



# Stakeholder Report 2025

# Letter from the Executive Board

**Dear Stakeholders, Partners, and Long-Term Supporters,**

We are not publishing this report because we are required to, but because we firmly believe that responsibility requires transparency. Anyone who entrusts us with capital, confidence, or public resources has the right to understand how we think, how we act, and how we deal with both successes and mistakes. If we were in your position — as a municipal partner, capital provider, or long-term stakeholder — we would expect to be informed openly about what we do, why we do it, and what lessons we draw from our work.

MKE Munich Investment was not founded to become just another real estate company. It was built on the conviction that affordable housing is one of the largest unresolved structural challenges of our time — particularly in Germany. We deliberately do not develop luxury housing. Not because we are unable to, but because luxury does not solve a mass-market problem. Our focus is on housing for broad segments of the population: for families, for people working in essential professions, and for cities and municipalities that must remain functional. Our ambition is not to be spectacular, but to be reliable. For us, reliability means delivering projects that perform over the long term.

We do not view residential development as a series of creative one-off projects, but as an industrial process that must be planned, standardized, improved, and repeated. Many structures within the German housing sector have changed very little over decades, despite significant increases in costs, regulatory requirements, and societal expectations. We do not accept this development as inevitable. Our approach is intentionally straightforward. We rely on vertical integration rather than complex interface structures, on in-house planning and execution instead of dependency on general contractors, on standardized floor plans rather than highly customized solutions, and on clear accountability instead of fragmented responsibilities. We are convinced that simplicity, cost efficiency, and quality are not mutually exclusive. On the contrary, they reinforce one another when there is a willingness to consistently challenge and simplify processes.

A large share of our projects is developed in close collaboration with municipalities and within the framework of public funding programs. This creates a particular level of responsibility for us. Public subsidies are not a gift — they represent a societal mandate. Our objective is to create as much permanently usable housing as possible with every euro deployed, while limiting risk and delivering long-term impact. For this reason, we deliberately avoid planning or zoning risks, operate based on conservative assumptions, and avoid complexity where it does not create tangible value. We do not measure success by individual landmark projects, but by whether our buildings perform today — and continue to perform in ten and thirty years.

In recent years, we have made decisions that, in hindsight, proved to be suboptimal — for example in assessing certain cost developments or in determining the appropriate depth of specific planning approaches. We have analyzed these shortcomings, adjusted our processes, and implemented concrete corrective measures. We do not conceal this. Trust is not built on a claim of perfection, but on honesty and consistency in execution.

MKE is owner-led. We do not think in quarters, but in cycles. Our success does not depend on individual projects, but on whether our model is repeatable, scalable, and resilient. Our goal is to be able to say, many years from now, that we have made a measurable contribution to solving a societal challenge — while acting responsibly with capital, resources, and trust. This is not the fastest path, but it is the most sustainable one. Both of us grew up in environments where access to housing was not a given. Perhaps that is precisely why we place such strong emphasis on this today.

This report is intended to provide you with a clear view of how we think, how we operate, and where we are heading. But in the end, it is not about reports — it is about impact. For that reason, we keep this document short and turn our full attention back to what matters most: the continued creation of affordable housing.



**Nayden Kolev**  
Chairman & Co-Founder



**Teodor Enev**  
CEO & Co-Founder

# FIRM HISTORY

## First Completed Projects | 2003

In 2003 and 2004, the first residential real estate projects were successfully completed in Bulgaria. The projects comprised a total gross floor area of approximately 8,000 sqm and marked the company's entry into independent real estate development.



## Completion of Osram Building | 2015

In 2015, another significant milestone was achieved with the completion of production and industrial facilities in Bulgaria, including one of the largest Osram industrial buildings in the country, alongside additional residential properties.



## Establishing a Presence in the German Market | 2018

By 2018, Nayden Kolev and Teodor Enev had successfully completed several construction projects in Baden-Württemberg, Germany, totaling over 50,000 sqm of gross floor area.



2001

## The Beginning | 2001

Following hands-on experience at a U.S.-based real estate development company, Nayden Kolev returned to Bulgaria and — supported by U.S. capital — established his own real estate development business.

