

CREATING BETTER PLACES

*Sustainability Reporting by Midstad
Fiscal year 2024*



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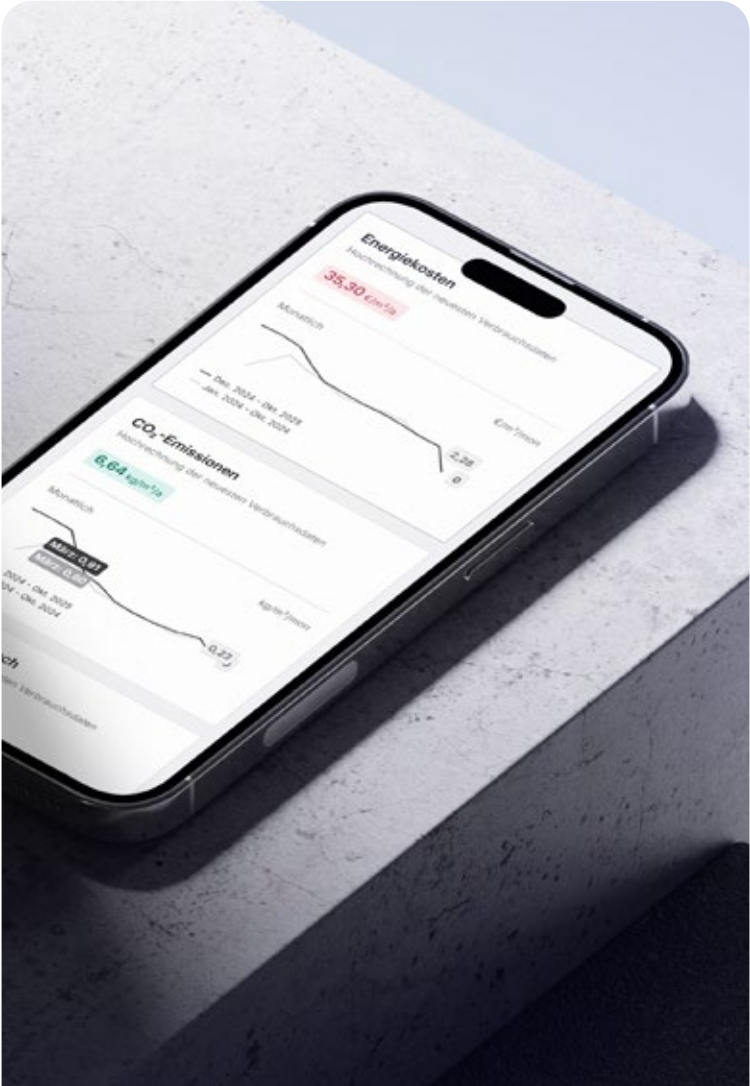
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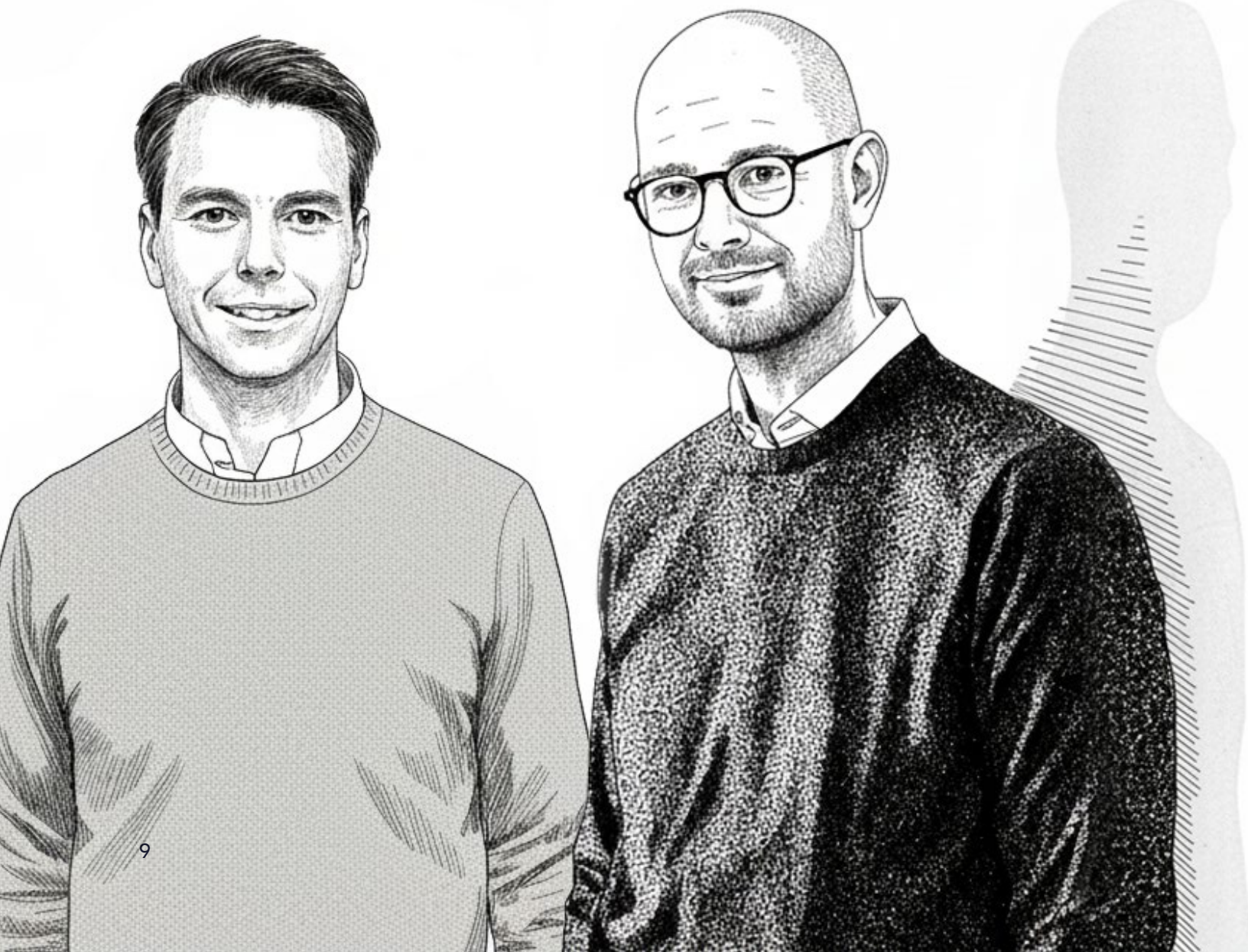
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as a Corporate Principle

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IMPACT BEGINS WITH A SHARED MINDSET –

*Management Perspective
on Midstad's ESG Approach*



DEAR READERS,

For Midstad, sustainability is more than metrics and certifications – it begins with an open mindset. With our first voluntary sustainability report, published in the very year of our founding, we offer a transparent insight into our thinking and actions.

We view ESG as an opportunity to shape the future. Sustainability is not an add-on, but a central component of our corporate strategy. It forms the foundation of what drives us: livable cities, vibrant places and resilient real estate.

MIDSTAD OPERATES WHERE CHANGE IS VISIBLE

In the shopping streets of Europe's major cities, in places that once served as social hubs and today need reinvention. Rather than lamenting the decline of city centres, we choose a different approach. We ask ourselves: What new stories can be written here?

We do not think of real estate first in terms of square metres or contracts, but in terms of impact – on people, on neighbourhoods, on cities. That is why we transform existing buildings across Europe into spaces that stay relevant in the long term. This creates places people love, that not only function efficiently but also connect humans.

WE BUILD FOR THE FUTURE AND INVITE OTHERS TO JOIN US

We believe that future emerges through collaboration. Transparency and participation are therefore important to us. We open our 'engine room', share knowledge and involve the public in the development of our pro-

jects. Because successful change comes from exchange, not from doing things alone.

THE ADDED VALUE OF OUR BUILDINGS SHOULD BE VISIBLE AND MEASURABLE

Our goal is to make the added value of our buildings not only visible, but permanently measurable. We make decisions based on data and guided by the real needs of real people, not gut feeling. Through research and partnerships with renowned universities, we build a solid foundation that advances our projects and the industry as a whole.

MIDSTAD AS A CATALYST

We owe a great deal to our team. Their commitment creates the foundation that allows us, as a company, to explore new paths. Our values – Excellence, Innovation & Progress, Agility & Solution-Oriented Thinking and Responsible Entrepreneurship – shape our daily work and make our ambitions achievable.

Rethinking cities for us means taking responsibility. It means creating places people love and that generate real value. This is what we stand for as a company and as a team that enables growth.

**Dr Kevin Meyer
Philipp Howaldt**

*On behalf of the Management
of Midstad B.V.*



URBAN DEVELOPMENT

Creating Social, Ecological and Economic Value

This is how we shape places that give back more than they take.

Our ‘Midstad Houses’ emerge where structural change is most visible: in the heart of city centres. Here we breathe new life into existing buildings. We transform department stores that were once used for a single purpose into multifunctional locations, combining work, culture, health, education and social interaction all under one roof. Midstad Houses restore the city with what has often been lost: places people love.

‘Power of Places’ as a guiding principle

What makes a place truly alive? Not just its architecture, but the life that takes place there. How it is used by people, how it enables connections, and how it can adapt to the needs of its users.

The Midstad buildings can do just that. They combine a variety of uses under one roof, creating places that give the city centre a new relevance:

Multi-Use instead of mono-function	Living, working, culture, education, and gastro-nomy – flexibly combinable and individually curated depending on the location
Lively spaces with dual function	Co-working during the day, cultural venue in the evening
Green lungs in the city	Unsealed roof areas, green inner courtyards, bio-diversity instead of concrete
Places of participation	Common areas, open roof terraces, meeting areas

This creates spaces that are more than just square metres. They tangibly improve people’s everyday lives and strengthen the social structure of their neighbourhoods.

Our goal: Every Midstad House should contribute to making city centres places that people love again.

‘The consistent switch to green electricity saves around 13,200 tonnes of CO₂ annually – as much as the electricity consumption of 10,000 households or 2,100 circuits around the Earth by car.’

SEALING LESS NEW GROUND, ENABLING MORE FUTURE

For our ‘Midstad Houses’, we use what is already available. Instead of new construction, we focus on existing transformation and repositioning: with climate- and resource-friendly redevelopment, fossil-free energy concepts, green electricity, district heating and photovoltaic systems. This is supported by intelligent building management and digital controls that avoid energy waste.

Measures that promote biodiversity, such as green roofs as a cooling and energy solution, as well as the sponge city principle with rainwater retention and water-permeable surfaces, also contribute to making our buildings sustainable. These ‘green updates’ enhance the condition, increase the energy efficiency and economic attractiveness of our buildings. The consistent switch to green electricity saves around **13,200 tonnes of CO₂** annually – as much as the electricity consumption of 10,000 households or 2,100 circuits around the Earth by car. As green electricity, we purchase 100% green electricity generated from renewable sources.

The basis for our actions is the scientifically based **CRREM model**, which takes into account the time value of money, the cost of energy and the impact of climate change on future electricity prices. As green electricity, we purchase 100% green electricity from EEG plants. Our actions are based on the scientifically sound CRREM model,

which makes CO₂ risks in buildings transparent and accompanies us step by step on the path to compliance with the 1.5 degree target.

SOCIAL IMPACT – FINALLY MEASURABLE!

We are convinced that buildings designed for people and used by people must have a social impact. That is why we integrate spaces for encounters and community into our Midstad buildings: with roof terraces, co-working, sports facilities and open spaces that promote exchange.

Flexible floor plans enable new work and retail concepts, while multi-use applications keep buildings lively during the day and in the evening. Health and well-being are part of this sustainable building concept: through the expansion of bicycle parking spaces, charging infrastructure for e-mobility and a built environment that promotes movement, quality of life and social integration.

The use of educational facilities, day clinics and health centres also makes a social contribution. The core of our actions and proof that we are serious: we make the social impact of our projects visible and measurable. To this end, we are developing innovative methods to scientifically measure the social impact of our projects – for example, through participation, visitor profiles, frequencies, length of stay and movement patterns.



HOW COMMUNITIES THRIVE –
THE ‘POWER OF PLACES’ PRINCIPLE

THE ‘MIDSTAD ONE’ APPROACH –
FOR SOLUTION-ORIENTED, VALUE-
CREATING AND SUSTAINABLE ACTION

For us, corporate responsibility means delivering the most effective approach to complex urban challenges, such as inner-city transformation. Our multidimensional approach integrates advisory services, development, construction, asset management and operation into a full-service spectrum that simultaneously offers cities, investors and users a holistic expertise package:

- Urban Concept Advisory: Developing forward-looking, usage-oriented concepts for vibrant, resilient neighbourhoods.
- Project Development: Transforming and repositioning existing properties with a focus on climate protection, social impact and diversified use.
- Asset Management: Strategically enhancing property value through integrated management approaches.
- Property & Facility Management: Implementing intelligent operating concepts to ensure flexibility, long-term performance and sustainable building operation.

Midstad ONE is our response to ever evolving usage cycles in real estate and the growing demand for adaptable spaces. Pure asset management or traditional property management alone is no longer sufficient. What is required is a synergistic combination of project development expertise and operational competence, supported by urban transformation advisory services, to proactively integrate broader city and neighbourhood developments into property concepts.

By combining these disciplines – asset management, property management, project development, facility management and urban transformation advisory services – we create a holistic, future-ready real estate management service model.

Integrated services, clear responsibilities, reliable results: Midstad bundles these capabilities in a seamless package, eliminating interface losses. The outcome: properties that are more than just buildings – they become vibrant, resilient places for people, cities and investors.



THINKING & ACTING HOLISTICALLY:

This is how Midstad creates places that have an ecological impact, connect people and thrive economically. Why this is important...



FOR PEOPLE:

- Midstad Houses invite you to spend quality time, not just to consume.
- They provide space for encounters, culture, health and genuine community.
- Result: Improved quality of life and fresh approaches for inner city life.



FOR CITIES:

- Our projects give places with history and social challenges new meaning and appeal.
- They revitalise inner-city locations and promote human connection.
- Transformation arises from a cooperative process – not from gentrification.



FOR THE PLANET:

- Midstad significantly reduces the carbon footprint of its buildings by:
- Sustainable redevelopment of existing buildings instead of new construction;
 - Use of renewable energies;
 - Digital and smart energy upgrades;
 - Certifications according to DGNB and BREEAM, as well as WiredScore;
 - Continuous tracking of energy consumption and emissions.



FOR INVESTORS:

- ESG-compliant buildings with high resilience and future-proofing.
- Multi-use concepts reduce vacancy rates and strengthen value stability.
- Transparent data creates a reliable basis for decision-making and promotes sustainable growth.



SHAPING ‘BETTER PLACES’ THROUGH DIALOGUE –

How Stakeholder Engagement Guides Midstad’s Urban Quarters

create places that we grow together. In this way, every project is a step towards ‘Better Places’: buildings that have a positive impact on people, communities and the city as a whole.

Sustainable inner-city transformation does not happen behind closed doors. Our Midstad Houses, as part of a vibrant inner-city development, can only be successful if all relevant stakeholders are involved in the process from the beginning.

Our projects affect far more than just investors or tenants: from their neighbourhood and urban communities to planners and research partners to associations, social initiatives and the media– each group plays its part.

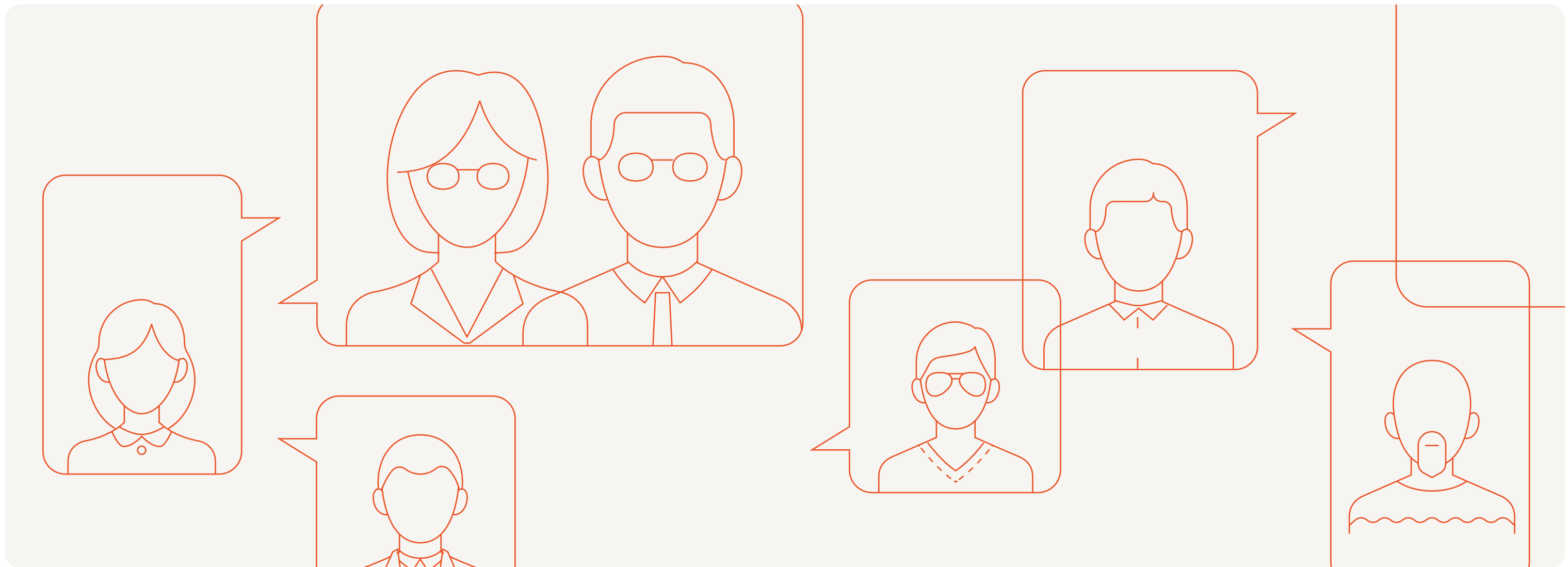
For us, stakeholder engagement means actively listening to stakeholders’ ideas, needs and expectations, as well as incorporating them into our planning process.

Through open dialogue, we foster transparency, strengthen acceptance and co-

OUR STAKEHOLDERS – MAKING PLACES MATTER THROUGH DIVERSE PERSPECTIVES

1. Public and citizens

The people who live and work in the surrounding area of our projects are essential stakeholders. Their opinions, needs and expectations can have a significant influence on the success of a project. Midstad therefore actively involves them – often – far beyond the participation procedures required by the authorities. Multi-stage public consultation events, briefings, planning dialogues and surveys, such as those for our planned Midstad House on Frankfurt’s Zeil, offer opportunities for active participation.



2. Users

Whether tenants, visitors or residents – the people who actually use our properties are the key to the success of every project. Midstad therefore involves them early on in the development process through research projects on user needs, interviews and specific location analyses. The insight gained from these are directly incorporated into the design, use and later operational phase.

3. Architects, planners and research partners

Architects and planners significantly shape the appearance, functionality and sustainability aspects of our projects. Research partners provide valuable scientific insight that flows directly into our projects. Midstad relies on architecture competitions, multiple

commissions, continuous feedback loops, as well as collaborations with universities and research institutions to develop projects that contribute to revitalising our city centres through a positive impact of the built environment on people.

4. Associations, initiatives and professional organisations

Associations and professional organisations help define industry standards, promote sustainable practices, and share best practices and networks. Midstad is an active member of the Urban Land Institute (ULI), the DGNB, the ZIA Association and the Institute for Corporate Governance in the German Real Estate Industry (ICG). These memberships facilitate knowledge exchange, the implementation of sustainability

standards and the collaborative shaping of the real estate industry.

In addition, Midstad employees contribute through teaching and specialist lectures, sharing their expertise and supporting the transfer of knowledge across the sector.

5. Media and press

The public perception of a project influences trust, acceptance and reputation. That is why Midstad maintains proactive media relations: regular press releases and the involvement of journalists in events create transparency and inform the public about project developments at an early stage.

