

PRESS RELEASE

Survey on energy price crisis shows families and younger tenants fear payment difficulties due to high tenant service charges

- **Increases in advance payments for electricity and gas lead to additional monthly financial burden**
- **Deposit guarantees can bridge liquidity gaps**

Wiesbaden, 8 February 2023 – Almost 62 percent of families are concerned that they may be unable to meet high tenant service charges, despite various relief and support measures. In addition, around 63 percent, especially young people aged between 18 and 29, worry about having cash flow difficulties. These are among the findings of a survey of German tenants conducted between October and the end of December 2022 by digital market and opinion research company Civey on behalf of Aareal's subsidiary plusForta GmbH.

For many tenant households, increases in advance payments for electricity and gas in the last few months have already led to noticeable additional monthly expenses. Moreover, many tenants will only receive their final service charges bill for the last year during the course of this year. Although it appears that price movements are currently slowing and the situation in the energy market has eased slightly, for many people the fear of a financial shortfall remains high.

One feasible way of creating liquidity rapidly and autonomously is to convert a cash security deposit into a tenant deposit guarantee. Dominik Brieler, Managing Director at plusForta GmbH, explains how this works: "Housing enterprises and administrators offer tenants concerned the option to withdraw the tenant deposit that they have lodged, for example, in a security deposit account. In its place they arrange a tenant deposit guarantee, which serves to provide the equivalent level of collateral."

In contrast to a security deposit lodged in cash, a tenant deposit guarantee is essentially an insurance policy, which can be taken out by the tenant with specialist providers after an appropriate credit check. While the tenant pays a small monthly premium for the insurance, a deed of guarantee must be deposited with the landlord as collateral. If a loss event occurs, a guarantor assumes liability for the tenant, so the landlord is hedged in full in exactly the same way as with a cash deposit. At the same time, releasing the cash deposit frees up funds for tenants that can help them, during the current situation, to settle their high service charges bill. The conversion can be carried out quickly and conveniently online from home and is significantly easier to arrange than a loan application, for example.

The results of the Civey survey on concerns regarding rising tenant service charges can be found [here](#) (in German only).

Information on the methodology

On behalf of plusForta GmbH, Civey conducted an online nationwide survey of 1,000 tenants aged over 18 years from 14 September 2022 until 31 December 2022. Due to quotations and weightings, the results are representative taking into account a statistical error of 5.7-6.4 percentage points (total result). You can find further information on the methodology at [Civey.com](https://www.civey.com).

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About Aareal Bank Group

Aareal Bank Group, headquartered in Wiesbaden, is a leading international property specialist. It provides smart financings, software products, and digital solutions for the property sector and related industries, and is present across three continents: Europe, North America and Asia/Pacific. Aareal Bank Group's business strategy focuses on sustainable business success, with environmental, social and governance aspects as an integral part of this strategy. Aareal Bank AG is the Group's parent entity. It manages the various entities organised in the Group's business segments: Structured Property Financing, Banking & Digital Solutions, and Aareon. The Structured Property Financing segment encompasses all of Aareal Bank Group's property financing and funding activities. Here, the Bank supports its clients in making large-volume commercial property investments. The investment properties mostly comprise office buildings, hotels, shopping centres, logistics and residential property, as well as student housing. In the Banking & Digital Solutions segment, Aareal Bank Group supports businesses from the housing, property management and energy industries as a digitalisation partner – combining extensive advisory services and product solutions with traditional corporate banking services and deposit-taking. Its subsidiary Aareon, the leading supplier of ERP software and digital solutions for the European property sector and their partners, represents the third business segment. Aareon is digitalising the property industry by offering user-oriented software solutions that simplify and automate processes, support sustainable and energy-efficient operations, and interconnect all process participants.

About PlusForta

With its online portals [kautionsfrei.de](https://www.kautionsfrei.de) and [kautionsfuchs.de](https://www.kautionsfuchs.de), plusForta GmbH is the market-leading provider of tenant deposit guarantees in Germany. The two portals offer tenants the option of arranging a tenant deposit guarantee rather than providing a cash deposit. Alongside the tenant deposit guarantee, tenants benefit from a comprehensive range of services in relation to the provision and settlement of deposit claims. For landlords, accepting a tenant deposit guarantee and settlement through plusForta GmbH means efficient management of the deposit guarantee processes. plusForta GmbH has been part of Aareal Bank Group since 2019 and complements the portfolio of digital solutions for the housing industry.