

COMPANY PRESENTATION



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- Founded November 2010
- Thereby took on the service area of ML Real GmbH (formerly Cenda Invest AG), established 1975
- Core activities of property management and asset management



Head office Berlin - Umlandstraße

- **Experienced**
Dependable business partner to the real estate market for 40 years (formerly Cenda Invest AG)
- **Committed**
Off-market realisation of sought-after investment properties and projects in Berlin
- **Reliable**
Big name references
- **Proficient**
Commercial and technical know-how
- **Agile**
Speed and creativity with a high degree of flexibility

Property management services:

Cenda GmbH focuses on overseeing local property management companies as a service provider for a portfolio of properties distributed across Germany.

The Cenda concept of external asset management involves supporting tenants on site, delivering property services (repairs and maintenance issues) and arranging new lettings.

Cenda GmbH currently cooperates with 20 local property management partners based within a maximum radius of 80km of their assigned properties. This guarantees fast and direct support.

The starting point

For the majority of large portfolios spanning the country, property management services are provided through large, nationally active property management firms. The main risks inherent in this concept are as follows:

1. Since many services are now rendered on a decentralised basis (rather than centrally by local administrators), large property management firms operate through numerous interfaces. As a result, administrators are no longer solely responsible for traditional activities from A-Z, directly monitoring of working processes is less feasible and processing delays are possible.
2. In many instances, quality and expertise levels offered by the various branch offices cannot match those of smaller, owner-operated management firms.
3. Many large property management firms operate in a radius of as much as 200km, in some cases delivering on-site support through caretakers. Since proximity to the tenant can be inadequate, measures necessary to reduce fluctuation on the part of the administrator may be inconspicuous and scope for local claims management activity, to give one example, may be limited.
4. Given an extensive business relationship, poor property management performance often makes it difficult to claim financial compensation without putting the whole contract scenario at risk in cases of liability.

Objective and basic concept

- ⇒ Optimisation of management
- ⇒ Central portfolio management division shares business address with asset management
- ⇒ Overall responsibility for administering all properties in the portfolio
- ⇒ Central control of lettings
- ⇒ Central control of all cash flows
- ⇒ Provision of on-site property support through local property managers as landlords, site managers and technicians

Objective and basic concept

One way of optimising property portfolio management over the long term (as regards the key factors of local support, response times, processing times, quality, monitoring and scope for intervention) is to bring about a competitive situation. A central portfolio management division was therefore set up to operate nationally while incorporating local property management companies.

Central portfolio management shares a business address with members of asset management to ensure continual and fast exchanges between the divisions (also supported by a direct link to the ERP programme).

Within the central portfolio management set-up, the property manager bears overall responsibility for managing all properties in the portfolio; in a large portfolio, the managing director will be responsible for the property managers, who in turn oversee individual properties through third-party local property management firms, site managers and technicians.

The divisions of finance (which monitors all cash flows within the administration – management analyses, evaluations and so on), debtor management, legal affairs, utility billing and central lettings control are also under the direct control of the managing director. To ensure control of finances, all rental revenue is paid directly into head office accounts, with the payment of operating expenses and other administrative costs managed from there.

Local property managers are then contractually bound to oversee properties on site, thus ensuring properties are serviced and tenants are locally supported.

Division of tasks in detail: centralised and local property management

	Centralised PM	Local PM
- Rent increases	X	
- Letting/termination processing		X
- Acceptance/handovers/property inspections		X
- Deposit management	X	
- Correspondence/telephone contact with tenants		X
- Dunning	X	
- Claims management		X
- Write-down of rent receivables	X	
- Management		X
- Optimisation of operating costs/benchmarking	X	
- Regular maintenance		X
- Unscheduled maintenance		X
- Accounting	X	
- Compiling monthly and annual accounts	X	
- Coordination with tax advisors	X	
- Settlement of operating and heating costs	X	
- Reporting	X	

Overview of benefits

1. Central managers with full authority to control and issue orders directly raises property performance.
2. The fast transmission of information, data and documents by asset management (partly through the direct link to the ERP programme) ensures faster response times thanks to close communications using real-time data.
3. Direct oversight of local administrators on site by responsible property managers: accurate data is therefore available at all times directly, not through external organisations.
4. Complete control of all payment transactions and cash inventories; central and timely regulation of cash flows.
5. The local management team is no more than 30-80km from the property, ensuring better control and tenant proximity.
6. Local networking is improved by involving local managers and drawing on their local knowledge in rental and lettings issues.
7. No need for a general administrator or key account manager.
8. The option of rescinding single contracts eliminates risk to the portfolio as a whole; if required, suitable new partners may be selected in individual instances.
9. Responsible managers can impose direct discipline on appointed property management companies, ranging from sanctions and liability actions for misconduct to dismissals.
10. Head office focuses on financial issues and evaluating the property data it receives: it is shielded from the complex day-to-day business of property management.

