

Upgrade your business

Real Estate Report Rhine-Neckar 2019

Real estate market

Segments: Office, Industrial & Commercial, Retail as well as an overview of current development projects

Conversion update

Sustainable concepts for brownfield sites

Portrait

Districts of Frankenthal, Gernersheim, Mannheim Neckar-Odenwald, Rhein-Pfalz

www.standorte-rhein-neckar.de



Dr. Christine Brockmann,
Managing Director of Metropol-
region Rhein-Neckar GmbH

Dear Readers

The Rhine-Neckar Metropolitan Region and its 2.4 million residents profit from a central location at the intersection of three federal states – Baden-Wuerttemberg, Hesse and Rhineland-Palatinate. As an international hub, it offers companies fast access to people, markets, and knowledge. This dynamic business environment is built on a foundation of both global players and successful SMEs. Supporting start-ups and innovative companies is a top priority here. The diversity of the region's population is mirrored by its varied landscapes, cultural life, and savoir-vivre, which quickly cast their spell over visitors. This report on the commercial real estate sector in the Rhine-Neckar Metropolitan Region provides key data on relevant sub-markets in the region with the aim of enhancing market transparency. It sheds light on the office and retail markets as well as examining existing commercial and industrial spaces in the area. The strength, traditions, and attractions of the Rhine-Neckar Metropolitan Region are enticing a growing number of national and international investors. In partnership with bulwiengesa, this report is once again pleased to present the region's investment market. It focuses on transactions in the following asset classes: office and commercial buildings, retail properties, hotels and logistics facilities. This year's issue will focus on the conversion of former military bases, infrastructure, and other brownfield sites.

We wish you a stimulating read!

Dr. Christine Brockmann



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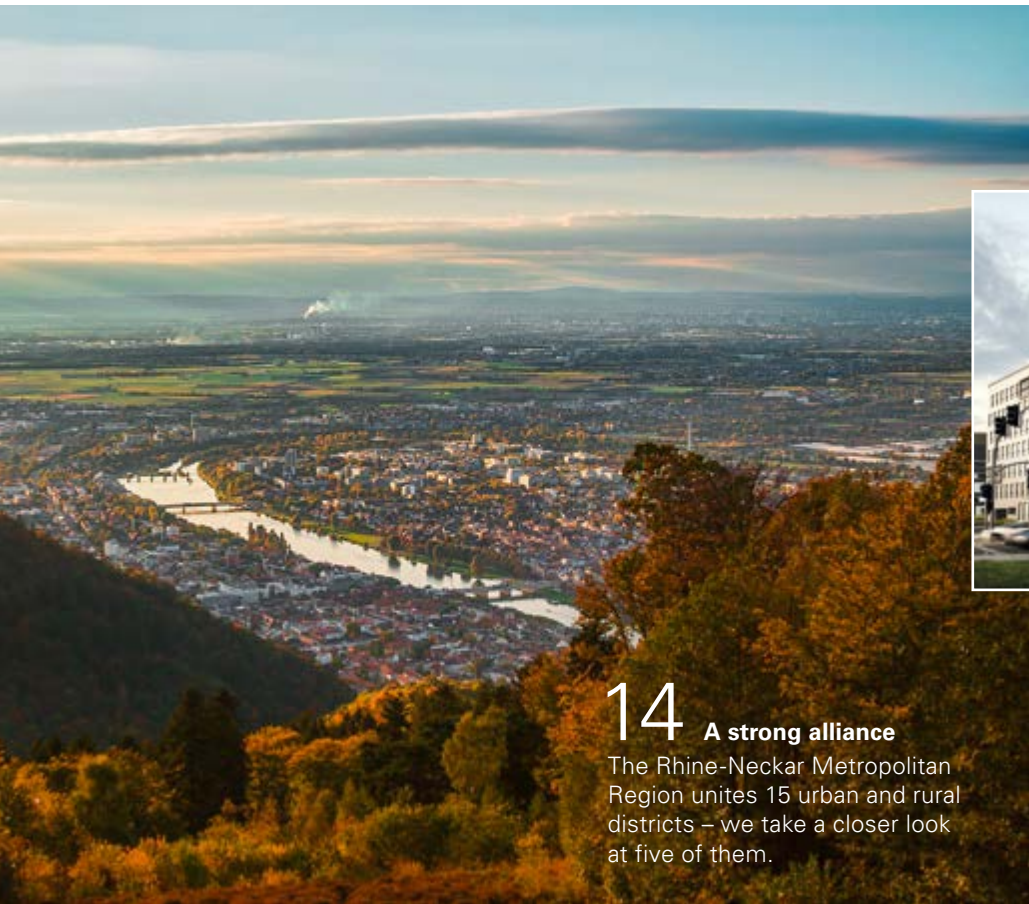
Focus

The conversion of brownfield sites offers major development opportunities in the Rhine-Neckar Region.

Title image

The eye-catching SkyAngle is the second building in the SKYLABS family and takes flexible segmentation to a new level. It will form part of a state-of-the-art office and laboratory building at Max-Jarecki-Strasse 21 in Heidelberg's Bahnstadt. The total of approx. 16,000 m² of rental space on five floors will be accessible via the spacious lobby. Layouts of laboratory and office areas take account of individual tenant wishes in order to create the optimum working environment. High quality laboratory equipment and cutting-edge building technology make the building highly energy-efficient – in fact, it almost achieves the passive house standard.





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The Rhine-Neckar Metropolitan Region unites 15 urban and rural districts – we take a closer look at five of them.



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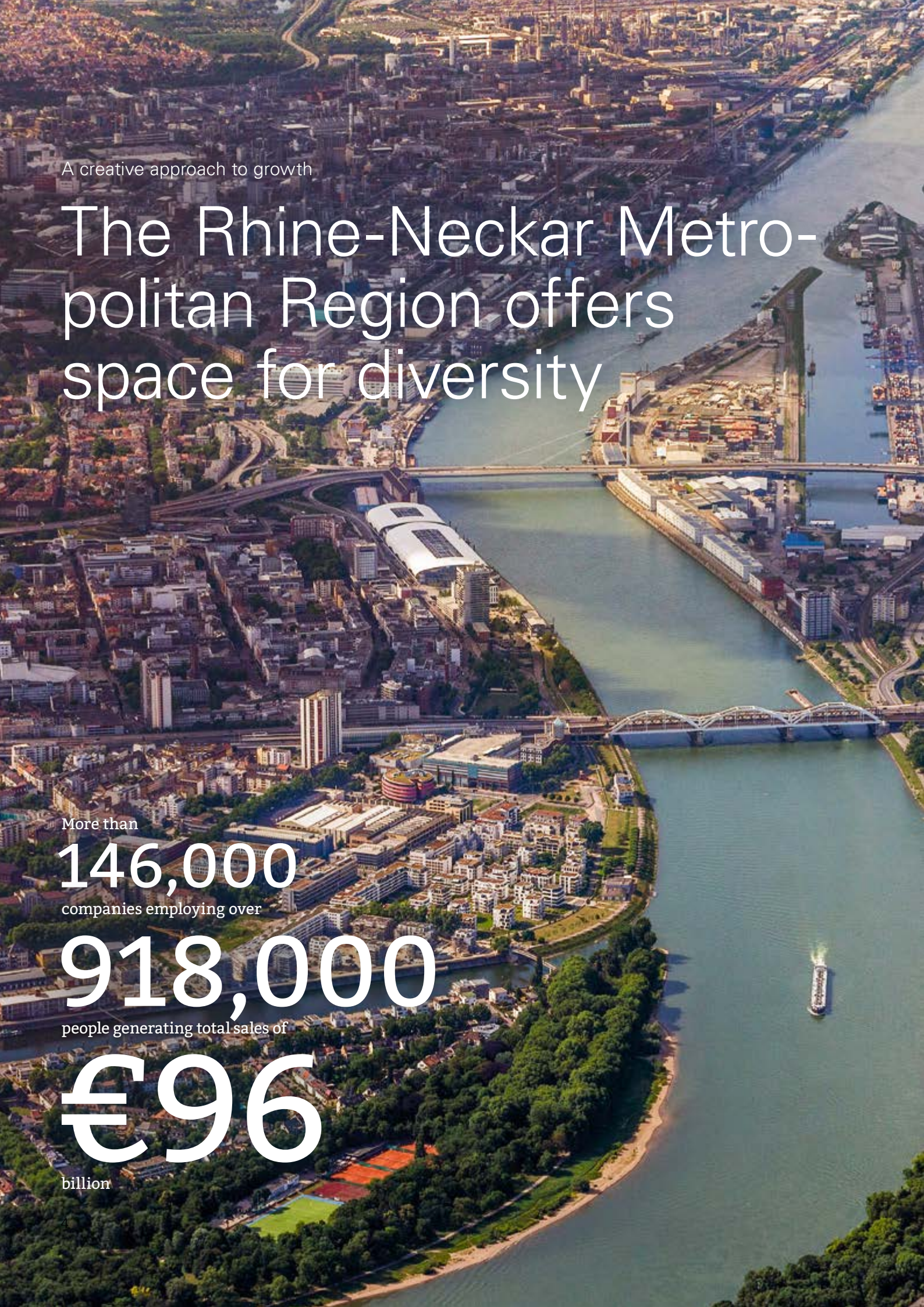
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An aerial photograph of the Rhine-Neckar Metropolitan Region, showing a dense urban landscape with a mix of residential and industrial buildings, a large river (the Rhine) flowing through the center, and several bridges crossing it. The foreground shows a lush green park area with a tennis court and a small body of water. The background shows a sprawling cityscape with many buildings and roads.

A creative approach to growth

The Rhine-Neckar Metropolitan Region offers space for diversity

More than

146,000

companies employing over

918,000

people generating total sales of

€96

billion

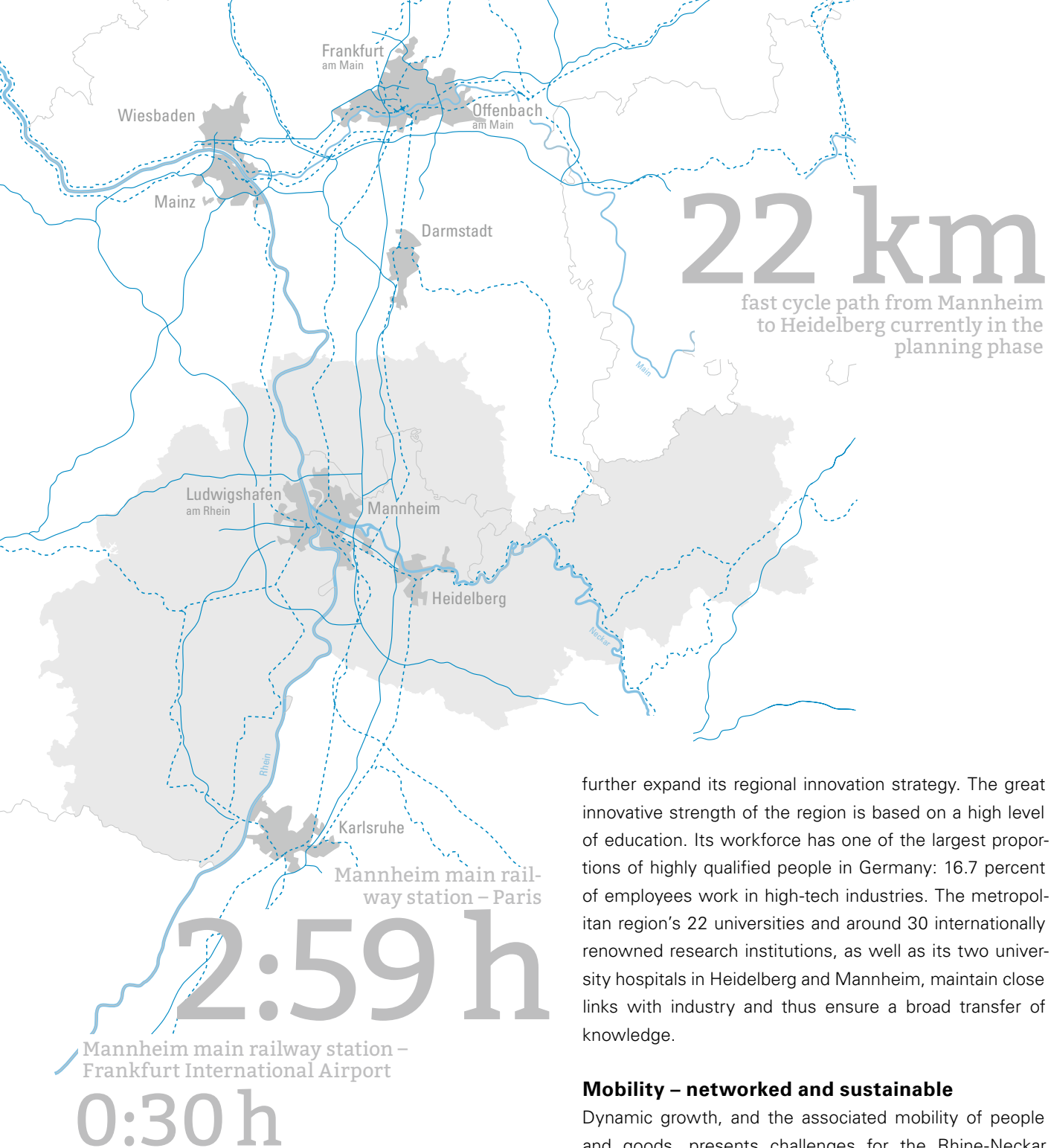


The Rhine-Neckar Metropolitan Region has a population of 2.4 million and is one of Germany's top business locations. Its 15 urban and rural districts are both innovative and dynamic with an outstanding scientific landscape, vibrant cultural life, attractive residential and shopping areas, and excellent leisure facilities.

With a per capita GDP of €39,130, a gross value added of €96 billion and an export rate of 60 percent, the Rhine-Neckar Metropolitan Region is an economic powerhouse. Global players such as BASF, SAP, and Bilfinger sit side-by-side with SMEs and start-ups. Key sectors include biotechnology, IT, chemicals, automotive, mechanical engineering, and plant construction as well as cultural and creative industries. The unemployment rate has been falling for years in the Rhine-Neckar region; it now stands at just 4.4 percent. With its central location in the heart of Europe and excellent infrastructure, the region is well-connected.

Award-winning innovation management

Global processes of change require new approaches and new collaborations at the regional level as well. To promote this transformation, a regional innovation management scheme coordinates consulting and information services – providing extra support for SMEs. At the 8th Cluster Forum Baden-Wuerttemberg, Metropolregion Rhein-Neckar GmbH "Innovation Region MRN" was presented with the "Regional Innovation Management Award" by the Baden-Wuerttemberg Ministry of Economic Affairs. With this state financial support, the organisation can build focused networks that bring together the many innovators in the Rhine-Neckar Metropolitan Region and



**A central location and
excellent infrastructure
guarantee companies clear
competitive advantages.**

further expand its regional innovation strategy. The great innovative strength of the region is based on a high level of education. Its workforce has one of the largest proportions of highly qualified people in Germany: 16.7 percent of employees work in high-tech industries. The metropolitan region's 22 universities and around 30 internationally renowned research institutions, as well as its two university hospitals in Heidelberg and Mannheim, maintain close links with industry and thus ensure a broad transfer of knowledge.

