

Feminist perspectives on housing financialisation: The case of the German social rental housing sector

Abstract

This paper explores the financialisation of housing in Germany's social rental housing sector, focusing on the lived experiences of tenants. Drawing on a relational feminist lens, the study examines how macro-level policy shifts, financialised management practices, and tenants' lived experiences intersect to drive housing precarity. Through the case study of Vonovia, Germany's largest financialised landlord, the paper illustrates how institutional investors maximise profits by upgrading properties, increasing rents, and displacing vulnerable tenants. The research, based on tenant interviews and document analysis, sheds light on the emotional and material impacts of housing financialisation and the growing disconnect between tenants and their homes. The findings reveal that the financialisation of social rental housing undermines social cohesion, disrupts everyday life, and deepens feelings of alienation and fragmentation

Keywords: Financialisation, gentrification, displacement, social housing, feminist geography

Introduction

The centrality of housing for community health, social cohesion, and social reproduction in cities has become increasingly prominent in urban discourse. Also in public discussions, the demand for adequate and safe housing has transitioned from a peripheral concern to a focal point. Concurrently, recent crises have facilitated accelerated wealth accumulation and upward redistribution of profit, as corporate entities have expanded their control over residential properties, leading to soaring returns for international financial investors (Unger, 2022). This financialisation of housing has exacerbated existing spatial, social, and economic inequalities in cities, resulting in disproportionate hardship for working-class communities, including unemployment, eviction, homelessness, and displacement (Graziani et al., 2020; Gabor & Kohl, 2022). The precarisation of asset-poor households is intricately linked to the neoliberal transformation of housing into an asset class (Jupp et al., 2019; Soederberg, 2018). The conversion of homes into liquid financial assets for maximising shareholder value undermines the life-support systems of communities. As scholars Peter Marcuse and David Madden (2016) assert, the housing crisis is not a malfunction of the system but a result of its intended functioning, where the social function of housing is subordinated to its economic value (17).

This article examines the case of housing financialisation in Germany, focusing on the social rental housing sector in Western German cities. I explore the financialisation of housing on three intertwined dimensions: 1) the macro level shifts in hous-

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ing policy; (2) the financialised management strategies of institutional landlords on the neighbourhood level, and 3) tenants' lived experiences of precarisation and their day-to-day struggles. Drawing on the experiences, emotions, and fears voiced by tenants residing in financialised homes owned by Vonovia, Europe's largest financialised landlord, I argue that a relational feminist approach helps us understand that housing financialisation is not merely a distant structural phenomenon but relies on governance processes at various levels of the political economy of housing, including households' everyday reproduction. The qualitative research for this paper was undertaken as part of my doctoral dissertation between 2021 and 2024 and includes archival research, document analysis, as well as expert and tenant interviews.

The structure of the article is as follows: First, I trace the origins of the financialisation of the German social rental housing sector within the institutional context of the transforming welfare state of Western Germany (section 1). Through the lens of Germany's biggest landlord, Vonovia, I then elucidate the financialised management strategies on the neighbourhood level, highlighting their disciplining impact on tenants (section 2). Third, I discuss tenants' lived experiences and struggles with the financialised housing management of Vonovia (section 3). In the last section, I discuss the case study of the financialisation of the German social rental housing sector through a feminist lens. I argue that feminist perspectives on housing financialisation illuminate the interplay of macro- and micro-structural dynamics that have contributed to housing precarity (section 4). By bridging the volatile dynamics of global property markets with concrete local practices of financialised rental housing management and their impacts on rent relations and tenants' everyday lives, feminist perspectives offer timely insights into processes of residential alienation and displacement as well as potential avenues for contesting the prevailing "urban finance fix".

1. Social rental housing in Germany: The new frontier of financialisation

Since the early 2000s, particularly following the global financial crisis of 2007/2008, scholars in housing studies have increasingly turned to the concept of financialisation to understand the growing influence of finance in housing markets and its ramifications for the creation of living spaces, urban governance, and the dynamics of local/global as well as public/private relations within cities (Aalbers, 2017; Aalbers et al., 2021; Beswick & Penny, 2018; Gabor & Kohl, 2022). As defined by Manuel Aalbers (2023), financialisation involves "the increasing dominance of financial actors, markets, practices, measurements, and narratives at various scales, resulting in a structural transformation of economies, firms (including financial institutions), states, and households" (3). Within the realm of housing, financialisation refers to activities such as the production, rental, trading, financ-

ing, maintenance, and management of housing, all guided by financial product creation logic. Financialisation thus represents a specific form of commodification that is oriented towards the financial markets and geared towards the interests of institutional investors and other private stakeholders operating in transnational markets (Unger, 2016). The process of financialisation embeds housing within the circuits of financial capital, thereby linking the value of housing as asset directly to the volatile dynamics of global financial markets. This process further entrenches the primacy of exchange value over use value, as housing becomes not merely a place of dwelling but a vehicle for financial speculation and investment (Madden & Marcuse, 2016). This shift reflects a broader trend towards the hegemony of finance capital over other forms of capital, profoundly influencing social and spatial relations in cities worldwide.

