

For people. For tomorrow.

The Deutsche Wohnen magazine

A climate of fairness

Rethinking sustainability
in the neighbourhood

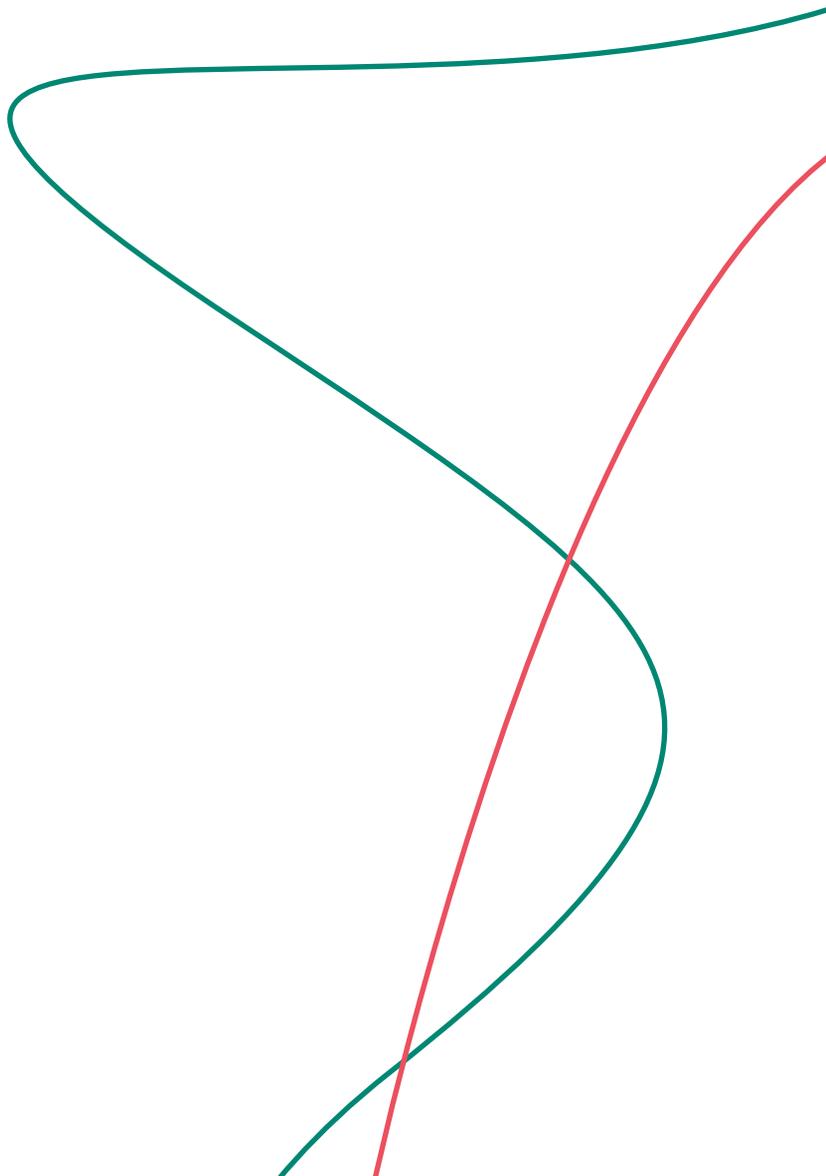
Building with foresight

More space
for future generations



DEUTSCHE
WOHNEN



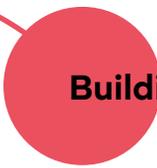


Contents



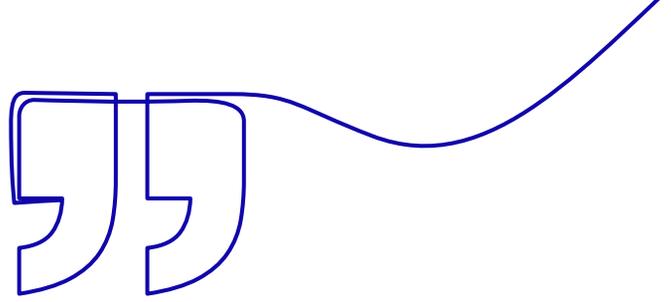
A climate of fairness

A clear concept for climate action	6
Check: an approach to climate action that's friendly and fair	10
Energy in transition – experts in conversation	12
Connecting the future	14
Skies over Hellersdorf	16
Getting the green light	18
Making our neighbourhoods more eco-friendly	24



Building with foresight

We're pushing things forward – across Germany	30
We're linking the past with the future	34
More people – more expertise	36
Farewell former factory! Hello new homes!	40
Turning a wasteland into a vibrant neighbourhood	44
Brick by brick, project by project	48
Taking action for more nursing care	52



Dear readers,

2020 was a year that saw many changes – as the SARS-CoV-2 virus continues to shape our world and put our nation, our people and ourselves as an organisation to the test. Yet I truly believe that crisis reveals the strength of a society. As we were less badly hit in the property sector in comparison to other industries, we decided in spring 2020 to use our strengths for good. Not just with brave words, but with good deeds.

Our tenants have no need to worry about their homes as a result of the crisis and we are, of course, continuing to stick by our tenant promise. At the same time, we wish to support our commercial tenants, small businesses and service companies, and the social organisations and associations with whom we have lasting partnerships. The same goes for everyone, as it has throughout the crisis: if you are in need, you can turn to us, as we have set up a support fund worth

EUR 30 million. This was made possible thanks in part to the support of our investors, who waived part of their dividend for the fund.

In addition to the coronavirus crisis, however, familiar challenges remain and have lost none of their urgency. These include climate change, to which the property industry is well-known for making a significant contribution. We made a proposal this past year for how to make significant progress on energy-related building updates in Germany without overburdening tenants.

Another situation which has impacted our society for a long time is the lack of modern, energy-efficient living space in the country's growth regions. The acquisition of Isaria München Projektentwicklungs GmbH and our strategic shareholding in QUARTERBACK Immobilien AG will help us make a bigger contribution to solving this problem in the future.



Michael Zahn

*Chief Executive Officer of
Deutsche Wohnen*

Over the next years, around 18,000 new residential units will be built in German metropolitan regions in a climate-friendly way. As part of this, we are tackling another challenge of our time: our ageing population. We also plan to invest in this area in the coming years in order to create residential nursing facilities for older people that meet modern standards and individual requirements for living later in life.

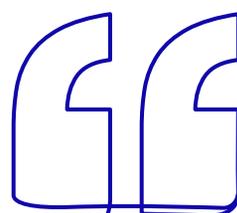
Some of the more positive news from the past year includes the fact that we improved on results from our annual tenant survey for the third year running. Satisfaction with Deutsche Wohnen rose from 78% to 82% year-on-year. That shows that our measures to improve customer satisfaction are a step in the right direction.

And there's been another new development that you might have noticed in our German-language communications:

we're taking our gender-neutral approach to the German language a step further. For one very good reason: at Deutsche Wohnen, we aim to treat everyone equally – in word as well as deed.

