

# Opening Doors to Affordable Rental Housing: Perspectives of Private Suburban Owners With Unused Housing Space

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## Abstract

This article examines the potential for more affordable housing of privately owned unused housing space in the Munich Metropolitan Region. In order to explore the perspectives on homeownership, tenancy, and renting out, the qualitative assessment is based on interviews with private suburban owners in a rural district within the Munich conurbation sampled with a focus on local and long-term unused housing space with the potential to rent out. The interviews were conducted as part of the project “WohL – Wohnungsleerstand wandeln (Worthy Places From Unused Spaces).” The results indicate that, on the one hand, there is a low potential to activate unused housing spaces for affordable housing, but on the other hand, there are considerable obstacles that stem from the owners’ perspective on their properties. Despite expressing a general openness to renting at below-market rates, private suburban owners express concerns and often reject the idea of renting out. There is an interplay of concerns over tenant-related risks, life achievements, and a cautious approach toward renting out that are considered with profit motives against the desire for personal serenity and unrestricted disposal of property. Trust and a wish for ownership autonomy play an important role in renting out, as security, peace of mind, and control are balanced against financial gain. Private suburban owners voice a strong preference for tenants from their personal networks.

## Keywords

homeownership; housing affordability; private landlords; rental prices; suburban housing; unused housing space

## 1. Introduction: The Housing Crisis and Private Owners in Dense German Conurbations

Reports of unoccupied apartments in the millions have recently been discussed in German media (Podjavorsek, 2024), while rents are simultaneously rising. Cities like Munich experience displacement and reduced relocation mobility (Lebuhn et al., 2017; Mete, 2022). While the supply of housing in Germany continues to increase, not all housing space is offered on the housing market (Bundesinstitut für Bau-, Stadt und Raumforschung, 2014, p. 5). Exacerbated by the current inflation, the issue is not only the provision of affordable housing in the metropolitan regions but also in the surrounding areas. There is a mismatch between supply and demand (Holm et al., 2021), an available housing supply that is not fully adapted to current social trends, and unequal access to the housing market (Dewilde, 2022). The social context factors contributing to the housing crisis in Germany include the diversification of lifestyles and family structures, the growing prevalence of more flexible work arrangements, an aging population, and the resulting rise in one-person households (Buffel & Phillipson, 2023, p. 15; Harth & Scheller, 2012, p. 35; Lebuhn et al., 2017; Schmidt et al., 2017, p. 21). What does not align with the housing supply and demographics in Germany is the access to and the distribution of per capita housing space. Results are rising rents and a growing number of housing-deprived groups (Heeg, 2013; Holm, 2014).

Current municipal growth policies often do not meet the needs of the most housing-deprived groups. Interventions in the housing market may unintentionally exacerbate existing problems (Schipper & Schöning, 2021, p. 80) by contributing to displacement and rising rents (Heeg, 2013, p. 93; Holm, 2014, p. 165). Government-subsidized housing projects, intended to alleviate social inequalities, often rely on high-cost investor models that increasingly disadvantage less affluent groups (Fettke et al., 2023b, p. 4). As an alternative, reuse and redistribution of the existing housing supply and reduction of per capita housing consumption are discussed as possible solutions to ease the pressure on the housing market (Mete, 2022). This is the case in the Dachau District in Bavaria, Germany.

Based on a research project on municipal reactivation options for housing, this article examines private suburban owners' (PSOs) perspectives on homeownership, tenancy, and renting out, focusing on those who possess long-term unused housing space in the Dachau District, in the Munich Metropolitan Region. While private ownership rates are generally higher in rural and suburban areas, the Munich agglomeration has a high share of private ownership compared to other German cities and their agglomerations (Rosa-Luxemburg-Stiftung, 2024). Given the considerably high number of local PSOs in the Munich conurbation, understanding their perspectives and their prospects concerning renting out properties is important for understanding the housing crisis and finding solutions.

## 2. Research on Homeownership and PSOs

Homeownership is a result of historical, social, political, housing, and property availability conditions. Homeownership rates differ between rural and urban regions (Blackwell & Kohl, 2018). This article focuses on the interviews of the research project "WohlL - Wohnungsleerstand wandeln (Worthy Places From Unused Spaces)" with owners of (presumably) unused housing space in the Dachau District. They are referred to as private suburban owners (PSOs). Following the definitions of Allen and McDowell for informal landlords (1989, pp. 86–87) and of Cischinsky et al. (2015, p. 29) for small private landlords, as used by März, PSOs are defined as follows:

Natural persons (in a legal sense) who, individually, as a couple, or as part of a community of heirs possess apartments or houses and...need to be distinguished from other professional owner types in the private rented sector, such as housing associations or companies. (März, 2018, p. 1722)

International studies show that there are PSO-specific considerations with specific regional characteristics when it comes to renting out. As studies from different countries are conducted in different market situations with differing rental conditions, the legal and cultural contexts are to be considered in order to understand motives. The way rental agreements are structured and the attitudes of private homeowners toward renting are closely tied to the specific tenancy laws, which can vary significantly from one state to another.

