



FIVE QUARTERS



PRESS RELEASE

Hardly any public funding: Over 13,000 new care places needed per year

- Only ten out of 16 federal states have subject or object funding in the care segment
- Construction activity for new care homes lags far behind demand
- Object funding for new and existing fully inpatient care homes only in Bavaria
- Number of people in need of care nationwide has more than doubled since 2011 to currently over five million people

Giessen / Hamburg, February 10, 2025 – Only ten of the 16 federal states in Germany have object or subject funding from state funds in the care sector. Berlin, Hesse, Rhineland-Palatinate, Saxony-Anhalt, Thuringia and Saarland have no funding for care places. Schleswig-Holstein, North Rhine-Westphalia, Bremen, Hamburg and Mecklenburg-Western Pomerania have subject funding as a direct subsidy. Saxony and Brandenburg only support care homes in the area of day and short-term care respectively, while Lower Saxony and Baden-Württemberg have a subsidy program for short-term care and semi-residential care homes. This means that comprehensive funding for all types of care is only available in Bavaria, which also subsidizes new builds and renovations of fully inpatient care homes with 40–60,000 euros per care home place. These are the key contents of the “Förderatlas Pflege” (Care Funding Atlas) published by the companies 5QRE and ProHealth, which specialize in care and retirement homes. The data collected is taken from the relevant state ministries.

Uwe Natter, Managing Director of ProHealth, comments: "According to the Federal Statistical Office, the number of people in need of care will rise to 6.8 million over the next 30 years. Even if we leave the proportion of people cared for at home at 80 percent as it is currently, we will have an additional need for around 400,000 places in fully inpatient care homes. This results in a need for over 13,000 new care home places per year. This challenge can only be met with a fundamentally new funding framework." According to the Federal Statistical Office, the number of care home places actually only increased by 110,000 from 2011 to 2021; assuming construction activity remains the same and based on conservative estimates, this would result in a deficit of 70,000 places by 2055. Peret Bergmann, Founder of 5QRE, adds: "It's time we treated care in the same way as housing and significantly expanded the corresponding funding. As our funding atlas shows, most federal states are neglecting the consequences of demographic change. With almost half of all nursing home places, private providers are already making a decisive contribution to care provision. However, given the current economic and regulatory situation, both developers and operators will not be able to meet the demand for new places in the medium term."

Among the various care segments, the number of people in need of outpatient care has risen the most since 2001. It grew by over 140 percent by the end of 2021. In the same period, the number of people receiving full inpatient care increased by 31 percent. In recent years, North Rhine-Westphalia and Schleswig-Holstein have cut property subsidies. Care properties are therefore only publicly funded in Baden-Württemberg, Bavaria, Brandenburg, Lower Saxony and Saxony. Peret Bergmann explains: "The additional property funding creates

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Seite 2 von 2

investor security. We therefore recommend that investors give preference to investing in these five federal states."

ABOUT FIVE QUARTERS REAL ESTATE AG

Five Quarters Real Estate AG | 5QRE is a regulated real estate company (KVG) for institutional investors based in Hamburg. 5QRE offers Europe-wide access to transactions in the healthcare, residential, office and local supply sectors as well as customized and individualized concepts. 5QRE makes extensive use of digital analysis, forecasting and reporting tools to ensure maximum transparency and regulatory certainty for investors and supervisory authorities. For 5QRE, ESG is not a regulation, but an attitude of social responsibility.

ABOUT PROHEALTH REAL ESTATE

ProHealth Real Estate is an asset and property manager for healthcare real estate. The company currently manages around 350,000 square meters of rental space, spread across almost 100 properties – 90 percent of which are medical centers and ten percent retirement homes. The aim is not only to maintain existing properties, but also to develop them further in order to make them future-proof and ESG-compliant. ProHealth Real Estate focuses on the conversion of existing properties throughout Germany in order to sustainably increase the value of existing buildings through the expansion of rental space and targeted refurbishment measures.

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