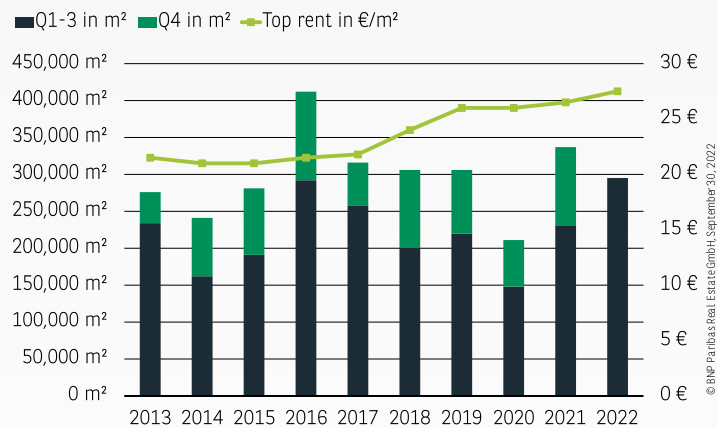




At a Glance **Q3 2022**

OFFICE MARKET COLOGNE

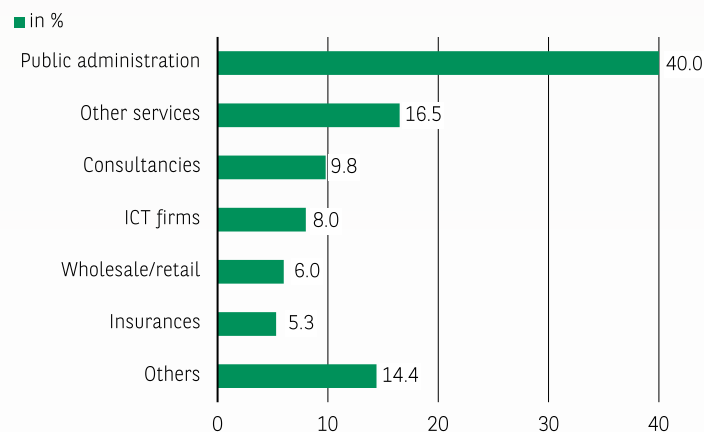
Development of take-up and top rents



RECORD RESULT FROM 2016 SURPASSED

With take-up of 295,000 m² (incl. around 17,000 m² owner-occupiers) in the first three quarters, the Cologne office market achieved a new record result, which is a good 28% above the previous year's volume and even exceeds the long-term average by 32%. Thereby it is the best result ever achieved on the Cologne market in the first nine months of a year and outperforms the record of 2016 (Q1-Q3; 292,000 m²). The second quarter of 2022 is and remains remarkable, being responsible for 164,000 m² of take-up. Q3 contributed just under 63,000 m² to the result to date. The overall increase in leasing activity compared to the previous year is particularly noticeable in the medium and large size segments. Especially notable is the rise of nearly 70% yoy in major lettings with more than 10,000 m² of lettable space, as well as lettings between 2,000 m² and 5,000 m², which contributed a good 20% (59,000 m²) of take-up in the first nine months of 2022, thus achieving the best result of the past ten years.

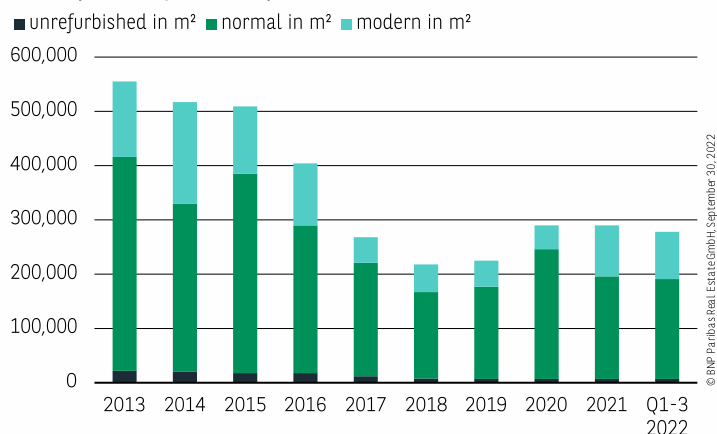
Take-up by sector Q1-3 2022



PUBLIC ADMINISTRATION REMAINS AT THE TOP

Public administration remains at the top of the sector distribution with around 118,000 m² and a good 40 % of take-up. The outstanding result is also the best of the past ten years. This is mainly due to the two large deals concluded by BIMA with a total of just under 45,000 m² and the building management of the city of Cologne with around 40,000 m². Other services ranks second with around 17%, including the major deal by the Cologne Business School with just under 16,000 m². In addition, take-up was also lively from Consultancies (around 10%) and ICT firms (8%) both recording higher letting volumes in comparison to the previous year. Furthermore, Wholesale/retail registered a good 6% of market volume, not least due to the largest deal signed in the Cologne market in the third quarter (6,100 m²).