### **2.1. International Research on PSOs and Their Renting Out Perspectives**

Housing, homeownership, and renting out are questions of socio-economic status (Rowlands & Gurney, 2000, p. 128). According to international studies, private owners may be concerned with profitability and legal compliance and see tenants as risk factors. While landlords in less tight rental markets and in rural or suburban areas are more influenced by social and individual factors (Krohn et al., 1977), private owners in tight urban rental markets are more likely to make profit-oriented decisions (Garboden & Rosen, 2018).

A pioneering study on the logic of the private, “informal” rental sector finds a strong focus on profitability and avoidance of legal problems among private owners who rent out in rural Canada and perceive tenants as risk factors (Krohn et al., 1977). A British study by Allen and McDowell (1989) concludes that non-professional, private property owners (“informal landlords”) are less economically focused than investors or commercial property owners. Garboden and Rosen (2018) show, for four US cities, how private landlords’ concerns (negative experiences with tenants, financial loss, and unpaid rent), frustrations (with administration and bureaucracy), motivations (focus on profitability), and experiences (unpaid rent and property damage) shape their attitudes toward tenants and influence their willingness to take risks and make concessions. The results of these studies must be interpreted in the context of the specific housing markets and tenancy laws in place at the time and location of each study. Depending on the state, US tenancy law may offer landlords more flexibility than is common in German tenancy agreements, for example.

### **2.2. PSOs in Germany**

Germany is a tenant society (Holm, 2014, p. 11) with one of the lowest ownership rates in Europe (Timm, 2019, p. 16): Only around 42 percent own the property they live in (Destatis, 2024). Nevertheless, the majority of housing in Germany is privately owned, with private ownership rates being particularly high in urban and suburban locations within the federal states of Western Germany (Blackwell & Kohl, 2018, p. 3682; Wolff & Rink, 2019). In addition, private homeowners also dominate the German rental market: Around two-thirds of all 36.9 million rental apartments are owned by private landlords (März, 2018; Statista, 2024)—one of the highest figures in the world. In Germany, open-ended tenancy agreements are the norm.

Studies analyzing housing vacancies find that the owner–property constellation is crucial for the decision of how to use a property (Wolff & Rink, 2019). The owner–property constellation refers to the context of ownership. It encompasses a range of factors, including the structure of ownership, the form and purpose of usage, the financial means available, and the custody arrangements. Research on vacancies and unused

housing divides its causes into structural and owner-related (Bundesinstitut für Bau-, Stadt und Raumforschung, 2017; Wolff & Rink, 2019) as well as intentional and indirect (Arnold, 2019, pp. 25–27). The proportion of unused housing space, the ownership structure, and the dwelling types vary according to the characteristics of the region in question. In this context, it has been observed that PSOs either wait for municipal efforts to reuse unused living space or reject decisions on urban development (Schmidt et al., 2017, p. 28).

Research on PSOs reveals a diversity of perspectives and incentives regarding rental considerations. The decisions for not renting out have not yet been investigated for prosperous German metropolitan regions. Although there is a body of research (particularly within the Commonwealth context) examining the perspectives and motivations of PSOs who engage in rental activities, there is a notable dearth of research exploring the perspectives of PSOs who possess unused space but do not rent out. Given the comparative significance of private property owners in Germany, the perspectives of PSOs play a crucial role. In the light of the housing affordability crisis, PSOs can open doors to unused housing space on the municipal level.

### 3. Research Design: PSO Decision-Making Reported in Problem-Centered Interviews

This article looks at a specific aspect of the interviews conducted as part of the community-based participatory and multi-method research project Wohl. The Wohl project explored backgrounds, motives, and municipal options for reusing privately owned unused housing space in the 17 communities of Dachau—a rural district with a suburban profile. One component of Wohl is qualitative in-depth interviews with PSOs from the Dachau District who own unused housing space with the potential to rent out, either in their own homes or in other houses in the municipalities.

