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**Acceptance of publicly assisted affordable  
rental housing in German society  
[Advanced research in marketing]**

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Advanced research in marketing

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Acceptance of publicly assisted affordable rental housing in German society

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## 1 Introduction

The issue of housing is more topical than it has ever been. Affordable housing is lacking in many German cities. The federal government is pursuing the goal of creating 400,000 flats in Germany every year to curb dwelling shortages. In 2022, the number of construction completions for new buildings stagnated at 295,300 (Deutsche Bundesbank, 2023). Experts are of the opinion that the targets will not be met this year, nor in the years ahead. In fact, according to an estimate published by the ifo - Institute for Economic Research, the number of annual completions per year is set to fall to as low as 175,000 by 2025 (Dorffmeister, 2023).

With rising construction costs, rising land prices, and rising interest rates, it is not possible for investors to charge rents for new dwellings that are affordable to a large section of society from a yield perspective. Affordable housing is rare in many German cities and municipalities. Over-all, there is no shortage of living space; rather, there is not enough available where the demand for housing is located. There is a distribution problem. Migration from regions with weaker infrastructures leads to vacancies and deterioration in rural areas, while in large cities and conurbations demand can hardly be met and the real estate markets there are caught in a rising cost spiral (e. g. through increase in building land and building material prices). This price spiral leads to high-cost rents for investors in housing. However, households with low- or middle-incomes are financially overburdened by the high share of housing costs called for (cold rent for the flat plus operating and ancillary costs) in their income. To ensure that cities remain socially mixed and that the low- and middle-income population is not displaced to the urban fringes, the federal and state governments step in with subsidies.

The federal and state governments have set oneself the task of increasing the number of affordable housing for low- and middle-income households through subsidy programmes. To achieve this, private investments are made in publicly subsidised housing. Up to now, investments have not been considered very economically viable or attractive, despite the existence of subsidies. The expansion of the promotion programmes and the resulting higher incentive of attractive conditions should convince private investors to invest in affordable housing and not in privately financed rental housing. However, the psychological barrier to investing in affordable housing is substantial. Prejudice prevails and inaccurate information leads to misjudgements by potential investors.

In addition to the concerns and doubts of investors, the population and neighbourhood of affordable housing construction projects have their doubts and fears. The promotion of affordable housing is intended to curb and prevent social segregation in cities. In large parts of the population, there is a fundamental understanding that housing shortages can be reduced through new affordable housing construction. However, there are increasing reservations about affordable housing and there remain many concerns about potential negative impacts

on communities where affordable housing is being developed. People and places who express these concerns are often referred to as the "not-in-my-backyard" syndrome (NIMBY). People are aware that they accept change but do not want to allow it in their immediate neighbourhood. Here it becomes clear that two housing-related issues are relevant to the study. On the one hand, in the case of new housing, there is the concern that the neighbourhood changes associated with the new construction project will have a negative impact due to the loss of green spaces, increased traffic volume and restricted visual relationships. Secondly, there is the fear that new construction of affordable housing will overburden the social infra-structure and lead to a degradation of the urban neighbourhood because of specific fears, including increased crime and poverty, coupled with decreased property values and open space preservation (Scally, 2012, p. 719-720).

The scientific and managerial significance of the expected research result is not to be neglected, as publicly subsidised rental housing stands for a certain corrective in housing construction. In times of growing demand for housing, public awareness and debate are heightened.

## 2 Research questions

Existing studies here refer mainly to America and Europe. A well-founded statement on the understanding and acceptance of affordable housing in Germany is a gap in the research system. Based on this, my research question is decidedly about the new construction of affordable housing and its effect on the population considering the socio-economic situation and social needs in Germany.

The main research question for the following study is:

*How does society deal with new affordable housing and what is the impact on people and society in Germany?*

Questions that then are consequently asked are:

- To what extent is there acceptance of affordable housing?
- Does this vary depending to socio-economic situation, own housing situation, opinions, and attitudes towards housing? (i. e. age, nationality, gender, size of household, professional qualifications)
- What is the impact of influencing factors such as political ideologies, the situation of the housing market and the fields of housing psychology, social and communication psychology?

- What can be done to neutralise or positively shape stigma towards affordable housing? (i. e. reframing, image campaign of federal and state governments, advertisement)

The primary objective of the research is to determine the impact of affordable rental housing on the community and the social goal of creating a dependency that leads to social acceptance. The research aims to contribute to science by examining the perception and significance of new construction rental housing in the price-linked segment from an economic and psychological perspective, and to show workable solutions for a 'reframing' subsidised housing in Germany.

