LOGISTICS MARKET COLOGNE

106,000 m²
TAKE-UP

-54 %
Q3 2023 vs. Q3 2022

-37 %
IN COMPARISON TO
10-YEAR AVERAGE

AT A GLANCE
Q3 2023

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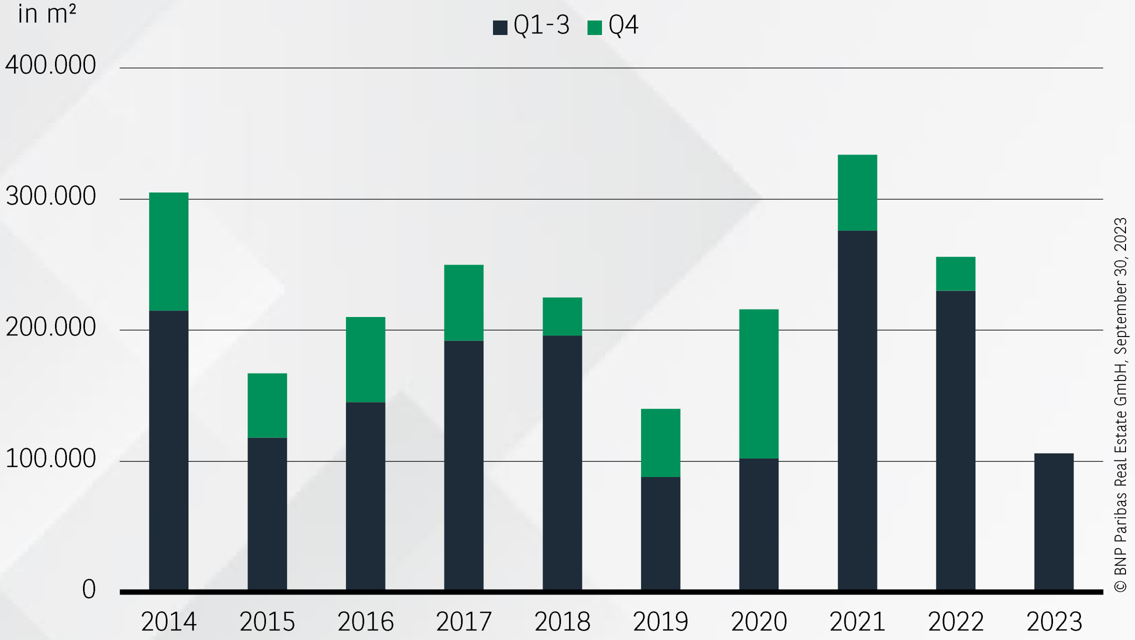
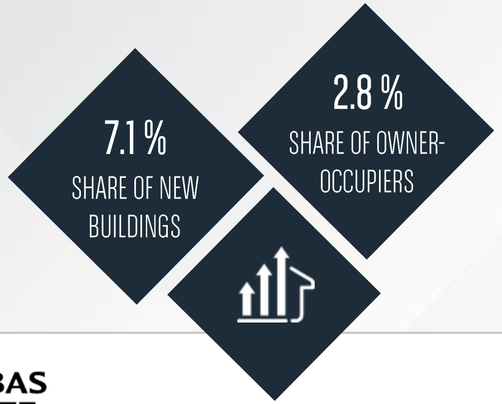
LACK OF MAJOR CONTRACTS LIMITS TAKE-UP