Mobility – networked and sustainable

Dynamic growth, and the associated mobility of people and goods, presents challenges for the Rhine-Neckar Metropolitan Region. This has inspired the cities of Mannheim, Heidelberg, and Ludwigshafen to develop a joint master plan for sustainable mobility. Their aim is to permanently improve the quality of life and air in these population centres and secure sustainable, emission-free mobility solutions for the future. Short- and medium-term projects focus on key areas such as digitisation, the electrification of transport and intelligent networking of local public transport systems, the promotion of cycling, and the further development of urban logistics. The big cities have not been alone in recognising the importance of the topic. As part of the integrated mobility concept being developed in Landau, the town is planning to designate

priority networks for various modes of transport. In future, these should create integrated routes for car, bicycle and pedestrian traffic and give priority to the respective means of transport. The “Future mobility concept for the economic area Walldorf / Wiesloch” also identifies goals and milestones for the enhancement of transport networks. As well as important aspects of operational mobility management, this includes improving infrastructure for the region’s cyclists.

The region is home to a highly dynamic start-up sector. Entrepreneurs benefit from well-established networks of local stakeholders.

Start-up hotspot

Start-ups find comprehensive support in this region of inventors and discoverers. Mannheim, Walldorf and the Greater Heidelberg area (Heidelberg, Hockenheim, Leimen, Rhein-Neckar-Kreis, Schriesheim, Schwetzingen, Sinsheim, Weinheim, Wiesloch) were awarded the title of “Start-up Friendly Municipality 2018/2019” in the “Start-up BW Local” competition organised by the Baden-Wuerttemberg Ministry of Economic Affairs, Labour, and Housing. Mannheim has created a start-up ecosystem with eight business incubators for target groups ranging from the music industry to textiles, high-tech, industry 4.0,

medical-technical systems, and creative industries. In Ludwigshafen, the TWL project “Freischwimmer” and Makerspace Rhein-Neckar have stimulated the growth of an active start-up scene. “Startup Campus Ludwigshafen” brings together budding entrepreneurs from throughout the city. The website, which primarily targets potential founders of start-up companies, creates transparency and facilitates contacts. Since the beginning of the year, Digital Hub Mannheim/Ludwigshafen Chemistry & Health has been building networks in the fields of chemistry and healthcare as well as strengthening the regional economy.

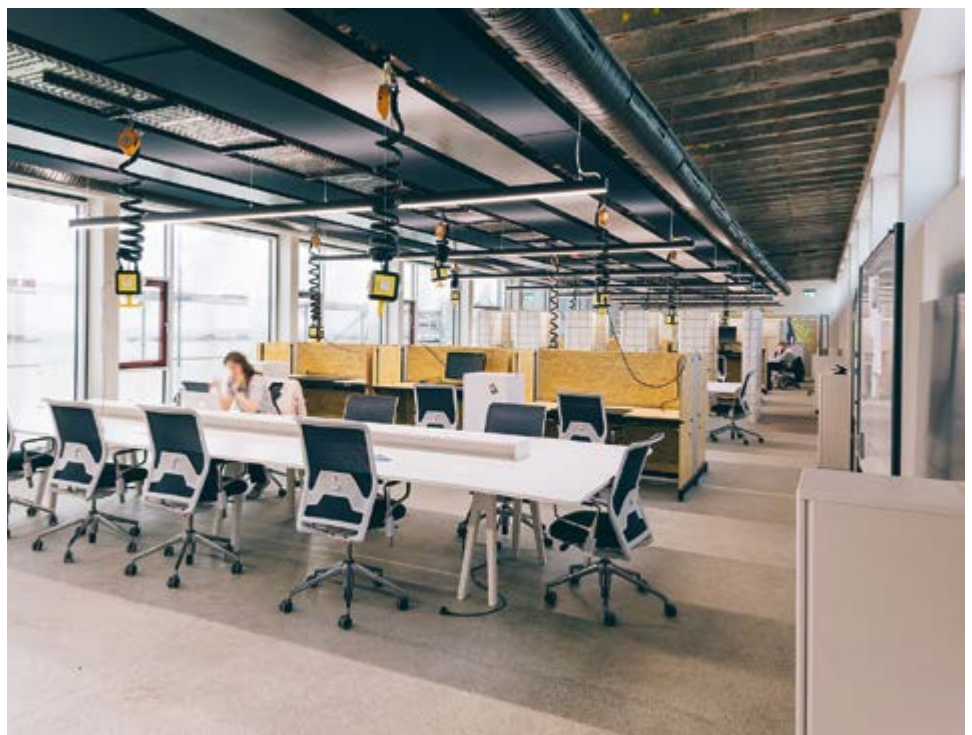
15

business incubators in the
Mannheim-Heidelberg-
Ludwigshafen area

2.3 %

of employees
in R&D

This former swimming pool in
the north of Ludwigshafen is
now a hot location for start-ups.



The new conference centre on Czernyring will be a striking architectural landmark with spacious entrance halls that open onto Bahnhofsvplatz Sued and Zollhofgarten.



30
internationally
recognised research
institutions

22
universities

However, it also introduces start-ups to larger companies and venture capitalists in order to bring innovative technologies and services to market more quickly.

Building for science and art

Science and culture enjoy a high status in the Rhine-Neckar Metropolitan Region and this is also reflected in its architecture. A new conference centre designed by Basel-based Degelo Architects is scheduled to open on Czernyring in Heidelberg, the City of Science, in 2021. The conference centre is a candidate in the International Building Exhibition (IBA) Heidelberg "Knowledge City of Tomorrow". In Mannheim, the National Theatre – a listed building – will shortly undergo general refurbishment. It is the oldest municipal repertory theatre in Germany and the largest that is home to four branches of the performing arts. Due to its national importance, the German federal government will contribute €80 million to the €200 million renovation project.

Star destinations with potential

The popularity of the Rhine-Neckar Region as a tourist destination has been growing for years. According to surveys conducted by the region's State Statistical Offices, the number of overnight stays in Mannheim rose by 7.4 percent to just under 1.4 million in 2017, by 1.6 percent to 1.4 million in Heidelberg, and by 21.6 percent to just

under 300,000 in Ludwigshafen. A recent study by the city of Mannheim shows that 4-star hotels account for 56 percent of its hotel room capacity. Both the low budget segment – currently just ten percent of room capacity – and facilities for conference visitors are under-represented compared to other major cities. Seven hotels are currently under construction and more are in the planning phase. Next to Heidelberg's main station, an IntercityHotel with 198 rooms as well as an adjoining boarding house with about 150 rooms will be completed by the end of 2021. In the centre of Ludwigshafen, a 4-star hotel is under construction for the Dormero chain. It has been designed by the architect Kai Eric Wientapper of GRID architektur + design and is scheduled for completion in 2019. In Landau, too, tourist facilities are being upgraded with an extension of the Parkhotel. There are also plans to redesign the west facade of the existing hotel building.

Mannheim offers potential for sustainable growth in the number of foreign visitors and facilities for conference guests.

Pioneer in climate protection

The Federal Ministry for the Environment has presented awards to Heidelberg and Bensheim in recognition of their commitment to local climate protection. As model communities under the "Masterplan 100% Climate Action", they have set themselves the goal of reducing CO₂ emissions by 95 percent and cutting energy consumption in half by 2050. The district of Germersheim is developing an integrated climate protection concept with input from its citizens. This will serve as a compass for climate protection across all sectors in the district and anchor climate protection as a long-term task for everyone. The town of Landau wants to create a climate adaptation concept that analyses the urban climate and devises strategies for adapting to climatic changes. Once completed, its results will be incorporated into the updated land use plan (FNP). The city of Mannheim is also investing in green. In accordance with the new Green Building Ordinance, the city has extended its funding programme for green facades and roofs from the city centre to the adjacent districts of Jungbusch, Neckarstadt, Schwetzingenstadt/Oststadt and Lindenhof.

Support for international workers

The metropolitan region has always been cosmopolitan with a strongly international outlook. The "International Students Welcome" programme was launched in 2018 to help foreign workers integrate into the German labour market. This is a joint project for international students run by universities and colleges in Mannheim and Heidelberg. It is managed by the city of Mannheim's business development department in cooperation with the city of Heidelberg, the district of Rhein-Neckar, the employment agencies of Mannheim and Heidelberg, and the "Welcome Center Rhein-Neckar". The primary aim is to strengthen contacts between companies – especially with small and medium-sized enterprises – and international students and prepare them for the regional labour market. The project complements similar programmes at the universities, such as the project "Step by Step" run by the international office of the University of Mannheim, or the project "MINternational" run by the Faculty of Information Technology of the University of Mannheim and financially supported by the Stifterverband fuer die deutsche Wissenschaft (Association for the Promotion of German Science and Humanities).

Important milestones for the Virtual Building Authority

Transparent planning regulations and efficient approval processes are crucial for residential and commercial developments in the Rhine-Neckar Metropolitan Region. Building permit procedures involve many participants. Companies and professional groups that operate across various localities (architects, engineers, property developers) prefer standardised processes and interfaces with local authorities to save time and costs. Against this background, but also due to changing legal and technical conditions and the challenge of finding qualified specialists in this area, the Rhine-Neckar Metropolitan Region is promoting a digital solution – the "Virtual Building Authority" – in cooperation with the state of Baden-Wuerttemberg.

In autumn 2018, it achieved two important project milestones. Firstly, it successfully involved representatives of the regional economy directly in the project. Secondly, the metropolitan region was invited to contribute the regional project as a "national pioneer project" to the implementation of the Online Access Act (OZG) organised by the Federal Ministry of the Interior (BMI) and is now making a key contribution to the modernisation of administration processes for construction and housing on the national level.

www.m-r-n.com/virtuelles-bauamt



"Virtual Building Authority" eliminates red tape.

The former C&A building in Ludwigshafen is being replaced by a new seven-storey structure with the energy supplier Pfalzwerke as the sole tenant.



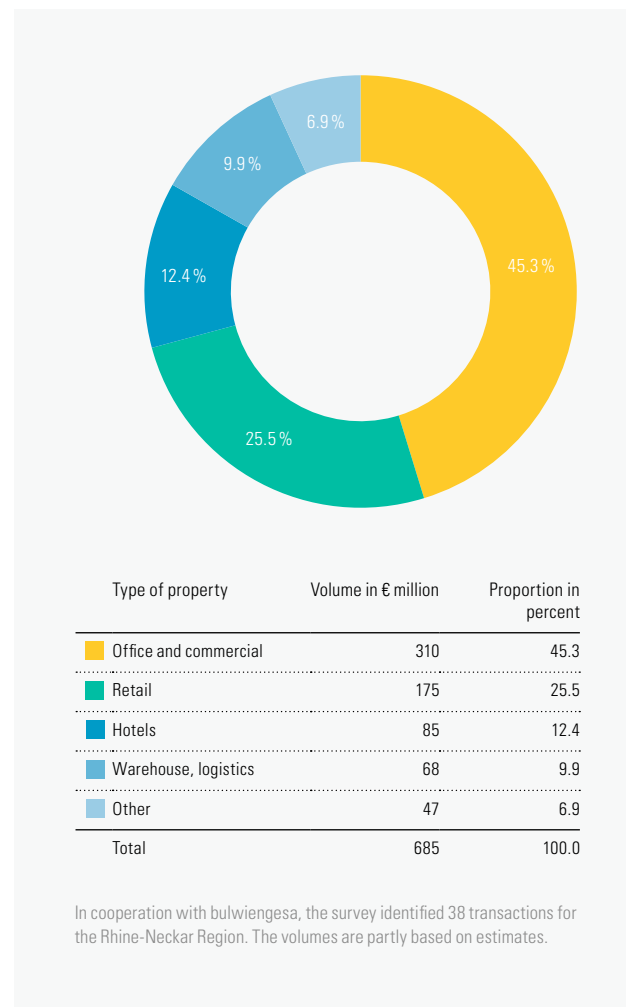
Investment Market Rhine-Neckar

Product shortage constrains sales

There was strong investment interest in the Rhine-Neckar Metropolitan Region in 2018 – but a shortage of available opportunities. The lower level of construction activity was the major brake on the market.



Investments in the Rhine-Neckar Region



A total of around €685 million were invested in the commercial real estate sector, approx. 25 percent less than in the previous year. However, this reflects the overall investment market trend in Germany with investors emphasising the Big 7. The main focus of investments within the Rhine-Neckar Region were the three core markets of Mannheim, Heidelberg and Ludwigshafen.

Office real estate in focus

Office real estate was top of the investor interest rankings with a share of 45.3 percent. This asset class accounted for almost €310 million of the total. For example, Gesellschaft fuer Grund- und Hausbesitz (GGH) acquired the former research and development centre (FEZ) owned

by Heidelberger Druckmaschinen AG. The complex has a total area of 39,000 m² and will be converted and renovated for around €28 million by 2020. The local utility company Stadtwerke Heidelberg will then rent around 80 percent of the space. In Mannheim-Neckarau, Union Investment acquired the Campusimmobilie Elements property with approx. 20,000 m² of rental space. The purchase was made on behalf of its special investment fund Urban Campus Nr.1. In Mannheim-Fahrlach, a 6,500 m² office building was purchased for €16.5 million by a special fund managed by DIC Asset. As part of its "Southwind portfolio", P&P Group also took over an office building with an area of around 15,000 m² in Mannheim from Deutsche Telekom.

Department stores define retail sales

Retail properties accounted for €175 million (25.5 percent) of investment volume. For example, Hudson's Bay sold its Galeria Kaufhof properties in Heidelberg (14,400 m² of rental space) and Mannheim (17,000 m²) to Signa Holding. The ehret+klein Group purchased the Galeria Kaufhof property in the centre of Landau. The building dates from the 1950s and offers a gross floor area of around 18,000 m². In addition, the group has acquired the building used exclusively by Kaufhof in the pedestrian zone of Worms with approx. 11,050 m² of gross floor area. In Ludwigshafen, the Mannheim-based developer Pro Concept bought the former C&A building at Wredestrasse 35. By 2021,

The Glueckstein Quarter is an emerging business district where office and commercial rents are increasing significantly.

this will make way for a new seven-storey building with a gross floor area of 18,500 m². The sole tenant of the €55 million property will be the energy supplier Pfalzwerke.

Selected transactions

	Name of property	Town/City	Quarter	Year	Name of seller	Name of buyer	Rentable space in m²
Office and commercial	Formerly Heidelberger Druckmaschinen R&D Centre (Alte Eppelheimer 26)	Heidelberg	Q2	2018	Heidelberger Druckmaschinen	GGH	33,500
	Campusimmobilie Elements High-Tech-Park II (Janderstrasse)	Mannheim	Q2	2018	Officefirst Immobilien GmbH	Union Investment und Investa Capital Management (special fund Urban Campus Nr.1)	20,000
	Office building (Dudenstrasse 46)	Mannheim	Q4	2018	Swiss Life	SFO	11,132
	Legacy building 103+106 in hip (former Patton Barracks: Kirchheimer Weg 4)	Heidelberg	Q4	2018	Entwicklungsgesellschaft Patton Barracks mbH	Kolb + Partner	5,550
	Office building (Carl-Benz-Strasse 9-11)	Schwetzingen	Q4	2018	Sparkasse Heidelberg	Immotime Real Estate (subsidiary of Finanzhaus Basel Holding AG)	5,246
	Office and retail building (P7, 2-3)	Mannheim	Q2	2018	Highstreet Balance (Fonds)	Swiss Life	3,100
Retail	Galeria Kaufhof (Am Paradeplatz, P1, 1)	Mannheim	Q3	2018	Hudson's Bay Company	SIGNA Holding	17,000
	Seilwolff-Center (Angelstrasse 11)	Mannheim	Q1	2018	French investment fund	Redos Real Estate for the fund "Redos Einzelhandel Deutschland II"	14,840
	Galeria Kaufhof (Bergheimer Strasse 1)	Heidelberg	Q3	2018	Hudson's Bay Company	SIGNA Holding	14,400
	Galeria Kaufhof (Ostbahnstrasse 36)	Landau	Q1	2018	n.a.	ehret+klein, Stadttor Landau Entwicklungs-GmbH	12,600
	C&A building (Wredestrasse 35)	Ludwigshafen	Q2	2018	Treveria	Pro Concept AG	9,000
Hotels	No. 1 (Gluecksteinallee 1-5)	Mannheim	Q4	2018	Consus Real Estate	Kapitalverwaltungsgesellschaft	21,000
	Maritim Hotel (Friedrichsplatz 2)	Mannheim	Q4	2018	Wuerttembergische Lebensversicherung	Pro Concept AG	16,260
Warehouse, logistics	multicube rheinhessen (Wormser Strasse 105)	Monsheim	Q2	2018	pfenning logistics GmbH	Union Investment	63,500
	Production and warehouse building (Friesenheimer Insel)	Mannheim	Q3	2018	n.a.	Private investor	7,090

Currently under construction, the No.1 commercial office and hotel building in the Glueckstein Quarter comprises six base levels and a high rise building.



