

District Report

Steinfurt, rural district in North Rhine-Westphalia

With Germany und North Rhine-Westphalia (State) as reference regions

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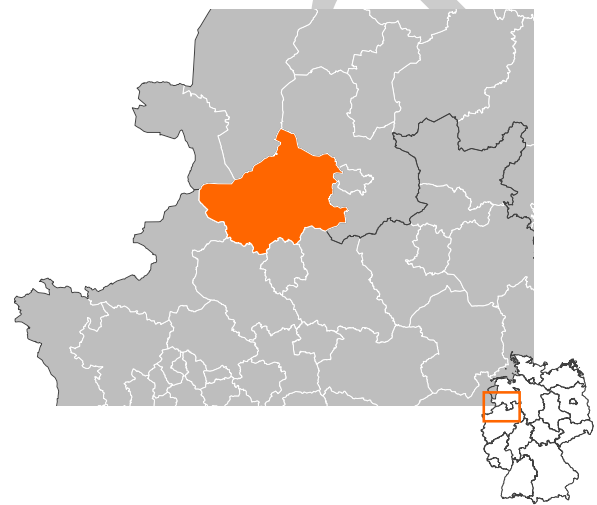
February 2024

1 Brief Summary

The district of Steinfurt has a total area of 1,796 km². Currently, this region is inhabited by around 456,000 people in approximately 194,000 households. Hence, the population density is roughly around 254 residents per km² and the average household size is 2.36 people per household. Between 2017 and 2022, the resident count increased by 2.2%. Currently, the district of Steinfurt is a growth region.

Name	Steinfurt
District Code	5566
Federal State	North Rhine-Westphalia
Spatial planning region	Münster
District type	Rural district
Settlement Structure District Type (BBSR)	Other urban district
A and B city	Other district
Cluster city (GIF)	Other county
Swarm city	Remaining district
Population Density	254 Residents per km ²

In total, there are around 208,700 residential units in the district of Steinfurt, amongst which 32% are houses in apartment buildings (three or more apartments, including dormitories). The average living area is approximately 47.7 m² per resident. In the years 2017 to 2022, an average of 1,868 apartments were completed per year. With a vacancy rate of 1.9% , the market-active vacancy is currently around 0.5 percentage points lower than five years ago.



© GeoBasis-DE / BKG 2021 (data changed)

The number of employees (subject to social security contributions) increased by 7.6% between 2018 and 2023. There are around 171,700 employees in the district of Steinfurt. The unemployment rate (SGB II) is approximately 3.1%. The job centrality is 0.87. This means that less employees work in the region than live there. So overall the district sends more commuters to other regions than it receives. The district of Steinfurt has a medium economic power in comparison to other regions within Germany. The regional gross domestic product (GDP) is 36,400 € per resident and the monthly purchasing power per household amounts to 5,020 €.

Between 2018 and 2023, the rents (all years of construction) in the district of Steinfurt have increased by 32%. The corresponding purchase price for condominiums have increased by 47.9% in the same time period. As compared to other regions within Germany, the real estate price level in the district of Steinfurt is at a low level.

<p>Population dynamic</p>  <p>Growth region</p>	<p>Labour market dynamic</p>  <p>Employment growth</p>	<p>Economic power</p>  <p>Medium economic power</p>	<p>Real estate price level</p>  <p>Low Level</p>
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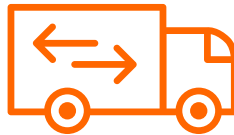
2 Housing Market Overview

Demography 2022



456,464 residents
193,503 households

Net migration 2022



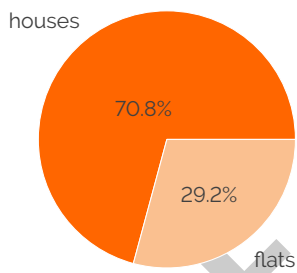
+7,350 people
migration gain

Natural balance 2022



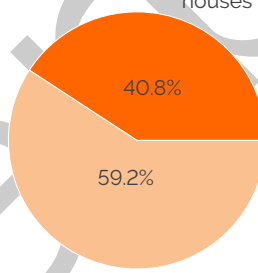
-1,062 people
birth deficit

Housing stock 2022



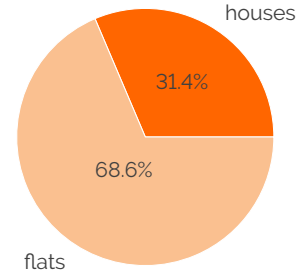
208,704 apartments

Completions 2022



1,813 apartments

Building permits 2022



2,449 apartments

Rents 2023



8.50 €/m²

Freehold flats 2023



2,600 €/m²

Houses 2023

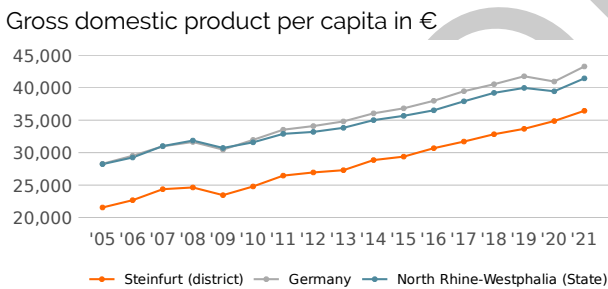


318,000 €

3 Economic Conditions

The regional development of the housing market is closely linked to economic dynamics. In flourishing regions where jobs and training positions are created and a high standard of living prevails, the population grows faster than the supply of housing due to strong immigration. This creates bottlenecks that lead to price increases. Conversely, economically shrinking regions are often affected by emigration. The resulting oversupply of housing leads to stagnation or even falling price levels.

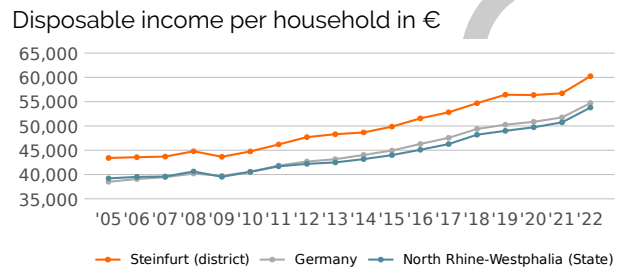
A typical measure of economic strength is the gross domestic product (GDP). It indicates the total value of all goods and services produced within the region's boundary during a year. In the district of Steinfurt, the GDP currently amounts to a total value of 16.41 billion € and 36,447 € per capita. GDP per capita has increased by 18.8% in the last five years. Compared to the rest of Germany the district of Steinfurt is currently at a value of 84.2 (Germany = 100). Therefore the GDP per capita is comparatively low.



Data source: Arbeitskreis "Volkswirtschaftliche Gesamtrechnungen der Länder"; Statistische Ämter des Bundes und der Länder, Deutschland, 2018-2024, Data licence by-2-0 empirica regio

The disposable income of private households (also called *purchasing power*) is suitable for assessing regional economic performance, too. It corresponds to the net income earned by private households which they can allocate for housing, consumption and savings purposes. Since several people often live in one household and work together, the income per household reported here is significantly higher than the income per capita.

In the district of Steinfurt the disposable income is currently at 60,240 € per household, which is a difference of 14.1% over the last five years. Compared to the rest of Germany the district of Steinfurt is at an indexed value of 110.1 (Germany = 100), the disposable income is therefore comparatively high.

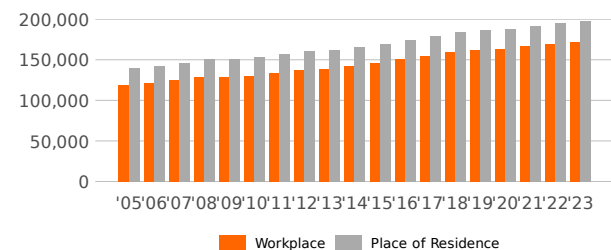


Data source: Arbeitskreis "Volkswirtschaftliche Gesamtrechnungen der Länder"; Statistisches Bundesamt (Destatis), 2018-2024, Data licence by-2-0; Statistische Ämter des Bundes und der Länder, Deutschland, 2018-2024, Data licence by-2-0 empirica regio

Job opportunities and employees

Employees subject to social insurance at the place of work comprise all people working in a region including all commuters, but excluding outbound commuters whose place of work is outside the region. Employees subject to social insurance at the place of residence, on the other hand, are employees who have their residence in the district of Steinfurt, regardless of the location where these individuals work.

