



Guide Employee housing

For entrepreneurs: thinking about the future

About us

We are more than just a modular house manufacturer. As a first mover, we have recognized the advantages of employee housing from an economic, ecological and social perspective. Our mission is to develop and operate holistic employee living quarters for companies.

In a few words:

This guide provides a brief overview of the following aspects of employee housing:

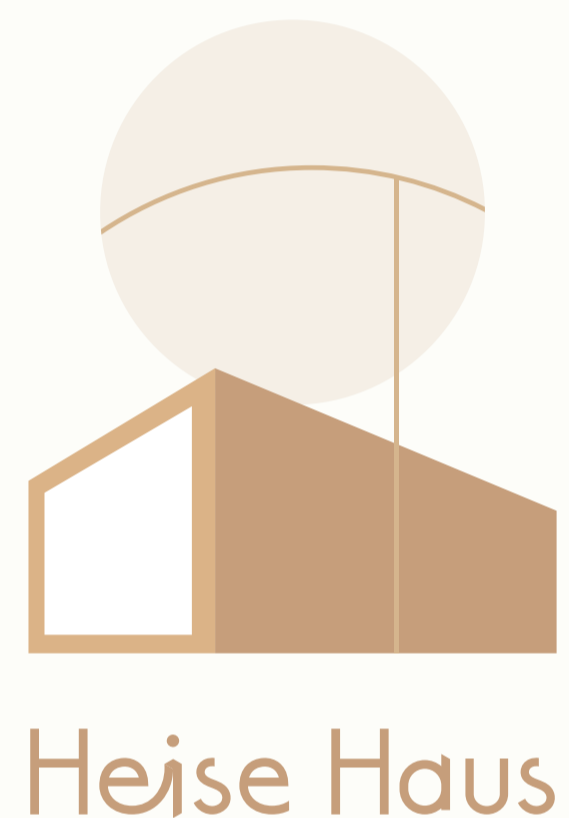
1. Tax advantages of employee housing
2. Tenancy law framework conditions
3. Funding opportunities
4. Heise Haus employee housing development

Why employee housing?

In many regions of Germany, affordable housing is increasingly becoming a scarce commodity. This has a direct impact on companies, whose success depends largely on the availability of qualified and satisfied employees. The continuing trend towards rising construction costs, high interest rates and the acute shortage of building land are driving up real estate and rental prices with no easing of the situation in sight.

In this context, employee housing is proving to be not only a social concern, but also a strategic advantage. Heise Haus has set itself the task of tackling this problem with innovative and sustainable housing solutions. Our approach is to work with you to develop housing for your employees, not only to provide them with a stable and comfortable home, but also to promote work-life balance, productivity and job satisfaction. This will make you attractive to skilled workers and the best minds nationwide.

Our guide provides you with an overview of the topic and shows you how you can take action as a company. Experience with us how forward-looking employee housing can contribute to strengthening your company.



Affordable, appropriate [living space](#) is in [short supply](#)

Employee housing [solves ecological](#) and social [problems](#)

Employee housing is [subsidized](#) under tax law

This guide will help you [approach the topic](#)

"Employee housing makes visible"



Guide Employee housing

Rental law conditions

In the area of employee housing, rental law regulations are of particular relevance, with the general provisions of tenancy law applying in principle. Two main categories of employee housing are distinguished: company rental apartments and company service apartments

Company rental apartment

In the case of a company rental apartment, the particularity lies in the existence of two separate contracts: one for the employment relationship and one for the tenancy. However, the employment contract must be the reason for the tenancy agreement. The landlord of the apartment can be either the employer or a third party, allowing for a clear separation of employer and landlord interests. During the ongoing employment relationship, the employee enjoys tenant protection rights equivalent to those of a "regular" tenant. Upon termination of the employment contract, it should be noted that the notice period for tenancies of less than 10 years is only three months. However, this period can be shortened to one month if the termination occurs because the landlord needs the apartment for another employee.

