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DEVELOPMENT
INVESTMENT
OPPORTUNITY:
SIEMENSSTADT,
CHARLOTTENBERG,
WEST BERLIN
•

Spreetal Living is a development of 42 smart-home apartments in Siemensstadt, a popular residential area of Western Berlin, close to the River Spree.

Bright, minimalist and ideally located, the apartments offer one to three rooms (studios, one and two-beds) with a range of floorplans, all featuring either terraces or balconies and with secure basement cycle storage. And, over half of the development's apartments are barrier-free; designed to accommodate wheelchair access.





WHY BERLIN?

A major economic powerhouse: Germany is the largest economy in Europe and the fourth largest worldwide. It is the third largest exporter behind China and the US.

Strong growth: Berlin has the highest projected growth in GDP of any other German city, increasing by 80% between 2000-2023 (followed by Leipzig at 72% and Munich at 64%).

Chronic shortage of new build homes: German house prices are expected to increase by an average of 42% by 2035 and rental growth by 44% between 2020-2035. Berlin agent Guthmann predicts the values of new build in Berlin will increase by 130% over the next 10 years, due to the chronic undersupply of new build apartments.

Ranked and rated internationally: Berlin is ranked #3 by PWC in Emerging Trends in Real Estate® Europe 2023 report, after London and Paris.

Extraordinary population growth: Berlin's population is expected to grow by 10% by 2035, topping 4 million residents. Hamburg, by contrast, the country's second most populous city will have 2 million residents less than Berlin by 2035. Even in the next three years, driven by the lure of the city's future-focused industries, Berlin's population is expected to grow by 96,000, putting further strain on the capital's already chronically undersupplied housing market.

80% of Berlin's population rent

Easily accessed finance for home owners – more preferential rates than

ONE OF THE MOST COMPETITIVE RENTAL MARKETS IN EUROPE

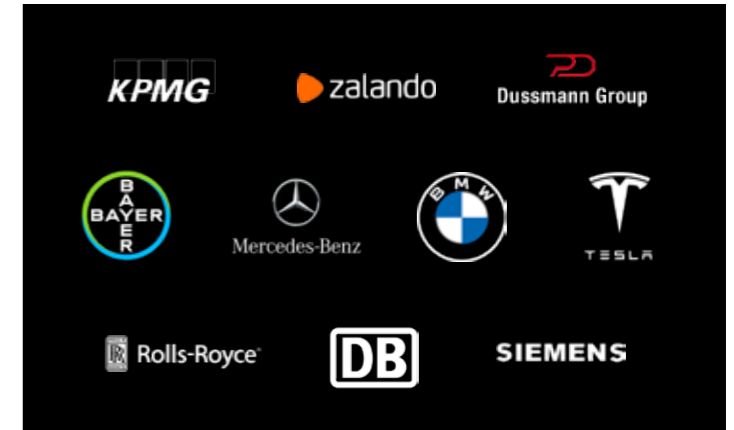
Berlin is a city of renters with low owner-occupier levels; **80% of Berliners rent.** In recent years tenants have reported it taking up to a year to find good rental accommodation, with many jumping between Airbnb style short lets until they find an appropriate place on a standard tenancy basis. **Rents in the city increased by a whopping 85% between 2007-19.**



A CITY OF HIGH EARNERS

Berlin's average monthly gross salary is €4,587 (2022). The UK's, in contrast, is £2,313 (approx. €2701 euros) meaning that **Berlin's average salary is nearly 70% higher than that of the UK's.** London's average monthly salary is approximately €3,880.

Looking to the future Berlin is projected to be a boom town for household income; the **average disposable income to reach €64k by 2035** – an increase of 120% since 2000, reflecting increases in middle and top tier incomes in the city.



35% INCREASE IN TECH JOBS IN BERLIN 2015-21
Germany is the third largest exporter in the world, manufacturing being the leading sector. But it is in the realm of Information and Communication that is the country's most rapidly growing jobs sector, expected to grow by 205% by 2035 to be worth €203bn. And it's this particular sector – along with tech – that is concentrated in Berlin.