2003

## Scaling Project Development Nationally | 2010

Successful completion of large-scale real estate projects in Bulgaria, totaling approximately 175,000 sqm of gross floor area, and expansion of the company's development activities to a national level.

2010



2015

2016

## Expansion into Germany | 2016

The year 2016 marked a pivotal turning point in the company's history. During this year, the company expanded into Germany. Concurrently, Nayden Kolev and Teodor Enev established their first German entities and began operating as a general contractor for external clients.

2018



# FIRM HISTORY

## Strategic Turning Point | 2021

The year 2021 marked a strategic turning point in the company's development. Construction services for third-party clients were discontinued, and the focus shifted entirely to independent project development. In the same year, the company acquired its first residential development plots in Calw and Achern, initiating its own residential project development activities.

2020

## Significant Expansion of the Construction Division | 2020

In the following years, the company's construction activities in Germany expanded significantly. By 2019, the company employed over 150 construction workers, and by that time, more than 150,000 sqm of gross floor area had been completed across Germany.



2021

## Expansion of the Company's Project Pipeline | 2022

In 2022, the company's development activities were pursued consistently. Through the acquisition of additional residential development plots in Munich, Bückeberg, Breisach, and Ladenburg, a broadly diversified project pipeline was established.

2022



## Completion of Projects in Calw & Achern | 2024

In 2024, the residential project in Calw, comprising 30 units, was successfully completed and sold to an institutional investor.

Another significant milestone was achieved with the completion of the residential project in Achern, consisting of 43 units, which was subsequently handed over to an institutional buyer.



2024

2024

## Investment Management Department | 2024

In 2024, Marin Kolev took leadership of the Investment Management Department.

# FIRM HISTORY

### First Institutional Mandate | 2025

In 2025, the company reached a significant milestone with the acquisition of its first institutional mandate. In this role, we act as the project developer for a German asset manager and a DAX-listed corporation. The mandate involves the development of 120 affordable residential units in Munich, with a net cold rent of 50% below the market level.



2025

### Completion of Munich Freiham Project | 2025

With the completion of the Munich Freiham project in 2025, the company made another significant contribution to the creation of affordable housing in high-demand markets. The project comprises 93 socially subsidized residential units and three commercial units, totaling approximately 16,000 sqm of gross floor area, and was handed over to an institutional investor.

The average net cold rent for the residential units is approximately 50% below the market rate at this location.



2025

### Completion of Project in Ladenburg | 2026

In April 2026, we successfully completed a further project in Ladenburg. The result is a complex comprising two buildings with 42 affordable residential units and 1 commercial unit.



2026

### Second Institutional Mandate | 2026

In 2026, we secured a second institutional mandate for a large one-off deal. The project involves the development of approximately 175 residential units and 100 care facility beds in the city center of Düsseldorf.

2026

# What MKE Is – and What It Consciously Is Not

For us, a clear positioning is not a marketing tool, but a matter of entrepreneurial discipline. We are aware that in the real estate market there are faster, more comfortable, or higher-margin paths — yet we have consciously chosen not to follow them.