6. Social groups and social initiatives

Projects have an impact on society, whether through infrastructure, the cityscape or so-

cial effects. Midstad works with foundations and social initiatives to achieve a positive social impact. This includes commitments such as the 'Off Road Kids – Perspectives for Street Children in Germany' project or support for Deutsche Sporthilfe.

7. Shareholders and investors

Investors and shareholders provide capital and bear financial risk, and in return they expect transparency and sustainable value creation. Midstad therefore attaches particular importance to clear and continuous communication – for example, through regular reports, meetings and updates on project progress and strategic issues. This transparency forms the basis for trust, stable partnerships and sustainable economic success.

GLOBAL RESPONSIBILITY, LOCALLY DESIGNED

ESG Strategy as the Foundation for People-Centred Urban Development

For Midstad, sustainability is part of our corporate identity. Our ESG strategy provides the framework for our daily activities: clearly focused, measurable, binding.

ESG AT MIDSTAD: OUR PRINCIPLES

E for Environment – Active for the climate

Climate protection, energy efficiency, circular economy and resource conservation are the focus of our work at Midstad. Our projects are designed to be future-proof. Specifically, this means minimising CO₂ emissions, conserving grey energy, saving energy and using resources efficiently. For us, sustainable construction and business

practices are not an option, but a prerequisite. We are committed to sustainable construction and business practices – in compliance with the highest environmental standards and with a consistent focus on decarbonisation – with a clear commitment to the 1.5 degree target across all stages of the value chain.

“The energy performance of real estate is significantly influenced by the technical solutions we choose – and how efficiently we operate them. My goal is to achieve a significant and lasting reduction in CO₂ emissions throughout the entire life cycle of our properties.”

LARS KAROPKA
ENERGY MANAGER
MIDSTAD



S for Social –

Designed with people in mind

Transformation can only succeed if it involves people and serves them. If it creates acceptance and strengthens community. That is why social added value is at the heart of our projects. Education, health and participation: we create buildings that promote the integration of work, life and leisure, and thus urban quality of life. Because we are convinced that the key factor 'S' is a central building block of long-term value development.

“Innovation and corporate development are crucial for the ‘S’ in ESG to become a management tool. Today, we can digitally record exactly how people use buildings and urban spaces – whether through visitor frequencies, visitor retention rates, return rates, or sensor technology. This allows social effects to be made visible and controlled using key performance indicators. This turns social impact into a performance driver.”

DR BENJAMIN WAGNER
HEAD OF ESG & INNOVATION
MIDSTAD



G for Governance –

Making responsibility transparent

For us, responsibility also means listening, involving and communicating openly. Our actions are based on an integrative stakeholder approach that focuses on transparency and dialogue. We encourage participation, rely on clear guidelines in compliance, data protection and ESG monitoring – and remain open to learning and new ideas as a company.

“Sustainable development is unthinkable without innovation – if we want to take on a pioneering role, we must consciously think differently. Because only those who think differently create social added value – and motivate others to rethink.”

KÄTE ZIERHUT
ESG & INNOVATION
MIDSTAD



3 QUESTIONS WITH LARS KAROPKA

What is your main goal as an energy manager in terms of sustainability and resource conservation?

KAROPKA: The real estate sector has a major impact on CO₂ emissions worldwide. My main goal is to significantly reduce climate-damaging gases, especially CO₂, throughout the entire life cycle of our properties.

Was there a moment when you realised how technical measures influence the performance and sustainability of a property?

KAROPKA: My moment of realisation developed over many years. Back in 2005, I developed a methodology for portfolio screenings for energy assessment. Hardly noticed at the time, it is now clear that efficient technical solutions and continuous controlling have a significant impact on both energy consumption and CO₂ emissions, as well as the long-term value of real

estate. The main effect is that sustainable technology, when used correctly, not only conserves resources but also substantially increases the performance of a building.

What is the most important contribution of an energy manager to ensuring that real estate can be operated efficiently, sustainably and future-proof in the long term?

KAROPKA: For me, energy management is more than a profession; it is a calling. My personal motivation is to contribute to climate protection through my work and to make real estate more sustainable. The deciding factors are continuous analysis with transparent data management and strategic orientation throughout the entire life cycle of the property. It is not just technology or construction methods that are decisive, but the consistent implementation of the right methodology at the right time in terms of sustainability and social added value.

ESG: KNOWLEDGE. JOURNEYS. GOALS.

E

Portfolio

- Minimising the carbon footprint of our real estate portfolio
- Reducing energy consumption and efficient energy use throughout portfolio
- Efficient water use and reduction of water consumption

Green impact

- Promotion of renewable and sustainable energy sources
- Promotion of recycling and resource conservation
- Sustainable land use and land conservation

S

Quality of life

- Reviving inner cities
- Upgrading urban space
- Creating high-quality and future-proof employment
- Increasing user satisfaction in buildings

Diversity

- Promotion of inclusive communities and social inclusion
- Flexible use concepts for working, living and social interaction

Commitment

- Promoting social initiatives and social responsibility

G

Diversity management

- Diversity at all corporate levels, equal opportunities and employee development

Transparency

- Integrative stakeholder engagement and multi-stakeholder participation

Future

- Ensuring long-term value stability for real estate assets

Digitalisation

- Developing robust IT governance via interconnected processes and powerful IT systems to ensure resilient business workflows
- Strengthening a data-driven management approach to ensure real-time actionability and strategic implications

ESG: PERFORM. FOCUS. ACTION.

ESG IN PRACTICE: OUR STRATEGIC FOCUS

Midstad doesn't just set goals – we take action. Our ESG strategy is embedded throughout the company and is reflected in clearly defined areas of action and measures.

E

Digitalisation and transparency

- Detailed CO₂ and energy reports
- Reduction of energy consumption and efficient energy use in the portfolio
- Digital analysis; implementation of Predium for ESG measure planning

Building certifications

- Striving for the highest sustainable building certifications (such as DGNB Platinum, WiredScore Platinum, BREEAM)

Sustainable construction and management

- Preservation of grey energy and hybrid timber construction
- Concepts and monitoring for moving away from fossil fuels, particularly through district heating connections
- Switch to green electricity, reduction of CO₂ emissions to 4 kg CO₂/m² by 2045

Monitoring

- Energy audits and decarbonisation plans are part of the maintenance strategy for real estate.

Green Lease

- Promotion of environmentally friendly rental agreements

S

User & human-centric project development

- Consistent multi-use approach to transforming inner cities

Mobility

- Using business bikes for appointments
- Public transport plans (i.e. 'Bahn-Card') for all employees

Engagement and development

- Initiation of research initiatives for inner-city transformation
- Research and development funding/lectures at educational institutions

Internal training

- Training measures for ESG, sustainable construction, data protection, compliance
- Personal development: work shop series and individual training offers

Participation

- Stakeholder engagement; materiality analyses and participation of the public

Sports support

- Donations and sponsorships for high-performance and community sports

G

Fostering opportunities

- Fostering opportunities: gender diversity and diversity among employees

Public engagement

- Member of renowned associations and institutions ULI, ICG, ZIA, DGNB

Transparency

- Process management – monitoring and auditing of corporate processes

Lean management

- High priority given to digitalisation for rapid decision-making and transparency



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VSME REPORTING

Part 1: Midstad Organisation



VSME BASIC

B1 – BASIS OF PREPARATION

This sustainability report has been prepared in accordance with the Voluntary SME (VSME) Standard under Option B (Comprehensive). It provides a full disclosure of all material information, with no sensitive data omitted. Through this structured approach, we ensure that our voluntary reporting provides transparency, comparability and reliability for all stakeholders.

The report applies to the consolidated reporting level and encompasses the parent company, Midstad B.V. (headquartered in the Netherlands), and its subsidiaries: Midstad Advisory GmbH, Midstad Management GmbH, Midstad Development GmbH and Midstad Building Solutions GmbH.¹ Consequently, the consolidation covers the entire corporate group as of the 2024 reporting period.

The group's economic activities are purely service-based and correspond to various NACE classifications, specifically:

- NACE 68.32: Management of real estate on a fee or contract basis
- NACE 41.10: Development of building projects
- NACE 74.90: Other professional, scientific and technical activities n.e.c.

As of the reporting date (31 December, 2024), the consolidated balance sheet total stood at EUR 10.82 million, with revenues amounting to EUR 14.24 million. At the same date, the group employed a total of 56 peo-

ple. A detailed breakdown of the workforce (including full-time/part-time status and gender metrics) is provided in Section B8.

Primary strategic operations are conducted in the Netherlands, while primary operational activities take place in both the Netherlands and Germany. The real estate portfolios managed by the company are located across the Netherlands, Germany, Austria and Belgium. In 2024, the company's principal physical locations were Frankfurt am Main (DE), Düsseldorf (DE) and Roermond (NL). The legal entities are domiciled as follows:

- Midstad B.V., Godsweetersingel 77, 6041GK, Roermond, Netherlands²
- Midstad Advisory GmbH, Windmühlstraße 1, 60329 Frankfurt am Main, Germany
- Midstad Management GmbH, Windmühlstraße 1, 60329 Frankfurt am Main, Germany
- Midstad Development GmbH, Windmühlstraße 1, 60329 Frankfurt am Main, Germany
- Midstad Building Solutions GmbH, Windmühlstraße 1, 60329 Frankfurt am Main, Germany³

As of the reporting period, no third-party sustainability certification has been issued at the corporate level.

¹ Established in 2025; included for the sake of completeness. However, the following reporting does not yet cover Building Solutions. Relevant information will be disclosed in the 2025 Sustainability Report.

² Relocation in 2025; address at the time of publication: Rokin 6, 1012KR Amsterdam, Netherlands.

³ Established in 2025; included for the sake of completeness. However, the following reporting does not yet cover Building Solutions. Relevant information will be disclosed in the 2025 Sustainability Report.

B2 – PRACTICES, POLICIES AND INITIATIVES

Sustainability is an integral part of our corporate strategy and is deeply embedded in our organisational culture. Rather than being treated as an isolated secondary objective, sustainability is understood as a strategic cross-cutting theme that permeates all business decisions and operational processes. Responsibility for sustainable action not only explicitly lies with the management, but is shared as a collective duty by all employees.

A central reference point for our business conduct is our suite of company-wide policies. These include the Data Protection Policy, the Flex-Office Policy, the Anniversary Policy, the Code of Conduct and the Procurement Guidelines established by our clients.

In particular, our company-wide Code of Conduct ensures a strong alignment with human rights and environmental standards in accordance with the VSME framework. Our corporate direction follows a holistic, long-term understanding of value creation, balancing environmental, economic and social aspects. These policies are subject to regular review and updates to ensure the maintenance of high standards.

In practice, our environmental commitment is demonstrated through sustainable mobility options for employees. This includes the provision of the *BahnCard 50* (discounted rail travel), the *Deutschlandticket* (subsidised public transport), the *Jobrad* (bicycle leasing) and a pool-bike system at our Frankfurt office. Furthermore, our travel policy stipulates a clear preference for public transport for all business-related travel.

Regarding procurement, there are currently no formal guidelines for the sustainable selection of office supplies. Decisions on product selection rest with the respective department leads, with a general preference for environmentally advantageous

4 Calculation by TEK

options wherever possible. Notably, in marketing and event management, we have eliminated printed materials and mailings, switching exclusively to digital invitations.

Sustainability-oriented action is part of our strategic DNA. ESG compliance is a fixed component of our process documentation and organisational handbook. As a service-based firm, Midstad is not a significant direct emitter. Consequently, our impact is primarily reflected in the measures taken within our managed portfolios. For these assets, we have implemented concrete sustainability strategies and targets aligned with the 1.5°C target (CRREM pathway) (see Chapter 2).

Furthermore, specific targets for Midstad’s own operations are under development. These include the planned transition to green electricity in Frankfurt and Düsseldorf following the office relocations in 2025, an enhanced recycling concept in Düsseldorf, as well as continuous expansion of internal ESG expertise to further intensify sustainability-oriented practices in our real estate management services.

B3 – ENERGY AND GREENHOUSE GAS (GHG) EMISSIONS

The annual energy consumption of Midstad in MWh at the consolidated level is detailed in Table 1. Midstad utilises fossil fuels through the consumption of a company car (petrol) and a pool car (diesel) at the Frankfurt location. Furthermore, heating is provided by natural gas in Roermond and Frankfurt, while the Düsseldorf office utilises district heating (combined heat and power from renewable energy sources).

Consumption data for the Roermond site is based on extrapolations in accordance with established methodologies⁴, due to the nature of the lease agreement (all-inclusive rent without explicit utility billing). There-

	RENEWABLE [MWh/a]	NON-RENEWABLE [MWh/a]	TOTAL [MWh/a]
Electricity (from consumption) ⁵	17.75	20.08	37.83
District heating ⁶	87.3	0	87.3
Fossil fuels (gas, oil, gasoline) ⁷	0	110.7	110,7
Total	105.05	130.78	235,83

Table 1: Midstad Energy Consumption

fore, these consumptions are incurred by the landlord and not passed through. For Düsseldorf, data from 2021 was used as a benchmark and extrapolated.⁸ At the Frankfurt location, the utility statement for the current period was not available at the time of reporting; consequently, figures were calculated based on 2023 consumption patterns.

Vehicle energy consumption is determined using the following calculation based on data provided by the German Federal Environment Agency (Umweltbundesamt).

Scope 1 emissions are low due to our corporate structure as a service-oriented firm. These emissions primarily originate from the fuel consumption of the company and pool cars. The pool car has been owned by Midstad since 1 July, 2024; therefore, data is reported as Scope 1 from this

date onwards. An average monthly mileage of 1,590 km was calculated for the diesel-powered pool car, with emissions derived accordingly.

Fuel consumption for the company car is reported in full, despite partial private use, as Midstad provides and finances the vehicle, thus retaining responsibility for its energy consumption. The company car (petrol) has an average mileage of 1,999 km per month.

For the pool car, Probas data from the Federal Environment Agency for a mid-range diesel passenger car was applied, reflecting a specific consumption of 6.13 l / 100 km.⁹ For the company car, data for a premium petrol passenger car was assumed, with a specific consumption of 8.73 l / 100 km.¹⁰ Emission factors used are approximately 2.65 kg CO₂/l for diesel and 2.33 kg CO₂ / l for petrol.¹¹

5 Calculation by TEK
6 Fossil fuels for heating demand calculated by TEK; fossil fuels for fuel demand calculated using key indicators from the Probas database of the German Federal Environment Agency (Umweltbundesamt).
7 Due to the office relocation from Roermond to Amsterdam in 2025, a higher level of transparency will be established in the following fiscal year.
8 Due to the office relocation within Düsseldorf in 2025, a higher level of transparency will be established in the following fiscal year.
9 probas.umweltbundesamt.de/einblick/#/details/983d3894-0af8-4cce-b46c-fe9c78bd3bee (last accessed 29 September 2025)
10 probas.umweltbundesamt.de/einblick/#/details/33853ae2-88f5-427c-91c6-5c762df2e2a3 (last accessed 29 September 2025)
11 Guidebook ‘Saving fuel and staying mobile’, p. 12 (last accessed 18 November 2025)

Based on the number of kilometres driven per year, emissions are calculated as follows:

Pool car:

$$\frac{9,540 \frac{km}{a} * 6.13 \frac{l}{100 km} * 2.65 \frac{kg CO_2}{l}}{1,000} = 1.55 \text{ tCO}_2/a$$

Company car:

$$\frac{23,988 \frac{km}{a} * 8.73 \frac{l}{100 km} * 2.33 \frac{kg CO_2}{l}}{1,000} = 4.88 \text{ tCO}_2/a$$

Scope 1 and Scope 2 emissions for Midstad are presented in Table 2. Disclosures regarding Scope 3 emissions are currently not provided. As the company's direct operations are not emission-intensive and there is no regulatory requirement for such reporting, a full emission disclosure is not conducted at this stage. Long-term reduction measures are in development, including a combination of green electricity procurement, operational optimisation and specific CO₂ reduction targets for office locations, business travel and procurement of office supplies.

Midstad's primary contribution to climate protection lies in the reduction of emissions associated with its managed portfolios. These emissions are attributable to the respective property owners (Midstad's clients). Since our business model focuses on the sustainable renovation, construction and operation of real estate, Midstad also discloses data regarding these managed assets. Detailed emission data and further sustainability aspects for the entire portfolio can be found in [Part 2](#).

B4 – POLLUTION OF AIR, WATER AND SOIL

The company's business activities do not generate any emissions or wastewater classified as environmentally relevant or harmful. No manufacturing processes are conducted. Our operations are purely service-oriented, focusing on real estate management, development and consulting. Consequently, there is no impact on air, soil or water through pollutants, noise or light emissions.

B5 – BIODIVERSITY

The company does not operate in sectors relevant to biodiversity and does not own any sites in direct proximity to designated biodiversity-sensitive areas as defined by the *Natura 2000 Network of protected areas*¹², *Key Biodiversity Areas (KBA)*¹³ of the International Union for Conservation of Nature (IUCN)¹⁴ or *UNESCO World Heritage Centres*. Our offices are located in urban environments without natural land components. All office locations are situated in multi-tenant buildings on fully sealed surfaces.

¹² [Natura 2000 Viewer](#) (last accessed 10 September 2025)
¹³ [UNESCO World Heritage Centre – World Heritage List](#) (last accessed 10.09.2025)
¹⁴ [Map Search](#) (last accessed 10.09.2025)

	SCOPE 1 GHG EMISSIONS [tCO ₂ e/a]	SCOPE 2 GHG EMISSIONS [tCO ₂ e/a]
Frankfurt	19.48 ¹⁵	5.47 ¹⁶
Düsseldorf	0	0 ¹⁷
Roermond	3.08 ¹⁸	1.46 ¹⁹
Total	22.56	6.93

Table 2: List of Midstad's scope emissions

B6 – WATER

The company does not operate any water-intensive production processes. Water use is limited to typical office requirements (sanitary facilities, kitchens). A systematic assessment of water consumption, including withdrawal in areas of high water stress, is currently not available.

B7 – RESOURCE USE, CIRCULAR ECONOMY AND WASTE MANAGEMENT

Waste generated at office locations is not weighed; therefore, data is reported in litres rather than mass. In Frankfurt, residual waste and cardboard are disposed of separately. Secure data waste is professionally collected in Frankfurt and Düsseldorf on a regular basis. Data waste bins are equipped with sensors to ensure efficient disposal logistics.

While data for the 2024 reporting period is not fully available for all sites,²⁰ our operations do not fall within resource-intensive

economic sectors. Based on extrapolations using local waste collection calendars and the size and type of bins provided, the estimated waste volume for the Frankfurt site is 28,600 liters of cardboard/year and 56,100 litres of residual waste/year. Secure data waste collection in Düsseldorf amounted to 2,500 litres/year.

B8 – WORKFORCE: GENERAL CHARACTERISTICS

As of 31 December 2024, the corporate group employed 56 people, of whom five were employed by the parent company and 51 by the subsidiaries. The workforce consisted of 46 full-time and 10 part-time employees. By country, the majority of employees are based in Germany (51), with five employees based in the Netherlands.

The gender distribution is as follows: 23 men and 33 women, representing a female quota of 58.93%. In 2024, a total of 8 internal employees left the company due to retirement or transfers to other business units.

¹⁵ Vehicles and emission factor 0.183 (Gas, CRREM)
¹⁶ Emission factor 0.339 (Electricity, CRREM)
¹⁷ Emission factor 0 (certified green electricity)
¹⁸ Emission factor 0.2016 (Gas)
¹⁹ Emission factor 0.371 (Electricity)
²⁰ Due to the office relocation from Roermond to Amsterdam and the relocation within Düsseldorf in 2025, a higher level of transparency will be established in the following fiscal year.

Due to the current data situation, a reliable turnover rate cannot yet be calculated. Additionally, two temporary workers were employed during the reporting year.

The company is characterised by a vibrant, dynamic culture. In 2024, the age range spanned from the youngest team member at 24 to the most experienced at 64, with an average age of 44 years. This diverse structure promotes a valuable exchange of experience and perspective.