Mixed use properties in hot demand

For a number of years, demand throughout Germany has been increasing not only for urban locations but also for mixed-use properties. In 2018, the largest transaction in the Rhine-Neckar Metropolitan Region took place in this segment and was worth €100 million. Consus Real Estate sold the “No.1” office and hotel building – due for completion in 2020 – in Mannheim’s Glueckstein Quarter to an institutional buyer as part of

The region around Mannheim is one of the most sought after logistics locations in Germany – also among investors.

a forward sale. The complex comprises six base floors and a high rise building at “Lindenhofplatz”. The total rental area is approx. 21,000 m². In Schwetzingen, the Basel-based real estate developer Immotime acquired Heidelberg Sparkasse’s training centre including a large parking area on Carl-Benz-Strasse. The plan is to convert it into an 11,000 m² office and hotel building with parking garage. As part of a forward sale, EYEMAXX Real Estate

sold buildings 3 and 4 of the €170 million “Postquadrat” development project in Mannheim to BNP Paribas Real Estate Investment Management Germany for “Bayer Pensions Vehikel Fonds”. The purchase price was in the mid-double-digit millions. The two buildings provide a total of more than 10,000 m² of residential and commercial space.

€153 million for hotels and logistics

Hotels accounted for €85 million of investment or 12.4 percent of the total. For example, the insurer Wuertembergische Lebensversicherung sold the historic Maritim Hotel in Mannheim which currently has 173 rooms. The buyer of this listed building, neighbouring the city’s landmark water tower, is the Mannheim project developer Pro Concept. There was also lively demand for logistics real estate which attracted investment of around €68 million (about 10 percent of transaction volume). In Rhineland-Palatinate, Union Investment bought the logistics centre “multi-cube rheinhessen” in Monsheim near Worms with a rental area of 63,500 m². The purchaser and user of the property is the logistics provider Pfenning Logistics.

An alliance of strong partners

The Rhine-Neckar Metropolitan Region comprises 15 urban and rural districts. They are typified by good accessibility, an open attitude to the needs of businesses, and a high quality of life. Introducing five urban and rural districts: embark on a journey of discovery!





Neckar-Odenwald

With a rural location, strong economy, fast Internet, and excellent transport links throughout, the district of Neckar-Odenwald is ideal for businesses – and also home to the Baden-Wuerttemberg Cooperative State University Mosbach.

Neckar-Odenwald is a predominantly rural area with a strong tourism sector, unspoiled natural environment, and high quality of life. Around 143,500 residents live in its 27 municipalities including the district town of Mosbach and important mid-sized centre of Buchen.

Space for your projects

Over 5,000 companies employ around 46,000 staff subject to social security contributions in the district. They also provide training for 2,400 apprentices. The district has an economic strength of around €4.3 billion with manufacturing industry generating €2.5 billion in sales.

Four inter-municipal industrial parks in prominent locations and many smaller business parks offer enormous potential for companies to settle and expand at quite low cost. Fully developed land can be easily purchased from

prices starting at just €25/m². Reliable health facilities, a diverse educational sector, child-care, excellent road and local railway connections, as well as a rich cultural scene, offer employees and their families a high quality of life and also highlight the commercial development opportunities.

Fast Internet everywhere

Since the beginning of 2018, 65,000 households and businesses have been enjoying the benefits of fast Internet access. Speeds of up to 100 Mbit/s are available throughout the district. And bandwidth in the fixed line network is currently being upgraded to 250 Mbit/s with super vectoring. Neckar-Odenwald was the first district in the state of Baden-Wuerttemberg to offer such a high level of coverage. This was made possible by a cooperative project with Deutsche Telekom AG. During this project, Deutsche Telekom laid

a total of 244 km of glass fibre and installed 430 new, state-of-the-art distribution boxes. FTTB (fibre to the building) connections are therefore possible because the nearest glass fibre connection point is an average of just 250 metres away.

www.neckar-odenwald-kreis.de

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Market Segment: Office

Falling vacancy rates – rents continue to rise

With a central location, dynamic economy, and high quality of life, the Rhine-Neckar Metropolitan Region is extremely attractive. In 2018, the shortfall in supply led to a decline in office space turnover and further increases in rents. The projects scheduled for completion in 2019 will do little to change this situation.

Gesellschaft fuer Grund- und Hausbesitz (GGH) is developing the mixed-use "MEILEN.STEIN" Quarter in Heidelberg's Bahnstadt.



The Rhine-Neckar Metropolitan Region is home to more than 146,000 companies that generate a total of around €96 billion. Many of these businesses are reporting strong and stable order books. According to an economic report produced in 2018, more than one-third of all the companies based here are planning to expand in the future. The labour market trend is also strong. Unemployment has been falling for many years and was just 4.4 percent in 2018 – well below the national average of 5.3 percent. Moreover, forecasts anticipate further population growth until 2035. The core markets in the office segment include the cities of Heidelberg and Mannheim in Baden-Wuerttemberg and Ludwigshafen in Rhineland-Palatinate. Together, they offered existing office space of over 3.9 million m² in 2018. Mannheim accounted for the largest share of office space with 2,068 million m². In 2018, office space turnover (the sum of all office space newly leased, sold to owner-occupiers or built by owner-occupiers for their own use) in the three cities was around 130,000 m². This figure fell by 19,000 m² compared to the previous year, mainly due to a shortage in supply. The increase in new completions of around 9,000 m² to 42,000 m² could not clear the deficit accumulated over previous years. This was reflected in the low vacancy rate which fell again by 0.8 percent to 3.9 percent in 2018. In 2017, the active market vacancy rate fluctuated in the range from 0.9 to 5.1 percent.

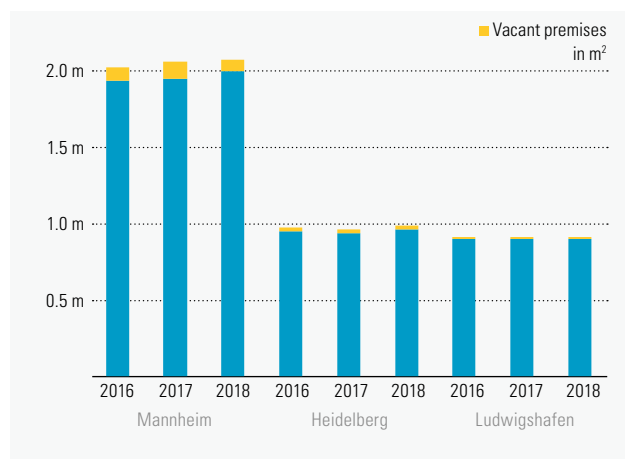
This lack of supply has led to renewed average rent increases in the centres of all three cities. It shows that there is now a significant demand overhang for existing properties as well. While peak city centre rents rose again in Mannheim and Ludwigshafen, they decreased slightly in Heidelberg. Here, the lack of areas available for the construction of new buildings in city centre locations are particularly noticeable. The rental price differ-

Demand for modern office space is soaring in the Rhine-Neckar Metropolitan Region due to the strong economy.

entials between Ludwigshafen, which has established itself as an alternative location for price-sensitive businesses, and the two other core markets narrowed still further in 2018.

A certain degree of recovery is expected in 2019 when the number of scheduled completions will more than double to 103,000 m². However, the bulk of these additional properties are in Mannheim while Heidelberg will benefit only from an additional 9,000 m² compared to 2018. Moreover, tenants have already been found for most of these spaces.

Existing office space (in m²)



Lower peak rents in Heidelberg

The university and university hospital are the largest employers in Heidelberg, City of Science, which has a population of 160,600. Research institutions such as the German Cancer Research Center (DKFZ), National Center for Tumor Diseases (NCT), European Molecular Biology Laboratory (EMBL), four Max Planck Institutes (MPI), and the university attract international scientists to Heidelberg. The prospects for the city look bright. According to an analysis conducted by the magazine Wirtschaftswoche, Heidelberg is one of the ten most sustainable cities in Germany. Its particular strengths include research, a dynamic creative and cultural scene, and high quality of life. The State Statistical Office

confirms Heidelberg's exceptional degree of innovative capacity – in the Innovation Index 2018, the city achieved the second highest index value with 66 points. In 2018, there was a total of around 35,000 m² of office space turnover in Heidelberg. This was not only lower than the previous year's figure of approx. 54,000 m² but also than the average of around 45,400 m² for the years 2011 to 2017. Turnover in owner-occupier properties was negligible in 2018, despite contributing 28,000 m²

The shift to a knowledge-based society will continue to drive the demand for office space in Heidelberg.

to the strong performance achieved in 2017. A total of 20,000 m² of office space were completed. Existing space in Heidelberg thus continues to approach one million m².

Completed projects included "Stadtter Ost" and "COLOURS" – both in the Bahnstadt district. The vacancy rate for the entire urban area was 2.8 percent in 2018 (2017: 3.1 percent). The lack of new office space led to a decline in peak rents in 2018, while average rents over all locations rose. In the city centre, the peak rent fell from €16.50 to €15 per m². In contrast, the average city centre rent rose by €0.90 to €13.70 per m². Rental prices followed a similar trend in the city centre periphery and periphery. The peak rent in the city centre periphery fell by €0.50 to €15.50 per m² while the average rent here jumped by €1.20 to €14.00 per m². The peak rent in the periphery fell by €1.00 to €12.50 per m² while the average rent increased by €0.80 to €11.00 per m². With 30,000 m² of office space due for completion in 2019, market conditions only seem likely to improve in some locations. For companies that do not require a location directly in the city centre, the Bahnstadt Quarter offers good opportunities. The "SkyAngle" building and "MEILEN.STEIN" Quarter will be completed here in the spring of 2019. For start-ups,

John Deere, the agricultural machinery group, is building its new European sales and marketing centre in Walldorf. The new competence centre will employ around 300 people.



units are already available in the new "Business Development Center Organic Electronics (BDC OE)" in the Innovation Park (hip) on the site of the former Patton Barracks. hip is a 15 hectare project on this regenerated site and a hotspot for innovations in the fields of IT, digital media and bioinformatics.

Mannheim's peak rents rise again

Mannheim's economy is not only home to multinational companies, such as ABB, Daimler, John Deere, Roche Diagnostics, and Siemens, but also many highly specialised software and IT companies, innovative biotech companies, and service providers in the financial and insurance industry. According to a survey conducted by the market research institute L-Q-M, companies are satisfied with Mannheim as a business location: a total of 94 percent of the respondents said they are



“very satisfied” or “somewhat satisfied”. Above all, the companies appreciate the quality of life (93 percent) and proximity to their customers (92 percent). With 308,000 residents, Mannheim is the third largest city in Baden-Wuerttemberg. The number of employees subject to social insurance contributions rose by 15.8 percent to 189,940 between 2008 and 2018, according to figures published by the Bundesagentur fuer Arbeit (Germany’s employment agency). Of these, 72.4 percent work in services and 27.5 percent in the manufacturing sector.

In 2018, around 68,000 m² of office space came onto the market within the urban area of Mannheim. In 2017, the market was more dynamic with transactions involving an area of 79,000 m². At the same time rental turnover fell from 59,000 to 45,000 m². The high level of owner-occupier turnover (approx. 23,000 m²) also

Overview of office market data

Office market data for Mannheim

Indicators	2018	2017	2016
Existing space	2.068 M m ²	2.046 M m ²	2.015 M m ²
Office space turnover	68,000 m ²	79,000 m ²	91,000 m ²
Vacancy rate	3.9%	5.1%	4.5%
City centre, peak rent	18.00 €/m ²	16.60 €/m ²	16.40 €/m ²
City centre, average rent	14.60 €/m ²	13.60 €/m ²	12.60 €/m ²
City centre periphery, peak rent	15.00 €/m ²	14.00 €/m ²	14.70 €/m ²
City centre periphery, average rent	12.90 €/m ²	12.00 €/m ²	13.10 €/m ²
Periphery, peak rent	12.30 €/m ²	10.80 €/m ²	11.00 €/m ²
Periphery, average rent	10.00 €/m ²	8.50 €/m ²	8.80 €/m ²

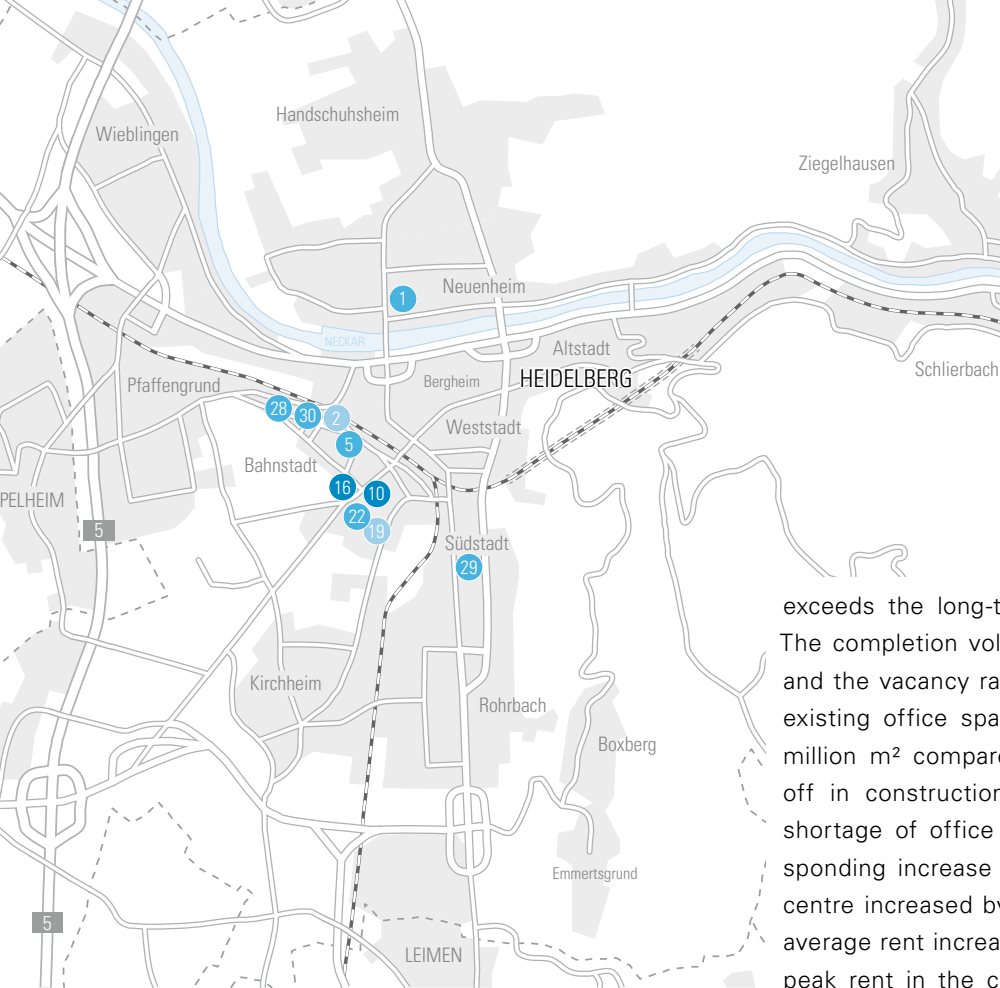
Office market data for Heidelberg

Indicators	2018	2017	2016
Existing space	0.982 M m ²	0.962 M m ²	0.970 M m ²
Office space turnover	35,000 m ²	54,000 m ²	56,000 m ²
Vacancy rate	2.8%	3.1%	2.9%
City centre, peak rent	15.00 €/m ²	16.50 €/m ²	16.00 €/m ²
City centre, average rent	13.70 €/m ²	12.80 €/m ²	11.60 €/m ²
City centre periphery, peak rent	15.50 €/m ²	16.00 €/m ²	15.50 €/m ²
City centre periphery, average rent	14.00 €/m ²	12.80 €/m ²	12.70 €/m ²
Periphery, peak rent	12.50 €/m ²	13.50 €/m ²	13.00 €/m ²
Periphery, average rent	11.00 €/m ²	10.20 €/m ²	9.50 €/m ²

