

# LEG Housing Market Report NRW 2011

With HousingCostAtlas





**Dear reader,**

The exceptionally widespread and positive response to the first LEG Housing Market Report NRW in 2010 demonstrated that we are on the right path. As such, we are delighted to be able to present this second edition to you. The 268-page report contains extensive, updated information on all of the housing markets in the 54 cities and districts of North Rhine-Westphalia. The LEG Housing Market Report NRW 2011 provides details of the economic and demographic conditions in the individual locations, the development of rents and purchase prices for apartments and apartment buildings, the level of construction activity, and vacancy rates. By compiling all of the available information, the report paints a multi-faceted picture of the living conditions experienced by the almost 18 million inhabitants of the state.

LEG's managers, from left:  
Thomas Hegel (CEO),  
Holger Hentschel (HOO) and  
Eckhard Schultz (CFO).

One encouraging development relates to the data pool: whereas the analysis in the previous year was impaired to an extent by a lack of data, this situation has improved significantly in a number of regions. Although individual data sets for some of the less densely populated districts remain incomplete this year, the present analysis is almost certainly the most comprehensive evaluation of the regions of a federal state that is currently available in Germany.

The report is intended for anyone with an interest in or enthusiasm for the topic of residential property in North Rhine-Westphalia, be they tenants and owners, cities and municipalities, economic development corporations, urban planners, estate agents or investors. After all, the figures presented in the report highlight not only those areas where new construction activity will be particularly worthwhile in future, but also where new development concepts are expected to be implemented with a view to ensuring the sustainability of the respective location.

The analysis also documents the fact that demographic problem areas are found not only on either side of the Ruhr river, but also in a number of rural regions. With around 90,000 apartments in North Rhine-Westphalia, we know that the 12 major cities and 42 smaller housing markets in the state are far from synchronous in terms of their development – and that there is just a fine line between light and shade in some areas.

We would like to take this opportunity to express our particular gratitude to our research partner CB Richard Ellis, which, as in the previous year, compiled all of the data and evaluated it in conjunction with our regional and branch managers.

We hope the second LEG Housing Market Report NRW makes for interesting reading and look forward to receiving your feedback on the report and its location portraits, which can also be viewed on the LEG website by going to [www.leg-nrw.de](http://www.leg-nrw.de).

Sincerely,

Thomas Hegel  
Management Spokesman,  
CEO

Eckhard Schultz  
Managing Director,  
CFO

Holger Hentschel  
Member of Management,  
HOO

## Low housing costs thanks to affordable rents and high purchasing power

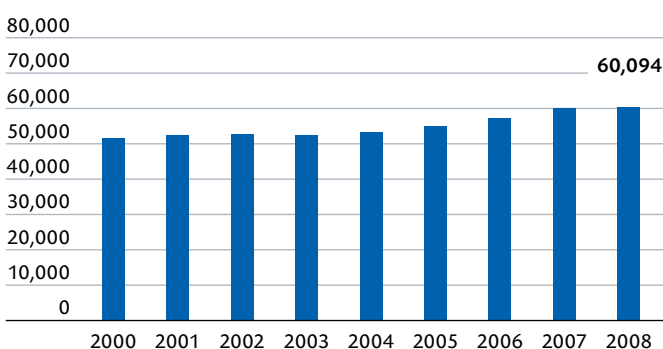
**A**round 283,000 people live in the Oberbergischer Kreis, which consists of seven cities and six communities. With a population of around 52,000 people, the biggest city in the district is Gummersbach, which is also its administrative center. In the south of the district, the community of Morsbach has the lowest population at approximately 11,300 people. Overall,

population figures in the area have declined in recent years. From 2000 to 2009, the district lost almost 2 percent of its population, while the number of households increased by 5.2 percent over the same period. Forecasts are predicting further increases in the number of households until 2020, while population figures are set to continue to decline until 2025.