**B9 – WORKFORCE:
HEALTH AND SAFETY**

One reportable work-related accident was recorded in the 2024 fiscal year. No fatalities occurred in connection with professional activities. Statutory occupational health and safety regulations apply group-wide. Given

the predominant office-based nature of our activities, the general risk profile regarding safety is considered low.

**B10 – WORKFORCE:
REMUNERATION, COLLECTIVE
BARGAINING AND TRAINING**

Training activities at Midstad focus on both personal development and the deepening of technical expertise. A detailed recording of training hours per employee by gender is currently being implemented.

Notably, two members of the ESG department successfully completed the ‘ESG Manager’ certification by the ZIA (German Property Federation) and DGNB training for ‘ESG Verification’. Additionally, a team member from the Project Development department successfully obtained ‘DGNB Consul-

tant’ certification, qualifying as an expert for sustainable building in the design, planning and construction process. During the reporting period, four company-wide training events were held, focusing on soft skills such as collaboration, communication, time management and resilience. These measures totaled six full working days per employee. Additionally, employees utilised individual, multi-day technical training sessions to deepen project-specific knowledge.

Continuous education is a priority for Midstad, as it builds key competencies for collaboration and creates the specialised expertise required for excellent project work. Beyond traditional formats, Midstad emphasises team development. Numerous events took place in 2024 to strengthen cohesion, including a summer festival in the Rheingau, a Christmas party, a multi-

day ski trip, and participation in the JP Morgan Corporate Challenge in Frankfurt. These formats provide space for exchange beyond daily tasks, fostering a team that grows together.

**B11 – CONVICTIONS AND FINES FOR
CORRUPTION AND BRIBERY**

During the reporting year, no violations of applicable anti-corruption or anti-bribery regulations were identified. Accordingly, there were no legal proceedings, sanctions or fines.

The existing company-wide Code of Conduct serves as the foundation for lawful and ethical behaviour. This Code is subject to continuous review and refinement to specifically strengthen human rights standards.

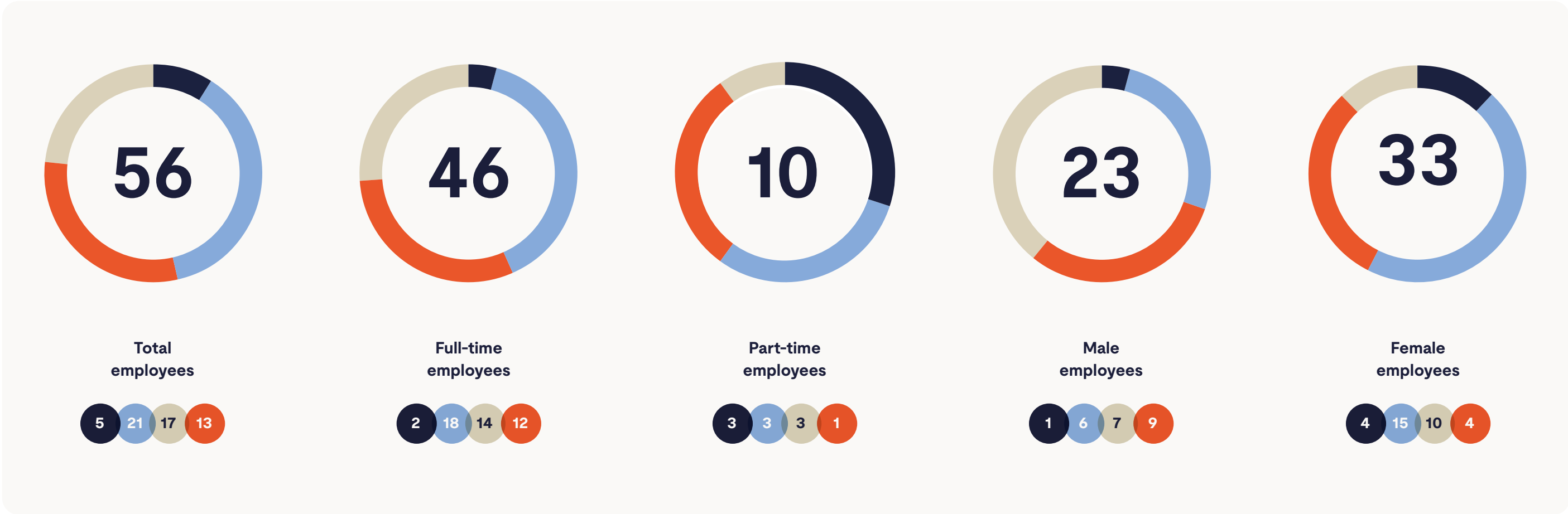


Figure 1: Workforce overview

● Midstad B.V. ● Midstad Advisory GmbH ● Midstad Management GmbH ● Midstad Development GmbH

VSME COMPREHENSIVE MODULE

C1 – STRATEGY: BUSINESS MODEL AND SUSTAINABILITY – RELATED INITIATIVES

The corporate group provides, through its affiliated companies, a comprehensive and holistic range of real estate management services. This includes, in particular, project development, project management, asset and property management, urban concept advisory services, ESG consulting, as well as administrative services.

Operations cover all phases of the real estate lifecycle – from development to property management, from research-based consulting to project-related stakeholder management. We drive transformation. With our Midstad buildings, we shape it – leveraging value-creating ESG strategies that are versatile and visible. Our goal is to engage, inspire and excite people by making buildings – as vertical urban neighbourhoods – the centrepiece of vibrant communities.

The regional focus is on the commercial real estate markets in Germany, Austria, Belgium and the Netherlands.

The portfolio predominantly consists of inner-city department stores, which are redeveloped through transformation projects into mixed-use properties (retail, office, hotel, long-stay, coworking, dining, etc.). Key clients are property owners, especially holders of inner-city real estate. Other important stakeholders include retail tenants, office tenants, hotel operators, logistics companies, public institutions, municipal decision-makers, banks and architecture, engineering and construction firms.

The sustainability strategy is closely aligned with the objectives of the property owners. Midstad supports these through:

- Reducing the carbon footprint (e.g., through green electricity supply);
- Energy savings via intelligent operations supported by AI;
- Limiting land sealing by primarily using existing built-up areas and renovating existing structures;
- Project sustainability certification via a company-wide sustainability policy and certification strategy;
- Promoting social diversity of use and revitalising inner cities.

Sustainability is understood as a holistic value driver across environmental, social and economic dimensions. More information can be found in [Chapter 1](#).

C2 – DESCRIPTION OF PRACTICES, POLICIES AND INITIATIVES

Overall responsibility for sustainable operations lies with all departments. Operational responsibility is held by the ESG & Innovation department, in close coordination with HR and Legal.

Environmental objectives within the corporate group focus on a long-term expansion of green electricity supply for offices and targeted waste management. However, the greatest leverage lies in managed real estate assets, where the most intensive measures are applied. These include decarbonisation of the property portfolio through maximum retention of existing properties, operational optimisation using AI and comprehensive use of green electricity. Further details are provided in [Chapter 3](#).

C3 – GHG REDUCTION TARGETS AND CLIMATE TRANSITION

The corporate group is not active in an emissions-intensive sector. Scope 3 emissions are currently not reported.

The climate strategy follows a preventive, research-driven approach based on systematic data collection, operational optimisation, efficiency improvements and green energy. The main potential for impact lies in transforming property portfolios into future-proof, ESG-compliant 'Places People Love'. As previously described, emissions from properties – while not formally under Midstad's scope, yet relevant to its business model and value creation – are detailed in [Part 2](#), alongside implemented optimisation measures. Transformation and reduction targets are also addressed in [Part 2](#) with respect to the managed properties.

C4 – CLIMATE-RELATED RISKS

The business model itself is not directly exposed to physical or transitional climate risks.

Initial climate risk analyses, including vulnerability assessments and derived adaptation strategies for managed properties, have been conducted. A detailed systematic risk management framework for climate risks in managed real estate is currently being established. Transition plans for moving towards a low-carbon economy are in place.

Since Midstad-managed properties are inherently exposed to potential climate risks, the focus for risk-reducing and preventive measures is placed on property management. To ensure adequate attention to these tasks, the company is investing in ESG expertise and ESG tools.

C5 – ADDITIONAL (GENERAL) WORKFORCE CHARACTERISTICS

As of 31 December 2024, women accounted for 44.44% of leadership positions, while men held 55.55%. In the overall real estate sector, the average share of women in leadership was only 18% in 2024, with more than half of companies having exclusively male management teams.²¹ This gender balance remains a strategic goal for Midstad.

C6 – WORKFORCE: HUMAN RIGHTS POLICIES AND PROCESSES

Protection and promotion of human rights are part of the company-wide Code of Conduct, which prohibits child labour, forced labour, human trafficking, discrimination and promotes accident prevention. Compliance is ensured throughout the value chain, as contractors are required to adopt the Code of Conduct. Expanded procedures for risk identification and mitigation, as well as further integration along upstream and downstream supply chains, are being developed.

C7 – SERIOUS HUMAN RIGHTS INCIDENTS

No violations of human rights were identified in 2024, either within the company or in the supply and value chain. Control and grievance mechanisms are in place in accordance with the Whistleblower Protection Act, accessible to Midstad employees via the intranet and an independent data protection officer.

²¹ Studien – FRAUEN IN FÜHRUNG e.V. – Initiative of the German real estate industry to promote women in leadership positions (last accessed 29.09.2025)

C8 – REVENUE FROM SPECIFIC ACTIVITIES AND EXEMPTION FROM EU REFERENCE VALUES

The corporate group generates no revenue from sensitive sectors such as tobacco cultivation and production, fossil fuels, controversial weapons, or pesticide and agrochemical production. The group is not publicly listed and does not issue securities included in EU reference benchmarks (e.g., EU Climate Transition Benchmark or EU Paris-Aligned Benchmark) and therefore is not subject to evaluation or potential exclusion under these benchmarks.

Nonetheless, Midstad aligns its strategic and operational direction with the objectives of the Paris Climate Agreement, particularly:

- Continuous reduction of greenhouse gas emissions in the portfolio;
- Increasing energy efficiency in property development and management;
- Integration of ESG criteria into decision-making and value creation processes.

Midstad is thus laying the groundwork for a long-term Paris-compliant business model.

C9 – GENDER DIVERSITY IN GOVERNING BODIES

The executive management team, as of 31 December 2024, consisted of one woman and two men. Promoting gender diversity across all leadership levels remains an explicit objective.

VSME REPORTING

Part 2: Managed Properties



OVERVIEW OF THE MANAGED PORTFOLIO

B1 – BASIS FOR PREPARATION

Midstad develops, supports and delivers real estate projects of varying scale, pre-dominantly in central inner-city locations. A key focus is placed on existing properties, which are transformed into future-proof assets by integrating ecological, economic and social considerations.

Each project follows strategic guiding principles that incorporate demand-oriented use concepts, location-specific strategies and flexible implementation approaches. The objective is to contribute to the sustainable development of urban spaces and to enhance quality of life. This strategic approach is referred to as the ‘Midstad Way’.

Materiality analysis – Preliminary context

In 2024, Midstad conducted a materiality analysis for the managed portfolio on behalf of the client, in accordance with the principle of double materiality as defined by EFRAG requirements.

This analysis assessed both:

- the inside-out perspective, i.e., the impacts of the company on the environment and society’ and
- the outside-in perspective, i.e. the opportunities and risks for the company.

In addition, both physical and transition risks were examined. This enabled the identification of key ESG topics relevant to the client and the managed portfolio and allowed for a structured further development of ESG alignment.

As part of this process, the perspectives of the most relevant stakeholders were incorporated through direct and indirect stakeholder dialogues. In addition to

the ESG topics defined in ESRS 1 AR 16, a company-specific social topic was added in the interest of the client: ‘social inclusion of consumers and/or end users’.

The resulting materiality assessment is illustrated in the accompanying graphic.

Material ESG topics

The topics identified as material – climate change adaptation, climate protection, energy, resource use, waste, societal impact, stakeholder relationship management, social inclusion of consumers and/or end users, supplier relationship management and compliance – represent core aspects of the managed real estate portfolio and are therefore also central to Midstad’s activities.

By explicitly considering and integrating both physical and transition risks, Midstad is able to address material ESG aspects of the managed real estate portfolio in a targeted and effective manner.

Portfolio overview

The majority of the managed properties are located in Germany, with additional projects in Austria, Belgium and the Netherlands. The following information is presented separately for the German, Austrian, Dutch and Belgian portfolios.

Floor area data – German portfolio

The German portfolio comprises approximately 400,000 m² of net usable floor area (NUFA). Of this total, around 13,600 m² represent 100% vacancy.

Of the properties in use, 98.3% of the floor area is leased and operational.

Floor area data – Austrian portfolio

The Austrian portfolio comprises approximately 117,800 m² of net usable floor area (NUFA). There is no 100% vacancy within this portfolio.

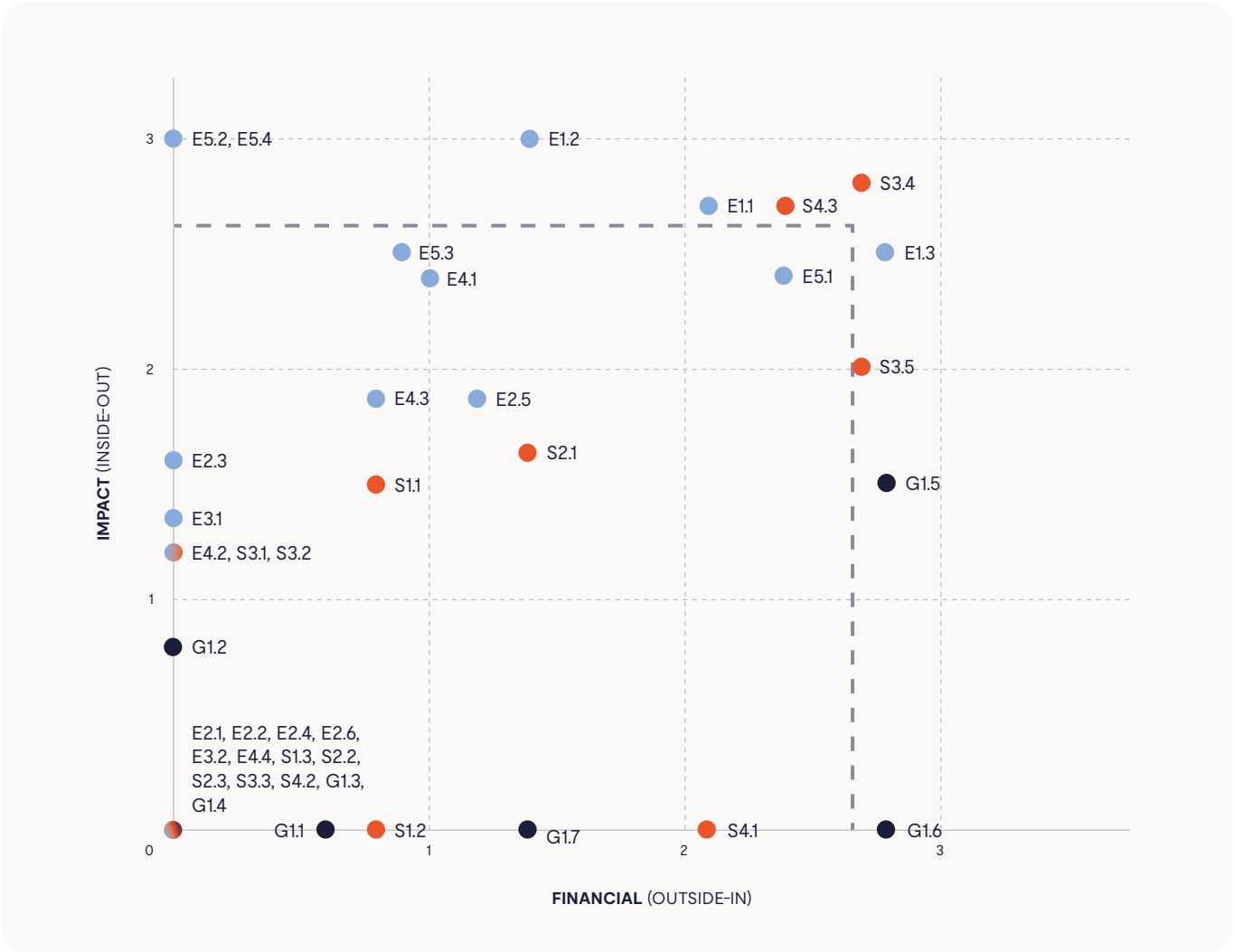


Figure 2: Double materiality matrix

Floor area data – Dutch and Belgian portfolio

The Dutch and Belgian portfolio comprises approximately 67,500 m² of gross floor area (GFA). Of this total, around 190 m² represent 100% vacancy.

Of the properties in use, 99.9% of the floor area is leased and operational.

Within the managed portfolio, two projects were completed in 2024. In addition, more than 12 projects are currently ongoing.

The oldest building dates back to the late 19th century, while the most recently completed building was constructed in 2022. The majority of the buildings were constructed between 1980 and 2000.

Energy efficiency is being improved through various measures described below, as well as through future developments. As

a fundamental principle, priority is given to the preservation of existing buildings in order to minimise resource consumption and reduce embodied (grey) emissions.

No fuels are stored in any of the buildings.

B2 – PRACTICES, POLICIES AND INITIATIVES

The majority of the managed properties are currently assigned to the retail use category. In the long term, most buildings are intended to be transformed into mixed-use properties in order to revitalise inner cities and create more livable urban environments.

At the time of publication of this report, 18 projects are in the concept or implementation phase. In addition, two projects were completed during the 2024 reporting period.

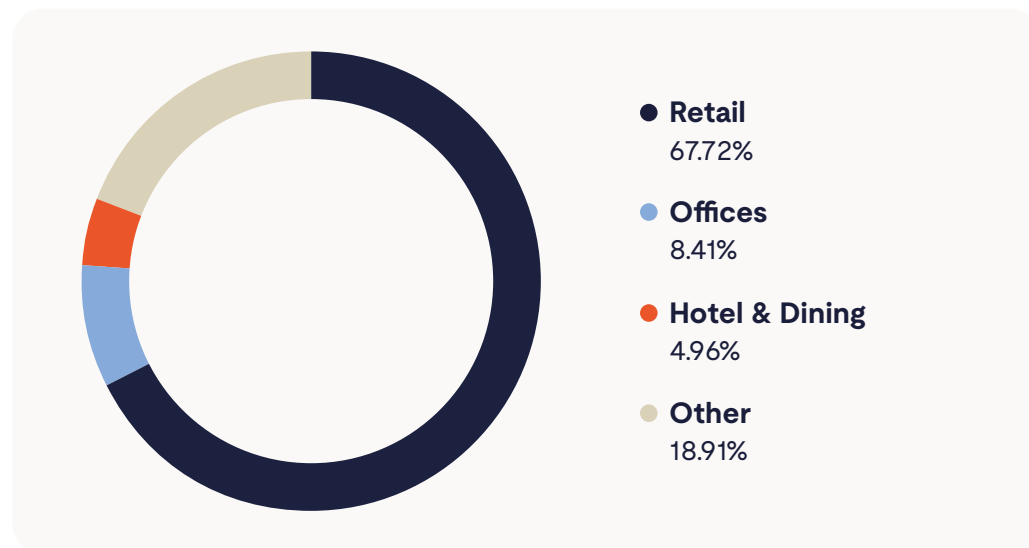


Figure 3:
Use-mix

The managed properties feature the use mix illustrated in Figure 3. Midstad has developed guidelines for targeted sustainability certifications. As most properties are existing buildings, two certifications are currently in place: DGNB Gold and BREEAM Very Good.

Due to the high number of ongoing development projects, numerous additional certifications are firmly targeted for the coming years.

B3 – ENERGY AND GREENHOUSE GAS EMISSIONS: GERMANY

The managed, non-vacant properties are supplied with energy as follows:

- 75% district heating;
- 20% natural gas;
- 2.5% biogas;
- 2.5% oil and gas.

