# REVIEW INVESTMENT MARKET

## COLOGNE H1 2026

RESEARCH & INSIGHTS

BNP PARIBAS REAL ESTATE

Real Estate for a changing world

H1 2026 INVESTMENT MARKET COLOGNE

- Q2 MARKET ACTIVITY DRIVEN BY SMALLER DEALS
- PRIME YIELD EXPANSION ACROSS ALL ASSET CLASSES

## KEY FIGURES

| | |
|---|---|
| 349<br>Investment volume (€m) | △ +11,7% y/y |
| 6,3<br>Portfolio share (in %) | △ +6,3%pts y/y |
| 17,5<br>Ø Deal size (in €m) | △ +11,7% y/y |

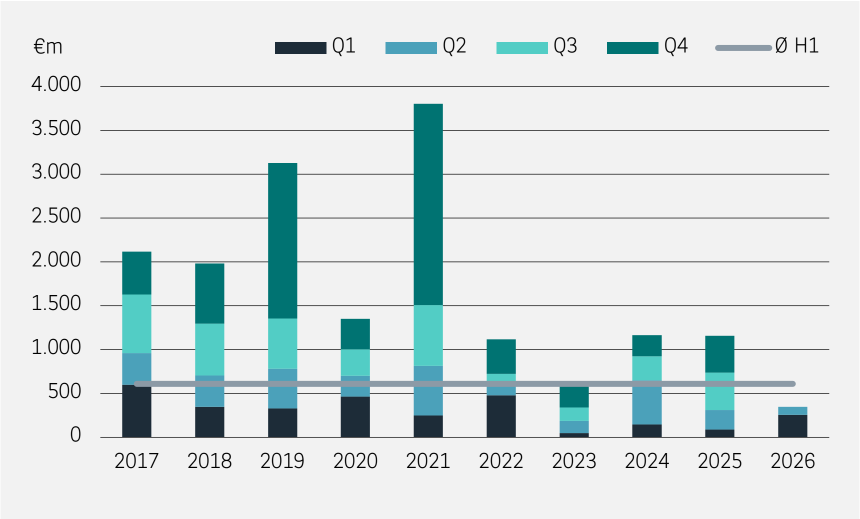
# MARKET OVERVIEW

The Cologne investment market posted a mixed performance in the first half of 2026. With a transaction volume of €349m, investment activity exceeded the relatively weak prior-year result by 12% but remained 43% below the long-term average of €610m. Following a strong start to the year with €256m transacted in the first quarter, market momentum slowed noticeably in the second quarter, which contributed only a further €93m. As a result, Cologne slipped to sixth place among Germany's major investment markets, although it continues to rank ahead of Stuttgart.

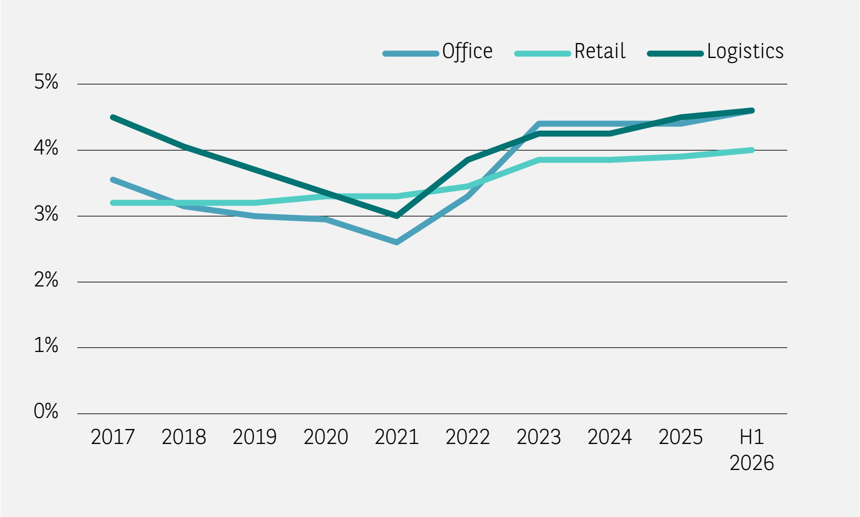
Notably, transaction activity remained stable in terms of deal count during the second quarter, but deal volumes were significantly smaller. While the first quarter saw one transaction in the €50–100m range and three deals between €25m and €50m, the largest deal completed in the second quarter fell into the €25–50m segment. This trend is also reflected in the average deal size, which currently stands at approximately €17m, underscoring the comparatively small-scale nature of market activity.

