

“The Berlin housing crisis – a view from the outside” Event 7 May 2026

Foreword

This policy paper summarises the key points discussed at the event “The Berlin housing crisis – a view from the outside” held at the Berliner Landeszentrale für politische Bildung on 7 May 2026 ([Die Berliner Wohnungskrise – ein Blick von außen - Berlin.de](#)).

The **Berlin x London im Dialog** event series was initiated by the **Deutsches Institut für Gutes Leben (difgl)**, an independent research institute with its origins at the Technische Universität in Berlin, in cooperation with the **Berliner Landeszentrale für politische Bildung** and supported by the **Berlin Senate Chancellery** as part of the Berlin–London city partnership. This series of events also accompanies the **difgl** podcast series [LondonBerlinDemocracy - Der Podcast über Demokratie, Gesellschaft und das gute Leben - Deutsches Institut für Gutes Leben](#) .

For **difgl**, Berlin and London are more than partner cities. They are living laboratories for understanding how European democracies respond to shared challenges - from housing and education to climate resilience, artificial intelligence and civic participation. Comparing experiences across cities enables evidence-based learning that benefits both local policymaking and European cooperation. At **difgl**, we explore one central question: How can societies create the conditions for a good life in times of profound transformation?

We believe that this question cannot be answered by looking at economic growth or technological innovation alone. A good life also depends on resilient democratic institutions, social cohesion, affordable living conditions and the ability of citizens to participate in shaping the future of their communities.

Cities are where these challenges first become tangible and are often also where innovative solutions emerge. The **Berlin x London im Dialog** event series brings together researchers, policymakers and practitioners to examine shared urban challenges from a European perspective and to learn from one another.

This policy paper focuses on housing—not only as an economic issue, but also as a question of democratic resilience. Access to affordable housing influences trust in public institutions, social inclusion and people's ability to participate fully in society. Housing policy is therefore inseparable from the broader question of what enables a good life.

As well as capturing key points from the event on 7 May, this paper also seeks to capture key insights, identify emerging policy questions and contribute to an ongoing dialogue between research, politics and civil society in both cities.

Introduction

Berlin is one of Europe's most internationally visible and politically dynamic cities. It shares a close partnership with London, and both cities face comparable challenges in key areas of urban development. The **Berlin x London im Dialog** event series uses this connection to explore current political issues from a comparative perspective and to deepen dialogue between the two capitals.

Lack of affordable housing stands out among the many pressures currently testing democratic resilience. Across Europe cities are experiencing severe housing shortages and housing has become

an increasingly urgent political issue. Some observers even link the rise of the populist right to the difficulties—especially for younger generations—of securing a stable home. While London’s housing problems have been visible for decades, Berlin is now confronting housing as one of its most pressing social and political challenges.

Rising rents, insufficient housing supply and structural changes since German reunification have all reshaped Berlin’s housing landscape. At the same time, the balance of power between public authorities and private actors has shifted significantly.

Against this backdrop, fundamental questions emerge: What is at stake for social and cultural life when so many people cannot afford adequate housing? How can a fair balance between tenants and landlords be achieved? What role does the real estate industry play? What powers do the state and local government boroughs actually have? And to what extent can instruments of direct democracy—such as referendums—contribute to solutions, or even potentially complicate them?

The event was designed to bring an external perspective to these issues, whilst engaging directly with a local Berlin audience.

The panel was moderated by public policy expert Dr. Robert Keeling (difgl, Berlin) and featured Dr. Tim White (King’s College London) and Dr. Joanna Kusiak (University of Cambridge), author of *Radically Legal*¹. A lively discussion followed, enriched by contributions from audience members, most of whom were Berlin residents.

Background

Many observers describe Berlin as facing a severe housing crisis, marked by high rents and a significant shortage of affordable homes. The city now has one of the most overheated housing markets in the world—a dramatic shift from its reputation in the 1990s and 2000s as a haven of low rents and creative freedom. Gentrification remains a sensitive and politically charged issue.

This crisis is unfolding against a backdrop of a growing population, which is expected to reach four million by 2040. Growth, however, varies considerably across Berlin’s twelve boroughs.

Berlin is a city of tenants. For comparison around 84% of households in Berlin rent their homes, compared with roughly 30% in London.