Social insurance contributing employees Steinfurt (district)

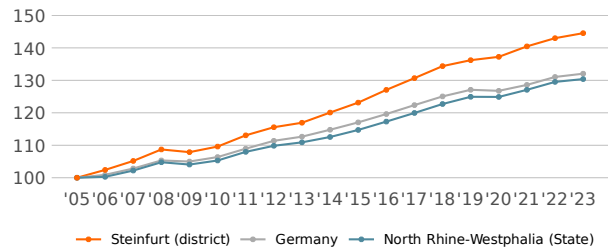


Data source: Statistics of Bundesagentur für Arbeit empirica regio

In 2023 in the district of Steinfurt there are around 171,700 employees subject to social insurance contributions at the workplace. This is a rise of 7.6% in the last five years. In the same period, the number of employees at the place of residence decreased by 7.6%, and is now at around 197,600.

The daily population is the population minus outbound commuters plus inbound commuters. The value is currently at 943 people per 1,000 residents.

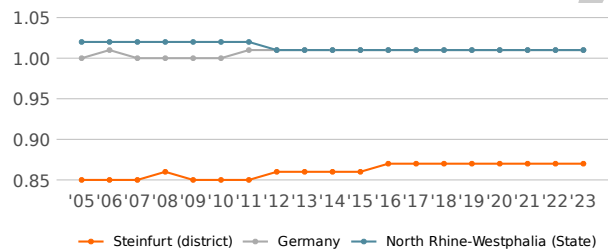
Employees at the place of work Index (2005=100)



Data source: Statistics of Bundesagentur für Arbeit empirica regio

A job centrality value of greater than 1 represents a region's greater importance as a place of work than as a place of residence. This means that more employees work there than live there. Conversely, a value less than 1 means that more employees live there than work. In the district of Steinfurt the workplace centrality is currently 0.87 – so fewer people work in the region than live there.

Job centrality



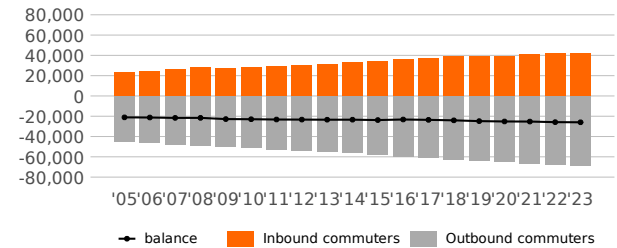
Data source: Statistics of Bundesagentur für Arbeit empirica regio

Commuters

The commuter statistics of the Federal Employment Agency compare the reported place of work with the place of residence of the employees, but do not take into account whether employees actually work regularly at the employer. The volume of commuters (sum of inbound and outbound commuters) has increased between the years 2018 und 2023 by 8.7% to around 8,820 people. In total, approximately 42,210 people commuted in 2023 to work in the district of Steinfurt, which amounts to approximately 3,450 employees (8.9%) more than 2018. The number of outbound commuters has also risen. Around 68,160 employees

with residence in the district of Steinfurt had their place of employment outside the district of Steinfurt. This is around 5,370 (8.6%) more people than in 2018. Overall the district of Steinfurt has a current commuter deficit of -25,959. In the year 2018 the commuters balance was -24,042.

Inbound commuter, outbound commuter & net commuting Steinfurt (district)

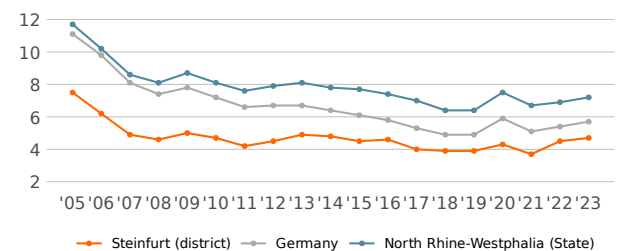


Data source: Statistics of Bundesagentur für Arbeit empirica regio

Unemployment

The unemployment rate describes the degree of unemployment in a region. This is the unemployment rate of registered unemployed persons who are entitled to citizens' benefit under Book II of the Social Code (until 2022: unemployment benefit II, colloquially also known as "Hartz IV") or under Book III of the Social Code (unemployment benefit). The basic population is the number of civilian labour force, which includes all employed, self-employed or assisting persons as well as all job seekers.

Unemployment rate according to SGB II und SGB III in percent



Data source: Statistics of Bundesagentur für Arbeit empirica regio

In the district of Steinfurt the unemployment rate (SGB II and SGB III) currently amounts to 4.7%. That is 0.8 percentage points more than in the year 2018. Compared to the rest of Germany, the district of Steinfurt currently has a value of 82.5 (Germany = 100), so the unemployment rate is comparatively high.

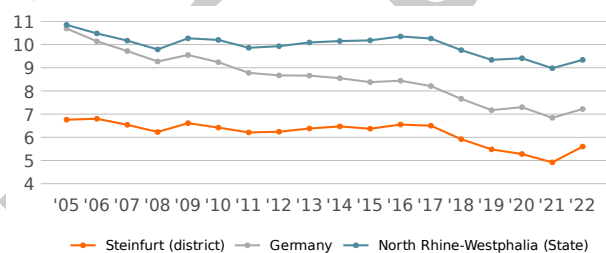
4 Social Security

The economic boom before the COVID 19 pandemic has led to a decline of the number of recipients of social assistance benefits under the German Social Code Book II (SGB II). There are major regional differences in this context. The figures have fallen particularly sharply in Eastern Germany, while there has also been an increase in some western German regions. By contrast, the number of recipients of benefits under Social Code Book XII (SGB XII) has risen continuously. This covers a wide range of benefits, such as basic income support in the event of reduced earning capacity, basic income support at old age, and ongoing assistance to living expenses. The recognition of households with a refugee background can significantly increase the number of recipients of basic security benefits in the short term. This effect is sometimes only temporary.

Households receiving benefits

Households in which one or more people receive benefits under SGB II are referred to as households receiving benefits ("Bedarfsgemeinschaften"). However, other household members may also receive income from gainful employment or also receive social benefits (according to SGB II or SGB XII).

Ratio of households receiving benefits (SGB II) to households in percent



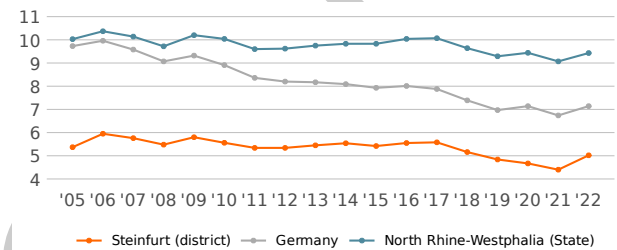
Data source: calculated by empirica regio; Statistics of Bundesagentur für Arbeit; Statistische Ämter des Bundes und der Länder, Deutschland, 2018-2024, Data licence by-2-0; Census 2011: © Statistische Ämter des Bundes und der Länder, 2014 empirica regio

In the district of Steinfurt the share of households that receive benefits in year 2022 was 5.6%. The ratio has declined from 2017 to 2022 by around 0.9%-points.

People in households receiving benefits

The statistics of people entitled to benefits according to Social Code Book II (SGB II) roughly distinguish between people capable of working and people incapable of working. The second group mainly comprises of children and young people under the age of 15. In addition, there are people who cannot work due to illnesses or disabilities.

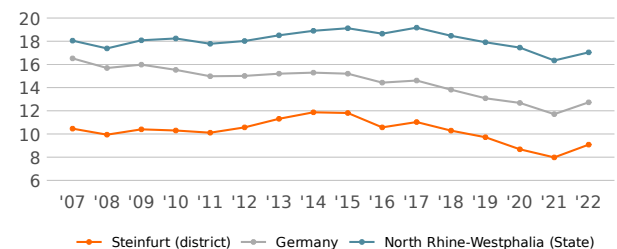
Share of employment-eligible beneficiaries (SGB II) among 15- to under 65-year-olds in percent



Data source: Statistics of Bundesagentur für Arbeit; Statistische Ämter des Bundes und der Länder, Deutschland, 2018-2024, Data licence by-2-0 empirica regio

In the district of Steinfurt the share of employment-eligible beneficiaries in the year 2022 stood at 5% of the whole 15- to under-65 age group. This proportion has declined in the last five years by approximately 0.6%-points.

Share of people under 15 in households receiving benefits (SGB II) as a percentage of the population under 15 in percent



Data source: Statistics of Bundesagentur für Arbeit; Statistische Ämter des Bundes und der Länder, Deutschland, 2018-2024, Data licence by-2-0 empirica regio

The share of under 15-year-olds in needy households was most recently 9.1%. Compared to the previous five years this has declined by 1.9%-points.

Note

Persons who are eligible for benefits are those who have reached the age of 15, are capable of work, are in need of assistance and have their habitual residence in Germany (para. 7 SGB II). Persons who are not capable of working for the foreseeable future as a result of illness or disability, and who are able to work for at least three hours a day under the usual conditions of the general labour market, are deemed to be capable of gainful employment (para. 8 SGB II).

