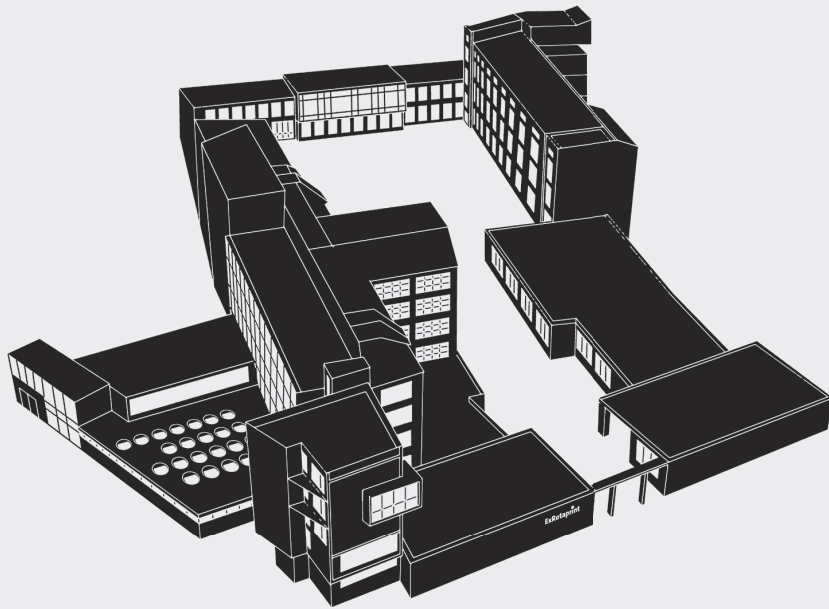


"There is No Profit to be Made Here!": A Conversation with ExRotaprint



The now-bankrupt Rotaprint offset printer manufacturing company occupied 10,000 square metres of striking, raw concrete buildings in the Wedding neighbourhood of Berlin from 1904 until 1989, when the block was taken over by the state, granted historical designation, and made available as a rental space for artists and small businesses. ExRotaprint was founded in 2005 as a renters' association interested in gaining collective ownership over the building in order to improve its maintenance and create an equitable, bottom-up financial model for its tenants. The group's concerns about urban development, real estate speculation, and the monetary economy's production of social separation fuelled their desire to build an institution not designed for economic profit. They focused instead on fostering a cohesive, polycultural, and lasting community based on cooperation and exchange.

As a non-profit, ExRotaprint (gGmbH) has disrupted the speculative spiral of the real estate market and now owns the buildings through a heritable building rights contract. It is

responsible for all aspects of the site, including financing, rentals, and renovations. ExRotaprint today regulates a mixture of one-third local businesses, one-third community outreach organizations or non-profits, and one-third art and cultural workers, all of whom are guaranteed affordable and stable rents. The facility also houses temporary rental spaces for events, workshops, seminars, and conferences, as well as two guest apartments.

SCAPEGOAT SAYS How would you describe the local neighbourhood, and Wedding more broadly, as they are situated in the city?

EXROTAPRINT Berlin-Wedding is an inner-city district with a working-class history, formerly known as "the red Wedding." There used to be a number of manufacturing plants located there, but over the last few decades one after the other has disappeared. It became a district known for immigration, unemployment, and poverty. The neighbourhood nearest to ExRotaprint shows all the traces of social problems. On the other hand, the appreciation of property values brought about by the "creatives" who have started moving into the district will produce a conflict in the years ahead.

SS Who are the founding members and organizations of your project, and who makes up the users of ExRotaprint today?

ERP The founding members at the time of taking over the property were renters, and we are all still renters—almost all have stayed. In 2007, half of the spaces were empty, but since 2009, the site has been fully rented out. We choose renters according to our utilization plan: the goal is to develop the location to serve a heterogeneous mix of *Arbeit, Kunst, und Soziales* (work, art, and community).

SS Berlin has a history of squatting, as well as a strong critique of capitalism. Is this energy still alive in Berlin? How has it transformed? How does this relate to what you are doing at ExRotaprint?

