



COLOGNE

REPORT OFFICE MARKET

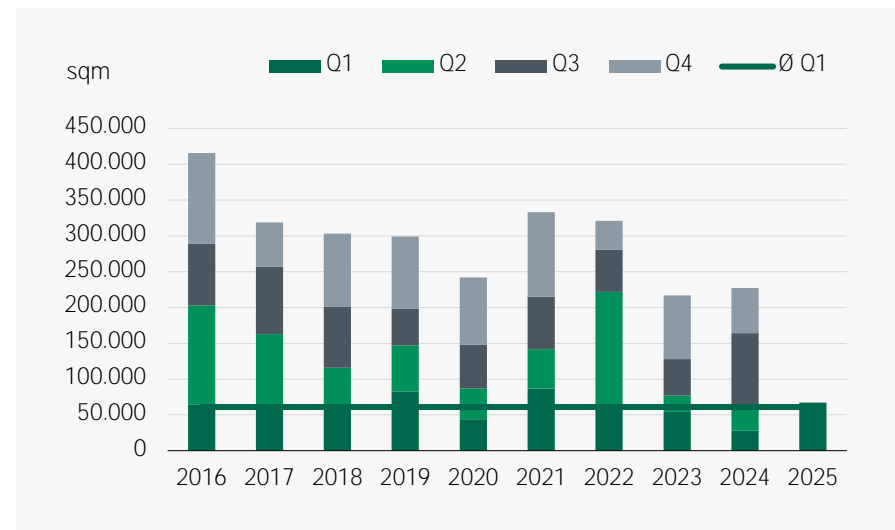
Q1 2025



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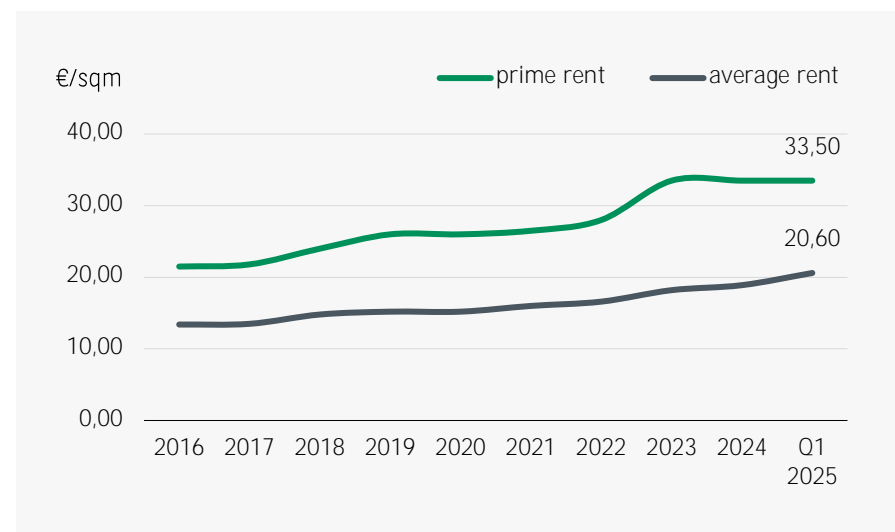
Development of take-up



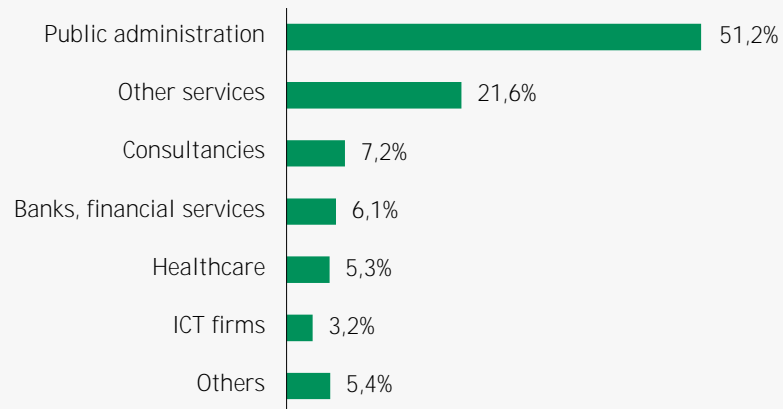
ABOVE-AVERAGE START TO THE YEAR

- The Cologne office market got off to a solid start in 2025 with take-up of 67,000 sqm. The ten-year average was exceeded by 10%, while the weak prior-year quarterly result was more than doubled. Accordingly, the market recovery is continuing to gain momentum compared to the previous year. After the first three months, 30% of the previous year's total result has already been recorded.
- The good result was driven in particular by two large-volume lettings of over 14,500 sqm and 16,500 sqm by the Cologne Jobcenter. In contrast, the size categories up to 5,000 sqm dominate the market to a lesser extent than the long-term average (Ø 10 years: 74%) with a take-up share of 54%. In absolute terms, take-up in this segment is also below the long-term average at 36,000 sqm (Ø 10 years: ~45,000 sqm). Consequently, letting activity in the small and medium-sized space segment is currently somewhat less lively than usual.
- The prime rent in Cologne remains stable at €33.50 per sqm. It is achieved for premium-quality office space in a prime city location. The generally more volatile average rent has risen by 14% and is currently at €20.60 per sqm. This underlines the solid demand for modern space across the board.

