

TD 100 Cities Survey 2016

The local market for residential, retail and office space

English Data Edition



TABLE OF CONTENTS

Foreword	3
Outline Data	4
Socio-Economic Key Figures	4
Key Figures Building Sector	5
Public Budget	6
Survey Results	7
Results Office Space Market	7
Results Retail Space Market	9
100 Cities Ranking: Office and Retail Top Rents	11
Results Residential Market	12
Definitions and Concept Explanations	14
TD 100 Cities Survey 2015: Coverage	15
Credits	16

Foreword

Dear readers,

This year's TD Cities Survey is the eleventh annual edition. We have continuously expanded our market participants' survey, and over the years it has become firmly established. We attribute its success to the keen interest of our readers and the consistently high willingness to support this unique market survey in 100 cities. We are happy to report that the response rate once again increased in 2016, and would like to take this opportunity to thank the many real estate companies who participated in our survey.

When we prepare our 100 City Survey, we always strive to find and evaluate reliable data outside of the Big 7. Though it is difficult to obtain dependable information for smaller markets, this area will continue to gain importance: A close look at the real estate market shows that investors are already widening their focus to include the periphery, paying particular attention to the suburban belts of large cities. The housing shortage in these cities and the resulting high rent prices lead market participants to look for affordable alternatives in the surrounding areas. As revealed by the recent report on residential and real estate markets in Germany released by the Federal Institute for Building, Urban Affairs and Spatial Research (Bundesinstitut für Bau-, Stadt- und Raumforschung BBSR), the number of building permits granted in the suburbs of large cities rose significantly during the first half of 2016. We expect this development to continue in the coming years, as the housing shortage in the core cities cannot be alleviated in the medium term.

While the search for reliable data is still difficult for certain regions, the overall data situation has improved: In international comparison, Germany takes ninth place in the current JLL transparency ranking, which is a better result than even two years ago, when the country was Number 12. We understand the necessity to keep improving our research in this area and thus contribute to more market transparency. To reach that goal, however, we rely on the assessments of local market participants. In this context, we would like to invite particularly those participants in smaller locations to contribute to our market report as "local experts".

We appreciate your interest in our market reports and hope you find them stimulating reading.

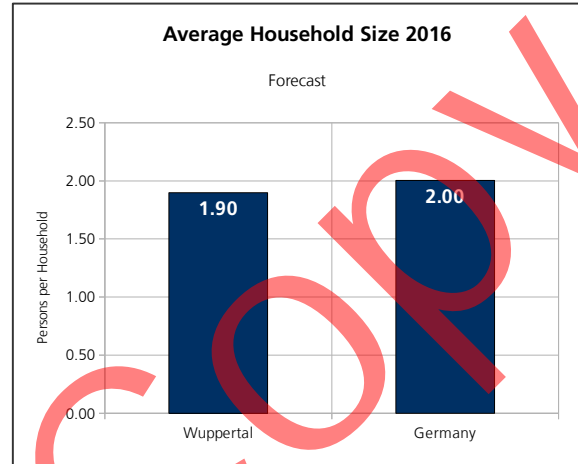
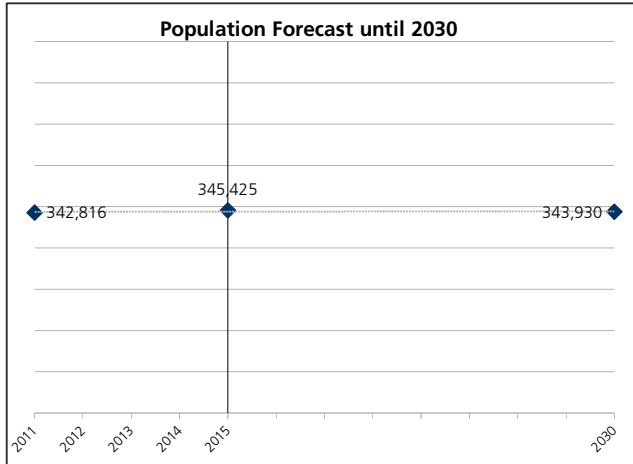
Tina Wegener
and the Research Team

Key Socio-Economic Figures Wuppertal

All data on city level.

