

REAL ESTATE MARKET REPORT Rhine-Neckar 2024

Office | Retail | Commercial | Investment

In focus: Open space for sustainable urban development

www.standorte-rhein-neckar.de

Peter Johann, Managing
Director of Metropolregion
Rhein-Neckar GmbH



Dear Readers,

Amidst a changing economic and geopolitical landscape, the real estate market faced a myriad of challenges over the past year. Nevertheless, the Rhine-Neckar Metropolitan Region continues to stand as a dynamically economic center in the heart of Europe. Here, businesses, research, politics, and administrations collaborate through innovative ideas to create promising future prospects. These prospects are primarily based on the innovation in biotechnology, life sciences, and digitalization, as well as our ongoing commitment as a hydrogen model region.

In this report, we aim to provide decision-makers and investors with in-depth insights into the relevant submarkets of the real estate industry in our region. This year, the increased capital costs play a significant role. While these costs have pushed back investments, there are numerous examples showcasing that the Rhine-Neckar Metropolitan Region continues to create sustainable perspectives even in challenging market phases. In the main article of this edition, we shed light on a model in the city of Ludwigshafen. Here, a new urban district is emerging over the next few years, bringing together innovation and sustainability efforts of our region, and serving as inspiration for investors aiming towards a sustainable future.

We hope you enjoy reading this report!

A handwritten signature in blue ink, appearing to read 'P. Johann'.

Peter Johann



28 **Market Segment:** **Retail**

The City-Net e.V. property owner network, in collaboration with citizens and stakeholders, is developing visions for a vibrant city center.

Title Image

The KRAUS GROUP has constructed Europe's largest 3D-printed building in Heidelberg. This project was realized in collaboration with PERI 3D Construction and Heidelberg Materials. The 3D-printed concrete used in the construction includes a binder with approximately 55% CO₂ reduction compared to pure Portland cement. The tenant of the building is Heidelberg iT Management, which utilizes the facility as an IT server hotel.



04 Location Rhine-Neckar

The John Deere plant in Mannheim celebrated the production of its two millionth tractor in March.



14 Market Segment: Office
 BAUHAUS Service Center Germany: Blocher partners creates an innovative campus in Mannheim for 1,500 employees.

10 Investment Market

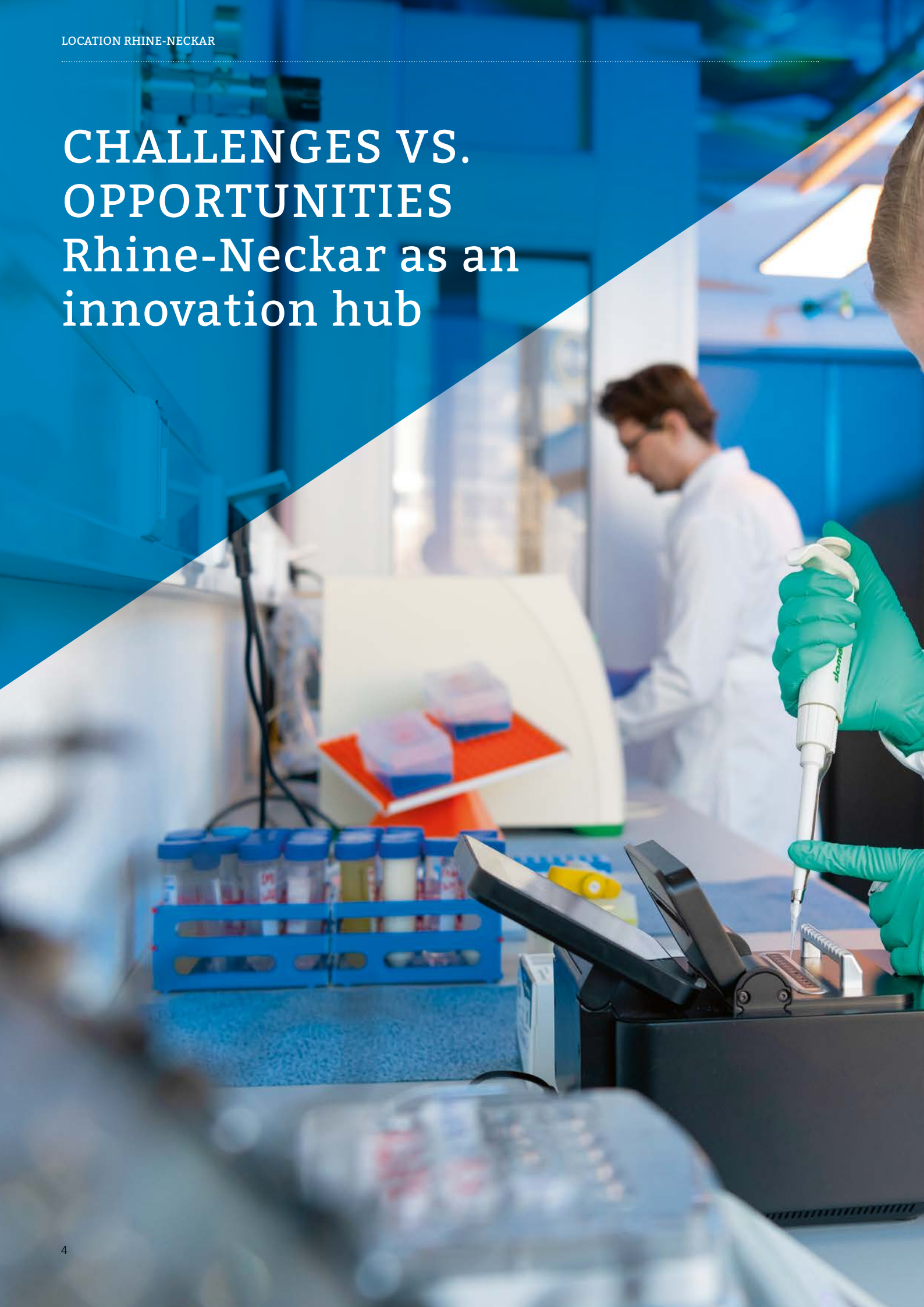
Panattoni is constructing the second logistics center for MSK in Bensheim.



Location Rhine-Neckar	4
Challenges vs. opportunities Rhine-Neckar as an innovation hub	
At a Glance	9
Investment Market	10
Office real estate continues to be the strongest asset class	
Market Segment: Office	14
Strong prime rents and low vacancy	
Market Segment: Industrial & Commercial	26
Structural change and investment opportunities	
Market segment: Retail	28
The downtown areas of the region are gearing up for the future	
In Focus	34
Open space for sustainable urban development	
Legal notice	37

CHALLENGES VS. OPPORTUNITIES

Rhine-Neckar as an innovation hub





**Research is in full swing:
The HEALTH + LIFE SCIENCE ALLIANCE
HEIDELBERG MANNHEIM aims to drive
forward the Rhine-Neckar region.**

Investing in the Rhine-Neckar Metropolitan Region proves to be advantageous. Its strengths in life sciences, artificial intelligence (AI), and sustainable energy coupled with a high quality of life enable local businesses to further equip themselves for competition.

The numbers speak for themselves. The Sustainable Development Goals (SDG) monitoring by the OECD provides an excellent testament to the Rhine-Neckar region: good healthcare, above-average life expectancy, low unemployment rates, and increasing household incomes. This is made possible by the economic dynamism of the MRN (Rhine-Neckar Metropolitan Region). Particularly in crucial future technologies like life sciences, the region offers outstanding opportunities.

To further strengthen the location, seven major research institutions in Mannheim and Heidelberg have joined forces to establish the Health and Life Science Alliance Heidelberg Mannheim. The alliance aims to closely integrate health and life sciences in Heidelberg and Mannheim and promote the transfer of research findings into practical applications. Similar goals are pursued by the BioRN network, which fosters an ecosystem with more than 140 regional stakeholders from politics, academia, and industry to facilitate spin-offs from academic environments through flagship projects.

Thanks to digitalization, the Education Center of Freudenberg features an innovative learning factory: fully automated production, modern machinery, and touchscreens ensure interactive learning experiences.



USING AI TO FIGHT CANCER

The "AI-Care" project, funded with 5 million euros from the Carl Zeiss Foundation in collaboration with DKFZ and TU Kaiserslautern, explores the use of Artificial Intelligence against cancer resistance. The goal is to develop an AI model for precise drug efficacy predictions in glioblastomas, to optimize personalized cancer therapies.

The success of this networking effort is evident in numerous thriving startups. For instance, since 2000, Mannheim-based Af-fimed GmbH has been dedicated to cancer research. In Ludwigshafen, the biotechnology startup Medea Biopharma aims to develop a new generation of sustainable antibacterial solutions as an alternative to antibiotics and pesticides. Meanwhile, in Heidelberg, the BioLabs startup incubator ensures that the supply of startups remains steady.

In the field of life sciences, artificial intelligence (AI) is already playing a significant role in shaping the future. AI applications hold

the promise of significantly improving drug development, diagnostic procedures, and therapeutic methods. Therefore, the Carl Zeiss Foundation is supporting the "AI-Care" project, which aims to develop an AI-driven model for the better treatment of brain tumors, with substantial involvement from the German Cancer Research Center (DKFZ) and Heidelberg University.

The MRN (Metropolitan Region Rhine-Neckar) excels in such initiatives due to its strong focus on AI research. The region boasts numerous universities, colleges, and research institutions, as well as startups that are applying AI in practical business contexts. For instance, the globally renowned Heidelberg-based AI company Aleph Alpha specializes in solutions for businesses and public administration, generating significant interest. The inaugural Digital Days Rhine-Neckar held in July 2023 showcased how municipalities in the MRN are gearing up for digitization and e-government initiatives.

Artificial intelligence has now established a firm position in medical research.

The broadband portal accelerates digital approval processes and enhances the competitiveness of the region.

START RHEIN-NECKAR

START Rhein-Neckar is the leading after-work event for founders and entrepreneurs in the region. Supported by associations and experts, it provides a dynamic platform for exchange, further education, and networking. The event strengthens the startup climate and promotes innovation, entrepreneurship, and the attractiveness of the Rhine-Neckar Metropolitan Region as a place to work and live.

However, expanding digital infrastructure also presents several challenges. The MRN has recognized this early on and initiated the Broadband Portal project to significantly expedite the application and approval processes for broadband expansion. Additionally, the region has addressed cybersecurity concerns proactively. For several years, the Cybersecurity Conference has been dedicated to addressing all aspects of network security.

Like many other industries, the digital sector is grappling with a shortage of skilled professionals. Initiatives that bring together companies and applicants can help address this challenge. This is where the skilled worker campaign of the MRN (Metropolitan Region

Rhine-Neckar) comes in, under the motto "More Opportunities," presenting the MRN as an ideal place to work, live, and reside, while also publishing job vacancies, company information, and much more related to education and training. Another important element of securing skilled workers is promoting entrepreneurship. Events like the after-work event "START Rhein-Neckar" provide opportunities for networking, education, and exchange among like-minded individuals and companies: associations, economic development agencies, chambers, companies, and experts inform and advise founders, startups, young entrepreneurs, and self-employed individuals at these events.

In addition to the shortage of skilled workers, current challenges include traffic and energy issues. There is good news for drivers in Ludwigshafen and the region: the renovated Hochstrasse Süd (B 37) is scheduled to be reopened to traffic at the beginning of 2026. Completion of the entire project, including the modernized Hochstrasse Nord (B 44), is planned for 2031. For commuters using public transportation, the Mobility Pact Rhine-Neckar aims to make the infrastructure of the MRN even more efficient through digitization and intelligent traffic management.

A contemporary energy policy should reduce the use of fossil fuels while simultaneously expanding renewable energies. The MRN is advancing the energy transition in a planning-secure manner with the updating of the partial regional plan for wind energy and the development of the partial regional plan for open-space photovoltaics. Hydrogen plays an important role in future carbon-free energy generation and is also the starting point for important chemical value chains. BASF is constructing an electrolyzer at its Ludwigshafen plant capable of producing 8,000 tons of green-certified hydrogen per year.



RNV (Rhein-Neckar-Verkehr) is investing in green public transportation: New H2-eCitaro articulated buses are being introduced in Mannheim, Heidelberg, and Ludwigshafen.

