

Immigrants, Housing, and Urban Renewal in Vienna's Ottakring

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Executive Summary

In the past twenty years the City of Vienna and Ottakring's renewal office have engaged in urban renewal. Ottakring has changed from a deteriorating area in danger of becoming an immigrant ghetto to a lively area with a more balanced population and increased popularity. The area renewal office has created a moderate renewal process by intending on renovating no more than ten percent of housing for an upper class clientele.

They have been mostly successful in their goal to prevent Ottakring from becoming an immigrant ghetto without pushing out low income populations. The number of immigrants increased from 2001 to 2007, but the number of citizens from Turkey and Bosnia Herzegovina, which are majority Muslim countries, have decreased. Also, the index of segregation for immigrants and Austrians has decreased, showing that these groups became less concentrated within Ottakring from 2001 to 2007.

Weaknesses include that significant living standard disparities exist between Austrian and immigrant populations, 18 percent of Ottakring lives in Category D housing with no toilet or running water, and the area may be losing businesses that have been important in its path to increased popularity. Recommendations for strengthened renewal include:

- Eliminate Category D housing.
- Provide incentives for developers to create housing that promotes social, cohesion and calls for both Austrian and immigrant tenants, such as projects that are for rent and for sale and renovated rather than converted.
- Create incentives for commerce to remain in Ottakring that is culturally and financially appropriate for Ottakring residents.
- Incorporate architecture or urban design that is culturally appealing to Muslim populations and evaluate the availability of mosques within Ottakring.

Introduction

Over the last twenty years the City of Vienna has been engaging in an urban renewal process in the 16th district, an area known as Ottakring. The renewal process is conducted in cooperation with Ottakring's area renewal office and includes renovating housing, revamping the area's local street market, supporting cultural events, and stimulating media coverage to improve the areas image. During this time, and most noticeably within the last ten years, eastern Ottakring has grown from a deteriorating, distressed area in danger of becoming an ethnic ghetto to a lively, bustling community of increasing popularity. This report describes the changes that have occurred in eastern Ottakring through data about residents' citizenship status and housing characteristics and through expert interviews with city housing officials and housing developers.

Problem Statement

In 2007 26% of residents in Ottakring were immigrants (compared to 19.8% immigrants in the City of Vienna overall) [Data provided by Statistik Austria, calculations by Author, 2009]. Within Ottakring there is a larger proportion of immigrants in eastern Ottakring and a smaller proportion of immigrants in western Ottakring. There are 10 statistical districts (or sub-districts called Zälbezirk in German) in Ottakring. The tenth Statistical district (in eastern Ottkaking) has the largest proportion of immigrants of the ten statistical districts in Ottarking, with 44% immigrant residents. Ottakring's location quotient, the proportion of immigrants in Ottakring relative to Vienna, shows that immigrants are over represented in Ottakring compared to Vienna. If the proportion of immigrants in Ottakring, or in a statistical district of

Ottakring, is less than the proportion in Vienna the location quotient shows an under representation with a value less than one. If the proportion of immigrants in Ottakring or a statistical district of Ottakring is more than the proportion in Vienna it shows an over representation with a value that is more than one (Treyz, 1994). The location quotient for immigrants in Ottakring is 1.34 and the location quotient for immigrants in Ottakring's tenth district is 2.25 (Data provided by Statistik Austria, calculations by Author, 2009).

The overrepresentation of immigrants from specific countries or the creation of ethnic enclaves is often created by two driving forces: immigrants' desire to live with people from the same country and market barriers that restrict immigrants' access to different types of housing (Giffinger, 1998). In Vienna, immigrants were restricted from social housing until the 1980s and non-EU immigrants were restricted from municipal housing until 2006 (Reinprecht, 2007). Since social and municipal housing are the main sources of affordable housing in Vienna, this forced low income immigrants to live in older, low quality private housing. Since older, low quality private housing was concentrated in specific areas in Vienna, immigrant segregation occurred (Giffinger, 1998).

Due to the immigrant segregation in Ottakring, combined with its deteriorating state, the City of Vienna identified Ottaking as an area in danger of becoming an immigrant ghetto and began targeting renewal efforts there about twenty years ago (W. Förster, personal communication, March 23, 2009). Their main renewal goal is to prevent Ottakring from becoming an immigrant ghetto without evicting immigrant and low income populations (W. Förster, personal communication, January, 2009). In the past five to ten years, Ottakring's image changed and it has gained popularity as a

metropolitan area with rich cultural and artistic activity, attractive for both visiting and living. Specifically, it has gained popularity among young, middle and upper middle class Austrian tenants and housing owners. While Ottakring gains popularity among middle and upper middle class groups, it is important for city planners and employees at Ottakring's area renewal office (Gebeitsbetreuung) to continue guiding the area's renewal and gentrification processes and to foster interaction and mutual understanding between the new mix of immigrant and Austrian residents there. This project looks at how Ottakring's renewal process affects immigrant populations and housing real estate and identifies City efforts to promote integration and improve housing in Ottakring. It was conducted in Vienna through the NEURUS program in conjunction with Professor Gunther Maier at Vienna University of Economics and Business Administration.

Objectives

The report will pursue the following objectives:

- Document ethnic segregation by citizenship in Ottakring
- Analyze the relationship between immigrants and housing quality in Ottakring
- Gauge housing developers' opinions of Ottakring's housing market potential
- Identify and analyze city efforts to promote integration and improve housing in Ottakring

Significance

Since renewal is currently occurring in Ottakring, fulfilling the objectives of this report can be beneficial in order to evaluate and strengthen the City and area renewal office's revitalization efforts. It is important in order to continue the progress which the City and area renewal office have already made and monitor the renewal so that it does not exclude immigrant populations.

- In 2007 slightly more than 7% of Vienna's immigrants lived in the 16th district (Data provided by Statistik Austria, calculation by Author, 2009). Immigrants are over represented relative to Vienna in six of the ten statistical districts in Ottakring as calculated by the location quotient. The two main immigrant groups--from Turkey and former Yugoslavia--are over represented by more than three times the amount in Vienna, with a location quotient of 3.27 (Data provided by Statistik Austria, calculation by Author, 2007).
- As will be shown later, there is a correlation between the location of immigrants, substandard housing, and housing built before 1919 at the statistical district level in Ottakring. In 2001, 18% of the housing units in Ottakring did not have toilets or water installed inside the apartment (this type of housing is known as Category D housing and it is the worst quality housing category in Vienna). This means that the toilets and access to water are in the hall and shared by residents of other apartments on the floor. In the tenth statistical district, up to 38% of housing was Category D housing (Data provided by Statistik Austria, calculations by Author, 2009). In the same year, 39 percent of former Yugoslavians and 40 percent of Turkish residents lived in Category D housing in Vienna, whereas only five

percent of Austrians lived in Category D housing (Fassmann and Kohlbacher, 2007). Forty six percent of the housing stock in Ottakring was also built before 1919. In Vienna, only 34% of the housing units were built before 1919.

- Since both gentrification and segregation can be positive or negative, depending on outcomes, it is necessary to monitor, analyze, and guide the occurrence of both in Ottakring. This report looks at the relationship between housing and social segregation to see how the presence of older low quality housing correlates with the concentration of immigrants that live there. It also explores the way developers view investment in Ottakring. By guiding development and gentrification processes in Ottakring, city planners and officials can provide better living conditions for Ottakring residents, further social cohesion, and prevent the formation of an ethnic ghetto.

Background

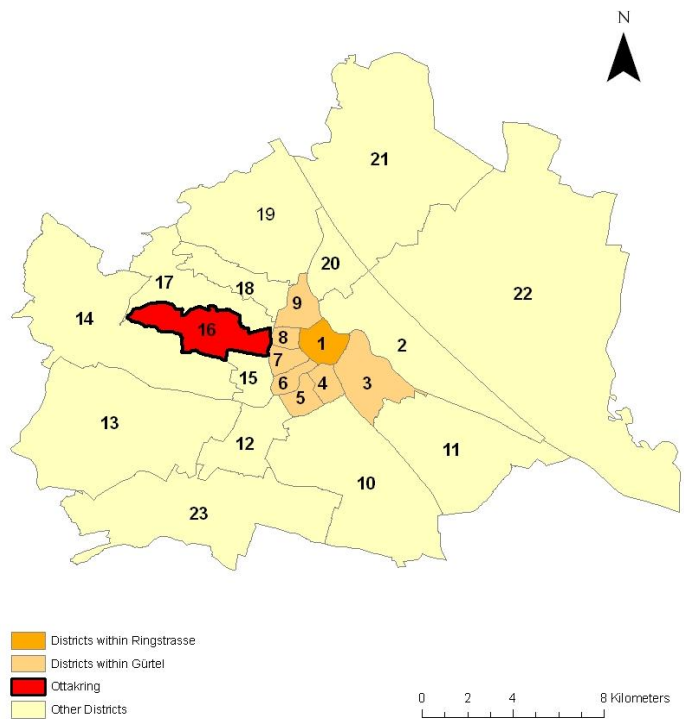
Vienna and Ottakring Background

Vienna is the capital of Austria and is located in the northeastern part of the country. Austria is the Eastern most country in Western Europe. It is surrounded by Germany, Italy, and Switzerland to the West and the Czech Republic, Slovakia, Hungary, and Slovenia to the East. Austria is a member of the European Union (EU) and became a member in 1995 (European Union, 2009).

The City of Vienna is divided into 23 districts (Bezirk) and 255 statistical districts. This report focuses on the 16th district, known as Ottakring (represented in red in Figure 1). Ottakring is located near the center of Vienna, directly outside the Gürtel,

which is Vienna's second city center ring. The Gürtel is represented in Figure 1 by the border of the tan area. The border of the gold area represents Ringstrasse, which is the street that delineates the first district, Vienna's city center and the location of Vienna's most expensive and desired real estate.

Figure 1. Ottakring's Location within Vienna (Numbered by District).

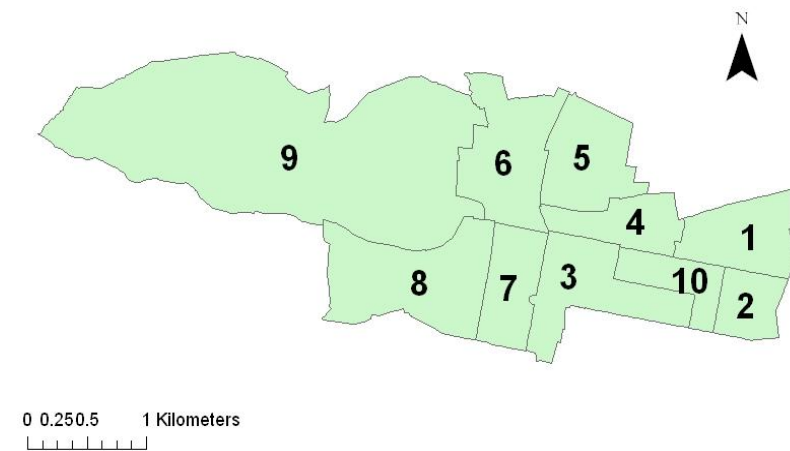


(Source: Data provided by Statistik Austria; map by Author, 2009.)