| Macroeconomic data                              | Oberbergischer Kreis | NRW        | Germany    | Year      |
|---|----------------------|------------|------------|-----------|
| Residents                                       | 282,636              | 17,872,764 | 81,802,256 | 2009      |
| Population density (residents/km <sup>2</sup> ) | 309                  | 526        | 230        | 2009      |
| Population development in %                     | -1.9                 | -0.8       | -0.6       | 2000-2009 |
| Population forecast in %                        | -6.3                 | -2.4       | -3.6       | 2009-2025 |
| Households                                      | 128,568              | 8,550,214  | 39,628,120 | 2009      |
| Household development in %                      | 5.2                  | 2.8        | 3.7        | 2000-2009 |
| Household forecast in %                         | 5.2                  | 1.5        | 1.1        | 2009-2020 |
| Buying power                                    | 98.1                 | 101.2      | 100.0      | 2011      |
| Per capita buying power in €                    | 19,318               | 19,921     | 19,684     | 2011      |
| Workers paying social insurance contributions   | 87,440               | 5,766,861  | 27,380,096 | 2009      |
| Development of social insurance contributions   | -1.6                 | -2.4       | -1.6       | 2000-2009 |

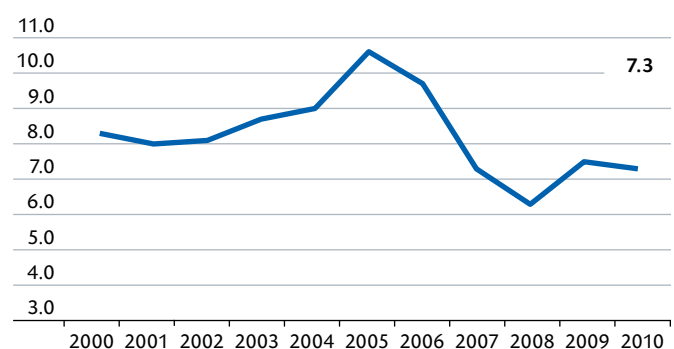
Source: NRW Statistics Office, Federal Statistics Office, GfK GeoMarketing, compiled by CBRE

