

Funding of (social) housing

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Dietrich Suhlrie, Member of the Managing Board of NRW.BANK

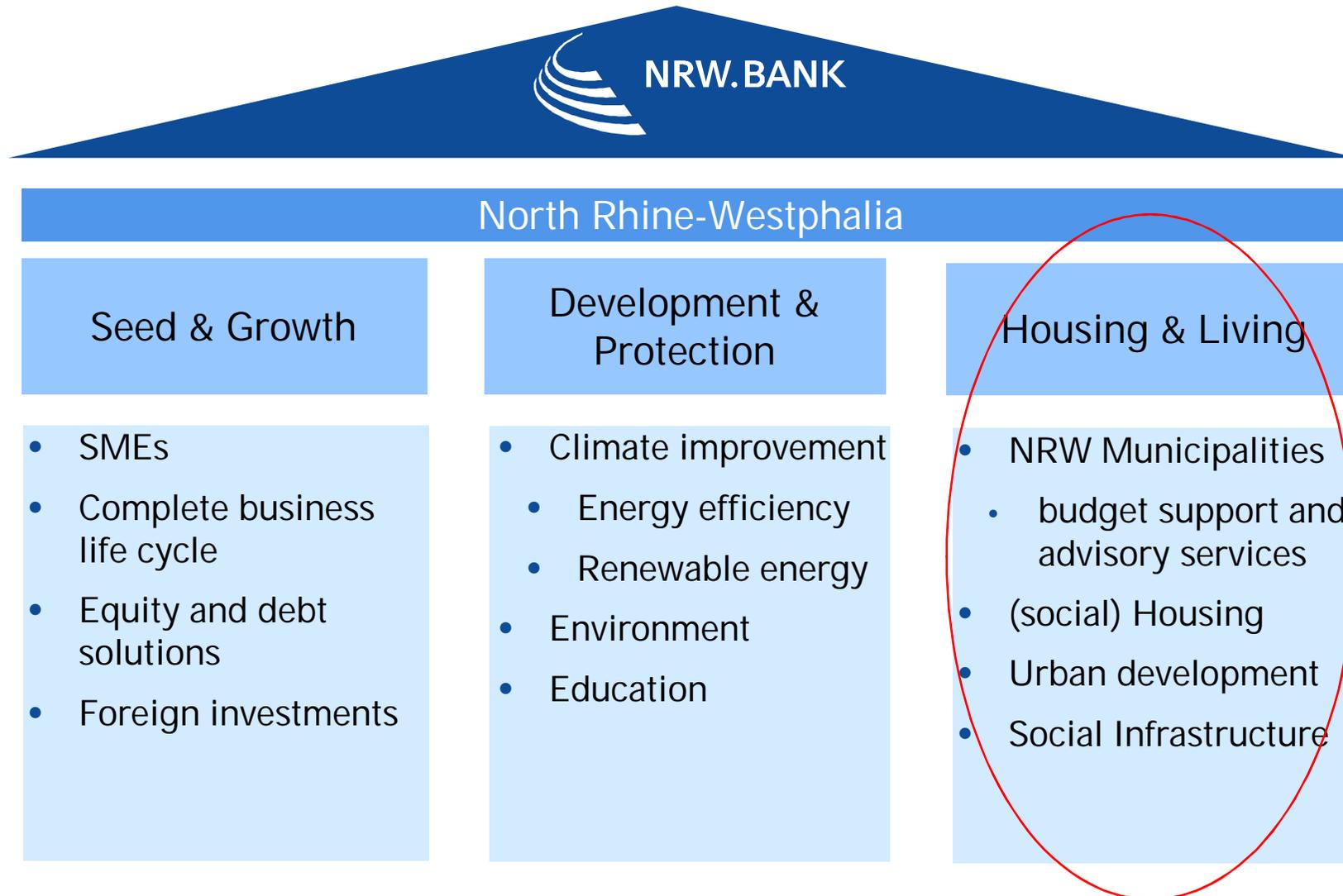


NRW.BANK - Facts & Figures

- State owned promotional bank (100%)
 - has a clear public mission mandate
 - does not focus on maximizing profits
 - has a full banking license and is supervised by the ECB
- NRW.BANK is the 2nd largest promotional institution in Germany / 4th largest in Europe (Total assets: around € 141 billion)
- NRW.BANK is explicitly guaranteed by the State of North Rhine-Westphalia
- “Housing and living” is one out of three pillars of funding activities; promotion of social housing is one segment within this pillar



Fields of promotion



Housing in NRW

- Majority of households live in rented apartments (57% of housing stock is rental housing)
- In general, high quality of rental housing stock
- High level of tenant protection
- Varied ownership of rental housing stock (private households, housing companies, municipal housing companies, co-operatives, charities)
- For lower income groups, social allowances to assist with housing costs
- Still, some households face difficulties in accessing the rental housing market due to financial limitations and/or social problems



Aims of social rental housing in NRW

- Providing attractive, adequate, and affordable housing for low- (and medium-) income groups
- Supporting development of attractive and socially balanced neighbourhoods, avoiding segregation
- Adapting existing stock to fit the needs of elderly and handicapped persons
- Upgrading existing stock to improve energy efficiency



Social rental housing: key principles

- Subsidies for investments in new-construction and renewal of stock in exchange for below-market rents and limitation to defined target groups
- Market-oriented approach: based on market rules; all types of investors eligible
- Funded stock is underlying social housing regulations for 20 or 25 years
- Target groups are in general households below defined income levels; estimated 40-50% of households in NRW eligible