Yours,

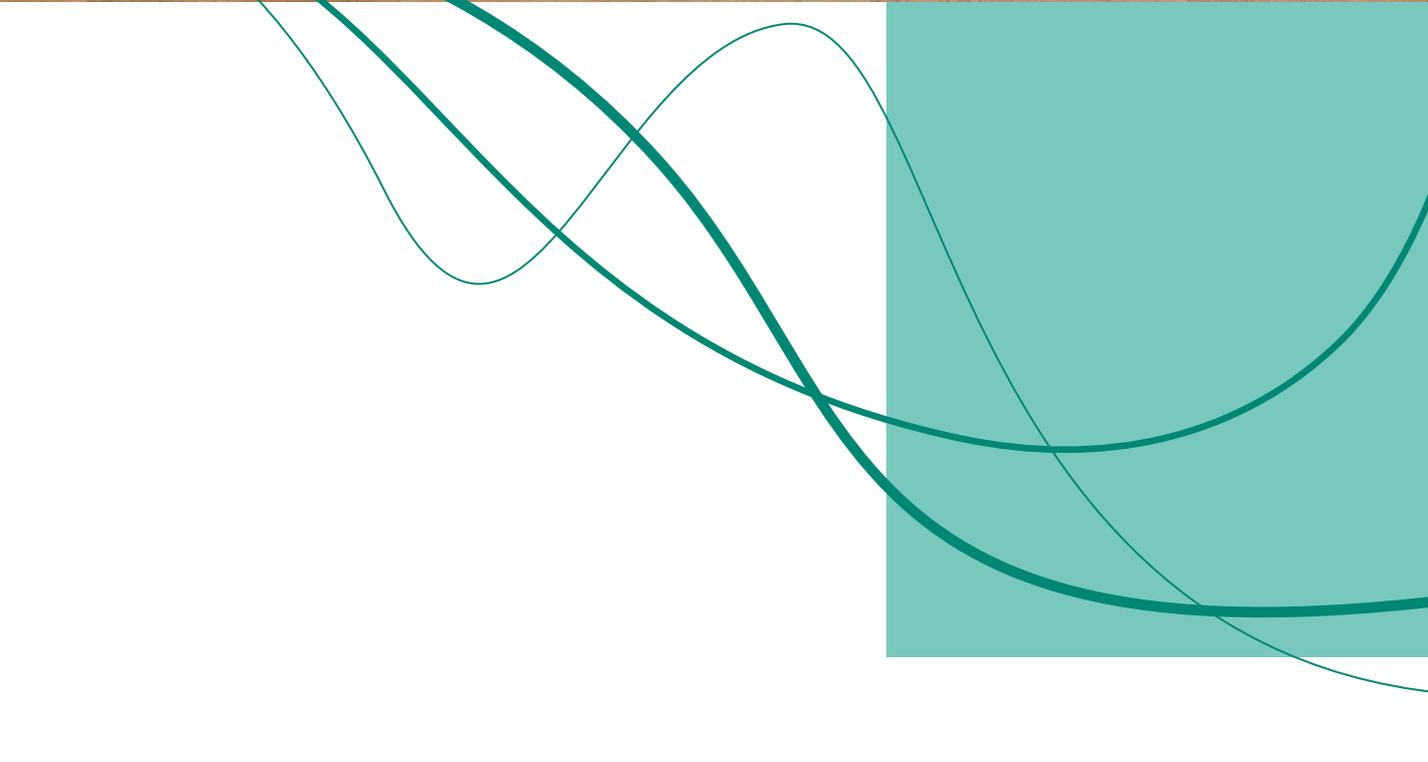
Michael Zahn





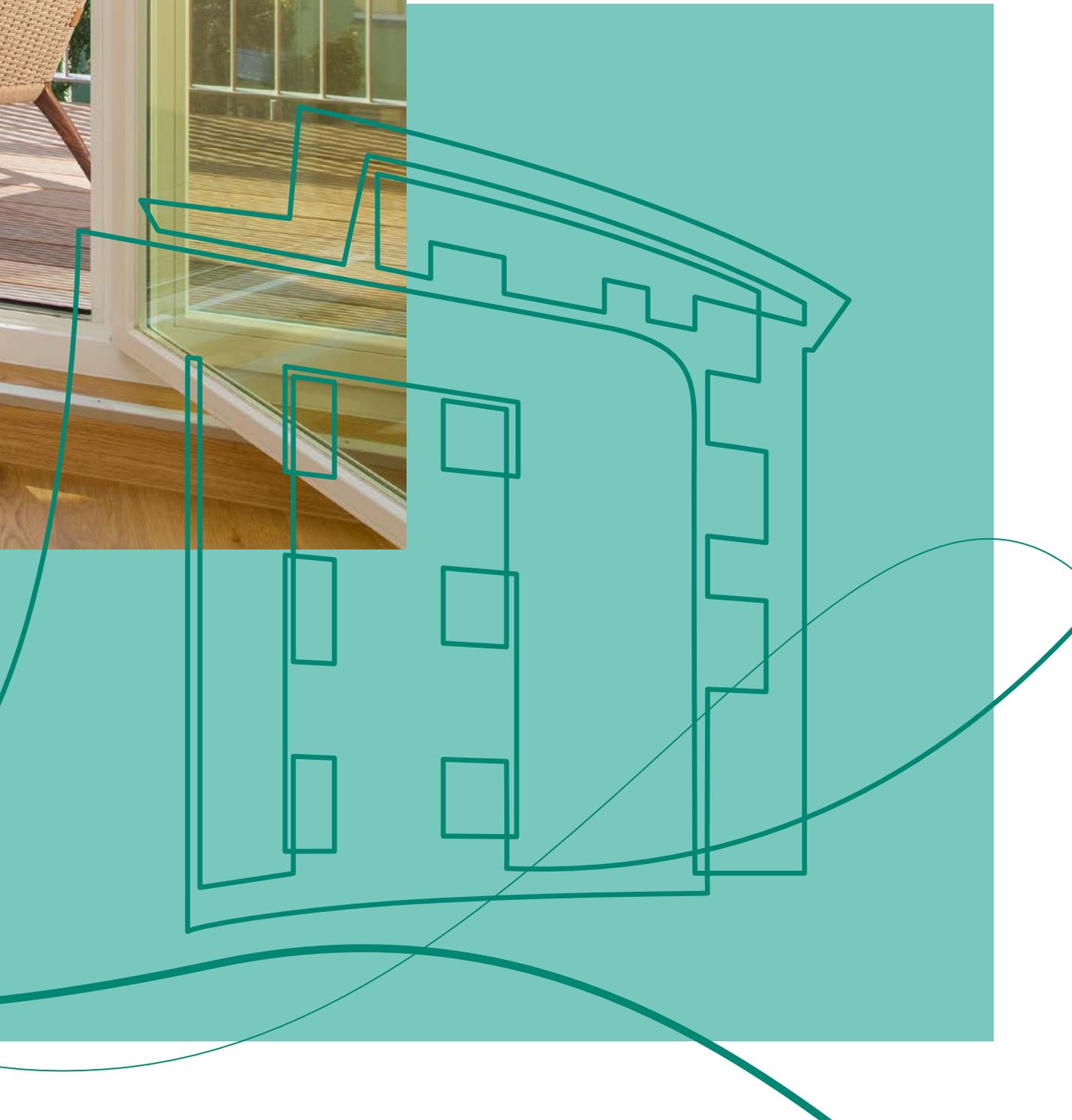
01

A climate
of fairness





When it comes to climate action in housing, the dilemma between climate action and living costs inevitably comes up. This dilemma poses a crucial question: how can effective climate action in Germany be funded in a socially responsible way? We've designed a concept that's been welcomed in many areas. In short, it's all about protecting our climate and our tenants.



A clear concept for climate action

Almost 90% of people in Germany consider climate action to be important or very important. A vast majority are also in favour of energy-related building upgrades to help protect our climate. Yet tenants' approval is tied up with a very big "but": they don't want rents to rise significantly as a result. Homeowners and landlords also have reservations about the energy-related refurbishment required.

These include high investment costs, as energy-related upgrades to existing buildings are expensive. Homeowners and private landlords often don't have the capital required. Landlords incur additional costs through delays to building work caused by objections from tenants or lengthy planning approval processes.

To return to tenants, they fear energy-related upgrades as they worry they will no longer be able to afford their own homes as a result of rising rent costs. This conflict between climate action and higher rent is clear from the figures. According to a survey, 87% of respondents did not want to spend any more than EUR 50 extra per month to live in an energy-efficient home that helps meet climate targets.

However, Germany will only reach its climate targets by 2050 if the rate of refurbishment in Germany rises to 2.5% from the current level of 1%. Just as a reminder: around one-third of CO₂ emissions are produced by the housing sector.

Resolving this conflict requires a refurbishment offensive that's socially responsible. We have set out a concept that seeks to use income from national emissions trading.



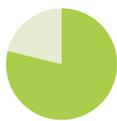
89%

of people in Germany think climate action is important or very important



57%

are in favour of energy-related refurbishment for climate action



79%

see costs for tenants as the biggest barrier to energy-related refurbishment



87%

don't want to spend more than EUR 50 extra per month



The concept: fair and simple

Currently, when a residential building is refurbished, the landlord initially covers all costs. They can then allocate the modernisation costs involved in the total investment to the rent up to a maximum of 8%. This amount, known as the modernisation levy, should be partly covered by the Energy and Climate Fund [Energie- und Klimafonds – EKF] in future.

The EKF was created by the German federal government with the aim of funding measures to improve energy efficiency and promote action to protect the climate and environment. It is funded by the sale of carbon dioxide emissions certificates as part of European emissions trading. Its income will rise again in 2021 due to national CO₂ pricing in the transport and housing sector. The EKF is used to pay for measures that drive climate action and the energy transition forward. However, it has so far been used almost exclusively for transport projects. These include the reduction of VAT on train journeys or increasing commuter allowances, for instance. We propose using this income to make the housing sector in Germany virtually climate-neutral.

The Müller family's 90 sqm apartment is undergoing an energy-related upgrade. This will reduce **heating costs** from EUR 136 to EUR 45 per month.



A gradual approach with clear benefits

The basis for this is a gradual model that protects tenants from sudden rent rises. Accordingly, in the first year following modernisation, the EKF would cover the full modernisation levy. This support would taper off over a period of 15 years. At the same time, tenants save on heating costs from the outset. This has the positive effect of seeing rent costs actually fall in the first few years after modernisation.

However, under current legislation, their monthly gross **warm rent** will rise – from EUR 811 to EUR 860. This is due to the modernisation levy of up to 8%, which is currently covered by tenants themselves.





Our proposal has many advantages. The Deutsche Wohnen model

- helps the rate of refurbishment skyrocket
- returns money from CO₂ pricing to citizens
- effectively staves off rises in energy costs
- ensures first and foremost that we meet our climate targets

According to the Deutsche Wohnen model, the modernisation levy will initially be covered by the EKF. This reduces gross warm rent from the previous level of EUR 811 to EUR 720.