Against the backdrop of neoliberal social and housing policies, the financialisation of former decommodified housing has become a prominent issue in Western welfare states in recent decades. The privatisation and financialisation of public and social housing have led to the proliferation of gentrification, social exclusion, and displacement in cities, shifting economic risks and social costs down to vulnerable low-income communities deemed expendable while enriching global corporate landlords and private investors (Ferrerri, 2020; Graziani et al., 2020; Godechot, 2020).

I will now shed light on the financialisation of the social rental housing sector in Germany. To grasp the evolution of financialisation within Germany's social rental housing sector, I contextualise the commodification of housing within a broader framework of welfare state transformation (Doling, 1994; Schönig, 2020). This approach elucidates the relationship between housing commodification and urban space amid the backdrop of globalised neoliberal capitalism, with moments of crisis revealing tensions in this relationship. Delving into critical urban studies and geography debates, I illustrate how shifts in the German welfare regime and housing regulations have facilitated the transformation of real estate into liquid financial assets, underscoring the active role of the state in driving commodification and subsequent financialisation processes (Gotham, 2009).

In Germany, social housing is of temporary nature and based on the principles of the "Social Market Economy" established after the Second World War (Harlander, 2008). The prevailing logic of this ordoliberal welfare model is that the market can adequately balance housing needs with provision and thus state intervention is only legitimate in times of wider societal crises, such as during periods of severe housing shortage or large-scale migration (Egner et al., 2004; Häußermann & Siebel, 1996). Based on this understanding, post-war federal investment in mass rental housing construction was seen as "an interim step on the way towards an affluent middle-class society" (Droste & Knorr-Siedow, 2014, 187). *De jure* social housing (*Sozialer Wohnungsbau*) is organised as state funded building programme with state subsidies

(mostly in the form of interest subsidies or public interest-subsidised mortgage loans) targeting all provider groups, leading to an overlap between the social housing sector and both private and public rental, as well as owner-occupied housing. Inherent in the design of the German social housing system is its temporary nature: social homes have limited lock-in periods of price and occupancy control; when state subsidies are repaid by the providers (usually 15 to 30 years), the dwellings enter the private rental market and rent as soon as access limitations are lifted (Donner, 2000: 200). Owing to its temporary nature, the number of social housing units within lock-in period declined from almost 3 million by 1990 to 2 million in 2006, down to around 1 million in 2023 (Deutscher Mieterbund n.D.).

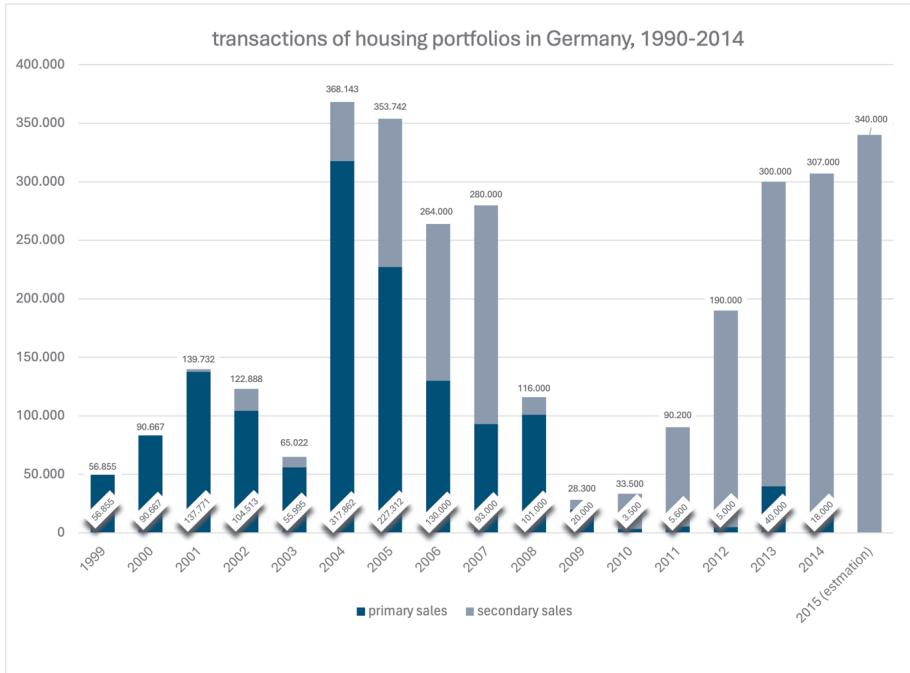
As part of a wider transformation of Western welfare states since the 1970s, there has been a noticeable decline in the provision of social rental housing in large parts of Europe, accompanied by a trend towards marketisation and liberalisation of housing governance (Czischke, 2009; Schönig et al., 2017). This trend involves the gradual replacement of supply-side subsidies with demand-side subsidies (e.g., housing benefits or vouchers), leading to a shrinkage of the social and public segments of the housing market (Donner, 2000; Scanlon et al., 2014). Within this neoliberalising context, the German social housing model has undergone significant transformations, transitioning from a cornerstone of the post-war welfare state to a residual market segment that primarily serves those unable to access housing on the market (Egner, 2014; Schönig, 2020). The sector has changed drastically in size, social significance, and architectural form over the past 40 years.

