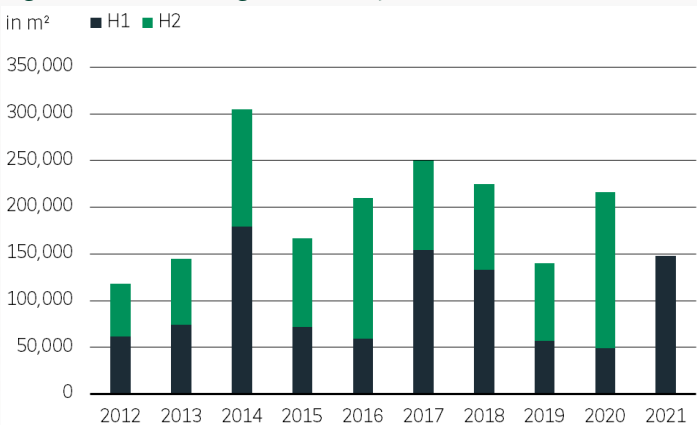




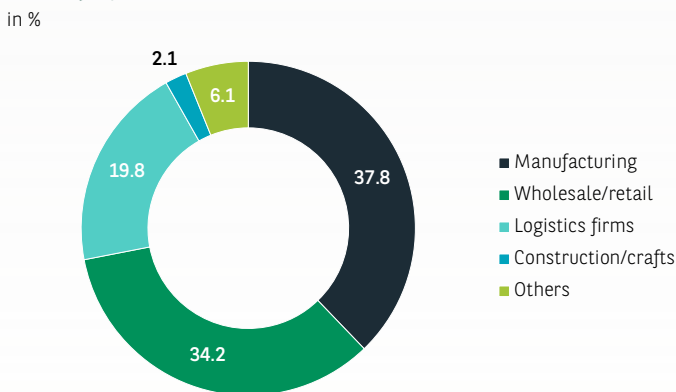
At a Glance **Q2 2021**

LOGISTICS MARKET COLOGNE

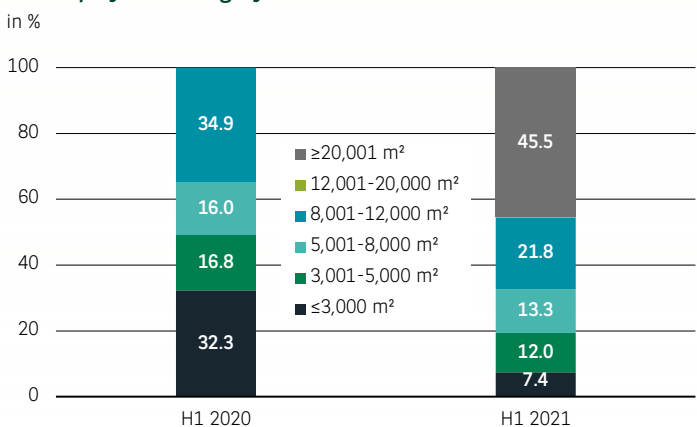
Light industrial and logistics take-up



Take-up by sector



Take-up by size category



VERY GOOD HALF-YEAR RESULT

The Cologne market for storage and logistics space had a very good first half of 2021. With take-up (including owner-occupiers) of around 148,000 m², the result is 49.5 % above the ten-year average, and the previous year's result was almost tripled. After a brilliant start to the year with take-up of 119,000 m² in the first quarter, which was driven by two major contracts among other things, demand in summer 2021 was stable at a high level. However, the lack of available space once again prevented a higher take-up volume. For the second quarter, therefore, only a moderate result of 29,000 m² can be reported. In contrast to the beginning of the year, there was a lack of deals in the segment above 20,000 m² in the spring months.

MANUFACTURING AND WHOLESALE/RETAIL LEADING

Companies from the sectors manufacturing and wholesale/retail presented themselves as particularly strong in terms of take-up in the first half-year. With around 56,000 m² of take-up, manufacturing companies have not only already reached their full-year result from the previous year, but also exceeded the ten-year average by 112 %. The wholesale/retail sector are also performing at this level, with take-up of around 51,000 m² or respectively 93 % above the long-term average. Logistics firms continue to be on track, with a volume of just under 30,000 m², significantly stronger than in 2020 and 2019. It is these three sectors that have been the main drivers of take-up in the second quarter.

THE MUSIC PLAYS IN THE SMALL SEGMENT

The distribution of deals by size category has changed significantly compared with the previous year. Whereas in the first half of 2020 there was a complete absence of contracts for more than 20,000 m², the deals concluded by WEG and Lekkerland accounted for a 45.5 % share of take-up this year. Although the market share of contracts between 8,001 and 12,000 m² has fallen noticeably in comparison to just under 22 %, in absolute terms this space segment is much stronger than in the previous year (H1 2020: around 17,000 m²) with around 32,000 m². There has been significantly less movement in space under 5,000 m² (a good 19 % market share overall). As in the previous year, deals in the segment between 12,001 and 20,000 m² are still completely absent this early summer.