Company service apartment

In the case of a company service apartment, the provision of living space is an integral part of the consideration for the work performed. Unlike with company rental apartments, there is only one contract, which means that the apartment provision generally ends with the termination of the employment contract. An exception exists for those company service apartments that the employee has predominantly furnished with furnishings or where they live with their family. For these apartments, the same regulations as for company rental apartments apply.

Termination of Employment and Tenancy:

A common objective of employers is to terminate both the employment and tenancy simultaneously. This approach becomes particularly relevant when the employment relationship is inherently short-term, such as with employees during training, probationary periods, or seasonal workers. In such cases, the tenancy agreement can be correspondingly limited in duration to facilitate synchronized termination with the employment contract.

General provisions of tenancy [law apply](#)

Company-rented apartment: [two separate contracts](#) exist here

Work service apartment: employment contract and rental agreement are [one contract](#)

Special attention must be paid to notice periods

"The rental contracts for the employee apartments can be easily integrated into your current HR processes."

Accounting benefits of the investment for your company | subsidies

There are various ways to benefit from favorable tax treatment for purchased/rented employee housing. Contact us, and we will discuss these points with our tax advisors specialized in employee housing.

1. Depreciation

The declining balance depreciation method (AfA) offers an alternative to straight-line depreciation by allowing the investment amount to be depreciated annually at a declining rate of 5%. Additionally, combining declining balance depreciation with special depreciation (Sonder-AfA) can result in up to 51% of the acquisition costs being depreciated within the first ten years.

2. Hidden reserves

Under the assumption of an average annual appreciation of 1.5%, a silent reserve amounting to +158.4% of the original acquisition costs is created in the balance sheet at the end of the depreciation period of a property.

3. The second life cycle of the property

The connection between the house and the foundation has been designed by us to allow for the house to be transported again. If necessary, each property can be sold and rebuilt at a new location anywhere in Germany. We are happy to assist you with sales, refurbishment, smart repair, and transportation.

Subsidies

There are numerous ways to obtain subsidies for employee housing. The funding opportunities vary by federal state and range from KfW subsidies to 1% loans from state banks for the entire project. Since the funding opportunities need to be tailored specifically to your project and are subject to ongoing changes, we intentionally keep this brief and refer you to a discussion with our experts who can outline the funding options for your project.

Employee housing can be favorably balanced in [various ways](#)

[Wide range of funding options](#) from KfW loans to 1% loans from the Landesbanken

If required, Heise houses can be [sold](#), [dismantled](#) and [reassembled](#) anywhere in Germany

"State governments have recognized the benefits and promote employee housing, among other things, with 1% loans."



Tax implications of payroll accounting

The integration of an employee housing into payroll offers both employees and employers significant tax benefits. By skillfully utilizing the tax-free allowance for housing provision, the employee reduces their tax burden considerably. The extent of this benefit for the employee is directly related to the difference between the local market rent and the actual rent paid. A lower local market rental value thus means a greater net wage influx for the employee. In comparison, with identical cash wages from the employer (instead of the housing benefit), the employee would pay more taxes for a comparable apartment.

Since the assessment period of 2020, a valuation discount has been considered in calculating the taxable fringe benefit for the employee housing. This discount, amounting to one-third of the local market rental value, functions like a tax-free allowance. The allowance can be claimed up to a comparable local market cold rent of €25/sqm. The payments made by the employee for the employee housing are credited and further reduce the taxable non-monetary benefit.

Example

Assuming the employer rents a 65 sqm modular house including utilities for €1,600. Starting from January 1, 2022, the employer then sublets it to the employee, who pays the employer a rent of €400 plus utilities of €150. The lowest value within the rental price range of the local housing market for a comparable apartment is €12 per square meter. Therefore, the employee only needs to pay taxes on €70 instead of €1,050.

