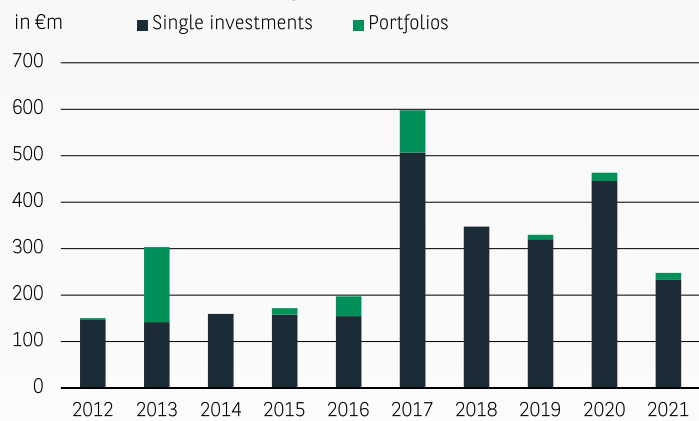




At a Glance **Q1 2021**

INVESTMENT MARKET COLOGNE

Investment volume in Cologne Q1

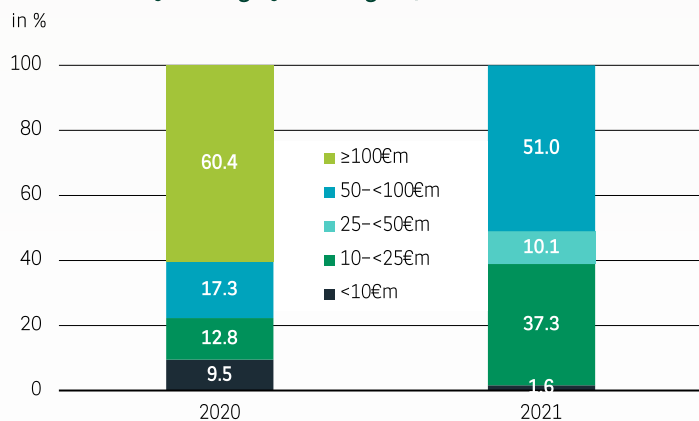


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➤ **MIXED START TO THE YEAR**

The Cologne investment market continues to be dominated by the Corona pandemic in the first quarter of 2021, with the result that the start to the year was still somewhat subdued. With an investment volume of €248 million, the strong result from Q1 2020 was significantly missed by 47% and the long-term average by around 17%. At first glance, however, the losses appear much more serious than they actually are, as the strong results of the past three years in particular were always based on major transactions above the €100 million mark. However, these were completely missing in the year to date. Leaving the large deals out of the equation, it is obvious that the market continues to be dynamic and that the other size categories as a whole have even posted above-average results. At €28 million, the average transaction volume per deal also remains at a high level for Cologne in a long-term comparison.

Investments by € category in Cologne Q1

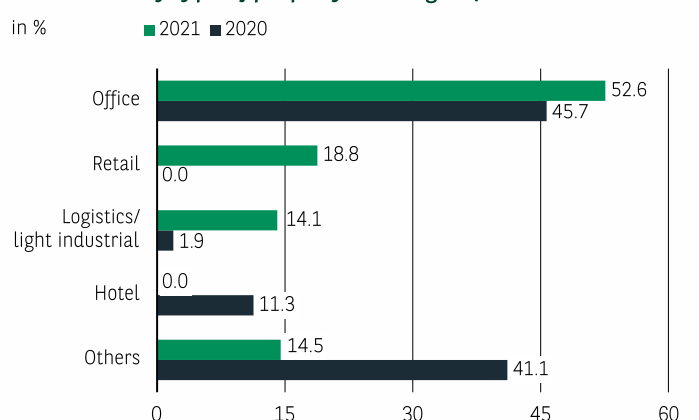


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➤ **NO MAJOR DEALS SO FAR**

The distribution of investments by size class is currently clearly characterized by the lack of large deals above €100 million. As a result, most of the other size categories achieved a disproportionately high share of turnover in a long-term comparison. The lion's share of 51% is accounted for by deals in the €50 to 100 million segment. However, the €126 million registered here is also impressive in comparison with the absolute figures and corresponds to the second highest value in the last five years. The same applies to deals in the €10 to €50 million range, which is also strong at €118 million. By contrast, the market has so far been somewhat subdued in the small-scale segment, which has accounted for only one deal to date, making it the weakest start to the year in the long-term analysis.

