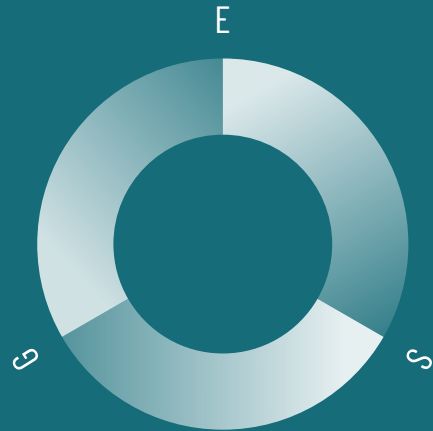




# VALUES.

Real Estate



## ESG REPORT 2023



# WE MAKE SPACE FOR VALUES.

Dear friends and partners,

We are delighted to present you our 3rd ESG report. In 2023, we set ourselves the goal of taking ESG to the next level, launching a quality and digitisation drive to this end. We invite you to read on to gain an insight into our strategy and the measures we've taken to focus our company on achieving our climate and sustainability goals.

ESG is our company's transformation driver to digitise our business processes consistently. After all, digital data is a prerequisite for substantial ESG reporting and professional ESG management. We can now capture data on our more than 120 properties in our ESG performance and finance tool. We can use this data to formulate specific targets for each property that align with the target pathways in the Paris Agreement.

From in-house property management to fund management, data is available seamlessly for every property in the company. Our digital smart meter system, which is currently being rolled out, feeds consumption data for water, electricity and district heating directly into the ESG tool via an in-house interface. Our data quality is improving constantly and we are increasing process automation.

Another significant line of action is the optimisation of our building operations. With condition monitoring, we minimise operating risks and potential damage to technology and properties. Sensors indicate high consumption due to wear and tear or incorrect utilisation as well as irregularities at an early stage. We can also use the

recorded data to reduce energy and cost consumption in a targeted manner and thus improve energy efficiency in heating, cooling and ventilation. We are currently testing various tools for building automation to optimise property operations with the help of AI. In future, we will utilise the knowledge gained in a targeted and efficiency-oriented manner in our portfolios.

In 2023, we also established a solid data basis for our own company. We now know our company's CO<sub>2</sub> footprint and the most important levers to reduce it. Daily commuting to work still accounted for around a quarter. This is why we are funding the Deutschlandticket as well as providing bicycles to our staff for work – both modes of travel are gaining in popularity.

We want to take our ESG ambassador system to a new level. We support sensitised employees who represent sustainability internally with further training to become operational ESG specialists. In future, ESG will be implemented by those who are responsible for managing the properties in the funds on-site. To this end, we are planning a training programme to steer our strategic ESG management.

In addition to examining internal quality, we are also investigating which new markets we can tap into. With the opening of our Vienna office, we have ventured beyond Germany for the first time in our company's history. We want to continue to grow and diversify our fields of activity. In this way, we are contributing to the economic sustainability of the VALUES Group. This also includes the new business area of renewable energies,



which we established in 2023. We want to produce affordable green electricity ourselves and make it available to our tenants. In this way, we contribute sustainably to the energy transition in Germany for the benefit of both our properties and our tenants.

Community cohesion and stability are very important to us, both in the context of our business activities and outside of work. We are therefore continuing our enthusiastic involvement in property for social infrastructure – from healthcare and education to subsidised housing. We will also focus more strongly on housing in the future.

In addition, we use interim utilisation concepts for new projects so that local communities can already shape the future use of properties during the planning phase. Outside of our direct business activities, we support people with men-

tal illness through the company to mental health – an issue that is still largely underestimated by our society and whose sufferers are still all too often stigmatised.

I hope you enjoy reading this issue.

**Dr. Thorsten Bischoff**

Chief Developing Officer / Managing Partner  
VALUES. Real Estate



TABLE OF CONTENTS

06	16	22
1. VALUES. REAL ESTATE THE COMPANY	2. GOVERNANCE: ESG STRATEGY	3. ECOLOGY
08	18	24
Business areas and competences	Sustainability as a value driver	Managing CO <sub>2</sub> emissions in the company
10	20	26
Figures at a glance	Our Sustainable Development Goals	Manage-to-green approach for the entire portfolio
14		28
Geographical allocation and types of use		ESG figures

30
4. SOCIAL ISSUES
32
Promoting our colleagues’ further development
34
Our six core values for an appreciative corporate culture
36
New socio-cultural spaces: Our commitment to Candidplatz in Munich



38
Institutional capital for general social services
39
Transforming real estate: Revitalising urban spaces
40
Goals 2024: Housing firmly in focus
42
Legal disclaimer

## CHAPTER 1

# VALUES. REAL ESTATE THE COMPANY

*At VALUES, Susanne Lübke ensures that everything runs smoothly in the office, that important data is filed correctly and that new colleagues find their way around quickly. She is also the safety officer and coordinates first aid.*



