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,

Cities and municipalities have been calling attention for months to overburdened reception facilities in the wake of rising numbers of refugees arriving in Germany. The federal government is trying to provide support to the best of its abilities. This is reflected in the increase in funds allocated to the migration and integration budget, even though all ministries are called upon to reduce spending in the current budget planning.

However, there will only be real relief in the municipalities if, firstly, accommodation is decentralized and, secondly, integration into the labor market is successful. Housing provided by private individuals makes an important contribution to integration as the data reflects. This is because housing is thus accompanied by an individualized approach and integration into society and the labor market.

We discuss this correlation mentioned above in this issue, showing the contribution that temporary housing can make beyond government money. I look forward to a constructive exchange and hope you enjoy reading this issue.

Yours sincerely,

Jan Jase

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Integration into the German labor market

Having a job as a an important factor for economic independence and integration in the local society

ENABLING SUCCESSFUL INTEGRATION

By the end of 2023, there will be approximately 2.2 million refugees with protection status living in Germany – excluding Ukrainian refugees. In addition to the challenge of integrating refugees into society, however, this also presents an opportunity: to overcome the current shortage of skilled workers by leveraging the potential of people who are often still young.

This requires smooth and fast recognition of professional qualifications as well as the decrease in formal entry barriers of the labor market. While the integration of men into the labor market is already working – although it still needs to be accelerated – women's integration in the job market has many improvements to do.



INTEGRATION INTO THE LABOR MARKET

Proportion of refugees integrated into the labor market by year and gender (as of 2023)



RECOGNITION OF FOREIGN PROFESSIONAL QUALIFICATIONS

Number of foreign vocational and academic qualifications recognized per year in Germany

Sources: Statista, Federal Employment Agency, IAB



FOREIGN EMPLOYEES BY INDUSTRY

Proportion of foreign employees subject to social insurance contributions by industry (as of May 2022)

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Housing Market and Temporary Rentals

Democratization of housing sustainably relieves conventional housing markets

Money itself does not determine good integration.

What a government allocates spending to largely reflects its own political priorities. With the end of the parliamentary summer recess this month, the German Bundestag went straight into discussions of the federal budget of 2024. All ministries have to cut costs, which makes it noteworthy that individual budget items regarding integration are nevertheless growing. According to the 2024 draft budget, the spend on integration is set to be rised to 1.13 billion EUR, compared to 1.07 billion EUR in 2023. Funds for integration courses are to be increased, which is why the federal government wants to spend 880 million EUR in the future instead of 757.8 million EUR this year. The Federal Office for Migration and Refugees (BAMF) will also receive 93.15 million EUR more than in the previous year.

The integration of refugees must stay a priority on the political agenda. So far, developments in this regard have been largely disappointing. According to the Federal Employment Agency in October 2022, more than half (55.4 %) of refugees who came to Germany from Syria in 2015 are still living exclusively out of social benefits. Even if the total number of Syrians in employment subject to social security contributions increases, it takes far too long to speak of successful integration. The same must not happen with the refugees currently arriving from the Ukrainian war zone. Germany is dependent on skilled workers. Whether it is refugees or targeted recruitment, Germany must consistently remove the barriers that delay successful integration into society and the labor market.

Political recommendations for a better integration of refugees

Offer housing.

Anyone who has housing available, ideally for at least one month and furnished, can register it on the <u>#HelfendeWände project page</u>. Just like a regular rental, a "matching" between refugees and landlords takes place. A swift acceptance and, if necessary, also direct contact enables the refugees to have a home again quickly.

Decentralize social integration.

In addition to basic material security and housing, social integration is equally important: language acquisition, access to education and the labor market, anchoring in local society, and the creation of cultural sensitivity on the part of refugees and the existing population. This is best achieved within society rather than in centralized accommodation facilities where there is a lack of contact with the locals.

Focus on children and teenagers.

Consideration of the special needs as well as traumas of refugee children and adolescents as well as the fastest possible individual support of social development is needed.



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Individual integration concepts as a determining factor for success

Some integration hurdles are obvious: Language is a valuable prerequisite, which is why the strengthening of integration and language courses provided by the federal government should be supported. Facilitating the recognition of foreign qualifications is also important to get people into work quickly. In addition, the welcoming culture in government offices can and must be improved.

But there are also hidden factors that are tend to be overlooked, but are no less important and all the more plausible once you take a closer look at them: The Institute for Employment Research recently found out, that there is "a positive correlation between accommodation in private housing and the employment rate." Refugees who are accommodated by private landlords and receive support have an immediate individual approach, a social connection, and receive more targeted support and orientation in a foreign country. Private accommodation not only means a new home, but also individualized social integration as a springboard into society.

It makes perfect sense to welcome refugees not centrally in collective housing, but decentrally in the midst of society. Temporary housing offered explicitly for this purpose, usually priced well below market levels, plays a central role in this.

Political recommendations for a better integration of refugees

Opening up access to the labor market for refugees.

Leverage the potential of refugees through uncomplicated access to the labor market. Enable lowthreshold entry through supported internships, company sponsorships, subsidies and easier recognition of professional qualifications.

Promote housing in private accommodations.

Scale additive economic and logistical benefits for municipalities through private accommodation of refugees by funding instruments. Set up a straightforward and centralized support system for private individuals hosting refugees.

Thinking integration individually and locally.

Focus on individual and especially local integration measures such as language courses, cultural events, accompaniment to offices, as well as placement of volunteer activities in the host communities instead of central institutions and services or no activities at all.



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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 itscontribution to economic promotionby solving the shortage of skilledworkers.

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



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