COLOGNE

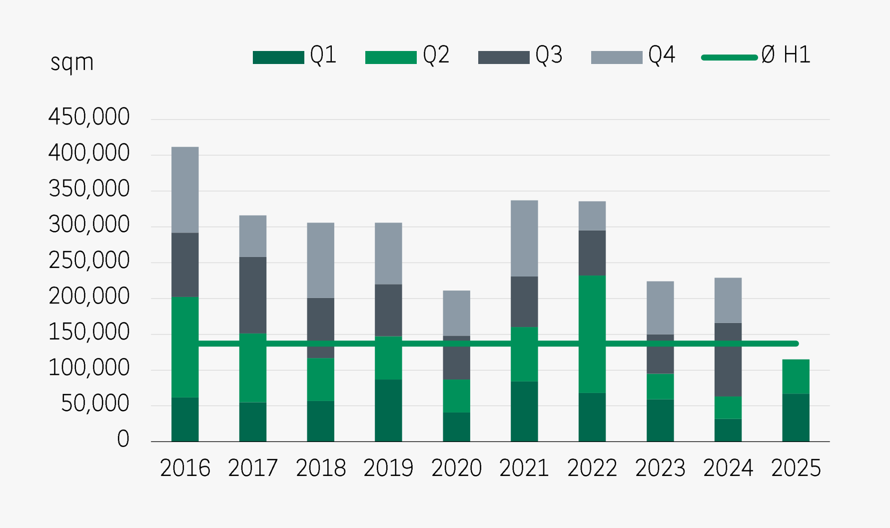
REPORT OFFICE MARKET

H1 2025

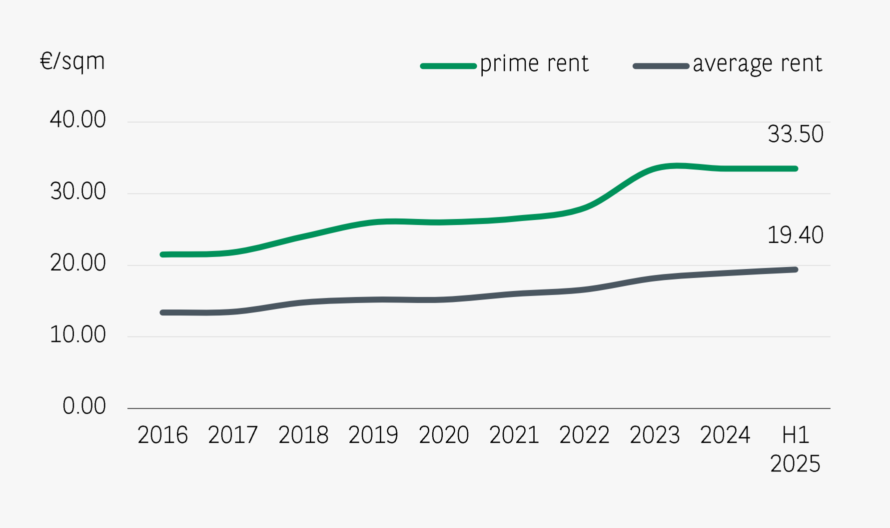
BNP PARIBAS REAL ESTATE

REAL ESTATE for a changing world

Development of take-up



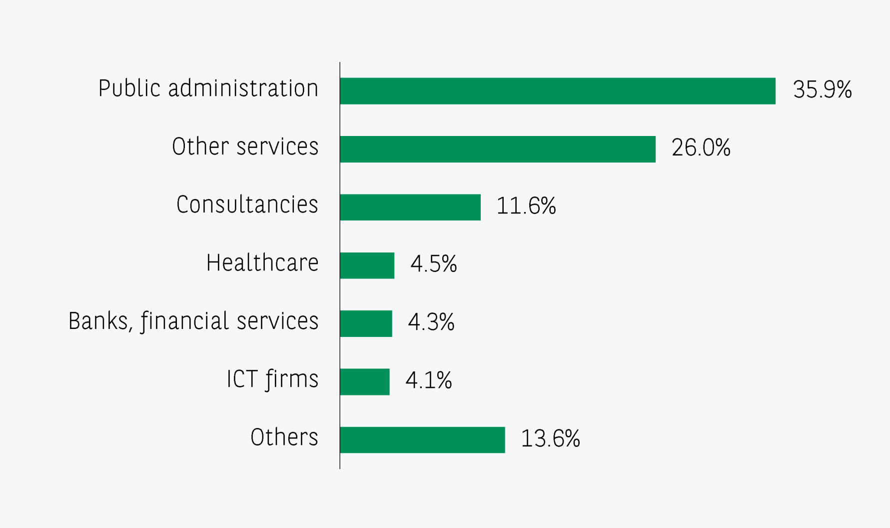
Prime and average rents



OFFICE MARKET WITH STRONG PERFORMANCE, TAKE-UP INCREASES SHARPLY

- The Cologne office market delivered a convincing result at mid-year 2025. In the first six months of the year, total take-up reached 115,000 sqm, representing an increase of nearly 90% compared to the weak performance in the previous year. Following a strong start to the year with 67,000 sqm, a solid second quarter of 48,000 sqm confirms the city's ongoing recovery toward its long-term average.
- A direct comparison with the previous year shows that letting activity gain momentum significantly across almost all size categories—not only in the small and medium segments but also for leases exceeding 10,000 sqm. Unlike the past two years, large lettings were already recorded in the first half of 2025. Notably, Jobcenter Cologne signed two contracts of around 15,000 sqm each.
- However, looking at long-term trends, the overall market momentum is still below average. Only the segment up to 1,000 sqm has returned to near-average levels. In contrast, there are still no lettings between 5,000 and 10,000 sqm.