The shift away from social housing provision in Germany intensified following the complete abolition of the national non-profit housing law in 1990. The law, passed under the Nazi regime in 1940, restricted the business activities of non-profit housing companies, including company-owned and public providers, and in return granted tax benefits. The abolition allowed former non-profit providers to privatise their housing stock and/or adopt more commercial business strategies (Egner et al., 2004). This policy change, accompanied by the successive termination of federal subsidies for social housing, has led to a diversification of housing governance in the public sector (See Matthias Bernt 2022: 86 ff. for an overview of how the “Conservative *Wende*” in German housing policy came about in the 1980s, eventually leading to the abolition of tax privileges for non-profit housing companies, pushing them closer towards the market and enabling the privatisation of large shares of the social rental housing stock). Together with the implementation of neoliberal urban policies and measures of fiscal discipline at different institutional levels of the state, the abolition of non-profit housing induced large-scale transactions in the de-commodified housing sector.

During the late 1990s and early 2000s, significant proportions of social rental housing stock in Germany were sold to private equity funds (figure 1), marking the onset of what has been termed “financialisation 1.0” in the German social

rental market (Wijburg et al., 2018). As indicated by Unger (2016), these funds generally operate with high leverage and deploy short-term strategies (three to five years) of “pure speculation” – like “buying low and selling high”, to create exchange values from their investments in the built environment, with disinvestment and lack of maintenance being characteristic features of tenant-provider relations (Fields & Uffer, 2016; Wijburg & Aalbers, 2017).

Figure 1: Large housing portfolio transactions (> 800 units) in Germany, 1990–2014



Source: Author’s own data based on Unger, 2016: 178, with data from BBSR-Datenbank Wohnungstransaktionen.

The 2007–2008 global financial crisis posed challenges to the business models of private equity funds, prompting many to sell off their portfolios. Subsequently, many private equity funds holding stock in Germany were converted into real estate investment trusts (REITs), and their housing units were transferred to newly established listed real estate companies (Aalbers, 2016). Listed real estate companies in Germany pursue long-term investment strategies aimed at generating stable cash flows from rental housing management. This shift reflects the evolving landscape of “financialisation 2.0” (Wijburg et al., 2018) in Germany, highlighting the complex interplay between economic forces and regulatory frameworks shaping housing provision.

The next chapter dives deeper into “financialisation 2.0” by taking a closer look at the housing management strategies of financialised landlords, using the example of Vonovia.

2. Financialised housing management: The case of Europe’s largest financialised landlord Vonovia

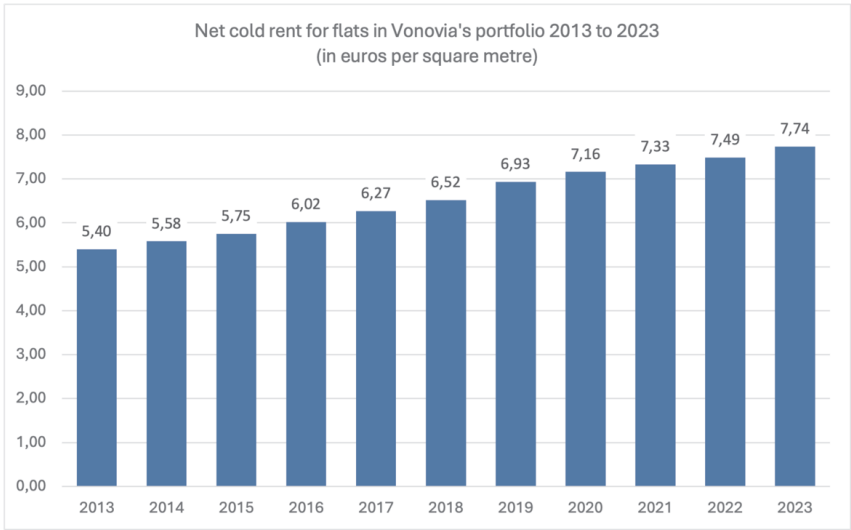
Using Vonovia as a case study, I will dissect the second dimension of financialised management strategies on the neighbourhood level.

“Financialisation 2.0” (Wijburg et al., 2018) is characterised by long-term real estate management and value extraction strategies. The investment strategies of listed real estate companies holding stock in the German social rental housing market include disinvestment in management and services, stimulating gentrification by physically upgrading housing stock, manipulating rent regulations, and collaborating with local authorities to coordinate neighbourhood redevelopment to enhance the net value of the social rental portfolio.

