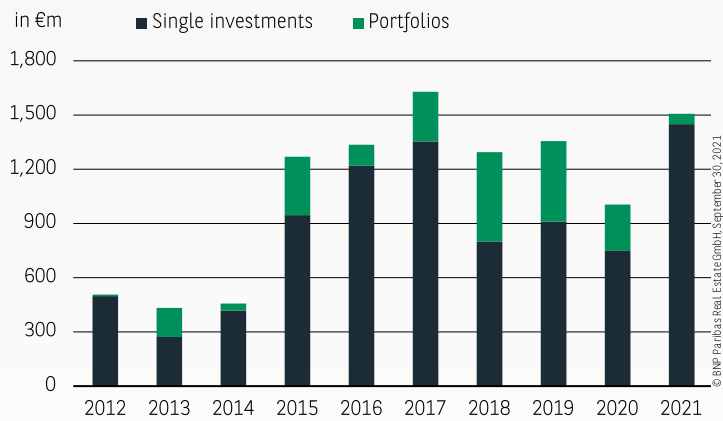




At a Glance **Q3 2021**

INVESTMENT MARKET COLOGNE

Investment volume in Cologne Q1-3

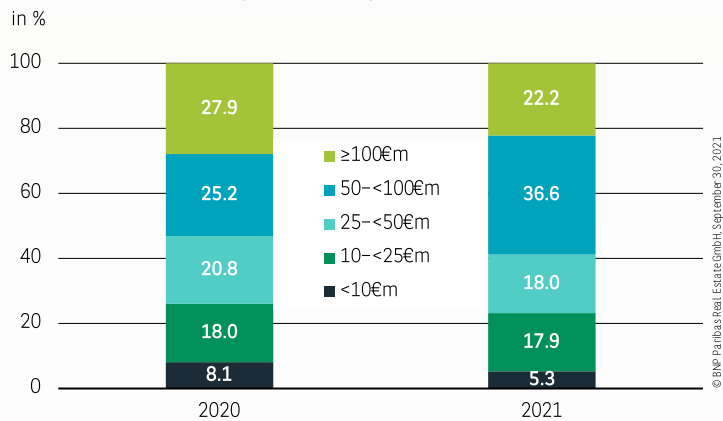


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➤ **ABOVE THE €1.5 BILLION MARK FOR THE SECOND TIME**

After the first three quarters, the Cologne investment market is in excellent shape and, at a good €1.5 billion, the investment volume only narrowly missed the record set in 2017 (€1.6 billion). Accordingly, the result is well above the previous year's result (+50%), which was clearly outperformed, just like the long-term average (+40%). Looking only at single deals, the Rhine metropolis even achieved a new record with over €1.4 billion and a share of 96% of the total volume. Another factor in favour of the market is that the excellent result is due to both a large number of transactions (over 50 deals) and a high average volume per sale of around €30 million. Thus, the cathedral city even managed to leave the state capital Düsseldorf (€1.4 billion) behind in the first three quarters. The largest investments include the mixed-use ensemble Friesenquartier in Cologne's city centre, which changed hands in the second quarter and covers around 25,000 m².

Investments by € category in Cologne Q1-3

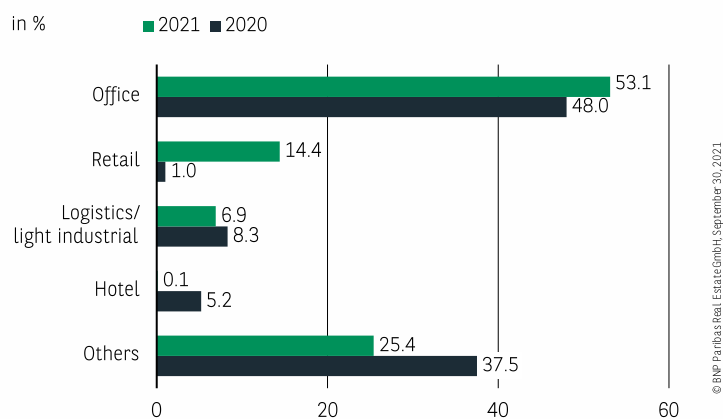


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➤ **ALL SEGMENTS PARTICIPATE IN HIGH TURNOVER**

A look at the distribution of the investment volume by size category also provides pleasing results. With the exception of the smallest category of less than €10 million (a good 5%), all classes recorded increases in turnover compared to the previous year with predominantly above-average volumes. The segment of investments between €50 and 100 million (proportionately almost 37%), which benefited from several office and highstreet properties in the city and in the centre fringe and thus more than doubled its volume (+118%), stood out in particular. However, there was also extensive investment in the three-digit million range, where a total of around €335 million represents a volume share of a good 22%. Not to be forgotten are also investments between €25 and 50 million and €10 to 15 million - both account for around 18% of the result.