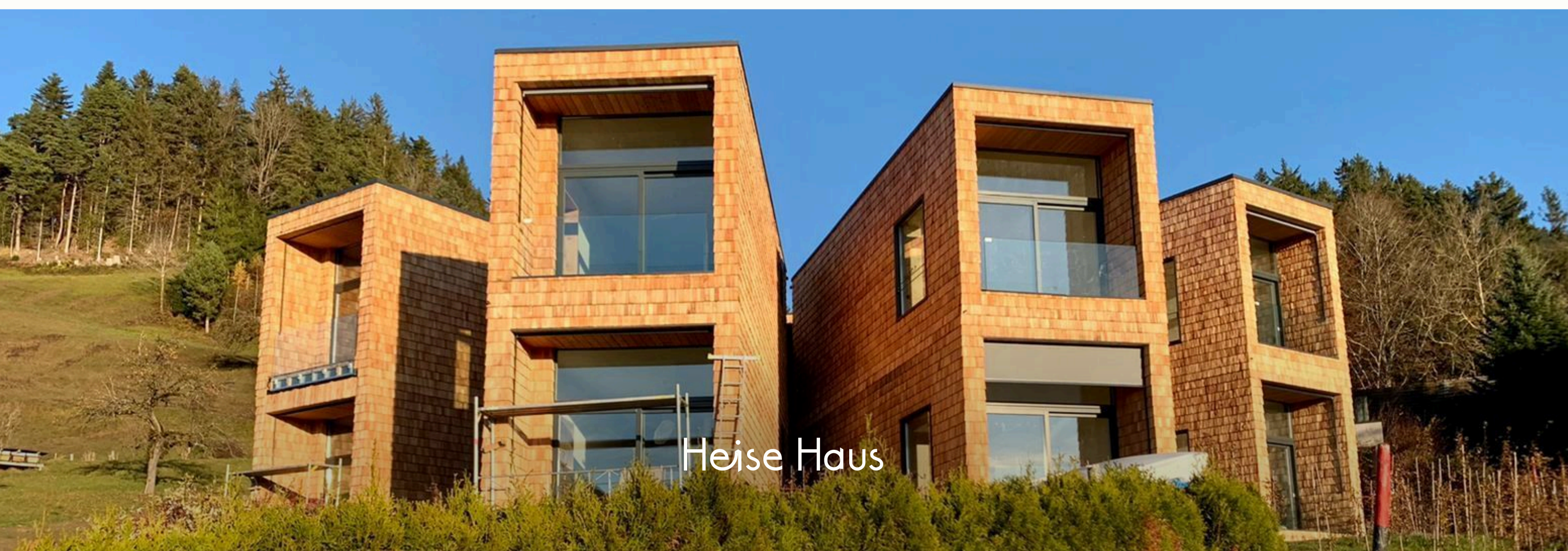
Tax burden can be significantly reduced

Employee housing as a non-cash benefit since 2020

Can be claimed up to the usual local rent of €25/sqm

| | | |
|----------------------------|------|---|
| Basis for comparative rent | €930 | Monthly rent value: €780 + allocable operating costs €150 |
| Deduction of allowance | €310 | Valuation discount: 1/3 von €930 |
| Employee co-payment | €550 | Rental costs of the employee (for the flat) |
| Subject to taxation | €70 | Taxable non-monetary benefit for a rental advantage granted by the employer of €1,050 |

“In a typical Heise Haus project, the employee only needs to pay taxes on €70 instead of €1,050.”



Employee Housing About Heise Haus

Our Solution for Employers: Comprehensive Neighborhood Development

We are more than just a modular house manufacturer. As a first mover, we have recognized the benefits of employee housing from economic, ecological, and social perspectives. Our mission is to comprehensively support your company and develop high-quality employee housing neighborhoods. We prioritize your needs throughout the process.

