



Part-financed by the European Union
(European Regional Development Fund
and European Neighbourhood and
Partnership Instrument)



Public Housing subsidy – financing instruments

General Cooperation Agreement

Experiences in Schleswig-Holstein

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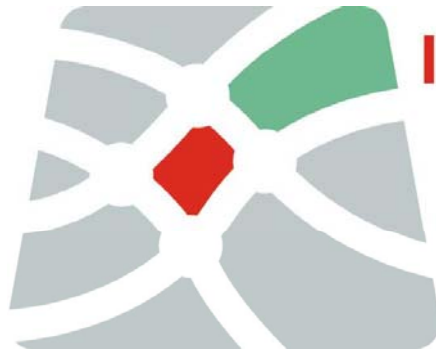
09 June 2010, Warsaw Midterm Conference



- Founded 1946 as an Institute for clay-buildings and self-help constructions
- Since 1972 Institute for Rationalization of housebuilding in Schleswig-Holstein
- technical, constructive and economic part of the system of public housing subsidy
- Consulting and research:
sustainable and innovative constructions and building materials
education and training of engineers, architects and companys



current projects



ISH

Innovative
Technologies of Insulation
Network



Bundesamt
für Bauwesen und
Raumordnung

Research project:
„Settlements of the
50ties:
Modernization
or
Demolition ?“

*Insulation
Campaign*



Housing subsidy in Schleswig-Holstein 2009/2010

- 250 million EURO
- 4.500 flats
- 1.280 flats modernisation
- 1.920 flats new
- also property



Quality standards

for public housing subsidy of flat new building and for modernization and renovation

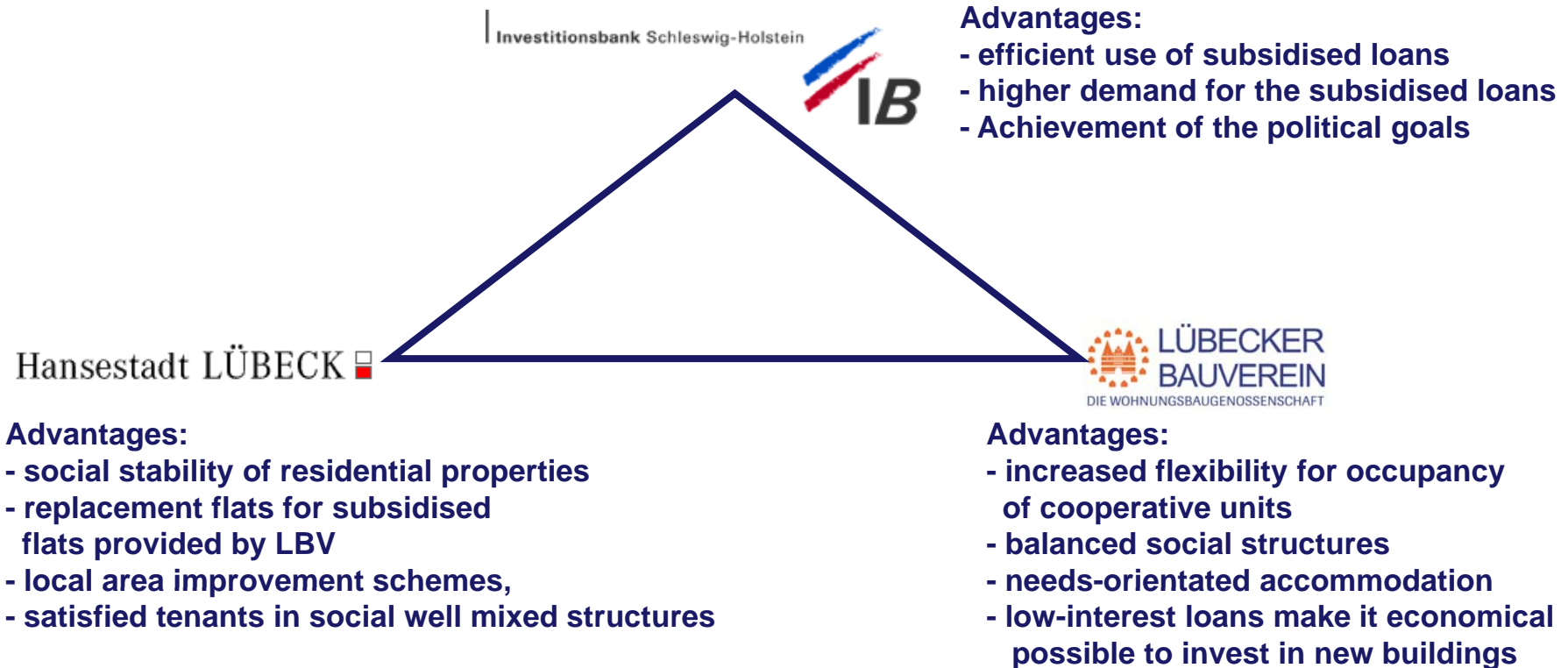
- **Town planning housing subsidy conditions**
 - **Local Living space concept**
- **Social-oriented housing subsidy conditions**
- **Constructional and ecological housing subsidy conditions**