ERP We see ExRotaprint in this context, although the situation has changed a lot after the Berlin Wall came down. In the 1990s, Berlin was a city of available space that could be used easily and cheaply. But Berlin has become increasingly normalized with respect to the real estate market and the use of space. In 2001, the Berlin Senate founded the *Liegenschaftsfonds Berlin*, a city-owned company charged with selling communal ground and buildings to the highest bidder. After a decade of this program, Berlin has drastically changed and now suffers from greater gentrification and income separation. One important aspect of ExRotaprint, of course, is the need to secure an inner-city location for people who fear being pushed out of the city by increasing rents.

The Berlin squatter movement and self-help projects from the 1980s were a reference for us, and some people who gained knowledge from that scene became advisors for ExRotaprint. Today, there is a new movement in Berlin trying to resist the exploitation of space under strict economic measurements and, instead to introduce social, cultural, and environmental criteria to the real estate market. Unlike the earlier projects, today people are looking for revolving structures that can enable and support projects in the beginning, and commit them to pay back in the future so that other new projects are enabled. What would have, in earlier times, been singular alternative housing projects are today cooperatives, foundations, banks, and organizations that provide sustainable alternatives. But of course, we are talking about a small minority of the real estate business; people still have to search for these alternatives.



SS ExRotaprint began with a unique financial proposition, that there be no profit made for anyone involved in the project. How did this strategy come about? Why was it so important?

ERP A banner reading “there is no profit to be made here” was put up the day a potential Icelandic investor came to visit the site. We wanted to make visible our interest in buying the compound while confronting a typical investment logic that would have meant, for most of us, leaving the space. Already at that time the process within the group had made some progress: the fantasy of profit that is deeply connected to real estate ownership had been dismissed. Everyone involved was aware that the amount invested to purchase the property would be far smaller than the amount that would go into the restoration of the buildings; spread out over many years, it would cost many times more. This slogan was not only a sign to the outside, but also a conviction developed within the group.

SS How does ExRotaprint escape the growth imperative implicit in the use of fiat money? Is your model reproducible?

ERP The business relationships and contracts ExRotaprint signed have one thing in common: money is tied to goals, it is only a means to an end. We signed a 99-year heritable building right—with two other foundations¹—that prevents real estate speculation. We also signed a building loan with a Swiss pension fund that invests their pension payments not in the stock market but in sustainable, socially-oriented, ecological, or cultural projects. These partners expect only basic interest payments of between 3% and 5.5%. These rates will not increase due to risk evaluations, as a normal bank would do with a project like ExRotaprint, which has very little equity capital.

Correspondingly, ExRotaprint is a non-profit limited liability company (gGmbH). The proposal to found a non-profit company to develop the compound was passed by majority within the group. Non-profit status dispels the conflict over partial ownership and allows for planning unencumbered by individual interests. *ExRotaprint* gGmbH partners do not profit from the income generated by the property and cannot realize any increase in value from the sale of their stake in the partnership. Thus, a long-term and stable location was created, which can develop according to its own terms: this is the profit of ExRotaprint.

The money ExRotaprint earns is invested in maintaining the historically recognized site, and organizing events and social interventions; over the long term, this benefits the renters themselves, the district, and culture more broadly. Profit is not accumulated money itself, but rather the capacity to act generated by this money. Also, the flow of “other” money is not an unessential economic factor. It functions in parallel and in exchange with the traditional and speculative economy. Interventions and strategies of demarcation are possible.

So, yes, this model is reproducible, but each project has to adapt to its own special circumstances and needs.

SS I understand that you currently charge rent to everyone in the complex, and that this rent goes towards paying off the loan and upgrades to the building. What other long-term goals do you have in terms of investment? What types of activities generate this rent? Are they also non-profit?

ERP ExRotaprint operates according to an ownership model without private ownership. Rents are the economic basis that finances renovations, building modifications, the annual interest payment on the heritable building right, and operational costs.