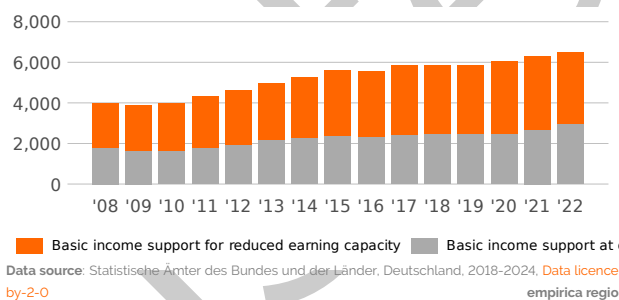
Persons within a household receiving benefits who are not yet of working age (under 15 years of age) are called non-working dependents.

Beneficiaries under SGB II are often used as a proxy indicator of poverty, especially child poverty.

Basic income support

People who have reached the age limit of the SGB II (retirement age) and cannot support themselves receive support in the form of basic income support, which is intended to cover the socio-cultural subsistence minimum.

Recipients of basic income support for reduced earning capacity und basic income support at old age Steinfurt (district)



Basic income support is also paid to people who have permanently stopped working due to reduced earning capacity. Basic income support at old age is often used as a proxy indicator for old-age poverty because it covers all people whose pensions and assets are below the

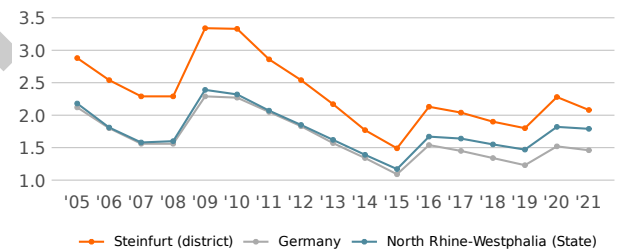
so-called standard needs. The number of recipients of basic income support, especially at old age, has been rising slightly for years.

In the last five years, it has been observed that these figures have also risen in the district of Steinfurt. In the year 2022 there were around 6,500 basic income support recipients. The share of basic income support recipients at old age in this group was around 50%.

Housing allowance

Housing assistance helps low-income households finance adequate housing. It is provided to enable lower-income households with incomes above the basic income support level to meet their housing costs. The number of housing subsidy households increases sharply after a housing subsidy reform – as it did most recently in 2009 and 2020. In subsequent years, the number of housing assistance households typically declines steadily again. This was due to the fact that the parameters of the Housing Subsidy Act ("Wohngeldgesetz") were not linked to macroeconomic developments until 2021.

Share of housing allowance households in all households



Data source: calculated by empirica regio; Statistische Ämter des Bundes und der Länder, Deutschland, 2018-2024. Data licence by-2-0; Census 2011: © Statistische Ämter des Bundes und der Länder, 2014 empirica regio

The housing allowance for the year 2021 in the district of Steinfurt was granted to 3,980 households. Of these, approximately 89% of households received a rent subsidy. The remaining households received an encumbrance subsidy for the purchase of property. The share of housing allowance households among all households in the district of Steinfurt for the year 2021 was around 2.1%.

5 Housing demand

Demand in the housing market depends primarily on the level and the dynamics of the number of households, which in turn is determined by net migration and natural population trends (births and deaths).

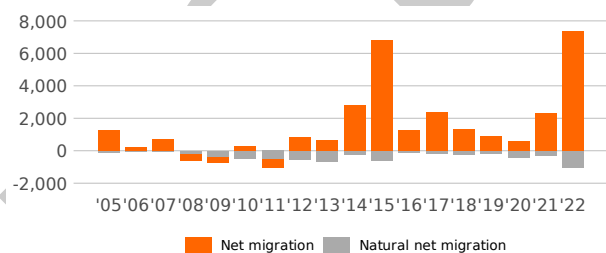
Note

Population inflows or outflows are not recorded if births, deaths or migration cases are not included in the statistics. Thus, omitted departures or registrations lead to a distortion in the population data living in Germany. As a result, there may be discrepancies between the population change and the overall balance (migration and natural population balance). The population update is currently based on the 2011 census. empirica regio has adjusted the data for deviations from the update prior to the last census.

Population evolution

Since 2017, the resident count in the district of Steinfurt has grown approximately by 1,980 people per year. Presently, 9,900 more people live in the district of Steinfurt than in 2017. That is an increase of 2.2% in this period.

Net migration and natural net migration Steinfurt (district)



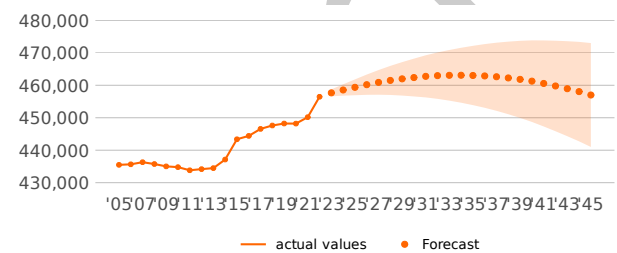
Data source: Statistische Ämter des Bundes und der Länder, Deutschland, 2018-2024, Data licence by-2-0 empirica regio

As a result of inbound and outbound migration, the population has grown by around 12,460 people since 2018. The net balance between births and deaths has led to a decrease in resident count by 2,240.

Population forecast

empirica calculates the population forecast on the basis of the regionalized forecasts of the federal states. The empirica population forecast is thus a result-oriented combination of existing regional forecasts. In our view, the latter show more plausible regional developments than other currently existing forecasts on the district level.

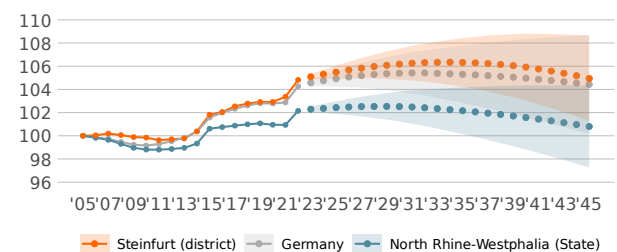
Number of residents & forecast Steinfurt (district)



Data source: empirica population forecast 2024, base year 2022; Statistische Ämter des Bundes und der Länder, Deutschland, 2018-2024, Data licence by-2-0 empirica regio

Three scenarios are calculated in the empirica forecasts. In all three scenarios, net immigration flattens out until 2033 and then remains constant. However, the level of net immigration differs depending on the scenario. The upper scenario assumes labour market-oriented immigration as well as recurring refugee immigration.

Relative resident population evolution Index (2005=100)



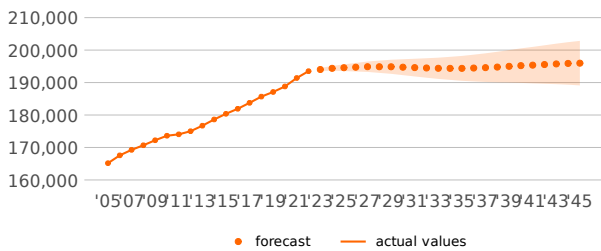
Data source: empirica population forecast 2024, base year 2022; Statistische Ämter des Bundes und der Länder, Deutschland, 2018-2024, Data licence by-2-0 empirica regio

Currently, there are 456,460 residents in the district of Steinfurt. Our forecast till the year 2045 shows a increase of the resident population by around 540 people (0.1%) in the medium scenario as compared to the baseyear 2022.

Household evolution and forecast

The number of households was around 193,500 in 2022. In a five-year comparison, the number of households has increased by 9,750 or approximately 5.3%. The future number of households is calculated using age-specific household headship ratios based on the empirica population forecast. We expect an increase in the number of households by around 2,470 (1.3%) till the year 2045 compared to the baseline year 2022.

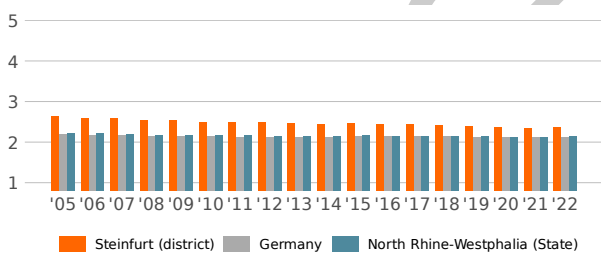
Number of households & forecast Steinfurt (district)



Data source: empirica household forecast 2024, base year 2022; Statistische Ämter des Bundes und der Länder, Deutschland, 2018-2024. Data licence by-2-0 empirica regio

The average household size in the district of Steinfurt in the last five years has fallen. As the average people per household in the year 2017 stood at 2.43, the present household average is 2.36 people per household.