### 3 Research hypotheses

The aim of this study is to investigate the extent to which affordable housing is accepted by the public. The behaviour of residents of affordable housing, the neighbourhood, the population in general, and the policies of federal and state governments regarding affordable housing supply information about the willingness to build such housing and urban planning developments. The consequent objectives are to determine:

- How the framing of affordable housing affects society;
- what significance social status, level of education, and occupation have in this context;
- how social pressure affects a form of construction avoidance; the measurability and determinability of this pressure;
- how the reputation of a resident of affordable housing differs from that of a resident of privately financed housing;
- how a socio-economic mix in housing can be valuable for all social groups and for society as a whole;
- what a political ideology and housing market-related factors influence affordable housing.

Theodore Koebel, Robert Lang, and Karen Danielsen were the first researchers to comprehensively address the concern about the impact of affordable housing. Affordable housing policies are often situated in tension between conflicting assumptions, interests, and fears. Primarily, the dispute stems from several interrelated factors that lead to the NIMBY response, fear of negative impact on one's property value, anti-government and anti-poor sentiments, and segregation. The dispute over affordable housing is not one-sided, meaning that in some cases, concern about negative impacts can be a cover for deeper conflicts about a fair society and the role of government (Koebel, et al., 2014). Their study titled *Community*

*acceptance of affordable housing* examined that communication is a crucial key part in promoting affordable housing in the United States of America. The term “affordable housing” has been stigmatized by failure of earlier housing programs which led to NIMBYism. Among other things, the researchers refer to two national attitudinal surveys which have been conducted on the issue of affordable housing. On the one hand the Fannie Mae Foundation and on the other hand the National Association of Realtors®. The most important finding from both surveys is that attitudes toward affordable housing vary widely across the country. In places where house prices have risen sharply, there is enormous concern while in cooler markets there is much less concern (Koebel, et al., 2014, p. 59).

The study therefore analyses the hypothesis that campaigns and publicity can be used to reframe reservations about affordable housing, and that the image of affordable housing can be affirmed.

*Hypotheses 1 (H1): Reservations about affordable housing can be reframed through image campaigns and public relations work, and the stigma towards affordable rental housing can be positively shaped.*

More recently, Scally (2012) examined the nuances of local not-in-my-backyard attitudes and actions in her study *The Nuances of NIMBY: Context and Perceptions of Affordable Rental Housing Development*. This research investigates the public perceptions behind NIMBY syndrome in attitudes and actions. Six case studies within New York State, U.S. explore local acceptance and rejection of affordable housing development. Interviews with local public, private, and nonprofit organizations participants and an analysis of state, and local housing studies and reports, reveals the influence of local housing legacies, development environments and conditions and perceptions of affordable housing development. As these studies confirm, NIMBY attitudes and actions against affordable housing are highly differentiated and depend on the local environment, development, and circumstances, as well as on the policies and views of society. NIMBY is not a homogeneous public opinion based on consensus but differs according to those affected. Attitudes vary from one place to another and can lead to completely different local attitudes and approaches (Scally, 2012).

It is hypothesised that politics, economic stability of different areas and the view of society affect how affordable housing is valued and assessed.

*Hypotheses 2 (H2): Influencing factors such as political ideologies, the situation on the housing market and the areas of housing psychology, social and communication psychology have an impact on attitudes towards affordable rental housing.*

## 4 Research variables and scales

Through the use of mixed methods (see chapter 5), numerical and non-numerical data is collected in the form of qualitative and quantitative research. In an explanatory design, quantitative research is first conducted to answer the research question. The outcome is then studied in further detail through qualitative research, offering an enhanced and professional perspective on affordable rental housing. The researcher explores the reasons why there is a stigmatization associated with affordable rental housing and, therefore, why this phenomenon is taking place.

