Germans getting priced out of their own cities

Deutsche Welle reports that Germany's cities have become a victim of their own success, as exploding property prices are making it increasingly difficult for families to live in them. It cites a real estate expert from the German Economic Institute as saying that cities such as Berlin have been growing by as many as 40,000 people per year. The crush of people is driving up rents and the prices of flats, with rents rising an average of 9 percent in 2017 alone. DW reports that the top apartments in the Mitte district of Germany's capital are producing annual returns of 10 percent and that new rent controls have done nothing to alleviate the pressure. This has driven up the price of developable land to the extent that despite the desperate lack of new housing stock (the country needs an estimated 1 million units), it's becoming unprofitable for developers to begin new projects. The German Federal Bank recently calculate that the richest 10 percent of households owned nearly half of all Germany's real estate.