

REVIEW INVESTMENT MARKET

COLOGNE Q4 2025



RESEARCH & INSIGHTS



**BNP PARIBAS
REAL ESTATE**

Real Estate for a changing world



Q4 2025

INVESTMENT MARKET
COLOGNE

- COMPARABLE VOLUME TO PREVIOUS YEAR
- MOST STABLE DEVELOPMENT OF ALL CITIES

KEY FIGURES

1,158 ▽ -0.7% y/y

Investment volume (€m)

1.2 ▽ -3.7% pts y/y

Portfolio share (in %)

30.5 ▽ -0.7% y/y

Deal size (in €m)

MARKET OVERVIEW

With an investment volume of €1.16 billion, Cologne was able to almost confirm the previous year's result. Compared to the other major German investment locations, the cathedral city is comparatively stable with this result. The transaction volume is only about a quarter below the five-year average. This is the smallest deviation of all A-locations. The overall satisfactory investment volume was also made possible by two major transactions in the three-digit million range. They were both brought to a successful conclusion in the second half of the year and made a significant contribution to the stronger second half of the year. It is noteworthy that individual investments are almost exclusively responsible for the result.

In a nationwide comparison, Cologne ranks fourth with €1.16 billion. Only Berlin (€3.25 billion), Munich (€2.56 billion) and Hamburg (€1.88 billion) recorded higher investment volumes. Neighboring Düsseldorf is in fifth place, just behind Cologne.

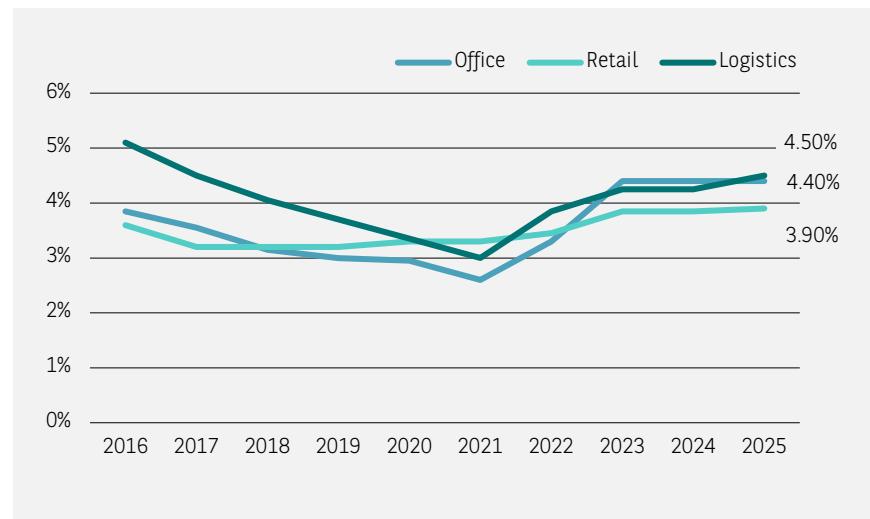
Prime yields in the individual asset classes have developed differently. As in the previous year, 4.40% is still to be applied to office properties. The situation is different for premium retail high street buildings in prime locations, where prime yields have risen by 5 basis points to 3.90%. For logistics properties an increase of 25 basis points to 4.50% was recorded.



Development of investment volume



Net prime yields by type of property





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INVESTMENT MARKET STRUCTURE

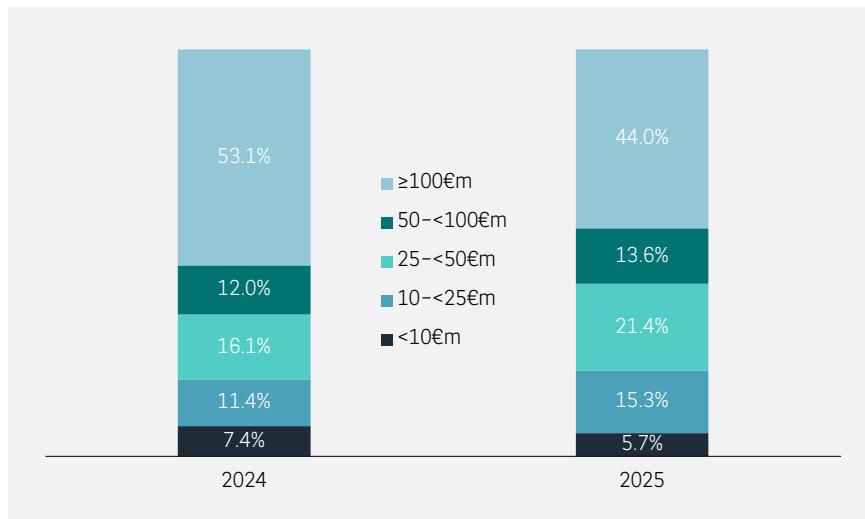
The distribution of investment volume in 2025 was mainly concentrated on two asset classes. On the one hand, these are office properties, which have clearly taken the lead among the types of use involved, accounting for 63% of turnover. The long-term average of a good 50% is also clearly exceeded with this value. Hotel investments follow in second place, accounting for over 26% of the result. This is by far the highest proportion ever registered in Cologne. In absolute terms, more than €300 million flowed into hotels. The sale of the Gerling Garden office and hotel ensemble in the fourth quarter made a significant contribution to the disproportionate performance of the two asset classes.

Large-volume deals of more than €100 million contribute by far the most to the total at around 44% and thus achieve a result that is above the average value. The remaining transaction volume is relatively evenly distributed among the small and medium-sized categories, which suggests that demand is quite buoyant on a comparatively broad front.

