



**The Cologne  
office-letting market.  
1. half year 2018**



# Foreword.

## How does Larbig & Mortag see Cologne?

Dear Sir/Madam,

The first half of 2018 has concluded with contrasting conditions compared to the same period of the previous year. The average rent increased by 3 per cent to EUR 12.70 / m<sup>2</sup>. The prime rent (EUR 21.00 / m<sup>2</sup>) and the maximum rent (22.50 EUR/m<sup>2</sup>) remain constant. The rental performance drops by 34 per cent (from 158,500m<sup>2</sup> to 105,000m<sup>2</sup>) and the vacancy rate by 25 per cent (from 4.8 per cent to 3.6 per cent). In addition, the rental performance is distributed with just over 80 per cent on the left Rhine river bank of the city.

Especially in the area of 1,000m<sup>2</sup> and more, there are hardly any short-term vacancies in central locations. Therefore companies must accept either higher rents, a move to decentralised locations or a lead time of up to 2.5 years before moving into a new building (depending on the duration of the building permit procedure). Switching to more flexible workplace concepts (e.g. coworking) solves this problem only temporarily.

The completion of new buildings with vacant office space continues to be scarce in the Cologne office letting market. The letting rate for projects under construction is 60 per cent. In 2018, less than 60,000m<sup>2</sup> of new office space will be completed, which again means a historically low value.

This development reflects the expectations of our experts, as the significant vacancy reduction and the lack of project developments in recent years are now also reflected in the lack of available rental space. In addition, the positive trend in the labour market is making companies almost exclusively increase space. Therefore, our recommendation to our two customer groups is: Landlords should also realise projects without a pre-letting rate - this strategy is already paying off for some landlords. Tenants have to deal with the office search early, so as not to experience a predicament.

Yours sincerely



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**Uwe Mortag.**

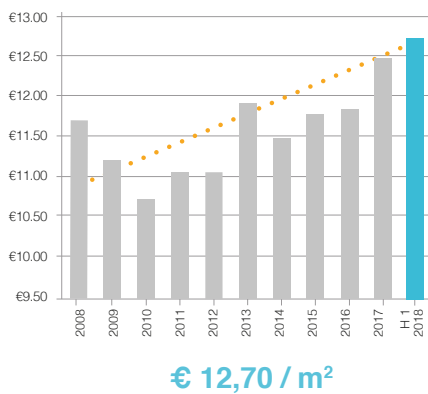
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Managing director  
Larbig & Mortag Immobilien GmbH

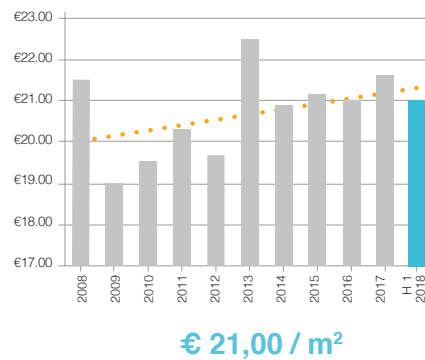
# Overview.

## Short overview of the first half of 2018.

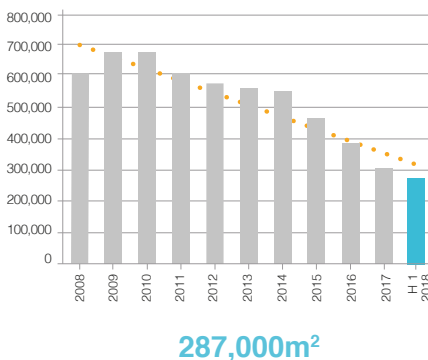
### Average rents in EUR/m<sup>2</sup>.



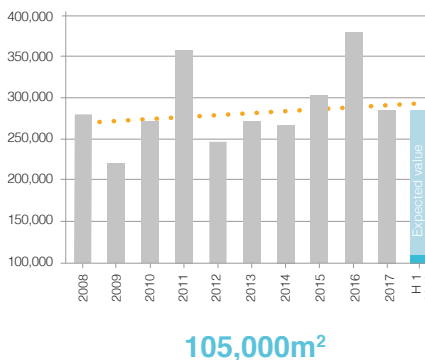
### Prime rents in EUR/m<sup>2</sup>.



