

LOGISTICS MARKET COLOGNE

160,000 m²

TAKE-UP

-38 %

2023 vs. 2022

-29 %

IN COMPARISON TO
10-YEAR AVERAGE

AT A GLANCE
Q4 2023

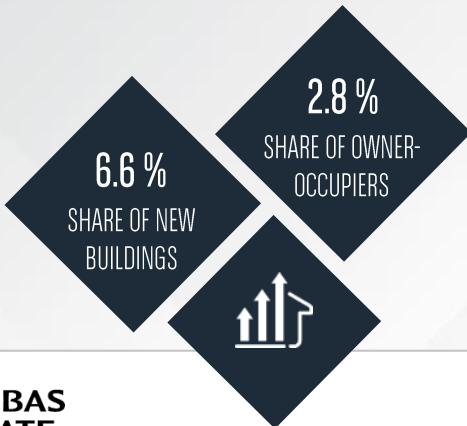
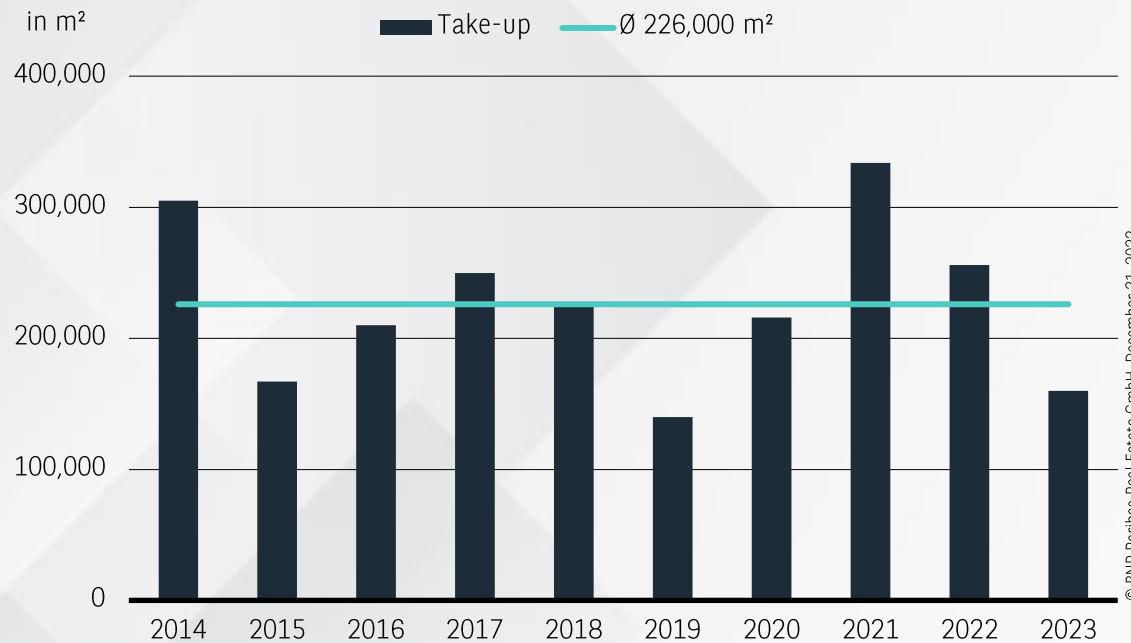


