As squatting rapidly spread in abandoned buildings of the inner-city residential district of East Berlin after German reunification, the city government of Berlin implemented ‘Wohnungspolitische Selbshilfe Program (self-help housing policy program).’ The program assisted squatters to sign a formal housing contract as a group and granted subsidy for housing cost and refurbishment for fifteen to twenty years. In this paper, I question under what conditions the state succeeded or failed to secure housing for the vulnerable citizens in informal housing. I approach the self-help housing policy program with an institutionalist perspective and analyze actions of different stakeholders of self-help housing groups in the former East Berlin using archival analysis and key player interviews. I find that the housing security of squatters was dependent on the political initiative of the local government in the beginning stage of the program. However, the terms of individual ownership contract became more important in order to remain as self-help housing groups after the expiration of the self-help housing program support. In conclusion, I argue that the state played a crucial role in securing non-market housing projects in the market-oriented housing sector, but need to consider broader time frame into account when drafting policies for such housing programs.