Prime and average rents



Take-up by sector Q1 2024



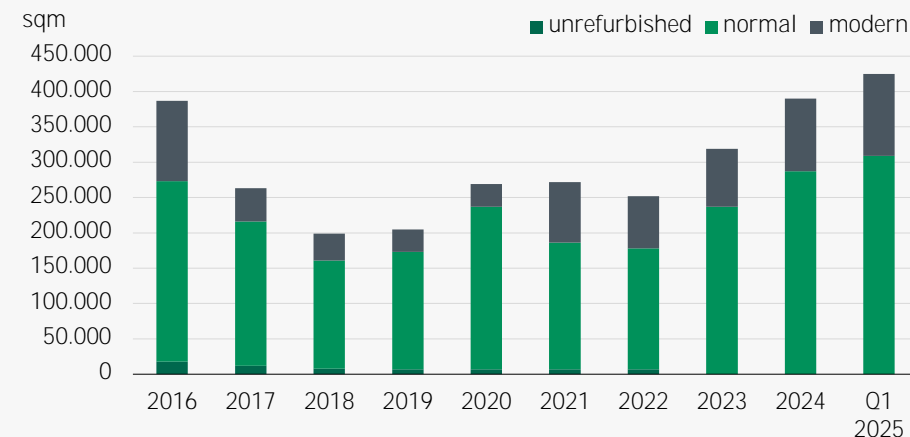
Major contracts Q1 2024

Sub-market	Company	m²
3.2	Jobcenter Köln	16,500
1.2	Jobcenter Köln	14,500
2.1	Brunata-Metrona	4,500
1.1	Prüfungsverband deutscher Banken	2,900
2.1	Kunst und Museumsbibliothek der Stadt Köln	2,200
1.1	WvM Immobilien-Projektentwicklung	1,300

PUBLIC ADMINISTRATION CLEARLY DOMINATES THE MARKET

- Public administration is currently responsible for more than half of take-up (10 years: 24%). Other services also account for an above-average share of take-up with a good 21% (10 years: 16%). However, the sector analysis after the first quarter is more of a snapshot.
- Compared to the same quarter of the previous year, construction activity fell by around 16%. Around 143,000 sqm of space is currently under construction on the Cologne market. Of this, around 47,000 sqm is still available for the market. At 67%, the pre-letting rate is currently above average.
- The vacancy volume has risen further year-on-year to 425,000 sqm (+9% compared to Q4 2024). Only around 27% of this space has modern fit-out quality. At 5.4%, the vacancy rate is slightly above the fluctuation reserve.