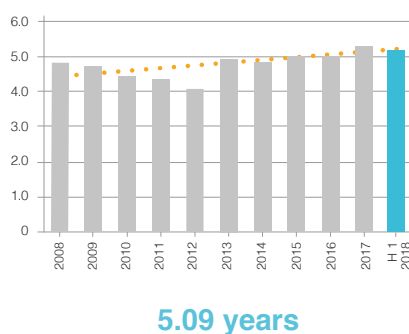
### Vacancy in m<sup>2</sup>.



### Rental performance in m<sup>2</sup>.



### Ø - MV duration in years.



### Facts.

<b>Areas:</b>	
<b>Total stock (approx.)</b>	7,957,000m <sup>2</sup>
<b>Floor-space</b>	105,000m <sup>2</sup>
<b>Turnover</b>	287,000m <sup>2</sup>
<b>Vacancy rate</b>	3.6%
<b>Under construction (approx.)</b>	206,000m <sup>2</sup>
<b>Completions</b>	67,000m <sup>2</sup>

<b>Prices:</b>	
<b>Maximum rent</b>	22.50 EUR/ m <sup>2</sup>
<b>Prime rent</b>	21.00 EUR/ m <sup>2</sup>
<b>Average rent</b>	12.70 EUR/ m <sup>2</sup>
<b>Additional cost average</b>	2.95 EUR/ m <sup>2</sup>
<b>Durations</b>	5.09 years

<b>Top-Deals:</b>	
<b>Grüner Punkt</b>	6,000m <sup>2</sup>
<b>Design Offices GmbH</b>	5,600m <sup>2</sup>

<b>Locations:</b>	
<b>1. City centre</b>	42%
<b>2. Ehrenfeld/Braunsfeld</b>	16%
<b>3. AirportBusinessPark</b>	10%

# Comparison of municipalities.



## Cologne in comparison.

In the nationwide comparison only in the lower third.

## Comparison of municipalities.

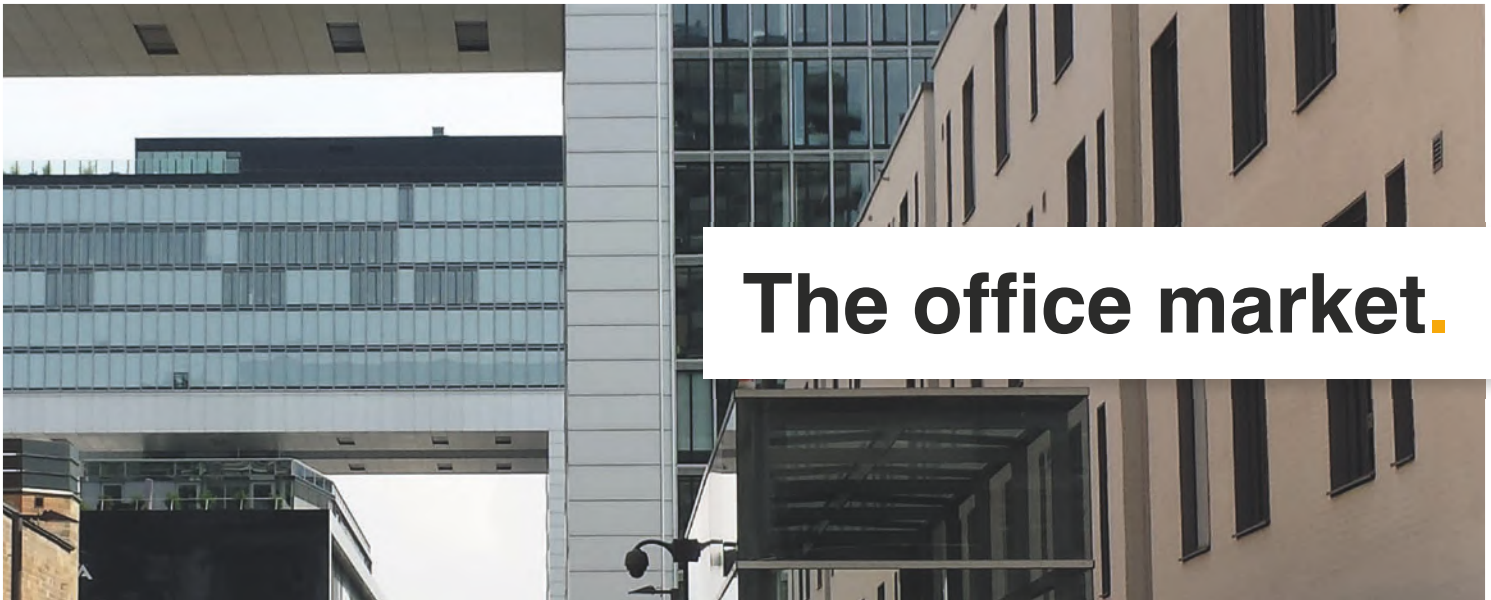
In a nationwide comparison, the Cologne office letting market, with 105,000m<sup>2</sup> of brokered office space, shows the lowest result of the last 5 years for the first half of 2018. Both the letting performance and the average rent, and in particular the prime rent, can not compete with the TOP 7. The vacancy rate is approaching the market conditions in Munich, Stuttgart and Berlin.