The region is also expanding its use of hydrogen: following Heidelberg, the Economic Enterprises Ludwigshafen (WBL) and the City Space Service Mannheim, as part of the H2Rivers project coordinated by MRN GmbH, introduced their first hydrogen-powered waste collection vehicles. Three hydrogen eCitaro buses, the first production vehicles from the Daimler Buses plant in Mannheim, were delivered in Heidelberg in November 2023. The deployment of additional hydrogen buses in Mannheim, Heidelberg, and Ludwigshafen is imminent. Additionally, in the Bergstrasse district, fuel cell buses from the Rhein-Neckar transport association will be put into service, and funding for an additional hydrogen refueling station in the region has been secured. In Speyer, the first patented hydrogen production plant of its kind based on biogenic residual materials will be built. MRN GmbH supports and promotes these efforts through commissioned studies aimed at gaining new insights into building regional hydrogen ecosystems, assistance in securing funding, and networking events.

With the new Innovation Center "IZ Green Tech" in Mannheim, MRN aims to further develop these competencies, not only to protect the climate and the environment but also to tap into an important future market for the predominantly medium-sized economy. This can also be of interest to the construction industry. Through its regional model project "Innovative Building – CO₂ Saving," MRN aims to become a pioneer in climate-neutral construction and living and strengthen the region's competitiveness through innovative projects. Construction should not only become more sustainable but also faster. One method currently being tested is 3D printing. On the Heidelberg conversion area Campbell, the Kraus Group constructed Europe's largest 3D-printed building, which has served as an IT server hotel since completion.

Real estate networks can serve to depict this diversity of the region. In March, for the seventh time, MRN informs visitors to MIPIM (Marché International des Professionnels de l'immobilier) about settlement opportunities, economic strength, and cooperation possibilities in the region. In October, MRN presents forward-thinking projects and the various investment opportunities on-site to the specialist audience at Expo Real. The Summer Tours of the Real Estate Network Rhine-Neckar annually provide specialized journalists with the opportunity to receive first-hand information about current projects in various communities in the region. It is precisely at such events that the region's ability to seize opportunities and overcome challenges becomes evident. This is what distinguishes the Rhine-Neckar Metropolitan Region.

**REAL ESTATE
NETWORK
RHINE-NECKAR**

For more information,
please visit
[www.m-r-n.com/
immobiliennetzwerk](http://www.m-r-n.com/immobiliennetzwerk).



AT A GLANCE

Strategic growth areas:

- **Life Sciences & Health**
- **Hydrogen model region**
- **Digitisation & AI**
- **Chemical research**

Strong and highly dynamic business location

- **160.000** companies
- **984.000** employees subject to social security contributions
- **95** billion gross value added
- **9** listed companies with a market capitalisation of **257,5** billion, **3** of which are listed on the DAX

Population and area

- **2.4** million inhabitants
- **5,600** km²
- **15** urban and rural districts
- Interstate

Education and research

- **30** international recognised research institutions
- **22** universities
- Approx. **90,000** students
- **16** Nobel laureates

Infrastructure and accessibility

- **8** motorways
- **22** kilometres of fast cycle path from Mannheim to Heidelberg
- **240** long distance trains daily from Mannheim main railway station:
 - 0h30** to Frankfurt International Airport
 - 3h00** to Paris Gare de l'Est
 - 2h43** to Munich main railway station

Real estate market

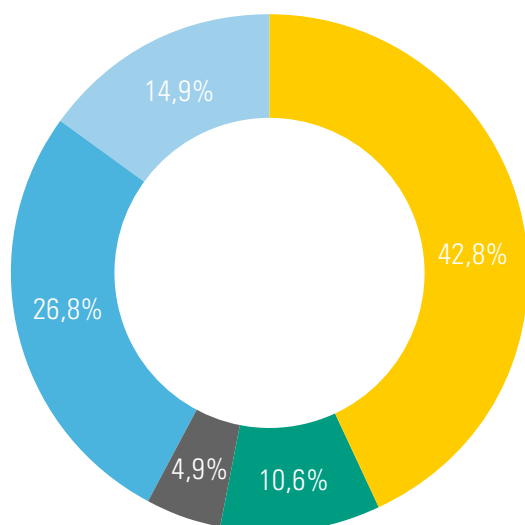
- **4.2** million m² of office space
- **121,000** m² of office space turnover
- **647** billion total transaction volume



The K1 Holding and NEF are converting the York building at Mannheim's city gate into a Marriott hotel.

Office real estate continues to be the strongest asset class

Despite ongoing global challenges, the investment market recorded solid transactions in 2023, albeit with a decline in investment volume compared to the previous year.



Investments in the Rhine-Neckar region

Type of property	Volume in € million	Proportion in percent
Office and commercial	237,9	42,8
Retail	58,9	10,6
Hotel	27,4	4,9
Warehouse, logistics	149,3	26,8
Other	82,5	14,9
Total	556,0	100,0

In cooperation with bulwiengesa, the survey identified 36 transactions for the Rhine-Neckar region. The volumes are partly based on estimates.

The years of exceptionally positive transaction volumes appear to be over for now: After a transaction volume of 1.25 billion euros in 2021, the Rhine-Neckar metropolitan region experienced a significant downward trend in the following years. This is partly attributable to the ongoing aftermath of the COVID-19 pandemic, which has impacted economic activity in the region. Additionally, financing conditions have tightened, affecting investment willingness. Negative economic forecasts and geopolitical uncertainties have further led investors to act more cautiously. Moreover, there is increasing pressure regarding Environmental, Social, and Governance (ESG) factors, necessitating investments to comply with sustainable criteria, also impacting transaction volumes. In 2022, the volume dropped to 647 million euros, representing slightly more than half of the previous year. With a transaction volume of 556 million euros, the market downturn was also noticeable in 2023. Investments in office real estate continue

to lead, totaling nearly 238 million euros, accounting for 42.8 percent. Warehouse and logistics maintain their solid position, with over 149 million euros, comprising 26.8 percent, securing the second position. The residential segment ranks third with 13.9 percent. Retail segment transactions halved compared to the previous year: from approximately 123 million euros and 19 percent in 2022 to just under 59 million euros and 10.6 percent in 2023.

Despite an increase in the number of transactions, the lack of large deals resulted in a lower overall transaction volume.

Only a few investments exceeding 20,000 square meters were recorded in 2023: The Aventos Group acquired 39,600 square meters in the Friedrichsfeld district of Mannheim for use as office and warehouse space under the name VAREAL, while Prologis acquired over 32,000 square meters for logistics in Worms. With nearly 29,000 square meters, the sale of the LBBW headquarters in Mannheim's Augustaanlage to Landmarken AG holds a good position in the mid-range, as does Adler Immobilien Investment from Viernheim, which acquired 24,000 square meters from Tristan Capital Partners for their Acreo project on Seckenheimer Landstrasse.

Real estate treasures from ancient structures

One of the notable developments is planned directly at the entrance to the A656 motorway in Mannheim, opposite the Technoseum and Planetarium. Here, investors and project developers K1 Holding and NEF acquired the long-abandoned ruins of the former BBC-York building. This gutted concrete skeleton is slated to be transformed into a hotel under the Marriott brand, comprising a total of 216 rooms under the sub-brands "Residence Inn" and "Courtyard". With a publicly accessible restaurant, bar, and outdoor terrace, the current problematic property could be transformed into an upscale accommodation facility.

The 63,190 square meter area in Friedrichsfeld, now known as VAREAL, boasts 150 years of history. Originally

In the long-vacant shell of the former York building, a hotel of the Marriott Group is being developed.

opened as a cement factory in 1863, additional production of stoneware commenced in 1888. Following a tumultuous past, independent investment manager AVENTOS acquired the historic site on Steinzeugstrasse in February 2023. Preserving characteristic existing buildings with

Selected transactions 2023

	Name of property	Town/City	Quarter	Name of seller	Name of buyer	Rentable space
Office and commercial	LBBW Zentrale	Mannheim	Q2	LBBW	Landmarken AG	28,799 m ²
	No. 1 Glücksteinquartier	Mannheim	Q3	Consus Real Estate	Fundsgrund Investment	13,000 m ²
	Walzmühle (Bürogebäude)	Ludwigshafen am Rhein	Q4	Dream Global REIT	Family Value Management	10,600 m ²
	Insite	Mannheim	Q2	DE.AS Projekt	Imaxxam Asset Management	7,200 m ²
Retail	BMW-Autohaus	Worms	Q4	MERCUREIM-Fonds	n/a	8,044 m ²
	Lidl	Deidesheim	Q3	CG Elementum AG	NREP	1,125 m ²
	Edeka	Ludwigshafen am Rhein	Q3	n/a	Family Office	1,070 m ²
Hotel	York-Gebäude (Marriott)	Mannheim	Q3	Sapphire Property Development	K1 Holding Luxembourg	8,100 m ²
	Holiday Inn (No. 1)	Mannheim	Q4	Consus Real Estate	Fundsgrund Investment	6,700 m ²
Warehouse, logistics	Vareal	Mannheim	Q1	Kyocera	Aventos Group	39,600 m ²
	TST Worms II	Worms	Q4	Uninstitutional ERE	Prologis	32,176 m ²
	Bento Viernheim	Viernheim	Q4	AVENTOS Management GmbH	MEGA MUNICH ERGO AssetManagement	25,445 m ²
	Panattoni Park Mannheim Nord	Bensheim	Q2	International Industrial Properties	UBS(D) Euroinvest Immobilien	10,577 m ²
Other (Living)	New 7	Mannheim	Q4	DIRINGER & SCHEIDEL	n/a	14,000 m ²
	Wohnhaus G7	Mannheim	Q4	Privatperson	Vermögensverwaltung	920 m ²

Source: bulwiengesa/in-house survey

VAREAL: The historic stoneware factory is being transformed into a flexible, modular workspace.



architectural value, a sustainable commercial district with a multi-tenant structure is being developed. VAREAL offers flexible and modular combinable spaces, providing the best conditions for efficient work. Meanwhile, building permits have been submitted for five new buildings totaling around 29,300 square meters, as well as for two historically significant old buildings totaling around 1,800 square meters. Furthermore, demolition work on no longer usable areas commenced in January 2024.

In June 2023, Panattoni handed over the Panattoni Park in Bensheim to the UBS Euroinvest Immobilien public fund,

Kyocera has sold a major portion of their stoneware factory to the Munich-based project developer Aventos.

managed by UBS Real Estate GmbH. The entire Panattoni Park is fully leased to MSK Pharmalogistic GmbH, a pharmaceutical full-service provider from Heppenheim, offering services in various areas of the pharmaceutical industry. This multifunctional property comprises a total usable area of approximately 10,600 square meters. To develop the new industrial and logistics spaces, Panattoni successfully revitalized a vacant site of around 30,000 square meters.

In March 2023, Panattoni Germany, an IT company, and an engineering firm secured office space in the "No.1" building in Mannheim's Glückstein Quarter. Together, they occupy approximately 2,100 square meters in the 14-story building complex on Glücksteinallee. Completed in 2020, "No.1" offers 12,000 square meters of office space and 7,000 square meters for a Holiday Inn hotel. In the third quarter of 2023, Hamburg-based investment and asset manager FONDSGRUND Investment acquired the office and hotel property "No.1" from Consus Real Estate for a club of German institutional investors.

The Green Data Center, completed in November 2023, at the Heidelberg Innovation Park serves as a data center and server hotel.



Strong prime rents and low vacancy

The Rhine-Neckar Metropolitan Region is establishing itself as a promising location for businesses and innovation, countering the general downward trend in the German office real estate market with stable rental prices and innovative projects.

The nationwide office real estate market largely reflects the current economic challenges. Faced with a demanding economic environment, weak export business, and significant cost pressures, companies are increasingly cautious in their leasing activities. This is particularly evident in office leasing, especially for large spaces in the five-digit square meter range, which are rarely rented out anymore. In 2023, the German office real estate investment market recorded a transaction volume of 5.3 billion euros, representing a 77 percent decrease compared to the previous year. As a result, the office real estate class accounted for only 19 percent of German real estate investment and ranked fourth behind logistics properties, residential properties, and retail properties.

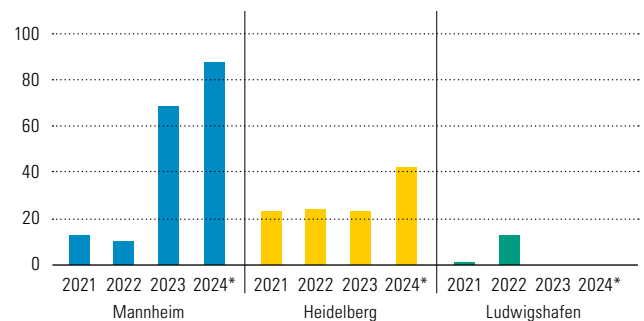
However, a positive picture emerges in the Rhine-Neckar metropolitan region, where the office market segment continues to play a leading role, accounting for 42.8 percent of investments, followed by warehouse and logistics properties at 26.8 percent. The office markets in the three major centers of Mannheim, Heidelberg, and Ludwigshafen are developing differently. The annual office market survey conducted by the Society for Real Estate Economics (gif) shows that the office market in Mannheim recorded an increase in turnover of approximately eight percent in 2023. Thus, Mannheim resisted the nationwide trend, as the top seven locations experienced a decrease of about 30 percent in office space turnover.

