

SMART
METROPOLIS

STUTTGART

INNOVATIVE METROPOLITAN REGION WITH MANY FACES



BNP PARIBAS
REAL ESTATE

Real Estate
for a changing
world

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STUTTGART SETS THE TONE

Surrounded by vineyards whose vines extend into the city, the Wilhelma Zoo and a large number of parks, Stuttgart is one of the greenest cities in Germany. And one of the sunniest. Just like the heat which gathers in the region in summer, a mass of innovative power is also concentrated in the region. Stuttgart has already been a trailblazer a number of times in the past, for example with the first green pedestrian zone in 1953 and the first petrol-powered automobile in 1886. The capital of Baden-Württemberg with just over 600,000 inhabitants is rightly proud of its history. But it does not look back. On the contrary: In Stuttgart they are actively shaping the future. In no other city are so many patents registered. In hardly any other region in Europe is so much money invested in research and development. The metropolitan region of Stuttgart is thanks to engineering and the automotive and property sectors the strongest economic region in Germany – ahead of Munich and Frankfurt am Main. Major construction projects such as Stuttgart 21 also place the city in the international spotlight. Not to mention numerous initiatives and projects concerning electromobility and sustainability, leading universities, a number of excellent science and research companies and an emergent start-up scene. There is hardly a sector in which Stuttgart is not setting the tone.

STUTTGART SMART Metropolis

Age structure of inhabitants

0-18 years	18-30 years	30-45 years	45-60 years	60-65 years	65-75 years	+75 years
16%	18%	23%	20%	5%	8%	10%



+47,500 inhabitants
in the last 20 years

6th biggest city
in Germany

GDP: +1.5%
in 2018

(Baden-Württemberg)

Employment: **+2.2%**
(workplace Stuttgart) in 2018
compared to the previous year





STUTTGART HAS BEEN ONE OF GERMANY'S STRONGEST ECONOMIC REGIONS FOR YEARS. THE STATE OF BADEN-WÜRTTEMBERG AND THE STUTTGART REGION ARE AMONG GERMANY'S BIGGEST AND MOST IMPORTANT ECONOMIC LOCATIONS.

Mercedes, Porsche, Bosch – it is still the big names from the automotive and engineering industries that make the region the strongest metropolitan region in terms of exports, secure jobs and create new ones. However, it is not only the global players, but above all the small and medium-sized enterprises (suppliers, service providers, IT and software companies such as Mahle, Mann+Hummel, Stihl and Trumpf) that form the backbone of the region. They, their innovative capability and international competitiveness in the age of Industry 4.0 are attracting the attention of an increasing number of exciting start-ups and numerous initiatives and projects which support them and make them fit for the industrial future. Stuttgart's diverse finance sector with banks, insurance companies and other financial service providers is also growing in importance.

Partner search in industry – **START UP THE FUTURE initiative**

Initiated by Allianz Industrie 4.0 Baden-Württemberg and the German Engineering Association (VDMA), one of the most influential trade associations in Europe, the START UP THE FUTURE initiative brings established engineering companies and young tech start-ups together. The platform provides companies with the opportunity to find tailor-made solutions and competent innovation partners outside of their own organisation.

www.startup-the-future.de/en/

JOBS BY INDUSTRY 2018



Services (not including retail) **65%**
Retail, transport, hotels and restaurants **15%**
Manufacturing **16%**
Construction **3%**
Others **1%**

Source: Statistisches Amt, Landeshauptstadt Stuttgart 2019



ICT FIRMS Stuttgart

28,920 employees June 2018
+21% since 2013
+6,4% since 2017

Source: Federal Employment Agency 2019



STUTT GART IS A DIGITAL HUB

IN 2017 STUTT GART WAS APPOINTED AS ONE OF TWELVE DIGITAL HUBS IN GERMANY BY THE FEDERAL MINISTRY FOR ECONOMIC AFFAIRS.

In the hubs young start-ups, established companies and excellent academic institutions team up in order to create digital innovation together; speed up innovation processes in individual sectors and drive forward the digital transformation. Stuttgart submitted its application under the motto "driving.future.industries". Building on its strengths, the city wants to facilitate the emergence of the new leading industries of the future (among others mobility, smart products, Industry 4.0).