€811

€720

The Müller family will be spared extra expense for eleven years, after which they will **slowly begin** contributing to the costs of the energy-related upgrade themselves.

11th year

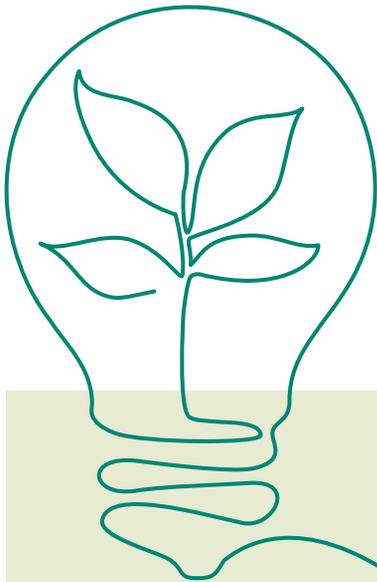
Check: an approach to climate action that's friendly and fair

“The more complex our plans become, the trickier they are to implement,” said Erich Kästner. The same goes for climate action: many people believe it is crucial and there are big plans to reach the necessary targets. However, when it comes to funding climate action, most see this as someone else’s problem.

That’s what sets the Deutsche Wohnen concept apart from many other plans, as everyone shares the cost of the necessary investment, without overburdening individual groups. Scientific assessment was required to ensure the concept actually worked – through a feasibility study by the German Economic Institute (IW).

Researchers at the institute recommend making Deutsche Wohnen’s approach a cornerstone of a cohesive concept for the entire housing sector. This overall concept would have to combine a range of additional measures in a sensible way and offer key players a reliable framework for investment.





Key study findings:

1 In order to achieve a virtually climate-neutral property portfolio by 2050, the refurbishment rate must increase from its current level of 1% to 2.5% per year. The necessary volume of investment amounts to around EUR 498 billion by 2050.

2 Around 72% of all properties rented in Germany were built before 1978 and have a high potential for modernisation. By 2050, in order to achieve climate targets, 1.04 million homes per year need an energy upgrade with insulation measures.

3 The Energy and Climate Fund [Energie- und Klimafonds – EKF] support sought for energy-related modernisation solves the dilemma between climate action and housing costs by making energy upgrades easier and avoiding direct extra costs for the tenant.

4 The EKF model would lighten the load on tenants considerably compared to existing tenancy law in the first few years following modernisation. Tenants alone would save around EUR 123 billion by 2050, or around EUR 4 billion per year.

5 This refurbishment offensive would reduce CO₂ emissions in the property sector from the current level of 121 million tonnes per year to 74 million tonnes in 2030 and 33 million tonnes in 2050.

6 And that's not all: by reducing the consumption of fossil fuels, long-term consequential climate damage can be avoided. This saves an additional EUR 179 billion, or an average of EUR 6 billion a year.

Energy in transition – experts in conversation

Socially responsible climate action in the property sector is feasible – this was the general thrust of discussions at a conference where Deutsche Wohnen discussed its concept with representatives from the world of politics, business and research.

The consequences of climate change are already tangible – that is clear to all experts who took part in the conference. There is a need for urgent action to avoid "tipping points" such as the desertification of rainforests or melting of the polar ice caps. In his keynote speech to the conference, Prof. Dr Dirk Messner, President of the German Environment Agency, was emphatic that the housing sector must make a major contribution to this, too. The reasons are clear: after all, this sector is responsible for 35% of final energy consumption and around 30% of CO₂ emissions.

Deutsche Wohnen's concept is a proposal for how to drive climate action in the housing sector. A prerequisite for this is resolving the dilemma between climate action and living costs. The financing model for energy-related refurbishment creates incentives for landlords and homeowners and eases the burden on tenants through the Energy and Climate Fund.

"The dilemma between climate action and living costs can be resolved, as our concept for socially responsible climate action shows."

*Michael Zahn
Chief Executive Officer of Deutsche Wohnen*





From the left: Christian Kühn (Member of Parliament, Bündnis 90/Die Grünen), Dr Jan-Marco Luczak (Member of Parliament, CDU), Sabine Nallinger (Managing Director Stiftung 2°) and Michael Lowak (CEO of Real Estate Segment, GETEC Group)

This idea was confirmed by the scientific assessment of the Deutsche Wohnen concept, whose core findings were presented at the event by Prof. Dr Michael Voigtländer, property expert at the Cologne-based German Economic Institute. In his speech, he also reminded attendees that old buildings requiring refurbishment are often occupied by people on low incomes.

"It must be possible to bring together the interests of tenants and landlords – with an instrument that sensibly combines climate action, economic viability and social responsibility."

*Prof. Dr Michael Voigtländer
Head of Finance and Property Markets at the
German Economic Institute (IW)*

This issue was then discussed in depth at a round table. Joining Michael Zahn and Professor Michael Voigtländer on the panel were Dr Jan-Marco Luczak (Member of Parliament, CDU), Christian Kühn (Member of Parliament, Bündnis 90/Die Grünen),

Sabine Nallinger (Managing Director Stiftung 2°) and Michael Lowak (CEO of Real Estate Segment, GETEC Group).

In summary: there is agreement that the long-overlooked property sector finally needs to proactively do something to reduce emissions and meet climate policy targets. And the experts believed the Deutsche Wohnen model to be an interesting approach to driving climate action in the property sector in a socially responsible way while taking account of joint responsibility.

"Of course, we feel bound by the Paris climate targets. By 2050, we want to have climate-neutral housing stock."

*Dr Jan-Marco Luczak
Member of Parliament, spokesperson for
legal affairs and consumer protection,
CDU/CSU parliamentary group*



Connecting the future



Green energy for tenants and e-mobility: Deutsche Wohnen plans to install 1,000 solar panels on rooftops in many of the company's neighbourhoods. Two thousand charging stations for electric vehicles are also planned. "A huge contribution to the energy transition in cities," says Stefan Haake, CEO of Deutsche Wohnen Technology GmbH.

Mr Haake, kitting out a thousand roofs with solar panels in one single project can't be something that happens very often in the German housing sector, right?

→ That's true, but we set ourselves the goal of ensuring decentralised energy supply for our portfolio. This allows us to get locally sourced green energy straight to our buildings' residents. And we didn't want to do it by halves. Why? Because it's an important issue. The fact remains that a significant proportion of Germany's energy consumption is in the housing sector. At the same time, there's the target to make housing stock climate-neutral by 2050.

Deutsche Wohnen could just buy green energy and supply it to its tenants, though, couldn't it?

→ It's much better to generate the energy you need in buildings right there where it's needed and not to transport it over long routes. This helps protect resources and ease the burden on electricity networks.

How much carbon dioxide will the 1,000 panels save across Germany?

→ Small solar panel facilities with a top performance of 38 kilowatts peak (kWp) already save around 14 tonnes of CO₂ per year through decentralised energy production. That means we can save 14,000 tonnes of CO₂ per year through all our panels. For comparison: to offset a tonne of CO₂ per year, you would have to plant around 80 trees.

How much is Deutsche Wohnen investing in this project?

→ We estimate costs of around EUR 50 million for the solar panels. At the same time as we expand solar panels, we also have plans for major expansion of e-vehicle charging infrastructure in Deutsche Wohnen's residential neighbourhoods. Two thousand charge points across Germany are planned. With this project, we're making a major statement about the mobility transition in cities. We're investing around another EUR 25 million in this scheme.

Skies over Hellersdorf



The decentralised energy supply project started in Berlin in 2020. The city will play a major role in the project going forward, as a significant part of Deutsche Wohnen's portfolio is in Berlin. The first 20 solar panels have already been installed in the area of Hellersdorf.

Although "solar" was the watchword on this particular December day, the sun itself stayed away, leaving the weather dull and dreary. However, the mood of those involved certainly brightened when the cranes placed the new solar panels on the roofs of the high-rise buildings on Oelsnitzer Straße. The panels were joined by cable drums and plenty of stone blocks. Their weight helps keep the panels on the ground – or rather, on the roof – in windy weather. Installation is a laborious task, which was evident from the truck-mounted crane and the large team of fitters on-site. One piece of equipment you might not expect plays a key role: a drone. It is used by the engineers and fitters to precisely measure and determine which surfaces the modules can be installed on in advance.

"This is effort that pays off," says Martin Wöbbeking from BLIS Solar GmbH, who are handling the work for Deutsche Wohnen. "With the 20 panels we've installed here, we can supply around 150 households and save around 280 tonnes of CO₂ emissions per year."

The first 22 charging stations for e-vehicles will also be installed in Hellersdorf. Some of these will be accessible to the public. The energy for charging the e-vehicles will then be produced by the solar panels.



