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DIW study: nine major European cities will be missing around 1.2 million flats by 2030 - gap between supply and demand the greatest in London

Estimation of the number of flats lacking in nine selected European metropolises by 2030

City	Cumulative demand for construction, 2021–2030 (1,000 flats)	Cumulative demand for construction relative to stock (%)	Average demand for construction per year (1,000 flats)
Amsterdam	69,9	15,48	6,02
Berlin	118,5	8,26	11,85
Budapest	119,4	13,62	11,94
Copenhagen	89,2	27,42	8,61
London	354,9	11,12	35,49
Paris*	129,1	11,11	12,91
Warsaw	141,7	20,13	16,23
Vienna	110,0	10,16	9,86
Zurich	34,0	17,02	3,40
Total	1.166,7		

*Here, Paris only includes department 75. This approximately corresponds to Paris's city centre.

Source: Wiener Komfortwohnungen/DIW ECON

Berlin / Vienna (ots) -

According to a study, Europe's top metropolises will be lacking around 1.2 million flats by 2030. In absolute terms, the largest gap is in London, with around 355,000 flats - the city will need another eleven per cent more flats by 2030. On average, this means around 35,000 new homes per year. Warsaw (around 142,000 flats) and Paris (around 129,000 flats) follow in second and third place.

In a study commissioned by real estate developer Wiener Komfortwohnungen, the research institute has investigated how many buildings need to be built in order to meet the demand for space over the next ten years in nine top European cities including Berlin, Amsterdam, Budapest, Copenhagen and Zurich. The calculations also included such factors as projected demographic trends, the expected loss of housing and fluctuation-related vacancy rates.

The rationale behind the study was to obtain reliable data on trends in the demand for housing in large and capital cities from a European perspective and to use it to identify the political and economic response required. "The megatrend of urbanisation is a pan-European phenomenon that all major cities must respond to," explains Alexander Finster, Managing Director at Wiener Komfortwohnungen. "What is required are large-scale joint plans from politics, society and investors to meet the demand for housing."

Immigration driving demand for housing

The author of the study, Konstantin A. Kholodilin, attributes the gaps identified by DIW Econ between supply and demand by 2030, some of which are quite considerable, to persistent demographic growth in most capitals. The employment and education opportunities as well as the infrastructure and quality of life attract foreign citizens in particular. "Policymakers and urban planners have often underestimated this trend in the past," says Kholodilin, citing Berlin as an example. "After intensive construction activity up until the mid-1990s, things went quiet as it was assumed that the population would shrink rather than expand."

Some European cities were late in realising that the available housing was no longer meeting people's needs. "However, the supply of housing takes time to come into line with demand due to the growing scarcity of land for construction as well as the long and complicated approval processes and the shortage of construction labour," adds Kholodilin.

The researchers at DIW assume that flat capacities in the core cities have reached their limits, with a trend emerging in favour of smaller flats in view of the rising number of single-person households. Infrastructure such as post offices or bank branches is already being dismantled in inner cities as people are increasingly tending to work rather than live there. Looking forward, Kholodilin thinks that they will - and indeed have to - be replaced to a greater extent by suburban centres offering good

infrastructure and transport connections with cities: "The monocentral city is a thing of the past."

About Wiener Komfortwohnungen

Real-estate developer Wiener Komfortwohnungen GmbH specialises in developing and realising high-quality residential real estate in the Vienna metropolitan region, drawing on the decades of experience possessed by its team. The projects executed by Wiener Komfortwohnungen range from conventional residential construction to comfortable serviced apartments and assisted living.

More information can be found at www.wienerkomfortwohnungen.at

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Medieninhalte

*Estimation of the number of flats lacking in nine selected European metropolises by 2030.
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Komfortwohnungen GmbH/DIW Econ"*

Estimation of the number of flats lacking in nine selected European metropolises by 2030

City	Cumulative demand for construction, 2021-2030 (in thousands)	Cumulative demand for construction relative to stock (in thousands)	Average demand for caps. flats per year (in thousands)
Amsterdam	69.3	25.48	6.02
Berlin	118.3	8.26	11.85
Budapest	118.4	14.62	11.86
Copenhagen	95.2	21.62	9.61
London	304.9	11.12	30.49
Paris*	176.1	11.11	17.61
Warsaw	141.7	26.13	14.17
Vienna	110.0	10.16	11.00
Zurich	34.0	17.00	3.40
Average	117.9	16.88	11.79

*Paris, Paris only includes department 75. This approximate corresponds to Paris city centre.

Source: Wiener Komfortwohnungen/DIW Econ

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