

**Question for written answer E-000685/2022
to the Commission**

Rule 138

Gunnar Beck (ID), Nicolaus Fest (ID)

Subject: Effect of rental market regulation on the price of housing

According to the European Systemic Risk Board report of February 2022 on vulnerabilities in the residential real estate sectors of the European Economic Area countries, factors including strict urban planning, high quality standards required for new constructions, inefficient issuance of building permits and labour shortages are further limiting the supply of housing, leading to unprecedented increases in housing prices. Moreover, the report identifies rental market regulation, for example rent controls, as a major cause of the inelasticity in the supply of owner-occupied housing¹.

Germany is cited as one of the countries with strict rental market regulation. The 2020 country-specific recommendation for Germany stressed that policies encouraging investment in new housing would address this imbalance and improve housing affordability.

1. Does the Commission agree that the influence of rental market regulation policies are discouraging investment in new housing in Germany?
2. What is the Commission's opinion on the effect of mass immigration as a major cause of housing shortages in Germany?

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https://www.esrb.europa.eu/pub/pdf/reports/esrb.report220211_vulnerabilities_eea_countries~27e571112b.en.pdf?cb8132dc3e0f0f53a4fce3292a690bd6