

# ZEITWOHNEN UPDATE

THE NEWSLETTER FOR THE NEW FORM OF HOUSING MOBILITY



Jan Hase is the co-founder and CEO of Wunderflats GmbH, the market leader for temporary furnished housing in Germany. Wunderflats has its headquarters in Berlin.

## DEAR READERS, DEAR FRIENDS OF ZEITWOHNEN

The German Bundestag will soon be taking its summer vacation. In the last few weeks, it has not only been hot in terms of the weather, but also politically. There have been arguments, some projects have been blocked, and yet the "traffic light coalition" has launched a number of projects which, from the point of view of the temporary housing sector, allow a critical evaluation to be made.

We would like to take this issue of the newsletter as an opportunity to draw up an interim assessment of the political projects at the federal level. For the temporary housing sector, it is not only the policy regarding the housing market that is of primary importance, but also how progress is being made in the digitalization of the administration, whether we have genuinely developed a welcoming culture for skilled workers from abroad, and whether something is really happening for start-ups in Germany.

Please feel free to join us in a critical discussion. We look forward to hearing your views and hope you will enjoy reading this issue.

Yours sincerely,

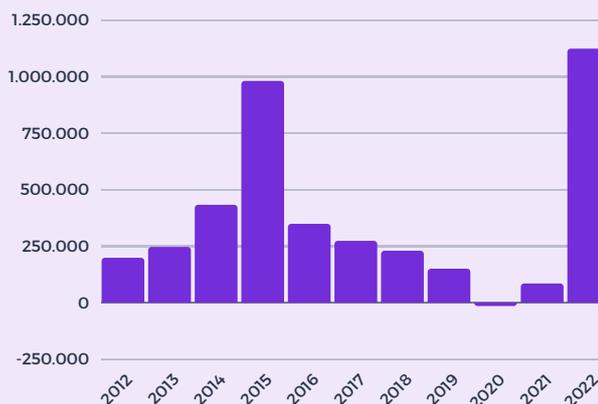
*Jan Hase*

# Complex problems in data figures

The confluence of housing shortage, population growth and recession requires holistic solution concepts

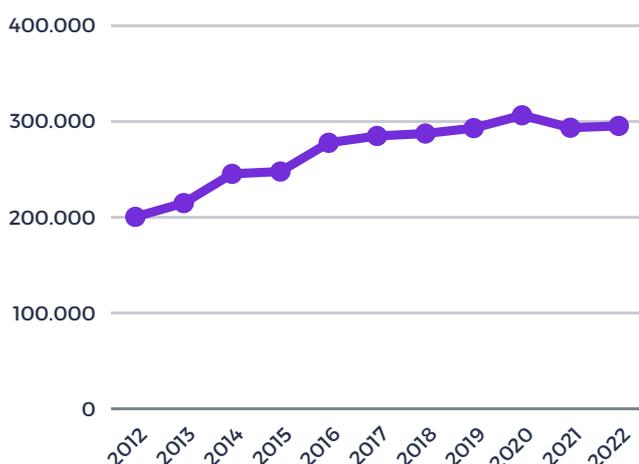
## RECESSION, POPULATION GROWTH AND HOUSING SHORTAGE

Germany's population has grown from 80.5 million to 84.4 million in the last ten years, an increase of 3.9 million people. Based on the current average residential space consumption of 55.5 square meters per adult, this translates into 216 million square meters of additional living space needed. Completions during the same period totaled approximately 2.9 million homes, resulting in a projected shortfall of approximately 700,000 homes by 2024. In view of the recession that has just begun and the sharp drop in the number of new homes being built - a significant drop to as many as 200,000 homes is currently assumed for 2023 - unfortunately the outlook is not good.



## POPULATION DEVELOPMENT IN GERMANY

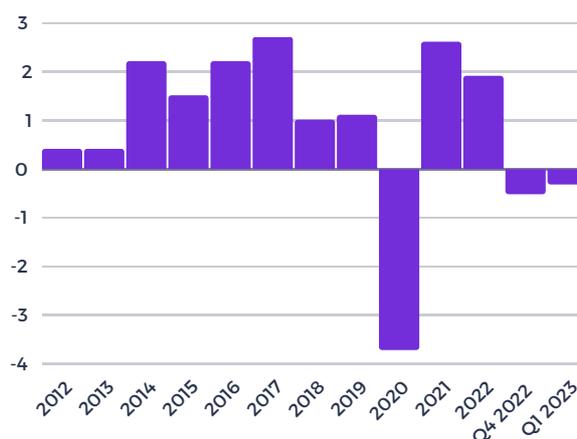
Annual change in population size in Germany from 2012 to 2022



## NUMBER OF APARTMENTS COMPLETED

Development of the number of completed apartments in Germany in the years from 2012 to 2022