Ottakring has ten statistical districts (shown in Figure 2). This report will focus on eastern Ottakring, which is the area closest to the city center. The eastern statistical districts (including the first, second, third, and tenth) have a larger proportion of immigrants and multi-family housing, and the western statistical districts (including the eighth and ninth) have a larger proportion of Austrian residents and single family housing (Statistik Austria, 2007; Statistik Austria, 2001). The eastern part of Ottakring is closer

to the city center and has historically been a working class mixed use area. In contrast, western Ottakring is a more luxurious residential area called the Wilhelminenberg which includes villas and is surrounded by a forest called the Wienerwald. (This part of Ottakring will not be examined in this report.)

Figure 2. Statistical Districts within Ottakring.



(Source: Author, 2009.)

The location of statistical districts within Ottakring is shown in Figure 2. These statistical districts are examined to observe the micro atmospheres of eastern Ottakring and new trends occurring within these statistical districts due to urban renewal. The eastern border of Ottakring is Lerchenfelder Gürtel and the underground subway line U6 runs along this street. The street that seems to divide the district into north and south (that runs between the first and second and tenth statistical districts) is Thaliastrasse, which is a commercial street with banks, restaurants, and stores. Developers who have projects in the first, second, third, and tenth statistical districts, were interviewed. Within eastern Ottakring, the first statistical district plays a central role because of the street market and trendy shops located there. Consequently, renewal efforts have been focused there.

The Renewal Process and Brunnen Market

The City's and area renewal office's efforts have made noticeable changes in eastern Ottakring within the past ten years. The area has gained popularity specifically among artists and young middle and upper middle class Austrians. The change is occurring mostly in areas near the Brunnenviertel. The Brunnenviertel is the location of the largest street market in Europe, called the Brunnen Market (Brunnemarkt in German) [Frey and Smetana, 2006]. The Brunnen Market takes place on a daily basis; it has food and clothing stands run mostly by Turkish and former Yugoslavian immigrants. It is located on Brunnengasse (literally translated "well street") and mainly occurs in the first district, but also occurs on the northern end of the second district.

Figure 3. The Brunnen Market.



(Source: Author, 2009.)

The renewal of the Brunnen Market has helped to improve Ottakring's image, which has led to an increase in demand for housing in the eastern part of Ottakring. Most of the new housing development is occurring around the Brunnen Market. Developers interviewed for this report (Benedict Grossman, Claus Rechberger, Hang Jörg Ulreich, Andreas Nittel, Claudia Schütz, and Michael Linder) estimated that the increase in demand in eastern Ottakring and especially around Brunnen Market began about six years ago. In addition to the market's influence on the area's popularity, the annual art

festival called SOHO in Ottakring, which began in 1999, may have exposed Ottakring to a larger array of people and established it as a hip, artsy location (Schneider, 2008).

Concepts and Terms

Immigrants

When discussing immigrants, this report refers mainly to those immigrants who in Austria are also known as third country immigrants, labor migrants, or guest workers. Most often these immigrants come from former Yugoslavia (Serbia and Montenegro) and Turkey. The term “guest worker” comes from the policy which Austria began in 1962, that actively recruited workers from former Yugoslavia and Turkey into the labor force (Reeger and Bordsdorf, 2008).

Tenancy Protection Laws

Vienna’s strong tenancy protection laws are a crucial component of the Viennese housing market. The 1917 Tenancy Act, which is still in place, regulates the amount of rent that can be charged according to location, legal status, and construction period (Förster, 1998). Tenancy protection laws also prevent apartment owners from suddenly or drastically changing rent or evicting tenants before the end of a contract. Also, even if an apartment building is sold and the housing owner changes, the prior owner’s contracts must be maintained. If the new owner intends to renovate the units, they must request the tenants’ approval and offer the prior tenants the same housing unit, although they may moderately increase the rent. Since the length and payment determined in tenant contracts must be strictly followed and there are rent restrictions limiting rental prices, there is a

low turnover rate amongst tenants and prices change at a slower pace than most housing markets.

Municipal, Social, and Private Housing

Housing in Austria consists of both social and private housing. In Vienna, social housing makes up 48 percent of the housing stock (Reinprecht, 2007). Social housing is owned by municipalities, non-profit organizations, and LPHAs (Limited Profit Housing Associations). LPHAs are non-profit or private organizations which receive monetary support from the state in order to build social rental housing (SOCOHO (The Importance of Housing Systems in Safeguarding Social Cohesion in Europe), 2003). Municipal housing includes 220,000 flats owned by the City of Vienna (Vienna Department of Housing, 2008). They make up about 26 percent of Vienna's housing stock and are managed by the City Department for Housing and Urban Renewal (Reinprecht, 2007). Many of these municipally owned flats date back to the time period from 1919 to 1944, and are a part of a rehabilitation program in which the city rehabilitates and modernizes historic housing estates (Förster, 1998).

Social housing eligibility requirements are extremely inclusive and allow access for about 80-90% of the population (Reinprecht, 2007). More people are able to live in LPHA homes because the income cap is twenty percent higher than for municipal housing. Rent control is strictly enforced for buildings built before 1953 and are only theoretically in place for those built after, which leads to rental price differentiation between the older and newer apartments (Reinprecht, 2007; SOCOHO, 2003). Due to a change in 1972 that allowed the city to use subsidies for social housing construction, the

city now outsources the financing of social housing construction. This has led social housing rents to increase to near market levels (Abele & Hörtl, 2007).

Although access to municipal housing is available to most Austrian citizens, it has not always been accessible to citizens of other countries. It was not until 2006 that a regulation was established that allowed non-EU citizens to have access to municipal housing (Reinprecht, 2007). Since municipal housing has been associated with the ability to balance social and socio spatial cleavages and contribute to social cohesion because of the more equal living standards it provides, some have argued that social and ethnic segregation would be reduced by permitting immigrants without Austrian citizenship to have access to municipal housing (Dangschat, 2003; SOCOHO, 2003; Giffinger, 1998). There is not currently research which evaluates the effectiveness of this regulation in decreasing segregation, but the regulation is making the first step towards integration by eliminating official restrictions to affordable housing for legal residents with foreign citizenship.

Gentrification

Some people call the renewal process occurring in Ottakring gentrification. Determining if a renewal process is gentrification can be controversial. Most simply, gentrification is the revitalization of an area that includes the settlement of more affluent individuals into a typically lower class area. Clay (1979) differentiates between two types of revitalization, gentrification and upgrading, where gentrification is a “resettlement of professional and upper middle class home owners in city neighborhoods” (p. 6) and upgrading is a change in the physical conditions of the area by current residents. With gentrification “The ‘gentry’ create a neighborhood ambience

and...their tastes and values supplant those of the lower-income population that dominated the area before revitalization” (Clay, 1979, p. 6). In contrast, upgrading is a process created by current residents or stakeholders whereby the “physical investments reflect greater confidence on the part of owner-investors in the neighborhood” (Clay, 1979, p.7). Ottakring’s renewal process seems to include aspects of both of Clay’s definitions of gentrification and upgrading. Physical improvements have been made and although a professional upper-middle class is settling and affecting the ambience of the area, the immigrant populations’ presence is still felt and seen and their tastes and values continue to form the core of the area’s identity. In addition, revitalization has been an outcome of actions from a combination of government, current residents, and new owners and investors.

Social and Ethnic Residential Segregation

Similar to gentrification, segregation has different interpretations and can have negative and positive effects on a community. This report focuses on residential segregation, which is the spatial concentration of a group of residents. It explores two types of segregation: social and ethnic. Social residential segregation is the concentration of a group of people’s residences based on class or income level (Giffinger, 1998). Ethnic residential segregation is the concentration of a group of people’s residences based on ethnicity. Since data about citizenship is the closest data available that is related to ethnicity (although not equivalent), this report uses the index of segregation to measure the concentration of a group of people in an area by citizenship (Duncan and Duncan, 1961).

In addition to assuming a relationship between citizenship and ethnicity, this report assumes an implicit relationship between ethnic and social segregation. Although, the report does not contain data about immigrants' salaries or the relationship between immigrants and income level it does show that there is a negative significant relationship between the proportion of immigrants and the quality of housing by statistical district in Ottakring. Also, Fassmann and Kohlbacher (2007) has shown that larger proportions of Turkish and former Yugoslavian citizens live in Category D housing in Vienna than Austrian citizens. In 1991 75.6 percent of Turkish citizens, 68.6 percent of former Yugoslavian citizens, and 14.9 percent of Austrian citizens living in Vienna resided in Category D housing. In 2001, 40.8 percent of Turkish citizens, 39.3 percent of former Yugoslavian citizens, and 5 percent of Austrian citizens residing in Vienna lived in Category D housing (Fassmann, 2007).

In addition to low incomes, previous housing market barriers existed in Vienna which restricted immigrants' access to housing. When the guest worker policies began in the 1960s immigrants were not allowed to enter social or municipal housing or to receive housing subsidies (Giffinger, 1998). These housing market barriers created segmentation in the housing market, whereby immigrants only had access to private housing (Giffinger, 1998; Fassmann and Kohlbacher, 2007). Since third country immigrants came to Vienna as guest workers, they did not have high incomes and did not usually enter high paying position in Austria (Reeger and Borsdorf, 2008). Thus, they were additionally segmented into inexpensive private housing with low equipment standards (Giffinger, 1998). Since high concentrations of private, inexpensive housing with low equipment standards exist in the eastern part of the Ottakring, many immigrants with low incomes moved there.

Although non-EU immigrants were allowed access into municipal housing in 2006 and into social housing in the 1980s, the effects of these past regulations are still apparent in immigrant housing choices, since immigrant neighborhoods were formed and immigrants continue to move to areas where other immigrants currently reside (Reinprecht, 2007; R. Giffinger, personal communication, February 12, 2009). Also, people who immigrate illegally are still limited to inexpensive privately owned low quality housing. In 2007, only 17% of non-Austrians lived in social housing (Reinprecht, 2007). These immigrant housing market restrictions can challenge attempts to create more equitable, integrated neighborhoods for Austrian and foreign residents.

Integration

The word integration has various meanings depending on the context in which it is used. In this report, integration will serve as an antonym to segregation. It will refer to the spatial amalgamation of different groups of people. In the context of Vienna, one should use the word integration cautiously, as it is often associated with a political campaign of the ÖVP (Austrian People's Party), which used the word as a synonym for assimilation, to promote the idea that third country immigrants should learn German and make other pursuits to better integrate into Austrian society. In this report, integration and assimilation are not used synonymously.

Social Cohesion

Social cohesion is unity and acceptance between different groups of people. Often it is increased by interaction between different groups of people (SOCOHO, 2003). The Council of Europe's Strategy for Social Cohesion states, "Social cohesion is the capacity of a society to ensure the welfare of all its members, minimising disparities and

avoiding polarization.” (as cited in SOCOHO, 2003, p. 185). Both city officials interviewed said that they believed that if more Austrians move into eastern Ottakring and an appropriate mix of Austrians and immigrants is obtained, it can prevent eastern Ottakring from becoming an immigrant ghetto (W. Förster, personal communication, March 23, 2009; K. Smetana, personal communication, March 17, 2009). This report will look at the composition of immigrants and Austrian citizens and their indexes of segregation in order to see if renewal efforts have decreased residential ethnic segregation. Unfortunately, due to the author’s inability to speak German, Turkish, or Serbo- Croatian, it was not possible to interview residents in order to examine how renewal efforts have affected social cohesion. Minor remarks about social cohesion are made within the report and these remarks are based on sensory observations and interviews with developers and city officials.

