The Cologne investment market has generated a volume of just over 704 m € in the first half-year, which is an impressive 43% above the long-term average and is confirmation of the lively market activity seen in recent years. For the fourth time ever and the third time since 2015 the 700 m € mark has been exceeded, although the previous year’s exceptionally good result was not repeated. While this record result was due in particular to a large number of deals, the market is currently benefiting above all from a few major transactions, including the purchase of the Maritim Hotel in Heumarkt for a price in excess of 100 m €. The average value per deal has risen accordingly to 26 m € (2017: 20 m €).

The total volume also includes Cologne properties in portfolio sales to the tune of around 29%.

The aforementioned major deal in Cologne city centre ensures that the segment above 100 m € accounts for just under 18% of the volume. Just over three quarters of the total volume is spread fairly evenly across the three size categories 10–25 m €, 25–50 m € and 50–100 m €. This again acts as proof, as in the previous year, of the broad basis upon which the investment market rests in the Rhine metropolis. The segment below 10 m € contributes a small share of 6%, which reflects the overall increase in prices seen in recent years. Some properties are now in the next size category up, and while turnover continues to fall in the bottom price segment, at the same time the category 10–25 m € has generated the second-best half-year result of all time with a total volume of around 172 m €.

Distribution by asset class is traditionally led by office properties, which are responsible for half of all deals and the volume. Some changes have been seen in the places behind. Hotel investments have increased significantly due to a few deals in the city centre and at the mid-year point have already achieved the second-best result of all time for the year as a whole (almost 190 m €). The investment volume with retail properties fell just short of the 100 m € mark and, with almost 14%, contributes a slightly lower share than in the previous year. Logistics properties only account for a few investments (just over 4%), after having been exceptionally strongly represented in the previous year due to portfolio deals.
CITY CENTRE LOCATIONS CLAIM TOP SPOT AGAIN
Thanks to several major deals - the average volume per deal in the City Centre is around 40 m € - this location has claimed its customary top spot again with just under 57 %. Both the hotel deals and numerous investments in central office properties are reflected here. The Centre Fringe and Subcentres are almost level after the first two quarters with around 22 % each. Although the share of the Subcentres has fallen significantly after the record result set in the previous year (-22 percentage points), the volume of office and logistics properties sold in this location totals over 150 m €, which is the second-best half-year result of all time. In the Periphery no sales have been recorded to date.

SPECIAL-PURPOSE FUNDS LEAD TOP THREE
Among the buyer groups, it is the traditionally strong special-purpose funds which take top spot with just over 37 %, leaving second and third place to the ever-present property developers (26 %) and investment/asset managers (16 %). The trio are thus responsible for almost 80 % of the total turnover. Special-purpose funds (just over 261 m €) and property developers (just under 180 m €) each achieve a record volume for the first half-year. All other buyer groups, such as pension funds (6 %), equity/real estate funds (just under 5 %) and listed real estate companies/REITs (just over 4 %) contribute only comparatively small shares to the overall result. More than one in every three Euros (35 %) comes from abroad, which is slightly above average for Cologne.

YIELDS LARGELY STABLE AT RECORD LEVEL
Net prime yields remain at record level in all asset classes. In the case of offices (3.55 %) and retail/office buildings (3.20 %) the fall in yields has stopped for the time being and yields are stabilising at the level seen at the end of 2017. Prices rose only in the logistics segment. Due among other things to the continued high level of demand from abroad, yields fell again in all A locations; the prime yield has therefore also fallen in Cologne to currently 4.40 %.

STRONG VOLUME AT THE END OF THE YEAR AGAIN EXPECTED
The investment market in Cologne is again characterised by a high level of demand and lively market activity in 2018, even though not all potential buyers had the opportunity due to the limited supply. Sentiment among market participants is on the whole positive in view of the good economic conditions and despite a few political uncertainties. For the second half of the year a high turnover is therefore still expected, and another very pleasing total volume well over the 1.7 bn € mark is possible.