The volatile financing environment and ongoing geopolitical uncertainties have led to yield expansion across all major asset classes year-on-year. Prime logistics (+35 bps) and office (+20 bps) yields have each increased to 4.60%. At the same time, prime high-street retail properties are currently priced at a 4.00% prime yield (+15 bps year-on-year)

**Development of investment volume**




**Net prime yields by type of property**




Source: BNP Paribas Real Estate GmbH, June 30, 2026

- OFFICE ASSETS DOMINATE INVESTMENT ACTIVITY
- STRONG CONTRIBUTION FROM MID-SIZED TRANSACTIONS (€25-50M)

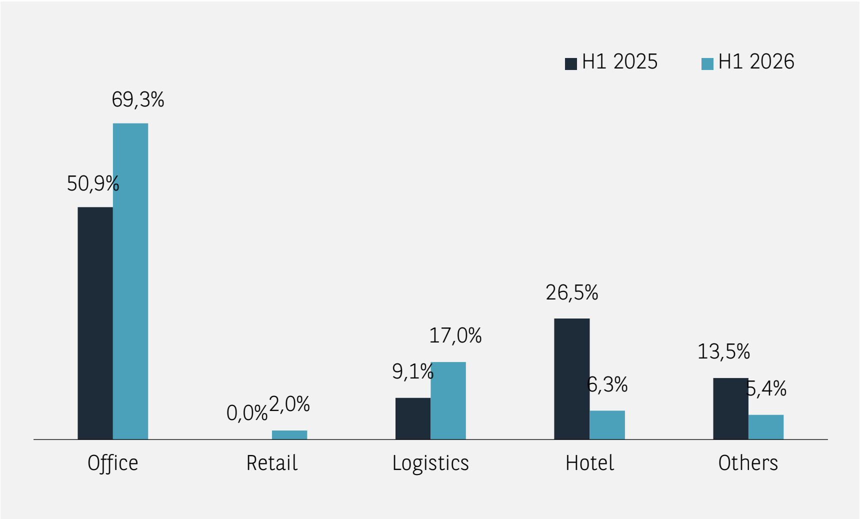
# INVESTMENT MARKET STRUCTURE

With a market share of 69% and a transaction volume of €242m, office assets made the largest contribution to Cologne's H1 investment result since 2022. The performance was driven by several mid-sized transactions, most notably the sale of an office property in Mediapark for approximately €90m. The logistics sector also performed strongly, generating €59m in transaction volume and achieving an above-average market share of 17% (10-year average: 9%). In contrast, hotels and retail assets continued to play only a minor role, accounting for just 6% and 2% of total investment volume, respectively.

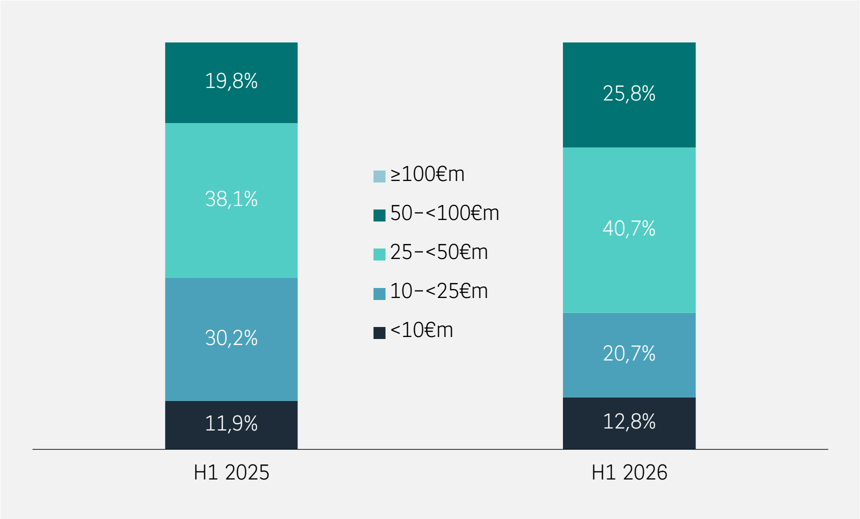
The distribution of transactions by lot size highlights the increasingly granular nature of the market. Deals in the €25–50 million segment accounted for €142m, representing 41% market share and even exceeding the long-term average for this size segment (€116m). By contrast, large-scale transactions above €50m remain scarce, contributing only 26% of total investment volume while their average market share is at around 50%.