Population and Household Size

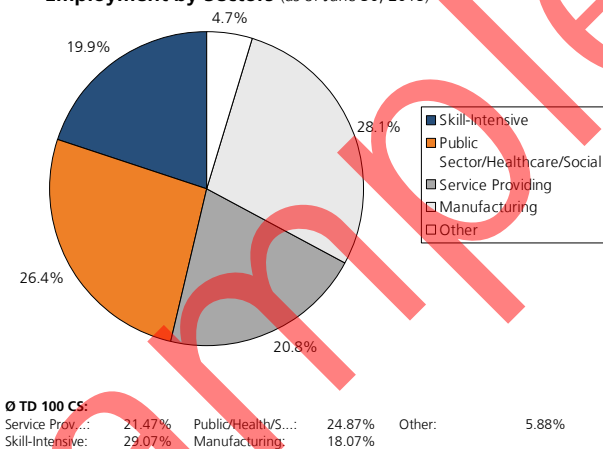
Population (as of 2015-01-01) 345,425
 Population Development Forecast -0.43 %
 2015 – 2030



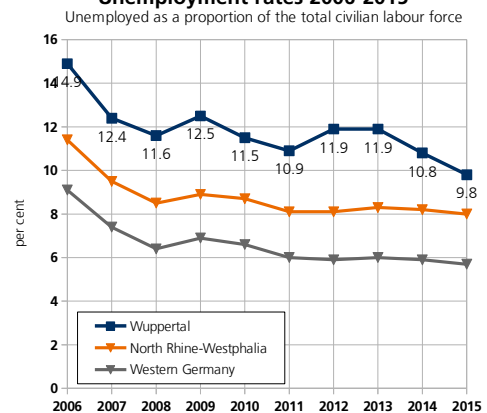
Employees and Labour Market

Employees subject to social insurance contributions 118,123
 Employees within the city limits (as of June 30, 2015)
 Commuter Balance 1,370
 (as of June 30, 2014)

Employment by Sectors (as of June 30, 2015)



Unemployment rates 2006-2015



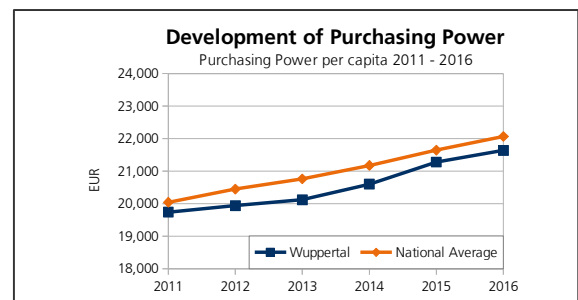
Key Figures Retail

General Purchasing Power 2016

Index 98.1
 per capita in euros 21,637

Retail Related Purchasing Power 2016

Index 99.2
 per capita in euros 6,434



Sources: destatis (federal statistical office);
 MB-Research Nürnberg; Federal Employment Agency;
 THOMAS DAILY's own calculations

Key Figures Building Sector Wuppertal

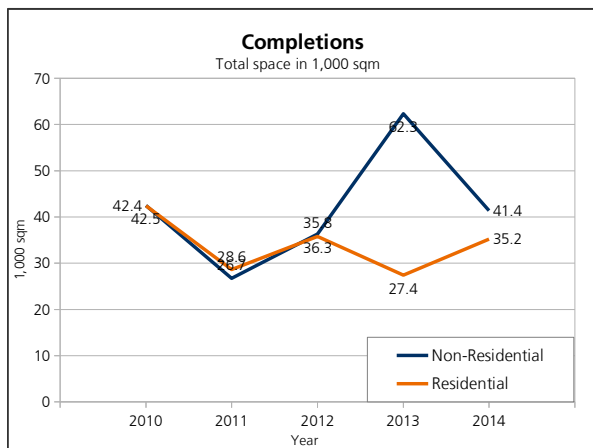
All data on city level.

Building Completion

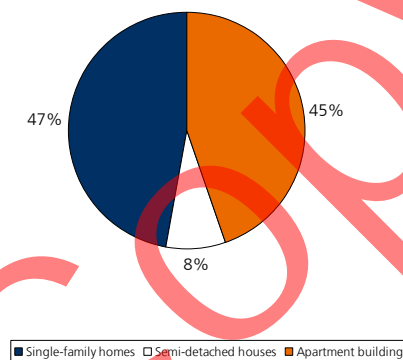
Residential units 2014
(as of 2014-01-01) 191,246 units

Completion residential 2010-2014 1,474 units

Completion 2010-2014 per 1,000 inhabitants
as a proportion of number of inhabitants (2015-01-01); average TD 100 CS = 10.53 4.3 units/1,000 inh.



