

### *Building new subsidised housing*

#### *Who is eligible for support?*

- Municipal and private housing companies
- Housing associations
- Landlords and investors

investing in Berlin and following **inclusion of the project** in the new housing construction programme by the **Programme Management Office of the Senate Department for Urban Development and Housing**.

#### *What is supported?*

- Purchase of new properties before construction begins
- Purchase of new apartments

that are offered at socially compatible rent prices. The projects supported must be built according to the 2018 Housing Promotion Regulations (WFB 2018).

#### *What kind of support is available?*

##### **Public construction loan with a repayment waiver:**

- Basically an interest-free construction loan from IBB with a repayment of at least 1.0% p.a.
- Administrative cost contribution of 0.3% p.a. on the original principal minus the repayment waiver; if the original principal is less than EUR 2.5 m, the administrative cost contribution totals 0.4%. If the original principal less than EUR 1.5 m, an administrative cost contribution of 0.6% will be charged.
- The construction loan totals EUR 91,000 max. for each apartment supported in the project property and a maximum of EUR 1,300 per sqm. of newly created living space.
- A partial waiver of 25% will be granted on the paid out amount of the public construction loan after a 30-year commitment period and fulfilment of all requirements of the subsidy agreement entered into.
- The term ends thirty years after the date on which average readiness for occupancy was recorded.
- No commitment interest and no prepayment penalties.
- Collateral is typically ranked below other financing taken out to finance the subsidised apartments.
- If public construction loans are to be used to finance at least 30% of the total number of apartments to be built, a supplementary construction loan for a maximum of 20% of all the apartments to be built can be taken out with IBB without a repayment waiver. This construction loan can total up to EUR 70,000 per subsidised apartment or a maximum of EUR 1,000 per sqm. of newly created living space.
- The supplementary alternative support may not be used to fulfil agreements to erect apartments subject to rent and use restrictions under urban planning contracts according to the Berlin model of cooperative development of building land.

## What are the terms and conditions for support?

- A rent and use restriction for 30 years beginning at the time average readiness for occupancy was recorded.
- In the event of premature repayment of the full amount, the rent and use restrictions remain in effect until the end of the eleventh calendar year after the year in which repayment was effected, however, no longer than until the end of the commitment period stated in the approval for support.
- One and two-room apartments should account for at least one third of the residential units funded in the investment project.
- At least one quarter of the apartments funded should be rented out to holders of permits for subsidised housing (WBS)

Other terms and conditions for funding can be found in the 2018 Housing Promotion Regulations (WFB 2018).

## What other financing options are available?

In addition to the promotional loan, IBB can fully cover financing by including other promotional funds:

- KfW – Energy-efficient building (see product sheet H)
- IBB supplementary support loans (see product sheet D)

If the property developer demands that surety for payment be provided during the construction phase, this can also be applied for through IBB. The advantage for you is that you have just one bank to deal with, saving you both time and money.

## How can you apply?

- First of all, an **application for inclusion** in the new housing construction programme must be submitted to the Programme Management Office of the Senate Department for Urban Development and Housing.
- Once accepted, the actual application for support must be submitted to IBB.

Consumer information (according to section 675a of the German Civil Code [§675a BGB]) can be found at:

[www.ibb.de/wohnungsneubaufonds](http://www.ibb.de/wohnungsneubaufonds). Please contact us at the earliest possible date. Our customer centre will be pleased to answer detailed questions regarding the programme and to assist you with your application.

### Investitionsbank Berlin

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### Programme Management Office

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For the Senate Department for  
Urban Development and Housing



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