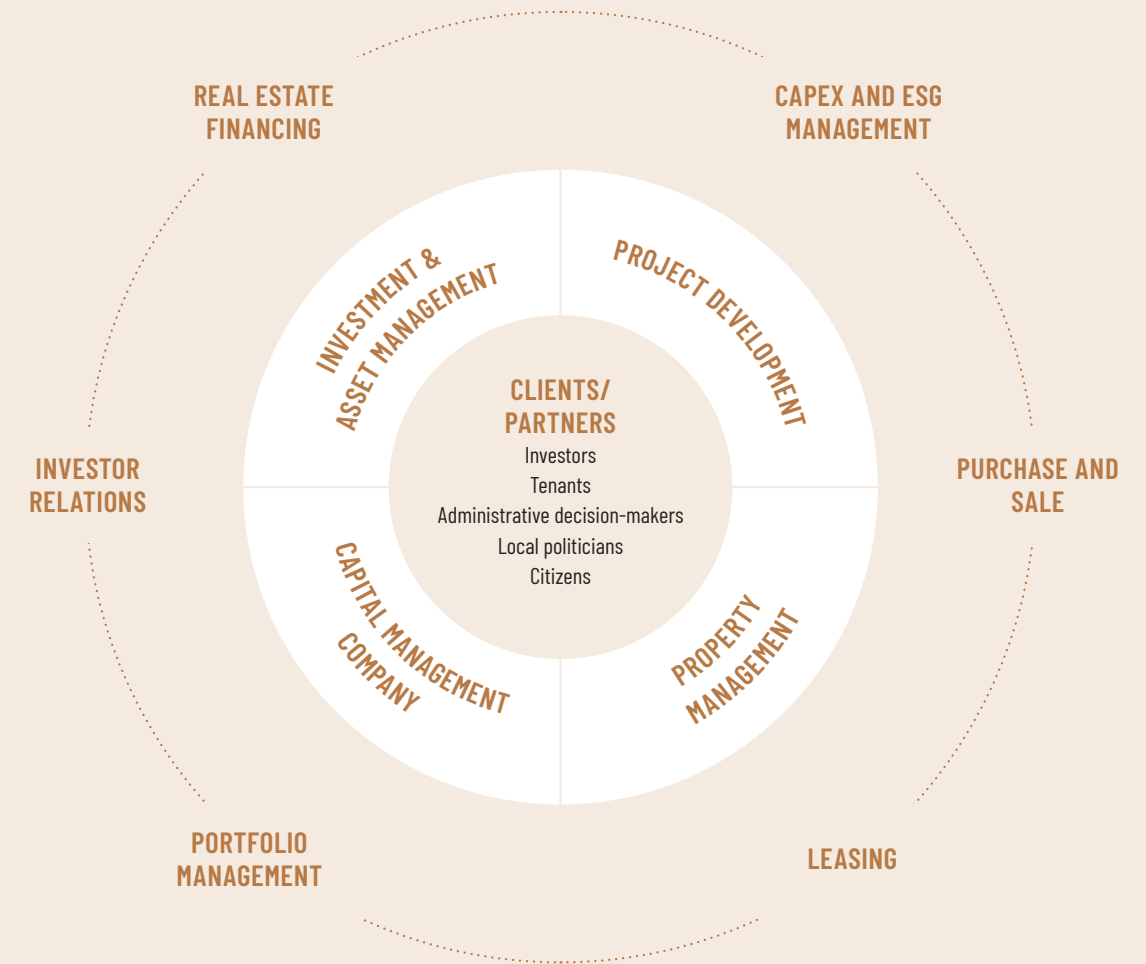
## BUSINESS AREAS AND COMPETENCES

VALUES Real Estate is a full-service company operating in the real estate market in Germany and Austria. With our four business divisions Investment & Asset Management, Project Development, Property Management and Capital Management, we cover all core areas of the market. This gives us complete data autonomy without using external interfaces to third parties. We can thus implement ESG strategically and manage it very efficiently at an operational level with excellent data quality. VALUES is paving the way forward.

With offices in Hamburg, Berlin, Frankfurt am Main, Düsseldorf, Grünwald near Munich and Vienna, we are represented by experts in all regions of Germany and Austria.



*We opened our office in Vienna at the end of 2023.*





## FIGURES AT A GLANCE

*Assets under management in euros*

5 bn

*Properties under management*

124

*Investment vehicles / management mandates*

12







*The energy generated by solar panels on the logistics property in Schlitz supplies its tenant with electricity.*

---

*Real estate under management in square metres*

1.1 million

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*Realised project developments*

14

---

*Employees*

134

## GEOGRAPHICAL ALLOCATION AND TYPES OF USE

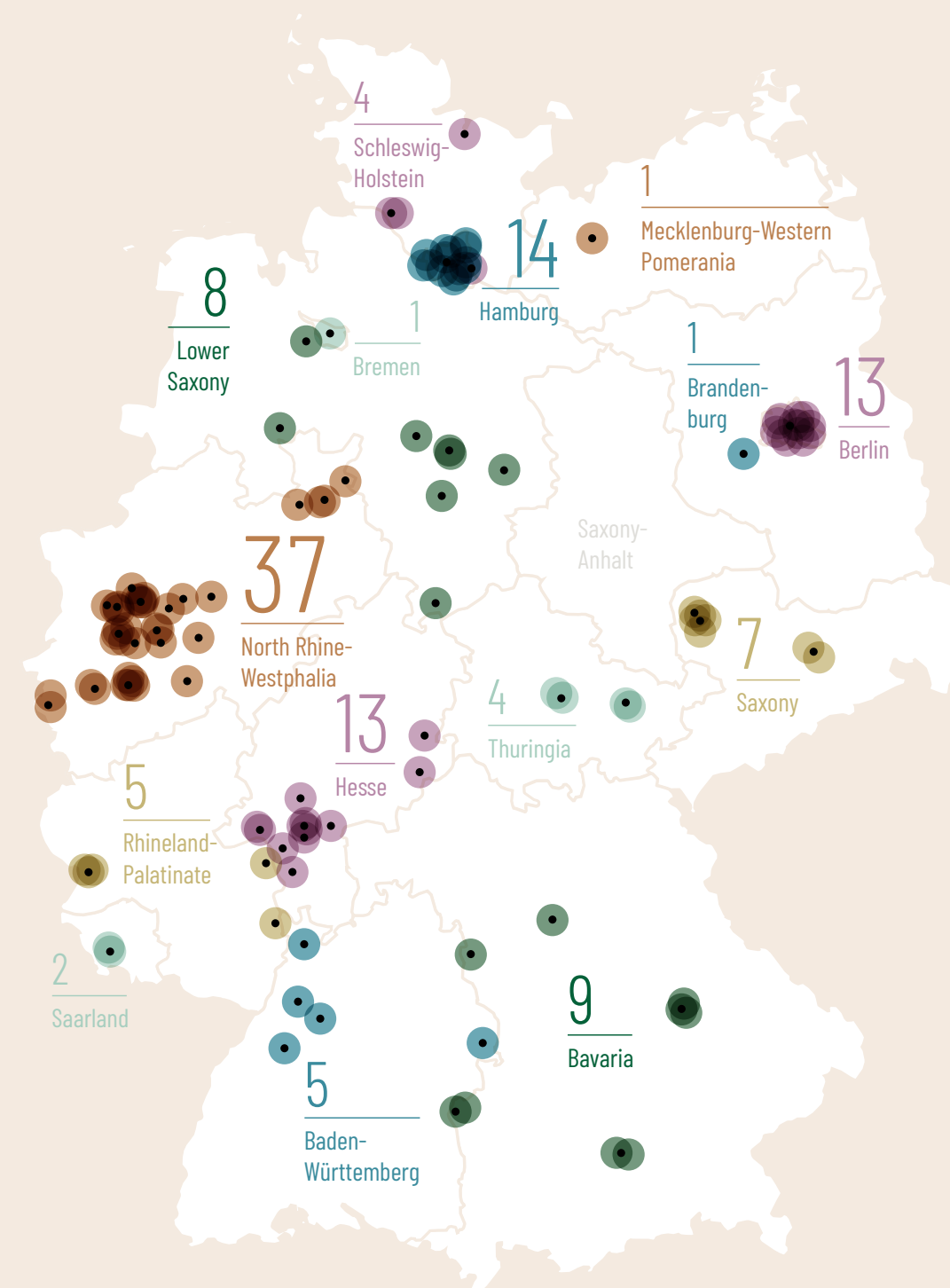
*We create asset classes in our respective areas of activity together with experts. Our well-founded local knowledge of the most important German sub-markets complements this expertise.*



Types of use in per cent, share of total space.