Completions residential by type



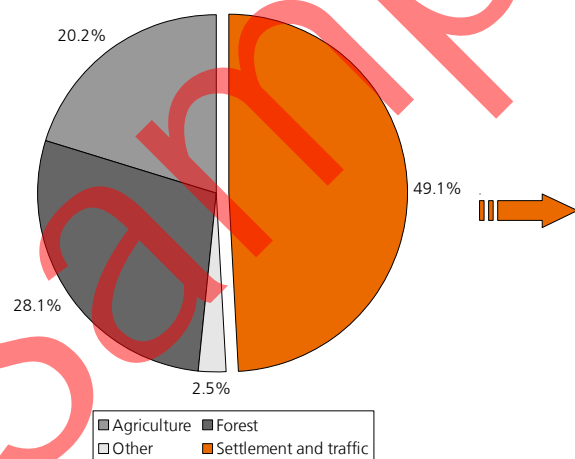
Land Value

Wuppertal

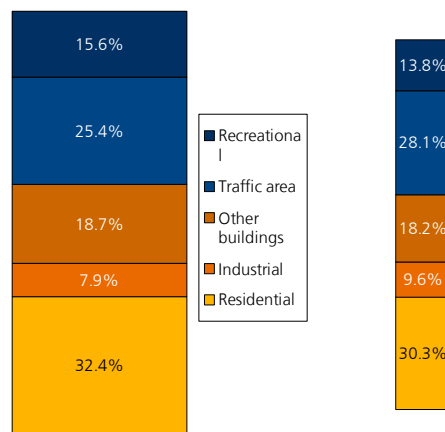
	2014	2013	2012	2011	2010
Total land purchased (sqm)	44,000	46,000	58,000	22,000	37,000
Total value of all transactions (k EUR)	6,429	7,540	5,150	3,095	5,099
Land value average (EUR/sqm)	145.02	162.35	88.90	143.29	139.36

Land Use

Breakdown of total land use



Breakdown settlement and traffic areas



Data as of 2014-12-31.

Sources: destatis (federal statistical office); THOMAS DAILY's own calculations

The term "built and unbuilt land" includes buildings (residential, commercial, industrial, other) and adjacent land which is used in conjunction with a building.

The term "recreational area" includes all land that is used for either sports and leisure, parks, gardens and zoos, camping sites and cemeteries also.

The term "traffic area" includes all unbuilt land that is used for roads, railway tracks and air traffic. It also includes industrial areas (unbuilt) which are used commercial, for landfill and storage.

Public Budget Wuppertal

All data on city level.

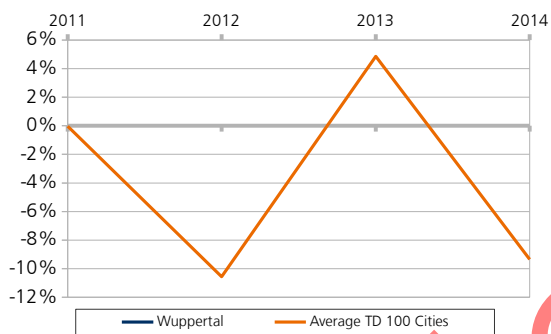
Municipal Budget

Public debt 5,467 EUR/capita Ø TD 100 Cities 2,414 EUR/capita
Data as of 2014-06-30. city states not included

