

## Förderung des studentischen Wohnens und Wohnens für Auszubildende



### Funding for Student and Trainee Housing in Berlin

The administrative regulations for the promotion of student and trainee housing (**Junges-WohnenRL 2023**) have been in effect since **December 1, 2023**.

As part of **social housing support**, the creation of new **student and trainee housing** is to be further strengthened through **attractive funding conditions**.

The aim of the program is to improve the **housing situation for students and trainees** who, due to their **income levels, cannot secure adequate housing on the market** and rely on support. This will be achieved by increasing the availability of **additional dormitory places**.

#### Key Aspects

- The **funding applies to newly created student and trainee housing**.
- Support is provided through **interest-free construction loans** and **additional grants** under the applicable **Junges-WohnenRL** regulations.
- **Minimum repayment rate**: 1.5% of the original loan amount.
- **Administrative fee**: 0.15% to 0.6% (depending on loan amount).

- **Construction cost subsidy:** Up to **€2,200 per m<sup>2</sup>** of subsidized living space.
- **One-time grants** for the creation of **barrier-free and wheelchair-accessible** living spaces in accordance with **DIN 18040-2 ("R")** standards.
- **One-time grants** for achieving **energy efficiency standards**.
- **Binding period:** 30 years.
- **Initial gross cold rent per living space:** Up to **€320**, plus additional charges of **up to €60** for furnishings, etc.
- **Rent adjustments** will be based on the **percentage increase in student financial aid (BAföG)**.
- **Income limits:** Up to **140% above** the income threshold specified in **§9(2) of the Housing Promotion Act (Wohnraumförderungsgesetz)**.
- **Minimum equity contribution:** 20%.

### **Application Process**

Applications for funding must be **submitted early**, before construction begins or before purchasing turnkey new-build apartments, to the **Senate Department responsible for housing**.

Applications should include:

- A **detailed description** of the construction project,
- **Location information**,
- **Number of subsidized and non-subsidized living spaces**,
- **Visual representation of the construction project**.

Once included in the **funding program**, the application will be reviewed by the **Investitionsbank Berlin (IBB)**, which will **submit it to the approval committee** for a final decision.

After a **positive decision**, the **IBB will sign a funding agreement** with the recipient on behalf of the **State of Berlin**, outlining the **rights and obligations** of the funding.

This funding program provides **an attractive opportunity** for investing in **affordable housing for students and trainees**.

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## Are renovation projects also supported?

Yes, existing renovation projects can qualify for funding under certain conditions. According to the **Junges-WohnenRL 2023** administrative regulations, **not only new buildings** are eligible for funding, but also **construction measures involving the conversion and expansion of existing buildings**.

### Conditions for Funding Renovation Projects:

- The project must create at least **20 dormitory places or communal spaces** for students or trainees.
- It must involve a **change in use or expansion** of the existing building.
- The **construction costs, including ancillary costs, must be at least €1,500 per m<sup>2</sup> of living space** (significant construction effort).

This regulation ensures that only **comprehensive renovations with significant construction efforts** are eligible for funding, while **minor renovations or maintenance work** do not qualify.

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## How can foreign investors benefit from this funding programs in Berlin?

Foreign investors who want to benefit from funding programs in Berlin should **at least have a business presence in Berlin**. Here are some ways to establish that presence:

### 1. Partnership with a Berlin-Based Company

Cooperations, joint ventures or project participations with Berlin companies that are familiar with real estate transactions and the associated taxes and have many years of business experience in Germany are very helpful and facilitate access to funding programs.

### 2. Establishing a Branch or Subsidiary

- Setting up a **GmbH (Limited Liability Company)** is a common approach.
- An **eG (Registered Cooperative)** is also an option if the investor wants to operate under a cooperative model.
- A **branch office (dependent establishment)** is another possibility, although it has fewer rights compared to an independent company.

### 3. Business Address in Berlin

- Some funding programs require a **registered office or business premises in Berlin**, even if the main headquarters remain abroad.

### 4. Registration in the Commercial Register (if required)

- Depending on the chosen legal form (company), registration in the **Commercial Register at the Charlottenburg District Court** may be necessary.

# However, it is much easier if foreign investor already own a property in Germany.

If foreign investors already **own a property in Berlin**, this can provide several advantages when applying for funding:

## 1. **Proof of an Existing Presence**

- Owning real estate in Berlin demonstrates an established economic presence, which can positively impact funding applications.

## 2. **Easier Financing**

- Properties can be used as collateral for loans or funding programs, increasing the chances of approval.
- The Investitionsbank Berlin (IBB) regularly assesses the overall financing of a project – owning land can reduce equity requirements.

## 3. **Direct Use for Eligible Construction Projects**

- If the property is intended for student or trainee housing, it can be directly integrated into a funded project.
- Funding programs like "Junges-WohnenRL 2023" require a minimum number of housing units and specific construction costs – having existing land makes implementation easier.

## 4. **More Flexible Usage Options**

- If the property already has buildings, conversion or renovation may also be eligible for funding under certain conditions.
- Expanding existing buildings can be supported through grants and interest-free loans.