Research Methods

In order to investigate the relationship between housing and ethnic segregation, data about the citizenship of residents in each statistical district of Ottakring were compared to data about the age and quality standards of housing in Ottakring. These sets of data were tested for a bivariate correlation. The hypothesis is that there is a significant positive correlation between the age of housing and the level of segregation and a significant negative correlation between the housing quality level and the level of segregation. Also, in order to understand segregation’s effects on development and the extent to which popularity in the Ottakring is growing, six developer and one real estate agent who work in the first, second, third, and tenth statistical districts in eastern

Ottakring have been interviewed about their past and current projects within the last ten years. Figures 4 through 12 show the housing properties owned or developed by the interviewed developers.

Housing Properties of Interviewed Developers

Figure 4. Veronikagasse 12.



(Source: Author, 2009.)

For sale by: Benedict Grossman (Developer, Grossman Immobilien GmbH)
Maja Movssissian (Real Estate Agent, Select Homes)

Statistical District of Project: On the border of statistical district 1, officially 17th district, but with an Ottakring atmosphere

Figure 5. Herbststrasse 53.



(Source: Author, 2009.)

For sale and rent by: Claus Rechberger (Developer and Construction Business Owner, Rechberger Immobilien GmbH) and
Benedict Grossman (Developer, Grossman Immobilien GmbH)

Statistical District of Project: 3

Figure 6. Grundsteingasse 42.



(Source: Author, 2009.)

For sale and rent by: Hans Jörg Ulreich (Developer, Ulreich Baurtäger GmbH)

Statistical District of Project: 1

Figure 7. “Dichterhof” Brunnengasse 40 and 42, Grundensteingasse 22.



(Source: Author, 2009.)

For rent by: Conwert Immobilien Invest SE
Andreas Nittel (currently the asset & property management for
RESAG Immobilienmakler GmbH [which is a property
management company for Conwert Immobilien Invest SE] and was
a Member of the Executive Board at Conwert Immobilien Invest SE
at the time Dichterhof was purchased)

Statistical District of Project: 1

Figure 8. Lerchenfelder Gürtel 45.



(Source: Author, 2009.)

For rent by: Conwert Immobilien Invest SE

Statistical District of Project: 2

Figure 9. Hassnerstrasse 27.



(Source: Author, 2009.)

Partially owned and for sale by: Conwert Immobilien Invest SE

Statistical District of Project: 10

Figure 10. Klausgasse 30-32/ Kreitnergasse 29-33.



(Source: Conwert, 2009.)

For rent by: Conwert Immobilien Invest SE

Statistical District: 10

Figure 11. Brunnengasse 38.



(Source: Author, 2009.)

For rent by: Claudia Schütz (Manager of Eigentum Gemeinnützige Wohnungs und Siedlungsges mbH, a limited profit housing association which develops social housing)

Statistical District of Project: 1

Figure 12. Haymerlegasse 10.



(Source: Author, 2009.)

Formerly owned and sold by: Michael Linder (Developer and Construction Business Owner, Baumeister Linder Planungs und Bauges mbH)

Statistical District of Project: 3

Interviews with City Housing Officials

In addition to interviewing housing developers, two city housing officials were interviewed in order to examine what renewal efforts were planned and followed. These two city officials played a main role in the Ottakring's renewal process and continue to guide and monitor conditions in eastern Ottakring. Their positions in the renewal process are described below.

Interviewee: Kurt Smetana

Position: Director of Ottakring's area renewal office. The area renewal office is made up of nine employees: 1 architect, 1 landscape architect, 1 lawyer, 1 social worker, and five regional and city planners. The office works as a service office for Ottakring residents and helps them with affordability and eviction dilemmas.

They act as a middle man between the residents, the city, and the district's mayor.
(In Vienna there is a City mayor and each district has their own mayor as well.)

The office also conducts renewal projects in the Brunnen Market, in housing, and in other public space.

Interviewee: Wolfgang Förster

Position: Head of Research for Vienna Department of Housing

The research section of Vienna Department of Housing produces research in order to monitor housing conditions in Vienna and inform and advise politicians about housing policy. Also, the Vienna Department of Housing distributes subsidies for housing rehabilitation and new housing construction (Förster, personal communication, March 23, 2009).

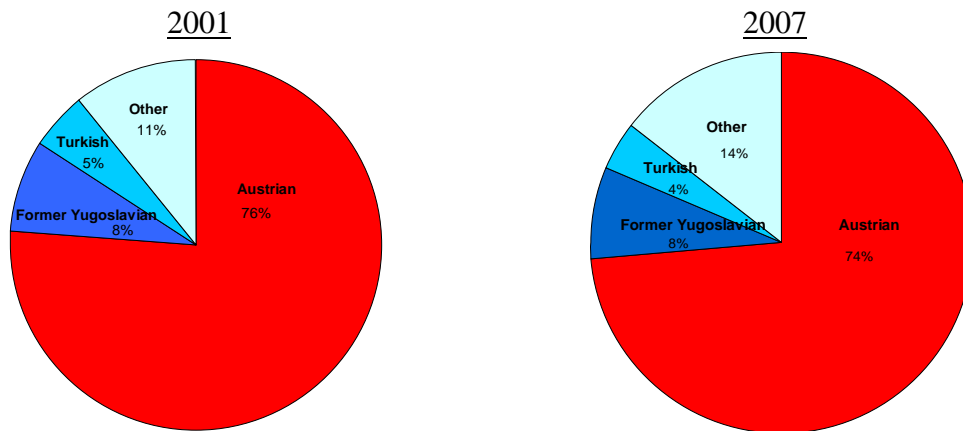
Findings from Data Analysis

Ottakring Citizenship Characteristics

Looking at Ottakring's citizenship and housing characteristics provides a foundation for understanding its renewal process and real estate trends. As seen in Figure 13, about three quarters of Ottakring's population are Austrian citizens and about one quarter are citizens of another country. Between 2001 and 2007, Ottakring's population increased by eight percent and its immigrant population increased by twenty percent (Data provided by Statistik Austria, calculations by Author, 2009). The percent of non-Austrian, and especially non-EU citizens, may be underrepresented in this data set because it comes from a mandatory resident registration, which is self reported. Thus, it is unlikely that residents who are living in Ottakring illegally are represented in this data

set and the actual percent of foreigners living in Ottakring may be higher than twenty six percent.

Figure 13. Ottakring Citizenship Characteristics.



(Source: Data provided by Statistik Austria, calculations by Author, 2009.)

In looking at this data we can see that the renewal efforts may have accomplished part of the City's goals to renew Ottakring without excluding immigrants. The number of immigrants in the Ottakring during the period from 2001 to 2007 (when renewal efforts have been strongest) have increased by twenty percent (as seen in Table 1). This shows that renewal efforts have not displaced immigrants as a whole. The largest immigrant group, which represents eight percent of Ottakring's total population, comes from former Yugoslavia and has increased by three percent. Some other populations from non-EU Eastern European countries, such as Croatia and Mazedonia, have remained steady, increasing or decreasing by less than one hundred people.

Table 1: Ottakring's Population by Country of Citizenship.

Country of Citizenship	2001	2007	Percent Change	Difference
Austria	65621	68862	5%	3241
Not Austria	20508	24560	20%	4052
Former Yugoslavia (Serbia and Montenegro)	6849	7087	3%	238
Turkey	4393	4046	-8%	-347
Poland	927	2230	141%	1303
Croatia	1723	1656	-4%	-67
Bosnia-Herzegovina	2202	1607	-27%	-595
Germany	441	1138	158%	697
Macedonia	654	791	21%	137
Romania	262	752	187%	490
Slovakia	208	526	153%	318
Other*	2849	4727	66%	1878
Total Population	86129	93422	8%	7293

*All groups of people from countries in "Other" are smaller than that of Slovakia.

(Source: Data provided by Statistik Austria, calculations by Author, 2009.)

Although the total number of immigrants increased, the number of people from Turkey decreased by eight percent and the number of people from Bosnia-Herzegovina decreased by 27 percent. This is something that should be looked at with serious consideration, since almost 600 Bosnia-Herzegovina citizens and 350 Turkish citizens are no longer living in Ottakring. There may be other factors explaining this decrease, such as that more Turkish and Bosnian-Herzegovinians have become Austrian citizens, but it appears that renewal efforts have not totally spared the Turkish or Bosnian-Herzegovina population from exclusion. One characteristic that these populations have in common is that they both come from non-EU countries that have high proportions of Muslims. Ninety nine percent of Turkey's population is Muslim and it is estimated that about 45% of Bosnia's population is Muslim, which is the largest religious group in the country (U.S. Department of State, 2007). This may also have something to do with Turkish populations' tendency to segregate more than former-Yugoslavs, which could be due to religious differences or similarities in comparison with a majority Catholic Austrian

population (Giffinger, 2007). Religious differences with a primarily Catholic Austrian population could make it more difficult to assimilate in Austria. Thus, the increase in Austrians and other EU citizens into Ottakring may make it a less attractive area for citizens of Turkey and Bosnia-Herzegovina. Other reasons that residents from majority Muslim countries might be decreasing is that new development, urban design, or architecture that is part of the urban renewal is not culturally appealing to them. Although the decrease in residents who are citizens of majority Muslim countries may be due to housing price increases, this would not explain why other third country immigrant resident groups are not decreasing in Ottakring as well. It would be good to observe where citizens of majority Muslim countries are moving in order to see if they are dispersing more throughout Vienna or if they are moving to a new area that might create the same risk of becoming an immigrant ghetto.

Citizens from other EU countries are the immigrant group that has increased the most from 2001 to 2007. About seventy percent of the increase in foreign population comes from citizens of four EU countries: Poland, Germany, Romania, and Slovakia (Data provided by Statistik Austria; calculation by Author, 2009). The immigrant population that has most contributed to growth comes from Poland, which represents almost a third of the growth in Ottakring's foreign population between 2001 and 2007. The number of citizens of Germany, Romania, and Slovakia more than doubled from 2001 to 2007. Three of these countries (Romania, Slovakia, and Poland) have been newly accessed in the European Union and it is possible that their increased presence in Ottakring is part of a general increase in Vienna because they see better opportunities in

Austria than in their country of citizenship. Poland and Slovakia both joined the EU in 2004 and Romania was accessed on January 1, 2007 (European Commission, 5/10/2009).

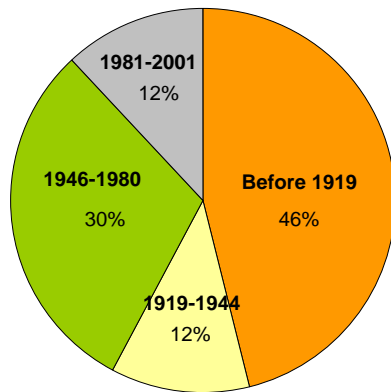
Not only the number of foreigners, but also the number of Austrians in Ottakring have increased from 2001 to 2007. The number of Austrians in Ottakring increased by five percent from 2001 to 2007. This might show that the City's and renewal area office's attempts to change Austrians' mentality about Ottakring have been somewhat successful in enticing them to move there. Although a five percent increase in Austrians is not drastic, this level of increase in Austrians may have been appropriate in order to include immigrants in the renewal process (and prevent them from being pushed out) while creating a more balanced ethnic mix in the area.