58% of the properties are supplied with 100% certified green electricity (emission factor 0), while a further 11% are partially supplied with green electricity. Based on floor area, this corresponds to 72% green electricity coverage.

This achievement was pursued and realised in partnership with the anchor tenant within the portfolio. In the remaining leased areas, electricity supply is fully managed by the tenants. As a result, despite partially agreed green lease clauses, no consumption data is available. For conservative reporting purposes, it is assumed that these areas are supplied using the German electricity mix. In the medium term, the objective is to supply all properties with certified green electricity.

Overall, 90% of electricity consumption, 71.2% of fossil fuel consumption and 84% of district heating consumption are based on actual measured data. Through the ongoing rollout of smart metering across all projects, as well as the implementation of additional green lease clauses with existing tenants, the quality and coverage of the data base are continuously improving.

District heating is currently classified as 100% non-renewable as some suppliers do not provide detailed information on the share of renewable energy sources. However, at numerous locations, district heating is supplied with an emission factor of 0 kg CO₂e/kWh. Actual environmental performance is therefore more favourable than presented here. A more detailed breakdown is planned for future reports.

The use of heat and electricity results in emissions within the managed buildings.

Emissions are calculated using location-specific emission factors. At present, Scope 3 emissions are not disclosed. The reported emissions reflect the perspective of the client.

Overall, 53.6% of the German properties (including vacant and leased buildings) are currently classified as 'Paris-ready' along the CO₂ pathway. At the same time, 22% of already 'stranded' assets do not yet meet the energy efficiency pathway defined by the EU.

Due to ongoing development projects and the associated transformation of the properties, a significant increase in the share of Paris-ready assets and a substantial reduction in stranded assets is expected.

In 2022, none of the assessed buildings were classified as Paris-ready.

The CRREM pathway can be presented both on a consumption-based and demand-based basis. From a demand perspective, a major measure has already been implemented across a large portion of the portfolio: in Germany, 58% of properties are supplied with 100% green electricity, a further 11% partially, covering 81% of total electricity consumption, following a portfolio-wide conversion to green electricity at the beginning of 2024.

Through climate risk analyses and subsequent vulnerability assessments, climate risks at the individual property level are identified and the necessary adaptation

	RENEWABLE [MWh/a]	NON-RENEWABLE [MWh/a]	TOTAL [MWh/a]
Electricity	30,254.94	5,702.32	35,957.25
District heating	0	9,810.27	9,810.27
Fossil fuels (Gas, oil, gasoline)	1,185.04	2,769.30	3,954.34
Total	31,439.98	18,281.88	49,721.86

Table 3: Energy consumption – managed portfolio Germany ²²

	SCOPE 1 GHG EMISSIONS [tCO ₂ e/a]	SCOPE 2 GHG EMISSIONS [tCO ₂ e/a]
Emissions	9.68	39.10

Table 4: Scope emissions – managed portfolio Germany ²³

²² Missing values were calculated using TEK.

²³ Where the relevant certificates were not available, the corresponding emission factors according to CRREM were applied. The CRREM factors were selected due to CRREM's relevance within the European real estate sector and the strong focus of financial institutions on CRREM alignment.

ELECTRICITY CONSUMPTION BY AREA (IN %)

Germany



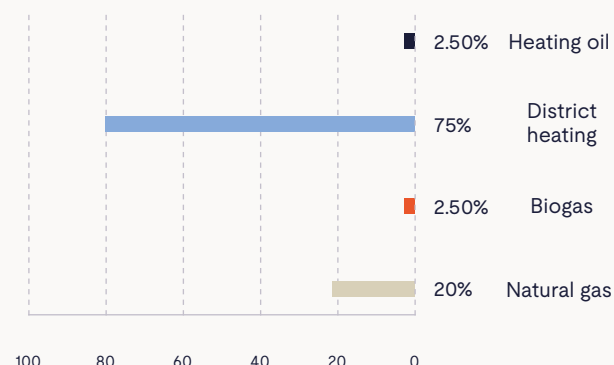
Austria



● Certified green electricity ● Grid mix

HEATING SOURCES

Germany



Austria

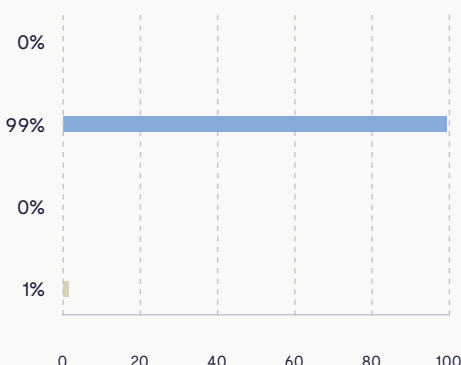


Figure 4: Electricity consumption and heating sources

measures are implemented. Findings from initial climate risk and vulnerability assessments are already being applied, particularly within active projects, to inform the development of targeted adaptation measures.

B3 – ENERGY AND GREENHOUSE GAS EMISSIONS: AUSTRIA

The Austrian portfolio is notable for including the oldest building under management, dating back to the late 19th century.

Following the successful implementation of ESG measures in the German portfolio, these initiatives are now being gradually rolled out across the other portfolios. The data quality for the Austrian portfolio is expected to steadily improve over the coming years.

33% of the properties are supplied 100% with certified green electricity (emission factor 0), which corresponds to 35% of the total leased area. For the remaining leased areas, we are not involved in electricity procurement; conservatively, it is assumed that these areas are supplied according to the Austrian electricity mix. The long-term goal is to supply all properties with certified green electricity.

Regarding district heating and fossil fuels, some data is not available due to missing consumption records.

Currently, 45% of electricity consumption is based on actual measured data. Improvements in data quality are expected through the expansion of measures that have been tested and established in the German portfolio over the coming years.

	RENEWABLE [MWh/a]	NON-RENEWABLE [MWh/a]	TOTAL
Electricity	4,523.12	5,408	9,931.12
District heating	0	6,132.77	6,132.77
Fossil fuels (Gas, oil, gasoline)	0	95.71	95.71
Total	4,523.12	11,621.41	16,144.53

Table 5: Energy consumption – managed portfolio Austria

	SCOPE 1 GHG EMISSIONS [tCO _{2e} /a]	SCOPE 2 GHG EMISSIONS [tCO _{2e} /a]
Emissions	1.85	33.40

Table 6: Scope emissions – managed portfolio Austria

B3 – ENERGY AND GREENHOUSE GAS EMISSIONS: NETHERLANDS & BELGIUM

In the Dutch and Belgian portfolios, energy procurement is generally the responsibility of the tenants, as stipulated in the lease agreements. As a result, Midstad often lacks visibility into electricity consumption data. Conservatively, it is assumed that these areas are supplied with non-renewable electricity. Similarly, data on district heating

and fossil fuels is not available due to missing consumption records. All operational, non-vacant properties are assumed to be fully supplied with gas. Ongoing professionalisation of portfolio management will enable reporting of tenant-level data in the future. Due to the structure of the lease agreements in the Netherlands and Belgium, no Scope 1 or Scope 2 emissions arise from these properties.

	RENEWABLE [MWh/a]	NON-RENEWABLE [MWh/a]	TOTAL [MWh/a]
Electricity	0	6,926.97	6,926.97
District heating	0	0	0
Fossil fuels (Gas, oil, gasoline)	0	4,140.46	4,140.46
Total	0	11,067.43	11,067.43

Table 7: Energy consumption – managed portfolio Netherlands and Belgium

B4 – AIR, WATER AND SOIL POLLUTION

As the managed properties are predominantly existing buildings, with no new land sealing in new constructions and no industrial processes occurring on-site, there are no significant impacts on air, soil or water from pollutants, noise or light emissions.

B5 – BIODIVERSITY

As Midstad primarily manages properties in already developed inner-city areas, the impact on biodiversity is low. In accordance

with VSME guidelines, it was also assessed whether any properties are located in biodiversity-sensitive areas, including those designated under Natura 2000²⁴, UNESCO²⁵ or Key Biodiversity Areas (KBA)²⁶. Only a few properties – four in total – are located within the buffer zones of UNESCO World Heritage Sites, and none are situated in the other assessed regions.

B6 – WATER

Water consumption is reported for properties located in areas experiencing water

stress, as identified by the Water Risk Atlas. Overall, approximately 18% of properties in the German and Austrian portfolios consumed a total of 59,560.45 m³ of water.

B7 – RESOURCE USE, CIRCULAR ECONOMY AND WASTE MANAGEMENT

Midstad focuses predominantly on existing buildings, reducing resource consumption by maximising the lifespan of built structures and preserving the embedded ‘grey’ energy. Construction and renovation projects follow current state-of-the-art techniques and comply with high certification standards (e.g., DGNB, LCA calculations) to meet industry-specific sustainability benchmarks. Additionally, the circularity of construction measures is increasingly considered.

Planned pilot projects aim to quantify grey energy savings through refurbishment and to develop a company-wide circular strategy for future projects. Waste is currently separated on-site based on provided bins, and no further measures are planned at present. At the 2024 construction site, waste was monitored: during the gutting phase, 415.85 t of hazardous waste and 435.29 t of non-hazardous waste were generated and properly disposed of. During subsequent demolition, 1.58 t of hazardous waste and 37,455.55 t of non-hazardous waste were generated and disposed of correctly. Future construction projects will continue to pursue these standards through sustainability certifications.

Disclosure of methods, key assumptions and estimates

For the 2024 reporting period, consumption, emissions and other material sustainability-related data for Midstad locations was reported separately from managed properties. Data was sourced from internal surveys, tenant reports and publicly available sources. Where necessary, values were estimated or extrapolated. Consumption calculations were primarily based on partial energy indicators (TEK) for non-residential buildings. Deviations in calculation methods are transparently documented. All figures are for guidance and comparability; some values may be rounded. This applies to both Midstad’s own operations and the managed portfolio. Complete consumption data is not available for all sites and managed assets. Midstad is continuously working to close data gaps and increase transparency through IT-supported data collection and analysis.

²⁴ [Natura 2000 Viewer](#) (last accessed 10 September 2025)
²⁵ [UNESCO World Heritage Centre – World Heritage List](#) (last accessed 10 September 2025)
²⁶ [Map Search](#) (last accessed 10 September 2025)



03

POWER OF PLACES –

How Our Developments Re-Shape Urban Life

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BEYOND GREEN:

How the 'S' in ESG Transforms City Centres into Places People Love, Not Just Investments



Our city centres are stuck. Caught between high vacancy rates, monolithic usage and increasing interchangeability, they are losing the very essence of what makes a city a city.

social value, contributes to the sustainable development of urban spaces and is always economically viable.

What defines the 'Midstad Way'?

DR MEYER: The Midstad Way starts with a core belief: we develop real estate not for markets, but for people. Our approach is research-based and follows the principle of social impact. With every project, we ask ourselves: How can we create a place that truly makes a difference? Our goal is not just the next functional unit, but the next 'place people love' – a space that works, connects and strengthens inner-city life. Our approach is research-based and follows the principle of social impact. For every project, we ask ourselves: How can we create a place that really makes a difference? Our goal is not the next unit of use, but the next favourite place – a space that functions well, connects and strengthens inner-city life.

What does that mean in concrete terms for your project development?

DR MEYER: We create spaces that make cities attractive to people again. That is why we focus on project development oriented toward human needs, as well as cooperation with municipalities and urban society on equal footing. To substantiate the social value of our inner-city projects, we have developed an analytical method that makes social effects visible and measurable. For the first time, this provides a systematic foundation for impact-driven urban de-

Midstad – founded in 2024 – has set out to rethink urban spaces: viewing them not merely as spaces for investment, but as vibrant living environments featuring sustainable architecture, social involvement and close ties to urban designers – all based on the conviction that inner cities don't need saving, but must be brought back to life.

Dr Kevin Meyer, Managing Director of Midstad, explains why the 'S' in ESG is the key to vibrant city centres – and how the 'Midstad Way' transforms spaces back into 'Places People Love' that attract and connect people.

Dr Meyer, Midstad is strongly committed to social sustainability. Why?

DR MEYER: Transformation remains incomplete if it only targets the 'E' in ESG while ignoring the social dimension. Our city centres, in particular, demonstrate just how crucial the 'S' really is. We are seeing most European cities lose their appeal and vitality because they have been developed too one-dimensionally for years. A city needs more than just 'function'; it needs spaces for interaction, diversity and participation. This is exactly where our 'Midstad Way' comes in. We consistently pursue an evidence-based, human-centric strategy that creates

‘Positive impact manifests itself when people regularly use a place, spend time there and interact with each other.’

velopment. Our pilot project is currently underway on Frankfurt’s Zeil and is set to be expanded to other European inner-city locations.

How does positive impact manifest itself in inner cities?

DR MEYER: Positive impact manifests itself when people regularly use a place, spend time there and interact with each other. Important indicators here are visitor frequency, length of stay and return rate. Concrete data helps us measure the relevance of a place. But we go one step further. In our ‘Urban Transformation Lab’ at Midstad, we formulate research questions that we work on with renowned universities and institutes. Based on all these findings, we are currently creating a model to systematically record how the transformation of the built environment affects people and what social impact our projects have. Because the design and impact are decisive factors in the performance of a building and thus in whether a place remains successful and relevant in the long term.

You like to point out the need to ‘curate’ city centres and buildings. What do you mean by that?

DR MEYER: For us, curating means matching city centres to the respective needs of a location. One building block for this is the typical Midstad building with its mix

of uses, from retail, offices and hotels to co-working, healthcare offerings, schools, sports facilities and short- and long-stay accommodation. By ensuring that use-types complement each other and attract different people, we avoid purely profit-oriented properties with no connection to urban society. Instead, we create places that foster connection and have a positive social impact. This makes city centres more vibrant, safer and economically successful.

What does it take to make this happen?

DR MEYER: It is essential to take on the user’s perspective. That is why we are conducting intensive research into what cities need today and tomorrow. Only when we understand how people use spaces or why they visit certain places will we be able to develop buildings with added value. We see another major lever in the close cooperation between private investors, municipalities and civil society actors. Cities must not be left exclusively to the conventional logic of the capital market. The people for whom real estate is designed must always be at the forefront.

What conceptual approaches are required here?

DR MEYER: The key is a radical departure from a one-dimensional understanding of real estate. Third-party usability is a core strategic parameter for future-proof build-



ings. The market disruptions of recent years have clearly shown how volatile user requirements have become – and how quickly monofunctional structures reach their limits. Nevertheless, monofunctional floor plans that are only suitable for a single purpose and thus limit their own adaptability continue to dominate in many places. At Midstad, we therefore consistently pursue what we call an ‘all-use’ approach. Real estate must be systematically transformable throughout its life cycle. Today’s retail space can become an office tomorrow – or hospitality the day after tomorrow. This means that buildings need a technical and structural framework that enables adaptability – through a flexible axis grid, sufficient floor heights and decentralised access. Space flexibility is not an afterthought, but should be considered early on in the planning process. This creates real estate that not only meets current requirements, but also remains resilient in the long term. For investors, cities and users, this is a key added value. We need reliable buildings that

can survive even in volatile markets and provide real urban benefits.

What is your vision for the city centre of tomorrow?

DR MEYER: We envision a city that is reclaiming its quality of life. A place where people live, work, enjoy culture and leisure; where children play and everyone feels safe. Places that put people at the centre are not idealistic projects, but investments in our shared future and therefore economically viable.

Finally, what drives you personally in your professional life?

DR MEYER: The conviction that city centres are more than just shopping streets. They are the heart of our cities. Either we invest in their future or we lose them. Those who shape cities today shape the coexistence of tomorrow. Exchange, diversity and pluralistic coexistence are the engine for new ideas, social progress and innovative solutions – that’s exactly what drives us.



PROJECT STORIES:

Multifunctionality as the Key to Urban Revitalisation

Four Midstad developments that demonstrate how mixed-use, quality of life and sustainability go hand in hand.

Four Midstad developments show how a smart mix of use, strong sustainability performance and urban appeal are bringing life back to our cities. German and European city centres are undergoing a fundamental change. Their cores in particular, long characterised by large-scale, monofunctional retail, are facing a profound transformation. But this is precisely where their great opportunity lies. Midstad sees this change as an invitation to rethink places. With our 'Power of Places' principle, we transform

former retail monoliths into vibrant, diversely used city centre spaces. Our 'Midstad Way' relies on a carefully curated mix of building uses that are geared to the needs of the respective urban society and bring quality of life and economic appeal back to the city centre. In this chapter, we tell the story of four projects in Mannheim, Ulm, Karlsruhe and Antwerp. Each one stands for our approach and the journey from problem area to a place with a positive impact: for the city and its people.

MIDSTAD MANNHEIM:

*From retail monolith to place
of encounter*

Location:	O3 2-8 (Planken), Mannheim, Germany
Size:	Approximately 17,000 m² gross floor area over 6 floors
Multi-use approach:	Retail, office, accessible roof garden
Architect:	Richard Meier, New York
Certifications:	BREEAM existing building certification ‘Very Good’



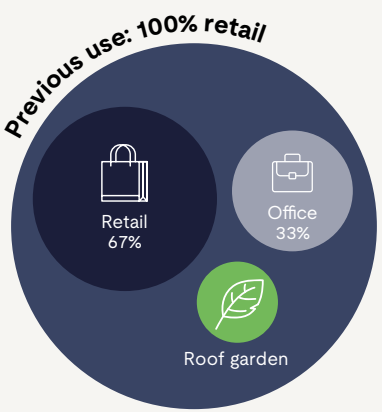
POWER OF PLACES: THE CHALLENGE

In Mannheim, the task was to rethink a six-story property used purely for retail purposes. Our challenge was to reactivate the building through a strategically astute transformation and reconnect it with its neighbourhood. The goal was to turn a monofunctional location into a new urban touch point for business, leisure, culture and community.

MIDSTAD WAY: THE TRANSFORMATION

Midstad renovated the building while it remained in operation, revitalising it with a mixed-use concept that combines retail and high-quality urban office spaces. Today, the building is regarded as a ‘place of encounter’, a space that fosters openness, flexibility and interaction. Open floor plans and a diverse mix of uses have transformed the property into a vibrant part of the urban fabric.

Midstad MANNHEIM



ESG-JOURNEY – MIDSTAD MANNHEIM

ENVIRONMENT – SUSTAINABLE BUILDINGS, MORE LIVABLE CITY CENTRES

- **Climate target compliance:** The project follows the CRREM path – and thus progressive annual CO₂ reduction in line with the Paris Climate Agreement and the European Green Deal. The building is ‘Paris Ready’ according to both the CO₂ path and the final energy path, and already meets the requirements of the CRREM path for 2045.
- **Preservation of substance and conservation of resources:** The renovation of the existing building saved grey energy. In particular, the integration of the existing façade made of glass and high-quality natural stone reduced material consumption.
- **Renewable energy:** Centralised use of green electricity in the common and individual rental spaces, as well as district heating, make the building virtually free of fossil fuels.
- **Digital efficiency:** Smart metering for all utilities enables precise, transparent control and optimization of resource consumption.

‘With our redevelopment in Mannheim, we aim not only to act sustainably today but to actively shape the city of tomorrow. Clear governance is the backbone of our approach.’

JANNIS LITSIOS
PROJECT MANAGER
MIDSTAD MANNHEIM



SOCIAL – LIVELY, SUCCESSFUL CITY CENTRES THROUGH MIXED USE AND INTEGRATION

- **Stakeholder integration:** Continuous dialogue with the city, users and partners during the planning and transformation phase ensures broad acceptance and shared commitment.
- **Cooperative tenant relations:** Continuous close co-ordination with tenants creates buildings that meet their needs, ensuring high occupancy rates and economic viability.
- **Promotion of urban mixed use:** A diverse range of uses has created a vibrant urban space that meets people's changing needs.
- **Daylight integration:** A newly integrated atrium provides plenty of natural light, ensuring comfort and a high quality of stay throughout the entire space.



