

Press release

Key theme: Changing Living Space

When living spaces and housing needs change

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- **Housing shortage meets vacancies and demographic change—existing buildings need to be rethought**
- **Simpler construction, and new standards and processes are aimed at making housing more economical**
- **Flexible apartments, community amenities, and short distances are transforming urban district living**

The way people live and where they live is changing—and with it, the challenges facing planning and the construction industry. Demographics, household structures, and new ways of living and working determine what kind of housing will be needed in the future. This presents a new set of challenges for construction: from dealing with existing buildings to standards and processes for new construction, and organizing life in the building and the neighborhood. BAU 2027, taking place in Munich from January 11 to 15, 2027, will explore this spectrum under its key theme “Changing Living Space.”

Current figures show just how varied the starting points are: According to Germany's Federal Statistical Office, 18 percent fewer dwellings were completed in 2025 than in the previous year, while the number of dwellings approved for construction rose by 10.6 percent to 238,100. The Pestel Institute's *Bau-Monitor 2026 (Construction Monitor 2026)* estimates a current deficit of 1.35 million apartments. As of the 2022 census reference date, approximately 1.9 million apartments were vacant, representing about 4.5 percent of the housing stock. In addition, the supply of existing buildings is also likely to shift over the long term.

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The housing shortage is not a phenomenon unique to Germany. According to the European Commission, more than two million homes would need to be built in Europe each year to meet demand—around 650,000 more than at present. In the *World Cities Report 2026*, UN-Habitat estimates the global housing deficit at 288 million units.

More targeted further development of existing buildings

Determining how existing buildings can be adapted cost-effectively and with reasonable effort to new requirements is increasingly becoming a planning challenge.

The “Einfach Um-Bauen” (simple rebuilding) research project at the Technical University of Munich takes the example of typical postwar multi-story apartment buildings to demonstrate that measures tailored to specific buildings often offer a better cost-benefit ratio than comprehensive, standard solutions.

Legislation is also beginning to treat existing buildings much more according to their own standards. One example is a regulation in North Rhine-Westphalia specifically aimed at old buildings: Legally existing buildings do not automatically have to be fully brought up to current new-construction standards when undergoing renovation, repurposing, or addition of stories, as long as key safety and fire protection requirements are met.

This kind of flexibility becomes particularly relevant when areas that were previously used for other purposes are to be repurposed for residential use. Alongside adding levels to existing buildings and redensification, converting office and commercial properties is seen as an opportunity: In Germany, around 11 million square meters of vacant office space is available—theoretically enough for tens of thousands of apartments. Whether it's turned into housing, however, depends on structural, economic, and planning law requirements, which is where programs like 'Gewerbe zu Wohnen' (Commercial to Residential) come in.

Easier planning and construction

Additional new construction remains necessary in tense housing markets. However, given high construction costs, the burning question is which standards, technical

equipment, and processes are actually required for high-quality residential construction.

Initial findings from testing the Building Type E show that the scope of options ranges from sound insulation to heating and ventilation concepts, and planning and award processes.

At the same time, the interim report on the Bavarian pilot projects shows that simplifying construction does not automatically mean less planning effort, but rather requires project-specific and legally sound solutions. "It would be desirable for us to return to discussing the qualities of durability and simplification in construction and to evaluate them not solely on the basis of efficiency figures and comfort standards," says Prof. Elisabeth Endres of the Technical University of Braunschweig, who serves as the scientific advisor for the Building Type E pilot projects, summing up the current results.

The 'Hamburg Standard' extends this approach to the entire development process. Technical, structural, planning, and permit-related standards are being reviewed for potential cost savings. The aim is to reduce construction costs by up to €2,000 gross per square meter.

More industrialized construction methods are also regarded as productivity levers. Serial and modular systems, prefabrication, and digitally integrated planning can shorten construction times and reduce the amount of personnel required. However, an article in *ifo Schnelldienst* shows that, given comparable requirements, such buildings are currently not automatically less expensive. Cost advantages are achieved primarily with higher production volumes, experience, and more heavily digitized processes.

Reassigning living functions

Changes in household sizes, life stages, and work arrangements are shifting the demands on homes, buildings, and urban districts. Flexible floor plans, communal spaces, and 'third places' can take on functions that were previously associated with

private living space. Quality of life is thus increasingly also determined by factors outside people's own four walls.

A 2025 study by the Federal Institute for Research on Building, Urban Affairs, and Spatial Development shows, based on 24 everyday services, that the concept of the '15-minute city' is already "far more prevalent in Germany than is generally assumed." The potential for urban district development therefore lies primarily in further developing the existing mixed use, short distances, and local infrastructure.

Changing living space at BAU 2027

Changing housing needs present new challenges for planning and the construction industry—in existing buildings, new construction, and at the urban district level. At BAU 2027, manufacturers, planners, and research institutions will showcase solutions for renovation, repurposing, and redensification, for simpler and more industrialized construction methods, and for flexible usage concepts in buildings and urban districts.

More information about BAU: bau-muenchen.com

About BAU

BAU, the world's leading trade fair for architecture, materials and systems, is the largest and most important event in the industry. Unique worldwide, BAU brings together the industry's market leaders in this multi-trade exhibition every two years and is regarded as an innovation driver and industry network. The range of exhibits is broken down according to building materials, products and topics. Everyone involved internationally in planning, constructing and designing buildings comes to BAU: architects, planners, investors, industry and trade representatives, tradespeople, and many more. As one of its USPs, BAU combines know-how from all sectors and trades at a high international level. The numerous events in the supporting program, including high-profile forums with experts from around the world, round out the trade fair program.

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