



Energy Efficient and Integrated
Urban Development Action



Financing Integrated Urban Development

The Model of the Investitionsbank Schleswig-Holstein

- IB.Integrated approach to the development of quarters -

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AGENDA

- Starting Point in Schleswig-Holstein
- IB's conceptions on the development of quarters
- Financing schemes
- Experiences in Schleswig-Holstein
- Situation in the Target Area Jugla

New alignment for housing subsidies

New requirements for housing subsidies

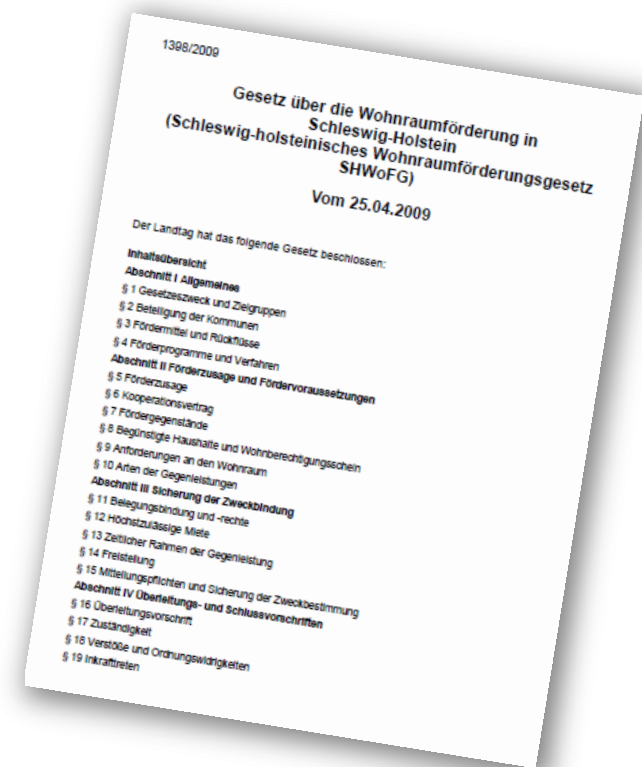
Less focus on
the quantity

More focus on
the quality in the
future
(residential environment)

Consequence: New alignment for housing subsidies
from the State of Schleswig-Holstein with new
opportunities for subsidies

New alignment for housing subsidies

- **Targets and subsidy opportunities according to SHWOFG**
 - Maintenance and creation of adequate residential environments (subsidies for residential quarters)
 - Subsidies for investments and social measures in the framework of housing subsidies
 - Conceptions and surveys
 - Strong participation of the municipalities in housing provision



Focus on residential quarters



A G E N D A

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IB. Integrated approach to the development of quarters



IB. Integrated approach to the development of quarters

- **Housing stock**

- Maintenance not carried out
- Furnishings not up-to date
- Floor plan not demand-oriented



- **Residential environment**

- Lack of common area
- Outdoor facilities are not cared for
- Unattractive backyards



IB. Integrated approach to the development of quarters

- **Social climate & image**
 - Unbalanced structure of occupants
 - High unemployment
 - Conflicts because of different cultural backgrounds
- **Profitability**
 - High fluctuation
 - Great need for refurbishment
 - High vacancy rate



IB. Integrated approach to the development of quarters

- **Energy and environment**
 - Inefficient energetic standard
 - High heating costs
 - No efficient heating systems

- **Infrastructure**

Inadequate provision of....

 - Schools, nursery schools...
 - Public transport
 - Shopping opportunities



It ist not a problem of recognition but a problem of implementation !



IB. Integrated approach to the development of quarters

- **Frequent impediments when implementing the measures**
 - Lack of human and financial resources in the administration of the municipalities
 - Either no or restricted access of the municipality to investors
 - The relationship of the municipality with the investor is strained
 - Shrinking back due to the complexity of the project
 - Win-win situation of measures not discernible for all partners involved

IB.Integrated approach to the development of quarters

**IB.Integrated approach to the development of quarters –
Consultancy Service for municipalities and housing companies**

**Target: Sustainable development of residential quarters
= mandate of the social housing subsidies**

- Analysis of problem areas and potential solutions
- Development of measures to improve the residential quarters (investments/ social measures)
- Identification of economic feasibility
- Effective implementation of measures

Involvement of existing IB products and services

IB. Integrated approach to the development of quarters

- **IB's understanding of their role**
 - The first consultant in any questions regarding subsidies
 - A neutral partner for housing companies and municipalities
 - Support for the municipality administration as the general project manager
 - Facilitator to achieve a balance of interests (profitability/ social aspects)
 - Initiator of win-win situations

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Financing schemes

- **Urban development promotion**
 - Grants
 - 1/3 federal government, 1/3 federal states and 1/3 local authorities
 - An example for such investments is demolition
- **Housing subsidy**
 - Loans
 - The federal state government (of Schlesig-Holstein) provides loans with low interest rates
 - Interest of 0,5% p.a. for the first 6 years, 1 % p.a. repayment
 - Landlords and investors have to cap the rents
 - Conditions imposed: only allowed to let these flats to tenants on low income
 - Investitionsbank also provides loans with low interest rates from KfW Bank
 - For energy efficient new buildings or refurbishment etc.

