The Housing Market in Germany

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GdW is the biggest head federation of housing and real estate in Germany.

Nearly 3,000 housing cooperatives and other legal forms of housing companies are organized in 15 regional federations.

The housing companies all together are managing nearly 6 million housing units. This corresponds to 30% of all rental housing units in Germany.

www.gdw.de
Supplier structure in German housing market as of 9. May 2011

Housing stock in Germany
40,545 thousand dwellings

Professional-commercial suppliers
8,273 thousand dwellings (20%)
- Cooperatives
  2,145 thousand dwellings
- Municipal housing companies
  2,347 thousand dwellings
- Public housing companies
  305 thousand dwellings
- Private professional-commercial Owners*
  3,152 thousand dwellings
- Church and others
  324 thousand dwellings

Private small suppliers
14,980 thousand dwellings (37%)
- One- and two-family houses
  4,451 thousand dwellings
- Apartments
  10,529 thousand dwellings

Owner-occupied
17,292 thousand dwellings (43%)
- One- and two-family houses
  13,757 thousand dwellings
- Apartments
  3,535 thousand dwellings

*private sector housing companies, credit institutions, insurance companies, real estate funds, other companies and non-profit organizations

General features of the German housing market

- 41 million housing units
- 80 million inhabitants in about 40 million private households
  - The German housing market is theoretically balanced.
  - But the current housing market trends show considerable regional disparities.
  - In some areas, the markets are quite tense; in others, a significant share of the housing stock is vacant. While there is strong demand-side pressure in metropolitan areas, on the contrary, population is decreasing in other areas resulting in costly structural vacancy in the housing stock.
- 57 % of the households live in rental dwellings
- Only 43 % live in owner-occupied dwellings
  - Low home ownership, compared to other countries (Norway: 77 %, Spain 85 %, France 57 %)
  - Only Switzerland has an even lower rate of home ownership: 39 %
Wealth, percentage of rental tenure and number of let dwellings in Europe 2011
States of the EU and EFTA

Surfaces of the circles show the:
number of let dwellings
in 1,000 dwelling units

GDP per capita
in purchasing power parity
EU 27=100

Percentage of rental tenure in entire residential property

Quelle: Eurostat Census Hub, 20.03.2015 10:08:45; Dwellings on Type of ownership;
Anmerkung: "genossenschaftlicher Sektor" von Dänemark, Polen und Schweden wurde dem Eigentumssektor zugeschlagen; für Finnland, Kroatien und, Liechtenstein gaben keine Zensusdaten vor.
Structure of the housing market: Importance of the rental market

Total housing stock:
- Rental units: 43%
- Owner occupied dwellings: 57%

Rental housing stock:
- Free rental housing: 94%
- Social housing: 6%
Rental homes with rental or occupancy-fixing of GdW companies

Billion dwellings

Decrease 2002 – 2014:

More than a million dwellings

≅ -55%

GdW companies manage about 61% of social housing in Germany

Total stock 2014 = 1.4 million dwellings

compared to total stock in 2002 = 2.6 million dwellings
Major trends for German housing providers
Foreseeable developments in the future

Migration

Demographic change
- Barrier-free or reduced buildings for the elderly
- Living with service
- Decreasing population with growing number of single-person households

Energy and Climate
- Measures in energy efficiency and decarbonisation in general
- Support for renewable energy sources in buildings

Regional imbalances
- In spite of rise in construction: number of new built houses does not fulfill future demand for affordable housing