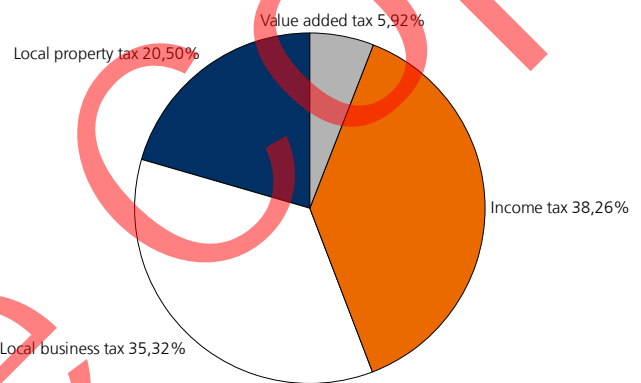
Tax Revenue

Tax revenue 2014 n/a k EUR

Development of tax revenue



Composition of tax revenue 2014



Property acquisition tax 2016 6.5 %
defined by the German states since 2006

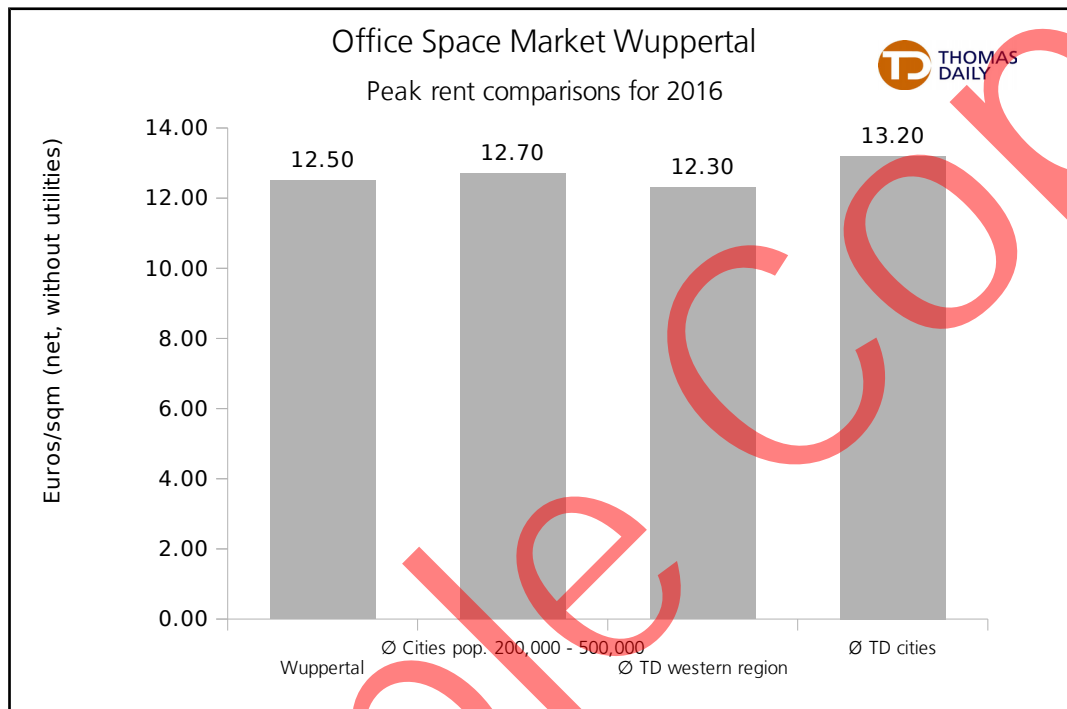
Collection rates 2015

Local business tax	490 %	(range in Germany 200% - 900%)
Local property tax (B)	620 %	(range in Germany 80% - 900%)

Sources: destatis (federal statistical office); Federal Employment Agency; Deutscher Industrie- und Handelskammertag (DIHK) (Association of German Chambers of Industry and Commerce); THOMAS DAILY's own calculations.

The detailed results of the TD 100 Cities Survey 2016 are presented below, divided into office, retail and residential markets. For the office and retail segments, findings from previous years since 2012 are also included.

The Office Space Market



During the past 12 months, prime rents remained at the same level. Hardly any change in prime rents is expected for the coming 12 months.

Those polled estimate that demand for space will increase slightly over the next 12 months. For the coming 12 months, available space is expected to grow considerably. It is anticipated that vacancy rates will remain unchanged.

Incentives Offered

initial rent reduction

Percentage of annual net rent: 2-4 %

Prime Office Locations

Elberfeld City

Total office stock (in millions): 1.85

Office space take-up in the last 12 month: n/a

Rent Prices and Yields

• Peak rent* Office space over 200 sqm, in euros/sqm (monthly net, without utilities)	2016: 12,50	2015: 12,50	2014: 13,00	2013: 13,00	2012: 12,50
• Average rent* Office space over 200 sqm, in euros/sqm (monthly net, without utilities)	2016: 6,50	2015: 8,25	2014: 8,50	2013: 8,50	2012: 7,00
• Development of peak rent* during the past 12 months	2016: →	2015: →	2014: →	2013: ↗	2012: →
• Peak rent forecast* for the next 12 months	2016: →	2015: →	2014: →	2013: ↗	2012: →
• Initial net return* (per cent)	2016: n/a	2015: 6,63	2014: 6,80	2013: 6,40	2012: 6,60
• Transaction volume (sales)* during the past 12 months	2016: →	2015: →	2014: →	2013: ↗	2012: →

Vacancy

• Vacancy rate* (per cent)	2016: 5,8	2015: 7,00	2014: 6,20	2013: 6,20	2012: 7,00
• Vacancy development* during the past 12 months	2016: ↓	2015: →	2014: →	2013: ↗	2012: →
• Vacancy forecast* for the next 12 months	2016: →	2015: →	2014: →	2013: ↗	2012: →

