

Breakout Session Development

Analyst & Investor Day
Bochum
July 1, 2025



1. Housing market analysis

- a. Massive supply/demand gap
- b. Population growth vs. housing completions: dramatic deficit
- c. Our pipeline is in the right locations

2. Current challenges

- a. Construction costs
- b. Regulation
- c. Administrative processes

3. Solutions

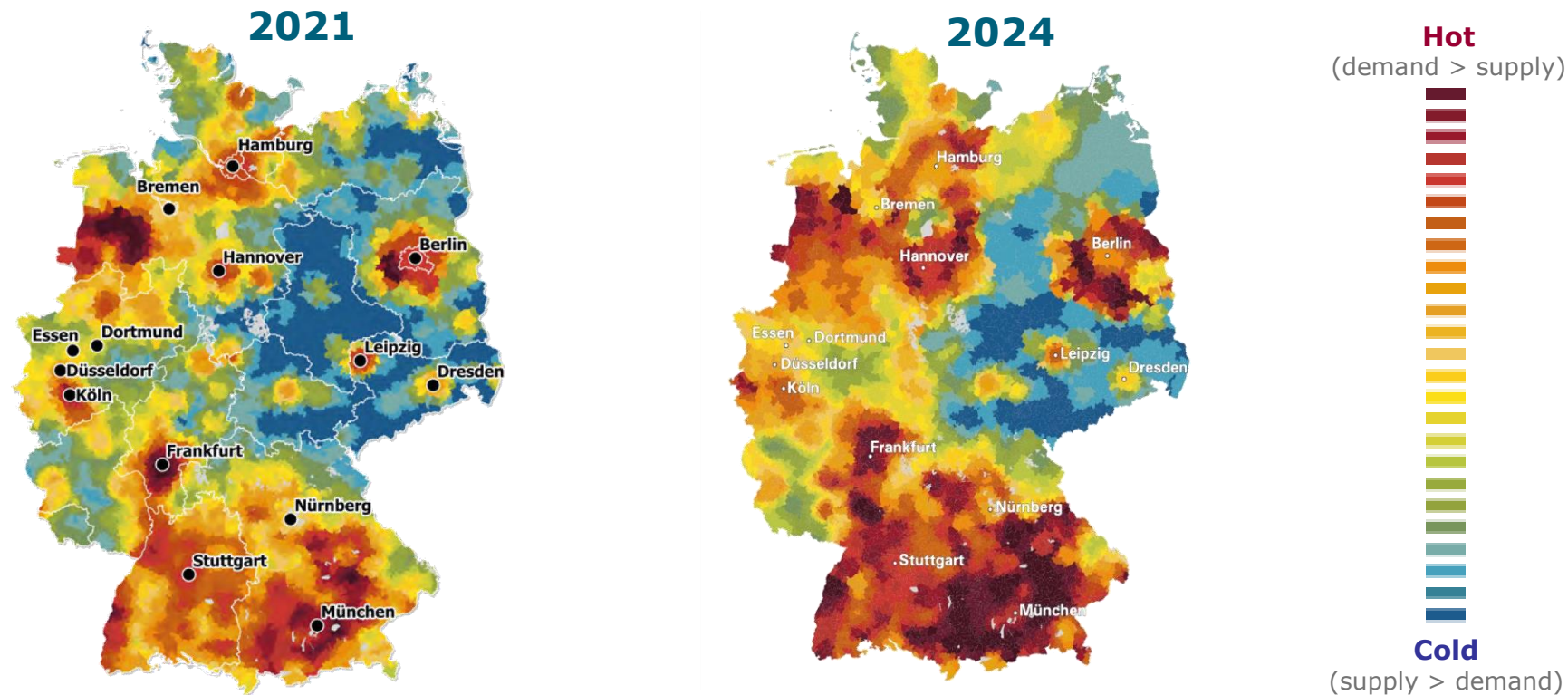
- a. Design to build (*Basishaus* Concept)
- b. "Gebäudetyp E" (Building Type E, as is "einfach", *simple*)
- c. "Typengenehmigung" (Standardized building permits)
- d. Serial construction
- e. Strategic options in challenging housing markets