#### 3.1. Interview Background: Worthy Places From Unused Spaces

The Dachau District (see Figure 1) offers attractive transport, infrastructure, and slightly lower living and housing costs compared to Munich, and has a suburban profile. In line with Menzl (2007, p. 49), the term suburban in the research context of Wohl generally refers to a development pattern typical of the German suburban type of settlement with its structurally defining characteristics. These characteristics include a predominance of owner-occupied housing, a focus on residential areas, high commuter rates, limited employment opportunities within the settlement form, and milieu-specific homogeneity (Menzl, 2007, p. 48). Most of the Dachau District is characterized by detached houses with only a few multi-story buildings (Fettke et al., 2023b, p. 4). Compared to Munich, there is only minimal investment from external financiers or real estate speculators. As is typical in rural and suburban areas, the majority of homes and vacant housing are owned by private individuals.

In cooperation with the municipalities, Wohl identifies privately owned, unused housing space as a critical reservoir of housing, and aims to uncover feasible solutions and opportunities (Wacker et al., 2021). The Wohl study defines unused housing space as buildings, residential units, or units with residential potential that have not been used as housing space for at least six months and can be opened up as living space with reasonable effort (Fettke et al., 2023a, p. 2016). Given the definition, the proportion of unused housing space in the Dachau District ranges from five to seven percent (Wacker et al., 2021, pp. 12–13), exceeding the expected fluctuation reserve (Bundesinstitut für Bau-, Stadt und Raumforschung, 2017, p. 7). The fluctuation reserve

refers to short-term, market-active vacancies resulting from a typical change of tenant and is necessary for a functioning housing market in order to enable relocation processes, as well as maintenance and modernization activities. Estimates for the necessary fluctuation reserve vary between two and five percent.



**Figure 1.** Locating the Dachau District: (1) Dachau District; (2) City of Munich. Own illustration.

Assuming that housing and living space are not merely physical dimensions but social constructs (Berger & Luckmann, 1969), subject to socio-cultural processes of space production, unused housing space is continuously reshaped by human activities and decisions, embedded in cultural practices and meanings (Belina, 2013, p. 81). Through this lens, the perspectives of PSOs reflect social constructions that are crucial for decisions regarding the use of space.

According to Boholm et al. (2013), one's own decision-making horizon encompasses attributions that are applied to the conduct of others and potential risks of action, as well as conclusions regarding the consequences of such actions on those individuals (Boholm et al., 2013, p. 104). Decisions are based on "common sense" (Sutter, 2016) or "everyone's consciousness" (Berger & Luckmann, 1969). The common sense referred to here is the knowledge of the world that is secure, socially proven, and based on experience (Sutter, 2016, p. 44). This knowledge contributes to the understanding of everyday decision-making by shedding light on how decisions are socially embedded, culturally informed, and bestowed with meanings (Boholm et al., 2013, pp. 106–107). Subjective narrations always include justifications for procedures and decisions (Berger & Luckmann, 1969). It is therefore important to consider the underlying perspectives and experiences within the owner–property constellation that influence the decision regarding renting out.

### **3.2. Interviewee Profiles: PSOs From the Dachau District**

The analysis of the PSO perspectives is based on 17 problem-centered interviews (Witzel, 2000) of the Wohl study. Two respondents from Wohl were not included in this assessment (B1 and B3), as the interviews did not contain information about perspectives on renting out or the interviewee did not fit the criteria of a PSO.

The interviewees were recruited in the Dachau District through letters from the mayors of the municipalities, who are respected and trusted authorities at the local level. Further calls for participation were placed in communal newsletters and through appeals at citizens' community assemblies. Additionally, the municipalities shared the WohL call online in their social networks and orally in local institutions and meetings. It is not a systematic sample, and the response rate was rather modest: Participation was voluntary, there were contact restrictions during the Covid pandemic, and housing and property are considered very private topics. Additionally, there may have been concerns about local authorities wanting to monitor and sanction unused housing.

The interviews were conducted from June 2022 to May 2023, with a duration range from 39 to 148 minutes, involving 22 participants (B2 to B19, see Table 1). On four occasions, spouses or relatives were interviewed together. The professional profiles of the respondents can be classified as middle to upper-middle class, and their ages range between 44 and 82 years.

All respondents except one reported living in their own properties. The properties are either detached or semi-detached houses, with the exception of one owner-inhabited and one rented apartment. With five exceptions—particularly B17a and B17b, who run two apartment houses, and B19, who considers real estate as portfolio diversification—the respondents stated that they acquired their properties without the primary intention of renting them out. The respondents can be divided into two groups: those with unused housing space in their own residence (resident owners), mostly lodger apartments, and those with unused housing space in another property (non-residents). Ten participants with unused housing space (from eight interviews) stated that they currently rent out other spaces. Most interviewees reported prior experience with renting out. Table 1 shows the sample in more detail.