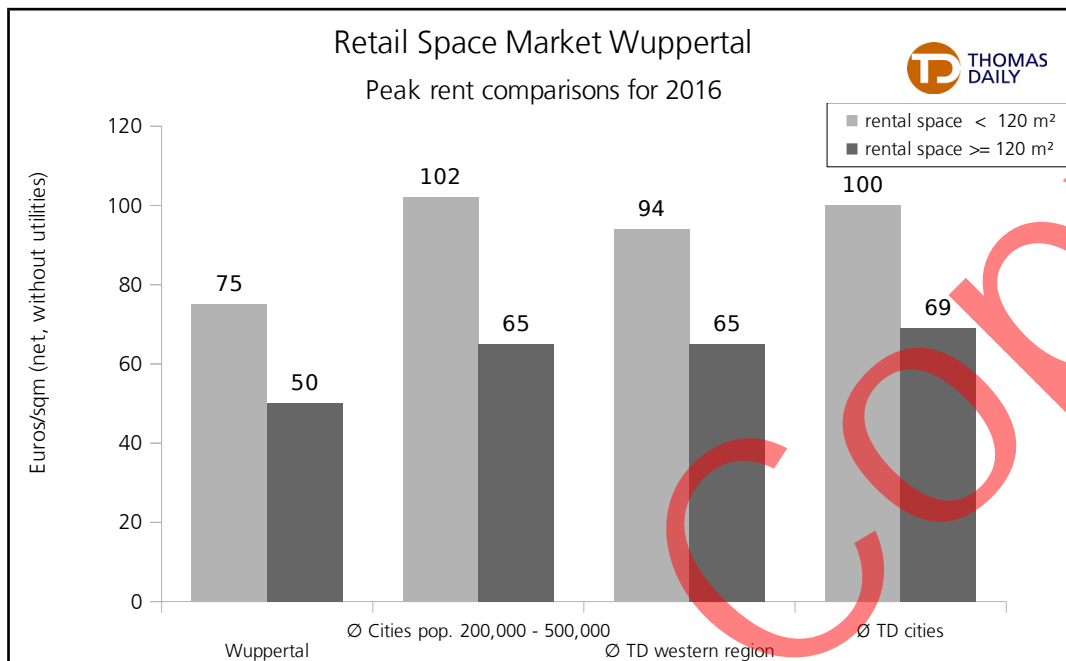
Demand

• Office demand space* during the past 12 months	2016: →	2015: →	2014: ↗	2013: ↗	2012: →
• Office space demand forecast* for the next 12 months	2016: ↗	2015: →	2014: →	2013: ↗	2012: →
• Praxis der Gewährung von Incentives* in den vergangenen 12 Monaten	2016: →	2015: →	2014: →	2013: ↗	2012: →
• Space expansion* for the next 12 months	2016: ↗	2015: ↗	2014: ↓	2013: →	2012: ↗

***Note:** a comparison of the arrow diagrams (evaluation questions) to the actual numerical values, as well as a historical view of the arrow and value series other does not necessarily show an immediate correlation. Contradictions between trend statements and real price developments could have various reasons, for example different respondents or past inaccurate prognoses.

In principle, numerical values from the annual survey are carefully checked for plausibility based on benchmark values. This doesn't apply to the historical series in view of actual, local real estate market development during the past four years.

The Retail Space Market



Prime rents for smaller retail units in prime locations remained almost unchanged during the past 12 months. Rents for up to 120 sqm of space are assumed to grow slightly over the next 12 months.

All in all, no change is expected in the demand for retail space.

Rent Prices and Yields

• Peak rent prime location* (60 - 120 sqm of top rent space) in euros/sqm (monthly net, without utilities)	2016: 75	2015: 90,00	2014: 80,00	2013: 85,00	2012: 90,00
• Peak rent prime location, larger areas* (> 120 sqm of top rent space) in euros/sqm (monthly net, without utilities)	2016: 50	2015: 55,00	2014: 50,00	2013: 50,00	2012: 55,00
• Peak rent near-prime location* (60 - 120 sqm of top rent space) in euros/sqm (monthly net, without utilities)	2016: 50	2015: 48,50	2014: 50,00	2013: 40,00	2012: 48,50
• Peak rent near-prime location, larger areas* (> 120 sqm of rent space) in euros/sqm (monthly net, without utilities)	2016: 25	2015: 30,00	2014: 20,00	2013: 25,00	2012: 30,00
• Initial net return* Retail space in prime locations	2016: 4.70	2015: 6,30	2014: 6,80	2013: 6,10	2012: 6,30