Germany is now indisputably the leading country when it comes to green technologies. Fittingly, the city of Berlin has declared it will source 70% of its energy from renewables by 2025 and be wholly powered by renewable energies in 2035.

Berlin was chosen to be **home to Tesla's first European Gigafactory** for both electric car production and a battery cell plant, the most advanced of its kind in the world, with the potential to create 40,000 highly skilled jobs in the city.



OFFICE EMPLOYMENT RISING

The last two years have seen a vast increase in office employment in Berlin, an increase of 12% on the Covid years. This is not a trend being felt by all German cities, but more evident of Berlin's strength as an employment centre. Frankfurt by contrast, the financial capital, grew only by 2%.



INTERNATIONALLY RATED

“ The city still attracts the enthusiasm of many market players, and stands out from the other German cities covered in the survey, with pricing viewed as relatively competitive, and offices seen as less location-sensitive than many other cities: You can go out of the CBD. The market is really broad, and the vacancy rate is still at 3.5-3.7 percent right across the city, so you can invest almost everywhere. ”

PWC Emerging Trends in Real Estate® Europe 2023 report

PWC in Emerging Trends in Real Estate® Europe 2023 report – European City Rankings

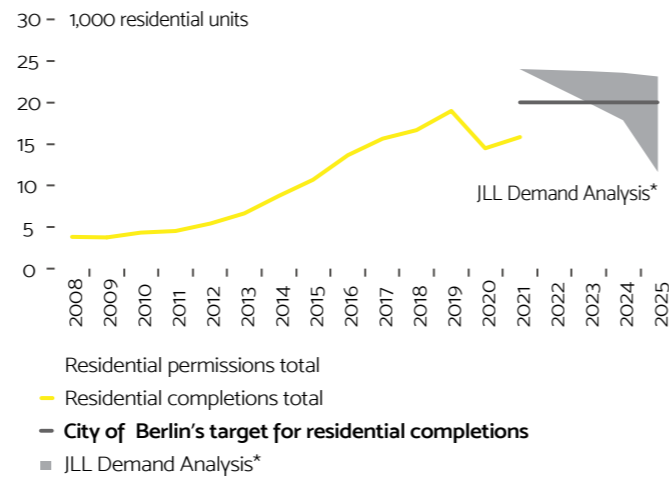
PWC EUROPEAN CITY RANKINGS

INVESTMENT			DEVELOPMENT		
Rank	City	Score	Rank	City	Score
1	London	2.22	1	London	2.08
2	Paris	1.77	2	Berlin	1.66
3	Berlin	1.71	3	Paris	1.66
4	Madrid	1.55	4	Madrid	1.53
5	Amsterdam	1.54	5	Munich	1.45
6	Munich	1.52	6	Amsterdam	1.42
7	Frankfurt	1.34	7	Frankfurt	1.26
8	Hamburg	1.23	8	Hamburg	1.15
9	Barcelona	1.14	9	Barcelona	1.10
10	Milan	1.11	10	Milan	1.09

RENT			CAPITAL VALUES		
Rank	City	Score	Rank	City	Score
1	London	192	1	London	174
2	Paris	156	2	Paris	140
3	Berlin	148	3	Berlin	132
4	Amsterdam	138	4	Madrid	124
5	Madrid	137	5	Amsterdam	123
6	Munich	135	6	Munich	118
7	Frankfurt	115	7	Frankfurt	106
8	Hamburg	106	8	Barcelona	97
9	Barcelona	103	9	Hamburg	95
10	Milan	95	10	Milan	91

Source: Emerging Trends Europe survey 2023

HOUSING SUPPLY AND DEMAND FOR NEW BUILDINGS



*Additional annual need for housing units (includes also apartments in detached houses) without consideration of current construction deficits.