This data only represents the change in number of immigrants during the most intense period of the City of Vienna's renewal efforts. In order to look at the change in the population more completely it would be ideal to look at data about the population's income level and foreign residents' income levels, but the census does not contain data on income (Reeger and Bordsdorf, 2008). It would be interesting to see if the renewal efforts have not only not excluded the majority of immigrants, but not excluded low income immigrants.

Ottakring Housing Characteristics

When looking at this housing data, please keep in mind that it is from 2001 and the data previously presented about citizenship included data from 2007. It is possible that there have been significant changes in the quality of housing in the Ottakring since 2001, but since this is the most recent data available at the statistical district spatial level, a more accurate portrayal is not possible at this time.

Figure 14: Housing Units in Ottakring by Year Built 2001.

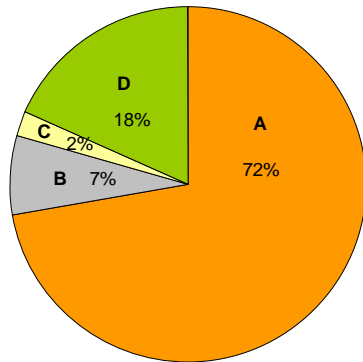


(Source: Data provided by Statistik Austria; calculations and graph by Author, 2009.)

Figure 14 shows that about half the housing units in Ottakring were built before 1919. Many of the housing units built before 1919 are privately owned and the majority of the housing units built between 1919 and 1944 are municipally owned (Giffinger, 1998; Förster, 1998). While 46% of housing units in Ottakring were built before 1919, only 34% of the City of Vienna's housing stock was built before 1919. Eight percent of Vienna's housing stock that was built before 1919 is in Ottakring. The number of housing that was built before 1919 is overrepresented in Ottakring relative to Vienna with a location quotient of 1.36 (Data provided by Statistik Austria, calculations by Author, 2009). Since housing built before 1919 is overrepresented in Ottakring, it is likely that privately owned housing is overrepresented in Ottakring, since municipal and social housing began in Vienna after 1919. The large stock of older privately owned housing explains why many immigrants from non-EU countries began moving to Ottakring in the 1960s and 1970s when Austria's guest worker program began. They did not have access to municipally owned housing until 2006 and older privately owned housing was the only housing they could afford. Also, housing units built before 1919 are more likely to be lower quality housing because housing standards and norms have improved with time. In

Ottakring, 95 percent of Category D housing (the lowest quality housing) was built before 1919 (Data provided by Statistik Austria; calculation by Author, 2009).

Figure 15: Housing Units in Ottakring by Housing Quality Category 2001.



(Source: Data provided by Statistik Austria, calculations and graph by Author, 2009.)

The City of Vienna classifies housing into four categories; Categories A through D (Giffinger, 1998). Category A housing has a shower, toilet, and central heating. Category B housing has a toilet and water installed in the housing unit; it does not have central heating. Category C housing has a toilet and water installed in the housing unit but does not have a shower. Category D housing does not have a toilet or water installed in the housing unit. This means that toilets and access to water are in the halls and are shared by various apartments.

Figure 15 shows two extremes in the quality of Ottakring's housing stock. The majority of Ottakring's housing belongs to the highest category of housing quality, while the next biggest portion is in the lowest housing quality category. The second largest portion, Category D, shows that 18 percent of housing units in Ottakring did not have a toilet or water installed inside the housing unit in 2001. This can be compared to the City of Vienna, where eight percent of the housing stock was Category D housing in 2001 (Data provided by Statistik Austria; calculation by Author, 2009). Using the location

quotient shows that Category D housing is overrepresented relative to the City of Vienna with a location quotient of 2.21 (Data provided by Statistik Austria, calculation by Author, 2009). The extremes in housing, not only show differences within the housing stock, but differences within the standards of living between housing that is primarily inhabited by immigrants and housing in which the majority of Austrians live.

In order to get an idea of the disparities that exist between Category D and Category A housing, the pictures in Figures 16 and 17 demonstrate that the differences are not only in amenities, but also in the appearance and maintenance of the buildings. Much of Category D housing is not maintained because owners do not have incentives to invest in these buildings. More investments will not lead to higher profits because their client market needs the lowest possible rents. Many owners of Category D housing are not held responsible for what otherwise might be considered basic tasks, like cleaning the halls or staircases, removing trash, repairing windows, or maintaining landscape. Since many of the tenants need Category D housing because it is inexpensive, they would rather have less than optimal building conditions than demand more service for a higher price. Also, some immigrants do not know their tenant rights. If a tenant is an illegal immigrant they might be hesitant towards any contact with their landlord. The pictures in Figures 16 and 17 show the external building conditions of Category A and D housing, but other aspects of housing also affect tenants' lifestyle and wellbeing.

The size of housing and the number of household members living in a housing unit can affect the amount of living space each household member has. Within Turkish households in Vienna, 3/5 of the household have 20 square meters, one fifth has from 20 to 30 square meters, and the one fifth has at least 30 square meters. Half of the members

of former Yugoslavian households have less than 20 square meters. In contrast, 67 percent of Austrian household members have 20 to 60 square meters and 25 percent have more than 60 square meters (Fassmann and Kohlbacher, 2007). This shows the additional living standard disparities that exist between Austrians and third country citizens.

The amount of space per household member that each citizenship group has within their housing units also affects the way in which they use open space in a district. The smaller amounts of space Turkish and former Yugoslavian citizens have within their homes may influence them to leave the housing unit more often than Austrians and have a more visible public presence in districts such as Ottakring that have a large population of citizens from these countries. Smetana explained that although immigrants only constitute up to 44% of the total population in the eastern statistical districts, their presence can feel as if the proportion was higher because they use public space more often than Austrians (personal communication, March 17, 2009).

Figure 16: Category D Housing.



(Source: Author, 2009.)

These two photos show that some Category D housing is not well-maintained. The stairwell is dirty and the inner courtyard is full of trash.



(Source: Author, 2009.)

In these photos it is possible to see the sinks where residents obtain water. The picture on the right shows a bathroom that is shared by the residents of three apartments.

Figure 17: Category A Housing.



(Source: Author, 2009.)

There are various types of Category A housing. Some are modern and upper scale like the photograph on the left and some are average, as seen in the photograph to the right.



(Source: Author, 2009.)

The photograph on the left shows an inner courtyard that has a garden and is well maintained. The photograph on the right shows an attic apartment.

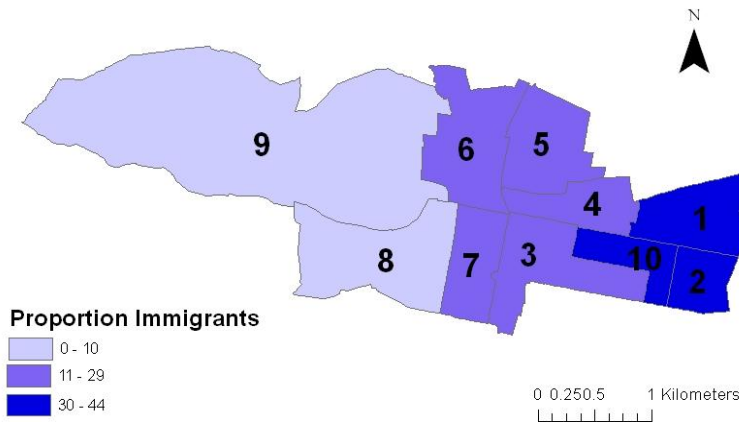
Many of the new housing units being built are luxury penthouses or lofts built on the roof of older, inexpensive housing. These are called attic apartments. Attic apartments can be good because they ensure the existence of inexpensive housing, provide extra revenues for the owner, and sometimes motivate an owner to make improvements to the rest of the building, which often includes installing an elevator (Smetana, personal communication, February 3, 2009). Since the popularity of Ottakring has grown, more developers are beginning to build or renovate housing in Ottakring that is catered towards clients with high incomes. Attic apartments provide a way for building owners to earn extra profits in buildings where upper class or upper middle class citizens would not usually live.

Location of Immigrants and Housing

By comparing maps of the proportion of immigrants, the proportion of category D housing, and the proportion of housing built before 1919 in Ottakring, it is possible to see how the location of immigrants and the location of older low quality housing coincide. In Figures 18 through 20 the proportions of all three characteristics decrease from east to west. The tenth statistical district has the highest percentage of foreigners (44 percent) and the highest percentage of Category D housing (38 percent). The ninth district has the lowest percentage of all characteristics (6 percent immigrants; 1 percent Category D housing, and 7 percent housing built before 1919). This reflects the type of housing and neighborhoods in each area, with the eastern area being more urban and having more multifamily housing which allows for more rental housing and cheaper rents and the western area being more suburban with single family housing which is usually more expensive.

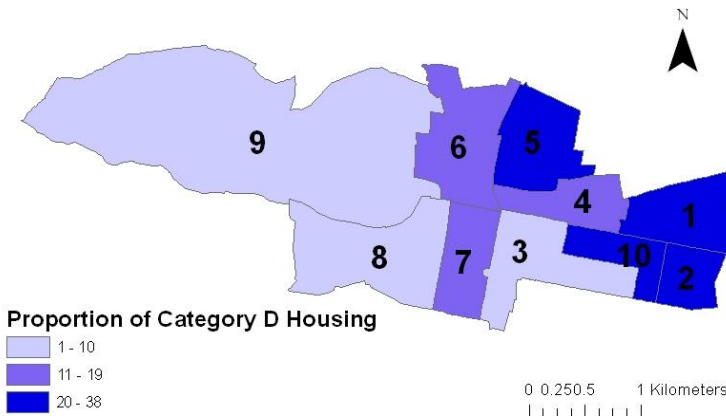
Maps of Ottakring Citizenship and Housing Characteristics by Statistical District

Figure 18: Proportion of Immigrants by Statistical District 2007.



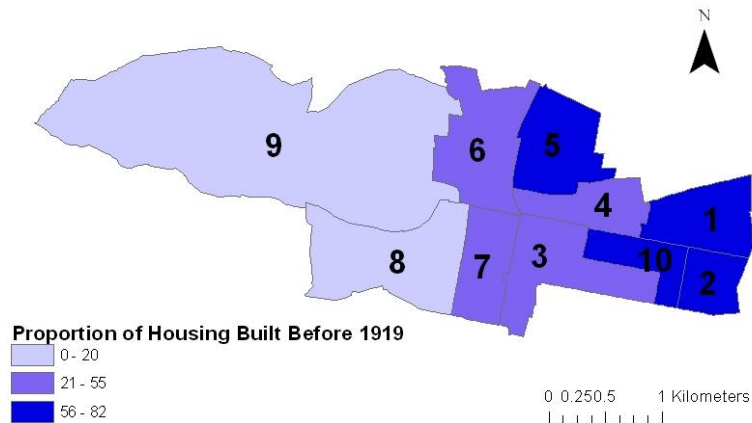
(Source: Data provided by Statistik Austria, map by Author, 2009.)