• Development of peak rent in prime locations* (60 - 120 sqm of top surfaces) during the past 12 months	2016: ➔	2015: ➔	2014: ➔	2013: ↗	2012: ➔
• Development of peak rent in prime locations, larger areas* (> 120 sqm of top surfaces) during the past 12 months	2016: ➔	2015: ➔	2014: ➔	2013: ↗	2012: ➔
• Peak rent forecast in prime locations* (60 - 120 sqm of top surfaces) for the next 12 months	2016: ↗	2015: ➔	2014: ↘	2013: ↗	2012: ➔
• Peak rent forecast in prime locations, larger areas* (> 120 sqm of top surfaces) for the next 12 months	2016: ↗	2015: ➔	2014: ↘	2013: ↗	2012: ➔

Demand

• Demand* during the past 12 months	2016: ➔	2015: ➔	2014: ➔	2013: ↗	2012: ➔
• Demand forecast* during the coming 12 months	2016: ➔	2015: ➔	2014: ↗	2013: ↗	2012: ➔

***Note:** a comparison of the arrow diagrams (evaluation questions) to the actual numerical values, as well as a historical view of the arrow and value series to each other does not necessarily show an immediate correlation. Contradictions between trend statements and real price developments could have various reasons, for example different respondents or past inaccurate prognoses.

In principle, numerical values from the annual survey are carefully checked for plausibility based on benchmark values. This doesn't apply to the historical series in view of actual, local real estate market development during the past four years.

100 Cities Ranking 2016

Peak Office Rent ¹

Rank 2015	Rank 2016	City	Euros/sqm
1	1	Frankfurt	38.00
2	2	Munich	35.00
5	3	Berlin	26.00
3	3	Düsseldorf	26.00
4	4	Hamburg	25.00
...			
12	16	Passau	12.50
13	16	Tübingen	12.50
13	16	Wuppertal	12.50
12	17	Offenbach	12.30
16	18	Augsburg	12.00
...			
20	28	Witten	8.50
21	29	Schwerin	8.30
22	30	Gera	7.20
21	31	Hildesheim	7.00
23	31	Salzgitter	7.00

Peak Retail Rent ²

Rank 2015	Rank 2016	City	Euros/sqm
1	1	Munich	380.00
2	2	Berlin	320.00
2	2	Frankfurt	320.00
3	3	Hamburg	290.00
3	3	Stuttgart	290.00
...			
21	25	Paderborn	75.00
23	25	Regensburg	75.00
22	25	Wuppertal	75.00
21	26	Bad Homburg	70.00
24	26	Krefeld	70.00
...			
30	33	Mülheim an der Ruhr	30.00
n/a	33	Salzgitter	30.00
31	33	Villingen-Schwenningen	30.00
n/a	33	Witten	30.00
33	34	Wilhelmshaven	25.00

¹ Office space over 200 sqm; not reported for Hamm, Leverkusen and Pforzheim in 2016.

² Objects 60 – 120 sqm in 1A location; not reported for Bamberg, Hamm, Hildesheim, Ingolstadt, Leverkusen and Passau in 2016.

³ Due to various cities hitting the same rank, this year the ranking ends at rank 31 (Office) and rank 34 (Retail).

The Residential Market

Locations Overview

Prime Location:

e.g. Briller Viertel, Toelleturm, Zooviertel

Good Location:

e.g. Berghausen, Cronenberg, Dönberg, Hahnerberg, Katernberg, Lichtenplatz, Ronsdorf

Basic Location:

e.g. entlang der Talachse, Langerfeld, Oberbarmen, Rehsiepen

Purchasing Prices 2016

Single or Double Family Homes

Average price per building in euros, rounded, 100–150 sqm living space, year of constr. since 2000

Prime location	450000
Good location	350000
Basic location	200000
Tendency during the last 12 months	→
Forecast during the last 12 months	→