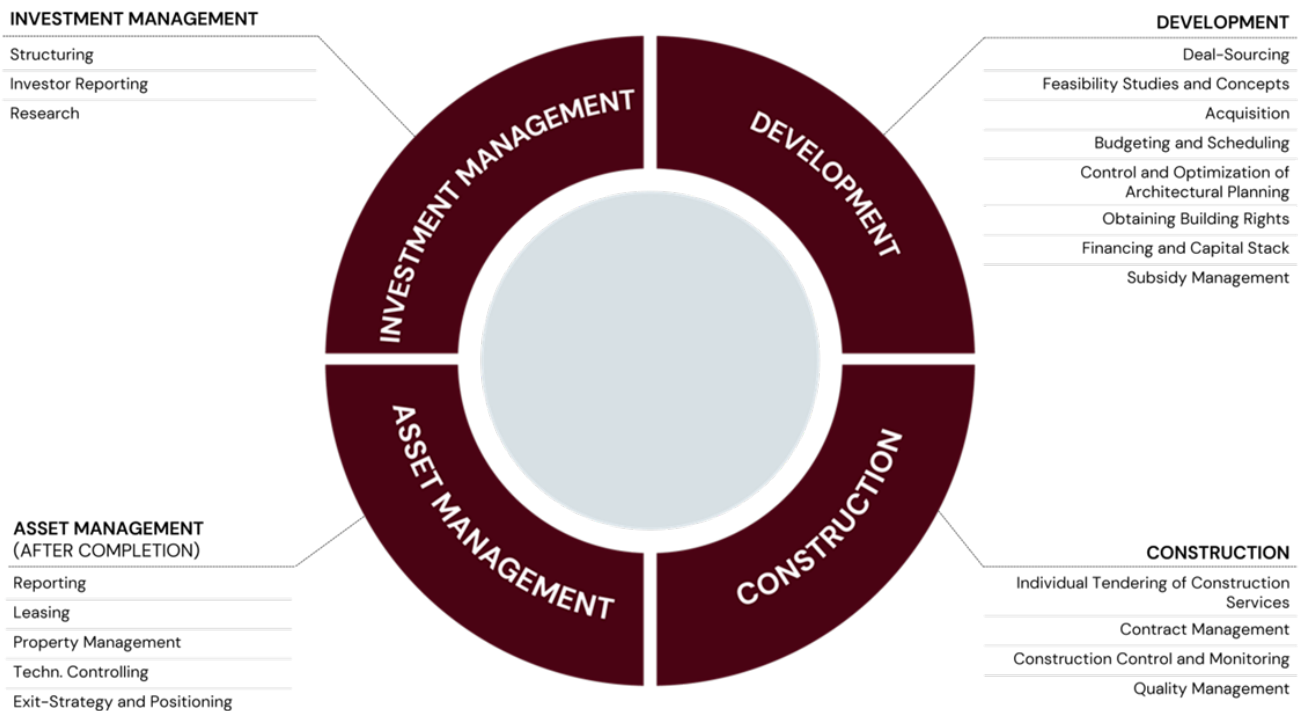
**MKE is not a luxury developer.** We do not create housing for a small, affluent segment, because luxury does not solve structural problems. Affordable housing cannot be delivered on the side — it requires clear focus, cost awareness, and a willingness to forego maximum margins in favor of scalability and stability.

**MKE is not a trading house.** We do not acquire plots or projects to capitalize on short-term market movements. Our business model is not based on timing, but on execution. Value is created through planning, construction, and operation — not by selling at the right moment.

**MKE does not work with general contractors.** We do not outsource responsibility to external GCs. Instead, we manage planning, tendering, and construction in-house. While this increases operational effort, it reduces risks, cost leakage, and dependencies — and ensures transparency for every major cost position.

**MKE is not a marketing-driven developer.** Our projects are not designed for glossy brochures or architectural competitions, but for the daily lives of the people who live in them. Architecture, materials, and layouts are guided by functional and economic criteria. Design is not an end in itself, but part of a robust overall system.

What MKE is becomes clear through these distinctions: we see ourselves as an industrially minded developer of subsidized housing, producing residential units efficiently, repeatably, and sustainably. Our goal is not attention, but impact.



# PRIDE

## Completed 2025/2026 Projects



Location:	Aubinger Allee 120 & 122, Munich
Strategy   Role MKE:	Build to Exit   Investor & Developer
Size:	<ul style="list-style-type: none"> <li>6,979 sqm Residential Lettable Area (Affordable) at a Rent of €12.48/sqm</li> <li>802 sqm Commercial Space</li> <li>93 Underground Parking Spaces</li> </ul>
Units:	93 Residential   3 Commercial
Buyer:	Wertgrund Immobilien
Completion:	2025

Location:	Neugraben 3, 68526 Ladenburg
Strategy   Role MKE:	Build to Hold   Investor & Developer
Size:	<ul style="list-style-type: none"> <li>3,070 sqm Residential Lettable Area (Affordable) at a Rent of €10.35/sqm</li> <li>122 sqm Commercial Space</li> <li>56 Underground Parking Spaces</li> </ul>
Units:	42 Residential   1 Commercial
Buyer:	HOLD
Completion:	2026