Source: destatis, JLL (Status: July 2022)

THE BERLIN RENTAL MARKET: EUROPE'S MOST COMPETITIVE

NO CAPITAL GAINS TAX ON PROPERTIES OWNED 10+ YEARS

0.8% vacancy rate in apartment buildings (CBRE, 2023)

63% rise in rents over the next five years (Immowelt)

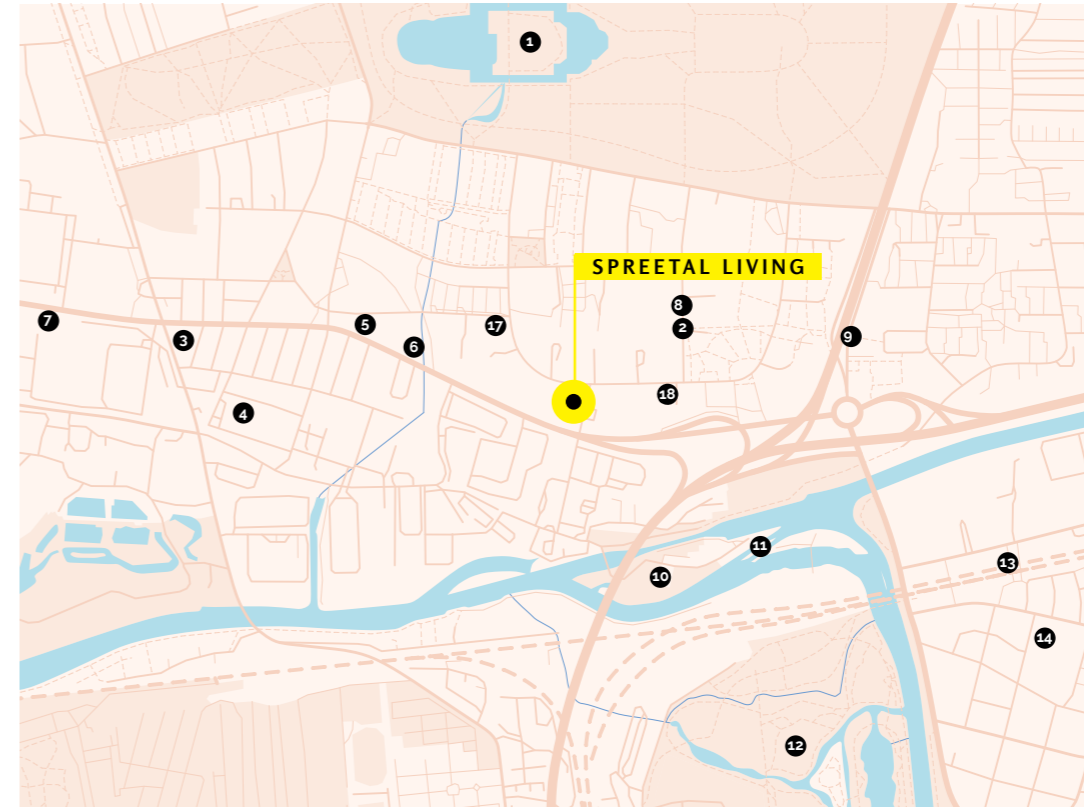
“Apartment buildings remain a demanded asset class in Berlin. It is likely that rents will continue to rise significantly in the coming years.” Guthmann

According to Immowelt, rents are rising fastest in Berlin of anywhere in Germany – a whopping 27% increase in rents between November '22 and June '23 and are **forecast to increase by 63% over the next five years**. Renting is so competitive in Berlin because of the sheer volume of people who rent: 80 per cent of Berliners rent compared to around 50% in London.

JLL notes “**Smaller apartments are in particular demand**” and are also benefiting from removal of the rent cap; although it does not apply to new build apartments. In Charlottenburg alone the median offer price of a new build apartment has increased by 3.3% in 2023.



