Large majority of Berlin voters back expropriation of German property companies

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A clear majority of voters in the German capital of Berlin has expressed support for the expropriation of major German property companies. In a referendum on Sunday, 56.4 percent voted in favor, and only 39 percent against. The referendum took place on the same day as the federal election and the state election to the Berlin House of Representatives.

A total of 1,034,709 eligible voters voted yes. The required quorum of 25 percent was achieved well before all votes were counted. The vote in the district of Friedrichshain-Kreuzberg was particularly decisive. There, 72 percent voted yes. Likewise, 64 percent in the Mitte district and almost 61 percent in Neukölln and Lichtenberg each voted for expropriation. In almost all districts there was a majority in favor of expropriating rental sharks. Only in Steglitz-Zehlendorf and Reinickendorf did the no vote win by a narrow margin.

This clear vote in favor of the expropriation of the large landlords is to be welcomed. It is an expression of the widespread opposition to the intolerable rents in Berlin and other large cities. Rents in the capital have doubled over the past 10 years, and the price of undeveloped land has increased eightfold. Especially in districts like Friedrichshain-Kreuzberg or Mitte, the displacement of people who can no longer afford the horrendous rents occurs on a daily basis. At the same time, corporations like Deutsche Wohnen, Vonovia or Akelius are reaping vast profits.

The signatures collected in the run-up to the referendum showed, even before the votes were cast, how widespread the anger is over the unrestrained enrichment of the rental sharks. In a short time, over 360,000 signatures were collected, far more than the 175,000 necessary for the referendum to be held.

The referendum demands the expropriation of all private housing companies with more than 3,000 apartments, with the exception of cooperatives. According to the referendum's initiators, the measure affects 240,000 of the 1.5 million rental apartments in the capital. "Compensation well below market value" should be paid out, which is legally permissible. The initiators estimated a sum of €7.3 billion to €13.7 billion would be required to cover these costs.

While the majority of voters voted in favor of expropriation, the Social Democrats and the Greens, who emerged victorious from the election for the House of Representatives, made it unmistakably clear on election night that they would continue to represent the interests of the property sharks.

Franziska Giffey (SPD), who is expected to become the new mayor, spoke out very sharply against the referendum during the election campaign. In her opinion, expropriations do not contribute to the construction of the new housing that is needed. One day before the election, she said, "I don't want to live in a city that sends the signal that we expropriate here."

She reaffirmed this position on the Monday after the election. Knowing full well that the referendum does not have a specific bill as its subject matter and is therefore not legally binding for the Berlin State Senate, Giffey left no doubt that it will not be implemented under her leadership. On Monday, she only said that the feasibility of the referendum would be examined on the basis of a draft law. "If that's not constitutional, we can't do it either," she added.

The top candidate of the Greens, Bettina Jarasch, whose party will in all likelihood form another coalition with the SPD in Berlin, made a similar statement. She wants to "take the result of the referendum seriously," but there are still "many legal and practical questions to be clarified."

In the summer, Jarasch announced that she would vote yes, but that the referendum was simply a means of exerting pressure on the housing corporations to voluntarily expand the residential sector geared to the

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common good. “The expropriation card is only played if a cooperative solution fails,” she said at the time.

Since then, she has come under massive pressure from the leadership of the Greens and has retreated accordingly. As an “alternative,” she proposed a voluntary pact between politicians and landlords for new buildings and fair rents, under the catchphrase “rental protection umbrella.” “It’s in the hands of the housing companies,” said Jarasch.

That is hard to beat in terms of cynicism and contempt for the will of the electorate. According to the will of the Greens, those responsible for the misery that has plundered the population for 30 years should continue to determine housing policy and “voluntarily” provide affordable housing. In 2004, the SPD and Left Party gifted tens of thousands of apartments to private real estate groups at bargain basement prices. Since then, they have done nothing to curb the steadily rising rents.

On the Friday before the referendum, the property giant Vonovia succeeded in taking over Deutsche Wohnen, which has 110,000 apartments in the capital, at the third time of asking. Despite the overwhelming vote in favor of expropriation, Vonovia’s shares rose by over 4 percent on Monday, making them the biggest winner on the German DAX stock exchange. On Sunday, the Swedish real estate giant Heimstaden announced that it had acquired around 14,000 apartments in the capital.

This clearly shows that the boardrooms of the real estate companies rely on the SPD, the Greens and the Left Party, who are expected to continue to govern in Berlin. The previous red-red-green Senate has worked closely with the real estate sharks. The governing mayor, Michael Müller (SPD), and the Senator responsible for housing, Sebastian Scheel (Left Party), supported the merger plans of the two real estate groups and emphasized the good cooperation with them.

Vonovia boss Rolf Buch made it clear that he wants to continue this close cooperation against the tenants once Giffey heads the Senate. “Vonovia is ready to take on the challenges on the Berlin housing market with a new state government and the relevant social actors in the city,” he said.

Expropriations would not solve the problems on the Berlin housing market, said this head of a housing company that distributed more than €350 million to shareholders in 2019. That was €2,100 per apartment, which flowed directly from the pockets of the tenants into the shareholders’ bank accounts.

The referendum on Sunday was preceded by several demonstrations against insane rents, some of which drew tens of thousands of participants. At the same time, there are more and more strikes and protests against low wages, mass layoffs and precarious working conditions. In Berlin, nurses from the state-owned Charité and Vivantes clinics have been on strike for three weeks, demanding more staff and reasonable wages.

Like the fight for higher wages and better working conditions, the fight against intolerable rents can only be successfully waged against the SPD, the Greens, the Left Party and the other established parties.

Sunday’s referendum is a first step, but it is nowhere near enough. Even the realization of the referendum’s demands would not solve the pressing problems, but at best alleviate them somewhat. This is due to the fact that the initiators themselves come largely from the ranks or surroundings of the Left Party and trade unions. Their whole strategy is geared towards getting the Senate to change course, which is obviously not possible.

In order to enforce real expropriations and to ensure affordable and adequate housing, no faith can be placed in the established parties and unions. Only an independent movement of the working class, which is beginning to move into struggle, can carry out these demands.

The Socialist Equality Party (SGP) formulated this strategy in a statement calling for the expropriation without compensation of the rental sharks. We wrote, “No social problem can be solved without expropriating the banks and corporations and placing them under the democratic control of the working class. Their profits and assets must be confiscated and the trillions given to them last year recovered. The world economy must be reorganized on the basis of a scientific and rational plan.”

This perspective is becoming ever more critical and must be made the starting point for a fight for the expropriation of the real estate sharks.

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