	Cologne*	Bonn*	Leverkusen*	Ruhrgebiet	Düsseldorf
Available floorspace	7,957,000m <sup>2</sup>	3,855,000m <sup>2</sup>	675,000m <sup>2</sup>	9,845,000m <sup>2</sup>	9,140,000m <sup>2</sup>
Floorspace turnover	105,000m <sup>2</sup>	88,300m <sup>2</sup>	7,500m <sup>2</sup>	318,000m <sup>2</sup>	381,000m <sup>2</sup>
Prime rent	€21.00 / m <sup>2</sup>	€22.50 / m <sup>2</sup>	€14.50 / m <sup>2</sup>	Ø €14.00 / m <sup>2</sup>	€27.00 / m <sup>2</sup>
Average rent	€12.70 / m <sup>2</sup>	€12.36 / m <sup>2</sup>	€7.90 / m <sup>2</sup>	€9.64 / m <sup>2</sup>	€14.70 / m <sup>2</sup>
Vacancy rate	3.60%	1.84%	4.90%	Ø 4.05%	7.70%
Prime yield	3.45%	4.25%	7.50%	Ø 5.05%	3.60%
Office investment volume	665 Mio.	k. A	k. A	1,160 Mio.	2,350 Mio.

	Munich	Hamburg	Frankfurt	Stuttgart	Berlin
Available floorspace	20,200,000m <sup>2</sup>	13,700,000m <sup>2</sup>	11,390,000m <sup>2</sup>	7,800,000m <sup>2</sup>	18,560,000m <sup>2</sup>
Floorspace turnover	977,000m <sup>2</sup>	629,000m <sup>2</sup>	711,600m <sup>2</sup>	259,000m <sup>2</sup>	932,000m <sup>2</sup>
Prime rent	€36.50 / m <sup>2</sup>	€26.50 / m <sup>2</sup>	€40.30 / m <sup>2</sup>	€24.10 / m <sup>2</sup>	€31.00 / m <sup>2</sup>
Average rent	€17.10 / m <sup>2</sup>	€15.10 / m <sup>2</sup>	€20.70 / m <sup>2</sup>	€13.20 / m <sup>2</sup>	€19.20 / m <sup>2</sup>
Vacancy rate	3.00%	4.40%	8.60%	2.30%	2.10%
Prime yield	3.05%	3.05%	3.20%	3.55%	2.90%
Office investment volume	3.490 Mio.	1.990 Mio.	5.680 Mio.	1.120 Mio.	4.750 Mio.

\* H 1 2018





# The office market.

## Stocking office real estate market.

The Cologne office real estate market ended the 1st half of 2018 with a 51 per cent decline (1st half of 2017: 158,500m<sup>2</sup>) compared to the same period of the previous year. The foreseeable development in the past few years of the significant decline in the vacancy rate continues to meet high demand, which can no longer be met. Few major rentals over 5,000m<sup>2</sup> characterise the historically low rental performance of the 1st half of 2018.

## turnover.

105,000m<sup>2</sup>  
- 51%

## Three completed deals over 5,000m<sup>2</sup>.

In the 1st half of 2018, were recorded only three leases over 5,000m<sup>2</sup>. Among other things, this contributes to the low overall leasing performance. In total, around 16,600m<sup>2</sup> could be let in this size segment. This corresponds to a rental share of approximately 16 per cent. The largest deal was completed at the beginning of the year with a new building for the company Grüner Punkt with 6,000m<sup>2</sup> on the right Rhine river bank in the Airport Business Park in the Gremberghoven district. This is followed by a renewed lease of the Design Offices GmbH with 5,600m<sup>2</sup> in the new construction project "Kaiserhof" vis-à-vis the Mediapark and the project start of the new building "The Ship" in Cologne Ehrenfeld, where the company Fond Of with approximately 5,000m<sup>2</sup> will move to as the main tenant.