### Gross domestic product per employed person in €

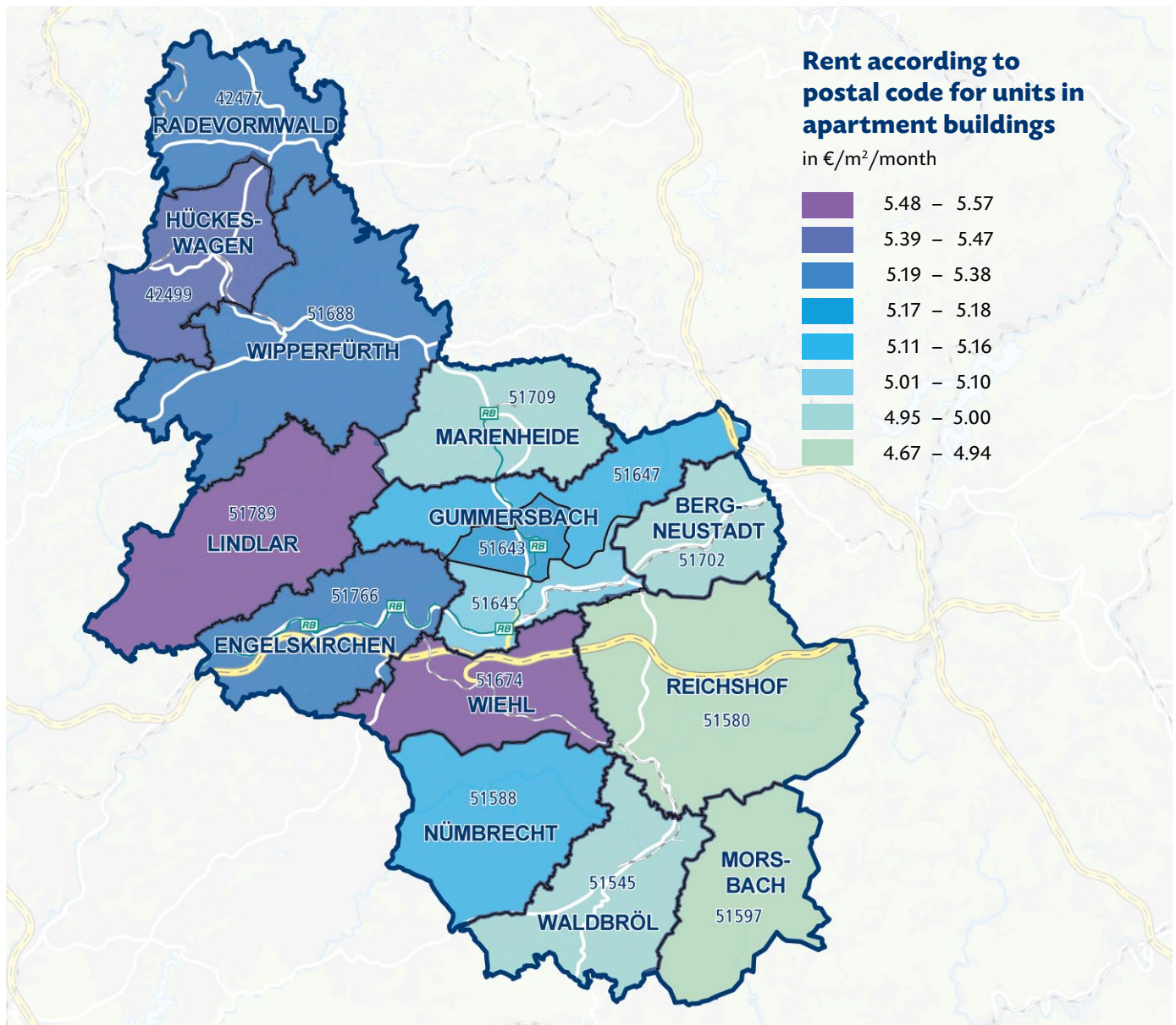


Source: NRW Statistics Office, compiled by CBRE

### Unemployment rate in % of all employable civilians



Source: Federal Labor Office, compiled by CBRE



## Economic structure

With more than 240 companies in the plastics processing and related industries, the district is one of the strongest plastics locations in North Rhine-Westphalia. The mostly small and medium-sized companies supply plastics products for the automotive, medical and measurement engineering sectors. Other key areas for the local economy include metal processing and services. Manual crafts also play a large role in the district's indus-

trial structure. The Bergisch Land District Craftspeople's Association bundles the combined interests of independent craftspeople in the Rheinisch-Bergischer Kreis, the Oberbergischer Kreis and the city of Leverkusen with around 8,000 crafts and related firms and 46,900 employees. These firms generate almost €4 billion in revenues each year. Finally, the district's good geographical location close to the conurbations of Cologne, Bonn, Dus-

seldorf and the Ruhr region enables the targeted sales of the products it manufactures. Thanks to the A 4 highway, the area around the district has a direct link to the neighboring Rhine metropolis of Cologne and therefore the regional centers in the Rhineland as well. Its proximity to the A 45 highway provides a connection to the South German highway infrastructure. Cologne/Bonn Airport is around 50 kilometers away.

| Housing stock data                   | 2004    | 2005    | 2006    | 2007    | 2008    | 2009    |
|--------------------------------------|---------|---------|---------|---------|---------|---------|
| Vacancy rate in %                    | 3.3     | 3.0     | 3.3     | 3.4     | 4.0     | 4.0     |
| Permits for new buildings            | 859     | 817     | 725     | 506     | 363     | 448     |
| Finished apartments                  | 889     | 893     | 715     | 500     | 415     | 414     |
| Housing stock                        | 119,552 | 120,443 | 121,123 | 121,602 | 121,999 | 122,380 |
| Housing stock in apartment buildings | 35.1    | 35.0    | 35.0    | 34.9    | 34.9    | 34.9    |

