

Press Release

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Vonovia Publishes Business Philosophy

- We build affordable homes.
- We design apartments to be senior friendly.
- We modernize for climate protection.
- We promote community.

Bochum, Germany, May 16, 2019. The discussion about affordable homes and the role of large residential real estate companies has prompted Vonovia to reformulate its own business philosophy. This Code clarifies the basic conditions that Vonovia's tenants can rely on. At the same time, this business philosophy describes Vonovia's answers to pressing sociopolitical questions.

"There are no simple answers. But we want to be part of the solution," says Rolf Buch, CEO of Vonovia SE. "Our activities are never focused exclusively on financial aspects, but also take social factors into account. With our business philosophy, we now have a description of how we understand this perspective."

Vonovia offers affordable homes to around one million people in Germany. More than half of its tenants have small to medium incomes; they are craftsmen, skilled workers, employees, civil servants and self-employed individuals. The average rent is € 6.56 per square meter. This means Vonovia plays a central role in society. "This is where our business philosophy comes into play – as a binding guideline for our actions, which is also how we like to be measured," says Rolf Buch.

We Build Affordable Homes

"We must build new apartments and refurbish existing ones – making them affordable, climate friendly and senior friendly," says Rolf Buch. "Our neighborhoods, which we want to develop further from an economic, ecological and social point of view into attractive neighborhoods with real quality of life, also need attention."

Vonovia completed around 1,100 new apartments in fiscal year 2018. It has already built 200 new apartments just in the first quarter of 2019, and in the long term the number could reach 36,000. Its business philosophy: "We do not speculate with land for construction or with building permits but build new homes as quickly as possible after obtaining a building permit. Wherever possible, we take advantage of public subsidy programs to build affordable housing. Our experience in social housing construction and our knowledge of cost-effective construction are valuable for this."

We Design Apartments to be Senior Friendly

Demographic change presents the housing industry with major challenges. Vonovia is responding to this challenge by committing to "renovating at least every third existing apartment that is newly rented to make it senior friendly." This does not always mean carrying out a completely barrier-free conversion, however. Sometimes older tenants can be helped by replacing the bathtub with a walk-in shower.

"Our aim is to ensure that senior citizens grow old with dignity in the neighborhoods they have made their home," says Rolf Buch. "This includes older tenants not having to worry about their livelihoods because of rising rents."

We Modernize for Climate Protection

Climate protection is also firmly anchored in Vonovia's business philosophy: "We can achieve the goals (set by the German government) by refurbishing our buildings with a focus on energy consumption – for example, by installing thermal insulation and highly efficient heating systems. But that costs money. We know that many people have their limits when it comes to being willing, but also able, to pay more in rent. That's why we refurbish and modernize with a sense of proportion." In 2018, Vonovia achieved a renovation rate of 5 percent.

With its business philosophy, Vonovia is committing to limiting the rent adjustment after modernization to a maximum of two euros per square meter. "That can still be too much for some tenants. Even for those who cannot afford this increase, we will find a solution together. We want our tenants to stay with us."

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That's why we don't terminate lease agreements because of own needs," says Rolf Buch.

We Promote Community

Another challenging task is social integration. Its success takes root in well-functioning neighborhoods. People need neighborhoods with good infrastructure, with doctors, local amenities, day-care centers and schools. They also need meeting places and cultural activities. This is why Vonovia will continue to focus on neighborhood development in the future.

"Anyone looking for an apartment decides based on location, size and rent," says Rolf Buch. "But whoever stays in an apartment also chooses the surroundings and the neighborhood." Vonovia is committed to promoting a sense of community in its neighborhoods. Its business philosophy: "Community is exactly what ensures a safe and attractive living environment."

Vonovia's business philosophy is available online at www.vonovia.de.

About Vonovia

Vonovia provides homes to around one million people in Germany. The average rent is around € 6.50 per square meter. The residential real estate company plays a central role in society, which is why Vonovia's activities are never focused exclusively on financial aspects, but also take social factors into account. Vonovia is helping to provide answers to the current challenges on the housing market. The company is committed to more climate protection, more senior-friendly apartments and a positive community spirit in its neighborhoods. In cooperation with social institutions and the municipal districts, Vonovia supports social and cultural projects that enrich community life. Vonovia is also helping to address a social issue that is particularly important at the moment: the construction of new apartments.

Our activities focus on our customers and their needs. On site, caretakers and our own craftsmen take care of our tenants' concerns. Being close to our customers ensures fast and reliable service. In addition, Vonovia invests generously in the maintenance of the buildings and develops housing-related services for a better quality of living. For answers to any questions in connection with lease agreements and ancillary expense bills, the central customer service center can be contacted via a regional service hotline as well as by email, fax, app or by post.

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Vonovia has a workforce of approximately 10,000 employees and its CEO is Rolf Buch.

Additional Information:

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