Social rental housing: instruments

- Funding through loans with low and fixed interest rates and additional subsidies
- Funding adapted to local needs and price levels
- Co-operation between regional housing ministry, local authorities, and NRW.BANK
 - Ministry defines need for new-construction of social rental housing at level of municipalities, and sets general rules
 - Local authorities check the eligibility of building projects, the eligibility of households for accessing social housing, and control the social housing stock
 - NRW.BANK is in charge of solvency check of investors and handling of loans

Example: Gartenhöfe Saarn – mix of social housing and ‚normal‘ rental housing

- Three buildings with in total 46 flats
- Thereof 11 flats funded under social housing program
- Varied size of flats to house different types of households
- Community building: additional room (incl. kitchen) for the use of tenants
- Investor: Mülheimer Wohnungsbau eG (co-operative)



Example: Kirschblüten-Carré – inclusive neighbourhood for all generations

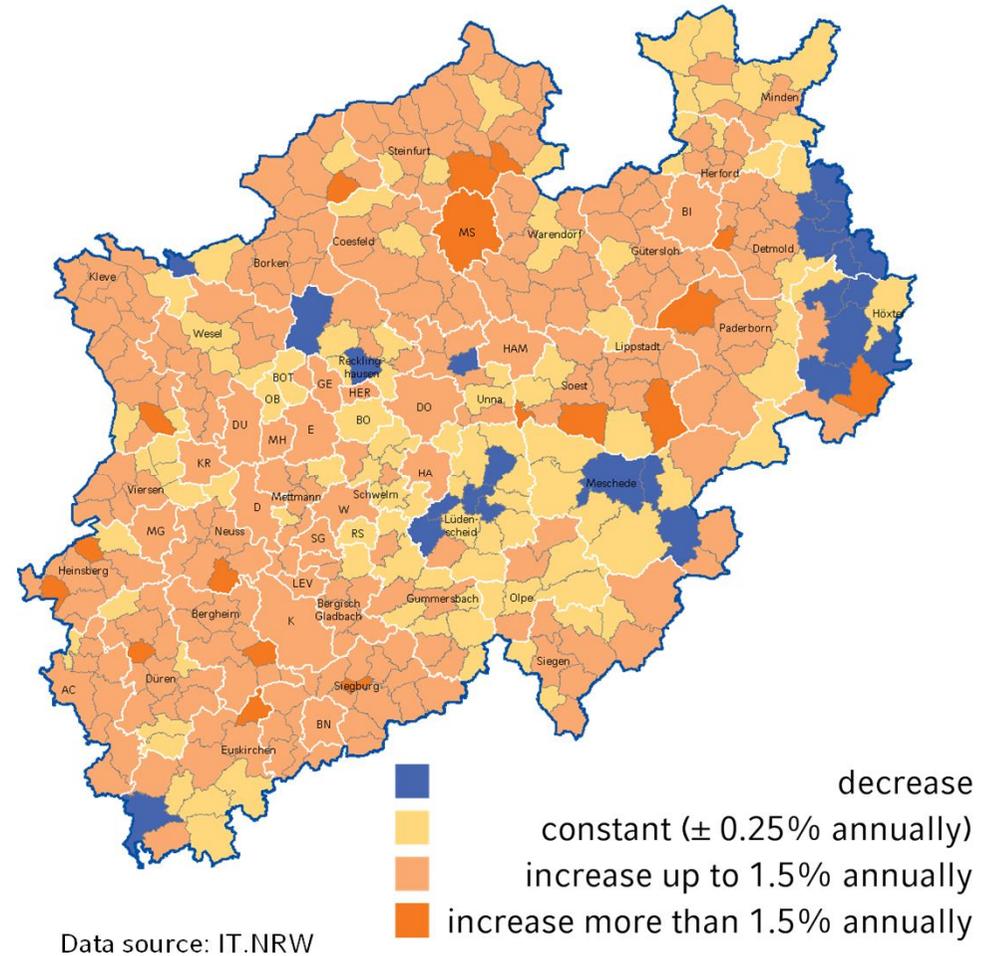
- New constructed neighbourhood with 94 flats in 10 buildings
- Size of flats: 46 – 127 sqm to host singles up to large families
- One shared flat for teenagers physically handicapped
- One shared flat for elderly in need of care
- One nursery for children
- Investor: WSG Wohnungs- und Siedlungsgesellschaft (privat housing company)
- Rent: 5.10 – 6.20 EUR / sqm and month



Promoting social housing with strong regional focus

- Close co-operation between regional authorities, local authorities, and NRW.BANK
- Market oriented approach
- Promotion adjusted to local needs and cost levels
- Focussing on regions with high need for social rental housing
- Close contact to investors

Mean annual population development
2013 - 2015



Contact

NRW.BANK

- Düsseldorf
Kavalleriestr. 22
40213 Düsseldorf
Tel.: +49 211 91741-0
Fax: +49 211 91741-1800
- Münster
Friedrichstraße 1
48145 Münster
Tel.: +49 251 91741-0
Fax: +49 251 91741-2921

NRW.BANK

- Liaison Office Brussels
Rue Montoyer 47
1000 Brussels
Telefon: +32 2 504 7970
verbindungsbuero.brussel
@nrwbank.de