## Major rentals.

Missing completion of deals lead to the low half-year results.

Grüner Punkt	AirportBusinessPark	6.000m <sup>2</sup>	New building
Design Offices GmbH	Neustadt Nord	5.600m <sup>2</sup>	New building
F. O. BAGS GmbH	Ehrenfeld/Braunsfeld	5.000m <sup>2</sup>	New building



# The office market.

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## Demand.

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Despite high demand so far hardly any deals

## Three rentals between 2,000m<sup>2</sup> and 5,000m<sup>2</sup>.

Also in the segment between 2,000m<sup>2</sup> and 5,000m<sup>2</sup>, were counted only three rentals with a total volume of 6,448m<sup>2</sup>. This corresponds to a total share of only 6.1 per cent.

The segment, which was very strong in previous years, initially had to let up in the 1st half of 2018. Many office seekers in this area could not find suitable office space on the office real estate market and are still looking for some or first had to condense and optimise already existing areas. The three deals were concluded with the BG ETEM with 2,300m<sup>2</sup> in Bayenthal, the Align Technology GmbH with 2,148m<sup>2</sup> in Marsdorf and the Ströer SE 2,000m<sup>2</sup> also in Bayenthal.

BG ETEM	Marienburg/Bayenthal	2,300m <sup>2</sup>	N/ A.
Align Technology GmbH	Cologne West	2,148m <sup>2</sup>	Portfolio
Ströer SE	Marienburg/Bayenthal	2,000m <sup>2</sup>	Portfolio



# The office market.

## Hardly any deals between 1,000m<sup>2</sup> and 2,000m<sup>2</sup>.

Compared to the previous year's results (1st half of 2017: 25 lettings, 1st half of 2016: 22 lettings), the nine transactions counted in the 1st half of 2018 are to be considered historically low. With a total letting capacity of approx. 15,500m<sup>2</sup>, these still account for 14.68 per cent of the half-year result. Noteworthy deals are the leases of the Bank für Sozialwirtschaft with almost 2,000m<sup>2</sup> in the Rheinauhafen and 1,900m<sup>2</sup> of IBM Deutschland GmbH in the city centre.

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## Nachfrage.

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Only 9 deals  
- 64% compared to  
the previous year

## Strong core market up to 1,000m<sup>2</sup>.

The well-known strong core market of up to 1,000m<sup>2</sup> contributes an astonishing 53.78% to the overall result in the 1st half of 2018. Even more impressive is the number of individual rentals in this sublease area. With 194 out of 209 lettings, the significance and influence of small and medium-sized enterprises (SMEs up to approx. 60 employees) is once again apparent. But also well-known companies such as Deutsche Post, Lanxess AG and Birkenstock GmbH & Co. KG contributed their share with rental agreements in this segment.

Size in m <sup>2</sup>	m <sup>2</sup>	Share	Number	Ø-rent/ m <sup>2</sup>	Prime rent/ m <sup>2</sup>	Max. rent/ m <sup>2</sup>	NK/ m <sup>2</sup>	Duration
until 500	39,815	37.92%	167	€12.35	€21.00	€22.50	€2.89	4.17
501-1000	22,753	21.67%	27	€14.43	€19.17	€21.50	€3.20	5.72
1001-2000	19,384	18.46%	9	€13.75	€18.43	€20.00	€3.28	7.78
2001-5000	6,448	6.14%	3	€17.75	€16.00	€16.00	€2.70	7.50
above 5000	16,600	15.81%	3	€16.07	€21.50	€21.50	€3.17	10
<b>Total</b>	<b>105,000</b>	<b>100.00%</b>	<b>209</b>					



