

Letter to the Municipality of Sipoo – Request to remove or change point 4.8 of the Purchase Agreement

Summary:

- DHL Supply Chain (Finland) Oy is looking to change the purchase agreement for the plot in Bastukärr. More precisely, it is looking to remove or change point 4.8 called “Vallintarajoitus”, which prohibits DHL from selling the plot without the approval of the Municipality before construction is complete
- The reason for this request is that DHL will sell the property at some stage
 - Background:
 - DHL is a developer and an operator, but not a real estate owner
 - DHL doesn't want to hold large real estate assets on their balance sheet
 - This is their global strategy and common practice elsewhere as well
 - Furthermore, it is deemed more efficient for DHL to focus on their core operations, i.e. logistics and warehouse operations, instead of real estate management.
- DHL's plan is to sell the property once construction is complete, end of 2023 or after. But in today's markets it's common to sell properties before construction is complete and that could be the case here if a suitable buyer is found
- Point 4.8 in the purchase agreement limits DHL's ability to sell the property before completion and puts unnecessary constraints on a sales process
 - Mainly, because the Municipality has not provided information on which grounds they would prohibit the sale. Hence, there is no transaction security in the process and many potential buyers could be put off by the extra risk caused by the bureaucracy
- Effectively, this clause could limit DHL's potential to sell the property to the best buyer or even halt a sale altogether
- Hence, DHL is looking to remove clause 4.8 or at least amend it so that the conditions for a sale without the Municipality's approval are clear and reasonable