The survey uses closed questions to record group membership, including gender, age, level of education, place of residence. Different scales (nominal, ratio and ordinal) are therefore used. The nominal scale ensures that the variables are categorised into different classifications and does not hold a quantitative value. This applies, for example, to the specification of gender, marital status, or place of residence. The ordinal scale is defined as a scale for measuring variables that is used only to represent the order of the variables and not the differences between the individual variables. These scales generally stand for non-mathematical ideas, such as frequency, satisfaction, mood, behaviour, and willingness. In the survey, questions will be asked on satisfaction with the housing situation and the housing market in general, but also regarding the level of education, monthly net household income, and social status. These categories have a natural order, but the distances between the categories are not known. An example of a ratio-scaled variable is the age of a person. Age can be analysed using categories with known distances between values. The ratio scale supplies the most detailed information because it allows the researcher to calculate central tendency using statistical techniques such as mean, median and mode, as well as using methods such as geometric mean, coefficient of variation and harmonic mean (Stevens, 1946).

Qualitative data collected through semi-standardised expert interviews describe the characteristics of the data points and are not numerical. They are used to define the information and show analysis possibilities in terms of gestures, behaviour, opinions, use of words and mood of the interviewees. They will be further categorised according to the measurement scales already mentioned.

## 5 Research methodology

### 5.1 Mixed methods research

Mixed methods research will be adopted for the study. It integrates elements of quantitative (closed-ended) and qualitative (open-ended) methods of data collection and draws interpretations based on the combined strengths of both data sets for analysis to best understand



the research purpose. The emphasis on quantitative or qualitative research can differ, with one methodology dominating and the other supporting, depending on the progress and therefore prioritisation of the research project and the outcome of the research. The research study combines various purposes of explanatory and descriptive research (Saunders, et al., 2016, pp. 169-176).

## 5.2 Semi-standardised expert interviews

The persons interviewed can be seen as experts for the present questions, since they are related to the topic of affordable housing and thus have specific knowledge. Housing experts are people who had more than 5 years of professional experience in a field related to housing, e. g. estate agents, builders and developers, property managers, housing service coordinators recommended by local or federal government, city planners, loan providers or architects. In the guideline-based interview, experts from the real estate sector are asked about their opinion on affordable rental housing. Questions are asked about interest, social and societal responsibility, and economic incentives in relation to affordable new construction. In an expert interview, the interviewees are not interviewed as persons, but in their function as experts with specialist knowledge. Qualitative surveys are oral and personal and are designed in the form of interviews. They are not standardised and can undergo a necessary situational adjustment that cannot be predetermined. The intention of the interviewer is to conduct an investigative interview (Saunders, et al., 2016, p. 391). The researcher ought to seize these opportunities while also ensuring that the conversation returns to the main subject of the interview. However, it can be fascinating when experts go off topic. This could lead to valuable insights into housing policy, legal principles relating to housing, and aspects of affordable housing that have not yet been explored. The researcher has a responsibility to conduct the interview objectively. The researcher should seize these opportunities while ensuring that the conversation returns to the main subject of the interview. The expert interview is useful because there are only a few reports and research literature on the acceptance of affordable rental housing in Germany.

## 5.3 Survey with standardised questions

Through the collection of standardised data, analysis and comparison of a large population can be conducted in a cost-effective manner. In addition, the survey strategy is generally perceived by people as binding and is relatively easy to explain and understand (Saunders, et al., 2016, pp. 181-182). The quantitative data collection takes the form of a survey with standardised questions, which is made available to households for questioning via an online

platform. The quantitative data collection consists of household surveys related to their socio-economic situation, their housing situation, their attitudes, and opinions about their own housing and living situation, and their opinions about affordable new rental housing. Association questionnaires and scales are used to be able to map the opinions scientifically. The survey can determine the representativeness of individual views and experiences towards affordable housing. Well-conducted, it will generate reliable statistics on the opinions and behaviours of respondents and provide a foundation for essential decisions and future research within the affordable housing sector.

#### 5.4 Example of previously published studies

The paper *Is smart scary? A mixed-methods study on privacy in smart tourism in smart tourism* by Francisco Femenia-Serra, Athina Ioannou, and Iis Tussyadiah applies the methods will be used in the researcher's study. This study examines the privacy concerns of smart travel, where personal data is used to power systems and services designed to enhance the travel experience. A mixed methods approach was adopted, including semi-structured interviews (N = 34) and a survey of travellers from the UK and Spain (N = 1,019). The interview process elicited participants' subjective experiences and thoughts on the phenomenon, following a focused but flexible approach to explore specific themes and emergent issues. An online survey was created, and a 5-point Likert scale was used for all questions (Femenia-Serra, 2022).