Average household size



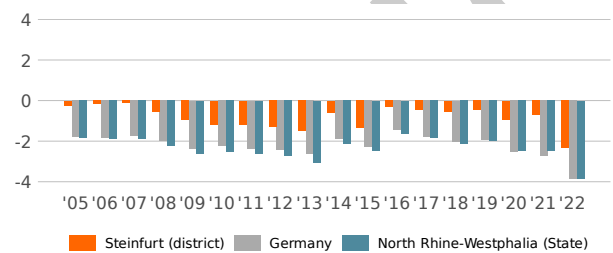
Data source: calculated by empirica regio; Statistische Ämter des Bundes und der Länder, Deutschland, 2018-2024, Data licence by-2-0; Census 2011: © Statistische Ämter des Bundes und der Länder, 2014 empirica regio

As compared to the rest of Germany, the district of Steinfurt has the value of 110.6 (Germany = 100). Hence, the average household size is comparatively high.

Natural population movement

The evolution of the number of inhabitants depends partly on the natural population balance. In most regions of Germany, however, this balance has been negative for years as the number of deaths surpasses the number of births. Only few cities with large migration surpluses among young people register a surplus of births. The natural net population migration (per 1,000 residents) in the district of Steinfurt is -2.3.

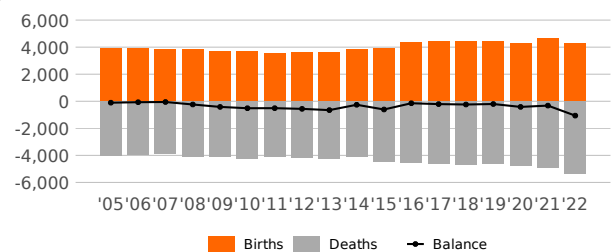
Natural net migration (per 1,000 residents)



Data source: Statistische Ämter des Bundes und der Länder, Deutschland, 2018-2024, Data licence by-2-0 empirica regio

In the district of Steinfurt there were 4,309 births in the year 2022. That were 108 births (2.4%) less than 2017. The births in the year 2022 are countered by 5,371 deaths. As compared to the year 2017, the number of deaths increased by 744 (16.1%).

Births, deaths & natural net migration Steinfurt (district)



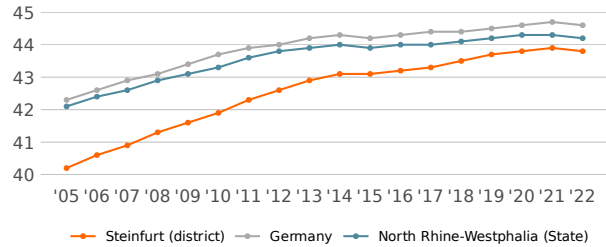
Data source: Statistische Ämter des Bundes und der Länder, Deutschland, 2018-2024, Data licence by-2-0 empirica regio

In total the natural net migration summed up to -1,062 people in the present and -210 in the year 2017 in the district of Steinfurt.

Age structure

The average age in the district of Steinfurt is around 43.8 years and is 0.5 years higher than five years ago. As compared to Germany the district of Steinfurt stands at 98.3 (Germany = 100), so the average age is average.

Evolution of the average age in years

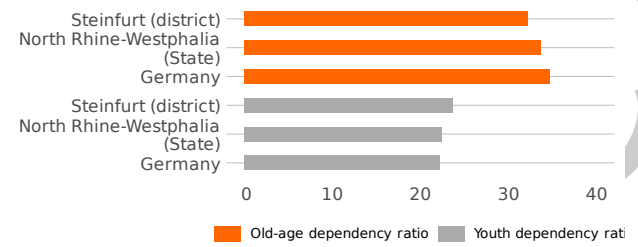


Data source: Statistische Ämter des Bundes und der Länder, Deutschland, 2018-2024. Data licence by-2-0 empirica regio

The youth dependency describes the ratio of the number of young people (to under 15 years of age) to the number of people of working age (15 to under 65 years of age). The old-age dependency ratio, on the other hand, describes the ratio of people aged 65 and older to the number of people of working age. These indicators are often interpreted as measures of the burden on the labour force, as they describe the ratio of the eco-

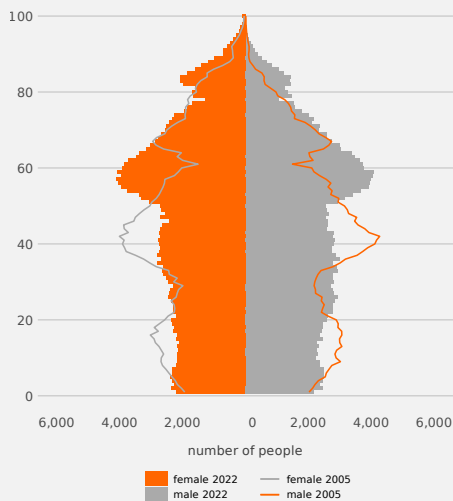
nomically inactive to the potentially economically active population. However, this interpretation is limited as the actual working population cannot be determined by age alone.

Youth & old-age dependency (2022)



Data source: Statistische Ämter des Bundes und der Länder, Deutschland, 2018-2024. Data licence by-2-0 empirica regio

The old-age dependency ratio in the district of Steinfurt in the year 2022 was 32.2, the youth dependency ratio was lower at 23.6. As compared to the rest of Germany, the old-age dependency ratio in the district of Steinfurt is 92.8 (Germany = 100). The youth quotient is 106.2 (Germany = 100). So the old-age dependency ratio is comparatively low, the youth dependency ratio is rather high.



Data source: Statistische Ämter des Bundes und der Länder, Deutschland, 2018-2024. Data licence by-2-0

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Population pyramid in Steinfurt (district)

The population pyramid shows the age distribution of a region. The term originated because the youngest cohorts, which form the 'bottom' of the graph, originally provided most of the representatives and the number of members of a cohort decreased with increasing age. Even though the age structure in Germany has long since moved away from the original age pyramid due to reduced mortality (mortality or death rate), increased life expectancy and a lower birth rate, this term is still commonly used.

Migration

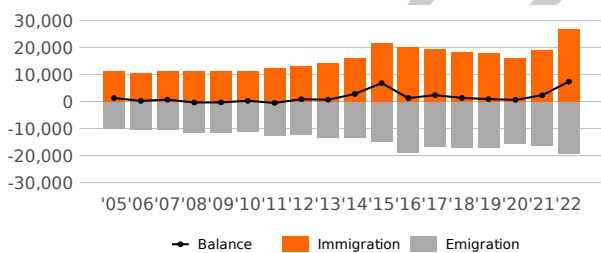
Population evolution is strongly linked to a region's net migration. However, positive net migration does not necessarily reflect a sustainable population growth of a region. If the migration gains come mainly from the surrounding regions, while inhabitants migrate beyond the region, this tends to indicate that the region will soon be shrinking, since future population gains depend on the (unsustainable) depopulation of the surrounding area.

Note

The surrounding area defined here includes all districts that directly border The district of Steinfurt. This delimitation may be incomplete if the interconnections of a region extend beyond the neighbouring districts.

Future migration gains are also subject to uncertainty if immigration from abroad dominates. Migration flows across the federal border depend on a variety of socio-economic and legal circumstances and can therefore end as quickly as they began.

Immigration, emigration & net migration Steinfurt (district)



Data source: Statistische Ämter des Bundes und der Länder, Deutschland, 2018-2024. Data licence by-2-0 empirica regio

A positive migration balance, which is mainly the result of population gains from other regions in Germany, coupled with stable immigration from abroad, suggests future population gains. Such "swarm cities" attract people from all regions of Germany, so the migration flows are relatively robust.

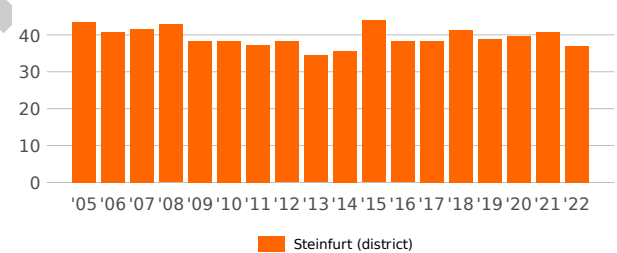
In the district of Steinfurt the net migration balance is around 7,350 people. Hence, the balance is 4,990 people higher than the value five years prior. In total, around 26,730 people moved in the year 2022 to the district of Steinfurt, which is approximately 7,450 (38.6%) more than in the year 2017. The emigration count has increased, too. Around 19,380 people have emigrated from the district of Steinfurt, which is 2,460 (14.6%) more than in the year 2017.

The district of Steinfurt shows a net positive balance of 16.1 people per 1,000 inhabitants. This consists of a negative balance with the surrounding region (0.73 people), a positive balance with the rest of Germany (4.88 people) and a positive balance with foreign countries (11.96 people).