Figure 19. Proportion of Category D Housing by Statistical District 2001.



(Source: Data provided by Statistik Austria Census 2001, map by Author, 2009.)

Figure 20. Proportion of Housing Built before 1919 by Statistical District 2001.



(Source: Data provided by Statistik Austria Census 2001, map by Author, 2009.)

In Figures 18 through 20, each geographic section of the district (eastern Ottakring: first, second, and tenth statistical districts; middle Ottakring: the third through seventh statistical districts, and western Ottakring: eighth and ninth districts) fits into a loose range of proportions of immigrants, Category D housing, and housing built before 1919 (as seen in Table 2). Throughout the statistical districts there seems to be a positive relationship between the proportion of Category D housing, the proportion of housing built before 1919, and the proportion of immigrants in a statistical district.

Table 2: Housing and Citizenship Characteristics in Ottakring by Statistical District

	Statistical District	Proportion Immigrants (2007)	Proportion Category D Housing (2001)	Proportion Housing Built Before 1919 (2001)
Eastern Ottakring	1	0.34	0.20	0.59
	2	0.41	0.35	0.82
	10	0.44	0.38	0.79
Middle Ottakring	3	0.18	0.08	0.21
	4	0.24	0.14	0.41
	5	0.29	0.23	0.57
	6	0.17	0.11	0.25
	7	0.21	0.16	0.43
Western Ottakring	8	0.06	0.02	0.08
	9	0.06	0.01	0.07

(Source: Data provided by Statistik Austria, calculations by Author, 2009.)

The proportion of immigrants for each statistical district most neatly fits into the three geographic sections of the district. There are two statistical districts that have proportions of Category D housing or proportions of housing built before 1919 that differ from their geographic sections of the district. The fifth statistical district has high proportions of all three measurements compared to the rest of middle Ottakring and the third statistical district has a low proportion of all three measurements considering that it is next to eastern Ottakring. Although, it has relatively low proportions of Category D housing and housing built before 1919, its proximity to eastern Ottakring may be causing

the third statistical district to experience a transition because as will be shown later, it has experienced an influx of immigrant residents and a decrease in Austrian residents from 2001 to 2007, which is a trend that can not be explained by its housing conditions compared to the rest of Ottakring. Similarly, the fifth statistical district is experiencing a transition that may not be explained by housing conditions. The fifth district had the largest numerical increase in both Austrians and immigrants from 2001 to 2007 although it has relatively high proportions of both Category D housing and housing built before 1919. These transitions in the third and fifth districts might suggest that immigrants and Austrians are changing their housing preferences and their decision to live in a certain neighborhood may be based less on housing age or quality and more on location.

Relationship between Immigrants and Housing

The relationship between the location of immigrants and the quality and age of housing is visible in the maps in Figures 18-20 and is also shown in Table 3. Table 3 shows the proportion of immigrants, Category D housing, and housing built before 1919 in descending order according to the proportion of immigrants in each statistical district. It is possible to see that as the proportion of immigrants decreases, the proportion of Category D housing and housing built before 1919 also decrease. The proportion of Category D housing and housing built before 1919 do not decrease in exactly the same order as the proportion of immigrants in a statistical district, but show generally similar trends.

Table 3: Housing and Citizenship Characteristics in Ottakring by Statistical District Descending by Proportion Immigrants

Statistical District	Proportion Immigrants	Proportion Category D Housing	Proportion Housing Built Before 1919
10	0.44	0.38	0.79
2	0.41	0.35	0.82
1	0.34	0.20	0.59
5	0.29	0.23	0.57
4	0.24	0.14	0.41
7	0.21	0.16	0.43
3	0.18	0.08	0.21
6	0.17	0.11	0.25
8	0.06	0.02	0.08
9	0.06	0.01	0.07

(Source: Data provided by Statistik Austria; calculations by Author, 2009.)

In order to further test the relationship between the location of immigrants and housing quality and age, a bivariate correlation was run. Since there are only ten observations, this test might not be conclusive, but the correlation showed that there is a relationship between the proportion of immigrants in a statistical district and the proportion of Category D housing units and the proportion of housing units built before 1919. There is a positive significant relationship between the proportion of immigrants and the proportion of housing units built before 1919 by statistical district within Ottakring. There is also a positive significant relationship between the proportion of immigrants and the proportion of Category D housing units by statistical district within Ottakring. Both of these are significant at the .05 significance level.

As mentioned earlier, the data about housing characteristics is from 2001, while the most recent data about citizenship characteristics is from 2007. A more accurate interpretation of the bivariate correlation might be that the proportion of immigrants in a statistical district is positively related to the proportions of Category D housing and housing built before 1919 from six years past.

Index of Segregation

The index of segregation, otherwise known as the index of dissimilarity, measures the spatial distribution of a group of people in an area (Duncan and Duncan, 1961). The index of segregation of immigrants dropped from 29.4% to 23.8% from 2001 to 2007 (Data provided by Statistik Austria, calculations by Author, 2009). For Turkish citizens it dropped from 27.7% to 21.6% and for former Yugoslavians it dropped from 25.1% to 21.4%. Similarly, the index of segregation of Austrians dropped from 29.4% to 23.8%. These indexes of segregation are not very big, considering the index of segregation in Chicago in 1980 was 92% (Orfield, 1985). The small indexes may be due to the small spatial level that this data covers. It is possible that if the index was measured in comparison with all 255 statistical districts in Vienna or at a finer neighborhood level within Ottakring, rather than only within the ten statistical districts in Ottakring, the index of segregation would be bigger. For example, in 1990 the index of segregation for Turkish citizens at the statistical district level throughout Vienna was 50.8% and the index of segregation for former Yugoslavian citizens at the statistical district level throughout all of Vienna was 41.6 (Giffinger, 1998).

Since the index of segregation of immigrants (and specifically Turkish and former Yugoslavian immigrants has decreased) this means that the concentration of immigrants in Ottakring has decreased. My interpretation of this is that the City of Vienna and Ottakring's area renewal office have been successful in their goal to create a mix in immigrant and Austrian populations. This mix has occurred because the number of Austrians living in statistical districts that are typically inhabited by immigrants (such as the first, second, and tenth statistical districts) has increased and the number of

immigrants living in statistical districts that are typically Austrian (such as the eighth and ninth statistical districts) has increased (Data provided by Statistik Austria, 2009). The third statistical district seems to be an exception to the trend seen in Table 4. The immigrant population as a whole and the immigrant population from Turkey and former Yugoslavia both increased by about sixty percent from 2001 to 2007. The proportion of immigrants in the third statistical district increased from twelve to eighteen percent. At the same time, the number of Austrians in the third statistical district has decreased and it is the only statistical district in Ottakring that experienced a decrease in Austrians from 2001 to 2007. This area seems to be in transition and it would be beneficial to see why Austrians are leaving. Since such a small number of Austrians have left it is possible that deterioration or another occurrence has negatively affected the area on a small spatial level like a block or group of blocks.

Table 4: Number of Immigrants and Austrians by Statistical District from 2001 to 2007.

Statistical district	Immigrants			Austrians		
	2001	2007	Difference	2001	2007	Difference
1	4002	4352	350	8450	8624	174
2	2931	3206	275	4140	4606	466
3	1367	2184	817	9782	9641	-141
4	1459	1808	349	5628	5845	217
5	3737	4352	615	9160	10718	1558
6	1237	1650	413	8206	8222	16
7	1556	1971	415	7193	7427	234
8	81	211	130	2960	3153	193
9	196	296	100	4411	4858	447
10	3942	4530	588	5691	5768	77

(Source: Data provided by Statistik Austria; calculations by Author, 2009)

The index of segregation is decreasing because the number of Austrians living in statistical districts that are typically inhabited by immigrants has increased and the number of immigrants living in statistical districts that are typically Austrian has increased. The other possible reason that might explain the decrease in the index of

segregation are not occurring. The number of immigrants in statistical districts that were typically immigrant has not decreased nor has the number of Austrians living in typically Austrian statistical districts decreased. This may mean that current residents are not being forced to move as a result of the urban renewal process. Although looking at the change in concentrations of populations in the Ottakring during the time of the renewal process can be insightful, it can not entirely portray the success of the renewal process because the concentration of populations alone does not constitute an immigrant ghetto or a healthy neighborhood (Förster, personal communication, March 23, 2009). In order to augment the results of the index of segregation and citizenship characteristics in evaluating the success, outcomes, and continued needs of the area, it is necessary to investigate how the image and atmosphere of the area has changed. (Evaluating how the district's ethnic climate has changed would also be beneficial, but since this report does not include interviews with residents, this aspect of change is not a focus of the report.) City housing officials and housing developers were interviewed in order to add a qualitative analysis of Ottakring's renewal process to the interpretation of the quantitative trends shown.

Findings from Interviews with City Housing Officials

Two housing officials were interviewed in order to examine Ottakring's renewal process. Kurt Smetana, is the director of Ottakring's area renewal office and Dr. Wolfgang Förster is the head of research for the Vienna department of housing.

Ottakring's Area Renewal Office's Efforts and Contributions towards Change

Although the city identified the Ottakring as an area in need of renewal about twenty years ago (W. Förster, personal communication, March 23, 2009), Kurt Smetana, the current director of the area renewal office, began working there in 2000. The area renewal office is run by a private consultant Atelier Kaitna-Smetana Ziviltechniker GmbH that is commissioned on a five year contract by the City of Vienna. The office's primary responsibilities are to be a service office for the people of the Ottakring in dealing with issues like affordability and eviction from housing and to engage in renewal projects in the district (K. Smetana, personal communication, March 17, 2009). The team at the area renewal office works closely with the district and city politicians and with the City's planning office.

The City describes their renewal process as “gentle renewal” (Frey and Smetana, 2006). This means that renewal is not forced, but instead is a renovation of occupied buildings in collaboration with the tenants (Förster, 2004). Gentle renewal targets subsidies and grants to the worst areas and determines the dispersal of subsidies based on the age and category of the building (Förster, 2004). Both Smetana and Förster expressed the idea that renewal was accomplished by an improvement of many aspects of the community, rather than just one (K. Smetana, personal communication, March 17, 2009; W. Förster personal communication, March 23, 2009). For example, renewal was not focused on only housing or only the market, but rather a combination of improvement in many areas, including housing, the Brunnen Market, traffic, open space, cultural activities, restaurants and shops, and social cohesion efforts. Smetana stressed that this type of renewal can be slow, but that all aspects of the community are being improved at

the same time. As he explained, “Slowly, but parallel” (K. Smetana, personal communication, March 17, 2009).

When Smetana’s team began the renewal process in 2000 they used several methods, including media coverage, Brunnen Market and housing renovation and cultural events to spark initial renewal efforts. In order to change the area’s image, the area renewal office dispersed information about the district through guides and press conferences and looked for opportunities to publicize events and improvements in the district through radio, magazine, and newspaper (K. Smetana, personal communication, March 17, 2009). Before many of the actual physical renovations began, Kurt Smetana and the team at Ottakring’s area renewal office were changing Vienna’s mind about the Ottakring by advertising it as an active, lively, urban neighborhood which was attractive for visiting or for living.