\* Including all office properties with public tenants and real estate with users from the educational sector (kindergartens, schools, universities).

Last updated: 31.12.2023



Geographical distribution of VALUES objects by federal state

Last updated: 31.12.2023



## CHAPTER 2

# GOVERNANCE: ESG STRATEGY

*Bogac Kesikbiyik has an excellent instinct for locations, spaces and the right tenants for each site. As Head of Asset Management at VALUES, he uses his multifaceted market expertise to promote our properties.*



# SUSTAINABILITY AS A VALUE DRIVER

*ESG is a value driver - for our properties, our funds and our company. We have therefore established a cross-divisional ESG management system. For us, ESG is an opportunity rather than a risk.*

We make ESG measurable and enhance the value of our properties – for investors, tenants and local stakeholders. To achieve this goal, we develop long-term sustainable business models for our properties that are in line with ESG requirements and in some cases go beyond regulatory requirements.

Properties are social spaces. Our actions are guided by the vision of an inclusive, vibrant and climate-resilient city. We create and ensure well-connected neighbourhood spaces in which people from a wide range of social backgrounds and interests can realise their potential.

As a full-service company in the real estate sector, we also take a close look at our own actions – in their ecological and social dimensions and in terms of good corporate governance. We are pursuing a step-by-step plan to make our company climate neutral. We offer our colleagues fair working conditions and a working atmosphere based on our values. We report transparently on our business activities.

## Our ESG strategy

**Competitive environment analyses and action plans:** We analyse market changes in the real estate sector as a whole, in the respective asset classes and in the segments of our potential te-

nants. At the same time, we always keep an eye on current developments in ESG regulation. This also includes analysing our own corporate activities. We derive action plans from the analyses and we implement them consistently. We use the manage-to-green approach to optimise our properties.

**Partner in strategic initiatives:** Our involvement in sustainability initiatives helps us manage our properties, fund products and our company systematically in line with ESG requirements. We are a member of the Net Zero Asset Managers initiative and a signatory to the six sustainability goals of the United Nations Principles for Responsible Investment (UN PRI). We are also involved in the German Sustainable Building Council (DGNB) and the Urban Land Institute (ULI).

**Prioritisation of actions and resource planning:** We prioritise our ESG actions according to their relevance and effectiveness for optimising ESG performance. Based on this, we budget personnel and financial resources for the actions we plan.

**Risk management:** With our comprehensive risk management of properties, fund products and our company, we identify which risks jeopardise our economic goals in general and our ESG goals in particular. We develop steps to minimise risks and implement them consistently.

**Evaluation of results, readjustment:** We evaluate the results of our ESG actions regularly. If necessary, we adjust them or develop new actions.

## How we implement ESG

**ESG team:** VALUES Real Estate has created its own ESG department. The division is led by management at the executive level. Regular training courses ensure that VALUES Real Estate keeps up with the latest trends. For example, two colleagues recently received further training from the DGNB on ESG management of existing real estate. Our ESG manager is the contact within the company who manages cross-divisional coordination of ESG. He is supported by 16 ESG ambassadors who cover all operational areas. Regular meetings ensure that new findings and issues are brought to the ESG team. A professional external ESG strategy consultancy firm, which is also an integral part of our quality management, supports our activities.

**Actions and tools:** We record the most important data and enter it into our digital ESG tool for financial and performance management. We prepare reports for each property and each fund, participate in international fund benchmarking (GRESB) for selected funds and prepare strand-

ing risk analyses for all assets. Based on the data and a detailed energy audit, each property is given a green investment plan to accompany it consistently along the path to climate neutrality. During implementation, our ESG management uses funding programmes and has the properties externally certified as required (e.g. DGNB). This is part of our continuous improvement process. In this way, we ensure that our investors' dividend yields and property values are secured in the long term.

**Transformative business models:** By producing our own green tenant electricity, we are contributing to the transformation of our real estate portfolio and the energy transition in Germany. Especially in times of rising energy prices, we have a responsibility to our tenants to find strong economic and ecological solutions. We have started with photovoltaics initially. In the future, we plan to tap into other renewable energy sources for our real estate portfolio, business activities, tenants and investors.

**Professional HR management:** Together with our HR management, we have created standardised working conditions for everyone. We use them to ensure equal treatment for all employees. We exclude any form of discrimination based on gender, origin, age or sexual orientation. Our employment contracts include very good, performance-related remuneration. They also consider other issues such as developing talent, maintaining health and promoting clean mobility.

**Living values:** We make space for values – we are a company, which cares about values and people above all. That is why our colleagues developed VALUES' six core values themselves. These are our guidelines for daily dealings with each other and with our external partners.

Read more about our values on p. 34.





# OUR SUSTAINABLE DEVELOPMENT GOALS

*We align our actions with the 17 Sustainable Development Goals (SDGs) of the United Nations, focussing on the goals of high-quality education, affordable and clean energy and climate protection actions. This is reflected in the diversification of our product range, both in social infrastructure as well as in the newly established renewables business division, as well as in the targeted partnerships we've established and the increased focus on sustainability within the company itself. We describe our specific actions in relation to the three focus objectives here.*

## GOAL 4: HIGH-QUALITY EDUCATION

### Products

Education is a key topic for the future because it is the main value driver for a sustainable economy, especially in Germany, which is poor in raw materials. Two of our products focus on this:

1. VALUES Daycare Invest impact fund
  - Launch of the fund in 2021
  - The fund now comprises 37 properties with daycare centres.
  - We support early childhood education in Germany.
2. The acquisition of the Altes Fernmeldeamt project development – a former telecommunications office in Hamburg-Rotherbaum – for an institutional investor is a milestone for Hamburg's university and science landscape.
  - Creation of a new campus for the university and research institutions
  - Property management as the future main asset manager

### Company

We also attach great importance to training within the company. We train real estate agents regularly and are happy to take them on. We also have students on dual study programmes to whom we provide insights into professional practice. We also pursue the latter goal through our partnership with IREBS, the renowned university for training young academics in the real estate industry.