**Table 1.** List of interview partners and their properties.

	Personal situation	Type of unused space (resident owners)	Type of unused space (non-resident owners)	(Additional) property acquisition for rental purpose	Former renting out experience	Currently renting out
B2	living with family in owner-inhabited apartment, working	lodger apartment	—	unknown	no	—
B4	living alone in owner-inhabited house, working	additional rooms/floor	—	no	yes	apartment
B5	living alone in owner-inhabited house, working	—	single-family house in need of renovation	no	unknown	—
B6a, B6b	couple living in owner-inhabited house, retired	lodger apartment	—	no	no	—
B7	living alone in owner-inhabited house, retired	lodger apartment	—	no	no	lodger apartment

**Table 1.** (Cont.) List of interview partners and their properties.

	Personal situation	Type of unused space (resident owners)	Type of unused space (non-resident owners)	(Additional) property acquisition for rental purpose	Former renting out experience	Currently renting out
B8	living with family in owner-inhabited house, working	—	single-family house in need of renovation	no	yes	detached house
B9	living with spouse in owner-inhabited house, working	unused rooms	single-family house in need of renovation	no	unknown	—
B10	living alone in owner-inhabited apartment, working	—	single-family house	yes	yes	—
B11	living alone in owner-inhabited house, working	lodger apartment	—	no	no	—
B12a, B12b	couple living in owner-inhabited house, working	unused rooms	—	no	yes	—
B13a, B13b	couple living in owner-inhabited house, retired	—	single-family house in need of renovation	no	no	—
B14	living alone in owner-inhabited house, working	—	—	yes	yes	single-family house
B15	living alone in owner-inhabited house, retired	unused rooms	—	no	yes	—
B16	living with family in owner-inhabited house, working	lodger apartment	—	no	yes	semi-detached house
B17a, B17b	parent living in owner-inhabited house, retired; adult child living for rent, working	unfinished attic, convertible to living space	apartment	yes	yes	two apartment houses
B18a, B18b	couple living in owner-inhabited apartment, working	—	apartment house in need of renovation	yes	yes	two apartments
B19	living with spouse in owner-inhabited house, retired	—	industrial building, renovation needed	yes	yes	several apartments



### **3.3. Interview Method: Surveying Personal Perspectives and Experiences**

The semi-structured guideline of the problem-centered interview (Witzel, 2000) offered both focus on the PSO perspective as well as openness for narrations (Witzel & Reiter, 2012). Aligned with the focus on backgrounds, experiences, and meanings, the interviews included questions about homeownership, tenancy, and renting out:

- How was the space used in the past?
- What are your plans for the unused space in the next 10 years?
- Under what conditions can you imagine reusing the space?
- What forms of reuse do you consider?
- What are your reasons for not considering renting out?

The interviews were analyzed using Strauss' (1987) inductive frame to ensure openness and depth. To begin, the qualitative interviews were pre-categorized by the type of vacancy and the type of owner. The analysis proceeded through three stages: identifying themes through open coding, exploring relationships via axial coding, and developing case-specific explanations using selective coding (Strauss & Corbin, 1998). For this article, statements related to renting out, tenants, and owner–property constellations were analyzed and interpreted. Therefore, the interviews were categorized along the following three dimensions:

- Statements on owner–property constellations
- Perspectives towards tenants
- Perspectives towards renting out (and rent levels)

As the semi-structured format generated extensive responses, the three topics were discussed in different phases of the interviews and at different levels of detail. The interviews were translated from the original German transcripts (for the original quotes, see Table 2) into English for this article and anonymized using randomized numbers.

## **4. Empirical Findings: Underlying Perspectives on Housing and Tenure**

The personal perspectives and beliefs are presented regarding the three dimensions of (a) owner–property constellations (homeownership), (b) tenants, and (c) renting out. The majority of respondents started out as one-time buyers with no intention of regularly renting out their properties at the time of purchase (with the five exceptions mentioned). The properties were acquired as a result of various circumstances, including relocation, relationship dissolution, inheritance, or death. The recurring perspectives reflect a comprehensive picture of unused housing space as a reproduction of status, personal success, social relations, and existing views on tenants and renting out.

