Policy Actions for Affordable Housing in Germany

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SUMMARY

In recent years, a major affordable housing crisis has led to increased rent and land prices in Germany. Inadequate construction, lack of social housing units, and rising number of immigrants in the country are increasing housing prices even more. Can effective measures from the government help to create affordable housing in Germany?

The article explores new legal land and housing policies at national, regional and local level to manage the housing supply problem. In 2022 the German construction ministry introduced the so-called Alliance on Affordable Housing (Bündnis bezahlbarer Wohnraum), a comprehensive package of measures aimed at tackling housing shortages and rising house prices. Apart from this, the federal states implement social housing programmes and introduce capping limits for existing rental contracts as well as a price ceiling for new contracts for cities with tight housing markets. In addition, different policy activities exist at municipal level, like socially equitable land use concepts which provide that for example 50 % of the approved residential construction permits are allocated to social housing construction.

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