RIVERSIDE BERLIN



- 1 Jungfernheide Public Park
- 2 U-Bahn-Station Halemweg
- 3 HWR Berlin Campus
- 4 Siemenssturm (UNESCO World Heritage Site)
- 5 U-Bahn-Station Siemensdamm
- 6 Shopping Centre
- 7 U-Bahn-Station Rohrdamm
- 8 Yoga Studio
- 9 U-Bahn-Station Jakob-Kaiser-Platz
- 10 Atelierhaus Art Centre
- 11 Alte Schleuse Charlottenburg (Lock)
- 12 Schlossgarten Charlottenburg
- 13 U-Bahn-Station Jungfernheide
- 14 Gottfried-Keller School

Siemensstadt (Siemens City) is a residential neighbourhood in western Berlin known for its historical significance as a former industrial area, home to the eponymous German conglomerate. Many of the buildings surrounding the development are part of a UNESCO World Heritage Site, the housing designed for employees of the Siemens company in the 1920s and widely regarded as a blueprint for modern urban development.

Today, the characterful neighbourhood enjoys a youthful vibe, attracting residents who enjoy its history and architectural significance, riverside walks and convenient proximity to amenities and public transport links, a five minute walk from Halemweg where residents can access Berlin's underground train system.

Some of Berlin's most famous landmarks and sites are on the doorstep including the Schloss Charlottenburg, the acres of parklands and woodlands known as the Jungfernheide and Lake Tegel (Tegeler See) and two public lidos.

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GET YOUR BERLIN BEARINGS

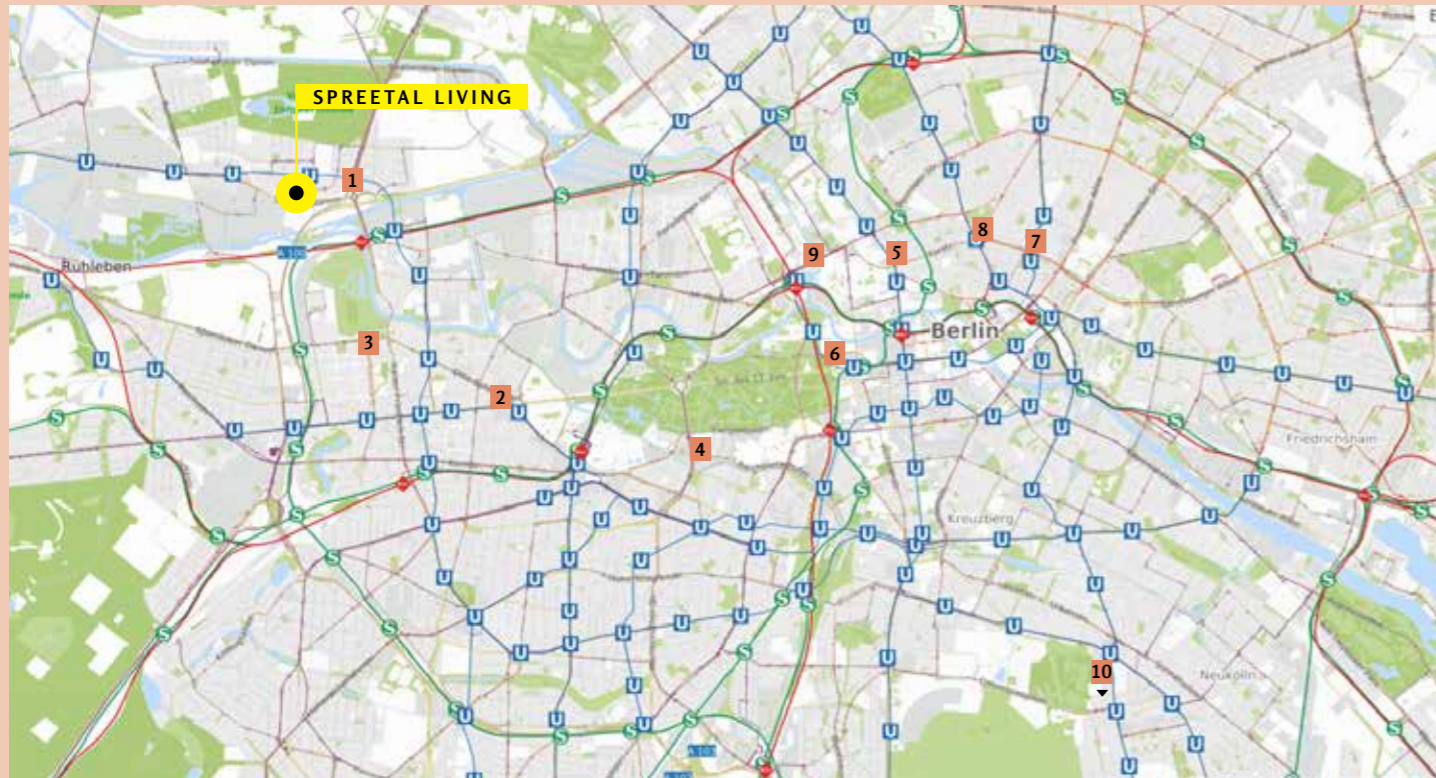
Berlin is a lot larger than London, Paris and Madrid in terms of its land mass; 344 square miles. The city has a population of 3.8m people, but the wider area known as the Berlin-Brandenburg Metropolitan Region is home to 6m people covering a land mass of 11,726 miles. In contrast, the London metropolitan area is 3,236 square miles.