Source: Techem-empirica (vacancy), NRW Statistics Office, compiled by CBRE

## Residential market: Rising number of single households anticipated

In the area around the Oberbergischer Kreis, there are 309 inhabitants for every square kilometer of land. Thus, the Oberbergischer Kreis is one of the more sparsely populated districts in the state of North Rhine-Westphalia. The population density could be set to decline even further in future as a result of the forecast loss of residents. However, offsetting this, the decline in population figures in the Oberbergischer Kreis of 6.3 percent by 2025 will be also counteracted by growth in the number of households of 5.2 percent by the year 2020. Driven by the shrinkage of households, the number of one-person households will therefore increase, in turn impacting the local demand structure.

A high share of one and two-family houses is typical of this district. Only approximately 35 percent of the total housing stock of 122,380 units in the Oberbergischer Kreis are situated in a multiple dwelling unit. Rented households therefore constitute a minority in the region. With an average household size of two people,

around 85,000 residents in the district area live in a rented apartment. Prospective tenants experienced stable overall asking rents in 2010. As against the previous year, advertised apartment rents increased by only 0.2 percent to an average price of €5.17 per square meter per month. However, the price performance varied from segment to segment. For example, the asking prices for apartments in the lower market segment increased by 2.8 percent to €3.97 per square meter per month. Meanwhile, in the upper market segment, asking rents declined by 1.8 percent as compared to 2009 to €7 per square meter per month. In 2010, peak rents of more than €7 were demanded in Waldbröl (postcode area 51545, €7.69), Lindlar (postcode area 51789, €7.45), Wiehl (postcode area 51674, €7.28), Engelskirchen (postcode area 51766, €7.20), Nümbrecht (postcode area 51588, €7.12) and Wipperfürth (postcode area 51688, €7.03).

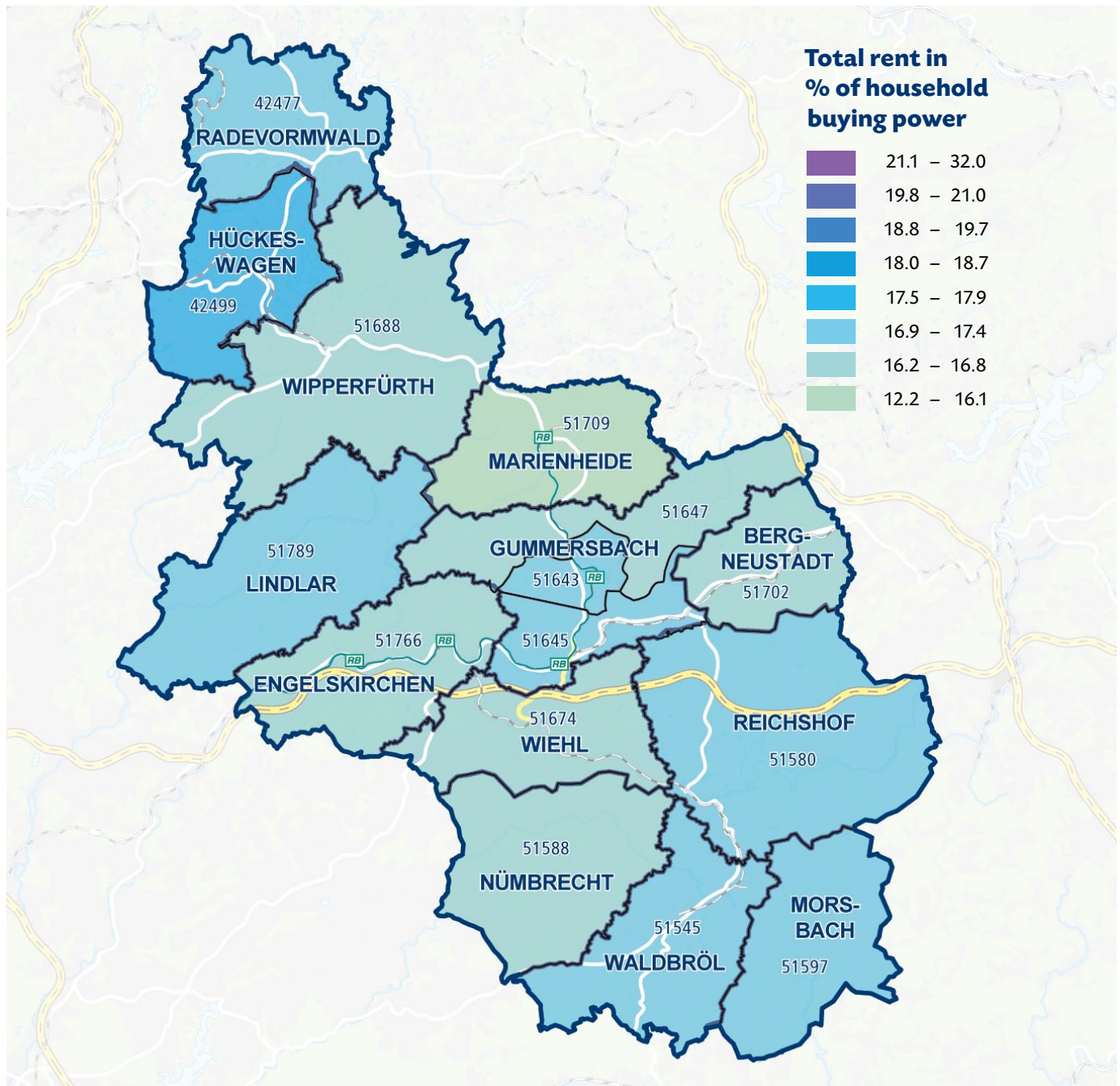
The costs of rent were moderate for the households in the district area on account

