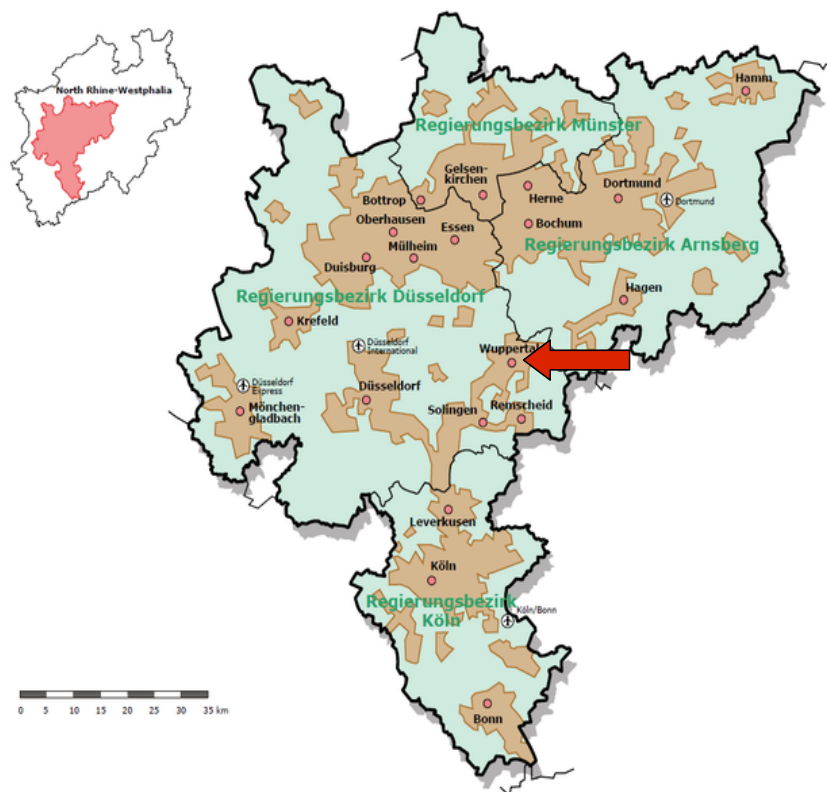


# Wuppertal – The Rhine-Ruhr Area of Germany –

## Wuppertal– The Rhine-Ruhr Area of Germany –



Wuppertal, despite still being located in Germany's industrial heartland, is a city in the countryside and the economic and cultural centre of the Bergische Land. This university city also lies at the geographical centre of the Rhine-Ruhr region. The cities of Düsseldorf, Cologne and Essen are only half an hour away by car, yet the rents in Wuppertal are less than half, and even a quarter, the prices of these cities.

The Wuppertal population enjoy a rich cultural life, good shopping and a great recreational value. Art nouveau styles set distinctive architectural accents across the city.

The central location of the city has contributed much to its economic importance: Wuppertal has eleven motorway junctions, IC and ICE trains - and the airports of Düsseldorf and Cologne are on the doorstep.

In the following table, the population in this area is given, with the major cities broken down. Some 10 million citizens makes for a huge market, which is still dominated by tenants in the residential housing sector, albeit to a lesser extent than the cities in the former east.

Larger Urban Zone	major cities	area	population
<b>Ruhr</b> Larger Urban Zone <sup>[5][6]</sup>		4,434 km <sup>2</sup>	5,172,745
	Dortmund	280 km <sup>2</sup>	581,308
	Essen	210 km <sup>2</sup>	576,259
	Duisburg	233 km <sup>2</sup>	491,931
<b>Düsseldorf</b> Larger Urban Zone <sup>[7][8]</sup>		1,200 km <sup>2</sup>	1,525,774
	Düsseldorf	217 km <sup>2</sup>	586,217
	Neuss	99 km <sup>2</sup>	151,280
	Ratingen	67 km <sup>2</sup>	91,306
<b>Mönchengladbach</b> Larger Urban Zone <sup>[9][10]</sup>		170 km <sup>2</sup>	258,251
	Mönchengladbach	170 km <sup>2</sup>	258,251
<b>Wuppertal</b> Larger Urban Zone <sup>[11][12]</sup>		168 km <sup>2</sup>	351,050
	Wuppertal	168 km <sup>2</sup>	351,050
<b>Cologne</b> Larger Urban Zone <sup>[13][14]</sup>		1,627 km <sup>2</sup>	1,899,930
	Cologne	405 km <sup>2</sup>	1,000,298
<b>Bonn</b> Larger Urban Zone <sup>[15][16]</sup>		1,295 km <sup>2</sup>	918,248
	Bonn	141 km <sup>2</sup>	319,841
<b>Rhine-Ruhr Region</b>		8,894 km <sup>2</sup>	10,125,998