# Vacancy.

## Vacancy.

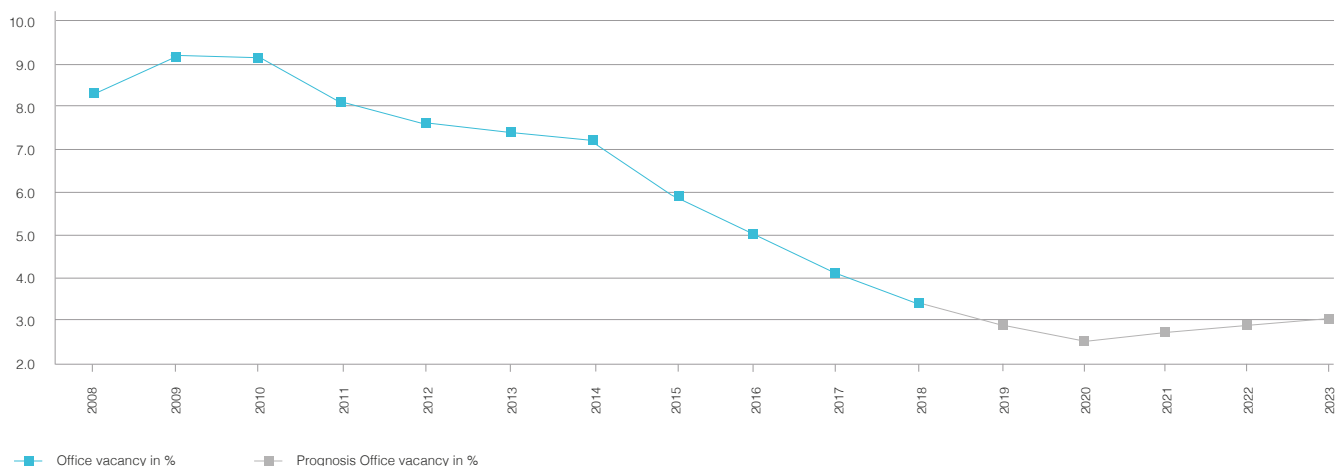
287,000m<sup>2</sup>  
approx. 3.6%

## Vacancy rate drops further.

Despite decreased rental performance in the first half of the year, well below the 10-year level, vacancies continue to drop and reach a current level of 3.6 per cent.

Since 2010, the vacancy rate has fallen steadily and will continue to decline in the first half of 2018 and 2019. The reduction in space continues to focus on inner-city locations as well as the good locations close to the city centre, such as the well-connected industrial parks Technologiepark in Ehrenfeld/Braunsfeld, the Butzweilerhof in Ossendorf and the Airport Business Park in Gremberghoven.

The office buildings currently under construction again will not offer a sustained increase in the available space. A positive factor is the number of newly planned office properties in the 1st half of 2018, which will lead to a positive vacancy rate and a higher letting performance in the next 3 to 5 years. Especially the courage of the project developers, who now also place speculative new office buildings on the Cologne market, will be rewarded in the future.





# Sectors.

## Sector distribution TOP 3.

The TOP 3 sectors of services, retail and the real estate sector accounted for 36.13 per cent of the half-year result with 37,943m<sup>2</sup> of the leased office space.

In particular, in top position the service sector with 17.67 per cent and 18,553m<sup>2</sup> leased area again shows the importance of this sector for the city of Cologne. In 2017, about 84 per cent of the Cologne workforce worked in the service sector. The retail sector is in this good position with 10,411m<sup>2</sup> of rented office space and a share of 9.91%. Among other things, the large lease of approximately 5,000m<sup>2</sup> of the company Fond OF in the new building "The Ship" in the trendy quarter Ehrenfeld has contributed to these values. Also the real estate sector, with 8.55 per cent and 8,979m<sup>2</sup>, is unexpectedly strong, but benefits here above all from the coworking trend and the hiring of the provider Design Offices in the new construction project Kaiserhof with around 5,600 m<sup>2</sup>. The public administration, consulting and media / advertising sectors, which were among the top positions in the past, are behind this TOP 3 and will continue to grow and change this sector distribution until the end of the year..

## Ranking.

The service industries are once again shaping the rental business. Public administration is not in the TOP 3 in the 1st half year.



