Press Release

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# Vonovia and the Free State of Bavaria plan a billion-euro investment in new construction, modernization, and neighborhood development

- **To kick things off, Minister-President Dr. Markus Söder breaks ground in Munich: 62 new apartments will be created through infill development.**
- **Christian Bernreiter, Bavarian Minister of State for Housing, Construction, and Transportation, and Vonovia CEO Luka Mucic sign a letter of intent to increase housing construction in Bavaria.**
- **Reliable framework conditions, faster approvals, and a collaborative dialogue form the basis of the partnership.**

*Munich, November 26, 2026* – The Free State of Bavaria and Vonovia intend to further expand their collaboration to create more housing and ensure the sustainable development of residential neighborhoods. Christian Bernreiter, Bavarian Minister of State for Housing, Construction, and Transportation, and Vonovia CEO Luka Mucic signed a letter of intent to this effect at a construction project on Lützelsteinerstraße in Munich. Minister President Dr. Markus Söder broke ground at the site. The agreement provides for investments in the billions in Bavaria. From now until 2031, these investments will be directed toward new apartments, measures to improve the existing housing stock—such as energy-efficiency upgrades—and the further development of neighborhoods in Bavaria.

Dr. Markus Söder, Minister President of the Free State of Bavaria: "More homes for Bavaria! Housing is the key social challenge of today. Future means people moving here – which is why we, as the Free State, are driving forward housing construction. We need

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to build more homes, faster and with lower costs. Vonovia is sending a very strong signal here. Many thanks to the entire Vonovia family for their investments in the Free State and for ensuring construction proceeds smoothly at all times! Affordable housing is a priority for Bavaria: through the 'Bauturbo' program, we are investing 3.6 billion euros in housing support in this two-year budget alone. At federal level, we are pushing for tax relief, declining-balance depreciation and further special depreciation allowances. There will be no increase in land transfer tax here in Bavaria. These efforts are bearing fruit: almost one in four new homes in Germany is being built in Bavaria. There are a total of 6.8 million homes in the housing stock, and 54,000 homes were approved in 2025 alone."

Christian Bernreiter, Bavarian Minister of State for Housing, Construction, and Transportation: "In Berlin, there's talk of socializing housing stock—in Bavaria, by contrast, we're creating the conditions for more housing construction! We are a reliable partner for investments. The agreement signed today between Vonovia and the Free State is an important signal for housing construction in Bavaria! The 62 planned apartments here in Freimann are a concrete example of what this collaboration can achieve."

Luka Mucic, CEO of Vonovia: "Anyone who invests in new construction and modernization over many years needs political reliability. Bavaria gives us this perspective and is committed to pragmatic cooperation between the state, municipalities, and businesses. It is crucial that shared goals translate into concrete projects. On this basis, we plan to consistently invest in apartments and neighborhoods in Bavaria through 2031."

Henning Schulze, Head of Vonovia's Southern Region: "The 62 new apartments on Lützelsteinerstraße demonstrate how we can create additional living space in a land-efficient manner through infill development—in areas where the infrastructure is already in place. For new construction, we rely on standardized and modular solutions to build faster and more cost-effectively."

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## Groundbreaking on Lützelsteinerstraße

Additional living space is being created through infill development on Lützelsteinerstraße in Munich's Schwabing-Freimann district. At the same time, the existing buildings from the 1960s are to be retrofitted to improve energy efficiency. Minister President Dr. Markus Söder broke ground for the project. Munich's Second Mayor, Mona Fuchs, also delivered a message of greeting on behalf of the state capital. The letter of intent was signed by Christian Bernreiter, Bavarian Minister of State for Housing, Construction, and Transportation, and Vonovia CEO Luka Mucic. The symbolic launch of the project underscores the connection between the political agreement and concrete investments on the ground.

With this letter of intent, Vonovia is deliberately pursuing a cooperative approach with the public sector. The parties intend to examine which projects in Bavaria could benefit from standardized planning and approval processes, serial or standardized construction methods, pragmatic parking and mobility concepts, or planning approaches based on the "Gebäudetyp-E" standard, as well as adequate financing options, to facilitate faster and more cost-effective implementation of housing projects.

## Long-Term Commitment to the Free State

Given the high demand for housing in many Bavarian cities and regions, the letter of intent provides a foundation for tapping into existing potential and actually building new housing units in the coming years.

*Image caption 1: Christian Bernreiter (Bavarian Minister of State for Housing, Construction and Transportation, center) and Luka Mucic (CEO of Vonovia, second from left) signed a letter of intent in Munich to increase housing construction and further develop residential neighborhoods in Bavaria in the presence of Bavaria's Minister-President Dr. Markus Söder (second from right), Henning Schulze (Head of Vonovia's Southern Region, left) and Mona Fuchs (Second Mayor of Munich, right).*

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*Image caption 2: Bavaria's Minister-President Dr. Markus Söder (center) broke ground on Lützelsteinerstraße in Munich. Also in attendance at the project kick-off were (from left): Henning Schulze (Head of Vonovia's Southern Region), Christian Bernreiter (Bavarian Minister of State for Housing, Construction, and Transportation), Mona Fuchs (Second Mayor of Munich), and Luka Mucic (CEO of Vonovia). The infill development will create 62 new apartments there. At the same time, the existing buildings from the 1960s will undergo energy-efficiency upgrades.*

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## About Vonovia

Vonovia SE is Europe's leading residential real estate company. With more than 527,000 residential units in Germany, Sweden and Austria, the focus is on letting and developing modern and energy-efficient housing. At an average in-place rent of €8.57/sqm/month (€8.41 in Germany), the company operates in the affordable housing segment. In the first nine months of 2026, Vonovia invested around €950 million in the modernization of its housing portfolio and the construction of new apartments.

Vonovia aims to offer attractive risk-adjusted returns to shareholders, a home with a high quality of living and excellent service to its tenants, and a modern, challenging, and rewarding work environment to its employees.

The Bochum-based company has been listed on the stock exchange since 2013. Since September 2015 Vonovia has been a constituent in the DAX40. Vonovia SE is also a constituent of additional national and international indices, including DAX 50 ESG, DivDax Dow Jones Best-in-Class Europe Index, STOXX Global ESG Leaders, EURO STOXX ESG Leaders 50, FTSE EPRA/NAREIT Developed Europe, and GPR 250 World. Vonovia has a workforce of approximately 13,100 employees.

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