

REGENSBURG GREEN SOCIAL AND AFFORDABLE HOUSING INVEU-ICR-0079-2024 – Social Investment and Skills Window (SISW)

Short description of the financing or investment operation and its objectives

Name of Financial Intermediary	N/A
Type of financial intermediaries	N/A
Type of final recipients	Small mid-cap
Countries of implementation	Germany
Implementing partner	European Investment Bank (EIB)

The operation will finance the social and affordable housing program implemented by the municipal housing company of the City of Regensburg. The investments comprise new construction and refurbishment of municipal rental housing that include energy efficiency measures.

Global Assessment and rationale for approval

The Investment Committee of the InvestEU Fund approved the use of the InvestEU guarantee on 25 November 2024 for the above-mentioned operation.

The Project is expected increase the market flexibility to respond to the current social and affordable housing needs in the City of Regensburg. The proposed project will contribute to urban regeneration and transformation of neighbourhoods to make them more sustainable.

The project will increase the supply and quality of social and affordable housing for rent, thereby providing energy efficient housing options for low- and medium-income households. The Project fosters social inclusion as well as a more equitable access to housing. It will generate positive externalities through an improved provision of housing facilities. EIB financing will contribute to social inclusion and sustainable urban development with improvements to the quality and attractiveness of the built environment. The Project is expected to contribute to the provision of high quality and energy efficient buildings, which will also lead to lower operating costs and energy bills for low and moderate-income households.

The loan from the Bank plays a crucial role in supporting Stadtbau-GmbH Regensburg's extensive housing investment program and establishing a stable long-term funding foundation. The Bank will provide an unsecured loan, which will be effectively subordinated to the borrower's standard mortgage loans and will thus help the borrower to optimize its asset encumbrance levels with a view towards mobilising traditional mortgage funding for its ambitious investment program. It will also enable the borrower to access funds over an extended period matching the project implementation period, while the repayment structure aligns with the long-term nature of these investments.