

COLOGNE

REPORT INVESTMENT MARKET

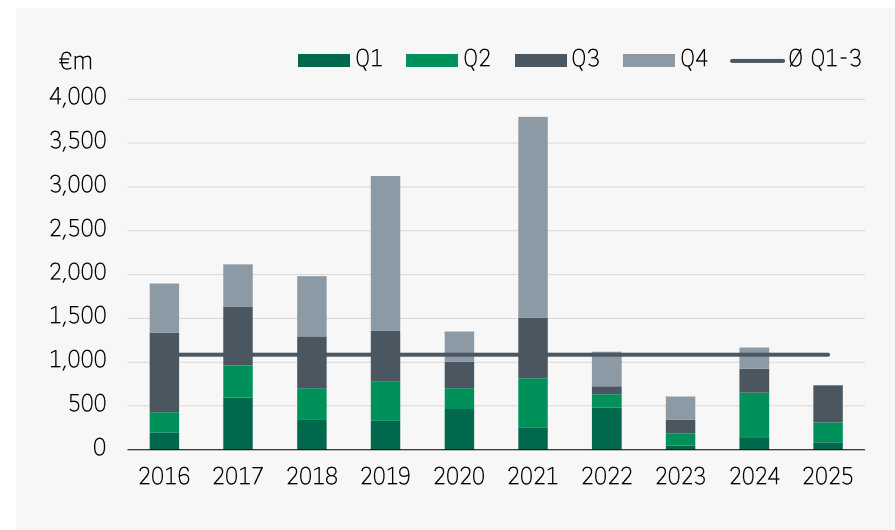
Q1-3 2025



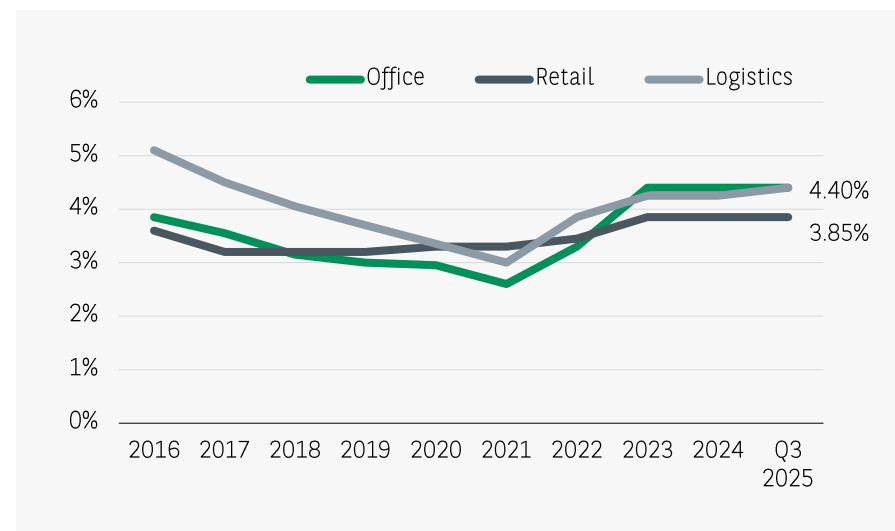
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Development of investment volume



