



RESEARCH

At a Glance Q2 2019

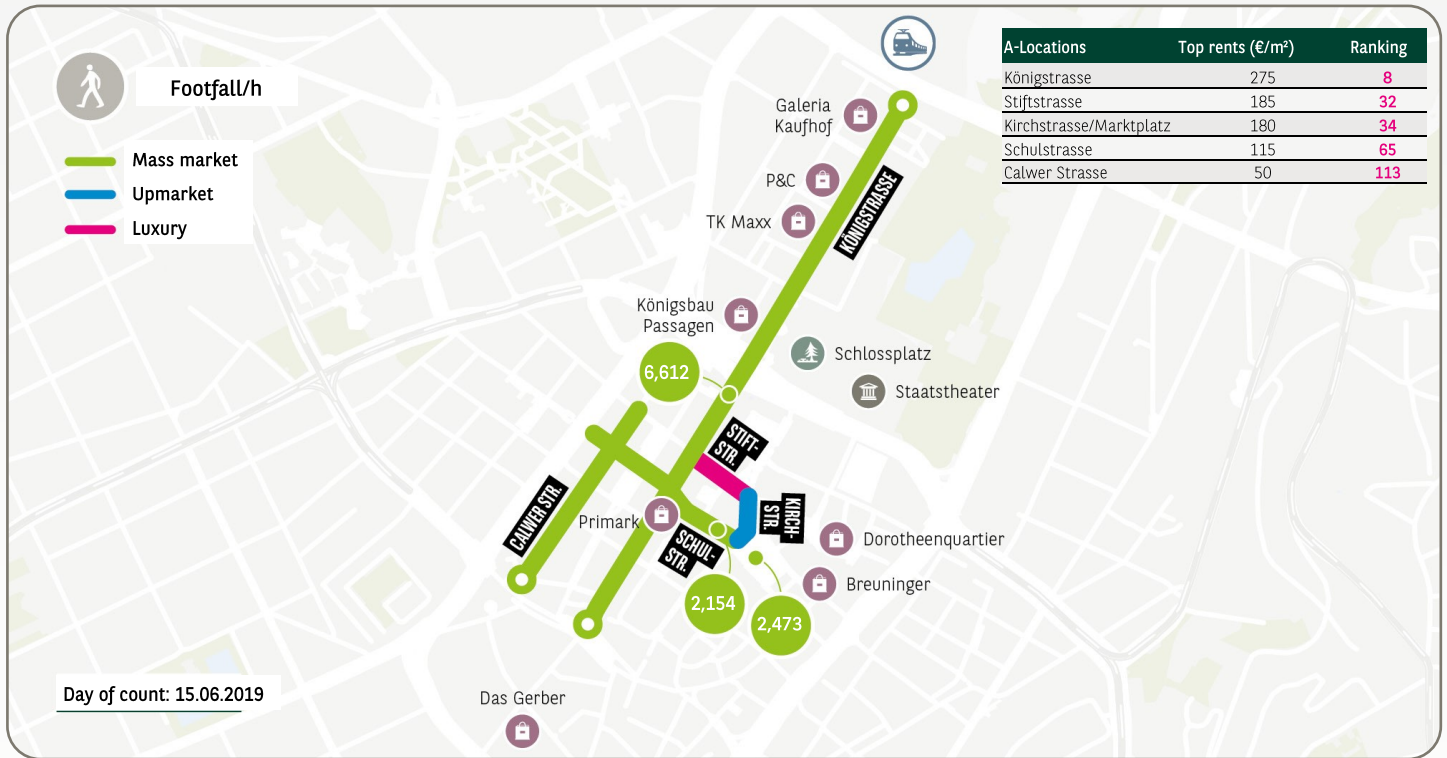
FOOTFALL REPORT STUTTGART

Current Key facts

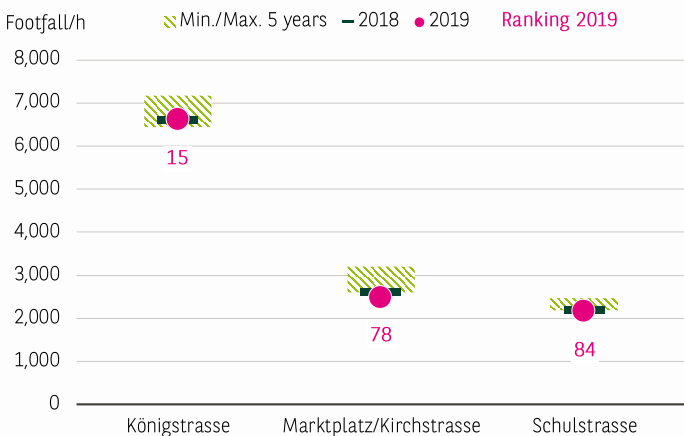
- 632,743 Inhabitants
- 416,667 Employees
- 4.2% Unemployment rate
- 113.2 Purchasing power
- 130.9 Turnover index
- 1.16 Centrality

