

Press Release

Deutsche Wohnen sells around 11,000 residential and commercial units to the State of Berlin

- › HOWOGE, degewo and Berlinovo acquire almost 10,700 residential units and more than 200 commercial units from Deutsche Wohnen for about EUR 1.65 billion
- › Sale continues constructive cooperation with the State of Berlin, whose state-owned housing companies have already acquired portfolios from Deutsche Wohnen on several occasions
- › “Future and Social Housing Pact” („Zukunfts- und Sozialpakt Wohnen“) is part of Deutsche Wohnen's long-standing commitment to a social and sustainable housing industry

Berlin, September 17, 2021. Deutsche Wohnen and the State of Berlin have reached an agreement on the sale of selected properties from the company's portfolio. The agreement, which Deutsche Wohnen has concluded with the three state companies HOWOGE Wohnungsbaugesellschaft mbH, degewo AG and Berlinovo Immobilien Gesellschaft mbH, comprises the sale of nearly 10,700 residential units and more than 200 commercial units in Berlin.

Michael Zahn, CEO of Deutsche Wohnen: “With the sale, we are reaffirming our role as a trustworthy partner for the State of Berlin. The current transaction continues the constructive cooperation, following the sale of several portfolios to state-owned housing companies in the past.”

Sale is the result of fair and constructive negotiations

The sale of the apartments was announced with the announcement of a business combination in partnership with Vonovia on May 24, 2021, and is part of the “Future and Social Housing Pact” („Zukunfts- und Sozialpakt Wohnen“) for Berlin presented by the companies and the Senate. In this context, a total of around 20,000 apartments have been offered for sale to the state of Berlin by Deutsche Wohnen and Vonovia. An agreement was reached for approximately 14,750 residential and 450 commercial units.

Of the units acquired by the three state companies from Deutsche Wohnen, 19 percent is subsidized housing built between 1950 and 1999. The units are spread across Berlin's urban area and are located in the districts of Charlottenburg-Wilmersdorf (81 units), Friedrichshain-Kreuzberg (1,600), Lichtenberg (956), Marzahn-Hellersdorf (1,271), Mitte (224), Reinickendorf (1,073), Spandau (3,399), Steglitz-Zehlendorf (1,270) and Tempelhof-Schöneberg (1,028).

The purchase price is around EUR 1.65 billion or, respectively, EUR 2,185 per square meter and takes into account the respective condition of the apartments.

Michael Zahn: “The negotiations were characterized by constructive and respectful interaction. Once again, we have seen what can be achieved when everyone pulls together - the housing industry, politics and administration. I am convinced that together, we will also better overcome all the other challenges.”

With the sale, Deutsche Wohnen contributes to the expansion of the state-owned portfolio of residential neighbourhoods in Berlin that – as envisaged by the state of Berlin – are particularly relevant to social policy, while remaining a relevant and socially responsible part of urban society with over 100,000 apartments in Berlin.

Reliable and responsible partner for Berlin and beyond

Deutsche Wohnen not only supports the state of Berlin in its efforts to strengthen its municipal portfolio. It also demonstrates with other initiatives that the company is a reliable partner as well as an important factor in addressing the major challenges of the housing sector. For example, “Our promise to our tenants” made by Deutsche Wohnen in 2019 goes even further than the statutory protection of tenants and commits to ensuring that no tenant will have to pay more than 30 percent of the household's net income as rent in the event of potential rent increases. Since the outbreak of the Corona pandemic, the company has refrained from any rent increases and set up a support fund in the amount of EUR 30 million. In addition, Deutsche Wohnen is pushing ahead with its new construction activities to create urgently needed housing in German cities and metropolitan areas. This is being done in a climate-friendly manner: thanks to its climate strategy, Deutsche Wohnen will be climate-neutral by 2040.

Commitment to a social and sustainable housing industry

The “Future and Social Housing Pact” for Berlin, in which Deutsche Wohnen and Vonovia commit to a social and sustainable housing industry, also includes other points. For example, rent increases will be limited to one percent for the next three years and to the level of the inflation rate for two further years. Modernisation allocation will not exceed two EUR per square meter, and the companies will offer housing for families on special terms. In addition, new construction in Berlin will be driven forward in the coming years.

Deutsche Wohnen

Deutsche Wohnen is one of the leading publicly listed residential property companies in Europe. The business focus of the company is on managing its own portfolio of residential properties in dynamic metropolitan regions and conurbations in Germany. Deutsche Wohnen sees itself as having both a social responsibility and a duty to maintain and newly develop good-quality and affordable housing in vibrant residential neighbourhoods. As at 30 June 2021, the portfolio comprised a total of around 158,000 units, of which around 155,000 were residential and around 3,000 commercial. Deutsche Wohnen SE is listed in the Deutsche Börse's DAX and is also included in the leading indices EPRA/NAREIT, STOXX Europe 600, GPR 250 and DAX 50 ESG.