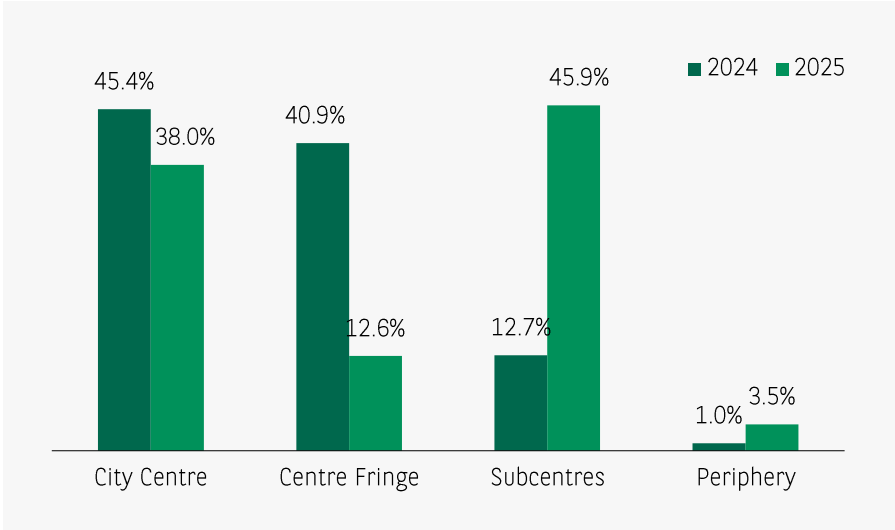
Net prime yields by type of property



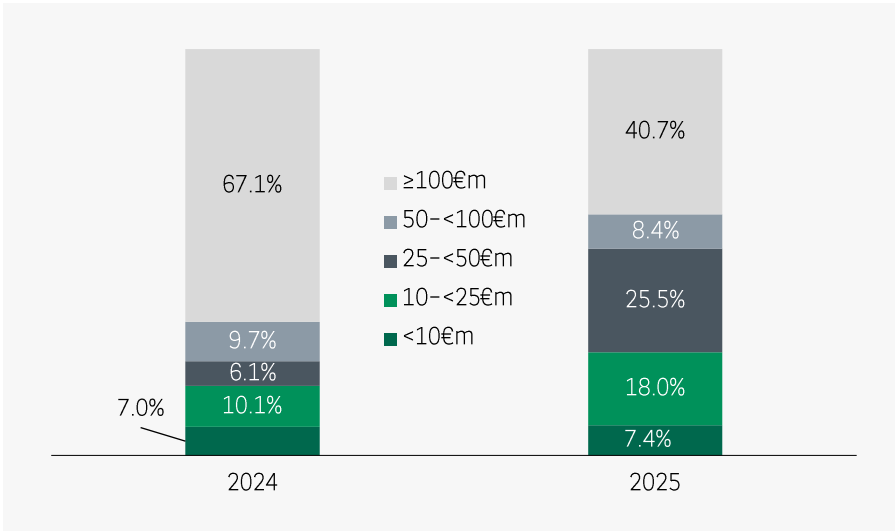
SUBDUED MARKET ACTIVITY IN COLOGNE, BUT DYNAMICS INCREASED FROM QUARTER TO QUARTER

- In the first three quarters of 2025, transaction activity in the Cologne investment market has been rather subdued. The commercial investment volume totalled around €737 million in the first nine months. This is a 20% decline compared with the same period last year and approximately 32% below the long-term average. Consequently, Cologne ranks fifth among the A-locations, just behind Düsseldorf. Unlike last year, the Cologne market currently lacks major sales drivers. So far this year, only one deal in the triple-digit million range has been recorded. The generally low number of transactions is also responsible for the moderate interim results. Consequently, the continuously improving market sentiment has not yet resulted in a significant increase in investment volume.
- However, it is encouraging to see a significant rise in market activity from quarter to quarter. Following a slow start to the year, with an investment volume of only €87 million, a volume of €226 million was recorded in the second quarter. Transaction activity gained further momentum during the summer, generating around €424 million in the Cologne market area. This is the second-best quarterly result since early 2022. A full 58% of turnover was thus invested between the end of July and the end of September.
- Net prime yields remained largely stable at the end of the third quarter. The only exception was logistics properties, which recorded a slight increase of 15 basis points to 4.40%. Office properties remained unchanged at 4.40%, while retail high street assets in prime city centre locations yield 3.85%.