Matthias Bentz
@BNP Paribas Real Estate

Due to its strong economic structure, Stuttgart benefits especially from a dynamic economic context. This is reflected in the property markets, which have developed very positively in recent years. The chances of future increases in rent levels and therefore property values remain high. If you also take into account the broad SME structure, which accounts for the stable development and low volatility, the capital of Baden-Württemberg currently offers excellent conditions for successful and sustainable investments.

STUTT GART SMART METROPOLIS

About BNP Paribas Real Estate

- An overarching vision and close knowledge of local markets in the service of real estate projects in Europe: build, buy, sell, rent, invest, value, appraise, manage and be advised.
- Established in 32 countries.
- 5,400 employees.

Source: www.realestate.bnpparibas.de 2019

AUTOMOTIVE INDUSTRY:



110,000 employees
Manufacturers and direct suppliers

45% of turnover
of the whole industry

ENGINEERING:



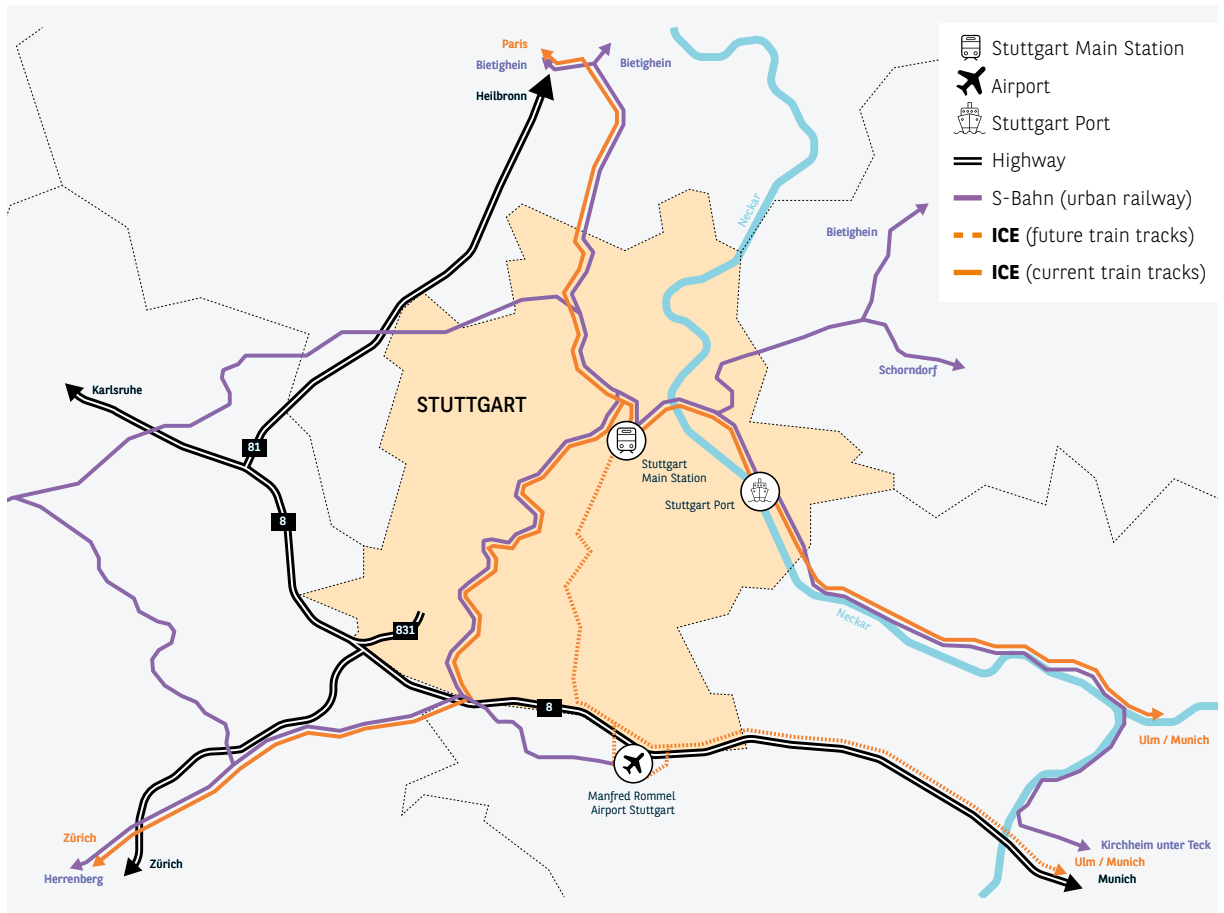
73,400 employees



2nd most important
employer
in the Stuttgart region

Source: Wirtschaftsförderung Region Stuttgart GmbH 2019

A PERFECTLY CONNECTED CITY WITH A CLIMATE FRIENDLY VISION



Source: Obea Communication 2018

RANKED 8TH
among Germany's
international
**commercial
airports**



**More than 140
destinations**



Source: Stuttgart Airport 2019

ICE - 
direct connection



Paris
in **3h10**



Frankfurt
in **1h30**



A8 and A 81

connect Stuttgart to all major
European business centres

THE STATE OF BADEN-WÜRTTEMBERG AND THE STUTTGART REGION ARE PLAYING A PIONEERING ROLE IN GERMANY IN THE AREA OF ELECTROMOBILITY. ENERGY-EFFICIENT, LOW-EMISSION, SAFE AND CHEAP – NUMEROUS INITIATIVES, PROMOTED BY THE FEDERAL GOVERNMENT, STATE AND THE PRIVATE SECTOR ARE PAVING THE WAY TO THE CITY OF THE FUTURE.

SCALE-UP! STUTTGART'S AIRPORT WILL BE CLIMATE-NEUTRAL

2050 is the magic number, this is the year when Stuttgart Airport will be operated on a climate-neutral basis. At the terminals there are already over 30 charging points for electric cars whose energy comes 100 per cent from renewable sources. As part of the "scale-up!" project launched in 2016, numerous vehicles used by the airport, from the apron shuttle bus to the luggage transporter, have been replaced by electrically-driven vehicles. As a result 250,000 litres of diesel were saved in the first year alone.



logSPACE experiments with logistics