# Submarkets

Submarket	Vacancy	rental performance	Market	Maximum rent per m <sup>2</sup>	Average rent per m <sup>2</sup> Offer	concluded
Altstadt North	36,181m <sup>2</sup>	9,980m <sup>2</sup>	9.45%	€23.00	€17.37	€15.20
Altstadt South	9,961m <sup>2</sup>	2,967m <sup>2</sup>	2.81%	€17.50	€17.38	€14.51
Bank district	5,600m <sup>2</sup>	245m <sup>2</sup>	0.23%	€13.50	€22.50	€13.50
Rheinauhafen	17,493m <sup>2</sup>	8,301m <sup>2</sup>	7.86%	€21.00	€23.92	€18.00
Neustadt North	9,872m <sup>2</sup>	13,881m <sup>2</sup>	13.15%	€21.08	€17.42	€14.06
Neustadt South	8,070m <sup>2</sup>	354m <sup>2</sup>	0.34%	€11.00	€14.09	€11.00
Ringe	7,456m <sup>2</sup>	7,703m <sup>2</sup>	7.30%	€20.00	€18.68	€14.98
Mediapark	2,116m <sup>2</sup>	1,389m <sup>2</sup>	1.32%	€22.50	€15.58	€19.00
<b>Inner City</b>	<b>96,749m<sup>2</sup></b>	<b>44,820m<sup>2</sup></b>	<b>42.46 %</b>			
AirportBusinessPark	23,408m <sup>2</sup>	10,089m <sup>2</sup>	9.56%	€12.50	€11.97	€11.30
Butzweilerhof	11,598m <sup>2</sup>	1,042m <sup>2</sup>	0.99%	€10.50	€12.80	€9.25
Deutz	3,352m <sup>2</sup>	2,751m <sup>2</sup>	2.61%	€19.89	€13.31	€13.02
Ehrenfeld/Braunsfeld	49,486m <sup>2</sup>	17,141m <sup>2</sup>	16.24%	€13.33	€10.64	€10.25
Kalk	2,892m <sup>2</sup>	327m <sup>2</sup>	0.31%	€9.75	€10.85	€9.75
Cologne North-West	630m <sup>2</sup>	4,389m <sup>2</sup>	4.16%	€10.50	€10.75	€9.50
Cologne West	30,895m <sup>2</sup>	4,389m <sup>2</sup>	4.16%	€11.90	€12.29	€9.57
Lindenthal	3,151m <sup>2</sup>	722m <sup>2</sup>	0.68%	€17.00	€14.30	€13.96
Marienburg/Bayenthal	5,009m <sup>2</sup>	7,512m <sup>2</sup>	7.12%	€16.47	€12.59	€11.50
Mülheim	4,067m <sup>2</sup>	1,674m <sup>2</sup>	1.59%	€12.50	€14.15	€9.91
Niehl	5,174m <sup>2</sup>	801m <sup>2</sup>	0.76%	€9.00	€6.85	€6.33
Ossendorf	6,425m <sup>2</sup>	2,423m <sup>2</sup>	2.30%	€12.80	€10.24	€9.64
Poll	7,713m <sup>2</sup>	531m <sup>2</sup>	0.50%	€14.50	€13.50	€11.67
Porz/Gremberghoven	19,055m <sup>2</sup>	3,110m <sup>2</sup>	2.95%	€13.00	€8.16	€10.18
Rodenkirchen	16,233m <sup>2</sup>	3,728m <sup>2</sup>	3.53%	€11.98	€8.71	€8.84
Zollstock	960m <sup>2</sup>	110m <sup>2</sup>	0.10%	€12.50	€10.00	€12.50
<b>Total</b>	<b>286,797m<sup>2</sup></b>	<b>105,000m<sup>2</sup></b>	<b>100.00%</b>			





# Locations.

## Location ranking.

Unattractive Rhine river bank or lack of space? Compared to the same period of the previous year, demand for space is shifting significantly towards the city on the left Rhine river bank, with the city centre location still keeping up very well. With a share of 82 per cent (2017: 65 per cent, 2016: 54 per cent), it increased for the third time in succession. The so-called Schäl Sick (Cologne on the right Rhine river bank) currently lacks available large office space. This statistic is also expected to show a more balanced result at the end of 2018 and the coming years than in previous years, since the construction activity in Mülheim, for example, is steadily improving, even though the offer of space on the left Rhine river bank remains broader.

In the ranking of the office market locations within Cologne, the city centre has a market share of 42 per cent, ahead of the second-placed Ehrenfeld/Braunsfeld with 16 per cent and the Airport Business Park in Gremberghoven on the right Rhine river bank with 10 per cent market share. In the districts of Deutz and Mülheim, only lettings with a total of 4,425m<sup>2</sup> (1st half of 2017, two large lettings in Deutz with 37,000m<sup>2</sup>) could be counted in the first half of the year. This corresponds to a market share of just 4.4 per cent.

