

Press release

Deutsche Wohnen acquires a further block in Karl-Marx-Allee

Berlin, 19 December 2018. Through its subsidiary DWRE Alpha GmbH, the Deutsche Wohnen Group has acquired a further block in Karl-Marx-Allee in Berlin-Friedrichshain from Predac. The property in question is Block F-North, Karl-Marx-Allee 133, 135, 137, 139, 141 and 143. It is intended that this block too will be a long-term addition to the rental properties of the Deutsche Wohnen Group.

The flats of the newly acquired block are not intended for sale. Deutsche Wohnen will add this building to its holdings by entering Block F-North in the land register as an individual property.

On Monday, Deutsche Wohnen signed a declaration of prevention on the due date in respect of Block D-South, which is located in a conservation area, and delivered this signed statement to the borough of Friedrichshain-Kreuzberg. In this declaration, Deutsche Wohnen undertakes to manage Block D-South in accordance with the aim of conservation and not to take any action that contradicts this purpose. The company also undertakes to apply the relevant statutory regulations on rent levels when re-letting flats. In the view of Deutsche Wohnen, this block is in good condition and does not need any work that might lead to modernisation costs being passed on to tenants in the form of higher rents. In addition, Deutsche Wohnen will dispense with dividing Block C-South into individual freehold flats for the next 10 years. Deutsche Wohnen also goes beyond the demands of the borough in undertaking to exclude the possibility of the landlord terminating the tenancy for personal use at a later stage by making a corresponding entry in the land register. The company also imposes this obligation to dispense with terminations for personal use on all possible future owners. In so doing, Deutsche Wohnen is giving the tenants additional security. Its aim is to keep this property in its holdings long term.

As Michael Zahn, CEO of Deutsche Wohnen SE, explains, "With our acquisition of Block F-North and our submission of a declaration of prevention for Block C-South, we are once again underlining the fact that we aim to be the sole manager of these

residential properties in Karl-Marx-Allee. This also applies to the other blocks which we acquired in October 2018.”

The temporary injunctions which were issued by the Regional Court of Berlin with regard to the completion of the sale of Blocks C-North, C-South and D-North by Predac, and which were announced yesterday by Berlin’s finance senator have not yet been delivered to Deutsche Wohnen.

Michael Zahn: “It is regrettable that the government in Berlin has not accepted our offer – which we made publicly – to engage in dialogue in order to calm the situation in Karl-Marx-Allee down. The temporary injunction which the government has now obtained clearly only serves to gain time. The various models presented by the senate, which in the end contract each other, and the transparent legal manoeuvre it has decided on suggest to the tenants in Karl-Marx-Allee that the government is taking robust action. In fact, the legally questionable approach it has adopted is just a waste of administrative and financial resources. It is important to note that our acquisition of the blocks in Karl-Marx-Allee from Predac does not change the existing tenancy agreements at all. As a landlord, we adhere to tenancy law just as much as publicly owned property companies do. In the new year, we will have the opportunity to demonstrate this in Karl-Marx-Allee as well.”

This week, Deutsche Wohnen demonstrated once again its willingness to enter into constructive dialogue. Representatives of the company held an extensive and – for both sides – very informative conversation with the tenants’ committee and were able to clarify some open questions. The two sides agreed to continue this helpful dialogue.

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.