## GOAL 7: AFFORDABLE AND CLEAN ENERGY

We founded VALUES Renewables GmbH in the autumn of 2023 to generate green and affordable tenant electricity. We are initially pursuing this goal by installing solar systems on our own roofs. Once the first two systems are up and running, we plan to commission more. We also assess the roofs of third-party properties with a view to be able to supply our entire real estate portfolio with green electricity. In the future, we can also imagine utilising other clean energy sources such as wind power, geothermal energy and biogas.

## GOAL 13: CLIMATE PROTECTION STEPS

### Portfolio

At portfolio level, we record key consumption data in each property, for example through smart metering. We carry out energy audits for each of our properties. We work together with the specialist Smartvatten to better manage water consumption. Based on the information collected, we make plans for each property and portfolio using our ESG management system. In the event of sealing, we provide green compensation areas. We created a salamander reserve next to a logistics property and we continue to maintain it. We are also involved with Stadtbienen e.V.

### Company

We are reducing CO<sub>2</sub> emissions of our travel activities with our new company car and business travel policy. We are gradually switching our company cars to motors with low-CO<sub>2</sub> emissions. Air travel is only permitted if the train or car journey takes more than five hours. In our offices, we are implementing energy efficiency measures such as the use of LED lighting and timers for lights, and we are signing green electricity contracts whenever possible.



## CHAPTER 3

# ECOLOGY

*Michael Ringsgwandl started out as a property manager after completing his training. Today, he is co-managing director at VALUES and has built up a team of over 30 colleagues in Hamburg, Berlin and Düsseldorf.*





# MANAGING CO<sub>2</sub> EMISSIONS IN THE COMPANY

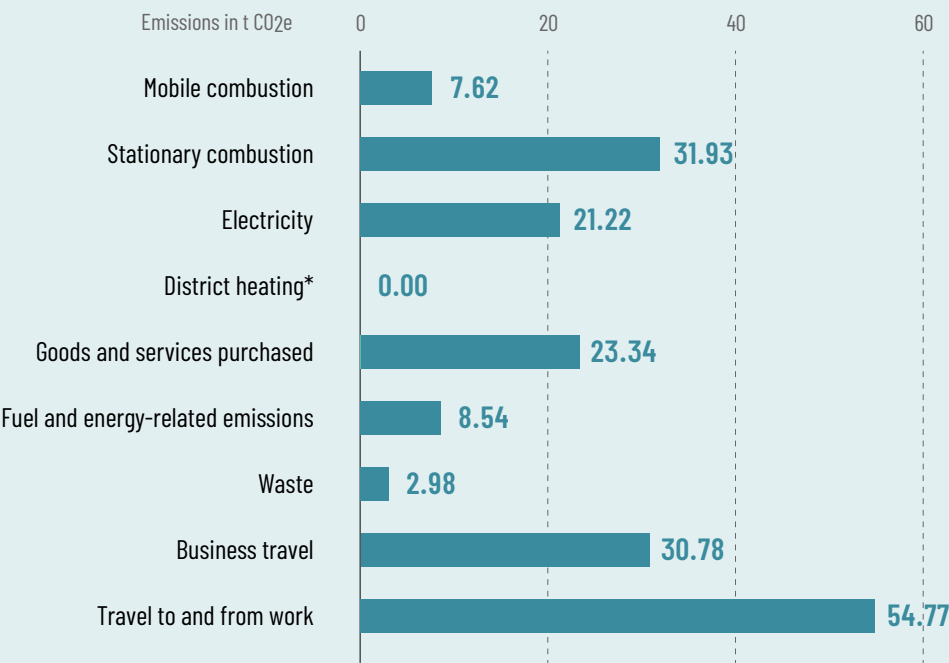
The basis for managing our CO<sub>2</sub> emissions professionally within the company is recording the status quo. With the help of ConClimate GmbH, a professional ESG management partner, we were able to get a concrete picture of the emissions generated by our business activities.

The comprehensive analysis of our current CO<sub>2</sub> footprint by our partner revealed around 200 tonnes of CO<sub>2</sub> emissions last year. This is roughly equivalent to the CO<sub>2</sub> emissions of 25 German citizens. While a German citizen emits around 8 tonnes of CO<sub>2</sub> per year, the emissions per employee are around 1.7 tonnes of CO<sub>2</sub>. With a total of almost 55 tonnes of CO<sub>2</sub>, commuting to work

accounts for most of the emissions at VALUES. This is followed by just under 32 tonnes from the combustion of fossil fuels for the operation of our sites across Germany. Business travel causes almost 31 million tonnes of CO<sub>2</sub> emissions per year.

The calculation of our CO<sub>2</sub> footprint clearly shows us which areas we can focus on in the coming year to further reduce our footprint.

Travel to and from work accounts for the most emissions: 54.77 t CO<sub>2</sub>e



Without 10% safety margin  
\*Emissions from district heating in Frankfurt were 0.00102 t CO<sub>2</sub>e, rounded down to 0.0 for better readability.



We have already been able to reduce our CO<sub>2</sub> footprint in the company with targeted actions. For example, we have started to implement timers for lights in our own offices. We have also established waste separation to keep valuable raw materials in economic circulation, thus reducing the use of fossil sources such as oil for plastic production and the deforestation of trees for paper production. Water is mainly available in glass bottles. In Hamburg and Berlin, we also offer mineral water via a water dispenser connected to the drinking water network. To save further operating costs, we rely on the use of sensors. This allows us to exclude simultaneous heating and ventilation.

### On the way to a paperless office

Our goal is a digital data warehouse with a fully digitised workflow. We can already show the first results on this path. For example, we have digitised our accounting system as far as possible. We are sensitising all colleagues to minimise paper printouts and use recycled paper. We are increasingly using digital signatures on contracts and digital tenancy agreements. This goes hand in hand with digital document storage.

### Environmentally friendly mobility

Last year, we adopted a binding business travel policy. Travelling by train is preferred over flying and driving for distances of up to 500 kilometres. Domestic flights are only permitted if the train journey would take more than five hours. We pay compensation for flights that cannot be avoided. We also use video conferencing where justifiable.

We are gradually electrifying our company car fleet. New company cars are generally purely electric. In justified exceptional cases, we still use hybrid models. We also promote the use of public transport and pay 100 per cent for the Deutschlandticket. 74 out of 134 employees take advantage of this offer. Six colleagues have opted for JobRad. They cycle to work every day on leased company bicycles.