Furthermore, smaller studies that already hold the topic of my thesis are listed. The study of the University of Minnesota examined the impact of affordable housing in Bloomington. Bloomington is the fourth largest city in Minnesota, U.S. Using a mixed methods research, the study analysed the benefits and challenges of affordable housing of residents' perspectives on housing stability, mental health, psychological health, safety, and security. This study involved a mixed methods analysis conducted in the form of interviews and surveys of residents living in affordable housing in Bloomington. The interviews focused on the residents' experiences with affordable housing contribute to their quality of life. In addition, surveys were conducted. The analysis was inductive and qualitative and looked for patterns within the data across the interviews and surveys conducted (Amrhein, et al., 2023).

Kim Suk-Kyung examined the housing market in the Tri-County Region of Clinton, Eaton, and Ingham Counties in Michigan, U.S. As these regions experienced economic decline after the departure of car companies in the 1990s, but today experiencing economic and population growth, it is important to examine current regional conditions in terms of demographic, socio-economic and housing characteristics in order to identify future directions for the achievement of sustainable community goals (Suk-Kyung, 2014).

Another study was conducted by Edward G. Goetz. In a suburb of Minneapolis, U.S., which has a high growth dynamic and therefore offers hardly any affordable housing, it was evaluated whether language can influence public opinion. A survey was conducted by the city to obtain information on the results of satisfaction with e. g. city services, neighbourhood conditions, traffic. The survey also included a question on housing policy to point out the importance of issue framing. One half of the respondents received a question using the term "affordable housing" and the other half received a question using the term "lifecycle housing" (Goetz, 2008).

## 6 Data for empirical analysis

The study will concentrate on primary research, which involves gathering novel data and later presenting, scrutinising, and explicating it within the study. This implies that the data is primary, original, and firsthand. The study's data will be generated by the researching entity. As expert interviews and surveys are conducted in the research, two forms of solicited primary research are used here (Hox & Boeije, 2005, pp. 595-596).

The outcome of this research is based on a theoretical framework of the acceptability of affordable housing, which is analysed through mixed methods research to gather information about the development and background of the acceptance of affordable housing. The interviews are transcribed e. g. according to the method of Dresing and Pehl. A simple transcription cannot fully capture a conversation situation, as non-verbal aspects such as smell, appearance, facial expressions, and gestures are not considered. It is necessary to focus on certain aspects that serve the research goal. The content-semantic transcription according to Dresing and Pehl is done by smoothing the text of colloquial language and dialect and gives priority to the content of the conversation (Dresing & Pehl, 2018, pp. 16-22).

The existing data material consisting of interviews and surveys, is evaluated by means of a uniformly structuring qualitative content analysis according to Kuckartz, as the data material is identified based on content aspects and systematically described regarding the topic of affordable housing (Kuckartz, 2018, pp. 101-121) and descriptive statistics to measure central tendency. The method of Kuckartz converts qualitative data content into quantitative results that help to draw reliable conclusions about the acceptance of affordable housing in Germany besides the descriptive statistics to achieve a joint result.

The coding described is supplied for open-ended questions. In the case of closed-ended questions, a coding scheme will be part of the questionnaire and the data will be entered numerically. This process is automated in computer-assisted questionnaires (CAPI, CATI,

etc.), where an answer and the corresponding code are stored in the computer at once while collecting the data.

Once the transcription data has been processed, key text passages marked and initial comments recorded in the form of memos, the main thematic categories are developed on the basis of the research question. Categories can also be discovered inductively during the initiating text work, which supplement the deductively developed main categories. Both methods and a combination are possible. In the first coding process, the data or interview transcripts are worked through sequentially and text sections are assigned to the categories according to the category definitions, which means coded thematically. The software for computer-aided qualitative data and text analysis, MAXQDA 2022, which was developed by Kuckartz in the 1990s, is used for coding.

A variety of analysis models are used to visualise the research data after the successful coding process, e. g. frequency analysis, which shows the distribution of responses to a question. The visual presentation of the data can help the reader to understand the results. Crosstabulations are a way of displaying the data collected by the researcher to support the analysis. Crosstabs give the researcher a good overview of the data. The t-test uses means or averages to calculate the statistical significance of a difference. It can be used to compare two subgroups. In the case of research, this would be experts and households.

The researcher will use a constant comparative approach for thematic analysis of interview transcripts and open-ended text responses to the survey. Thematic tables are used to integrate the results of interviews and surveys.

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