Office market data for Ludwigshafen

Indicators	2018	2017	2016
Existing space	0.905 M m ²	0.905 M m ²	0.903 M m ²
Office space turnover	27,000 m ²	16,000 m ²	17,000 m ²
Vacancy rate	0.8%	0.9%	1.4%
City centre, peak rent	13.40 €/m ²	13.00 €/m ²	11.00 €/m ²
City centre, average rent	11.40 €/m ²	11.00 €/m ²	9.70 €/m ²
City centre periphery, peak rent	n.a. *	n.a. *	7.00 €/m ²
City centre periphery, average rent	n.a. *	n.a. *	6.60 €/m ²
Periphery, peak rent	n.a. *	n.a. *	7.60 €/m ²
Periphery, average rent	n.a. *	n.a. *	7.30 €/m ²

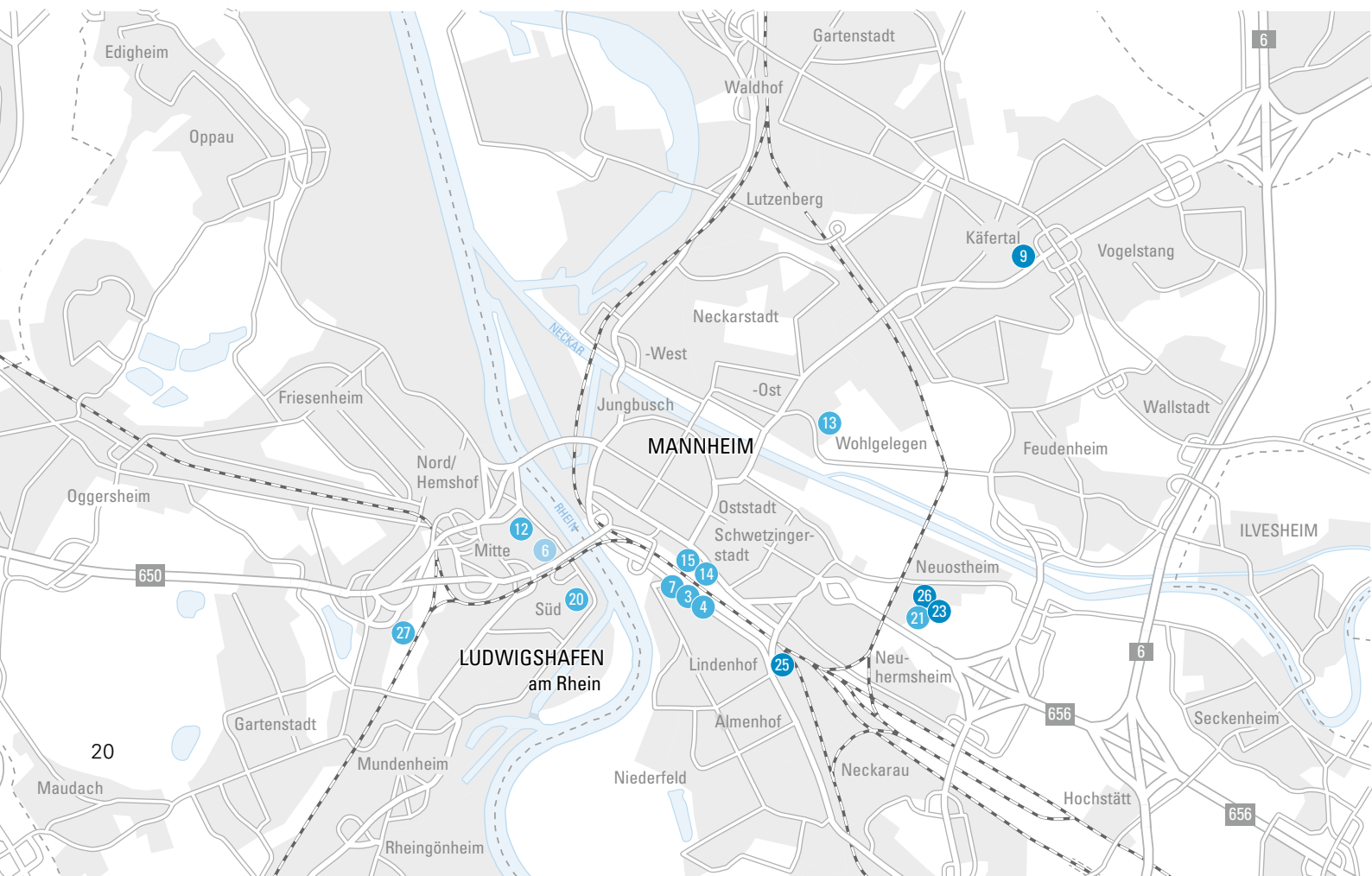
* Cannot be determined due to a lack of transaction data. In Ludwigshafen, most transactions are completed in the city centre.



Many new office buildings are under construction in Heidelberg, Ludwigshafen and Mannheim. Their locations are shown on the two maps. Further information on the projects can be found in the table on page 23.

exceeds the long-term average of around 10,500 m². The completion volume fell from 31,000 to 22,000 m² and the vacancy rate from 5.1 to 3.9 percent. In 2018, existing office space increased from 2.046 to 2.068 million m² compared to the previous year. The drop-off in construction activity is leading to a growing shortage of office space in all locations and a corresponding increase in rents. The peak rent in the city centre increased by €1.40 to €18.00 per m² while the average rent increased by €1.00 to €14.60 per m². The peak rent in the city centre periphery rose by €1.00 to €15.00 per m² while the average rent increased by €0.90 to €12.90 per m². Price increases were even stronger in the periphery: both peak rents and average rents increased by €1.50 to €12.30 and €10.00 per m²

Planned Under construction Completed



In Mannheim, both large and small businesses value the connection between economic strength and quality of life.

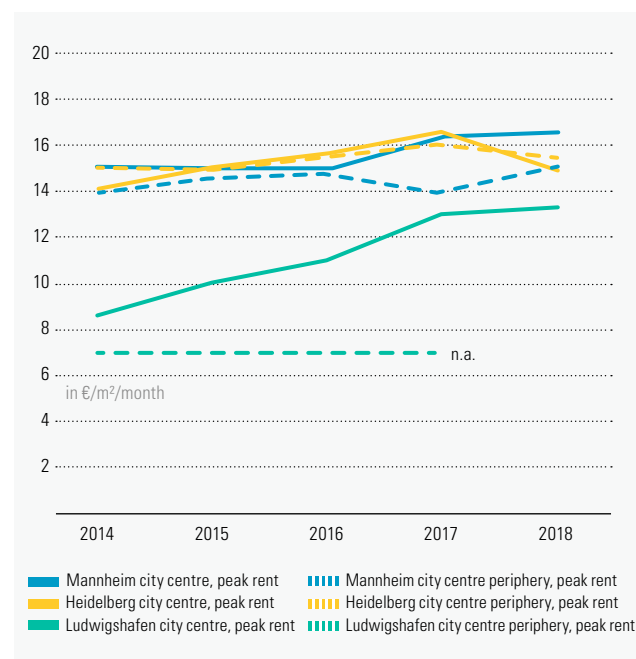
respectively. Projects with a total area of 51,000 m² are scheduled for completion in 2019. These include modern office spaces in partial sections of the revitalised “E” building on the Taylor site, “No.1” in the Glueckstein Quarter, and the second section of the KEPLER QUARTER.

Ludwigshafen catches up

Manufacturing companies are major employers in Ludwigshafen. About 46.3 percent of the city's approx. 102,630 employees subject to social security contributions work in the manufacturing sector. BASF, the chemical company, is the largest local employer with 39,000 employees. The major developments of recent years, such as Rheinufer Sued on the south bank of the Rhine, the Zollhofhafen (customs harbour building), and the technology mile are beginning to bear fruit. They provide attractive environments not only for international companies but also for innovative SMEs and start-ups. With existing office space of 905,000 m², Ludwigshafen is the smallest office location of the three major centres. In 2018, office space turnover rose from 16,000 m² to 27,000 m², of which 3,000 m² can be attributed to owner-occupiers. Many office spaces in this city on the Rhine never come onto the open market due to pre-letting or owner-occupation. Office space turnover is therefore volatile and traditionally highly dependent on large, individual deals. The 10,000 m² rented by the energy service provider TWL in the HBL Handels- und Dienstleistungszentrum was a major contributor to this total. The completion of Ludwigshafen's integrated emergency services control centre provided space for around 90 employees who coordinate fire-fighting, ambulance, and civil protection operations for the entire Anterior Palatinate region. The vacancy rate, which still stood at 4.2 percent in 2015,

reached a new record low of 0.8 percent. The office space market now appears to have dried up. Ludwigshafen urgently needs modern office space but not one office building was completed in 2018. This led to a further increase in rental prices. The peak rent in the city centre rose by €0.40 to €13.40 per m² while the average rent also increased by €0.40 to €11.40 per m². However, with 22,000 m² of office space due for completion in 2019, project developers have clearly recognised the opportunities offered by this long under-rated office location. For example, “BOB.Rheinallee” on Ludwigshafen's technology mile in the Rheinallee, the HBL at Bismarckstrasse 63, and two office buildings in Ludwig-Reichling-Strasse and Zollhofstrasse will all be completed this year.

Peak rents in the city centre and its periphery




Cooperation and flexibility as a concept

The Rhine-Neckar Metropolitan Region offers good investment opportunities for companies from all sectors. The location's advantages include a central position in Europe, well-developed commercial areas for resettlement and expansion, and an efficient, multi-modal transport infrastructure.

Key development projects in the Rhine-Neckar Region

Overview of key office projects

No. in Map	Town/City	Project name	Company (Investor/Operator)	Space	Investment volume	Schedule
1	Heidelberg	Group HQ of HeidelbergCement	HeidelbergCement AG	50,000 m²	€100 M	Under construction, completion 2020
2	Heidelberg	Europaplatz	Gustav Zech Stiftung	31,300 m²	€250 M*	Construction to start in 2019
3	Mannheim	Technisches Rathaus	GBG/Stadt Mannheim	20,000 m²	€93 M	Under construction, completion 2021
4	Mannheim	Quartier Hoch 4	SV Versicherung	16,000 m²	€60 M	Under construction, completion 2020
5	Heidelberg	Sky Angle	Skylabs Deutschland	15,500 m²	n.a.	Under construction, completion 2019
6	Ludwigshafen	Office building	Pro Concept Holding AG	15,400 m²	€55 M	Planned
7	Mannheim	No.1	Consus	14,000 m²	€70 M	Under construction, completion 2019
8	Walldorf	WDF 53	SAP SE	12,500 m²	€30 M	Completed 2018
9	Mannheim	Das E	Mannheim Taylor Hotel- und Buroentwicklungsgesellschaft	12,000 m²	€44 M*	Under construction, completion 2019
10	Heidelberg	Stadttor-Ost	Bahnstadt Heidelberg KG	12,000 m²	€42 M*	Completed 2018
11	Walldorf	European sales and marketing centre	John Deere GmbH & Co. KG	11,000 m²	€30 M	Under construction, completion 2020
12	Ludwigshafen	HBL Handels- und Dienstleistungszentrum	Pro Concept Holding AG	10,700 m²	n.a.	Under construction, completion 2019
13	Mannheim	MMT-Campus/TPMA 1	TPMA Group	10,500 m²	€40 M	Under construction, completion 2019
14	Mannheim	Postquadrat	EYEMAXX Real Estate	10,000 m²	€160 M	Under construction, completion 2020
15	Mannheim	KEPLER QUARTER	DIRINGER & SCHEIDEL Wohn- und Gewerbebau GmbH	7,500 m²	€140 M*	Completed 2018**
16	Heidelberg	COLOURS	Deutsche Wohnwerte	7,500 m²	n.a.	Completed 2018
17	Landau	Buerocenter D10	Michael Muench	7,000 m²	€15 M	Under construction, completion 2019
18	Ruelzheim	Company HQ	MTS-Gruppe	6,500 m²	€13 M	Under construction, completion 2019
19	Heidelberg	Heidelberg Innovation Park	Kolb + Partner	6,050 m²	€14 M*	Planned
20	Ludwigshafen	BOB	Bob efficiency design AG	5,600 m²	n.a.	Under construction, completion 2019
21	Mannheim	Eastsite Elysium	Eastsite Elysium	5,025 m²	€15 M	Under construction, completion 2019
22	Heidelberg	Business Development Center Organic Electronics	Technologiefoerderung Heidelberg GmbH	4,400 m²	€17.3 M	Under construction, completion 2019
23	Mannheim	Eastsite 12	B.A.U. Bautraegergesellschaft mbH	4,200 m²	n.a.	Completed 2018
24	Ruelzheim	2. Extension	ITK Engineering AG	3,920 m²	€8 M	Under construction, completion 2019
25	Mannheim	Bilfinger corporate HQ	Triwo	3,910 m²	n.a.	Completed 2018
26	Mannheim	Eastsite 9	B.A.U. Bautraegergesellschaft mbH	2,500 m²	n.a.	Completed 2018
27	Ludwigshafen	Office building	Saroba GmbH	2,400 m²	n.a.	Under construction, completion 2019
28	Heidelberg	MEILEN.STEIN	GGH	2,000 m²	€77 M*	Under construction, completion 2019
29	Heidelberg	MTV-Nord	MTV Bauen und Wohnen GmbH & Co. KG	2,000 m²	€28 M	Under construction, completion 2019
30	Heidelberg	Westarkaden	Unmuessig	1,960 m²	€100 M*	Under construction, completion 2019

 Planned  Under construction  Completed

Areas stated in accordance with the MF/G definition.

* Refers to the total investment volume.

** A further 5,700 m² will be completed in the KEPLER QUARTER (Reichskanzler-Mueller-Strasse) in 2019.

Many new office buildings are under construction in Heidelberg, Ludwigshafen and Mannheim. Their locations are shown in the two maps on page 20.