In contrast, office space turnover in Heidelberg declined significantly due to the lack of large deals. With a decrease of 45 percent compared to the previous year, this corresponds to a decrease to 28,000 square meters. In contrast, Ludwigshafen, traditionally with the lowest office space turnover among the major cities in the Rhine-Neckar metropolitan region, recorded an area turnover of 8,000 square meters in 2023. This represents an increase of over 14 percent compared to the previous year with 7,000 square meters.

Peak rents and continuous growth

Mannheim, the geographical center of the Rhine-Neckar metropolitan region, presents an impressive development. With almost 330,000 residents, the city has undergone a successful structural transformation in recent years, becoming an attractive hub for services, production,

Development of completions in 1.000 square meters



Source: gif/in-house survey
*2024 are forecasts

trade, research, and education. Mannheim's office space stock grew from 2.135 million square meters in 2022 to 2.170 million square meters in 2023. The completion volume increased nearly sevenfold, from 10,000 to 69,000 square meters. Despite this impressive growth, the prime rent remained constant at 22 euros per square meter throughout the year. The average rent recorded a moderate increase from 14.70 to 15.70 euros per square meter, while the vacancy rate slightly increased by 0.7 points to 6.4 percent.

Similarly, Heidelberg experienced an increase in office space stock of 23,000 square meters in 2023, bringing the total stock to 1.124 million square meters. Although the completion volume slightly decreased to 23,200 square meters, the city showed remarkable development.

In Heidelberg, the prime rent increased to a new record of 18 euros per square meter, despite a decrease in turnover from 17.50 euros. At the same time, the average rent city-wide decreased from 16 euros to 14.20 euros per square meter. This is mainly attributed to the lack of large deals

In Heidelberg, the achieved prime rent shifted from the city center to the outskirts of the city.

for new construction projects and a higher proportion of lease agreements in existing properties. However, it is expected that larger lease agreements for new construction projects will increase in 2024, potentially leading to further increases in prime rent and stable or slightly increasing average rent. Particularly sought-after locations are in the districts of Bergheim, Bahnstadt, and the Heidelberg Innovation Park (hip) conversion area. The vacancy rate in Heidelberg decreased by 0.3 percentage points and now stands at four percent.

The continued decrease in the vacancy rate confirms the popularity of office spaces in Heidelberg.

Ludwigshafen did not see any new completions in 2023; however, the prime rent increased by more than 15 percent from 13 euros to 15 euros per square meter. The average rent also increased from 11.90 euros to 12.60 euros per square meter. Ludwigshafen presents itself as a location with stable rental prices and potential for future developments.

Large projects shape the landscape

The completion of one of the most significant construction projects in the Rhine-Neckar metropolitan region, the office and residential buildings around Europaplatz opposite Heidelberg's main train station, is experiencing slight delays. However, the Gustav Zech Foundation plans to complete the construction work later this year. Upon completion, the urban centerpiece of the new Bahnstadt will feature impressive 22,670 square meters of office space, 5,120 square meters of retail and gastronomy space, as well as over 100 rental apartments ranging in size from 35 to 125 square meters. Another highlight of the ensemble is the 4-star superior Atlantic Hotel with 310 rooms on



15 floors. Among the tenants in the three office buildings are well-known companies such as Sparkasse Heidelberg, Heidelberger Volksbank, and the renowned law firm GSK Stockmann.

Another hotspot for innovation is taking shape on the former site of the US Army's Patton Barracks: the Heidelberg Innovation Park, or hip for short. This will become a central location for innovations in IT, AI, digital, and life sciences. Here, creative minds have the opportunity to work and research on solutions and products of the digital future. The open campus atmosphere with attractive meeting points, short distances, and flexible usage models in the buildings promote intensive collaboration on the 14.8-hectare site. Since 2018, various investors and owner-users have been developing existing and new projects, creating approximately 150,000 square meters of office and laboratory space for up to 4,000 jobs. Everything from individual desks in creative co-working spaces to 10,000 square meters of modern office or laboratory space is possible and individually scalable.

In 2023, several projects in the Heidelberg Innovation Park were completed and handed over for use. These include the office building i-Werkx, which was occupied in May, the E-Kubator, now the location of the Heidelberger Energiegenossenschaft, as well as the LAB 22 laboratory

New IHK Pfalz head-
quarters: Modern
architecture, sustainable
equipment, and
optimized workflows.



building, which is home to BioLabs, a global leader in developing and operating co-working spaces for biotech and pharma. Finally, in November 2023, the Green Data Center, a data center and server hotel, was successfully handed over.

Many developments are emerging on the US Army conversion sites in Kirchheim, Rohrbach, and the Südstadt.

A milestone for strengthening its position as an innovation hotspot

The Green Data Center, implemented by the Data Center Group as a general contractor for the operator nextspace, was completed in an impressive record time of just eleven months – one month faster than planned. The data center adopts a future-proof approach that leverages sustainable power, innovative cold generation, and heat recovery. In addition to its functional orientation as a secure and highly available data center, the new building aesthetically integrates well into the surroundings. With the Green Data Center, another essential component is added to the

Overview of office market data

Office market data for Mannheim

Indicators	2023	2022	2021
Existing space	2,170 M m ²	2,135 M m ²	2,125 M m ²
Office space turnover	68,000 m ²	63,000 m ²	96,000 m ²
Vacancy rate	6.4%	5.7%	6.1%
City centre, peak rent	€22.00/m ²	€22.00/m ²	€18.90/m ²
City centre, average rent	€18.50/m ²	€16.60/m ²	€15.90/m ²
City centre periphery, peak rent	€17.50/m ²	€17.90/m ²	€15.00/m ²
City centre periphery, average rent	€15.50/m ²	€15.00/m ²	€14.40/m ²
Periphery, peak rent	€15.50/m ²	€14.00/m ²	€14.00/m ²
Periphery, average rent	€12.70/m ²	€12.00/m ²	€12.40/m ²

Office market data for Heidelberg

Indicators	2023	2022	2021
Existing space	1,124 M m ²	1,101 M m ²	1,077 M m ²
Office space turnover	27,000 m ²	51,000 m ²	51,000 m ²
Vacancy rate	4,0%	4,3%	4,6%
City centre, peak rent	€17.00/m ²	€17.50/m ²	€16.80/m ²
City centre, average rent	€15.40 €/m ²	€16.50/m ²	€15.60/m ²
City centre periphery, peak rent	€18.00/m ²	€16.80/m ²	€16.00/m ²
City centre periphery, average rent	€16.40/m ²	€15.50/m ²	€14.80/m ²
Periphery, peak rent	€15.00/m ²	€13.30/m ²	€12.80/m ²
Periphery, average rent	€12.50/m ²	€12.00/m ²	€12,10/m ²

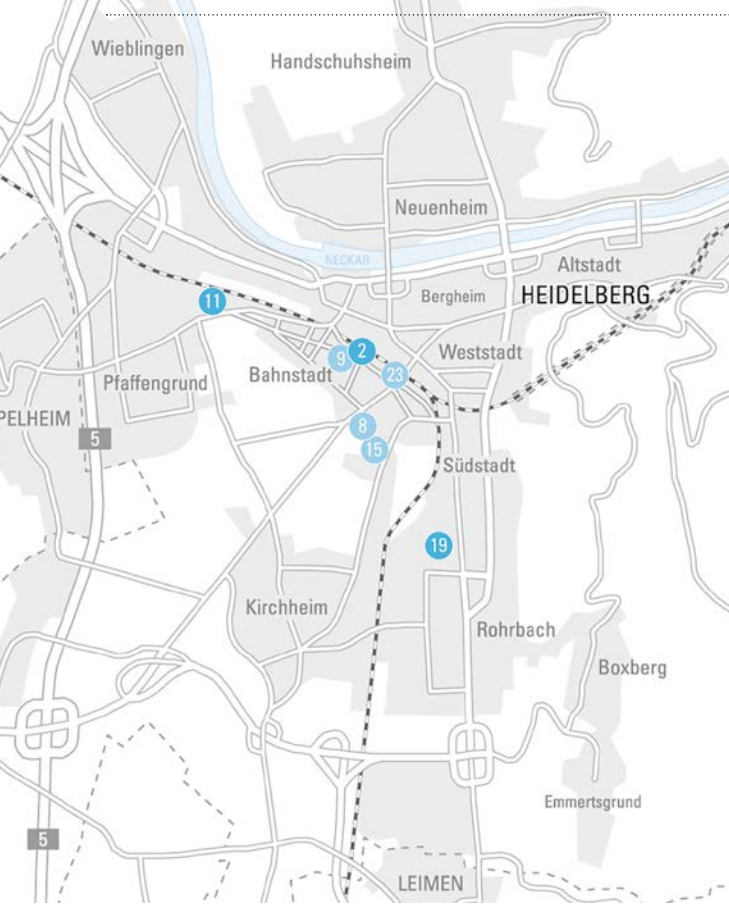
Büromarktkennzahlen in Ludwigshafen

Indicators	2023	2022	2021
Existing space	0,941 M m ²	0,941 M m ²	0,928 M m ²
Office space turnover	8,000 m ²	7,000 m ²	20,000 m ²
Vacancy rate	3.3%	3.1%	3.5%
City centre, peak rent	€15.00/m ²	€13.00/m ²	€13.00/m ²
City centre, average rent	€12.60/m ²	€11.90/m ²	€12.10/m ²
City centre periphery, peak rent	- *	- *	- *
City centre periphery, average rent	- *	- *	- *
Periphery, peak rent	- *	- *	- *
Periphery, average rent	- *	- *	- *

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

Source: gif/in-house survey

MARKET SEGMENT: OFFICE



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 21.

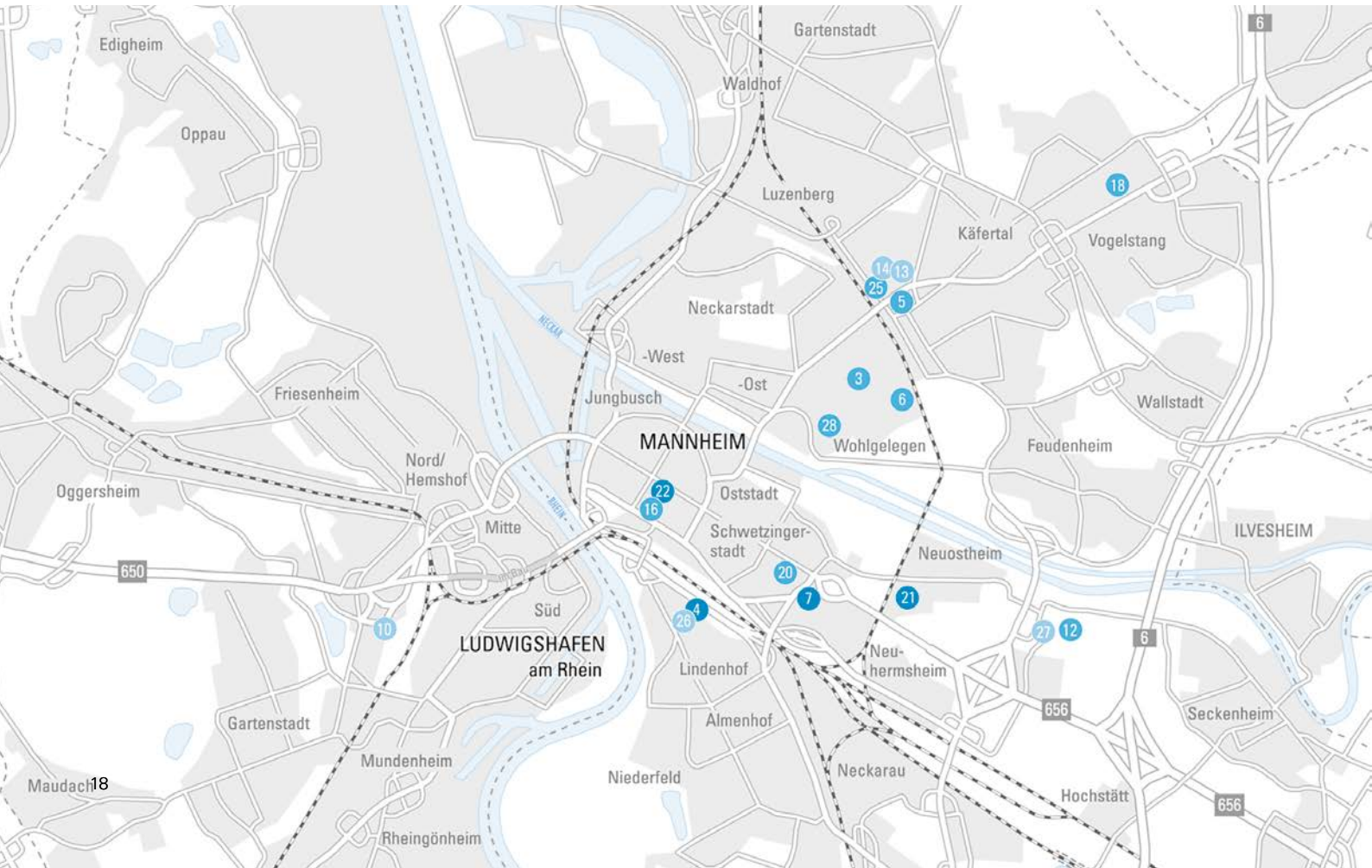
● Planned ● Under construction ● Completed

Innovation Park, further solidifying its position as a hot-spot for innovations in IT, AI, and digital technologies for research institutions, startups, and international companies. Currently, a building with gastronomy and services is under construction in the former stables at Somerville Platz. Already, more than 50 companies with over 700 employees are active in the ten completed buildings at hip.