In renovating the Brunnen Market, the area renewal office engaged the community through a thorough participation processes that encouraged the community to contribute their opinions and concerns in order to guide renovation (City of Vienna, 2004). Providing the Brunnen Market with permanent stands, a pedestrian only area, and installing pillars which provided the stands with infrastructure such as water and electricity greatly helped to boost its image, which in turn improved the eastern Ottakring as a whole and attracted more visitors. Especially on Saturday mornings and when there is good weather, there is a large crowd walking up and down Brunnengasse or frequenting the restaurants and cafes of Yppenplatz, the plaza at the end of the Brunnen Market.

Efforts to improve the quality of housing include trying to increase the size of small apartments, decreasing Category D housing, and working with developers to build new housing or renovate old housing. For example, the area renewal office tries to find two adjacent vacant apartments and combine them in order to make larger apartments. Also, they use subsidies or technical support from the employees to encourage developers who are renovating or owners who wish to renovate to install water and toilets into old apartments.

The area renewal office works with developers of new projects and owners of older projects. These projects include both projects that wish to improve housing quality for current tenants and projects which are intended to draw in higher income tenants. When working with developers to build new housing or renovating old housing that might change the social composition of the area, the area renewal's rule of thumb is to improve no more than ten percent of the housing that will most likely attract higher income populations (K. Smetana, personal communication, March 17, 2009). While explaining why the urban renewal office would like to see people from higher incomes move to Ottakring, Smetana said,

I think it's very important because the people who have more money they go to the market, they like the market, they buy, they have more money. So the other people they have more from them...And this is what we want, we don't want to make the people so they have to go away, we want for them to stay here, but ten percent we improve. But ten percent is very important (personal communication, March 17, 2009).

This ten percent improvement rule of thumb helps to create appropriate gentrification that does not displace lower income populations and is intended to benefit them by increasing investment in local commerce, whether in the market or in the area's shops and restaurants. This rule of thumb may allow urban renewal to be used as a tool to improve

an area, rather than totally change it and exclude low income or immigrant residents because it is intended to change or increase a small proportion of the area's population.

One of the first groups to recognize the area's potential did not come from the government, instead they were Ottakring residents who saw that the area was deteriorating and wished to create change through "experience, discussion, but also through conflict" in the form of an art festival called SOHO in Ottakring, which began in 1999 (Schneider, 2008, p. 14). As the initiator of the festival, Ula Schneider describes,

The Brunnenmarkt underwent a change around the end of the 1990s: the once highly frequented market faced a continuous decrease in visitors, most of the bordering ground floor premises were vacated and were used for storage or occupied by businesses with no relation to the market, such as betting shops (2008, p. 13).

In response to this change and now to its renewal or gentrification process, SOHO in Ottakring invites guests to observe or participate in art that brings up themes relating to Ottakring, Vienna, or life in general, in a two week annual festival.

Although the festival's purpose is not to be a tool for Vienna's planning department or Ottakring's area renewal office, SOHO in Ottakring brought people to the area who might not have otherwise visited. These people saw the potential of the area and took notice of the inexpensive rents and urban charm, which led some to open art galleries or studios in Ottakring and also live there. This festival helped to give the area a trendy image and now, eleven years later, housing developers are using the area's SOHO atmosphere in their marketing campaigns to attract upper middle class young professionals. Outside of Benedict Grossman's project at Veronikagasse 12, which is on the border of the Ottakring's first statistical district and the 17th district, there is a sign that reads "Wohnen in SOHO Exklusive Penthouses, Gartenmaisonetten, Lofts" ("Live in

SOHO, Exclusive Penthouses, Garden Maisonettes, Lofts”). SOHO in Ottakring helped people in Vienna make a connection between Vienna’s Ottakring and similar trendy urban SOHO areas in other cities such as New York and London. This sparked people’s interest in the area who are now the target client group for new upper or middle income housing developments.

Figure 21. SOHO Used in Housing Advertising.



(Source: Author, 2009.)

In addition to changing Ottakring’s image and forming a client market, the City initiated improvements in the housing stock by buying and encouraging nonprofit housing organizations connected with the City to buy the most deteriorated buildings and renovate them (W. Förster, personal communication, March 23, 2009). With motivation from the area renewal office and subsidies, private developers began to follow. Thus, in order for a new housing market to emerge it was necessary to change the image of Ottakring, have increased publicity through SOHO in Ottkaring, and initiate the actual housing stock renovation through the City.

The City of Vienna’s Renewal Process

For both Kurt Smetana and Wolfgang Förster creating a mix in Ottakring’s population was seen as an objective of the renewal process that would positively influence the area (K. Smetana, personal communication, March 17, 2009; W. Förster

personal communication, March 23, 2009). This mix refers to both immigrants and Austrians and wealthy and low income residents. Not only did these city officials agree that creating a mix in the population would be beneficial, but four of the six developers that were interviewed mentioned that they believed creating a mix in the population was positive for the district (C. Rechberger, personal communication, March 11, 2009; A. Nittel, personal communication, March 16; M. Linden, personal communication, March 20, 2009; C. Schütz, personal communication, March 25, 2009). This agreement between city housing officials and housing developers might imply a successful communication or merging of values between these two groups of housing experts.

Creating and maintaining an ethnic and social balance in Eastern Ottakring means not only attracting new tenants and residents to the area, but also retaining the tenants who already live there. Vienna's tenancy protection laws are one of the main reasons that most immigrants have not been excluded from Eastern Ottakring during the renewal process. Even when a new owner takes over a building, he/she cannot remove a tenant from the building. In most cases the new owner offers the tenant the same contract, offers to renovate their apartment with the rest of the apartments, or if they intend to renovate all apartments and the tenant does not wish to stay in the renovated and often more expensive apartment, the developer or owner offers them compensation to move to a different apartment. Tenancy protection laws may have a slowing down effect on housing prices in an area because once a rent is set in a contract the rent can only be minimally increased in the next contract term. This persuades many renters to stay in the same apartment for long periods of time, which means the rental prices of neighboring buildings affect each other in a slower way than in a city without such strong tenancy

protection laws. For example, 66 percent of flats in Vienna in 2001 were being rented for an unlimited period of time, whereas only six percent were fixed term rental housing (Fassmann and Kohlbacher, 2007). These laws could also lead to Vienna's housing market being less susceptible to be hit by a major economic crisis like the one currently occurring (H. Ulreich, personal communication, March 10, 2009; W. Förster, personal communication, March 23, 2009). In part, the unique protection Vienna's tenancy protection laws provide means that the urban renewal process used in Ottakring may not be transferable to other cities in a way that will guarantee the inclusion of immigrant groups. What is transferable is using moderate renewal as suggested by Smetana's ten percent housing improvement rule. Being conscious of the extent of renewal and the groups to which renewal is targeted and having a goal that limits the amount of renewal that is carried out is important in conducting a renewal that does not exclude low income or immigrant populations.

In addition to slowing down the housing market and decreasing the possibility of immigrant exclusion, Tenancy Protection Laws may also help to prevent ghettos. Along with dispersing municipal housing in both working class and affluent areas of the City with the purpose of mixing people from different social classes, the Tenancy Protection Act may have led to the preclusion of ghettos in Vienna (Förster, 1998). Three of the six housing developers interviewed said that there are no ghettos in Vienna (C. Rechberger, personal communication, March 11, 2009; A. Nittel, personal communication, March 16, 2009; M. Linden, personal communication, March 20, 2009). When Förster was asked why there are no ghettos in Vienna, he explained that

one of the main reasons is actually the rental act, which gives people quite a high security in renting apartments. It's true that some of them moved out because the area was deteriorating, but at the same time they were not forced to move and rent was of course not rising, I think it's a general consequence of the housing policies that most areas of Vienna are mixed and you don't have these ghettos (personal communication, March 23, 2009).

In short, the tenancy protection laws have many positive effects including facilitating a renewal process that more easily includes immigrants and preventing the existence of ghettos. But the tenancy protection laws' effect of slowing down the market also leads to slower improvements in housing conditions in areas like Ottakring. This can be seen in eastern Ottakring's high proportion of Category D housing and the continued relationship between the location of older, low quality housing and immigrants.

Although Ottakring's urban renewal has been fairly successful in its inclusion of immigrants (except possibly immigrants from countries with a majority Muslim population), there still exists a relationship between the location of low quality housing and the location of immigrants. This means, that while new housing projects are being built and renovated, the older, low quality housing projects serve as their neighbors.

Although the segregation index showed that immigrants have become less concentrated from 2001 to 2007 at the statistical district level, it might be masking segregation at finer spatial scales. There is still segregation between buildings, so that there seems to be two types of buildings, the low quality majority immigrant buildings, and the high quality majority Austrian buildings. This may show the social disparities between Austrians and immigrants, rather than implying a weakness in housing policies, but it is still something that should be considered when analyzing the area's well being and possible ethnic conflicts that arise.

Attaining a new mix in its population and giving people with a variety of income levels the option to live in Ottakring is a positive accomplishment, but the next step is to decrease living standard disparities that exist between the Austrian and immigrant populations. It may be less harmful to social cohesion to have segregation between buildings rather than between statistical districts or districts, but having houses in which a more balanced mix of immigrants and Austrians or low and high income households coexist seem to be important in creating a community based on understanding through interaction. Since it would not be desirable to move Austrians (or anyone) into substandard housing, decreasing living standard disparities would entail either increasing immigrant salaries, increasing the quality of housing that is available and affordable for the average immigrant, or renovating and therefore eliminating substandard housing.

Increasing the quality of housing that is available to the average immigrant income can be done through giving developers incentives to build housing that is affordable to immigrants, to renovate current immigrant housing, or to include affordable housing in new projects which are intended to serve a higher income population. One way that the City can narrow the disparity gap between the average living standards of immigrants and Austrians is by decreasing Category D housing. Förster says that decreasing Category D housing is one of the city's priorities and that subsidies are directed at the reduction of Category C and D housing. Although the city sees the decrease in Category C and D housing as a priority, not all agree with this evaluation of substandard housing's value. As Förster explained, some people have asked,

Is it an appropriate way to make them disappear? Because they are, in principle, a sort of cheap reserves. For the new people coming to Vienna, in many cases, this has been the only possibility just to get an apartment very quickly and then within

a couple of years to improve their situation (personal communication, March 23, 2009).

Although Category D housing might be some of the only in its price range available to new immigrants who need the least expensive housing possible, it may also weaken social cohesion efforts in communities like Ottakring by adding to living standard disparities between ethnic and social groups.

Another idea which might help to decrease disparities between immigrants and Austrians is to create hybrid culture houses, with the goal of promoting social cohesion between tenants. This has been done by non profit housing associations, such as GEWOG (S. Reppe, personal communication, March 5, 2009), but was mainly done in new housing areas in the outskirts of Vienna in order to create a better social mix there and attract immigrants, who usually live in the inner city, to the new development on the outskirts of Vienna (W. Förster, personal communication, March 23, 2009). Advertising for these projects was published in Turkish or Serbo-Croatian in order to spread the message that social housing was not only for Austrians (W. Förster, personal communication, March 23, 2009). These hybrid cultural houses have been used as tools for creating a social mix in areas with few immigrants, but they can also be used in areas such as Ottakring that have a social mix and need more social cohesion efforts and cultural understanding. Considering the type of Austrians who are drawn to Ottakring, this option might be something to which many would be open. One trend that seemed to occur in the housing projects of developers interviewed for this report (and which will be discussed later) was that housing that was renovated from prior housing projects seemed to possess a more mixed or hybrid composition of tenants.

