

Press release

Berlin, September 25, 2023

“Important signal to stimulate housing construction, but not enough”

vdp supports the outcome of the housing summit, but urges that the measures be expanded and quickly implemented

The Association of German Pfandbrief Banks (vdp) takes a positive overall view of the results of today’s housing summit. “The Federal Government now seems to have recognized how serious the situation is. The package of measures decided on today contains a number of promising approaches and is an important signal to stimulate housing construction,” Gero Bergmann, President of the vdp, emphasized. However, he added that the situation in the property market is so dramatic that today’s resolutions will not be enough to decisively combat the housing shortage in Germany. “The package of measures is not yet broad enough,” he remarked. “Further resolutions are needed, followed by the fast and resolute implementation of all measures – considerably faster than is usually case with political projects.”

Around 30 associations from the real estate and construction industry participated in the housing summit held today at the Chancellery, with the vdp the sole association from the banking sector. The summit was called to discuss the current property market situation, which has worsened considerably in recent months.

“The number 14 may sound like a lot, but on closer inspection, there are far fewer ideas that are new and that the Federal Government can tackle immediately and on its own.”

Gero Bergmann

Of the resolutions passed today, the vdp welcomes in particular the decision not to tighten further the climate protection requirements for housing construction, and instead to stick to the EH 55 building standard. The vdp likewise takes a favourable view of the decision to improve the funding conditions under the new construction programmes of the KfW and the announcement that permit processes are to be sped up.

Despite the promising approaches, the vdp criticizes that some of the points the Federal Government presented today are not fully binding, or that they refer to something that is either already underway (special depreciation allowance) or is not solely in the hands of the Federal Government (lowering property transfer tax). “We are pleased to note how surprisingly extensive the Federal Government’s 14-point paper is. But on closer inspection, there are far fewer ideas and measures that are new and that the Federal Government can tackle immediately and on its own,” the vdp’s Chief Executive, Jens Tolckmitt, commented to sum up. “Every single measure that creates more living space is valuable. However, we need more measures still if the housing shortage is to be significantly reduced.”

“The financing of properties poses a great challenge. Yet this aspect was not sufficiently addressed today.”

Jens Tolckmitt

The vdp pointed out that the formulation of the 14-point plan could have given greater consideration to the question of financing. “The financing of properties currently poses a great challenge to project developers, investors and private buyers. Yet this aspect was not sufficiently addressed today,” Tolckmitt said, expressing the vdp’s criticism. He explained that to improve financing conditions in the current tense situation, thereby stimulating demand for real estate, interest rate subsidies are needed in property financing. “One instrument in this context could be public guarantees for loans – provided, for example, by the KfW,” Bergmann concluded.

Über den Verband deutscher Pfandbriefbanken (vdp)

Der Verband deutscher Pfandbriefbanken ist einer der fünf Spitzenverbände der Deutschen Kreditwirtschaft. Er repräsentiert die bedeutendsten Kapitalgeber für den Wohnungs- und Gewerbebau sowie für den Staat und seine Institutionen.

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