of the high level of affluence. Households here have an average monthly purchasing power of €3,680 per month. Thus, they are in the top quarter compared to other cities and districts in North Rhine-Westphalia analyzed in this report. The proportionately high affluence in the Oberbergischer Kreis is coupled with a moderate price landscape. Thus, in spite of the rise in prices in 2010, prospective tenants found asking rents in the lower market segment of not more than €4 per square meter per month in ten out of 15 postcode areas. The average monthly costs for rent without heating in the district area amount to 10.5 percent (€386) of household purchasing power. Rent including heating amounts to 16.6 percent (€610) of the net monthly amount on average. The community of Marienheide (postcode area 51709) has the most tenant-friendly housing costs for rent not including heating at 9.6 percent (€368) of household purchasing power. It also has the lowest costs for rent including heating in the entire district area at 15.3 percent (€588).

| Housing data |                         |  |  |   |                                 | Housing cost                       |                                 |   |                                     |   |   |
|--------------|-------------------------|--|--|---|---------------------------------|------------------------------------|---------------------------------|---|-------------------------------------|---|---|
| Postal code  | Number of rental offers | Basic rent in bottom market segment in €/m <sup>2</sup> /month | Median basic rent in €/m <sup>2</sup> /month | Basic rent in top market segment in €/m <sup>2</sup> /month | Vacancy 2009 in % <sup>1)</sup> | Apartment size Ø in m <sup>2</sup> | Basic housing cost Ø in €/month | Total housing cost <sup>2)</sup> Ø in €/month | Household buying power Ø in €/month | Basic rent in % of household buying power | Total rent in % of household buying power |
| 42477        | 206                     | 4.00   | 5.19   | 6.68  | 3.0                             | 79                                 | 409                             | 646   | 3,745                               | 10.9                                      | <b>17.2</b>                               |
| 42499        | 149                     | 4.00   | 5.46   | 6.94  | [1.0]                           | 78                                 | 427                             | 661   | 3,712                               | 11.5                                      | <b>17.8</b>                               |
| 51545        | 403                     | 3.89   | 5.00   | 7.69  | [5.3]                           | 74                                 | 371                             | 593   | 3,455                               | 10.7                                      | <b>17.2</b>                               |
| 51580        | 343                     | 3.85   | 4.90   | 6.40  | n/a                             | 79                                 | 387                             | 623   | 3,621                               | 10.7                                      | <b>17.2</b>                               |
| 51588        | 329                     | 3.98   | 5.12   | 7.12  | n/a                             | 76                                 | 391                             | 620   | 3,683                               | 10.6                                      | <b>16.8</b>                               |
| 51597        | 164                     | 3.90   | 4.67   | 5.90  | n/a                             | 76                                 | 355                             | 584   | 3,437                               | 10.3                                      | <b>17.0</b>                               |
| 51643        | 705                     | 4.00   | 5.17   | 6.94  | [4.5]                           | 71                                 | 368                             | 581   | 3,356                               | 11.0                                      | <b>17.3</b>                               |