- The prime rent has remained unchanged at €33.50/sqm since the end of 2023. The more volatile average rent stood at €19.40/sqm at mid-year 2025—about 3% higher than the previous year.

Take-up by sector H1 2025



VACANCY CONTINUES TO RISE

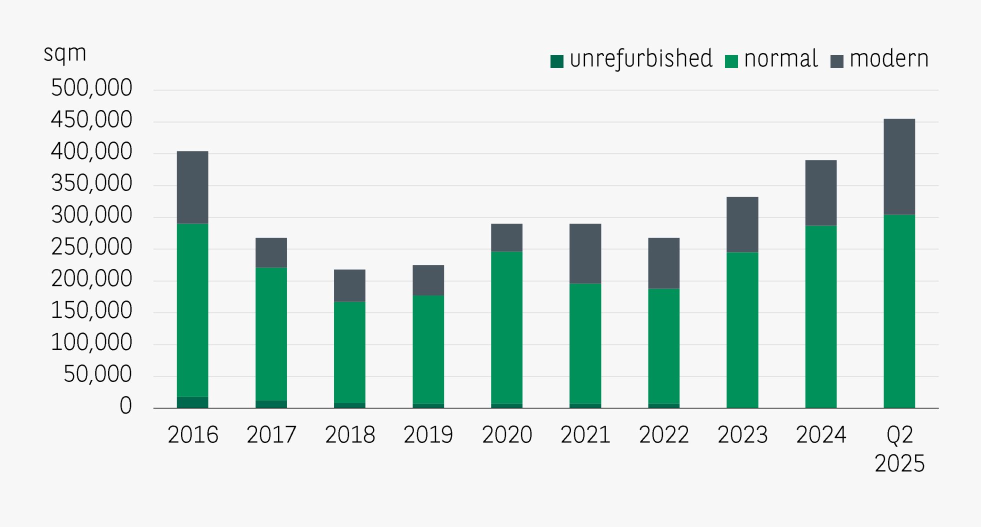
– Public administration is showing particularly strong market activity this year. In addition to the large Jobcenter lettings totaling around 31,000 sqm, three additional contracts in the small and mid-size segments contributed to a 36% market share for this sector. Many small-scale leases contributed to the above-average share of 26% held by the other services sector. Similarly, consulting firms posted average results and represent the third-largest sector with 12%.

– Vacancy increased to 455,000 sqm (+32% YoY), though the vacancy rate remains relatively low at 5.7%. A defining feature of the market is the lack of high-quality space—especially in central city locations. Across the entire market, only 3,000 sqm of new-build first-occupancy space is available in the short term. The pre-letting rate for space under construction is high at 60%.

Major contracts H1 2025

Quarter	Sub-market	Company	sqm
Q1	3.2	Jobcenter Köln	16.500
Q1	1.2	Jobcenter Köln	14.500
Q2	2.1	Brunata-Metrona	4.500
Q1	1.1	Prüfungsverband deutscher Banken	2.900
Q2	1.1	Berkshire Hathaway Specialty Insurance	2.400
Q1	2.1	Kunst und Museumsbibliothek Köln	2.200