Full streets in residential districts, traffic noise, emissions, the booming online commerce and a growing population require new concepts for business and logistics traffic in cities. In order to enable the zero-emission delivery of parcels in the future, the city of Stuttgart has launched in cooperation with Wirtschaftsförderung Region Stuttgart and the Fraunhofer IAO the pilot project "logSPACE – Alternative Delivery Concepts for Stuttgart City Centre". Together with logistics service providers such as UPS, more efficient and more environmentally-friendly delivery concepts are being developed, tested and evaluated.

Number of commuters

← 244,502

→ 91,858



180 km of
cycle paths

The share of cycle
traffic is expected
to increase from

5% to 20%
in future



1



Stuttgart-Vaihingen Synergy Park

With over 20,000 employees, the Synergy Park is the biggest industrial park in Stuttgart. All signs continue to point to growth: Daimler AG and Allianz AG are building new offices which will be available by 2020 and will house in total nearly 9,000 employees. Both designs envisage modern new-builds with green areas and areas for public use. Daimler AG is planning four new buildings which enclose an area open to the public. Allianz AG is also planning urban office areas with flexible building structures and areas which can be used by the public.

2



VAI Campus

On the 195,000 square metre site of the former Eiermann Campus in Stuttgart-Vaihingen work will start in 2020 on the construction of a new district: the VAI Campus. A modern district with a mix of housing, commercial space and offices. The aim of the ambitious project is to embed the four listed buildings of the former IBM headquarters built by Egon Eiermann cleverly in the surrounding area and to connect the whole district with the city of Vaihingen by means of innovative construction, housing and mobility concepts.

www.vaicampus.de

3



Stuttgart 21

This is one of Germany's biggest, and most contentious construction projects: the moving of Stuttgart railway station below ground and the reorganisation of the city's rail traffic. Two of the biggest advantages are the connection of the airport to long-distance traffic and the shortened journey time on the Munich-Paris route due to the development of the Stuttgart-Ulm section. On the site of the former railway facilities an area of approx. 100 hectares will become available. A unique opportunity for innovative urban development concepts.





4



Stuttgart's Cultural Mile

The B14 owes its nickname "cultural mile" to the important cultural buildings which line it, from the state parliament to the opera. The city of Stuttgart has been discussing this prominent road for decades. The eight to ten-lane architectural eyesore will disappear together with the traffic and the area will be opened up to pedestrians.

