

# Annual Report 2025

# BayernLabo at a glance

## Income statement (HGB)

€ million	1 Jan – 31 Dec 2025	1 Jan – 31 Dec 2024
Net interest and net commission income	117	138
Administrative expenses	(51)	(70)
Net profit	45	55

## Balance sheet (HGB)

€ million	31 Dec 2025	31 Dec 2024
Total assets	23,572	22,691
Credit volume	17,122	17,176
Liabilities (including issues)	13,991	13,674
Liabilities held in trust	6,930	6,381
Reported own funds	2,511	2,476

## Current rating

Moody's	2025	2024
Long-term rating	Aaa	Aaa
Short-term rating	P-1	P-1
Outlook	Stable	Stable

Institutional Shareholder Services	2025	2024
ESG rating	Prime	Prime

## New business

€ million	1 Jan – 31 Dec 2025	1 Jan – 31 Dec 2024
Loan and grant commitments	2,120	3,180
Number of homes and residential places subsidised	4,201	12,871

## Human resources

Number	31 Dec 2025	31 Dec 2024
Total	233	226
Of which female	152	147
Of which male	81	79

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# Forewords



Gero Bergmann

Dear readers of BayernLabo's 2025 Annual Report,

The year 2025 has once again made it clear how challenging the housing market in Bavaria remains – and how central BayernLabo's role is within this environment. Rising rents, particularly in metropolitan areas, are increasing the pressure on lower-income households and underline the social importance of subsidised social housing. Alongside this core mandate, the financing of municipal infrastructure remains an important element of our business strategy. Persistently high demand from municipalities shows that BayernLabo is a reliable partner – especially in times of rising costs and growing investment needs.

Our refinancing team has impressively confirmed the capital market's confidence in our business model with the institution's successful social bond and benchmark bond. At the same time, BayernLabo is on a clear path of transformation through the expansion of digitalisation in key business processes and the use of artificial intelligence, which are increasing efficiency and sustainably strengthening its future viability.

We have also consistently advanced our sustainability reporting and data management, enhancing transparency and improving decision-making in management.

Dear readers, you accompany our work as citizens, as partners in development funding and financing, or as professional associates from a wide range of institutions. Your trust motivates us to continue fulfilling our public mandate responsibly and to contribute in 2026 to a socially just, sustainable and future-proof Bavaria.

Sincerely,

Gero Bergmann  
Members of the BayernLB Board of Management



Christian Bernreiter

Dear readers,

The creation of affordable housing is one of our most important tasks. For this reason, since 2023 we have been providing more than one billion euros annually from federal and state funds for subsidised housing construction, and we are resolutely continuing along this path.

In the 2026/2027 double budget, a total of €3.6 billion has been allocated to subsidised housing. This represents a new record and provides reliable investment prospects. From 2027 onwards, there will for the first time be an annual construction programme for subsidised housing – ensuring targeted allocation of funds and even greater planning certainty.

In addition to our subsidised funding campaign, we aim to make housing construction faster and more efficient. To this end, we have streamlined subsidised funding regulations and cut technical standards. This creates maximum flexibility in planning, allows us to respond better to local needs, and reduces construction costs. Our modernisation legislation for the Bavarian Building Code introduces targeted simplifications in building regulations – such as for attic conversions and upward extensions, as well as through revised regulation of parking requirements. This facilitates urban densification and climate-friendly construction.

With the “Bauturbo”, municipalities are also given the opportunity to accelerate approval procedures within existing developments without having to carry out lengthy land-use planning procedures.

Many thanks to BayernLabo for its important contribution. Let us continue working together to ensure that building and housing in Bavaria remain affordable.

Sincerely,

Christian Bernreiter, Member of the Bavarian State Parliament  
State Minister of the Interior, for Building and Transport



Albert Füracker

Dear readers,

For over 140 years, BayernLabo has stood for reliability, a forward-looking approach and a strong sense of community. In 2025, it once again demonstrated impressively that decisive action and targeted financing instruments ensure affordable housing, vibrant municipalities and, as a consequence, a higher quality of life throughout Bavaria.

Especially in challenging times, it is important to set the right course and to continuously boost state housing subsidies. For this reason, by 2030 the Free State of Bavaria will provide an additional billion euros from the German Federal Government's special infrastructure fund for a new programme specifically subsidising municipal housing construction. Together with the established state programmes, this will provide Bavarian municipalities in particular with comprehensive subsidised funding opportunities for creating affordable housing.

BayernLabo plays a key role here: as the central development bank of the Free State of Bavaria, it assesses and disburses subsidised funding with a high level of expertise. At the same time, as a municipal bank, it is a strong and reliable partner for Bavarian municipalities and special-purpose associations, whether in financing schools, childcare facilities or modern infrastructure. This creates quality of life at a local level, keeping Bavaria attractive and fit for the future.

My special thanks go to all BayernLabo employees, whose expertise and strong commitment support the people of Bavaria and our municipalities every single day.

Sincerely,

A handwritten signature in blue ink that reads "Albert Füracker". The signature is written in a cursive, flowing style.

Albert Füracker, Member of the Bavarian State Parliament  
State Minister of Finance and Regional Identity

# 01 BayernLabo

# BayernLabo

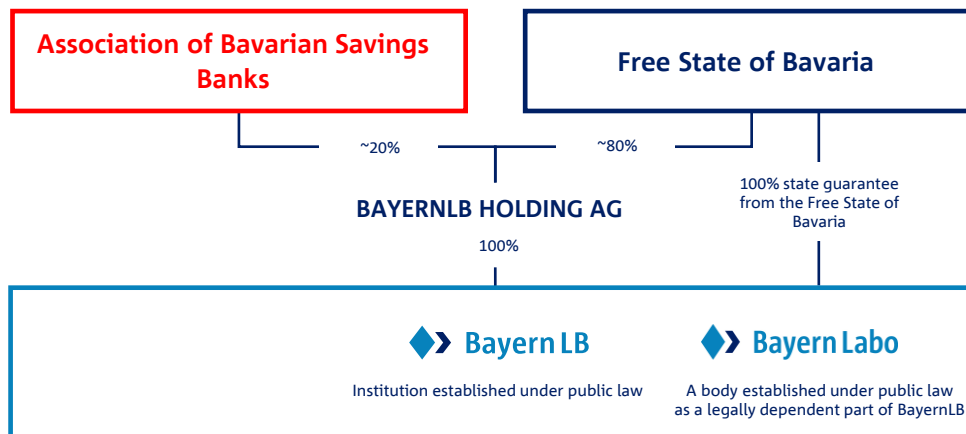
... is a legally dependent institution established under public law within BayernLB that is organisationally and financially independent.

... has, as a government housing policy body, the legal mandate to subsidise residential construction and urban development in Bavaria.

... conducts the Bavarian state and municipal loan business as the principal and municipal bank to the Free State of Bavaria.

... was founded in 1884 as Bayerische Landeskulturrentenanstalt and was renamed Bayerische Landesbodenkreditanstalt in 1949.

## BayernLabo in the BayernLB Group



## BayernLabo's business model

In accordance with the development mandate of the Free State of Bavaria, BayernLabo has the core task of providing subsidised funding for housing and settlement infrastructures in Bavaria within the context of housing policy, and in compliance with European state aid regulations.<sup>1</sup> In doing so, it focuses primarily on a clientèle – as limited by government subsidy guidelines – of private individuals and legal entities seeking to create, acquire or modernise housing for a variety of purposes.

In addition, BayernLabo, as the municipal bank of the Free State of Bavaria, supports Bavarian municipalities and public-law special-purpose and school associations in financing investments in municipal and social infrastructure with customised traditional municipal loans and, in cooperation with Kreditanstalt für Wiederaufbau (KfW), with its own subsidised funding programmes. It offers government loans for the Free State of Bavaria. The Bavarian State Government may also transfer other business to BayernLabo.<sup>2</sup>

<sup>1</sup> Article 20 para. 1 of the Bayerische Landesbank Act (BayLaBG).

<sup>2</sup> Article 20 para. 3 BayLaBG.

To enable it to provide the financial resources for these subsidies, BayernLabo extends fiduciary loans and state-guaranteed equity loans on a non-competitive basis. It refinances its own business through the KfW, the Landwirtschaftliche Rentenbank, the capital market and BayernLB, and subsequently further reduces the interest rates on loans. The Free State of Bavaria is directly liable for all the liabilities assumed by BayernLabo.<sup>3</sup> Supervision is the responsibility of the Bavarian State Ministry of Finance and Regional Identity (StMFH).<sup>4</sup>

To fulfil its mandate, BayernLabo may carry out financing in the following areas:

- Subsidised housing
- Subsidies for housing and settlement matters
- Subsidies for the housing industry
- Subsidies for infrastructure measures to support housing policy aims
- Subsidies for the structural development of towns and municipalities
- Subsidies for housing policy measures to develop structurally weak regions
- Subsidies for other measures, insofar as these are designated in laws, regulations or published guidelines and are transferred to Bayerische Landesbodenkreditanstalt from the Free State of Bavaria

BayernLabo regards its emphasis on sustainability criteria as an essential contribution to the fulfilment of the sustainability and climate goals of the Free State of Bavaria within the context of its public mandate. In coordination with the Bavarian State Ministry of Housing, Construction and Transport (StMB), sustainability criteria are integrated into the funding programmes in the best possible way, particularly in order to help achieve the climate targets of the Paris Agreement.

Corresponding sustainability goals are anchored within BayernLabo's business strategy. Environmental funding objectives are pursued in parallel with social funding objectives. BayernLabo is closely integrated into the BayernLB Group in this respect, and Group-wide standards, guidelines and policies apply accordingly (where relevant).

Our shared understanding of sustainability is guided in particular by

- the 17 global sustainable development goals of the UN Agenda 2030,
- the climate goals of the Paris Agreement,
- the goals described in Germany's National Sustainable Development Strategy and the German Sustainable Finance Strategy, as well as
- the Bavarian Sustainability Strategy.

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<sup>3</sup> Article 22 para. 2 BayLaBG.

<sup>4</sup> Article 17 para. 1 BayLaBG.




Cooperative residential development in hybrid timber construction in Prinz-Eugen-Park in Munich  
Income-based subsidy  
Developer: WOGENO München eG  
Architects: Atelier 5 Architekten und Planer, a + p Architekten, Bern  
Photo: © Michael Nagy, City of Munich

Sustainability and a focus on the common good are incorporated throughout the business model through the creation of affordable living space that caters to demand and intergenerational needs. Preserving economically powerful urban centres with a good quality of life and bolstering rural areas carry equal weight. BayernLabo attaches particular importance to ensuring the impact of its subsidised loans is transparent and consequently to systematically recording their measurable contribution to sustainable development in the Free State of Bavaria. To this end, we attribute the subsidised funding and grants of the respective preceding year to the 17 Sustainable Development Goals (SDGs) of the United Nations and publish these figures regularly on our website. At the same time, we are working innovatively on new approaches in order to further expand the path we have embarked upon.

## BayernLabo's business structure

In cooperation with the approval authorities of the Free State of Bavaria – namely the district governments, the district administrative authorities, and the cities of Augsburg, Munich and Nuremberg – BayernLabo provides subsidised funding for owner-occupied and rental housing in Bavaria, taking social considerations into consideration. In addition, as the municipal bank of the Free State of Bavaria, it supports Bavarian municipalities and special-purpose associations under public law, and offers government loans on behalf of the Free State of Bavaria.

In addition to the subsidised funding of new properties, the modernisation and refurbishment of existing buildings and the subsidised funding of second-time purchases are a key component. Innovative concepts are also to be increasingly taken into consideration within the scope of subsidised funding. In the area of municipal financing, the subsidised funding of measures to adapt to climate change will play an increasingly important role in the future, in addition to climate protection services, which continue to be important.

	
Subsidised housing	State and municipal loan business
<p><b>Target groups</b></p> <ul style="list-style-type: none"> <li>• Private individuals</li> <li>• Housing associations, municipalities and other investors</li> <li>• Home operators</li> </ul>	<p><b>Target groups</b></p> <ul style="list-style-type: none"> <li>• Bavarian municipal local authorities</li> <li>• Municipal special-purpose associations</li> <li>• School associations</li> <li>• Free State of Bavaria</li> </ul>
<p><b>Subsidy programmes for owner-occupied homes</b></p> <ul style="list-style-type: none"> <li>• Bavarian Residential Construction Programme</li> <li>• Subsidies for structural adaptations to meet the needs of people with disabilities</li> <li>• Bavarian Low Interest Rate Loan Programme</li> </ul> <p><b>Subsidy programmes for rental housing</b></p> <ul style="list-style-type: none"> <li>• Bavarian Residential Construction Programme</li> <li>• Subsidies for structural adaptations to meet the needs of people with disabilities</li> <li>• Subsidies for student housing</li> <li>• Subsidies for trainee housing</li> <li>• Municipal Housing Subsidy Programme</li> <li>• Bavarian Modernisation Programme</li> <li>• Residential units for people with disabilities</li> <li>• Creation of housing for public-sector workers</li> <li>• Own-liability transactions</li> </ul>	<p><b>Government loans</b></p> <p><b>Traditional municipal loans</b></p> <p><b>Subsidised municipal loans</b></p> <ul style="list-style-type: none"> <li>• Investkredit Kommunal Bayern (Bavarian municipal investment loan)</li> </ul>

# 02 Highlights



## Dießen am Ammersee – living where others go on holiday, thanks to municipal subsidised housing

*“With this project, our primary aim is to create housing for people employed in essential professions, families, young people and lower-income households.”*

Sandra Perzul, First Mayor of the market town of Dießen am Ammersee

### **An attractive region with high housing demand**

Who doesn't know it? – the holiday region around Lake Ammersee, with its unique views of the Bavarian Alps. Germany's longest lakeside promenade, bathing areas, gastronomy, art and culture all shape its character. However, Dießen am Ammersee is not only attractive for tourism: the market town also has a lot to offer economically – from traditional craft businesses to innovative high-tech companies. The result: housing is scarce and expensive.

### The goal: affordable housing for local people

To counter this trend, the municipality of Dießen launched the municipal housing project “Living on Waffenschmiedweg” in 2024.

The aim was to provide affordable housing for people on middle and low incomes – particularly those who sustain everyday life in the community. For this reason, the offer was specifically targeted at people who already lived or worked in the municipality. These include families, young people in education and training, as well as employees in essential professions such as healthcare, education and emergency services. At the same time, priority was also given to those whose move to Dießen was necessary in order to care for or support relatives.

The allocation of rental apartments was based on a transparent points system that took social criteria into consideration, in order to avoid cases of social hardship, misallocation of subsidised funding and under-occupation, and to ensure a socially stable and balanced resident structure. The municipal council deliberately retained a degree of discretion in order to take individual life circumstances into consideration. However, one clear requirement set by the Government of Upper Bavaria had to be observed: at least 60% of the apartments had to be allocated to people in essential professions – an important step towards securing the long-term provision of healthcare, education and public safety.

### Sustainability at the forefront

With EZE GmbH as developer, Dießen opted for ecological construction. Sustainability was a central objective from the outset. Timber and recycled building materials were used for the project on Waffenschmiedweg – materials that are not only environmentally friendly but also energy-efficient and have a significantly lower carbon footprint than other construction materials.

*“We attach great importance to ensuring that our buildings meet the highest energy standards and have therefore obtained the QNG certificate for sustainable construction. This certificate is particularly supported by the state.”*

Cedric Ehlers, architect, EZE GmbH



The result is three apartment buildings constructed using sustainable timber methods, comprising 17 modern apartments with a total living area of 951 square metres. All apartments are barrier-free and include a balcony or terrace, fitted kitchen, lift and underground parking. This also makes them suitable for older people or those with limited mobility. The generously designed green space with a playground serves as a meeting place for all generations – a place where children can play, parents can chat and neighbours can connect.

The first tenants were able to move in as early as June 2025, and by the autumn all buildings were ready for occupancy. With an initial rent averaging €12.50 per square metre, plus ancillary costs and parking, the project demonstrates that high-quality, sustainable construction and affordable housing are not mutually exclusive.

#### **Financing: inconceivable without subsidies**

Comprehensive support through the Municipal Subsidised Housing Programme of the Free State of Bavaria and BayernLabo was a crucial building block in the realisation of the new-build project on Waffenschmiedstraße.

***“Without the combination of grants, low-interest loans and additional subsidised funding programmes, implementation at this level of quality and sustainability would hardly have been possible. Subsidised funding has enabled us to create affordable housing in a sustainable and resource-efficient way – an important step for the future of our municipality.”***

Sandra Perzul, First Mayor of the market town of Dießen am Ammersee

For the financing of the construction project, which totalled €7.7 million, the Government of Upper Bavaria approved state subsidised funding from the Municipal Subsidised Housing Programme amounting to €6.1 million. Of this amount, €2.7 million was provided as grants and €3.4 million as low-interest subsidised loans via BayernLabo.

In addition, the municipality received grants from the Timber Construction Subsidised Funding Programme and for the “Sustainable Buildings” (QNG) quality seal.





## Refurbishment of the Hans Scholl Hall in Freimann – rethinking and redesigning a focal point of student life

Munich is one of the world's leading university cities. The universities of excellence, the Ludwig Maximilian University of Munich and the Technical University of Munich, rank among the largest and most prestigious universities worldwide. Anyone studying here also needs somewhere to live. High demand for affordable housing often makes the search for accommodation in the Bavarian capital difficult. This makes construction, maintenance and refurbishment of student residences essential – something strongly supported by the Free State of Bavaria. This also applies to the refurbishment of the Hans Scholl Hall in the Studentenstadt in the Munich district of Freimann.

### A central meeting place for students

The Hans Scholl Hall is the central community facility of the Studentenstadt in the Freimann district of Munich. The Studentenstadt in Munich consists of 14 buildings dating from 1961 to 1975 and is the largest student residential complex in Germany. The community facility, built in 1974,

houses a sports hall, fitness room, study room, caretaker's workshop, and a catering and multi-functional space. The centre is open to all residents of the Studentenstadt.

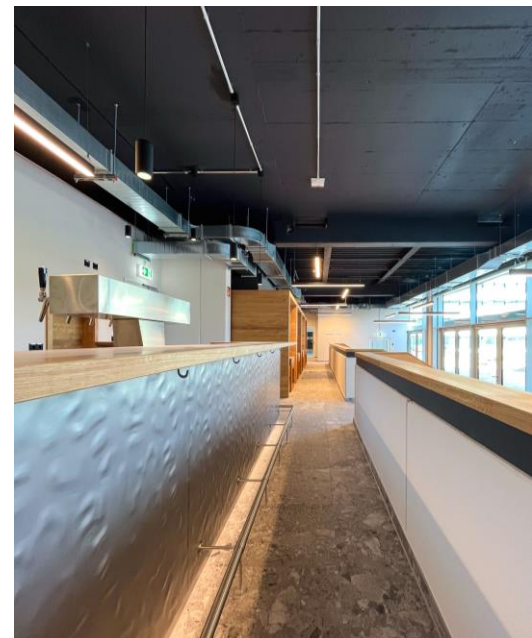
### A building brought up to modern standards

After fifty years of intensive use, it was time for refurbishment and comprehensive modernisation. The ageing premises were fundamentally renewed and restructured. Building services and electrical systems were upgraded to current standards, while windows and façades were replaced and made more energy-efficient. Sanitary facilities, changing rooms and ancillary spaces were expanded, and key areas were made accessible.

Safety and comfort were also significantly improved: emergency lighting, a smoke extraction system and lightning protection were installed or modernised. The student-run pub "Tribühne" was equipped with modern catering and kitchen facilities and, like the dining area, completely refurbished.

### Refurbishment as part of an overall strategy

The works on the Hans Scholl Hall form part of a refurbishment concept for the entire "Neustadt" section of the Studentenstadt. The neighbouring Sophie Scholl House was already reoccupied by students in 2023 following comprehensive refurbishment. In the coming years, the surrounding residential buildings will also be refurbished.



### Development bank in action: BayernLabo enables affordable refurbishment

A total of around €7 million was invested in the refurbishment of the Hans Scholl Hall by the Munich Upper Bavaria Student Services Organisation (Studierendenwerk München Oberbayern) and BayernHeim GmbH. The project was financed from several sources: funds from the Munich Upper Bavaria Student Services Organisation, BayernHeim GmbH and, above all, subsidised funding from the Free State of Bavaria provided through BayernLabo. With €3 million in state funding, the Free State financed around 40% of the total investment.



### Ceremonial reopening with strong partners

At the official reopening of the refurbished hall on 28 May 2025, following around one year of construction, the Munich Upper Bavaria Student Services Organisation as developer, together with student associations and subsidised funding partners such as BayernLabo, celebrated the reopening of this central hub with the young residents of the Studentenstadt.

Students in Freimann can now once again make full use of their community facility – more modern, energy-efficient, safer, more accessible and more professional than before. The Hans Scholl Hall offers ample space for socialising, exchange, studying, networking, sport and community life.



## Dream home financed in Pastetten: homeownership with BayernLabo

Anyone wanting to build a house first needs a building plot. And in Bavaria, that's by no means easy to come by. Those fortunate enough to inherit one have many possibilities, especially with the subsidised housing support provided by the Free State of Bavaria. As was the case for the Sendner family from Pastetten in the district of Erding. In 2020, the family inherited a plot of land including an existing residential building from their grandmother. Although Ramona Sendner associates many happy childhood memories with her grandmother's house, it quickly became clear that refurbishing the existing building was not a viable option. The work required would have been too extensive and too expensive. Instead, they opted to build a new home better suited to the needs of the young family of four. In 2024, the time finally came: the financing for the construction project was secured, and the "house-building adventure" began.

**“Once you’ve found a building plot, you should definitely take the step of building a house! There are always ways to make the dream of owning your own home come true – especially if you have access to subsidised funding programmes such as those offered by BayernLabo. That makes an enormous difference when it comes to covering a large part of the financing.”**

Homeowner Ramona Sendner

The Sendner family – Ramona and Marco Sendner, their two-year-old daughter Amelie, their four-year-old son Nick, and their cats Balou and Simba – had long dreamed of owning a house with more space and room for everyone. Thanks to years of advance planning, the family was able to act quickly. They gave notice on their rental apartment and temporarily moved in with Ramona’s parents, who live directly next to the building plot. This proximity proved extremely helpful to the couple during the construction works.

**Information and application process made easy**

The Sendners learned about the subsidised housing support offered by the Free State of Bavaria through BayernLabo from Ramona’s brother-in-law. It sounded like a great opportunity so they found out more on BayernLabo’s website. After checking the online funding guide, it quickly became clear that the family was eligible for subsidies. They promptly compiled all the necessary information and completed the forms. They arranged a personal appointment with the responsible approval authority – the District Office of Erding. Once everything had been discussed there, they submitted their application. Just one month later, the Sendner family received confirmation that their subsidised housing support had been approved.

**“The Sendner family’s commitment in their cooperation with the District Office of Erding enabled the application to be processed and approved within a very short time. Complete and prompt submission of the necessary documentation was crucial for this.”**

Martin Bayerstorfer, District Administrator Housing Promotion Department at the District Office of Erding



Raising the garden before demolition

Jul 2024



Gutting the old house before demolition

Jul 2024



Demolishing the old house

Jul 2024



Preparing the building site

Aug 2024



Excavating the construction pit

Aug 2024



Shell with basement

Sep 2024

### Building close to home with local companies

A local architect designed the new single-family house with an upper floor, basement and garden. A construction company from Reichertsheim provided the family with a turnkey offer and managed the building project. As the Sendners were able to carry out some work themselves, certain activities were removed from the contract package: an uncle, who is an electrician, carried out all the electrical work, Marco Sendner personally completed the flooring and painting work, and the garden landscaping was undertaken by Ramona Sendner's father, a trained landscape gardener. This saved both time and money. Thanks to the professional and well-coordinated site management, all trades worked smoothly together and the new-build house was completed in just over a year.

### Subsidised loans help finance the project

The Sendner family contributed the transferred plot of land as equity towards financing the construction project. Of the remaining costs, 50% were financed through BayernLabo subsidised loans and 50% through construction loans from their principal bank. The largest share came from the BayernLoan under the Bavarian Low Interest Rate Loan Programme with a 30-year fixed-interest period. Under the Bavarian Residential Construction Programme, the Sendners also received a further low-interest loan with a 15-year fixed-interest period, together with child allowances. The instalments were disbursed in line with defined construction milestones.



*“The disbursement of the instalments through BayernLabo worked extremely well. The architect certified each form according to the construction progress. I then sent it to the District Office of Erding. Shortly afterwards, BayernLabo transferred the instalment and I was able to pay the tradespeople, who had already carried out the work in advance.”*

Homeowner Marco Sendner



Completion of the new house

Jun 2025

Oct 2024



Completion of the shell

Dec 2024



Drylining/interior construction



**Space for the whole family in the new home**

The construction project began in June 2024 with the demolition of the old house. As part of the works, the garden level was raised, the existing building completely gutted and then demolished. Following preparation of the building site, construction of the new house commenced in August 2024. During the planning process, the family considered and fulfilled the wishes and needs of every family member: event manager Ramona Sendner wanted a bright, welcoming atmosphere, a panoramic fireplace, a cosy window seat overlooking the garden and a large fitness room, which for now would also serve as a play space for the children. Marco Sendner, a digital forensic specialist with the customs authority, wanted high ceilings, a hobby room and smart-home functions throughout the rooms, which he installed himself as a professional. The children would each have their own rooms, plenty of space in the house and garden for running around and playing, as well as an arts-and-crafts corner in the living room. And in their new home, the cats would be free to choose whether they would rather laze around indoors or explore the outside world. Then, at the end of June 2025, the moment finally arrived: the Sendners moved into their own home. Everyone is delighted with the new house, which was financed in equal measure through BayernLabo’s low-interest subsidised loans and grants.