Broken down further, here we see a table of the independent cities by population, and density which is uniformly high across the region, and despite the vast greenery in the city, Wuppertal is still above the average for the region.

Cities independent of a Kreis			
Municipality	Inhabitants 31. December 2009 <sup>[2]</sup>	Surface km <sup>2</sup>	Inhabitants per/ km <sup>2</sup>
Bochum (BO)	376.319	145,44	2,587.45
Bonn (BN)	319.841	141,22	2,264.84
Bottrop (BOT)	117.241	100,61	1,165.3
Dortmund (DO)	581.308	280,39	2,073.21
Duisburg (DU)	491.931	232,81	2,113.01
Düsseldorf (D)	586.217	217,01	2,701.34
Essen (E)	576.259	210,38	2,739.13
Gelsenkirchen (GE)	259.744	104,86	2,477.06
Hagen (HA)	190.121	160,36	1,185.59
Hamm (HAM)	181.741	226,26	803.24
Herne (HER)	165.632	51,41	3,221.79
Köln (K)	998.105	405,15	2,463.54
Krefeld (KR)	235.414	137,76	1,708.87
Leverkusen (LEV)	160.593	78,85	2,036.69
Mönchengladbach (MG)	258.251	170,45	1,515.11
Mülheim an der Ruhr (MH)	167.471	91,29	1,834.49
Oberhausen (OB)	214.024	77,04	2,778.09
Remscheid (RS)	111.422	74,60	1,493.59
Solingen (SG)	160.992	89,46	1,799.6
Wuppertal (W)	351.050	168,39	2,084.74
<b>total/average</b>	<b>6.503.676</b>	<b>3.163,74</b>	<b>2,055.69</b>