Sources: Statistisches Bundesamt, Bundesministerium der Finanzen



## DEVELOPMENT OF ECONOMIC PERFORMANCE

Development of Germany's Price-Adjusted GDP in the Years from 2012 to the First Quarter of 2023

# Housing Market and Temporary Rentals

Democratization of housing sustainably relieves  
conventional housing markets

## The federal government in constant crisis management

Probably no federal government has ever started in more turbulent times than the current German government run by chancellor Olaf Scholz. On top of high energy prices, a deteriorating economy, and the lingering consequences of COVID19, Russia has also launched a war of aggression against Ukraine that violating international law. Wunderflats got involved quickly and arranged free accommodations for refugees from Ukraine. Wunderflats founded the Wunderflats Foundation, a non-profit organization and received support from the German government for this task. The political actors – it must be said so clearly – can be credited with outstanding marks for crisis management.

Things have been bumpier lately when it comes to issues that the coalition agreement had set out to implement. Unfortunately, not many positive things have happened on the housing market. New construction figures are down, government stimuli such as investment incentives have failed to materialize, and easing measures to make the market more flexible or to convert properties into residential space are a long time coming.

Instead, the Federal Council is launching an initiative to further regulate the rental market. Yet the issue is quite different: the market needs more transparency. More innovative than more regulation would be a separate law for temporary furnished housing, removing existing tax pitfalls, ensuring transparency in of all parts of inclusive rent and thus creating more acceptance for the efficient use of housing space.

## Political recommendations for a modern temporary housing market

**More flexibility.** Rigid leases should not limit people's flexibility. Apartments that are not needed must be put on the market quicker. To ensure that tenants and landlords meet as equals, there should be a separate legal framework for temporary furnished housing.

**Transparency and reliability for tenants and landlords.** In order to ensure fair market conditions for all parties involved, any legislation should include a concrete, legally codified demarcation between short-term tourist accommodation and temporary furnished housing that prevents legal loopholes.

**Treat temporary furnished housing as regular housing for tax purposes.** Temporary housing is subject to VAT if it is rented for less than six months. However, the legal definition of regular living is not linked to any minimum rental period. VAT liability should therefore only apply to tourist accommodation.

# Housing Market and Temporary Rentals

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## Mixed results for topics of the future

A key project of the German government was the creation of a new immigration law. In March, the cabinet passed the "Skilled Workers Immigration Act", a framework that uses a points-based selection system to record immigrants' qualifications and facilitate recognition. The so-called "opportunity card" is intended to make it easier to find a job, allow trial work and regulate the subsequent right to stay. These are all good initial approaches to attracting young professionals and skilled workers to Germany and offering them prospects. After all, Germany needs skilled workers.

But once immigrants arrive, they encounter an administrative system that does not always offer them the support they need to find their way around. Forms should be available in English, it should be possible to run basic administrative processes digitally, and personal appearances at the office should become a rarity. A few administrative processes have already been successfully digitalized, such as the digital construction file. But there is still room for improvement, especially when it comes to citizen-oriented administrative matters.

The same applies to digital policy as a whole. In addition to broadband expansion, AI capabilities and platforms, there is still a lack of an innovative start-up culture. Practical forms of tax benefits for employee shareholdings or venture capital in the seed and growth phase would be important for Germany as a startup location.

## Political recommendations to facilitate more labor migration

**English as a second official language and "one-stop shops" for skilled workers.** Creation of a genuine welcoming culture for skilled workers through a digital contact point in English that makes all individual administrative procedures obsolete, from work permits and visas to social security and family matters.

**Attract skilled workers.** Skilled workers should be welcome. In terms of an attractive location policy, temporary housing can therefore be politically promoted and supported through communicative campaigns. Employee stock ownership programs can help - as long as they are fiscally practical.

**Management cockpit for start-ups.** Dynamic and agile companies need a fast-acting and flexible administration. This includes non-redundant information retrieval, digitalization of all administrative processes, and an easy to handle "cockpit" for all points of contact with administrative authorities.

# The Wunderflats Team

Shape the future of housing with us

over 160  
employees



in the heart of  
Berlin



multi-award-  
winning digital  
scale-up



## Join us on the road to the future of housing

Wunderflats is a digital platform for temporary furnished housing that brings together the demand and supply of landlords and tenants.

While vacation rentals take away living space from cities, temporary furnished housing helps relieve the pressure on the traditional housing market. This is because specialists, project workers and highly specialized experts often request apartments that are rented out temporarily in a manner that conforms to the intended use, but are not currently available to the permanent housing market.

At the same time, temporary furnished housing is still too little known in terms of its importance and the many opportunities it offers, among other things for a fair housing market and its contribution to economic promotion by solving the shortage of skilled workers.

Therefore, it is necessary to create a framework that recognizes temporary housing as a pillar of support and a solution to the problem.



Wunderflats GmbH  
Rosenstraße 16, 10178 Berlin  
Jan Hase  
CEO  
[press@wunderflats.com](mailto:press@wunderflats.com)