Investments by type of property in Cologne Q1-3

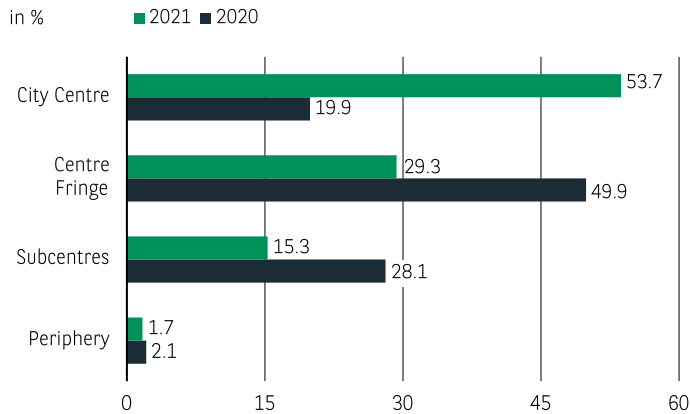


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➤ **OFFICE PROPERTY STILL THE LEADING PROPERTY TYPE**

More than half of the transaction volume (53%) was achieved in the office segment, whose volume exceeds the long-term average by a proud 43%. Office investments benefit from the high dynamics on the rental market, which achieved a remarkable balance in the first three quarters (231,000 m²). The contribution of the "Others" category (25%), which includes several development sites, is also strikingly high. Retail (14%) and logistics properties (8%) follow, while no large hotel investments have been registered so far.

Investments by location in Cologne Q1-3

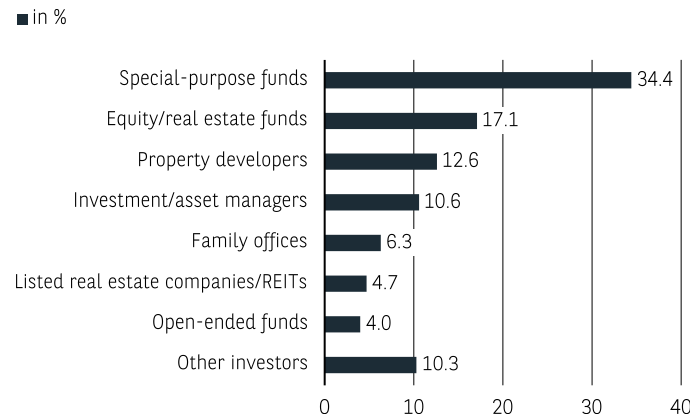


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CITY CENTRE CONTRIBUTES OVER HALF OF TURNOVER

After the turnover shares of the City Centre locations had tended to decline in recent years, they have clearly taken the lead again in the current year and contribute almost 54% to the overall result. In addition to the Friesenquartier, several centrally located office and highstreet properties in the segment above €50 million are partly responsible for this. The Centre Fringe, on the other hand, is unable to match its volume and share of turnover from the previous year, but still generates an above-average result of €442 million (29%). The Subcentres, which together generated a good 15%, are responsible for the bulk of the logistics transaction volume achieved in the first three quarters. The Periphery, which accounts for just under 2%, has no significant influence on turnover.

Investments by buyer group in Cologne Q1-3 2021

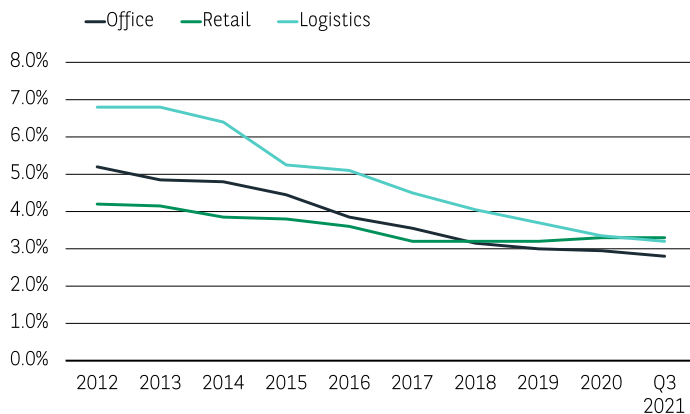


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SPECIAL-PURPOSE FUNDS AGAIN IN POLE POSITION

In the third quarter, the Cologne investment market is firmly in the hands of special-purpose funds, which have a market share of a good 34%. In addition to the Friesenquartier, as a decisive turnover driver, the buyer group was active in various locations and asset classes. The same applies to equity/real estate funds, which are represented with around 17% of the total volume. Property developers join them in third place (just under 13%), reflecting Cologne's high attractiveness with regard to the development of new neighbourhoods and the implementation of new developments in various market segments. Investment/asset managers (11%) are also above the 10% mark, while all other investors such as family offices (6%), listed real estate companies/REITs (5%) and open-ended funds (4%) contribute single-digit shares.

Net prime yields by type of property in Cologne



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MARKET DYNAMICS ARE REFLECTED IN RETURNS

The strong demand from investors becomes apparent in the price level and has caused the prime net initial yields for office properties to decrease again by 10 basis points in the third quarter of 2021 to now 2.80%. The prime yield in the booming logistics segment has also fallen further, by 15 basis points to its current level of 3.20%. The value for highstreet properties in premium locations remains at 3.30%.

OUTLOOK

After the first nine months the Cologne investment market can look back on an excellent result and is in the starting blocks for the year-end rally. The interplay of a high number of transactions, the broad distribution across the size classes and a strong office segment is to be emphasised as a decisive driver for the overall very lively market activity. Under these conditions, both a full-year balance beyond the €2 billion mark and a further moderate decline in yields cannot be ruled out.

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