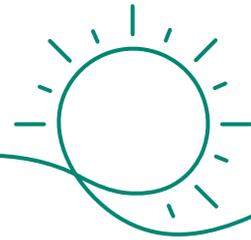
2,000

charge points for e-vehicles are being built in our existing portfolio



1,000

solar panels are being installed on the rooftops of our buildings



14,000

tonnes of CO₂ can be saved by the solar panels each year

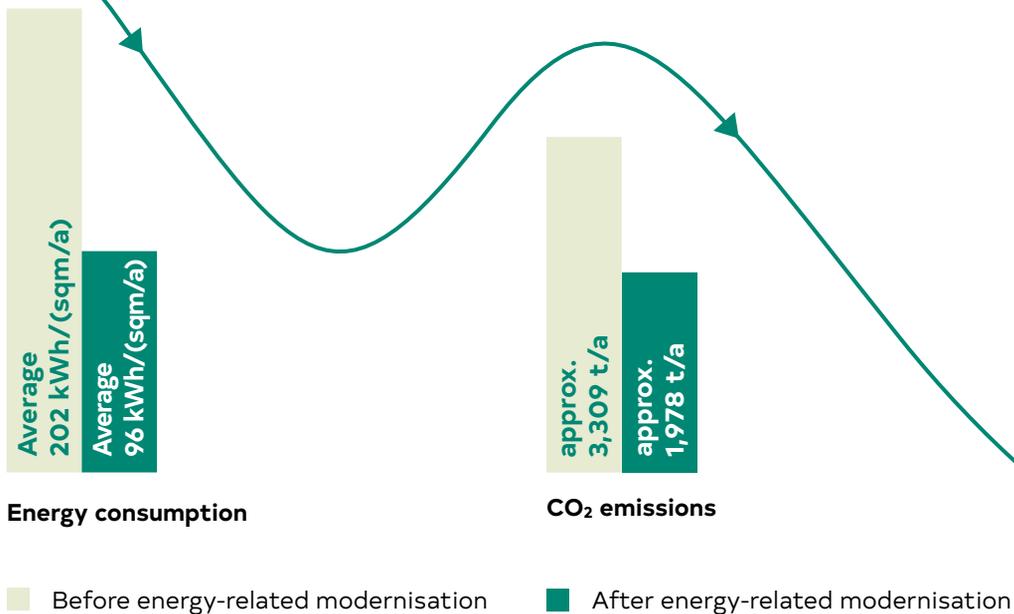




Getting the green light

Every state, every region and every city is different. And so is every building. That's why we don't take a one-size-fits-all approach to modernisation. We focus on the architectural detail and always have the aim of improving energy efficiency in mind. There are many different examples ...





Climate action in Berlin's Kreuzberg district

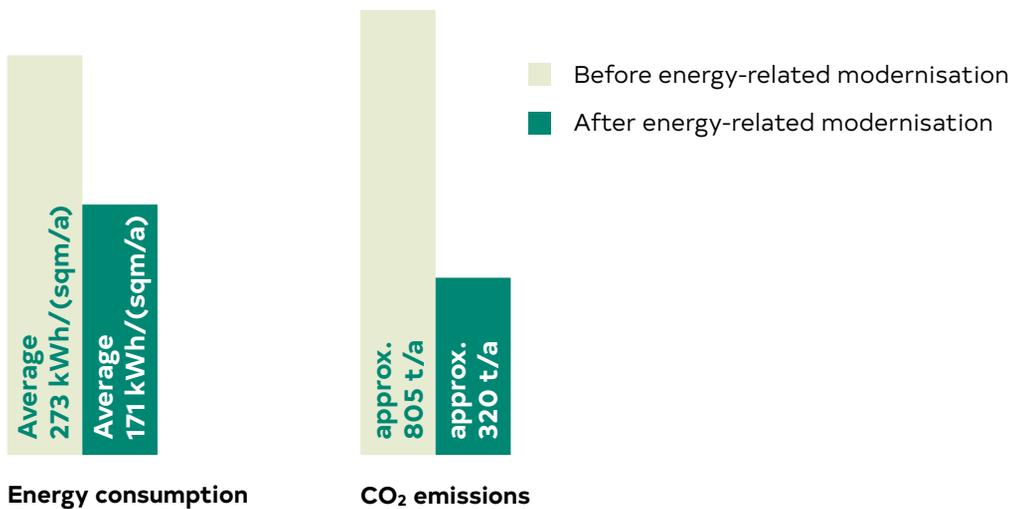
The Otto Suhr Estate in Berlin's Kreuzberg district is one of the biggest post-war rebuilding projects in West Berlin. The estate, named after Berlin's former Governing Mayor, took a whole seven years to build. In 2015, work began on making Deutsche Wohnen's portfolio in the Otto Suhr Estate fit for the future. This involved work on around 1,678 residential units and eight commercial units. Our to-do list was almost as long as the number of apartments: the agenda for modernisation and construction included refurbishing the windows, refurbishing building entrances and stairwells, and installing heat insulation in the facades and ceilings on the upper and basement levels. Instead of using simple metal railings, we kept the old brickwork that gives the estate its unique look. Bricks that were no longer fit for purpose were replaced with specially made stones to match the original colour. A roof extension permitted the construction of 28 additional apartments with a wood panelled design.



"Due to the size of the estate, the energy upgrade to the building shell helped us make huge energy savings, and by building new apartments, we are also making a contribution to our city," says technical project manager Max Roda. Most of the work was completed in 2020. Work on the outdoor spaces will take place in 2021.

Closing the gap on Berlin's Topsstraße

Topsstraße in the Berlin district of Prenzlauer Berg takes its unusual name from Hermann Tops, a communist and anti-Nazi resistance fighter executed under the Third Reich. On the corner of the famous Schönhauserallee, in what is known as a neighbourhood preservation area, you'll find three Deutsche Wohnen blocks dating back to 1937. Over the past two years, the 202 apartments have been modernised in line with official specifications. The works included basement ceiling insulation and refurbishment of balconies, facades, windows, stairwells and roofs. The bathrooms and building technology also underwent renovation. "Our main priorities were the sustainable switch from furnace to district heating and refurbishing the historic double windows," explains technical project manager Armin Schulz. One of the special measures involved in the project included a new construction with four residential units. This finally closes the gap in the complex which was made by the destruction of the building's original staircase during the war.



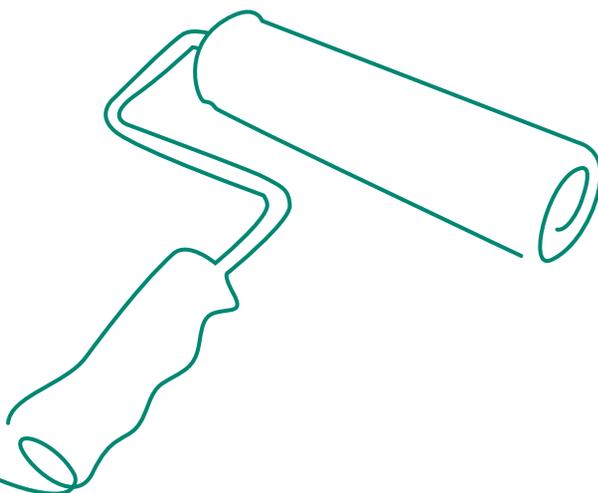
Armin Schulz, technical project manager





Based on a historic template: Rudolfplatz in Brunswick

In the north-west of Brunswick – right on Rudolfplatz – you will find a Deutsche Wohnen neighbourhood. It makes a strong visual impact on this key junction in the city's Westliches Ringgebiet. The buildings in the neighbourhood date from different periods and are being upgraded in several stages over the next few years. The first stage of the works focuses on the four-storey buildings dating from the 1920s. The aim is to preserve the unique architecture of the period while improving tenants' quality of life. "We're refurbishing the facade, installing wooden lattice windows, re-covering the roofs and completely overhauling the building entrances and stairwells. We're following the historic template, for instance, in the colours of the facade and the wooden doors, to help give the building a new lease of life," says Andrea Ortmann, who's in charge of work on the site. A restoration survey and old images were used as inspiration. Fire safety measures and an upgrade to the outdoor spaces are also planned.





Energy consumption

Berlin-Weißensee – old meets new

"All of it, please!" says technical project manager Jendrik Kruse, when asked what work was to be done in Deutsche Wohnen's buildings in Weißensee. Not only was the facade insulation system replaced – virtually the entire building technology got an upgrade. The bathrooms in every apartment were also completely renovated. Building entrances and stairwells were overhauled with a colour scheme adapted to the new facade. Care was taken to ensure the building blended in with the surrounding listed buildings. The historic double windows were kept and refurbished to preserve the 1930s period charm. As well as this extensive work on the portfolio, fifty new apartments were built with terraces or loggias as an attic storey extension. "This has helped us create urgently-needed living space in Berlin," says Jendrik Kruse. "The carbon footprint of the 337 existing residential units was also reduced by 68%."



CO₂ emissions

- Before energy-related modernisation
- After energy-related modernisation



"Extensive modernisation work is sometimes very challenging, but the result is always worth it."