Formerly providing good-quality, below-market housing, Germany’s social rental units have now become the “new frontier” of financialisation, primarily serving institutional investors rather than low-income tenants. Institutional investors such as Vonovia maximise returns by leveraging legally permissible rent increases and using modernisation schemes and neighbourhood renewals to raise rents and maximise profits (Bernt et al., 2017; Schipper, 2021). This approach often pits social and ecological concerns against each other, as the modernisation of the ageing housing stock is used to raise rents, impacting tenants and the housing’s role as a critical infrastructure (Arendt et al., 2023; Kadioğlu & Kellecioğlu, 2023).

The business model can be exemplified using the figures of Vonovia, Europe’s largest financialised landlord:

Figure 2: Net cold rent Vonovia (2013–2023)



Source: Author’s own data based on <https://de.statista.com/statistik/daten/studie/519254/umfrage/nettokaltmiete-fuerwohnungen-aus-dem-bestand-der-vonovia/> (Last accessed: 2024, March 18).

Figure 3: Profit from operating activities of Vonovia (2013–2023)



Source: Author’s own data, based on data from <https://de.statista.com/statistik/daten/studie/519253/umfrage/ergebnis-deroperativen-geschaefftstaetigkeit-der-wohnungsgesellschaft-vonovia/> (Last accessed: 2024, March 18).

Vonovia's business model is to make profits from the rental management and servicing of flats in Germany and Europe. As figure 2 shows, on average rents have increased by more than 2€/sqm between 2013 and 2023, equalling a plus of 40 %. Accordingly, Vonovia's annual profit from operating activities (figure 3) has risen sharply from 223.5 million € in 2013 to 1,801.6 billion € in 2023, indicating the link between rent increases and annual profit (see also Unger, 2022). Following its recent merger with Germany's second-largest landlord Deutsche Wohnen, Vonovia now manages approximately 550,000 housing units, solidifying its position as Europe's largest listed real estate company (Unger, 2021). Vonovia, alongside other major players like LEG Immobilien and Foncière des Régions (Immeo Wohnen), holds a "quasi-monopoly position" (Wijburg et al., 2018: 1103), with its rise being closely connected to the privatisation and commodification of the social rental housing sector since the 1990s.

Until 2015, the company was known as Deutsche Annington. Deutsche Annington was founded in 2001 as a subsidiary of Terra Firma, a British private equity fund, when the company acquired 64,000 housing units from the German Federal Railway, which had been privatised in 1994. The company began expanding its portfolio in Germany by acquiring large housing companies in Berlin, Leipzig, and Dresden, as well as portfolios of energy companies such as E. On and RWE in the Ruhr area. In 2013, Deutsche Annington was transformed into an independent company and listed on the Frankfurt Stock Exchange (Initial Public Offering, IPO). After a merger with Gagfah in 2015, which added an additional 144,000 housing units to its portfolio, the company was renamed Vonovia and, on September 21, 2015, became the first German real estate company to be listed on the DAX, i.e. the German stock index consisting of 40 major German companies that trade on the Frankfurt Stock Exchange. The model is based on total returns (Metzger, 2020).

Vonovia's IPO in 2015 marked a significant shift in its shareholder structure, reflecting the growing internationalisation of listed real estate in Germany during the "post-crash decade" (Atkinson, 2020). With a substantial portion of its shares held by global asset managers (with the US investment company Blackcock, known for its speculative financial transactions, holding approximately 10 %), Vonovia's profits are increasingly integrated into international capital circuits, emphasising the company's commitment to financial markets. Despite economic challenges such as the pandemic recession, Vonovia has continued to prioritise rent maximisation to increase returns (Unger, 2022). The company currently has a stock market value of approximately 20 billion euros (as of July 2024), promising its shareholders higher dividends each year.

While Vonovia has been identified as the leading market innovator in terms of its corporate policy, business model (insourcing services, introducing sustainability and green standards), and expansion strategies (expansion qua acquisition in Sweden,

France, Austria, and the Netherlands), it has also faced severe criticism from tenants and activists for exploiting rent regulations and driving gentrification (Betz et al., 2019; Metzger, 2020). The pressure on Vonovia to increase rents is inherent in its business model, as rental income directly determines shareholder value. In other words, constantly rising rents are a prerequisite for paying shareholders ever higher dividends. Thus, the company employs various strategies to secure consistent cash flow from rental income. One common approach is the physical upgrading of the property portfolio.