5



Böblingen Airport

Böblingen-Sindelfingen Airport is one of the biggest urban development projects in South Germany. High-quality service, commercial and living space is being built on a site of 80 hectares. By 2025 around 7,000 jobs will be created and 1,600 residential units for approx. 4,000 inhabitants will be built. At the same time generous green areas and an artificial lake will be created.*

6



IBA 2027 StadtRegion Stuttgart

These are important questions of our time: How do we live and work in the digital and global age? 100 years after Stuttgart's Weissenhof Estate was built (its Le Corbusier homes are now a UNESCO world heritage site), the IBA 2027 StadtRegion Stuttgart will deliver an exciting response.

7



Neckarpark Development Area

On the 22-hectare site of the former goods station, the city of Stuttgart is developing a new district with approx. 450 homes, a sports pool, hotels and service and commercial businesses. The construction work is progressing energetically and highly efficiently. The combination of nearly zero energy buildings and heat recovered from wastewater will make the newly developed area environmentally and economically sustainable.

OFFICE PROPERTIES

215,000 m²
in 2018

on a long-term average

294,000 m²

Average take-up in the last 5 years

Office rents*	City centre	Subcentres
Top rent	24.00 €/m ²	17.00 €/m ²
Average rent	18.00 €/m ²	14.00 €/m ²

*Q4 2018

Prime yield

3.15%

WAREHOUSE AND LOGISTICS SPACE



Logistics
take-up

228,000 m²

Average take-up in the last 5 years

Logistics rents*	
Top rent	6.70 €/m ²
Average rent	5.40 €/m ²

*Q4 2018

RESIDENTIAL PROPERTIES

HOUSING STOCK 2017

74,844

residential buildings

312,371

apartments

Source: Statistical Office, Landeshauptstadt Stuttgart

COMPLETIONS

2,129

apartments in 2017

1,960

apartments average in the last 5 years

Source: Statistical Office, Landeshauptstadt Stuttgart

SALES RESIDENTIAL PROPERTIES

2017

3,064 apartments

3,949 €/m²

Average selling price

IN THE LAST 5 YEARS

3,545 apartments

3,241 €/m²

Average selling price

Source: Stuttgart Land Valuation Committee -
Property Market Report 2015 – 2018

VACANCY RATE

Stuttgart
0.6% (2017)

> HALVED SINCE 2013

Sources: empirica; CBRE Group
(CBRE-empirica-Leerstandsindex)

RENTS IN STUTTGART*

Age of building	2018	Development 2014-2018
New-build	17.50 €/m ²	+31%
Existing	15.60 €/m ²	+38%

Living area	2018	Development 2014-2018
< 40 m ²	20.80 €/m ²	+41%
40-80 m ²	15.40 €/m ²	+42%
≥ 80 m ²	14.60 €/m ²	+31%

*Average quoted rents, €/m², excluding heating
Sources: IDN Immodaten.net ; own calculations 2019

Advantage through knowledge



THE STUTTGART REGION OFFERS TWO DOZEN UNIVERSITIES, COLLEGES AND ACADEMIES. ANYONE WHO THINKS THAT THEY ONLY CONCENTRATE ON TECHNOLOGY AND AUTOMOBILES IS MISTAKEN.

Stuttgart is one of the most important higher-education locations in Germany and offers a wide range of courses from Waldorf education to life science, from performing arts to courses for budding town planners. The job prospects for university graduates are positive: The number of unemployed in the region has been falling for years, and the economy is booming. Besides jobs in industry, a high number of academic and research institutions attract people to the city, for Stuttgart is not only a top location for business, it is also one of the strongest locations for research in Germany. 45 per cent of Baden-Württemberg's research and development capacity is concentrated here. If you read the list of institutes based in the Stuttgart region, it becomes clear why: Five Fraunhofer institutes, two Max-Planck institutes, six research institutes of the German Aerospace Center; numerous renowned private-sector research and development centres and more than a dozen regional competence and innovation centres are what the region has to offer.



Smart City Solutions

Researchers estimate that in 2050 two thirds of people will be living in metropolises. What does this mean for infrastructure, building planning and mobility? In the winter semester 2018/19 the HFT (Hochschule für Technik) Stuttgart offered a Master's degree course in Smart City Solutions in English which is unique in this form worldwide. Modules cover over three semesters 'smart' urban planning and buildings, 'smart' infrastructure (energy, mobility, resource management, resilience), smart city project management, financing and digitalisation.