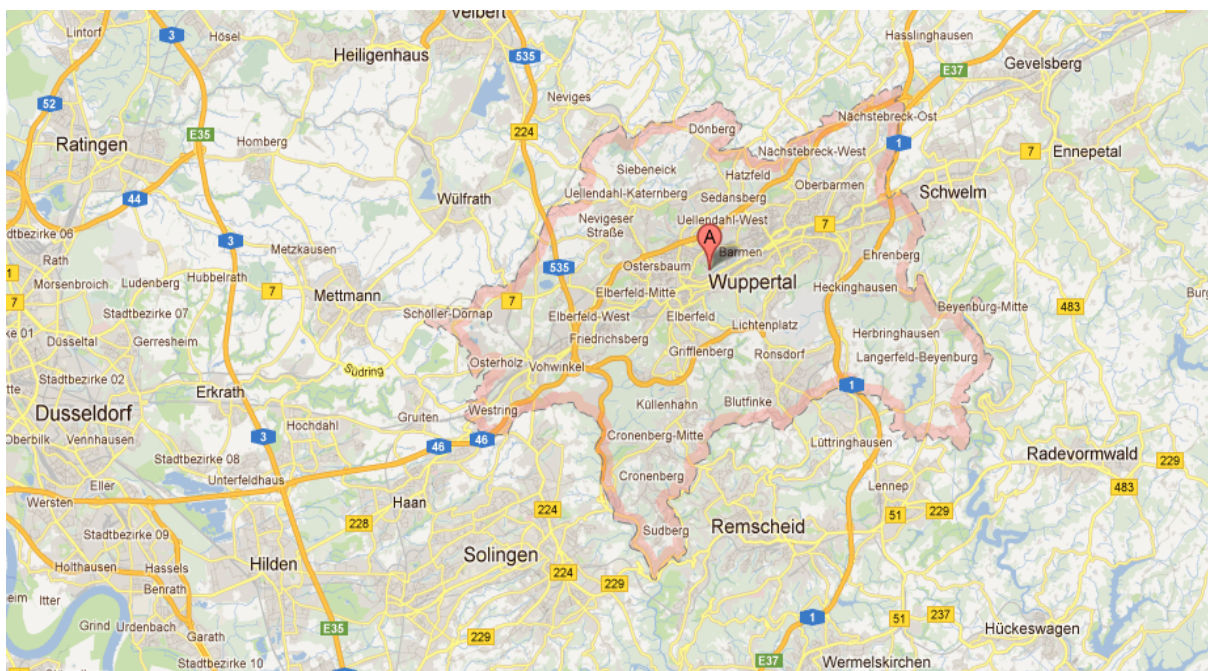


**The *Schwebebahn*, the world's oldest monorail system, and its *Kaiserwagen* (1900)**



In amongst the regular city traffic is the world's oldest monorail and only 'transit traffic' cable car - the symbol of the city, hovering over 75,000 passengers daily along the 13-kilometre route, only eight metres above the street.

Surrounded by wooded hills, the city is elongated in the narrow valley of the Wupper and loses itself in the suburb's hilly meadows and lush forests. From any point of the city forest you can find yourself in vast green spaces within just a few minutes. Wuppertal is an active, young and diverse city that has benefited from its good location, close to the metropolis of Düsseldorf.



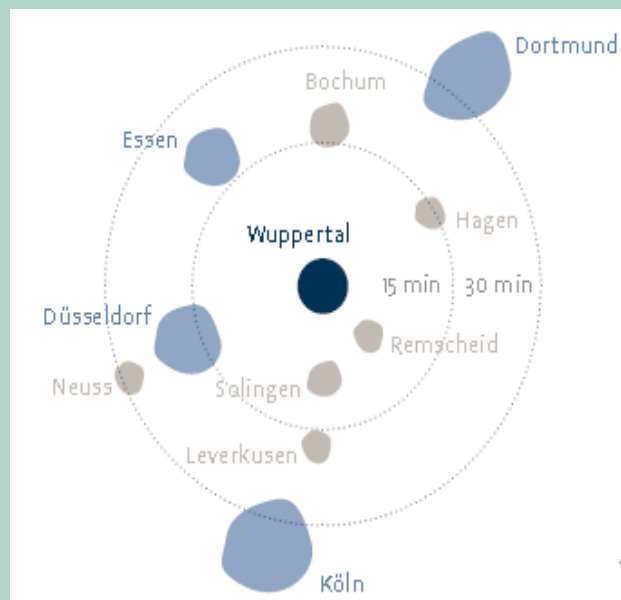


In this city, we see a current a current unemployment rate of 11.5%, which is slightly above the national average of 9% (2010 stats), but with all the other cities in the region, a strong job supply. Due to the nature of this 'manufacturing region', with the development of the German economy over the next few years, migrant and domestic workers will provide a reasonable increase in the city's population.

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Sheltered by the long, steep river valley, Wuppertal can feel somewhat far-flung, cut off, due to the hill sides and greenery, yet it is part of the economic region known as the Bergisches Städtedreieck (Bergisch City Triangle) and occupies a pivotal position in the Rhine-Ruhr conurbation. The city is centrally located in the economic region of North Rhine-Westphalia and has excellent transport connections in all directions.

The city was in many ways thrown together by town planners and local politicians, Wuppertal (the name means literally "Wupper valley") is a large city composed of several small towns along the Wupper River valley: whilst the towns still maintain their own identities, two things bring them all together – the River and the "Schwebebahn", or translated, hovering railway. Wuppertal has two vibrant centres. Because of these historical factors, two separate commercial centres established themselves along the Wupper valley, each of which commands a hinterland worthy of any great metropolis.



Wuppertal is sometimes called "the San Francisco of Germany", and not because it has a famous prison or a big red bridge, but for its steep hills lined by pretty houses and thousands of steps; meaning that Wuppertal's residents are never more than two minutes (and a sweat!) from one of the city's many fine hill parks and view points.