Development of vacant space



VACANCY WITH DECREASING TREND

The vacancy volume decreased by around 14% in the past twelve months and is currently at 278,000 m². Only 31% (87,000 m²) of vacant space offer a modern fit-out. Office vacancy in the modern fit-out segment amounts to 16,000 m² and 26,000 m² in each of the analysed submarkets and is thus distributed fairly homogeneous across the Cologne office market. The vacancy rate also declined and is currently below the fluctuation reserve at 3.4%. Cologne thus has the second lowest vacancy rate in a national comparison, and ranks directly behind Berlin (3.1%).

Major contracts

Sub-market	Company	m²
3.1	BIMA / Bundesverwaltungsamt	44,800
1.1	Gebäudewirtschaft der Stadt Köln	38,800
3.4	CBS Cologne Business School	16,000
2.4	Gebäudewirtschaft der Stadt Köln/ Schulverwaltung	8,200
2.3	Wholesale/retail	6,100
1.2	Capgemini Germany	5,500

© BNP Paribas Real Estate GmbH, September 30, 2022

Trends in important market indicators

	Q1-3 2021	Q1-3 2022	Trend remaining year
Take-up	231,000 m²	295,000 m²	↗
Vacant space	324,000 m²	278,000 m²	↘
Space under construction (total)	172,000 m²	222,000 m²	→
Space under construction (available)	73,000 m²	128,000 m²	↘
Top rent	26.50 €/m²	27.50 €/m²	↗

© BNP Paribas Real Estate GmbH, September 30, 2022

➤ SLIGHT INCREASE IN CONSTRUCTION ACTIVITY

The space under construction increased by a good 31% over the course of the year and totalled 222,000 m² at the end of the third quarter. The construction volume is thus a good 20% above the long-term average of 185,000 m², which speaks for the confidence of property developers and investors in the Cologne office market. The continued high pre-letting rate of 42% confirms their assessment of the market. Construction activity continues to focus on the highly sought after Centre Fringe locations with a total of almost 102,000 m² construction volume, of which around 62,000 m² omitted to the submarket Ehrenfeld/Braunsfeld. At this point almost 42,000 m² of space is still available on the rental market in Ehrenfeld/Braunsfeld.

➤ CONSTANTLY RISING RENTS

Cologne's prime rent currently quotes at 27.50 €/m², which corresponds to an increase of 4% on the previous year as well as 2% on the previous quarter. The prime rent continues to be achieved in the City Centre. The average rent has also further increased. It now stands at 16.50 €/m², a good 2 % above the previous year's level. This reflects the strong demand for modern space combined with an overall low office vacancy.

➤ OUTLOOK

The Cologne office market has been strong over the course of the year. Despite all the challenges and macroeconomic uncertainties, the Cologne market is heading for a clearly above-average full-year result in 2022. The decline in vacancy is very likely to continue, although at a slightly reduced pace. Despite the ongoing shortage of modern space available at short-term, rental levels are likely to remain stable to rising overall. Especially for prime rents a further increase cannot be ruled out.

Key indicators Q1-3 2022

Submarkets**	Top rent* (€/m²)		Take-up (m²)	Vacant space (m²)			Space under construction (m²)		Space on offer (m²)	
	from	to	Q1-3 2022	total	modern	of this, since completion	total	available	available	projected
	1		2	3	4	5	6	7	8 = (3 + 7)	9
1 City Centre										
1.1 City Centre	27.50		77,600	48,000	23,400	0	34,700	19,900	67,900	27,600
1.2 Deutz	23.50		10,600	31,400	21,600	0	16,900	6,300	37,700	20,000
2 Centre Fringe	15.50 - 20.50		79,900	83,100	16,100	0	102,100	63,600	146,700	151,800
3 Subcentres	12.00 - 16.50		126,900	115,500	25,900	0	68,300	38,200	153,700	157,600
Total			295,000	278,000	87,000	0	222,000	128,000	406,000	357,000

* The top rent given applies to a market segment of 35 % in each case.

** The relevant office market zone can be found on our website under "Research".

All rights reserved. At a Glance is protected in its entirety by copyright. No part of this publication may be reproduced, translated, transmitted, or stored in a retrieval system in any form or by any means, without the prior permission in writing of BNP Paribas Real Estate GmbH.

The statements, notifications and forecasts provided here correspond to our estimations at the time when this report was prepared and can change without notice. The data come from various sources which we consider reliable but whose validity, correctness or exactness we cannot guarantee. Explicitly, this report does not represent a recommendation of any kind, nor should it be regarded as forming a basis for making any decisions regarding investment or letting or renting property or premises. BNP Paribas Real Estate can accept no liability whatsoever for any information contained or statements made herein.

Imprint Publisher and copyright: BNP Paribas Real Estate GmbH | Prepared by: BNP Paribas Real Estate Consult GmbH | Status: September 30, 2022

Further Information BNP Paribas Real Estate GmbH | Branch office Cologne | Phone +49 (0)221-93 46 33-0 | www.realestate.bnpparibas.de