## Experimental housing by the StMB – a forge for innovative housing concepts

How do we want to live in the future – and how can new ideas become reality more quickly? The Bavarian State Ministry of Housing, Construction and Transport (StMB) is addressing precisely these questions. Through its experimental housing programme, it creates a space in which innovative concepts can be tested, further developed and translated into practice. Close cooperation with subsidised housing and urban development funding also allows financing mechanisms to be continuously refined.

### “Leerstand jetzt WOHNEN” (“Vacant – Now Living” initiative)

After previously focusing on issues such as climate-adapted or cost-efficient construction, experimental housing, together with urban development funding, is currently turning its attention to vacant non-residential buildings.

Demographic change, structural shifts in town centres and growing demand for housing present municipalities across Bavaria with major challenges. Particularly in rural areas, many municipalities are faced with the question of how to deal with vacant buildings in central locations – former shops, disused commercial premises, offices, insurance branches or former supermarkets.

This is precisely where the 2025 pilot project “**Vacant – Now Living**”, launched by the Experimental Housing and Urban Development Funding divisions, comes in. The aim is to work with towns and municipalities to convert vacant commercial, office and retail spaces into cost-effective, needs-based rental housing. In addition, shared spaces and open areas are being created to strengthen social interaction and enhance quality of life locally.

A key element of the pilot project is early participation: future residents and the local community are involved in the planning process from the outset, enabling their ideas, needs and suggestions to be actively incorporated.

The first selected pilot municipalities are already implementing their projects and gathering valuable experience. The knowledge gained and the network established through the project are to be presented on 20 April 2026 in the foyer of the Bavarian State Ministry of Housing, Construction and Transport. The insights obtained to date are intended to serve as a foundation for all Bavarian cities, market towns and municipalities in implementing similar projects in the future. An example of how this process works in practice is provided by the pilot municipality of Marktbreit.

### **Marktbreit gets started – former Schlecker drugstore turned into housing**

The starting point in Marktbreit was a vacant Schlecker drugstore in the heart of the town: highly visible, centrally located and unused for years. In September 2025, the redesign of the building featuring the “**Vacant – Now Living**” (“**Leerstand jetzt WOHNEN**”) logo made it clear: something new is beginning here.

A participation letterbox and a flyer stand were placed directly at the building. Residents were able to submit their ideas and wishes for the future use there. Alongside this, a digital participation option was also set up.

The launch sent a clear signal: the future of the building will be shaped together with the people of Marktbreit.

### **Rethinking the former Schlecker drugstore – citizens help shape the project**

In October, the central workshop for the pilot project took place. More than 30 residents





discussed how the former Schlecker drugstore building could be used in future. The basis was more than 100 proposals submitted by the public. The focus was on ideas for affordable housing, public uses such as a “town living room” as a place for shared events, as well as community gardens and an inner courtyard as elements of the architectural redesign.

The workshop was led by the appointed architectural practice and accompanied by representatives of the Bavarian State Ministry of Housing, Construction and Transport. The aim was to develop clear guidelines for the subsequent feasibility study.

### Information event on the feasibility study

In November, the current status of the feasibility study was presented at an information event. This addressed key questions:

- What types of housing for young and old can be created within the existing structure?
- How can shared spaces such as workspaces or creative studios be integrated?
- What challenges does planning and building law present?
- Which options are financially viable?
- What urban development impact can the conversion achieve?

### City council adopts feasibility study

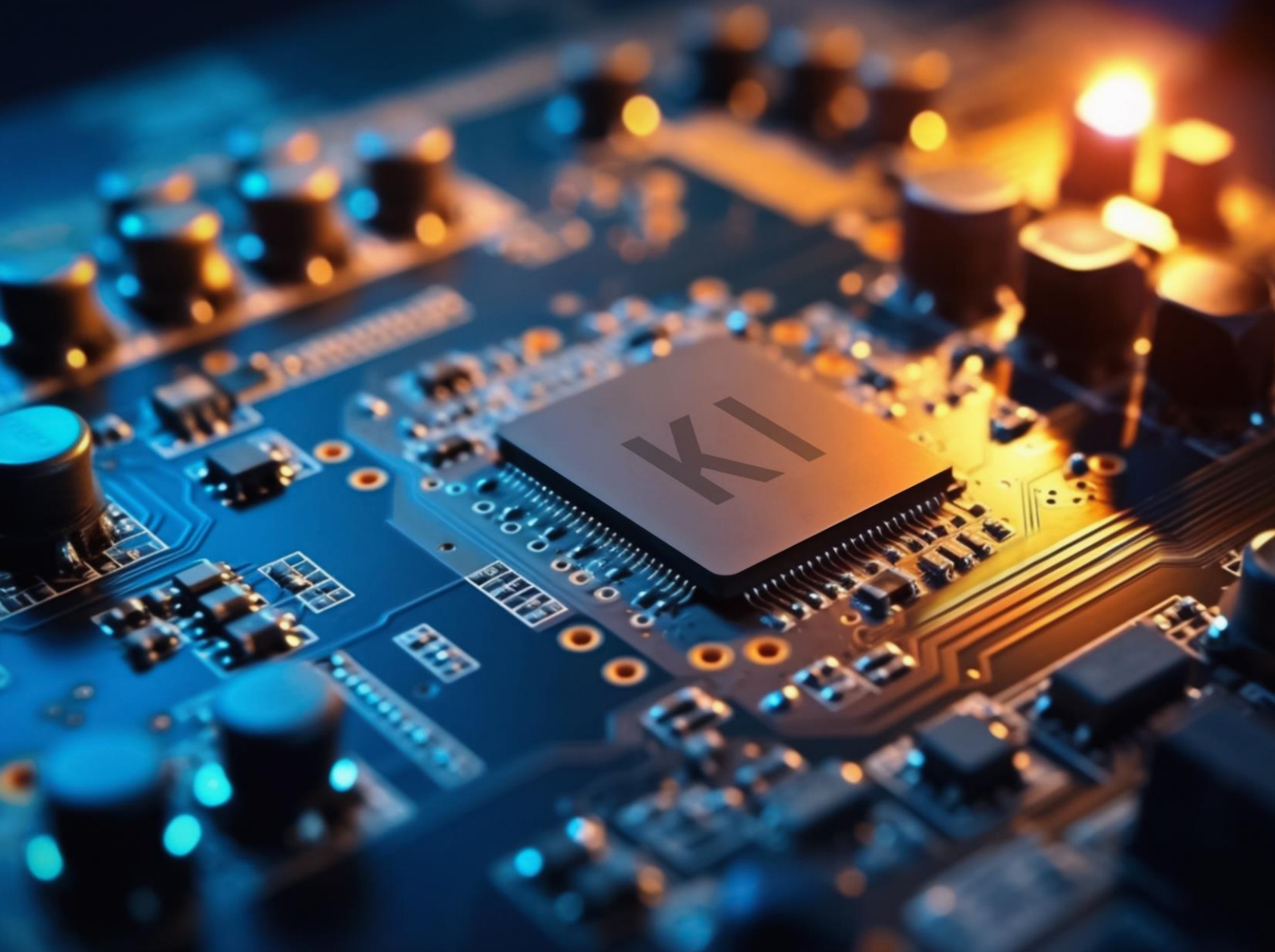
In December, the next important milestone followed. The Marktbreit city council unanimously adopted the feasibility study at a public meeting. This marked the transition to the next project phase. With this resolution, the procurement procedure under the Public Procurement Regulation (VgV) began in order to award planning services. It determined who would carry out the detailed planning and established the formal framework for implementation.

The study demonstrated impressively that a high-quality mix of living, working and community life can be created in the former drugstore – precisely tailored to the needs of a small town in a rural area.

### The message

Vacancy is not a problem, but an opportunity – if approached strategically. “**Vacant – Now Living**” not only creates new housing, but also lays the foundation for transferable solutions: municipalities are empowered to activate vacant properties independently, efficiently and affordably in the future.

In this way, a learning network is created that strengthens town centres and ensures that rural areas remain functional in the long term. Further information: [www.leerstand-jetzt-wohnen.de](http://www.leerstand-jetzt-wohnen.de)



## AI and digitalisation – tools for a modern, people-centred working environment

BayernLabo is on a clear path of transformation: digital technologies and artificial intelligence (AI) are gradually becoming part of everyday work and supporting employees in carrying out complex tasks more efficiently and transparently. The focus is not on the technology itself, but on its added value for people, processes and sustainability.

### **A milestone: BayernLabo's first AI use case**

In 2025, BayernLabo set important milestones for a staunchly digital and future-oriented working environment. A key milestone was the successful go-live of our first AI use case: the automated extraction of data from energy performance certificates.

Since May 2025, the solution has processed around 1,500 energy performance certificates per year – with an impressive accuracy rate of 99%. In doing so, we not only meet the requirements of the EU Taxonomy, but also save hundreds of hours of manual data entry. At the same time, we are laying the foundations for effective and reliable management of our sustainability metrics.

The full integration of the solution into a total of eight systems demonstrates how profoundly digitalisation is already shaping our processes today – and how strongly it supports the day-to-day work of our specialist departments.

### The path towards AI: strategy, infrastructure and collaboration

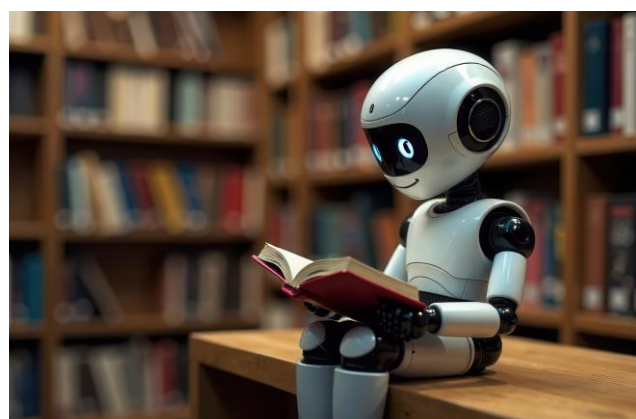
Today's success has its roots in 2023. That was when the topic of “artificial intelligence” was strategically embedded within the organisation. A decisive factor was the close collaboration with BayernLB's AI Competence Centre. Step by step, a robust AI infrastructure, suitable governance structures and central guidelines for the use of AI were developed there, which also apply to BayernLabo. This enabled us to build on existing expertise, leverage synergies and at the same time take BayernLabo-specific requirements into consideration. Alongside the close cooperation with BayernLB, the AI working group of the German Banking Cooperation Network is also an important source of impetus.

From the outset, the clear aim was to avoid the time-consuming manual recording of numerous data fields without excluding employees from the process. For this reason, our staff in our specialist departments were involved at an early stage. They were able to follow the introduction of the technology step by step and actively help shape it.

### Looking ahead: further AI applications in preparation

The introduction of automated energy performance certificate recognition is only the beginning. The next steps on our path towards an even more efficient and modern working environment have already been defined:

- With “LANA” – the Labo News Assistant – the next AI-supported solution will go live as early as February 2026, enabling automated email processing, intelligent inbox solutions and additional functions for reducing repetitive tasks.
- In future, an assistance chatbot for employees will facilitate access to guidelines and specialist knowledge and support knowledge transfer within the organisation.
- Targeted skills development in the area of AI through training and accompanying change-management measures is strengthening understanding of both the opportunities and risks and embedding the secure handling of the technology throughout the workforce in the long term.



### The focus: people

For BayernLabo, digitalisation and AI do not represent a threat to jobs, but an opportunity for meaningful work. Through automation, employees gain greater scope for value-creating activities that require judgement, experience and creativity.

Artificial intelligence is not an end in itself. Its use is centred on people, with the aim of simplifying work processes, increasing efficiency and harnessing synergies without displacing human expertise. The decisive factor is to create acceptance and trust. For this reason, we promote a culture in which employees are familiar with both the potential and the risks of AI applications.

In this way, AI remains what it is intended to be: a tool that enriches our work – rather than replacing it.

*“For us, AI is not an end in itself, but a tool. By automating routine tasks, we strengthen the role of our employees: they contribute their experience, expertise and judgement – while technology provides them with the best possible support.”*

Dr Amparo Hausherr-Bohn, Head of the Organisation and Policy Department



### Digital inbox: the foundation for a flexible and seamless working environment

Alongside the first AI use case, we are also driving forward additional digitalisation projects. With initiatives such as the digital inbox, we have laid an important foundation for seamless processes. As a consequence, documents and information can be processed and forwarded digitally without interruption – a key building block for a flexible, efficient and future-proof working environment.

BayernLabo is thereby pursuing a modern, people-centred approach to digitalisation: technology-supported, responsible and always with the aim of meaningfully supporting employees in their day-to-day work.

# 03 Subsidised housing

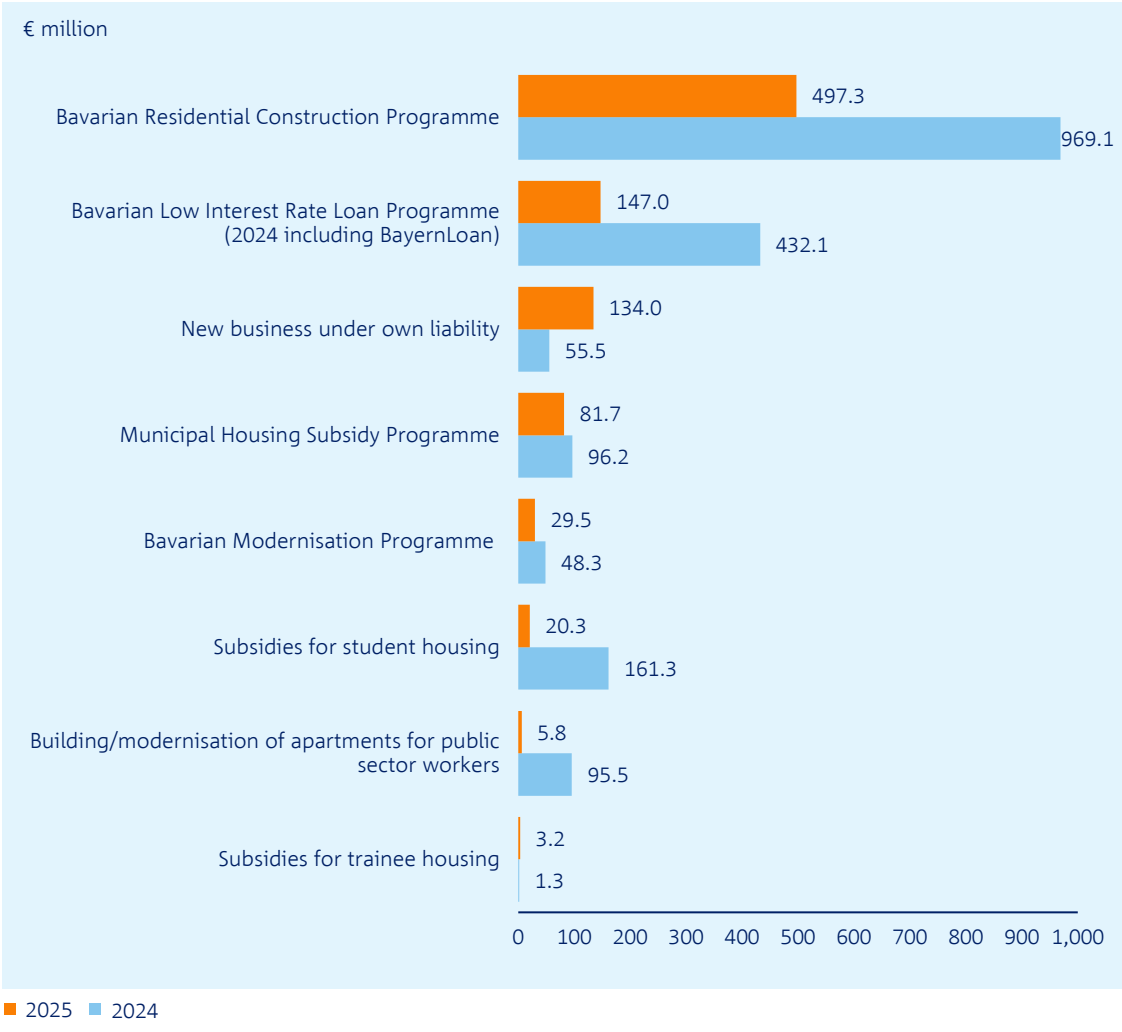
## at a glance

# Subsidised housing at a glance

The Free State of Bavaria and BayernLabo support citizens in a variety of ways, because not all people can afford suitable and family-compatible housing on their own. Customised subsidised housing programmes are helping to create socially anchored and affordable housing while also taking environmental aspects into consideration.

In recent years, the Free State of Bavaria has invested more money in subsidised housing than ever before. Even in the consolidation year 2025, the Bavarian State Government emphasised that the creation and preservation of affordable housing remain a top priority. Alongside the approval of projects with authorisation to commence measures early, numerous rental housing projects received reliable subsidised funding and financing prospects through the summer and autumn packages. Interest-rate reductions under the Bavarian Low Interest Rate Loan Programme also effectively supported people in buying their own owner-occupied homes.

## Loan and grant commitments

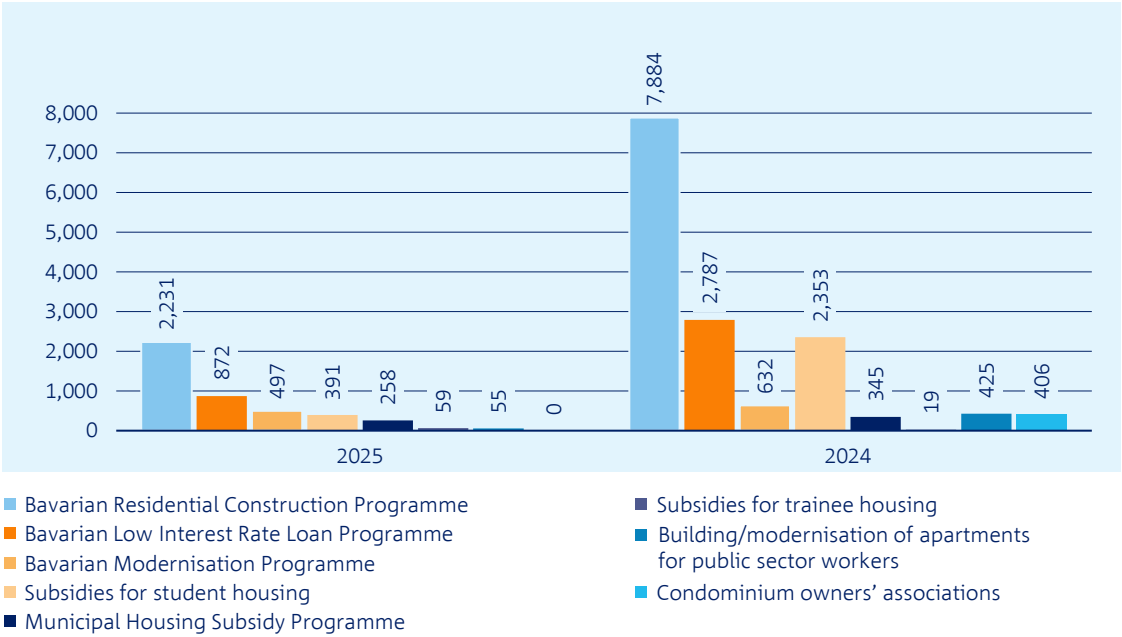


In coordination with BayernLabo, the Free State of Bavaria is therefore making an important contribution both to easing pressure on the rental housing market and to supporting broad sections of the population on the path towards home ownership.

In 2025, BayernLabo approved a total of €918.8 million (FY 2024: €1,867.7 million) in loans and grants for subsidised housing, and provided subsidised funding for 4,201 residential units (FY 2024: 12,871) (see sections 4 to 8 as well as the Notes in section 12). Due to subsidised funding restrictions, the volume of new approvals was below the previous year’s level. The programmes for the Home Ownership Subsidy, the subsidised funding of condominium owners’ associations, and the creation of energy-efficient housing had already expired in previous years. Subsequent approvals continued to be processed until 2024 and 2025 respectively.

**Around 4,200 housing units funded**

**Subsidised homes and places in residences (including combined subsidy<sup>1</sup>)**

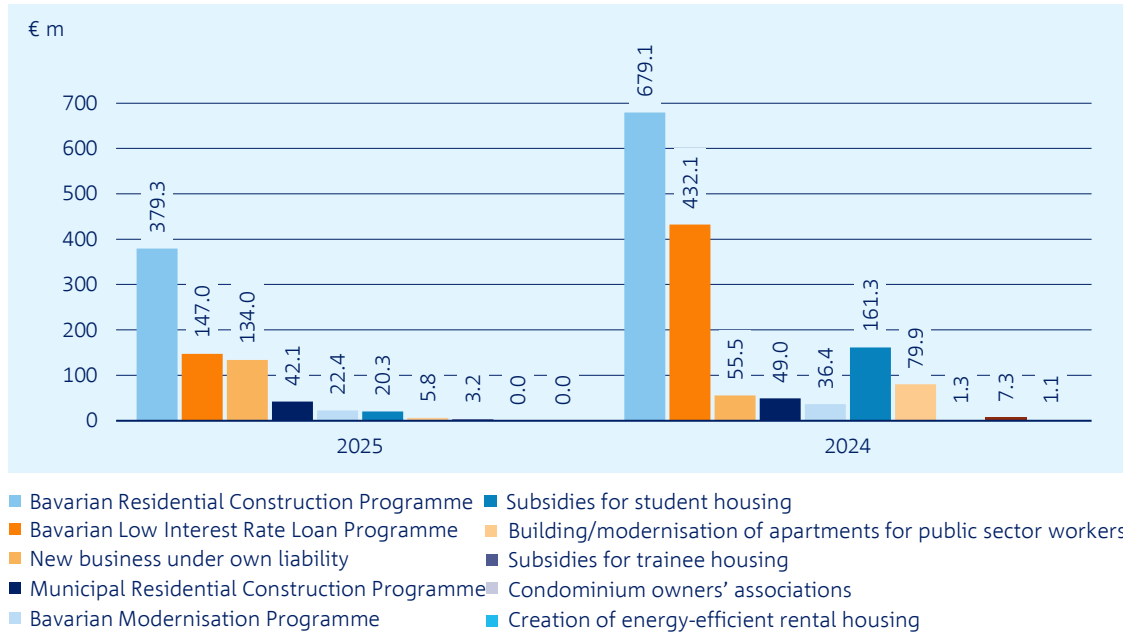


<sup>1</sup> Combined funding: within owner-occupied housing, apartments receive subsidised funding both through the Bavarian Residential Construction Programme and the Bavarian Low Interest Rate Loan Programme (2025: 162 apartments; 2024: 1,979 apartments).

Photo on next page:  
 Housing project “House Almost Without Heating” in Friedrichshofen-West  
 Income-based subsidy  
 Developer: Gemeinnützige Wohnungsbaugesellschaft Ingolstadt, Ingolstadt  
 Architects: nbndm\* neuberger, bohnert und müller Architekten, Munich  
 Photo: Sebastian Schels



## Loan commitments



## Climate-compatible construction as an opportunity in subsidised housing

Climate-compatible construction and refurbishment demonstrate how our towns and municipalities can be designed to be liveable, future-proof and resource-efficient. Within the framework of income-based subsidies (EOF) in social housing, projects are being created that serve as beacons far beyond their locations: they provide impetus for new construction projects and set important standards for the planning and implementation of future buildings. Example: Ingolstadt – living without conventional heating.

In Ingolstadt, a project has been realised in which sustainable construction, energy efficiency and economic viability come together.

As part of a concept-based tendering process, Gemeinnützige Wohnungsbaugesellschaft Ingolstadt GmbH acquired a site on the edge of a new residential development in Friedrichshofen-West. A three-storey building with 15 apartments was constructed there using climate-compatible building methods and an innovative energy concept. The Free State of Bavaria supported the project through subsidised funding from BayernLabo's Bavarian Residential Construction Programme for rental housing.

The building is of solid construction using insulating bricks and fitted with external timber cladding. Deep window reveals make additional solar shading unnecessary. Solid internal walls and floor slabs serve as thermal storage. Combined with the use of solar radiation energy and waste heat generated by people, lighting and everyday activities such as cooking, the building can operate without a conventional heating system.

The advantages are clear: the technical work involved in planning, procuring and maintaining complex building services is eliminated, while operating costs remain permanently low. This protects tenants' finances, reduces risks for landlords – and at the same time relieves pressure on the environment. The project is one of the pilot schemes for the “building type-e” concept. The focus of this model project, initiated and scientifically supported by the Bavarian Ministry of Construction, is on simple, experimental and sufficiency-oriented building methods – resulting in robust and sustainable solutions.