### Postal code allocation

**42477** Radevormwald, City, **42499** Hückeswagen, City, **51545** Waldbröl, City, **51580** Reichshof, **51588** Nümbrecht, **51597** Morsbach, **51643** Gummersbach, City, **51645** Gummersbach-Dieringhausen, Derschlag, **51647** Gummersbach-Berghausen, Windhagen, Lieberhausen, **51674** Wiehl, City, **51688** Wipperfürth, City, **51702** Bergneustadt, City, **51709** Marienheide, **51766** Engelskirchen, **51789** Lindlar



| Housing data |                         |  |  |   |                                 | Housing cost                       |                                 |   |                                     |   |   |
|--------------|-------------------------|--|--|---|---------------------------------|------------------------------------|---------------------------------|---|-------------------------------------|---|---|
| Postal code  | Number of rental offers | Basic rent in bottom market segment in €/m <sup>2</sup> /month | Median basic rent in €/m <sup>2</sup> /month | Basic rent in top market segment in €/m <sup>2</sup> /month | Vacancy 2009 in % <sup>1)</sup> | Apartment size Ø in m <sup>2</sup> | Basic housing cost Ø in €/month | Total housing cost <sup>2)</sup> Ø in €/month | Household buying power Ø in €/month | Basic rent in % of household buying power | Total rent in % of household buying power |
| 51645        | 424                     | 4.03   | 5.10   | 6.75  | [3.8]                           | 73                                 | 371                             | 589   | 3,471                               | 10.7                                      | <b>17.0</b>                               |
| 51647        | 300                     | 3.96   | 5.16   | 6.54  | [2.8]                           | 72                                 | 372                             | 589   | 3,633                               | 10.2                                      | <b>16.2</b>                               |
| 51674        | 544                     | 4.13   | 5.57   | 7.28  | n/a                             | 73                                 | 406                             | 624   | 3,855                               | 10.5                                      | <b>16.2</b>                               |
| 51688        | 459                     | 4.32   | 5.38   | 7.03  | [4.3]                           | 76                                 | 407                             | 635   | 3,929                               | 10.4                                      | <b>16.2</b>                               |
| 51702        | 427                     | 3.77   | 4.95   | 6.84  | [7.9]                           | 73                                 | 360                             | 578   | 3,528                               | 10.2                                      | <b>16.4</b>                               |
| 51709        | 298                     | 3.85   | 5.00   | 6.19  | n/a                             | 74                                 | 368                             | 588   | 3,837                               | 9.6                                       | <b>15.3</b>                               |
| 51766        | 511                     | 4.17   | 5.38   | 7.20  | n/a                             | 75                                 | 402                             | 626   | 3,773                               | 10.7                                      | <b>16.6</b>                               |
| 51789        | 429                     | 4.33   | 5.50   | 7.45  | n/a                             | 80                                 | 439                             | 678   | 3,917                               | 11.2                                      | <b>17.3</b>                               |
| Ø            | 5,691 <sup>3)</sup>     | 3.97   | 5.17   | 7.00  | 4.0                             | 75                                 | 386                             | 610   | 3,680                               | 10.5                                      | 16.6                                      |
| Ø NRW        | 378,959 <sup>3)</sup>   | 4.13   | 5.76   | 10.00   | 3.6                             | 71                                 | 408                             | 621   | 3,463                               | 11.8                                      | 17.9                                      |