Jendrik Kruse
team leader, technical
project management



Making our neighbourhoods more eco-friendly

In many ways, we take the outdoor spaces at the front and back of the buildings in our neighbourhoods for granted. Green space is par for the course. But it isn't that simple: Deutsche Wohnen employs experts in green space management who incorporate sustainable development into their work. The company takes this approach quite simply because even a small amount of green space makes a major contribution to the feel-good factor in a neighbourhood and helps boost biodiversity.

As part of the project "A new home for bees", Deutsche Wohnen's green space management team help promote biodiversity in urban spaces by creating bee-friendly outdoor areas and green spaces. Bringing tenants on board with this process is key.

Growing a greener neighbourhood

Last year, 600 sqm of flower meadows and 400 sqm of mixed shrub beds were installed on Gallwitzallee in Steglitz. Our tenants can now sow and harvest herbs and vegetables in raised beds themselves and take responsibility for caring for the newly planted fruit trees. "I'm absolutely delighted to see how lovely everything is now," says Cornelia Hohmann, Deutsche Wohnen commercial customer adviser in Steglitz. She coordinates handover to residents on-site. The redesign adds a bit of variety to the greenery – and boosts community spirit, as Cornelia Hohmann can attest.

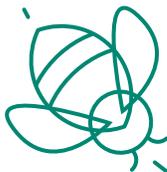


*Right in image:
Cornelia Hohmann, commercial customer adviser
in Berlin-Steglitz*



1,373 sqm

**mixed shrub beds created
in total in 2020**





Getting everyone involved: 6,000 flower bulbs and one nature trail

The redesign of the Kastanienallee in Marzahn-Hellersdorf continued in 2020, with the aim of making the street even more attractive and eco-friendly. As part of a bulbplanting initiative, our team worked with tenants to plant 6,000 flower bulbs along the route. In addition, 500 sqm of mixed shrub beds were also installed, creating a bright new colour palette every month. "Our work to create more diversity and beauty in our green spaces benefits everyone: our tenants, the local area as a whole, and, last but not least, nature and the environment," says commercial customer adviser Nadine Scheunchen.

In collaboration with the Naturschutz Berlin-Malchow association, Kastanienallee is now home to the CASTANEA nature trail, designed to raise awareness of nature and the environment among locals and visitors alike through fun and interactive features and play facilities.



16,686 sqm

**flower meadows created
in total in 2020**

Big things make a big impact

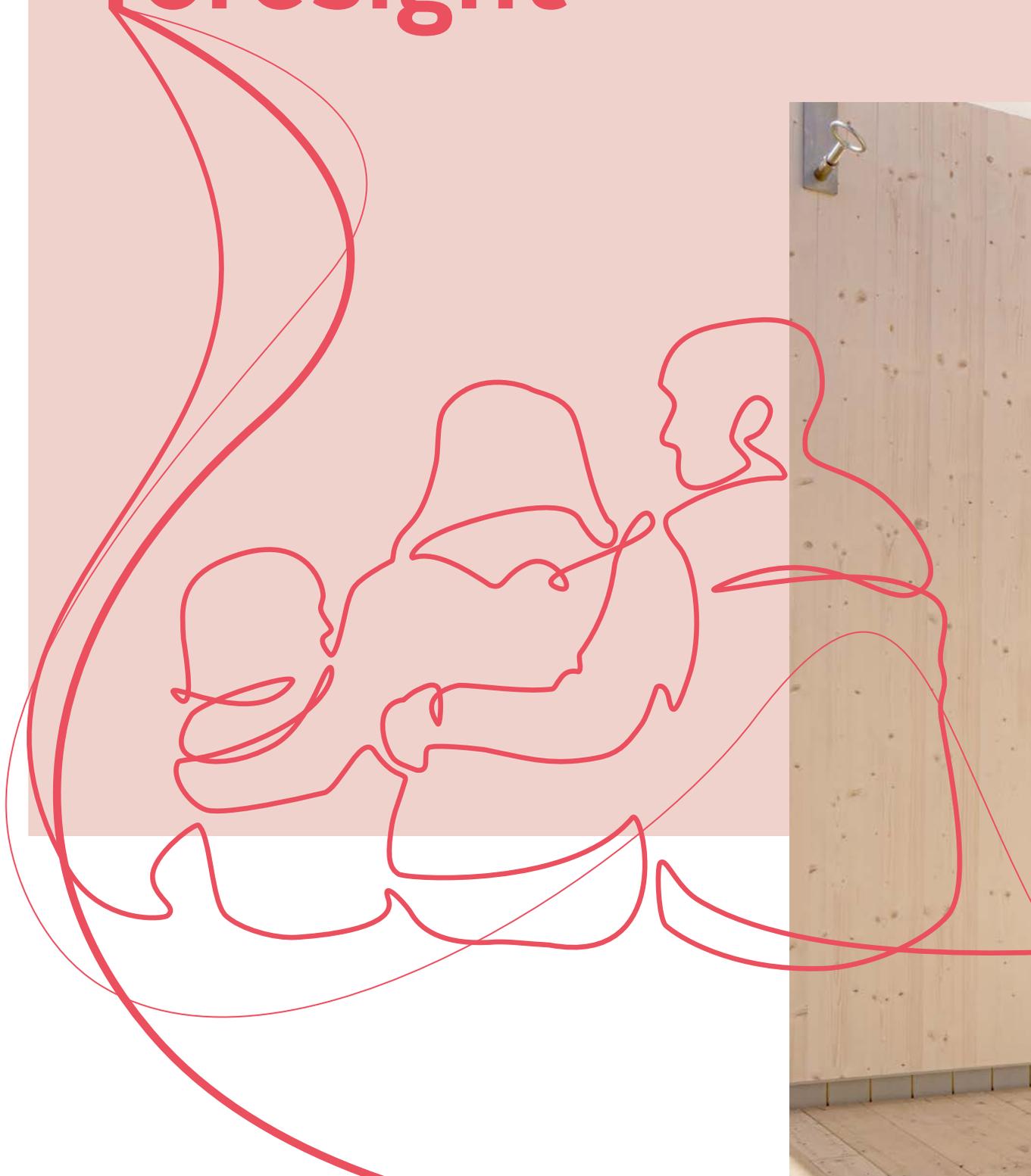
Climate action begins at home and recycling plays a key role, helping to save raw materials and reduce CO₂ emissions. To raise tenants' awareness of this issue, we took part in a Berliner Stadtreinigung street cleaning initiative in summer 2020 and created two "big things" in Hellersdorf: a tea box and bottle cap. These big things were designed to serve as seating and a source of information on recycling and tenants made good use of them, according to Nadine Scheunchen.



Nadine Scheunchen, commercial customer adviser in Berlin-Hellersdorf

02

Building with foresight



Building new homes isn't enough. We need to build better, for tomorrow and beyond – that's the key to our future. We're taking new paths with new partners who share our goals for sustainability and energy efficiency. We want to create neighbourhoods people love to live in.



Building with foresight

We're pushing things forward – across Germany

Germany needs housing – and lots of it. To combat the current housing shortage in growth regions, around 250,000 new apartments need to be built each year by 2030. We want to put our weight behind tackling this situation. That's why we acquired Isaria München Projektentwicklungs GmbH and shares in QUARTERBACK Immobilien AG in 2020.





We believe that the team-up between project developers like Isaria and QUARTERBACK and a company like Deutsche Wohnen that develops and maintains its portfolio is the right way to make a real, sustainable contribution.

In the years to come, around 18,000 new residential units will be built – in cities such as Berlin, Leipzig, Dresden, Munich, Frankfurt and Stuttgart. This means we are also looking beyond our core market of Berlin when it comes to new construction, and helping to tackle the lack of living space in growing metropolitan areas. An example from southern Germany: according to the German Economic Institute's 2019 housing demand model, around 28,300 residential units will need to be built in Munich by 2030 to meet demand.

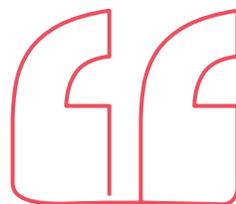
Our own standards remain high, as we take a responsible approach to creating housing and living space. High levels of quality of life and climate efficiency are key, as well as good neighbourhood spirit. Accordingly, our new construction projects are planned and built to be high-quality, sustainable and energy-efficient. In this way, we are taking responsibility for future generations.