Learning factories 4.0

Industry 4.0 poses completely new challenges to companies and their employees. Lifelong learning are the magic words of our time. In order to provide professionals and trainees with the best-possible preparation for the changes in the workplace and the requirements of digitalisation, in 2016 the Ministry for Economic Affairs, Labour and Housing funded the establishment of 16 learning factories 4.0 in vocational schools to the total tune of 6.8 million euros. After a new tender in June

2018, the Ministry of Economic Affairs is currently supporting the construction of 21 more learning factories with 4.8 million euros. The learning factories 4.0 are labs which in terms of layout and equipment resemble industrial automation solutions and in which the basics for application-related processes can be learned. The learning factories thereby help to make the abstract concept of Industry 4.0 tangible for trainees and employees.



Klaus Betz
@Württembergische

The most important reason for investing in Stuttgart is stability. There is hardly any volatility when it comes to rents and multipliers; significant movements, that is to say increases, have only been seen in recent years. This is down to the huge attractiveness of local companies, the close connection between applied research and practice-oriented development, which goes hand in hand with the high implementation competence of the people who work here.

STUTTGART SMART METROPOLIS

About Württembergische

- Württembergische Lebensversicherung AG is the biggest institutional investor of the Wüstenrot & Württembergische Group (W&W).
- Of an investment portfolio of over 35 billion euros, currently around 2.6 billion euros are invested in real estate across the Group.
- Württembergische Lebensversicherung AG currently has a very high share invested in real estate (approx. 8.0 per cent) compared to the industry average. The main focus of the investment strategy is the multi-centre home market of Germany.



Panoramic view plus

People have always been fascinated by the view from above. In Stuttgart it is the Television Tower that provides a bird's-eye view of the city and its surrounding vineyards. The 360-degree Tower app works like a digital telescope: In addition to the view, users are provided with further information about the region on their own smartphone

or tablet. By clicking on the tourist attractions displayed, users obtain interesting facts relating to tourism, industry and technology, descriptions, information about opening hours, event information and access to other media such as images and films.

Kulturinsel Stuttgart

Once a goods station, today an area for alternative and creative cultural projects: Since 2012 the Kulturinsel (Cultural Island) has been bustling with Stuttgart's creative minds. On the site of a former goods station a unique venue for music, art, culture and meeting has emerged. Bands and DJs perform concerts, local residents meet to do gardening in the Inselgrün (Island Green) urban gardening project and actors meet for rehearsals.

www.kulturinsel-stuttgart.org

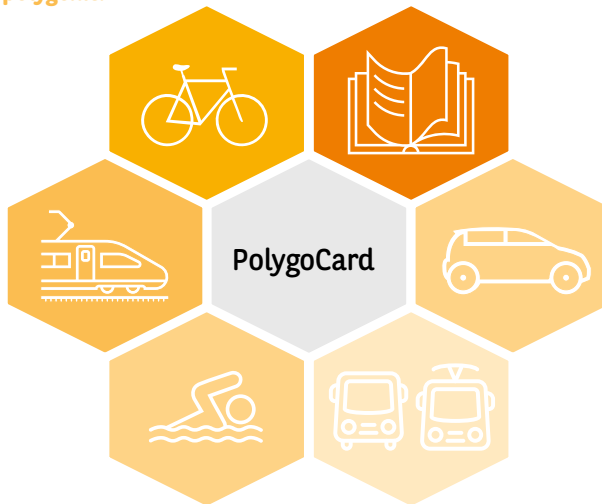


PolygoCard

Book a bike or a car, take a bus or tram, borrow books or go swimming: The Stuttgart Services project has developed with the PolygoCard an electronic ticket which not only allows uncomplicated use of local public transport, but also gives

users single-point access to regional offerings. In a practical credit-card format, it replaces monthly tickets and membership cards, and it can even be used as a credit card.

www.mypolygo.de/



Frank Peter Unterreiner
@ Immobilienbrief
Stuttgart



Stuttgart is the centre of a region with 2.7 million people. It does not do justice to the city to see it merely as a regional capital with just over 600,000 inhabitants. It is the only metropolis in Germany which is surrounded by strong medium-sized cities such as Esslingen and Ludwigsburg. Stuttgart is therefore not only the smallest of the Top 7 office markets, together with the five surrounding districts the region has for example an office space stock of around 16 million square metres and is one of the leading locations in Germany.