In the German rental housing system, there are two primary methods for physically upgrading the existing housing stock: 1) repairs and maintenance, which landlords are required to cover, and which do not result in rent increases, and 2) modernisation projects, which are paid for by tenants and lead to permanent rent increases. The latter often results in the displacement of lower-income residents from affected neighbourhoods. Under German rental law, landlords can pass on 8 % of the total modernisation costs to tenants annually, meaning tenants have effectively paid off the landlord's investment after 12.5 years, although the higher rents remain permanent. Improvements such as adding balconies or elevators, which are seen as upgrading the quality of the apartments, justify not only temporary rent increases but also long-term higher monthly payments for tenants. This makes modernisation projects particularly appealing for profit-driven landlords. Therefore, modernisation schemes can be termed a form of neoliberal urban redevelopment on the neighbourhood level.

Research has shown that Vonovia strategically uses apartment modernisation as a legal loophole to upgrade neighbourhoods, raise rent levels, and drive gentrification (Arendt et al., 2023; Schipper, 2021). Essential repairs and maintenance of aging housing stock, which should be covered by the landlord, are either neglected for decades or carried out as cheaply as possible. In other cases, maintenance work is wrongly classified as modernisation, forcing tenants to cover the costs. This tactic is characteristic of financialised landlords.

The profit-driven approach of Vonovia has led to concerns about the neglect of long-term maintenance and sustainable housing management, which has harmful effects on both tenants and housing's function as critical urban infrastructure. Importantly, this "financialisation of maintenance" (see Kadioğlu & Kellecioğlu) has been enabled by regulatory shifts in German and European housing policy, although it also results from the lack of democratic oversight over landlords' housing governance and maintenance conduct. In 2021 and 2022, approximately 70 % of the annual profit of Vonovia was distributed directly to shareholders as a so-called "pay-out". In 2022, approximately 37 cents per euro of rent collected by Vonovia was distributed to shareholders, highlighting the prioritisation of returns over tenant well-being (see: *dasfehlendedrittel* 2024). Such practices have sparked criticism

and protests against the tenants' movement, underscoring the tensions between profit maximisation and housing rights in the context of financialisation.

3. Tenants' lived experiences and struggles

I now turn to the third dimension of financialisation: tenants' lived experiences of precarisation and their day-to-day struggles.

In the quest to maximise profits in rental housing management, tenants become what Desirée Fields refers to as the "unwilling subjects of financialisation" (Fields, 2017a), as their monthly rent payments directly contribute to these profits. Housing becomes particularly precarious when residents are unable to move due to a lack of viable alternatives or financial limitations, resulting in long-term exposure to substandard living conditions. These circumstances can have detrimental effects on tenants' daily lives, participation in society, and both their physical and mental health, significantly constraining their ability to maintain personal well-being (Fields, 2017b).

In my doctoral research between 2021 and 2024, I conducted interviews with tenants residing in a working-class housing estate in Frankfurt am Main, Germany which is owned by Vonovia. Vonovia manages around 12,000 properties in the city, accounting for roughly 3 % of the local housing stock. Many of these properties were formerly public or non-profit housing units that transitioned from public to private, and eventually financialised, ownership in the 1990s and 2000s. Today, the majority of tenants are working-class families with low to middle incomes (Schipper, 2021). The case study estate was originally built in the 1930s as a non-profit, company-owned housing development for workers in a chemical industry based in Frankfurt. Until the 1990s, these homes were partially shielded from market forces, as rents were not determined by market rates (cost rent), and the company's business model was based on non-profit principles. However, with the repeal of the non-profit housing law in 1990, the company-owned estate was sold to a subsidiary of Deutsche Bank. The following year, this housing company was listed on the stock exchange, and today, it is part of Vonovia. The public listing marked a shift towards the immediate financialisation of the housing estate, representing a stark departure from its prior non-profit governance. Long-standing tenants recall that "everything changed," including management practices, maintenance, rent prices, and tenant-landlord relations. Despite the continuous rise in rent, tenants now contend with worsening living conditions and material decay (as depicted in Pictures 1 and 2).

Picture 1 and 2: Poorly maintained housing stock managed by Vonovia in Frankfurt am Main



Source: Photo taken by the author.

3.1 Disinvestment and power imbalances in the tenant-landlord relationship

Disinvestment: The reduction of investment in services and maintenance is a recognised tactic employed by financialised housing corporations (Wijburg et al., 2018). This pattern is evident on a smaller scale within the estate. After its sale to Deutsche Wohnen, the estate experienced frequent changes in service providers, with a gradual decline in maintenance and services, leading to the estate's slow decay. As one interviewed couple put it, they are "living on wear and tear". Long-term residents recall that the last major maintenance work occurred in the 1980s, and none of the subsequent companies took significant steps to preserve the ageing buildings and prevent structural degradation. In recent years, vacancies have risen to approximately 70 apartments (as of 2021). Persistent issues such as damp basements, broken heating systems, and mold have plagued the estate for over a decade. Despite tenants notifying the landlord about these problems, repairs have often been delayed, sometimes taking weeks to address after multiple tenant requests. Tenants offer various explanations for this mismanagement. One young couple, for example, suggested that "it's more incompetence than malice on the side of the landlord" and noted that "an extraordinary level of disorganisation is symptomatic of the situation" (field notes). Other tenants, however, attributed the issues to "typical gentrification thing, certainly not because they absolutely have to.