### **4.1. Homeownership as Status and Personal Success**

In the interviews, homeownership is generally presented as an unquestioned and self-evident life goal. For example, many interviewees emphasize how they have earned their housing properties through hard work. The interviewees believe that they have earned the right to decide about their houses according to



**Table 2.** List of interview quotes in original language.

	Original Quote
Section 4.1	Und das ist alles, die Möbel teilweise, hab ich alles selber, selber habe ich die mir aufgemalt und habe das beim Schreiner alles machen lassen. Ich habe da gewisse finanzielle Möglichkeiten auch. (B4)
Section 4.1	Arbeit muss sich lohnen und ich sag, Vermieten muss sich auch lohnen. (B14)
Section 4.2	Da, äh, 's ein Fall in der Zeitung gestanden. Das war ein Extremfall, aber aufgrund von..., weil eben der Druck oder der Wohnungsdruck so hoch ist, hat eine Dame, hat ihren Vermieter niedergestochen. Also ich will das jetzt nicht..., das ist ein Extremfall. Aber Sie kommen ja da in Situationen, in konfliktrechtliche Situationen rein, wo Sie sagen, „ja muss ich das haben?“ Und dann im eigenen Haus, ja um Gottes Willen. Und da habe ich halt auch aus dem Bekanntenkreis auch Vermieter oder wo man hört, die dann solche Fälle auch durchgemacht haben. (B16)
Section 4.2	Aber der Mieter, dem ist das Wurscht, weil das ist ja nicht seine Immobilie, die wo da kaputt geht oder in Mitleidenschaft gezogen wird. Das sind jetzt, wie gesagt, sogenannte Kleinigkeiten, sag ich jetzt mal. Aber dich ärgert 's, und du stehst daneben und hast halt solche Augen. Und denkst dir: Gute Miene, zum bösen Spiel. Darf man nichts sagen, weil man kommt ja wirklich sehr gut aus so.... Was da alles so anfällt, das wird halt dann auch nicht so gemacht, wie man sich das wünscht. Und was machst, kannst du ja jetzt nicht sagen, ich bin ja nicht dem sein... [Chef], kann ja nicht sagen, hey antreten zum.... Gut, der eine macht den Garten gut, der ander' macht ihn weniger gut. (B14)
Section 4.2	Ich will aus der Arbeit heimkommen, und ich will mich—ja, ich will heimkommen um zu schlafen. Ich will heimkommen zum Entspannen. Und wenn ich weiß: Okay, es ist kein Segen hier im Haus, dann ist es keine Entspannung. (B10)
Section 4.3	Ja, Bekanntenkreis. Auch ich kenne die Person. Ganz klar, der erste Schwellpunkt ist eigentlich: Kann man sich es vorstellen? Wenn man diese Frage mit ja beantwortet, dann kommt eigentlich die Frage ums Geld.... Aber ich glaube unter Bekannten macht man so etwas, zu Bekannten hat man so ein großes Vertrauen. (B10)
Section 4.3	Wir waren persönlich bekannt. Wir kannten sie gut, und wir wussten auch, dass, wenn was ist, dass sie mir keine Steine in den Weg legt. Und auch wie das mit der Heizung war [Ausfall, Anm. d. Befragenden] hat sie es hingenommen, paar Tage ohne Heizung zu sein, da wurde nicht die Miete gekürzt, da wurde nicht ins Hotel gegangen auf unsere Kosten, auch hat man halt gemeinsam geschaut. (B18a)
Section 4.3	Und ich sag mal, darum verstehen wir uns auch so gut, weil der kennt mich ganz genau. Und ich hab in den 18 Jahren, oder was das jetzt sind, hab ich zweimal die Miete erhöht. Das muss man sich mal vorstellen, und ich war von Anfang an nicht unverschämt. (B14)
Section 4.3	Ich hab das als Abschreibe-Objekt genutzt, weil ich brauche die Mieten jetzt, in Anführungszeichen, aktuell nicht. Sonst zahle ich an das Finanzamt. Bevor ich ans Finanzamt zahle, stecke ich die Kohle einfach da rein, weil dann ist Wurscht. (B2)

their own ideas, by the notion that “work must be worthwhile and...renting out must also be worthwhile” (B14). In addition, the respondents associate their homes with retreat (in terms of relaxation, privacy, and peace and quiet), self-realization, and socio-economic achievement (through hard work, as a status symbol). Thus, the properties are valued for their economic and emotional worth.

Only four of the PSOs surveyed perceive the (unused) property purely as a financial investment. The remaining respondents did not acquire their properties for the purpose of renting them out or making a monetary profit in any other way, but for the objective of long-term self-use as living space and home. Instead, the majority of respondents, especially those residing in the properties with unused housing space, view their properties as lifelong homes for them and/or their families and a means of providing for their retirement. The construction of the considerable amount of unused lodger apartments among the resident owners is primarily motivated by traditional considerations, such as accommodation for family members and refinancing a loan through temporary rentals.

