

[August 22, 2022] PR: The controversial real estate group Akelius is planning extensive real estate purchases in North America, with pockets padded by dubious tax avoidance schemes in Europe. The network of former Akelius tenants in Berlin is sounding the alarm about Akelius and publishing the English translation of its research into the Group's dubious tax avoidance strategies.

As of Dec. 1, 2021, the real estate group Akelius has largely pulled out of Europe. In a mega deal, the Group sold its entire real estate portfolio in Germany, Sweden, and Denmark to the real estate group Heimstaden for 9.1 billion Euros.¹ Just three weeks later, Akelius bought its first properties in Austin/Texas. Four months after the mega-deal, Akelius decided to distribute a record dividend of 6 billion Euros.² In order to bring its residential real estate portfolio to its former size, Akelius announced that it would focus on the North American and UK market in the future. This means that Akelius is planning extensive purchases of around 25,000 - 30,000 apartments there. According to the company's founder Roger Akelius, the group expects higher profits, because EU states have been introducing more and more regulations, while the U.S., Canada and the U.K. have been making things simpler for companies.³

Increasingly, Akelius has faced massive criticism in Berlin for aggressive rent gouging, deliberately displacing long-time tenants, transforming previously affordable housing into high-priced housing, and neglecting the maintenance of its properties. The Group has also been repeatedly accused of extensive tax avoidance.⁴ There are indications that Akelius has repeatedly and systematically exceeded the bounds of legality. Akelius has also been extensively criticized internationally by the former UN Special Rapporteur on the Human Right to Housing, Leilani Farha.⁵

Particularly in the acquisition of Berlin real estate, Akelius is believed to have used its highly complex and non-transparent corporate network to have systematically and illegally avoid the real estate transfer tax and cheat the districts out of their right of first refusal. The Akelius tenants network brought attention to this dubious practice in a dossier it published on Akelius in the summer of 2019. The Berlin district of Neukölln seized on this suspicion and won a court order in December 2019 requiring Akelius to hand over the contract documents on this dubious share deal.⁶ Cansel Kiziltepe, (SPD) a member of the German Bundestag, then filed two reports (09/20, 04/21) with the Berlin tax authorities demanding an audit of four of Akelius' share deals and campaigned on the issue for the German Federal parliamentary elections in September 2021.⁷

Before a court ruling could be made on Akelius' practices, the group withdrew from Europe through a hasty and extensive sale. As former Akelius tenants from Berlin, we suspect that Akelius has been successful at dodging increased efforts to regulate the Group⁸ as well as, and more importantly, public demands for transparency and, if necessary, prosecution for the presumably illegal acquisition of numerous Berlin rental buildings - including the avoidance of the real estate transfer tax (see chronology in the appendix). It is infuriating that the SPD-led Berlin Treasury Department at that time did not provide transparency about the progress of the investigation of Kiziltepe's indictment - despite several suggestions and requests. Instead, the Senate invoked tax secrecy. However, German tax law provides for exceptions to tax secrecy in the case, for example, of the prosecution of economic crimes that have the potential to significantly disrupt economic order or significantly shake general confidence in the work of public authorities.⁹ We find both of these as applicable in the case of Akelius, as the urban planning instrument of the right of first refusal was thwarted and tens of millions of Euros in taxes have potentially not been paid. Under German law, tax evasion of more than one million euros is usually punishable by a prison sentence of more than two years, without the option of probation.¹⁰ We continue to demand transparency from Berlin politicians on the status and outcome of the investigations.¹¹

As former Akelius tenants from Berlin, we stand in solidarity with Akelius tenants in North America and Great Britain and provide them with our knowledge about the dubious practices of the Akelius Group. For this purpose, we have translated into English our research on the network of Akelius foundations, which play a crucial role in the corporation's tax avoidance.¹² In this way, we want to support the fight against the harmful and democracy-threatening¹³ financialization of housing and contribute to the worldwide enforcement of the human right to housing.¹⁴

Appendix: Chronology of Akelius' exit from Berlin within the context of growing tenant organizing, multifaceted protest, governmental regulatory efforts, and widespread resistance, especially against the Akelius Group's share deal practices.