MIDSTAD ULM:

From commercial building to a hub for knowledge and well-being

Location:	Bahnhofstraße 8, Ulm, Germany
Size:	Approximately 12,000 m ² gross floor area
Multi-use approach:	Retail, office, research, health, accessible roof garden
Architect:	MICHELGROUP, Ulm
Certifications:	BREEAM existing building certification 'Very Good'



POWER OF PLACES: THE CHALLENGE

The property in Ulm's prime city centre location was exemplary of the transformation of many inner-city areas: declining customer traffic and the need for a sustainable retail concept that integrates complementary types of use. Instead of demolishing the building tailored to shopping, Midstad deliberately chose a different path – and used the potential of the central location for a contemporary mixed-use solution by adding additional floors.

MIDSTAD WAY: THE TRANSFORMATION

Midstad has comprehensively renovated the former commercial monolith while it remained in operation, added additional floors, and equipped it with a needs-based mix of uses. Today, the property is seen as one of the city's anchor points – a place that combines health, science, commerce and community under one roof. Open floor plans, modern spaces for education, mental health offerings and medical care, and a rooftop terrace make Midstad Ulm a vital part of the urban community. The combination of retail on the ground floor, university use on the upper floors and communal spaces creates a resilient usage concept that brings frequency, diversity and quality of stay back to the city centre.

Midstad ULM



ESG-JOURNEY – MIDSTAD ULM

ENVIRONMENT – SUSTAINABLE BUILDINGS, MORE LIVABLE CITY CENTRES

- **Climate target compliance:** Among other things, thanks to its connection to district heating and its use of green electricity, the building is compliant with the CRREM CO₂ pathway 'Paris Ready'.
- **Digital efficiency:** Smart metering records electricity, water, heating and cooling consumption in real time. This data creates full transparency and enables targeted optimisation.
- **Preservation of substance and energy savings:** The transformation of the existing building has saved around 1.2 tonnes of grey energy. The resource-saving approach avoids unnecessary new construction and extends the life of the building in a sustainable manner.
- **Renewable energy:** In addition to the use of green electricity, a 40 kWp photovoltaic system is planned in Ulm (completion at the end of 2025). Together, these two measures will cover part of the building's own electricity requirements in the future.
- **Energy efficiency:** Connection to the fossil-free district heating network, triple glazing and digital control systems reduce the building's total energy consumption by around 30%. And make it 40% more efficient in terms of primary energy than comparable reference buildings.
- **Green funding:** The energy efficiency measures are supported by a KfW funding programme with an estimated €1.1 million – a clear sign of the project's sustainability.

‘With Midstad Ulm, we have transformed a place that today combines healthcare, education, encounters and everyday life. For us, this is real urban development: resilient, open and full of life.’

ANDREAS LÖCKMANN
SENIOR PROJECT DEVELOPER
MIDSTAD ULM



SOCIAL – LIVELY, SUCCESSFUL CITY CENTRES THROUGH MIXED USE AND INTEGRATION

- **Social diversity instead of single-use:** The mixed use of retail, medical services, university teaching and urban forms of work opens the building to a broad user base. This transforms what was once a one-dimensional place of consumption into an integrative meeting place.
- **Making mental health visible:** With the University of Ulm’s outpatient psychiatric clinic, a healthcare service with high social relevance and demand has moved to the heart of the city: mental health, research, teaching and care are brought together in Midstad Ulm. A plasma donation centre complements the healthcare focus.
- **Strengthening the community – shared spaces:** Flexible floor plans, communal areas and an open, barrier-free architecture create space for encounters. The spacious roof terrace is open to all users.
- **Rethinking mobility:** With 58 modern bicycle parking spaces, environmentally friendly mobility is actively supported. Midstad Ulm is committed to a healthy, green cityscape.

3 questions with... Dr Roberto Rojas,
Managing director of the Psychotherapeutic University Outpatient Clinic, Institute of Psychology and Education, University of Ulm

What do you particularly appreciate about your premises in the Midstad Ulm project?

DR ROJAS: Our premises at Bahnhofstraße 8 are centrally located, patient-friendly and meet the highest standards for data protection, fire safety and occupational safety – essential for a clinical facility.

What added value does the location offer for the treatment of your patients?

DR ROJAS: The central location provides excellent accessibility, especially for working patients as well as children and adolescents. Plus, we can do practical therapy exercises (in vivo exposure) right in the city centre – like for social anxiety, agoraphobia or fear of heights.

How does the space’s design contribute to your personal well-being in your everyday work?

DR ROJAS: The modern, bright rooms create a calm and relaxed environment for patients and staff – ideal for carrying out therapeutic interventions.

MIDSTAD ULM – WHAT OUR TENANTS SAY



MIDSTAD KARLSRUHE:

Transforming obsolete structures into a vibrant new centre – a place for the entire city

Location:	Corner of Kaiser- and Lammstraße, Karlsruhe, Germany
Size:	Approximately 16,000 m ² gross floor area (new building)
Multi-use approach:	Office, coworking, retail, catering, clinical practice, fitness
Architect:	Kleihues + Kleihues, Berlin
Certifications:	DGNB Platinum (new building), DGNB ESG-Verification, DGNB-demolition certificate, WiredScore Platinum



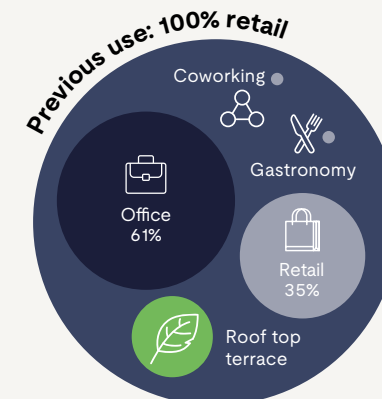
POWER OF PLACES: THE CHALLENGE

Kaiserstraße is the backbone of Karlsruhe's city centre. For decades, monofunctional retail dominated this area until structural change brought it to a turning point. After intensive evaluation, it became clear: the existing building is neither structurally nor technically sustainable for the future – but the location is. Midstad has chosen a fresh start, managing the deconstruction in a material-efficient manner and designing the new building for flexibility and long-term use. The result is an urban building block with high third-party usability that can easily be adapted to new uses in the future.

MIDSTAD WAY: THE TRANSFORMATION

What was once purely retail space is being transformed into a place for work, encounter and health, deeply interconnected with the city. Following a certified deconstruction based on circular economy principles, a seven-story ensemble is emerging, featuring office and medical spaces, coworking, gastronomy, a fitness studio and a communal roof garden. The architecture opens the building to the city, interlocking interior and exterior spaces while creating inviting areas for New Work and physical activity. Spaces for both interaction and retreat across multiple levels make Midstad Karlsruhe an urban destination – anchored in the city fabric, designed for the future.

Midstad KARLSRUHE



ESG-JOURNEY – MIDSTAD KARLSRUHE

ENVIRONMENT – SUSTAINABLE BUILDINGS, MORE LIVABLE CITY CENTRES

- **EU taxonomy compliant:** The building is being constructed in accordance with the requirements of the EU taxonomy by meeting strict environmental, climate and sustainability criteria.
- **Circular economy demolition:** The demolition ensures the reuse of valuable resources. This saves grey energy and minimises the ecological footprint.
- **Choice of materials:** Use of certified construction products to ensure high environmental standards and material transparency.
- **Low-carbon new building:** Low-fossil fuel operation thanks to heat pumps, district heating connection and thermally activated concrete construction. Supplemented by heating and cooling ceiling sails for energy-efficient room temperature control.
- **Photovoltaics:** A 100 kWp PV system generates green electricity directly on the roof.
- **Microclimate & biodiversity:** The bright façade of the building supports the microclimate. In addition, green roofs with rainwater retention functions and heavy rain protection, as well as a green roof garden on the 2nd floor, improve the microclimate in the city and promote biodiversity.
- **Future-proof networking:** Technologically ready for the future with WiredScore certification in Platinum. The powerful digital infrastructure enables smart building control, increases energy efficiency and supports resource-efficient use.
- **Reporting & data monitoring:** Continuous disclosure, digitalisation and networking of ESG key figures provides a transparent basis for energy and resource efficiency.

'Midstad Karlsruhe is a promise to the urban community: we are developing the project in such a way that it offers a high quality of life and added value for a wide variety of users.'

TIM WEIS
PROJECT MANAGER
MIDSTAD KARLSRUHE



SOCIAL – LIVELY, SUCCESSFUL CITY CENTRES THROUGH MIXED USE AND INTEGRATION

- **Social diversity & new variety of uses:** The usage concept creates space for companies, start-ups and restaurateurs. This creates a place for many – open, urban and diverse.
- **Connection to KIT:** The proximity to the renowned university makes the project particularly attractive for founders and technology-oriented user groups.
- **Common areas & quality of life:** Three roof terraces, a café on the ground floor and open meeting areas create space for exchange, collaboration and relaxation.
- **Healthy mobility:** Over 120 secure bicycle parking spaces in the basement, additional outdoor parking spaces in the courtyard, e-bike charging stations and the central location with public transport connections promote sustainable and health-oriented mobility.
- **Focus on health:** An integrated gym with wellness facilities on the ground floor strengthens the physical resilience of users.
- **Confidence-building planning & certifications:** Demolition and new construction certifications as well as external ESG verification by the DGNB ensure quality, build trust among tenants and stakeholders, and support the long-term economic viability of the project.



MIDSTAD ANTWERP:

Statement on reclaiming our city centres

Location:	Meir 31-33, Antwerp, Belgium
Size:	Approximately 7,000 m ² gross floor area over seven floors
Multi-use approach:	Hotel, retail, rooftop-bar, accessible green areas
Architect:	Bold Architects, Antwerp
Certifications:	BREEAM ‘Excellent’ (aimed for, successful Pre-Check)



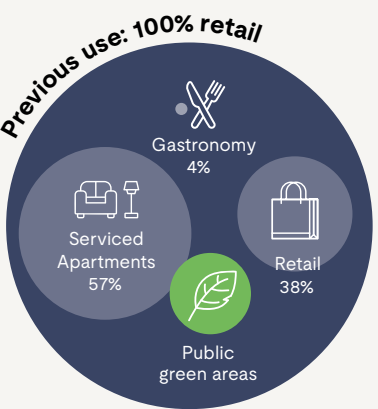
POWER OF PLACES: THE CHALLENGE

In the middle of the Meir, Belgium’s most renowned shopping street, a key property gradually lost its relevance. It increasingly seemed out of step with the times. Technically outdated, used in a one-dimensional way, without a coherent concept for the future. The fact that such a location in a prime location was attracting less and less footfall was an expression of structural change that calls into question central city locations if they do not adapt to changing conditions. Instead of renovation, what was needed here was the courage to fully transform the place.

MIDSTAD WAY: THE TRANSFORMATION

Where others saw only vacant space, Midstad spotted the opportunity to rethink a part of the city: the old department store is being transformed into a vibrant, mixed-use urban building block. On the ground floor: contemporary retail, curated and open to the street, as an anchor for pedestrian traffic. Above: high-quality serviced apartments for flexible living in the heart of the city. In between: a green, publicly accessible mezzanine floor, as a place to linger and experience biodiversity. The crowning glory: a rooftop bar with spectacular views over Antwerp, a new hotspot for enjoyment and urban experience. Midstad Antwerp is becoming a vertical micro-city: a statement for the reconquest of our city centres.

Midstad ANTWERPEN



ESG-JOURNEY – MIDSTAD ANTWERPEN

ENVIRONMENT – SUSTAINABLE BUILDINGS, MORE LIVABLE CITY CENTRES

- **Resource-efficient demolition:** Taking into account the highest environmental standards, with a focus on recyclability and material cycles. Green island in the city centre: the publicly accessible green space between the buildings promotes microclimate, biodiversity and urban quality of life.
- **Renewable energy:** A photovoltaic system will contribute to the building’s own electricity supply.
- **Space efficiency:** The idea of vertical micro-city creates a highly functional mix of uses with optimal use of space and a reduced footprint.
- **Certified sustainability:** The targeted BREEAM ‘Excellent’ certification ensures ambitious environmental and social standards. The pre-check has already been successful.
- **EU taxonomy compliance & ESG monitoring:** The project development follows the EU taxonomy as a whole, scientifically based climate targets and circular economy principles; ESG measures are data-driven, made measurable and optimised.

‘With Midstad Antwerp, we are creating a place that opens up, connects and grows – together with the city and its people. Here, we are showing what the city of tomorrow could look like.’

PAUL VAN ROOY
PROJECT MANAGER
MIDSTAD ANTWERP



SOCIAL – LIVELY, SUCCESSFUL CITY CENTRES THROUGH MIXED USE AND INTEGRATION

- **A city for everyone:** Midstad Antwerp combines living, working, leisure and community accessible to residents and visitors.
- **Dialogue & participation:** Intensive dialogue with local stakeholders ensures social integration, cultural acceptance and long-term sustainability.
- **Mix of uses to combat monotony:** The mix of retail, apartments, rooftop bar and green spaces ensures lively use from morning to night.
- **Recreation and meeting spaces:** The integrative greening not only benefits the environment, but also social interaction.
- **Sustainability reporting & credibility:** Project-related documentation and disclosure of environmental and social performance strengthen trust among tenants, users and investors.



ESG IN PRACTICE:

Measurable effects for climate protection, social added value and corporate responsibility

For us, sustainability means consciously linking environmental, social and good corporate governance issues. Together with selected partners, we develop solutions that create long-term sustainable structures – whether through clear steps to reduce CO₂ emissions, the smart use of data or transparent evaluation of our contribution to society.

COOPERATION WITH AEDIFION – AI-POWERED ENERGY EFFICIENCY FOR OUR BUILDINGS (E)

The first step for us lies in direct, measurable climate benefits. Together with aedifion, we have implemented a pilot project for the AI-based optimisation of our building operations. The forecasts speak for themselves: up to 3 million kilowatt hours of electricity and 1.6 million kilowatt hours of heat can be saved per year. Twenty buildings were considered as significant emitters in the managed portfolio. The aedifion platform analyses, optimises and controls the operation of technical systems in real time. This saves energy, can further reduce emissions, cuts costs and increases comfort for our tenants at the same time.

Due to its success, we are planning to roll it out across our entire portfolio.



Benefit: Directly visible and measurable savings of operational carbon and energy in our buildings

PARTNERSHIP-BASED SWITCH TO GREEN ELECTRICITY: OPERATIONAL CARBON REDUCTION (E)

Together with the main tenant in the managed portfolio, a large part of the 2023 to 2024, a large part of the German and Austrian portfolio was converted to certified green electricity. As green electricity, we purchase 100% green electricity generated from EEG plants.

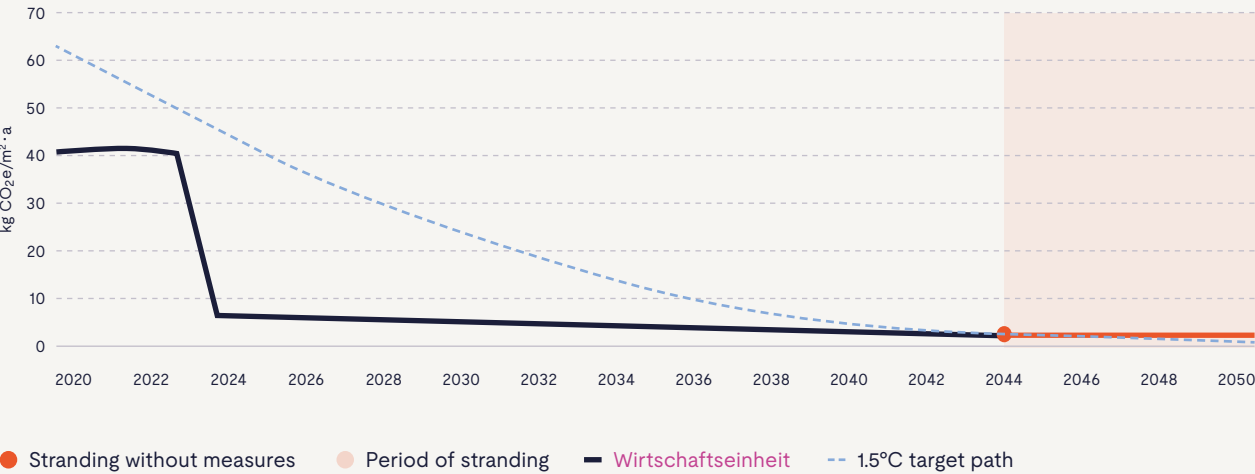
This reduces the CO₂ intensity in the managed buildings by around 13,200 tonnes CO₂ – which corresponds to a significant reduction of approximately 70%. Joint electricity purchasing enables an attractive price due to the volume, thus optimising the portfolio both economically and ecologically. At the same time, the energy supplier's platform enables monitoring of energy consumption both for the user and for us.



Benefit: Joint electricity purchasing reduces CO₂ emissions by almost 70% and, in some buildings, is also economically advantageous.

CO₂e path

According to the 1.5°C GHGe target path





Eric Fischer (2010):
Blue dots: residents;
Red dots: tourists;
Yellow dots: both

SOCIAL IMPACT COMPASS – MAKING SOCIAL IMPACT MEASURABLE

The innovation: We are conducting pilot projects to develop new methods for quantifying the social added value of real estate. (S)

ESG criteria (environmental, social, governance) have become established as the standard for sustainable business practices. While ecological and economic factors can already be measured using clear indicators, the social dimension often remains less tangible.

In addition to ecological and corporate responsibility, social sustainability is a key component of our strategy. We have therefore developed an analysis method that makes the social added value of transformation projects in city centres measurable for the first time on the basis of data. In our pilot project on Frankfurt's Zeil, digital tools and, in particular, GPS data are used to

- measure visitor flows, visitor profiles and social composition,
- frequency & dwell time behaviour,
- mix of uses & tenant structure,
- economic potential for local retailers,
- historical developments & expected trends,

into meaningful impact analyses and key figures. This provides us with a robust basis for strategic decisions regarding use concepts, which can be translated into concrete social added value in our city centres. This approach is to be transferred to other German and European cities in the future.

Benefit: Where gut feeling and individual measures previously prevailed, a concrete, data-based analysis of social added value is emerging for the first time.

PLATFORM SOLUTION WITH PREDIUM – ESG DATA HUB & REPORTING

The control centre: digital infrastructure for ESG reporting (G)

To ensure that we not only achieve individual ESG successes, but can also manage and verify them in a networked manner, we rely on the ESG management platform Predium. It bundles all relevant sustainability information about our properties in one central location. Thanks to clear CO₂ reduction plans, simple action plans and seamless IT

support, we can create meaningful ESG reports in just a few minutes, without any time-consuming data searches. Consumption data, particularly for water, electricity and district heating from our currently rolled-out digital smart metering system, is increasingly flowing directly into the ESG tool via an in-house interface. This enables us to efficiently meet regulatory requirements and provide our stakeholders with insight at any time.



Benefit: Scattered information is transformed into a reliable ESG database for long-term decisions, reporting obligations and stakeholder transparency.

FROM ASPIRATION TO IMPACT: OUR ESG INITIATIVES AT A GLANCE

Efficient building operation with AI (aedifion)

Reducing energy consumption & CO₂ – 3 million kWh of electricity and 1.6 million kWh of heat per year as potential savings

Switch to green electricity

Achieving decarbonisation targets – reduction of CO₂ emissions by approx. 70%

Social impact compass

Successful pilot project for data-based analysis of the social impact of real estate projects

ESG data management

Reporting in minutes instead of days; central 'single source of truth' for all sustainability information

KNOWLEDGE CREATES IMPACT

How research insight makes our projects more human-centric and resilient

Sustainable urban development requires more than good intentions. It needs knowledge that provides a systemic understanding and makes decisions reliable. That's why we combine environmental and social impact with responsible governance in a holistic approach, supported by research and data. The result: projects that work today and endure tomorrow.



WHAT MAKES CITY CENTRES LIVEABLE?

Instead of merely guessing what people expect from urban spaces, we work with our research partners to generate reliable knowledge. Developing liveable cities requires more than just beautiful buildings – it requires data, an understanding of interrelationships and insight. That is why decisions at Midstad are science-backed.