1) [Falling number of limited significance] 2) includes €3.00 operating cost/m<sup>2</sup> (DMB operating cost index 2010) 3) Total of offers  
 Source: CB Richard Ellis; based on data from: IDN Immodaten, GfK GeoMarketing (buying power data), Techem-empirica (vacancy)

## DIRECTORY OF SOURCES

Federal Statistics Office

Federal Labour Officet

Statistical Office of North Rhine-Westphalia

Committee of Valuation Experts for Cities and Districts in NRW

IDN ImmoDaten

GfK GeoMarketing GmbH

[http://www.boris.nrw.de/borisplus//data/GMB/GMB\\_111\\_2011\\_frei.pdf](http://www.boris.nrw.de/borisplus//data/GMB/GMB_111_2011_frei.pdf)

[http://www.kreis-dueren.de/aktuelles/presse/presse\\_kat.php?pm=/aktuelles/presse/wirtschaft/155010100000029321.php](http://www.kreis-dueren.de/aktuelles/presse/presse_kat.php?pm=/aktuelles/presse/wirtschaft/155010100000029321.php)

<http://www.kreis-coesfeld.de/fileadmin/ZfA/downloads/zfa-bericht-2011-05.pdf>

<http://www.hohenbuschei.de/>

<http://www.it.nrw.de/>

<http://www.duesseldorf.de/statistik/stadtforschung/sachthemen/bevoelkerung.shtml>

Annual Statistics for City of Münster, 2009, [http://www.muenster.de/stadt/stadtplanung/pdf/Jahres-Statistik\\_2009.pdf](http://www.muenster.de/stadt/stadtplanung/pdf/Jahres-Statistik_2009.pdf)

Annual Statistics for City of Münster, 2010, [http://www.muenster.de/stadt/stadtplanung/pdf/Jahres-Statistik\\_2010\\_Bevoelkerung.pdf](http://www.muenster.de/stadt/stadtplanung/pdf/Jahres-Statistik_2010_Bevoelkerung.pdf)

[http://www.oberbergischer-kreis.de/imperia/md/content/cms200/demographie/zahlen\\_daten\\_fakten\\_2010\\_2.pdf](http://www.oberbergischer-kreis.de/imperia/md/content/cms200/demographie/zahlen_daten_fakten_2010_2.pdf)

<http://www.wirtschaftsstandort-oberberg.de>

[http://www.muelheim-business.de/cms/softwaregames\\_bildet\\_den\\_leuchtturm\\_der\\_kreativwirtschaft\\_in\\_muelheim1.html](http://www.muelheim-business.de/cms/softwaregames_bildet_den_leuchtturm_der_kreativwirtschaft_in_muelheim1.html)

[http://www.kreis-lippe.de/Konzern\\_Kreis\\_Lippe/Fachbereich\\_Vermessung\\_Kataster/Fachgebiet53/Documents/Flyer\\_2011.pdf](http://www.kreis-lippe.de/Konzern_Kreis_Lippe/Fachbereich_Vermessung_Kataster/Fachgebiet53/Documents/Flyer_2011.pdf)

[http://www.kreis-olpe.de/standard/page.sys/details/eintrag\\_id=1807/content\\_id=1147/156.htm](http://www.kreis-olpe.de/standard/page.sys/details/eintrag_id=1807/content_id=1147/156.htm)

## GLOSSARY

**Scoring:** Ranking of the 54 districts and cities of North Rhine-Westphalia and the 11 other most populous cities in Germany in terms of the attractiveness of their property market.

**Population forecast:** Forecast of the population as prepared by the German Federal Statistical Office. The model applied is based on assumptions with regard to the development of the birth rate, life expectancy and the net migration rate.