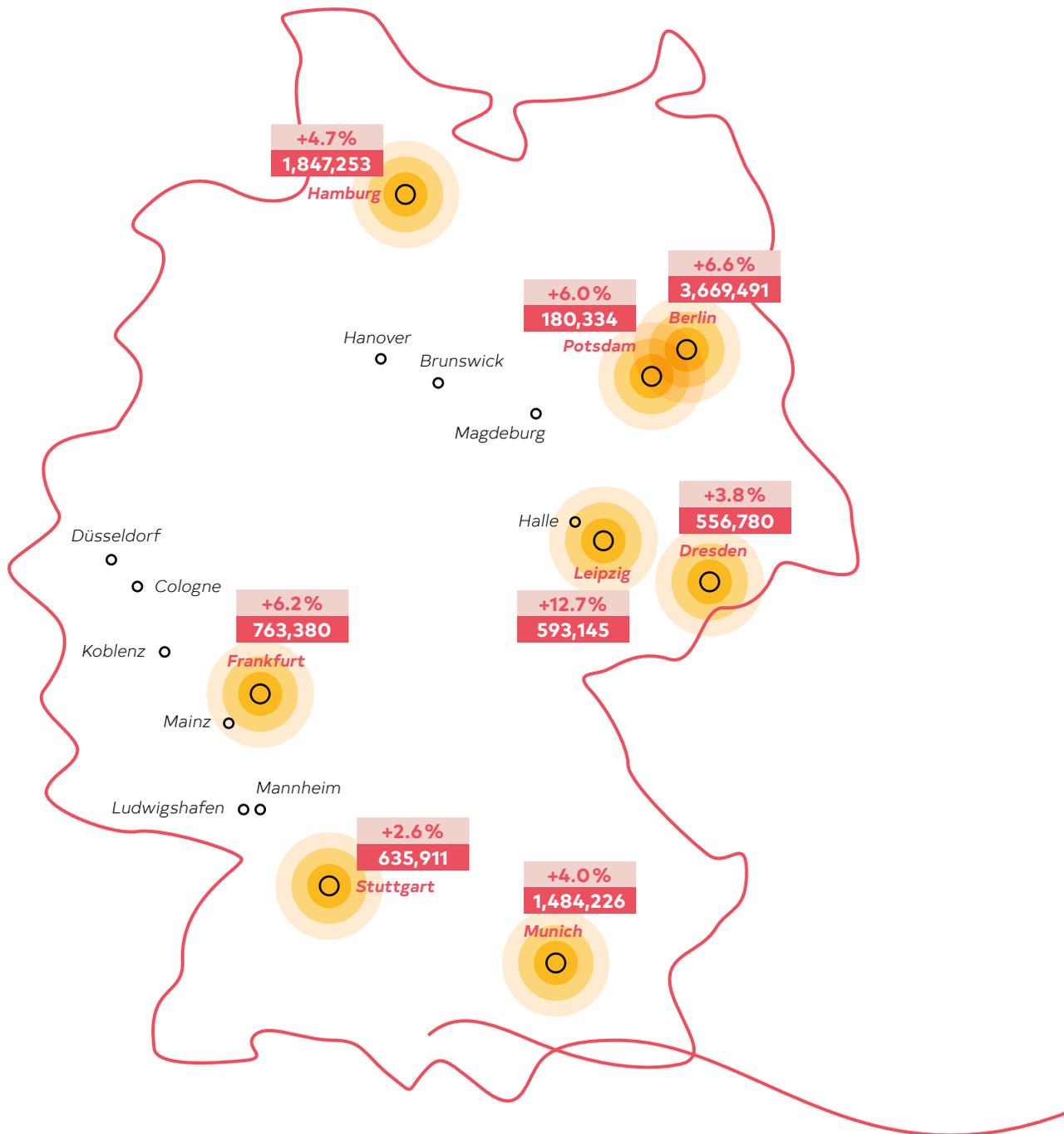
Henrik Thomsen

Chief Development Officer of Deutsche Wohnen

"We believe that the housing issues in metropolitan areas can only be solved by new construction. As one of the biggest housing companies in Germany, we believe it is our responsibility to help solve this issue. That's why we've placed an even bigger focus on new construction in the past year with the acquisition of Isaria in Munich and strategic shareholding in QUARTERBACK in Leipzig. Together with these partners, we are now implementing projects across Germany that are perfectly aligned with our focus on metropolitan areas and sustainable construction. As ever, one thing really matters to us: developing neighbourhood concepts that are sustainable, geared to the future and meet changing requirements for housing."



Population growth in major German cities



 Population growth by 2035*
 Current population (as of: 31 December 2019)**

 New construction regions

Source:
 * <https://www.tagesschau.de/wirtschaft/metropolen-wachstum-prognose-101.html>
 ** <https://www.statistikportal.de/de/gemeindeverzeichnis>



We're linking the past with the future

Isaria München and QUARTERBACK are both synonymous with developing high-quality new construction projects. Michael Zahn, Chief Executive Officer of Deutsche Wohnen, visited projects in Munich, Dachau and Frankfurt to see for himself.

In the past year, you took a look at some of the new construction projects in southern Germany. What did you make of them?

→ I discovered some outstanding and incredibly impressive projects. Such as the neighbourhood that's emerging in Dachau on the site of the former paper company, and the HOFMARK district near the Olympiapark in Munich. But the key thing for me was how good I felt: the teams on-site aren't just incredibly competent – they exude a passion that leaves me feeling really optimistic about our shared future.

How important is it to you to visit projects in person?

→ It certainly makes a difference whether I assess projects from my desk purely based on facts and figures or if I go down there to see for myself. Walking around the site in Dachau, where every stone tells a story, grasping the dimensions, watching the diggers at work and just knowing: something new is being built here. There's nothing like it.

You sound really enthusiastic ...

→ Absolutely! But I was also excited by the art nouveau building in Haar in the east of Munich: a former clinic we're turning into a modern, family-friendly neighbourhood. This is another place where we're linking the past with the future.

Deutsche Wohnen's core business previously focused on developing its portfolio. Why has the company taken this step to expand its new construction?

→ There is a severe housing shortage in our core markets – Germany's growth regions. Quite simply, we need to build more, as cities will continue to grow in future. We take an eco-friendly approach to construction in order to reduce the carbon footprint of our new buildings.



More people – more expertise

Deutsche Wohnen, Isaria and QUARTERBACK have joined forces to combine their expertise in new construction. We'd like to introduce four experts whose day job is planning and building residential units for people in Germany.

“Land acquisition, costing and helping procure plots – that’s a big part of my job. Then there’s securing building approval, along with planning and developing residential and commercial buildings in collaboration with project management and sales. It’s a varied and fulfilling job – partly because you take virtually nothing, like an empty plot or an old industrial site, such as the former paper factory in Dachau, and turn it into new high-quality space to live and work.”



Michael Gerstner

*Michael Gerstner, senior project developer
at Isaria since 2016*

Anna Vetter

Anna Vetter, project manager for new construction and project development at Deutsche Wohnen since 2017



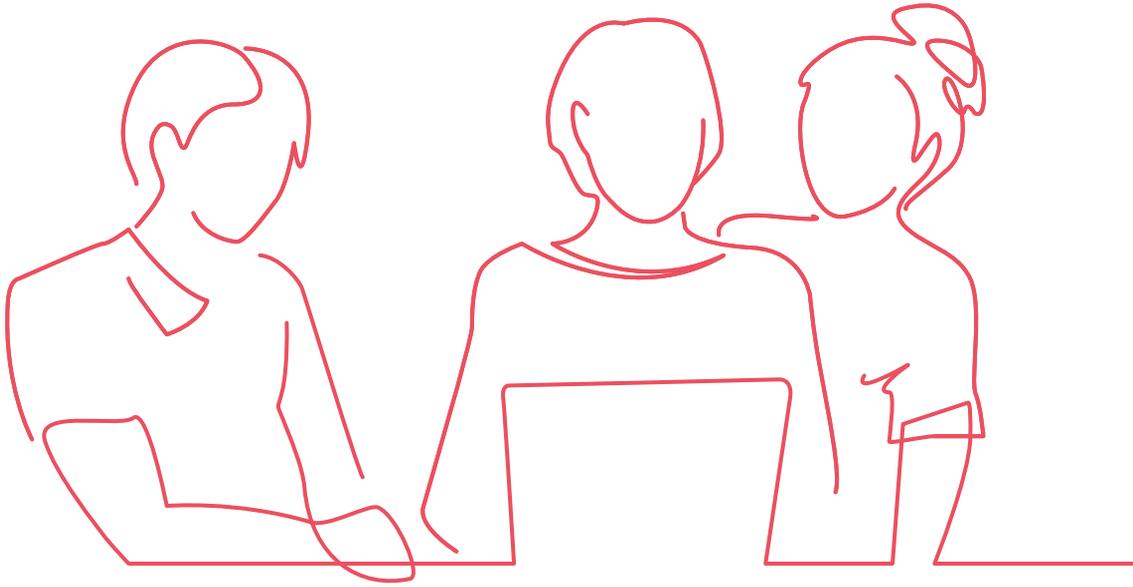
"As a project manager, I act on behalf of the developer and coordinate planning of new buildings and consultation with authorities and project stakeholders in securing planning permission on our sites. This requires negotiation skills and finding a compromise. My considerations and decisions have an impact on the design of our neighbourhoods and thus on the way we live together in our city in future. This is a lot of responsibility and a great opportunity for me."