The Heidelberg-based Kraus Group is developing approximately 60,000 square meters of commercial space in existing buildings and new projects on the Campbell site.

Also, on the left bank of the Rhine in Ludwigshafen, there are developments in the context of office real estate. The IHK Pfalz has temporarily relocated and has already handed over its building on Ludwigsplatz to a property developer. Over the next three years, the company Heberger, which has already demolished the old building, will build a modern House of Commerce at the same location. The new building will have over 7,500 square meters of usable space, with approximately 160 modern and functional workstations and 860 seminar places, and is expected to

Source: VRRN Geobasisdaten: © GeoBasis-DE / BKG 2016 (data changed)



be completed in the summer of 2026. During the transitional phase, the employees of the IHK Pfalz can be reached in Ludwigshafen's Rheinallee. The total cost for demolition and construction amounts to around 45 million euros.

Location for research and tech companies

On the right bank of the Rhine River lies the university city of Mannheim, serving as the economic and cultural hub of the seventh-largest metropolitan region in Germany — the Rhine-Neckar Metropolitan Region. In this prestigious area known for its universities, research institutions, clinics, and industries, Mannheim is emerging as an extremely attractive location for research-intensive and technology-oriented companies, especially in the fields of medical technology and life sciences.

The office park Eastsite of Mannheimer B.A.U. is expanding with two sustainable office buildings and a parking garage.

The Mannheim Technology Park (TPMA), located directly adjacent to Mannheim University Medical Center, presents an ideal environment for research and development of new medical technologies and products. The first two buildings—the TPMA1 and TPMA2—with a total rental area of approximately 8,100 square meters, were completed in 2019 and 2022, respectively, and are fully occupied. The third phase of the building complex takes the form of a U-shaped office and laboratory building, offering around 3,740 square meters of rentable office and laboratory space, which can be customized to the individual requirements of future tenants, including clean rooms. Construction for the TPMA3 began in December 2023, with completion scheduled for the end of 2025.

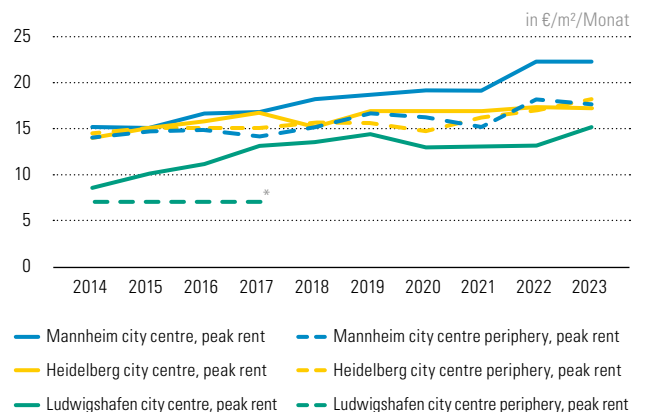
Behind the eastern area of Mannheim City Airport, in close proximity to the SAP Arena, a new attractive office park is unfolding. Here, ADLER Immobilien Investment is creating a new location for anchor tenant Siemens with the multi-user property Connect4. In parallel, B.A.U. GmbH & Co. KG as the project developer has commenced work on two office buildings and a parking garage with

an investment volume of approximately 30 million euros. The project, named Greensite, comprises two four-story buildings with a total of 6,522 square meters of rentable office space and is being realized on a 7,040 square meter plot. Upon completion in early 2025, the buildings are expected to be among the most sustainable in Mannheim, having been analyzed for sustainability throughout their entire life cycle according to Life-Cycle Assessment (LCA) criteria. Future users at Greensite include the Hopp Family Office and the headquarters of the Adler Mannheim ice hockey club.

Metropolitan Region with vibrant surrounding area

Not only the major centers, but also the surrounding area of the Rhine-Neckar Metropolitan Region presents itself as a promising location for modern office spaces. Adjacent to the SAP campus in Walldorf, two buildings with five full floors each and a penthouse floor with rooftop terrace are under construction: "The Hub Walldorf." This office property offers companies a selection of modern, flexible office spaces ranging from 377 to 2,385 square meters with efficient layouts for contemporary and sophisticated work environments. Set within a park landscape with outdoor workspaces and picnic areas, the innovative concept is complemented by a parking garage with around 200 spaces – including electric vehicle charging stations – as well as bicycle parking with e-charging facilities.

Peak rents in the city centre and its periphery



*In Ludwigshafen, most of the deals fall in the city centre area. Due to an insufficient database, it is therefore not possible to determine the peak rent at the city centre periphery.

Source: gif/in-house survey

PROJECTS AND AREAS FOR INVESTORS AND COMPANIES

The Rhine-Neckar Metropolitan Region offers numerous location advantages for companies and investors, particularly its central location in Europe, a powerful multimodal infrastructure, and well-developed commercial areas for new establishments and expansions. Furthermore, the existing attractiveness for project developers and investors is increasing with regard to ESG criteria, as exemplified by the former Helmut-Striffler-Haus in Mannheim, now known as KOROS.





Key development projects in the Rhine-Neckar region

Overview of key office projects

No. in map	Town / City	Project name	Investor / Operator	Site area	Investment volume	Schedule
1	Walldorf	Konzernzentrale SAP	SAP SE	51,865	€219 M	Under construction, completion 2026
2	Heidelberg	Europaplatz	Gustav Zech Stiftung	33,750	€300 M*	Under construction, completion 2024
3	Mannheim	Hauptverwaltung Bauhaus	Bauhaus AG	25,000	€60 M	Under construction, completion 2024
4	Mannheim	LOKSITE	DIRINGER & SCHEIDEL Wohn- und Gewerbebau GmbH	25,000	> €100 M	Completed 2024
5	Mannheim	Kallstadter Strasse	ABB	20,000	n/s	Under construction, completion 2024
6	Mannheim	KONRADHAUS	Gröner Group	19,750	€71 M	Under construction, completion 2024
7	Mannheim	KOROS	ACTIVUM	18,434	n/s	Completed 2023
8	Heidelberg	hip - health and life Science Campus	Erhard+Stern	17,700	n/s	Planned
9	Heidelberg	SkyField	Max-Jarecki-Stiftung	17,000	n/s	Planned
10	Ludwigshafen	Ludwigstürme	Unmässig Bauträgergesellschaft Baden mbH	16,200	n/s	Planned
11	Heidelberg	Bahnbetriebswerk	private Investoren	15,000	n/s	Under construction, completion 2024
12	Mannheim	CONNECT* (Siemens)	ADLER Immobilien 2 GmbH & Co KG	13,360	n/s	Under construction, completion 2024
13	Mannheim	Turbinenwerk - Haus Lilienthal	Aurelis	13,000	n/s	Planned
14	Mannheim	Turbinenwerk - Haus Galvani	Aurelis	12,500	n/s	Planned
15	Heidelberg	PROXY - hip	Kolb + Partner	12,500	n/s	Planned
16	Mannheim	Finanzamt	Land Baden-Württemberg	9,500	n/s	Under construction, completion 2025
17	Walldorf	The Hub Walldorf	DUDOO Real Estate	9,300	n/s	Under construction, completion 2024
18	Mannheim	Hitachi Columbus Campus	3iPro	9,000	n/s	Under construction, completion 2025
19	Heidelberg	Campbell Barracks Gesundheitscampus - Torhaus (BF 7)	Hans-Jörg Kraus	8,600	n/s	Under construction, completion 2024
20	Mannheim	CARL RISE	Alstria Hamburg	8,150	n/s	Under construction, completion 2024
21	Mannheim	Insite	DE.AS Projekt GmbH	7,200	n/s	Completed 2023
22	Mannheim	TRIO, ehem. Peek & Cloppenburg	Horn Grundbesitz	6,200	n/s	Completed 2023
23	Heidelberg	Montpellier Karré	Erhard+Stern	6,000	n/s	Planned
24	Frankenthal	Verwaltung Stadtwerke Frankenthal	Stadtwerke Frankenthal GmbH	5,000	> €10 M	Under construction, completion 2024
25	Mannheim	Turbinenwerk - Haus Laval	Aurelis	5,000	n/s	Under construction, completion 2024
26	Mannheim	IZ Green Tech	Stadt Mannheim	4,000	€14.12 M	Planned
27	Mannheim	Artem	Adler Immobilien Invest KG	3,870	n/s	Planned
28	Mannheim	Mannheim Medical Technology Campus 3. BA	TPMA Technologiepark Mannheim GmbH	3,735	n/s	Under construction, completion 2025
29	Wiesloch	Büroturm am Bach	Haus + Co Projektmanagement GmbH	3,100	€11 M	Under construction, completion 2024
30	Landau	Stadttor Landau	Ehret+Klein GmbH	2,000	n/s	Under construction, completion 2025

● Planned
 ● Under construction
 ● Completed

Areas stated in accordance with the MF/G definition
 * Figures refer to the total planned investment volume.

Many new office buildings are under construction in Heidelberg, Ludwigshafen and Mannheim. Their locations are shown in the two maps on page 18.

Selected investments in production and logistics real estate






No. in Town / City map	Type of location	Investor / Operator	Land area	Investment volume	Jobs	Schedule	
1	Wiesloch	Produktion, Logistik, Lager	VGP Industriebau GmbH	129,000 m ²	n/s	ca. 500	Completed 2023
2	Wiesloch	Produktion, Logistik, Lager	VGP Industriebau GmbH	82,000 m ²	n/s	280	Planned
3	Speyer	Gewerbepark mit Produktion, Lager und 300 Wohnungen	Industriehof Speyer GmbH	80,000 m ²	ca. €160 M	ca. 500	Planned
4	Walldürn	Niederlassung mit Sortieranlage	InterZero Holding GmbH	72,000 m ²	€170 M	> 120	Under construction, completion 2024
5	Osterburken	Niederlassung mit Logistik und Autostoresystem	REISSER-Schraubentechnik GmbH	40,000 m ²	€45 M	66–120	Under construction, completion 2024
6	Mannheim	Gewerbepark mit Produktion, Lager, Flex-Space und Büro	AVENTOS GROUP	40,000 m ²	on request	ca. 200–400	Under construction, completion 2025
7	Bensheim	Unternehmenszentrale mit Produktion	Sanner Group	30,000 m ²	n/s	225	Under construction, completion 2024
8	Landau	Betriebsgebäude mit Büro, Produktion und Logistik	WEPTTECH elektronik GmbH	23,768 m ²	n/s	230	Completed 2023
9	Gross-Rohrheim	Logistikzentrum	Aurelis Real Estate GmbH	23,600 m ²	n/s	n/s	Planned
10	Mannheim	Unternehmerpark	Aurelis Real Estate GmbH	12,250 m ²	n/s	n/s	Planned
11	Mannheim	Kundenzentrum mit Mietpark für Baumaschinen	DEVELON	10,650 m ²	n/s	40	Under construction, completion 2024
12	Mannheim	Gewerbepark	Panattoni Germany Properties GmbH / beegy	15,200 m ²	n/s	n/s	Under construction, completion 2024
13	Weinheim	Produktion	Freudenberg Real Estate GmbH	7,300 m ²	n/s	70	Completed 2023
14	Weinheim	Logistik	Freudenberg Real Estate GmbH	5,200 m ²	n/s	n/s	Completed 2023
15	Landau	Gewerbebetrieb mit Lager, Logistik und Büro	MCB Immobilien GmbH	3,940 m ²	€3,9 M	n/s	Planned