### Commitment to more biodiversity

We contribute to a better ecology and a favourable local microclimate with various steps to improve biodiversity on-site. Since spring 2022, we have been looking after two bee colonies in Hamburg's Großer Burstah district, which we started there in collaboration with an association. We also take care of shelters for rare animal species such as salamanders. We generally rely on generous green space planning for our properties.

# MANAGE-TO-GREEN APPROACH FOR THE ENTIRE PORTFOLIO

We pursue a consistent manage-to-green approach. To this end, we use a cloud-based ESG financial and performance management tool across the entire portfolio. To create the relevant database for this tool and identify sensible action steps, we have started an energy audit for several properties. One milestone in 2023 was the cross-portfolio introduction of smart metering to create a good data basis at the energy consumption level.

As a strategic development partner, we are working on this challenging task with the property ESG software specialist Alasco. Together, we are creating a platform-based digital landscape for the constant availability and improvement of our data, its analysis and the planning and implementation of optimisation steps.

Our approach is to combine the energy audit with technical due diligence. With this integrative approach, we aim to implement ESG actions for the manage-to-green approach within the business plan at no additional cost. This enables us to secure property value sustainably and strive for a long-term increase in value due to better ESG performance.

In addition to constantly improving the ecological and social performance of our products, we are also planning to expand our photovoltaic portfolio in 2024. In doing so, we also want to protect tenants from a further spiral of operating cost prices.

Newly launched institutional funds fulfil at least the Article 8 fund criteria. We have upgraded our existing VALUES Daycare Invest fund to an Article 8 fund.

## Stranding risk: Sustainable real estate investments in the context of climate protection

Our stranding risk analyses are of crucial importance for our ESG management system. These analyses include a detailed assessment of the financial risks associated with real estate investments that may arise if assets fail. Stranding risk describes the risk of real estate failure due to non-compliance with time-related, use-specific benchmarks such as those derived from the Paris Agreement. We use relevant parameters for the assessment such as the emissions of CO<sub>2</sub> equivalents in kg CO<sub>2</sub> or final energy consumption (kWh).

**The Carbon Risk Real Estate Monitor (CRREM)** assesses whether a property's final energy consumption and CO<sub>2</sub> emissions comply with the Paris Agreement's reduction pathways or whether a stranding risk exists or can be expected in the short to medium term. With the help of CRREM, we can plan targeted energy efficiency and decarbonisation actions to meet the reduction targets in the long term, up to 2050 and beyond. Ultimately, CRREM helps to make real estate portfolios more resilient to the challenges of climate change and create long-term value.

Our aim is to reduce CO<sub>2</sub> emissions from our buildings to almost zero and to gradually realise climate-neutral operations. In doing so, we are guided by the overarching goals of the Paris Climate Agreement and its benchmarks. The data basis is the Carbon Risk Real Estate Monitor (CRREM; [www.crrem.eu](http://www.crrem.eu)).

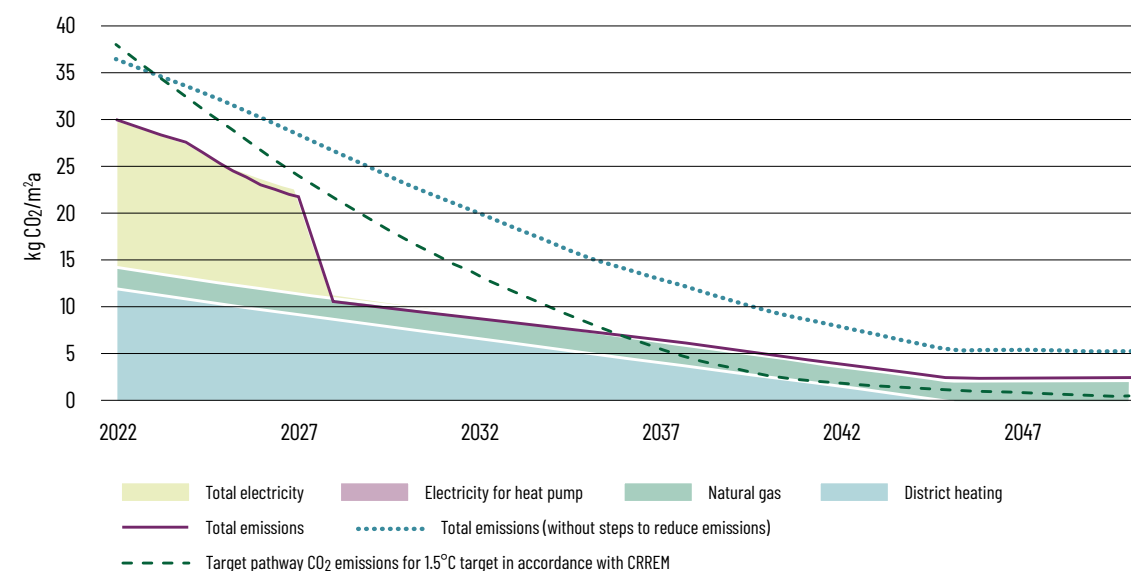
We have already drawn up climate protection roadmaps for some of our portfolios to identify a property's stranding time. Other properties will follow in the coming years. These roadmaps are based on a detailed analysis of consumption data and on-site inspections to identify potential for savings and optimisation. This analysis is also part of our purchasing process, so that even before a purchase decision is made, we assess whether there is a risk or whether potential exists for the property in question to be developed towards climate neutrality.

The CRREM analysis therefore serves as a basis for developing sensible steps to improve the energy performance of our properties.

For our BVK VALUES real estate fund CBD, which invests in central office locations, we have been preparing stranding risk analyses since 2021, which are revised annually with current consumption data to reflect the current situation. For quality control purposes, we as a company and our portfolio are rated by the internationally recognised benchmarking company GRESB. The consumption analysis takes into account potential steps to reduce CO<sub>2</sub> emissions, such as optimising the system control or installing PV systems.

The stranding risk analysis for this portfolio shows that it will potentially comply with the CO<sub>2</sub> target pathway by implementing steps for reduction. The stranding risk point in time can be shifted significantly on the time axis from around today to 2035 because of the steps mentioned. However, it also shows that the target path to zero emissions can only be achieved if fossil fuels are phased out.