Selected investments in production and logistics real estate

No. in map	Town/City	Type of location	Investor/Operator	Site area	Investment volume	Jobs	Schedule
1	Frankenthal	Logistics centre	Amazon	138,000 m ²	€80 M	3,500	Completed 2018
2	RIO	Production	Preima	50,000 m ²	n.a.	3	Construction to start in 2019
3	Walldorf	Administration and logistics centre	Promega Deutschland / Terso	33,000 m ²	n.a.	115	Under construction, completion 2019
4	Ruelzheim	Company HQ	Eizo GmbH	32,000 m ²	€15 M	150	Under construction, completion 2019
5	Bobenheim-Roxheim	Cargo handling warehouse	Fa. Nothegger	30,000 m ²	€8.55 M	60	Under construction, completion 2019
6	Heppenheim	Logistics centre	InfectoPharm Arzneimittel und Consilium GmbH	25,000 m ²	€13 M	40	Completed 2018
7	Frankenthal	Company HQ	Allison GmbH	14,000 m ²	€10 M	40	Completed 2018
8	Neckargemuend	Production	Pabst Metallbau	13,800 m ²	n.a.	85	Under construction, completion 2019
9	Mannheim	Distribution centre	Amazon	11,931 m ²	n.a.	> 100	Completed 2018
10	Mutterstadt	Branch	Raiffeisen Waren-Zentrale (RWZ)	10,000 m ²	n.a.	14	Under construction, completion 2019
11	Schwetzingen	Warehouse	Decathlon	10,000 m ²	€6.5 M	70-80	Completed 2018
12	Wallduern	Commercial vehicle construction plant	LYMA GmbH	9,200 m ²	€3.3 M	31	Under construction, completion 2019
13	Wallduern	Start-up Center Odenwald	Goldschmitt Grundbesitz-u. Vermoegen GmbH & Co.KG	8,900 m ²	€1.8 M	15	Completed 2018
14	Wallduern	Production hall and warehouse	Heinz Friedrich GmbH, Blechverarbeitung	8,561 m ²	€3.3 M	62	Completed 2018
15	Weinheim	Technology centre (R&D)	Freudenberg Real Estate GmbH und Freudenberg Vibracoustic GmbH & Co. KG	2,700 m ²	€4.63 M	30	Completed 2018

Source: In-house research (Date: 03 December 2018)

Selected industrial parks

No. in map	Town/City	Name of industrial park	Zoning law/ Type of area	Total area	Still available	Available lot sizes	Guideline land value	Purchase price
1	Dannstadt-Schauernheim	Gewerbegebiet Ost	GE	250,000 m ²	250,000 m ²	1,000-10,000 m ²	80 €/m ² (2017)	n.a.
2	Frankenthal (Pfalz)	Am Roemig	GI	400,000 m ²	200,000 m ²	n.a.	n.a.	160 €/m ²
3	Heidelberg	Heidelberg Innovation Park (hip) - IT Themenpark	GE	148,000 m ²	n.a.	from 1,000 m ²	n.a.	On request
4	Worms-Rheinduerkheim	Worms - Nord II	GE / GI	1,000,000 m ²	100,000 m ²	On request	60-90 €/m ² (2018)	On request
5	Ruelzheim	Nord IV	GE / GI	80,000 m ²	80,000 m ²	2,000-32,000 m ²	12 €/m ² (2016)	95 €/m ²
6	Weinheim	Industriepark	GE / GI	800,000 m ²	75,000 m ²	5,000-28,000 m ²	80 €/m ² (2016)	On request
7	Worms	N 101 (Worms-Nord I)	GE / GI	250,000 m ²	66,000 m ²	On request	75 €/m ² (2018)	On request
8	Zweckverband GENO	TECH-N-O	GE / GI	160,000 m ²	63,000 m ²	1,600-6,200 m ²	n.a.	41 €/m ²
9	Boehl-Iggelheim	Gewerbegebiet suedlich der Bahnlinie und westlich der Iggelheimer Strasse	GE / GI / MI	87,500 m ²	60,000 m ²	4,500-8,000 m ²	10-75 €/m ² (2018)	On request
10	Heppenheim	Sued	GE	365,500 m ²	57,900 m ²	21,900-36,000 m ²	100 €/m ² (2018)	On request
11	Bensheim	Campus Stubenwald	GE	122,000 m ²	50,000 m ²	5,000-15,000 m ²	n.a.	On request
12	Osterburken	Regionaler Industriepark Osterburken (RIO)	GE / GI	330,000 m ²	50,000 m ²	from 1,500 m ²	25 €/m ² (2018)	25 €/m ²
13	Landau in der Pfalz	Gewerbepark "Am Messegelaende"	GE	361,660 m ²	39,984 m ²	1,750-20,705 m ²	n.a.	84-105 €/m ²
14	Roedersheim-Gronau	Oestlich der Assenheimer Strasse	GE	33,000 m ²	33,000 m ²	1,000-10,000 m ²	70 €/m ² (2017)	75 €/m ²
15	GVV Hardheim-Wallduern	Verbands.Industrie.Park II	GI	147,618 m ²	32,975 m ²	3,200-16,941 m ²	38 €/m ²	38 €/m ²
16	Neustadt	Europastrasse	GE	50,000 m ²	30,000 m ²	1,500-3,000 m ²	90 €/m ²	On request
17	Walldorf-Wiesloch	MetropolPark Wiesloch-Walldorf	GE / GI	50,000 m ²	30,000 m ²	1,500-20,000 m ²	On request	On request
18	Mannheim	Steinweg	GEe	110,000 m ²	29,115 m ²	1,271-7,509 m ²	140-160 €/m ² (2016)	140-160 €/m ²
19	Leimen	Sued II	GE	27,000 m ²	27,000 m ²	1,000-27,000 m ²	n.a.	On request
20	Neustadt	Joseph-Monier-Strasse	GE	60,000 m ²	25,000 m ²	2,500-10,000 m ²	90 €/m ²	90-120 €/m ²
21	Grasellenbach (Ortsteil Wahlen)	Borkwies	GE	23,000 m ²	23,000 m ²	n.a.	n.a.	50 €/m ²

Table p. 23: In-house survey (Date: 31 January 2019); Tables p. 24/ 26: In-house survey (Date: 1 December 2018); Map: VRRN (Geodatabase: © GeoBasis-DE / BKG 2018 (data changed); Population on 31 December 2016, Federal Statistical Office (Destatis) 2018)

Map key

Locations

- Settlement area
- > 100,000 population
- 50,000 – 100,000 population
- 25,000 – 50,000 population
- 10,000 – 25,000 population

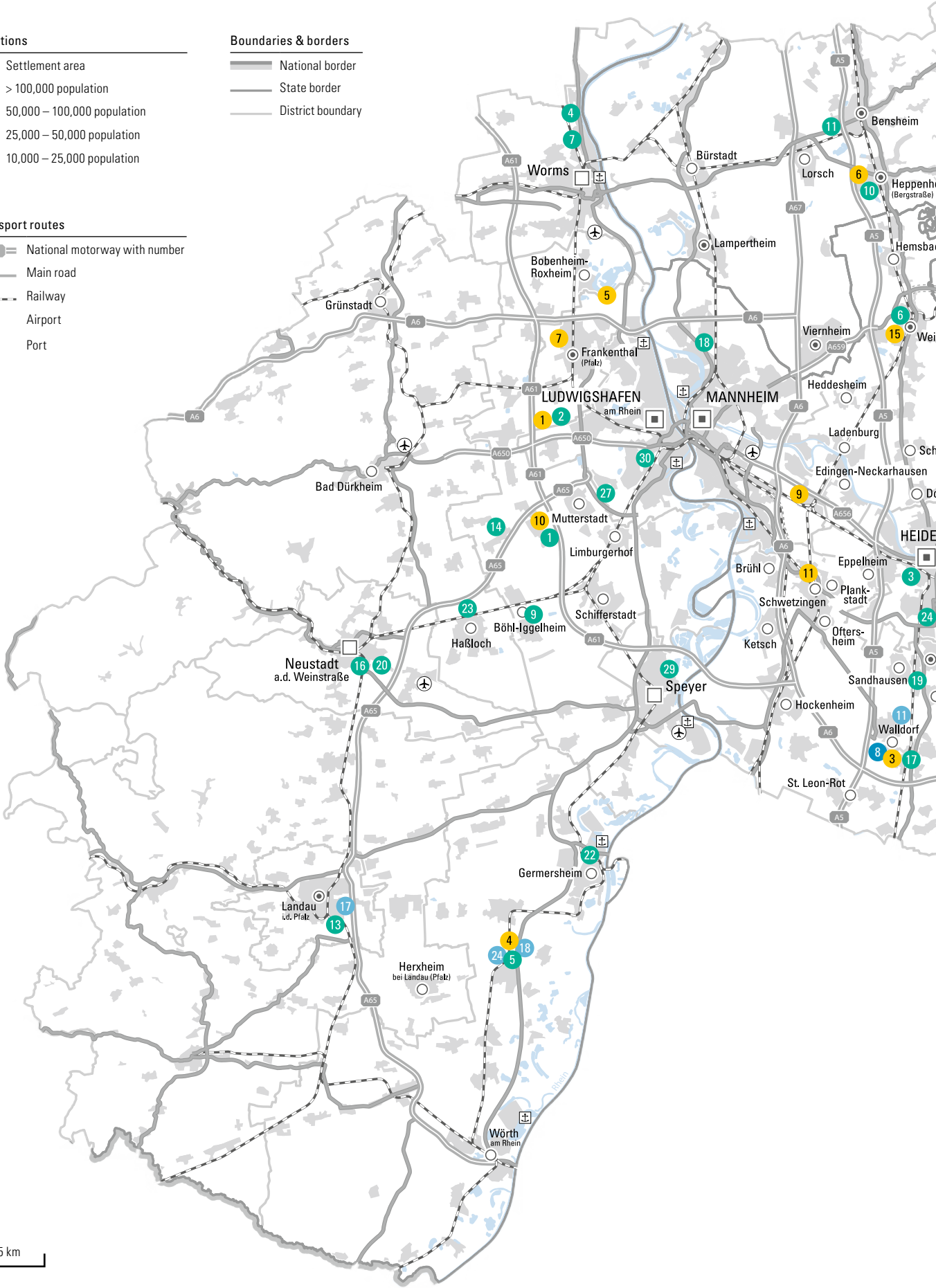
Boundaries & borders

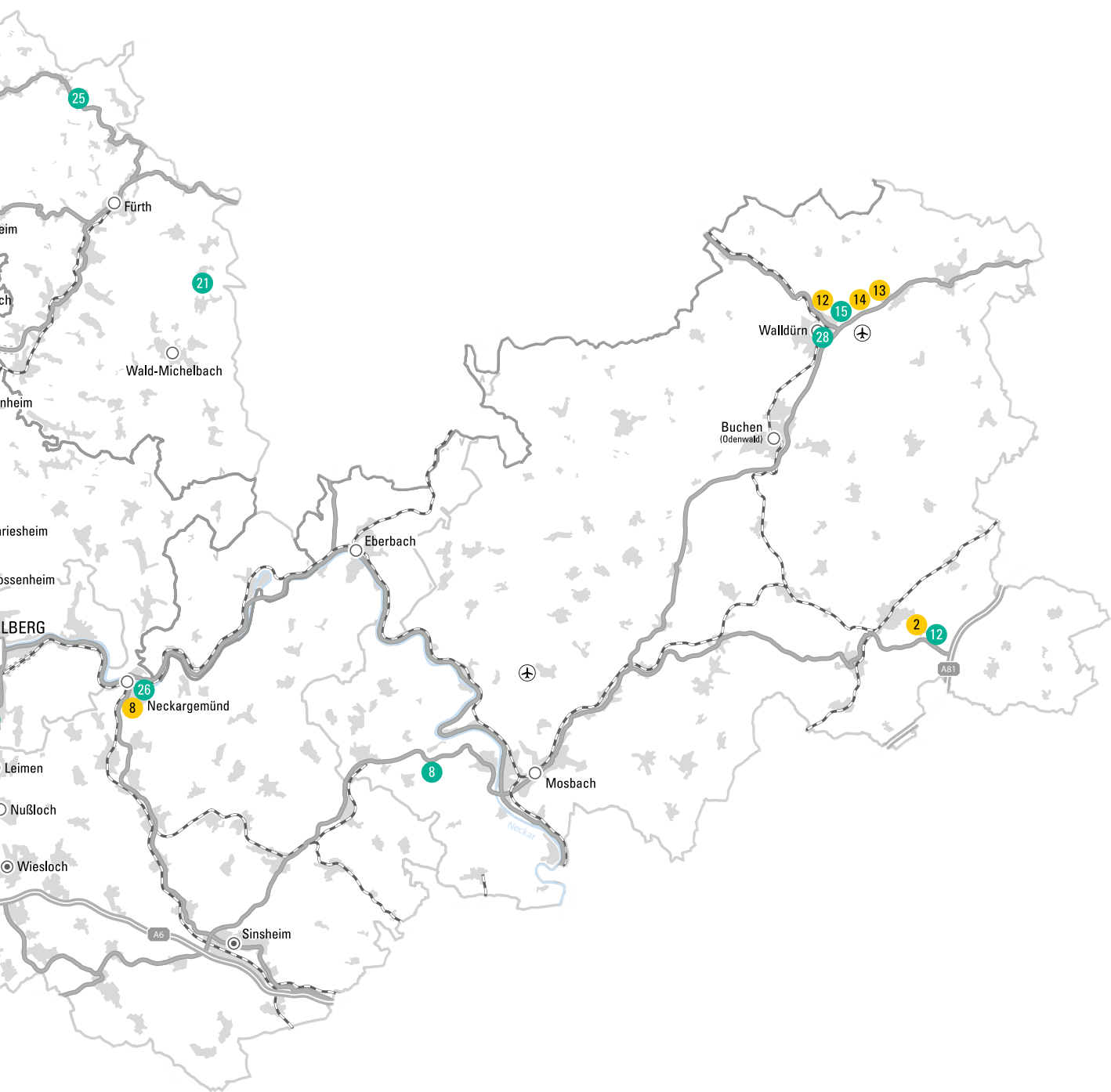
- National border
- State border
- District boundary

Transport routes

- National motorway with number
- Main road
- Railway
- Airport
- Port

5 km





No. in map	Town/City	Name of industrial park	Zoning law/ Type of area	Total area	Still available	Available lot sizes	Guideline land value	Purchase price
22	Germersheim	Woerth-West	GE	200,000 m ²	20,700 m ²	20,700 m ²	95 €/m ² (2016)	150 €/m ²
23	Hassloch	Noerdlich des Bahndammes	GE	150,014 m ²	20,540 m ²	2,165–6,616 m ²	85 €/m ² (2018)	110-125 €/m ²
24	Heidelberg	Rohrbach Sued	GE / GEe / GI	719,000 m ²	19,500 m ²	1,100–8,400 m ²	On request	On request
25	Lindenfels (Ortsteil Kolmbach)	Im Gehren	GE	14,416 m ²	14,416 m ²	3,844 m ²	40 €/m ² (2018)	On request
26	Neckargemuend	Ortho-Areal Gewerbebauplatz Sued	GE	13,800 m ²	13,800 m ²	n.a.	n.a.	100 €/m ²
27	Ludwigshafen	Am Unteren Grasweg	GE	98,000 m ²	10,453 m ²	1,000–4,622 m ²	110 €/m ²	n.a.
28	GVV Hardheim-Wallduern	Spangel	GE	38,023 m ²	9,231 m ²	4,500–9,231 m ²	n.a.	60 €/m ²
29	Speyer	Schlangenwuehl Nord	GE	35,000 m ²	4,200 m ²	1,200–3,000 m ²	130 €/m ² (2015)	On request
30	Ludwigshafen	Technologiemeile	GE	117,000 m ²	4,152 m ²	4,152 m ²	110 €/m ²	n.a.



