

Vonovia, Germany's Biggest Real Estate Speculator Is Determined to Put People on The Street

Housing is a basic necessity. Our capitalist system can not even provide for that.



It was only a question of time before the capitalists would seize the chance to line their pockets once more. Image by [Ralphs_Fotos](#) from [Pixabay](#)

Today, Vonovia made [an announcement](#). Vonovia is the biggest real estate holder in the country. Millions of renters live in apartments owned by them. The announcement goes like this:

“If inflation is permanently at four percent, rents will have to increase accordingly every year in the future,” said Vonovia CEO Rolf Buch to the “Handelsblatt”

Of course, the capitalists who post record profits year after year start whining.

Last month, they handed [1,3 billion Euros to their shareholders](#). Also, they already raised rents this year. By an average of 3,1%.

Most of their assets used to belong to the public, by the way. Yes, our politicians created this situation. That initiative was [led by the so-called Social Democrats](#). It is time for them to take the word 'Social' from their name.

Vonovia is giving renters a Double-Whammy

Here is the kicker. Adjusted for current inflation, real wages are already receding. [By 1,8 %, in fact](#). What that means is, that people already suffer economic losses. From whatever is left people have to pay an additional 4% to cover their rent.

Also note, that Vonovia announced that this would happen every year. If you want to live in their apartment for 18 years, you will pay twice as much as now.

	start principal	start balance	interest	tax	end balance	end principal
1	\$1,000.00	\$1,000.00	\$40.00	\$0.00	\$1,040.00	\$1,000.00
2	\$1,000.00	\$1,040.00	\$41.60	\$0.00	\$1,081.60	\$1,000.00
3	\$1,000.00	\$1,081.60	\$43.26	\$0.00	\$1,124.86	\$1,000.00
4	\$1,000.00	\$1,124.86	\$44.99	\$0.00	\$1,169.86	\$1,000.00
5	\$1,000.00	\$1,169.86	\$46.79	\$0.00	\$1,216.65	\$1,000.00
6	\$1,000.00	\$1,216.65	\$48.68	\$0.00	\$1,265.32	\$1,000.00
7	\$1,000.00	\$1,265.32	\$50.61	\$0.00	\$1,315.93	\$1,000.00
8	\$1,000.00	\$1,315.93	\$52.64	\$0.00	\$1,368.57	\$1,000.00
9	\$1,000.00	\$1,368.57	\$54.73	\$0.00	\$1,423.31	\$1,000.00
10	\$1,000.00	\$1,423.31	\$56.93	\$0.00	\$1,480.24	\$1,000.00
11	\$1,000.00	\$1,480.24	\$59.21	\$0.00	\$1,539.45	\$1,000.00
12	\$1,000.00	\$1,539.45	\$61.58	\$0.00	\$1,601.03	\$1,000.00
13	\$1,000.00	\$1,601.03	\$64.05	\$0.00	\$1,665.07	\$1,000.00
14	\$1,000.00	\$1,665.07	\$66.60	\$0.00	\$1,731.68	\$1,000.00
15	\$1,000.00	\$1,731.68	\$69.27	\$0.00	\$1,800.94	\$1,000.00
16	\$1,000.00	\$1,800.94	\$72.02	\$0.00	\$1,872.98	\$1,000.00
17	\$1,000.00	\$1,872.98	\$74.90	\$0.00	\$1,947.90	\$1,000.00
18	\$1,000.00	\$1,947.90	\$77.92	\$0.00	\$2,025.82	\$1,000.00

by Calculator.net

Yup, with a 4% increase annually, your rent will double in 18 years' time. Your salaries won't.

Good luck founding a family and raising kids, when your real income keeps declining at the same time.

Last year, the citizens of Berlin voted to re-socialize housing. The current

Berlin Government is determined to obstruct the will of the people.

They even came up with an alternative idea. Housing owners should only commit to charging 1/3 of people's salaries for their rent. Regardless of what their income is. Here is, how this would play out in the market. People, who are earning minimum wage will be permanently shut out from the market.

If a landlord can only charge 1/3 of a renter's salary, they will cater to the renters with the highest income. That's how markets work. But such basic economic understanding is too complicated for Berlins Mayor. Or she is catering to Vonovia on purpose.

Now that she [no longer has a doctorate](#), new income streams are maybe needed.

I Can Shoulder the Increase for Now. Many Others Can Not

This one is going to affect me directly. Last year, Vonovia merged with Deutsche Wohnen. Thus, they created the biggest real estate company that ever existed on Germany's soil. Guess who owns my apartment.

Housing is a basic necessity. If a capitalist market cannot even provide these basic goods, there is no reason to keep them around.

Article 14, Section 2 of the German Basic Law states:

(2) Property entails obligations. Its use shall also serve the public good.

Vonovia once again proved that they have no intention of living up to that obligation. Last year's referendum was more than necessary. But it is not enough. The housing crisis could well become the tipping point of a revolt. Perhaps it should.