When conducting renewal processes, it is important to look at the affordability and quality of housing, but planners must also consider the prices of commerce in evaluating the livability of an area (W. Förster, personal communication, March 23, 2009). If store and restaurants that were formerly small, affordable neighborhood businesses are replaced with trendy, expensive restaurants and shops, the residents may not be able to utilize local commerce and may also begin to feel a decreased sense of belonging in their residential neighborhood. In Ottakring, Brunnen Market helps to provide local residents with inexpensive alternatives to chain supermarkets or clothing stores and allows the stand owners or employees, the majority of whom are immigrants, to maintain a cultural influence in the area. It is important that an appropriate proportion of local commerce is geared to immigrant residents and that its goods remain in the appropriate price range. In fact, this may be more difficult to do in Ottakring than securing the maintenance of affordable housing since such strong residential tenancy protection laws exist.

The area's increased residential popularity has led spaces that were formally used as factories, stores, or office spaces to be converted to housing. Förster noted that in the past small businesses have used Ottakring as a start up location because of cheap rental rates, but that Ottakring will probably not continue to serve as a start-up area due to increasing office and retail rents (personal communication, March 23, 2009). Examples of properties changing from business or industrial use to residential can be seen in three of the properties discussed in the interviews. Conwert's Dichterhof project at Brunnengasse 42 used to be a factory, Eigentum Gemeinnützige Wohnungs und Siedlungsges's project at Brunnengasse 38 used to contain a restaurant and one apartment

and is now 26 apartments, and the project at Veronikagasse used to be a museum. The restaurant no longer exists in the property at Brunnengasse 38, although both projects on Brunnengasse contain supermarkets. Förster explained that providing a balance between protecting tenants, attracting private developers, and retaining the area's multifunctional uses is a difficult task in the City's renewal process (personal communication, March 23, 2009). Tenancy protection laws and strict subsidy regulations also force housing developers to deal with the City's challenge to create socially balanced residential areas and protect tenants. At the same time, developers benefit from the renewal process.

Findings from Interviews with Housing Developers

Six developers and one real estate agent were interviewed about the renewal process, the development of their projects, and their opinions about Ottakring's housing market potential. All seemed to agree that the City's investments in Ottakring have created a mutually beneficial relationship. Developers are benefiting from city's investments because they see an increased housing demand in Ottakring and the City is benefiting from developer's investments as a successful intended outcome of the renewal process. When asked what he thought brought change in eastern Ottakring, housing developer Micheal Linder replied,

I think part of it is politics. Because they saw that they changed something that the developer will go to this part, to make a new Brunnenmarkt, to change something in Gürtel. I think now there's still much to change...and I think it's very important to do this (personal communication, March 20, 2009).

When asked what incentives the city provided to attract developers to Ottakring, in addition to subsidies, Förster said that "the main incentive is that the area is now being improved" (personal communication, March 23, 2009). Talking to investors, the city's

investments in run down areas really do seem to be the best incentive the City can provide.

Subsidies are the other incentive the City uses is provides, but they seem to mainly be used by social housing organizations. Although subsidies may be in line with the gentle renewal methodology, some developers do not think they are effective. Of the five private developers interviewed, only one, Hans Jörg Ulreich, uses subsidies from the state and for the discussed property he only used subsidies for the elevator. Ulreich said,

They say there's public money, private people are not allowed to make business, which has the effect that in bad areas nobody invests. Improved areas which are very popular you can get a better price even if you work without subsidies (personal communication, March 10, 2009).

When asked why he doesn't use subsidies, Linder replied similarly saying that as a small developer, he could not compete with the large companies who specialize in developing with subsidies (personal communication, March 20, 2009). He also added that making small renovated housing projects in the best areas is more profitable because the renovation process costs the same and you can charge higher rents in better areas. From private developers' opinions, it seems that if the City of Vienna wants to entice more private developers to build in lower income areas, some subsidy regulations would need to be relaxed in order for subsidies to increase developers' profitability. Specifically, Ulreich expressed that the THEWOSAN regulation, which requires a developer to eliminate a part of their housing project in order to increase light and air exposure in a housing project, is too strict and its requirements negate the benefits of using subsidies (personal communication, March 10, 2009).

Although private development is sprouting in Ottakring, some of the development is not intentional. Two of the projects discussed--including Conwert's project on

Lerchenfelder Gürtel 45 and Ulreich's project on Grundsteingasse 42--were projects acquired through package deals, which developers did not necessarily desire. Although not all developers know what to expect when investing in Ottakring, all of the developers said that their projects were profitable, (except for Conwert's Lerchenfelder Gürtel 45 because of its undesirable and noisy location on the Gürtel). Ulreich and Schütz were especially surprised by how easy it was to sell or rent their respective projects in Ottakring (H. Ulreich, personal communication, March 10; C. Schütz, personal communication, March 25, 2009). Of one real estate agent and six housing developers, the one real estate agent and two developers said that they thought Ottakring was a profitable area, two said it can be profitable depending on the project, and two said it can be profitable depending on the area, with the Brunnenviertel (area near the Brunnen Market) being named as a profitable area by all but one and Wilhelminenberg (in western Ottakring) being named as a profitable area by four of the total seven.

When discussing the popularity of each statistical district in the Ottakring, there seemed to be a lag in popularity of statistical districts in the inside, such as the third or tenth statistical districts. Walking through the area on Thaliastrasse, I felt it was less lively and there were less people the further I walked into the center of the district away from the U6 Thaliastrasse station. One reason may be that these statistical districts are located further from the underground subway stations. Although living near the underground subway station is seen as positive, there seems to be a fine line between living near the subway station and living next to it on the Gürtel. (Both Andreas Nittel and Micheal Linden expressed that real estate too close to the Gürtel is unattractive [A. Nittel, personal communication, March 16, 2009; M. Linden, personal communication,

March 20, 2009]). Another reason that there may be a lag in the popularity of more central statistical district is because they are not directly connected to the Brunnen Market and are not benefiting from the momentum of the City's investments there. Förster speculated that when all the planned market area improvements have been completed there will be more positive effects on the surrounding areas, including interior statistical districts such as the third and tenth statistical districts (personal communication, March 23, 2009). Brunnen Market renovation is expected to be completed in 2010 (The City of Vienna, 2004).

Coinciding with the perception that interior statistical districts are less popular, developers who have a project in the third district have qualms about their ability to sell there, but they may be pleasantly surprised similar to other developers who have completed projects (C. Rechberger, personal communication, March 11, 2009; Benedikt Grossman, personal communication, March 12, 2009). There is new development occurring in the third district (although less than in the Brunnenviertel), which could be a sign that developers see potential there. Walking along Haymerlegasse in March, it was interesting to see an entirely new housing project (shown in Figure 22) in which the former property was demolished in order to build two large apartment buildings. This is rare to see in Ottakring, which is dense and almost built out. (Unfortunately, I was not able to contact the housing developer for an interview.) From 2001 to 2007 the third statistical district had the largest increase in immigrants in Ottakring (as shown in Table 4). It is possible that the perceived unpopularity of the third statistical district is related to this increase.

Figure 22. Ground-breaking Construction at Haymerlegasse 5 and Hyrtlgasse 4 in the Third Statistical District.



(Source: Author, 2009.)

When developers were asked about how the large immigrant population that resides in Ottakring affects real estate, most of them said it negatively affects real estate. Developer Hans Jorg Ulreich said that, “The majority of the people in Vienna are immigrant unfriendly and they don’t want to live there” (personal communication, March 11, 2009). Developer Michael Linder agreed with Hans Jorg Ulreich and said that when there is a large proportion of immigrant in an area, “For real estate, it’s not good because the prices are go[ing] down” (personal communication, March 20, 2009). Benedikt Grossman also said that the large immigrant population that resides in Ottakring “lowers prices” (personal communication, March 12, 2009). Claus Rechberger said that the Brunnen Market positively affects real estate, but that other aspects of having a large immigrant population were not good for real estate (personal communication, March 11, 2009). Although most developers believed that creating a mix in population is good for the district, that the Brunnenviertel is an area gaining popularity, and that the new client market appreciates the cultural diversity of the area, developers still see immigrants as a barrier to a larger higher income market. There seems to be a gap between developers’ views of immigrants’ influence on real estate and their actual influence on real estate.

Developers may be underestimating the entrepreneurial possibilities of working with the immigrant community or in an area where immigrants have a large presence. Claudia Schütz said that “for us we saw a problem in there, but that was not a problem” (personal communication, March 25, 2009).

Despite the fact that the interviewed developers do not actively target immigrants as a client group, some immigrants are tenants in the discussed projects. Specifically, there seemed to be third country immigrants in renovated housing and no immigrants or only EU immigrants in housing that had been converted from a formerly non-residential use. Although the sample of properties is only nine, the pattern in Table 5 appears whereby converted housing has Austrian (and other EU citizen) residents and renovated housing or housing that was not changed since purchased (no renovation) has Austrian and third country citizen residents. This is probably due to the tenant protection laws which guarantee former tenants the right to maintain ownership or tenancy of their apartment in the case that their apartment building is taken over by a new owner. The tenancy protection laws may additionally have positively influenced Ottakring’s renewal process by increasing the probability of having a hybrid building in the case of housing renovation.

Table 5. Citizenship of Tenants in Property Case Studies.

Property	Rent/Sell	Renovated/Converted	Resident Citizenship
Veronikagasse 12	Sell	Converted	Austrians & other EU citizens
Brunnengasse 38	Rent	Converted	Austrians
Brunnengasse 40 & 42	Rent	Converted	Austrians
Herbstrasse 53	Rent & Sell	Renovated	Austrians & third country citizens
Grundsteingasse 42	Rent & Sell	Renovated	Austrians & third country citizens
Haymerlegasse 10	Sell	Renovated	Austrians & third country citizens
Klausgasse 30-32	Rent	Renovated with Attic Apartments	Austrians & third country citizens
Lerchenfelder Gürtel 45	Rent	No Renovation	Austrians & third country citizens
Hassnerstrasse 27	Sell	No Renovation	Austrians & third country citizens

(Source: Author, 2009.)

A smaller trend was that the two projects that had a mix of apartments for rent and sale also had Austrians and third country citizen residents. Both developers of these projects described that it is often difficult to sell apartments on the bottom floors because people prefer the views and sunlight that the rooftop apartments provide (H. Ulreich, personal communication, March 10, 2009; C. Rechberger, personal communication, March 11, 2009). As a result, these developers build or maintain smaller apartments on the bottom floors for rent and renovate and sell more luxurious apartments or penthouses on the top floors. This often leads to wealthy residents on the top floor and less wealthy residents on the bottom floor. In the cases discussed, Austrians owned apartments on the top floor and both Austrians and third country citizens rented apartments on the bottom floors. Although there are still disparities between Austrian and immigrant housing units in this type of hybrid building, in both of these cases the developers installed toilets and access to water in all apartments. Third country citizens who were previously living in Category D housing are now living in Category A housing. The idea is not to create the exact same living conditions for Austrians and immigrants but to improve the substandard conditions in which many immigrants live.