Hunting down attractive locations

Commercial and industrial areas are in strong demand in the Rhine-Neckar Region. With a central location in Europe, efficient infrastructure, strong economy, and outstanding knowledge-based sector, the region offers optimum conditions for businesses.



Demand for commercial and industrial real estate remains consistently high. The annual municipal survey conducted for this report selected and analysed 30 industrial parks. These parks cover a total area of about 6.24 million m², of which 23 percent (1.44 million m²) are still undeveloped and available at short notice. Purchase prices for fully accessible industrial land parcels in the heart of the urban Rhine-Neckar Region generally range from €110 to €200 per m² – although they can be as high as €250. In suburban areas, prices of between €80 and €160 per m² are the starting point for negotiations. In the periphery, prices fall to an average of €55 per m² – usually with very good transportation links. Investment activity in manufacturing and logistics is at a similar level to last year. Over €213 million are being invested in more than 15 projects over the entire region. These investment projects are simultaneously creating approx. 4,300 jobs.

New HQ locations

Eizo GmbH, one of the world's leading manufacturers of high-end monitor solutions, is moving its headquarters from Karlsruhe to Ruelzheim in Rhineland-Palatinate. By Autumn 2019, the company will have invested €15 million in its new HQ with warehouse and production hall. In the neighbouring town of Mutterstadt, Raiffeisen

Waren-Zentrale (RWZ) is building a new branch on a 10,000 m² plot. The agricultural cooperative is the third largest in Germany.

The metropolitan region continues to benefit from strong demand for logistics areas.

Logistics providers need central locations

The development of the industrial park "Am Roemig" in Frankenthal is progressing steadily. After Kartoffel Kuhn relocated its headquarters there in January 2016, the online retailer Amazon opened a logistics centre on a site covering approx. 185,000 m² in August 2018. Around 2,000 jobs have been created there so far with another 3,500 planned. Amazon has been operating a brand new distribution centre in Mannheim on the right bank of the Rhine since January 2018. Also on the Baden-Wuerttemberg side of the river, the sports retailer Decathlon expanded its Schwetzingen site with a warehouse of approx.

The Mercedes-Benz Global Logistics Center in Gernersheim was upgraded with another automated warehouse incorporating state-of-the-art materials handling and storage systems at a cost of €100 million.



10,000 m² in 2018. This central logistics facility supplies over 20 branches of Decathlon throughout Germany. The Mercedes-Benz Global Logistics Center in Gernersheim has also been growing. The company is investing around €100 million in another automated high bay warehouse with more than 80,000 m² of storage space.

Flexibility as a concept

Pfenning Logistics expects to open a trimodal multi-user logistics centre in Monsheim, near Worms, by the end of 2018. The “multicube rheinhessen” logistics centre will cost around €50 million. The property consists of individual hall modules with a total storage area of 55,000 m² and a mezzanine level of around 7,000 m². Almost the entire warehouse area will be used by CYBEX GmbH which is based in Bayreuth. In the field of healthcare, the Heppenheim-based pharmaceutical company InfectoPharm Arzneimittel und Consilium GmbH has also completed a logistics centre. The 8,350 m² hall went into operation in September 2018.

Continuation of the regional plan

The population of the Rhine-Neckar Metropolitan Region has grown strongly over recent years. For example, between 2011 and 2017, the population of Ludwigshafen grew by 6.9 percent, Landau by 7.1 percent, Speyer by 2.9 percent, and Worms by 5.0 percent according to figures published by the State Statistical Offices. In Baden-Wuerttemberg, Mannheim’s population grew by 1.1 percent to around 308,000 people between 2016 and 2017 alone while in Heidelberg the population also increased by 0.4 percent to 160,600. The growing population has led to an increased demand for housing. Companies that are expanding or settling in the region also generate strong demand for land. The unified plan for the Rhine-Neckar Region launched at the end of 2014 is thus expected to be continued. In addition to updating the demand forecasts for residential properties beyond 2020, the partial continuation of the programme for “residential areas” aims to provide greater flexibility in the calculation of these requirements. The continuation of the programme for “commercial sites” is also planned and is expected to take place at the end of 2019.

www.m-r-n.com/teilfortschreibung-regionalplan



Searching the region together for potential sites.

Frankenthal

High quality of life, a central location with excellent infrastructure, and a cosmopolitan outlook make this regional centre extremely attractive.

Everything is close-at-hand in this compact city which is also a business location of national importance. Global players, such as KSB SE & Co. KGaA and GE Jenbacher – the Gas Engines Division of General Electric – have their headquarters here alongside innovative SMEs. Martin Hebich, Lord Mayor of Frankenthal, discusses the opportunities and challenges of the location.

The new Amazon fulfilment centre in Frankenthal has attracted national attention. What is your assessment of this major project?

Amazon has invested around €80 million in its new "FRA7" logistics centre on a 185,000 m² site. It currently employs 2,000 staff although this number is expected to rise perhaps as high as 3,500. For a mid-sized centre like Frankenthal, this is a considerable success. To cope with the higher volume of traffic, the state agency Landesbetrieb Mobilität Rheinland-Pfalz

reconfigured an existing roundabout into a junction with traffic lights. Naturally, the improvement of our transport infrastructure benefits the business location as a whole.

The metropolitan region is very attractive to businesses but this creates a number of challenges for municipal authorities when providing commercial and industrial areas. How is Frankenthal addressing this topic?

Over recent years, we have designated new industrial areas and thus created outstanding location advantages. Nevertheless, there is not an unlimited supply of suitable commercial sites. So we closely investigate opportunities for developing new commercial and industrial sites in cooperation with the Verband Region Rhein-Neckar. In this context, we are working on a development concept for commercial and industrial sites. We also see great potential for brownfield and converted sites in the city. For example,



Martin Hebich
Lord Mayor
of Frankenthal

we are planning a new mixed use, urban neighbourhood on the four hectare site formerly occupied by KBA. The production of a commercial and location profile is also helping us to position Frankenthal in the region – we want to identify the advantages we offer and awaken dormant development potential.

"Soft factors" are important considerations for companies when choosing locations. How does Frankenthal perform in this area?

In recent years, we have done a lot to improve the quality of life in the city and ensure it is fit for the future. This includes the creation of new residential areas and investment in school infrastructure as well as the development and promotion of art and culture.

What role does tourism play in Frankenthal?

There is much to discover in our conference city and we offer plenty of leisure activities. An analysis of tourism potential commissioned by the city has opened up further possibilities which we want to develop over the coming years.



No. of employees: 16,530
Purchasing power index: 97.6
Business tax rate: 420
Rent price range: Office 5.00 to 7.70 €/m²
Rent price range: 16 to 20 €/m²

Frankenthal – A city on the move. New development planned for the KBA site.

www.frankenthal.de

Contact:

Wirtschaftsfoerderungsgesellschaft
Frankenthal (Pfalz) mbH, Daniel Strotmann,
Phone: +49 (0)6233 3558084,
Email: daniel.strotmann@wfg-frankenthal.de

No. of employees: 189,940
Purchasing power index: 99.3
Business tax rate: 430
Rent price range: Office 10.00 to 18.00 €/m²
Rent price range: Retail 90.00 to 150.00 €/m²



Rent price range, retail: Comfort High Streets Report 2018

Mannheim

The economic centre of the Rhine-Neckar Metropolitan Region is once again looking its best for investors, professionals and guests.

With its harmonious balance of ecological and social urbanity, Mannheim offers the advantages of a major city. Few have better transport links or more start-ups than Mannheim. And few offer companies such a large base of highly qualified staff from the many universities and colleges.

Mannheim is the economic centre of the Rhine-Neckar Metropolitan Region and an important intersection. Approx. 500 trains and 70,000 passengers pass through the main railway station every day – making it one of the largest rail transport hubs in south-west Germany. InterCity Express (ICE) services complete the journey to Paris in just three hours. There are also hourly trains to Frankfurt International Airport – 30 minutes away. Seven motorways intersect at Mannheim. The Rhine harbour is the second largest inland port in Germany and one of the most important in Europe.

Mannheim is well on its way to becoming one of the top destinations in the south-west – a fact also recognised by the hotel industry. Nearly 1,500 hotel rooms are under construction or firmly planned in Mannheim. The hotspot of this hotel boom is the area around the main railway station – especially on the site of the former post office.

Hot spot main railway station

It is a centrepiece of Mannheim's urban development plan: the redevelopment of the former postal building site at Mannheim's main railway station is a joint project shared by DIRINGER & SCHEIDEL, EYEMAXX Real Estate, and GBI AG. By the end of 2020, it will be home to an attractive mix of business and residential buildings.

Over recent years, the south side of the main railway station has witnessed one of the most ambitious urban development projects in Mannheim's history: the Glueckstein Quarter. This 33 hectare site is expected to provide space for businesses employing around 4,600 people. Together with the brand new Glueckstein Park, office and residential complexes, a hotel, co-working spaces, a multi-storey car park, innovative service providers, and catering businesses will transform the site into a modern city district.

Urban diversity on the new Planken

The Planken is one of the most popular shopping streets in Germany, as various rankings consistently show. Over the past two years, the boulevard has been completely redesigned at a cost of nearly €30 million. And many more projects are in

the planning phase. The German National Garden Show 2023, primarily based on the site of the US Army's former Spinelli barracks, is already on the horizon.

www.mannheim.de/de/wirtschaft-entwickeln

Contact:

Fachbereich Wirtschafts- und Strukturfoerderung, Stadt Mannheim, Christiane Ram,
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Hilton Hotel in the KEPLER QUARTER

Stable market with high purchasing power potential

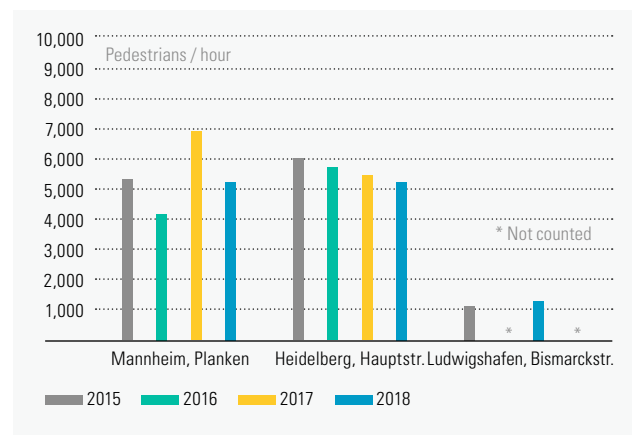
The retail sector must constantly adapt to changing consumer habits. In the Rhine-Neckar Metropolitan Region, its diversity and innovations make a crucial contribution to the region's quality of life.

Good service is no longer sufficient to succeed in the retail trade. Today's customers expect to enjoy a rich and emotional experience in their leisure time. As well as supplying them with goods, they expect shopping to enhance their quality of life. In city centre locations, the aim is thus to support the retail sector by creating and maintaining a thriving urban life. This can be done by improving soft location factors, such as quality of stay, range of services, cultural institutions, and events. The Rhine-Neckar Metropolitan Region successfully provides attractive facilities and concepts. The region's retail sector is attractive for customers, tenants, and investors due to its above-average retail centrality ratings in the core cities of Mannheim (154), Ludwigshafen (118), and Heidelberg (120.9) as well as its many mid-sized centres such as Schwetzingen (217.9), Viernheim (209.5), Mosbach (175.4), Hockenheim (166.6), Landau (145), and Speyer (139.2). Retail sales are correspondingly high.

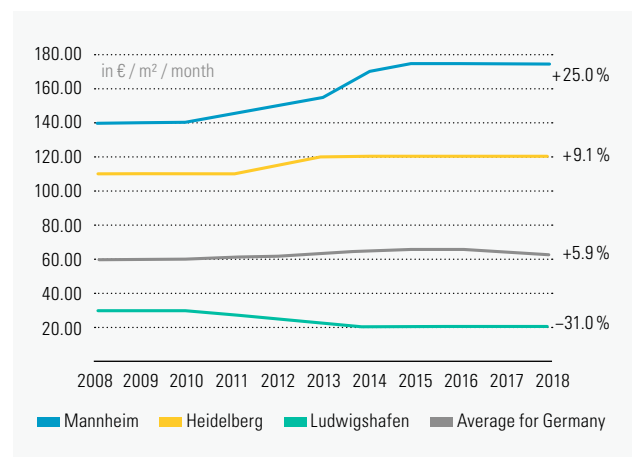
Revitalisation as a strategy

Customers' shopping habits and requirements change frequently and are forcing retailers to revitalise their premises and strategies more often. In Neustadt an der Weinstrasse, Jens Friedlaender from Devello AG is completely redesigning the former Hertie department store building. It is being covered in a perforated

Footfall in top locations



Peak rents for retail property





After the investment in the Q 6 Q 7 quarter, work will continue on a facelift for the Planken shopping street until early 2019.

veil of aluminium. Since the core of the existing building is being retained, the darker facade beneath is visible through the small openings. In Weinheim, the Karlsbergpassage arcade is due to be renovated by 2020. In addition to escalators, Karlsberg-Quartier Vermoegensverwaltung is planning to install a glass elevator which will serve all floors. The project envisages a reduction of retail space in favour of cafés, restaurants, offices, and medical practices. In Wiesloch's pedestrian zone, the former "Dannheimer" department store is being completely remodelled and extended. It will open as the new city centre "Kubus am Adenauer" hosting a mix of retail, commercial, and service premises.

Concepts for sustainable retail

Digitisation, online retailers, and the disappearance of local convenience shops are creating challenges for retailers and municipalities in the metropolitan region as well. These are being overcome with new strategies. For example, the "Intelligent Marketplaces" project initiated by the district of Rhein-Neckar is developing new and innovative approaches for improving rural local shopping facilities. In partnership with the Institute for Enterprise Systems at the University of Mannheim, as well as local citizens, it has developed a concept for a smart network of existing local shopping facilities using the ordering and delivery platform "Emma's App". Landau's districts

"Emma's App" does not require a new, cost-intensive delivery service but uses existing mobility services in rural areas more effectively.

of Arzheim and Moerzheim are supporting a village shop initiative founded as part of the state-wide model project "Towns of the Future". The new shops not only offer shopping facilities but are also lively meeting places. In Worms, the family-run company Goertz is building a bakery and café under the Heinrich-Voelker swimming pool building for about €500,000. This project increases the attractiveness of the city's swimming pool which is undergoing extensive renovation. There are also plans to expand it as a sports pool and spa. Bad Duerkheim's city centre development fund (ISE-Fonds) offers public incentives for private investments in an environment where the municipal authority's own financial opportunities are limited. This public private partnership was presented with an award by the state-wide competition Werkstatt Innenstadt. It not only supports construction projects but also utilisation concepts and marketing strategies.