Berlin’s housing landscape includes six state-owned housing corporations, all mandated to rent to ordinary Berliners at reasonable rates. In addition, numerous not-for-profit *Baugenossenschaften* (housing cooperatives) play an important role in providing stable, community-oriented housing.

The German government has attempted to respond by accelerating housing construction, reducing bureaucracy, and increasing funding for new developments. In Berlin, initiatives such as the *Wohnungsbau-Turbo* aim to simplify planning and procurement processes. Earlier measures, including the 2020 rent freeze (*Mietpreisbremse*), were ultimately declared unconstitutional.

Another factor contributing to the crisis is the widespread exploitation of a loophole in German tenancy law. By renting apartments as “temporary” and “furnished,” landlords can bypass standard regulations and charge significantly higher rents. This loophole has enabled the rapid expansion of a

¹ [Radically Legal](#)

lucrative market for furnished short-term rentals, further tightening the housing supply and pushing up rents.

These developments raise a series of important public policy questions:

- **Who is Berlin for?** Does the current situation signal that Berlin's era of affordability and openness is over? And if so what kind of city is emerging?
- **What is really at stake when housing becomes unaffordable?** How does the crisis shape political attitudes, social cohesion, and feelings of belonging? Does it create insiders and outsiders, potentially fuelling disenfranchisement and distrust in democracy?
- **Where are the limits of markets and political action?** Is Berlin prioritising the interests of investors and landlords over those of tenants?
- **What role does democracy play?** How does the crisis affect young people's faith in democratic institutions? Can democratic tools meaningfully address structural housing problems?
- **What responsibilities fall to local government?** How should districts respond when population growth is uneven across the city?
- **What can London learn from Berlin?** Are there lessons—positive or cautionary—that London policymakers should take from Berlin's experience?

Panel Discussion

Dr. Joanna Kusiak

- Dr. Joanna Kusiak discussed her work as a spokesperson for the **Deutsche Wohnen & Co. Enteignen** (DWE) movement and the ideas explored in her book *Radically Legal*. She emphasized how residential housing has increasingly been transformed into a financial asset, rather than a social good.
- The DWE movement drew on **Article 15 of the German Constitution**, which allows for the socialization of land and property, to propose transferring around **240,000 homes** from large real-estate companies into public ownership. The campaign framed itself as a grassroots effort to “burst” what it saw as a speculative housing bubble.
- In 2021, Berlin held a referendum on whether the state government should draft a law to expropriate the housing stock of major real-estate companies – ie those owning **3,000 or more units**. This initiative, widely known as *Deutsche Wohnen & Co. Enteignen* (DWE), targeted 12 large companies, including Deutsche Wohnen and Vonovia. In total, **243,000 rental apartments**—out of Berlin's 1.5 million—would be affected.
- Referendums (*Volksentscheide*) are one of Berlin's three instruments of direct democracy, enabling citizens to influence policy directly alongside representative democratic processes.
- The referendum took place on **26 September 2021**, alongside state and federal elections. The proposal passed both the required quorum—25% of all eligible voters—and the popular vote, receiving **57.6% support**, with **39.8% opposed**. However, the result was **non-binding**, meaning the government was not legally required to implement it.
- Exactly two years later, on **26 September 2023**, the campaign announced plans for a **second referendum**, this time designed to be legally binding.

Dr Tim White

- Dr. Tim White presented insights from his research on **furnished temporary apartments** and the political dynamics they create, particularly the divide between **political insiders and**

outsiders. He noted that furnished temporary rentals have become a major pressure point in Berlin's housing market, enabling landlords to bypass regulation and charge significantly higher rents.

- Drawing comparisons with London, he raised questions about who benefits from new construction and whether “all supply is good supply”—a narrative often promoted by real-estate interests.
- While Berlin is widely described as facing a severe housing crisis, Tim encouraged the audience to question whether this is the *only* narrative. Real-estate companies, he argued, are particularly effective at shaping public discourse around scarcity and crisis.