A related theme common among the respondents is their substantial investment in their property, including financial, emotional, and temporal resources. The interviewees generally describe themselves as financially secure and are prepared to make corresponding investments. Despite their financial possibilities, many PSOs report undertaking minor renovations and interior design themselves. They mention possessing the requisite expertise and show willingness to execute the work themselves as well as pride about the work accomplished: “Some of the furniture I did myself. I designed it myself and had it all done by a carpenter. I do also have certain financial possibilities” (B4). A notion among most respondents is that they feel proud of their homes. They value property management autonomy as crucial as they appreciate being able to organize their homes according to their own preferences (B4, B6a, B6b, B13a).

#### ***4.2. Perspectives on Tenants: Potentially Disruptive Tenants Versus Owners in Need of Peace and Quiet***

All respondents show a general reluctance toward renting out their properties to third parties. This reluctance is associated with concerns over the potential for increased efforts and investments, loss of property autonomy, and the possibility of stressful relationships with tenants.

Firstly, homeowners are concerned that the costs associated with renting out, such as renovations, may not be offset within their lifetimes, without presenting a more detailed economic analysis. In many cases, interviewees have already planned the possible future use of their currently unused housing space, for example housing their children or parents with possible care needs, and are reluctant to risk the prospects by renting it out. Respondents view German tenancy law as more tenant-friendly, believing it imposes greater restrictions on owners. They are particularly critical of the lack of limited notice periods, the lack of fixed-term rental contracts, and unfavorable tax conditions for rental properties in Germany.

Secondly, a common argument among the respondents against renting out is the worry that the property is run down, and the perceived lack of means to effectively address possible issues with tenants like property damage or tenant nomads. Respondents are concerned that tenants will not care for the property as they themselves would, a sentiment particularly strong among non-resident owners. These concerns are often reinforced by second-hand stories of tenant-related issues, such as property damage or unpaid rent. For instance, one interviewee illustrated his preoccupation with a news story:

There was a case in the newspaper. It was an extreme case, but because of the pressure...the pressure of housing being so high, a lady stabbed her landlord. So I don't want to...that's an extreme case. But you get into conflict situations where you say well, do I have to have this? And then in your own home, for God's sake. And I also have landlords in my circle of acquaintances or people I know who have been through such cases. (B16)

Anecdotes like this contribute to the apprehension about renting. The interviews provide evidence for the assertion that those who have not purchased a property with the intention of renting it out have not given much consideration to the possibility of doing so—which is also due to a lack of financial necessity.

Those with renting experience generally reported positive outcomes. Actual unfavorable experiences with tenants mostly involve encounters of everyday life, such as disputes over maintenance tasks and the use of shared space, such as clearing snow, raking leaves, gardening, and the usage of the entrance area. One interviewee recounts how he observed a tenant driving a snow-covered car into their garage without clearing it first, and chose not to confront the tenant to maintain harmony:

But the tenant doesn't care, because it's not his property that's being damaged or affected. As I said, these are so-called small things, I'll say that now. But it annoys you, and you're standing next to it, and your eyes are like that. And you think to yourself: good face, bad game. And you are not allowed to say anything because you really get along very well otherwise....Sometimes all the things that have to be done are not done the way you [the property owner] want them to be done. And what do you do....I'm not his [boss], I can't say, hey, line up to it....Well, one person does a good job in the garden and the other does a less good job. (B14)

Other than that, an instance of additional expenses from old furniture left by former tenants and two instances of unpaid rent were reported. Those examples emphasize the importance of the home as a place for recreation and harmony as well as a desire for control—to which tenants are considered a threat.

Thirdly, PSOs express concern that renting out involves additional sources of conflict, noise, and the sharing of property, which they perceive as restricting the owner's autonomy:

And I don't want to fight about it. I want to come home from work and I want to relax—yes, I want to come home to sleep, I want to come home to relax. And if I know: Okay, it's not a respite here in the house, then there is no relaxation. (B10)

This concern is particularly prevalent among resident owners, as subletting would necessitate sharing a larger portion of the property, such as the garden, garage, or entrance, which they perceive as impacting the owner's privacy and peace. The examples illustrate how the domestic environment is seen as a space for relaxation, harmony, peace, and quiet. There is a strong desire for control, and tenants are perceived as a potential source of disruption.