4. Project Examples

5. Deep Dive GROPYUS - Conclusion: cost-saving potential

1. Housing Market Analysis

Massive Supply/Demand Gap



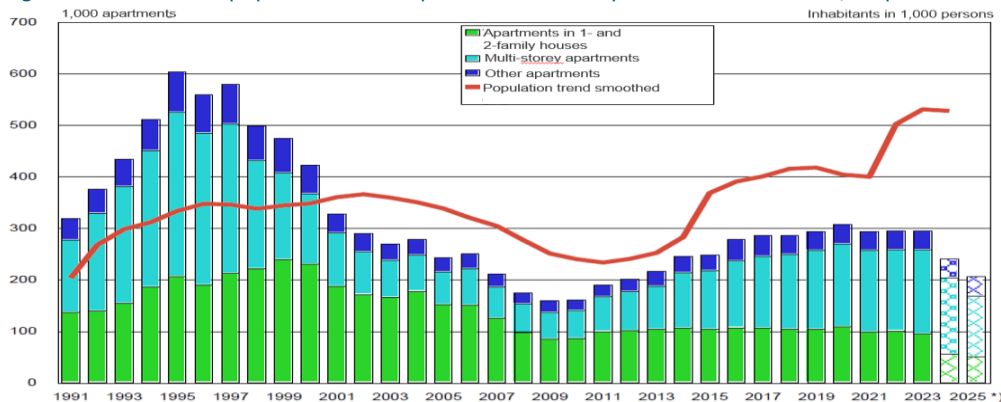
Source: BPD/bulwiengesa Wohnwetterkarte

1. Housing Market Analysis

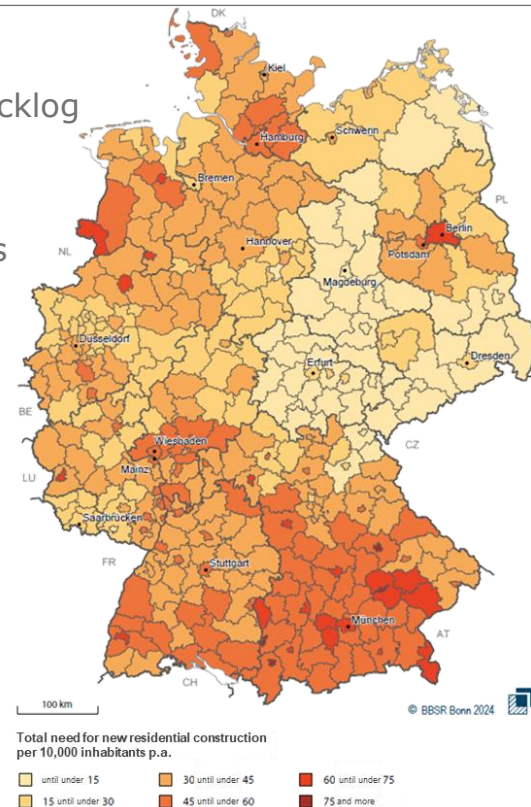
Population Growth vs. Housing Completions: Dramatic Deficit

- Approx. **320,000 new housing units** needed **annually** until 2030
- Main drivers: more (& smaller) households, replacement of old buildings, backlog
- 70% of new demand in multi-family housing – ideal for serial/modular construction
- Serial construction can reduce costs, save time and address urban shortages
- Especially high demand in metropolitan areas and surroundings

Housing construction and population development in Germany from 1991 to 2023 / Expectations until 2025