Together with TU Darmstadt, EBS University of Business and Law and IREBS – University of Regensburg, we have established a research network that shows that urban development works when it is designed with people in mind and supported by science.

WHY WE CONDUCT RESEARCH: THE CITY OF TOMORROW DEMANDS NEW KNOWLEDGE

Our city centres are under significant pressure to transform. Structural changes in retail, shifting consumer behaviour and the ongoing trend toward online shopping are leading to declining footfall and rising vacancies. At the same time, flexible work models and remote work are redefining the role of the workplace. On top of these challenges are increasing demands for climate

protection, urban quality of life and a social mix of uses.

In the future, the resilience of urban centres will depend on the ability to re-integrate retail, work, living, culture and sustainability. Specifically, what must inner-city buildings deliver to function in the long term? And which types of use contribute most to their success?

Our approach: Instead of relying on gut feeling, we rely on reliable insight for the Midstad buildings. In order to tailor our projects specifically to the needs of users, we have launched the Urban Transformation Lab – a platform for interdisciplinary research that helps us to think holistically about urban spaces and design them in an evidence-based manner.

URBAN TRANSFORMATION LAB: OUR THINK TANK FOR LIVEABLE CITY CENTRES

The Urban Transformation Lab is our think tank for people-centred urban development. Together with leading universities, we analyse how city centres are changing socially and develop concrete solutions based on our findings.

Our goals are:

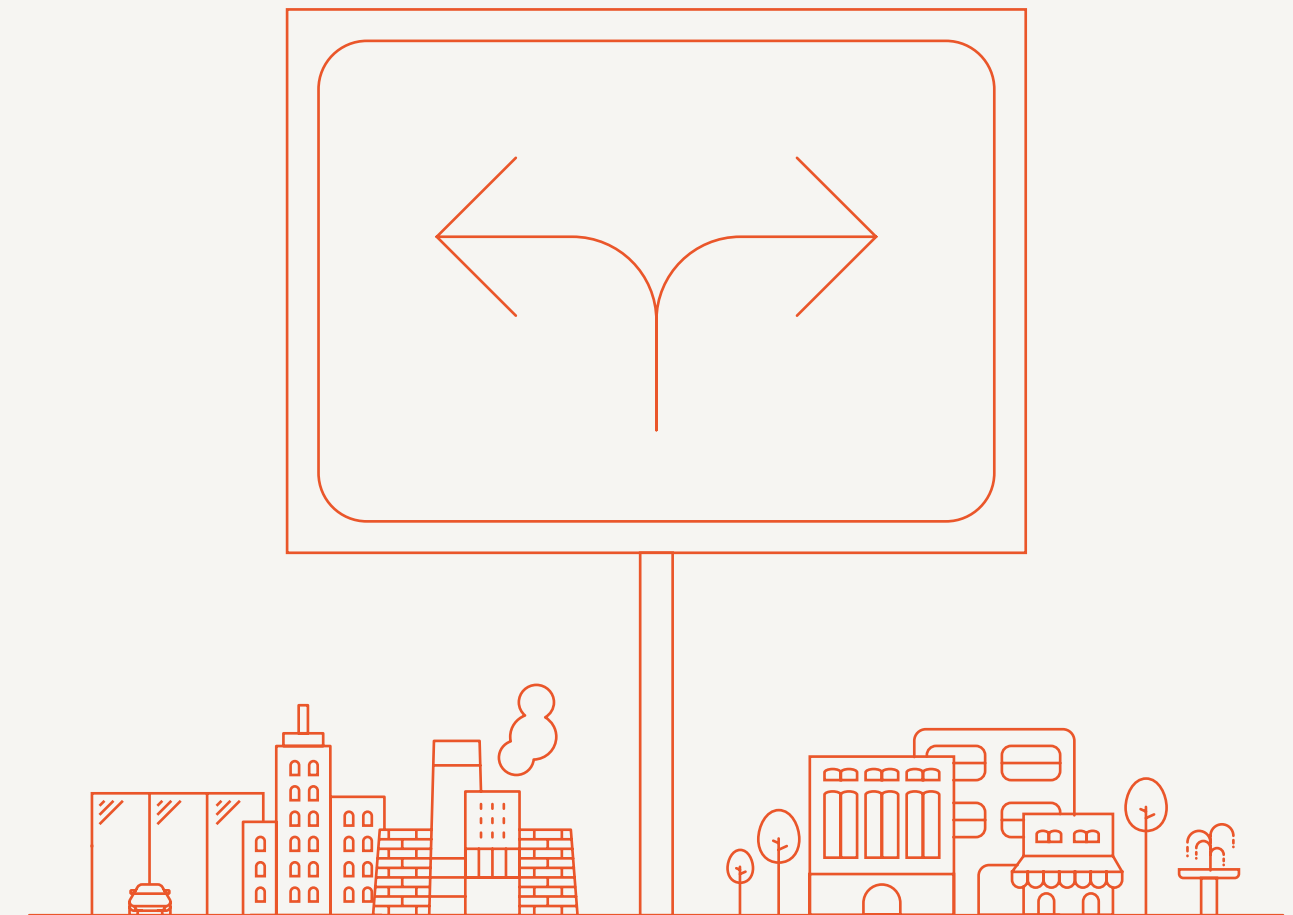
- **Understanding human-environment relationships in inner cities:** How does the built environment influence human behaviour and what consequences does this have for inner cities and property values?
- **Making meaningful use of data:** With new data sources and innovative analyses, we create a sound basis for evidence-based sustainable urban development.
- **Promoting urban transformation:** Developing innovative concepts for liveable, resilient and economically viable inner cities.
- **Involving stakeholders:** Promoting social discourse and creating acceptance for new ideas.
- **Providing practical insight:** Research results that directly support architects, city planners and investors – while promoting a collaborative approach with all project participants.
- **Creating a reliable foundation:** Ensuring more informed decisions across planning, policy and project development.
- **Opening up new perspectives:** Discovering interdependencies that were previously unexploited or unknown, and deriving solutions from them.

RETHINKING THE CITY TOGETHER

Our work at the Urban Transformation Lab is also a call for collaboration. Because the challenges of inner-city development can only be overcome together – with cities, universities, companies, politicians and, above

all, the people for whom we build. **We invite you to think ahead with us. About a city that inspires, connects and makes an impact.**

URBAN TRANSFORMATION LAB – SEVEN LEVERS FOR LIVEABLE CITY CENTRES



- PROVIDING GUIDANCE:** Creating data-based decision-making foundations to make urban transformation measurable, comprehensible and controllable. Research as the cornerstone of sustainable urban development
- STARTING CONVERSATION:** Fostering social dialogue on urban development – building bridges between academia, the property industry and local authorities
- FINDING SOLUTIONS:** Developing user-centred multi-use concepts that offer added value for urban society and investors
- BACKING DECISIONS:** Supporting political and planning decisions with evidence
- MAKING INSIGHTS USEFUL:** Translating research into marketable products and models that fit reality
- MAKING CHANGE VISIBLE:** Highlighting social and spatial dynamics
- UNDERSTANDING RELATIONSHIPS:** Analysing human-environment interactions



04

LEARNING WITH OTHERS –

Sustainability Perspectives from Practice

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FROM DATA POINT TO IMPACT:

How Midstad and Aedifion Are Rethinking Building Operations



Today, buildings are more than just shells and technology – they are complex systems with enormous potential for efficiency, user comfort and sustainability. Midstad and aedifion show how data can be translated into measurable impact in a targeted manner: through smart systems, transparent AI and close cooperation between technicians, asset managers and owners in system optimisation. In conversation, Dr Benjamin Wagner (Midstad) and Dr Johannes Fütterer (aedifion) provide insight into their experiences, surprising findings and the future of intelligent building operation.



The collaboration between Midstad and aedifion officially began in 2024: When did you realise that the partnership was more than just a means of increasing efficiency?

DR WAGNER: Very early on, during the pilot project in 2023. aedifion, as a company, is highly self-motivated, thinks holistically and is constantly evolving. Initially, it was about basics such as: Are the systems running efficiently, where can energy be saved – but thanks to aedifion's innovative mindset and its 'always finding the best

solution' attitude, it quickly became clear to me that more was possible here. In the ongoing project, it is now becoming increasingly clear where the added value lies in concrete terms.

DR FÜTTERER: Our initial discussions in 2022 showed me that Midstad is moving forward very dynamically. I was unsure whether smart building technology would find its place in this tempo. It was all the more impressive to see that Midstad truly thinks transformations in a comprehensive manner, with high standards from start to finish. Building operations are considered an integral part of asset management here, and that is precisely what makes the collaboration so exciting.

What attracted you to working with each other – and what surprised you in a positive way?

DR FÜTTERER: I was particularly impressed by Midstad's strong commitment to their objectives. They pursue their core

responsibilities with great consistency, while giving our topics the same level of attention as the many other challenges involved in transforming city-centre assets. That makes collaborating with Midstad both valuable and inspiring for me.

DR WAGNER: What particularly appealed to me about our joint project is that sustainability is not weighed against economic efficiency or the user experience; instead, these aspects synergise. From the start, I felt that ecological, economic, and social goals go hand in hand here. I was also impressed by aedifion's collaborative approach: whether project managers, account managers or engineers, everyone contributes their specific expertise, yet the focus remains firmly on the common goal of advancing the project and finding the best possible solution. This holistic approach and the culture of mutual learning are what truly motivate me.

Energy efficiency has long been viewed purely as a cost factor. What else does smart building technology achieve today – from an ESG and asset management perspective?

DR FÜTTERER: Our guiding principle is simple: operate buildings better without incurring additional costs. In other words: our goal is always to save more than it costs. We often discover massive additional consumption, such as ventilation systems that are unnecessarily operated 24/7 or boilers that cycle dozens of times a day, as well as

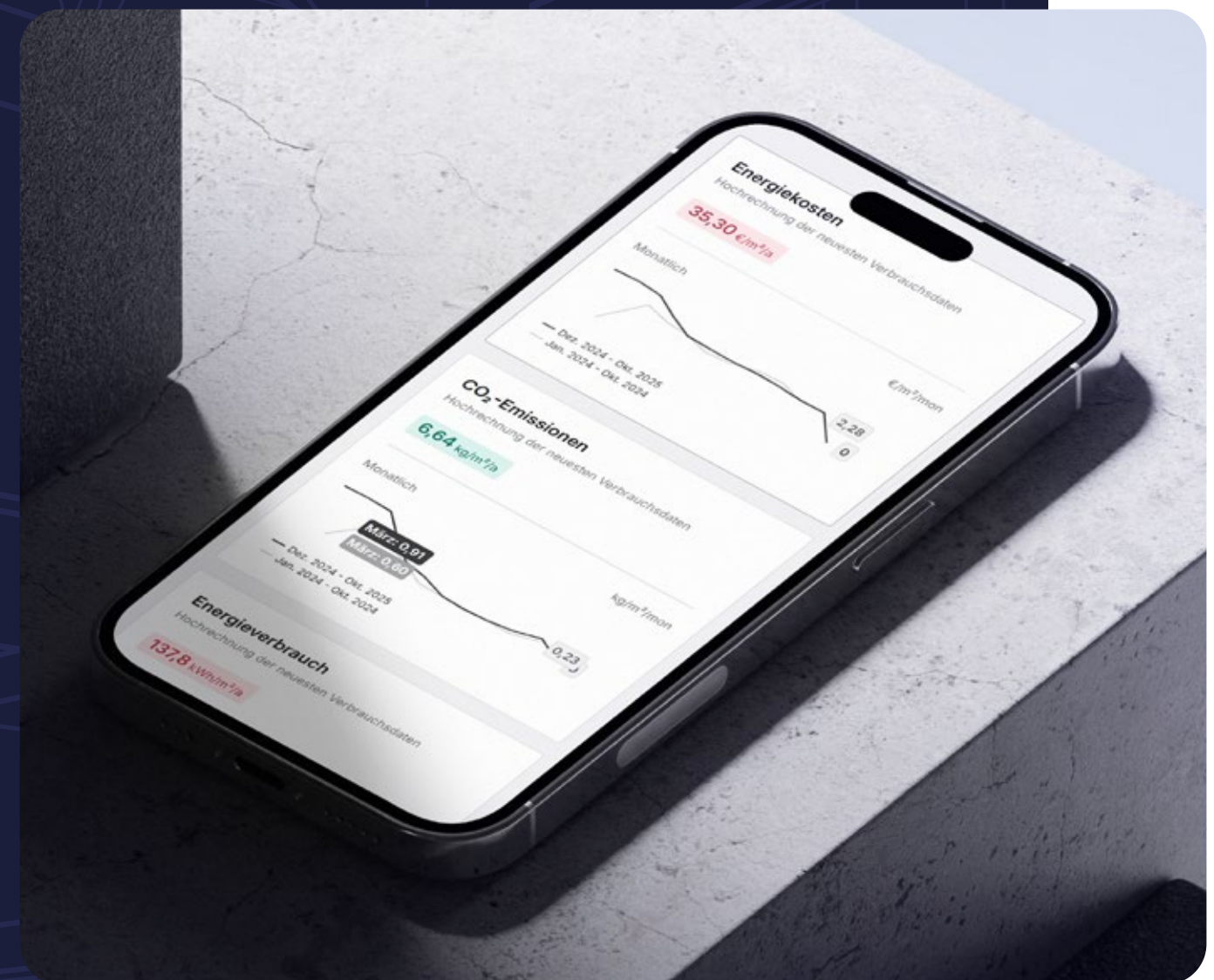
parallel heating and cooling. From building technology operating data, we provide direct approaches for optimisation and the basis for renovation schedules – be it heat pumps, battery storage investments or other decarbonisation measures. Transparency in operation is always the first step – only then do targeted investment efficiency measures follow, if necessary. This is how we unlock the full potential of smart building technology while simultaneously increasing CO₂ savings.

DR WAGNER: Energy efficiency remains a cost factor, but its benefits now extend much further. What we do with the data is crucial. At present, much depends on the knowledge of individual technicians on site, such as whether systems are running efficiently or achieving target values. With IoT systems and time series analyses, we can now record and evaluate this centrally. This allows us to improve refurbishment schedules, implement predictive maintenance – i.e. maintenance before a fault occurs – and extend the service life of the systems. The combination of operational transparency and data analysis is the key to operating buildings in a more sustainable and, at the same time, more economically successful manner.

Where does your smart platform typically detect the greatest energy losses in building operations, and how can these be avoided?

DR FÜTTERER: Most often in room air systems that run outside of operating hours or are oversized. A typical example: fans generate pressure that is immediately throttled back, which is a pure waste of energy. We make sure that throttles are at least 95% open, thereby reducing the speed of the systems. Undercooling and overheating are also common because control systems only react to the actual status. Weather forecasts or building-specific usage profiles can be used to counteract this.

'AI can help here by automatically adjusting the building's operation so that inefficiencies can be uncovered.'



‘This has an immediate effect on performance and supports long-term CapEx decisions.’

DR WAGNER: Another example that we experience in our buildings is return temperatures that correspond to the flow temperatures. This means that energy is being moved through the building without being used. Or rigid time switch programs heat every morning without taking weather forecasts into account. This is how we identify energy saving potential. AI can help here by automatically adjusting the building's operation and recognising manual interventions so that inefficiencies can be uncovered.

AI in building operations remains opaque to many. How do you build trust in automated processes, and what specific benefits do building technicians have in their everyday work?

DR WAGNER: Ultimately, it's about getting people on board. A key moment was when the AI made its first optimisation suggestions. You could immediately sense the building technicians' concern about losing control. After all, they are the ones who are ultimately held accountable if users are freezing or sweating. That's why it was important to us that the AI does not take over complete control but works as a smart assistant. Every suggestion is traceable, every step transparent. In monthly exchange rounds with technicians, property managers,

ESG managers and aedifion, we transparently present the available data and the recommendations derived by the AI.

This transparency ensures acceptance. AI is a real help in everyday life: it provides early warnings and makes problems visible before users complain. Technicians can often intervene from their desktops without having to be on site. This enables scalable building management and leads to better decisions at the asset and property level. It is not uncommon for this to also avoid larger CapEx measures, because the entire system does not have to be replaced, only individual components.

DR FÜTTERER: The key is transparency. We 'demystify' AI by showing that, ultimately, it is based on comprehensible logic. Our algorithms are documented and openly accessible; a facility manager can understand at any time why a recommendation is made or how a control algorithm works – whether it's for ventilation runtimes or a building's pre-heating phase. For us, AI is not an end in itself, but a tool. It doesn't replace on-site expertise but enhances it: a technician currently overseeing 13,000 m² could efficiently manage six such buildings in the future thanks to digitalisation. Given the shortage of skilled workers, this is a decisive advantage.

How do building users experience the added value of smart building technology in their daily lives?

DR FÜTTERER: Primarily through enhanced comfort and well-being: pleasant temperatures, optimal air quality and no drafts. This improves concentration, reduces stress and even lowers the risk of illness. Using sensors and real-time data, we continuously monitor and optimise every area – tracking temperature, humidity and CO₂ levels to respond instantly to any deviations. For tenants, this translates into lower utility costs and transparent insights into avoided energy waste. Ultimately, many people don't even notice the technology itself – they just feel noticeably more comfortable in the building.

How do you transfer best practices from individual buildings to the entire Midstad portfolio?

DR WAGNER: By pooling experience and data and systematically evaluating it. This allows us to identify when systems are running efficiently, how usage and weather affect operation, and where optimisations are needed – without additional sensors or data protection issues. At the beginning, we work closely with engineers and technicians on site, identify optimisation potential and

validate it based on their experience and gut feeling. The AI builds on this and transfers these best practices to other buildings. This creates scalable and sustainable operations. The key here is to relieve facility managers and empower them at the same time: instead of manually checking target and flow temperatures or monitoring start-up times, the data provides concrete recommendations for action. This has an immediate effect on performance and supports long-term CapEx decisions.

The Midstad portfolio is gradually transitioning from single-use to multi-use spaces with diverse user groups. How do you ensure that all tenants develop a commitment to sustainable building management?

DR WAGNER: First, we involve decision-makers early on in the dialogue – i.e., owners and tenant representatives – to make it clear that a project of this kind only works when everyone works together. Efficiency gains always benefit both sides. If facility management works efficiently, the owner benefits, and if energy is saved, the tenant benefits because they pay for the kilowatt hour. This requires openness and a willingness not to divide the pie perfectly down to the last crumb, but to find a solution in the common interest. This has an immediate



effect on performance and supports CapEx decisions in the long term.

For the people in the building itself, we rely on transparency – conceivable options would be screens or information on how much energy has been saved or what proportion of green electricity is flowing. What counts here is direct experience. I realise that my aspiration is to give users even more insight. But often, the feeling is enough for them: the atmosphere is right here, and the building is running sustainably.

Looking ahead to the next twelve months: Which topics are at the top of your agenda?

DR FÜTTERER: First, platformisation: building data must not remain siloed but needs to interact seamlessly with other ESG and asset management platforms. Second, the deployment of generative AI assistants that access building data to provide actionable recommendations in natural language – a true game changer. Third, demand-side management: buildings possess enormous electrical load flexibility, enabling them to use power specifically when it is affordable and available – essentially a virtual battery that only needs to be unlocked digitally. This integrates them into the wider energy ecosystem. Fourth, ‘smart renovation’: while not every building can undergo a full-scale modernisation, we can use intelligent data analysis to derive targeted, high-impact measures to ensure compliance with decarbonisation pathways.

DR WAGNER: In the short term, our focus is on successfully onboarding the entire Midstad portfolio onto the aedifion platform. It is also important to me to engage the facility managers more deeply: they shouldn’t see AI as just an ESG measure imposed ‘from above’, but as a tool that simplifies their daily work. Second, we want to further enhance our reporting: it’s not just about counting saved kilowatt-hours, but also demonstrating avoided excess con-

sumption and improved air quality. Third, we are focusing on platformisation: data must flow into multiple systems and processes throughout the entire value chain. Fourth, I see the opportunity to redefine service level agreements using this new data – such as guaranteed indoor air quality or smarter maintenance. And fifth: intelligent energy procurement. Today, we optimise consumption; in the future, we want to control when energy is consumed, without restricting user behaviour or comfort. To me, that is the ‘next level’.

