

## **DASH Aalborg**

# **Social housing under the perspective of a balance sheet**

# Social housing



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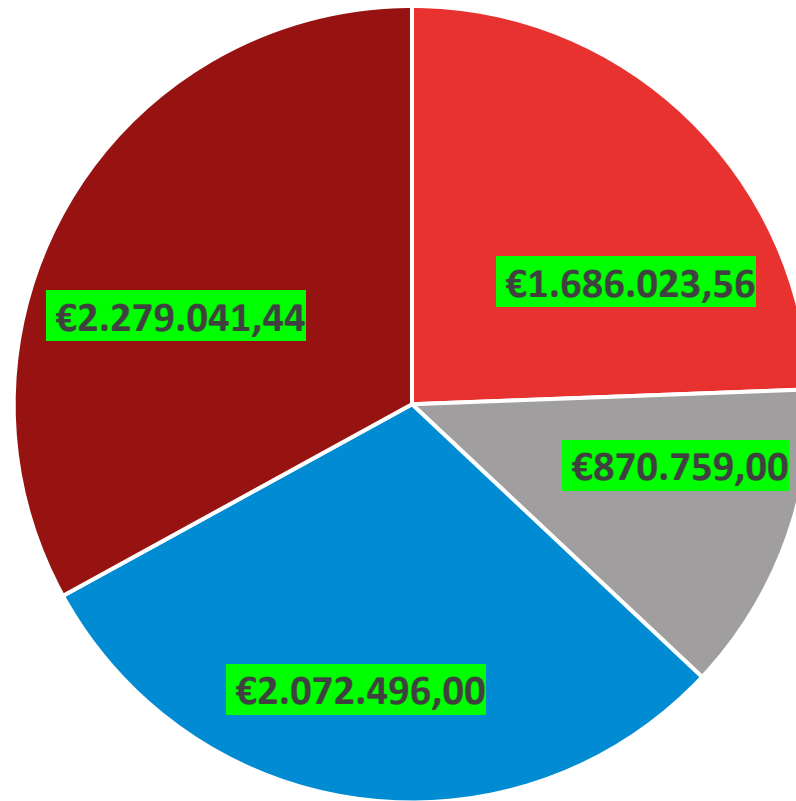
Tuebingen is constructing a social housing building we chose as an example for the current problems of social housing in Germany:

- Target group: young professional with “critical” skills (such as preschool teachers, bus and train drivers, nurses etc.)
- Flatrate housing (including all incidental rental costs)
- 26 apartments (26-32 sqm), shared areas
- Commercial area on the ground floor (self administrated social company selling organic groceries)

## Social housing - perspective of a balance sheet

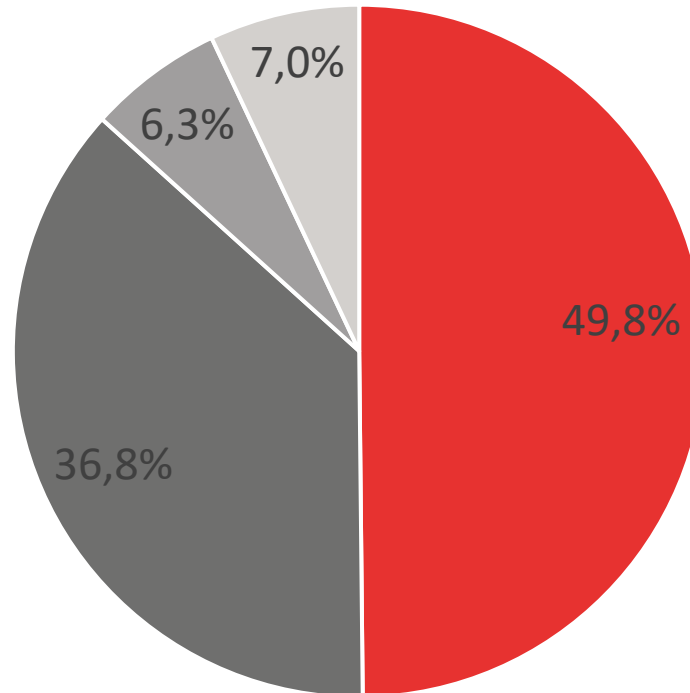
- Subsidy by the state of Baden-Württemberg (on choice of investor: zero interest loan)
  - Equity minimum 20 percent of total costs
  - Borrowed capital: fixed interest rate for 10-15 years, market interest rate (currently > 4%)
  - Fixed maximum rent for 40 years (as share of the market rent minus 40%)
- > It would have been impossible for a cooperative to build the house without additional subsidies by the municipality.

