

Zeitwohnen Update

The Long-Term Flexible Housing Newsletter



Jan Hase

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Dear Readers, Dear Friends of Zeitwohnen,

Regulating the housing market is one of the most sensitive political tasks of our time. Affordable housing is both a core social issue and a prerequisite for mobility, economic growth and community diversity. With its draft "Act Amending the Law on Residential and Commercial Tenancies," the Federal Ministry of Justice is planning, among other things, to introduce new regulations for long-term flexible housing. However, regulation is only effective if it is targeted, proportionate, and legally certain. National interventions must comply with EU law requirements and be based on a robust analysis of the actual market situation and its causes.

We have therefore commissioned an independent legal study from the law firm GSK Stockmann on the planned new regulations. This newsletter summarizes the key aspects and analyzes the effectiveness and objectivity of the planned measures. It is intended to help put the debate on a factual basis and outline regulations that create transparency and a fair market for both tenants and landlords without unnecessarily limiting international mobility and economic location factors.

Yours sincerely,



Housing Market and Temporary Rentals

Democratization of housing sustainably eases pressure on conventional housing markets



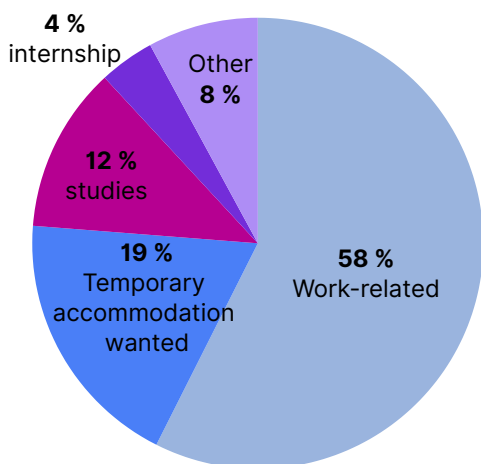
Long-term flexible housing between market reality and regulation

The political debate surrounding long-term flexible housing is often shaped by the assumption that it is primarily used to circumvent rent control measures. Empirical analyses, however, paint a more nuanced picture: The increased share of long-term flexible housing listings is primarily a statistical effect of an overall decline in rental supply and not an indication of a corresponding expansion of the segment. There is no evidence of a systematic displacement of the traditional rental supply. At the same time, studies by the German Economic Institute highlight the labor market policy dimension: For many companies, assistance with finding housing is a relevant factor in recruitment and employee retention. Housing is increasingly becoming a bottleneck for professional mobility. Long-term flexible housing options can address short-term needs. Excessive regulation would limit this function and weaken Germany's position as a business location in the "war on talents".



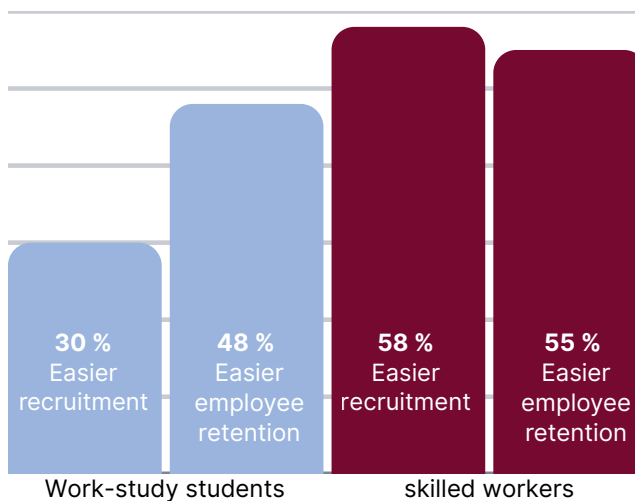
Development in rental supply on real estate portals in Germany's seven largest cities (in thousands)

Development in the conventional rental supply as well as in long-term flexible housing since 2018.



Reasons for rental requests

The most important motives for tenants to use long-term flexible housing between January 2018 and February 2026.