### ***4.3. Perspectives on Renting Out: Sharing Resources Meets Caring and Troubleshooting***

The PSO perspectives on renting out are characterized by perceived risk mitigation, a preference for trusted acquaintances, a desire to avoid conflicts, and a reluctance to charge rent levels deemed inappropriate. Respondents believe that allowing tenants to occupy a property can result in increased costs, time commitments, and emotional stress. To mitigate these risks, they want to ensure control over the selection of tenants and the conditions of tenancy. Knowing someone personally, or having a potential tenant recommended by a trusted acquaintance, seems to be a safe bet:

Yes, circle of acquaintances. I also know the person. Clearly, the first threshold is actually: Can you imagine it? If the answer to this question is yes, then the next question is actually about money....But I think you do things like that among your circle of friends, you have so much trust in people you know. (B10)

We were personally acquainted. We knew her well, and we also knew that if anything happened, she wouldn't put any obstacles in my way. And also when there was the thing with the heating, she also put up with being without heating for a few days... the rent wasn't cut, didn't go to a hotel at our expense, we just saw how we could manage it together. (B18a)

The respondents value maintaining a positive tenant relationship without conflict, as they would be responsible for managing the tenancy themselves. Those who are already renting out property prioritize maintaining stable, long-term tenant relations and avoiding administrative expenses over maximizing rental income. This sentiment is equally significant for both resident and non-resident owners. The respondents indicate that they charge rents ranging from 7 euros to 10 euros per square meter, which is clearly below the local authority's rent index at the time of the interviews (11 euros to 13 euros). There were no mentions of rents above the index. These statements could be interpreted as a commitment to affordable housing:

And I say that's why we get on so well because he knows me really well. And in the 18 years, or whatever it is now, I've raised the rent twice. You have to imagine that, and I wasn't excessive from the start. (B14)

A third of the respondents express discomfort about maximizing profits at the expense of tenants and charging rents they consider too high. Their ideas of an appropriate rental price deviate downwards from the rental market. This aligns with the notion of not depending on rents as a further source of income:

I used it as a depreciable asset because I do not need, so to say, the rents at the moment. Otherwise, I would pay the tax office. Before I pay the tax office, I just put the money in there. (B2)

Concerns over tax implications influence these decisions as incomes from rental activities, also when carried out without the intention of making a profit, must be declared to the tax office. The income may then be taxed additionally, especially in cases where rents below the index are regarded as an advantage. In light of the prevalence of unused housing space and the financial flexibility available, it appears that there is minimal financial incentive to rent out among the interviewees.

Overall, the interviewees view homeownership, including living in their own home, their own residential situation, and looking after their own property, in contrast to the rather negative perception of tenants and renting out.

## 5. Discussion of Findings

The PSO perspectives offer insights into contrasting social constructions of homeownership, tenants, and tenancies, within the opportunities and limitations inherent in the theoretical and methodological approach. The opportunities include unique access to PSOs through trusted local stakeholders or municipal officials, allowing for a deeper understanding of the heterogeneous reality. Limitations are the small response group

as well as the fact that owners of unused housing space who did not respond to participation requests could not be included.

### **5.1. Homeownership With Positive Self-Image**

The positive social construction of homeownership must be reflected in its socio-cultural embedding. With two exceptions (B12a, B12b), the interviewed PSOs are (in regard to their owner-inhabited houses) typical German “one-time-buyers” (Timm, 2019, p. 17) who prefer to settle in one place and house for a lifetime (Kohl, 2017, p. 170). This is quite different from other Western industrial countries, especially Great Britain, the US, and Canada, where property acquisition is rather pursued as a continuous and exchangeable investment (Timm, 2019). Except for the four cases where financial motivations are also stressed, the property occupation serves family-oriented, home-bound, precautionary, existence-stabilizing, and self-realizing motives. The perception of home and property as a place for regeneration, rest, and retreat is rooted in socio-cultural contexts where the home is not only an investment but also a personal and “clearly a private space” (Harth & Scheller, 2012, p. 78). These primary dimensions of housing are well-known in German housing sociology (Harth & Scheller, 2012, pp. 78–88; Schmitt et al., 2006, pp. 106–110) and demonstrate a high level of identification with one’s home common among German owners. In this context, it is typical in rural areas in Germany to view housing property acquisition as a worthwhile life goal, achievable through hard work and the “personal contribution by the prospective owners in the form of manual labour” (Timm, 2019, p. 17).

The reported decision-making processes on renting out reveal socio-culturally influenced conceptions of tenants and tenancy—renting out to strangers remains an abstract idea for many respondents. According to the concept of common sense and everyday thinking, distorted risk considerations derive from “horizons of experience and expectation” (Sutter, 2016, p. 47) and are rooted in common beliefs. In this regard, second-hand stories might be interpreted as a justification for not renting out empty apartments and houses—given the assumption that there are perceptions of social expectations to let unused housing space.