Quality Management from the Start

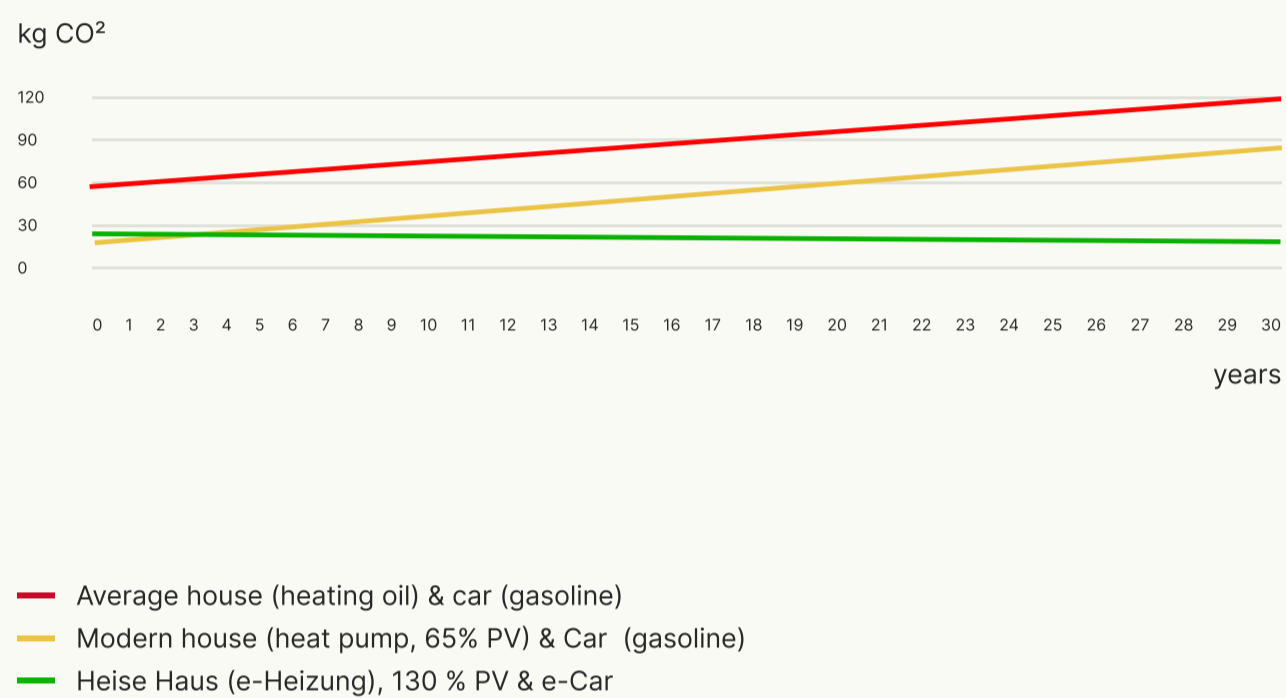
Our quality management ensures the success of the projects. It starts with a workshop to determine your needs. We accurately capture the requirements and evaluate them.

"We continuously monitor and adjust as needed. Working together with all stakeholders, we develop projects, consider risks, and ensure precise cost estimates."