Migration correlations

The coverage shows the proportion of districts in Germany from which the district of Steinfurt gains population. Over time, the range provides information on the evolution of the "popularity" of a district in a comparison within Germany.

Coverage of intra-German migration gains in percent



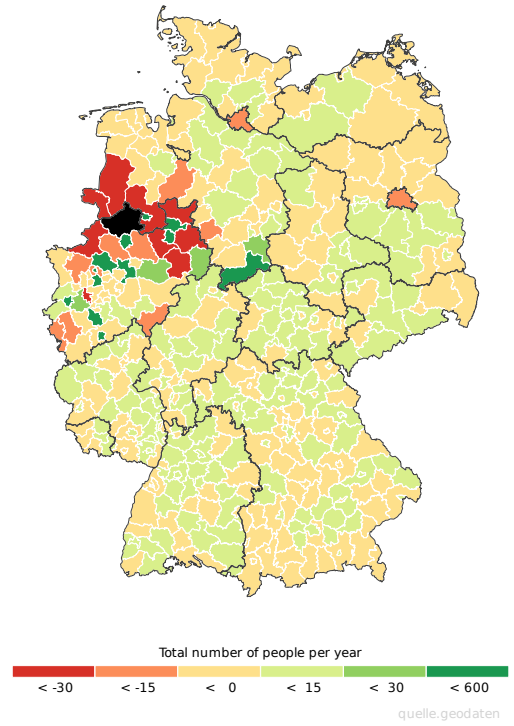
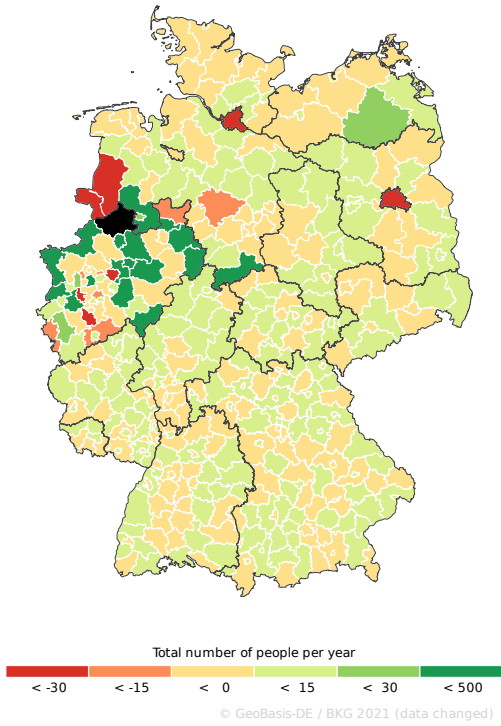
Data source: Statistische Ämter des Bundes und der Länder, Deutschland, 2018-2024. Data licence by-2-0 empirica regio

The current coverage of migration gains for the district of Steinfurt shows migration gains of 36.9% compared to the other 399 districts (whereby the individual districts were weighted according to their population size) in the year 2022. In a five-year comparison, the range in the district of Steinfurt has contracted by 1.4 percentage points.

Total net migration between Steinfurt (district) and other districts of Germany

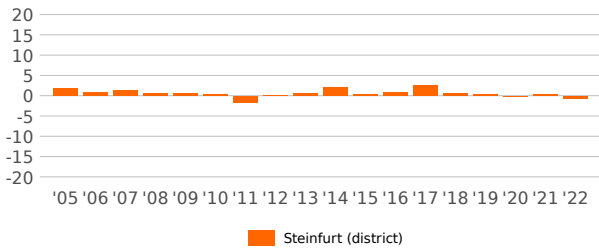
Ø 2015 – 2017

Ø 2020 – 2022

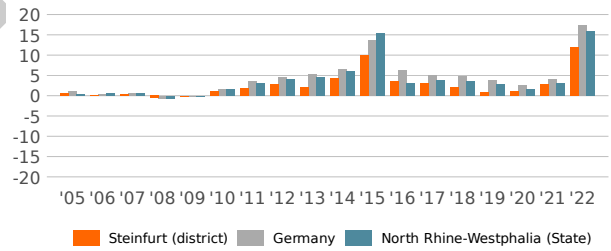


Net migration between Steinfurt (district) and ...

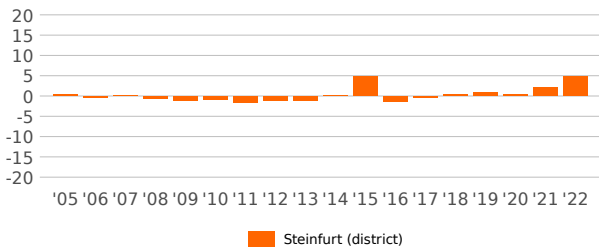
... the surrounding region, per 1,000 inhabitants



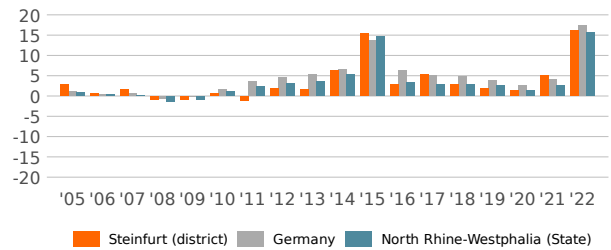
... from abroad, per 1,000 residents



... the rest of Germany, per 1,000 inhabitants



Total, per 1,000 inhabitants



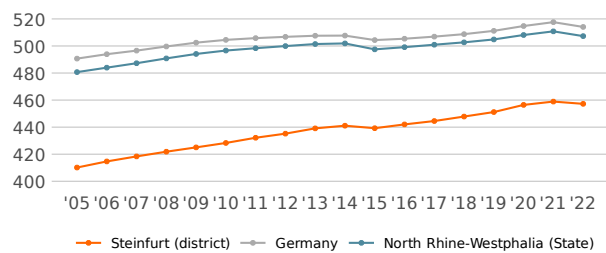
Data source: Statistische Ämter des Bundes und der Länder, Deutschland, 2018-2024, Data licence by-2-0

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6 Housing supply

Fewer or more inhabitants do not automatically mean less or more demand for housing because this demand is determined by the number of households. Strictly speaking, a comparison between housing supply and demand would require the number of dwellings to be set in relation to the number of households. However, since household figures are not available in official statistics across the entire country, many established indicators in housing statistics refer to the population.

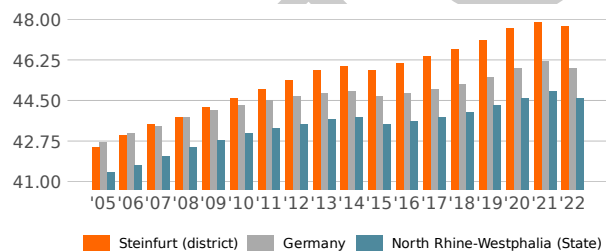
Apartments per 1,000 inhabitants



Data source: Statistische Ämter des Bundes und der Länder, Deutschland, 2018-2024. Data licence by-2-0 empirica regio

There are currently around 457 apartments per 1,000 inhabitants in the district of Steinfurt. This is a change of 2.9% over the past five years.

Living space per resident in m²



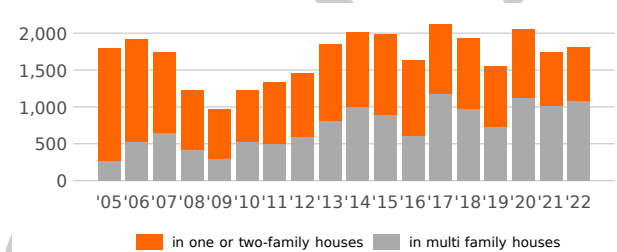
Data source: Statistisches Bundesamt (Destatis), 2018-2024. Data licence by-2-0 empirica regio

The average living space per resident in the district of Steinfurt is currently 47.7 m². The living space per capita has changed by +1.3 m² in the last five years. Compared to the rest of Germany, the current value of the district of Steinfurt is at 104 (Germany = 100). The average living space per resident is thus comparatively high.

New building supply

In growing regions the supply of new buildings usually does not keep pace with the growth in demand. In shrinking regions new buildings are often no longer necessary in purely quantitative terms. If the preferences of households cannot be satisfied in the existing stock, e.g. due to a lack of modernisation, this leads to qualitative additional demand. In this case, new construction is necessary even if the demand decreases quantitatively.