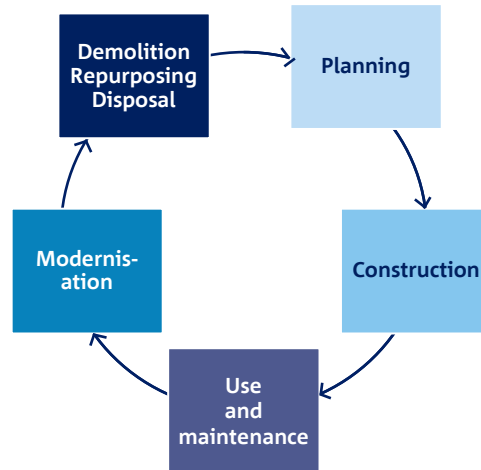
Environmentally and climate-compatible construction, energy, resource and cost efficiency, as well as the demands posed by demographic trends, are central components of a sustainable construction policy. Key here is considering the entire life cycle of a building – from planning and use through to demolition and recycling.

Housing project “House Almost Without Heating” in Friedrichshofen-West  
Income-based subsidy  
Developer: Gemeinnützige Wohnungsbaugesellschaft Ingolstadt, Ingolstadt  
Architects: nbundm\* neuburger, bohnert und müller Architekten, Munich  
Photo: Sebastian Schels



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### Building life cycle



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For developers and landlords, economic viability is crucial: durable, robust materials and constructions, resident-friendly and low-maintenance technology, reliable cost structures, and housing that continues to meet residents' needs in the long term. These factors form the basis for buildings that impress both ecologically and economically. In social subsidised housing, many developers retain the properties within their own portfolios. A positive building life cycle is consequently of considerable importance to them. The subsidised projects make a valuable contribution to a sustainable building stock in Bavaria.

**04 Subsidised**

**rental housing**

**in apartment buildings**

# Subsidised rental housing in apartment buildings

Germany is the number one rental country in the European Union (EU). In Bavaria, more than half of households rent their place of residence. In recent years, rents have risen significantly, particularly in rapidly growing cities, while surrounding regions are now also beginning to catch up noticeably. At the same time, it is becoming increasingly difficult to find suitable sites for new rental homes. The preservation and creation of affordable housing consequently remains one of the central challenges of housing and urban development policy.

In recent years, the Free State of Bavaria has ensured a significant improvement in the conditions for subsidised rental housing. To create incentives to build new socially regulated apartments, the general grant was increased by €100 to up to €600 per square metre of living space in 2024. A supplementary grant was awarded for extensions to existing buildings in the “ready for sustainable renewal and expansion” supplementary subsidy module and a local centre grant was awarded for the construction of rental apartments in the town centre. The sustainability grant was introduced in 2022 to promote particularly sustainable measures.

Prinz-Karl-Viertel residential development in Augsburg; income-based subsidy  
Developer: Wohnbaugruppe Augsburg, Augsburg  
Architects: Blaumoser Architekten, Starnberg  
Photo: © Barbara Gandenheimer

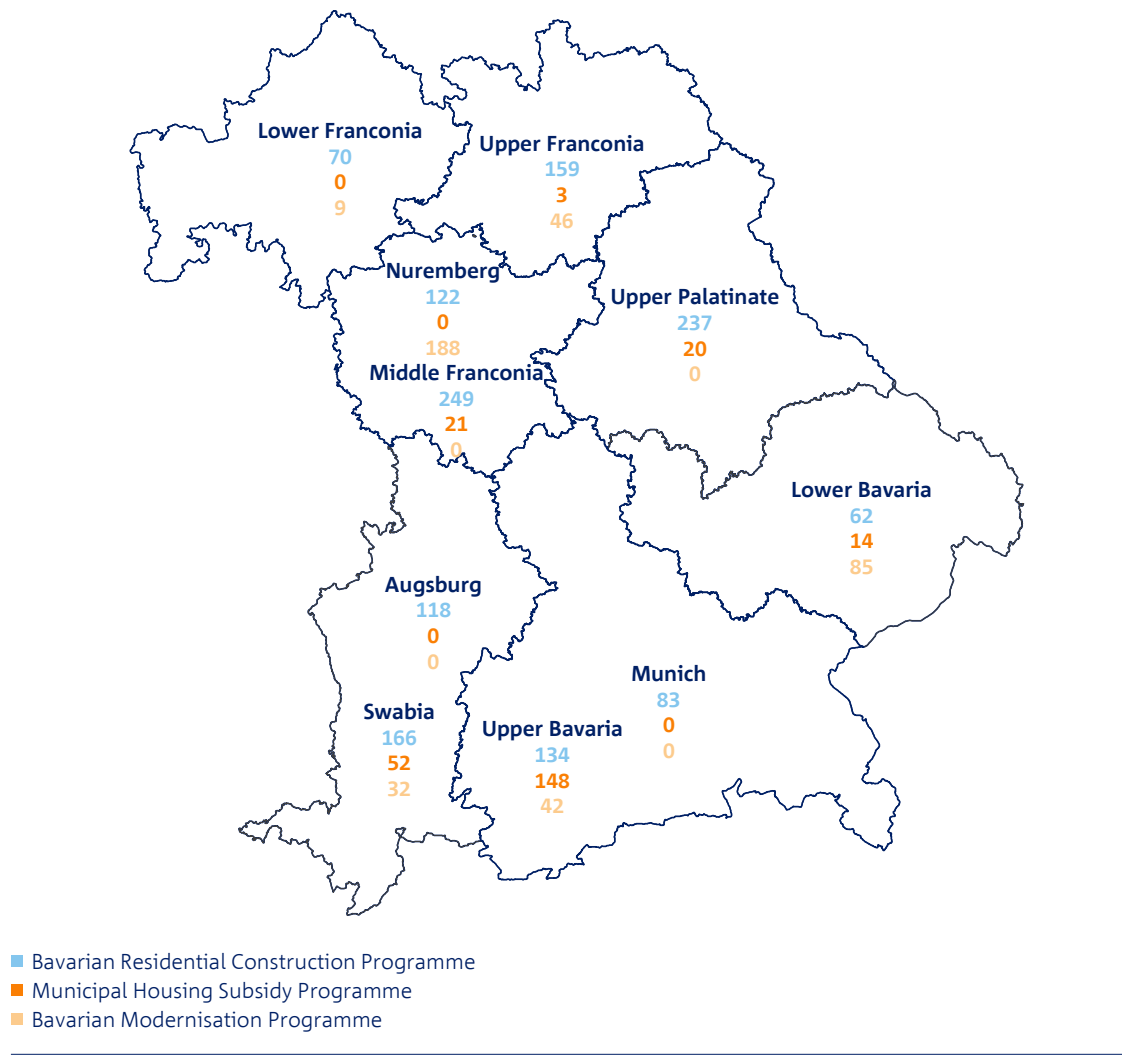


**Grants for the income-based subsidy:**

Grants	General grant	Ready for sustainable renewal and expansion grant	Local centre grant	Sustainability grant
up to €.../m <sup>2</sup>	600	150	100	200

In 2025, as in previous years, BayernLabo supported the financing of rental housing in apartment buildings through the Bavarian Residential Construction Programme and with the municipal subsidised housing programme. In addition, low-interest capital market loans and additional subsidies were granted as part of the Bavarian Modernisation Programme. A total of 2,060 rental homes received subsidised funding, which were distributed across the individual regions as follows:

**Rental homes (without structural adaptation) subsidised in 2025**



## Bavarian Residential Construction Programme – income-based subsidy (IBS)

With the income-based subsidy, the Free State of Bavaria together with BayernLabo offers low-interest loans and additional grants for the construction, modification or extension, as well as initial purchase and extension of buildings with sustainable improvements to the housing stock.



The subsidised funding of rental apartments consists of a property subsidy for private and public developers, housing companies and building cooperatives or purchasers, as well as an additional subsidy for tenant households. Property subsidies establish occupancy rights in rental housing in apartment buildings. The rent is to be based on the lower end of the local initial rental rate. The additional subsidy provides tenant households with rent relief depending on their household income.

The property subsidy comprises the property-based loan, the occupancy-based loan and supplementary grants.

In 2025, alternative rental and occupancy commitment periods with terms of 25, 40 and 55 years were offered. This protects tenants and provides planning certainty for developers, as the favourable terms of the subsidised funding are locked in for 25, 40 or 55 years.

### Property-based subsidy

In 2025, the property-based loan once again constituted a key component of rental housing construction. The amount of the loan is graduated according to the duration of the commitment period. A 55-year commitment period, for example, made up to €1,860 per square metre of living space available. The property-based loan carried interest of 0.50% in the year under review. This loan amount increased by up to 15% for wheelchair-compatible homes.

Subsidised loans  
of up to  
€1,860/m<sup>2</sup> with a  
55-year commit-  
ment period

### Occupancy-based subsidies

The occupancy-based loan carried an interest rate of 2.75% in the year under review. It contributes towards covering the supplementary subsidy to be provided for tenants depending on household income. The amount of such loans depends on the occupancy structure of the subsidised property agreed between the landlord and the authorising agency.

### Supplementary subsidy for tenants

Tenants receive a supplementary subsidy, depending on their income level, which reduces the market rent to a reasonable rent for them. This supplementary subsidy is financed pro rata from the interest earned on the occupancy-based loan. The supplementary subsidy is approved and disbursed by district offices or independent cities.

## The Municipal Housing Subsidy Programme – KommWFP

With the Municipal Housing Subsidy Programme (KommWFP), the Free State of Bavaria, in cooperation with BayernLabo, supports municipalities in planning and building housing in their own right. The programme enables such municipalities to create affordable housing for low-income households by building new homes and converting, modernising and realising first-time purchases of newly built properties. The Municipal Housing Subsidy Programme gives cities, market towns, municipalities and districts a great degree of freedom.

In addition to the state grant of up to 45% of the investment costs (including purchasing the land), the programme offers optional development loans from BayernLabo of up to 60% of the investment costs (also including purchasing the land).

The low-interest loan is granted by BayernLabo with a fixed interest period of 10, 20 or 30 years, with full repayment within the selected fixed-interest period and one repayment-free year. Alternatively, two more liquidity-friendly options are offered with 10 or 20 years of fixed interest rates and 30-year terms.

The municipalities' own contribution amounts to at least 10% of the investment costs and can also be provided in the form of the building plot.

Since the Municipal Housing Subsidy Programme (KommWFP) was set up in 2016, it has subsidised 7,258 residential units. The programme, originally limited until 31 December 2019, was initially extended until 31 December 2026 and is intended to continue gradually until 2030.



**7,258**  
**apartments funded**  
**under the Municipal**  
**Housing Subsidy Pro-**  
**gramme (KommWFP)**  
**since 2016**

Photo on next page:  
Housing in the former Mesnerhaus in Winhöring  
Municipal Housing Subsidy Programme  
Developer: municipality of Winhöring  
Architects: Robert Maier Architekten, Neuötting  
Photo: Robert Sageder



Obere Hofmark

## Bavarian Modernisation Programme

A key issue for the housing industry is the implementation of the energy transition in existing buildings. Particular importance is also attached to the retention of embodied energy. Through the continued use and modernisation of existing buildings, the energy already embedded in the building fabric is preserved, while energy- and resource-intensive new construction is avoided. This significantly reduces the buildings' overall life-cycle carbon footprint and makes an important contribution to climate change mitigation. At the same time, the retention of embodied energy strengthens the economic viability of the measures, as existing structures are used efficiently, thereby reconciling environmental objectives with social and economic goals.



**General grant  
of up to €300  
per square  
metre**



This is where the Bavarian Modernisation Programme comes in. In cooperation with BayernLabo, the Bavarian State Government strengthened investment incentives through improved subsidised funding conditions. The interest rate was significantly reduced and the general grant was raised from €200 to €300 per square metre of living space. For particularly sustainable projects, the sustainability grant amounts to up to €200 per square metre of living space (such grants amount to a maximum of 25% of the loan).

To promote the modernisation of rental housing and places in authorised residential care homes, BayernLabo grants loans for up to 100% of the costs eligible for subsidisation financed from its own funds and with the support of the KfW. The current interest rate can be found at bayernlabo.de.

The primary aims of the subsidised funding are to:

- Improve general living conditions
- Ensure socially compatible rent
- Adapt living space to the needs of the elderly
- Save energy and reduce the carbon footprint

In accordance with the subsidy directives, subsidised funding for rental homes is tied to a 10-, 15- or 20-year occupancy commitment in the event the property is re-let. If apartments become available for re-letting during this period, they must be re-let to interested parties from the beneficiary group. A general occupancy right exists for households whose total income does not exceed the income limit in accordance with Article 11 of the Bavarian Subsidised Housing Act (BayWoFG).

After 10, 15 or 20 years, the interest rate is adjusted in line with the capital market. After two free years, the annual amortisation amounts to at least 1.5% plus interest saved.

# 05 Subsidisation of owner-occupied houses and apartments

# Subsidisation of owner-occupied houses and apartments

Owner-occupied housing forms an important pillar of the housing market. Due to the shortage of building land and rising real estate prices, it is becoming increasingly difficult for people, especially for families with children, to realise their dream of owning their own home. The Free State of Bavaria and BayernLabo support private individuals who meet certain income limits (see page 1066) with building a new home or purchasing an owner-occupied home under the Bavarian Residential Construction Programme and the Bavarian Low Interest Rate Loan Programme. In the reporting year, the programmes were approved individually or in combination and facilitated financing in several ways: the Bavarian Residential Construction Programme provided borrowers with low-interest building loans and grants, while the Bavarian Low Interest Rate Loan Programme provided borrowers with low-interest loans. The subsidised loans are entered in the land register in rank after capital market and home savings loans. This minimises the risk for the senior financing partner and often makes financing possible in the first place.

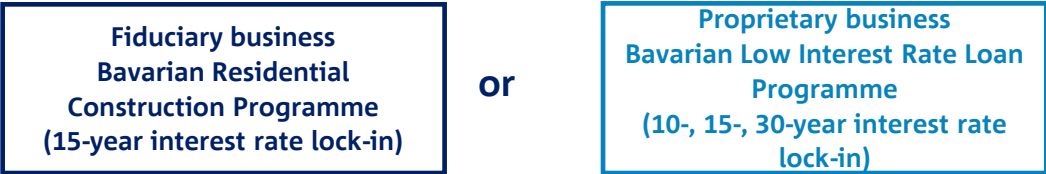
The Bavarian Low Interest Rate Loan Programme was offered with 10-, 15- and 30-year fixed interest rate periods. Current interest rate information can be found at [bayernlabo.de](http://bayernlabo.de).



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## Subsidy combinations for own homes

### Individual subsidy



### Combined subsidy





New build single-family home  
 Homeowner: Sendner family, Pastetten  
 Architects: Dipl. Ing. Architekt Andreas Winner, Pastetten  
 Photo: Increon, Ismaning

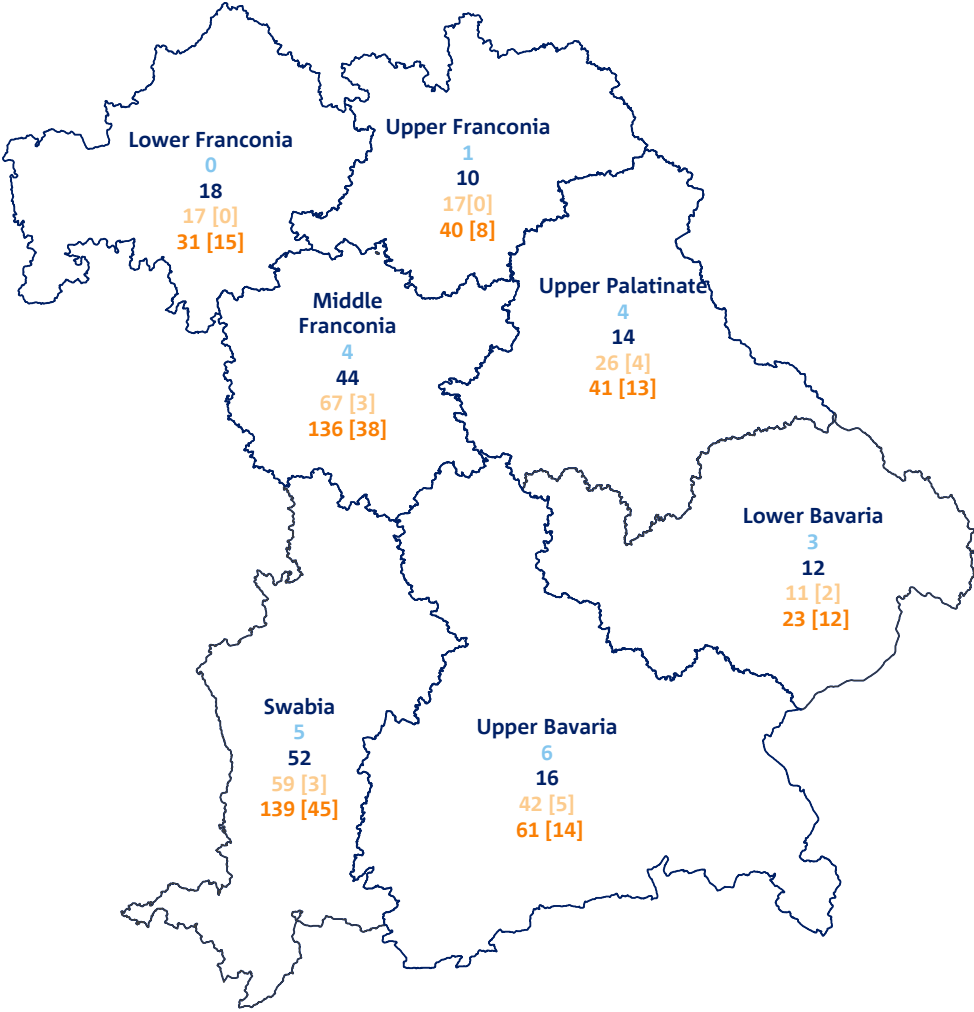
#### State-subsidised business with own homes (without structural adaptation)

Number of homes	2025	2024
<b>Bavarian residential construction programme</b>		
New builds	23	547
Purchases	166	1,597
<b>Bavarian low interest rate loan programme</b>		
New builds – combined subsidy <sup>1</sup>	17	514
Purchases – combined subsidy <sup>1</sup>	145	1,465
New builds – individual subsidy	239	372
Purchases – individual subsidy	471	436

<sup>1</sup> The homes are counted in the Bavarian Residential Construction Programme.  
 State-subsidised business does not include any structural adaptations to meet the needs of people with disabilities.  
 These are listed separately in section 6.

The map below shows the regional distribution of the homes subsidised in 2025 – showing the Bavarian Residential Construction Programme and the Bavarian Low Interest Rate Loan Programme separately – subdivided by new builds and purchases of owner-occupied property:

**Regional breakdown of subsidised owner-occupied homes**



- Bavarian Residential Construction Programme – new builds
- Bavarian Residential Construction Programme – purchases
- Bavarian Low Interest Rate Loan Programme – new builds [additional combined subsidy]
- Bavarian Low Interest Rate Loan Programme – purchases [additional combined subsidy]

### **Bavarian Residential Construction Programme (subsidised funding through amortising loans and grants)**

The aim of the Bavarian Residential Construction Programme was, in particular, to support families with children as well as households with low to average incomes in acquiring owner-occupied housing. For this purpose, the Free State of Bavaria and BayernLabo provided low-interest loans and one-off grants within the scope of available resources. The loan covered up to 30% of the eligible costs for new builds and up to 40% of the eligible costs for secondary purchases. Grants were available for families with children and for the purchase of existing family homes and owner-occupied apartments.

### **Bavarian Low Interest Rate Loan Programme to subsidise home ownership**

In 2025, the Bavarian State Government once again further reduced the interest rates under the Bavarian Low Interest Rate Loan Programme.

Under the Bavarian Low Interest Rate Loan Programme, BayernLabo, with the support of the KfW, provided subsidised funding for the new construction and purchase of owner-occupied homes in the form of detached and semi-detached homes and owner-occupied apartments, and for the modification and extension of owner-occupied buildings. The same income limits that govern the Bavarian residential construction programme also apply here. The loans under the Bavarian Low Interest Rate Loan Programme are secured subordinately, as with government building loans. By guaranteeing the subordinated loans, the Free State of Bavaria makes an additional contribution to the subsidy programmes.

BayernLabo provided loans up to one third of the total costs of the measures required.

Under the Bavarian Low Interest Rate Loan Programme, loan variants with a 10, 15 and 30-year (fully amortising) interest rate lock-in were offered in 2025. The 15-year fixed-interest option was of major importance due to its attractive interest rate, with loan commitments amounting to €112.6 million (FY 2024: €87.7 million). In total, loans were approved for 872 owner-occupied apartments and houses. This included 162 homes in the Bavarian Residential Construction Programme.



Photo on next page:  
Multi-generational residential building in Kranzberg  
Municipal Housing Subsidy Programme  
Developer: municipality of Kranzberg  
Architects: Büro Dantele, Freising, and Büro Kofink Schels, Munich  
Photo: Sebastian Schels



**06 Subsidised**

**housing for people**

**with disabilities**

# Subsidised housing for people with disabilities

Residential living space is often of central importance, especially for people with disabilities. They too wish to live as independently and as autonomously as possible. The Free State of Bavaria and BayernLabo support them in this wish. Firstly, through conversion measures within their own living environments. Secondly, through providing subsidised funding for facilities that offer special forms of accommodation for people with disabilities.

## Subsidisation of facilities for people with disabilities

In order to enable people with disabilities to use social and public facilities (sports, recreation, culture) in their residential area, residential places should be created in individual and small-scale residential buildings or housing complexes that are well integrated within their localities.

The Free State of Bavaria and BayernLabo jointly provide subsidised funding for the new construction and conversion of formerly inpatient residential units as well as special forms of housing for people with disabilities. State subsidised funding is available for up to 70% of eligible costs, depending on the type of facility. The subsidised funding can be applied for from the respective district government, the state capital Munich, or in the cities of Nuremberg and Augsburg.

In addition to non-repayable loans that are waived after expiry of a contractual occupancy commitment, amortising loans and grants were provided in 2025 to subsidise facilities for people with disabilities. The amount of the subsidised funding is determined on a case-by-case basis and depends partly on how well equipped the residence is.

## Structural adaptation for people with disabilities (adaptation measures)

To make it easier for people with disabilities to use their housing, the Free State of Bavaria supports the adaptation of existing owner-occupied and rented housing to meet the needs of people with disabilities. This enables people to remain within familiar surroundings even if they become disabled. Such measures can include, for example, the installation of a stair lift or a wheelchair ramp, a change in the layout of the apartment or the installation of sanitary facilities suitable for the disabled. These projects receive subsidised funding in the Bavarian Residential Construction Programme with a non-repayable building loan of up to €10,000. The non-repayable building loan is converted into a grant after the five-year occupancy commitment period expires.



Link to  
[stmb.bayern.de](https://stmb.bayern.de)

475 apart-  
ments struc-  
turally  
adapted

Photo on next page:  
New construction of a residential building for independent living in old age in Neunburg vorm Wald  
Income-based subsidy  
Developer: 9Bürger eG Wohnungsbaugenossenschaft Neunburg v. W.  
Architects: BeL Sozietät für Architektur, Cologne  
Photo: Sebastian Schels



**07 Subsidised**

**accommodation for students  
and trainees**

# Subsidised housing for students and trainees

## Subsidies for student housing

The number of students in Bavaria has been rising steadily for years, and with it the need for affordable accommodation at university locations. The Free State of Bavaria and BayernLabo subsidise

- construction measures that create student accommodation in a new building (new build), the initial acquisition of such housing, as well as the expansion (extension, addition) of an existing building,
- the alteration (involving substantial construction) of buildings previously built and used as student accommodation, provided that at least 25 years have elapsed since the building was ready for occupancy on 31 December of the year in which the application is submitted,
- the acquisition and alteration into student dormitories of buildings (at substantial cost of construction) not previously utilised for residential purposes.

**391 student accommodation places created and preserved!**

The government grant is provided in the form of a non-repayable building loan. This is free of interest and repayment for the duration of the intended use. The places in halls of residence for students thereby created may be rented for a period of 25 or 40 years only to students who are eligible for such accommodation.

Beneficiaries of grants can be legal entities under public law, private law and natural persons.

The Bavarian State Ministry of the Interior, for Building and Transport is responsible for related approvals.

## Subsidies for trainee housing

Starting in 2024, the Free State of Bavaria and BayernLabo are utilising a further important building block of subsidised housing in order to create affordable accommodation for trainees.

The new subsidised funding offering provides a non-repayable building loan of up to €45,000 per accommodation space with a 25-year occupancy commitment. The rent per apartment generally amounts to €260 plus a furnishing surcharge. In areas with increased housing needs, the rent can amount to €280 per accommodation space plus a furnishing surcharge. It is possible to allocate up to 20% of the subsidised accommodation to students.

Subsidised funding is provided for

- the construction, expansion and initial acquisition of housing for trainees,
- the conversion of housing for trainees and comprehensive energy modernisation measures, as well as
- the acquisition and alteration into trainee housing of buildings not previously utilised for this purpose.



Link to [stmb.bayern.de](https://stmb.bayern.de)



Link to [stmb.bayern.de](https://stmb.bayern.de)

Eligible recipients of funding are the property owner, the holder of a hereditary building right, or the purchaser. These especially include non-profit providers and organisations, providers and organisations of independent welfare and youth welfare, providers of vocational training, associations of professional and trade associations, municipal companies and municipalities.