A very low unemployment rate paired with extremely high purchasing power, added to years of rising overnight stays - Stuttgart's retail trade enjoys the best location conditions. However, with ever growing competition from online retailing, factors such as the quality of the stay and the shopping experience are more essential than ever when it comes to winning

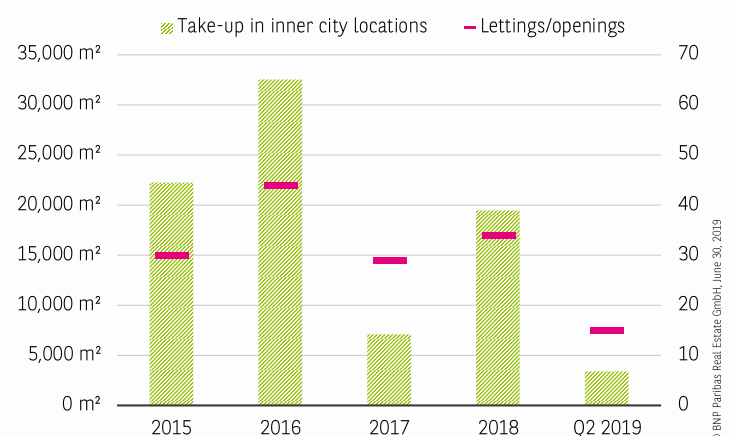
customers' hearts. It is therefore not surprising that the centre of Stuttgart is also undergoing urban transformation. The more than one kilometre long Königstraße, and top location for footfall in the state capital of Baden-Württemberg, is a particular hotspot for new developments and revitalisation projects.



Footfall per hour in selected A-locations

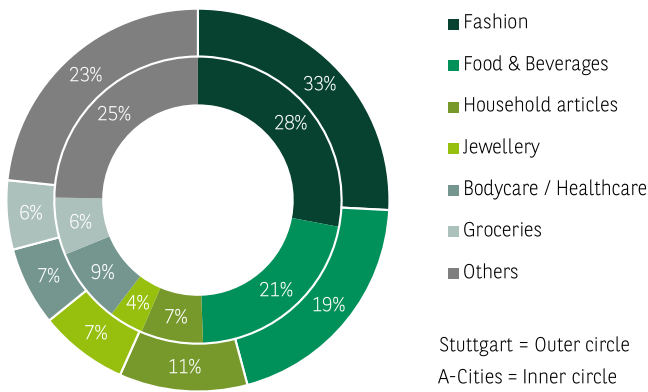


Inner city locations: take-up and lettings/openings

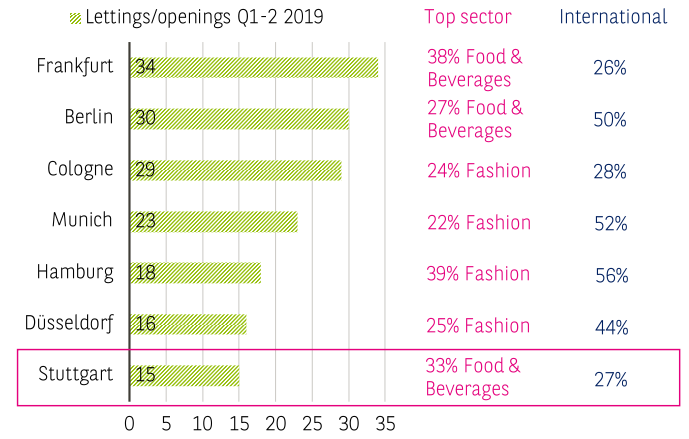


Day of count: 15.06.2019 | Positioning within the nationwide ranking - 95 counting locations respectively 118 top rents in 27 cities
Source: BBE Handelsberatung GmbH | Key facts: Residents and community register, Federal Employment Agency, GfK Geomarketing GmbH