**Household forecast:** Forecast of the number of households as prepared by the German Federal Statistical Office. The model applied is based on the figures from the micro-census on the development of private households in the period from 1991 to 2009. The results of the 12th coordinated population projection are taken into account.

**Household purchasing power:** The income available to private households from employment and self-employment including transfer benefits (unemployment benefits, child allowance, family allowance, annuities, pensions, training assistance, capital gains, income from agriculture and forestry, income from letting and leasing, etc.). Source: Gesellschaft für Konsumforschung.

**Purchasing power index:** Per-capita purchasing power of the district or city compared with the national average (Germany = 100). Source: Gesellschaft für Konsumforschung.

**Multiple:** Purchase price (excluding incidental costs)/gross rental income (before deduction of non-recoverable management costs).

**Median:** The numerical value separating the higher half of a sample from the lower half such that 50 percent of the values in the sample are contained in the upper and lower halves respectively.

**Lower market segment:** The segment containing the cheapest 10 percent of the available properties in the entire sample.

**Upper market segment:** The segment containing the most expensive 10 percent of the available properties in the entire sample.

**Entire market segment:** All of the available properties recorded via IDN Immodaten in the respective period, adjusted for duplicates.

**Price range in the middle market segment:** The range of asking rents covered by 80 percent of the available properties recorded.

**Housing cost burden:** Proportion of the monthly purchasing power of a household accounted for by rent excluding and including heating. Formula: Housing costs (excluding/including heating) x 100 / monthly household purchasing power.

**Vacancy rate:** The ratio of the active housing stock in apartment complexes for which no rent is being paid to the total active housing stock. Empirica calculates vacancy rates based on the settlement of utility costs by Techem.

**Residential construction approvals:** Approved construction measures for apartments in residential and non-residential buildings, including existing measures. Source: Statistical Office of North Rhine-Westphalia.

**Residential construction completions:** Completed apartments in residential and non-residential buildings, including existing measures. Source: Statistical Office of North Rhine-Westphalia.

**Housing stock:** Total number of apartments in residential and non-residential buildings.

**IDN Immodaten:** Germany-wide database of properties available for rental and purchase, with around 1.8 million adverts from more than 100 sources added every month.

**Housing costs (excluding heating):** Average apartment size x rent excluding heating per square meter (median).

**Housing costs (including heating):** Average apartment size x (rent excluding heating per square meter (median) + utility costs of €3.00).

## MASTHEAD

### **Publisher:**

LEG Management GmbH  
Roßstraße 120  
40476 Düsseldorf  
Tel. +49 211 4568-329  
Fax +49 211 4568-300  
jens.schoenhorst@leg-nrw.de  
www.leg-nrw.de (also for partial downloads of the LEG Housing Market Report NRW)

### **Editorial:**

Jens Schönhorst (responsible under German press law),  
Miriam Beul-Ramacher

### **Market data:**

Dr. Henrik Baumunk, Michael Schlatterer MRICS, Kristina Kröger  
(Residential Valuation, CB Richard Ellis GmbH)

### **Graphics/Layout:**

Storkan Informationsdesign  
Cover design: Gornig Design

### **Housing cost maps:**

Baumgardt Consultants, Gesellschaft für Marketing und Kommunikation bR

### **Photos:**

Cover: Max Hampel, Düsseldorf (Montage: Gornig Design);  
p. 1: Ansgar M. van Treeck, Düsseldorf

### **Concept and project management:**

Katja Binnyus, Thomas Rücker (RUECKERCONSULT GmbH)

## DISCLAIMER 2011 LEG/CB Richard Ellis

Information herein has been obtained from sources which are accessible to the public, (or, in certain cases, in exchange for a fee) and believed reliable. While we do not doubt its accuracy, we have not verified each piece of information and cannot make any guarantees about it, barring willful intent and gross negligence. It is your responsibility to independently confirm its accuracy and completeness.

The information contained in this market report may not be used, reproduced or published without prior written permission of LEG and CB Richard Ellis.