## Top-Location.

The office market on the left Rhine river bank “ignores” Schäl Sick.



	Left	Right Rhine river bank
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2017	65%	35%
2018	82%	18%

# Construction.

## Construction process.

In the 1st half of 2018, approximately 206,291m<sup>2</sup> were under construction, which will be completed in the years (2019/2020).

## Completions.

67,000m<sup>2</sup>

## Construction activity is insufficient.

In Cologne, around 206,000m<sup>2</sup> of office space will be under construction in the first half of 2018, which will be completed during the second half of 2018 and 2019. The areas under construction remain above the average of the last five years (approximately 147,000m<sup>2</sup>). However, due to the high pre-letting level, the currently completed buildings still can not compensate for the excess demand.

The largest construction volumes are currently in the city centre, Deutz and Kalk. It can be assumed that further selected projects will be added in the course of the second half of the year, which will be speculative without the necessary pre-letting quota.

Object	Location	Current state	Completion	Rental space	Occupancy rate
<b>Office Campus Deutz (Strabag HQ)</b>	Deutz	Under Construction	2018	17,000m <sup>2</sup>	100%
<b>One Cologne</b>	City centre	Under Construction	2018	14,975m <sup>2</sup>	30%
<b>GAG Zentrale</b>	Kalk	Under Construction	2018	12,400m <sup>2</sup>	100%
<b>Kaiserhof</b>	City centre	Under Construction	2018	13,000m <sup>2</sup>	0%
<b>University of Köln</b>	Lindenthal	Under Construction	2018	12,000m <sup>2</sup>	100%
<b>HagenCampus</b>	Kalk	Under Construction	2018	3,557m <sup>2</sup>	N/A
<b>Mathias-Brüggen-Straße 76</b>	Ossendorf	Under Construction	2018	2,100m <sup>2</sup>	0%
<b>Sum 2018</b>		Subject to renovation		<b>75,032m<sup>2</sup></b>	
<b>Wallarkaden</b>	City centre	Under Construction	2019	12,020m <sup>2</sup>	N/A
<b>Clouth104</b>	Niehl	Under Construction	2019	12,000m <sup>2</sup>	75%
<b>Teile I/D Cologne</b>	Mülheim	Planned	2019	10,000m <sup>2</sup>	50%
<b>Haus Friesenplatz</b>	City centre	Under Construction	2019	8,632m <sup>2</sup>	N/A
<b>New building Campus Ehrenfeld</b>	Ehrenfeld	Planned	2019	8,307m <sup>2</sup>	100%
<b>MesseCity 1. BA</b>	Deutz	Under Construction	2019	65,000m <sup>2</sup>	83%
<b>„The Ship“</b>	Ehrenfeld	Under Construction	2019	9,300m <sup>2</sup>	70%
<b>Grüner Punkt</b>	Gremberghoven	Under Construction	2019	6,000m <sup>2</sup>	100%
<b>Sum 2019</b>				<b>131,259m<sup>2</sup></b>	



# Prognosis.

## Prospects for 2018.

The office leasing experts at Larbig & Mortag Immobilien anticipate a year-end result within the 10-year trend of approximately 288,000m<sup>2</sup>. The number of large and medium-sized requests currently on the market between 2,000m<sup>2</sup> and 5,000m<sup>2</sup> as well as over 10,000m<sup>2</sup> also allow for an increased forecast of rental performance. The rating of a transaction will largely depend on whether the start of construction for a project development will take place in 2018. It can be assumed that various project leases will be carried out in 2018, but that the office market will not be operational until the start of construction in 2019.

Due to vacancy rates and the lack of speculative new construction, rents will continue to rise over the course of the year. The prime rent will be just under EUR 22.00/m<sup>2</sup> and the average rent will be EUR 13.00/m<sup>2</sup>. Due to this development, companies with expiring leases from 2008 to 2013 will have to accept a significant increase in rents or a move to decentralised city locations. The demand will mainly extend to the city centre office zones, Ehrenfeld/Braunsfeld, Mülheim, as well as to the industrial areas Butzweilerhof and Airport Business Park.

The office real estate market will continue to experience a landlord friendly trend and this will continue over the next two to three years. Economic changes can affect this trend in both directions, depending on the swing, up or down. The project development will continue to be driven by strong demand and will be limited by the rising construction costs as well as the required rental price.