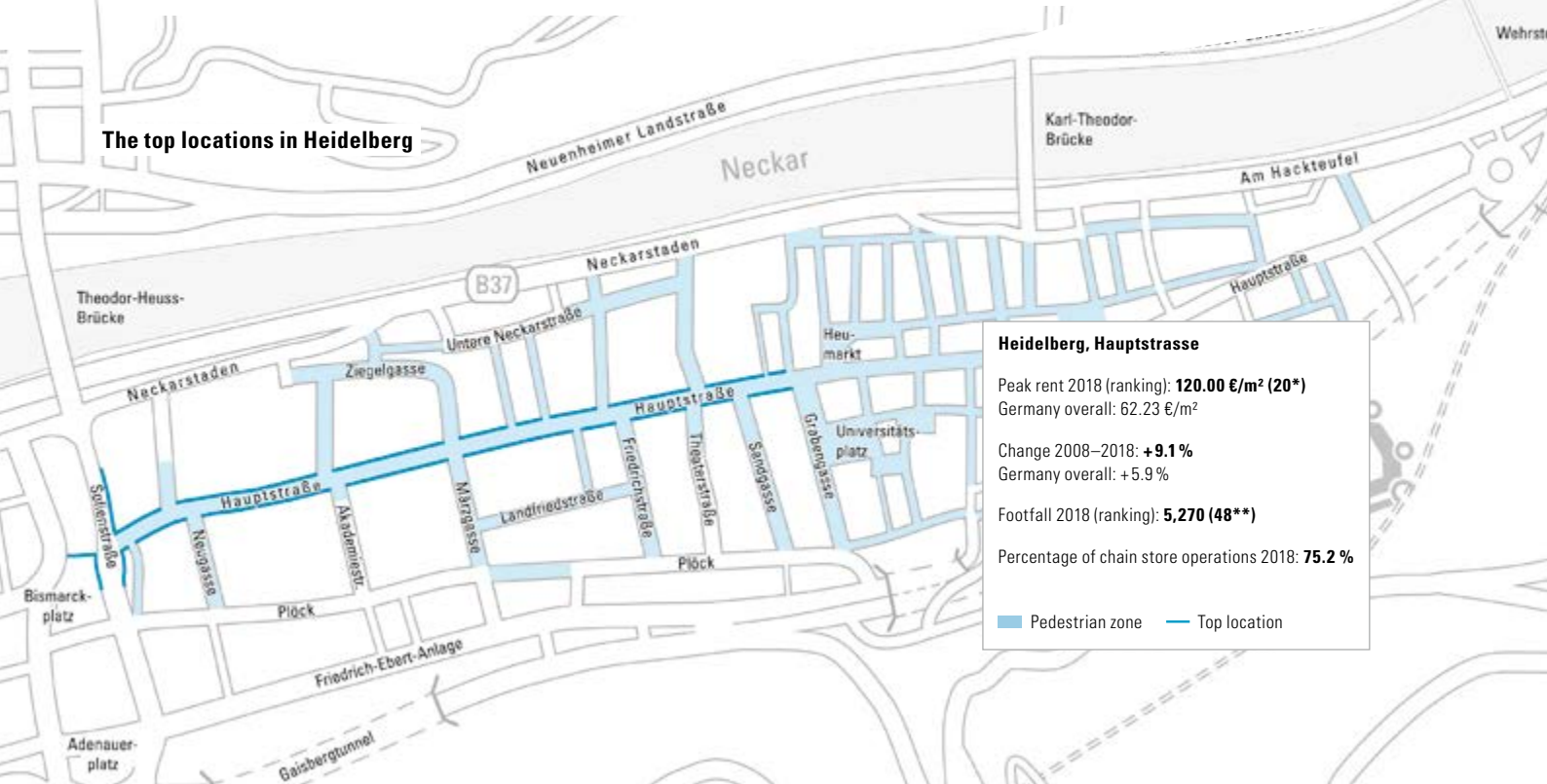
The longest pedestrian zone in Europe and traditionally the top location in Heidelberg: Hauptstrasse offers stunning flair and choice.

Heidelberg

A shopping expedition around Heidelberg, which is home to around 161,000 people, is a highlight for the approx. 12 million tourists who visit the city each year. With a centrality rating of 120.9, retail purchasing power of 98.5 and retail turnover of 119.1, Heidelberg is also stiff competition for surrounding mid-sized towns. Its 1.6 km Hauptstrasse between Bismarckplatz and Marktplatz is the top location in the heart of the historic old town. In addition to the many familiar chain stores with well-known brands, the plethora of small boutiques are particularly inviting places to browse. In the summer, cafés and restaurants with outdoor seating provide a touch of Mediterranean flair. With a footfall of 5,270, Hauptstrasse ranks 48th among the 172 shopping

streets analysed by JLL. 75.20 percent of shops in this top location are chain stores. In 2018, the peak rent was around €120 per m² which places it 20th among the 183 shopping streets included in the study. Between 2008 and 2018, peak rents increased by 9.1 percent although they have been stable since 2013. In the side streets just off Hauptstrasse, customers can find family-run boutiques and established shops specialising in arts and crafts, home accessories, and stationery. Sofienstrasse, between Bismarckplatz and Hauptstrasse, is home to many boutiques in the luxury goods segment. The retail sector will benefit from the proposed new conference centre on Czernyring and the further development of Stadthalle, built in 1903, into a concert and cultural venue. To the south of the main railway station,

The top locations in Heidelberg



Heidelberg, Hauptstrasse

Peak rent 2018 (ranking): **120.00 €/m² (20*)**
Germany overall: 62.23 €/m²

Change 2008–2018: **+9.1%**
Germany overall: +5.9%

Footfall 2018 (ranking): **5,270 (48**)**

Percentage of chain store operations 2018: **75.2%**

— Pedestrian zone — Top location

The thriving tourism sector guarantees high footfall and sales for the retail sector in Heidelberg and Mannheim.

between the station concourse and Czernyring, the Gustav Zech Foundation is planning to develop a new urban district with offices, apartments, shops, restaurants, a hotel, and services from 2020. According to the plans created by POLA Landschaftsarchitekten from Berlin, Europaplatz will be transformed into a “beautiful urban square”. In the Bahnstadt district, the Austrian XXXL Group is building a furniture store to the west of the “Bauhaus” DIY centre. This will add another specialist retailer in the west of the new city district. The new building is expected to have four storeys with a sales area of around 28,000 m² as well as a two-storey underground warehouse. Like all the buildings in the Bahnstadt Quarter, the furniture store is being constructed in accordance with the passive house standard.

Mannheim

With around 308,000 inhabitants and nearly 1.4 million overnight stays, Mannheim is the largest retail destination in the Rhine-Neckar Metropolitan Region. As the economic and cultural centre of the region, Mannheim has a high centrality rating of 154 and a retail sales index of 152.9. Mannheim occupies 8th place in the COMFORT City Rankings and 12th place in the city catchment area rankings – an outstanding position nationwide. The Planken shopping boulevard is its undisputed top location. With footfall of 5,225 visitors, it occupies 49th place in the JLL rankings. Between 2008 and 2018, peak rents rose by 25 percent and are now approx. €175 euros per m². Some 58 percent of retailers here are chain stores, including Mannheim’s major stores such as Engelhorn, Peek & Cloppenburg, and Appellrath Cuepper. This figure underlines the attraction of the shopping boulevard to both international brands and owner-operated shops. By the spring

The top locations in Mannheim

Mannheim, Planken

Peak rent 2018 (ranking): **175.00 €/m² (10*)**
Germany overall: 62.23 €/m²

Change 2008–2018: **+25.0 %**
Germany overall: +5.9 %

Footfall 2018 (ranking): **5,225 (49**)**

Percentage of chain store operations 2018: **58.0 %**

— Pedestrian zone — Top location

of 2019, the city of Mannheim will have invested nearly €30 million to ensure the Planken pedestrian zone remains attractive well into the future. New tram tracks with barrier-free stops, special guided routes for blind people, pavement mosaics which identify the respective city blocks, and new lighting and street furniture in light natural tones – the new Planken promises to be an attractive place to spend time. With almost 10,000 m² of retail space on seven floors, Sporthaus Engelhorn in block N 5 is one of the largest in Europe. On three of these floors, the sporting goods store has been redesigned and converted. The result is a spacious, urban world of sports with a high experiential factor. Parallel to the Planken, Fressgasse is another customer magnet with the attractive city quarter Q 6 Q 7. This combines a shopping mall, services, wellness, and office spaces as well as a hotel and apartments. Breite Strasse between Planken and Kurpfalzbrücke

has generally good footfall and this is set to rise even further in 2019 with the opening of the K1 Karree in the converted former Moemax building. In addition to a fitness studio, clothing stores, a pharmacy, and large food court, the Quadrat municipal cinema and a blood donation facility are moving into the 11,000 m² centre. From 2019, it will feature a new facade and large windows that let natural daylight flood in. In 2018, Mannheim was awarded the status of “fair trade city” for the third time in recognition of its commitment in this area. The “Mannheim 2030” model process addresses key fair trade issues such as “sustainable consumption and production patterns” and “humane working conditions”.

Ludwigshafen

Ludwigshafen has a population of approx. 168,500 inhabitants. The remodelling project launched in 2008 is successfully transforming the city centre. Its objectives, such as opening the city up to the Rhine, finding new uses for abandoned retail spaces, and highlighting and upgrading marketable retail locations, are now as prominent as those for boosting its success as a location for

Ludwigshafen's change management programme aims to create an attractive city centre with a lively mix of uses.

offices and services. This should also increase the dynamism of the retail market. Despite its above-average retail centrality rating (118) and good retail sales (109.3), Ludwigshafen's retail purchasing power index (92.6) has room for improvement.

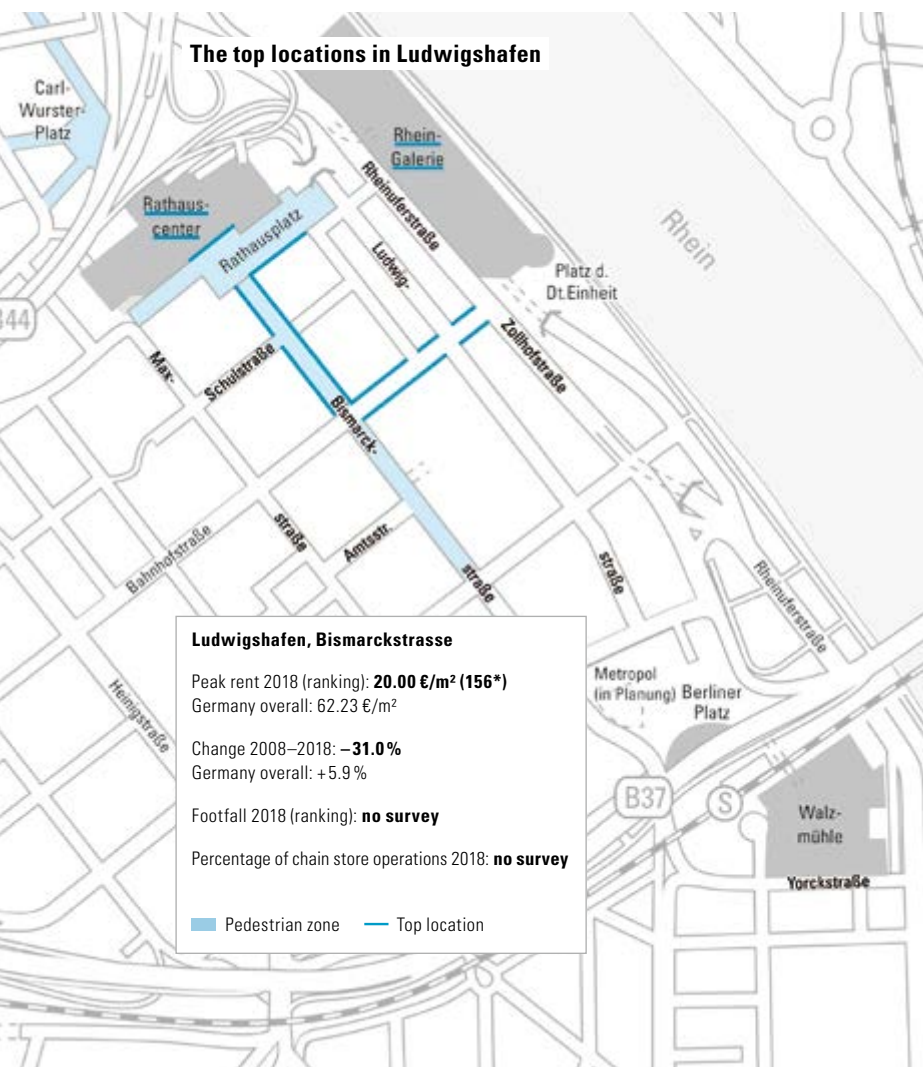
Pro-Concept is converting two abandoned department stores into modern office locations. Once the conversion is completed in March 2019, Technische Werke Ludwigshafen (TWL) with 350 administrative staff and its customer centre will move into the former Kaufhof building (Bismarckstrasse 63). Only a section of the ground floor will still be used by retailers. On the site



Shopping experience: The Rhein-Galerie shopping centre on the banks of the Rhine offers unique views and is an attractive place to spend some time.

of the former C&A store (Wredestrasse 35), an office building is under construction for the energy service provider Pfalzwerke AG. This will accommodate 600 of its employees. The new owner of Ludwigstrasse 36 is HP1. Immobilienverwaltungsgesellschaft which will revitalise the property for a variety of uses. Here, too, there will be space for retailers. Inspired by the success and attractiveness of the first jetty built at the Rhein-Galerie shopping centre directly by the Rhine in 2017, a second jetty is now planned.

Further far-reaching changes are also on the horizon. At the end of 2019, the contract with Metro in the Walzmühle will expire. The owners are currently working on a new revitalisation concept. As part of the "City West" project, Ludwigshafen aims to purchase the Rathaus-Center building and close it by the end of 2021. The contracts and plans for the Metropol project at Berliner Platz, submitted by Timon Bauregie in December 2018, envisage a hotel and office space as well as retail space on the ground floor only.



Retail indices in the key centres of the Rhine-Neckar Metropolitan Region

Municipality	Population	Purchasing power	Turnover	Centrality
Mannheim	307,997	99.3	152.9	154.0
Ludwigshafen am Rhein	168,497	92.6	109.3	118.0
Heidelberg	160,601	98.5	119.1	120.9
Worms	83,081	97.5	126.0	129.3
Neustadt an der Weinstrasse	53,353	107.4	119.6	111.3
Speyer	50,931	106.3	148.0	139.2
Frankenthal (Pfalz)	48,417	97.5	85.9	88.1
Landau in der Pfalz	46,292	101.1	146.6	145.0
Weinheim	45,114	118.4	134.9	113.9
Bensheim	40,326	112.9	106.2	94.0
Sinsheim	35,439	99.9	100.1	100.2
Viernheim	33,989	100.6	210.7	209.5
Lampertheim	32,609	105.0	82.7	78.8
Leimen	27,055	97.0	55.8	57.6
Wiesloch	26,779	106.4	89.8	84.4
Heppenheim (Bergstrasse)	25,755	105.8	136.5	129.0
Mosbach	23,288	98.0	171.9	175.4
Hockenheim	21,739	103.3	172.1	166.6
Schwetzingen	21,546	112.0	244.2	217.9
Germersheim	20,691	81.0	108.0	133.4
Hassloch	20,460	99.6	94.6	95.0
Schifferstadt	20,073	103.6	64.2	62.0
Bad Duerkheim	18,469	110.0	101.7	92.4
Buchen (Odenwald)	17,851	97.5	122.9	126.1

District of Germersheim

As part of the Rhine-Neckar Metropolitan Region, TechnologieRegion Karlsruhe, and the international Eurodistrict Regio Pamina, the district of Germersheim offers quick and easy access, a high quality of life, and space for businesses.