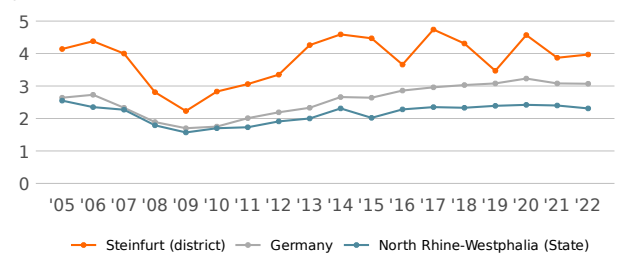
Completed housing (new building) Steinfurt (district)



Data source: Statistische Ämter des Bundes und der Länder, Deutschland, 2018-2024. Data licence by-2-0 empirica regio

In the year 2022 a total of 1,813 new apartments were constructed in the district of Steinfurt which is 305 less completions than there were five years ago. Compared to the total population about 4 new apartments were constructed per 1,000 inhabitants in 2022.

Completed houses (new building) per 1,000 inhabitants



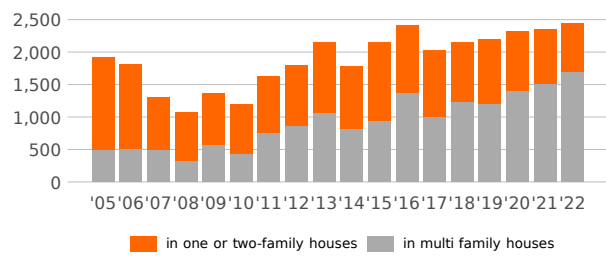
Data source: Statistische Ämter des Bundes und der Länder, Deutschland, 2018-2024. Data licence by-2-0 empirica regio

The number of completed apartments in apartment buildings fell by 98 and is now at 1,073 apartments in 2022. In single- and two-family houses 207 less houses were completed than 2017. Most recently, 740 houses were completed.

Building permits

In contrast to completions, the number of building permits has increased over the last five years. In total 2,449 new housing units were certified in 2022. This is equivalent to 418 more apartments as compared to that in year 2017. Recently, 1,681 apartments in multi family houses were permitted, whereas building permits for single-family and two-family houses were 768 below that.

Building permits (new building) Steinfurt (district)



Data source: Statistische Ämter des Bundes und der Länder, Deutschland, 2018-2024. Data licence by-2-0 empirica regio

Note

The number of all completed/approved apartments only includes new apartments in residential buildings. Completions/permits in non-residential buildings are not included here.

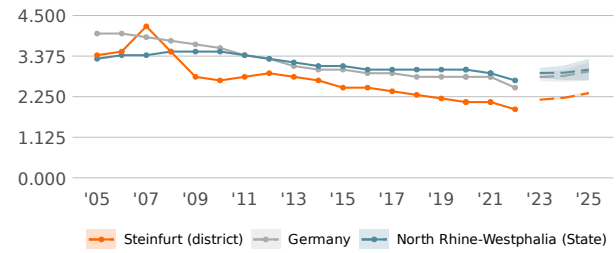
Vacancy rate

The vacancy trend reflects the increasingly heterogeneous structure of regional housing markets in Germany. The regional growth centres are characterised by falling housing vacancy rates and rising housing demand. However, this does not only affect the larger cities and the West. Rather, people are moving primarily to areas where there are attractive or new jobs. In contrast, demand for housing is falling in the regions where people are moving away.

The CBRE-empirica vacancy index only surveys the subsegment of market-active vacancies. These are vacant apartments in multi family buildings that are immediately available, as well as vacant apartments that are

not currently available for rent due to defects, but which could be activated within six months.

Market active vacancy rate & forecast, in percent

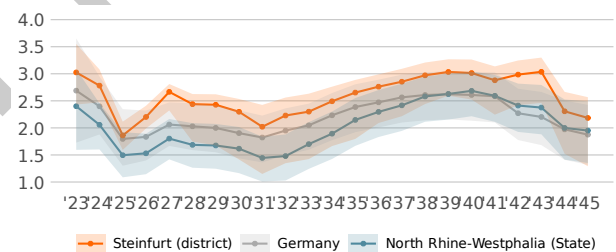


Data source: CBRE-empirica-vacancy-index, Prognose ab 2023 empirica regio

The vacancy rate in the district of Steinfurt in the last five years has decreased approximately by 0.5 percentage points. The present vacancy rate is 1.9%. Till the year 2025, we expect a rise in the vacancy rate to approximately 2.3% if construction activity continues and the population dynamics follow our forecasts.

Future demand for new buildings

New building demand forecast housing units per 1,000 inhabitants p.a.



The points represent the actual completions per 1,000 residents. Data source New completions: Statistische Ämter des Bundes und der Länder, Deutschland, 2018-2024, Data licence by-2-0 Data source new building demand: empirica housing market forecast 2024/25, base year 2022 empirica regio

The demand forecast is a combination of a quantitative and qualitative additional demand. The quantitative additional demand is largely determined by future demographic developments. The qualitative additional demand takes into account the fact that the quality requirements of residents often cannot be met in the existing stock and that additional new building is therefore necessary.

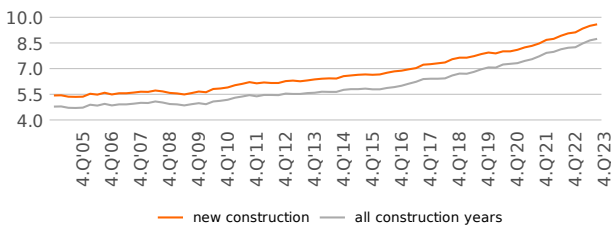
7 Real estate prices

This chapter presents *advertized* rental and purchase prices. In the case of rental apartments, such advertised prices usually closely correspond to the actual agreed-upon rental price. In the case of purchase prices, however, the actually agreed upon purchase price also depends on the negotiating power of buyer and seller and may deviate from the advertised price.

Real estate price evolution

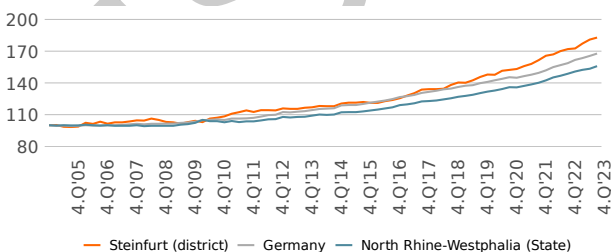
The rent level (all construction years) in the district of Steinfurt in 4.Q'23 stands at 8.74 €/m². Compared with the previous-year quarter (4.Q'22) the rents have undergone an increase of 6.3%. In the last five years there was an increase of 32.4%.

Rental prices for rental apartments in €/m² (net cold) Steinfurt (district)



Compared to the rest of Germany, the average rent price in the district of Steinfurt is at 88.9 (Germany = 100). Hence, the rental price level of all construction years is comparatively low.

Rental prices for rental apartments (all construction years) index (1st quarter 2005=100)



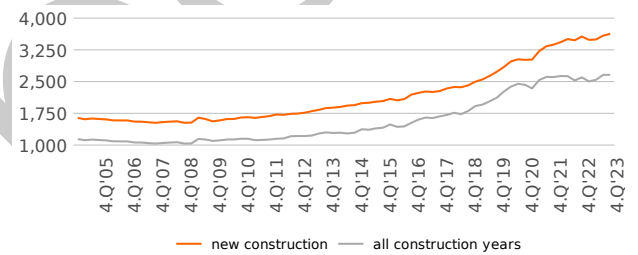
Rents of newly built apartments currently stand at 9.59 €/m². They are 5.8% higher than in the previous-year quarter and 27% higher than five years ago.

Note

In this chapter, nominal quality-adjusted prices (hedonic prices) are shown for an apartment (house) with 60-79m² (125m²), with a year of construction within the last ten years (new construction) or all years of construction, as well as with upscale equipment. Data source: [VALUE market data](#) / until 2011: IDN ImmoDaten GmbH.

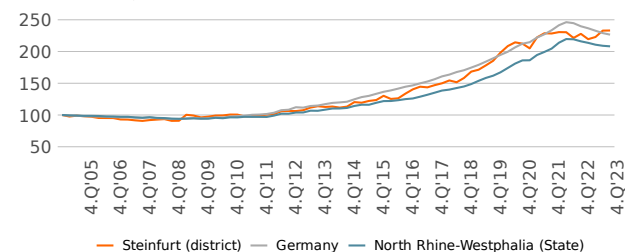
The purchase price of condominiums (all construction years) in 4.Q'23 is 2,660 €/m². Compared with the previous-year quarter (4.Q'22) the average purchase price has increased by 2.3%. In the last five years, the prices have increased by 47.3%.

Purchase price of condominiums in €/m² Steinfurt (district)



Compared to the rest of Germany the average purchase price of the district of Steinfurt is currently at 84.1 (Germany = 100).