**BVK VALUES real estate fund CBD's CO<sub>2</sub> development pathway with steps to reduce emissions**



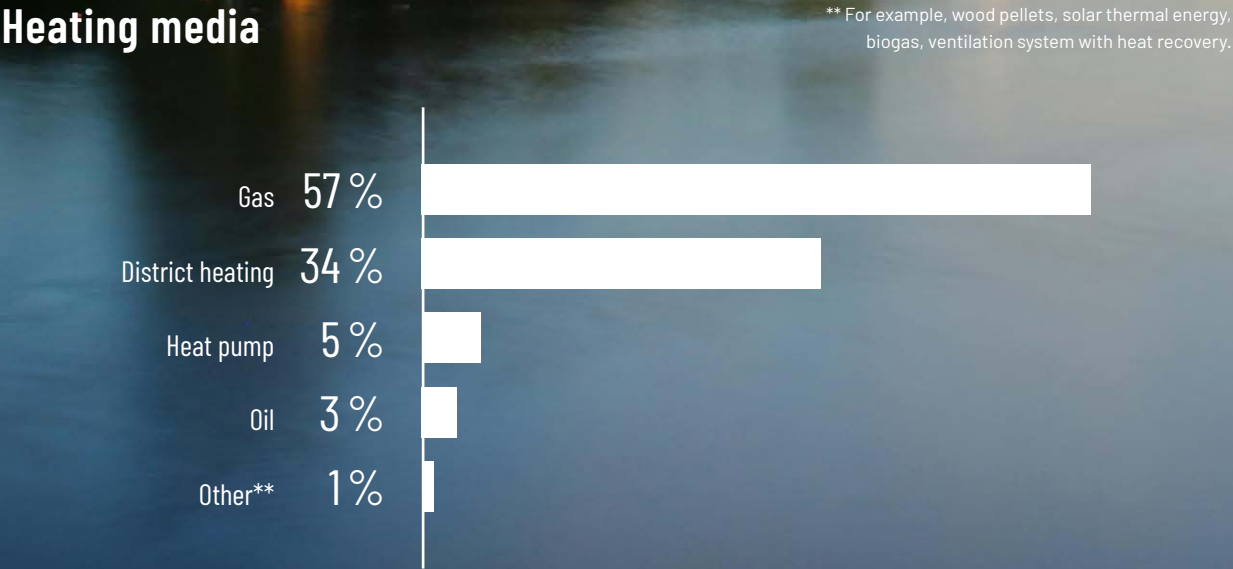


# ESG FIGURES

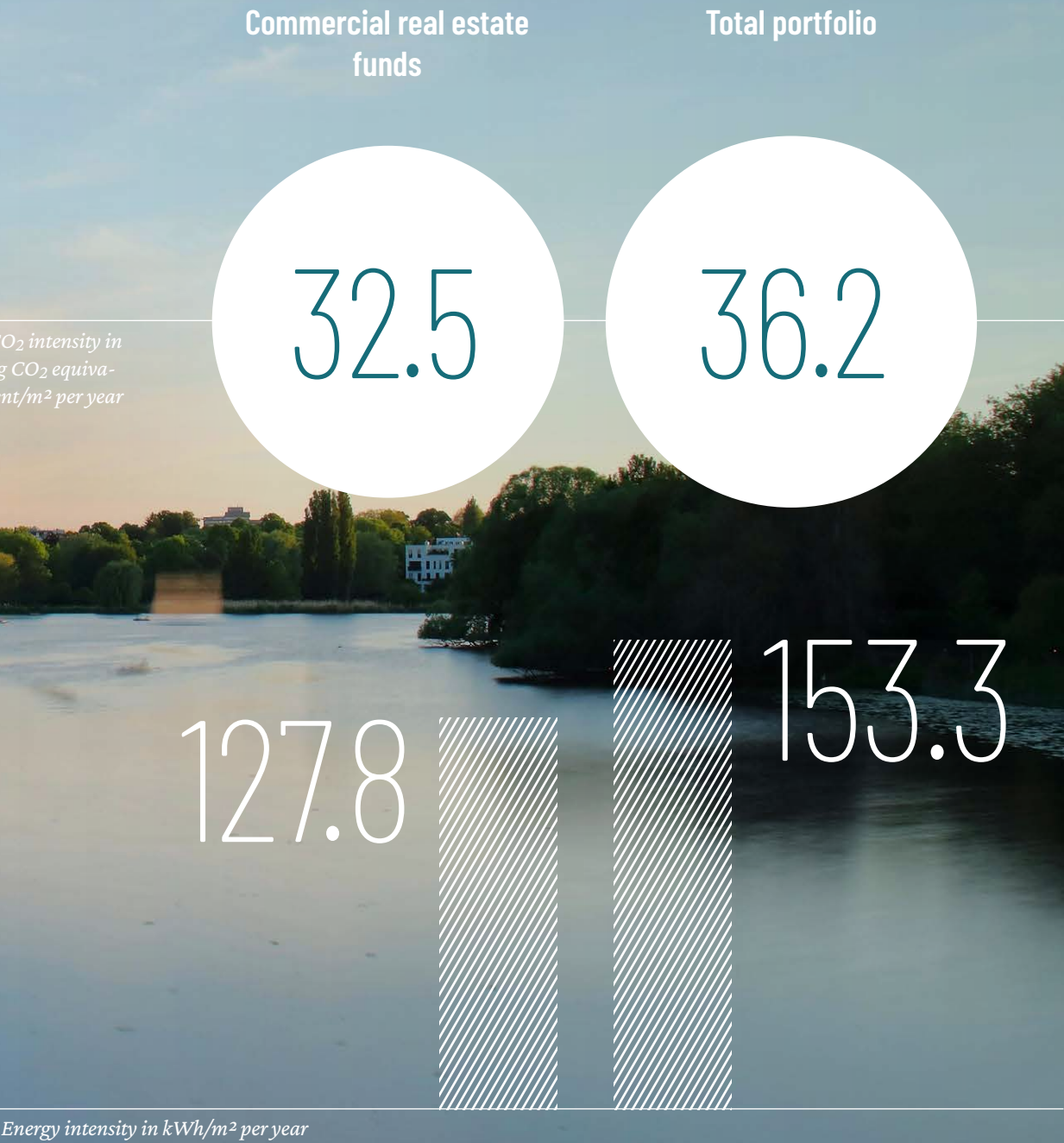
## Green energy



## Heating media



## Example of consumer data



Figures based on consumer data, energy certificates and evidence-based projections.



## CHAPTER 4

# SOCIAL ISSUES

*Sharon Gödert completed her Master of Science in Real Estate Investment and Finance at the University of Reading/Henley Business School in England while working. She has in-depth specialist expertise and is responsible for healthcare and social infrastructure properties such as daycare and job centres in her role as an asset manager.*





# PROMOTING OUR COLLEAGUES' FURTHER DEVELOPMENT

We attach great importance to training in our company. As an employer, we also see it as our responsibility to train and educate our colleagues. For example, Susa Kottmeier completed her training as a property management assistant. Today, she works as a property manager and looks after commercial properties. In addition, Lilly Teuschel started a traineeship with us in 2023. We will continue our tradition as a training company in 2024.