Gudmundur Christian Jónsson

Gudmundur Christian Jónsson, senior project developer at Isaria from 2017 to 2020 and Deutsche Wohnen from 2020



"My remit includes securing planning approval and defining the product, drawing up calculations, feasibility studies and a range of assessments. This involves discussions with the authorities, politicians, residents, users and planners. What I find particularly appealing about my work is developing and implementing ideas for sites and ultimately helping to create a new neighbourhood. That's how it was at Isaria and remains the case at Deutsche Wohnen."



"I develop and design our new projects and prepare them for the authorities as well as for construction. My work involves a lot of creativity, while taking standards and requirements into consideration – which makes it incredibly exciting. No two projects are the same and building new elements into existing structures is a new challenge every single time. The product of these factors is ultimately the architect's own unique signature."

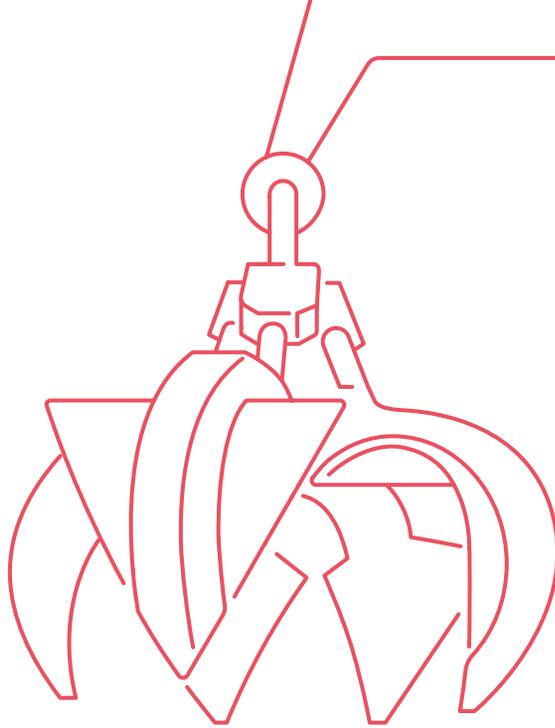


Anna Barthmann

*Anna Barthmann, architect at
QUARTERBACK since 2016*



**Farewell
former
factory!
Hello
new
homes!**



The Bavarian city of Dachau, a local district capital, lies north-west of Munich and has a population of almost 50,000. It's barely half an hour from station to station. After a few minutes' walk, the site of the former MD paper factory comes into view. Right now, that means the heavy machinery involved in demolishing the old buildings.

When the last sections of the old factory in Dachau are demolished, a new residential area will take shape – close to the Bavarian state capital and in a city where many people are looking for a new home.

If you visit the site, there's a good chance you'll run into Friedrich Thoma. 1962 – a century after the paper manufacturing company München-Dachauer Aktiengesellschaft für Maschinenpapierfabrikation was established – saw the young Friedrich Thoma begin his mechanical engineering apprenticeship here. Today he still goes to work at Ostenstraße 5, although some things – in fact, most things – have changed in the meantime.

The former paper factory, whose 19th-century success was mainly driven by Louis Weinmann, is no more. Louis Weinmann ensured that social responsibility was on the company's agenda – that's why he's remembered as the “father of the workers” to this day. Friedrich Thoma rescued his statue and artefacts from the MD museum. No, not from the builders – from people who saw the site, the former production facilities and the listed building that still stand there today as a playground for their appetite for destruction. “But there's much less vandalism now,” he says. His main role is to be available as an on-site point of contact on behalf of Isaria for contractors, supervisory bodies and public authorities. He also handles the practical tasks that always come up on a large building site. For example, setting up the new site hoardings means greenery needs to be removed – Friedrich Thoma takes care of that.



"I'm delighted to see something new emerging after the decline."

Friedrich Thoma
Isaria Munich





However, he's also happy to take on the role of "tour guide" for visitors to the site and turns his familiarity with his historic surroundings into something very special with his open, friendly and humorous manner. When he tells the story of the factory and the decline in production, you might wonder how he has worked on the site for so long – after all, paper production ceased in 2007. "The machinery was bought by an Indian company and I was asked to oversee the dismantling. Then someone was needed who knew the site and could show officials or interested buyers around. Then, someone who would help the developers with plans and background knowledge on structures, buildings and supply systems." So one thing led to another – and Friedrich Thoma has ended up coming to the same place for work every day since 1962. As he says himself, short and sweet, with a smile: "That works just fine."

Turning a wasteland into a vibrant neighbourhood

The need for new housing makes turning to old, familiar sites worth a look. Land which was previously under heavy use now lies empty. That includes former military, commercial or agricultural sites – and conversion is the order of the day. Deutsche Wohnen is working to turn many old sites into the living spaces of tomorrow.

One example is the historic site at the mouth of the Dahme in east Berlin, where a new neighbourhood is being planned. This area is still home to the old villa that previously belonged to well-known Berlin dairy owner Carl Bolle, with its protected garden. It is being restored in line with conservation principles, and the surrounding inaccessible, unused land is being developed. There are plans for almost 1,200 new apartments and spaces for cafés, shops and offices. There will also be a nursery and assisted living facility, housed together under one roof. But that's far from everything that makes this new neighbourhood special, according to Deutsche Wohnen project manager Juergen Bischof: "This project is very important for the whole area, because we're opening up the site and access to the river to everyone in Köpenick, which wasn't the case before." When the work is complete, the new neighbourhood will also offer a lot of green space.



The project at a glance

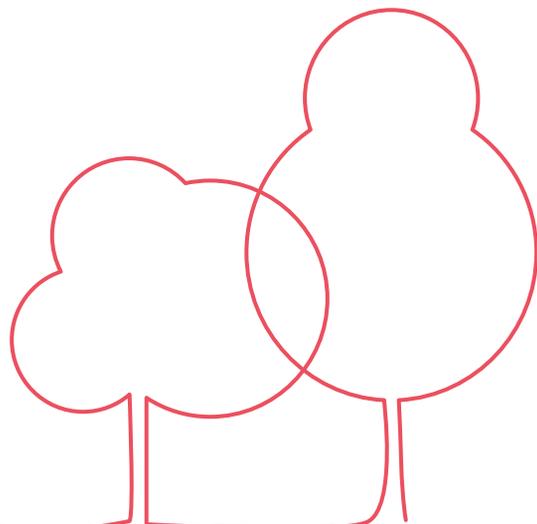
A new neighbourhood with residential and commercial units, nursery and assisted living facilities, new construction of 64 buildings and refurbishment of existing listed buildings.

- Location: right by the river Dahme in the heart of Berlin's Köpenick district
- Land area: 156,000 sqm = approximately 21 football pitches
- Number of residential units: around 1,200
- Number of assisted living units: 41
- Start of construction: 2020
- Planned completion date: 2026



Green space – and green construction

As is the case for all new construction projects from Deutsche Wohnen, with our Marienufer project, we are striving for certification in line with the criteria of the German Sustainable Building Council [Deutsche Gesellschaft für Nachhaltiges Bauen e.V. – DGNB]. Depending on the type of building, this involves examining up to 40 criteria in different areas: the environment and economy, social, cultural and functional aspects, and technology and processes. In addition, solar panels will supply electricity and 20% of parking spaces will be designated for electric cars. A central parcel station for all residents is designed to reduce traffic in the neighbourhood and a mobility hub with central car-, scooter- and bike-sharing services is aimed at complementing public transport options.



A path to history

Juergen Bischof finds something very old on the site to be very extraordinary indeed: "There are remains of historic paving stones on the 'Marienhainallee, which is the main route across the site. We are restoring 500 metres of this cobblestone road and turning it into an avenue lined with fruit trees. This is a homage to the garden that Humboldt University once had here."



Right in image: Juergen Bischof, Deutsche Wohnen project manager

Brick by brick, project by project



The Marienufer and the new neighbourhood on the site of the former paper factory in Dachau are just two of many new construction projects planned for the months and years to come. There are quite a few others, too. Here are three:

"Repairing the city" in Dresden

The site of Dresden's Schützengarten was once actually a garden – although there have been no traces of it during the past few decades. Two VEB Energiebau Radebeul high-rise office buildings and one low-rise building made the view a little less lovely. A bunker was built beneath the low-rise building for emergencies during the Cold War. All that is now history, and the old buildings have been demolished – although they didn't quite end up on the so-called "scrapheap". Of the approximately 16,500 tonnes of concrete that remained after demolition, about 10,000 tonnes were recycled and reused for the building excavation and roadbuilding. In line with the city's desire for diverse architecture, Deutsche Wohnen commissioned three architecture firms to plan the new neighbourhood. Perimeter block developments four to seven storeys high will be built around three green courtyards, with 479 residential units and around 2,100 sqm of ground-floor commercial space to breathe new life into local streets.





The project at a glance

A new neighbourhood with residential and commercial units and assisted living, demolition of existing buildings and new construction of 13 buildings.