LIGHT INDUSTRIAL AND LOGISTICS TAKE-UP IN COLOGNE



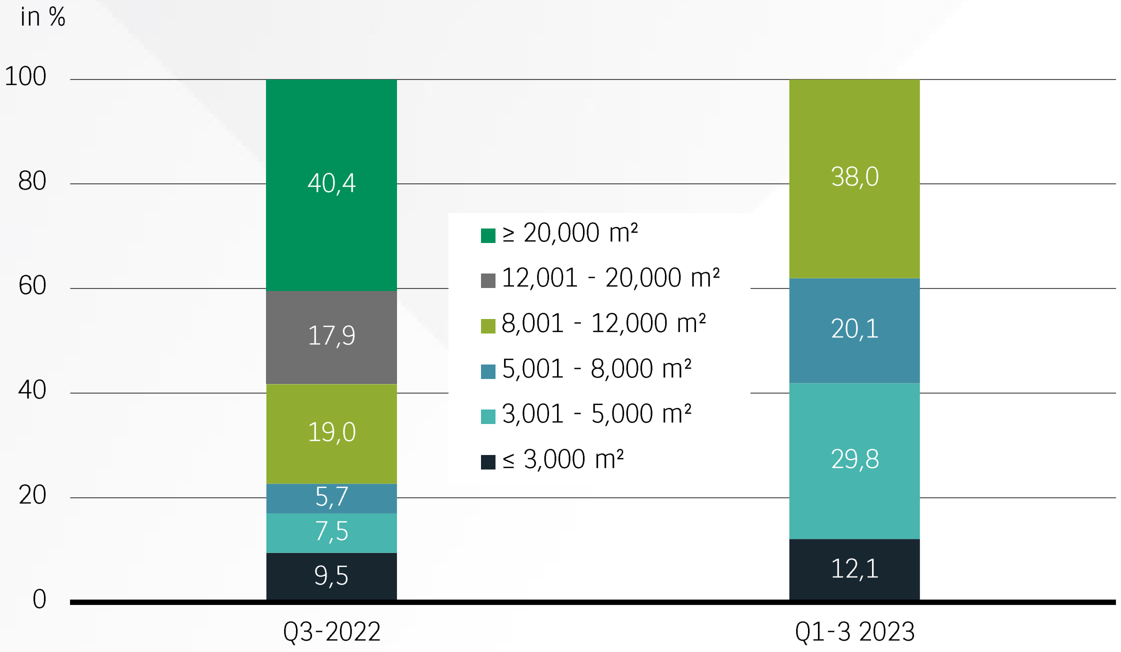


- With take-up of 106,000 m² by the end of the third quarter, the Cologne warehouse and logistics market remains 54 % below the previous year's result and 37 % below the ten-year average. Market activity to date has been dominated by smaller and medium-sized contracts, with the result that no deals have yet been concluded beyond the 12,000 m² mark. After a rather weaker first half of the year, however, take-up picked up noticeably in the third quarter.
- Uncertainties on the occupier side due to the weakening economy often mean that leasing processes take longer than in the previous year. Overall, however, demand continues to exceed supply. Particularly in central and well-connected locations, there is a shortage of large-scale properties of a quality and fit-out that are commensurate with the market.
- The rental price level has risen further year-on-year. By the end of the first half of the year, the prime rent had already risen to 7.50 €/m² and the average rent to 5.50 €/m².

RETAIL COMPANIES WITH HIGH SHARE

- The distribution of take-up by size category deviates significantly from the long-term average. While a ten-year average of around one-third of take-up is accounted for by large deals above 12,000 m², contracts to date have only been spread across the segments below this. The momentum in the smaller and mid-sized categories is certainly good. At 38 %, the largest share is generated by contracts between 8,000 and 12,000 m² and a further 30 % was generated by deals between 3,000 and 5,000 m².
- Contrary to the nationwide trend, the sector distribution is led by retail companies, which contributed 44 % of take-up and were also responsible for most of the deals. Logistics firms are involved with 35 %, and with a logistics firm in Bergheim (12,000 m²) accounting for the largest contract to date. Manufacturing companies are responsible for 16 %.
- The low share of new construction in take-up of 7 % underlines the fact that there is still too little space available to the market in this segment.

TAKE-UP BY SIZE CATEGORY



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TAKE-UP BY SECTOR

44,4 % WHOLESALE/ RETAIL

34,8 % LOGISTICS FIRMS

15,8 % MANU-FACTURING

5,0 % OTHERS

OUTLOOK

KEY FIGURES

Rents	Q1-3 2022	Q1-3 2023	%-Difference
Prime rent (in €/m²)	6.90	7.50	8.7%
Average rent (in €/m²)	5.20	5.50	5.8%
Take-up and sectors	**Q1-3 2022**	**Q1-3 2023**	**Long-term average**
Total take-up	230,000 m²	106,000 m²	167,000 m²
Logistics firms	25.7%	34.8%	38.5%
Wholesale/retail	21.1%	44.4%	28.4%
Manufacturing	32.6%	15.8%	20.9%
Others	20.6%	5.0%	12.2%
Size categories	**Q1-3 2022**	**Q1-3 2023**	**Long-term average**
Share of deals > 20,000 m²	40.4%	0.0%	24.2%
Share of deals ≤ 20,000 m²	59.6%	100.0%	75.8%
Owner-occupiers/new building share	**Q1-3 2022**	**Q1-3 2023**	**Long-term average**
Share of owner-occupiers	0.6%	2.8%	10.7%
Share of new buildings	21.6%	7.1%	42.8%