Prime urban locations remain the key drivers of investment activity. The City Centre and Centre Fringe together accounted for 74% of total transaction volume (10-year average: 78%). Secondary locations and peripheral submarkets each contributed 13% to the overall result. Notably, the peripheral segment achieved an above-average market share compared to its long-term performance.

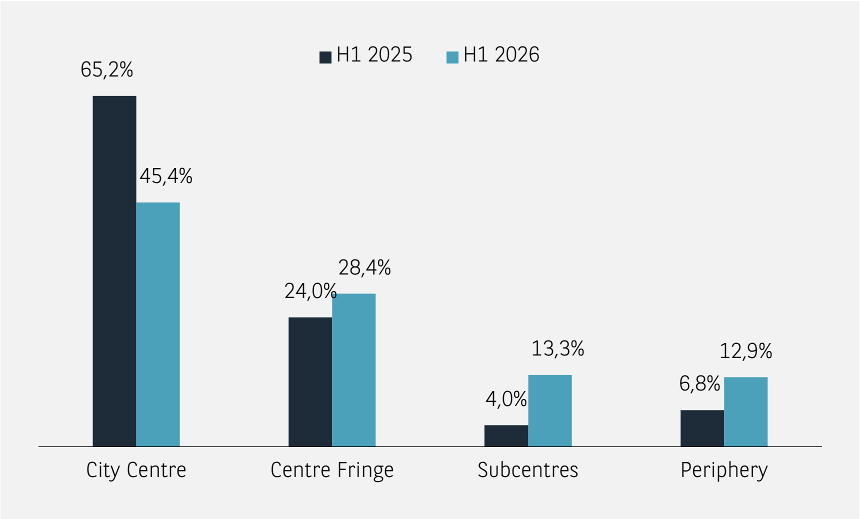
## Investments by type of property




## Investments by € category




## Investments by location




Source: BNP Paribas Real Estate GmbH, June 30, 2026

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## BROAD DEMAND BASE SUPPORTS H2

## RECOVERY MOMENTUM CONTINUES

## ECONOMIC INDICATORS

+0,8
GDP Forecast 2026
(in %)

3,01 △ +15bps q/q
10ys bond yield
Ø Q2 2026 (in %)

85,6 △ +0,6pts m/m
ifo business climate index
(6/2026)

Source: ifo ecomic forecast, Deutsche Bundesbank, ifo Institut

## OUTLOOK

Further market stabilization is expected over the second half of the year. The solid transaction frequency and strong activity in the mid-sized deal segment underline the continued appetite of investors. Another encouraging sign is the robust performance of the office sector, where investment activity is supported by a broad base of transactions rather than individual large-scale deals.

At the same time, market conditions remain challenging. The financing environment, ongoing geopolitical risks and the still fragile economic outlook could continue to delay larger transactions and weigh on market activity in the short term. As a result, the recovery of the investment market is likely to remain gradual rather than accelerate significantly.

Nevertheless, Cologne should benefit from its diversified economic base, broad investor pool and healthy transaction pipeline. Against this backdrop, a moderate increase in investment activity over the course of the year appears likely. However, achieving a full-year transaction volume above the €1 billion mark – and therefore in line with the results of the previous two years – will probably require additional large-scale transactions in excess of €100 million, which have so far been absent in 2026. Reaching the long-term average transaction volume, by contrast, still appears out of reach.

### Investment market data

| | H1 2025 | H1 2026 | CHANGE |
|---|---|---|---|
| **Total (€m)** | **313** | **349** | **+11,7%** |
| Portfolio share | 0,0% | 6,3% | +6,3%pts |
| Share above €100 million | 0,0% | 0,0% | +0,0%pts |
| Office share | 50,9% | 69,3% | +18,4%pts |
| Share of city locations | 65,2% | 45,4% | -19,8%pts |
| Share of foreign investors | 25,1% | 20,5% | -4,6%pts |

| NET PRIME YIELDS | H1 2025 | H1 2026 | CHANGE |
|---|---|---|---|
| Office | 4,40% | 4,60% | +20bps |
| Retail | 3,85% | 4,00% | +15bps |
| Logistics | 4,25% | 4,60% | +35bps |

Source: BNP Paribas Real Estate GmbH, June 30, 2026

# CONTACT

LEARN MORE

MARKET REPORTS

DASHBOARDS

## BNP Paribas Real Estate GmbH

**THE CORNER | Im Klapperhof 3-5| 50670 Cologne**

**Phone: +49 (0)221-93 46 33-00**

**Inga Schwarz**

Head of Research

inga.schwarz@bnpparibas.com



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