Working students gain an insight into practical work at VALUES. Our working student Fabian Schulz has been gaining practical experience in the ESG team since August 2023, which will also contribute to his master's degree in energy-efficient and sustainable construction. Ines Feio started with us as a dual student in property management and supports the capital management team. VALUES also enables and supports part-time degree programmes. Fin Geertz and Antonia Geiselhart completed their degrees in real estate economics at IREBS. Frederik Schriever is studying part-time for his MBA in property management.

And Dorothea von Arnim is now studying business law by distance learning.

Training and further education in ESG is also important to us. Together with Michael Ringsgwandl, managing director of VALUES Property Solutions, our ESG manager Kai Roschewski completed the German Sustainable Building Council (DGNB) ESG manager training programme.

## Topics addressed in the employee survey

The dialogue with our colleagues is an important seismograph for our continuous development. We put people at the centre so that they can perform optimally. Last year, we completed our first employee survey. This gave us suggestions to implement in 2023.

### Benefits introduced and number of users

74	Deutschlandticket
43	Sports subsidy
17	Urban Sports Club
6	JobRad Company bicycle

We have also standardised the company's holiday entitlement at 30 days. As a result, we were able to increase satisfaction in the workplace from 80 to 84 per cent in the second employee survey. The introduction of social benefits (see table) has contributed to the improvement in satisfaction.

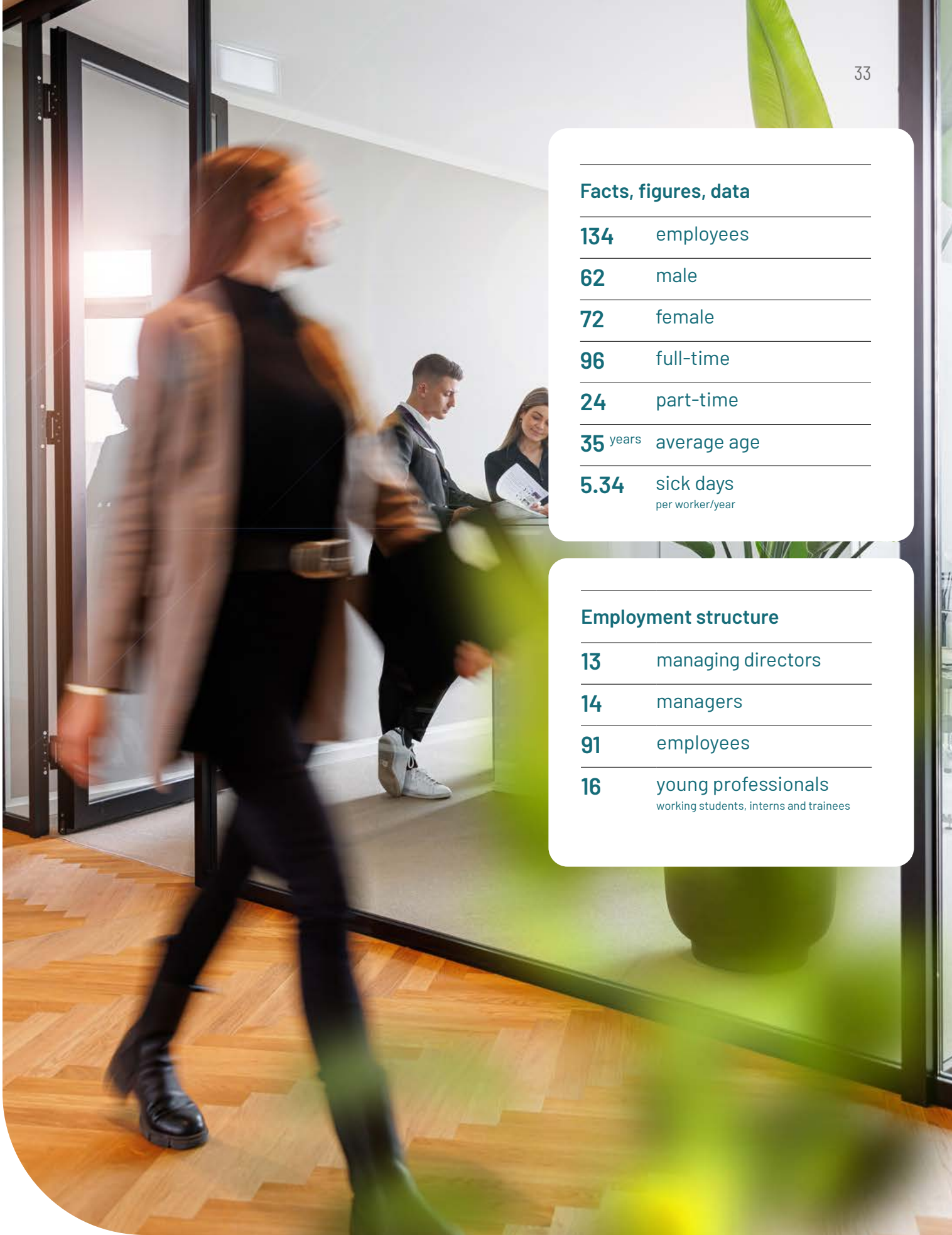
However, the employee survey once again provides us with important issues with room for improvement. These include internal communication and clear responsibilities. We will work on both of these in 2024.

## Facts, figures, data

134	employees
62	male
72	female
96	full-time
24	part-time
35 <sup>years</sup>	average age
5.34	sick days per worker/year

## Employment structure

13	managing directors
14	managers
91	employees
16	young professionals working students, interns and trainees



# OUR SIX CORE VALUES FOR AN APPRECIATIVE CORPORATE CULTURE

*Who do we want to be as a corporate entity and which rules do we want to work with and follow internally?*

We asked ourselves these questions at the strategy day in Scharbeutz. At eight tables, around 100 colleagues developed important values and characteristics that set us apart. We drew up a long list under the guidance of eight team moderators. Table moderators then consolidated this list in a further workshop together with the HR and communications team. The result was a list of six core values that guide our open corporate culture.



## Excellence

We are driven by the will to excel. As a highly qualified team with ambitious specialists, we are constantly evolving to deliver top performance. We are happy to go the extra mile to create excellent products and services.