The population of Berlin is expected to grow by 96,000 by 2025 (from 2021), putting further strain on the capital's already undersupplied housing market. The immediate area around Spreetal Living straddles the districts of Spandau and Charlottenburg-Wilmersdorf.





TRANSPORT LINKS



ONE of the BEST-CONNECTED CITIES in the WORLD

From the Halemweg station (a 5-minute walk from the development), the underground line 7 takes you to the Ringbahn in just 2 stops, which serves the entire city area, and in just 7 minutes to the centre of Charlottenburg with its popular shopping mile, the Wilmersdorfer pedestrian zone.

Ten minutes in the other direction on the U7 is Spandau with its old town, many shopping opportunities, cinema and culture including the historic citadel, which is known for a wide variety of cultural events.

By car, it's a 4-minute drive to access the A111 towards Hamburg and around 10 minutes on the A115 towards southern Germany. BER Airport is around a 40-minute drive via the A100 city motorway.

BERLIN TRAVEL TIMES FROM U HALEMWEG

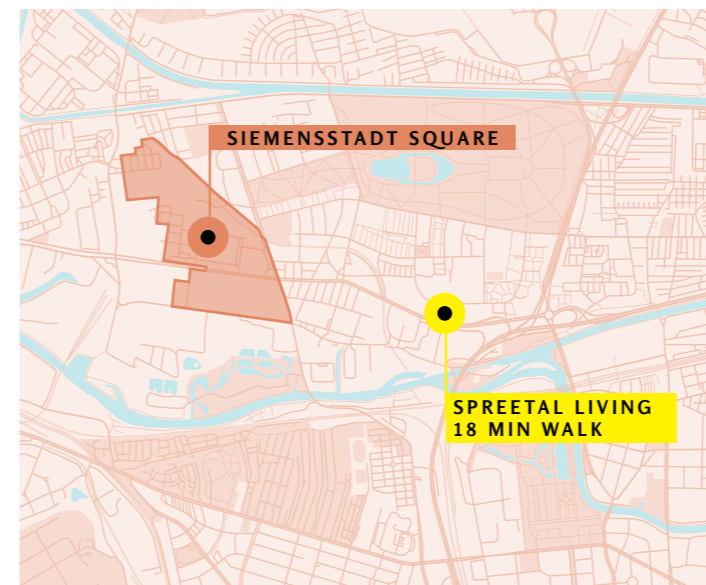
- 1 Zoologischer Garten 13 mins
- 2 Savignyplatz 14 mins
- 3 Charlottenburg 15 mins
- 4 Nollendorfplatz 17 mins
- 5 Friedrichstrasse 23 mins
- 6 Potsdamerplatz 23 mins
- 7 Alexanderplatz 27 mins
- 8 Hackescher Markt 25 mins
- 9 Reichstag/Bundestag 33 mins
- 10 BER Airport Terminal 53 mins

