

Conclusions

HESSE AFFORDABLE HOUSING (DE)

INVEU-ICR-0039-2025 - Social Investment and Skills Policy Window (SISW)

Short description of the financing or investment operation and its objectives

Name of financial recipient	Nassauische Heimstätte Wohnungs- und Entwicklungsgesellschaft mbH
Type of the final recipients	Large Corporate
Countries of Implementation	Germany
Implementing Partner	European Investment Bank (EIB)

Global Assessment and rationale for approval

The operation will finance the social and affordable housing program implemented by the regional housing company of Hesse. The investments encompass new construction and refurbishment of municipal rental housing that include energy efficiency measures for roughly 3,120 existing units and 1,360 new units for rent for low- and moderate-income households. The Investment Committee of the InvestEU Fund approved the use of the InvestEU guarantee on 12 June 2025 for the above-mentioned operation. The Project is expected to provide high quality and energy efficient buildings, which will lead to lower energy bills for low and moderate-income households. At policy level, the Project supports the EU Treaty, numerous Public Policy Goals and EIB Mandate Objectives. The proposed operation is in line with the financing objective under the relevant InvestEU Regulation's ANNEX II Eligible Area, notably Social investments, including those supporting the implementation of the European Pillar of Social Rights.

Additionality

The EIB loan plays a crucial role in supporting the Borrower'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 to optimise its asset encumbrance levels with a view towards mobilising traditional mortgage funding for its ambitious investment programme. Also, it will enable the counterpart to access funds over an extended period matching the project implementation period and the long-term nature of these investments.

The Project would not have been carried out (to the same extent) by the EIB without the InvestEU support.

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Market gap

The Project is expected to increase the supply of new housing units and the refurbishment of existing ones for the benefit of low- and moderate-income households. It responds to the high demand for housing in Hesse and the need to increase housing supply for low- and middle- income households. The Project contributes to social inclusion and more cohesive communities. It improves household living conditions, the built environment and urban regeneration, making neighborhoods more sustainable.