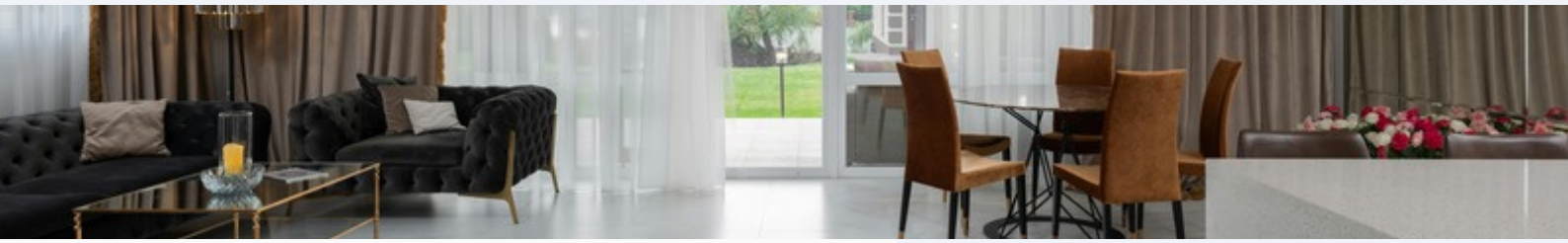
The Importance of Housing Support for Recruitment and Employee Retention

Percentage of companies that consider assistance with finding housing to be an important factor in recruitment and employee retention.

Sources: Institut der deutschen Wirtschaft (IDW), data from the platform www.wunderflats.com.

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Proportionality as a benchmark for regulation

The draft bill from the Federal Ministry of Justice intervenes in key areas of long-term flexible housing and would therefore change the regulatory framework of a segment that is primarily geared toward temporary mobility and short-term professional or project-based stays. The ministry justifies its approach with the alleged abusive circumvention of rent controls and with the broader policy objective of safeguarding affordable housing. The planned changes focus on three key elements: the permissible duration of rental agreements for temporary use within the meaning of Section 549 of the German Civil Code (BGB), the disclosure of the amount of the furniture surcharge, and the introduction of limits for such surcharges. In the future, the exception from many tenant protection provisions will generally only apply if a rental agreement does not exceed a maximum duration of six months. Longer fixed terms would in most cases no longer be recognized as “temporary use.” This would replace the previously flexible legal classification with a fixed statutory time limit, a change that could have noticeable consequences, particularly for project-related stays or temporary professional assignments. At the same time, the draft obliges landlords to disclose the furniture surcharge separately and transparently before concluding the contract. If this surcharge is not clearly stated and itemized, the apartment would legally be considered unfurnished. In addition, the draft provides for a legal presumption of appropriateness, according to which a furniture surcharge is “generally” regarded as appropriate if it does not exceed five percent of the net cold rent excluding utilities. In order to assess the legal admissibility of these proposed regulations, Wunderflats obtained an expert opinion from the law firm GSK Stockmann under the direction of Prof. Dr. Dr. h.c. Ulrich Battis. The expert opinion concludes that stricter regulation of long-term flexible housing is not unconditionally permissible under either EU law or national law and must therefore be carefully assessed within the existing legal framework.



Myths and facts

Myth: Long-term flexible housing is taking a large number of apartments off the regular housing market.

Fact: For years, the development of the long-term flexible housing segment has largely paralleled that of the regular housing market. Aggregated market data shows no evidence of systematic displacement or an ever-increasing market share. Flexible rentals regularly create additional housing, as temporary absences or housing space that cannot be rented on a permanent basis are brought onto the market.

Myth: Restricting long-term flexible housing automatically creates more permanent housing offers.

Fact: Restricting flexible housing arrangements does not create additional housing. The housing shortage is the result of a lack of new construction, high construction costs, and limited land availability; relocating existing uses will not solve it.

Myth: Long-term flexible housing is primarily a means of circumventing rent controls.

Fact: Demand for long-term flexible housing is mainly driven by the labor market. Project work, temporary employment, and international mobility characterize the segment. Price differences are often explained by furnishings, inclusive services, flexibility, and shorter contract terms, rather than abuse.

Myth: Long-term flexible housing is a marginal phenomenon with no economic relevance.

