

Berlin votes for expropriation of large landowners

Via [Viento Sur](#)

In the September 26 referendum, the majority of the city's population voted in favor of expropriating the large real estate groups. It remains to be seen whether this will cool down an overheated housing market.

A 60 square meter apartment in one of the most run-down corners of the Neukölln district: 1,999 euros per month. Another apartment of 56 square meters in the not exactly idyllic Potsdamer Straße: 1,300 euros. Another of 67 square meters in one of the city's nerve centers, Alexanderplatz: 2,200 euros. In all these cases, this is the rent price, excluding central heating and other community charges. In recent weeks, Berlin's expropriation advocates have only had to reproduce the actual advertisements of real estate agencies on social media to defend their position: some things have gotten out of hand in the German capital's real estate market.

According to the latest assessment by the real estate portal Homeday, which compares house prices in German cities and correlates them with the average income of the respective population, of the ten least affordable neighborhoods nationwide, seven are in Berlin (two in Munich and one in Hamburg). One of the reasons for this is that some of the housing in Berlin is owned by large real estate groups, which are only interested in making a profit.

According to the referendum held last Sunday in Berlin, the assets of private real estate companies that own more than 3,000 homes in the capital should be socialized. The 240,000 houses owned by companies such as Deutsche Wohnen, Vonovia or

Akelius, among others, should be taken into public ownership after compensation for the respective companies. When the votes were counted at all polling stations on Monday morning, it was clear: the majority voted Yes: 56.4 percent of the electorate voted for socialization. The No vote was 39 percent, according to the Berlin Land election board.

The consequences are unclear

The referendum did not target a specific bill, but “urges the Berlin Senate [the regional government] to take all necessary measures to transfer real estate to common ownership.” The question of the legality of these measures is already the subject of a battle among experts. In August 2019, the legal service of the Berlin Chamber of Deputies concluded that a socialization is not a disproportionate measure and does not violate the principle of equality. On the other hand, Berlin jurist and administrative law expert Ulrich Battis submitted an opinion that the proposed expropriation constitutes a disproportionate intrusion into private property and is problematic under constitutional and European law.

The housing cooperatives, which do not operate for profit, also voted no in the referendum: they fear that for legal reasons they could also be affected by socialization. There is also the question of the price involved in the initiative: In theory, at least 10 billion euros in compensation would have to be paid to the housing companies. Other estimates put the amount at 30 billion.

Hence, the parties’ passion for implementing the referendum result is rather lukewarm. The CDU and the FDP have clearly come out against it. SPD regional chair Franziska Giffey announced that they would welcome the majority vote “with respect and responsibility,” but in recent weeks she has left no doubt that with it there would be no expropriations. The Green Party is divided: the head of the Berlin list, Bettina Jarasch, said she would personally vote yes, but her party has

not clearly campaigned for the initiative. They are calling for a mechanism to protect tenants, a commitment by landlords to freeze rents for five years and work for the common good, a kind of fair trade label for landlords.

The only party that actively campaigned for expropriation was Die Linke, which in Berlin represents, on housing issues, the most radical approach: it has already succeeded in getting the rent ceiling agreed, a measure that was later struck down by the Federal Constitutional Court. It remains to be seen whether the referendum result will meet the same fate. What is certain is that this will not be the last radical idea in Berlin's housing policy.