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Luther advises Institute for Federal Real Estate on new offices for Federal Ministry of Health: first public-private partnership (PPP) for a listed municipal building

Essen/Berlin – Yesterday the Institute for Federal Real Estate (Bundesanstalt für Immobilienaufgaben - BImA) accepted a bid for the renovation of a listed group of buildings in the Mitte district of Berlin. The Federal Ministry of Health (Bundesministerium für Gesundheit - BMG) will have its Berlin offices here in the future. The plan is a new departure for BImA construction projects. The renovation and technical operation of a listed building will be done in the form of a public-private partnership (PPP) for the first time. Luther has been advising BImA throughout the entire tender process.

Throughout the tender process, which has been in progress since October 2015, the protection of the listed element of the building and the creation of approximately 68,000 square meters of modern office space were the focus - two sometimes contradictory goals, which made the project a complex task. The cost efficiency of the project was also a priority.

“The BImA process has shown that even during good times for the construction industry, it is possible to implement challenging projects using a life cycle model,” explains Henner M. Puppel, the responsible partner at Luther: “The decision to undertake a PPP should always be

taken with caution of course. For this process, this model is paying off for the public purse. A significant cost advantage is being achieved compared to conventional public-sector financing. The intensive negotiation phase that occurs before the contract is concluded is also an essential basis for good long-term cooperation. Both sides can exchange views on all of the details of the services provided and avoid misunderstandings which may have an influence on costs.”

About the new offices of the BMG

The group of buildings at Mauerstraße 27/29 in Berlin-Mitte were initially constructed as the head office of Deutsche Bank in Berlin from 1872. After the Second World War, they were first used as the Ministry of the Interior by the former GDR and were used by various federal public bodies following reunification. The renovation should be completed by the end of the year 2020, and will then bring the Berlin offices of the BMG together, as they are currently distributed over several locations. A consortium consisting of Hochtief PPP Solutions GmbH and BAM Deutschland AG won the tender.

Although the project involves an existing listed building, the new offices will receive the “Silver” grade of excellence according to the Nachhaltiges Bauen für Bundesgebäude (Sustainable Construction for Federal Buildings - BNB) classification system.

Responsible for legal advice for the project

Luther, Real Estate Law/Public Private Partnership: Henner M. Puppel (Partner, Lead), Stephan Finck, Dr Björn Arndt (Essen/Leipzig)

Brief Profile Luther

Luther is a leading German commercial law firm that offers comprehensive legal and tax services. The full-service law firm employs more than 350 lawyers and tax advisors and is represented at 10 German economic centres and at important investment locations and financial centres in Europe and Asia with international offices in Brussels, London, Luxembourg, Shanghai, Singapore and Yangon. Our clients are medium-sized enterprises and large corporations, as well as the public sector.

Luther works closely with other commercial law firms in all the prevailing jurisdictions worldwide. On the Continent, Luther is part of a group of independent leading law firms who have worked together for many years on joint cross-border projects.

Luther Rechtsanwaltsgesellschaft mbH is a law firm with a business approach: our innovative awareness aspires us to provide our clients with customised legal advice that addresses individual needs and delivers the greatest possible economic benefit.

Our lawyers and tax advisors have a solid understanding of interdisciplinary matters and a wealth of experience in collaborating on complex tasks. Further information is available at: www.luther-lawfirm.com

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