

REVIEW INVESTMENT MARKET

COLOGNE Q3 2026

RESEARCH & INSIGHTS



**BNP PARIBAS
REAL ESTATE**

Real Estate for a changing world



Q3 2026

INVESTMENT MARKET COLOGNE

- **SOLID DEAL ACTIVITY, VOLUME IN LINE WITH FIVE-YEAR AVERAGE**
- **UPWARD PRESSURE ON PRIME YIELDS CONTINUES**

KEY FIGURES

661

Investment volume (€m)

▽ -10.4% y/y

8.9

Portfolio share (in %)

△ +6.9%pts y/y

21.3

Ø Deal size (in €m)

▽ -16.2% y/y

MARKET OVERVIEW

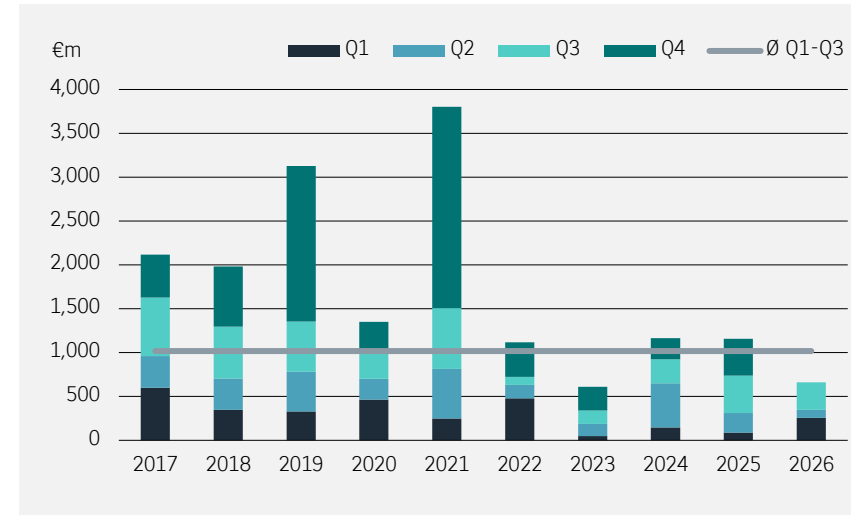
The Cologne investment market recorded a transaction volume of just under €661 million in the first three quarters of 2026. While well below the strong results achieved between 2017 and 2021, the figure is broadly in line with the five-year average of €677 million. This period was largely shaped by a challenging financing environment. The wider market comparison also puts Cologne's result into perspective: Munich (€1.7 billion) and Hamburg (€1.2 billion) were the only major markets to exceed €1 billion.

Another indication that investment activity in Cologne has been more dynamic than the transaction volume suggests is the number of deals. At around 30 transactions between the beginning of January and the end of September, sales activity reached a comparatively high level. The moderate overall volume can therefore primarily be attributed to the low average deal size, which currently stands at just around €21 million.

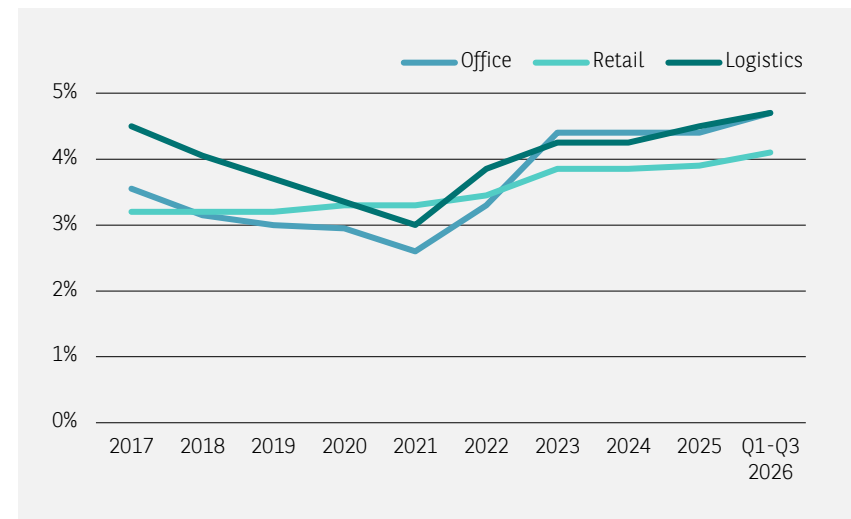
The renewed significant rise in capital market interest rates has been reflected in higher prime yields across the board, with yields increasing by 10 basis points in Q3 across all asset classes. Prime yields currently stand at 4.10% for retail assets, while office and logistics properties are both at 4.70%.