Authorising agencies are the cities of Munich, Nuremberg and Augsburg for their areas, as well as the governments.

**59 affordable  
accommodation  
places for train-  
ees funded**

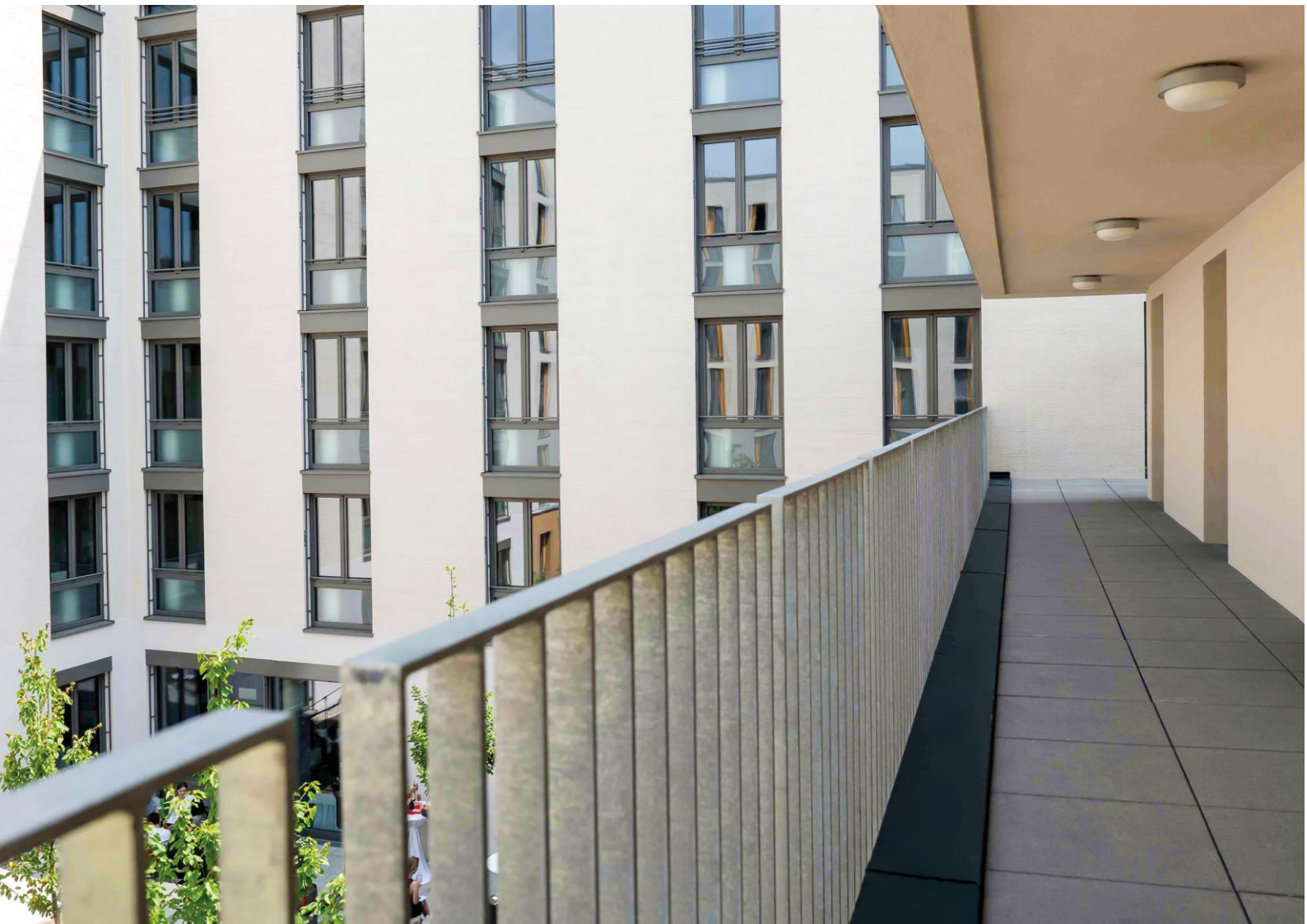
**Student housing with childcare centre in Nuremberg**

**Subsidised student housing**

**Developer: Studierendenwerk Erlangen-Nürnberg, Erlangen**

**Architects: Loebermann + Bandlow Architekten, Nuremberg**

**Photo: Studierendenwerk Erlangen-Nürnberg, Erlangen**



# 08 Further subsidies

# Further subsidies

## Construction and purchase of rental homes for public-sector workers

It is in the state's interest to help transferred or newly hired employees of the Free State of Bavaria obtain housing at their place of employment that is appropriate to their income level and the size of their family.

To complement the Bavarian Residential Construction Programme, BayernLabo provides subsidised funding for the construction and purchase of rental homes for public-sector workers by government housing companies on behalf of the Free State of Bavaria.

## Subsidised funding to modernise and update apartments for public-sector workers (leasehold apartments)

On behalf of the Free State of Bavaria, BayernLabo provided subsidised funding for the modernisation, updating and restoration of public-sector workers' apartments, which were transferred to state enterprises for the purposes of state housing assistance.

## Own-risk portfolio

To a limited extent, loans are granted under BayernLabo's own risk as intermediate financing or as an addition to public-sector funding programmes. Such loans are only granted to business partners where BayernLabo is confident of their credit rating as a result of loans already granted under a subsidised funding programme.

## Maintaining holdings

The current interest-rate environment led to a preference for offers with longer fixed-interest periods. Demand for forward conditions decreased. Nevertheless, BayernLabo continues to offer forward conditions under certain conditions and at the request of our business partners.

In income- and expenditure-based subsidies, rental price and occupancy commitments expiring within five years can – upon request – be extended by a further 15 years. The loan conditions of the occupancy-based loan are then reduced to the interest rate that is then valid for new approvals, while the conditions of the property-based loan continue to apply. In 2025, this enabled 164 residential units (FY 2024: 23) with a loan volume of €6.5 million (FY 2024: €0.3 million) to be retained as social housing.

In the Bavarian Modernisation Programme, the housing commitment was retained for 650 apartments (FY 2024: 1,148 apartments) with a loan volume of €25.8 million (FY 2024: €42.1 million) by adjusting conditions while extending housing commitments.

## Adjustments to terms and conditions

After expiration of the occupancy commitment or expiration of the fixed-interest period, BayernLabo submits an offer to the borrowers with new conditions for various fixed-interest periods.

By offering attractive conditions at the end of the respective fixed interest lock-in periods, BayernLabo maintained a high retention rate of loans due for interest rate adjustment in the Bavarian business of 64.6% (FY 2024: 68.8%). This corresponds to a residual loan of €107.7 million (FY 2024: €112.6 million). In the business in Thuringia, this amounted to 75.4% (FY 2024: 53.4%).

Furthermore, the interest rate was adjusted for some fiduciary loans granted via the third subsidy route and the Bavarian Residential Construction Programme under the subsidy directives. This affected residual loans of €108.8 million (FY 2024: €104.5 million), €84.5 million (FY 2024: €67.6 million) of which was retained. This represents a retention rate of 77.7% (FY 2024: 64.7%).

Regensburger Viertel in Nuremberg; income-based subsidy  
Developer and photo: Siedlungswerk Nürnberg, Nuremberg  
Architects: Behles & Jochimsen, Berlin



# 09 State and municipal lending

# State and municipal lending

With a 35.6% share of loan portfolios, the Bavarian state and municipal loan business is BayernLabo's second pillar.

In accordance with the law and its Statutes, BayernLB's responsibility is to support the Free State of Bavaria and its local authorities in fulfilling their public mandates. BayernLabo primarily carries out this public mandate for Bavarian and municipal business within the BayernLB Group, and works closely with municipal umbrella organisations and ministries to implement it consistently.

As the municipal lending and development bank of the Free State of Bavaria, BayernLabo helps safeguard the provision of credit to Bavarian municipalities.

## Municipal lending business

BayernLabo helps Bavarian local authorities, public-sector special purpose associations and school associations (hereinafter: Bavarian municipalities) to finance investment in general municipal and social infrastructure. As part of in-depth financing advisory services, it offers customised traditional municipal loans and subsidised municipal loans.

Traditional loans can be used not just for new borrowings but also to refinance existing loans.



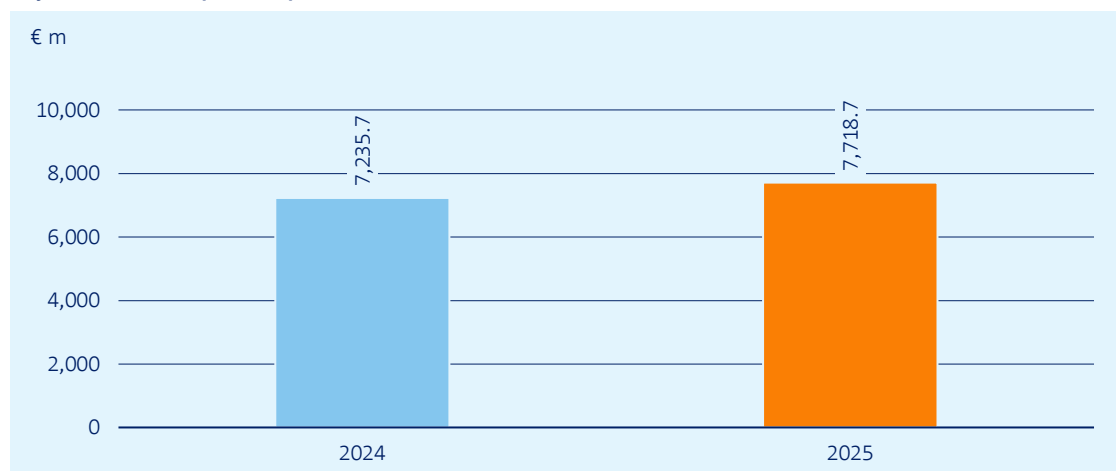
The guarantee by the Free State of Bavaria enables BayernLabo to access inexpensive funding on the capital market as a development bank with an AA rating – particularly for longer interest rate lock-in periods. This favourable funding means it can offer attractive conditions, not only for municipal development loans but also for traditional municipal loans.

With a market share of well over one third, BayernLabo is the market leader in the municipal lending business (in Bavaria).



New construction of a fire station in Unterelchingen  
Municipal investment loan  
Developer: municipality of Elchingen  
Architects and photo: Busch Lange Generalplaner, Neu-Ulm

#### BayernLabo municipal loan portfolio



Not including the Municipal Housing Subsidy Programme (KommWFP).

### Traditional municipal loans

BayernLabo offers Bavarian municipalities a wide range of options for investment financing. Within the core budget or the budget for municipal enterprises, individual solutions can be selected as required:

- Loans with fixed interest rate periods for up to 30 years and flexible amortisation structures
- Forward loans (to secure the current conditions for existing loans whose interest rate lock-in period is expiring in the foreseeable future)



### Investkredit Kommunal Bayern (Bavarian municipal investment loan)

With BayernLabo's Investkredit Kommunal Bayern (Bavarian municipal investment loan), Bavarian municipalities have the opportunity to finance investment measures relating to general municipal and social infrastructure on particularly attractive terms. In this context, BayernLabo further reduces the interest rates already subsidised at federal level under the "KfW Investment Loan for Municipalities" programme: for the full five years on loans with a five-year term, and for the first ten years of the loan period on all other terms.

Investments in kindergartens, schools, town halls, town and village planning, as well as disaster prevention measures are subsidised. Per budget year, no more than 50% of the investment costs can be subsidised. Projects up to €2 million may even qualify for a subsidy of up to 100%.



### The Municipal Housing Subsidy Programme – KommWFP

The municipal subsidised housing programme (KommWFP), which is administered within the Bavarian municipal lending business, is an important component of subsidised rental housing (for details, see section 4, Subsidised rental housing in apartment buildings).

### Financing advisory services

As part of financing advisory services, credit portfolios are analysed and structured with a view to potentially optimising them using BayernLabo products:

- Interest rate hedging against future adjustment to the terms and conditions with forward loan agreements
- Early adjustment of terms and conditions to reduce interest rate costs
- Even control or staggering of the repricing dates

### State government lending

BayernLabo acts as the principal banker to the Free State of Bavaria alongside BayernLB. The government loan portfolio consisted primarily of Schuldschein note loans and, unchanged compared with the previous year, amounted to €150.0 million.

# 10 Financial report

# Financial report

## Business structure

### Business model

BayernLabo is the subsidised housing and municipal bank of the Free State of Bavaria with its head office in Munich. The guarantor for BayernLabo is the Free State of Bavaria. Within Bayerische Landesbank, BayernLabo is a legally dependent but organisationally and financially independent institution established under public law.

As part of government housing policy and in accordance with the state aid regulations of the European Union (EU), BayernLabo has the legal mandate as a specialised bank to subsidise projects to improve and strengthen the housing stock and settlement structure of Bavaria. As such, BayernLabo acts as a non-competitive partner in providing its customers with low-cost finance in the form of the subsidised funding programmes, particularly for the creation or modernisation of owner-occupied and rental properties and places in residential homes. In addition to the state-subsidised programmes, BayernLabo also offers its own subsidised funding programmes, which it refinances via the Kreditanstalt für Wiederaufbau (KfW) as well as the Landwirtschaftliche Rentenbank and the capital market, and discounts with its own funds.

As the municipal bank of the Free State of Bavaria, BayernLabo helps Bavarian local authorities and public-sector special purpose and school associations to finance investment in municipal and social infrastructure. To this end it offers traditional municipal loans and subsidised municipal loans, which are discounted with support from KfW and its own funds.

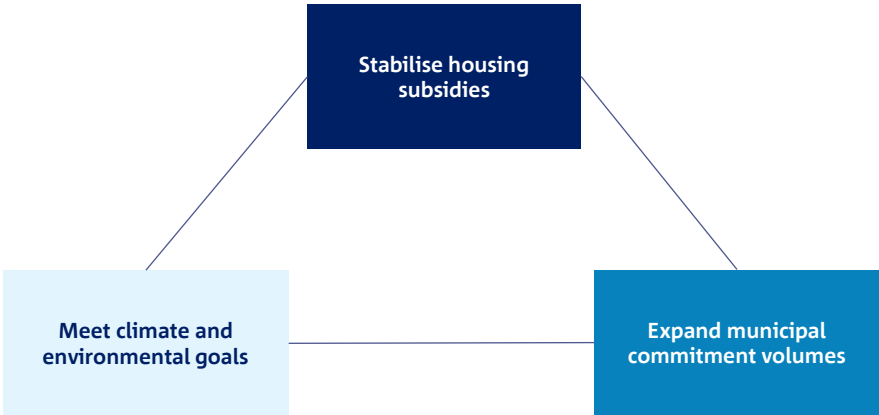
When obtaining funding on the capital market, BayernLabo benefits from the state guarantee for its liabilities and the related Aaa rating from Moody’s Investors Service rating agency.

### Business strategy

BayernLabo’s strategic objectives are as follows:

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#### Strategic objectives



### **Stabilisation of housing subsidies in Bavaria**

Housing subsidies are provided on an ongoing basis from BayernLabo's own funds as well as through low-interest own funds schemes, which are subsidised by the Free State of Bavaria. In addition, development loans are made available under the Municipal Housing Subsidy Programme with an interest rate reduction from the Free State of Bavaria. BayernLabo also aims to leverage the advantage it derives from the state liability guarantee for its refinancing in the interests of its statutory mandate. In doing so, it relies on the support of the Free State of Bavaria as the client of its funding programmes.

### **Expansion of municipal commitment volumes**

BayernLabo also aims to continuously expand the volume of commitments in its traditional municipal lending business and to continue existing municipal development programmes, as well as to launch new ones, if required. These measures apply particularly to the energy transition, climate change adaptation measures and the reduction and removal of barriers as well as the age- and disability-friendly conversion of municipal infrastructure.

### **Meeting climate and environmental goals of the Free State of Bavaria**

BayernLabo regards the continuous emphasis on sustainability criteria as an essential contribution to fulfilling the Free State of Bavaria's climate and environmental goals within the context of its public mandate. In coordination with the Bavarian State Ministry of Finance and Regional Identity (StFMH) and the Bavarian State Ministry of Housing, Building and Transport (StMB), climate and environmental aspects have also been taken into greater consideration in the structuring of subsidy-relevant requirements since 2022. In addition, integration with state subsidised housing is being stepped up in order to establish subsidised funding programmes focused on achieving the best possible integration of sustainability and climate objectives, while upholding the Understanding II agreement ("Verständigung II").<sup>5</sup> For this purpose, the Free State of Bavaria must transfer new subsidised funding responsibilities to BayernLabo in accordance with the statutory catalogue of responsibilities, while maintaining the existing risk situation (100% guaranteed by the state).

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<sup>5</sup> In the Understanding II agreement of 1 March 2002, the European Commission and the German federal government established special regulations for development banks with non-competitive structural and development business.



Refurbishment and extension of an existing building at Wörthsee  
Municipal Housing Subsidy Programme  
Developer: municipality of Wörthsee  
Architects: hirner & rieh architekten stadtplaner, Munich  
Photo: Sebastian Schels

### *Pursuing environmental funding objectives in parallel with social funding objectives*

In addition to subsidising new build properties, the main objective remains the energy-efficient modernisation and refurbishment of existing buildings and the subsidisation of properties or residential space purchased from previous owners. Innovative new concepts are also taken into consideration within the scope of the subsidised funding schemes in order to enable their broad-based implementation in social housing. In the area of municipal financing, the subsidisation of measures to adapt to climate change will play an increasingly important role in the future, in addition to climate protection services, which continue to be important.

The development of housing subsidisation programmes can only be advanced by the Bavarian State Ministry of Finance and Regional Identity (StFMH) and the Bavarian State Ministry of Housing, Building and Transport (StMB). The creation of affordable housing and the preservation and expansion of affordable municipal and social infrastructure must in future also take environmental aspects into consideration. This is also demonstrated by the market's transparency requirements and the constant increase in related regulatory requirements.

### *Continuous improvement of data management and management reporting*

Standardised data fields and the subsidised funding guidelines developed accordingly are a necessary prerequisite for ensuring transparent environmental, social and governance (ESG) reporting and, in the longer term, for managing the portfolio structure of projects financed by BayernLabo. BayernLabo's lending system is the main anchor point for this. It also serves as the basis for the regulatory data delivery to BayernLB required under the Capital Requirements Regulation (CRR) disclosure and the EU Taxonomy as part of Group reporting. To ensure future-proof data management and, based on this reliable management reporting, automation and digitalisation are being continuously advanced, while data quality is constantly being improved.

### *Active management of sustainability opportunities and risks*

It is important for BayernLabo to recognise its contribution to sustainable development in the Free State of Bavaria and the resultant measurable impact of subsidised loans. The continuous advancement of impact reporting is intended to improve transparency regarding subsidised funding programmes and sustainability aspects. This serves to build trust and confidence among citizens, local authorities and investors as well as to provide basic information about the importance of social housing and sustainable municipal financing for society.

BayernLabo uses the ESG Impact module of the ESG assessment developed by BayernLB at programme level to record and evaluate sustainability opportunities. As regards the ESG Basic and ESG Plus categories, BayernLabo uses the criteria defined by BayernLB analogously.

BayernLabo generally fulfils the requirements of the ESG Basic category through its subsidised social housing mandate flanked by its municipal lending business. The ESG Plus criteria are gradually adapting the requirements of the EU Taxonomy with regard to alignment (currently mainly technical screening criteria and do no significant harm as well as verification). A particular challenge in this context is the lack of evaluable data and supervisory-recognised documentation. BayernLabo is implementing continuous improvements, in particular through the inclusion of energy performance certificates and the acquisition of energy-related data for the existing portfolio.

The relevant exposures are analysed using the ESG risk module of the ESG assessment to ensure that the climate and environmental risks deriving from BayernLabo's lending business are appropriately mapped and risk-adjusted.

The allocation of subsidised funding programmes to the 17 Sustainable Development Goals of the United Nations (SDG mapping) was updated using the figures for 2025.

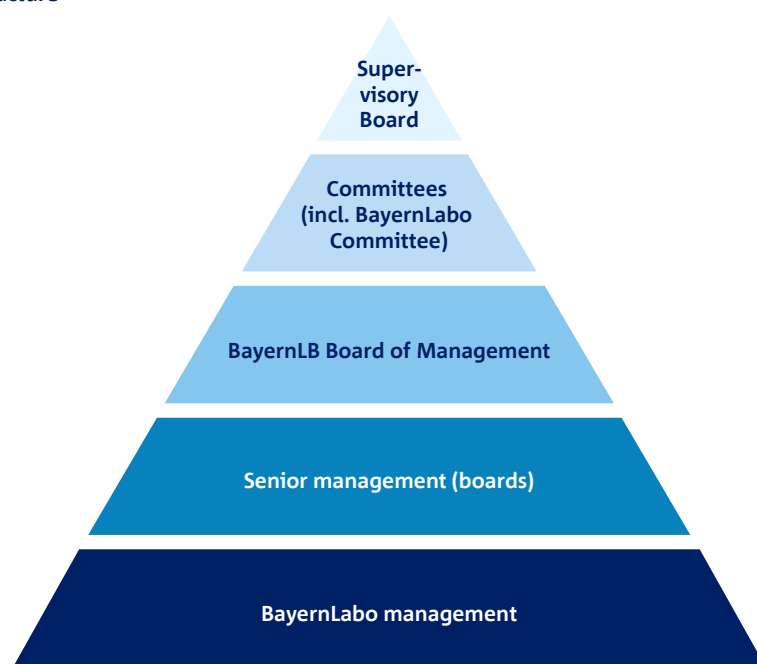
## Management and control

### Structure of risk management

BayernLabo is incorporated into BayernLB's risk-oriented management. Certain tasks are performed centrally by BayernLB:

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#### Management structure



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The Supervisory Board monitors and advises BayernLB's Board of Management. The BayernLabo Committee was formed from its ranks to deal with issues relating to BayernLabo. The Committee deals with all matters in respect of BayernLabo on behalf of the Supervisory Board and passes resolutions concerning BayernLabo's affairs for which the Supervisory Board is responsible.

BayernLabo is represented in and out of court by BayernLB's Board of Management, business is conducted by senior management. The overarching responsibility of the Bank's Board of Management pursuant to the German Banking Act (KWG) shall remain unaffected.

Various boards furthermore assist the BayernLB Board of Management in running the Bank and its activities. BayernLabo reports regularly to the BayernLabo Committee on business performance and its risk status. BayernLB monitors and reports risks directly. Performance and process-oriented risks (planning and performance of the annual results, new business, the loan portfolio, the investment and risk asset budgets) are managed by the Board of Management of BayernLB and management of BayernLabo.

BayernLabo's risk control ensures that the limits for individual risk types are monitored and implements BayernLB's requirements at BayernLabo.

## Organisation of risk management

BayernLabo's early risk detection system incorporates the specific features of a development bank. Its goal is to identify and record material risks or those that jeopardise existence so early that, if possible or necessary, countermeasures can be taken. BayernLabo regards the interests of trustors/guarantors the same as its own. BayernLabo manages its risks from the perspective of risk minimisation.

## Internal control and risk management system

In conjunction with BayernLB, BayernLabo has set up an internal control and risk management system, which is constantly reviewed and refined. It is based on written organisational rules and comprises regulations on both the structural organisation and workflows.

Student housing with childcare centre in Nuremberg

Subsidised student housing

Developer: Studierendenwerk Erlangen-Nürnberg, Erlangen

Architects: Loebermann + Bandlow Architekten, Nuremberg

Photo: Studierendenwerk Erlangen-Nürnberg, Erlangen



The rules governing the accounting-related internal control system are set out in the Group accounting guidelines stipulated by BayernLB. These rules ensure the standards and requirements in relation to accounting are complied with.

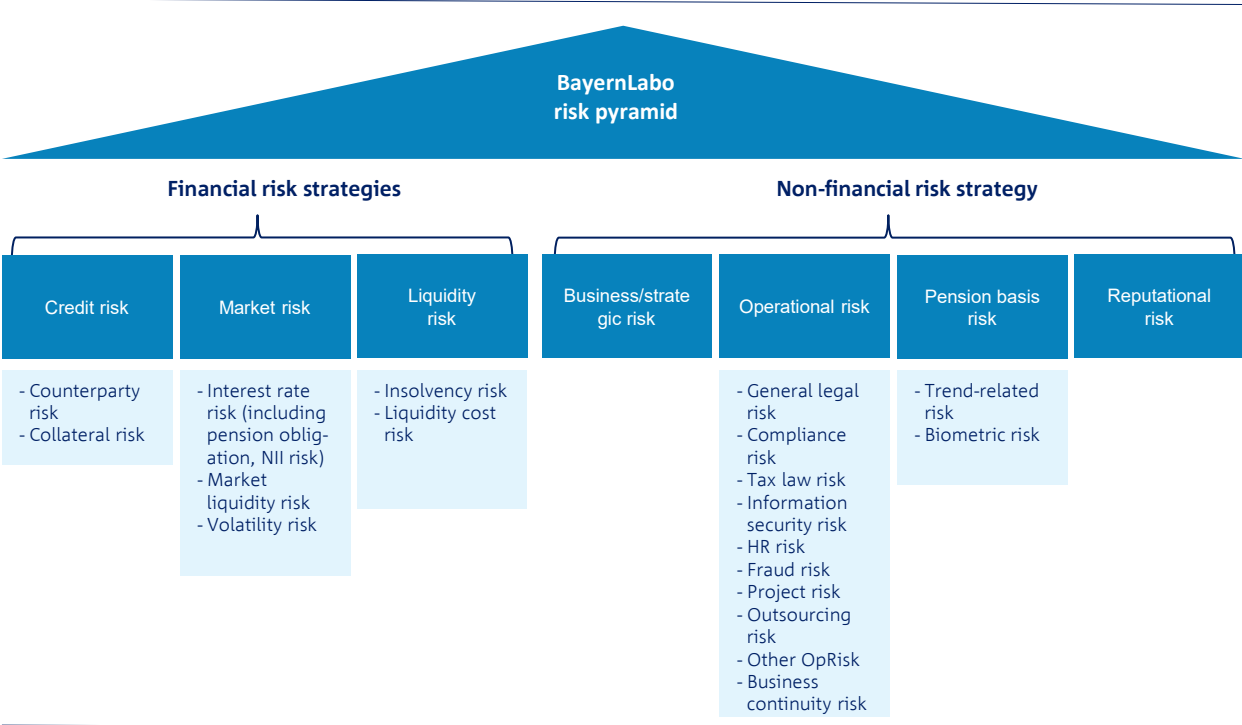
The annual financial statements and management report are compiled in accordance with the directives for preparing the annual accounts, produced by directive of the BayernLB Board of Management, and submitted to the BayernLabo Committee for approval.