- Location: central location in the heart of Dresden, walking distance from the Zwinger
- Number of residential units: 479
- Start of construction: April 2021
- Planned completion date: 2024



900 metres from the Elbe: Dresden's Johannstadt neighbourhood

The project at a glance

New construction of a three-part residential and commercial building.

- Location: Johannstadt in Dresden, right by the Elbe
- Number of residential units: 195
- Start of construction: 2020
- Planned completion date: 2023

The Johannstadt neighbourhood in Dresden has an outstanding location in the Saxon capital by the Elbe river and is a popular and well-known area with plenty to offer, including the thrift market. Proximity to the city centre and key local amenities, schools, childcare facilities and the university hospital make it a particularly appealing place to live. A residential building with almost 200 apartments is taking shape here, designed to ease the pressure on the Dresden housing market. Two car-sharing points are planned to ease vehicle traffic in the city. Living roofs not only reflect the parkland behind the site in the architecture – they also help save energy and contribute to climate action.

A neighbourhood with a campus feel: HOFMARK am Olympiapark

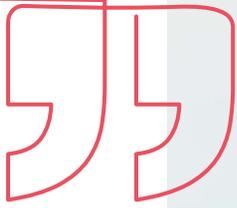
Life on campus is an excellent blueprint for developing a neighbourhood – with a wonderful and thrilling mix of housing, work and leisure in a leafy environment. With the Olympiapark just a stone's throw away, the district of Milbertshofen in the north of Munich is the perfect spot. The city centre is easy to reach by public transport, while the Olympiapark with its vast green space is ideal for leisure: with events, concerts and countless sports activities right on the doorstep. The neighbourhood is also home to 18,000 sqm of modern office space for innovative, creative and active work. The neighbourhood also has its own childcare facility, charging stations for electric cars and bikes, shops, restaurants and local amenities.

The project at a glance

A new neighbourhood with residential units, office space, restaurants and childcare facilities.

- Location: central location in the north of Munich, close to the Olympiapark
- Number of residential units: 216
- Start of construction: 2020
- Planned completion date: 2022





Taking action for more nursing care

With Deutsche Wohnen, everyone can find a home that suits them. Single people, couples, families and older people, too. Our nursing and assisted living facilities can be found in attractive cities and regions. New construction is also helping us create new places to meet growing demand. Dr Jochen Schellenberg, Managing Director Nursing Operations, gives us the lowdown.

A new facility was recently opened in Dresden, KATHARINENHOF AN DER HEIDE. Further new construction properties are planned for the nursing sector. Why is this issue so important?

→ Demographic change poses major challenges for all of us, as the number of people in need of nursing care is growing constantly. Deutsche Wohnen picked up on this trend many years ago. That's why two major nursing care providers are now part of the group: KATHARINENHOF Seniorewohnen- und Pflegeanlage Betriebs-GmbH and PFLEGEN & WOHNEN HAMBURG GmbH. As demand grows, we are building new facilities and modernising individual buildings.

Where are you building?

→ New construction projects are currently under way in Dresden, Hamburg and the Berlin districts of Pankow and Köpenick. Further new construction projects, as well as the purchase of existing nursing facilities, are an explicit part of our growth strategy.

There are currently no concrete plans in this regard. However, there are clearly defined regions in which we want to grow.

What distinguishes new construction in the nursing sector from traditional new construction for the rental housing market?

→ Our experience shows us that older people themselves – as well as their relatives – ask about the room or apartment first when they visit our facilities. How big is it? What's the view like? Is it quiet? Additional services, such as day care or future options for full in-patient care, are usually the next thing they ask about. New construction gives us the opportunity to incorporate these preferences in terms of housing quality. Of course, there are also building regulations – which vary between different federal states – that need to be considered and adhered to.

A neighbourhood-focused approach to thinking and planning is hugely important to Deutsche Wohnen. Is that true for the nursing sector, too?

→ Yes, absolutely. We plan our new buildings for the neighbourhood and take a very close look at local requirements as part of this. In addition to this, our buildings are part of community life and are also very consciously open to people from the neighbourhood with their social and cultural offerings.

When we think of older people, "digitalisation" isn't the first concept that springs to mind. Yet IT solutions are also playing an increasingly important role in nursing care. Does that apply to your facilities, too?

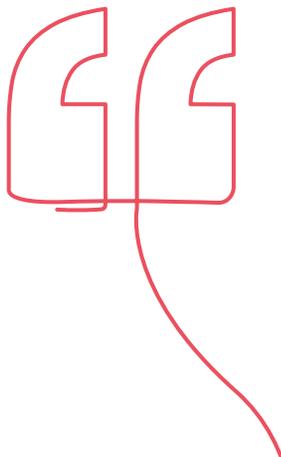
→ It's an important subject and will remain so. We're currently going through a process which often finds us a step ahead of the market. Let me give you two examples. In our facilities, nursing staff can use a tablet computer

to record video and perform an analysis of how a person walks in 15 minutes. This automatically calculates their risk of falling. As well as that, an appropriate physiotherapy and activity programme is drawn up accordingly.

Digital nursing documentation modules and planning modules are another example. We have been using these for some time, in contrast to other operators. This makes our staff's work easier and more appealing and improves the reliability of care for the older people who live with us. We will continue apace with digitalisation in our facilities going forward.

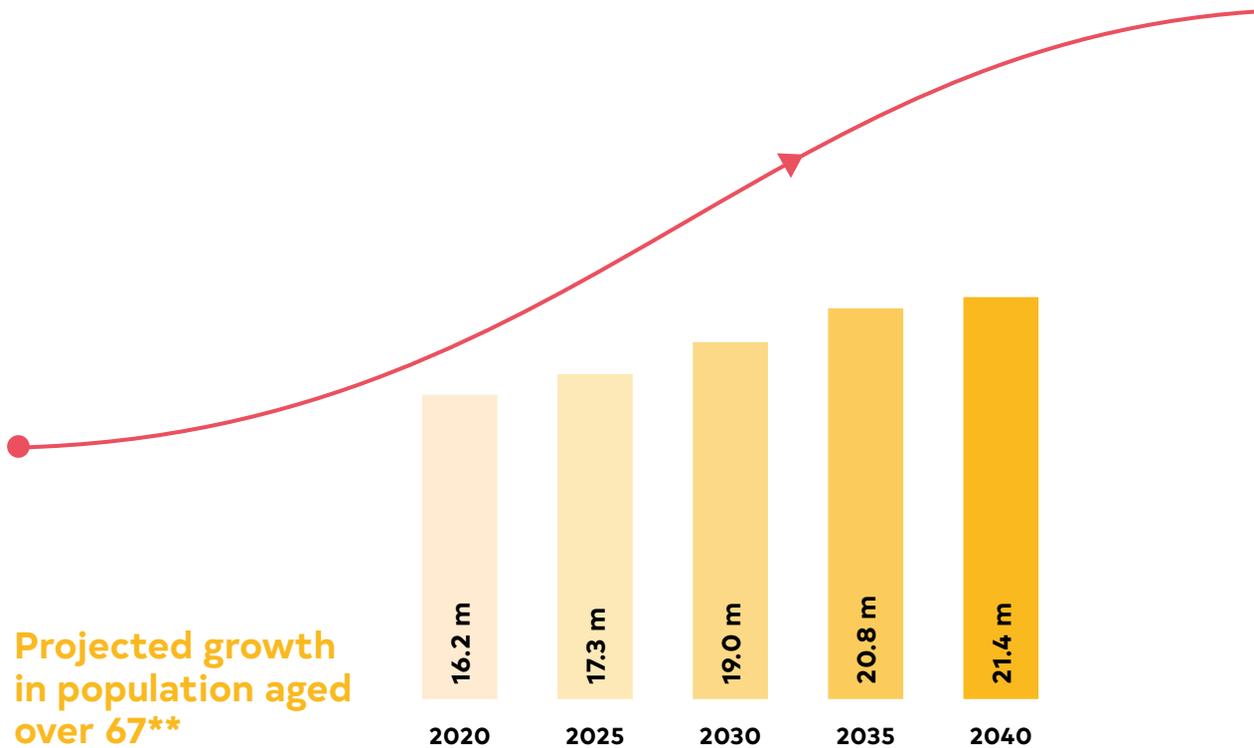
How much will Deutsche Wohnen invest in expanding provision of nursing care places in the years to come?

→ Our focus is currently on Hamburg: in the next five to eight years, we plan to build five brand-new facilities in the city. We are investing around EUR 360 million in these plans.



By 2035, over **300,000** additional care places will be required – the equivalent of around 3,000 new nursing homes.*

Demand is set to increase in **the major cities** of Berlin, Hamburg, Hanover, Munich and Cologne.*



Projected growth in population aged over 67**

Source:
* Pflegeheim-Atlas Deutschland 2018 (assuming consistent regional capacity and proportional/linear relation to growth in older group that is source of demand)
**Statistisches Bundesamt (Destatis), 2019 (assuming moderate growth)

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