Development and renovation is certainly occurring in Ottakring, but four of the five developers who were asked if they believed the renewal is gentrification answered no (A. Nittel, personal communication, March 16, 2009; C. Rechberger, personal communication, March 11, 2009; H. Ulreich, personal communication, March 10, 2009; C. Schütz, personal communication, March 25, 2009; M. Linder, personal communication, March 20, 2009). For this question, I did not define gentrification, but rather listened to what developers considered gentrification to be or the extent to which

they thought the area is changing. In general, the developers did not consider the renewal process in Ottakring to be gentrification because they thought that the new client market is a very limited, specific kind of people. They are described as younger, alternative intellectuals or creatives of the upper middle class between twenty to forty years old. Schütz noted that most of the people in her housing project are academics, the majority of whom have Masters or Doctoral degrees (personal communication, March 25, 2009). Smetana said that the affluent people who are moving to Ottakring are not bourgeoisie, but are “creative people who have more money”, such as writers, artists, and dancers (personal communication, March 17, 2009). Developers expressed that this client market seems to like the area’s cultural activity and lively urban atmosphere.

Another reason that developers did not view the renewal process as gentrification is because they do not think that low income populations are being pushed out of Ottakring. All six developers replied unanimously to this question. Of course, this could be a defense mechanism, since developers would not want to be seen as contributing to this type of gentrification. But these results coincide with the earlier data that shows that the total number of immigrants in Ottakring has increased from 2001 to 2007. Developers were also asked if they believed that the increase in popularity in Ottakring was sufficient to prevent it from becoming a ghetto. Of the four developers whom I asked, all four responded yes. The answers to both these questions, in addition to the fact that these developers have all had at least one profitable project in Ottakring, show a successful fulfillment of the City’s goal to prevent Ottakring from becoming an immigrant ghetto without immigrant exclusion from the developers’ viewpoint.

Recommendations

Eastern Ottakring's renewal, although still in progress, has so far been successful in changing the atmosphere and direction of a neighborhood from deteriorating to vibrant and growing. Its accomplishments include:

- Preventing the Ottakring from becoming a ghetto
- Creating an improved, desirable image for Ottakring
- Decreasing the concentration of immigrants in eastern Ottakring
- Having an increased number of total immigrants from 2001 to 2007, when the renewal process has been most strongly implemented
- Attracting more Austrians and higher income residents without excluding immigrants
- Increasing investment in Ottakring

These are great accomplishments that were undertaken during a time period that was globally economically strong, especially for real estate. Since the fate of this neighborhood is still "to be determined", with a large proportion of immigrants and low quality housing in 2007, it is possible that the current economic crisis could lead to stagnation in the area's development. As renewal efforts continue, it is important to continue monitoring progress and consider weaknesses that can be improved.

Potential challenges and problems are:

- The number of immigrants from majority Muslim countries has decreased from 2001 to 2007, which might mean that renewal efforts have excluded these residents. This would be in opposition to the City's renewal goal to not exclude immigrant populations.

- Eighteen percent of Ottakring still lives in Category D housing with no toilet or running water in their housing units.
- There is a positive, significant relationship between the location of immigrants and the location of low quality housing. This leads to ethnic and social segregation between statistical districts and housing projects and living standard disparities between Austrian and immigrant populations.
- Strong tenancy protection laws dissuade developers from developing in run down areas.
- The increase in the demand for Ottakring as a residential area may be causing it to become monofunctional and lose important businesses and industries that have been vital in its path to increased popularity.

These weaknesses highlight areas of improvement. Recommendations reflect these challenges in order to suggest possibilities for a stronger renewal process. While making recommendations, it is helpful to remember that segregation and gentrification both have negative and positive aspects. Negative segregation often creates barriers which prevent an immigrant group from being fully integrated into the country or city of residence. These barriers can come from within the community and/or from the larger society and can prevent individuals in ethnic enclaves from learning the language of the country of residence, developing relationships with natives citizens of that country, and obtaining jobs outside of the enclave. Positive affects of segregation include the ability to provide a place of transition for incoming immigrants both culturally and economically. Ethnic enclaves can also create a place where immigrants or citizens with

immigrant backgrounds can practice familiar cultural norms and traditions, celebrate holidays and culturally related festivals, and find a job which does not require them to speak the language of the country of residence (Mazumdar, 2005).

Although there are both negative and positive aspects of ethnic segregation, the urban renewal process described in this report assumes an implicit relationship between achieving a social mix in an area and improving the social well-being of the district. In Ottakring, a more representative social mix has been achieved. Now it is important to supplement that social mix with more social cohesion efforts at the smaller scale, building-specific level. Increasing cultural tolerance through education and social interaction is important and has begun with programs such as Brunnen Passage and SOHO in Ottakring, which facilitate interaction through art and expression. Planning efforts and urban design should also facilitate interaction and opportunities for cultural understanding and acceptance.

The development of new stores is currently occurring inside Yppenplatz, the plaza at the end of the Brunnen Market and a central open space where immigrant presence is strong. Planners should be particularly conscious of the stores that become tenants there. Although immigrant presence is strong in the current stores surrounding Yppenplatz, it seems that new stores and restaurants established in and around Yppenplatz are catered to more upper class clients. Since this is such a significant and representative location in eastern Ottakring, adding stores that are primarily Austrian or upper class friendly could send the wrong message that the City and planners wish to reduce immigrant influence in eastern Ottakring. Conversely, incorporating stores and restaurants which attract both Austrians and immigrants from all countries that facilitate comfort amongst all groups

culturally and economically, could send a more accurate message that the City and area renewal office intend to create a diverse, united, and well integrated community. This could be done by incorporating stores that are catered to both populations and neighboring stores that are catered to specific cultures (containing both Austrian and other ethnic goods).

In order to address the decrease in residents who are citizens of majority Muslim countries it may be necessary to examine open space and housing designs that are inviting to Muslims and incorporate them into the remainder of the renewal process. For example, Förster suggested that some Turkish tend to prefer baroque architecture (W. Förster, personal communication, March 23, 2009). This design or architecture could be placed in key areas, like Yppenplatz, on Thaliastrasse, or along the Brunnen Market to include citizens of majority Muslim countries in the renewal process. Since doing this may have regressive effects and lead to further segregation in an area that is already largely inhabited by Turkish, another option is to use architecture that is appealing to Eastern European Muslims strategically to encourage residents of majority Muslim countries to areas where they do not typically frequent or reside. Similarly, the current location, accessibility, and need for mosques should be analyzed to see how this affects the Muslim populations in Ottakring. If there seems to be a need for more mosques, locating a mosque in an area close to eastern Ottakring, but not in a central place, could provide incentives for citizens from Turkey and Bosnia-Herzegovina to remain in Ottakring without increasing segregation. It would also be good to observe where immigrants groups from majority Muslim countries have moved in order to see if Muslim

populations are dispersing throughout Vienna or if they are migrating to a new district which might incur the same danger of becoming an immigrant ghetto.

Vienna's Tenancy Protection Laws and the slow nature of changes in the housing market help protect against negative gentrification whereby large numbers of immigrants or lower income populations are excluded from the housing market. Thus, Ottakring's increase in residential popularity is not seen as "gentrification" by many people because the increase in demand is not extreme and is only gaining appeal among a limited client market. Since the increase in popularity is attracting a limited upper income population and has not pushed out immigrant populations, Ottakring may be considered a fairly "healthy" gentrification, one which can prevent the creation of an immigrant ghetto without pushing out lower income immigrants.

The biggest concern of this gentrification is the continued segregation of low income immigrants into substandard housing and the majority Austrian population that is moving into new higher quality housing. If renewal in Ottakring is to promote social cohesion as well as improve the area and not exclude low income immigrants, it is necessary that developers and current apartment owners are provided with incentives to renovate. Specifically, toilets and running water should be installed in each apartment. If immigrants continue to live in Ottakring in old housing units without central heating and toilets while their Austrian neighbors enter fully equipped modern housing, differences between the groups can become heightened and create ethnic tension. There is no reason why a developed country with such strong housing policies should have statistical districts with as much as 38% of the housing units without their own toilet. The improvement of Category D housing has the potential to decrease ethnic tensions by

decreasing the differences in average living standards between immigrants and Austrians in Ottakring. Furthermore, the construction of Category D housing should be banned. In the data set provided by Statistik Austria there were still Category D apartments listed under new construction up until 2001.

Private housing developers should also consider opportunities in the Ottakring. Nonprofit organizations, in particular, should realize the area's potential. Since the type of people who are attracted to Ottakring and currently moving there are "young" "alternative" "intellectuals" as the interviewed developers described, developers have more room to experiment and make innovative, creative projects that might not be successful in other areas. In particular, it seems that the new client housing market would be attracted to socially responsible projects. For example, Conwert was able to incorporate the Dichterhof project's Holocaust-related history into the theme of the building in order to create a sense of restitution for the people of Vienna (A. Nittel, personal communication, March 16, 2009). Similarly, new projects might be able to incorporate Muslim-friendly architecture to recognize and appreciate Eastern Ottakring's large Muslim community or projects could be built with a social cohesion theme, which calls for both Austrian and immigrant tenants. These types of projects have the potential not only to benefit the residents and general atmosphere of Ottakring, but the company can benefit by increasing their image and intentions to be a community-friendly business. The City of Vienna can motivate this kind of development with subsidies or housing competitions. Also, creating simple, quality, low cost projects directed for immigrants has the potential to be profitable because the predicted driving force in Vienna's

increased population over the next 15 years is immigrants (W. Förster, personal communication, January 20, 2009).

Finally, it is important to balance the priority of maintaining a mix in the populations with the value of maintaining the allure of the area. In the transition from a multi-use area to an increasingly residential area, the area renewal office and the City of Vienna should consider how they envision the area's future. The Brunnen Market plays a unique role in ensuring the multi-use character of the area. It might be necessary to create other incentives for commerce appropriate to the area to remain there. Commerce is an important part of the area's character and urban charm. Thus, strengthening its position in the area alongside the increase in residential popularity will be important in the area's future success. As Wolfgang Förster said, "I think that is something that has to be discussed continuously and that it has really been a success story, but now we have to be very careful...that it [Ottakring] does not become a boring middle class area" (personal communication, March 23, 2009).

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Appendix

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Grossman, Benedict. Developer, Grossman Immobilien GmbH. March 12, 2009.

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Nittel, Andreas. Asset & property management, RESAG Immobilienmakler GmbH (property management company for Conwert Immobilien Invest SE). March 16, 2009.

Rechberger, Claus. Developer and Construction Business Owner, Rechberger Immobilien GmbH. March 11, 2009.

Schütz, Claudia. Manager, Eigentum Gemeinnützige Wohnungs und Siedlungsges mbH. March 25, 2009.

Smetana, Kurt. Director of Ottakring's area renewal office. March 17, 2009.

Ulreich, Hans Jörg. Developer, Ulreich Baurtäger GmbH. March 10, 2009.

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