Development of investment volume



Net prime yields by type of property





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- OFFICES REMAIN DOMINANT,
WITH SOLID VOLUME
- CITY CENTRE AND CENTRE FRINGE
LOCATIONS IN FOCUS

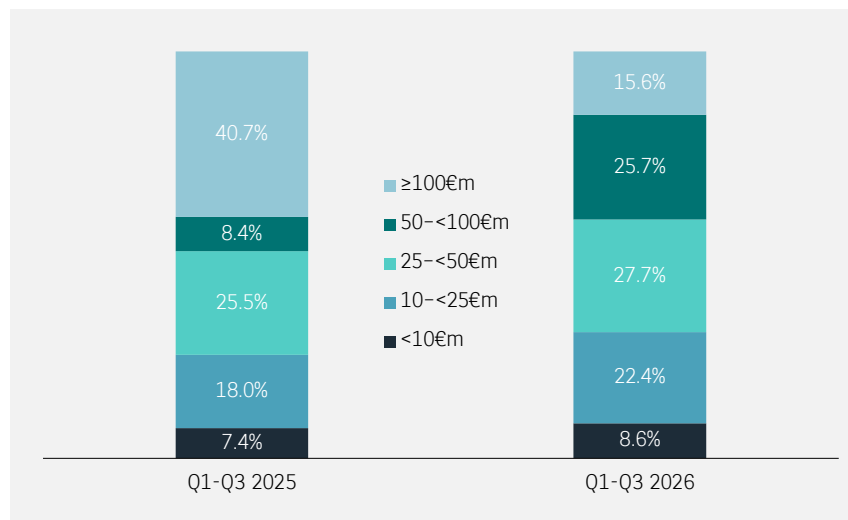
INVESTMENT MARKET STRUCTURE

Particularly against the backdrop of the challenging market environment that continues to affect locations across Germany, the performance of Cologne's office investment market stands out. While transaction volume did not reach an exceptionally high level, the Q1-Q3 result was slightly above Cologne's five-year average and compares favorably with the other major German markets. As in the same period last year, the office sector accounted for more than 70% of total market activity (just under 71%), clearly underlining the dominance of this asset class. In addition to several larger properties, including a 30,000 sqm complex in MediaPark, transaction activity primarily involved smaller office properties in the city centre and attractive centre fringe locations such as Ehrenfeld/Braunsfeld.

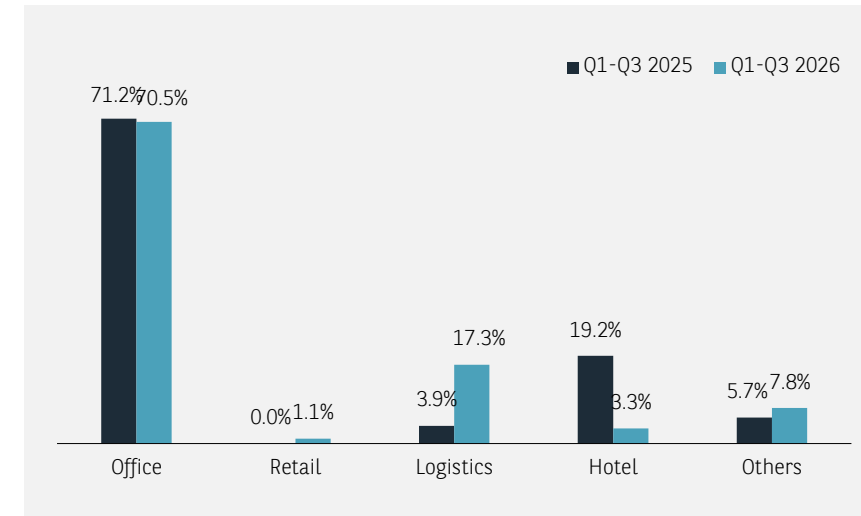
Outside the office sector, logistics properties (just over 17%) and investments grouped under the "other" category (almost 8%) also accounted for notable market shares. The logistics segment also recorded a comparatively high number of deals, with 10 transactions in total. The largest of these was the "Log Plaza Frechen" logistics centre, which changed hands for around €40 million. Investments in the "other" category mainly comprised development sites and brownfields within the Cologne market area.