**Risk-bearing capacity**

BayernLB’s Group Risk Strategy sets out risk capital requirement limits, which must be complied with by the institutions of the BayernLB Group and therefore also BayernLabo. In the case of credit risks, diversification is achieved by setting specific portfolio and individual limits.

**Risks of BayernLabo**

BayernLabo’s early risk detection system comprises the following risk fields (excerpt from BayernLabo’s risk pyramid).





Residential district in Penzberg  
Municipal Housing Subsidy Programme  
Developer: city of Penzberg  
Architects: H2M Architekten, Munich/Kulmbach  
Photo: Sebastian Schels

The development of the still considerable geopolitical uncertainties affecting the economy and capital markets is continuously evaluated by BayernLabo as part of its management and monitoring activities. However, due to the state guarantee and the solid capital and liquidity position, no effects arise for BayernLabo.

### **Credit risk**

Credit risk at BayernLabo consists largely of counterparty risk. Counterparty risk is the risk of a loss in value of receivables due to a deterioration in the credit rating of a BayernLabo business partner and/or a change in value of collateral provided.

BayernLabo's credit business comprises loans in the fiduciary business, state and municipally-guaranteed loans, Schuldschein note loans to the Free State of Bavaria, municipal loans and loans on its own books. Its fiduciary business in Bavaria and Thuringia, state-guaranteed own business and internally funded loans to German public-sector budgets account for the vast majority of the subsidised loans issued by BayernLabo. These loans do not pose a direct counterparty risk for BayernLabo.

BayernLabo bears its own credit risk primarily in relation to loans on its own books, with a total volume of €329.1 million (including open commitments of €0.9 million; FY 2024: €312.6 million), in other words, a share of 1.4% of BayernLabo's entire credit business. Loans on the bank's own books are only granted to business partners where BayernLabo is confident of their credit rating as a result of loans already granted under a subsidy programme.

No direct write-down was required in the 2025 financial year. No valuation allowance was recognised for BayernLabo's own-risk portfolio.

### **Market risk**

Market risk is the risk of financial losses due to volatility on the money, currency, capital, equities and commodity markets.

BayernLabo's market risk includes, in particular, interest rate risks arising from transactions in which BayernLabo grants loans and for which it has to raise funds on the money or capital market at its own risk (including refinancing from global loans with KfW or Landwirtschaftliche Rentenbank). Market risks also arise from the securities portfolio. In addition to bonds issued by the German federal states and their development institutions, the portfolio also includes bonds issued by the European Union and its supranational institutions.

To hedge pension, assistance and death benefit obligations, BayernLB has established cover assets in the form of a Contractual Trust Arrangement (CTA). Risks are no longer allocated to BayernLabo.

### **Liquidity risk**

Liquidity risk is the risk that payment obligations cannot be met in full or as scheduled (insolvency risk) or, in the event of a liquidity crunch, funding can only be obtained at above-market rates (liquidity availability risk).

In light of its market position, BayernLabo, as a Aaa-rated Solva Zero issuer guaranteed by the Free State of Bavaria, does not anticipate any ad hoc or structural liquidity problems in a normal market environment.

### **Operational risk**

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. This includes legal risk. Operational risks are monitored locally by the OpRisk manager of BayernLabo in a process integrated into BayernLB's OpRisk system.

On the basis of its public development mandate BayernLabo formulates the basic premises of its business activities, which are then specified in the risk strategies with a view to risk-bearing capacity.

## Business and strategic risk

Strategic risk is the risk BayernLabo faces if surrounding circumstances, such as market conditions and the competitive environment, change. The future performance of non-competitive BayernLabo depends predominantly on the housing policy decisions by the German government and that of the Free State of Bavaria.

Living in the centre of Mammendorf  
Municipal Housing Subsidy Programme  
Developer: municipality of Mammendorf  
Architects: Füllemann Architekten GmbH, Gilching  
Photo: Füllemann Architekten GmbH, Gilching



### **Pension basis risk**

The pension basis risk (relating to pensions, benefits and death benefits) is calculated and limited separately by BayernLB and only addresses the effects of unexpected changes in trend factors (such as collectively bargained pay scales, medical costs). Group Risk Control monitors pension basis risk for the BayernLB Group.

### **Reputational risk**

Reputational risk is the risk arising from negative public criticism or a negative image of BayernLabo itself, which can result in financial losses for the institution.

BayernLB has drawn up a Group-wide set of instructions for monitoring reputational risk. To this end a decentralised reputational risk manager (DRRM) has been appointed.

### **Summarised risk assessment**

In light of its low-risk business model, BayernLabo's risk situation has remained mostly unchanged year on year.

According to BayernLabo's knowledge, no discernible risks exist at present that could have a sustained adverse effect on BayernLabo's business model and its state subsidy mandate.

## **Course of business**

### **Macroeconomic and sector-specific environment**

The year 2025 was dominated by the policy initiatives of the new US administration, particularly the introduction of significantly higher import tariffs. In July, the US agreed with the EU on a general tariff rate of 15%.<sup>6</sup> In February 2026, the US Supreme Court declared the tariffs imposed under emergency legislation invalid. However, the US government quickly established a new legal basis for temporarily maintaining a general tariff rate at this level, as a meaning that little changed for the EU. Political cooperation and companies' business relations between the two economic regions were also hindered by diverging policy approaches to fundamental issues such as climate change, diversity and regulation. The trade conflict between the US and China, which temporarily escalated over the supply of rare earths and high-performance semi-conductor chips, culminated in November in a temporary easing of previously imposed trade restrictions. Global crises, including the war in Ukraine, continued unabated despite various peace initiatives, while the conflict in Gaza/Israel came to a fragile ceasefire. The situation in the Middle East escalated

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<sup>6</sup> See EU 2025, [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_25\\_1973](https://ec.europa.eu/commission/presscorner/detail/en/ip_25_1973).



Residential district in Freiam  
Income-based subsidy  
Developer: Münchner Wohnen  
Architects: Grassinger Emrich Architekten GmbH, Munich  
Photo: © Thilo Härdtlein, Münchner Wohnen GmbH

further in spring 2026 with an attack by the US and Israel on Iran. Numerous neighbouring countries were affected by the fighting, and the Strait of Hormuz – which is central to international trade in energy commodities – was temporarily closed to shipping by Iran. Political uncertainty therefore increased further, and the pressure on the economy to adjust remains considerable.

Despite monetary policy impulses and declining interest rates in the short-term maturity range, global economic growth was mixed. Against this backdrop, Germany recorded a slight increase in real economic output after two years of decline. Overall, price-adjusted gross domestic product (GDP) expanded by 0.2% in 2025.<sup>7</sup> The main drivers were private consumption, supported by real wage growth, and a strong increase in government consumption, while equipment investment and the external contribution had a negative impact on GDP growth. Thanks to significant front-loading effects ahead of US tariff measures, a more pronounced decline in exports was avoided. The manufacturing sector remains a cause for concern: in addition to the tariff disputes with the US, Germany's most important export market, which have placed a large share of goods producers under pressure, the industry is also facing structural challenges in the key automotive

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<sup>7</sup> See German Federal Statistical Office 2026, <https://www.destatis.de/DE/Themen/Wirtschaft/Volkswirtschaftliche-Gesamtrechnungen-Inlandsprodukt/Tabellen/bip-bubbles.html?nn=2110>.

sector and the transition to electric mobility. Other sectors along the value chain, such as mechanical engineering, also experienced setbacks as a result. Capacity utilisation in the manufacturing sector was recently well below average.<sup>8</sup> The investment and defence spending programmes adopted by the government, financed through a higher budget deficit, generated only limited growth stimulus towards the end of the year. Despite falling interest rates, construction production and investment were down year on year. Nevertheless, building permits and new orders in the main construction industry underwent a recovery.

Although the German employment market continued to deteriorate from the start of the year, the unemployment rate remained unchanged at 6.3% from March 2025.<sup>9</sup>

Average inflation in Germany (CPI) stood at 2.2% in 2025,<sup>10</sup> only slightly above the ECB's target of 2%. Across the eurozone, inflation (HICP) was also marginally lower than Germany's at 2.1%.<sup>11</sup> The decline in the inflation rate compared with the previous year was primarily attributable to lower prices for energy, electricity and crude oil, while core inflation, and services inflation in particular, remained persistent. This trend was largely fuelled by wage growth and a still robust employment market in the eurozone. The ECB therefore continued to closely monitor services prices and wage trends and maintained a data-based approach. As inflation reached its target, the Governing Council paused the interest rate cycle after four rate cuts of 25 basis points each in 2025, starting in July. The deposit facility rate, which is the key policy rate, therefore stood at 2.0% at the end of the year.<sup>12</sup> With regard to liquidity policy, the ECB made no changes during the year. Maturing securities from the asset purchasing programmes were not reinvested, leading to a gradual decline in excess liquidity.

Geopolitical challenges also left their mark on the Bavarian economy. In particular, Trump's tariff dispute with the European Union – in which the automotive industry quickly found itself at the centre of the conflict and was at times subject to sector-specific surcharges – was, alongside planning uncertainty, one of the greatest inhibiting factors. By a considerable margin, the US remains the most important export market for Bavarian products, especially for motor vehicles and mechanical engineering.<sup>13</sup> After a decrease of 1.0% in 2024, real gross domestic product in the Free State of Bavaria contracted by 0.4% year-on-year in the first half of 2025<sup>14</sup> – once again more sharply than in Germany as a whole. Industrial production in 2025 was nevertheless 0.6%

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<sup>8</sup> See *ifo Geschäftsklimaindex January 2026*, <https://www.ifo.de/fakten/2026-01-26/ifo-geschaeftsklimaindex-unveraendert-januar-2026>.

<sup>9</sup> See *Federal Employment Agency 2026, Monthly Report, December 2025*, [https://statistik.arbeitsagentur.de/SiteGlobals/Forms/Suche/Einzelheftsuche\\_Formular.html?nn=627730&topic\\_f=monatsbericht-monatsbericht](https://statistik.arbeitsagentur.de/SiteGlobals/Forms/Suche/Einzelheftsuche_Formular.html?nn=627730&topic_f=monatsbericht-monatsbericht).

<sup>10</sup> See *German Federal Statistical Office 2026*, <https://www.destatis.de/DE/Themen/Wirtschaft/Preise/Verbraucherpreisindex/Tabellen/Verbraucherpreise-12Kategorien.html#236130>.

<sup>11</sup> See *Eurostat 2026*, [https://ec.europa.eu/eurostat/databrowser/view/prc\\_hicp\\_ainr/default/table?lang=de&category=prc.prc\\_hicp.prc\\_hi](https://ec.europa.eu/eurostat/databrowser/view/prc_hicp_ainr/default/table?lang=de&category=prc.prc_hicp.prc_hi).

<sup>12</sup> See *ECB 2025*, [https://www.ecb.europa.eu/stats/policy\\_and\\_exchange\\_rates/key\\_ecb\\_interest\\_rates/html/index.en.html](https://www.ecb.europa.eu/stats/policy_and_exchange_rates/key_ecb_interest_rates/html/index.en.html).

<sup>13</sup> See *AWZ Bayern 2026*, <https://weltweit-erfolgreich.de/bayern/fokusthemen/aussenhandel/>.

<sup>14</sup> See *German federal and state statistics offices 2026*, <https://www.statistikportal.de/de/vgrdl/ergebnisse-laender-ebene/bruttoinlandsprodukt-bruttowertschoepfung/bip#11489>.

above the deeply negative result of the previous year.<sup>15</sup> Initial signs of recovery became apparent, particularly towards the end of the year. By contrast, the downturn in the main construction sector continued, with production shrinking by a further 5.0% in 2025 – despite a positive growth contribution from civil engineering.<sup>16</sup>

The Bavarian labour market, however, remained comparatively robust: in December 2025, the unemployment rate stood at 4.0%, only marginally higher than the previous year (3.8%).<sup>17</sup> Inflation also stabilised at just over 2.0%.<sup>18</sup>

In 2025, the European key interest rate stabilised at a moderate level of 2.0%. However, interest rates on building loans remained elevated, ranging between 3.5% and, at their peak, 3.8% for 10-year building loans.<sup>19</sup> As a result, demand for residential property purchases in Germany and Bavaria remained comparatively weak despite the recovery over the course of 2025. Overall, prices for residential property in Germany and in Munich continued to rise in 2025. On average over the course of 2025, they increased by 3.9% compared with the corresponding quarter of the previous year. In Munich, the increase was as high as 5.3%.<sup>20</sup>

Rising prices reflected the continued severe shortage of housing in Bavaria and particularly in Munich. In 2024, significantly fewer completions were reported, with 53,634 new apartments in Bavaria (down 16% compared with 2023) and around 6,500 apartments in Munich (down 34% compared with 2023). As a result, the housing shortage continued to worsen due to ongoing strong population growth in Bavaria.<sup>21</sup> Consequently, rents in Munich, for example, increased significantly over the course of 2025, as expected. In 2025, rents in Munich were 4.3% higher than the previous year.<sup>22</sup> Overall, property prices and rents in Bavaria developed largely in line with the trend across Germany as a whole.

By contrast, signs of stabilisation emerged in residential construction in 2025. While the entire Bavarian construction industry recorded nominal sales growth of 7.1% between December 2024 and December 2025, sales in residential construction only increased minimally by 4.5% over the same period.<sup>23</sup>

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<sup>15</sup> See Bayerisches Landesamt für Statistik 2026, [https://www.statistik.bayern.de/mam/produkte/veroeffentlichungen/statistische\\_berichte/e1200c\\_202512.pdf](https://www.statistik.bayern.de/mam/produkte/veroeffentlichungen/statistische_berichte/e1200c_202512.pdf).

<sup>16</sup> See Bayerisches Landesamt für Statistik 2026, [https://www.statistik.bayern.de/mam/produkte/veroeffentlichungen/statistische\\_berichte/e2100c\\_202512.pdf](https://www.statistik.bayern.de/mam/produkte/veroeffentlichungen/statistische_berichte/e2100c_202512.pdf).

<sup>17</sup> See Federal Employment Agency 2026, <https://statistik.arbeitsagentur.de/DE/Navigation/Statistiken/Statistiken-nach-Regionen/Politische-Gebietsstruktur-Nav.html>.

<sup>18</sup> See Bayerisches Landesamt für Statistik 2026, <https://www.statistik.bayern.de/presse/mitteilungen/2025/pm336/index.html>.

<sup>19</sup> See Interhyp 2026, <https://www.interhyp.de/zinsen/>.

<sup>20</sup> See vdp Research 2026, <https://www.vdpresearch.de/immobilienpreise-bestaetigen-aufwaertstrend-2025/>.

<sup>21</sup> See Stadt München 2025, <https://stadt.muenchen.de/dam/jcr:d11e103f-4539-45fd-a042-a2975458e8d4/jt250410.pdf>.

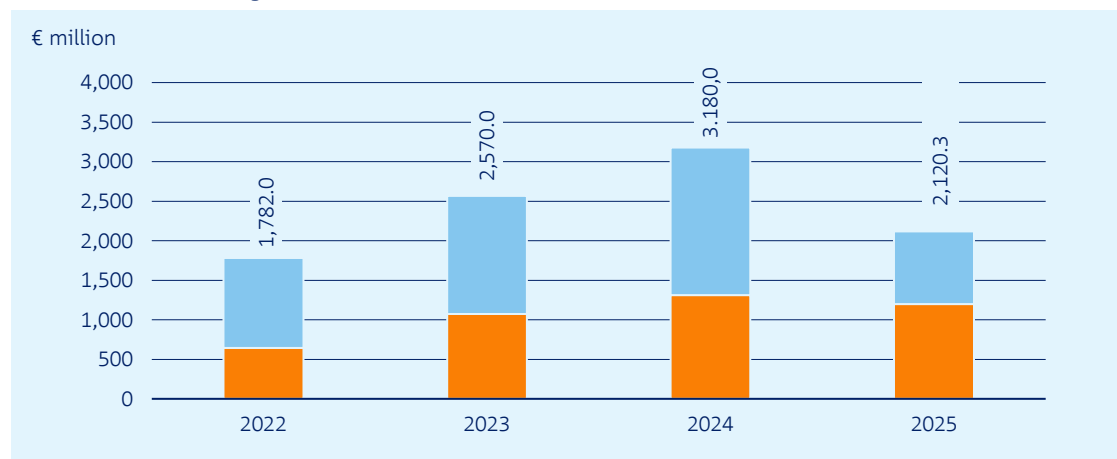
<sup>22</sup> See vdp Research 2025, <https://www.pfandbrief.de/anstieg-der-immobilienpreise-dauert-weiter-an/>.

<sup>23</sup> See Bayerisches Landesamt für Statistik 2026, [https://www.statistik.bayern.de/mam/produkte/veroeffentlichungen/statistische\\_berichte/e2100c\\_202512.pdf](https://www.statistik.bayern.de/mam/produkte/veroeffentlichungen/statistische_berichte/e2100c_202512.pdf).

## New commitments

In 2025, BayernLabo approved commitments and grants totalling €2,120.3 million (FY 2024: €3,180.0 million) due to higher demand.

### New commitments and grants



#### Commitments/grants in 2025:

- Housing subsidies €918.8 million (FY 2024: €1,867.7 million)
- Municipal lending €1,201.4 million (FY 2024: €1,312.3 million)

*Potential differences in the total are due to rounding.*

BayernLabo's total approval volume declined significantly compared with the previous year (€3,180.0 million), falling by €1,059.7 million (33.3%). While loan commitments for subsidised housing decreased by €593.0 million (44.1%) to €752.5 million, the corresponding grants were down by €355.8 million (68.1%) to €166.4 million. This was attributable to the budget-related restrictions imposed by the Bavarian State Ministry of Housing, Building and Transport (StMB), as well as the temporary suspension of the fiduciary programmes. At the same time, new commitments in the municipal lending business also declined slightly by €110.9 million (8.5%), although they remained at a very strong level of €1,201.4 million.

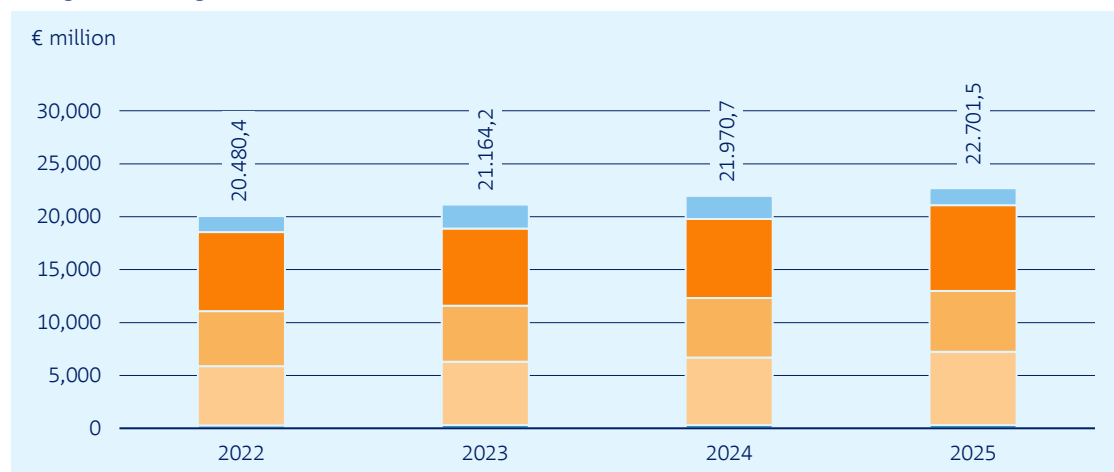
Photo on next page:  
Refurbishment and extension of an existing building at Wörthsee – shared outdoor area  
Municipal Housing Subsidy Programme  
Developer: municipality of Wörthsee  
Architects: hirner & riehle architekten stadtplaner, Munich  
Photo: Sebastian Schels



## Existing business

BayernLabo's lending volume increased slightly by €730.7 million (3.3%) to €22,701.5 million in the 2025 financial year (FY 2024: €21,970.7 million).

### Changes in existing business



### Existing business in 2025

- Due to banks €1,621.6 million (FY 2024: €2,181.9 million)
- Government and municipal loans €8,086.4 million (FY 2024: €7,480.0 million)
- Guaranteed business €5,741.1 million (FY 2024: €5,619.9 million)
- Fiduciary business €6,929.8 million (FY 2024: €6,381.3 million)
- Own liabilities €322.5 million (FY 2024: €307.6 million)

The state and municipal loan business posted slight growth of 8.1% to €8,086.4 million. In the municipal lending business, the still very high disbursement volume of €1,191.6 million (FY 2024: €1,294.0 million) once again resulted in substantial growth of €483.0 million, bringing the total to €7,718.7 million. In the state lending business, the portfolio increased by €123.4 million to €367.7 million due to settlement modalities relating to the reporting date. In the case of Schuldschein note loans granted to the Free State of Bavaria, the portfolio remained unchanged (€150.0 million nominal), as neither new disbursements nor repayments took place.

In guaranteed proprietary business, the total portfolio grew by €121.2 million (2.2%) to €5,741.1 million. The volume of new disbursements, most of which relates to the Bavarian Low Interest Rate Loan Programme, decreased again to €363.4 million (FY 2024: €527.0 million) following the significant increase in the previous year, but still considerably exceeded repayments. The loan portfolio guaranteed by the Free State of Thuringia (€72.2 million; FY 2024: €88.0 million) continued to decrease, as only the existing portfolio has been managed since 2002.

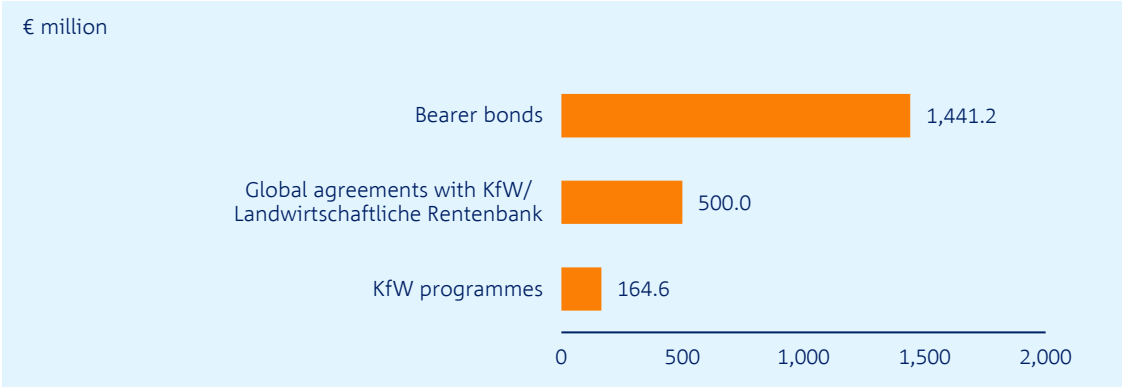
The receivables portfolio in the fiduciary business recorded a pleasing increase of €548.5 million, or 8.6%, to €6,929.8 million. As in previous years, the reason for the increase lay in the renewed rise in disbursements in the Bavarian fiduciary business, amounting to €825.4 million (FY 2024: €659.0 million). Repayments, by contrast, remained at a very low level.

The loan portfolio on BayernLabo’s own books also increased again following the decline in the previous financial year. In particular, a higher volume of disbursements compared with previous years led to a slight increase of 4.8% to €322.5 million.

**Funding**

BayernLabo refinances itself on the capital market, from KfW subsidy programmes, from general funding from the KfW and the Landwirtschaftliche Rentenbank or, in the short term, by borrowing fixed deposits at BayernLB. The total amount of refinancing in the financial year increased by €86.8 million (4.3%) to €2,105.8 million (FY 2024: €2,019.0 million).

**Composition of funding in 2025**



BayernLabo issued €1,441.2 million (FY 2024: €1,472.0 million) of bearer bonds (social bonds) on the capital market, including by way of private placements.