The historic status of the site made it possible to become a non-profit, so the first objective of the partnership agreement is to preserve the status. The surplus from rent payments goes into renovating the buildings. The second stated aim is to support art and culture. This allows us, in addition to shoring up the buildings, to work on developing ideas and free up means for other projects and goals. Thus ExRotaprint can, in the future, be a place for discussing art, culture, politics, and urban development.

Our renters are not necessarily non-profit. Except for some community outreach organizations, the majority of them are



“normal” economic entities. ExRotaprint rents a third of its space to each area: work, art, and community, so businesses, community outreach organizations and independent creators are all on site. An overall community image thus emerges, presenting an alternative to the imposed dreams of investment-return monocultures and promoting different forms of cooperation and exchange. The renters profit from stable conditions and low rents, while helping to stabilize the district.

SS What does the “creative class” mean to your project?

ERP At the beginning, the outcome of the project was completely uncertain and success was improbable. New routes require passion, grit, and stubbornness, but despite the work put in, failure must also be considered a possibility. For most renters, day-to-day operations are the main priority and time for experimentation is scarce. Creatives are accustomed to project-based work, where time plays a less critical role and where self-exploitation has been practiced for years. Due to this, artists mainly took over this responsibility and managed to realize the project. But although it was initiated by artists, ExRotaprint is not intended for them alone. From the very outset we viewed it as an opportunity to create a common space for people with different occupations, backgrounds, and histories. ExRotaprint includes people that would not normally participate in such projects, groups that—unlike the creative class—do not see the advantages of becoming involved in voluntary activities.

SS I understand that the property was transferred to the City of Berlin after the printing business shut down and people such as yourselves began renting space within the complex. In the midst of the collective bargaining to take over ownership of the building, other parties also became interested in the site as an investment property. How did this play out? What strategies did you use to keep the property?



ERP It was not quite like this; the city encouraged investors in order to circumvent a deal with the renters, which is important to know.

The former Rotaprint site sat in limbo for 18 years. After the bankruptcy, the district managed the buildings and rented them for temporary uses. Plans to sell the site were not pushed through until 2002, when the property was taken over by the Liegenschaftsfonds Berlin, who then put it on the market. The property was to be auctioned to the highest bidder, but buyers were scarce for a recognized historic site with restrictions on what could be torn down or added, with buildings that were badly in need of upgrading, located in a low-income district lacking hip bars and galleries. As soon as ExRotaprint contacted Liegenschaftsfonds to propose an option agreement for purchasing the property through the renters, they initiated an open bidding process, with no minimum bid. This hasty reaction was an indication that the Liegenschaftsfonds hoped to stick to the normal route of selling to an investor rather than having to enter into protracted negotiations with renters. The sole bidder was ExRotaprint, so the Liegenschaftsfonds had to



enter negotiations with us, but in the background they drew up a package of 45 Berlin properties at the behest of an Icelandic real estate fund. Notable about this package was the inclusion of many “problem” real estate holdings—the Rotaprint site was to be dealt with this way. Not until this deal finally collapsed in 2007, because the bid by the investor was too low, were negotiations taken back up with ExRotaprint. As a result of our active media campaign and the political pressure we generated, we were able to purchase the property within a minimal period of time for the price that had been set for the Icelandic real estate fund.

SS Can you tell us about the two organizations that helped your group come up with the capital payment for the property? How long will it take you to pay them back and on what sort of terms?

ERP Both the Trias and Edith Maryon Foundations approach property from a new perspective that circumvents real estate speculation. They are interested in creating alternatives to

the logic of ownership and the view of property as an endless resource, as profit from the mere appreciation in value of land or buildings, which has the effect of excluding others, thus preventing the formation of social and cultural capital. This approach makes them ideal partners for our project. These foundations work specifically with projects and groups with an ecological, social, or cultural orientation, securing buildings or land in order to generate new opportunities for the surrounding communities.