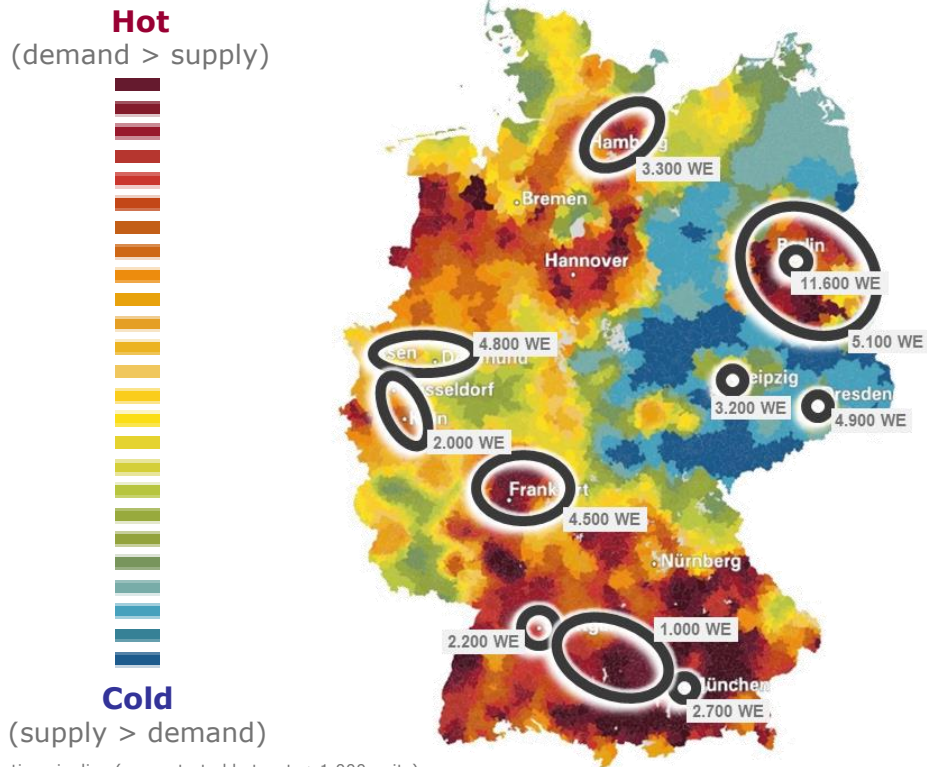


Sources: BBSR; Arbeitsgemeinschaft für Zeitgemäßes Bauen e.V.



1. Housing Market Analysis

Our Pipeline Is In the Right Locations



	Units ('000)
Concentrated hotspots	45
Additional potential	10
Rooftop conversion	10
Earmarked for sale	4
Total Pipeline	~70

Vonovia construction pipeline (concentrated hotspots >1,000 units)

2. Current Challenges

Construction Costs, Regulation, and Processes

a. **Construction Costs:**

- Residential building cost index (Destatis):
 - +40% increase (2020–2024) due to higher technical standards
 - Additional drivers: material costs, energy prices, labor shortage
 - Many projects no longer profitable despite high demand

b. **Regulation:**

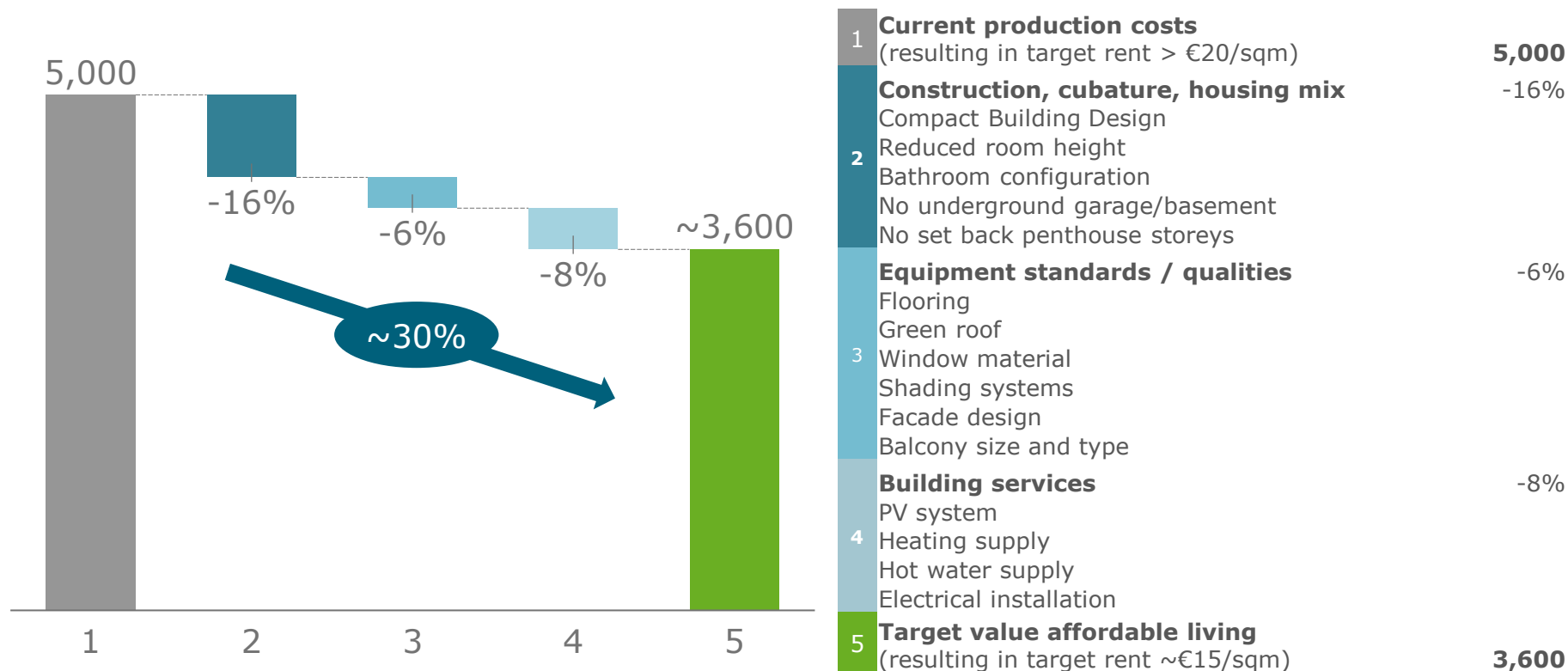
- Complex regulations (building codes, energy laws, accessibility, etc.)
- Approval times often exceed 12 months
- Zoning processes take *at least* 4 years

