

Press release

Deutsche Wohnen demands an amicable solution in the proceedings concerning Karl-Marx-Allee

Berlin, 23 April 2019. Deutsche Wohnen welcomes the rulings of the Higher Regional Court of Berlin of last Thursday. In two appeal proceedings, the court decided to reject the appeals with which the housing association Friedrichshain mbH [Wohnungsbaugesellschaft Friedrichshain – WBF] had once again sought to obtain interim injunctions against the purchase of Blocks B-North and C-South by Deutsche Wohnen. In the third set of proceedings, the court intends to reject the appeal of WBF by means of a simple decision, i.e. without an actual hearing, on the grounds that the appeal is clearly unfounded.

The discussion surrounding the purchase of flats in Karl-Marx-Allee has occupied the courts and the Berlin Senate for some time now. This is causing great uncertainty to the residents. The efforts of the WBF to pursue this legal dispute through summary proceedings have already cost the federal state of Berlin, and therefore the taxpayer, a sum well in excess of five million euros. From the very outset, Deutsche Wohnen emphasised its willingness to find an amicable, out-of-court solution. One possible solution offered by Deutsche Wohnen was that a municipal housing association should take over the properties on the basis of the purchase agreements that had already been concluded. This would have been significantly cheaper than the model favoured by the Senate whereby individual apartments were purchased by tenants and then immediately resold to a municipal housing association. Unfortunately, the solution favoured by Deutsche Wohnen was rejected by the Berlin Senate.

Deutsche Wohnen remains willing to engage in dialogue. From its point of view, it is important to find solutions for the residents of Karl-Marx-Allee as soon as possible. As Michael Zahn, CEO of Deutsche Wohnen SE, explains, “Our legal position has been confirmed. We deeply regret that legal action has been taken in this matter because, from the very outset, we have been concerned to find an amicable solution. The Senate is aware of our proposals. We continue to hope that we can achieve a settlement with the federal state of Berlin which is in the interests of the residents and which does not involve spending taxpayers’ money on unnecessary legal disputes. However, we would also like to make clear that we will meet our obligations under the contracts of purchase and will pay the purchase price when it is due.”

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 31 December 2018, the portfolio comprised 167,000 units in total, of which 164,300 were residential and 2,700 commercial. The company owns flats in four Berlin Modernist estates, which were awarded UNESCO world heritage status in July 2008: the White City Estate, the Horseshoe Estate in Berlin-Britz, the Carl Legien Residential Estate and the Ring Estate in Siemensstadt.

Important note

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