But, of course, there is also profit maximisation on their side.” This demonstrates that while some tenants see the root cause of their precarious living conditions in the profit-driven management of their homes, others interpret it differently.

Power imbalances in the tenant-landlord relationship: Another hallmark of financialised rental housing management is the anonymity and power disparity between tenants and landlord. After the sale of the estate, and the subsequent loss of rent and occupancy control, the tenant-landlord relationship shifted. This change led to the frustration of tenants’ long-standing expectations, which had been shaped by decades of non-profit management. Tenants noted that with each change in management, “the contact got worse and worse”, making it increasingly difficult to reach the landlord for matters such as repairs. Under the previous non-profit management, there was direct, personal interaction with long-term staff, built on trust. Even during the early stages of financialised ownership, contact with the landlord remained “very familiar” and a neighbourhood manager was still on site. Today, however, tenants must use email, an online portal, or Vonovia’s outsourced call center to communicate. As one young couple summed up, “There’s no personal contact at all. The only time we had personal contact was when we first moved in and that was the only time ever”. This lack of consistent personal engagement and the absence of human relationships create feelings of discomfort and dissatisfaction among tenants. Despite Vonovia’s claims of being “customer-oriented” and promoting a clean corporate image, tenants feel their concerns are largely ignored. One interviewee described their experience: “So, we kind of feel like a wild mass pushed around. Not at all like people who may have plans for their lives or something”. This reflects their sense of objectification and alienation. Official correspondence from Vonovia is often difficult to understand and lacks transparency, which tenants perceive as an intentional strategy. The landlord has become distant and impersonal, and the management system is disorganised, unreliable, and of poor quality, making it challenging for tenants to resolve issues and hold the landlord accountable. This echoes Cox’s observation of commodification as a transformation in social relations: from the concretely particular to the abstractly universal (Cox, 1982, cited in Forrest & Williams, 1984, 1164).

3.2 Social change and divisions between long-term and new renters in the neighbourhood

With the sale of the estate to a financialised company, the social structure and relationships within the neighbourhood also underwent significant changes. New tenants were no longer required to be employees of the chemical company; instead, their financial capacity was the primary criterion for obtaining a lease. This shift diluted the originally homogenous social and class composition of the area. Long-term residents often distinguish between “us,” the older tenants, and “them,” those who moved in after 1998. Conversations with several long-standing tenants revealed that most of them tend to stay within their own social circles,

maintaining connections primarily with other elderly residents who share similar memories and feelings of attachment to the neighbourhood. In contrast, many of the newer tenants — primarily younger families — are generally from lower-income backgrounds, with many having migration histories. Based on interviews and observations, it appears that these newer residents tend to form closer ties with other recently arrived renters. One reason for this divide is the significant age gap, but another factor is that those who have moved in since the 2000s often feel excluded. During interviews with elderly, long-term residents, there was a noticeable sense of disdain toward the “new” tenants, particularly non-White residents. Racist and classist remarks were made, with indignation expressed toward what they referred to as poor social behaviour in the neighbourhood. This “othering” of “newcomers” has contributed to a fragmented social dynamic within the community. These observations reflect Chiara Valli’s (2016) findings that in gentrifying areas, the influx of new residents often results in an “emotional loss of place” for long-term inhabitants (1195).

The division between the two groups of tenants is also reinforced by differences in the rent they pay. Long-term tenants with older contracts generally pay significantly lower rents than those who moved in later under new agreements. According to German tenancy law, rent increases for existing tenants are capped at 15–20 % over a three-year period, while new rental agreements typically reflect market-based rents. For landlords, signing new rental contracts is particularly profitable, as they can charge significantly higher rents in line with current market rates.

3.3 Disinvestment disrupts everyday life

While many tenants express their satisfaction with their homes, noting that “the location is good, the layout of the apartment is really perfect, and praising the architecture, spacious green areas, and their strong community ties, the financialised management of their landlord has emerged as “the biggest problem” in recent years. This has made living in the neighbourhood increasingly burdensome for tenants. Renters now find themselves stuck in substandard apartments with delayed maintenance, poor services, and inadequate communication from their landlord. The physical deterioration of the buildings and the rising number of vacant units have fueled rumors about the future of the estate, creating uncertainty about the landlord’s long-term plans. This uncertainty has contributed to feelings of powerlessness and insecurity among tenants. The “material and repetitive disruption of the infrastructural flows that make a home function for its inhabitants” (Kadioğlu & Kellecioğlu, 2023, 17) significantly impacts tenants’ daily lives, limiting their ability to manage household and social-reproductive activities. Interviewees shared that juggling childcare, work responsibilities, and household tasks has become increasingly difficult due to the emotional and physical toll of waiting — often in vain — for much-needed repairs in deteriorating living conditions. Despite these issues, monthly rents have continued to rise, reaching the legally permissible upper limits.