Lettings/openings by sector since 2016



City ranking of lettings/openings Q1-2 2019

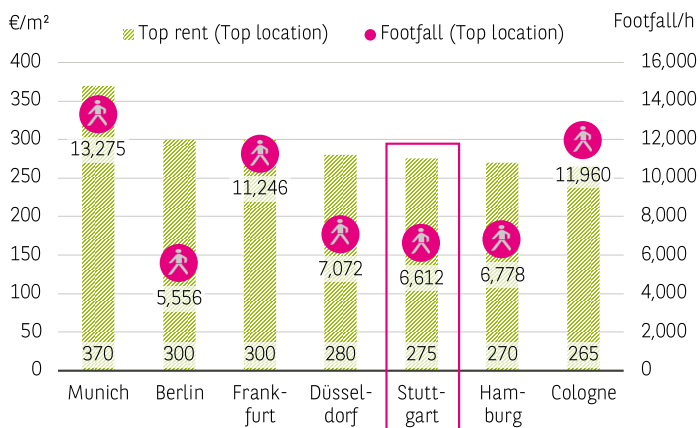


FOOD AND BEVERAGE RETAILERS ARE BECOMING INCREASINGLY IMPORTANT

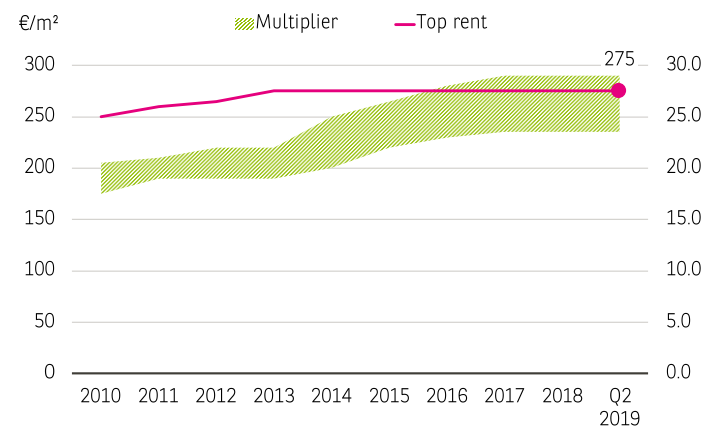
With a good 6,600 pedestrians per hour, Königstraße once again secures a place among the 15 most frequented shopping streets in Germany, an almost exact repeat of the previous year. Due to the healthy relationship between supply and demand, top rent for a typical 100 m² shop remains high at up to 275 €/m², which corresponds to eighth place in a Germany-wide comparison. Last year saw a disproportionately large number of contracts concluded in Königstraße against a long-term comparison and the same market in the first six months of 2019 has so far been somewhat more restrained. The most prominent deals were the new store of Italian fashion label Patrizia Pepe on the corner of Stiftstraße and a lease by Würth. The tool retailer, which in 2017 opened its first store focused on serving the end customer, is moving to a new location a few house numbers away. Viewing the many new developments and regenerations that are currently being carried out or are in the planning phase it's clear that Stuttgart's main shopping street is in a state of flux and that new dynamics can be expected in the near future. The best example of this is the planned new development of Königstraße 1-3, which is

presently the subject of lively public debate. An attractive urban planning solution will give the entrance to the shopping street a completely new look. But many other projects, such as the demolition of the former Wempe House (Königstrasse 41) or the revitalization of the Hofbräu Ecks (Königstrasse 45) will also make a contribution. The premises at Königstrasse 35 and 38 are also in the planning stage. A trend likely to change the centre structure in the future is the shift of emphasis in demand. While in the medium term the clothing industry has the largest and, in comparison to A-cities, slightly above-average share of lettings, grocery retailers and restaurateurs in particular are becoming more and more prominent by increasingly looking for space in prime locations. The latter represented the sector with the highest turnover in terms of space in the first half of 2019, not least due to Enchilada Franchise GmbH, which is launching its two chain restaurants Burgerheart (500 m²) and Wilma Wunder (240 m²) downtown. The opening of Burger chain Five Guys at Königstrasse 37 is also eagerly awaited. In addition, the trend reversal from classic to more singular concepts is leading to an increase in demand particularly for smaller spaces.

Top rent and footfall in A-cities



Development of top rent and purchase price multiplier



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