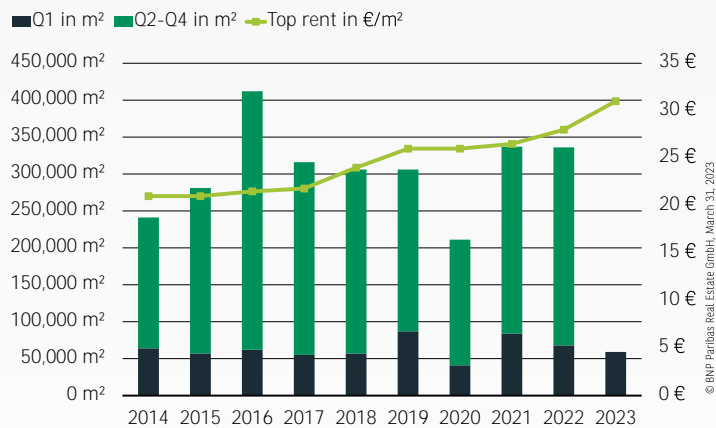




At a Glance **Q1 2023**

OFFICE MARKET COLOGNE

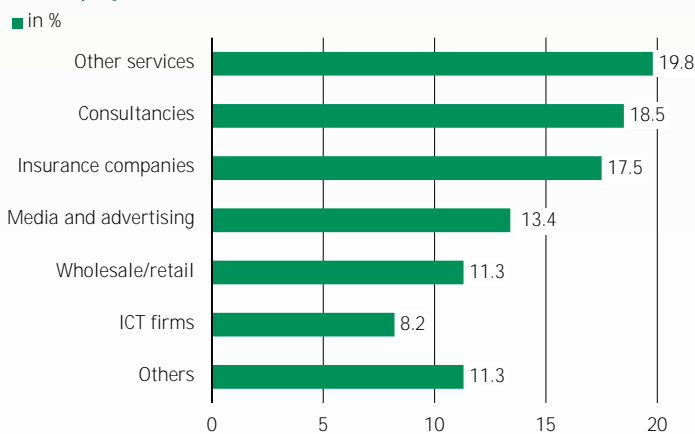
Development of take-up and top rents



SOLID FIRST QUARTER

The Cologne office market achieved a take-up of 59,000 m² in the first quarter of 2023. Despite the challenging market situation, the cathedral city is only a good 6% below the ten-year average and 13% below the good previous year's result. In fact, despite the somewhat lower take-up, considerably more contracts (+40%) were included which shows that the demand situation on the Cologne office market remains good. However, so far no contract for more than 10,000 m² has been concluded. On the other hand, the lively market activity is particularly noticeable in the rather small-size segment up to 1,000 m², in which 58% of the take-up was generated, so noticeably more than in the comparable period of the previous year. A further 28% of the result is accounted for by the size segment between 5,000 and 10,000 m², for which in particular the largest lettings in the market so far are responsible: KZVK with over 9,000 m² and the Boston Consulting Group with over 7,000 m² of rental space in the sought-after city centre locations. Accordingly, the City was the office market zone with the highest volume in the first quarter with around 27,000 m².

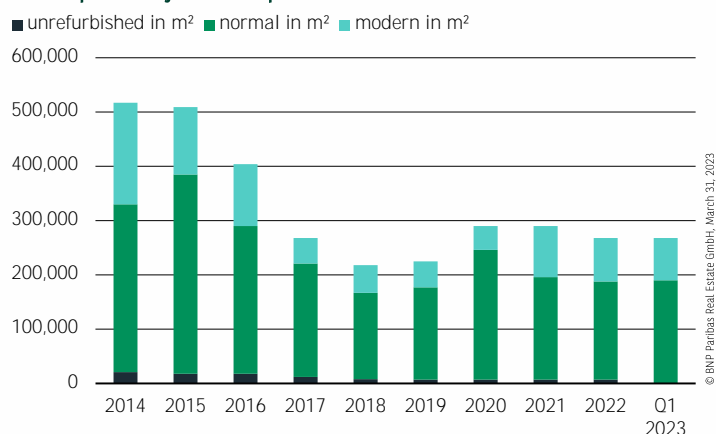
Take-up by sector Q1 2023



BALANCED SECTOR DISTRIBUTION IN THE FIRST QUARTER

The sector distribution is essentially more balanced than in the previous year, when other services alone accounted for about 31% of take-up. This quarter, too, other services lead the ranking with about 20% - but only slightly ahead of consultancies(18.5%) and insurance companies (17.5%). In addition, the media and advertising sectors with a good 13% and wholesale/retail with more than 11% as well achieve market shares in the double-digit percentage range. The quintet is thus responsible for a good 80% of take-up. Furthermore, only ICT firms contribute more than 5% to the result.