Times from S Bahn Journey Planner



WHAT IS SIEMENSSTADT SQUARE?

“By 2035, people will be researching, working, living, and testing and producing the technologies of tomorrow on the site, which covers more than 70 hectares. The new urban quarter will be digital, sustainable and energy-efficient. A place of encounter and exchange that brings together business, society, tradition and the future.”





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STRIKING
APARTMENTS
with
SMART-HOME
OPERATING
SYSTEMS
•



SPECIFICATION

Construction in accordance with the regulation on energy-saving thermal insulation and energy-saving system technology in the KfW 40 standard

Elevator

Windows and French doors with double glazing

High-quality wall and floor tiles in the sanitary facilities, parquet in all non-tiled rooms

Windows and French doors in the basement and on the ground floor with lockable window handles, security locking plates and electrically operated shutters, on the upper floors sun protection systems in accordance with the requirements of the summer heat protection certificate

The heat is supplied by an air/water heat pump

Underfloor heating for all living, sleeping, lounge and sanitary rooms

Installation of controlled domestic ventilation (KWL) with heat recovery

Each apartment receives a smart home system for controlling and automating light, heating, cooling if necessary and awnings/roller shutters. It also offers the option of connecting the door communication system

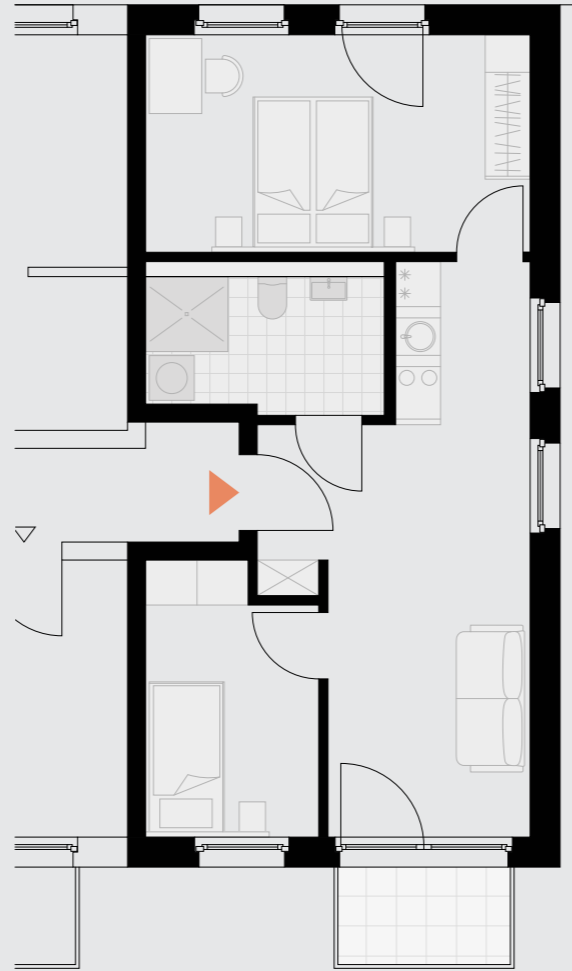
Bike storage rooms



FLOORPLANS

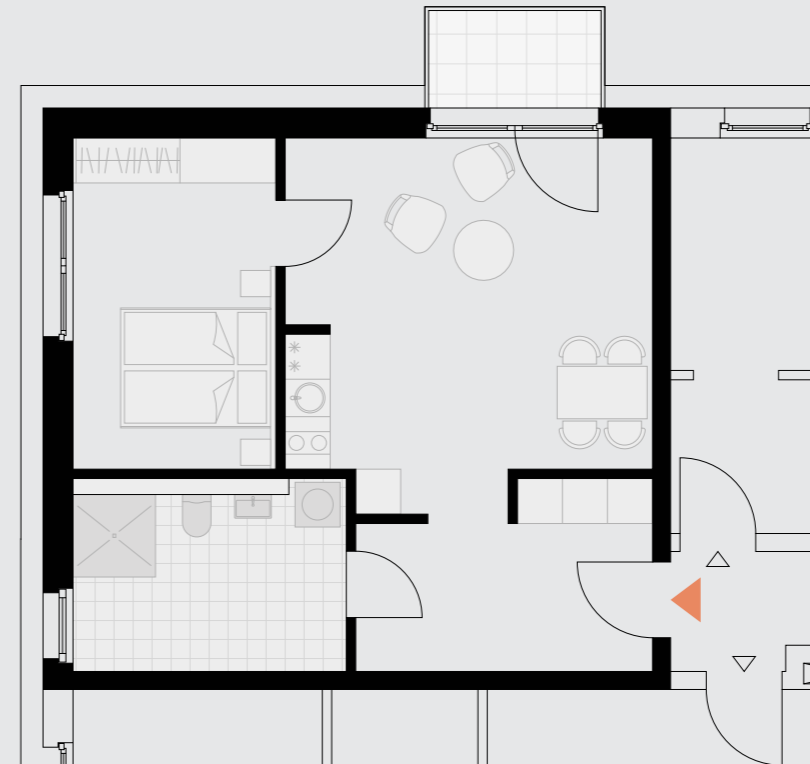
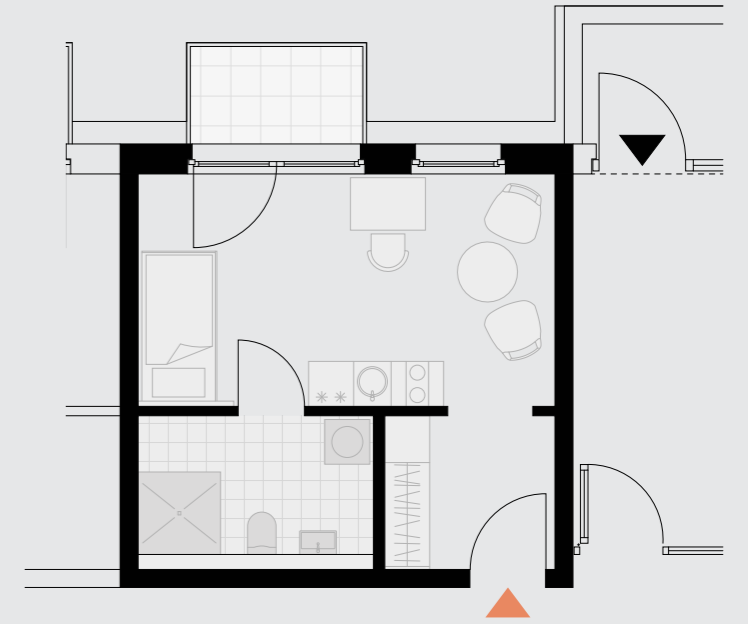
W.E 3.8 ▶
3 ROOM APARTMENT, 50.85 M²
2ND FLOOR

W.E 2.5 ▼
1 ROOM APARTMENT, 20.31 M²
1ST UPPER FLOOR



W.E 2.1 ▶
1 ROOM APARTMENT, 29.31 M²
FIRST FLOOR

W.E 0.3 ▼
2 ROOM APARTMENT, 53.96 M²
BASEMENT





ABOUT THE DEVELOPER



A MASTER BERLIN BUILDER

An experienced and innovative developer, Casada has delivered over 4,000 units in Berlin over the last 20 years. Utilising the latest technologies, whilst offering excellent value for money, Casada homes are valued by tenants and homeowners alike, not least for their stylish function and energy efficiency.

