

BERLIN CHARLOTTENBURG CASE STUDY >

Germany



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SALZUFER 6, CHARLOTTENBURG, BERLIN, GERMANY



Location

Located in Berlin which has a population of c. 3,416,300.

Asset Overview

- Triangular shaped building that was in the 1980's owned and occupied by Siemens.
- The building comprises three wings constructed in three phases from the turn of the century to the 1970s.
- The local area is occupied by high quality car showrooms and mixed quality office buildings.

Key Management Issues at Purchase

- Non-recoverable costs and service charge shortfalls.
- Lack of clarity regarding settlement of VAT.
- Prior owners lack of strategy and widely divergent views of potential of the property.
- Deutsche Bahn the anchor tenant of the property with impending break options.

Key Statistics

Floor Area	18,846m ²
No. of Tenants	13
Passing Gross Rent per Year	€1,220,716
Rent per occupied m ² pa	€78
Void Rate	16%

Rynda's achievements during assignment

- Solved a multitude of inherited issues including a catch up of vital capital expenditure and settlement of unpaid bills owed to suppliers which could have led to a financial "meltdown" in the summer 2009.
- Established a close working relationship with the letting agents resulting in three new tenants for a total of 4,555m² and €324,696 of rent.
- Reduced the vacancy rate from 45% to 21% between May 2009 and August 2010.
- Renewed two leases with existing tenants for 1,692m² and €115,632.
- Pacified a prior owner who was contemplating legal action for non payment of service charge reconciliation arrears and secured the reimbursement of the property tax.
- Turned the building into a high quality business centre.
- Worked out recoverability of service charge despite a lack of service charge reconciliations in 2007 and 2008.
- Reviewed options to mitigate service charge shortfall to the owner.
- Developed a process to ensure VAT reclaims and records are complete and accurate so removing significant risks of VAT inspections and penalties in the future.
- By January 2011 the negative cashflow pre debt service had changed to a positive cashflow post debt service.
- Sold the asset in August 2011 at a level to repay debt outstanding.