Location:	Boehringer Str. 3 & 3/1, 77855 Achern
Strategy   Role MKE:	Build to Exit   Investor & Developer
Size:	<ul style="list-style-type: none"> <li>3,572 sqm Residential Lettable Area (Affordable) at a Rent of €12.50/sqm</li> <li>65 Underground Parking Spaces</li> </ul>
Units:	43 Residential
Buyer:	Hannover Leasing
Completion:	2024

# OUR PROJECTS ARE: REPEATABLE

## Industrial Efficiency as a Competitive Advantage

### Why Precast Concrete?

**Accelerated Construction:** Serial prefabrication and rapid assembly shorten project timelines and reduce scheduling risks.

**Predictable Quality:** Industrial production ensures consistent execution quality and minimizes technical deviations.

**High-Cost Certainty:** Standardized components and clear interfaces lower construction cost risks and improve budget and cash flow predictability.



## RESIDENTIAL-TOOLKIT

1-ROOM



2-ROOM



3-ROOM



4-ROOM



5-ROOM



PREFABRICATED BATHROOM



# OUR PROJECTS ARE: SOCIAL & SUSTAINABLE



## VERSATILITY OF USE

### OUTDOOR AREAS

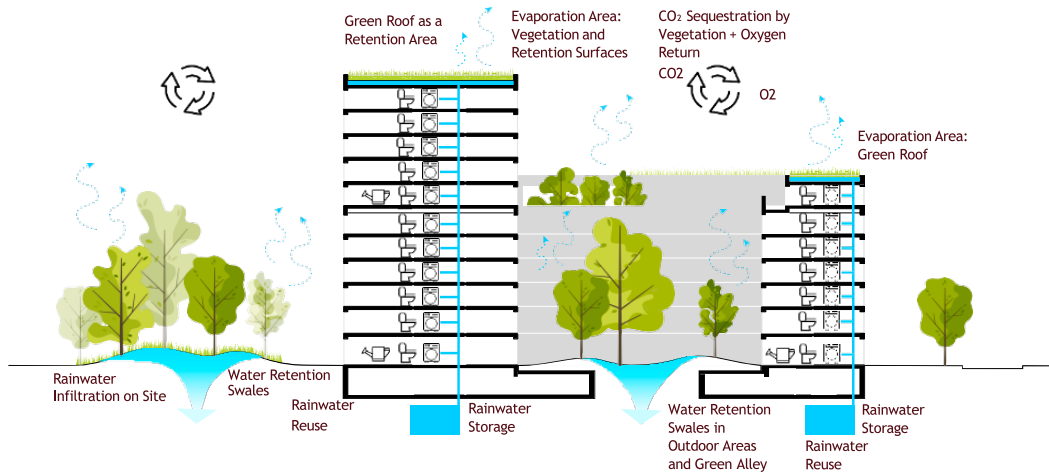
- Green Roof
- Rooftop Garden
- Residents' Courtyard
- Green Alley
- Tenant Gardens
- Residents' Meeting Point

### COMPLEMENTARY USES

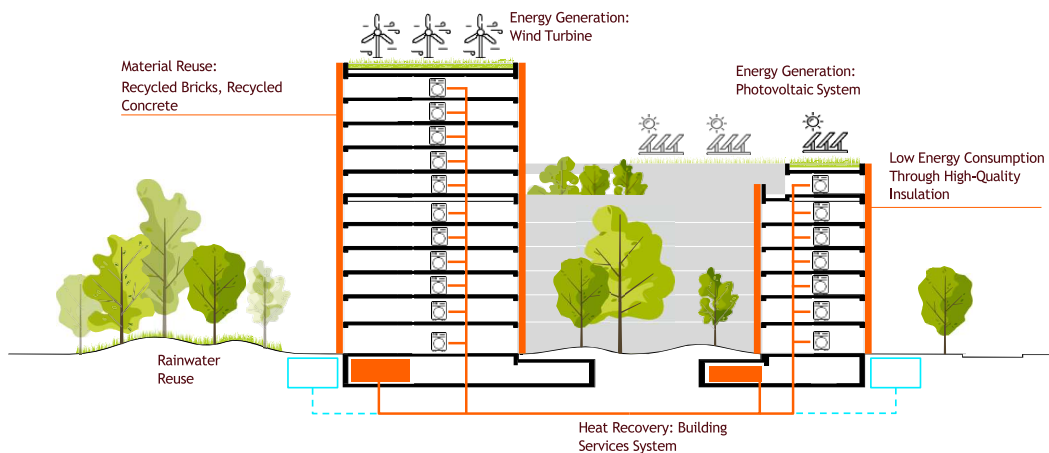
1. Common Room
2. Parcel Room
3. Bicycle Storage
4. Bicycle Workshop
5. Neighborhood Café
6. Multipurpose Room
7. Residents' Barbecue Area