Looking over the 15km valley city occupies, Wuppertal makes quite an industrial impression. Chimney stacks, red bricks, random lumps of steel and corrugated iron; the city was pioneering for Germany's industrial revolution. One of the first areas in Germany to industrialise, Wuppertal benefited from the river Wupper, which gave easy access to energy, and later from its nearness to the coal riches of the Ruhr area. Wuppertal was however, a victim of its own beauty and location and was slowly overtaken by neighbouring cities which had more room for expansion. However, many companies see opportunity in Wuppertal and are quite happy to deal with the architectural difficulties of building in a valley. The Delphi Corporation (the supply arm of General Motors), has its German headquarters in Wuppertal, along with E/D/E, one of Europe's largest purchasing organisations supplying medium sized hardware producers and dealers. One of the city's oldest companies, Vorwerk, which was once a small carpet manufacturer in the industrial district of Barmen, has now grown to become an international distributor of household goods and cosmetics. Major employers in Wuppertal today include Bayer AG, Johnson & Johnson, the Schaeffler Group and Vorwerk & Co. KG. As home to the headquarters of Barmer GEK and Barmenia, Wuppertal is also a major insurance location.

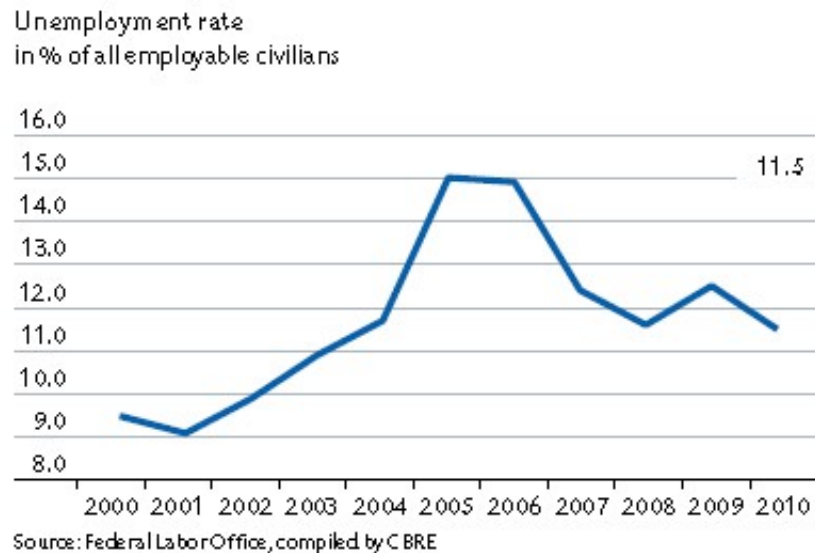
Today, manufacturing at 27% still accounts for the biggest share of the employment market when service industries are split down into their individual segments. The shift towards a more service-based economy has not been as pronounced in Wuppertal as in other regions of Germany, although a business survey of the last two years shows a marginal advance by the tertiary sector. In addition, other important trade sectors in Wuppertal are mechanical engineering and publishing. Following on from mechanical engineering, no reference to Wuppertal could possibly be made, without highlighting the city's Schwebebahn, or 'hovering railway'. This greatest feat of metalwork runs the full length of the city, at times straddling the river, providing the perfect answer to the challenges of mass transit in an urban area surrounded by steep hills. The rails are hung mid-air, suspended from metal arch supports, with the train wheels on the roof of the carriages. Because there is nothing below the carriages, passengers have the impression of hovering along the valley. Stations sit above the streets and wherever you are in Wuppertal, the extremely impressive mode of transport is never far away: a truly unique transport experience hidden in provincial Germany. Almost 90% of the more than 192,500 dwellings in Wuppertal are privately owned. This proportion is very high in comparison with other independent cities. It demonstrates the highly individual character of the housing market. By contrast, the number of owner-occupied

dwellings as a proportion of the total housing stock is very low at 19.7 %. The average figure for independent cities in North Rhine-Westphalia is 23.5 %.