The district of Germersheim has approx. 130,000 inhabitants and is located on the south-eastern border of Rhineland-Palatinate. Germersheim's structural diversity makes it the ideal location for a wide range of companies. Dr. Fritz Brechtel, District Administrator, discusses the future challenges facing this business location.

What advantages does your district offer for large corporations and SMEs?

From the Mercedes-Benz plant in Woerth, Daimler's largest truck assembly plant anywhere in the world, to high-tech SMEs and craft businesses – the district of Germersheim is a great location for companies of all sizes. Businesses profit not only from its central location in Europe but also the B9 dual carriageway, A65 motorway, ports on the Rhine in Germersheim and Woerth, and good public transport links to Karlsruhe and Mannheim/Ludwigshafen. In addition, it offers

business-friendly administrative structures, attractive residential and living environments, as well as comprehensive education and care services.

You have been district administrator since 2001. During this time, the district of Germersheim has enjoyed a period of strong growth. What are your plans for its future?

I certainly don't plan to rest on past achievements. I want our companies to continue working, growing and succeeding here. The administration must continue to provide support and services for existing companies in the area, promote economic development, and expand infrastructure still further.

Infrastructure includes the provision of commercial and industrial areas. What is the outlook here for the district?

Although there is strong demand from



Dr. Fritz Brechtel
District Administrator of the
District of Germersheim

companies, we only have a few commercial and industrial land parcels available. That is why we are the only rural district in the Rhine-Neckar Metropolitan Region to have commissioned a study of commercial and industrial properties. This has provided forecasts and investigated previous and foreseeable future trends relating to demand and supply of this type of real estate in the district. The study was conducted in coordination with the Verband Region Rhein-Neckar and municipal authorities in the district. The results will be included in the partial continuation of the unified regional plan (ERP). For example, it will open the way for inter-municipal industrial parks in the future.

What are your main arguments when entrepreneurs ask you why they should settle in the district of Germersheim?

In addition to good infrastructure and a strong economy, our district offers a high quality of life. The exceptionally mild climate, the varied landscape with its meadows along the Rhine, the Bienwald and neighbouring Palatinate Forest combine well with the friendly, cosmopolitan atmosphere and the inventiveness, diligence, and the solidity of its people.

www.kreis-germersheim.de/wifoe

Contact:

Wirtschaftsfoerderungsgesellschaft Landkreis
Germersheim mbH, Phone: +49 (0) 7274 53-218,
Email: wifoe@kreis-germersheim.de



Population: 128,477
No. of employees: 44,324
No. of municipalities: 31

The two harbours on the Rhine at Germersheim and Woerth are part of an excellent transport network.



Population: 153,629
No. of employees: 60,661
No. of municipalities: 25

District of Rhein-Pfalz

The rural district offers a harmonious symbiosis with a high standard of living, excellent quality of life, strong economy and international connections.

The district of Rhein-Pfalz with its 25 local municipalities has a population density surpassed only by the state's independent towns. The landscape is dominated by arable farming – principally vegetables – flood-plains, and lakes. This, and the Mediterranean climate, contribute a great deal to the high quality of life in the district. Its dynamic economy is primarily characterised by small and medium-sized enterprises. Three-quarters of its gross added value is generated by the services sector. The district has excellent connections to national transport networks via the A6, A61 and A650 motorways, the ICE railway hub in Mannheim, and the River Rhine.

Development of sustainable mobility

The excellent public transport network – bus and train services operate all day at intervals of 30 or even 20 minutes – will provide even stronger links to Ludwigshafen/Mannheim in future. Preliminary studies into two extensions of the local railway network are already in progress. On the initiative of

Clemens Koerner, District Administrator of the Rhein-Pfalz district, a variety of options are currently being evaluated for two new tram routes to the south and south-west. In addition, the expansion of public transport within the district is also being investigated. And last but not least, the district is working with Ludwigshafen's university of applied sciences, city authorities, and major local employers on a mobility project which aims to improve transport links to workplaces.

Digitisation campaign for businesses and schools

Most of the district of Rhein-Pfalz offers broadband Internet with a bandwidth of 50 Mbit/s – making it one of the best-connected districts in Rhineland-Palatinate. The few remaining gaps will be filled over the next two years with FttB connections (fibre to the building). Schools and industrial parks that have not yet been connected are also included in this project which is subsidised by the federal and state governments and managed by the district.

Support from investors and companies looking to expand

The district of Rhein-Pfalz offers many sites that are suitable for commercial and industrial companies looking to expand or settle in the region. A total of 25 towns and municipalities provide attractive commercial real estate, land parcels, and excellent infrastructure. To ensure it is well-prepared for the future, the district is participating in a study of potential commercial and industrial sites being conducted by the Verband Region Rhein-Neckar. This will serve as the basis for the continuation of the unified regional plan.

www.wfg-rhein-pfalz-kreis.de

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New developments on old sites

The reactivation of brownfield sites is an essential aspect of inner city development that plays a key role in conserving resources. For the fast-growing Rhine-Neckar Metropolitan Region, conversion projects offer significant development opportunities.

The withdrawal of US forces alone liberated around 780 hectares of land formerly used by the military. Land released by structural reforms to the German army, derelict industrial sites, and areas no longer required by Germany's former nationalised industries, such as the railways, postal, and telecom companies, provide further scope for development projects. Conversion schemes at these sites offer favourable conditions for the creation of integrated urban locations. At the same time, they enable municipalities to implement their ecological, social, and housing policy objectives using innovative commercial, industrial, and residential development models. Investors also find these areas attractive – clearly restrictions on the designation of new greenfield sites and complex building regulations are taking effect. However, the conversion of brownfield sites does involve risks. Demolition work is often necessary before construction can begin and some sites require decontamination. If the marketing of these areas is not sensitive to existing demand, in terms of scope and timelines, there is a danger of creating an imbalance in the real estate markets.

Mannheim in motion

With around 512 hectares, Mannheim has the lion's share of former US Army areas. The city has summarised its objectives in dealing with these sites in a Conversion White Paper. A broad public participation phase also took into account the wishes and ideas of local people. Many urban development projects, such as "Gruenzug Nordost", the "National Garden Show 2023", the "B 38 Development Corridor", "Staedtebauliche Arrondierung Kaefertal Sued", and "Freiraumkonzept Mannheim 2030" have been initiated as part of the conversion process. People are already living and working in the areas of Turley, Taylor, and Franklin, purchased by the city's own project development company between 2012 and 2015. Another new residential quarter with around 1,800 apartments is planned on the Spinelli site which combines



Four architectural high points will give Franklin-Mitte a very special skyline.



the creation and expansion of a large green corridor and a National Garden Show with a new city district. The handover of the Coleman barracks has been delayed, as US military forces still need the property.

Mannheim is building new opportunities on abandoned infrastructure and industrial sites. The Glueckstein Quarter, built on former Deutsche Bahn sidings and operational areas and an old industrial site next to Mannheim's main railway station, is steadily taking shape. Up to 4,600 people will work and 1,500 find a new home in this new urban quarter for service providers and scientific institutions that offers high quality living. As a counterpart to the Glueckstein Quarter north of the railway tracks, a new urban quarter is under construction on the site of the old post office adjoining Mannheim's main railway station. Here, the DIRINGER & SCHEIDEL Group is building the

Changes to building laws and restrictions on the designation of new greenfield sites are making brownfield sites attractive for investors.

mixed use KEPLER QUARTER on one section of the area. EYEMAXX Real Estate is developing the "Postquadrat" on another section.

Heidelberg aims to shape the transformation

Heidelberg has over 180 hectares of the conversion areas formerly used by the US military – an area twice

the size of its old town. Here, too, the public were fully involved in the planning process from an early stage. The flagship project is the development of the nearly 100 hectare Patrick Henry Village (PHV) which is also

Conversion projects allow municipal authorities to achieve their ecological, social, and housing objectives.

a major focus of the International Building Exhibition (IBA) Heidelberg. The intention is to create the “knowledge city of tomorrow”. PHV could become a working and living space for 10,000 to 15,000 people and a model site for the use of digital technologies, innovative

mobility concepts, and climate-neutral energy supplies. For example, the Heidelberg Innovation Park (hip) – a hotspot for companies in the fields of IT, digital media, bioinformatics, and design – has been growing on the approx. 15 hectare site of the former Patton Barracks in the district of Kirchheim since 2017. Around 3,500 to 4,000 people are eventually expected to work in the park which is scheduled for completion in 2024.

Railway sidings are being replaced by the world’s largest passive house development – Heidelberg’s Bahnstadt Quarter covers an area of 116 hectares and will be finished by 2022. Once completed, it will be home to around 5,500 people and provide employment for up to 7,000. Its residential areas are complemented by space for research facilities and science-based companies. By Q3 2019, the city agency Gesellschaft fuer Grund- und Hausbesitz (GGH) will have developed the mixed use “MEILEN. STEIN” Quarter at a cost of approx. €70 million. A lively district with a public square – the future Europaplatz – is



By 2022, Heidelberg’s Bahnstadt Quarter will be the world’s largest passive house development covering 116 hectares. The local council approved the draft land development plan for the western section at the end of 2018.

The Business Development Center Organic Electronics in the Heidelberg Innovation Park will soon be completed. It will be an outstanding location for small and medium-sized technology companies to set up and exchange ideas.



planned between the Bahnstadt Quarter and Heidelberg's main station. Construction of the planned buildings around the square by the Gustav Zech Foundation is expected to begin in spring 2019.

New dawn for Landau and Schwetzingen

The new residential quarter "Wohnpark Am Ebenberg" will be completed on the site of the former barracks of the French armed forces "Estienne et Foch" in Landau by 2020. Where goods were once loaded in Landau, RG Residential Development is creating a mixed use area that includes a boarding house and business premises as well as student and rental housing. In Schwetzingen, the US military have left the Kilbourne and Tompkins Barracks as well as their former training area. While the barracks are still owned by the German Institute for Federal Real Estate (BIMA), the majority of the training area – the Hirschackerwald nature reserve – has been transferred to the foundation NABU-Stiftung Nationales Naturerbe. The landscape around the conversion areas is characterized by rare inland dunes.

Win-win project in Ludwigshafen

On the south bank of the Rhine in Ludwigshafen, a joint venture between Aberdeen Standard Investments and GeRo Real Estate is planning to convert the former premises of Halberg Maschinenbau into a new urban district. Designed by architect Stefan Forster, the "Ludwig Quarter" envisages some 550 apartments with a gross floor area of around

Ludwigshafen is a growing city. It is attractive to people and interesting for investors.

65,000 m². The concept of the 24,665 m² development also includes commercial areas and a day care centre for children. Up to 1,500 people are expected to find a new home here. The population of Ludwigshafen has been growing for many years and the trend is expected to continue. On the edge of the area there is an existing office building that was only completed in 2012. It offers around 3,800 m² of floor space and will be retained. The project is an important link between the existing residential buildings in the south of Ludwigshafen, the new quarter on Rheinallee, and the city centre. Around 1,100 homes and 3,500 jobs have been created on the south bank of the Rhine so far.

Market Segment: Office

City centre	Best office location in the respective area of the city.
City centre periphery	Locations directly adjacent to (office) city centre.
Periphery	All office locations not categorised as "city centre" and "city centre periphery".
Peak rent	Top price segment (approx. 3 percent of office space turnover, not incl. owner-occupiers) for all new leases agreed in the respective area (city centre, city centre periphery, periphery) in 2018 (in accordance with the latest edition of "Leitfaden zur Bueromarktberichterstattung" (Guidelines for Office Market Reporting) published by gif Gesellschaft fuer Immobilienwirtschaftliche Forschung e.V. in July 2015). All the rental prices stated are nominal rents for marketable office spaces, i.e. rents according to lease agreement (excluding taxes, incentives and utilities).
Average rent	Average rent for all new leases agreed in the respective area (city centre, city centre periphery, periphery) in 2018 (in accordance with the latest edition of "Leitfaden zur Bueromarktberichterstattung" (Guidelines for Office Market Reporting) published by gif Gesellschaft fuer Immobilienwirtschaftliche Forschung e.V. in July 2015). All the rental prices stated are nominal rents for marketable office spaces, i.e. rents according to lease agreement (excluding taxes, incentives and utilities).
Existing space	Total area of all completed office spaces (in use or vacant) throughout the town/city on 31 December 2018 plus office areas under construction which will be ready for move-in within the next three months (in accordance with the latest edition of "Leitfaden zur Bueromarktberichterstattung" (Guidelines for Office Market Reporting) published by gif Gesellschaft fuer Immobilienwirtschaftliche Forschung e.V. in July 2015).
Office space turnover	Total of all office spaces throughout the town/city which have been leased to new users, sold to owner-occupiers or built by owner-occupiers in 2018. The transaction is recorded using the date of the (lease) agreement (in accordance with the latest edition of "Leitfaden zur Bueromarktberichterstattung" (Guidelines for Office Market Reporting) published by gif Gesellschaft fuer Immobilienwirtschaftliche Forschung e.V. in July 2015).
Vacancy rate	The proportion of all existing office spaces throughout the town/city which were available for rent, sub-letting or sale on 31 December 2018 and ready for move-in within three months.

Basis of calculation for office spaces	All quantitative statements in relation to office spaces (existing space, turnover etc.) are generally made in accordance with the space definition contained in the latest edition of the guideline MF/G "Rentable floor space for commercial spaces" published by gif Gesellschaft fuer Immobilienwirtschaftliche Forschung e.V. (current version from June 2017). In this report, where only information on gross floor area (BGF) was available, this has been converted using the industry standard factor of 0.85.
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Market Segment: Retail

Top location	The part of the city centre that enjoys the highest footfall and the greatest density of large stores that attract shoppers and chain stores with supra-regional operations.
Peak rent	Rent paid per m ² in EUR for a newly leased space based on a 100 m ² ground floor sales area in a top location with a 6 metre display front (definition: JLL SE).
Percentage of chain store operations	Percentage of national chain store operations as a proportion of total local retail trade.
Footfall	Number of pedestrians passing by per hour based on a specific counting location in the pedestrian zone on a uniform survey time and date used throughout Germany: 14 April 2018, 1 pm - 4 pm (in accordance with JLL SE).
Purchasing power index	Index per resident, based on the national German average (index = 100). Example: an index of 110 means that the residents in this town have a purchasing power that is 10 percent higher than the national German average (definition: GfK).
Sales index	Index per resident, based on the national German average (index = 100). Example: an index of 110 means that retail sales in this town are 10 percent higher per head of the population than the national German (definition: GfK).
Centrality rating	Index, based on the national German average (index = 100). Example: an index of 110 means that this town offers 10 percent more purchasing power loyalty and centrality in retail than the national German average (definition: GfK).

The centrality rating is a measure of the scope and strength of the retail sector in terms of its attractiveness to non-local consumers. The retail centrality rating is based on the ratio between the purchasing power loyalty that exists within the city and the inflow of purchasing power from outside. A centrality rating of greater than 100 indicates that inflows of purchasing power from the surrounding area exceed outflows of purchasing power from the area of the city itself (definition: JLL SE).

Market Segment: Industrial & Commercial

Guideline land value Average land value for an area that has similar value conditions and can be used for similar purposes. The guideline value provides the value per m² of land for a fictitious land parcel, with location features typical of the respective area.

Type of area Type of structural land use according to the Federal Land Utilization Ordinance (BauNVO). Abbreviations:
GE = Business park, GEe = Restricted-use business park,
GI = Industrial park, Gle = Restricted-use industrial park.

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