## CLIMATE RESILIENCE



## ENERGY CONCEPT

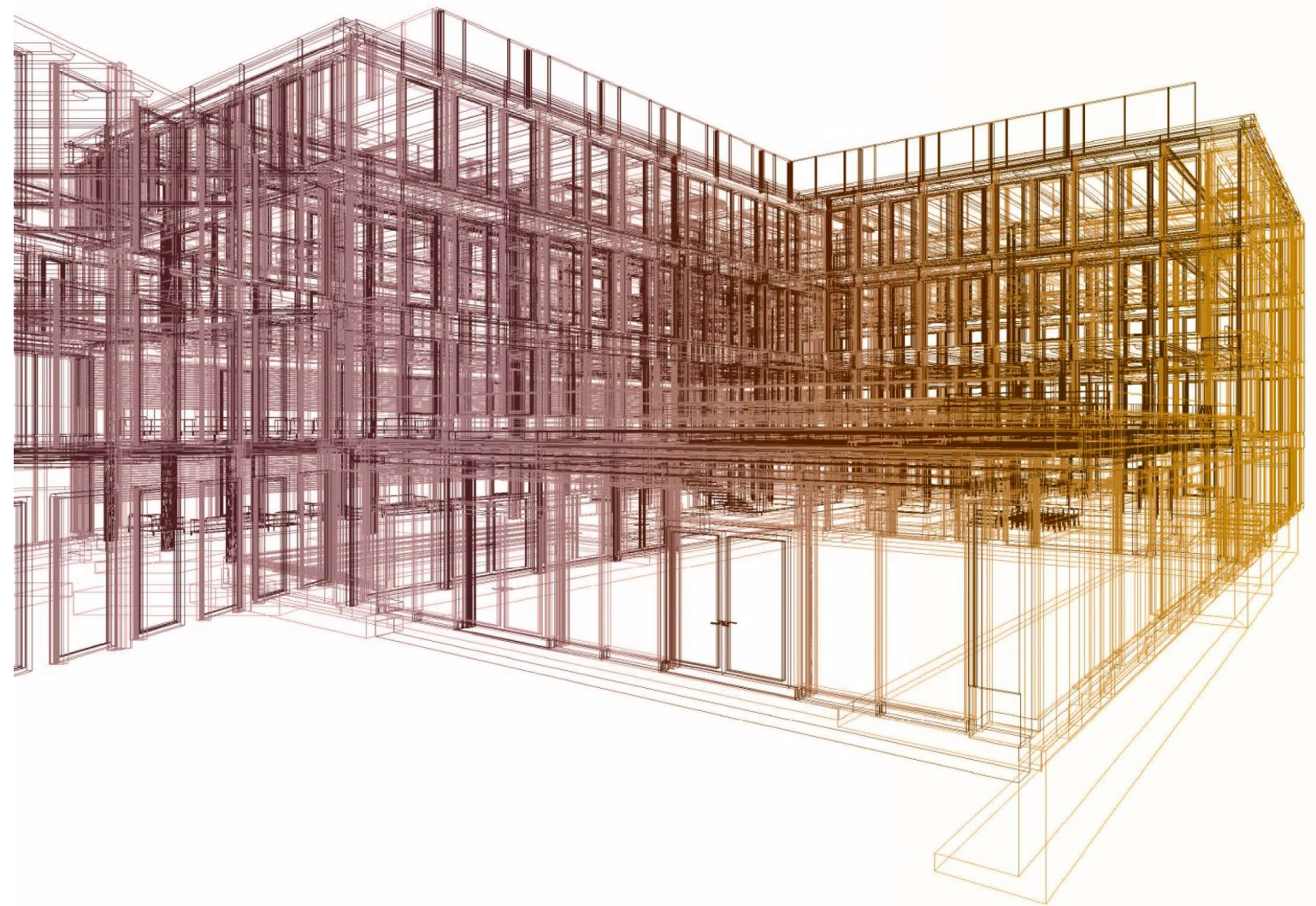


# OUR PROJECTS ARE:

ABOVE ALL, AFFORDABLE & COMFORTABLE



# Mistakes & Learning Processes



Entrepreneurial decision-making inherently involves uncertainty. Mistakes are unavoidable. What matters is not whether mistakes occur, but how early they are identified, how openly they are analyzed, and how consistently they are corrected. For this reason, we also disclose situations that did not proceed as planned.

## **Operational Misjudgments**

In certain projects, we underestimated cost developments, particularly during periods of sharply rising construction prices and volatile subcontractor markets. This led to cost deviations exceeding the originally calculated ranges. The causes were less related to construction execution itself, and more to insufficiently conservative assumptions regarding price trends and interface risks.

## **As a consequence, we have adapted our calculation methodology:**

- Increased cost reserves in early project phases.
- Mandatory sensitivity analyses for construction costs.
- Introduction of cross-project cost and risk reporting to transparently identify deviations from budget and sensitivity assumptions at an early stage.
- Clearer distinction between base and contingent costs.
- Greater standardization of assumptions and benchmarks.

# People & Culture

## Build with MKE



MKE Munich Investment seeks outstanding individuals who are willing to take on challenging projects that make a long-term contribution to solving one of the central societal problems of our time: affordable housing.

At MKE, we develop and execute projects and structures with the potential to change the way housing is delivered in high-demand markets — economically viable, scalable, and sustainably impactful. We are convinced that high personal commitment combined with thoughtful, pragmatic solutions leads to above-average results. For this reason, we place the highest value on working with top-performing talent and fostering a corporate culture that is consistently based on performance, responsibility, and meritocracy.

