SGP campaign in the Berlin elections

Berlin Tenants are being fed a tissue of lies by the main parties

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On 20 September, Berlin will elect a new Senate. The most prominent issue in the election campaign is the capital city's soaring rents. The streets are plastered with placards from various official parties promising affordable housing.

The Social Democratic Party's (SPD) posters read "Cap rents to stop rip-offs" and announce 100,000 new "permanently affordable" flats by 2031. The Left Party's posters say "Stop rent rip-offs" and promise to make Berlin "affordable again", via a new authority with the task of tackling illegal rents, and the freezing of rents on state-owned flats for a year. The Greens promise housing providers dedicated to the public good and the refurbishment of existing housing stock.

Even the Christian Democratic Union (CDU) is campaigning with the vacuous slogan "Berlin is getting better" and promises of faster construction, private investor opportunities and the promotion of home ownership.

That the issue of rents is so central in the election is not due merely to the parties' desire to keep the preparations for war and social cuts out of the election campaign—all of these parties support the official policy of rearmament and cuts. Fewer and fewer households can afford the city's rapidly rising rents, and housing is increasingly becoming a luxury. Whilst families are forced to cut back on essentials to pay exorbitant rents, unscrupulous property corporations are raking in huge profits.

Although the parties are outdoing one another in the Berlin election campaign with slogans promising an end to the housing crisis, the reality is very different.

In Berlin, the number of evictions rose from 1,931 in 2022 and 2,369 in 2023 to 2,495 in 2024. Nationwide, the figure stood at over 32,000, with rent arrears being the most common cause.

At the same time, the major property groups are raking in record profits. Market leader Vonovia, which also controls Deutsche Wohnen and thus Berlin's largest private housing stock, increased its operating profit to 2.8 billion euros in 2025 and reported an adjusted profit of 1.54 billion euros for its shareholders, of which just over one billion euros was paid out as dividends.

The group's average monthly rent climbed to 8.38 euros per square metre – 4.6 per cent more than a year earlier. A small group of shareholders and the top brass of these property giants are rubbing their hands with glee—at the expense of millions of households.

Political parties have been promising an improvement in the housing market for years, but the figures speak for themselves: since 2010, rents for new tenancies have almost tripled, rising from €6.10 to around €18 per square metre. Whilst rents for existing tenancies are significantly lower, at an average of 7.21 euros per square metre, inflation is having a major impact here too. Since 2010, rents have risen by almost 47 per cent, from 4.90 euros—equivalent to a steady annual increase of around 3.4 per cent.

At the same time, Berlin is being increasingly characterised as a social hotspot. Child poverty, poverty amongst the elderly and homelessness have long been part of the city's landscape. Around 20 per cent of Berliners are considered at risk of poverty – primarily children, single parents, the low-skilled and people with a migrant background.

The situation is particularly dire in the suburbs of Neukölln, Lichtenberg and Mitte. Almost one in four children in Berlin grows up in poverty, whilst poverty amongst the elderly, at around 7 per cent, is significantly higher than the national average of just under 4 per cent. The burden of rent takes a heavy toll on monthly budgets: one in five households has to spend at least 40 per cent of its income on gross rent alone.

This crisis is a global phenomenon. According to the UN World Cities Report 2026, 3.4 billion people worldwide—around 42 per cent of the global population—live without access to safe, adequate or affordable housing. The cause is clear: housing is not treated as a fundamental social right, but as an object of profit and speculation on the financial markets. Fueled by deregulation and the sell-off of social housing, poverty and homelessness are worsening.

The policies of the mainstream German political parties are driving the population ever deeper into crisis. A study by the ifo Institute forecasts that 185,000 homes will be completed this year—the lowest figure since 2012. Despite a slight recovery in the following years—an estimated 195,000 flats in 2027 and 210,000 in 2028—the shortfall remains enormous: there is a nationwide shortage of almost 1.4 million flats, particularly in the major cities.

Instead of taking countermeasures, the federal government—comprising the CDU, CSU and SPD—is exacerbating the crisis. The draft bill on housing benefit reform provides for cuts running into the billions: savings of 1.5 billion euros next year, rising to as much as 2 billion euros annually from 2028 onwards. This is to be achieved by halving the flat-rate heating allowance, scrapping the planned increase due on 1 January 2027, and adjusting the calculation formula. Some 2.25 million people whose livelihoods have so far been secured by housing benefit now risk slipping into poverty.

Whilst cuts are being made to healthcare, pensions and social services, spending on rearmament and war is skyrocketing. Germany's military budget has more than doubled since 2022, rising from just under 50.3 billion to the current 108 billion euros, and is set to rise to over 180 billion euros by 2030.