The vacancy rate has been relatively constant over recent years. According to the Techem-empirica vacancy index, there was an active vacancy rate of 3.9 percent in Wuppertal in 2011.

## Employment

In this city, we see a current a current unemployment rate of 11.5%, which is slightly above the national average of 9% (2010 stats), but with all the other cities in the region, a strong job supply. Due to the nature of this 'manufacturing region', with the development of the German economy over the next few years, migrant and domestic workers will provide a reasonable increase in the city's population.





## Typical Property in Wuppertal:

265,000 Euro. This lovely heritage residential property, set over 5 floors, contains 6 apartments. is located close to the famous cable car, numerous green areas and in the central location of Wuppertal-Elberfeld. Built in 1900 it recently underwent renovations to the façade, electrics, heating and water pipes, flooring and new contemporary bathrooms. The apartments all have decentralised gas heating. All the surrounding properties are fully renovated and of a period style also. A very good location and a very good property.

Currently yielding 10.95% and priced 486 Eur/sqm, finance should be expected in the 70-80% region at today's low interest rates of 3.4%. As far as cash flow is concerned, this type of unit not only appeals to the wallet, but is also very easy on the eye. Hard to beat at this price range, in any of the areas that we operate.

Compared to the prices paid across the city, this unit has an average rent of 4.44 Eur/sqm, which is 20% below the average, giving this property an even greater potential yield.



### Housing

m	Wuppertal	North Rhine-Westphalia	Germany
30 m <sup>2</sup>	€ 6.15	€ 8.28	€ 7.84
60 m <sup>2</sup>	€ 5.42	€ 5.69	€ 5.67
100 m <sup>2</sup>	€ 5.46	€ 6.10	€ 6.34



Here this single apartment is on the market for 59,950 Eur and is being sold fully refurbished and fully tenanted. At 66 sqm, it delivers a rental income of 4,600 Eur/annum, providing a yield of 7.7%.

# The Investment Districts of Wuppertal

## Barmen:

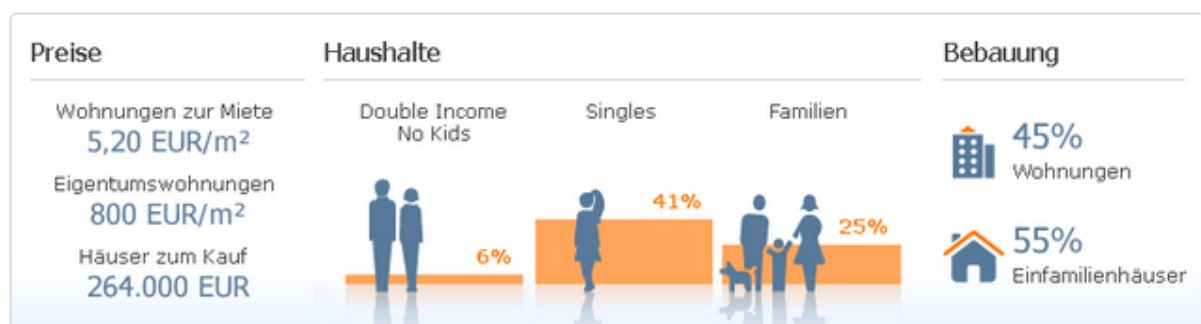
Seemingly popular with families, throughout the district of Barmen there are several elementary, primary and secondary schools. The youngest residents of the district are served from 15 day care centres. Barmen is a multi-district, with a roughly 50:50 split of single family homes and apartments, which offers something suitable and versatility for any home requirements. Boasting one of the city's 'centres', shopping and entertainment are within a stone's throw. Rents in this area are on a par with the city average.



(Vacancy Rate – 4.4%)

## Oberbarmen:

Oberbarmen is a relatively small, heavily populated district in the north-east of the city. A very high population density with a very high immigrant population and in parts monotonous and high storey houses characterize the district; therefore the rents are accordingly lower than elsewhere in the city. In the outlying areas of the district you can find more attractive settlements with prettier dwellings, allotments and sports grounds. Residents here are either price conscious individuals or families with children that are convinced that the district has more than meets the eye.