Selected industrial parks in the Rhine-Neckar Metropolitan Region




No. in Municipality map	Name of industrial park	Zoning law / Type of area	Total area	Still available	Available lot sizes	Guideline value	Purchase price	
1	GVV Hardheim-Walldürn	Birkenbüschlein / VIP III	GI	230,000 m ²	107,000 m ²	27,000–80,000 m ²	on request	as of €38/m ²
2	Heidelberg	Patrick-Henry-Village	B-Plan in Aufstellung	80,000 m ²	80,000 m ²	1,000–20,000 m ²	n/s	n/s
3	Worms	N101 (Worms Nord I)	GE / GI	250,000 m ²	47,000 m ²	bis 47,000 m ²	€110–140/m ²	on request
4	Heidelberg	Bahnstadt	B-Plan in Aufstellung	272,000 m ²	46,000 m ²	4,000–10,000 m ²	€480–550/m ²	n/s
5	Gross-Rohrheim	Am Entenweg II	GE / GI	190,000 m ²	35,000 m ²	10,000 - 35,000 m ²	n/s	n/s
6	Mannheim	Steinweg	Gex	110,000 m ²	32,499 m ²	1,271–7,507 m ²	€200–230/m ²	€200–230/m ²
7	Worms	Worms Nord II	GE / GI	1,000,000 m ²	30,000 m ²	6,000–22,000 m ²	€120,00/m ²	on request
8	Buchen	Interkommunaler Gewerbepark Odenwald - IGO	GI	386,000 m ²	30,000 m ²	900–10,000 m ²	€42.50/m ²	€42,50–75/m ²
9	Einhausen	Gewerbegebiet Nord II	GE	24,080 m ²	24,080 m ²	520–4,920 m ²	€110/m ²	€150–250/m ²
10	Weinheim	Gewerbegebiet Nord	GE	49,000 m ²	22,062 m ²	1,047–4,507 m ²	€180/m ²	€170–185/m ²
11	Jockgrim	Gereutäcker Hatzenbühl	GE	21,000 m ²	21,000 m ²	on request	on request	€150/m ²
12	Höpfingen	Rübenäcker	GE	43,000 m ²	21,000 m ²	1,500–15,800 m ²	€32.00/m ²	on request
13	Germersheim	Wörth-West	GE	20,700 m ²	20,700 m ²	on request	€110/m ²	€150/m ²
14	Wiesloch	Metropolpark	GE	20,000 m ²	20,000 m ²	on request	on request	on request
15	Böhl-Iggelheim	„Gewerbegebiet südl. der Bahnlinie und westl. der Iggelheimer Strasse“	GE / GI	15,300 m ²	15,300 m ²	on request	€105/m ²	n/s
16	Walldorf	Grosser Stadtacker	GEe	13,500 m ²	13,500 m ²	13,500 m ²	k. A.	€350/m ²

Map Key







Locations

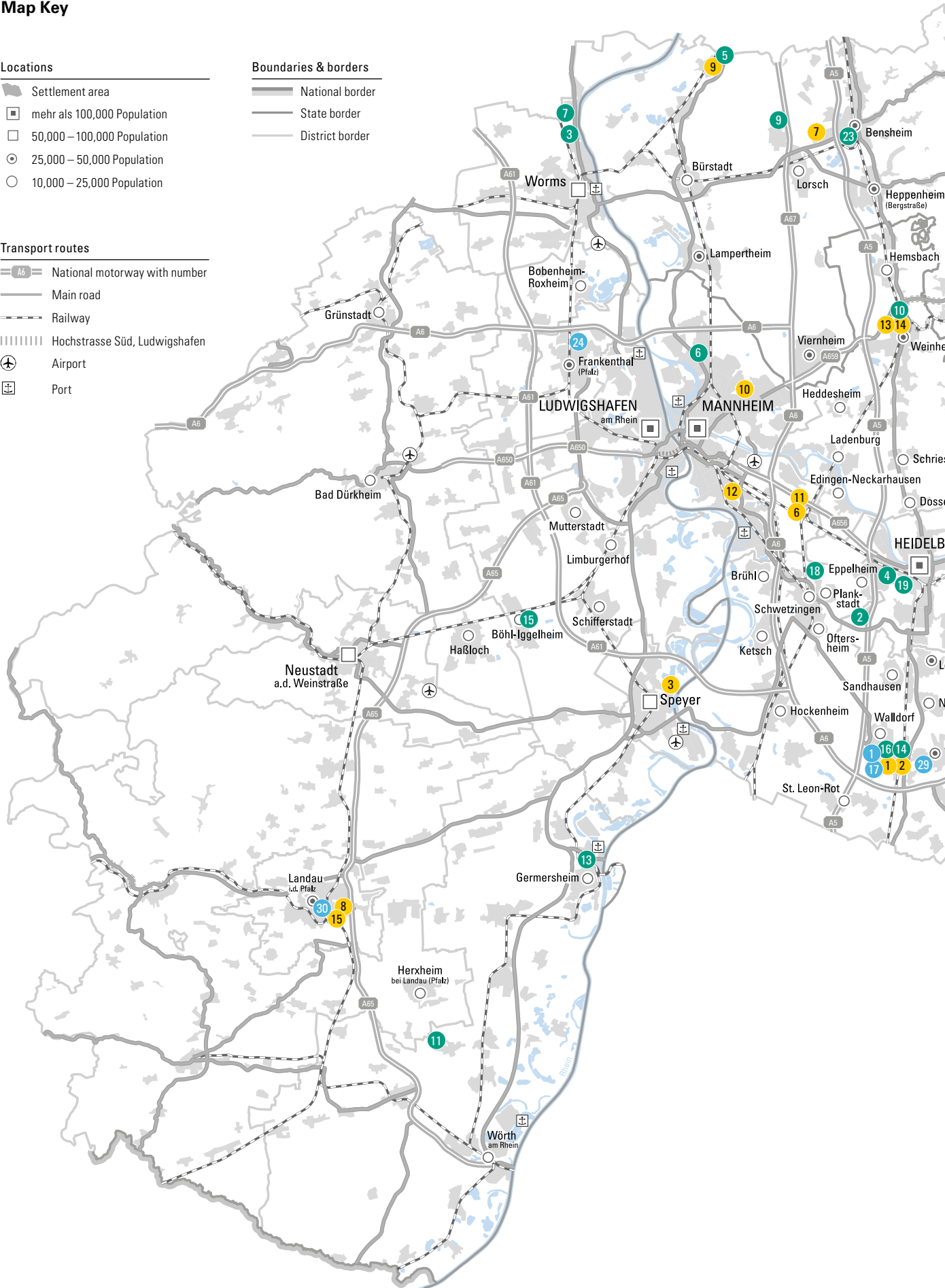
-  Settlement area
-  mehr als 100,000 Population
-  50,000 – 100,000 Population
-  25,000 – 50,000 Population
-  10,000 – 25,000 Population

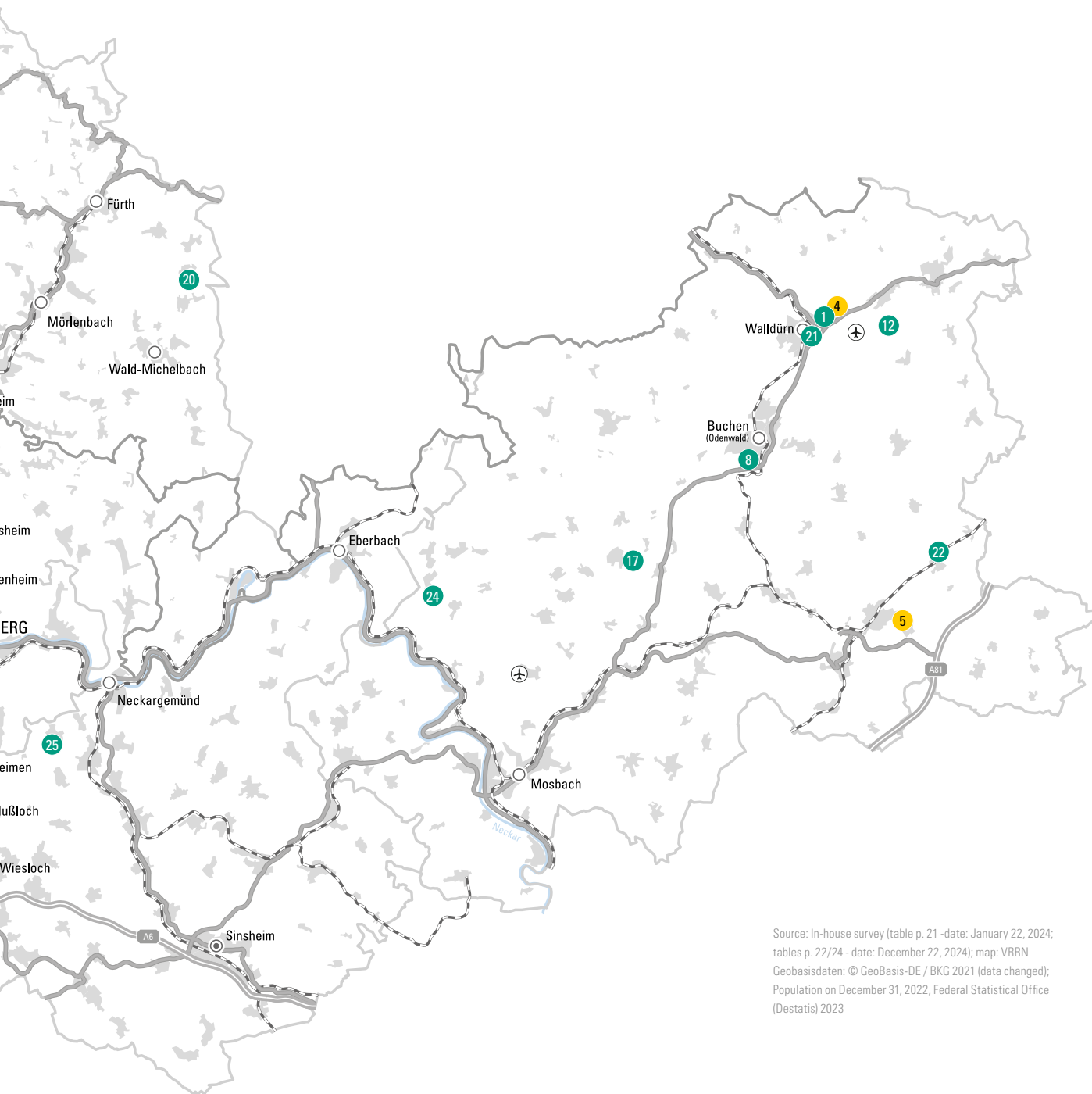
Boundaries & borders

-  National border
-  State border
-  District border

Transport routes

-  National motorway with number
-  Main road
-  Railway
-  Hochstrasse Süd, Ludwigshafen
-  Airport
-  Port





Source: In-house survey (table p. 21 -date: January 22, 2024; tables p. 22/24 -date: December 22, 2024); map: VRRN
 Geobasisdaten: © GeoBasis-DE / BKG 2021 (data changed);
 Population on December 31, 2022, Federal Statistical Office
 (Destatis) 2023

No. in Municipality map	Municipality	Name of industrial park	Zoning law / Type of area	Total area	Still available	Available lot sizes	Guideline value	Purchase price
17	Limbach	Haasenäcker II	GE	103,247 m ²	12,365 m ²	1,858–5,557 m ²	€31/m ²	n/s
18	Plankstadt	Alreal III	GE	90,000 m ²	12,000 m ²	3,000–12,000 m ²	€175/m ²	€190/m ²
19	Heidelberg	Heidelberg Innovation Park (hip)	GE	148,000 m ²	11,000 m ²	1,171–3,207 m ²	n/s	n/s
20	Grasellenbach	Borkwiese Coronet	GE	23,000 m ²	10,000 m ²	on request	€40.00/m ²	€65–75/m ²
21	Waldürn	Spangel	GE	38,023 m ²	9,321 m ²	4,500–9,321 m ²	n/s	n/s
22	Rosenberg	Nord-Ost	GE	83,000 m ²	9,000 m ²	on request	€33/m ²	on request
23	Bensheim	BW 64 „Südlich Fachmarktzentrum“	GE	14,625 m ²	6,800 m ²	ab 600 m ²	€125/m ²	€330/m ²
24	Waldbrunn	Waldbrunner Höhe	GE	42,000 m ²	4,087 m ²	1,076–3,011 m ²	€53/m ²	till €53/m ²
25	Gaiberg	Mäuerlesäcker / Fritzenäcker	GE	12,830 m ²	2,860 m ²	475–901 m ²	€150/m ²	as of €80/m ²

Structural change and investment opportunities

The commercial real estate market in the Rhine-Neckar region is giving rise to several promising project developments, providing an exciting glimpse into the region's perspectives and potentials.