## Agility

As a flexible organisation, we like to think “out of the box”. The basis for this is our healthy error culture. We work as a team because we are open to new ideas and to the skills of our colleagues. This way of working puts us in a position to solve complex challenges optimally in rapidly changing markets.

## Passion

The passion for our profession gives meaning to our daily work. VALUES brings together people who love their work and put their heart and soul into it. We are convinced that our passion is the basis for first-class work results.



## Reliability

As an owner-managed company, we do business on a handshake. We conduct ourselves reliably towards our investors, partners, tenants, citizens and each other.

## Responsibility

VALUES employs people who are courageous and entrepreneurial. For us, responsibility does not end at the workplace. As a company that operates throughout Germany, we recognise the opportunities and effects of our actions. We are committed to ecological and social issues. We are also committed to these issues in our private lives.

## Humanity

We treat each other with respect and accept our individual differences. We communicate openly, honestly and at eye level and support each other. This human interaction is the basis of our daily interactions.





## NEW SOCIO-CULTURAL SPACES: OUR COMMITMENT TO CANDID- PLATZ IN MUNICH



Local artists found space at Candidplatz to present their works.

### Our commitment to society

Mental illness is still underestimated by society. Many illnesses are not recognised. In addition, those affected are still stigmatised. The mental health of adolescents in particular is a key concern for us outside of our business activities. We support tomoni mental health gGmbH, which addresses this issue both systematically and scientifically.

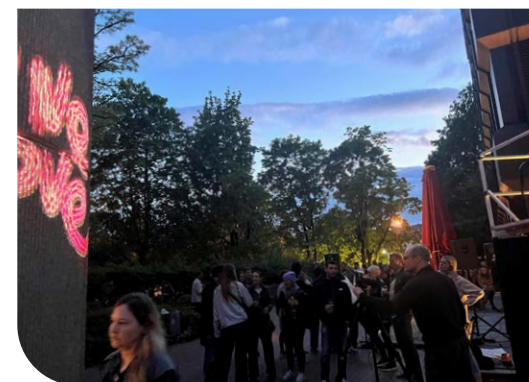
tomoni offers courses for young people, teachers and parents to raise awareness of the suppressed issue of mental illness. The aim is to recognise these illnesses at an early stage so that they can be treated in a targeted manner. This includes anxiety disorders, autism and depression.

A new urban neighbourhood is being built at Candidplatz in Munich. Until it's ready, we are making the premises available for charitable purposes and social interaction on site. The newly created socio-cultural space will have a permanent space in the newly redesigned Candidplatz, primarily supported by residents. We are planning a community centre for this purpose.

The well-connected local operator Mucbook Clubhaus was able to create a series of interesting offers for residents in 2023. For example, the Dein München association offered a series of events for a successful start to life. Children and young people were able to exchange ideas with mentors and teachers in group work.

One highlight was the CANDY (winter) market on 9/10 October and 16/17 December. Artists presented the fruits of their creative labours at Christmas time. These ranged from printing and painting to sculpture. The market also held a raffle to raise money for the Munich Kältebus and the dementia care organisation carpe diem e.V.

The Roody has established itself as a permanent fixture on site - a mixture of traditional pub and bar with dancing that is very popular. Live concerts will be held here in future.



The "Interactive Light Graffiti" art campaign gave Giesingen residents the opportunity to realise their ideas.



## INSTITUTIONAL CAPITAL FOR GENERAL SOCIAL SERVICES

Whether daycare centres, medical centres, rehabilitation clinics, specialist medical educational facilities or office properties with public tenants: real estate in the social infrastructure sector touches on important social issues. At VALUES Real Estate, we contribute to social cohesion in Germany by acquiring and managing these properties and bundling them into attractive investment products for institutional investors. We channel the capital paid in by savers into issues of the highest priority. In this way, contributions not only generate the

necessary returns for the retirement provision of the capital paid in. They also help to ensure that high-quality properties are provided in the respective areas.

It's a difficult market environment, but despite this, the VALUES Public Sector fund has two new additions: the Stuttgart Educational Institute and Cologne's office for public order. The telecommunications centre in Hamburg, which will be rented by the Hamburg Senate following its renovation and used by the university and other research institutions in future, reached an important milestone with the topping out ceremony. A new university and science campus will be created here. The investment represents a milestone for the Free and Hanseatic City of Hamburg in making its university education and research infrastructure fit for the future.

VALUES acquired two further medical centres for VALUES Health Invest I: the Haubrich Forum in Cologne and the new medical centre in Turmstraße in Berlin-Moabit. Our asset managers manage one of the largest daycare funds in Germany, VALUES Daycare Invest, with 37 daycare centres and a fund volume of 170 million euros. We recognise the great responsibility that comes with managing these properties. After all, nothing less than the growth of our next generations is at stake.



Medical centre, Turmstraße in Berlin

## TRANSFORMING REAL ESTATE: REVITALISING URBAN SPACES

In 2023, VALUES successfully completed the transformation of a former department store into a mixed-use commercial property on Prager Straße in Dresden. Important synergies were built between the new main tenant Premier Inn and strong retail brands such as DOUGLAS, Deutsche Telekom and Zalando, not only for the property itself but also for increased pedestrian traffic in Dresden's main shopping street. This project development is an example of how VALUES creates sustainable value by transforming urban spaces for local people and the investment market. The property is part of an institutional fund.

In Düsseldorf, a new hotel and retail property with spectacular architecture is being built for Alte Leipziger on Joachim-Erwin-Platz, opposite the renowned Schauspielhaus theatre. It will feature the lifestyle hotel The Cloud One, a premium product of the Motel One Group. The project development will be completed successfully in 2024 with handover to The Cloud One. H&M Home and DOUGLAS have opened their doors and are very popular with their customers. We are also helping to inject new momentum into Schadowstraße.



New Premier Inn in the former department store in Dresden



## GOALS 2024: HOUSING FIRMLY IN FOCUS

Another important social issue has arisen from the public debate: the lack of affordable housing in Germany. We are looking for ways to make investments in subsidised housing in Germany attractive again. After all, the creation of affordable housing helps to keep society together.

We also want to advance the topic of Austrian housing in future. We've taken the first steps to gain a foothold in Austria, particularly in Vienna.

### More cooperation with tenants

We are committed to improving communication with our tenants and providing them with better service. We have implemented a tenant survey for one of our funds. We now want to establish this for tenants of other products as well. We also want to harness the potential of digitisation and AI-based operational optimisation. We are already preparing a tenant app that tenants can use to view and manage their current consumption intelligently.



## Legal disclaimer

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