Vacancy Rate – 4.1%)



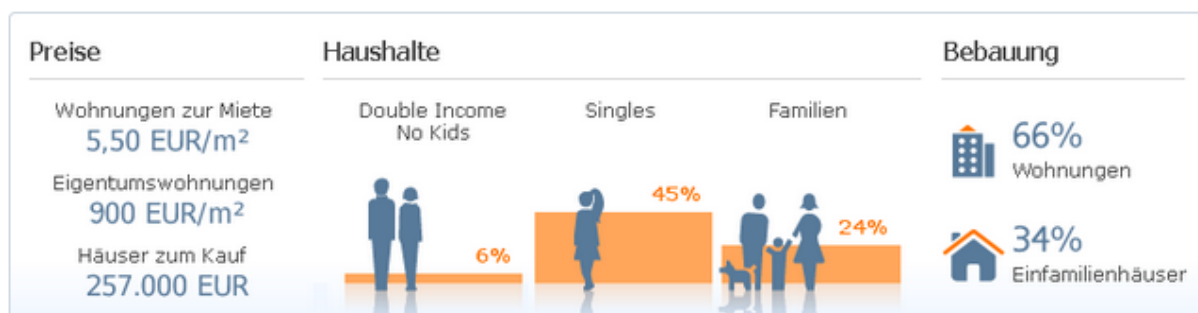
# The Investment Districts of Wuppertal

## Elberfeld:

The centrally-located Elberfeld, situated to the west of Barmen, is the most populated of the Wuppertal districts and can thus be viewed as a de facto centre of the city, as the footfall is higher than that of Barmen's centre.

The municipality belongs to the district Elberfeld, but is itself divided into six districts because of its size. Deemed as the city centre, and right on the Wupper, this area boasts the Central Station, many shops, bars, clubs, cafés and cultural facilities and two large shopping centres.

The closely built-up northern city and neighbourhood of Ostersbaum is characterized by a high population density with a high immigrant population and a lively street scene. Low rent in large part, older homes, dozens of pubs and smaller grocery stores make the area especially attractive to younger people. Just behind the main railway station Südstadt beginning with its nearly ten thousand inhabitants to little more than half a square kilometre area in the most densely populated neighbourhoods across the city. Despite its central location and excellent transport links, the rents are cheap. For those who want to live close to the heartbeat of the city, Elberfeld to the right place for them, without ever straying far from the views and beauty of the landscape.

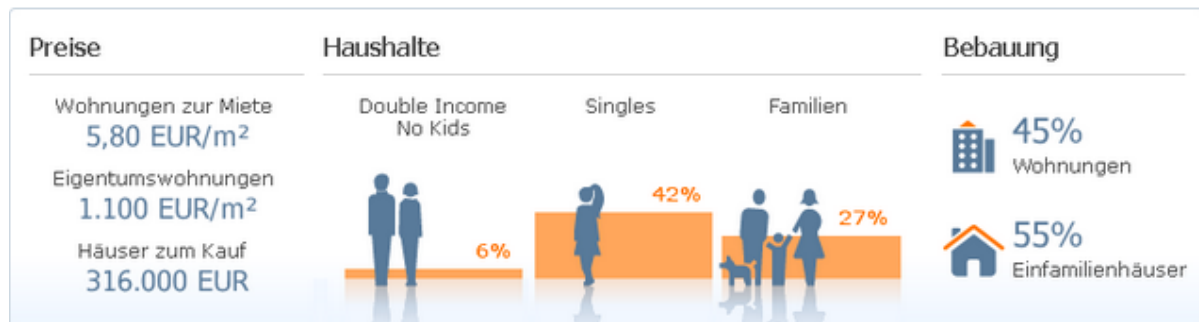


(Vacancy Rate – 3.7%)

# The Investment Districts of Wuppertal

## Elberfeld West:

It is not difficult to guess the location, but the district is the largest of the Elberfeld 'micro districts'. West Elberfeld is perhaps the most exciting and dynamic district of Wuppertal. Here, newly arrived students feel equally at home with the old industrial aristocracy. A popular area with a low vacancy rate.



(Vacancy Rate – 5.1 %)