Joachim Rock, chief executive of the Paritätischer Gesamtverband, sums up the consequences of this policy: "Anyone receiving housing benefit is living on the financial edge. It is virtually impossible to build up savings; even everyday purchases or taking part in society become a luxury."

At the same time more and more households are being affected by electricity and gas disconnections. In 2023, there were 204,000 electricity and 28,000 gas disconnections across Germany. By 2024, these figures had risen to 245,000 and 34,000 respectively. New record highs could be recorded for 2025.

Evictions in Berlin are also continuing to rise. At the same time, the number of social housing units is falling steadily. By the end of 2024, there were still 85,000 social housing units; a year later, the figure had fallen to around 80,000—whilst the demand stands at nearly 1.2 million people in Berlin alone.

Against this backdrop, the Left Party's election campaign is outrageous. The Left Party, and its forerunner up until 2007, the Democratic Socialist Party (PDS), bears direct responsibility for the disastrous conditions in Berlin. The PDS was part of the city-state government from 2002 to 2011 led by Klaus Wowereit, in coalition with the SPD, and from 2016 to 2023 under Michael Müller and Franziska Giffey, in coalition with the SPD and the Greens.

What exactly was the Berlin banking scandal that served as a justification for the sell-off of state-owned flats in 2002? How has the financialisation of the housing market developed internationally since the 1990s, and why has housing become a global object of speculation? Why do parties such as the Left Party, with all its radical election promises, reject the expropriation of property companies without compensation, and what does this say about their class base?

Under the slogan "Save until it squeaks," coined by SPD Finance Minister Thilo Sarrazin, the coalition government initiated the sell-off of state-owned property from 2002 onwards to avoid the threatened bankruptcy of the Berlin Banking Company. In 2004 alone, 65,000 GSW flats were sold for a meagre 405 million euros to financial investors such as Cerberus and Goldman Sachs.

State-owned companies such as Degewo and Gewobag also sold off large housing portfolios in the 1990s and early 2000s. Some of these properties later passed through several intermediaries to end up with corporations such as Deutsche Wohnen or Vonovia. From 2016 onwards, the State of Berlin began buying back properties—in some cases at prices many times higher than the proceeds from the original sales.

At the same time, the SPD-PDS coalition ended subsidies for social housing, brought new construction to a near standstill, and, as a result, drove rents even higher. Subsequent attempts to curb the rise in rents—such as Berlin's 2020 rent cap—were struck down by the Federal Constitutional Court in 2021. And when, in September 2021, a majority of 59.1 per cent voted in favour of socialisation in the "Expropriate Deutsche Wohnen & Co." referendum, this vote was systematically ignored by the SPD-Left Party-Green state government. Instead, the governing parties set up a "round table" with the property lobby to work even more closely with it.

The fact that the Left Party is once again calling for expropriation in the current election campaign is the height of impudence. Following the successful 2021 referendum, it agreed with the SPD and the Greens to set up a commission of experts, which delayed a decision until the next election. In 2023, the CDU and SPD then formed the Senate, both of which oppose expropriation.

Now it is once again declaring the implementation of the referendum a "top priority" and making grandiose promises that, should it join the government, a so-called Socialisation Act will be introduced in the first half of the legislative term.

The model proposed by the "Expropriate Deutsche Wohnen & Co." initiative also provides for billions in compensation for the "rent sharks." The plan is to transfer around 220,000 flats owned by large property groups—those holding more than 3,000 flats—to a public-benefit organisation.

The estimated compensation costs of 10 to 20 billion euros are to be paid to the corporations via 100-year bonds bearing 3.5 per cent interest. Ultimately, it would be the tenants who would be left to foot the bill for these debts: with their rents they would not only have to finance the interest and capital repayments, but also bear the costs of new construction, modernisation and refurbishment. Moreover, it remains entirely unclear whether such a model would stand up to scrutiny before the Federal Constitutional Court.

The expropriation of large property corporations cannot be achieved by appealing to the Left Party or other parties. Despite their crocodile tears over high rents, they stand firmly on the side of the corporations and banks.

The Socialist Equality Party is contesting the Berlin election with a fundamentally different programme. Not a single social problem can be solved without the expropriation without compensation of the major corporations and banks and the wealthy elite. The fight against the rent madness must be linked to the fight against cuts to social services, against state rearmament and militarism, and against the rise of the fascist Alternative for Germany, as the starting point for a broad political mobilisation against capitalism and for an international socialist programme.