Investments by location Q1-3



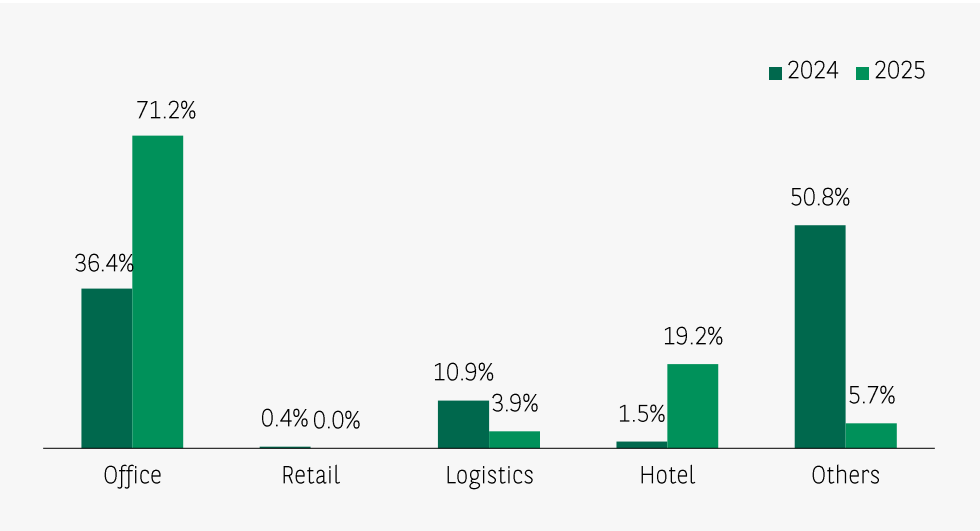
Investments by € category Q1-3



HOTEL INVESTMENT VOLUME COMPARATIVELY HIGH

- An analysis of investment volume reveals that two asset classes in particular are having a significant positive impact: offices and hotels. The hotel segment accounted for 19% of the total volume (€141 million) in the first quarter, driven by the sale of the Pullman Cologne for almost €70 million. This is a significantly above-average figure in both absolute and relative terms (average for the last 10 years: €79 million or 7%). Investments in office properties also grew significantly compared with the same period last year, reaching a transaction volume of €525 million. This lifted their market share to 71%, only slightly below the long-term average.
- In the first three quarters, the Subcentres topped the list of locations with the highest transaction volumes, accounting for an above-average 46% market share. Around €340 million has been invested here to date, which indicates strong investor confidence in the Cologne market and its long-term potential, even outside central locations.

Investments by type of property Q1-3



OUTLOOK

- The Cologne investment market showed comparatively subdued development in the first three quarters of 2025. The result was significantly lower than the previous year's figure and also below the long-term average. However, it should be noted that market momentum increased from quarter to quarter, and the moderate result was primarily due to a weaker start to the year. Conversely, the second and third quarters saw a notable rise in transaction activity.
- Overall, a mix of positive and negative factors is currently having a significant impact on investor sentiment. The ongoing uncertainty surrounding US trade policy poses a continued risk to the global economy. The specific effects are difficult to assess and tend to discourage investment. In addition, geopolitical tensions are having a negative impact on the economic environment and dampening overall market sentiment. Meanwhile, the German government has introduced extensive economic stimulus measures to encourage investment and promote economic growth. It can be assumed from today's perspective that the positive effects of these programs will gain momentum over the course of the year, gradually outweighing the negative influences. This should result in an additional boost for the occupier markets: In particular, the good result on the office rental market should give the Cologne market at least the necessary tailwind and strengthen confidence in investment decisions.
- Against the backdrop of the above conditions, the pace of contract signings is likely to increase further. This means that exceeding the €1 billion mark remains a realistic target for the Cologne commercial investment volume.

Key facts investment market Cologne

INVESTMENT VOLUME	Q1-3 2024	Q1-3 2025	CHANGE
Total (€m)	924	737	-20.2%
Portfolio share	4.2%	2.0%	-2.3%pts
Share above €100 million	67.1%	40.7%	-26.4%pts
Office share	36.4%	71.2%	+34.8%pts
Share of city locations	45.4%	38.0%	-7.4%pts
Share of foreign investors	10.3%	20.6%	+10.3%pts

NET PRIME YIELDS	Q3 2024	Q3 2025	CHANGE
Office	4.40%	4.40%	+0bps
Retail	3.85%	3.85%	+0bps
Logistics	4.25%	4.40%	+15bps

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