Take-up in the Cologne warehouse and logistics premises market in the first six months totalled 154,000 m², the second-best half-year result of all time. Only in the record year of 2014 was the mid-year figure higher (179,000 m²). The second quarter brought a continuation of the dynamism apparent in the very strong first quarter, producing a result more than 44 % up on the 10-year average. This was fuelled, for instance, by five contracts involving premises upwards of 10,000 m². That included three newly built units, but in general, market activity focused mainly on existing stock. Alongside sizeable deals, there was lively demand in the mid-range and smaller size classes. What makes the overall result especially pleasing is that the supply situation actually remains extremely tight.

Retail companies, which concluded all of three contracts of over 10,000 m² and which profited from demand by tenants from the e-commerce field, easily headed the take-up table at the half-year point with more than 45 % of the total. In second place came logistics service-providers, which accounted for nearly one third of all turnover so far. That means that these two sectors, traditionally the biggest sources of demand in Cologne, were together responsible for more than 75 % of all take-up. But manufacturers also made a notable contribution to the very good half-year result, with a share of nearly 17 %. A substantial factor in this was the relocation of paper specialist Papyrus (22,000 m²).

Unlike this time last year, the Cologne logistics market can point to several sizeable new contracts. Together, the two classes of over 12,000 m² accounted for more than 40 % of aggregate take-up. The 8,001-12,000 m² bracket also made a significant contribution, with just over 26 % of the total, fuelled, for instance, by the contract for premises of 10,800 m² in the core area of Cologne concluded by the firm of Clic-Trade. Activity in the size segment of between 3,001 and 8,000 m² was also buoyant, and it posted seven deals to gain a share of over 22 %. Because of the strong results registered by the upper size categories, that was lower than the prior-year proportion, but in absolute terms its turnover expanded by 11 %.
- **PRIME RENT REMAINS STABLE**

The rental price level in the Cologne logistics market has stayed steady for some time now. The prime rent for modern premises in good locations, above all in Ossendorf, stands unchanged at 5.00 €/m². The average rent is also the same as before, at 4.10 €/m². Thanks to several sizeable contracts for freshly constructed units, the new-build proportion is currently just under 41%. Up to now, owner-occupiers have not put in much of an appearance, contributing just 10% to total take-up. Overall, despite strong turnover figures and stable rental prices, the market situation continues to be tight, especially because of the ongoing fall in the availability of modern and larger complexes. Fewer and fewer existing premises are coming onto the market, and in some cases they have already been leased again before the previous tenant moves out.

- **OUTLOOK**

Market activity in the second half will again be shaped a surplus of demand over supply. Current enquiries suggest that demand will continue to be lively and in fact increase slightly. However, it is likely to encounter increasing scarcity. So in order to meet requests for space, there is a need for additional new-build projects. All in all, take-up looks set to go on developing positively in the months ahead, raising the possibility that 2017 could be one of the most successful years ever.