Housing subsidy – energetic conditions / aims

	New Buildings	Modernisation
Rented flats	Efficiency House (EFFH 70)	Modernisation Efficiency House 115
<i>EFFH 70 = 30 % better then actual Energy Saving Ordinance</i>		Reconstruction: Efficiency House 85/100
condominiums	Efficiency House 70	1 % interest: Efficiency House 70
<i>Standard of insulation, saving of primary energy demand, REE</i>		2 % interest: Efficiency House 100
		3 % interest: Efficiency House 140

The Idea

The agreement based on the typical German subsidy



The Idea

The agreement based on the typical German subsidy

The rough structure of German subsidies

- The authorities (the federal state government of Schleswig-Holstein) provide low interested loans (interest of 0,5% p. a.), the landlords or investors have to cap the rents at 4,95 EUR/ sqm and are only allowed to let these flats to those on a low income.
- The maturity of these agreements is approximately 30 years and longer.
- This subsidy is firmly connected to the assets.
- That means you have a typical social structure in the subsidised buildings.
- Advantage of clear rules for both authorities and investors.
- Disadvantage of poor social mixture.
- This principle has extraordinarily successful since the 1950s.
- Without this subsidy the German housing industry would have had no chance of development after WWII.

The Idea

The agreement based on the typical German subsidy

- Freedom of allocation of accommodation despite using subsidised loans
- You can rent out the newly constructed subsidised flat in line with the market
At the same time you provide a third unrestricted flat from your own portfolio and accept a rent cap (and the low income tenants)
- The difference in rents between the newly constructed flat and the „Swap flat“ has to be invested in social projects inside the area

Development of the St. Jürgen Area

Local
surroundings

Regeneration versus
stagnation



Quality of life

Life means change
If you don't go forward
you go backwards

Regeneration versus Stagnation

Regeneration versus stagnation- this approach is anchored in our statutes

Article § 2 (2) in the statutes of our association: „the cooperative can do any business in the housing industry, urban development and infrastructure“

The St. Jürgen Area

- demolition of 335 residential units
- construction of 423 flats,
1 day-care facility for children and
274 basement garage spaces
- modernisation of 545 apartments
constructed 1920-1930



Aerial View

Regeneration and redensification St. Jürgen 1999 – 2010



Construction of new flats

- 262 flats in Robert-Koch-Straße 7-31a, 8-32a
- 8 flats in Helmholtzstraße 1a, 3a
- 22 flats in Billrothstraße 23-23b
- 131 flats in Friedrichstraße 36-40, 42-44, 49-53, 55-57

104 units bank-financed and
319 units financed by subsidies
using the cooperation agreement

Regeneration and redensification St. Jürgen 1999 – 2010



- Modernisation of 545 cooperative units from the 1920s and 1930s



Start of demolition July 2000

All existing buildings
demolished August 2003



General Cooperation Agreement



Robert-Koch-Straße (street view)



Robert-Koch-Straße 25-31a



Helmholtzstraße



Billrothstraße



Friedrichstraße

General Cooperation Agreement

**General Cooperation
Agreement**

Services close to home

**Local community meeting
point St. Jürgen**

Service bureau



Ball game areas

**Day-care facility for children
Robert-Koch-Straße**

**Complaint, advice
and conflict management**

Local playgrounds

Overview of floor space (December 2009)

216 changing flats
total area 14,610.28 sqm
thereof

- “Belegungsrechte” (*) 12,860.38 sqm
- “Benennungsrechte” (**) 1,749.90 sqm

267 alternate flats
total area 14,606.63 sqm
thereof

- “Belegungsrechte” (*) 13,444.40 sqm
- “Benennungsrechte”(**) 1,163.23 sqm

(*) These flats are for people with low income having a special document,
which proves the low income status and entitle them for these flats

(**) direct allocation of accommodation by the local authorities

„There was never any more inception than there is now.“
Walt Whitman

**Thank you for your
attention!**



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