

## Berlin housing market turn focus to Suburban areas

10:41 2019-03-08

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Documents attached:



Prices on the housing market in Berlin are becoming an ever-greater problem as the city attempts to keep up with a massive increase in population. Since 2013, the average monthly rent has risen 43 percent to around €12, leading to calls for the city to put a cap on rent levels and to nationalize apartment buildings in order to offer them on a rent-controlled basis.

Dr. Jürgen Leibfried, Member of the Board of Bauwert Aktiengesellschaft, says the city's residents are suffering because of the lack of a clear housing policy and an inability for individual parts of the city to work for the good of all. "I consider the scheme of a possible expropriation and the proposal of a 'Berlin rent cap' little more than talking points radicalised for a populist effect than a serious political demand," he said.

"The true issue is rather the insufficient volume of new-build construction, which has structural and political causes. Although construction is a top-level task in Berlin, the responsibility for the approval of housing construction projects has been delegated to the lower political level. Only in exceptional cases does city hall show its accountability for housing construction city-wide. The boroughs, conversely, wield too much power. Yet they lack the capacities and have a tendency to put the interest of local residents before the interests of the city as a whole, which is the creation of new housing. On the losing side of the argument you find the flat hunters, especially those who are looking to rent flats at rates between 10 and 12

euros per square metre.”