Where required, BayernLabo enters into global agreements with KfW and/or Landwirtschaftliche Rentenbank. Refinancing of €500.0 million (FY 2024: €450.0 million) was provided for this purpose.

BayernLabo used the funding volume from KfW development programmes of €164.6 million (FY 2024: €97.0 million) for all internally funded programmes that are compatible with KfW development programmes. As well as proprietary KfW funds, this also includes subsidies from the German federal government. BayernLabo passes them on to its end borrowers. BayernLabo also makes its own subsidy contribution here by waiving part of the principal bank margin for KfW programmes in the principal bank process and/or further discounting the KfW end borrower interest rate in KfW direct loan programmes.

## Results of operations and financial position (HGB)

### Results of operations

In the reporting year, BayernLabo's results of operations were characterised by a very satisfactory level of net interest income, resulting primarily from income generated by customer business and asset-liability management, as well as by reduced administrative expenses. Following allocations to reserves for general banking risks, a pleasing net profit for the year of €45.0 million is therefore reported, after a very strong previous year (€55.0 million).



**Net profit  
of €45 million**

### Results of operations

€ million	2025	2024	Change	
			Absolute	In %
Net interest income	87.8	111.5	(23.7)	(21.3)
Net commission income	28.7	26.9	1.8	6.7
<b>Gross profit</b>	<b>116.5</b>	<b>138.4</b>	<b>(21.9)</b>	<b>(15.8)</b>
Staff costs	(22.7)	(40.8)	18.1	(44.4)
Operating expenses	(28.7)	(29.1)	0.4	(1.4)
Net of other operating expenses and income	(9.2)	0.3	(9.5)	--
<b>Gains or losses before risk provisions</b>	<b>55.9</b>	<b>68.8</b>	<b>(12.9)</b>	<b>(18.8)</b>
Risk provisions/gains or losses on measurement	(10.9)	(13.8)	2.9	21.0
<b>Net profit</b>	<b>45.0</b>	<b>55.0</b>	<b>(10.0)</b>	<b>(18.2)</b>

### Gross profit

Gross profit of €116.5 million was 15.8% below the very strong prior-year figure (€138.4 million).

Following the excellent net interest income achieved last year (€111.5 million), very good net interest income of €87.8 million (down 21.3%) was again generated in the reporting year, given the prevailing conditions.

Net commission income rose slightly by €1.8 million (6.7%) to €28.7 million. Sources of commission income include income from administrative cost contributions in the fiduciary business. Commission expenses arise from guarantee fees payable by BayernLabo to the Free State of Bavaria.

### Expenses

Administrative expenses decreased by a significant 26.4% in the reporting year to €51.4 million (FY 2024: €69.9 million). At €22.7 million, staff costs reduced by €18.1 million and were thereby 44.4% lower year on year. The high prior-year figure was attributable to an adjustment of actuar-



**New construction of a residential building for independent living in old age in Neunburg vorm Wald**  
Income-based subsidy  
Developer: 9Bürger eG Wohnungsbaugenossenschaft Neunburg v. W.  
Architects: BeL Sozietät für Architektur, Cologne  
Photo: Sebastian Schels

ial parameters (including an increase in the projected salary trend) in connection with obligations relating to pensions, death benefits and healthcare benefits. Operating expenses, amounting to €28.7 million and driven in particular by ongoing IT costs, also declined slightly compared with the previous year by €0.4 million (1.4%).

The net balance of other operating income and expenses fell sharply by €9.5 million to a negative €9.2 million (FY 2024: positive net balance of €0.3 million). This resulted primarily from the €6.6 million year-on-year loss in value of the cover assets (CTA) (FY 2024: gain of €9.8 million).

The item risk provisions/gains or losses on measurement mainly includes the allocation of provisions for general banking risks pursuant to Section 340f of the German Commercial Code (HGB).

## Financial position

BayernLabo's total assets of €23,571.5 million reflect a slight increase of €880.7 million (3.9%) in the reporting year (FY 2024: €22,690.8 million).

### Assets (selected items)

€ million	2025	2024	Change	
			Absolute	In %
Loans and advances to banks	1,621.6	2,181.9	(560.3)	(25.7)
Loans and advances to customers	14,150.1	13,407.6	742.5	5.5
Bonds, notes and other fixed-income securities	406.7	353.6	53.1	15.0
Assets held in trust	6,929.8	6,381.3	548.5	8.6

As part of asset/liability management, amounts due from banks decreased by €560.3 million to €1,621.6 million as at 31 December 2025, reflecting factors relating to the reporting date.

The amounts due from customers grew slightly overall, climbing €742.5 million to €14,150.1 million. This was largely attributable both to the strong growth in the municipal lending business and to new disbursements in BayernLabo's own business.

The €53.1 million increase in BayernLabo's securities portfolio resulted in particular from acquisitions made during the reporting year.

Assets held in trust increased from €548.5 million to €6,929.8 million due to continued high disbursements.

### Liabilities (selected items)

€ million	2025	2024	Change	
			Absolute	In %
Liabilities to banks	4,927.3	4,885.3	42.0	0.9
Liabilities to customers	3,264.5	3,384.8	(120.3)	(3.6)
Securitised liabilities	5,799.2	5,403.6	395.6	7.3
Provisions	40.3	40.5	(0.2)	(0.5)
Own funds	2,510.8	2,475.5	35.3	1.4

On the equity and liabilities side of the balance sheet, amounts due to banks (KfW, Landwirtschaftliche Rentenbank and BayernLB) increased slightly by €42.0 million to €4,927.3 million.

Liabilities due to customers reduced slightly by €120.3 million to €3,264.5 million.

By contrast, securitised liabilities increased slightly by €395.6 million to €5,799.2 million as a consequence of new issues.

## Summary assessment

BayernLabo once again achieved pleasing results of operations in the 2025 financial year. Its financial position was sound and its liquidity base was comfortable throughout the reporting period.

From BayernLabo’s perspective, business trends remained very satisfactory despite the current highly uncertain and challenging environment.

## Human resources

Alongside day-to-day operational business, the major challenges facing employees during the 2025 financial year came primarily from their involvement in major IT, digitalisation and transformation projects. The introduction of the digital inbox and the use of AI-supported technologies – such as in the extraction of data from energy performance certificates – changed workflows in many areas and created new requirements in terms of qualifications and working methods. At the same time, projects such as Doxee, S4/HANA and Kopernikus are underway, all of which will occupy the organisation for years to come and require consistently high levels of attention, willingness to learn and resilience. In particular, the high complexity of the Kopernikus project has resulted, and continues to result, in a noticeable strain on employees and a long-term commitment of personnel resources within finance and accounting.

To this were added expanded reporting requirements, additional regulatory requirements and external audits, all of which created a considerable additional workload for every department. It is no small matter that regular duties continued to be performed reliably, on time and to a high standard despite these numerous additional burdens. Rather, this was the result of the commitment, experience and high level of professionalism of the employees.

Particularly pleasing this year was the addition of new junior staff to the workforce. They bring fresh ideas, new perspectives and additional energy to our teams. At the same time, they benefit from the knowledge and experience of long-serving colleagues. This interaction between new impetus and established expertise strengthens overall performance and forms an important foundation for meeting the challenges of the coming years.

Once again, 2025 demonstrated how important committed employees and effective cooperation are to BayernLabo’s success. The wide range of tasks mastered together clearly illustrates the depth of expertise, team spirit and dedication within BayernLabo. This is a strong foundation on which BayernLabo can continue to build – next year and beyond.

As at 31 December 2025, a total of 233 employees, equivalent to 207.7 full time equivalents (FTEs), were employed at BayernLabo (FY 2024: 226 employees or 199.0 FTEs).

### Number of employees

	31 Dec 2025		31 Dec 2024		Change
	Number	In %	Number	In %	In %
<b>BayernLabo total</b>	<b>233</b>		<b>226</b>		<b>3.1</b>
Of which men	81	34.8	79	35.0	2.5
Of which women	152	65.2	147	65.0	3.4
<b>Of which full-time</b>	<b>154</b>	<b>66.1</b>	<b>148</b>	<b>65.5</b>	<b>4.1</b>
Of which part-time	79	33.9	78	34.5	1.3

The part-time ratio of 33.9% decreased slightly compared with the previous year (34.5%). In the financial year under review, an almost unchanged number of 79 employees took advantage of the part-time programme. This continued high rate reflects great flexibility on the part of both the employees and the company. BayernLabo is also characterised by a high level of employee loyalty with an average length of service of 21.1 years.

Housing in the former Mesnerhaus in Winhöring  
Municipal Housing Subsidy Programme  
Developer: municipality of Winhöring  
Architects: Robert Maier Architekten, Neuötting  
Photo: Robert Sageder



# 11 Outlook

# Outlook

## Economic environment

General conditions will remain challenging in 2026.<sup>24</sup> Economic developments will again be strongly shaped by political decisions and strategic shifts along with developments in geopolitical crisis regions such as Ukraine and the Middle East. The baseline scenario assumes that the war in Ukraine will persist despite repeated peace initiatives. At the same time, the situation in the Middle East remains highly volatile, with fighting currently taking place in Iran, Gaza, Syria, Lebanon and Yemen. Maintaining open transport routes and ensuring the uninterrupted production of crude oil and natural gas in the region are essential for the stability of the global economy. Within this baseline scenario, only temporary supply disruptions and delays are expected, without any significant dampening effects on global growth or notable inflationary pressures. In addition, other flashpoints could escalate again, such as the dispute between the US and Denmark over the status of Greenland or the conflict involving Venezuela.

Following the intense tit-for-tat between China and the US, during which both sides exposed each other's vulnerabilities, there may be a temporary pause on tariffs and export restrictions for rare earths in 2026, apart from occasional muscle-flexing. However, with Chinese exports still being redirected to Europe – placing even more strain on an industrial sector already weakened by high energy prices – selective additional tariffs between the EU and China are expected. The EU's free trade agreements with Mercosur and India should primarily be regarded as long-term positive drivers. The most important item on the election calendar is the US midterm elections in November. A two-thirds majority in both chambers of Congress, which would be required to override a presidential veto, is virtually unattainable for the Democrats. Nevertheless, political resistance to Trump is expected to increase, particularly in connection with immigration policy and budget negotiations in Congress, while the president's ability to act by executive order, especially in tariff policy, is likely to remain intact. In Europe, the political situation in France remains fragile: in the event of early parliamentary elections or even a presidential election, a shift to the right could occur, potentially further limiting the EU's ability to act. In Germany, five state elections are scheduled. All eyes will be especially on the elections in Saxony-Anhalt and Mecklenburg-Western Pomerania in September, given the strong polling figures of the AfD.

By contrast, economic trends give grounds for cautious optimism. In the eurozone, the tentative economic recovery is expected to continue in 2026. This is partly the result of a normalisation of export activity following the tariff conflict. However, exports will make no significant contribution to growth due to the loss of competitiveness resulting from the tariffs, the stronger euro and high energy and labour costs. Growth will therefore mainly be driven by domestic demand, where increasing government expenditure on defence across all member states is likely to take effect. As the ambition for reducing bureaucracy at the EU level is low (focusing on simplification rather than deregulation), only modest growth impetus is anticipated from this area. Thanks to continued job creation in the service sector in southern Europe, the labour market should remain robust even as industrial employment declines, with the job rate expected to increase

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<sup>24</sup> See BayernLB Research, *Perspectives 10/2025*, updated in *Perspectives 1/2026* and *2/2026*.



**New construction of an apartment building with underground parking in Hörgering  
Municipal Housing Subsidy Programme  
Developer: Gemeinde Siegsdorf; Planer: ARGE Farthofer-Scheithauer, Freilassing  
Photo: Josefine Unterhauser**

during the year. It is expected that the ECB will maintain the slightly expansionary interest rate level, with the deposit facility rate at 2.0% until the fourth quarter of 2026, in view of the improving economic environment. By the end of the year, a rate increase could occur due to gradually rising inflationary pressure amid above-potential economic growth. As the ECB's bond portfolios continue to shrink, excess liquidity in the eurozone will decline further.

Following years of recession and stagnation, Germany is expected to record respectable GDP growth of 1.0% in 2026, exceeding the estimated current potential growth rate of about 0.5%. The recovery is expected to be driven primarily by public and private investment, which should significantly ease the burden on private consumption as the central pillar of the economic cycle. The industrial and construction sectors will also benefit, two sectors in which production should continue to stabilise. The upturn will be supported by a fiscal stimulus that will significantly increase the general government deficit in the coming year, which should remain manageable for the time being with a debt ratio still below 70%. With the improving economic environment, the labour market is expected to stabilise, and the unemployment rate could even decline again from the second half of 2026. The inflation rate is likely to remain slightly above the ECB's target level.

The outlook for Bavaria in the near term is moderately positive. A growth comeback is expected in 2026. Although a tariff agreement between the EU and the US has now been signed and – for

a handsome price – some degree of planning certainty purchased, the main economic impulses will come primarily from the domestic market. The German federal government’s investment package should provide strong impetus for equipment and construction investment, particularly in civil engineering. Despite temporary setbacks, the business climate is cautiously trending upwards. Private consumption is expected to continue expanding on the back of a solid employment market, rising real incomes and a declining savings rate. On balance, the Bavarian economy could grow by more than 1% in the coming year and thereby recover some of the lost ground.

The environment for the Bavarian construction sector, particularly in residential construction, is expected to remain challenging in 2026 despite the improved framework conditions. The state economic stimulus measures and the introduction of new statutory regulations under the “Bau-turbo” initiative are likely to contribute to an increase in new construction figures only in the next few years. For 2026, the number of new construction projects in Bavaria is expected to decline further due to the high number of cancellations of existing new-build projects recorded in previous years and the lack of new planning activity, with the scale of the decline likely to be similar to that seen in residential construction across Germany as a whole.

Overall, prices for residential property in Bavaria are also expected to rise slightly again in 2026. In addition, a further significant increase in rents is anticipated.

### **BayernLabo’s future performance**

Although both the geopolitical and economic framework conditions continue to present challenges for companies and banks, a fundamentally strong willingness to invest in residential construction and municipal facilities, particularly in Bavaria, is expected to remain.

In this context, BayernLabo considers itself to be very well positioned thanks to its solid business model and clearly defined business strategy. However, BayernLabo is only able to assume risks to a limited extent or, conversely, to take advantage of opportunities arising from unexpected developments.

BayernLabo identifies opportunities especially if economic conditions in the interest rate environment turn out to be better than expected. High interest rates make BayernLabo a more attractive business partner in the lending market and can therefore have a positive effect on net interest income.

In addition, given the still considerable backlog in investment requirements and the challenges ahead, continued increased demand is expected for loans financing municipal investment projects. Against this, however, stand increased budgetary pressures on municipalities and the resulting reduction in their financial flexibility.

Through the continuously improved collection of energy-related data, BayernLabo hopes to achieve refinancing advantages for capital market issuances, which can then be passed on to end customers.

A major challenge for BayernLabo will be ensuring adequate staffing levels in future, given the strained situation in the skilled labour market.

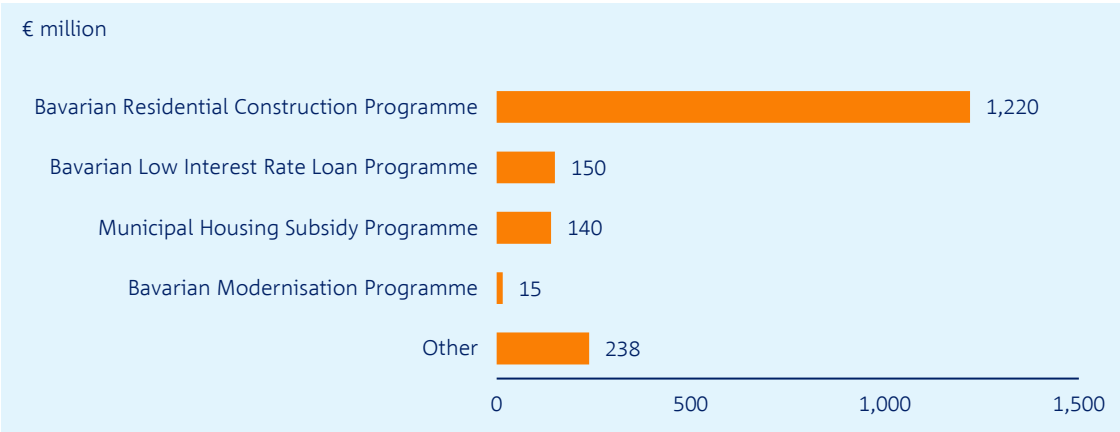
The owner, the Free State of Bavaria, generally stipulates the development programmes and the respective quotas for BayernLabo; the latter has no influence on the volumes. For the achievement of housing policy objectives, predictability, reliability and continuity in the funding process are indispensable prerequisites.

Given this, a total approval volume for new commitments and grants relating to the subsidised housing and municipal lending business of around €2,763 million is planned for the 2026 financial year.

**Housing development**

A total of €1,763 million has been earmarked for new commitments and grants for subsidised housing in the 2026 financial year.

**Planning of new commitments and grants for 2026**



Within the Bavarian Residential Construction Programme, an approval framework of €1,220 million is planned for 2026.

An amount of €150 million has been allocated for the Bavarian Low Interest Rate Loan Programme and €140 million for the Municipal Housing Subsidy Programme, including both loans (€60 million) and investment grants (€80 million).

To subsidise the Bavarian Low Interest Rate Loan Programme, the Bavarian Modernisation Programme and the municipal development lending business, BayernLabo will provide its own contribution of up to €15.0 million at the expense of its net profit for 2026. This will enable BayernLabo to continue offering tailored subsidy quotas for the respective development programmes. BayernLabo manages the utilisation of grants by adjusting the end borrower rate and the respective discounted interest rate on an ongoing basis. In addition, the Free State of Bavaria

continues to provide additional investment grants under the Bavarian Modernisation Programme.

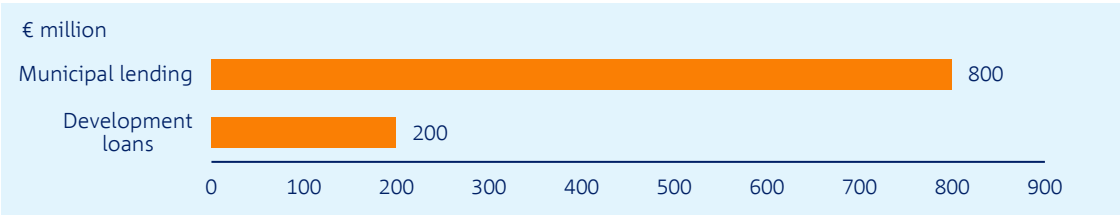
For the Bavarian Modernisation Programme, the Free State of Bavaria provides funds for the reduction of interest rates for new business and for loan prolongations involving extensions of occupancy commitments, as required.

Additional commitments and grants of €238 million were also taken into consideration.

**Municipal lending business**

In the municipal lending business, a total of €1,000 million is planned for new commitments for the 2026 financial year.

**Planning of new commitments 2026**



Alongside KfW development loans amounting to a planned €200 million, traditional municipal loans (planned: €800 million) will remain the preferred source of financing for the majority of borrowers. The growing need for external financing will increasingly be subject to budgetary limits.

Photo on next page:  
Refurbishment and extension of an existing building at Wörthsee  
Municipal Housing Subsidy Programme  
Developer: municipality of Wörthsee  
Architects: hirner & riehle architekten stadtplaner, Munich  
Photo: Sebastian Schels



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In the tables below, potential differences in the total are due to rounding.

# 1 Rental housing

## Bavarian Residential Construction Programme – income-based subsidy (IBS)

Tab. 1.1 Breakdown of property and occupancy-related subsidies by area of approval

Granted for the area of	As a property-related subsidy	As an occupancy-related subsidy
	€ million	€ million
Munich	11.1	7.8
Nuremberg	24.0	17.7
Augsburg	10.3	11.9
Upper Bavaria	23.9	15.4
Lower Bavaria	6.0	6.9
Upper Palatinate	11.1	19.1
Upper Franconia	17.6	10.9
Middle Franconia	53.5	35.3
Lower Franconia	6.4	5.7
Swabia	38.9	25.3
<b>Jointly</b>	<b>202.8</b>	<b>156.0</b>

**Tab. 1.2 Subsidies for construction of new rental homes by area of approval**

Granted for the area of	Total costs						
	Subsidised homes	Loans	General grant	Ready for sustainable renewal and expansion grant	Local centre grant	Sustainability grant	Energy-efficiency grant
	RU	€	€	€	€	€	€
Munich	83	18,207,000	3,321,300	–	553,500	991,600	–
Nuremberg	122	39,600,800	6,800,300	–	1,133,300	2,266,700	–
Augsburg	118	22,208,500	4,613,700	–	768,900	584,400	–
Upper Bavaria	134	29,634,500	4,734,800	–	789,000	1,199,200	–
Lower Bavaria	62	11,208,100	2,174,400	–	362,300	724,700	–
Upper Palatinate	237	21,386,200	4,047,530	–	462,800	1,058,600	–
Upper Franconia	159	28,430,400	5,730,300	0	893,400	1,614,300	–
Middle Franconia	249	59,642,500	11,031,600	–	673,400	3,676,900	–
Lower Franconia	70	12,108,500	2,315,500	47,000	403,300	600,700	–
Swabia	166	33,422,750	1,965,500	–	327,400	511,200	–
<b>Jointly</b>	<b>1,400</b>	<b>275,849,250</b>	<b>46,734,930</b>	<b>47,000</b>	<b>6,367,300</b>	<b>13,228,300</b>	<b>–</b>
Subsequent and residual approvals <sup>1</sup>	–	83,086,350	13,391,120	–	18,805,720	4,840,760	–
<b>Total</b>	<b>1,400</b>	<b>358,935,600</b>	<b>60,126,050</b>	<b>47,000</b>	<b>25,173,020</b>	<b>18,069,060</b>	<b>–</b>
The home subsidies approved subsequently/residually are broken down as follows:							
Munich	–	741,200	–	–	–	–	–
Nuremberg	–	2,071,350	–	–	–	–	–
Augsburg	–	–	–	–	–	–	–
Upper Bavaria	–	9,712,042	13,700	–	–	299,300	–
Lower Bavaria	–	1,750,700	182,200	–	–	–	–
Upper Palatinate	–	8,777,058	–	–	–	–	–
Upper Franconia	–	113,100	–	–	–	–	–
Middle Franconia	–	29,163,150	8,726,020	–	1,060,920	3,051,760	–
Lower Franconia	–	–	–	–	–	–	–
Swabia	–	30,757,750	4,469,200	–	744,800	1,489,700	–
<b>Total</b>	<b>–</b>	<b>83,086,350</b>	<b>13,391,120</b>	<b>–</b>	<b>1,805,720</b>	<b>4,840,760</b>	<b>–</b>

<sup>1</sup> Following reduction by the additional subsidy.