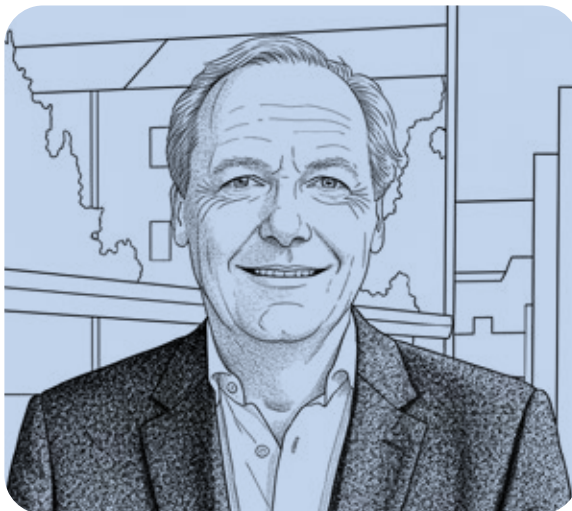
Finally, let’s get personal: Has there been a particular highlight in your collaboration so far?

DR FÜTTERER: For me, a standout moment was when we received the go-ahead for the rollout across the entire Midstad portfolio. That was a major milestone for us. But it became even more valuable as we got to know each other personally throughout the project. That builds true trust – and in the end, success always comes down to the people involved.

DR WAGNER: I don’t have one single anecdote, but rather an overall impression: our collaboration is simply a lot of fun. We operate on equal footing, with real drive and a shared ambition to always go a step further. For me, it’s also a fantastic learning opportunity – as an industrial engineer, I gain deep technical insight into building technology that I wouldn’t otherwise get. At the same time, we remain flexible: plans change, priorities shift – but we navigate that path together. For me, that is the true highlight.

THE FUTURE OF OUR CITIES BEGINS WITH THE PEOPLE

Prof. Dr. Andreas Pfnür Discusses the Social Factor in ESG – and Why It Will Determine the Future of Our City Centres



City centres in transition. Many German inner cities are losing their appeal. Often, this is because they are still planned based purely on economic or architectural criteria, overlooking the actual needs of the people who live, work and spend time there. The consequences are empty storefronts, a decline in urban quality of life and the disappearance of spaces that were once a city's heartbeat.

Midstad is set to change that. In collaboration with leading scientists, we are re-

searching how cities can become 'favourite places' once again. In this interview, Prof Dr Andreas Pfnür (TU Darmstadt) explains why social factors are the key to the future of our downtowns and how data-driven research helps shape this transformation with precision.

Why is the social factor so critical to revitalising city centres? What does current research reveal?

PROF. DR. PFNÜR: Many German city centres are on the verge of losing their functional relevance – or have already crossed that line. Our empirical research with Midstad, based on frequency analyses and household surveys, confirms this beyond doubt. It also highlights a deep longing for the 'traditional city centre'. People miss the sense of place – a 'favourite spot' to meet, linger and observe urban life. In an era of increasing social isolation and growing single-person households, we are all searching for our own 'individual campfire'.

'In times of increasing social isolation and more single-person households, we are searching for our own individual campfire.'



‘City centres aren’t just for shopping and working – they are spaces for living, connecting and fueling new ideas.’

How have citizens’ needs evolved, and what do they expect from urban spaces today?

PROF. DR. PFNÜR: Our findings are clear: people demand attractive public spaces with ample greenery, charming squares and a high quality of life. There is a strong desire to spend more time in vibrant city centres. The key lies in a curated mix of uses tailored to human needs. This goes far beyond retail; demand-driven multi-use concepts integrate residential, office, local amenities, dining, culture and sports. The optimal balance depends on the city’s scale and visitor flow. Moving forward, neuroscientific insight will help us tailor these mixed-use environments even more precisely. One thing is certain: the monocentric focus on retail is dead – and from an urban planning perspective, it was never truly sustainable.

Why is putting people at the heart of urban transformation also a compelling economic factor?

PROF. DR. PFNÜR: Successful urban transformation has a measurable impact on life

satisfaction and well-being. This is not just a social insight, but a hard economic one: functional city centres are the foundation for the long-term economic success of property owners. For developers and investors, prioritising social aspects is not just about creating livable spaces; it is about securing the long-term value and resilience of their assets. Our research provides the momentum needed to restore the strength of city centres, both socially and economically.

Why is evidence-based planning so vital for real estate and neighbourhood development?

PROF. DR. PFNÜR: Traditionally, real estate has been developed based on aesthetic design and technical functionality, often neglecting the end-user. It’s like designing a car based solely on its exterior, without considering safety or performance. While we can now measure how functional city centres correlate with satisfaction, we still lack the methodological depth to explain these causalities precisely enough for predictive planning. We know that certain

structures cause discomfort or reduced performance, but we are only beginning to understand exactly how built environments influence our behaviour and well-being.

What role do brain and behavioural research play in creating truly user-centric environments?

PROF. DR. PFNÜR: Interdisciplinary methods – drawing from neuroscience, medicine and biology – help us decode how people perceive space. Today, we can measure how brain activity and stress levels react to different environments. Modern technology now allows us to move beyond mere correlation to understand causality: which specific architectural parameters trigger which human responses? For example, studies in schools show that student performance differs significantly between renovated and unrenovated buildings. Similar effects are seen in offices, where interior design directly impacts error rates. Our goal is to apply these findings to urban planning to align the built environment consistently with human needs, creating truly livable, user-oriented neighbourhoods.

What synergies define the collaboration between your chair and Midstad?

PROF. DR. PFNÜR: Midstad and TU Darmstadt share a common DNA. We are driven by the same narrative: a commitment to experimentation and taking responsibility for change. Our collaboration is a productive symbiosis. As researchers, we need partners who embrace data-driven thinking to make progress. Conversely, Midstad’s bold transformation strategy requires fresh, evidence-based ‘food for thought’, which our research provides. Ultimately, society at large benefits: functional city centres ensure the sustainable success of property owners and the well-being of the people who use them.

IMPULSES FOR CITY TRANS- FORMER



THINKING ABOUT THE SOCIAL DIMENSION FIRST

Housing, work, culture, education and gastronomy – flexibly combinable and individually curated for each location



MIXED-USE OVER MONOCULTURE

A balanced mix of green spaces, housing, offices, amenities and culture is the engine of vibrant neighbourhoods



EVIDENCE BEATS GUT FEELING

Research and data analysis help to tailor urban development precisely to human needs.



VALUE THROUGH A PEOPLE- CENTRED APPROACH

Prioritising social factors improves quality of life and secures long-term property value

MIXED-USE MAKES CITIES FUTURE-PROOF – AND REAL ESTATE RESILIENT

Prof Dr Tobias Just Discusses the Economic Logic of Mixed Use – and How Science Helps to Secure Real Estate Values in the Long Term

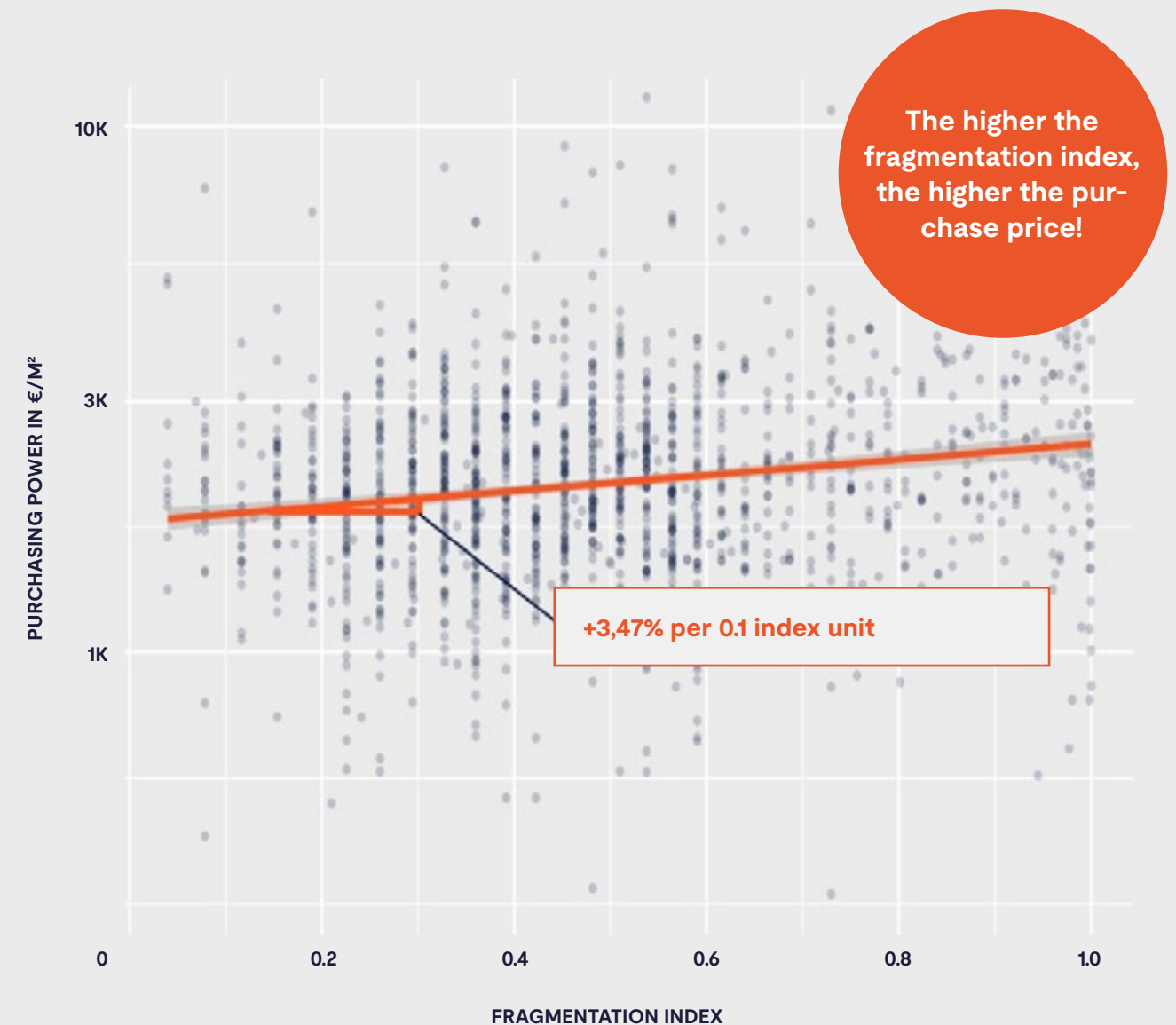


The transformation of city centres demands innovative concepts – mixed-use approaches are now recognised as a key driver for the sustainable and resilient development of real estate and urban neighbourhoods. Together with Midstad, Prof Dr Tobias Just (Chair of Real Estate Management at IREBS International Real Estate Business School) and his team are examining how mixed-use strategies and ESG factors

impact property values. In this interview, he explains why a diversity of uses enriches urban life while unlocking long-term value potential for investors.

What significance do multi-use concepts have for our city centres?

PROF. DR. JUST: Cities originally emerged because they enable economies of scale in production and consumption, reduce transaction costs and inspire us to generate new ideas – in other words, they create positive externalities. This not only lowers manufacturing and search costs but also fosters innovation; most ideas arise from the interaction of people who choose to live in urban environments. Mixed-use neighbourhoods and buildings specifically enhance these last two advantages: short distances simplify our daily lives by allowing us to navigate tasks quickly and efficiently. At the same time, this mix encourages more spontaneous interactions and ‘surprises’, both



Transaction data for developed plots in Berlin city centre

Development of purchase prices in EUR per m² with increasing fragmentation index



MIXED-USE AS VALUE DRIVER:

A broad mix of uses increases sales prices and resilience.



THE ‘S’ IN ESG:

Social factors strengthen projects and urban life.



KEY FACTORS:

Schools, health centres and multi-functional spaces enhance quality of life and acceptance.



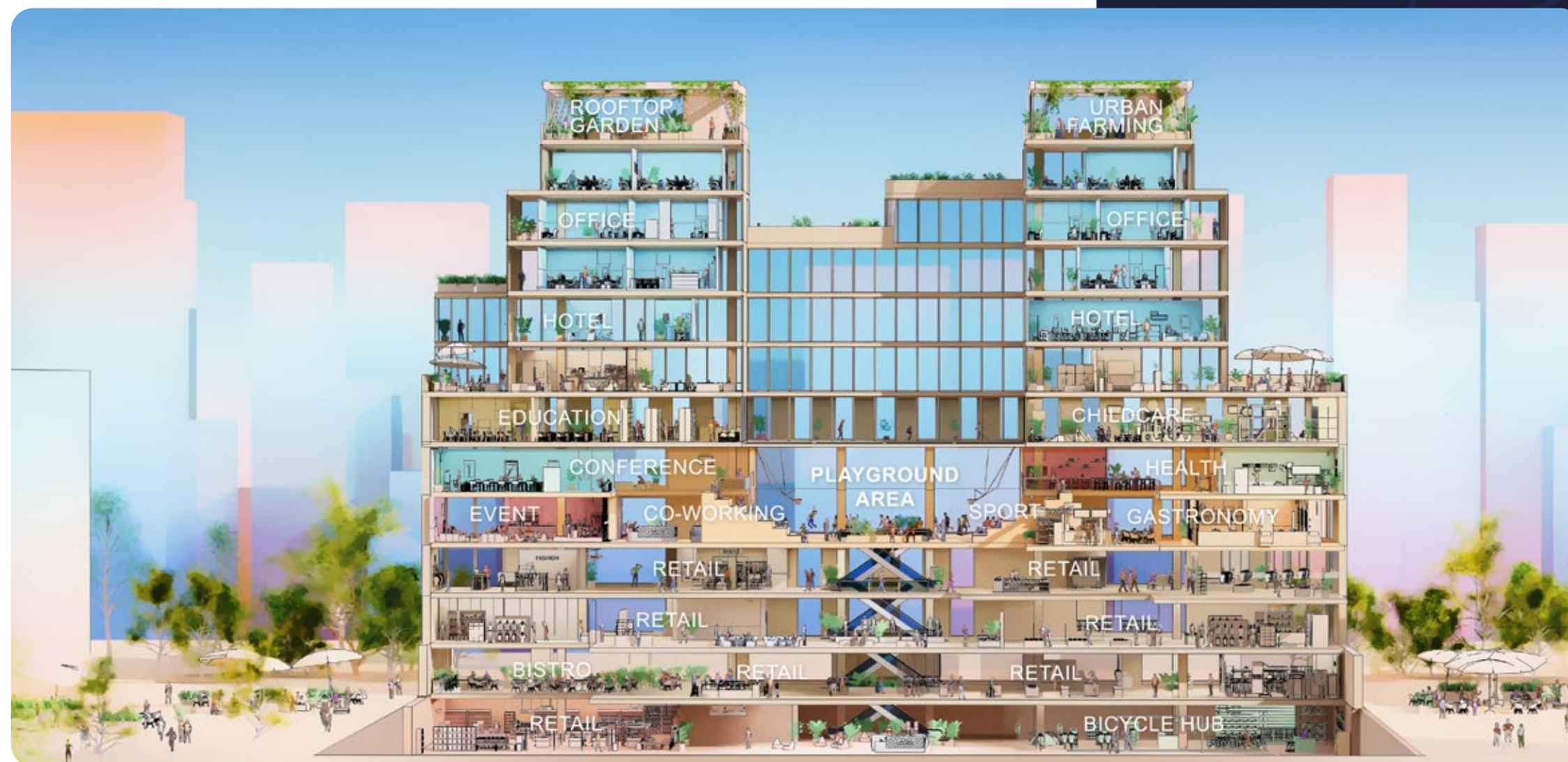
RESULT:

Long-term added value for stakeholders and sustainable asset stability.

of which are essential for sparking creative impulses. Furthermore, for investors and financiers, a mix of uses offers a clear diversification advantage – a significant benefit, especially in uncertain times.

What insights do your research findings provide on the influence of multi-use on long-term property value?

PROF. DR. JUST: In a comprehensive analysis of mixed-use buildings in Berlin and Frankfurt, my colleagues Mr Oeter, Mr Schwilp and I measured numerous factors and gained new insight. I would like to highlight three aspects: Firstly, there are genuine mixed-use clusters in cities; each of these clusters functions a little differently. It is therefore worth taking a close look at the market, the environment, the property and the possible uses. Secondly, the intensity and structure of the mix differ from city to city. There are similarities between city centres, but mixed-use in Berlin works slightly differently than in Frankfurt. Thirdly, and this is the most important finding for us: mixed-use does not lead to devaluation. Our analyses suggest that a good mix can even add value. The types of use seem to reinforce each other. Together with the other two findings, this means that mixed use can be worthwhile, especially if you understand the specifics.



Why is a science-based analysis of ESG factors crucial for investors and developers when it comes to long-term real estate values?

PROF. DR. JUST: Basing decisions on scientific foundations helps to avoid, or at least minimise, systematic errors. This applies to market analysis, asset selection and portfolio composition alike. In every case, the goal is to reduce uncertainty to gain a competitive advantage. Sustainability aspects are relevant to real estate projects not only because of regulatory requirements but also because market participants incorporate these factors into their decision-making – though often based on rules of thumb rather than systematic analysis. When many players apply similar rules, recognisable decision-making structures emerge in the

market over time. This allows us to estimate the value that typical users place on proximity to a park, a daycare centre, or a medical hub. Conversely, we can determine the price discounts investors calculate for properties with inefficient heating systems.

At the same time, these analyses highlight our limits – identifying where political intervention is necessary and which unsystematic errors cannot be avoided, regardless of how complex the modelling. This ‘knowledge of the unknown’ is equally valuable when it comes to determining appropriate risk premiums.

How will the importance of the social factor within ESG develop in the future – particularly in the context of urban development?

‘Mixed-use does not lead to devaluation – on the contrary: the types of use seem to reinforce each other.’

PROF. DR. JUST: Real estate and cities have always had social components because they enable protected coexistence. Here, two aspects of the social factor can be distinguished: Firstly, the private aspect: it is social when people with low incomes also receive the socially desired level of provision of important goods and services. Secondly, the communal aspect, which is more about maintaining or achieving social values, e.g., inclusion or fairness. In the coming years, there will be many efforts to define the 'social-factor' more precisely. This will help to estimate the external effects of neighbourhoods, buildings and services mentioned above. However, the true value often lies not in a final, definitive figure, but often in the fact that all market players can think in a structured way about the goals, instruments and measures in order to decide on sensible solutions for a location. More and better data will help here. It is important to note that we will always need degrees of freedom for the social sphere, because sometimes it is precisely those things that are important for a community that cannot be precisely measured. We can accurately measure parks, playgrounds or barriers in public spaces, but

we cannot measure inclusion and security. At best, we can record input factors. If we focus only on what is measurable, we may overlook or ignore things that are truly important and less easily measurable. This is precisely why, in addition to science, we will continue to need politics and discourse in the future.

What synergies do you see in the collaboration between your chair and Midstad?

PROF. DR. JUST: Economics seeks to explain micro- and macroeconomic developments and to rationalise decision-making. It is therefore highly valuable when economists engage with the challenges faced by real-world stakeholders. This requires active dialogue; otherwise, we risk analysing the 'wrong or outdated' problems. This is particularly true for real estate and urban economic issues, as they involve tangible assets with immense monetary and social significance – a significance that is constantly evolving. Because Midstad manages many inner-city properties, the questions raised here often act as a magnifying glass for our urban challenges. The solutions we find affect a great number of people. It is especially important to note that, in our collaboration, Midstad shows a profound interest in a data-driven, consistently independent and scientific approach. Furthermore, we are able to discuss and validate our findings, which is incredibly valuable. In the end, we gain deeper insight and, ultimately, the opportunity to make our cities better.