The purchase price we negotiated was not financed by a bank loan. Instead we opted for a cooperative arrangement with the foundations, who purchased the property on behalf of our non-profit in order to then sign a 99-year heritable building rights contract. ExRotaprint pays yearly interest to both foundations. The heritable building right places ExRotaprint in an ownership-equivalent position for the duration of that contract. We are responsible for all aspects of the property related to finances and development; our only limitation is that we cannot sell it. Written into the heritage building contract are our intentions to rent equal portions of the premises to work, art, and community, as well as a declaration of the socially integrative orientation of the project. If ExRotaprint were to give up or lose its non-profit status, the yearly interest payments would increase dramatically. Accordingly, ExRotaprint has long-term security and can exist independently of those stakeholders involved in its inception.

The annual interest is 5.5% of the purchase price. After 25 years, this will be reduced to 3%. But the annual interest payments ExRotaprint makes to the foundations refinances the purchase of the site and enables the foundations to collaborate on other, similarly oriented projects. A cash flow is thus created that goes beyond ExRotaprint and our own interests, as the foundations' money flow is transparent and linked to shared goals that make sense for society.

SS How do you see your project's specific economic, cultural, and social effects?

ERP ExRotaprint has had effects in all these areas. What is most positive in this context is the mixture of renters—businesses, social organizations, and artists—so that we reach very different kinds of people and groups that usually stay separated. The community outreach organizations are especially well known in the district because they offer German lessons, projects for the unemployed, and classes for school drop-outs. On the other hand, there are many businesses that directly employ people, offer jobs, or have trainees. Artists and creatives are the most flexible and independent part of the fabric; they are extremely well-connected and tend to approach the project quite easily.

All activity here, of course, functions as a kind of motor in the neighbourhood, but not only for one type of clientele or sector of society.

SS You mentioned a nearby development project that was capitalizing on its proximity to ExRotaprint by indicating its “desirable” location. It is difficult to do anything interesting without it becoming co-opted by capitalist development and gentrification. Your project can be read as an agent of that very process, despite its overt opposition to it. Is there any way of avoiding this transformation in your neighbourhood?

ERP The buzz-word in Berlin is “gentrification.” ExRotaprint can direct and determine the processes on the compound, but not in our wider surroundings. There are real estate owners in the neighbourhood trying to profit from ExRotaprint and valorize themselves by describing their location as “in the vicinity of ExRotaprint.” We try to interfere as much as we can, especially by rejecting being named a studio complex, because for these people “art” is sexy, and everything is reduced to an ambient creative energy. We are also trying to get ahold of a property nearby to prevent further privatization and profiteering of the area; instead, we want to promote social housing for local residents. But these processes are still on-going and land appreciation will probably be a problem for ExRotaprint for a long time.

SS Do you have any advice to people who are struggling to come up with alternate economic models? In retrospect, are there things you would have done differently?

ERP The most dangerous aspect for us was the fantasy of individual profit—strong enough that it could have destroyed the project right at the very beginning. Liberating the project from this idea enabled us to shape its structure, opened possibilities, and freed up money. In the end, it meant that everyone profits but in ways different from the inherited image of homeownership. I would have done it the same way again. We have installed a very stable structure for ExRotaprint that will apply to future generations. But we cannot foresee everything, and it will be up to them to adjust and to make decisions that apply to specific future conditions. These kinds of projects are shaped by the people who run them. In our case, they cannot change the structure, they cannot sell it, they cannot make individual profit from it, but within this framework, the project needs to be shaped all the time.

SS Are there any other inspiring things happening in Berlin?

ERP Yeah, there is quite a lot. For example, Stadt Neudenken (stadt-neudenken.tumblr.com) is an initiative attempting to develop a new approach to real estate politics in Berlin. Also, Haben und Brauchen (www.habenundbrauchen.de/en) is actively working to improve the production conditions for artists in Berlin. And Mietshäuser Syndikat (www.syndikat.org) is a very successful organization that has established an anti-speculative ownership model across Germany. ○

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¹ The two foundations we signed the heritable building rights contract with are the Trias Foundation (www.stiftung-trias.de) and the Edith Maryon Foundation (www.maryon.ch).