The distribution of transaction volume across Cologne's location categories also reflects the dominance of office investments. With only a few exceptions, these were concentrated in the city centre (just under 52%) and centre fringe locations (just over 21%).

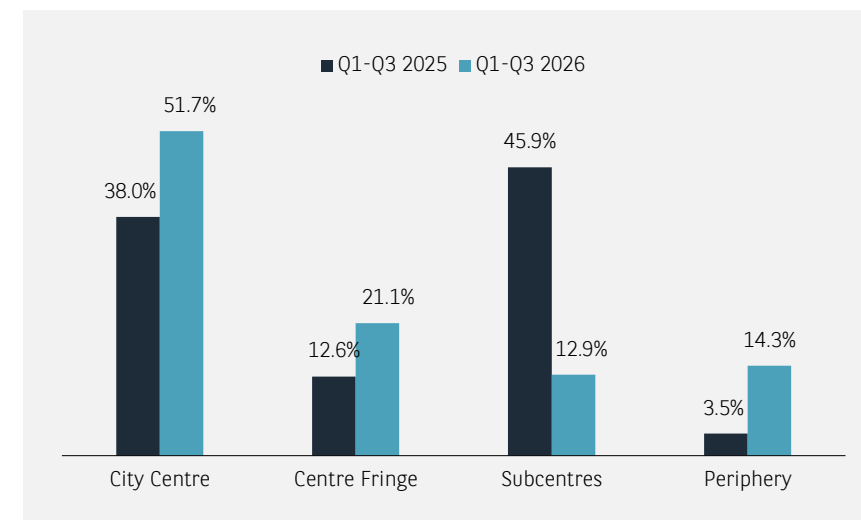
Investments by € category



Investments by type of property



Investments by location



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



Q3 2026

INVESTMENT MARKET COLOGNE

- AROUND €1BN IN TRANSACTION VOLUME TARGETED FOR Q4
- FURTHER PRICE ADJUSTMENT EXPECTED

ECONOMIC INDICATORS

+1.4

GDP Forecast 2026
(in %)

3.25

10ys bond yield
Q3 2026 (in %)

△ +24bps q/q

89.9

ifo business climate index
(9/2026)

△ +1.1pts m/m

Source: ifo economic forecast, Deutsche Bundesbank, ifo Institut

OUTLOOK

Against the backdrop of the persistently challenging investment market environment, the Cologne market delivered a result that, can be considered satisfactory overall. Activity in the smaller deal-size segments remains lively, while large-scale transactions continue to be the exception not only in Cologne but also across the other major investment markets. Encouragingly, Cologne can keep pace with most of the major markets, particularly in the important office segment.

Looking ahead to year-end 2026, the markedly improved economic outlook provides grounds for optimism. Price discovery in transaction processes is likely to remain the key factor in the final quarter. Sound financing structures and purchase prices that adequately reflect both income prospects and property-specific investment requirements remain essential to stronger transaction activity. Provided these conditions are met and occupier markets benefit from an improving economic environment, Cologne should remain an attractive investment destination.

Prime yields, however, indicate that pricing remains under pressure across all asset classes. As a result, yields across the various property types could see a further increase by year-end.



Investment market data

	Q1-Q3 2025	Q1-Q3 2026	CHANGE
Total (€m)	737	661	-10.4%
Portfolio share	2.0%	8.9%	+6.9%pts
Share above €100 million	40.7%	15.6%	-25.1%pts
Office share	71.2%	70.5%	-0.7%pts
Share of city locations	38.0%	51.7%	+13.7%pts
Share of foreign investors	20.6%	60.4%	+39.9%pts

NET PRIME YIELDS	Q1-Q3 2025	Q1-Q3 2026	CHANGE
Office	4.40%	4.70%	+30bps
Retail	3.85%	4.10%	+25bps
Logistics	4.40%	4.70%	+30bps



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