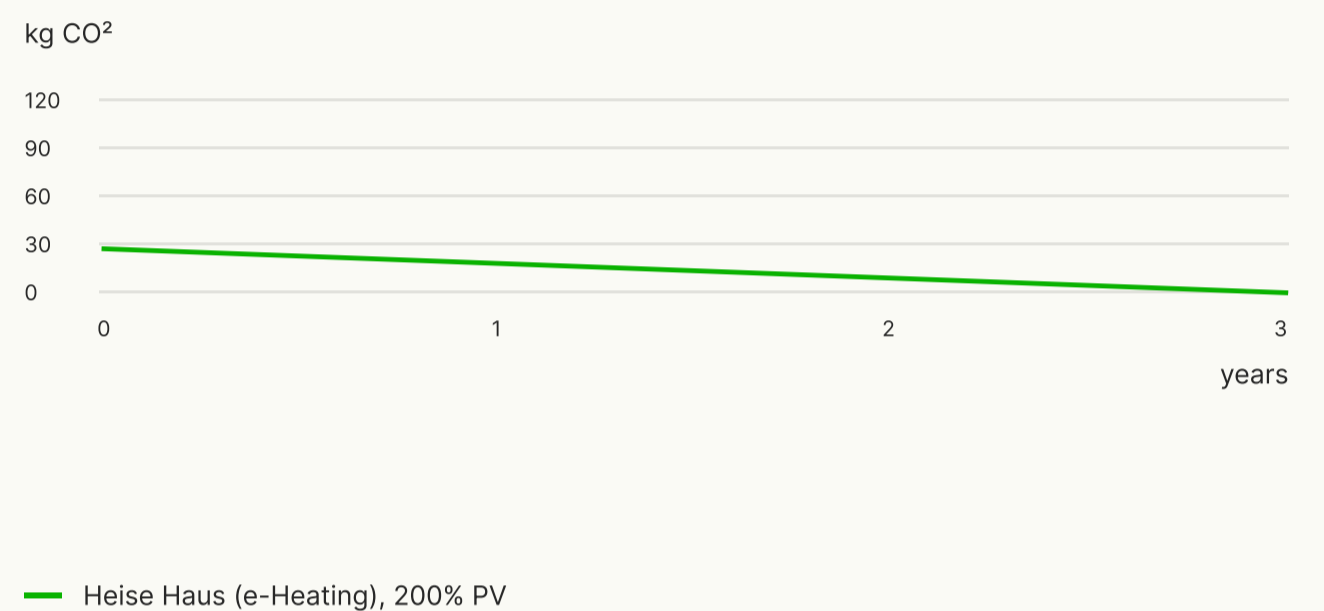
Development, Implementation, Operation – We Guide You

From site selection to master planning and neighborhood development, we provide comprehensive support. We handle legal processes, assist with tax matters, and collaborate with all stakeholders to create a vibrant community. During operation, we remain by your side, organize property management, and continuously adapt offerings and services."

CO² balance in kg CO² per 100 m² gross floor area LIVING & MOBILITY



"CO² balance in kg CO² per 100 m² gross floor area LIVING"



Ecology - Our Clear Response to the Turning Point!

Approximately 66 kg of CO₂ per m² of gross floor area during manufacturing and construction using regional timber construction in EH40-QNG quality, focusing on ecological construction with environmentally friendly materials. (Average house comparison: 459 kg)

Surplus of green energy, providing sufficient energy for living and e-mobility. This likely leads to carbon neutrality within 3 years after construction.

Approximately 96% less surface sealing due to the ability to use point foundations, as opposed to standard buildings with surface foundations.

Consistent greening and permeable surfaces for infiltration.

Approximately 25% less living space consumption and approximately 21% less material consumption compared to standard residential units with an average of 48 m² of living space per resident.

Our Vision

We prefer projects that promote inclusivity, remote working/co-working spaces, and support the development of rural regions.

- Modern and affordable living for young and old.
- Proximity to the employer even in regions distant from the city.
- Support for daily life, community, and mobility.
- Remote working opportunities in co-working spaces, also available for family members.
- Living among like-minded individuals in a separate housing unit with a garden and plenty of greenery.
- Barrier-free, wheelchair-accessible access from the street to the houses.
- We focus on industries that are also supported by impact investors. In doing so, we aim for substantial partial rental/purchase guarantees.

Noticeably Reduced Risks

- Short project durations of 12 to 24 months with complete execution through established suppliers and operation by experienced partners.
- Lower construction costs and fewer defects due to highly efficient, fully prefabricated modular homes: Manufactured in the factory within 3 months - including interior fittings such as kitchens and furniture - and delivered, assembled, and connected in just a few days with standard logistics. Lower construction costs also in civil engineering due to point foundations instead of surface foundations and less invasive ground sealing.
- High quality and sustainability standards for long-term value appreciation.
- Prime locations with existing infrastructure, well-known employers, and supportive communities.
- Investments are only incurred with the provision of rental guarantees.
- Independent of external energy providers and fossil energy sources.
- We aim for rental guarantee contracts with one or more employers per village.

Contact

"Begin the process today and let us advise you on the next steps."

Lukas Schmitzer
Project Development - Employee Housing

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