Summary of services

Commercial property management

- Lettings (including control and marketing)
- Enacting tenant changes (logs)
- Records management
- Monetary transactions through special trust accounts
- Invoice checking and payment
- Dunning and complaints
- Management of rent receivables
- Rent reviews
- Processing of insured losses
- Service charge accounting

General reporting

- Quarterly compilation of balance sheets/profit and loss statements
- Compilation of monthly owner reports
- Quarterly target/actual analyses

Support of asset managements

- Drawing up detailed annual budgets
- Initiation, coordination and monitoring of budgets
- Investigative reporting, recommending actions to owners as appropriate
- Drawing up strategic plans
- Property-related documentation in support of planned sales

Technical administration

- Appointing and supervising caretakers
- Commissioning and monitoring ongoing maintenance
- Commissioning and monitoring maintenance as part of new lettings
- Determining need for maintenance and modernisation
- Monitoring technical business operations
- Pursuing warranty/damage claims
- Overseeing reading of meters by third-party companies

Technical building supervision outside of day-to-day administration

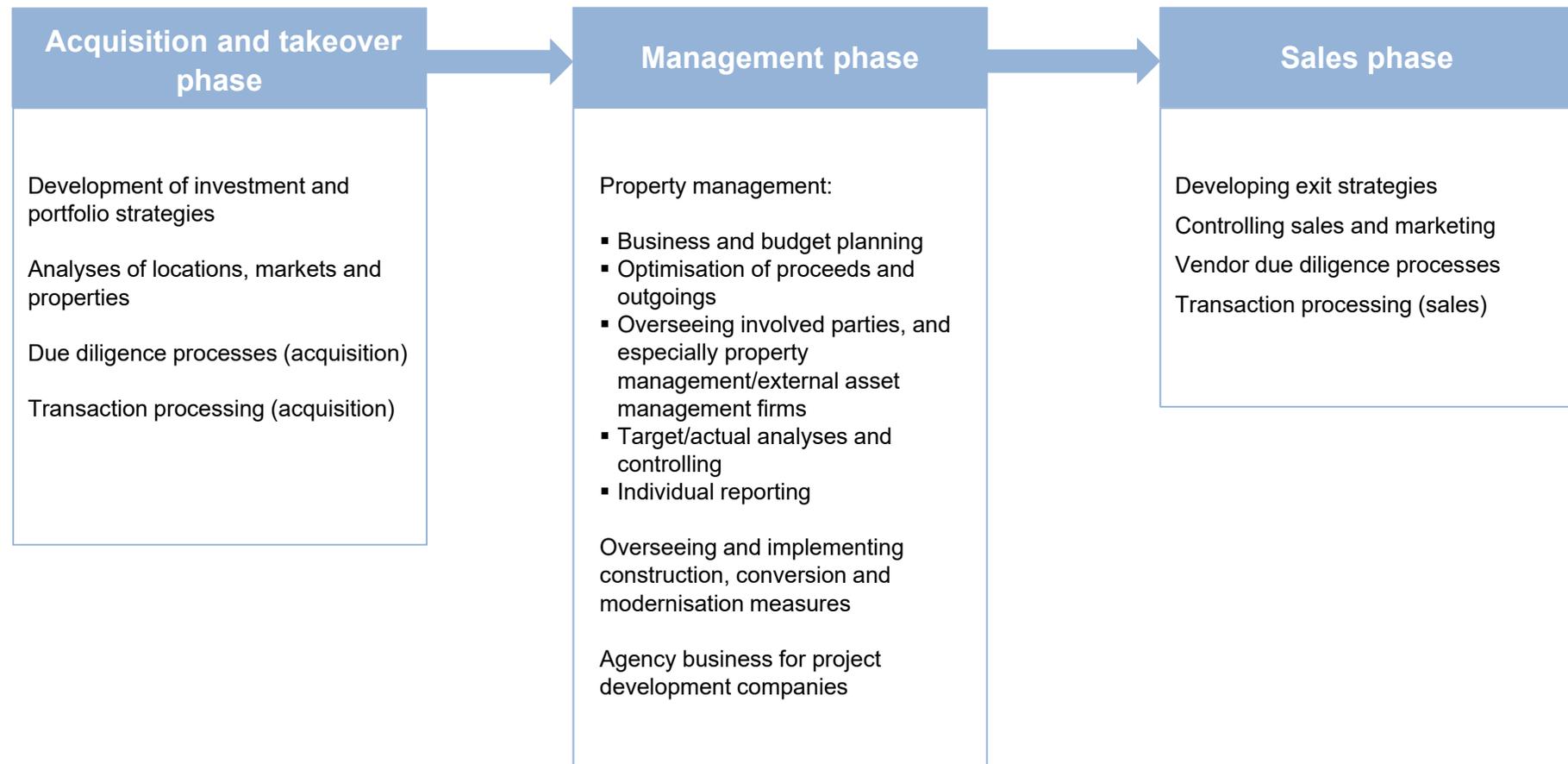
- Definition of measures
- Procurement of quotations, price comparisons, award recommendations
- Order placement, preparing building work contracts as necessary
- Acceptance, invoice checking and documentation
- Administering performance guarantees