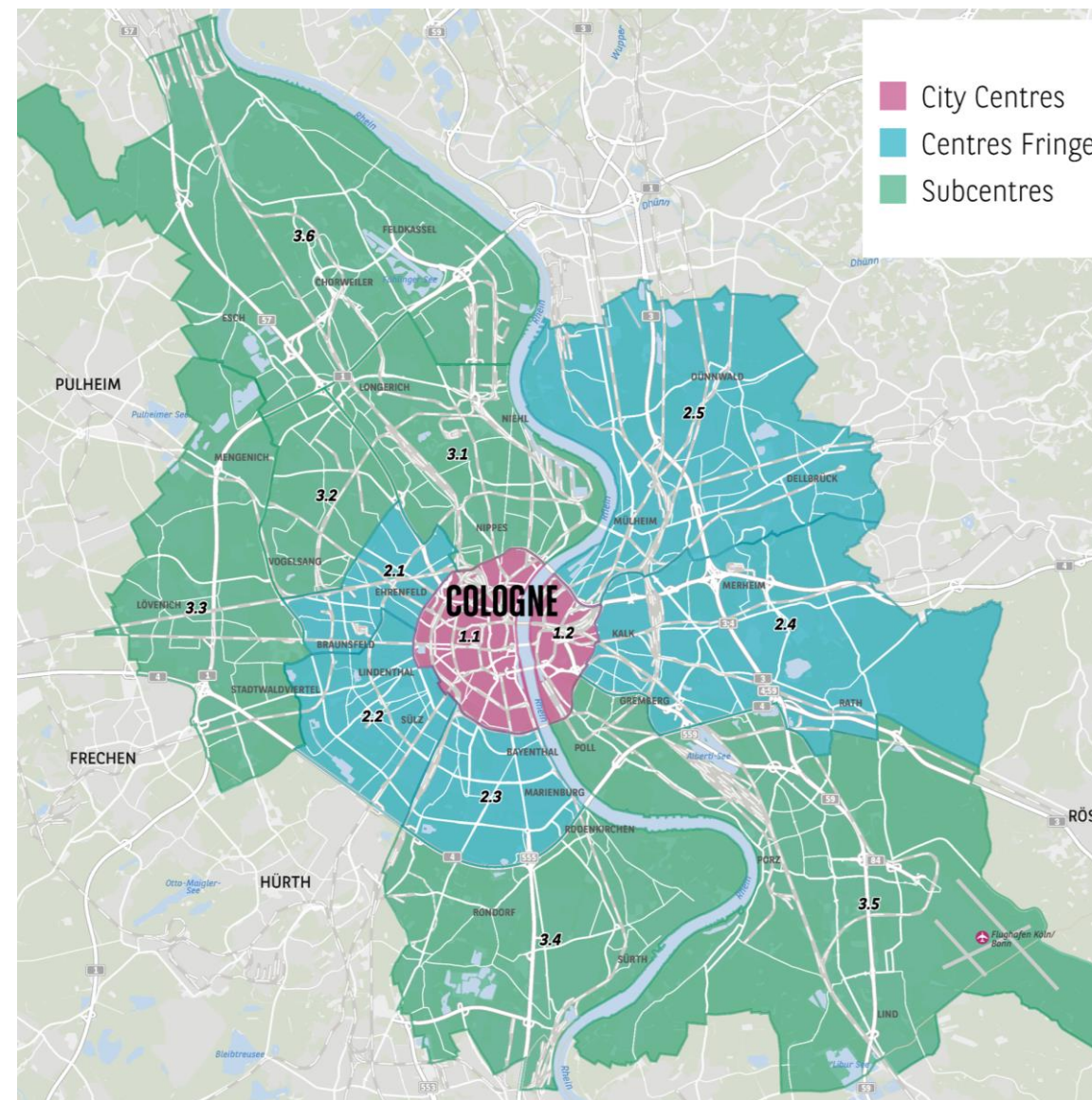
Development of vacant space



OUTLOOK

- The Cologne office market has made a solid start to the year. At 67,000 sqm, this is the strongest first quarter since 2021. The two large-volume rental agreements concluded by the Cologne Jobcenter made a significant contribution to this with 46%. The already noticeable recovery in larger deal contracts is expected to spread to the smaller and medium-sized segment over the course of the year.
- Against the backdrop of changing tenant requirements and the focus of demand on modern and ESG-compliant office space in well-connected locations, a further increase in vacancies cannot be ruled out, particularly in peripheral/subcentre locations and for lower-quality space. However, demand for high-quality space in the city center remains high and should lead to a reduction in vacancies in the modern segment. On the supply side, the decline in construction activity and the relatively low availability of space still under construction should lead to further increases in rents.
- The economic recovery is currently on a fragile footing against the backdrop of a looming tariff conflict with the USA and geopolitical risks. Nevertheless, the recently adopted fiscal policy measures such as the infrastructure and defence package should provide the German economy with a noticeable boost from next year on. This could be reflected in certain pull-forward effects and growing confidence in the resilience of the German economy as the year progresses. In view of this, take-up is likely to increase further, meaning that the result at the end of the year should be higher than in the past two years.

Office submarkets Cologne



Key indicators office market Cologne

		PRIME RENT* (€/sqm)		TAKE-UP (sqm)		VACANT SPACE (sqm)		SPACE UNDER CONSTRUCTION (sqm)		SPACE ON OFFER (sqm)	
		from	to	Q1 2025	total	modern	of this, since completion	total	available	available	projected
Submarkets**		1		2	3	4	5	6	7	8 = (3 + 7)	9
1	City Centre										
1.1	City Centre		33.50	19,300	124,700	54,100	0	67,500	35,100	159,800	77,200
1.2	Deutz		25.00	15,500	15,400	6,200	2,000	48,600	0	15,400	0
2	Centre Fringe	17.70	- 21.80	9,500	129,800	21,200	200	17,700	9,900	139,700	226,400
3	Subcentres	10.00	- 17.80	22,700	155,100	34,500	800	9,200	2,000	157,100	103,400
Total				67,000	425,000	116,000	3,000	143,000	47,000	472,000	407,000

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

** The relevant submarket can be found on our website under „Research“.

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