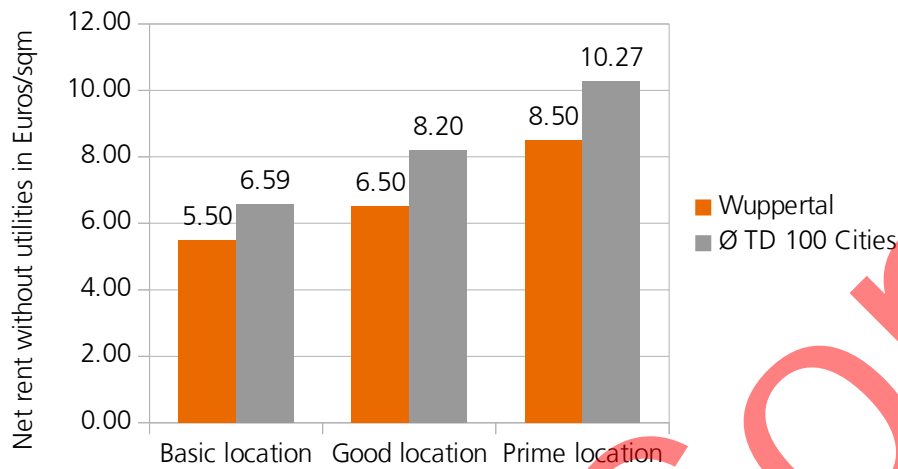
Purchasing Prices 2016

Apartments

Average purchasing price in euros/sqm, rounded, 60–80 sqm living space, year of constr. since 2000

Prime location	n/a
Good location	n/a
Basic location	n/a
Tendency during the last 12 months	→
Forecast during the last 12 months	→

Average Rent Price 2016



Rents 2016

Apartments For Rent

Average rent price in euros/sqm, rounded

Prime location	8,5
Good location	6,5
Basic location	5,5
Tendency during the last 12 months	→
Forecast during the last 12 months	→

Vacancy and Demand 2016

• Vacancy rate (per cent)	n/a
• Vacancy rate development during the past 12 months	↘
• Vacancy rate forecast for the coming 12 months	↘
• Buyer's demand forecast	↗
• Rental demand forecast	→

Transactions 2016

• Transaction market during the last 12 months	↑
• Transaction market forecast in the coming 12 months	↗

Purchasing prices for apartments in top locations remained stable. For apartments in very good locations, those polled expect stable prices over the next 12 months. In very good locations, no changes in rent prices are forecast for the next 12 months.

The municipality updates a rent list constantly.

DEFINITIONS AND CONCEPT EXPLANATIONS

Office space

Office space is the designation of office areas, which are for areas which typical writing desk activities can be conducted and which are sold or leased on the office space market. Among them are offices used by the owners and areas converted into offices, as well as surfaces leased individually/separately as offices in facilities with mixed usage such as commercial parks.

Retail turnover

Retail turnover/revenue describes the total purchases of all consumers, in order to be able to measure and compare local retail. These figures are based on all of the turnover/revenue obtained in stationary retail from the prices for the final consumers. Revenue/turnover from mail houses, car dealers and gas/petrol stations are not included.

Highest rent attainable

The nominal rents attainable at the time of the poll for high-quality leasable areas in the partial market under review. In the office sector, the figures are based on a minimum space of 200 sqm of leasable area. As for retail space, the figures in this report differentiate between smaller (60 – 120 sqm of leasable space) and larger areas (>120 sqm).

Purchasing power

Purchasing power relates to the available income of the population (net income from employment, assets, pensions, unemployment and welfare benefits, and/or other governmental transfer services).

Vacancy

The sum of all completed areas which, at the time of the poll, are unused or offered for leasing, sub-leasing or sale and can be occupied within three months.

Demand

The active requests for areas registered within a particular period of time on a precisely defined partial property market. Inquiries from potential tenants and from owners to whom a sustained wish to rent are attributed are both taken into account.

Initial return

Net initial return/yield is calculated as the annual net rent (minus operating costs that cannot be passed on) divided by the gross purchase price (including acquisition surcharges) multiplied by 100%. Gross initial return is calculated as net annual rent (excluding operating costs) divided by the net purchase price (excluding acquisition surcharges) multiplied by 100%.

Commuter balance

The commuter balance of a city visualises whether more employees come into the city to work, or whether more inhabitants of the city work outside its limits. If more commuters come into the city, this is called a surplus of incoming commuters. If more people work outside the city, this is a surplus of outgoing commuters.

Residential locations

Basic locations are defined as areas with some negative characteristics, such as noise-intensive locations due to traffic, inner city locations with a questionable social reputation, or insufficient options in shopping and healthcare infrastructure. Buildings are often simple and may be structurally outdated or dilapidated.

