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Mitigating the consequences of demographic change

Liberation from the burden of unnecessary infrastructure and buildings and “weatherising” what is worthy of preservation

Demographic change and its consequences could cause a deterioration of real estate values in many regions of Germany and thus lead to considerable losses of fortune. The Federal Environment Agency (UBA) is calling upon the governments at federal, *Länder* and municipal levels to counteract the impact of demographic changes now with a view to mitigation. “The most crucial measure to be taken is to slow down urban sprawl. Secondly, construction of more infrastructure and buildings must only occur in growth regions. Thirdly, infrastructure and buildings no longer in use in cities and regions with population declines can be renaturized. In general, building stock worthy of preservation should be remediated to improve energy and economic efficiency”, said UBA President Prof. Dr. Andreas Troge.

Living rent-free in old age, secure rental income or selling one’s property to finance old-age care: these are some of the visions of the future held by homeowners. In regions with population decline, however, vacancy exceeds demand and can cause a price collapse on the housing market.

As part of its National Sustainability Strategy the federal Government has initiated talks with representatives of the *Länder* and municipalities about mitigation of the predicted impact of demographic change. The key measure to take is to effectively slow urban sprawl, for every new building that is still erected in regions that are either shrinking or stagnating immediately creates new vacancies and speeds up the fall in value of real estate.

The federal Government objective is to limit land consumption for human settlement and transport to 30 hectares per day by 2020, and to concentrate growth in areas that are prospering. The Federal Environment Agency recommends that settlements in so-called “shrinking regions” be renaturized in short order. Areas formerly dedicated for human settlement could be used for the production of renewable energies such as solar power and biomass, or as nature reserves. Only public investment can sustain the value of real estate holdings in the face of a declining population. The funds from economic stimulus packages might be applied to this end, with municipalities investing the money in redevelopment of the

energy requirements of public buildings. Furthermore, renaturalization measures must be stepped up in regions experiencing population decline. The more surplus building stock is removed, the greater the chances of sustaining the value of remaining real estate. Funds from the stimulus packages earmarked for noise protection should be used mainly to implement such measures along stretches of road where building stock worthy of preservation is located and for which demand is also expected in future.

Anyone who is considering making provisions for old age by holding real estate should put the selected property to a test of its long-term economic soundness. The demographic forecast for the region and conditions in a 'viable centre' within the region must be examined critically. Other important considerations are the building's energy efficiency and costs associated with making it as energy-efficient as possible as well as its projected durability. Should any of these criteria rate unfavourably, the Federal Environment Agency advises against purchase.

More information on the topic of demographic change and settlement structure is available at:
<http://www.umweltbundesamt-umwelt-deutschland.de/umweltdaten/public/theme.do?nodeId=2273>

The background paper *Schutz der Biologischen Vielfalt und Schonung von Ressourcen* [Protection of Biodiversity and conservation of resources] can be downloaded (in German) here
<http://www.umweltdaten.de/publikationen/fpdf-l/3284.pdf>.

The UBA publication *Soziodemographischer Wandel in Städten und Regionen - Entwicklungsstrategien aus Umweltsicht* [Socio-demographic change in cities and regions - development strategies from an environmental perspective, abstract available in English] is here: <http://www.umweltdaten.de/publikationen/fpdf-l/3201.pdf>

A presentation on environmental consideration of land use policy in transitional regions, *Flächenpolitik in Umbauregionen aus Umweltsicht*, is here:

http://www.gicon.de/refina/vortraege/Penn-Bressel_REFINA_WS_Potsdam_08.11.07.pdf

Population forecasts for the *Länder*: <http://www.destatis.de/laenderpyramiden/>

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