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TAKE-UP REMAINS BELOW THE LONG-TERM AVERAGE

LIGHT INDUSTRIAL AND LOGISTICS TAKE-UP IN COLOGNE

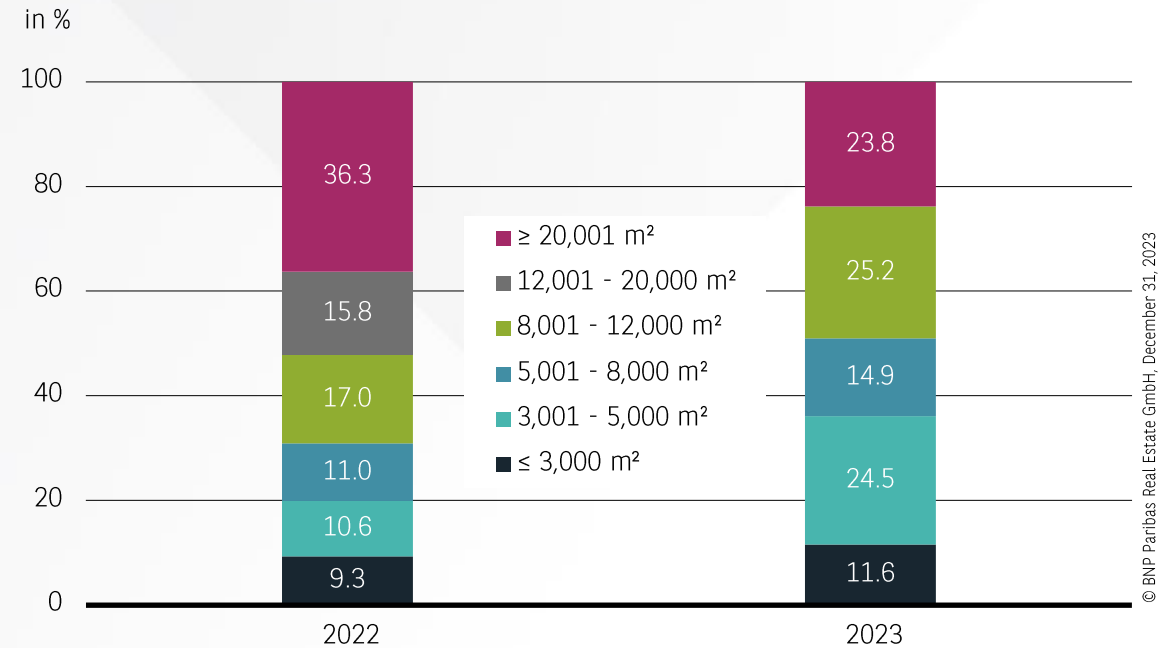


- Cologne's warehouse and logistics market achieved a take-up of 160,000 m² in 2023, missing the previous year's result by almost 38 % and the ten-year average by 29 %. The economic conditions led to a noticeable reluctance on the occupier side, particularly in the first half of the year, and letting processes took a longer period due to the existing uncertainties about future development.
- In addition, there is still a shortage of market-adequate supply in the large-space warehouse segment, particularly in central locations, meaning that users in this category are predominantly forced to switch to peripheral locations and only three contracts for 10,000 m² or more were signed in 2023.
- New build space is also not available to a sufficient extent, which is emphasized by the very low share of new buildings of 7 %, which is well below the average (ten-year average 39 %). In addition, owner-occupiers contributed very little to take-up at around 3 %.
- Primarily due to the low supply, the rent level rose by 10 % to 7.70 €/m² at prime and to 5.80 €/m² on average (+12 %).

RETAIL COMPANIES BENEFIT FROM MAJOR CONTRACTS

- The distribution of take-up by size class traditionally shows a very balanced picture on a long-term average and thus reflects the fundamentally broad demand base of the Cologne market. For 2023, however, it indicates a rather unusual distribution. With a contribution of almost a quarter, the 3,000 to 5,000 m² segment recorded an above-average result and a solid take-up was also achieved between 8,000 and 12,000 m² with a similar share.
- In contrast, the shortage of supply is evident in the larger space category. With one letting for 38,000 m² in Frechen, only one contract above the 12,000 m² mark was signed in the entire year.
- This lease also has a significant impact on the sector distribution, which is led by wholesale/retail companies at 58 %, contrary to the nationwide trend. While logistics firms (around 26 %) and manufacturing companies (11 %) remain far below their long-term averages, both proportionally and in absolute terms, the retail sector contributes a high volume of almost 58 % to the result.