21.12.2021	Akelius makes first purchase in Austin/USA. ¹⁵
01.12.2021	Akelius completes sale to Heimstaden and leaves Berlin. 75% of Akelius properties are now in North America and the group plans to double its residential portfolio bringing it back to its former size. ¹⁶
09.11.2021	German Federal Administrative Court prohibits the use of the municipal right of first refusal for property sales in areas designated for protection.
26.09.2021	German parliamentary election at federal, state, and local levels + referendum "Expropriate Deutsche Wohnen & Co." ¹⁷ Akelius announces sale of around 50% of its real estate portfolio to Heimstaden (entire portfolio in Berlin, Hamburg, Stockholm, Malmö, Copenhagen). ¹⁸ Successful referendum "Expropriate Deutsche Wohnen & Co." with 59.1% voting, yes. ¹⁹
30.08.2021	Social Democratic Party election campaign of Cansel Kiziltepe (Member of German Federal Parliament) involves a reconstruction of Akelius share deals. ²⁰
17.07.2021	Publication of another presumably fictitious Akelius share deal. ²¹
15.07.2021	Publication of another presumably fictitious Akelius share deal. ²²
07.07.2021	Publication of further presumably fictitious Akelius share deals in the Berlin district of Neukölln. ²³
01.07.2021	(Insufficient) reform of share deal law goes into effect.
10.06.2021	Start of Twitter daily campaign to the Berlin Treasury Department for transparency about Akelius' charges of suspected tax evasion by involving numerous share deals. ²⁴
19.05.2021	Social Democratic Party-led Berlin Treasury Department refuses to provide information on the status of the investigation into the reported Akelius share deals by invoking tax secrecy. ²⁵
19.05.2021	Berlin Neukölln district exercises right of first refusal in the disputed share deal. ²⁶
April 2021	2nd report filed against Akelius by Cansel Kiziltepe (Member of the German Federal Parliament, Social Democratic Party) with tax authorities due to further suspected cases of fictitious share deals. ²⁷
15.04.2021	Federal Constitutional Court annuls Berlin Rent Cap law. ²⁸
10.03.2021	Publication of another presumably fictitious Akelius share deal. ²⁹
26.02.2021	2nd signature collection phase starts for referendum campaign "Expropriate Deutsche Wohnen & Co." ³⁰
February 2021	Berlin Higher Administrative Court rejects Akelius' complaint against the district of Neukölln for investigating Akelius' suspected circumvention of the law. ³¹

27.01.2021	Publication of another presumably fictitious Akelius share deal. ³²
23.11.2020	2nd stage of Berlin Rent Cap becomes effective. ³³
07./12.10.2020	Restructuring within the Akelius Group with the establishment of 93 new Akelius sub-companies, into which numerous properties from Berlin and Hamburg are shifted. ³⁴
04.09.2020	1st report filed against Akelius by Cansel Kiziltepe (Member of the German Federal Parliament, Social Democratic Party) with tax authorities due to further suspected cases of fictitious share deals. ³⁵
June 2020	UN-Communications published and freely accessible. ³⁶
May/June 2020	Akelius CEO Pål Ahlsen unexpectedly resigns from all posts and Ralf Spann becomes new CEO. ³⁷
29.04.2020	UN-Communication press release. ³⁸
27.04.2020	UN-Communication exclusively addressed to Akelius and the governments of Germany, Canada, and UK. ³⁹
23.02.2020	1st stage of Berlin Rent Cap law becomes effective. ⁴⁰
30.01.2020	Berlin Government passes Rent Cap law. ⁴¹
early 2020	Akelius allows deadlines to pass; as a result, the Berlin district of Neukölln can for the first time, after years of dispute, exercise the right of first refusal and buy four housing units that Akelius had intended to purchase in controversial share deals. ⁴²
19.12.2019	Berlin Administrative Court upholds the Neukölln district's right to demand information from Akelius in controversial share deal. ⁴³
12.08.2019	Akelius tenants network publishes dossier "Akelius in Berlin 2018/2019" with references to fictitious share deals by Akelius. ⁴⁴
June 2019	Berlin Urban Development Department announces Rent Cap law. ⁴⁵
14.06.2019	1st signature collection phase for referendum campaign "Expropriate Deutsche Wohnen & Co." successfully completed. ⁴⁶
06.04.2019	1st signature collection phase starts for referendum campaign "Expropriate Deutsche Wohnen & Co." ⁴⁷
early 2018	Founding of the Akelius Tenants Network in Berlin

1 <https://mb.cision.com/Main/3302/3421476/1473252.pdf>

2 <https://mb.cision.com/Main/3302/3542975/1561952.pdf>

3 <https://www.hemhyra.se/nyheter/akelius-vill-salja-28-500-hyresratter-vi-ska-lamna-sverige/>

4 <https://www.akelius-vernetzung.de/material/dossier/>

5 <https://spcommreports.ohchr.org/TmSearch/SearchCode?code=DEU%201/2020;%20CAN%201/2020;%20GBR%201/2020>

6 <https://www.tagesspiegel.de/berlin/juristisches-neuland-gegen-investoren-berlin-neukoelln-uebt-erstmal-vorkaufsrecht-bei-share-deal-aus/27206288.html>

7 <https://cansel-kiziltepe.de/akelius-share-deals-rekonstruktion/>

8 <https://de.wikipedia.org/wiki/Mietendeckel>

<https://www.dwenteigen.de/>

9 Abgabenordnung (Tax Code) §30 Tax secrecy, paragraph 4, number 5a: "the disclosure is necessary for the prevention of significant disadvantages to the common good or a threat to public security, defense, or national security or for the prevention or prosecution of crimes and intentional serious offenses against life and limb or against the state and its institutions," and number 5b: "economic offences are prosecuted or are intended to be prosecuted which, by the manner in which they are committed or by the extent of the damage they cause, are likely to seriously disturb economic order or to seriously undermine public confidence in the probity of commercial transactions or in the proper functioning of public authorities and public institutions" https://www.gesetze-im-internet.de/ao_1977/_30.html