Investments by type of property in Cologne Q1

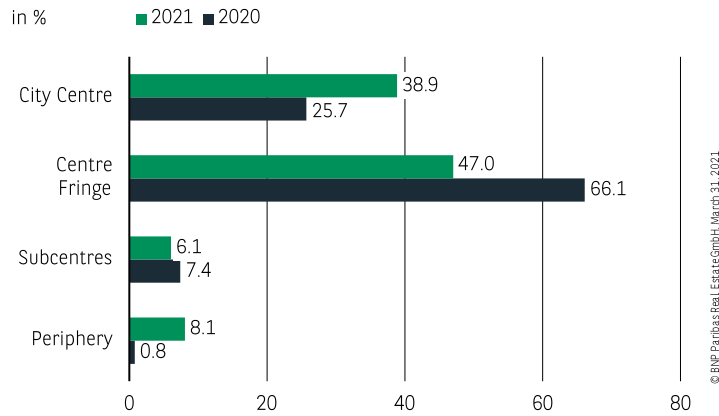


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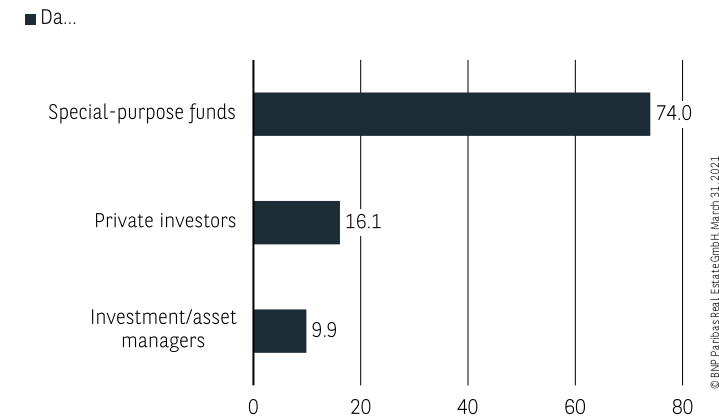
➤ **INVESTORS TRUST IN COLOGNE AS AN OFFICE LOCATION**

Investors continue to place their trust in Cologne as an office location in the first quarter of 2021, with the result that office properties once again dominate the market with a 53% share of investment. After retail properties played virtually no role in investment activity last year, there are currently signs of a clear revival. At 19%, they can even secure second place in the ranking, ahead of the secret winners of the Corona pandemic, logistics properties (approx. 14%). While the collective category "other" still accounts for almost 15%, no transaction has yet been registered in the hotel segment.

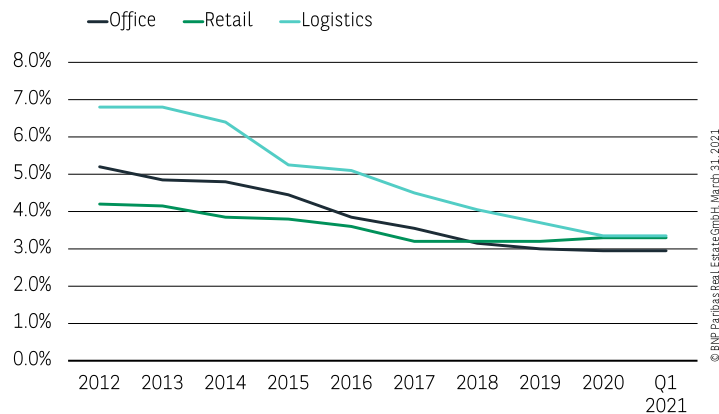
Investments by location in Cologne Q1



Investments by buyer group in Cologne Q1 2021



Net prime yields by type of property in Cologne



CITY REGAINS MARKET SHARES

After a historically low result was registered in the distribution of transaction volume by location category for city locations at the end of 2020, a rise in transaction activity can be recorded again in the first quarter of 2021 with investments amounting to € 96 million (39 % pro rata). Nevertheless, the product shortage that has prevailed here for years continues to be noticeable. It is therefore not surprising that the top position, with a 47% share of turnover, is once again held by the Centre Fringe. While the Subcentres (a good 6%) are slightly down on the previous year, the periphery is showing significant growth, not least due to the increasing interest in logistics properties.

CLEAR INVESTOR LANDSCAPE

The investor landscape displays limited variety to date. Just three different buyer groups have signed deals in the market so far, which is a novelty for the cathedral city. At more than €180 million, special-purpose funds in particular have been eager to buy, which is also a new record for them at the start of the year. Private investors follow in a rather unusual second place with a good 16%, which is partly due to the sale of a large special property in Ehrenfeld. The podium is rounded off by investment/asset managers, who come in at just under 10%.

YIELDS MOVING SIDEWAYS

Yields have largely moved sideways since the beginning of the year. The net prime yield for office properties, for example, remains at 2.95%, while the noticeable price increases for logistics properties in recent years have come to a standstill for the time being and are therefore still at 3.35%. While the top yield of high-street properties rose slightly to 3.30% at the end of 2020 for the first time since 2008, it has remained at this level since.

OUTLOOK

Although the investment market in Cologne showed a generally mixed performance at the start of the year, the discernible momentum in particular testifies to the confidence that many investors continue to have in the investment location. Against the backdrop of the ongoing vaccination campaign, which should also lead to a significant economic revival in the medium term and trigger certain catch-up effects, an increase in transaction activity is also expected for the further course of the year. Whether the yield compression of recent years will continue remains to be seen for the time being.

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