Good residential locations are situated mainly in quite well-defined areas with lots of greenery and spaces between the buildings, with good traffic connections and nearby recreation areas. High demand in inner cities residential areas are also included in this category.

As a rule, very good residential locations have all of the advantages of the good residential locations, plus at least one further outstanding advantage such as topography or a particularly beautiful landscape, neighborhood and environment. Very good residential locations are often distinguished by luxurious buildings with spacious grounds at a considerable distance from neighboring houses. Town houses, often from the Victorian era, are also included in this category.

Centrality

Retail centrality is a measurement of the attractiveness of a city as a place to go shopping. It describes the relationship between revenue/turnover from retail and the local retail-relevant purchasing power. If this rating surpasses 100, this means that more revenue/turnover is obtained in retail in the city than the local population spends; that is: there is an influx of purchasing power from the environs and the neighboring cities. On the other hand, if the centrality figure is less than 100, then there is an outflow of purchasing power.

TD 100 CITIES SURVEY 2016: COVERAGE



- | | | | |
|-----------------------|----------------------|---------------------|------------------------|
| Aachen | Esslingen am Neckar | Karlsruhe | Paderborn |
| Aschaffenburg | Flensburg | Kassel | Passau |
| Augsburg | Frankfurt am Main | Kiel | Pforzheim |
| Bad Homburg v.d. Höhe | Freiburg im Breisgau | Koblenz | Potsdam |
| Bamberg | Friedrichshafen | Krefeld | Ratingen |
| Bergisch Gladbach | Fulda | Leipzig | Regensburg |
| Berlin | Fürth | Leverkusen | Reutlingen |
| Bielefeld | Gelsenkirchen | Lübeck | Rostock |
| Bochum | Gera | Ludwigsburg | Saarbrücken |
| Bonn | Gießen | Ludwigshafen | Salzgitter |
| Brunswick | Göttingen | Lüneburg | Schwerin |
| Bremen | Gütersloh | Magdeburg | Siegen |
| Bremerhaven | Hagen | Mainz | Solingen |
| Chemnitz | Halle (Saale) | Mannheim | Stuttgart |
| Cologne | Hamburg | Mönchengladbach | Trier |
| Constance | Hamm | Mülheim an der Ruhr | Tübingen |
| Cottbus | Hanau | Munich | Ulm |
| Darmstadt | Hanover | Münster | Villingen-Schwenningen |
| Dortmund | Heidelberg | Neu-Ulm | Wiesbaden |
| Dresden | Heilbronn | Neuss | Wilhelmshaven |
| Duisburg | Herne | Nuremberg | Witten |
| Düsseldorf | Hildesheim | Oberhausen | Wolfsburg |
| Erfurt | Ingolstadt | Offenbach am Main | Wuppertal |
| Erlangen | Jena | Oldenburg | Würzburg |
| Essen | Kaiserslautern | Osnabrück | Zwickau |

CREDITS

For its analysis of the Wuppertal property market, THOMAS DAILY received assistance from the following experts:

Alfred Vollmer Immobilien KG

Schlossbleiche 34, 42103 Wuppertal

www.vollmer-moebius.de

Catella Property GmbH

Kurfürstendamm 21, 10719 Berlin

www.catella.de

Wirtschaftsförderung Wuppertal AÖR

Lise-Meitner-Straße 13, 42119 Wuppertal

www.wf-wuppertal.de

Wohnräume Immobilienvertrieb

Viehhofstraße 119, 42117 Wuppertal

www.wohn-traeume.com

Sample Copy

THOMAS DAILY thanks all of the local experts – including those who did not want to be mentioned here – for their cooperation in the compiling of this market study.

THOMAS DAILY GmbH
Adlerstraße 19
79098 Freiburg im Breisgau
Deutschland
T + 49 761 3 85 59 0
F + 49 761 3 85 59 550
E marktbefragung@thomas-daily.de
www.thomas-daily.de

Geschäftsführerin/Managing Director:
Giles Newman
Handelsregister Freiburg i.Br., HRB 3947
USt-ID-Nr. DE142211250

Disclaimer

This PDF file is protected by copyright. All rights reserved, especially reproduction, distribution and translation rights. Reproduction, publication, transmission to third parties and all commercial utilisations require written permission in advance from THOMAS DAILY GmbH. No claims to permission.

Liability exclusion

The editorial content was carefully researched and checked. Despite thorough control of the contents, we accept no liability. All of the information given is without guarantee. No liability is assumed for the correctness of the information or for possible printing errors. All of the statements are derived from sources that are assessed as reliable.