**Tab. 1.2 Continuation: Subsidies for construction of new rental homes by area of approval**

	Total costs			
	Average loan per home	per home	per m <sup>2</sup> of residential area	Average home size
	€	€	€	m <sup>2</sup>
Munich	219,361	458,860	6,880	67
Nuremberg	324,597	627,869	6,815	92
Augsburg	188,208	341,990	5,292	65
Upper Bavaria	221,153	536,162	7,416	72
Lower Bavaria	180,776	319,392	5,464	58
Upper Palatinate	90,237	371,894	5,624	66
Upper Franconia	178,808	301,488	5,054	60
Middle Franconia	239,528	432,080	5,879	73
Lower Franconia	172,979	350,099	6,192	57
Swabia	201,342	416,851	5,629	74
<b>Jointly</b>	<b>197,035</b>	<b>417,183</b>	<b>5,995</b>	<b>70</b>

**Tab. 1.3 Occupancy commitments**

Including for	2025		2024	
	RU	%	RU	%
Young married couples	–	–	–	–
Large families	11	0.8	44	1.6
Elderly persons	–	–	11	0.4
Severely disabled	2	0.1	11	0.4
Pregnant women	–	–	–	–
Single parents	–	–	8	0.3
Other persons with unsuitable accommodation	1,387	99.1	2,678	97.3
<b>Jointly</b>	<b>1,400</b>	<b>100.0</b>	<b>2,752</b>	<b>100.0</b>

**Tab. 1.4 Developers**

	Rental homes		Loans	
	Number	%	€	%
Private-sector contractors	–	–	–	–
Private housing companies	1,204	86.0	292,039,562	81.4
Other contractors	9	0.6	1,566,600	0.4
Public-sector contractors	187	13.4	65,329,438	18.2
<b>Jointly</b>	<b>1,400</b>	<b>100.0</b>	<b>358,935,600</b>	<b>100.0</b>

## Bavarian Residential Construction Programme – income-based subsidy (IBS)

Tab. 1.5 Breakdown of subsidised rental homes to occupancy commitments (IBS)

	Subsidised rental homes	Of which 25 years occupancy commitment	Of which 40 years occupancy commitment	Of which 55 years occupancy commitment
Munich	83	–	–	83
Nuremberg	122	–	–	122
Augsburg	118	85	33	–
Upper Bavaria	134	–	–	134
Lower Bavaria	62	–	20	24
Upper Palatinate	237	32	205	–
Upper Franconia	159	9	–	150
Middle Franconia	249	23	–	226
Lower Franconia	70	18	–	52
Swabia	166	4	39	123
<b>Jointly</b>	<b>1,400</b>	<b>171</b>	<b>315</b>	<b>914</b>

## Municipal Housing Subsidy Programme

Tab. 1.6 Municipal Housing Subsidy Programme (KommWFP)

Grant subsidy						
Administ-rative district	Subsidised rental housing	Basic grant		Grant for existing buildings	Basic grant for public services	Grant for existing buildings used for public services
		€	€	€	€	€
Upper Bavaria	4	–	–	–	822,600	–
Lower Bavaria	–	–	–	–	–	–
Upper Palatinate	–	–	–	–	–	–
Upper Franconia	–	–	–	–	–	–
Middle Franconia	–	–	–	–	–	–
Lower Franconia	–	–	–	–	–	–
Swabia	46	2,881,600	–	–	–	4,068,400
<b>Jointly</b>	<b>50</b>	<b>2,881,600</b>	<b>–</b>	<b>–</b>	<b>822,600</b>	<b>4,068,400</b>

Tab. 1.6 Continued: Municipal Housing Subsidy Programme (KommWFP)

Combined subsidy							
Administ-rative district	Subsidised rental housing	Loans	Basic grant	Grant for existing buildings	Basic grant for public services	Grant for existing buildings used for public services	Total costs
		€	€	€	€	€	€
Upper Bavaria	144	32,357,259	5,466,900	1,901,300	16,230,400	1,904,500	83,181,427
Lower Bavaria	14	1,593,200	–	–	1,013,800	–	4,161,001
Upper Palatinate	20	654,200	27,100	1,244,300	–	–	3,110,915
Upper Franconia	3	498,200	–	–	–	498,200	1,107,323
Middle Franconia	21	5,977,200	2,988,600	–	–	–	9,962,000
Lower Franconia	–	–	–	–	–	–	–
Swabia	6	1,000,000	547,800	–	–	–	22,694,446
<b>Jointly</b>	<b>208</b>	<b>42,080,059</b>	<b>9,030,400</b>	<b>3,145,600</b>	<b>17,244,200</b>	<b>2,402,700</b>	<b>124,217,112</b>

## Bavarian Modernisation Programme

Tab. 1.7 Total subsidies by area of approval

Granted for the area of	Rental homes				Sustain-ability grant
	Flats	%	Loans	Grants	
Munich	–	–	–	–	–
Nuremberg	188	46.8	7,444,300	1,860,600	–
Augsburg	–	–	–	–	–
Upper Bavaria	42	10.4	3,653,600	913,400	579,500
Lower Bavaria	85	21.1	3,418,100	1,042,500	577,600
Upper Palatinate	–	–	–	–	–
Upper Franconia	46	11.4	4,304,200	706,700	539,100
Middle Franconia	–	–	–	–	–
Lower Franconia	9	2.2	430,500	107,600	–
Swabia	32	8.0	2,307,100	576,700	–
<b>Jointly</b>	<b>402</b>	<b>100.0</b>	<b>21,557,800</b>	<b>5,207,500</b>	<b>1,696,200</b>

Tab. 1.7 Continued: Total subsidies by area of approval

Granted for the area of	Care home places				Sustain-ability grant
	Flats	%	Loans	Grants	
Munich	–	–	–	–	–
Nuremberg	–	–	–	–	–
Augsburg	–	–	–	–	–
Upper Bavaria	–	–	–	–	–
Lower Bavaria	–	–	–	–	–
Upper Palatinate	–	–	–	–	–
Upper Franconia	–	–	–	–	–
Middle Franconia	95	100.0	796,600	265,500	–
Lower Franconia	–	–	–	–	–
Swabia	–	–	–	–	–
<b>Jointly</b>	<b>95</b>	<b>100.0</b>	<b>796,600</b>	<b>265,500</b>	<b>–</b>

## 2 Owner-occupied homes

### Bavarian Residential Construction Programme – new builds and conversions

Tab. 2.1 Loan commitments and average by area of approval and grants approved for households with children

	Residential space in family homes	Owner-occupied flats	Total residential units		Amortising loans		Average loan per residential unit	Grants for households with children	Additional grants
	RU	RU	RU	%	€	%	€	€	€
	Munich	–	–	–	–	–	–	–	–
Nuremberg	3	–	3	13.0	210,000	17.2	70,000	45,000	–
Augsburg	–	–	–	–	–	–	–	–	–
Upper Bavaria	4	2	6	26.1	345,000	28.2	57,500	105,000	–
Lower Bavaria	3	–	3	13.0	126,000	10.3	42,000	37,500	–
Upper Palatinate	4	–	4	17.4	322,500	26.3	80,625	45,000	–
Upper Franconia	1	–	1	4.3	40,000	3.3	40,000	15,000	–
Middle Franconia	1	–	1	4.3	30,500	2.5	30,500	22,500	–
Lower Franconia	–	–	–	–	–	–	–	–	–
Swabia	5	–	5	21.7	150,000	12.3	30,000	52,500	–
<b>Jointly</b>	<b>21</b>	<b>2</b>	<b>23</b>	<b>100.0</b>	<b>1,224,000</b>	<b>100.0</b>	<b>53,217</b>	<b>322,500</b>	<b>–</b>
Subsequent and residual approvals					–			7,500	–
<b>Total</b>					<b>1,224,000</b>			<b>330,000</b>	<b>–</b>

Tab. 2.2 Total costs and home sizes

	2025 (2024)		
	Total costs per residential unit	Total costs per m <sup>2</sup> of residential area	Residential area
	€	€	m <sup>2</sup>
Residential units in family homes	612.435 (652.371)	4.367 (4.642)	140 (141)
Of which single-family homes	612.435 (661.203)	4.367 (4.679)	140 (141)
Of which two-family homes	0 (544.629)	0 (4.154)	0 (131)
Owner-occupied flats	666.314 (496.297)	4.846 (5.292)	138 (94)

## Bavarian Residential Construction Programme – purchases

Tab. 2.3 Subsidies for the purchase of existing homes by area of approval

	Residential space in family homes	Owner-occupied flats	Total residential units		Amortising loans		Average loan per residential unit	Grants for households with children	Additional grants
	RU	RU	RU	%	€	%	€	€	€
Munich	–	–	–	–	–	–	–	–	–
Nuremberg	13	2	15	9.0	225,000	4.5	15,000	262,500	710,300
Augsburg	2	1	3	1.8	180,000	3.6	60,000	45,000	150,000
Upper Bavaria	13	3	16	9.6	590,800	11.8	36,925	257,500	721,300
Lower Bavaria	9	3	12	7.2	369,900	7.4	30,825	172,500	442,800
Upper Palatinate	13	1	14	8.4	285,200	5.7	20,371	172,500	591,400
Upper Franconia	9	1	10	6.0	444,600	8.9	44,460	142,500	376,400
Middle Franconia	28	1	29	17.5	708,600	14.2	24,434	435,000	1,083,900
Lower Franconia	16	2	18	10.8	650,000	13.0	36,111	270,000	686,900
Swabia	35	14	49	29.5	1,540,600	30.8	31,441	757,500	2,058,600
<b>Jointly</b>	<b>138</b>	<b>28</b>	<b>166</b>	<b>100.0</b>	<b>4,994,700</b>	<b>100.0</b>	<b>30,089</b>	<b>2,515,000</b>	<b>6,821,600</b>
Subsequent and residual approvals					–			15,000	–
<b>Total</b>					<b>4,994,700</b>			<b>2,530,000</b>	<b>6,821,600</b>

## Bavarian Low Interest Rate Loan Programme

Tab. 2.4 Approval amount and total costs by administrative district – combined subsidy

Administrative district	New builds			Purchases		
	Approval amount	Total costs	RU	Approval amount	Total costs	RU
	€	€	Number	€	€	Number
Upper Bavaria (including Munich)	945,700	3,992,120	5	2,498,800	8,274,613	14
Lower Bavaria	200,000	1,068,000	2	1,250,400	4,465,075	12
Upper Palatinate	479,500	2,482,307	4	1,783,600	5,554,535	13
Upper Franconia	–	–	–	947,000	3,100,400	8
Middle Franconia (including Nuremberg)	494,900	1,560,000	3	5,175,800	17,414,393	38
Lower Franconia	–	–	–	1,784,800	6,297,718	15
Swabia (including Augsburg)	300,000	1,810,500	3	5,633,100	21,326,561	45
<b>Jointly</b>	<b>2,420,100</b>	<b>10,912,927</b>	<b>17</b>	<b>19,073,500</b>	<b>66,433,295</b>	<b>145</b>

Tab. 2.5 Approval amount and total costs by administrative district – individual subsidy

Administrative district	New builds			Purchases		
	Approval amount	Total costs	RU	Approval amount	Total costs	RU
	€	€	Number	€	€	Number
Upper Bavaria (including Munich)	10,054,400	35,005,004	42	12,734,000	41,789,391	61
Lower Bavaria	2,076,500	6,676,781	11	3,451,600	10,662,861	23
Upper Palatinate	5,221,400	18,402,795	26	5,984,700	18,906,142	41
Upper Franconia	3,210,400	10,242,993	17	5,078,700	15,937,030	40
Middle Franconia (including Nuremberg)	13,529,400	44,938,713	67	19,988,100	61,184,670	136
Lower Franconia	3,347,500	10,693,642	17	4,139,900	13,752,595	31
Swabia (including Augsburg)	13,244,100	43,781,607	59	23,474,500	76,553,103	139
<b>Jointly</b>	<b>50,683,700</b>	<b>169,741,535</b>	<b>239</b>	<b>74,851,500</b>	<b>238,785,792</b>	<b>471</b>

**Tab. 2.6 Structure after end of conditions lock-in – combined subsidy**

Administrative district	10-year interest rate lock-in		15-year interest rate lock-in		30-year interest rate lock-in	
	RU	Approval amount	RU	Approval amount	RU	Approval amount
Munich	–	–	–	–	–	–
Nuremberg	17	2,797,000	–	–	–	–
Augsburg	3	532,000	–	–	–	–
Upper Bavaria	11	2,335,800	5	722,500	3	386,200
Lower Bavaria	8	812,000	5	594,900	1	43,500
Upper Palatinate	7	877,800	3	344,500	7	1,040,800
Upper Franconia	3	316,000	4	516,000	1	115,000
Middle Franconia	9	1,165,000	9	1,023,200	6	685,500
Lower Franconia	2	307,000	3	232,000	10	1,245,800
Swabia	24	2,813,700	8	974,300	13	1,613,100
<b>Jointly</b>	<b>84</b>	<b>11,956,300</b>	<b>37</b>	<b>4,407,400</b>	<b>41</b>	<b>5,129,900</b>

**Tab. 2.7 Approval amount by end of conditions lock-in – individual subsidy**

Administrative district	10-year interest rate lock-in		15-year interest rate lock-in		30-year interest rate lock-in	
	RU	Approval amount	RU	Approval amount	RU	Approval amount
Munich	2	376,200	1	139,500	–	–
Nuremberg	8	1,107,100	40	6,465,700	–	–
Augsburg	5	965,000	10	2,023,000	–	–
Upper Bavaria	16	3,053,600	83	18,928,900	1	290,200
Lower Bavaria	3	503,000	31	5,025,100	–	–
Upper Palatinate	6	858,500	61	10,347,600	–	–
Upper Franconia	4	592,000	51	7,528,900	2	168,200
Middle Franconia	18	2,975,100	133	22,243,400	4	726,200
Lower Franconia	3	515,000	41	6,405,400	4	567,000
Swabia	23	3,970,100	156	29,110,000	4	650,500
<b>Jointly</b>	<b>88</b>	<b>14,915,600</b>	<b>607</b>	<b>108,217,500</b>	<b>15</b>	<b>2,402,100</b>

## Income limit for subsidisation of owner-occupied homes

**Tab. 2.8** Income limit for subsidisation of owner-occupied homes with examples of corresponding annual gross income from 1 September 2023

Household size	Annual income limit	Corresponds to annual net income of around
	€	€
1-person household	28,300	41,600
2-person household	43,200	62,900
Plus for each additional person	10,700	15,200
For every child	3,200	4,500

*In the examples the following requirements were taken into account for a working-class household: sole earner, deduction of a flat rate for income-related expenses of €1,230 and 30% for the deduction of taxes and contributions to health and nursing care insurance, to life insurance and pension insurance. For certain groups of people (e.g. severely disabled people, young married couples), additional tax allowances can be deducted from income.*

# 3 Subsidisation of facilities for people with disabilities

Tab. 3.1 Subsidies for construction of new residential spaces by area of approval

	Residential places subsidised with loans/grants <sup>1</sup>						Residential places subsidised only with grants <sup>2</sup>		
	Subsidised residential places	Non-repayable loans	Amortising loans	Average loan per residential place	Grants	Average grant per residential place	Number	€	Average per residential place €
	Number	€	€	€	€	€			
Munich	–	–	–	–	–	–	–	–	–
Nuremberg	–	–	–	–	–	–	–	–	–
Augsburg	12	500,000	–	41,667	1,503,710	–	–	–	–
Upper Bavaria	21	1,700,000	–	80,952	1,433,400	–	10	1,615,450	161,545
Lower Bavaria	18	1,400,000	–	77,778	1,657,700	92,094	–	–	–
Upper Palatinate	13	1,000,000	–	76,923	504,550	38,812	9	1,041,700	115,744
Upper Franconia	–	–	–	–	–	–	–	–	–
Middle Franconia	40	1,600,000	801,760	60,044	6,961,690	174,042	8	1,718,000	214,750
Lower Franconia	12	2,200,000	–	–	2,481,050	–	12	1,691,900	140,992
Swabia	7	900,000	–	–	394,140	–	5	924,360	184,872
<b>Jointly</b>	<b>123</b>	<b>9,300,000</b>	<b>801,760</b>	<b>82,128</b>	<b>14,936,240</b>	<b>121,433</b>	<b>44</b>	<b>6,991,410</b>	<b>158,896</b>
Subsequent and residual approvals			–						
<b>Total</b>			<b>801,760</b>						

Tab. 3.2 Total costs and size of residential places by areas of approval

	Residential places <sup>1</sup> new builds	Total costs of new builds		Average size of residential place m <sup>2</sup>
		per residential place	per m <sup>2</sup> of residential area	
		€	€	
Munich	–	–	–	–
Nuremberg	–	–	–	–
Augsburg	12	278,293	5,838	48
Upper Bavaria	21	326,330	7,449	44
Lower Bavaria	18	318,411	5,669	56
Upper Palatinate	13	115,735	2,407	48
Upper Franconia	–	–	–	–
Middle Franconia	40	386,390	7,328	53
Lower Franconia	12	744,139	12,960	57
Swabia	7	306,374	5,106	60
<b>Jointly</b>	<b>123</b>	<b>357,384</b>	<b>6,927</b>	<b>52</b>

<sup>1</sup> Not including residential places subsidised solely with grants.

## 4 Subsidised housing for students and trainees

Tab. 4.1 Total subsidised loans

	Places in student halls of residence	Total loan amount	Places in halls of residence for trainees	Total loan amount
	Number	€	Number	€
Munich	120	1,275,000	–	–
Nuremberg	71	4,469,000	–	–
Augsburg	–	–	–	–
Upper Bavaria	67	5,323,800	–	–
Lower Bavaria	43	2,348,200	–	–
Upper Palatinate	49	3,773,700	–	–
Upper Franconia	41	3,075,000	–	–
Middle Franconia	–	–	59	3,237,300
Lower Franconia	–	–	–	–
Swabia	–	–	–	–
<b>Jointly</b>	<b>391</b>	<b>20,264,700</b>	<b>59</b>	<b>3,237,300</b>

# 5 BayernLabo loan and grant commitments

Tab. 5.1 Loan and grant commitments from BayernLabo

	2025							
	Loan and grant commitments (1 of 4)				Residential space			
	Number of cases	Loans in fiduciary business	Loans in proprietary business	Grants in fiduciary business	Own homes	Owner-occupied flats	Rental homes	Residential places
		€	€	€	RU	RU	RU	RU
<b>A – Subsidies for rental housing</b>								
<b>Bavarian residential construction programme – amortising loan</b>								
Disability plan – new builds	1	801,760	–	–	–	–	–	16
Income-based subsidies – new builds	36	358,935,600	–	86,415,130	–	–	1,400	–
Expenditure-based subsidies – new builds	–	–	–	–	–	–	–	–
	<b>37</b>	<b>359,737,360</b>	<b>–</b>	<b>86,415,130</b>	<b>–</b>	<b>–</b>	<b>1,400</b>	<b>16</b>
<b>Bavarian residential construction programme – conditionally non-repayable loans</b>								
Disability plan – new builds – combined subsidy	7	9,300,000	–	14,936,240	–	–	–	107
Disability plan – new builds – grants	7	–	–	6,991,410	–	–	–	44
Loans to structurally adapt properties for people with disabilities	29	222,160	–	–	–	–	29	–
Loans to build housing for students	7	20,264,700	–	–	–	–	–	391
Loans to build housing for trainees	1	3,237,300	–	–	–	–	–	59
	<b>51</b>	<b>33,024,160</b>	<b>–</b>	<b>21,927,650</b>	<b>–</b>	<b>–</b>	<b>29</b>	<b>601</b>
<b>Municipal housing subsidy programme</b>								
Combined subsidy	16	–	42,080,059	31,822,900	–	–	208	–
Grant subsidy	4	–	–	7,772,600	–	–	50	–
	<b>20</b>	<b>–</b>	<b>42,080,059</b>	<b>39,595,500</b>	<b>–</b>	<b>–</b>	<b>258</b>	<b>–</b>
<b>Bavarian modernisation programme</b>								
Subsidies for rental homes	15	–	21,557,800	6,903,700	–	–	402	–
Subsidies for places in nursing homes	1	–	796,600	265,500	–	–	–	95
Condominium owners' association	–	–	–	–	–	–	–	–
	<b>16</b>	<b>–</b>	<b>22,354,400</b>	<b>7,169,200</b>	<b>–</b>	<b>–</b>	<b>402</b>	<b>95</b>
<b>Further subsidies</b>								
Creation of energy-efficient rental housing (EERH)	–	–	–	–	–	–	–	–
New business under own liability	8	–	134,000,000	–	–	–	–	–
Loans for promoting affordable housing	–	354,220	–	1,200	–	–	–	–
Modernisation of leasehold flats	1	–	5,423,000	–	–	–	55	–
	<b>9</b>	<b>354,220</b>	<b>139,423,000</b>	<b>1,200</b>	<b>–</b>	<b>–</b>	<b>55</b>	<b>–</b>
<b>Total A – Subsidies for rental housing</b>	<b>133</b>	<b>393,115,740</b>	<b>203,857,459</b>	<b>155,108,680</b>	<b>–</b>	<b>–</b>	<b>2,144</b>	<b>712</b>

The residential units in square brackets already receive subsidised funding under the Bavarian Residential Construction Programme. These figures are shown for information purposes only and are not included in the totals.

Tab. 5.1 Continued: BayernLabo loan and grant commitments

	2024							
	Loan and grant commitments (2 of 4)			Residential space				
	Number of cases	Loans in fiduciary business	Loans in proprietary business	Grants in fiduciary business	Own homes	Owner-occupied flats	Rental homes	Residential places
	€	€	€	RU	RU	RU	RU	
<b>A – Subsidies for rental housing</b>								
<b>Bavarian residential construction programme – amortising loan</b>								
Disability plan – new builds	2	2,075,410	–	–	–	–	–	40
Income-based subsidies – new builds	129	538,856,300	–	152,151,200	–	–	2,752	–
Expenditure-based subsidies – new builds	3	4,647,000	–	1,144,700	–	–	16	–
	<b>134</b>	<b>545,578,710</b>	<b>–</b>	<b>153,295,900</b>	<b>–</b>	<b>–</b>	<b>2,768</b>	<b>40</b>
<b>Bavarian residential construction programme – conditionally non-repayable loans</b>								
Disability plan – new builds – combined subsidy	9	9,300,000	–	17,282,240	–	–	–	104
Disability plan – new builds – grants	12	–	–	23,473,730	–	–	–	158
Loans to structurally adapt properties for people with disabilities	186	1,487,250	–	–	–	–	186	–
Loans to build housing for students	17	161,336,229	–	–	–	–	–	2,353
Loans to build housing for trainees	1	1,282,800	–	–	–	–	–	18
	<b>225</b>	<b>173,406,279</b>	<b>–</b>	<b>40,755,970</b>	<b>–</b>	<b>–</b>	<b>186</b>	<b>2,633</b>
<b>Municipal housing subsidy programme</b>								
Combined subsidy	28	–	48,961,700	39,258,500	–	–	303	–
Grant subsidy	6	–	–	7,991,400	–	–	42	–
	<b>34</b>	<b>–</b>	<b>48,961,700</b>	<b>47,249,900</b>	<b>–</b>	<b>–</b>	<b>345</b>	<b>–</b>
<b>Bavarian modernisation programme</b>								
Subsidies for rental homes	25	–	33,182,700	10,914,700	–	–	596	–
Subsidies for places in nursing homes	1	–	3,190,300	998,000	–	–	–	36
Condominium owners' association	12	–	7,330,800	–	–	–	406	–
	<b>38</b>	<b>–</b>	<b>43,703,800</b>	<b>11,912,700</b>	<b>–</b>	<b>–</b>	<b>1,002</b>	<b>36</b>
<b>Further subsidies</b>								
Creation of energy-efficient rental housing (EERH)	–	–	1,115,000	–	–	–	–	–
New business under own liability	1	–	55,500,000	–	–	–	–	–
Loans for promoting affordable housing	3	79,883,100	–	15,574,600	–	–	425	–
Modernisation of leasehold flats	–	–	–	–	–	–	–	–
	<b>4</b>	<b>79,883,100</b>	<b>56,615,000</b>	<b>15,574,600</b>	<b>–</b>	<b>–</b>	<b>425</b>	<b>–</b>
<b>Total A – Subsidies for rental housing</b>	<b>435</b>	<b>798,868,089</b>	<b>149,280,500</b>	<b>268,789,070</b>	<b>–</b>	<b>–</b>	<b>4,726</b>	<b>2,709</b>

The residential units in square brackets already receive subsidised funding under the Bavarian Residential Construction Programme. These figures are shown for information purposes only and are not included in the totals.

Tab. 5.1 Continued: BayernLabo loan and grant commitments

	2025							
	Loan and grant commitments (3 of 4)				Residential space			
	Number of cases	Loans in fiduciary business	Loans in proprietary business	Grants in fiduciary business	Own homes	Owner-occupied flats	Rental homes	Residential places
	€	€	€	RU	RU	RU	RU	
<b>B – Home ownership subsidies</b>								
<b>Bavarian residential construction programme – amortising loan</b>								
New builds	23	1,224,000	–	330,000	21	2	–	–
Purchase of existing residential space	166	4,994,700	–	9,351,600	138	28	–	–
	<b>189</b>	<b>6,218,700</b>	<b>–</b>	<b>9,681,600</b>	<b>159</b>	<b>30</b>	<b>–</b>	<b>–</b>
<b>Bavarian residential construction programme – conditionally non-repayable loans</b>								
Loans to structurally adapt properties for people with disabilities	446	3,815,180	–	–	395	51	–	–
	<b>446</b>	<b>3,815,180</b>	<b>–</b>	<b>–</b>	<b>395</b>	<b>51</b>	<b>–</b>	<b>–</b>
<b>Bavarian low interest rate loan programme</b>								
Combined subsidy – new builds	[17]	–	2,420,100	–	[15]	[2]	–	–
Combined subsidy – purchases	[145]	–	19,073,500	–	[121]	[24]	–	–
Individual subsidy – new builds	238	–	50,393,500	–	228	10	–	–
Individual subsidy – purchases	471	–	74,851,500	–	405	66	–	–
	<b>709</b>	<b>–</b>	<b>146,738,600</b>	<b>–</b>	<b>633</b>	<b>76</b>	<b>–</b>	<b>–</b>
<b>BayernLoan</b>								
Combined subsidy – new builds	[0]	–	–	–	[0]	[0]	–	–
Combined subsidy – purchases	[0]	–	–	–	[0]	[0]	–	–
Individual subsidy – new builds	1	–	290,200	–	1	–	–	–
Individual subsidy – purchases	–	–	–	–	–	–	–	–
	<b>1</b>	<b>–</b>	<b>290,200</b>	<b>–</b>	<b>1</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Further subsidies</b>								
Bavarian Home Ownership Subsidy	2	–	20,000	–	–	–	–	–
	<b>2</b>	<b>–</b>	<b>20,000</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total B – Home ownership subsidies</b>	<b>1,347</b>	<b>10,033,880</b>	<b>147,028,800</b>	<b>9,701,600</b>	<b>1,188</b>	<b>157</b>	<b>–</b>	<b>–</b>
<b>C – State and municipal loan business</b>								
Municipal loans	208	–	1,012,728,221	–	–	–	–	–
Investkredit Kommunal Bayern (Bavarian municipal investment loan)	97	–	188,703,000	–	–	–	–	–
Energiekredit Kommunal Bayern (Bavarian municipal energy loan)	–	–	–	–	–	–	–	–
Inklusionskredit Kommunal Bayern (Bavarian municipal inclusion loan)	–	–	–	–	–	–	–	–
State lending business with the Free State of Bavaria	–	–	–	–	–	–	–	–
<b>Total C – State and municipal loan business</b>	<b>305</b>	<b>–</b>	<b>1,201,431,221</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>State-subsidised business in 2025</b>	<b>1,785</b>	<b>403,149,620</b>	<b>1,552,317,480</b>	<b>164,810,280</b>	<b>1,188</b>	<b>157</b>	<b>2,144</b>	<b>712</b>

The residential units in square brackets already receive subsidised funding under the Bavarian Residential Construction Programme. These figures are shown for information purposes only and are not included in the totals.