The overall German commercial real estate investment market ended 2023 with a turnover of approximately 21.5 billion euros. This represents a decrease of 60 percent compared to the previous year and is the lowest value since 2010. In the Rhine-Neckar Metropolitan Region, the asset class "storage and logistics" ranked second among all regional investments, with a total of 149.25 million euros and a share of 26.8 percent. The location in the southwest of the Federal Republic, with the major centers of Mannheim, Ludwigshafen, and Heidelberg, makes the Rhine-Neckar Metropolitan Region attractive for investments in production and logistics properties. The excellent transportation infrastructure, including a network of highways, the ICE/IC hubs in Mannheim and Heidelberg, the inland port in Mannheim on the Rhine and Neckar rivers, and the proximity to the international Frankfurt Airport, favor the establishment of further commercial enterprises in the region.

The individual sizes vary

The total area of 25 selected commercial areas, evaluated in an annual survey by the respective municipalities, covers approximately 3.2 million square meters. Of this, about 642,570 square meters of undeveloped land are available in the short or medium term. The sizes of the areas vary, as do the sizes of the parcels and the respective land values. For example, the Birkenbüschlein indus-

trial estate of the municipal administrative association Hardheim-Walldürn has a total area of 230,000 square meters, with 107,000 square meters expected to be available from 2025, with parcel sizes ranging from 27,000 to 80,000 square meters. The focus of the already established companies is on metal processing.

The industrial estate Worms Nord I, located along the B 9 between the Riedbahn in the south and Worms-Rheindürkheim in the north, is characterized by chemical and logistics companies. Of the 250,000 square meters of net total area, 47,000 square meters are still immediately available. Worms Nord II, four times larger than Worms Nord I at 1,000,000 square meters, offers space for companies in the fields of crafts, logistics, and chemistry, among others, on 30,000 square meters.

In 1997, the municipalities of Buchen, Limbach, and Mudau joined forces to establish an association. The Intercommunal Industrial Park Odenwald (IGO), based in Buchen, has become a flagship project in 25 years. Located directly on the federal highway B 27, approximately 40 hectares of commercial space are available. The entire industrial park, with a focus on mechanical



engineering, is designated as an industrial area with a special trade zone. Currently, 30,000 square meters of commercial space are available in individual sizes ranging from 900 to 10,000 square meters.

Investments in production and logistics

The Rhine-Neckar Metropolitan Region is not only an attractive investment location due to its strategic position but also in terms of offering appealing job opportunities. The VGP Park Wiesloch Walldorf, situated on the premises of Heidelberger Druckmaschinen AG, will provide nearly 800 jobs across approximately 211,000 square meters in two units, some of which are already completed while others are still in the planning stage.

The Industriehof Speyer (I-Hof), an eight-hectare industrial park in Speyer, represents an investment of around 160 million euros. It will feature production, storage, and residential spaces, catering to a diverse mix of users including offices, services, retail, gastronomy, manufacturing, storage, crafts, and arts. With its distinctive industrial architecture, the I-Hof is evolving into an urban area, set to include approximately 300 residential units and create 500 jobs.

Aurelis Real Estate is planning to construct an Entrepreneur Park on the site of the Mannheim Turbine Factory, covering approximately 6,400 square meters. This facility will combine warehouse and office spaces, offering flexible layouts ideal for inner-city production, storage, assembly, or craftsmanship. The property will consist of two buildings totaling 4,240 and 2,160 square meters, respectively, with three separate units, each comprising 85 percent warehouse and 15 percent office space. Sustainability is a key focus of the Aurelis Entrepreneur Park, with plans for a photovoltaic system on the green roof to generate electricity and an underground rainwater storage system to contribute to improved climate conditions during drought periods. The project aims for a DGNB Gold certification.

Aliaxis Deutschland will invest a total of 50 million euros in Mannheim by 2025 to build manufacturing facilities and office buildings. Spanning approximately 3,500 square meters, a new industrial hall will house highly automated production facilities developed by the company, which specializes in innovative plastic piping systems. The Mannheim plant will serve as a central distribution hub in Europe, supplying customers worldwide.

The Commercial Real Estate Portal Rhine-Neckar

For the transparency of the Rhine-Neckar location, the Commercial Real Estate Portal Rhine-Neckar ensures among other things. It is aimed at business owners or investors and provides a comprehensive overview of commercial real estate in the region. The portal features a search function that allows properties to be filtered by size, amenities, price, and location. Potential investors also receive information on transportation links, pricing, tax details, and contact information for the property provider.

The Commercial Real Estate Portal Rhine-Neckar can be accessed at www.standorte-rhein-neckar.de.

The downtown areas of the region are gearing up for the future

From the reorientation of shopping districts to the creation of vibrant neighborhoods, the central cities of the Rhine-Neckar metropolitan region are embracing positive developments to position their downtown areas in a future-oriented and attractive manner.

The investment market for retail properties in Germany could not escape the general downward trend of the real estate investment markets in 2023. The transaction volume amounted to around 5.5 billion euros, representing a decrease of four billion euros or 42 percent compared to the previous year. This development also had an impact on the Rhine-Neckar Metropolitan Region. Investments in this asset class in the region decreased to 58.9 million euros or 10.6 percent last year, ranking fourth after investments in office and logistics properties as well as residential space. Despite this decline, this trend reflects a robust diversification of the regional real estate market.

Prime rents for retail properties have adjusted to market conditions, with rates dropping from 120 euros per

square meter in Mannheim to currently 100 euros and from 100 to 95 euros per square meter in Heidelberg. However, both cities still exceed the national average of approximately 94 euros per square meter. Of particular interest is the rental price development over the last ten years, which despite the current decline shows Mannheim experiencing a decrease of 35.5 percent and Heidelberg of 20.8 percent.

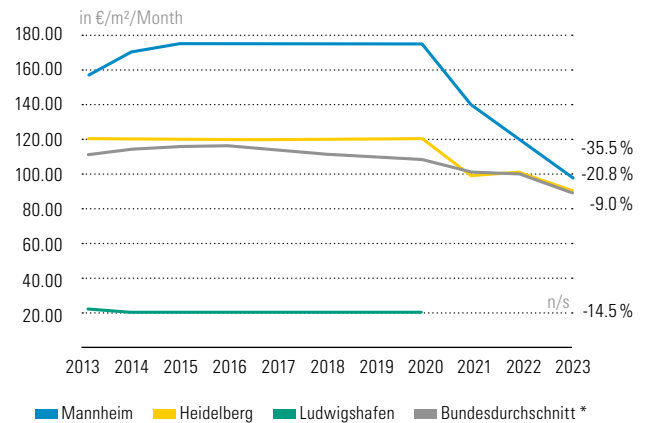
In terms of pedestrian traffic in the two major centers, there has been a slight increase, highlighting the attractiveness of the locations. Mannheim currently ranks 17th out of 66 comparable retail locations in Germany, while Heidelberg, at rank 19, remains in the top 20. Although both cities have lost some places compared to 2022, they are still well-positioned.

The city center of Heidelberg will extend beyond the boundaries of the historical Old Town in the future.





Peak rents for retail property



* In 2021, the evaluation of retail-relevant cities was changed from 185 to 66. The average values were adjusted accordingly.

Source: Presentation by MRN based on data supplied by JLL SE

To reverse or stabilize the current trend, cities have developed various strategies aimed at further increasing the attractiveness of retail locations.

Heidelberg is planning a diverse future for its downtown area

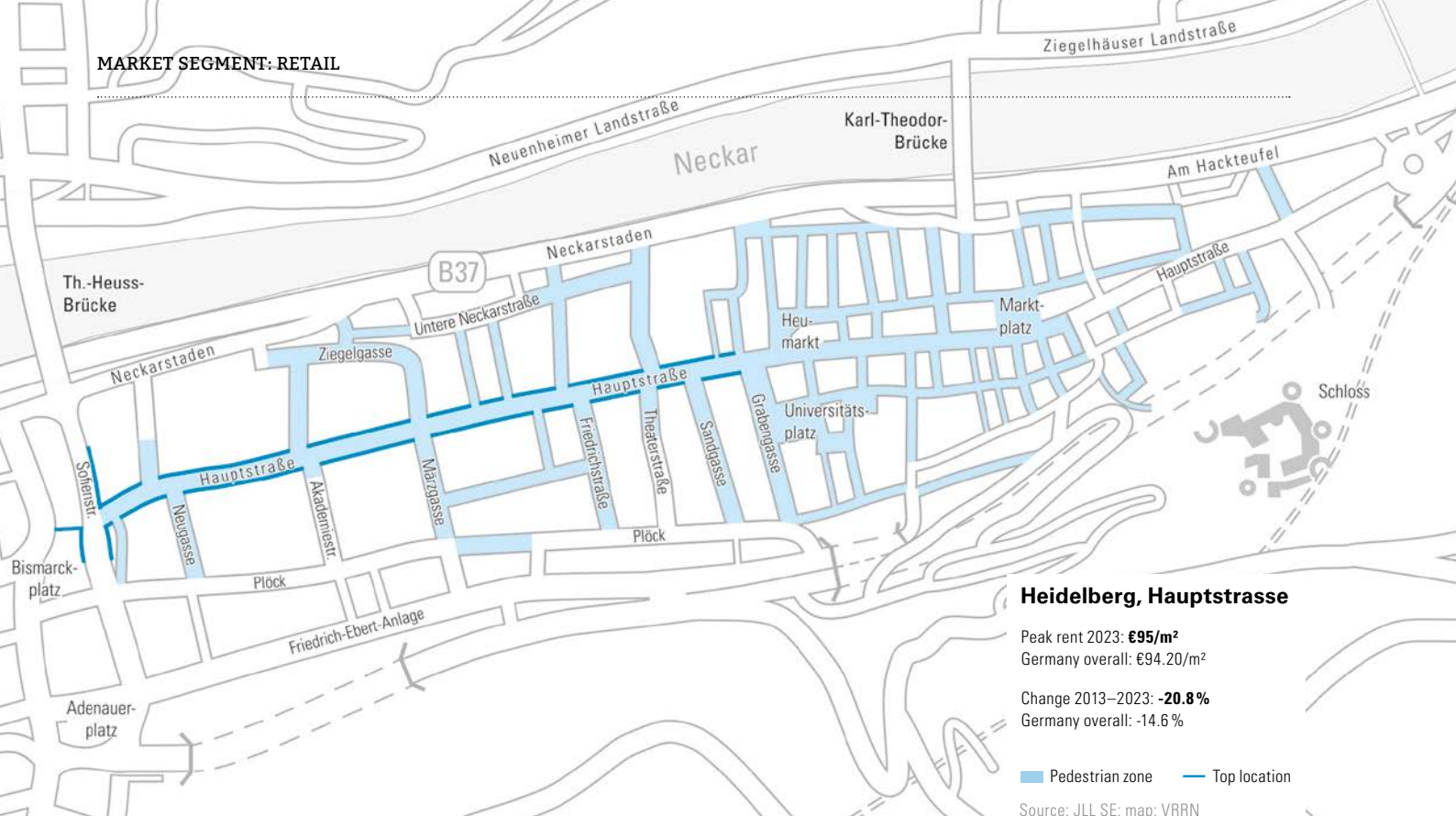
The city of Heidelberg is advancing the development of its downtown under the title "MITTENDRINNENSTADT" (translated as "In the Middle of the City"). The city center is being expanded from the OldTown through Bergheim to the main train station. The city is investing 1.25 million euros from its own funds and receiving an additional 3.75 million euros in federal funding. Heidelberg applied for this federal program under the working title "Courage for the City Center" and submitted a corresponding concept.

The combination of words "MITTENDRINNENSTADT" aims to symbolize the aspiration to make the new center in the heart of Heidelberg tangible and an integral part of it. The downtown area is to be designed to be livable and attractive for all people. New offerings are being created to make the downtown a lively and appealing place. For example, Bismarckplatz, a central transportation hub in the downtown area, will undergo structural improvements through the planting of new trees, the creation of enhanced seating areas, and the installation of additional bicycle parking spaces.

