

PANDION is not a good neighbour!

Hey, how awesome is that? The Cologne real estate company Pandion AG presents Kreuzberg with two "Social. Creative. Green." new buildings: The Shelf & The Grid, with over 28,000 sqm of commercial rental space!

But who is really behind the "new moss walls" and the "green roofs" of The Shelf & The Grid?

With a profit of € 24.2 million (2017) and a sales volume of € 2.5 billion, Pandion AG has worked its way to becoming Germany's 6th-largest real estate developer since its founding in 2002. This has nothing to do with green economic policy: Pandion sells profit! The main business lies not only in high commercial rental income and the sale of expensive real estate, but also in the sale of shares: the promise of profit to third parties – namely, to the same investors who finance their building projects.

By the way, 26 of Pandion's 44 subsidiaries and sub-subsidiaries are located in the well-known German tax havens in order to avoid or minimise trade tax: Monheim (Ruhr area); Zossen (Berlin); and Grünwald (Munich).

Who finances the resettlement of start-ups and creative industries in the Pandion properties The Shelf & The Grid at Moritzplatz – who are the investors?

Lender Hamburg Commercial Bank (HCB), for example, financed approx. 50% of this with € 70 million. Behind HCB is the former HSH Nordbank, the first state-owned bank to be privatised. Driven into debt by lazy US loans from credit substitute transactions, it has cost Northern German taxpayers at least € 13 billion since the 2008/9 financial crisis, but could still not be saved. In 2018, under pressure from the EU Commission, it was sold to US investment funds led by Cerberus Capital Management for € 1 billion. Today, Pandion's "development bank" HCB is primarily Cerberus, a private equity fund whose CEO Stephen Feinberg sits on Trump's Intelligence Advisory Board. Cerberus is already well-known in the neighbourhood: in 2004 it was involved in the purchase of

the 65,000 state-owned GSW apartments, which later became Deutsche Wohnen.

Who gives Cerberus so much capital? (since private equities are only financed by loaned capital)

International pension and state funds as well as insurance companies - so-called "institutional investors" – whose existence generally depends on profit guarantees – in this case, Cerberus.

And what does that have to do with us tenants, artists, and neighbours?

Fuelled by low interest rates, since the 2008/9 financial crisis, real estate has been considered a safe and stable investment for investors who also manage the money of, for example, international insurances and pension funds. Profits made by both shareholders and real estate corporations are based on an increase in the value of the real estate. It is precisely these increases in value – which affect entire districts – that are **the cause of displacement in this city.**

As a service provider, Pandion in turn serves Cerberus who is behind the lender bank HCB – a company with capital from private investors who also invest in "concrete gold". In order to generate this increase in value, Pandion, like many others, sells entire worlds of goods, not only real estate, but also the image of a "Social. Creative. Green." neighbourhood – that same neighbourhood which Pandion is putting at great risk. The increase in value is achieved with whatever means available – including by exploiting, rather than nourishing Kreuzberg's subculture, art and the green economy.

The above points are just examples to show how insane such models are, and who pays for the consequences. The failure on the part of politicians and the states also becomes clear.