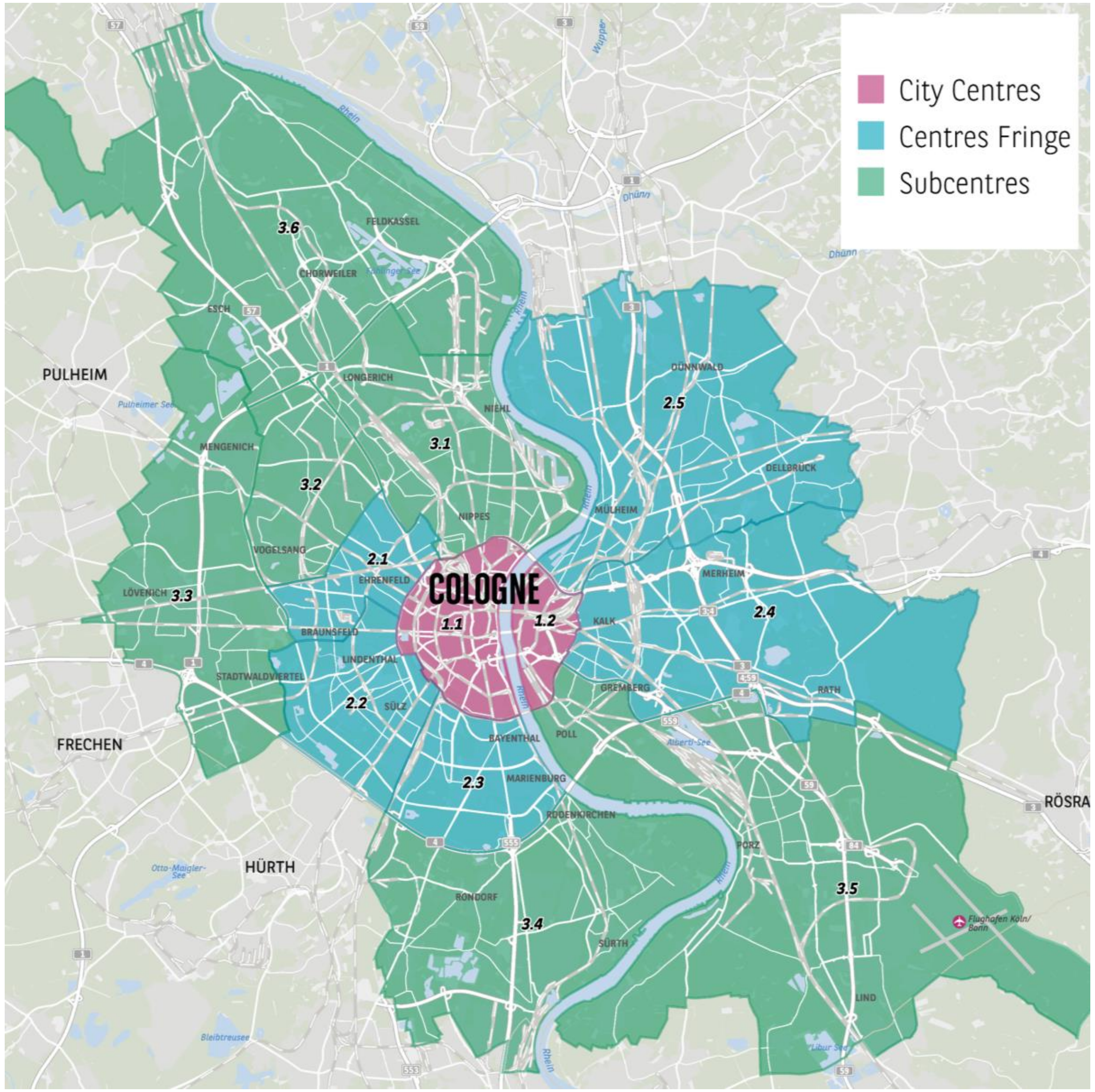
Development of vacant space



OUTLOOK

- A strong first half year marks the Cologne market favorably among Germany's top office locations. Based on this, the city heads into the second half of the year with expectations of accelerated letting activity. The market has a solid demand base, and in some areas, leasing activity has already returned to or exceeded average levels.
- If the German economy performs as forecast and gradually pick up momentum in the second half of the year, the Cologne market could gain additional tailwind.
- Given current market conditions and deals already in the pipeline, total take-up is likely to exceed the 200,000 sqm mark by the end of 2025, clearly surpassing last year's result.
- While vacancy has likely not yet peaked, the volume of increase is slowing. The vacancy situation should be evaluated in a differentiated manner: On one hand, Cologne continues to report one of the lowest vacancy rates among Germany's top cities. On the other hand, a large share of the vacant space no longer meets modern quality standards that tenants demand today.
- The already noticeable shortage of premium office space, particularly in Cologne's prime central locations, is likely to intensify. The new-build pipeline is expected to shrink further, even though demand in this segment remains consistently high. As a result, prime rents may begin to rise again in the second half of the year for the first time in a while.

Office submarkets Cologne



© mapz.com – Map Data: OpenStreetMap ODbL

Key indicators office market Cologne

		PRIME RENT* (€/sqm)		TAKE-UP (sqm)	VACANT SPACE (sqm)			SPACE UNDER CONSTRUCTION (sqm)		SPACE ON OFFER (sqm)	
		from	to	H1 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	38.700	119.600	58.300	0	94.600	56.500	176.100	43.500
1.2	Deutz		26,50	15.900	15.500	6.700	1.700	48.600	0	15.500	0
2	Centre Fringe	17,50 -	21,70	27.000	133.400	20.200	800	17.800	9.600	143.000	204.200
3	Subcentres	11,20 -	19,00	33.400	186.500	65.800	500	7.000	1.900	188.400	103.300
	Total			**115.000**	**455.000**	**151.000**	**3.000**	**168.000**	**68.000**	**523.000**	**351.000**

* 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".

Contact

BNP Paribas Real Estate GmbH

THE CORNER | Im Klapperhof 3-5 | 50670 Cologne

Phone: +49 (0)221-934 63-30

LEARN MORE

Publisher and copyright: BNP Paribas Real Estate GmbH | Prepared by: BNP Paribas Real Estate Consult GmbH | Status: 30.06.2025 | Further information: BNP Paribas Real Estate GmbH | Branch office Cologne | Phone +49 (0)221-934 63-30

Photo credits : © Antoine Huot