Tab. 5.1 Continued: BayernLabo loan and grant commitments

	2024							
	Loan and grant commitments (4 of 4)				Residential space			
	Number of cases	Loans in fiduciary business	Loans in proprietary business	Grants in fiduciary business	Own homes	Owner-occupied flats	Rental homes	Residential places
	€	€	€	RU	RU	RU	RU	
<b>B – Home ownership subsidies</b>								
<b>Bavarian residential construction programme – amortising loan</b>								
New builds	544	27,891,740	–	8,097,500	528	19	–	–
Purchase of existing residential space	1,585	73,157,400	–	87,788,017	1,371	226	–	–
	<b>2,129</b>	<b>101,049,140</b>	<b>–</b>	<b>95,885,517</b>	<b>1,899</b>	<b>245</b>	<b>–</b>	<b>–</b>
<b>Bavarian residential construction programme – conditionally non-repayable loans</b>								
Loans to structurally adapt properties for people with disabilities	2,484	21,724,245	–	–	2,223	261	–	–
	<b>2,484</b>	<b>21,724,245</b>	<b>–</b>	<b>–</b>	<b>2,223</b>	<b>261</b>	<b>–</b>	<b>–</b>
<b>Bavarian low interest rate loan programme</b>								
Combined subsidy – new builds	[6]	–	666,700	–	[6]	[0]	–	–
Combined subsidy – purchases	[95]	–	10,407,300	–	[80]	[15]	–	–
Individual subsidy – new builds	–	–	–	–	–	–	–	–
Individual subsidy – purchases	–	–	–	–	–	–	–	–
	<b>–</b>	<b>–</b>	<b>11,074,000</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>BayernLoan</b>								
Combined subsidy – new builds	[508]	–	94,323,400	–	[491]	[17]	–	–
Combined subsidy – purchases	[1,370]	–	175,297,800	–	[1,181]	[189]	–	–
Individual subsidy – new builds	372	–	78,045,800	–	356	16	–	–
Individual subsidy – purchases	436	–	73,354,100	–	354	82	–	–
	<b>808</b>	<b>–</b>	<b>421,021,100</b>	<b>–</b>	<b>710</b>	<b>98</b>	<b>–</b>	<b>–</b>
<b>Further subsidies</b>								
Bavarian Home Ownership Subsidy	–	–	–	–	–	–	–	–
	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total B – Home ownership subsidies</b>	<b>5,421</b>	<b>122,773,385</b>	<b>432,095,100</b>	<b>95,885,517</b>	<b>4,832</b>	<b>604</b>	<b>–</b>	<b>–</b>
<b>C – State and municipal loan business</b>								
Municipal loans	256	–	1,200,145,881	–	–	–	–	–
Investkredit Kommunal Bayern (Bavarian municipal investment loan)	67	–	112,191,500	–	–	–	–	–
Energiekredit Kommunal Bayern (Bavarian municipal energy loan)	–	–	–	–	–	–	–	–
Inklusionskredit Kommunal Bayern (Bavarian municipal inclusion loan)	–	–	–	–	–	–	–	–
State lending business with the Free State of Bavaria	–	–	–	–	–	–	–	–
<b>Total C – State and municipal loan business</b>	<b>323</b>	<b>–</b>	<b>1,312,337,381</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>State-subsidised business in 2024</b>	<b>6,179</b>	<b>921,641,474</b>	<b>1,893,712,981</b>	<b>364,674,587</b>	<b>4,832</b>	<b>604</b>	<b>4,726</b>	<b>2,709</b>

The residential units in square brackets already receive subsidised funding under the Bavarian Residential Construction Programme. These figures are shown for information purposes only and are not included in the totals.

## 6 Legal basis

Directive for the subsidisation of investments to create special forms of housing within the meaning of Section 42a SGB XII (former inpatient facilities) for people with disabilities as part of the conversion of complex facilities; announcement of the Bavarian State Ministry for Family, Labour and Social Affairs of 1 October 2021, Ref. II1/6434.01-1/107 (BayMBL. No. 738).

The Bayerische Landesbank Act (BayLaBG) in the version as published in the notification dated 1 February 2003 (GVBl. p. 54, rect. p. 316, BayRS 762-6-F), last amended by Section 2 of the Act Amending the Special-Purpose Assets Act and the Bayerische Landesbank Act (GVBl. p. 585; entered into force on 17 December 2024).

The Statutes of Bayerische Landesbank dated 24 June 2013, published in the Bavarian State Gazette No. 26 on 28 June 2013 and last amended as published in the Bavarian State Gazette No. 51/52 on 20 December 2024.

Bavarian Subsidised Housing Act (BayWoFG) dated 10 April 2007 (GVBl. p. 260, BayRS 2330-2-B), last amended by Section 1 of the Regulation dated 1 July 2023 (GVBl. p. 508).

Second Housing Act (II. WoBauG) in the version as published in the notification dated 19 August 1994 (BGBl. I p. 2137), last amended by Act of 19 June 2001 (BGBl. I p. 1149). The II WoBauG was repealed with effect from 1 January 2002 by Article 2 of the Act on the Reform of Housing Construction Law of 13 September 2001 (BGBl. I, p. 2376); however, pursuant to Section 48 of the Subsidised Social Housing Act (WoFG) and Article 24 of the Bavarian Subsidised Housing Act (BayWoFG), it continues to apply in part.

Subsidised Social Housing Act (WoFG) of 13 September 2001 (BGBl. I, p. 2376), last amended by Article 12 para. 15 of the Citizen's Benefit Act (Bürgergeld-G) of 16 December 2022 (BGBl. I, p. 2328).

Bavarian Act on Securing the Designated Use of Social Housing (Bavarian Housing Commitment Act – BayWoBindG), in the version as published in the notification dated 23 July 2007 (GVBl., pp. 562, 781; 2011, p. 115, BayRS 2330-3-B), last amended by the Act of 23 July 2024 (GVBl., p. 265).

Subsidised Housing Programme 2022 (WFB 2022) as published by the Bavarian State Ministry of Housing, Building and Transport of 16 March 2022 (BayMBL. No. 204). Subsidised Housing Programme 2023 (WFB 2023) as published by the Bavarian State Ministry of Housing, Building and Transport of 13 April 2023 (BayMBL. No. 206), as amended by notice of 1 December 2025 (BayMBL. No. 566).

Regulation on Housing-Related Calculations under the Second Housing Act (Second Calculation Ordinance – II BV), in the version as published in the notification dated 12 October 1990 (BGBl. I, p. 2178), last amended by Article 78 para. 2 of the Second Act on the Revision of Federal Law within the Responsibility of the Federal Ministry of Justice of 23 November 2007 (BGBl. I, p. 2614).

Regulation on Calculating Residential Space (WoFlV) dated 25 November 2003 (BGBl. I p. 2346).

Regulation on the Structure of Operating Costs (Operating Costs Regulation – BetrKV) of 25 November 2003 (BGBl. I, pp. 2346, 2347), as amended by Article 4 of the Act Amending Telecommunications Regulations of 16 October 2023 (BGBl. 2023 I No. 280).

Announcement of the Bavarian State Ministry of the Interior on the Bavarian Low Interest Rate Loan Programme to subsidise home ownership of 3 January 2005 (AllMBL., p. 9), last amended by notice of 11 November 2025 (BayMBL. No. 493).

Regulation on the Implementation of the Social Codes (AVSG) of 2 December 2008 (GVBl., pp. 912, 982, BayRS 86-8-A/G), last amended by Section 4 of the Act of 21 November 2025 (GVBl., p. 570).

Announcement of the Bavarian State Ministry of Housing, Building and Transport concerning the Guidelines for the Loan Program for the Creation of Efficient Rental Housing (EMWR) dated 2 May 2022 (BayMBL. No. 308), expired on 31 December 2024. Guidelines for awarding a grant to build or buy residential property for own use (Bavarian Home Ownership Subsidy Guidelines – Bayerische Eigenheimzulagen-Richtlinien – EHZR), as published by the Bavarian State Ministry for Housing, Building and Transport dated 7 August 2018, ref. 31-4740-7-2 (AllMBL. p. 554), expired on 31 December 2020.

Guidelines for awarding Baukindergeld Plus to build or buy owner-occupied homes for families with children and single parents in Bavaria (Baukindergeld Plus Guidelines – BayBauKGPR), as published by the Bavarian State Ministry for Housing, Building and Transport dated 14 September 2018, ref. 31-4740.4-2-2 (AllMBL. p. 905), expired on 31 December 2020.

Announcement of the Bavarian State Ministry of Housing, Building and Transport concerning the guidelines for the loan programme of the Bayerische Landesbodenkreditanstalt to subsidise the modernisation of buildings of condominium owners' associations (BayModWEG) of 21 July 2022 (BayMBL. No. 464), expired on 31 December 2024. Announcement of the Bavarian State Ministry of the Interior, for Sport and Integration concerning the guidelines for the awarding of grants by the Free State of Bavaria for the subsidisation of organised sport (Sport Promotion Guidelines – SportFör) of 5 December 2022 (BayMBL. No. 714), as amended by announcement of 8 December 2025 (BayMBL. No. 565).

Announcement of the Bavarian State Ministry for Housing, Building and Transport concerning the guidelines for the Bavarian Modernisation Programme (Bavarian State Ministry for Housing, Building and Transport) of 9 March 2022 (BayMBL. No. 201), last amended by the announcement of 21 November 2024 (BayMBL. No. 609).

Announcement of the Bavarian State Ministry of the Interior, for Building and Transport concerning the guidelines for the subsidisation of student accommodation (StudR 2021) of 22 June 2021 (BayMBL. No. 506). Announcement of the Bavarian State Ministry of the Interior, for Building and Transport concerning the guidelines for the subsidisation of student accommodation (StudR 2023) of 4 August 2023 (BayMBL. No. 441), amended by the announcement of 11 November 2024 (BayMBL. No. 567).

Announcement of the Bavarian State Ministry of Finance concerning the guidelines for supplementary subsidies under the state housing assistance programme (Bavarian Supplementary Subsidy Guidelines – BayZfR) of 30 September 2005 (FMBl. p. 181), as last amended by announcement of 22 May 2019 (BayMBL. No. 205).

Announcement of the Bavarian State Ministry of Finance and Regional Identity concerning the guidelines for supplementary subsidies under the state housing assistance programme (Bavarian Supplementary Subsidy Guideline – BayZfR) of 1 February 2024 (BayMBL. No. 85).

Guidelines for assuming state guarantees to subsidise housing (Article 1 para. 1 no. 3 BÜG), as published jointly by the Bavarian State Ministries of Finance and of the Interior dated 5 March 2003 (FMBl. p. 112), last amended by the publication dated 3 February 2010 (FMBl. p. 84).

Announcement of the Bavarian State Ministry of the Interior, for Building and Transport concerning the guidelines for the municipal subsidy programme for the creation of rental housing in Bavaria (Municipal Housing Subsidy Programme – KommWFP) of 22 December 2015 (AllMBL. 2016 p. 3), last amended by announcement of 22 August 2024 (BayMBL. No. 403).

Provisions for subsidising the construction and purchase of homes for public-sector employees (FöWoS) issued by the Bavarian State Ministry of Finance and Regional Identity on 2 August 2022 (Gz. 24 – VV 8070- 2/4).

Provisions for subsidising the construction and purchase of homes for public-sector employees (FöWoS) issued by the Bavarian State Ministry of Finance and Regional Identity on 1 August 2023 (Gz. 24 – VV 8070- 2/4).

Announcement of the Bavarian State Ministry for Housing, Building and Transport concerning the guidelines for the subsidisation of trainee housing (AzubiR 2024) of 25 January 2024 (BayMBL. No. 70).

Announcement of the Bavarian State Ministry for Housing, Building and Transport concerning the guidelines for the loan programme to subsidise the modernisation and renewal of public-sector worker accommodation (ModStadiWo) of 15 September 2023.

# 7 Administrative bodies

## BayernLabo Committee

Pursuant to Section 24 a of the Statutes of BayernLB, a committee must be formed from the BayernLB Supervisory Board to deal with matters pertaining to BayernLabo. This committee will take all decisions relating to BayernLabo that lie within the remit of the Supervisory Board.

### Harald Hübner

BayernLabo Committee Chairperson  
Deputy Secretary  
Bavarian State Ministry of Finance and Regional Identity  
Munich

### Judith Steiner

BayernLabo Committee Deputy Chairperson  
Under Secretary  
Bavarian State Ministry of Finance and Regional Identity  
Munich

### Dr Klaus-Peter Potthast

Under Secretary  
Bavarian State Ministry of Economic Affairs, Regional Development and Energy  
Munich

### Erwin Schneider

Chief District Administrator  
Altötting

### Sylvia Steinmann

Meilen (Switzerland)

## BayernLB Board of Management

### Stephan Winkelmeier

CEO/CFO  
Corporate Center (including Group Compliance)  
Financial Office  
Group Treasury  
Operating Office and IT  
Deutsche Kreditbank Aktiengesellschaft  
BayernInvest Kapitalverwaltungsgesellschaft mbH

### Gero Bergmann

Risk Office  
Bayerische Landesbodenkreditanstalt  
Real I.S. AG Gesellschaft für Immobilien Assetmanagement

**Johannes Anschott**

Corporates & Markets

Real Estate & Savings Banks/Financial Institutions

**Dr Markus Wiegelmann**

until 30 June 2025

**Sigrid Kozmiensky**

until 2 October 2025

**Executive Manager**

**Zia Hoshyarzai<sup>25</sup>**

since 1 October 2025

Pursuant to Section 24 para. 1 of the Statutes of BayernLB, the following members of the Board of Management are responsible for managing BayernLabo:

**Gero Bergmann**

Head of the BayernLabo Segment

**Johannes Anschott**

Representative for BayernLabo

**BayernLabo's Management**

Pursuant to Art. 19 of the Bayerische Landesbank Act, BayernLabo's business is overseen by a management team. In the reporting year the management team consisted of:

**Dr Ulrich Klein**

BayernLabo Management Spokesperson

**Christian Wunderlich**

Member of the BayernLabo Management

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<sup>25</sup> Full member of the Board of Management from 1 April 2026.

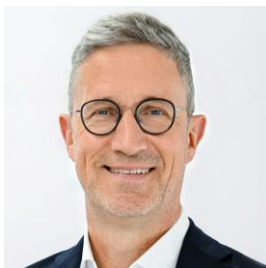
# 8 Your contacts

## The Management team



**Dr Ulrich Klein**  
**BayernLabo Management Spokesperson**

Tel. +49 89 2171-28000  
ulrich.klein@bayernlabo.de



**Christian Wunderlich**  
**Member of the BayernLabo Management**

Tel. +49 89 2171-28050  
christian.wunderlich@bayernlabo.de

## New Owner-Occupied Housing Subsidisation



**Christian Ortmaier**  
**Department Manager**

Tel. +49 89 2171-28074  
christian.ortmaier@bayernlabo.de

## Rental Housing Subsidisation



**Rainer Wimmer**  
**Department Manager**

Tel. +49 89 2171-28088  
rainer.wimmer@bayernlabo.de

## Municipal Lending



**Wolfgang Schmidt**  
**Department Manager**

Tel. +49 89 2171-22004  
wolfgang.schmidt@bayernlabo.de

## Investor Relations



**Florian Ruhland**  
**Deputy Member of the Bayernlabo Management**

Tel. +49 89 2171-28059  
florian.ruhland@bayernlabo.de

## 9 Picture credits

Gero Bergmann, member of the Board of Management of BayernLB Photo: BayernLB	Page 4
Christian Bernreiter, Bavarian State Minister of Housing, Building and Transport Photo: © StMB/Atelier Krammer	Page 5
Albert Füracker, Bavarian State Minister of Finance and Regional Identity Photo: StMFH	Page 6
Cooperative residential development in hybrid timber construction in Prinz-Eugen-Park in Munich Income-based subsidy Developer: WOGENO München eG Architects: Atelier 5 Architekten und Planer AG, a + p Architekten Part mbB, Bern Photo: © Michael Nagy, City of Munich	Page 10
Living on Waffenschmiedweg in Dießen am Ammersee Municipal Housing Subsidy Programme Developer: municipality of Dießen am Ammersee Architects: EZE GmbH, Schondorf Photos pages 13, 15: EZE GmbH, Schondorf Photo page 14: BayernLabo	Pages 13, 14, 15
Refurbishment of the Hans Scholl Hall in Freimann Subsidies for student housing Developer: Studierendenwerk München Oberbayern, Munich Architects: Christoph Maas Architekturbüro GmbH, Munich Photos pages 16, 18 (exterior view and opening ceremony): Schrödinger Media Photos page 17 (sports hall and catering area): Studierendenwerk München Oberbayern, Munich	Pages 16, 17, 18
New construction of a single-family house in Pastetten Homeowner: Sendner family, Pastetten Architects: Dipl. Ing. Architekt Andreas Winner, Pastetten Photos: Inceon GmbH, Ismaning	Pages 19 – 22, 45
“Vacant –Now Living” – pilot project Marktbreit Experimental housing Developer: City of Marktbreit Photos: GRUPPE DREI GmbH, Villingen	Pages 23 – 25
AI and digitalisation Adobe Stock Photo Agency	Pages 26 – 28

Housing project “House Almost Without Heating” in Friedrichshofen-West  
Income-based subsidy  
Developer: Gemeinnützige Wohnungsbaugesellschaft Ingolstadt GmbH, Ingolstadt  
Architects: nbundm\* neuburger, bohnert und müller Architekten BDA and  
Stadtplaner Partnerschaft mbB, Munich  
Photo: Sebastian Schels

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Prinz-Karl-Viertel residential development in Augsburg  
Income-based subsidy  
Developer: Wohnbaugruppe Augsburg, Augsburg  
Architects: Blaumoser Architekten, Starnberg  
Photo: © Barbara Gandenheimer

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Housing in the former Mesnerhaus in Winhöring  
Municipal Housing Subsidy Programme  
Developer: municipality of Winhöring  
Architects: Robert Maier Architekten, Neuötting  
Photo: Robert Sageder

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Multi-generational residential building in Kranzberg  
Municipal Housing Subsidy Programme  
Developer: municipality of Kranzberg  
Architects: Büro Dantele, Freising, and Büro Kofink Schels, Munich  
Photo: Sebastian Schels

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New construction of a residential building for independent living in old age  
in Neunburg vorm Wald  
Income-based subsidy  
Developer: 9Bürger eG Wohnungsbaugenossenschaft Neunburg v. W.  
Architects: BeL Sozietät für Architektur Bernhardt und Leeser Architekten BDA  
and Stadtplaner Partnerschaft mbB, Cologne  
Photo: Sebastian Schels

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Student housing with childcare centre in Nuremberg  
Subsidised student housing  
Developer: Studierendenwerk Erlangen-Nürnberg, Erlangen  
Architects: Loebermann + Bandlow Architekten, Nuremberg  
Photo: Studierendenwerk Erlangen-Nürnberg, Erlangen

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Regensburger Viertel in Nuremberg  
Income-based subsidy  
Developer: Siedlungswerk Nürnberg GmbH, Nuremberg  
Architects: Behles & Jochimsen, Berlin  
Photo: Siedlungswerk Nürnberg GmbH, Nuremberg

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New construction of a fire station in Unterelchingen Municipal investment loan Developer: municipality of Elchingen Architects and photo: Busch Lange Generalplaner GmbH & Co. KG, Neu-Ulm	Page 60
Refurbishment and extension of an existing building at Wörthsee Municipal Housing Subsidy Programme Developer: municipality of Wörthsee Architects: hirner & riehle architekten stadtplaner bda partg mbb, Munich Photo: Sebastian Schels	Pages 65, 78, 92
Residential district in Penzberg Municipal Housing Subsidy Programme Developer: City of Penzberg Architects: H2M Architekten, Munich/Kulmbach Photo: Sebastian Schels	Page 70
Living in the centre of Mammendorf Municipal Housing Subsidy Programme Developer: municipality of Mammendorf Architects and photo: Füllemann Architekten GmbH, Gilching	Pages 72
Residential district in Freiam Income-based subsidy Developer: Münchner Wohnen Architects: Grassinger Emrich Architekten GmbH, Munich Photo: © Thilo Härdtlein, Münchner Wohnen GmbH	Page 74
New construction of an apartment building with underground parking in Hörgering Municipal Housing Subsidy Programme Developer: municipality of Siegsdorf Architects: ARGE Farthofer-Scheithauer, Freilassing Photo: Josefine Unterhauser	Page 88
Dr Ulrich Klein, BayernLabo Management Spokesperson Photo: BayernLabo	Page 118
Christian Wunderlich, Member of the BayernLabo Management Photo: BayernLabo	Page 118
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Photo: BayernLabo Page 118

Wolfgang Schmidt, Head of the Bavarian Municipal Lending Department, BayernLabo  
Photo: BayernLabo Page 119

Florian Ruhland, Head of the Investor Relations Department, BayernLabo  
Photo: BayernLabo Page 119

# 10 List of abbreviations

II. BV	Second Regulation on Housing Calculations in Accordance with the Second Housing Act (Second Calculation Regulation)
II. WoBauG	Second Housing Act (Housing and Family Homes Act)
AI	Artificial intelligence
AllMBL	General Ministerial Gazette
Art.	Article
BayBauKGPR	Baukindergeld-Plus Guidelines
BayernLabo	Bayerische Landesbodenkreditanstalt
BayernLB	Bayerische Landesbank
BayLaBG	Bayerische Landesbank Act (BayLaBG)
BayMBL	Bavarian Ministerial Gazette
BayMod	Bavarian Modernisation Programme
BayModR	Guidelines for the Bavarian Modernisation Programme
BayModWEG	Guidelines for the Loan Programme of the Bayerische Landesbodenkreditanstalt to Promote the Modernisation of Buildings of Condominium Owners' Associations (WEG Modernisation Programme)
BayRS	Bavarian collection of laws
BayWoBindG	Act to Ensure the Purpose of Social Housing in Bavaria (Bavarian Controlled Tenancy Act)
BayWoFG	Bavarian Subsidised Housing Act
BayZfR	Bavarian Supplementary Subsidy Guidelines (guidelines for supplementary subsidies under the state housing assistance programme)
BDA	Association of German Architects
BetrKV	Regulation on the Structure of Operating Costs (Operating Costs Regulation)
BGBL	Federal Law Gazette
BMJ	Federal Ministry of Justice
BÜG	Act on the Assumption of State Guarantees and Guarantees by the Free State of Bavaria
CO <sub>2</sub>	Carbon dioxide

COA	Condominium owners' association
CPI	Consumer price index
CRR	Capital Requirements Regulation
CTA	Contractual trust arrangement
DRRM	Decentralised reputational risk manager
EBS	Expenditure-based subsidies
ECB	European Central Bank
EHRZ	Guidelines for the granting of a grant for the construction or acquisition of housing for owner-occupied purposes (Bavarian Home Ownership Subsidy)
EnMWR	Guidelines for the Energy-efficient Rental Housing Loan Programme
ESG	Environmental, social and corporate governance
EU	European Union
FMBl.	Official Gazette of the Bavarian State Ministry of Finance, Regional Development and Regional Identity
GDP	Gross domestic product
GDPR	General Data Protection Regulation
GVBl.	Law and Ordinance Gazette
HCPI	Harmonised consumer price index
HGB	German Commercial Code
IBS	Income-based subsidy
IT	Information technology
KfW	Kreditanstalt für Wiederaufbau
KommWFP	Municipal Housing Subsidy Programme
MdL	Member of the state parliament
para.	Paragraph
ref.	Reference number
RH	Rental housing
QNG	(German) Sustainable Building Quality Seal
RU	Residential unit

SDGs	Sustainable Development Goals
SGB	German Social Code
SportFÖR	Guidelines on the Granting of Allowances by the Free State of Bavaria for the Promotion of Organised Sports (Sports Promotion Guidelines)
StMB	Bavarian State Ministry of Housing, Building and Transport
StMFH	Bavarian State Ministry of Finance and Regional Identity
StudR	Guidelines for the subsidisation of student accommodation
VgV	German Public Procurement Regulation
WFB	Subsidised Housing Programme
WoFG	Subsidised Social Housing Act
WoFlV	Regulation on Calculating Residential Space

## Editorial information

### Publisher:

Bayerische Landesbodenkreditanstalt  
Brienner Straße 16, 80333 Munich  
bayernlabo@bayernlb.de  
bayernlabo.de

### Editors:

Barbara Schatz  
Tel. +49 89 2171-28164  
Leonhard Maximilian Schmid  
Tel. +49 89 2171-28181  
Fax +49 89 2171-600560

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Bayerische Landesbank  
Group Development & Transformation  
Brienner Straße 18, 80333 Munich, Germany  
Tel. +49 89 2171-21161  
Fax +49 89 2171-21250  
kontakt@bayernlb.de

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Bayerische Landesbodenkreditanstalt  
The development bank of BayernLB  
Brienner Straße 16  
80333 Munich, Germany  
[bayernlabo.de](http://bayernlabo.de)