MIXED-USE INSIGHTS

01

MIXED-USE BOOSTS RESILIENCE & CREATIVITY

- Short distances facilitate diverse functions and foster interaction.
- Spontaneous encounters provide impulses for innovation and urban quality of life.

03

ESG REQUIRES SCIENCE & DIALOGUE

- Environmental and governance factors are measurable
- Social aspects remain complex – combining data with social discourse ensures sustainable solutions.

02

PROPERTY VALUES BENEFIT FROM DIVERSITY

- Research shows that a balanced mix of uses pays off.
- Value premiums are generated when market and location-specific characteristics are carefully considered

04

MIXED-USE: A LEVER FOR URBAN INNOVATION

- More than just a trend: mixed-use connects people, ideas and value.
- Proper planning creates vibrant, future-proof places.

CITY CENTRES NEED SOUL: IDENTITY AS A DRIVER FOR RESILIENT URBAN DISTRICTS:

Prof. Dipl.-Ing. Christa Reicher Discusses Identity and the Reorientation of Our City Centres



Our city centres are undergoing a fundamental realignment. Prof. Dipl.-Ing. Christa Reicher – urban planner, architect and Head of the Chair of Urban Design and the Institute for European Urban Studies at RWTH Aachen University – explains why we must adopt a far more nuanced perspective on downtown areas in the future. She also highlights the central role that identity plays in the transformation of Germany's major urban centres.

How can our city centres respond more effectively to the needs of different user groups in the future?

PROF. DIPL.-ING. REICHER: There is no such thing as 'the' city centre. Every downtown area is composed of distinct neighbourhoods – each with its own potential, challenges and spatial characteristics. Consequently, the needs of user groups must be viewed with the same level of nuance. Furthermore, any urban development concept must distinguish between city-centre residents and visitors, while also considering the needs of different generations and age groups. Beyond the central pedestrian zones, there are inner-city neighbourhoods defined by specific 'talents' or strengths. This gives rise to neighbourhood-specific concepts with varying future orientations and functional priorities. Adopting a perspective of the 'city centre of neighborhoods' helps in developing tailor-made, pro-

misating strategies where quality of life, social participation and a vibrant mix of uses play a vital role.

What role can multi-use concepts play in this?

PROF. DIPL.-ING. REICHER: Multi-use concepts are vital for the future viability of city centres because, unlike monofunctional uses, they are less dependent on economic cycles or crises while simultaneously contributing to urban vibrancy. Resilience means exactly that: being robust, adaptable and flexible. The vacant department store 'giants' present a particular challenge. Their closure often triggered a 'vacancy domino effect' in the surrounding areas; yet, these large-scale properties remain central anchors of identity within our downtowns. The size of the city plays a decisive role in successful repurposing – not least because of the achievable rents. In prime locations of A- and B-tier cities, mixed-use models combining retail, dining, offices and residential are more economically viable than in C-tier cities. However, conversion projects in small and medium-sized towns also demonstrate that economic profitability can be achieved by increasing the share of public uses, such as libraries, adult education centres, or other educational institutions. From the perspective of medium- and long-term quarter yields alone, the investment pays off because multi-use concepts have a proven catalytic effect.

In your view, which components are essential for a functional mix of uses in German city centres?

PROF. DIPL.-ING. REICHER: Built structures must remain viable in the long term, even as market conditions and demands shift. Resilience – defined as openness and robustness in the face of the unpredictable – is becoming increasingly critical. A resilient city centre must be robust enough to withstand the contradictions of diverse interests. It must spatially enable complexity and differentiation while remaining open to the unforeseen. This capacity for adaptability should be understood as a central 'must-have' for the future.

What contribution can private investors make to the transformation of city centres?

PROF. DIPL.-ING. REICHER: Sustainable transformation arises from the clever integration of different components: the 'Hardware' (the redevelopment of buildings and infrastructure), the 'Software' (programming of uses), and the 'Orgware' (management and governance). The transformation process toward a vital city centre must be designed so that private investors can act in close alignment with administration and politics – within a partnership built on trust. Redesigning the city centre is a continuous, collective task. Public-Private Partnership models can help generate the necessary momentum to achieve this.

**‘HOW TO: IDENTITY’ –
A CHECKLIST FOR VIBRANT NEIGHBOURHOODS**

To recognise and strengthen the uniqueness of a neighbourhood, urban planners and developers can systematically examine the factors that shape its identity and determine how to preserve them for the future.

01

**IDENTIFY NEIGHBOURHOOD
POTENTIAL**

02

**UNDERSTAND USER
GROUP NEEDS**

03

**STRENGTHEN
RESILIENCE**

04

**MAKE IDENTITY
VISIBLE**

05

**BALANCE OPENNESS
AND STABILITY**



Which historical, cultural or social anchors define the neighbourhood?

Who lives, works or visits here – and what are their specific requirements?

Which structures and uses make the neighbourhood adaptable and future-proof?

Which buildings, squares or public spaces contribute most to the area's distinctiveness and recognition?

How can the neighborhood remain flexible without losing its unique identity?



05

ROADMAP 2030

Achievements, Insights, Next Steps

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ROADMAP 2030

Achievements, Insights, Next Steps

Midstad designs its projects to deliver a measurable impact on the environment, society and economic success. High-standard sustainability certifications, the EU Taxonomy and the 1.5°C target of the CRREM decarbonisation pathway provide the framework for our building transformations.

Additionally, we align our efforts with the United Nations Sustainable Development Goals (SDGs) and overarching guidelines, such as the city-centre-specific objectives of the 'Agenda 2030 Germany' – and we purposefully go beyond these requirements to create resilience and added value for our managed properties.

WHAT WE HAVE LEARNED SO FAR: PEOPLE, NETWORKS & TOOLS

We achieve our sustainability goals most effectively through strong partnerships: internal teams that are passionate about driving change and excel in execution,

alongside innovation partners – particularly from research, urban society, institutions and associations.

Supporting digital tools are crucial to this transformation. They enable data-driven monitoring of carbon pathways and ESG metrics, improve the efficiency of ongoing operational processes, and support the reporting of environmental and social impacts.

The following roadmap illustrates how Midstad systematically drives the sustainable transformation of its buildings and city centres. It bundles our experiences, reflects on achievements to date and sets the course for the years to come.

UP TO 2025: SETUP AND PILOT PHASE

During this phase, we laid the foundation for the holistic sustainable transformation of our portfolio and successfully future-proofed our first existing properties.

STRATEGIC HIGHLIGHTS:

- **Transformation strategy initiated:** We developed and implemented a holistic strategy to make the built environment fit for the future.
- **Established an 'urban transformation' network:** Together with innovative partners from science, research, urban society and associations, we pool knowledge and test innovative solutions.
- **ESG goals firmly anchored:** Sustainability has been taken into account and implemented in all projects and processes from the beginning.
- **Materiality analyses conducted:** Completed double materiality analysis for our customers enables us to focus on the essentials. In particular, the results for transitional and physical climate risk analyses provide starting points for strategic ESG alignment.

OPERATIONAL SUCCESSES:

- **Green lease clauses introduced across the board:** Mandatory in all rental agreements since 2023.
- **Digital tools activated:** Monitoring and control platforms provide real-time data and make energy and resource efficiency visible and optimisable.
- **'Midstad Way' projects successfully implemented:** Buildings in Mannheim, Ulm and Vienna have already been transformed, with further projects in Germany and Europe in the planning and implementation stages.
- **ESG measures launched:** Smart metering, green electricity, photovoltaics, AI-supported operational optimisation and comprehensive
- **Sustainability certifications achieved:** First sustainability certifications in two buildings to a high standard achieved. Further pre-checks in four ongoing projects carried out and plans optimised on this basis.



BY 2030: SCALING AND COMPREHENSIVE TRANSFORMATION

Midstad scales the successes of its pilot projects across the entire portfolio, deepens its digital integration and establishes ESG as a living standard in its daily operations.

OUR STRATEGIC GUIDELINES:

- **Midstad transformation strategy across the board:** Sustainability, flexibility and resilience of our buildings become the guiding principle.
- **Scaling of proven pilot projects ('Midstad Way'):** Successful approaches are now being applied to the entire portfolio.
- **Data-driven company:** Digital tools and reliable data enable evidence-based management.
- **Goal:** Comprehensive EU taxonomy compliance and sustainable CO₂ reduction.

PLANNED MEASURES AND TARGET VISION IN DETAIL:

E – ENVIRONMENT (ECOLOGY & ENERGY):

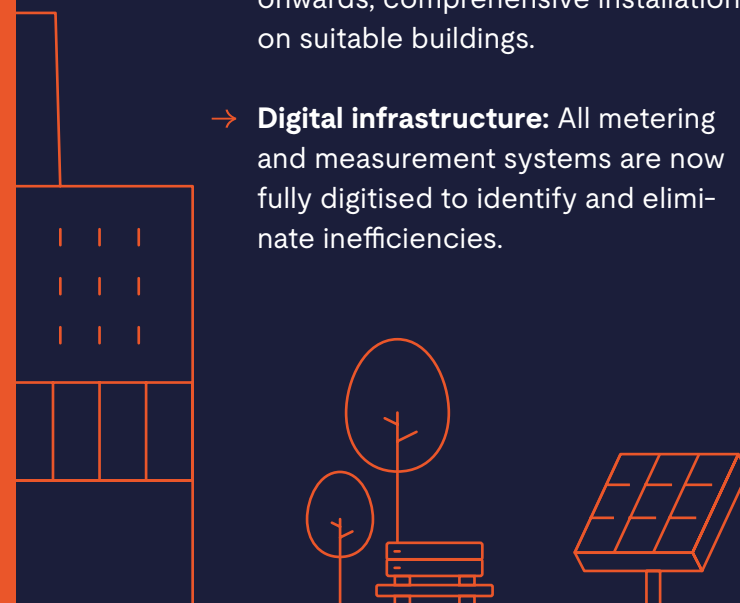
- **Redevelopments and existing buildings certified:** By 2030, we will systematically expand certifications across our portfolio.
- **Technical building equipment and CO₂ reduction:** We are gradually moving away from fossil fuels, increasing efficiency in all facilities and regularly reviewing how our performance compares to the CRREM climate pathways in order to achieve our climate targets.
- **Photovoltaic rollout:** From 2026 onwards, comprehensive installation on suitable buildings.
- **Digital infrastructure:** All metering and measurement systems are now fully digitised to identify and eliminate inefficiencies.

S – SOCIAL (HUMAN & USER-CENTRIC):

- **Impact matters!** Innovative use concepts tailored to today's needs have an objectively measurable impact and improve the quality of life for users in the building and its immediate surroundings.
- **User-oriented building operation:** Our buildings promote well-being, safety and health – flexibly, comfortably and designed to become 'Places People Love'.
- **Flexibility & resilience:** Our buildings are resilient to change and volatility, flexible in use and designed for third-party use and future requirements.
- **Research collaborations:** Findings from science and research are incorporated directly into transformation processes across the board, promoting the economic success and social added value of our buildings.

G – GOVERNANCE (MANAGEMENT & PROCESSES):

- **ESG data reporting is professionalised:** All key figures are networked and systematically evaluated.
- **Process integration:** ESG goals and best practices are closely linked and scaled in the 'Midstad Way'.
- **Digital tools & performance monitoring:** Platforms for data-based decisions are increasingly integrated and continuously developed.



2030+: RESILIENT, SOCIALY AND ENVIRONMENTALLY SUSTAINABLE URBAN REAL ESTATE

Our long-term goal is to craft real estate that is vibrant and resilient – optimally blending environmental, social and economic aspects.

STRATEGIC GUIDELINES:

- **Sustainability, resilience and social integration** will become standard in all projects so that neighbourhoods remain resilient to change.
- **Cities as networked systems:** Neighbourhoods, mobility, green spaces and social services will be intelligently connected.
- **Scaling up successful pilot projects:** Proven approaches will be transferred to new neighbourhoods and districts.

OPERATIONAL FOCUS:

- **Integration of life and work:** Designing inner-city properties according to the 15-minute city principle, enabling short distances for everyday life, work and leisure.
- **Social infrastructure & identity:** Promotion of the ‘vertical village’ – neighbourhoods with their own identity, meeting places and lively communities.
- **Ecological resilience:** Buildings and urban structures adapted to climate change in the long term, efficient use of resources, CO₂-neutral operation.
- **Long-term scaling of sustainability initiatives:** Implementing all projects according to uniform standards that go beyond today’s ESG requirements.

TARGET VISION 2040:

Creating liveable, safe and resilient urban properties where people can live, work and meet – flexibly, with a focus on health and sustainability. For us, sustainability means creating tangible impact. Midstad acts today so that future generations can live in a built environment that is climate-stable, socially integrated and economically successful – in line with our Roadmap 2030,

which clearly links strategy and action. Sustainability is tangible in the places we design. Every building transformation contributes to making city centres and neighbourhoods economically viable, revitalised by all population groups and turning them into truly favourite places – places that inspire today and will continue to exist tomorrow.



GLOSSARY *and*

List of abbreviations

1. ENVIRONMENTAL SUSTAINABILITY

1.5°C Target / Paris Agreement: International goal to limit global warming to well below 2°C, preferably to 1.5°C.

Biodiversity: Diversity of species, ecosystems and genes.

Carbon Footprint: Total amount of greenhouse gas emissions generated by a company.

Carbon Pathway / Carbon Reduction Strategy: Planned trajectory for the gradual reduction of emissions from a building or portfolio (often CRREM-aligned).

Climate Risks: Risks resulting from climate change, categorised as physical (e.g., extreme weather) or transition-related.

CO₂ Equivalent (CO₂e): Unit used to compare the warming potential of various greenhouse gases.

CRREM (Carbon Risk Real Estate Monitor) Decarbonisation Pathway: Scientifically grounded trajectory for reducing carbon emissions in real estate portfolios to meet Paris Agreement targets.

Emission Factors: Values used to quantify greenhouse gases per unit of energy, critical for Scope emission reporting.

Exposure (Risk): The degree to which an asset is subjected to external risks (e.g., physical climate risks).

GHG Protocol: The leading international standard for greenhouse gas emissions accounting.

Mitigation: Measures taken to reduce or prevent greenhouse gas emissions during the construction, operation and use of real estate.

Net Zero: A state where remaining emissions are balanced by carbon removals or offsets.

Resource Efficiency: Optimised use of energy, water and materials in buildings and neighbourhoods.

Scope 1 / Scope 2 / Scope 3: Emission classifications under the GHG Protocol:

→ **Scope 1:** Direct emissions from owned or controlled sources.

→ **Scope 2:** Indirect emissions from the generation of purchased energy.

→ **Scope 3:** All other indirect emissions occurring in the value chain (e.g., tenant energy use, construction).

Specific Energy Benchmark (TEK): A key performance indicator for calculating and comparing the energy efficiency of a building or portfolio.

Stranded Assets: Properties that lose value or become obsolete due to inadequate climate adaptation or regulatory changes (see also CRREM).

Vulnerability Assessment: Analysis of how susceptible properties or neighbourhoods are to climate-related risks and environmental hazards.

2. SOCIAL SUSTAINABILITY

Community Spaces / Social Hubs: Areas within buildings or neighbourhoods designed to promote social interaction and networking.

Identity (Neighbourhood / City Centre): Characteristic features that make a place recognisable, unique and emotionally resonant.

Impact: The actual, measurable effects of business activities on the environment and society.

Inclusion: Ensuring the participation of all individuals regardless of age, income or social background.

Public Interest Orientation: Aligning projects with social integration, inclusion and the needs of all user groups.

Social Acceptance: The degree of approval from the local population and stakeholders regarding projects, conversions or urban changes.

Social Impact: Positive, measurable effects on society, local communities and specific user groups.

Social Infrastructure: Facilities that enhance quality of life and participation (e.g., childcare, education, healthcare, parks).

Social Innovation: New approaches that address societal challenges and create social added value.

Urban Identity: The overarching character of a city centre, shaped by history, architecture, culture and social structures.

3. GOVERNANCE & REPORTING

Audit Trail: Documented traceability of all relevant sustainability data for verification.

Compliance: Adherence to legal requirements and internal corporate guidelines.

CSR / Corporate Sustainability: A company's responsibility for its impact on the environment, society and governance.

EFrag / ESRS: European standards for sustainability reporting, providing guidelines on materiality and disclosure requirements.

ESG: Environmental, Social and Governance; the three central pillars for measuring the sustainability of an investment.

EU Taxonomy: A classification system establishing a list of environmentally sustainable economic activities.

Governance: Corporate leadership, responsibilities and internal control mechanisms.

Materiality: The relevance of a sustainability topic to the company's business and its stakeholders.

Materiality Analysis: The process of identifying the most significant ESG topics for a company and its stakeholders.

NFA / GFA: Area metrics (Net Floor Area / Gross Floor Area) used to evaluate real estate projects.

Non-Financial KPIs: Key performance indicators that measure social or environmental performance (e.g., energy intensity, health & safety metrics).

Smart Metering: Digital technology for real-time tracking and management of energy and water consumption.

Stakeholder Engagement: The process of involving relevant groups in planning and decision-making.

Stakeholders: Groups with a legitimate interest in the company (e.g., employees, customers, investors, society).

Sustainability Certifications: Official labels documenting the ESG quality of real estate:

- **BREEAM:** International assessment method for sustainable built environments.
- **DGNB:** German Sustainable Building Council certification.
- **WiredScore:** Global rating scheme for digital connectivity and smart technology in buildings.

ULI (Urban Land Institute): Global organisation providing research and best practices for sustainable urban development.

VSME Standard: EU standard for voluntary sustainability reporting for small and medium-sized enterprises (SMEs).

ZIA (German Property Federation): The leading German association for the real estate industry, promoting standards and sustainable development.

4. URBANISATION & MULTI-USE

15-Minute City Principle: Planning neighbourhoods where all essential services can be reached within a short walk or bike ride.

Adaptability / Flexible Use: The ability to modify spaces or buildings to accommodate different functions over time.

Amenity Value / Quality of Public Realm: Factors that make a place attractive, comfortable, and vibrant for residents and visitors.

City Centre Transformation: The strategic redesign of urban centres focusing on multi-use, resilience and social integration.

Mixed-Use Clusters: Spatial concentrations of buildings with diverse functions that create synergies between living, working, retail and leisure.

Multi-Use / Mixed-Use: Combining different functions (e.g., residential, office, retail, dining) within a single building or neighbourhood.

Multifunctional Infrastructure: Facilities serving multiple purposes or user groups simultaneously.

Neighbourhood Attractiveness: The ability of a district to attract people, provide quality of life and remain economically stable.

Resilient Neighbourhoods / Resilience: The capacity of an area to respond flexibly to changes, uncertainties or crises while maintaining its function.

Revitalisation: Renewing neighbourhoods or buildings through functional, social or ecological enhancements.

Urban Transformation: Modernising city centres and neighbourhoods through the lens of sustainability and social diversity.

Urbanity: The character and functionality of urban spaces, defined by density, diversity, mobility and social interaction.

Value Chain: The full range of activities and upstream stages required to create a product or service.

Vertical Urbanism / Vertical Micro-City: Concepts that integrate living, working and social infrastructure within vertically organised buildings.

5. ECONOMIC EFFICIENCY

Deconstruction / Circular Dismantling: The strategic removal of building components to maximise reuse and recycling.

Green Leases: Rental agreements containing clauses that commit both landlord and tenant to sustainable building operations.

Risk Management: Systematically identifying, assessing and mitigating risks, including ESG and climate risks.

Smart Buildings: Properties using digital technologies to optimise energy, security, comfort and operations.

Sustainability Readiness: The capacity of buildings or organisations to meet long-term ESG requirements.

Transformation Strategy: Long-term planning to align real estate assets with ecological and social objectives.

Transition Risks: Risks arising from policy changes, technological shifts or market trends as society moves toward a low-carbon economy.

Urban Resilience: The ability of cities to withstand and recover from environmental, social or economic shocks.

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For better readability, the generic masculine form is used in this report (e.g., 'tenants', 'investors'). All references to persons apply equally to all gender identities. This decision is made solely for the sake of linguistic simplification and does not imply any judgement. Diversity and equality are core values of our company.

