

Housing shortage and luxury development in Frankfurt-Main

Marianne Arens
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Fear of gentrification is spreading in a traditional workers' neighborhood in Frankfurt-Main. Private luxury refurbishments are increasingly encroaching on the Gallus and Ostend areas of the city.

All the political parties in the Römer, the city hall, support the direction of the planning department head, Olaf Cunitz (the Greens), even when they ostensibly oppose one another in the election campaign. The city is controlled by a coalition of the Christian Democratic Union (CDU) and the Greens. The mayor is Peter Feldmann, Social Democratic Party (SPD).

In the Gallus area five large lots, which have stood empty for years, were handed over by planning department head Cunitz to private investors and construction companies. Around 2,100 new apartments and condos will be built there. The majority of people desperately searching for housing will not be able to afford these new apartments.

It's foreseeable that these "high-end" properties will exert an immense amount of pressure on rents in the city. This situation will be intensified by the development of the Europa Quarter, a gigantic new building project, which borders directly on Gallus.

While the majority of the new buildings will be condominiums, there are no new public housing projects. None of the lots are to be used for desperately needed public housing. In the Europa Quarter lots were also given to private, profit-oriented real estate agencies.

Even the areas on which the city's public housing association, ABG Frankfurt Holding, is building, are not planned for public housing. The ABG Frankfurt Holding, which absorbed all the earlier, partly cooperative-organized Frankfurt housing societies, oriented itself strongly towards upper market segments and builds primarily on the basis of profit criteria.

The situation in the housing market is becoming ever more precarious for the less well off. In the Ostend

district, where the new towers of the European Central Bank rise into the sky, rents have risen dramatically. An average 30 percent rent increase is being demanded by new leases of already existing apartments, even without renovation.

Pensioners and people with low income are unable to pay these rent increases as living costs rise in the city as a whole. The CDU-Green Senate introduced a drastic package of savings in February. The prices for daycare centers, swimming pool tickets, parks and theaters, as well as parking fees are increasing, while the financial support for educational materials in schools, kindergartens and social services is being cut.

Homelessness is also rising. In Frankfurt, 2,450 people are registered without a permanent place to live, while homeless shelters can only house 1,450. More than 90 percent of evictions ensue due to unpaid rent. At the same time, the city has over 2 million square meters of unused office space.

The number of publicly supported ("social") apartments fell from 160,000 units in 2002 to 120,000 units in 2012, while the number of condominiums is constantly increasing. An additional 2,600 such social apartments are privatized annually. In all of Germany the number of subsidized low-rent apartments has plunged from 6 million to 1.6 million over the same period.

Immigrant families are particularly affected. In the state of Hessen 10 percent of such families live on less than €1,300 (US\$1,700) per month. The euro crisis has forced many people from southern and eastern Europe—from countries such as Spain, Greece, Poland, Romania and Bulgaria—to the Rhine Main area, in the hope of a halfway decent life.

Planning departmental head Olaf Cunitz defended his concept in an interview with *Frankfurter Rundschau*. Compared with most other neighborhoods, the rent of approximately €13 per square meter in the Gallus Quarter

was “high, but not luxurious”. He started his urban renewal program in this part of the city precisely because it had its “social problems”, Cunitz declared.

An increase in current rents to a level of €13 per square meter, as pursued by Cunitz, would be a genuine disaster for the residents of Gallus. Many pensioners, young working class families, unemployed persons, students, young people and immigrants would be driven out of the area by such an increase.

Cunitz’s message to students also expresses his cynicism. Thousands of students are apartment hunting at the beginning of the semester. As was the case last year, emergency camps had to be furnished this year in the General Student Committee building. According to the General Students’ Committee in Frankfurt, the student council offers student hostel places to just 1,850 students out of 60,000, i.e., less than 3 percent. If one adds the number of church shelters available, a maximum of 7 percent of students have a place to stay. The national average is 11 percent.

The region of Hesse stopped promoting student hostels and instead hands out cheap loans to the student councils. The situation is also increasingly deteriorating in other university cities such as Darmstadt, Marburg, Giessen.

In this situation, Cunitz promised the city would provide “several hundred high-quality student apartments” in Gallus, with underground parking places, roof terraces, gyms and a concierge at the entrance—for a rent of at least €500 per month. Other “full service apartments”, now being developed in the Gallus, could be acquired either as properties or for investment purposes.

It is clear that the city’s housing program is intended to attract a specific social class, i.e., middle and upper class layers, while the vast majority of the working population remains excluded.

The decline of neighborhoods like Gallus began as many Frankfurt factories were closed in the 1980s. During that period the Adlerwerke, Messer-Griesheim, VDM, VDO and other factories closed. Today the city’s “reevaluation of housing” concept is aimed at attracting wealthier layers and displacing the poor.

The misery is not limited to Frankfurt-Main. Social polarization is growing rapidly in Hesse. While the number of millionaires in the state rose to 1,400, over 400,000 have to live off miserly welfare payments (Hartz IV).

The right-wing policy of the Greens is an expression of their social basis. They have the highest-earning membership of any party in Germany and represent those

students who have no problem paying €500 per month for an apartment. The Green coalition with the CDU in Frankfurt city council is no coincidence. The Greens already showed their real colors by siding with the police, who moved forcibly against Blockupy demonstrators protesting in the city.

The Left Party is no alternative, but has expressed its agreement with the course taken by the Green building department head. The Left Party is part of the common front of all parties against the working population in the state parliament. This was demonstrated during a panel discussion on August 20, when representatives of all state parliament parties declared their position on the housing question.

Ulrich Wilken, delegate of the Left Party in the Hesse state parliament, lined up with the free market concepts advocated by the Landlords Association, and backed by the CDU, SPD (Social Democratic Party) and Greens. Echoing the comments of the other parties, Wilken explained, “Affordable housing will only be built when it is fiscally beneficial.” There has to be a financial incentive for private owners before affordable apartments can be built, “even if we would prefer cooperatives.”

The Left Party is as far removed from a socialist perspective as the CDU, the Greens or the SPD. In practice it supports and organizes the sale of urban apartments to speculators, as it has done on a large scale in Dresden and Berlin.

In opposition to this development the Socialist Equality Party (Partei für Soziale Gleichheit—PSG) insists that decent, affordable housing is a fundamental social right. There should be no profit gained from the building of apartments. The large construction and real estate companies must be expropriated without compensation and placed under the democratic control of workers and tenants. Billions must be invested to build good quality, inexpensive apartments. The funds for such a program should be raised by taxing the rich.



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