## OUR VALUE SYSTEM

### THOUGHT LEADERS

We do not accept solutions simply because “they have always been done that way.” We rethink problems from the ground up, question existing structures, and reduce complexity to what is essential. For us, progress does not come from imitation, but from independent thinking, simple systems, and robust processes.

### INTEGRITY OVER CONVENIENCE

We do the right thing — even when it is more difficult, slower, or less convenient. For us, integrity means taking responsibility, keeping commitments, and prioritizing long-term substance over short-term gains. Quality, fairness, and honesty are non-negotiable — toward partners, investors, and within the team.

### LEADERSHIP

At MKE, leadership is not derived from titles, but from mindset. Leadership means taking responsibility, making decisions, and guiding others along the way. We support each other, provide clear feedback, and stand together behind results — whether positive or challenging. Good leadership creates direction, trust, and motivation.

### ATHLETE PERFORMANCE MENTALITY

We work with the mindset of professional athletes. Healthy ambition, high personal responsibility, and consistent execution shape our daily work. We identify opportunities, develop solutions, and implement them. Endurance, focus, and reliability are standard for us. Ideas only have value when they are realized.

# Long-Term Perspective

Our perspective is long-term, but not limitless. We believe in scaling — but only where it remains operationally manageable.

At MKE, scaling occurs through repetition, not through expansion at any cost. We grow where our typologies, subsidy expertise, and internal structures generate impact. Speed is secondary to stability.

