

Employee Housing – more than an instrument of active HR policy

5 June 2022

Creating housing options for workforces is currently experiencing a renaissance. From hotels on the Baltic Sea to craft businesses in the Munich area and medium-sized tech companies in the Main region, more and more German employers are choosing to support their employees with housing solutions.

Finding and retaining highly-qualified and motivated personnel is a major challenge for many companies. Employee housing can be an important unique selling point in the competition for the most qualified specialists. By offering their own housing, companies increase their attractiveness, boost employee loyalty and strengthen the job market as well as their own brand.

In metropolitan areas, there is often a lack of affordable housing. But there is also a lack of suitable rental offers with community character in rural areas, especially for trainees, young professionals and temporary project staff. Employee housing can help solve these problems.

How can company housing solutions help the employees?

In a world where hybrid and remote working are becoming more commonplace, employee housing solutions can help with onboarding new employees or trainees from both Germany and abroad. Temporary onboarding apartments can help put new staff at ease immediately, making their entry into the company smoother and more efficient.

Employee housing can also be attractive to executives working on a project-by-project basis at specific company locations. These employees tend to look for high-quality offers that provide more than the anonymity of a hotel.

And finally, the offer of employee housing and an affordable apartment may be the incentive an embattled high-potential applicant needs to be charmed by a company as an employer.

How does employee housing benefit the employer?

In many cases, the management of the apartments generates a constant, low return. It's also possible to put existing company land to new use by constructing housing onsite. Mixed-use concepts may also allow for any existing use of the land to be retained. Companies that provide their own housing have much more freedom when it comes to shaping the type and design of the housing and can therefore mould it to their own ideas.

Employee housing can also benefit the employer by being an important factor in retaining skilled workers. For example, many companies often try to offer exceptionally competitive salaries in order to attract highly-qualified employees. But what else? By investing financial resources into employee housing, the company makes itself and the workplace permanently attractive, ultimately leading to the retention of its employees.

Cooperation is key.

How should a company go about implementing employee housing solutions? The current trends all lean towards cooperation and collaboration. And there are plenty of diverse opportunities!

Why build employee housing alone when there is a great local housing company that demonstrates expertise in housing construction and management? Or perhaps there is the opportunity to start a joint initiative with other companies in the region. Joining forces with these local companies strengthens the community, which also has a positive effect on the job market.

Conclusion

Employee housing is beneficial to both the employee and the employer on a number of different levels. As well as being a unique selling point to attract highly-qualified workers from Germany and internationally, it also serves the employer in the form of employee retention.

Seven Questions for employee housing

01

Why should I, the employer, care about the housing situation of employees?

Housing markets in German cities are visibly strained. There is a huge shortage of affordable housing. Oftentimes, financial compensation in the form of wage supplements doesn't help any further. When you offer employee housing, your company gains an important competitive advantage in acquiring and retaining qualified specialists. Employee housing also increases the attractiveness for you as an employer and as a brand.

For example: scoring big points as a public employer through employee housing beyond the „Fachkräftetarifvertrag“ (collective agreement) / Public utilities and transport companies



Employee Housing BASF (Ludwigshafen)

02

Can we achieve this without being a “real” estate management company?

The short answer is: yes! Because there is no need to build or manage apartments on your own. Through clever cooperation and collaboration with certified housing and service companies, these tasks that fall out of the scope of your core business can be managed with no hassle.

For example: short distances to the service through overbuilding of parking spaces near of your operating site / Supraregional logistic company

03

How can we build employee housing when we don't know anything about housing?

This is also no problem thanks to opportunities allowing you to cooperate with general contractors or housing companies. These companies will take over the planning, construction and sometimes even the management of the apartments.

For example: Contractually secured occupancy rights with the municipal housing company for trainee Apartments. / Car-manufacturer in southern Germany

04

Don't we need to own land to build on?

The availability of free land to build on is not necessarily a requirement to provide employee housing. Perhaps a local housing company already has existing properties in their portfolio that they can provide to you, the employer, through cooperation and occupancy rights.

For example: housing close to the workplace in partnership with a local housing company / Hotel in tourist region at the North Sea

05

We only need a few employee apartments ... is the effort worth it?

There are also a number of good examples here. One way is to collaborate with other local employers to achieve something that makes economic sense for the project. You can also make use of a business association or the "Industrie- und Handelskammer" (IHK) to initiate this collaboration. Alternatively, you can simply secure for yourself the required number of apartments in the stock of a local housing company.

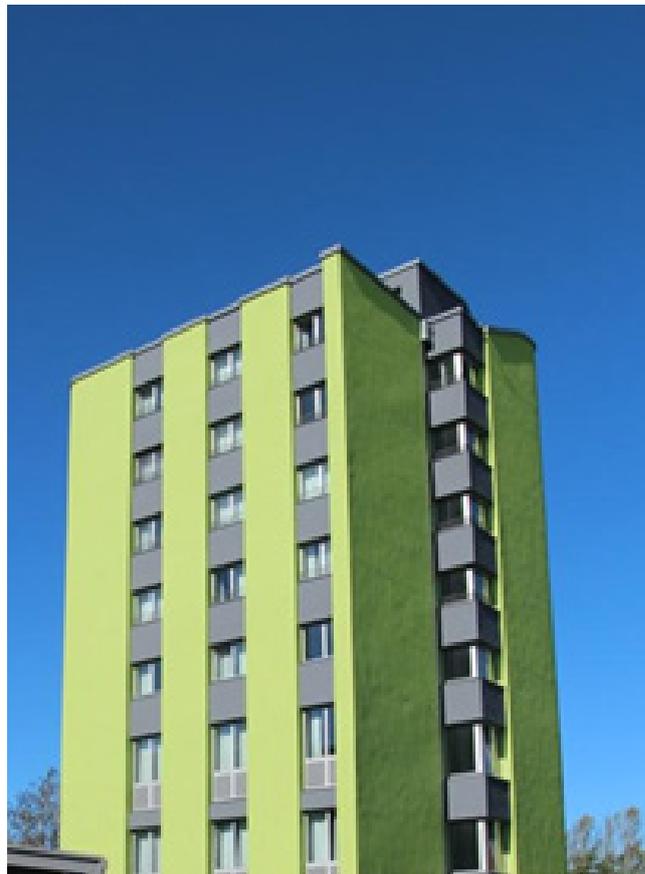
For example: "Team-solutions" through establishing a housing cooperative with other employers. / ... in a metropolis or in a large county-town

06

Will we be able to build enough apartments?

No one expects you to accommodate your entire staff. Simply starting with the most urgent employees will be enough. You can also offer employee housing on a temporary basis only as part of the onboarding process for skilled workers from outside the region, trainees, or for personnel needed at short notice. After their training or project reaches completion, the employee can move and the flat is therefore available for someone else.

For example: in the rural area housing offers in a converted farmhouse – especially for the trial period. / Family business of manufacturing industry



Employee Housing for Audi in Ingolstadt

07

But ... company housing is not a new solution, is it?

True, but it is different today. In contrast to the factory-like settlements seen in the 19th and 20th centuries, today's projects are smaller and more demand-oriented. This allows any company, regardless of size, region or industry, to get involved in employee housing. There are also more opportunities for those who do not want the burden of building themselves. For example, using cooperative ventures and occupancy rights to achieve their goals.

For example: plan large apartments for foreign professionals who want to bring their family / medium-sized civil engineering company in Rhine/Main

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