TAKE-UP BY SIZE CATEGORY



TAKE-UP BY SECTOR



OUTLOOK

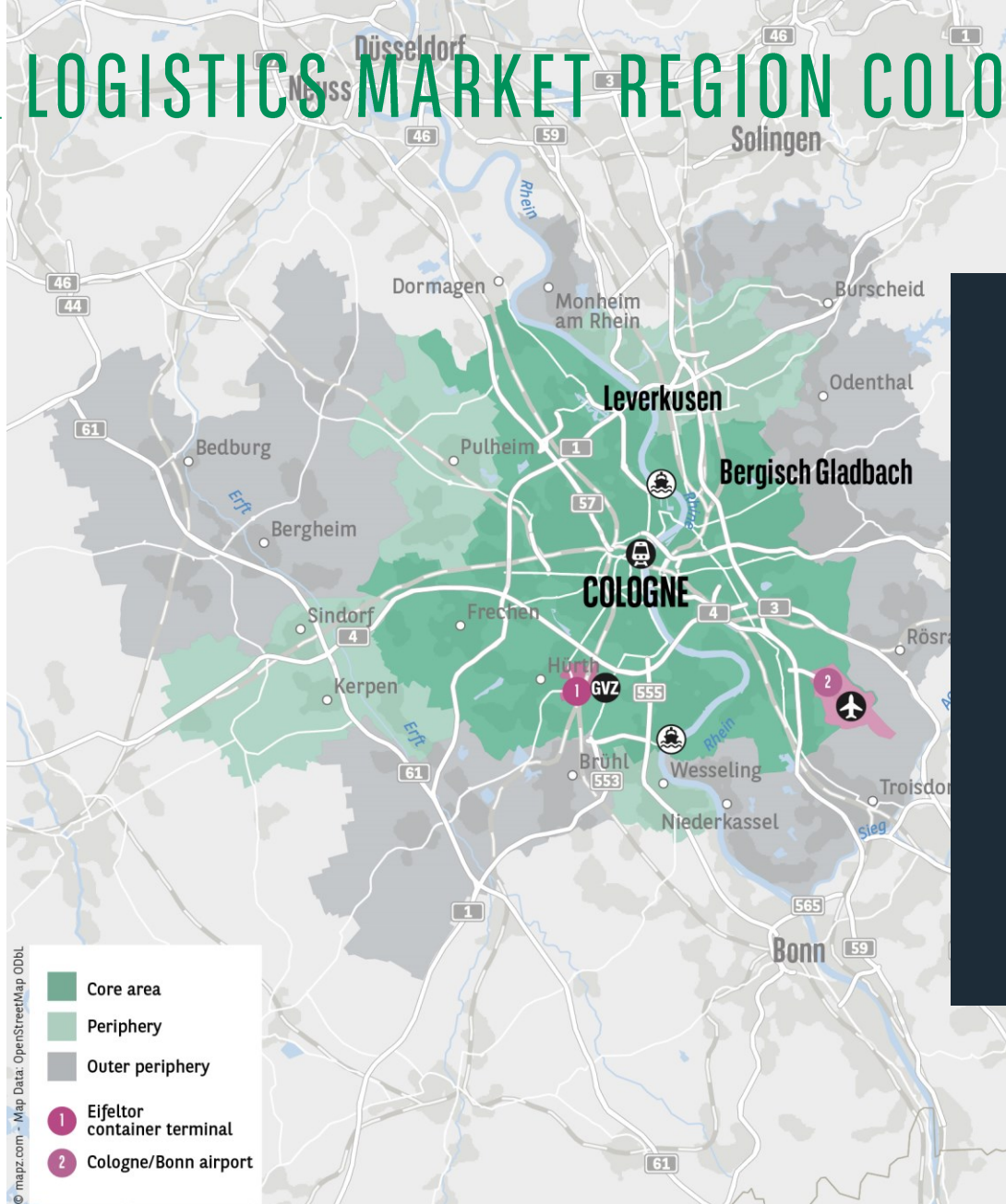
KEY FIGURES

Rents	2022	2023	%-Difference
Prime rent (in €/m ²)	7.00	7.70	10.0%
Average rent (in €/m ²)	5.20	5.80	11.5%
Take-up and sectors	2022	2023	Long-term average
Total take-up	256,000 m ²	160,000 m ²	226,000 m ²
Logistics firms	29.4%	25.7%	37.1%
Wholesale/retail	22.2%	57.7%	32.6%
Manufacturing	29.2%	10.7%	19.5%
Others	19.2%	5.9%	10.8%
Size categories	2022	2023	Long-term average
Share of deals > 20,000 m ²	36.3%	23.8%	26.2%
Share of deals ≤ 20,000 m ²	63.7%	76.2%	73.8%
Owner-occupiers/new building share	2022	2023	Long-term average
Share of owner-occupiers	0.6%	2.8%	10.8%
Share of new buildings	21.0%	6.6%	38.7%

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- The weakening economy and the shortage of available space, particularly in the larger segment, have limited Cologne's 2023 year-end result, meaning that the Rhine metropolis is performing similarly to most major logistics hubs in Germany.
- For 2024, however, it can be assumed that an improved economic trend provides more certainty in the market and occupiers will be more open to signing leases again. Against this backdrop, take-up is expected to increase over the course of the year.
- In contrast, the shortage of available space is likely to continue to have a limiting effect. The lack of land available for development, poorer financing conditions, increased construction costs, high energy efficiency requirements and ESG criteria are also having a dampening effect on new construction activity.
- Against this backdrop, it is likely that both the prime rent and the average rent level will continue to rise in 2024.

LOGISTICS MARKET REGION COLOGNE



MAJOR CONTRACTS

38,000 m²
Wholesale/retail
Frechen

12,000 m²
Logistics firm
Bergheim

11,000 m²
Wholesale/retail
Cologne

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