10 Federal Court of Justice, judgment of February 7, 2012, file number 1 StR 25/11

(<https://juris.bundesgerichtshof.de/cgi-bin/rechtsprechung/document.py?Gericht=bgh&Art=en&nr=59606&pos=0&anz=1>), according to Ronen Steinke: Vor dem Gesetz sind nicht alle

gleich. Die neue Klassenjustiz (Before the law, not everyone is equal. The new class justice), Berlin Verlag 2022,

p. 145;

Federal Court of Justice, Press Release 20/2012: Sentencing in the case of tax evasion in the millions

[https://juris.bundesgerichtshof.de/cgi-bin/rechtsprechung/document.py?](https://juris.bundesgerichtshof.de/cgi-bin/rechtsprechung/document.py?Gericht=bgh&Art=en&Datum=Aktuell&anz=1&pos=0&nr=59128&linked=pm&Blank=1)

[Gericht=bgh&Art=en&Datum=Aktuell&anz=1&pos=0&nr=59128&linked=pm&Blank=1](https://www.akelius-vernetzung.de/?p=1533)

11 Open letter to the Berlin Minister of Finance: <https://www.akelius-vernetzung.de/?p=1533>

12 Bluewashing and Tax Avoidance: Bahamian Private Foundations in the Akelius Group

<https://www.akelius-vernetzung.de/?p=1512>

13 Oliver Bullough: Moneyland: Why Thieves And Crooks Now Rule The World & How to Take it Back, Profile Books, London 2018; Martin Schürz: Überreichtum (Over-Richness), special edition of the Bundeszentrale für politische Bildung (Federal Agency for Civic Education), Bonn 2020.

14 <https://make-the-shift.org/>

15 <https://mb.cision.com/Main/3302/3476976/1513497.pdf>

16 <https://mb.cision.com/Main/3302/3464126/1504274.pdf>

17 https://de.wikipedia.org/wiki/Bundestagswahl_2021

https://de.wikipedia.org/wiki/Wahl_zum_Abgeordnetenhaus_von_Berlin_2021

<https://de.wikipedia.org/wiki/Bezirksverordnetenversammlung>

18 <https://mb.cision.com/Main/3302/3421476/1473252.pdf>

<https://mb.cision.com/Main/3302/3440673/1486536.pdf>

19 https://de.wikipedia.org/wiki/Deutsche_Wohnen_%26_Co._enteignen

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21 <https://twitter.com/StoppAkeliusB/status/1416474227331452929>

22 <https://twitter.com/StoppAkeliusB/status/1415632255003906048>

23 <https://twitter.com/StoppAkeliusB/status/1412690132805865474>

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25 <https://twitter.com/senfin/status/1395021448004128775>

26 <https://www.tagesspiegel.de/berlin/juristisches-neuland-gegen-investoren-berlin-neukoelln-uebt-erstmal-vorkaufsrecht-bei-share-deal-aus/27206288.html>

27 <https://taz.de/Cansel-Kiziltepe-ueber-Share-Deals!/5761046/>

28 <https://de.wikipedia.org/wiki/Mietendeckel>

<https://www.berliner-mieterverein.de/mietendeckel/die-regeln-des-mietendeckel-gesetzes-und-tipps-zur-anwendung.htm>

29 <https://twitter.com/StoppAkeliusB/status/1369585707614937090>

30 https://de.wikipedia.org/wiki/Deutsche_Wohnen_%26_Co._enteignen

<https://www.dwenteignen.de/>

31 <https://taz.de/Vorkaufsrecht-bei-Share-Deal!/5773587/>

32 <https://twitter.com/StoppAkeliusB/status/1354403995004112899>

33 <https://de.wikipedia.org/wiki/Mietendeckel>

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<https://taz.de/Akelius-auf-dem-Immobilienmarkt-Berlin!/5747051/>

35 <https://cansel-kiziltepe.de/anzeige-gegen-akelius-dreister-share-deal-in-berlin/>

<https://www.spiegel.de/wirtschaft/unternehmen/cansel-kiziltepe-spd-abgeordnete-zeigt-berliner-immobilieninvestor-an-a-b32e9fd4-cce3-4f29-b63a-69fb94f9592a>

36 <https://www.akelius-vernetzung.de/2020/06/28/akelius-missachtet-die-menschenrechte-schreiben-der-uns-sonderberichterstatlerin-an-akelius-und-an-die-bundesregierung/>

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37 <https://news.cision.com/akelius-residential-property-ab/r/akelius-ceo-pal-ahlsen-is-resigning.c3114412>

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38 <https://www.ohchr.org/en/press-releases/2020/04/corporate-landlord-abusing-tenants-human-rights-says-un-housing-expert>

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