See Casada's track record [here](#)

BUYING PROPERTY IN GERMANY: FAQs

HOW DO YOU ACTUALLY BUY A PROPERTY IN BERLIN?

Transactions are handled by notaries, who by law, are required to be present at the signing of contracts known as notarisation. A notary is really a lawyer who specialises in property law and estate planning – they represent neither the buyer or seller, their function is purely legal to register the purchase with the necessary authorities. RPA can refer to you a notary once a sale in principle has been agreed. You can travel to Germany to exchange contracts or you can elect to use a lawyer with Power of Attorney who can represent you to the notary. RPA can recommend a trusted POA. It's important they have been notarised at the German consulate or through an apostille – determined by your place of residency. The notary then requests the sales contract from the developer and due diligence takes around two weeks. Once this is satisfactorily completed the notary will give notice to proceed to notarisation. This is the last chance to cancel the purchase. Once notarisation has taken place, the purchase is legally binding and you will be liable for the associated fees.

WHAT FEES ARE INVOLVED IN A PROPERTY TRANSACTION?

Aside from your reservation deposit, once you have been notarised you are liable for Notarisation and Land Registration fees which are 2-2.5% depending on value of property (0.5% of which is the land reg fee). A Property Acquisition Tax of 6% is payable usually two weeks after your land registration fees along with the first stage payment of your purchase as agreed with the developer, which typically in Germany is 30% of the property price.

In summary:

Transfer Tax	6%
Land Registry:	0.5%
Notary:	1%
Legal:	1%
Total acquisition costs:	8.5%

WHAT ARE THE MORTGAGE RATES LIKE IN GERMANY?

Germany has historically enjoyed lower interest rates than that of the UK. Eighty per cent of German residential real estate is financed with loan terms of more than five years. Institutions in Germany are estimating the average mortgage rate to be around 3.8% by the end of 2024. According to German real estate agent Volsung, "Unless you are living in any of the countries blacklisted by the EU you are virtually assured to get a mortgage with an LTV up to 60%." They advise of mortgage rates between 3.85-4.5% varying based on your unique financial circumstances.

WHAT ABOUT ANY TAX LIABILITY?

Owning property means you will have to fill out an annual German tax return with a progressive rate between 14-45%. Even if you fall below the taxable threshold of 14% non-German residents do not qualify for the 0% tax rate on personal income tax rates and so you can expect a minimum tax rate on income earned at 14%.

That said, there are lots of deductions that qualify for landlords to reduce their income tax burden in Germany. Also, unlike the UK, and much to an investor's advantage, if you sell after 10 years there is no capital gains tax (unless you own three or more properties). What's more, if you sell, the buyer takes on all costs associated with the purchase.

WHAT DO I NEED TO KNOW ABOUT THE RENT CAP AND RENT CONTROL LEGISLATION THAT AFFECTS PARTS OF BERLIN?

As of 15th April 2021, the Mietendeckel (rent cap) was declared unconstitutional and therefore no longer exists. However, there is an older policy in place the Mietpreisbremse which dictates that landlords cannot increase rent above 10% of local prices; a policy that is valid until the end of May 2025. Yet, with rents rising by 42% in the five years up to November 2021, the existence of the Mietpreisbremse is not something that we see affecting landlord's returns and only adds to Berlin's desirability amongst tenants as a good place to relocate and rent.

WHAT DOES EIGENTUM MEAN?

Freehold ownership

WHAT DOES WOHNUNGEIGENTUM MEAN?

This translates as 'Condominium ownership', which is the equivalent to leasehold.

DO GERMAN NEW-BUILD PROPERTIES COME WITH WARRANTIES?

Building warranties tend to be five years in Germany.

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