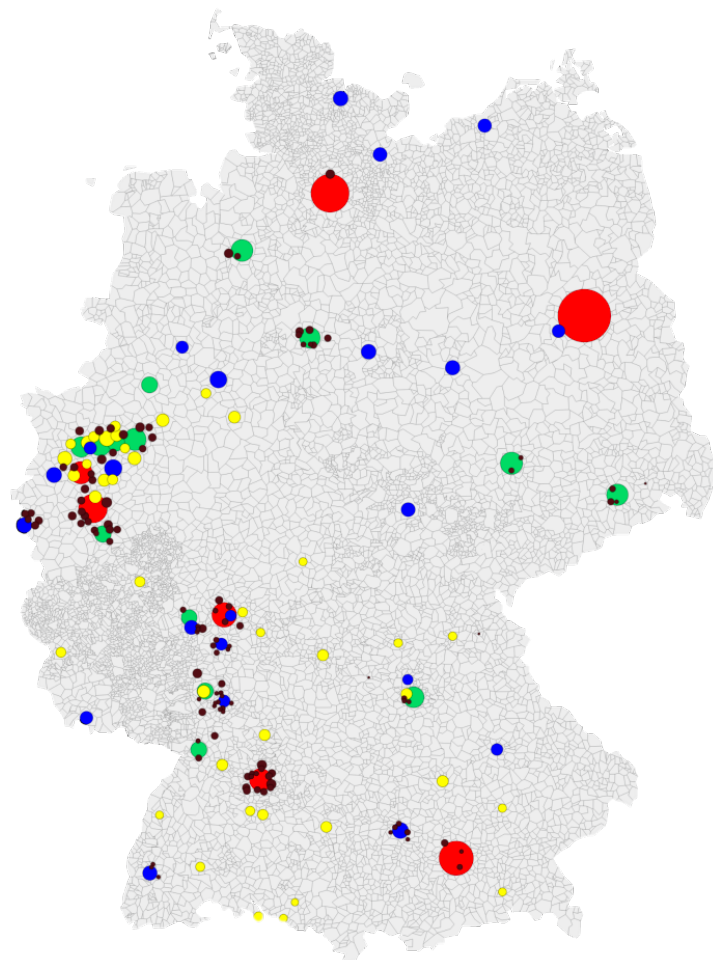
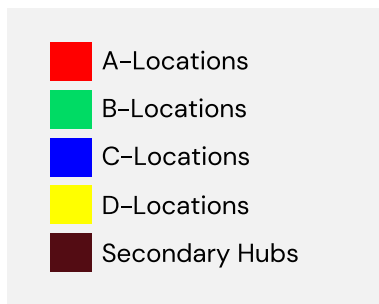
Accepting limits is part of our realism. Not every location, subsidy program, or project fits our model. We reject undertakings when risks are unmanageable or complexity outweighs the benefit. This discipline limits short-term opportunities but protects the organization and capital in the long term.

Realism guides our planning. We calculate conservatively, account for delays, and do not assume ideal market conditions. Projects must remain viable even if assumptions do not fully materialize. This reduces surprises and increases reliability.

Patience is the consequence of all the above. Affordable housing is not created quickly, and sustainable structures cannot be forced. We are willing to invest time, improve processes, and build impact over years — rather than maximize short-term effects.

Our ambition is not to be the largest developer, but the most reliable. When we achieve this, growth becomes a natural byproduct.

## OUR INVESTMENT MARKETS



# Closing Remarks

Affordable housing is neither a short-term market phenomenon nor a peripheral political issue. It is a structural prerequisite for functional cities, economic stability, and social cohesion. Those who take responsibility in this area must be prepared to think long-term and act consistently.

MKE Munich Investment was founded to contribute to solving this problem — not through spectacular individual projects, but through a robust, repeatable model. We believe that progress in housing is driven less by new buzzwords and more by discipline, simplicity, and a willingness to learn from experience.

We understand that trust cannot be demanded. It is built over time — through reliability, clarity, and consistent action. These are the standards by which we hold ourselves accountable.

We thank all partners, institutions, and employees who share this journey with us. Affordable housing is only created through the collaboration of many actors. Our commitment is to be a reliable and responsible partner — today and in the future.

In the end, it is not about reports, but about impact. We now conclude this report and return to our core task: the consistent delivery of affordable housing.

Yours sincerely,



**Nayden Kolev**  
Chairman & Co-Founder

**Teodor Enev**  
CEO & Co-Founder



**MKE** | Munich  
Investment

MKE Munich Investment GmbH | We create value

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