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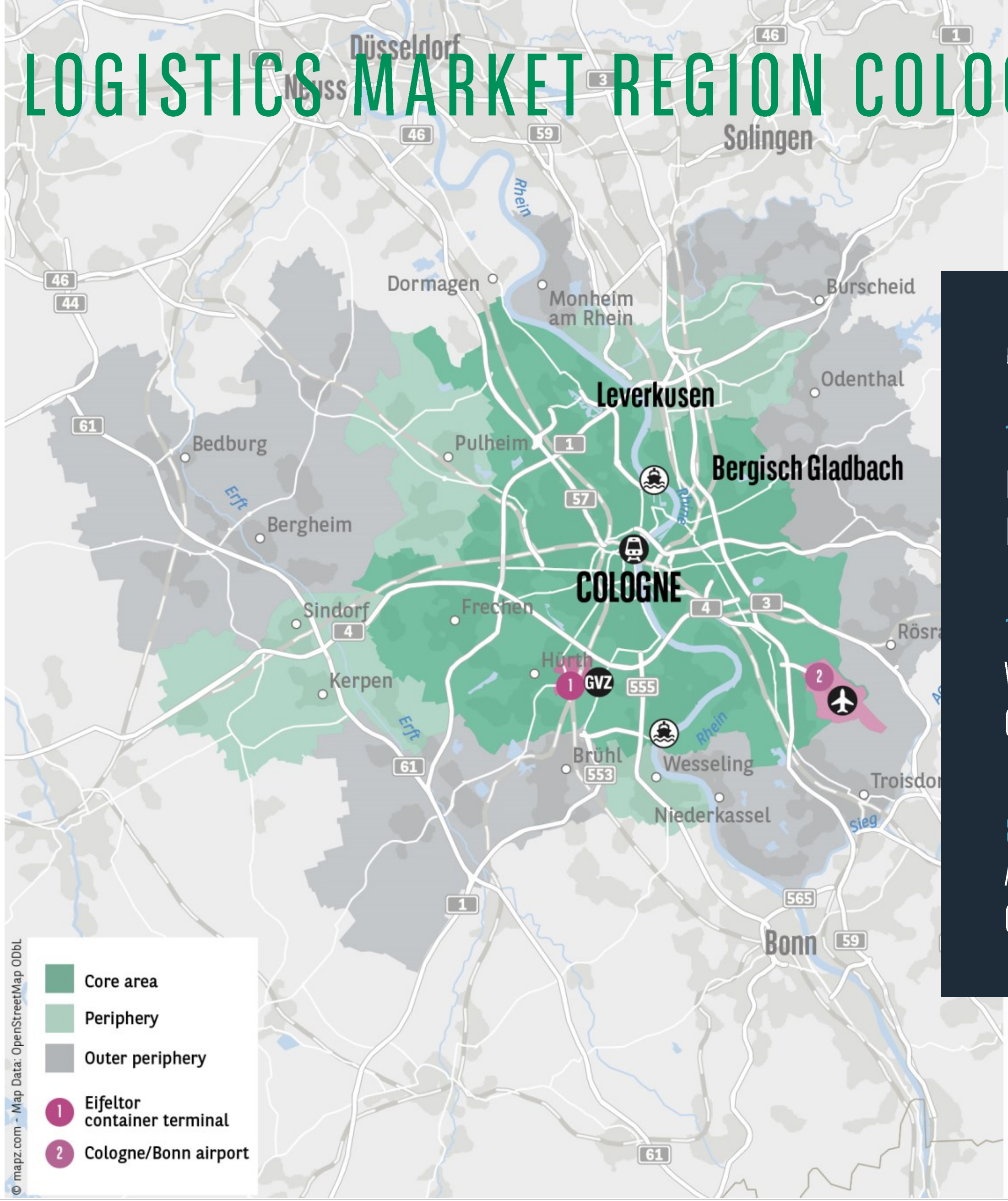
- The market recovery of the third quarter is likely to continue in the coming months. However, the insufficient supply remains a limiting factor. Within the market area, little relief can be expected from the space currently under construction. Large-area requests can only be accommodated to a limited extent, if at all, in the periphery, and occupiers are partly forced to move to locations outside the market area.
- The shortage of supply and the rise in rents are also leading in some cases to existing leases being extended to secure space, even if it no longer fully meets actual requirements. The long-term average for take-up (225,000 m²) is also likely to be missed because of this factor.
- Due to the low supply in central locations, a further increase in average and prime rents cannot be ruled out.

LOGISTICS MARKET REGION COLOGNE



MAJOR CONTRACTS

12,000 m²
Logistics firm
Bergheim

11,000 m²
Wholesale/retail
Cologne

8,800 m²
Acrese Deutschland
Cologne

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