As a result, many tenants are forced to spend over 30 % of their net income on housing, requiring them to cut back in other areas. The financialised management by Vonovia has resulted in anxiety, stress, and even illness among tenants, leaving many feeling drained and frustrated.

3.4 Modernisation of housing stock and displacement pressure

In November 2022, Vonovia announced plans to modernise two of the nine building blocks in the working-class estate in Frankfurt. Tenants received individual 38-page letters outlining the extensive renovation plans, which included façade insulation, window replacement, bathroom remodeling, balcony refurbishment, and sanitary system upgrades, among other measures. The project was scheduled to last 10 months, including four weeks of work inside the apartments, during which tenants were expected to remain in their homes. During the initial phase of construction, bathrooms were unusable, and kitchens lacked running water for the first 10 days following the bathroom/WC renovation. These deadlines were repeatedly pushed back, leading to extended periods of disruption, particularly affecting elderly tenants and families with children or infants. Construction work (as depicted in picture 3) started in March 2023 and is still ongoing in October 2024.

Tenants were not given any opportunity for consultation or participation in the decision-making process; they were simply informed of the plans in writing. Beginning in January 2023, “tenant information meetings” were held, though these sessions did not foster equal dialogue. Instead, tenants were relegated to a passive role, receiving information about what their landlord planned to do to their homes. Vonovia treated tenants like objects throughout the modernisation process. According to tenants who attended these meetings, Vonovia employees were “poorly prepared” to answer questions, often deferring issues to “individual case discussions.” Tenants expressed frustration and confusion, particularly regarding Vonovia’s tone in the meetings: “They have informed us of the facts, acting as if what is coming is great, but it’s an imposition.” One tenant remarked, “their aim is to drive us apart as a herd, the tenants”. Under these circumstances, marginalised tenants feel particularly disempowered, both individually and collectively, in their ability to challenge the landlord or assert their rights. Although many renters believe that they are being treated unjustly, these actions foster a sense of alienation and deepen social divisions.

The prolonged construction work, combined with the looming prospect of significant rent increases — up to three euros per square meter upon completion — has caused ongoing hardship and existential anxiety among tenants. The constant threat of displacement heavily impacts their quality of life, creating a sense of disconnection from their homes and communities. As a result, many tenants experience disrupted social bonds and a loss of belonging. For numerous households,

maintaining financial stability to avoid displacement becomes the central focus of daily decision-making, leading to considerable mental and emotional strain, feelings of insecurity, and a sense of alienation from their homes. While some tenants have sought legal advice, consulting lawyers or tenant associations in an effort to fight for their rights individually, most working-class tenants lack the necessary resources to do so, leaving them feeling powerless against their landlord's actions (Rinn, 2021). Collective efforts organised by a local tenant initiative, such as writing open letters to Vonovia, engaging with the press, and holding public meetings, have garnered some public attention. However, tenants' expectations of support from political representatives and municipal authorities were largely unmet. They were informed that the municipality could not intervene due to the private ownership of the estate and were instead advised to negotiate "individual solutions" with Vonovia. The shift from local landlords to remote institutional investors has made it increasingly difficult for tenants to hold those in charge accountable at the local level. This situation exacerbates the power imbalances in the tenant-landlord dynamic, further eroding tenants' social power. As one tenant described it, living under this "life-threatening management of Vonovia" has turned life into a burden.

Picture 3: Construction work in the estate



Source: Author's.

This case study illustrates that the pursuit of increasing dividend payouts through financialised rental housing management comes at the cost of tenant precarisation and displacement. Rather than offering ontological security and a stable foundation for a meaningful life, housing under financialised management forces tenants to focus primarily on enduring hardships and meeting rent demands. Tenants unwillingly finance shareholder profits (Fields, 2017a), and when monthly rents exceed what they can reasonably afford, they are pushed out to make room for more financially secure tenants. As Laura Briggs insightfully observes, “These conflicts are where neoliberalism lives in our daily lives” (Briggs, quoted in Madden, 2020).

4. Discussion: Understanding housing financialisation through a relational feminist lens

I have discussed three dimensions of financialisation in the case of social rental housing in Germany. Reading housing financialisation through a relational lens brings together the macro level of the political economy of housing, the meso level of housing management, and the micro level of the day-to-day reproduction of subjects. From a political economy perspective, financialisation is often presented as an abstract, disembodied process operating from a distance from cities, housing, and daily life. In contrast, the relational approach I have presented in the case study aims to overcome the notion of “distance”, making more visible the relations and processes by which finance is reshaping housing governance in neighbourhoods and tenants’ subjectivities and lived experiences of home “on the ground”.

