

Press Release

27 October 2023

Council-owned housing: Dresden buys 1,213 flats from Vonovia

- **Mayor Dirk Hilbert and Rolf Buch (CEO Vonovia) announce agreement: City of Dresden buys 1,213 flats from Vonovia through WiD**
- **No changes for tenants**
- **Vonovia remains an integral part of Dresden's society**

Dresden, 27 October 2023. Successful collaboration: Today, Mayor Dirk Hilbert and Rolf Buch, CEO of Vonovia SE, announced in Dresden that the city is purchasing 1,213 flats from Vonovia. The new proprietor will be the city's housing company Wohnen in Dresden GmbH & Co. KG (WiD). The completion of the purchase still requires the approval of Dresden City Council.

Background: Cooperation agreement between Dresden and Vonovia

In April 2022, Dresden, the capital of Saxony, concluded a cooperation agreement with Vonovia on three key issues: joint neighbourhood development, a collaboration on climate strategy and the city's purchase of flats from Vonovia's residential portfolio. Today's announcement means that an important milestone has been reached, and Dresden is significantly increasing its own housing stock.

The details

WiD, owned by the city of Dresden, is acquiring 1,213 flats of various sizes in the districts of Neustadt and Prohlis. In addition, Vonovia is selling various undeveloped sites (totalling approx. 12 hectares) to the city of Dresden. They include development sites on Johnsbacher Weg and Windmühlenstrasse, where up to 1,800 flats may be built in the future. The price of this comprehensive package totals €87.8 million. The purchase price is the total fair value on 30 June 2023.

Dirk Hilbert: "This is a good day for Dresden."

Says Dirk Hilbert, the Mayor of Dresden: "With concluding this purchase, we are more than doubling Dresden's Council housing stock while at the same time securing significant amounts of land for future housing developments in our city. We'll secure planning permissions there so that we can meet the growing demand for housing in the future."

"Following intensive negotiations over the past weeks and months," Hilbert continues, "our agreement on this comprehensive package is an excellent outcome for our city. I'd like to thank Vonovia for their constructive cooperation." Concerning the next stages, the Mayor adds: "It's now up to the City Council to decide on the outcome. And I'll soon be submitting a proposal to the relevant committees, so that the City Council can come clear the purchase at its meeting on 14 December 2023."

Councillor for Labor, Social Affairs, Health and Housing, Dr. Kristin Klaudia Kaufmann: "Important step for the permanent safeguarding of housing in municipal ownership"

"Providing affordable housing to the residents of Dresden that meet the needs, is more important and urgent today than ever before. Purchasing the apartments is a good step towards expanding the municipal housing stock and ensuring that the apartments remain in municipal ownership in the long term."

Councillor for Urban Development, Construction, Transport and Real Estate, Stephan Kühn: "The acquisition of the development sites is a milestone in the establishment of a municipal land portfolio."

"For the implementation of the strategic land acquisition and development concept adopted by the city council last year, the acquisition of the development sites on Windmühlenstrasse and Johnsbacher Weg is an important milestone. Up to 1,800 apartments could be built in these areas in the future."

Rolf Buch: "Vonovia is a reliable partner, and I'm pleased to see this outcome."

"By selling flats to the City Council, we are clearly demonstrating that we're reliable and responsible in our partnership with Dresden," says Rolf Buch, CEO of Vonovia. "We've been working with the city in a spirit of trust for many years, developing neighbourhoods together and also acting as a point of contact for social issues such as homelessness. I am therefore particularly pleased that we can now put these flats in good hands and help Dresden to expand its housing stock," says Buch. "We've had detailed professional negotiations with the WiD and city teams, and we're now selling the flats at a fair price. We've reached a good outcome for all sides," says Buch.

Sebastian Krüger: "We're aware of our responsibility."

Vonovia's residential units in Dresden are managed by Sebastian Krüger. "Vonovia is pursuing long-term objectives in Dresden," says Krüger. "And even after the sale of the flats, we'll still be the biggest landlord in the city – a responsibility we're very much aware of. So we'll continue to promote good, affordable housing for the people in our neighbourhoods. And we'll remain present for everyone in Dresden on all housing issues."

Steffen Jäckel: "An important milestone at this early stage of WiD's history"

Steffen Jäckel, the Managing Director of WiD, says: "By purchasing these flats, we can more than double our current portfolio. For us, this will mean a major increase in administrative efficiency as well as a significant expansion in terms of flat sizes and locations. Our aim is to provide the population of Dresden with permanent, secure and affordable housing, and this is something we can continue to achieve while being fully aware that we'll still be in urgent need of Vonovia as a partner in Dresden. We, the WiD team, are looking forward to welcoming the new tenants and taking on the challenges that lie ahead of us, but we're also pleased about this big step for our young business and for social housing in Dresden."

What does the sale of the flats mean for the tenants?

Apart from a change of ownership, the sale won't affect tenants. All tenancy agreements will remain in force, and there won't be any changes in rent or in notice periods – true to the principle: "A purchase never beats the rental agreement." Today, Vonovia has sent a letter to all tenants in the relevant properties, telling them of the intended sale to the

city's housing company.

The property transfer to the Council-owned housing company should be completed during the first quarter of next year.

Images for download (from approx. 14:00 hrs):

<http://datas.weichertmehner.com/LHDVonovia.zip>

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For questions

- City of Dresden, Barbara Knifka, Tel. +49 351 4882390, presse@dresden.de
- WiD, Claudia Herzog and Steffen Jäckel, Tel. +49 351 828 731802; claudia.herzog@wid-dresden.de; steffen.jaeckel@wid-dresden.de
- Matthias Wulff, Vonovia Press Officer, Tel. +49 160 90603050 matthias.wulff@vonovia.de
- Jana Kaminski, Vonovia Press Officer, Tel. +49 234 3141926, jana.kaminski@vonovia.de
- Ulf Mehner and Aaron Wieland, Agentur WeichertMehner, Tel. +49 351 50 14 02 00, +49 172 8935317, vonovia.dresden@weichertmehner.com

About Vonovia

Vonovia SE is Europe's leading private residential real estate company. Vonovia currently around 548,100 residential units in all attractive cities and regions in Germany, Sweden and Austria and gives a home to over one million people. It also manages around 70,400 apartments. Its portfolio is worth approximately € 88.2 billion. As a modern service provider, Vonovia focuses on customer orientation and tenant satisfaction. Offering tenants affordable, attractive and livable homes is a prerequisite for the company's successful development. Therefore, Vonovia makes long-term investments in the maintenance, modernization and senior-friendly conversion of its properties. The company is also creating more and more new apartments by realizing infill developments and adding to existing buildings.

The Bochum based company has been listed on the stock exchange since 2013. Since September 2015 Vonovia has been a constituent in the DAX. Vonovia SE is also a constituent of additional national and international indices, including DAX 50 ESG, Dow Jones Sustainability Index Europe, STOXX Global ESG Leaders, EURO STOXX ESG Leaders 50, FTSE EPRA/NAREIT Developed Europe, and GPR 250 World. Vonovia has a workforce of approximately 15,800 employees.