# Housing Cooperative



■ funding state   ■ additional funding municipality   ■ equity   ■ to be financed

## Expenditures

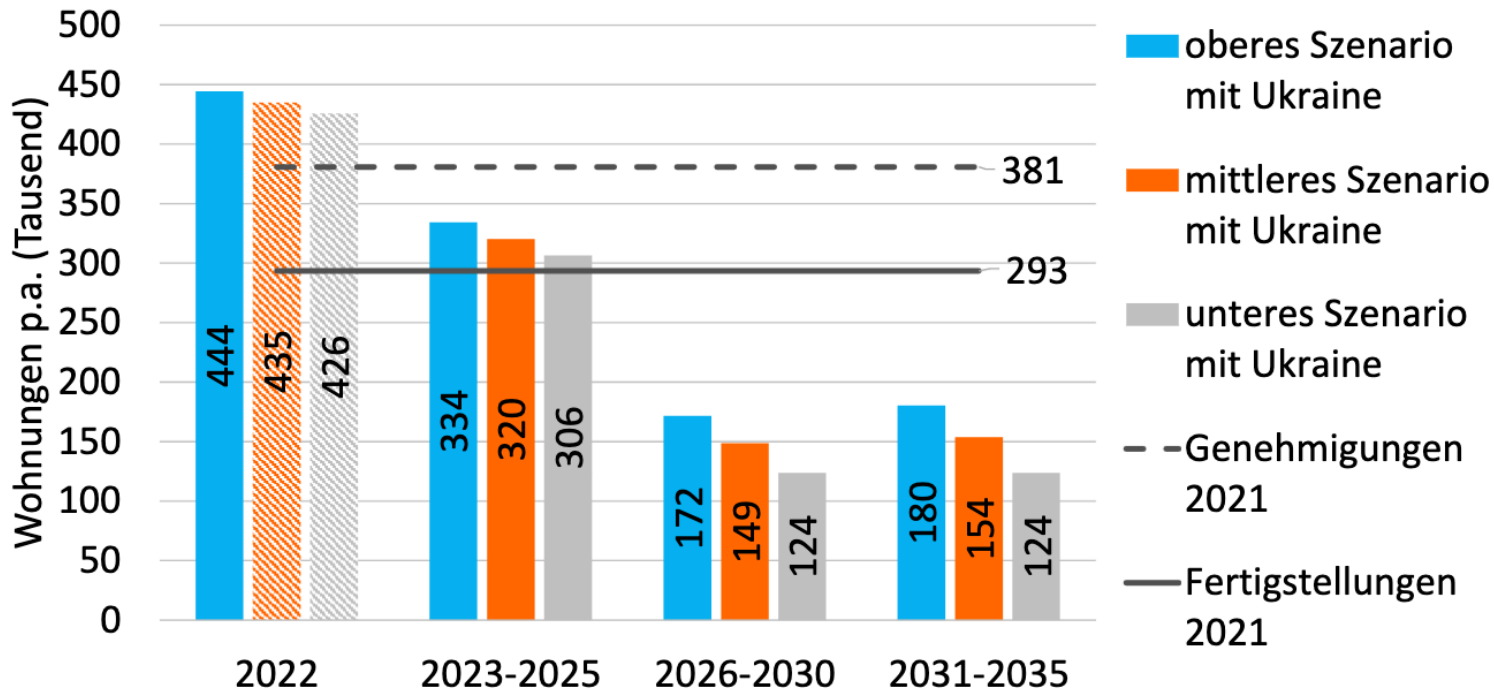


- cost of financing
- depreciation
- maintenance reserve
- administrative costs



## Abbildung 2: Mittlere jährliche Neubaunachfrage Deutschland 2022 bis 2035

Ohne Nachholbedarf (daher eher Untergrenze)



Datenbasis: empirica regio (empirica Wohnungsmarktprognose 2023/2024, Basisjahr 2021; Statistische Ämter des Bundes und der Länder, Deutschland, 2018-2023, dl-de/by-2-0)

**empirica**  
regio

## Social housing - problems

- Increasing construction costs and high interest rates, subsidy cuts
  - As a result, costs exceed revenues
  - It is no longer possible to finance social housing (except for municipalities and municipal housing associations) with state subsidies. Additional municipal subsidies are needed, but there is a lack of money in the budget.
- This will cause an escalation of the housing crises in bigger cities.
- Number of needed dwellings (exposed by the federal government): 400.000 (thereof 170.000 social housing) per year.
- Number of new dwellings 2023 (estimation): 120.000; number of building permits are declining rapidly.

**Thank you!**

