How to define threshold households in different big German and European cities?
GERMAN AND EUROPEAN MAJOR CITIES ARE GROWING AGAIN

• Attractiveness of metropolitan areas for
  … young adults → education, jobs
  … pensioners → medical care, short distances
  … migrants → ethnic colonies

• Population growth leads to
  … housing shortage
  … increasing prices in rents and property
  … problems for lower incomes to provide adequate housing
CHARACTERISTICA OF THRESHOLD HOUSEHOLDS
CHARACTERISTICA OF THRESHOLD HOUSEHOLDS

- Nationality
  - German
  - Other nationality
- Residence
  - Main residence
  - Secondary residence
- Income level
  - Household with high income
  - Household with medium income
  - Household with low income
- Stage of life
  - In education
  - In professional life
  - In pension
CHARACTERISTICA OF THRESHOLD HOUSEHOLDS

- Age
  - Up to 40 years
  - Over 40 years

- Family status
  - Single
  - Partnership

- Children
  - Without children
  - With children

- Amount of salaries
  - One salary
  - Two salaries
CHARACTERISTICA OF THRESHOLD HOUSEHOLDS

- Incomes above the limit to public financial support
INCOMES AND COSTS OF LIVING IN GERMANY (2015)

Household/month in %
Gross income: 3,000 – 5,000 €

Household/month in %
Gross income: 1,300 – 2,600 €

Based on: Destatis 2017
HOMEOWNERSHIP RATE AND AVAILABLE LIVING SPACE

• Available living space + net incomes (2014) in Germany

![Chart showing available living space by income level]

- Low income: < 25,000 €, 48.3 sqm
- Middle income: 25,000 € - 50,000 €, 63.7 sqm
- High income: > 50,000 €, 88.7 sqm

(Net income/year)
HOMEOWNERSHIP RATE AND AVAILABLE LIVING SPACE

- Low ownership rate in Austria, Germany and Switzerland
- In cities even lower → high importance of rental housing market
- Munich: 21 %
- Cologne: 24 %
- Vienna: 18 %
- Basel: 16 %
# MUNICH, COLOGNE, BASEL AND VIENNA – AN INVESTIGATION ON HIGH DENSED CITIES IN DACH-COUNTRIES

<table>
<thead>
<tr>
<th>City/ Country</th>
<th>Purchase price of residential property</th>
<th>Rental price (net cold rent) for apartment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Owner-occupied flat (in €/sqm)</td>
<td>70 sqm apartment (in €)</td>
</tr>
<tr>
<td>Munich</td>
<td>6,300</td>
<td>441,000</td>
</tr>
<tr>
<td>Cologne</td>
<td>2,875</td>
<td>201,250</td>
</tr>
<tr>
<td>Germany</td>
<td>1,195</td>
<td>83,650</td>
</tr>
<tr>
<td>Basel</td>
<td>7,447</td>
<td>521,290</td>
</tr>
<tr>
<td>Vienna</td>
<td>5,198</td>
<td>363,860</td>
</tr>
</tbody>
</table>

→ Difficulties for low-incomes to provide adequate housing

How much income households need to provide adequate rental housing?

HOW MUCH INCOME HOUSEHOLDS NEED TO PROVIDE ADEQUATE RENTAL HOUSING?

• Data?
  • (Net) Incomes
  • Rental prices, incidental costs
  • Household size
  • Living space/household

• Target Group?

- Single Person
- Single Parent
- Two Adults
- Two Adults with Children
How much income households need to provide adequate rental housing?

<table>
<thead>
<tr>
<th>Category</th>
<th>Munich</th>
<th>Cologne</th>
<th>Basel</th>
<th>Vienna</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single person without dependent children</td>
<td>40,000</td>
<td>30,000</td>
<td>40,000</td>
<td>30,000</td>
</tr>
<tr>
<td>Single parent with dependent children</td>
<td>45,000</td>
<td>35,000</td>
<td>55,000</td>
<td>35,000</td>
</tr>
<tr>
<td>Two adults&lt;sup&gt;1&lt;/sup&gt; without dependent children</td>
<td>50,000</td>
<td>40,000</td>
<td>60,000</td>
<td>40,000</td>
</tr>
<tr>
<td>Two adults&lt;sup&gt;2&lt;/sup&gt; with dependent children</td>
<td>60,000</td>
<td>45,000</td>
<td>70,000</td>
<td>45,000</td>
</tr>
</tbody>
</table>

Net income in €/year; 30% for living.

Average net incomes in Germany in 2016:
- 1,840 €/month
- 22,080 €/year

<sup>1</sup> Due to missing data, no distinction is possible in couples with one or two salaries.
<sup>2</sup> Due to missing data, no distinction is possible in couples with one or two salaries.
CONCLUSION

• No existing definition of threshold households

• Interpretation of threshold households depends on the city/ country

• Mix of land policy instruments and financial support-programms is needed

• Statistics on incomes are necessary to get reliable information