Asset management services:

The strategy of Cenda GmbH is aimed at utilising property portfolios to maximum cost effectiveness based on the quality of locations and the structures themselves. The focus is on adding value over the long term rather than short-term market trends. This is achieved by systematically pooling core strengths in the areas of development and asset management, thereby utilising synergy.

Services cover all phases of real estate value creation, from strategic analysis and acquisition consultancy to raising value and reducing costs in the holding phase and overseeing sales. The objective is to raise the value of the properties that we manage over the long term. To achieve this we rely on the systematic planning, monitoring and control of our property portfolio.

This process chain enables us to assess future value developments and the likelihood of success precisely and accurately. On that basis we compile timetables and action plans aimed at improving structures and processes and revitalising, modernising, regrouping and even disposing of properties.



- Organisation and team building
- Objectives in business plans
- Monitoring and controlling objectives on the basis of standardised processes
- Transparent reporting and benchmarking

Total managed volume

Region	Number of properties	Residential units	Residential space in sqm	Commercial units	Commercial space in sqm
Baden-Württemberg	23	42	2,204	48	10,607
Bayern	22	451	19,724	48	10,017
Berlin	24	2,969	149,916	29	8,447
Brandenburg	34	325	21,259	33	12,444
Bremen, BHV	48	444	59,844	40	6,908
Hamburg	1	145	6,744	4	304
Hessen	37	768	49,144	60	15,520
Mecklenburg Vorpommern	4	3	471	8	1,126
Niedersachsen	114	1,266	95,804	31	5,445
Nordrhein-Westfalen	224	3,592	269,888	504	137,289
Rheinland-Pfalz	12	7	931	12	9,339
Saarland	2	85	2,085	1	28
Sachsen	69	422	30,218	94	25,505
Sachsen-Anhalt	10	22	2,081	13	9,774
Schleswig-Holstein	54	981	63,024	2	198
Thüringen	60	745	48,424	59	16,788
Total volume	738	12,267	821,761	986	269,739

Status as of: 31.12.2014

Property management

- OBLIGO Investment Management AS
- BAG Bankaktiengesellschaft
- PATRIZIA Alternative Investments GmbH
- Deutsche Wohnen AG

Asset management

- OBLIGO Investment Management AS
- IPI International Property Investment
- Resolution
- Hatfield Philips Deutschland /
HWW Wienberg Wilhelm
- Cerberus
- Doughty Hanson
- Berliner Volksbank eG
- Solid Wohninvest Berlin GmbH
- ML Real GmbH
- PATRIZIA Alternative Investments GmbH

Development/investment

- R + V Lebensversicherung AG
- Credit Suisse Asset Management
- Deka Immobilien Investment GmbH
- Hamburg Mannheimer
- Meinl European Land
- PriceWaterhouseCoopers

Banks

- Berlin-Hannoversche Hypothekenbank AG
- Commerzbank AG, Berlin
- Deutsche Bank AG, Berlin
- HypoVereinsbank AG, Berlin
- Landesbank Berlin AG
- Deutsche Genossenschafts-Hypothekenbank, Berlin
- Deutsche Kreditbank AG, Berlin und Potsdam

Auditors/tax consultants

- KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin
- Taxor Treuhand und Steuerberatungsgesellschaft mbH
- HVR Revision GmbH, Wirtschaftsprüfungsgesellschaft



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