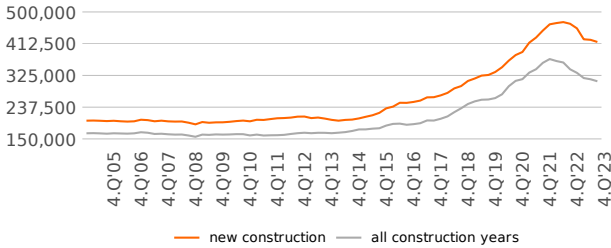
Purchase price of condominiums (all construction years) Index (1st quarter 2005=100)



The purchase prices for newly constructed apartments currently stand at 3,630 €/m². They are 1.8% higher than in the prior-year quarter and 50.5% higher than five years ago.

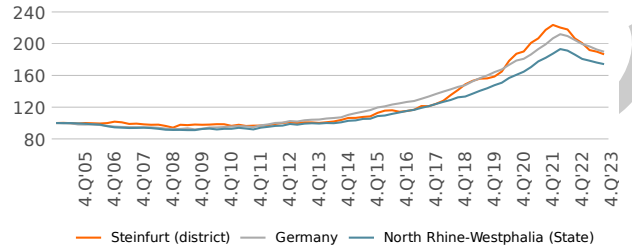
The purchase price level for single and two-family houses with a living space of 125 m² (all construction years) in the district of Steinfurt in 4.Q'23 is at 309,000 €/house. Compared with the previous-year quarter (4.Q'22) the purchase prices have decreased by 9.7%. In the last five years, the purchase price level has risen by 31.8%.

Purchase price for single family house in €/house Steinfurt (district)



The purchase prices for newly built single family houses are currently at 417,000 €/house. They are 10.7% lower than in the previous-year quarter and 41.1% higher than they were five years ago.

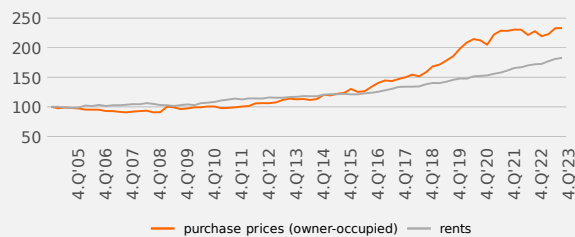
Purchase price for single family houses (all construction years) Index (1st quarter 2005=100)



Real estate prices and interest rate evolution

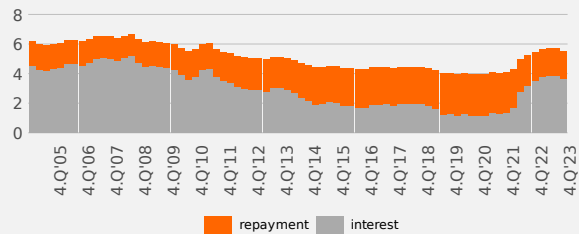
In the long term, rental and purchase prices on housing markets should follow the same trend. Deviations from this are caused, for example, by the fact that rental prices are politically controlled (rent control) or demand for house ownership skyrockets due to low interest rates or a lack of alternative investments.

Relative evolution of purchase prices (self owned houses) & rents Index (1st quarter 2005=100) Steinfurt (district)



However, if the associated price increase is no longer fundamentally justified and is not reflected in rents, yields will fall and, in the worst case, there is a risk of a real estate bubble.

Interest & repayment for a loan term of 30 years in percent



Data source: Deutsche Bundesbank

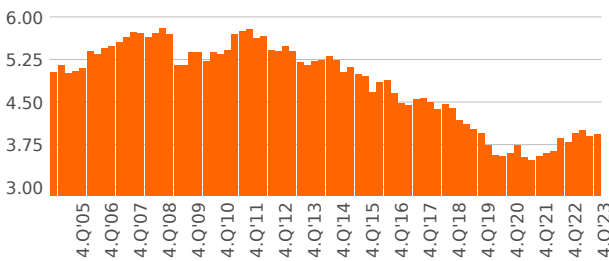
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In fact, interest rates for housing loans have fallen sharply in recent years and a trend towards concrete assets has set in due to lack of lucrative investment opportunities. As a result, purchase prices for owning a house have risen much more sharply than rents in many places. However, a sharp rise in interest rates has been observed since 2022, making loans more expensive and real estate financing more difficult at the current high price level. As a result, demand for residential property is falling and price reductions can be observed in advertised purchase prices in some segments and regions.

Gross initial rate of return

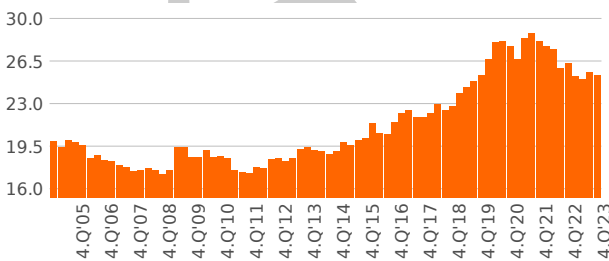
The gross initial rate of return reflects the relationship between the initial rental income and the purchase price of the rented apartment. Since very few of the apartments advertised for sale include current rental income in addition to the purchase price, the mean quality-adjusted rental price of all rental apartments is set here in relation to the mean quality-adjusted purchase price of all condominiums (cf. multiplier), and its reciprocal is the yield. However, this yield may be distorted if advertised rental and purchase properties in the corresponding region differ very significantly in terms of quality. Hence, strictly speaking it is a "pseudo yield".

Gross initial rate of return in percent Steinfurt (district)



The ratio of quality-adjusted rents and purchase prices of a comparable apartment in these figures shows the annual rent/purchase price (yield) or purchase price/annual rent (multiplier) for 60-79m², all years of construction and upscale amenities.

Multiplier Steinfurt (district)

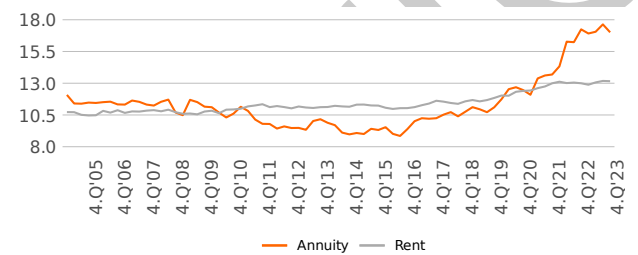


The multiplier of 25 in 4.Q'23 indicates that the average purchase price of a apartment in Steinfurt (district) is 25-times the corresponding average annual rent. The corresponding gross initial rate of return in this case is 3,9 %.

Affordability

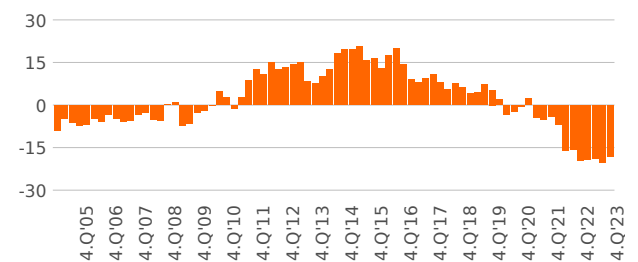
The annual annuity is composed of interest and repayment for a given gross purchase price (including incidental purchase costs of 15%, excluding renovation costs). In addition, an equity ratio of 20 % in relation to the gross purchase price for the loan charge and a loan term of 30 years is assumed. The annuity burden is derived from the ratio of the annuity p.a. to the median regional net household income.

Annuity/rent as percentage of income Steinfurt (district)



The rent burden is determined by setting the regional annual rent (net cold) of a 80m² apartment in relation to the average regional annual income. The annual rent excludes the ancillary costs and the housing allowance for condominiums.

Floor space advantage (Self owned houses) in m² Steinfurt (district)



Data source Annual income: Arbeitskreis "Volkswirtschaftliche Gesamtrechnungen der Länder"; Statistisches Bundesamt (Destatis), 2018-2024. Data licence by-2-0; Statistische Ämter des Bundes und der Länder, Deutschland, 2018-2024. Data licence by-2-0

Data source Zins: Deutsche Bundesbank

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Negative values indicate the area a typical household would have to give up if it wanted to buy a apartment whose annuity burden should not be higher than the rent burden of a comparable apartment. A positive area advantage indicates that the household could increase its apartment size.

Premiums and discounts for rents and purchase prices

In this chapter, so-called hedonic prices are presented. They are calculated with a regression model that takes changes in quality into account, as the respective advertised housing supply in a region can differ over time. The regression model allows the influence of individual property characteristics on the rent or purchase price to be considered individually. The prices calculated in this way refer to a specific reference property that remains unchanged over time. In the case of the calculated rents, the reference property is, for example, a flat in normal condition, with good furnishings, 60-80m² of space and a year of construction from 2010.

Since each property characteristic can be considered individually, it is possible to calculate premiums and discounts for objects with characteristics other than those of the reference object. These premiums and discounts are shown in the following tables.