Another milestone is Heidelberg's participation in the federal program "Future-Proof City Centers and Downtown Areas". This initiative not only strengthens the financial basis but also offers the opportunity to implement

The major centers are developing strategies to make themselves more attractive as retail locations and to counteract the downward trend.

MARKET SEGMENT: RETAIL



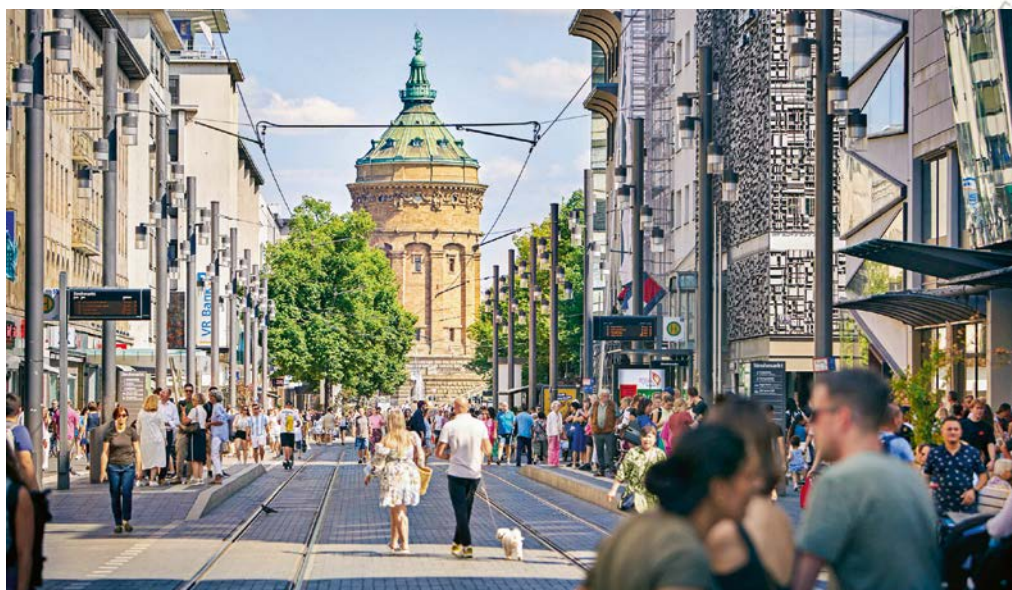
innovative ideas and sustainable concepts. Those interested can find more information about the program in Heidelberg at www.vielmehr.heidelberg.de/mittendrinnenstadt.

From the Karlstor to the main train station

A retail development concept sheds new light on Heidelberg's downtown area, extending far beyond the historic Old Town. The expansion stretches from the Karlstor in the east to the main train station in the west

and promises groundbreaking development in the years to come. Although retail traditionally has a focus in the Old Town, there are plans for increased retail and other business concepts to play a significant role in the western part of the downtown area in the long term.

Particularly promising are extensive project developments outside the historic Old Town, which will play a crucial role in the coming years. The



On the popular shopping street "Mannheimer Planken", a cinema will return in September 2024.

Goethequartier, which will connect retail and gastronomy with offices and apartments, the Carré with Sparkasse and Volksbank on Poststrasse, the Stadtwerkegelände in Kurfürstenanlage, or the development in the former Galeria building on Bismarckplatz promise extensive expansion of the downtown area.

Changes in Heidelberg's prime location

The closures of businesses like Hallhuber, Görtz Schuhe, and Desigual in Heidelberg have led to attractive re-lettings. For example, stores like DM Drogeriemarkt, Babor, Binder Optik, and a Leica Store with a gallery have opened on Hauptstrasse. Despite many business closures, there are no long-standing vacant spaces on Heidelberg's main street.

The downside: In January 2024, Kaufhof at Bismarckplatz closed its doors for the last time. The future of the

building remains uncertain. Germany's last major department store chain, Galeria Karstadt Kaufhof, filed for insolvency for the third time in three and a half years due to the financial difficulties of its owner, Signa. In the region, there are still five branches: The stores in Speyer, Viernheim, Darmstadt, Mannheim, and on Heidelberg's Hauptstrasse are expected to remain open.

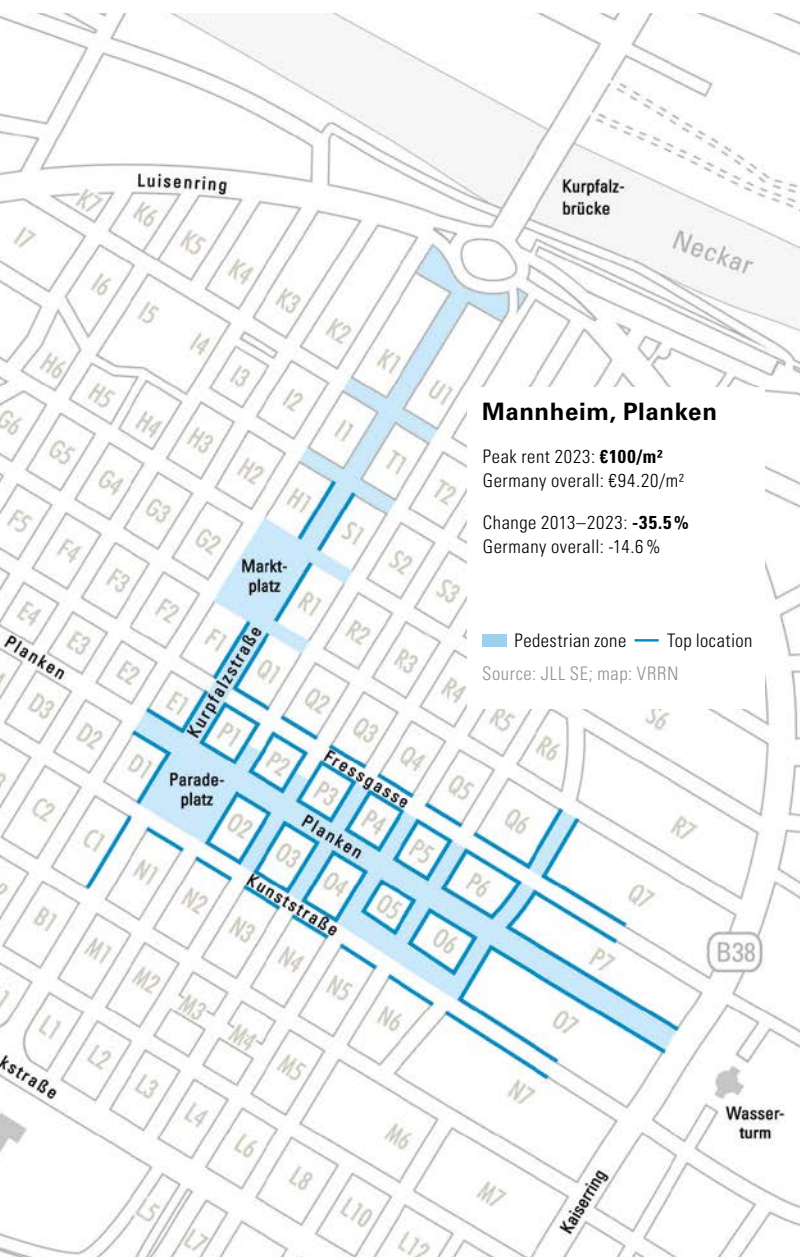
The Mannheim Property Owner Network

The retailers in downtown Mannheim are also taking proactive steps against the potential decline of the city center. Several property owners along Breite Strasse, Planken, and their adjacent squares, which are dominant retail locations, have formed the "City-Net Property Owner Network Downtown Mannheim". This network serves as a dialogue platform between property owners and the Mannheim city administration to jointly develop approaches for preserving a diverse mix of industries and product offerings. Investment and planning security for key property owners also involves forward-looking reutilization. Other objectives include offering interim uses for vacancies, contributing to the image maintenance of the retail location, promoting sustainability, and facilitating synergistic leasing.

Mannheim boasts a multimodal transportation network with multiple mobility hubs in and around the city center, ensuring good accessibility to commercial properties. Up to 60,000 vehicles travel daily on the ring road surrounding the downtown area, with 32 parking structures providing around 10,000 parking spaces. Public transportation includes 21 tram and ten bus stops in the city center. Additionally, there are 17 car-sharing locations with approximately 50 vehicles and 25 bike rental stations with around 200 bicycle parking spaces.

Heavyweights around Paradeplatz

An economic center has established itself around Mannheim's Paradeplatz. One heavyweight is the Galeria branch in P 1. However, the future of the Galeria Karstadt Kaufhof department store in its current form is uncertain. Talks with potential investors have begun. Looking at the development of the C & A building, a possible future could lie therein. By reducing the retail space and utilizing the freed-up area for medical practices and offices, the location has been upgraded, as has the addition of the Motel One. In the former main post office building in Quadrat O 2, a design hotel with 340 rooms has



opened. The interior design of the listed building is intended to be a tribute to the musical talents that emerged from the city.

For the revitalization of downtown areas, even after business hours, attractive and unique dining options play a significant role, and Mannheim's city center is certainly rich in them – culinary specialties from all over the world complement each other here. Additionally, the loss of inner-city attractiveness due to the closure of a cinema has been averted. The former Cineplex cinema on the Planken in P 4 is expected to reopen in the fall as the Haus der Planken Lichtspiele GmbH.

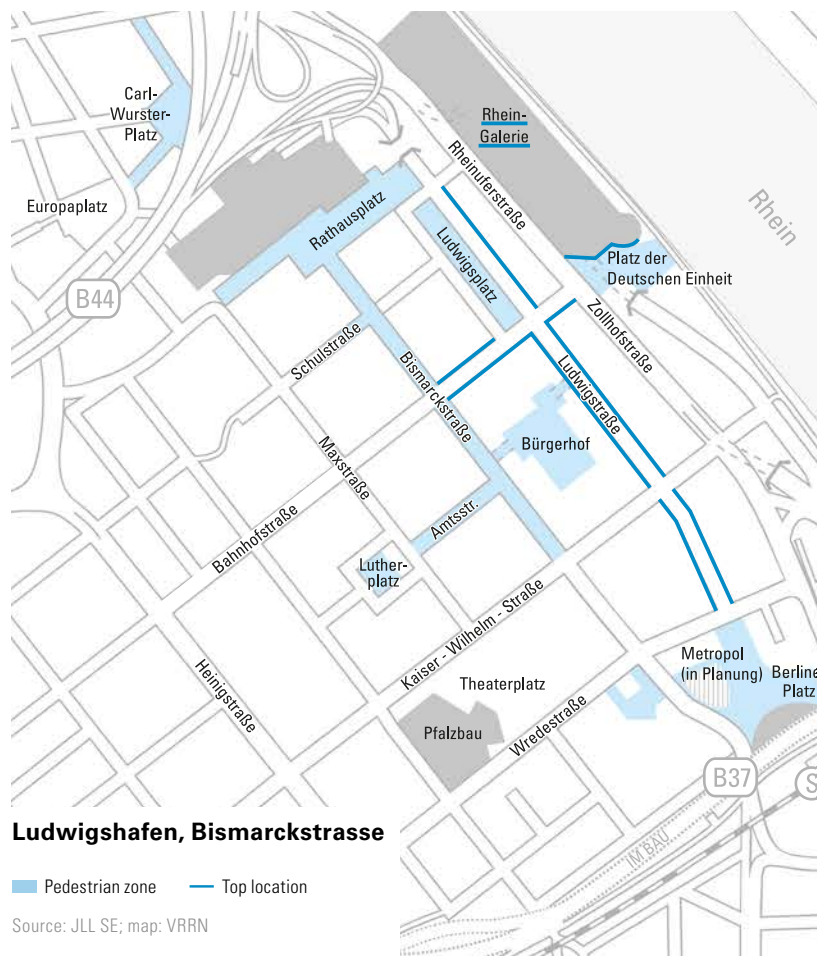
Surrounding area with strong purchasing power

The major centers generate over 50 percent of the stationary retail turnover in the region. However, there is still significant purchasing power in the Rhein-Neckar-Kreis area. In terms of retail-relevant purchasing power, the Rhein-Neckar-Kreis ranks 6th out of a total of 294 districts in Germany, with a total volume of 4.3 billion euros. The purchasing power retention rate in the Rhein-Neckar Chamber of Commerce and Industry (IHK) area is 165 in Schwetzingen, 155 in Walldorf, and 141 in Mosbach. In terms of retail-relevant purchasing power, Ladenburg leads with 8,227 euros per capita, followed by Weinheim with 8,201 euros and Walldorf with 8,181 euros.