Fact: Flexible forms of housing fulfill an important function and are irreplaceable for legitimate needs: international professionals, people in personal emergencies, or exceptional special situations. Long-term flexible housing increases the attractiveness of a city and the economic strength of regions.

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The planned six-month limit for long-term flexible housing is a particular focus of attention. So far, there is no convincing justification for why flexible housing needs should only be recognized for periods of up to six months. In practice, there are many legitimate cases of professional mobility in which people come to a city for eight or ten months to work on a project or assignment. Under the proposed rules, they would likely struggle to find suitable flexible housing options. This is also why courts have traditionally assumed a temporary need as long as the rental period did not exceed one year. If a limit is to be introduced at all, it should therefore not be set below one year. The proposed limitation on the furniture surcharge is similarly problematic. In practice, the five-percent rule functions like a price cap, even if it is formally described differently. Price regulations in a service market, however, are far from a minor intervention. They require clear and well-founded evidence showing why this threshold is necessary and appropriate. Such evidence has not yet been presented. Moreover, the value of furnishings does not automatically depend on the net rent excluding utilities. Furnishings, quality, location, and the underlying cost structure can vary considerably. A uniform percentage limit can hardly reflect these differences and therefore tends to affect reputable and high-quality offers in particular. The situation is different when it comes to the transparency requirement. Clearly disclosing the furniture surcharge is sensible and significantly less intrusive as a regulatory measure. It improves comparability and strengthens the position of tenants without directly interfering with price formation. Greater transparency can make potential abuse more difficult while avoiding unnecessary restrictions on the market as a whole. More generally, the constitutional guarantee of the right to use property economically must also be taken into account. If the government places limits on potential revenues, it must clearly explain why such measures are necessary. The more far-reaching the intervention, the higher the standard of justification that must be met. From a policy perspective, this leads to a simple conclusion: effective regulation does not arise from good intentions alone, but from measures that are both effective and legally robust. Transparency represents a convincing approach. Rigid time limits and de facto price caps, by contrast, do not. Housing policy should protect tenants while avoiding unnecessary restrictions on mobility and investments in urgently needed housing.

Political Recommendations

Create dedicated long-term flexible housing law.

Instead of further regulatory adjustments of existing law, dedicated long-term flexible housing law should be created with criteria such as minimum rental periods, residency registration, and qualified reasons such as work or study. This differentiation protects long-term flexible housing from blanket accusations of misuse, protects tenants and landlords from abuse, and at the same time creates transparency and legal certainty.

Strengthen transparency.

The disclosure of the furniture surcharge is to be welcomed. This increases comparability and legal certainty for both landlords and tenants without interfering with pricing. Transparency limits abuse without structurally weakening the segment.

Ensuring mobility, enabling skilled workers.

Long-term flexible housing forms are an important factor for the attractiveness of countries and regions for mobile talents. International skilled workers and researchers depend on flexible housing options. Anyone who wants to ensure economic growth, innovation and competitiveness must not structurally weaken these decisive pull factors.

Increase the rental supply.

The housing shortage is primarily a problem of new construction and costs. Regulating long-term flexible housing will not create a single additional apartment - quite the contrary. Priority must be given to speeding up approvals, stabilizing construction costs, making building lots available and providing investment incentives.

The Wunderflats Team

Shape the future of housing with us



Join us on the road to the future of housing

Wunderflats is a digital platform for flexible housing that brings together the demand and supply of landlords and tenants.

While vacation rentals take away housing space from cities, long-term flexible housing helps relieve the pressure on the traditional housing market. This is because specialists, project workers, and highly specialized experts often request apartments that are rented out temporarily in a manner that conforms to the intended use, but are not currently available to the permanent housing market.

At the same time, long-term flexible housing is still too little known in terms of its importance and the many opportunities it offers, among other things, for a fair housing market and its contribution to economic promotion by solving the shortage of skilled workers.

Therefore, it is necessary to create a framework that recognizes long-term flexible housing as a pillar of support and a solution to the problem.



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As a digital scale-up from the heart of Berlin, Wunderflats welcomes any dialogue on digital and housing policy issues.

