0 | www.realestate.bnpparibas.de