Larbig & Mortag expects the local office real estate market to have little impact from Brexit & Co. on a nationwide comparison. The stable Cologne economy and broad sector distribution have provided a stable real estate market basis for years.

## Prognosis 2018.

288,000m <sup>2</sup> Floorspace turnover	→
Decreasing vacancy	↓
Increasing rent level	→
Increasing completion numbers	→
Continuously not enough floorspace	!

# Service.

## Eigentümer- service.

Im Großraum Köln, Bonn  
und Leverkusen.

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### Contact.

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Please contact us  
regarding this:

**0221 998 997 0**

### New with Larbig & Mortag.

At its heart, it's all about the value and stability of your property. As Landlord Representation or as an agency, we take a holistic and always objective view on your property. It is important that the chosen path, the strategy, is consistently oriented towards the market. This applies to every phase of your property, for each asset class and each ownership structure. Developing local market expertise and providing immediate, continuous insight into market activity ties up large resources that are not available to owners and many asset managers.

We provide these comprehensive services through lead brokerage or standalone mandates. But even after successful project completion, after the marketing of your rental objects, we are still there for you and your tenants.

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### Your contact person.

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#### Astrid Anna Hensel

Ownership service  
hensel@larbig-mortag.de

### Our services.

We offer comprehensive care for your property, which includes, among other things:

- A central contact person
- Representation of the owners in the metropolitan area Cologne, Bonn and Leverkusen
- Owner representation to authorities, tenants, service providers and third parties
- Accompaniment and advice on buying and selling
- Monitoring, controlling and coordinating service providers
- Execution and accompaniment of lease negotiations
- Detailed market and location analyses through in-depth research and market knowledge
- Regular market and activity reporting according to individual requirements



# Larbig & Mortag Immobilien.

## Specialists in the field of commercial real estate!

We take care of the right space<sup>3</sup> for your needs.

Whether office, loft, practice, shop, gastronomy, warehouse or investment. We provide the perfect corporate space<sup>3</sup> or capital investment in the metropolitan area Cologne, Bonn and Leverkusen. Larbig & Mortag has a deep-rooted regional network and offers a national and international connection through the NAI apollo group network.



**Investment.**  
Investment space<sup>3</sup>  
for profit.



**Office.**  
Office space<sup>3</sup> for  
sitting down.



**Loft.**  
Loft space<sup>3</sup> for  
creative ideas.



**Practice.**  
Space<sup>3</sup> for well being  
for a good treatment



**Salesroom.**  
Find the right  
shop.



**Gastronomy.**  
Space<sup>3</sup> for good  
company.



**Halle/Warehouse.**  
Storage space<sup>3</sup> for  
more manoeuvring  
space.

## Definitions and Explanation of terms.

### Office space

Office space means all areas in which typical desk work can be carried out and which are offered on the office market, i.e. rented or sold. This includes all areas that can be rented independently or have been rededicated to such a state. In addition, owner-occupied space is included.

### Prime rent (weighted)

The weighted prime rent includes the top price segment with a market share of between 3 and 5 per cent. At least 3 rentals should be recorded. The weighted prime rent consists of the nominal rent without deduction of incentives (in accordance with gif definitions).

### Vacancy

The vacancy rate in Cologne is understood to be the sum of all completed areas which are unused at the time of the survey or are offered for rental, subletting or for sale. These areas must at least be under construction and have the option of concluding a lease. Projects are not recorded as vacant.

### Demand

Demand for office real estate in Cologne means the active area requests registered in the respective calendar year. In doing so, both the requests of potential tenants and those of owner-occupiers are taken into account, who are assumed to have a sustainable lease.

### Floorspace turnover

The floorspace turnover is the sum of all rented, sold or leased office space registered in the respective calendar year. This also includes sublet space. Decisive for the temporal allocation is the date of the contract conclusion and not the moment the tenant moves in. Letters of intent or preliminary agreements are not included. If additional office space is leased during rental extensions, these are recorded as floorspace turnover. The renewal or mere extension of existing contracts is generally not taken into account. One-time effects such as significantly divergent large rentals with more than 20,000m<sup>2</sup> of rental space, where it is unlikely that the tenant will move again within the next 10 years, are presented separately in a separate graph.

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YEARS



## Larbig & Mortag celebrates its 10th anniversary.

We would like to thank our customers and partners for the trust they have placed in us and the successful cooperation over the past years.