In the area of the Pfalz Chamber of Commerce and Industry (IHK Pfalz), the southern wine route leads with a retail-relevant purchasing power of 8,067 euros per capita. The next positions are held by Bad Dürkheim with 7,995 euros and Neustadt/Weinstrasse with 7,934 euros per capita, with only slight differences in values.

A holistic approach is changing the city center of Ludwigshafen

Ludwigshafen's city center is undergoing transformation in the coming years. With construction projects for the Hochstrasse Süd and the new Helmut-Kohl-Allee, significant changes are taking place in the city. The Ludwigshafen purchasing power index at 93.6, the retail-relevant purchasing power at 6,988 euros per cap-



ita, and the centrality for Ludwigshafen determined during the elaboration of the retail concept by the firm Stadt+Handel are in a low range. Therefore, the city development measures focus on neighborhood development with mixed uses such as residential, cultural, and gastronomic facilities, as well as strengthening existing retail.

Under the leadership of LUKOM Ludwigshafener Kongress- und Marketing-Gesellschaft, Ludwigshafen has developed a vision, with the consultation of Stadt+Handel, to serve as a guide until the city's 200th anniversary in 2053. Thanks to a broad participatory process, a large group of individuals from business, commerce, education, culture, city administration, politics, and interested citizens have been involved in the process. Implementation is envisaged in decades, with milestone goals to adjust as needed.

The GAG Ludwigshafen is investing over 15 million euros in the construction of the Bürgerhof-Passage on Bismarckstrasse.



Konrad-Adenauer-Brücke

The basis for this is the Integrated Urban Development Concept (ISEK). At the heart of the holistic approach of ISEK and the vision is a city center that is more vibrant than today, with a strong quality of stay and various offerings in culture, gastronomy, and leisure. Through climate-resilient and car-free design, the enhancement as a residential area through the strengthening of social infrastructure, experience offerings, and public institutions, as well as the activation of ground floor potentials, the overarching goal of a diverse residential city center is to be achieved. As part of the federal and state funding program "Growth and Sustainable Development - Sustainable City", funding of 16.31 million euros can be used, with up to 90 percent of ISEK measures subsidized. First projects include the modernization of the Bürgermeister-Ludwig-Reichert-Haus and the expansion of the children's library, as well as the redesign of the Friedrich-Wilhelm-Wagner-Platz.

Retail in the city center focuses on the Rhein-Galerie with its wide range of offerings and the traditional stock in Ludwigstrasse. The Mannheim-based Pro Concept AG, which acquired the Walzmühle-Center in 2020, has agreed to provide the property as urgently needed accommodation for refugees until autumn 2024. It will then be revitalized into a modern local supply center and complement the offerings in the future.

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

Municipality	Inhabitants	Purchasing power	Turnover	Centrality
Mannheim	315.554	95.1	128.4	135.0
Ludwigshafen	174.265	90.1	100.3	111.3
Heidelberg	162.273	91.2	110.6	121.3
Worms	84.646	93.2	132.4	142.0
Neustadt	53.981	107.1	119.6	111.7
Speyer	51.368	100.8	143.9	142.7
Frankenthal	49.051	93.0	101.9	109.5
Landau	47.610	96.3	147.2	152.9
Weinheim	45.275	110.5	134.2	121.4
Bensheim	42.089	112.3	123.9	110.3
Sinsheim	36.601	93.0	116.4	125.1
Viernheim	34.534	100.1	180.3	180.1
Lampertheim	32.870	103.0	87.7	85.1
Leimen	27.142	96.0	54.8	57.1
Wiesloch	27.049	102.8	93.3	90.8
Heppenheim	26.946	106.6	136.3	127.9
Mosbach	23.484	97.5	162.7	166.8
Schwetzingen	22.062	108.9	205.3	188.4
Hockenheim	21.754	99.6	167.5	168.3
Germersheim	21.099	82.8	118.0	142.5
Schifferstadt	20.615	107.4	69.6	64.8
Hassloch	20.387	102.1	96.4	94.5
Bad Dürkheim	18.818	107.4	118.9	110.8
Wörth am Rhein	18.350	97.7	111.0	113.6
Buchen	18.018	94.7	130.5	137.8

Source: GfK Geomarketing (Indices: 2023), Federal Statistical Office (Population count as of 31.12.2022)

Open space for sustainable urban development

The transformation of downtown Ludwigshafen and the redesign of the area surrounding the Helmut-Kohl-Allee signify a step into the future of urban development and a unique opportunity for sustainable and innovative urban living.

INNER CITY IMPULSES

With the model project "Inner City Impulses," the state government of Rhineland-Palatinate aims to support municipalities in advancing new and innovative ideas for urban development. The model project intentionally does not impose strict guidelines. Participating cities — initially the five major centers Ludwigshafen, Mainz, Kaiserslautern, Koblenz, and Trier — can develop individual measures, providing them with more flexibility than traditional urban development funding programs.

In the coming years, the two main thoroughfares of Ludwigshafen, the Hochstrassen Nord and Süd, will increasingly come into focus. Following the construction of a new bridge and comprehensive modernization measures, Hochstrasse Süd is set to reopen to traffic in early 2026. Upon completion of all construction work, it promises not only a reduction in traffic noise for residents but also an improvement in traffic safety. The revamped road will feature en-

The main traffic arteries of Ludwigshafen are undergoing a transformation process.

hanced connections, as well as a modern bridge structure and adaptive street lighting. Additionally, a modern and comfortable bike path for commuters is planned to be built, running underneath Hochstrasse Süd and connecting the main train station with the Konrad-Adenauer Bridge.

The dismantling of Hochstrasse Nord will create an open space in the city center of Ludwigshafen. As a replacement for this regional artery, the construction of the approximately 860-meter-long, multi-lane Helmut-Kohl-Allee is planned. This avenue will link the Lorientallee to the west with the Kurt-Schumacher Bridge to the east. Unlike Hochstrasse Nord, Helmut-Kohl-Allee will feature large green strips. Typically, there will be two rows of trees on both sides of the street, with some trees also planned





for the median. Rainfall on the sidewalks and bike paths will be directed towards the street trees. Public transportation and wide bike lanes are included in the planning. The sidewalks, essential for the lively connection of neighborhoods, will be generously designed along the street.

190,000 Square Meters: Opportunities and Challenges

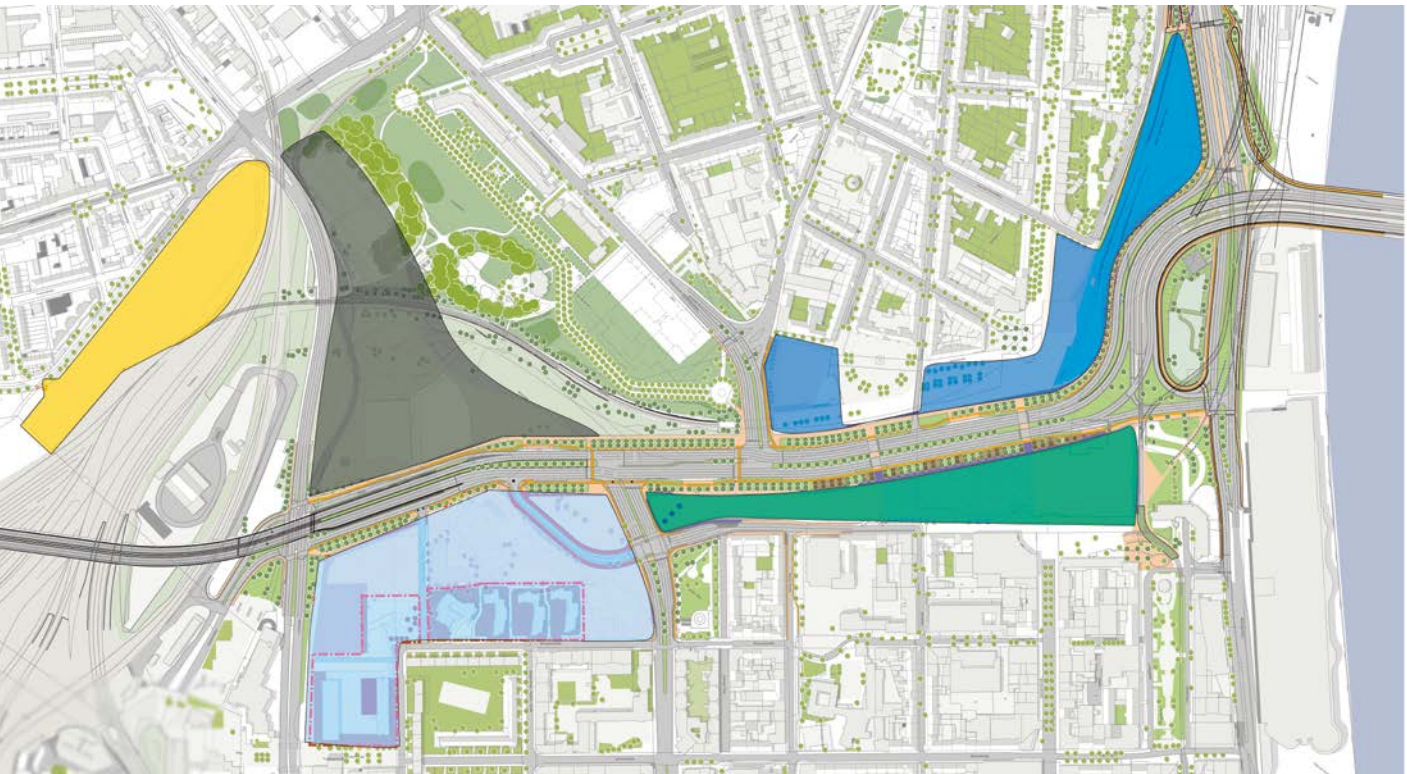
Approximately 19 hectares of prime downtown area will become available for inner-city development and new opportunities due to the dismantling of Hochstrasse Nord and the construction of Helmut-Kohl-Allee between the neighborhoods of "Ludwigshafen Mitte" and "Nord/Hemshof". Over the coming years, the creation of an innovative and sustainable urban quarter is planned in the vicinity of Helmut-Kohl-Allee. This development aims to

provide urgently needed housing for various needs and foster a diverse economy by attracting sustainable businesses. To achieve this goal, the Ludwigshafen City Administration, Bauprojektgesellschaft Ludwigshafen mbH, Lu-City Entwicklungs-GmbH, and Rhein-Neckar-Verkehr GmbH are collaborating closely. The investments in infrastructure benefit not only commuters and residents but also potential investors. The commitment of the federal government to support the renovation of the Hochstrasse system in Ludwigshafen with 334.5 million euros, along with the funding commitment of the state of Rhineland-Palatinate of 139 million euros, underscore Ludwigshafen as a promising destination for economic investment.

The Fraunhofer Institute for Industrial Engineering and Organization has developed a

SPACE FOR NEW DEVELOPMENTS

For further information about urban development plans in Ludwigshafen, please visit www.space-for-new.info. If you are interested in the plots of land, feel free to contact lce@gag-ludwigshafen.de.



As part of the dismantling and relocation of the viaduct, approximately 19 hectares of open space are being created in Ludwigshafen.

**HELMUT-KOHL-ALLEE/
CITY STREET**

The city street is a ground-level traffic connection spanning approximately 860 meters in length, encompassing multiple lanes. It stretches between Lorientallee to the west and the Kurt-Schumacher Bridge to the east. Its purpose is to replace the deteriorating Hochstrasse Nord (Northern Viaduct).

groundbreaking strategy for neighborhood development. This strategy presents recommendations and visions for the emerging urban quarter. In addition to its function as a connecting link between the northern and southern downtown areas, the project aims to address the social, economic, and ecological challenges that arise in modern neighborhood planning. New uses such as "climate adaptation," "sustainable mobility," "education," and "innovation" are assigned to the open spaces. This includes creating the opportunity to expand existing green areas and thus improve the urban climate. The resilience of the new urban

In an urban planning workshop procedure, design proposals are to be developed.

quarter to heatwaves and droughts is to be increased. Concepts such as water management for decentralized rainfall management during dry periods and heavy rainfall play a central role.

The development of the new urban quarter is a top priority for Lu-City Development GmbH (LCE) on behalf of the city of Ludwigshafen. Based on street planning and preliminary planning studies, LCE envisages conducting an urban and open-space planning workshop procedure in the second half of 2024 to deepen existing considerations. In line with the goal of creating a livable, environmentally friendly, innovative, and resilient new urban quarter in the vicinity of Helmut-Kohl-Allee, the city administration and Lu-City Development GmbH will collaborate interdisciplinary with experts. The aim is to develop concrete design proposals and establish a sustainable basis for the future development of this promising urban quarter within the framework of the workshop procedure.

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