Applying a relational lens on housing financialisation allows us to connect the political economy of financialisation and the management strategies of institutional landlords with the embodied experiences and struggles of tenants (Latocha, 2021; 2022). We can ask, with Emma Power and Kathleen Mee (2020), “[h]ow housing systems organise the possibilities of care giving and receiving at a household and social scale” (489). The case of Vonovia shows that financialised homes disrupt everyday life and bring alienation.

Financialised homes fail to foster “caring spaces and caring selves” (ibid., 490), instead fostering neglect, precarity, and social fragmentation. The subordination of the social use of housing to its function as an asset is coupled with precarisation and harassment of tenants and material neglect. While aware of the unjust treatment and unwilling to be subjugated to these financial logics, renters feel threatened and paralyzed by landlords’ strategies. Thus, they rarely voice dissent publicly or even collectivise their struggles. To grasp and explore these processes through a relational feminist lens allows us to make visible the interplay of macro- and micro-level shifts in the organisation of social reproduction in cities, and to politicise financialisation as it has become ingrained in the intimate sphere of everyday life.

Feminist analyses of housing underscore the relational aspects and material, embodied and emotional dimensions of housing as crucial components of its function

as place of everyday reproduction (Easthope et al., 2020; Longhurst, 2012). Housing is viewed as a fundamental individual need and a social good underpinning social stability, integration and participation in society, economy and politics. The home serves as a nexus for the daily rhythms of life, facilitating relationships and interactions with others and society at large. In capitalist societies, the home also plays a pivotal role in maintaining and reproducing the labour force and ensuring the economic functioning of the economy (Federici, 2012). Feminist scholars emphasize that the home as a site of social reproduction carries profound social meanings, emotions, and affects, shaping the subjectivities and identities of its inhabitants. However, in contexts of alienation, the home can also become a site of insecurity and oppression. The subjective experience of dwellings is thus shaped by the interplay of micro-politics “on the ground” and the macro-structural context of the political economy of housing.

The neoliberal home, idealised as the private sphere opposed to the public, is deeply imbued with gendered, racist, and classist connotations (Kuschinski, 2019, 126). As early as the 1970s, feminists proclaimed that the private sphere of the home is political: (see Molyneux, 1979; Federici, 2012; Della Costa, 2019). The idea of housing as a commodity reinforces bourgeois norms and hierarchical divisions, segregating productive labour from unpaid reproductive labour and idealising housing as a domain for the nuclear family (Federici, 2012). Housing in its commodity form has become hegemonic, serving to discipline the working class (Niethammer, 1988). Importantly, feminist scholars remind us that struggles over housing can also be the starting point for collectivisation, emancipatory politics, and social transformation (Fields, 2017b; Heindl, 2022; Künstler & Schipper, 2021; Uhlmann, 2023).

Taking into account feminist scholars’ contributions on the notion of home, the relational analysis of financialised housing management reveals the interconnection of everyday precarisation, alienation and disrupted social relations with structural changes in the political economy of housing. That way, we can understand how political economy processes at the macro-level manifest in local practices of rental housing provision and management (meso-level) and how these shape rent relations, everyday experiences of alienation, and tenants’ struggles to stay put (micro-level).

5. To conclude

Housing as a home is a fundamental material and social prerequisite for social reproduction and the unfolding of everyday life; it is also crucial for social cohesion in cities. When this life-support system, as David Harvey calls it, is disrupted, precarisation reverberates across all aspects of existence, impacting individuals and societal structures alike (Harvey, 1975 [1973], 159). This article has argued that housing financialisation is a contradictory process with serious social and material consequences for renters, as the quality and affordability of housing are increas-

ingly subordinated to shareholder values and the maximisation of returns. Social reproduction becomes contested as conflicts arise from the contradictory nature of hyper-commodified homes as both places to live and objects of value extraction.

By adopting a relational perspective on the political economy and tenants' everyday experiences, this paper has illuminated the dialectical interplay between home and housing in contemporary struggles over the governance of rental housing subject to financialisation. Using the example of Germany's social rental housing sector, I have argued that financialisation has led to shifts in rental housing management on the neighbourhood level, putting social reproduction of households under strain. Financialised management tends to intensify social inequality and fragmentation because financial imperatives infiltrate everyday life and social relations.

Understanding the process of financialisation through the micro level of tenants' lived experiences highlights the precarity of dwelling under financialised management. The financialisation of home space and property relations shape subjects' identities and political subjectivities. The melting down of social securities stipulated in the tenancy law, the punitive management practices of institutional landlords (Unger, 2022), and the constant threat of displacement for low-income households in urban housing markets have brought about subjects' alienation, with the effect that public voicing of dissent or collective struggles for the right to housing only very rarely prevail. Uncovering the "negative externalities of financialisation at the local level", we can conclude with Desirée Fields that "housing made precarious contradicts the very ontology of home" (2017b, 592). financialised homes disrupt everyday life, neglect the social use of housing, and exacerbate tenant precarity.

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