About Frank Peter Unterreiner

- Publisher of "Immobilienbrief Stuttgart" and co-partner of "Immobilienverlag Stuttgart".
- Columnist for the "Immobilienwirtschaft" journal and co-author of the textbook "Immobilienmarkt und Immobilienmanagement".
- Speaker and presenter at real estate conferences and seminars.
- Honorary senator and lecturer at HfWU Nuertingen-Geislingen University.

Smart Grids



An intelligent energy supply is essential for a sustainable future. With the combination of energy and communication grids, the smart grids, the main components of energy infrastructure – from energy production to transfer, distribution and to storage – can be understood using information and communications technology and adapted flexibly to the actual energy consumption. Over 1.1 million euros were made available by the state of Baden-Württemberg for local projects.

www.smartgrids-bw.net

Sustainability Days

Sustainability needs commitment and awareness. In private and in public. Just how many citizens, companies, administrative bodies and organisations are already active can be seen at Baden-Württemberg's annual Sustainability Days. As part of the European Sustainability Week, sustainable behaviour can be seen, understood and experienced. Anyone can take part – and commitment is on the rise: while there were already 400 actions in the start-up year 2012, there were over 1,700 actions in Baden-Württemberg in 2018 with topic ranging from e-mobility to sustainable behaviour.

Stuttgart Region Landscape Park

Orchards and vineyards, river valleys and forests: The landscapes around Stuttgart are diverse. Verband Region Stuttgart is committed to the protection of the "Stuttgart Region Landscape Park" and its further development. In close cooperation with municipalities, districts and associations, master plans are gradually being developed.





Real-life laboratories in Stuttgart

When creating a city worth living in, everyone has to pitch in. Immigration, climate change and the digitalisation of our everyday life are society's demands which require strong interaction between business, municipalities, citizens and science. New approaches and solutions need to be found which are viable for the future and realistic. In order to test solutions under real-life conditions

and with all of the important players, the Ministry for Economic Affairs is making around 8 million euros available for seven research projects in "real-life laboratories". In Stuttgart digital processes and simulations will be used to involve citizens in urban development. In this way urban districts will become "real-life laboratories of change".

Air pollution control

Clean air is an issue particularly in conurbations affected by pollutants from industry and transport. The city of Stuttgart is especially affected due to its basin location – accordingly great efforts are being made to improve the air quality and thereby the quality of life. Among other things the expansion of local public transport and cycle paths, intensive cleaning operations and the fine dust alarm provide some relief. With some initial success, because fine dust values fell for the first time in 2017.



Ines Aufrecht
@Stuttgart Economic
Development Corporation

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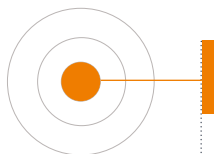
Located in the heart of Europe, Stuttgart is the centre of one of the most powerful economic metropolitan regions and most innovative high-tech locations in Europe. The headquarters of many world market leaders such as Daimler, Porsche, Bosch and Mahle are based here. In addition, there are many hidden champions in the SME sector as well as an extensive and strong supplier industry. The universities and many research institutions occupy a leading position and the patent density – including the many research and development institutions – is very high. Stuttgart is the centre of mobility, a major exporter, an important financial centre in Germany and also a top location for creativity in Europe.

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About the Stuttgart Economic Development Corporation

- The Stuttgart Economic Development Corporation is the central point of contact for entrepreneurs, traders, freelancers, investors, start-ups and academics.
- It sees itself as a guide and driving force with the objective of maintaining and developing Stuttgart's economic strength.



Metropolis

STUTTGART



Stuttgart city:

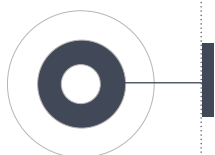
www.stuttgart.de/en/



Region
Stuttgart

Stuttgart tourism:

www.stuttgart-tourist.de/en

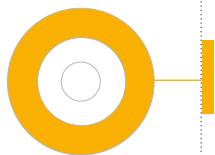


Region



Stuttgart region:

www.region-stuttgart.de/english



Federal State



Baden-Württemberg

MINISTERIUM FÜR UMWELT, KLIMA UND ENERGIEWIRTSCHAFT

**Ministry of the Environment, Climate Protection
and the Energy Sector:**

www.um.baden-wuerttemberg.de/en



Wirtschaft digital
Baden-Württemberg

Wirtschaft Digital Baden-Württemberg:

www.wirtschaft-digital-bw.de/en/



Baden-Württemberg

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www.baden-wuerttemberg.de/en



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