



ENGLISH TRANSLATION „240909_WAL_Merkblatt_Wohnungsvergabe“

09.09.2024 **Project Wallensteinstraße, Berlin-Karlshorst** **Infosheet Housing Allocation**

The allocation of flats is decided by the Housing Allocation Working Group. This is run voluntarily by project members. It also manages the waiting lists. (e-mail: wal-vergabekreis@gsp.coop).

The housing allocation process:

1. Offer of housing: The Housing Allocation Working Group offers interested parties a flat. In order to use a flat, a financial participation in the co-operative of at least 1,150 euros/m² of living space is currently required. The shares can be subscribed by the user themselves or by third parties.
2. Acceptance & Declaration of participation: Interested parties accept the housing offer from the Housing Allocation Working Group and send a declaration of participation to the cooperative (deadline for receipt by post: no later than one week after the offer of housing).
3. Payment of the shares: After approval by the cooperative, the member pays the shares into the cooperative's account. Users of subsidised (WBS) flats can agree payment in instalments with the cooperative. Users of non-subsidised flats should pay in the shares within eight weeks of the flat being offered.

Financing the project:

We are planning on a total investment volume of 82 million euros. This includes the purchase of land, ancillary construction costs as well as construction cost reserves. The project is being financed through loans from GLS Gemeinschaftsbank eG and Investitionsbank Berlin (IBB). The loan agreements with GLS Bank have been concluded and the loans for the land acquisition have already been partially utilised.

Applications are currently being submitted for IBB subsidised loans as part of the Berlin social housing subsidy as well as the cooperative subsidy. The members of the co-operative contribute to the project financing through their co-operative shares. The ongoing utilisation fees ("rent") following construction cover the repayment of the loans as well as the expenses due to interest on loans and management of the buildings.

The cooperative is guided by the principle of cost reduction, rather than profit maximisation.

Member's financial participation:

The co-operative has to raise around 26% of the total costs as equity. The cooperative's equity capital consists of the members' shares.

In order to carry out the Wallenstein project, we need an equity capital of 1,150 euros/m² of living space. In principle, the required contribution depends on the size of the rental space. However, the co-operative can also accept households with lower capital into the project if other people also subscribe shares to cover the difference. These are in the form of solidarity shares. We would therefore ask all members to consider whether they can support a socially diverse and colourful neighbourhood in this way!

At the end of the tenancy, the shares can be cancelled or transferred to the next tenant or another member. Shares can be cancelled with 12 months' notice to the end of a calendar year. The transfer of the share capital to another member is possible without notice. The forms are available on the cooperative's website: gsp.coop/documents.

The credit balances of the members shares do not bear interest. Interest would increase the cost of rent for the members and would also have to be taxed as capital gains. From the members' point of view, a lower rent is more advantageous than earning interest.

In the long term, the required contribution should be gradually reduced and the cooperative capital returned to the members.

Options for members to finance shares:

Co-operative members have the option of financing their shares via GLS Gemeinschaftsbank eG, their own house bank or Investitionsbank Berlin.

- GLS Gemeinschaftsbank eG / Hausbank: Cooperative shares of up to 100,000 euros per person can be financed via the KfW home ownership program. Further information can be found at: <https://www.kfw.de/134>.

- Investitionsbank Berlin: IBB Genossenschaftsförderung - Anteilsverkauf supports households in possession of a housing entitlement certificate (WBS) with the first-time acquisition of shares in housing cooperatives through interest-free loans and repayment waivers. Further information can be found at: <https://www.ibb.de/de/foerderprogramme/ibb-genossenschaftsfoerderung-anteilsverkauf.html>.

It is important to have a consultation with IBB, GLS Bank or your own bank before signing the declaration of participation for shares (*Beteiligungserklärung*). At this meeting, the time of subscription to shares should be agreed upon. This is normally possible immediately following this meeting.

Renting:

Contract of use will be signed between the cooperative and the users in which a monthly usage fee will be agreed upon. The usage fee corresponds to a net cold rent (basic rent) and is calculated in such a way that the ongoing expenses for interest and management as well as repayment of loans are covered.

Subsidised flats:

A valid residence entitlement certificate (WBS) must be available at the time the subsidised flats will be given over in 2027. Information on applying for a WBS can be found here: <https://service.berlin.de/dienstleistung/120671>.

The basic rent for subsidised flats depends on the subsidy model imposed on the flat:

- WBS 140: 7.00 euros/m²,
- WBS 180: 9.50 euros/m²,
- WBS 220: 11.50 euros/m².

The basic rent will increase every 2 years by 0.20-0.35 euros/m² (see Section 10.2 of the housing subsidy regulations WFB 2023 on the website of the Senate Department for Urban Development, <https://www.berlin.de/sen/bauen/neubau/neubaufoerderung>).

Non-subsidised (privately financed) flats:

We are currently calculating with a basic rent of EUR 14.50/m².

This rent should be well below the average asking rent for new builds in 2027. According to the IBB Housing Market Report, the average rents for new builds (completed from 2011) in 2022 was between EUR 15 and EUR 18/m² net cold, depending on the size of the flat (Investitionsbank Berlin: IBB Wohnungsmarktbericht 2022. Berlin, 2023, S. 71. Online accessible at: www.ibb.de/wohnungsmarktbericht).

What is special about co-operatives:

As long as the running costs are covered, the co-operative will not increase the user fee (rent). Co-operative members will therefore live at a favourable price long term.

Operating costs:

We are currently calculating with operating costs of 2.50 euros/m². High energy efficiency and the largely CO₂-neutral energy supply via heat pumps and photovoltaics lead to stable operating costs long term.

Risks:

We endeavour to minimise risks through careful planning and prudent monitoring. Our employees and our partners have many years of experience in the realisation of construction projects. Nevertheless, not all risks can be avoided or covered by insurance, in particular that contractual partners do not honour their contracts, that criminal acts occur, that contractual partners have to be replaced and new contractual partners can only be engaged on less favourable terms, or that supplements occur that exceed the planned reserve. In these cases, additional costs would have to be borne by the co-operative or offset by savings.

Membership of a co-operative is an entrepreneurial investment. Your contribution can be lost in full or in part if the cooperative is insolvent or over-indebted (§§ 17-19 InsO). If the cooperative becomes insolvent, the lenders will be paid first and then the members in proportion to their share capital. However, in the event of insolvency, members do not have to make any additional contributions from their private assets.