Major contracts

Quarter	Company	Location	Area (m ²)
Q1	WEG	Kerpen	40.000
Q1	Lekkerland	Kerpen	27.000
Q1	Edelmann Group	Burscheid	11.500
Q1/Q2	Megabad Gottfried Stiller	Kerpen	11.000
Q1	Krüger Lagerlogistik	Kerpen	9.600

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Key figures logistics market

	H1 2020	H1 2021	Trend remaining year
Prime rent	5.60 €/m ²	5.80 €/m ²	➔
Average rent	4.55 €/m ²	4.80 €/m ²	➔
Take-up	49,000 m ²	148,000 m ²	➔
- Share of owner-occupiers	17.5 %	22.3 %	➔
- Share of new buildings	35.3 %	66.7 %	➔

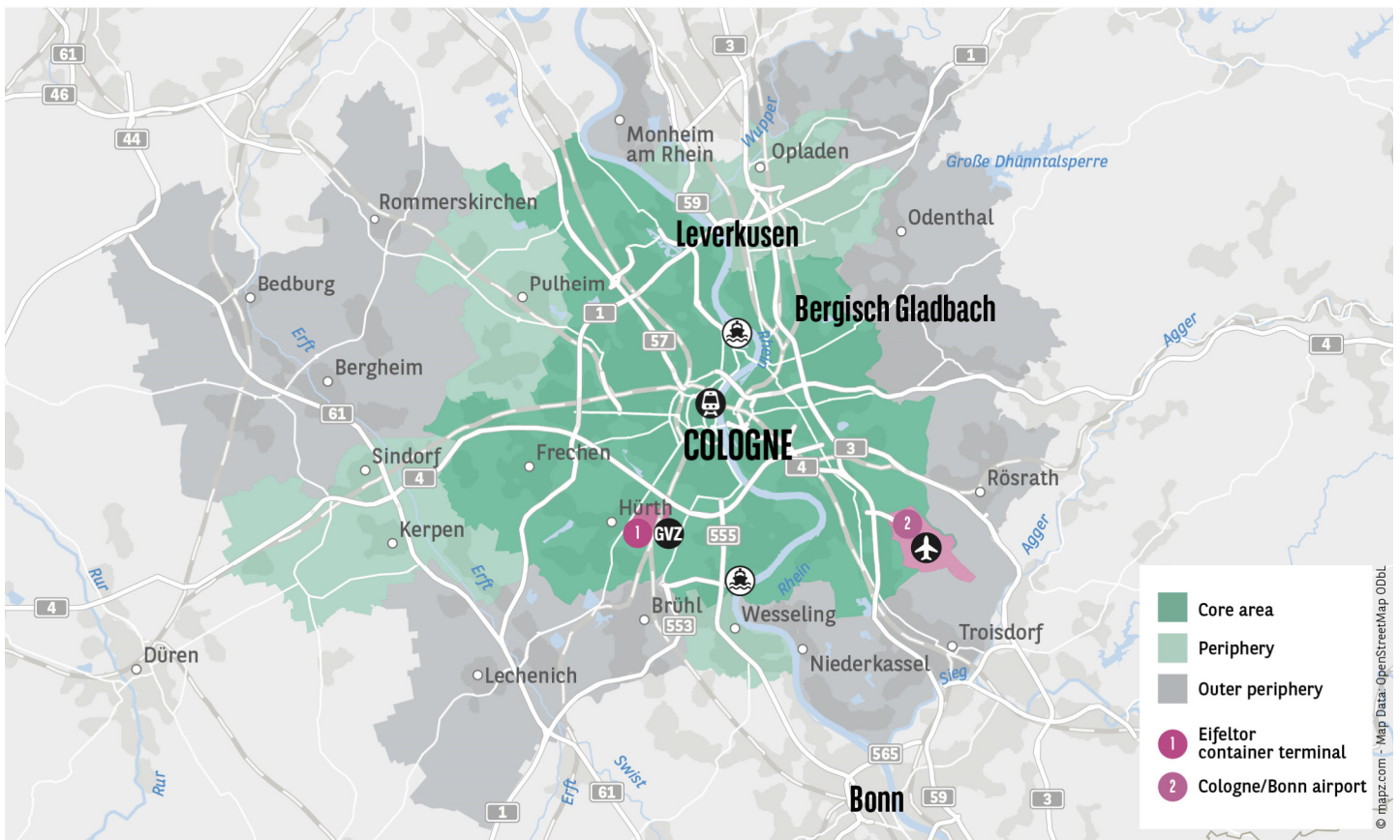
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➔ LACK OF SUPPLY REMAINS MARKET-DOMINANT

The Cologne market for logistics space is and remains characterized by a shortage of supply. The volume of available space, both in existing and new buildings, is insufficient to meet the brisk demand. The lack of space is particularly pronounced in central city locations and in the core area. It is therefore hardly surprising that the large scale deals in particular, with more than 8,000 m² of space, were all carried out in the periphery or outer periphery of the market area. In addition, the four largest contracts were realized in projects or were first occupancies in new buildings. Against this backdrop, the prime rent rose by just under 4 % over the course of the year to 5.80 €/m²/month. At 5.5 %, growth was stronger for the average rent, which now stands at 4.80 €/m².

➔ OUTLOOK

Demand for logistics space is likely to remain dynamic in the second half of the year. Clear signals are currently being sent out by the e-commerce sector and logistics firms in particular. There are no signs of relief on the supply side, as no increase in vacant space has been registered. The volume of construction completions is also likely to remain very moderate. Further growth, particularly in average rents, is very likely.



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