Aachen is Germany’s most westerly city and its location near the border of three countries makes it an attractive place to live. It can look back on recent energetic development based on the growing number of students and its attraction as a tourist destination. According to an IHK study from 2018, 41% of tourists said that alongside visiting the sights, shopping was their chief reason for visiting the cathedral city. The “Aachen 2022” project is pursuing a strategy of increasing the attractiveness of inner city shopping precincts. The first half of 2019 was particularly occupied with discussions about the redevelopment of lower Adalbertstrasse.
A MARKET BETWEEN UPEHAUL AND BREAKTHROUGH
Downtown shopping districts in Aachen are undergoing dynamic development. Particularly exciting is the scheme in Büchel and in Antoniusstraße where the city is purchasing a series of plots with the notion of planning a mixture of residential, retail and hotel properties. Further discussion of a redevelopment of Adalbertstraße is taking place, specifically about the potential to unite the vacant properties around the Aquis Plaza shopping centre. Broadly speaking, a comparatively high vacancy rate can be observed in the first half of 2019, which has led, in addition to the upheaval in the city centre, to a certain degree of uncertainty on the market. The resulting weakening demand is therefore also reflected in the development of prime rents (100 €/m²) which have been under pressure since 2016, but have stabilized since the end of last year. Looking at comparable locations, the top rent, which is still achieved in Adalbertstrasse, is slightly higher. In various city centre streets, owners are currently offering discounts to either retain existing tenants or to convince new concepts of their locations. The current reservation expressed by retailers is shown in the comparatively low number of only two registered lettings/openings: the drugstore chain dm has secured premises in Großkölnstraße, and Tredy Fashion a store on Adalbertstraße. Contrary to those developments outlined, the last few years have shown that Aachen can shine when it comes to its footfall (average 4,950), which is above average for those cities between 100,000 and 250,000 inhabitants and is illustrative of its basic attractiveness to retailers. The aforementioned willingness to transform alongside continuing good footfall figures offers the possibility to adapt and innovate. An early indication of such renewal is apparent in the sector analysis: with a share of 37% of contracts concluded since 2016, the food & beverages industry is by far the most important tenant segment. Thus, Aachen is in line with the nationwide trend of the increasing importance of the food and drink sector. In addition, slightly lower rents enable emerging companies with innovative concepts the opportunity to secure retail space in top locations.