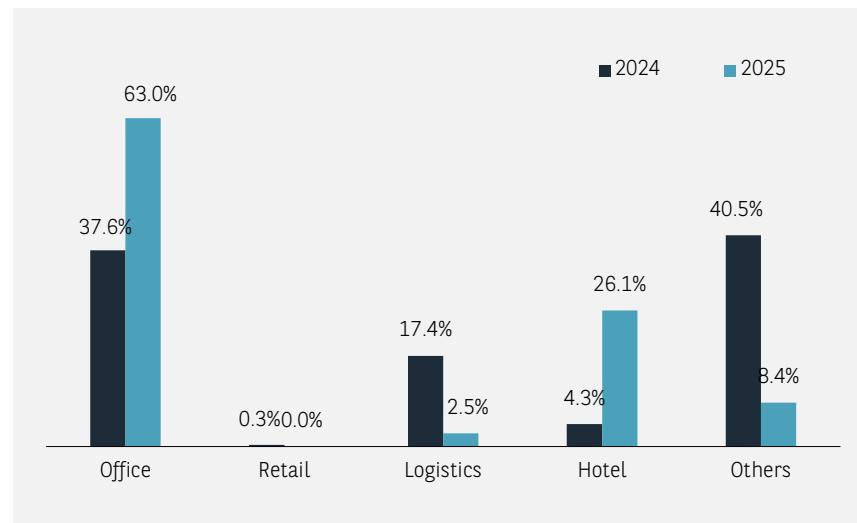
As is usual in Cologne, the lion's share of the investment volume (53%) is accounted for by the central City Centre locations. This year, the Subcentres come in second place, adding about 34% to the result. This is about 15 basis points more than the long-term average.

- **OFFICE PROPERTIES CLEARLY AT THE TOP**
- **HIGHEST HOTEL INVESTMENT VOLUME AMONG ALL A-LOCATIONS**

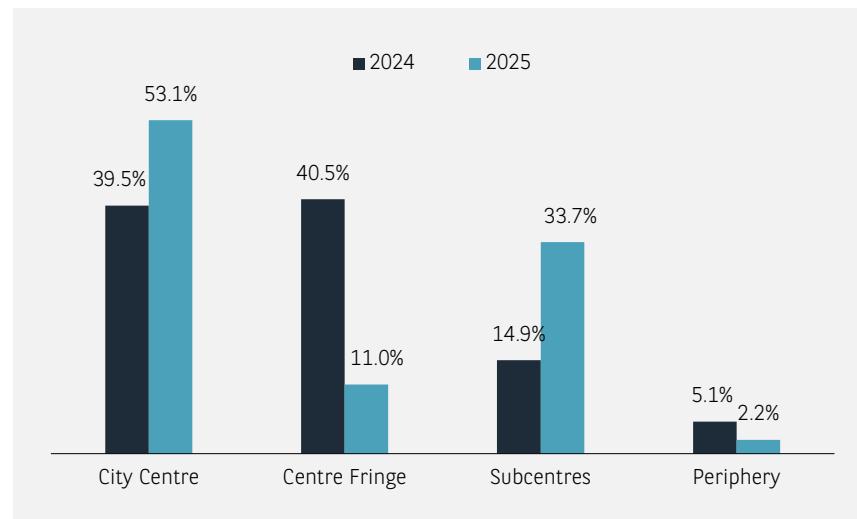
Investments by € category



Investments by type of property



Investments by location





Q4 2025

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- **STILL CHALLENGING ENVIRONMENT**
- **NEVERTHELESS, HIGH TURNOVER STILL FORESEEABLE IN 2026**

ECONOMIC INDICATORS

+0.1GDP Forecast 2025
(in %)**2.7**10ys bond yield
04 2025 (in %)**87.6**ifo business climate index
(12 2025)

Source: ifo economic forecast, Deutsche Bundesbank, ifo Institut

OUTLOOK

Taking into account the global and economic conditions that the investment markets have had to contend with in recent years, the Cologne market can be attested to a remarkable resilience, which it has once again demonstrated in the past year. Therefore, there is much to suggest that the cathedral city will successfully assert itself in an environment that remains challenging for the time being.

Global disruptive fires, which in particular cause uncertainty and rapidly changing influencing parameters, can certainly continue to have a dampening effect on the investment market in 2026. But Cologne has strong location factors, and at the turn of the year there were increasingly positive signals from which the investment markets should benefit. These include the slight improvement in sentiment in the German economy that can currently be observed. At the same time, it is to be expected that the Federal Government's special infrastructure fund will help to noticeably accelerate the growth momentum.

From today's perspective, there is a realistic chance that the economy could pick up noticeably again for the first time in 2026. Economic tailwinds should also ensure that sales on the investment markets rise again. As a consequence, a slight increase in investment turnover seems quite likely.



Investment market data

| | 2024 | 2025 | CHANGE |
|-----------------------------------|--------------|--------------|--------------|
| Total (€m) | 1,167 | 1,158 | -0.7% |
| Portfolio share | 5.0% | 1.2% | -3.7%pts |
| Share above €100 million | 53.1% | 44.0% | -9.1%pts |
| Office share | 37.6% | 63.0% | +25.4%pts |
| Share of city locations | 39.5% | 53.1% | +13.6%pts |
| Share of foreign investors | 12.9% | 17.3% | +4.4%pts |

| NET PRIME YIELDS | 2024 | 2025 | CHANGE |
|------------------|-------|-------|--------|
| Office | 4.40% | 4.40% | +0bps |
| Retail | 3.85% | 3.90% | +5bps |
| Logistics | 4.25% | 4.50% | +25bps |



Q4 2025

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