The figures shown in the table refer to a reference flat with the characteristics mentioned: **normal condition, good equipment, 60-80m² floor space, year of construction from 2010**. For such a reference flat, the rent is 9.59 €/m². For flats in good condition but with otherwise identical properties, the model calculates a price of 9.59 + 0.82 = 10.41 €/m². If the flat was not built in the 2010s but in the 1980s, the calculated rent is reduced by -1.26 €/m². The rent is then 9.59 + 0.82 + -1.26 = 9.15 €/m².

The figures shown refer to a **reference flat with a rent of 9.59 €/m²** in normal condition, with good equipment, 60-80m² area and a year of construction from 2010.

Premiums and discounts for rental flats in Steinfurt (district) im 4.Q'23.

Condition		poor	normal	good		
		-0.64 €/m ²	reference	+0.82 €/m ²		
Equipment		simple	normal	good	high-quality	
		-0.64 €/m ²	-0.69 €/m ²	reference	+0.64 €/m ²	
Floor space	up to 20m ²	20 - 40m ²	40 - 60m ²	60 - 80m ²	80 - 100m ²	over 100 m ²
	+3.01 €/m ²	+1.67 €/m ²	+0.42 €/m ²	reference	-0.14 €/m ²	-0.4 €/m ²
Year of construction	before 1900	1900 - 1949	1950 - 1959		1960 - 1969	1970 - 1979
	-0.64 €/m ²	-0.78 €/m ²	-1.76 €/m ²		-1.62 €/m ²	-1.76 €/m ²
	1980 - 1989	1990 - 1999	2000 - 2009	from 2010		
	-1.26 €/m ²	-1.41 €/m ²	-1.1 €/m ²	reference		

The figures shown refer to a **reference condominium with a purchase price of 3,629 €/m²** in normal condition, with good equipment, 60-80m² floor space and a year of construction from 2010.

Premiums and discounts for condominiums in Steinfurt (district) in the 4.Q'23.

Condition		poor	normal	good		
		-417 €/m ²	reference	+59 €/m ²		
Equipment		simple	normal	good	high-quality	
		-124 €/m ²	-121 €/m ²	reference	+296 €/m ²	
Floor space	up to 20m²	20 - 40m²	40 - 60m²	60 - 80m²	80 - 100m²	over 100 m²
	+413 €/m ²	+435 €/m ²	+111 €/m ²	reference	-8 €/m ²	-81 €/m ²
Year of construction	before 1900	1900 - 1949	1950 - 1959		1960 - 1969	1970 - 1979
	-	-1,219 €/m ²	-1,358 €/m ²		-1,373 €/m ²	-1,512 €/m ²
	1980 - 1989	1990 - 1999	2000 - 2009	from 2010		
	-1,288 €/m ²	-1,074 €/m ²	-743 €/m ²	reference		

The figures shown refer to a **reference object with a purchase price of 3,338 €/m²** in normal condition, with good equipment, 100-150m² living space, detached, with medium plot size, no first occupancy and a year of construction from 2010.

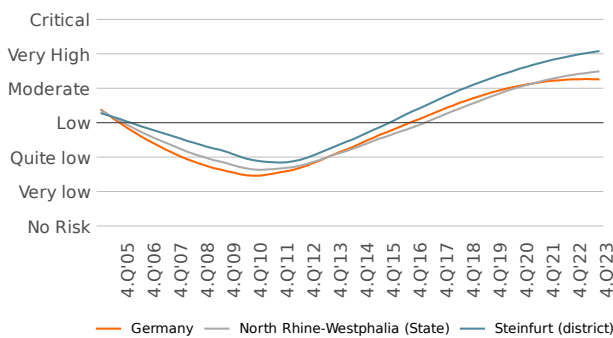
Premiums and discounts for purchase prices of houses in Steinfurt (district) in the 4.Q'23.

Condition		poor	normal	good		
		-148 €/m ²	reference	+129 €/m ²		
Equipment		simple	normal	good	high-quality	
		-193 €/m ²	+38 €/m ²	reference	+152 €/m ²	
Living space		up to 100m²	100 - 150m²	150 - 200m²	over 200 m²	
		+159 €/m ²	reference	-213 €/m ²	-335 €/m ²	
Year of construction	before 1900	1900 - 1949	1950 - 1959		1960 - 1969	1970 - 1979
	-730 €/m ²	-1,336 €/m ²	-1,220 €/m ²		-1,221 €/m ²	-1,090 €/m ²
	1980 - 1989	1990 - 1999	2000 - 2009	from 2010		
	-907 €/m ²	-639 €/m ²	-359 €/m ²	reference		
Typ		Semi-detached house	Detached house	Terraced house		
		-181 €/m ²	reference	-38 €/m ²		
Plot		small plot	medium plot	large plot		
		-145 €/m ²	reference	+415 €/m ²		
Other			no first occupancy	first occupancy		
			reference	+195 €/m ²		

Real estate price bubble

A bubble is defined as speculative price increase that can no longer be justified by the fundamental relationship between supply and demand. What is harmful, however, is not so much the high prices themselves, but rather the resulting exaggerated scarcity of housing supply. As a result, misallocations occur: housing construction and the lending required are boosted excessively, and capital for alternative fixed investments becomes scarce. But a bubble only becomes dangerous when it bursts. Then assets are destroyed because the book values of the properties lose value. Bankruptcies occur and, in the worst case, there is a banking crisis because loan defaults get out of hand.

Real estate bubble risk (new construction)



Data source annual income: Arbeitskreis "Volkswirtschaftliche Gesamtrechnungen der Länder"; Statistisches Bundesamt (Destatis), 2018-2024. **Data licence by-2-0;** Statistische Ämter des Bundes und der Länder, Deutschland, 2018-2024. **Data licence by-2-0**

Data source new apartments: Statistische Ämter des Bundes und der Länder, Deutschland, 2018-2024. **Data licence by-2-0**

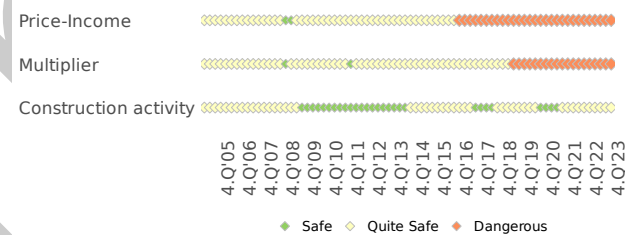
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Unfortunately, the empirica bubble index cannot diagnose a real estate price bubble with certainty either; it can only give *indications* of impending bubble formation and indicate various warning levels for this. To this end, four different indicators are analyzed at the regional level, which sound the alarm when certain threshold values for increases compared to the "bubble-free" reference year of 2005 are exceeded. The thresholds are regionally adjusted in order to include locally typical pecu-

liarities. This result, among other things, from location-specific housing qualities or expectations regarding future housing demand.

The empirica bubble index is based - because of the locally different initial situation - on the analysis of increases in various indicators and not on exceedence of absolute thresholds. However, one can use comparative countries with past price bubbles to get an idea of the absolute values typically behind price bubbles. In Spain and Ireland a bubble burst in 2006/07, as evidenced by a fall of house prices relative to GDP by 4.6% p.a. in Spain and as much as 10.0% p.a. in Ireland until 2012, according to the OECD. As with every burst bubble, the indications of impending bubble formation could not be ignored. In Spain, a maximum of 15.4 dwellings per thousand inhabitants were completed and outstanding loans for housing construction rose to 63% of GDP. In Ireland, the completion rate was as high as 20.9 dwellings and the debt ratio was 72%.

Real estate bubble risk (new construction), individual indicators



Data source annual income: Arbeitskreis "Volkswirtschaftliche Gesamtrechnungen der Länder"; Statistisches Bundesamt (Destatis), 2018-2024. **Data licence by-2-0;** Statistische Ämter des Bundes und der Länder, Deutschland, 2018-2024. **Data licence by-2-0**

Data source new apartments: Statistische Ämter des Bundes und der Länder, Deutschland, 2018-2024. **Data licence by-2-0**

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In contrast, the signs in Germany are more of an easing. After a longer period of tension in which demand could not yet be satisfied, the signs are currently pointing to a decline in the danger of a bubble. In the district of Steinfurt overall, there are currently at best only slight signs of a bubble risk .

Disclaimer

The results and calculations presented in this report are based on the data from the regional database of empirica regio as of February 03, 2024 and have been analysed to the best of our knowledge and with the necessary care. A guarantee for the factual accuracy is only given for information and data within the scope of the usual duty of care. A guarantee for the factual correctness for data and facts from third parties is not to be assumed. The interpretation and evaluation of the information is the responsibility of the reader.

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