Audience Discussion

The panel and audience explored a wide range of themes:

- **Democracy vs. capitalism** Participants debated whether democratic decision-making can meaningfully counterbalance market forces in a financialized housing system.
- **Gentrification and its psychological effects** Gentrification was described not only as an economic process but one that produces “psychic” or emotional dislocation.
- **Housing as a speculative asset** Referencing writer **Vincenzo Latronico**, the discussion highlighted how housing has become deeply embedded in speculative global finance—“the dark core of the financialized economy.”
- **Berlin's tenant protections** Despite rising rents, Berlin still offers stronger protections for low-income tenants than many global cities. However, as housing is increasingly treated as an asset, the balance of power is shifting away from individual citizens.
- **Is this really a crisis?** Several speakers questioned the term “crisis.”
 - For long-term residents, protections remain relatively strong.
 - For newcomers, however, the situation is far more acute.
 - Researchers often dislike the term “crisis,” Tim noted, because it disguises how the situation is a product of political choices.
- **Debt and the DWE proposal** A major drawback of the DWE initiative is that the Berlin Senate would have had to take on substantial debt—despite already being heavily indebted.
- **Mobility challenges within Berlin** Older residents often cannot move to smaller flats because rent-regulated stock is so limited, reducing mobility and creating inefficiencies in the housing stock.
- **Strengths of the DWE campaign** Unlike for example the Brexit referendum, DWE had a clear plan for implementation if successful.
- **Should Berlin's housing be entirely public?** Some argued that large-scale public housing is the only sustainable solution. Others questioned whether full public ownership is feasible or desirable.
- **Broader pressures on housing** Speculation arose about future challenges—for example, if AI leads to widespread job losses, housing pressures could intensify dramatically.
- **Historical context** Tim noted that the last major wave of mass housing construction occurred after the Second World War; replicating such efforts today would require political commitment across multiple electoral cycles.
- **Berlin's existing communal housing** the audience was reminded that Berlin already has substantial communal housing.
- **Comparisons with London** - the discussion touched on the role of foreign investment in London's housing market, including capital from countries such as Saudi Arabia.

- **Vienna as a model** Vienna's widely admired public-housing system was mentioned as a model, and it was noted that internships with Vienna's housing institutions have been organized by Tempelhof-Schoeneberg council to learn from their approach.
- **Terminology matters** a member of the audience argued that if DWE had used the term *Sozialisierung* rather than *Vergesellschaftung*, the initiative might have gained broader acceptance, as the latter can evoke associations with forced nationalization.
- **Future risks:** The conversation closed with questions about whether failure to address housing pressures could lead to increased homelessness or even civil unrest.

Conclusions

- **Future referendum plans** - the DWE campaign is preparing a second, legally binding referendum.
- **Research needs** - Tim emphasized the importance of continued research into Berlin's housing dynamics.
- **Political context** - with the Berlin election approaching, housing policy will remain a central political issue.
- **Next steps** - the panel agreed that long-term vision, cross-party commitment, and sustained public engagement will be essential to addressing Berlin's housing challenges.

Looking Ahead: Housing, Democracy and the Good Life

These discussions made it very clear that housing is far more than simply a question of supply, rents or regulation. It also touches fundamental questions of democratic resilience, social cohesion and equal opportunity.

At the Deutsches Institut für Gutes Leben (**difgl**), we understand these issues to be part of a broader research question: How can societies remain resilient and create the conditions for a good life in times of profound transformation?

Housing is one important lens through which to explore this question. Access to affordable, secure and adequate housing influences people's ability to participate in society, build stable communities and trust democratic institutions. When housing becomes increasingly inaccessible, its consequences extend far beyond the property market—they affect social mobility, civic participation and confidence in public institutions.

The **Berlin x London im Dialog** event series was established to explore precisely these interconnected challenges. By bringing together researchers, policymakers and practitioners from both cities, the series creates a space for evidence-based dialogue, comparative learning and the exchange of practical solutions. European cities face many common challenges, and their responses can provide valuable insights for one another.

This policy paper marks the beginning of an ongoing conversation rather than its conclusion. Future discussions will continue to examine how democratic resilience, innovation, culture and European cooperation can contribute to societies that are not only more prosperous, but also more inclusive, resilient and capable of enabling a good life for all.

The Deutsches Institut für Gutes Leben looks forward to continuing this dialogue through future events, research and policy engagement.