

## Case Study Affordable Housing

# Affordable and sustainable housing in a regenerating urban area



PROJECT:  
**Südkreuz I, Schöneberg-Südkreuz**  
Urban Area Development



COMPANY:  
**Hines**



LOCATION  
**Berlin, Germany**

## Challenge

Providing a multi-phase master-planned community with both residential and social rented attainable housing. Prioritizing key elements within the development including a community-oriented approach, digitalization and sustainability objectives aligning to ESG criteria.

## Solution / Approach

A shortfall in attainable housing, highlighted with recent macroeconomic developments, has emphasized the relevance for Hines – as a global real estate leader – to pave the way to cater housing options to a local variability of incomes. In Germany specifically, more than half the population rents housing and approximately 5% of the national housing stock is social housing. In accordance with the Berlin authorities request for ~30% of the GFA to be built for subsidized housing, the appropriate measures were taken to ensure the Südkreuz project prioritized these important aspects for attainable and social housing allocation.



## Results

The development of the urban quarter was successfully completed in 2020 with predominantly residential components, specifically:

- 17% social rented attainable housing provided
- 116 social housing apartments, including 34 for young people as well as allocations for young people struggling with mental ill health
  - Tenants pay €6/sqm (36-68% of the market rate rents in the building) due to a €2/sqm rent reimbursement by the municipality

As a result of taking on the additional affordable and social housing Hines was able to obtain an additional 10% of the area granted by the city. Rental expectations were outperformed and leasing velocity was nearly 100% by the building completion date.

Following the 20-year subsidy period, subsidized units begin transitioning to market-rate rents, offering long-term uplift potential and enhanced asset performance.

WiredScore Platinum certified, the project stood out on its extensive digital integration, also receiving 1<sup>st</sup> prize at IMaward for digitalization and Top 10 Digital.

The project was DGNB Gold certified.



Hines

## Company

Hines is a leading global real estate investment, development and property manager operating in 30 countries, dedicated to creating value through real estate investments that improve the quality of the built environment and enhance the communities where Hines operates. Hines is committed to a net zero carbon target by 2040 without buying offsets and has been recognized by the Global Real Estate Benchmark (GRESB) for its global excellence in sustainability.



## Outcome

Hines' development of the Südkreuz quartier has created a dynamic residential space for different communities and generations to live, not just alongside, but with each other. The bold and novel endeavors underpinning this development have resulted in the creation of housing that is affordable and inclusive, and where the prioritization of sustainability has resulted in the development of a space which prioritizes a high standard of living for all occupants.

This has been achieved through:

1. Digitalization: to further community and efficiency through schemes such as digital healthcare and online access to home energy balance.
2. ESG: sustainable materials such as mineral wool were used instead of Styrofoam paneling in the construction, alongside the collection of transparent consumption data for example.

3. Social: third space access such as a coworking space, rooftop terrace and music garage has been created.

The ESG criteria focus of the project was another notable feature, with the incorporation of multiple environmental and social features of sustainability within the planning and implementation process. It has been understood that the different neighbors have integrated effectively and cohabit well.

