

Press release

Put an end to this uncertainty for the tenants in Karl-Marx-Allee

Berlin, 10 December 2018. In response to the continuing reports about the acquisition by Deutsche Wohnen SE of approximately 800 residential and commercial units with listed status in Karl-Marx-Allee in the Berlin borough of Friedrichshain-Kreuzberg, the CEO Michael Zahn issued the following statement today:

“Karl-Marx-Allee is not just any address in Berlin. The particular appeal of these striking buildings lies in their architectural design and their symbolic importance to the history of the city. We made a conscious decision to acquire this exceptional ensemble because we have experience in dealing with residential blocks with listed status and because, as a traditional Berlin company, we understand the historical significance of these buildings.

Karl-Marx-Allee complements our holdings in Berlin, which are very much characterised by listed buildings. Just as is the case with our UNESCO world heritage estates – White City, the Horseshoe Estate, the Carl Legien Residential Estate and the Ring Estate Siemensstadt -, the flats in Karl-Marx-Allee will remain in our portfolio. It is our aim to be the sole manager of these properties particularly because this will enable us to meet the challenges of protecting such historic buildings in a professional way.

We regard the heated discussions of recent weeks as unfortunate because they have led to considerable feelings of uncertainty amongst the tenants. In an effort to calm this situation down, we would like to provide tenants with the following assurance: If all of the pre-emption rights are not exercised, we can and will reverse such a conversion into owner-occupied flats. If, nevertheless, individual pre-emption rights are exercised, and these transactions can no longer be reversed, we will not sell the remaining flats of existing tenants. As an additional security, we will exclude the possibility of the landlord terminating the tenancy for personal use by making a corresponding entry in the land register.

We are available at all times for a constructive dialogue with the local borough, the senate and the tenants' committee.”

In October 2018, the Deutsche Wohnen Group acquired approximately 800 flats and commercial units with listed building status in Karl-Marx-Allee in Berlin-Friedrichshain in the course of a tendering procedure. The acquisition of the properties in Karl-Marx-Allee was in the form of a so-called “asset deal”.

Part of the acquired holdings had already been divided into individual, freehold flats and commercial units by the previous owner. This partition, in which Deutsche Wohnen was not involved, was carried out in accordance with the relevant statutory and contractual provisions.

The sale of the listed properties took place in the form of a bidding procedure on the basis of a purchase contract that was determined by the vendor. Only binding offers that were not dependent on obtaining financing approval were allowed.

Deutsche Wohnen

Deutsche Wohnen is one of the leading publicly listed property companies in Germany and Europe with a business focus on managing and developing its portfolio, which consists mainly of residential properties. As at 30 September 2018, the portfolio comprised 165,700 units in total, of which 163,100 were residential and 2,600 commercial. The company is listed in the Deutsche Börse's MDAX and is also included in the leading indices EPRA/NAREIT, STOXX® Europe 600 and GPR 250.