### **5.2. Critical Perspectives on Tenants**

The skepticism toward tenants and legal rental requirements is in line with Garboden and Rosen (2018), who found that private landlords generally tend to believe that law and courts rather side with tenants. The PSO perception of homeownership as a significant life achievement leads to the conclusion that property management autonomy and harmony within the home are important considerations. Similar to the observations made by Allen and McDowell (1989, p. 86), PSOs exhibit a tension between the perception of their property as something personal and as a potential source of economic gain, though their financial focus is weaker compared to other types of owners. This is especially evident among respondents who acquired the housing space for their own use or via inheritance. The strong articulation of a desire to maintain control over their property during the rental period can manifest itself in various ways, including resentment toward renting out or a refusal to allow tenants any right to treat the rented space as anything other than the owner’s property (Allen & McDowell, 1989, p. 89), which can be observed here.

The decisions not to rent out unused space are supported by anecdotal concerns based on second-hand stories rather than personal experiences with tenants as well as a limited financial reliance on rental income. Our findings are consistent with März’s analysis (2018, pp. 1731–1736) of the decision-making process of

German PSOs regarding energy-efficiency investments, which often view tenants as risk factors and harbor prejudices against tenants, including concerns that tenants do not take proper care of the property and are a potential source of conflict. However, other studies, such as by Krohn et al. (1977) and Garboden and Rosen (2018), have found that actual negative experiences with tenants play an important role in rental decisions—a factor not comparably present in our study. One explanation for these disparities is the different contexts and settings in terms of socio-cultural embedding, tightness of rental markets, financial saturation of property owners, and the eminence of the housing affordability issue.

### **5.3. Options for Renting in Narrow Corridors**

When it comes to renting out, the interviewed PSOs indicate a preference for reliable individuals for long-term use, a sentiment especially strong among resident owners. Renting is not depicted as a financial necessity. Financial considerations are balanced against other interests such as peace of mind, privacy, and minimizing administrative costs and efforts. The respondents attach great importance to self-determination over their own properties and to the avoidance of additional effort and investment. There is an association of renting out with a potential loss of control and autonomy over their properties.

PSOs generally prefer stable, long-term tenants with whom there can be a peaceful relationship of trust requiring little administrative effort, as previously shown (Krohn et al., 1977). In principle, the majority of respondents report a willingness to charge affordable rents that correlate with the owners' financial situation. The preference of PSOs for renting out to individuals they perceive as likable, reliable, or familiar, to maintain tranquility and control, is well known in the literature, especially for resident landlords. The PSO acceptance for rents below the rent index among private owners is in line with studies for the German (Henning, 2014) and British suburban context (Crook & Kemp, 2010), which show that PSOs tend to offer slightly below-average rents compared to other owner groups (Allen & McDowell, 1989, p. 86; Crook & Kemp, 2010, p. 187; Henning, 2014, p. 353). This sentiment aligns with a desire to reduce administrative costs while allowing for more personalized people-oriented rental agreements. The preparedness to rent out to acquaintances reflects the socio-cultural embedding (Sutter, 2016, p. 45) of renting decisions.

However, there is a mistrust towards tenants and tenancies anchored in the everyday mind of homeowners, which is not offset by any financial pressure to rent out. The potential for reuse is particularly evident in relation to relatives, known individuals, and people with social similarities, which is also confirmed by studies on landlord preferences (Fettke et al., 2023b; Henning, 2014). At first glance, this potential for rather family-based, community-internal reuse appears to facilitate the formation of homogeneous neighborhoods. However, with the assistance of municipal guidance, other groups of housing seekers may also be introduced as trustworthy to PSOs.

Given the finding that PSOs perceive housing property as a resource to dispose of as they see fit, research on the perspectives of landlords can provide valuable insights for addressing the housing affordability crisis. Furthermore, it is crucial to explore the affordability potential of other housing-related factors, such as public housing, and evaluate the specific outcomes of proposed solutions within their context to effectively address affordability challenges.

## 6. Conclusion: Can PSOs Open Doors to Affordable Rentals?

This article shows that the PSO considerations on renting out include socio-cultural constructions of homeownership and renting out, financial considerations, a personal sense of attachment and responsibility towards their properties, and an assessment of the potential tenants. Opening the doors for the reuse of unused spaces is not easy from a PSO perspective. Emotional value, family tradition, and a desire for control influence the choice. PSOs show some preparedness to provide affordable rents to selected individuals. Here, the building of bridges between PSOs and housing seekers through local government policies is a fruitful option. This might give an advantage to local housing seekers with lower incomes but high levels of credibility, familiarity, and social capital. Building bridges in the community will further encourage PSOs to reconsider their reluctance to rent out unused housing. Against the challenge of a housing affordability crisis, understanding the owner–property constellation is essential to creating effective incentives to reuse unused housing space through renting out.

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### Conflict of Interests

The authors declare no conflict of interests.

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