c. **Administrative Processes:**

- Conflicts between housing needs and climate goals
- Lengthy zoning procedures

3. Solutions – Our Ambition

Reduce Construction Costs to Address Mass Market



3. Solutions

a. Design to Budget (*Basishaus*-Concept)

- Simplification of product
- Repeatable, scalable building structure
- Standardization of planning
- Reduced building technology focus
- Priority on mobility concepts instead of parking spaces
- Substantial savings by avoiding underground parking and other basement constructions

➤ ***Proprietary, in-house calculation tool to develop affordable housing at low cost***

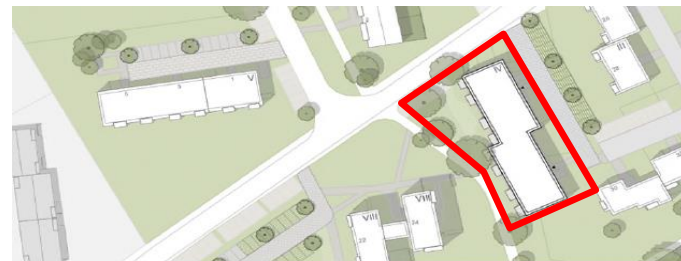


3. Solutions

b. "Gebäudetyp E" (Building Type E, as is "einfach", simple)

- Enables cost-efficient construction with functional design
- Focus on simplicity, reduced requirements
- Reduction of comfort standards
- Deviation from generally accepted technical standards (currently increased DIN standards lead to "over-engineering")
- NO deviation from safety-relevant "Fire-Life-Security" standards

> ***Planned implementation of Building Type E in Bochum***



3. Solutions

c. "Typengenehmigung" (*Standardized Building Permit*)

- Unified building templates to shorten approval times
- Acceptance across the different Federal States

➤ *Obtaining a "Typengenehmigung" for the project Blasewitzer Straße, Dresden*



Project type	New building
Number of buildings:	1
Number of floors:	6 + 1 staggerd
Units (total):	41
GFA:	5,610 m ²
Usable Area:	3,510 m ²
Start of Construction:	Q4 2025
Completion:	Q2 2026

3. Solutions

d. Serial Construction (Conventional & Timber)

- High quality and cost certainty
- Mix of solid and timber construction possible
- Design to budget
- Regardless of the shortage of skilled workers
- Prefabrication significantly shortens construction time



3. Vonovia's Competitive Advantage

Strategic Options

Between flexibility and a long-term perspective.

The appropriate utilization for project developments and most attractive exit strategy is key. Our project developments are flexible and can take the best exit route on a case-by-case basis:

- **condominiums** for owner-occupiers or retail investors
- **global exit** to institutional investors
- **developments to hold** for our own rental portfolio

> **We are always able to adjust our exit strategy to deliver the best economic outcome.**

4. Project Examples

Grünau: 52° Nord, Berlin



- **completion by 2026**
- **around 1,000 residential units, 4 commercial units**
- **sponge town, daycare center, public riverside promenade, 6,000 sqm water basin, timber buildings**

4. Project Examples

Spandau: SPEICHERBALLETT, Berlin



- **completion by 2025**
- **around 600 rental and owner-occupied apartments in several construction phases**
- **sustainable quarter, daycare center, photovoltaics, rainwater harvesting, facilities for senior citizens**

4. Project Examples

Seidnitzer Straße, Dresden

VONOVIA



4. Project Examples

Hildegardstr., Berlin

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4. Project Examples

Schlichtallee, Berlin

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