

Research report

**Concepts for post-war rental residential accommodation**

subsidised by the Federal Office for Building and Regional Planning

**Summary**

Post-war dwellings (1949 to 1965) make up about a quarter of the available rental residential accommodation. These dwellings were built in face of an extreme lack of residential accommodation and a scarcity of resources. In spite of the extensive modernisation work in the past, most of these dwellings are small and constricted, and they fall far short of today's technical standards. And some of them are situated in less favourable areas. Here, it has become more difficult to find tenants.

There are examples to show that it is technically possible to adapt this accommodation to today's standards – but at a cost of 600 to 1300 € per square metre of living space. This leads to considerable rent increases, and this cannot be achieved in most markets.

This study shows what chances there are for the large proportion of this existing accommodation which will not attain high rents due to the local conditions, and also for those dwellings which are not suitable for classical adaptation for structural reasons or because of the ownership situation. The study is based on an analysis of the literature, on expert discussions and on extensive primary surveys of sample situations.

**Adaptation strategies**

Ensuring "long-term rentability" and the equal treatment of the tenants entices some owners to subject whole residential estates to technically defined improved programmes. These programmes aim to achieve an optimum which will need no further attention for the next 20 to 30 years. These projects are focussed on situations which offer a promise of success – so they tend to avoid the more difficult situations.

However, full modernisation does not automatically lead to "marketability", but it definitely leads to a uniformity of the entire residential accommodation, and thus to fierce competition. At the same time it also destroys a whole segment which is urgently needed – either to provide accommodation for low-budget households or to supply dwellings to households which could pay more but have other priorities. And it fails to consider tenants who have come to terms with the condition of the building and taken the initiative to adapt their own apartments.

Some standard adjustments may be necessary in individual cases; others are sensible if the tenants are dissatisfied with the existing condition. But a comprehensive adaptation to modern standards fails to do justice to the distinctive qualities of this accommodation: the maximum number of rooms in combination with a small floor area, the particularly low rent and the freedom to make individual changes (which owners like to exploit, but this is also true of many prospective tenants).

Added to which, the existing accommodation is not homogeneous as a background to business decisions, the prospects and the necessary action. There are a number of other important factors in addition to the state of the buildings – such as the regional economic situation, the location within the urban area, the conditions for setting up a building site, the business goals, the financial situation of the owner and the existing tenants.

Against this background, there cannot be a global concept for post-war residential accommodation. First of all, a decision on the general direction must be made for each individual case. This can take three forms:

- Conservation

If there are currently no prospects for developing a residential complex, the decision should be laid aside for the time being. Adaptation can be postponed as long as there is sufficient demand. Revenue continues and expenditure is limited. Investments mainly serve to preserve the status quo. Improvements which lead to rent increases can be carried out in individual cases at the request of the tenants or when tenants change.

- Stabilisation with the prospect of further development

Here, too, the first measures must aim to keep the residents and prevent any deterioration of the image – but with the prospect of remedying the deficits in the existing building and the district as a whole. Depending on the circumstances, the time scale can vary widely. If the work is carried out incrementally, the owner can then react to changed circumstances.

- A clean break

A fast change is necessary, where the existing accommodation is "running down". If the fabric of the building is usable and demand can be generated, the building can be adapted or sold to tenants/interested parties.

In such cases, it is always necessary to ask who should benefit from any change. When work is carried out, the owner hopes for some reward, and therefore aims at specific groups. These groups must be present in the location and "accessible". The research report quotes examples to show different measures for different target groups – such as changes in the range of apartments offered in the district, measures adopted by tenants, marketing and fixing the rent.

**Costs**

The decisive factor for investors is often not the absolute amount of the costs but the question of how the finance can be organised.

Cost savings mainly result from a differentiation and adaptation of measures in which there is no exchange of values or "valued" objects.

**Conclusion**

Post-war accommodation is suitable for different population groups; locally adapted concepts must be developed for the future.

Where there are difficulties because of one-sided population structures, this is normally not solely due to the quality of the post-war accommodation itself. Action is primarily needed in the district as a whole.

To overcome segregation in towns and cities, it is advisable to provide mixed accommodation within residential districts to appeal to different requirements and budgets.

With regard to the commercial factors, it must be taken into account that massive changes in the available accommodation also lead to consequences for urban development and residential policies (future development of residential districts, task to care for unprivileged groups in local communities).

A surplus in the general supply of residential accommodation in a town or city cannot be corrected by measures carried out in the post-war dwellings. Instead, perspectives must be developed for the town or city as a whole.