Development of vacant space



VACANCY CONTINUES TO FALL OVER THE YEAR

The volume of vacant space marks 268,000 m², indicating a decrease of 8.5% compared to the first quarter of 2022 but unchanged since the end of last year. Although the vacancy volume in the most sought-after segment of modern fitout space has fallen by around 23.5% year-on-year, it has remained constant at around 80,000 m² in the last three months. In the central locations, there is still a lack of large-scale office spaces with modern fittings. The vacancy rate in the Cologne market area is now at 3.3%. In a nationwide comparison, only Berlin registers a slightly lower rate.

Major contracts

Sub-market	Company	m²
1.1	KZVK	9,200
1.1	The Boston Consulting Group	7,400
3.5	Buddy Bash	3,000
3.1	Alexianer Werkstätten	1,800
2.2	Dyn Media	1,100
2.4	D-Facto Motion	1,000

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Trends in important market indicators

	Q1 2022	Q1 2023	Trend remaining year
Take-up	68,000 m²	59,000 m²	➔
Vacant space	293,000 m²	268,000 m²	➔
Space under construction (total)	238,000 m²	230,000 m²	➔
Space under construction (available)	117,000 m²	76,000 m²	➔
Top rent	27.00 €/m²	31.00 €/m²	➔

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➤ CONSTRUCTION ACTIVITY SLIGHTLY DECREASED

Due to the continuing tense economic situation, it is hardly surprising that construction activity has also fallen slightly on the Cologne market. There is currently around 230,000 m² of space under construction, which corresponds to a decline of around 3% over the course of the year. About 76,000 m² of this space is still available on the rental market. At the same time the pre-letting rate stands at an above-average share of 67% compared to the rest of German office markets. At around 105,000 m², the majority of construction activity is in the office market zones of the City Centre submarket, where a notable volume of around 43,000 m² is still available for rental market, although most of this space will not be completed before 2024.

➤ RENTS HAVE RISEN SIGNIFICANTLY

Compared to the previous year, the prime rent has risen by a good 15% to 31 €/m² and is thus above the 30€ mark for the first time. This is mainly due to the signing of some already expected lettings in the high-priced rental segment in the city centre. The average rent has also increased significantly compared to the previous year and is currently quoted at a high 18.90 €/m².

➤ OUTLOOK

Despite the ongoing economic challenges, the Cologne office market achieved a solid result in the first quarter of 2023. The Cologne market is currently in good shape, so that an increase in letting activity is quite likely in the further course of the year. Due to the current shortage of supply, particularly of modern space available at short notice, and the fact that much of the space under construction is not scheduled for completion until 2024, rents are likely to rise both at prime and average levels.

Key indicators Q1 2023

	Top rent* (€/m²)		Take-up (m²)	Vacant space (m²)			Space under construction (m²)		Space on offer (m²)	
	from	to	Q1 2023	total	modern	of this, since completion	total	available	available	projected
	1	2	2	3	4	5	6	7	8 = (3 + 7)	9
1 City Centre										
1.1 City Centre	31.00		26,900	34,900	11,300	0	68,100	37,200	72,100	28,200
1.2 Deutz	24.00		1,300	22,800	17,300	0	36,400	5,800	28,600	0
2 Centre Fringe	16.00 - 20.60		18,400	80,700	15,200	0	86,800	17,000	97,700	147,800
3 Subcentres	12.20 - 16.50		12,400	129,600	34,200	0	38,700	16,000	145,600	130,000
Total			59,000	268,000	78,000	0	230,000	76,000	344,000	306,000

* The top rent given applies to a market segment of 3-5 % in each case.

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

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