Financing schemes

- **Housing subsidy: General Cooperation Agreement**
 - Freedom of allocation of accommodation despite using subsidised loans
 - The housing companies can rent out the newly constructed subsidised flats at market prices. At the same time they provide a third unrestricted flat from their own portfolio and accept a rent cap (and the low income tenants).
 - The difference in rents between the newly constructed flat and the swap flat has to be invested in social projects inside the area.

Financing schemes

- **Housing subsidy: General Cooperation Agreement**

Federal state government

Investitionsbank

Advantages

- Efficient use of subsidised loans
- Achievement of political targets

Experience
for example:
Lübecker Bauverein/
Hansestadt
Lübeck

Local authority

Advantages

- Social stability of residential properties
- Replacement flats for subsidised flats
- Satisfied tenants in well mixed social structures

Housing company

Advantages

- Increased flexibility for occupancy
- Balanced social structures
- Low interest loans make it economically possible to invest in new buildings

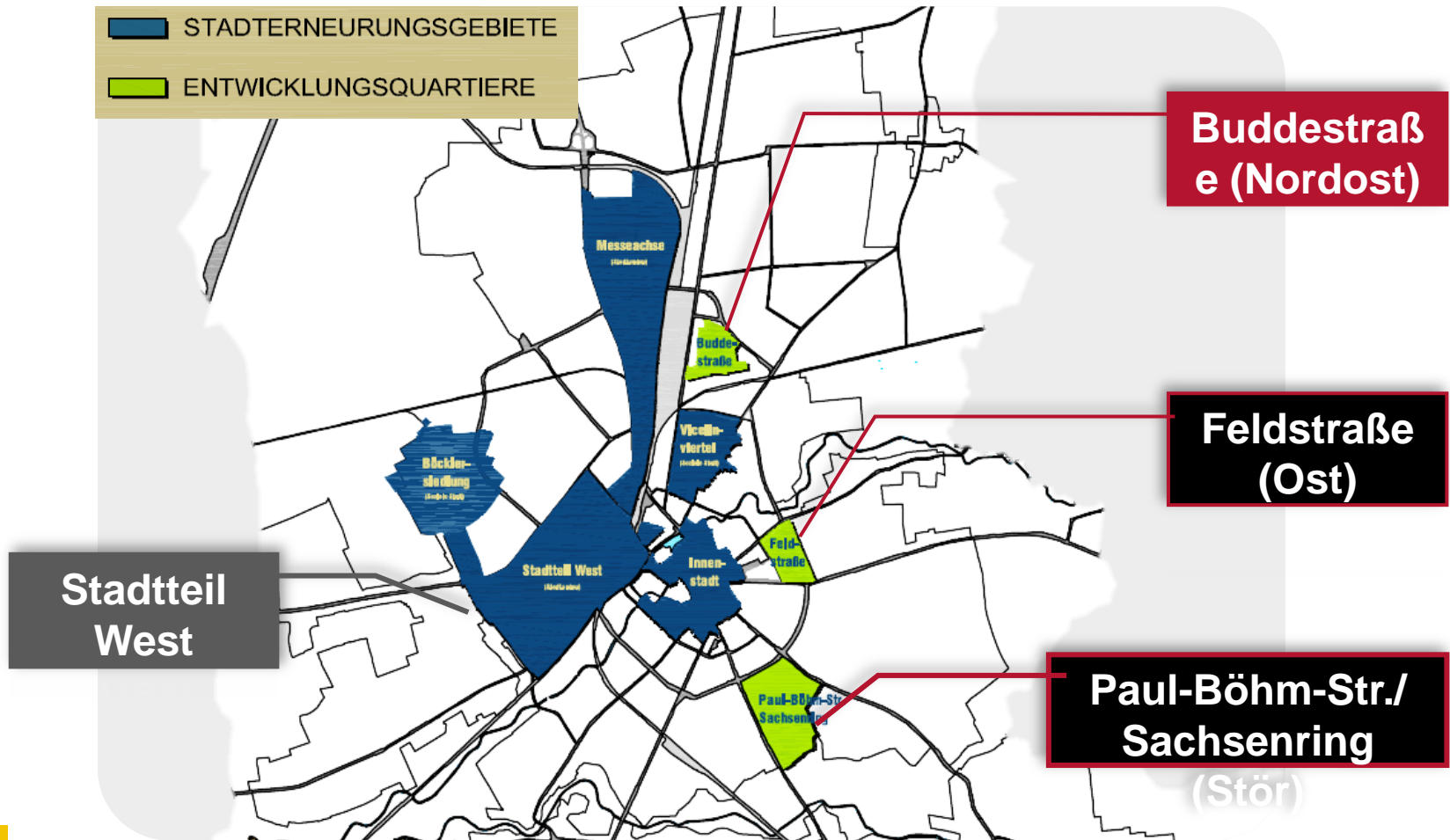
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Experiences in Schleswig-Holstein

- ✓ **Contact to the investors and landlords**
 - ✓ Explanation of the project idea
 - ✓ Motivation for cooperation
 - ✓ Presentation about subsidy opportunities
- ✓ **Discuss the implementation of oriented planning with investor and municipality**
- ✓ **Beginning of discussion about the general cooperation agreement**
- ✓ **Coordination of different project estimations**
- ✓ **Transparent information for all participants**

Experiences in Schleswig-Holstein - Neumünster -



Experiences in Schleswig-Holstein - Rendsburg -



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Thank you for your attention

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