

Vienna's Actions for Affordable Housing

Objectives for an "Active Housing Policy"

**Stadt
Wien**

Wohnbauförderung
und Schlichtungsstelle für
wohnrechtliche Angelegenheiten



Content

Objectives for an “Active Housing Policy”

- Promote/Defend an **Inclusive Housing Policy**
- Strengthening the **Non-Profit Sector**
- Work on a **Prospective Land Policy**
- Ensure **Sustainable Funding**
- Fostering **Innovation and Quality**

Social Housing in Vienna

History of Social Housing

Milestones in Social Housing

- › 1923 start of **Vienna's first housing program**
- › until 1934 about **65.000 municipal flats** in 350 housing estates were built
- › 1946 start of the **reconstruction program**
- › until 1960 **completion of reconstruction** and housing shortage
- › 1974 start of **gentle urban renewal** program
- › 2001 start of **thermal refurbishment** program



Karl-Marx-Hof, Wien 19. Bezirk, Foto: Wiener Bezirksmuseen

Social Housing in Vienna

Principal Residence in 2019

in rental homes (76%)

... owned by municipality (public)

... owned by LPHA (subsidised)

... privately owned

in owner occupied homes (20%)

... condominium flats

... single family homes

in other homes (4%)

700.000

210.000

185.000

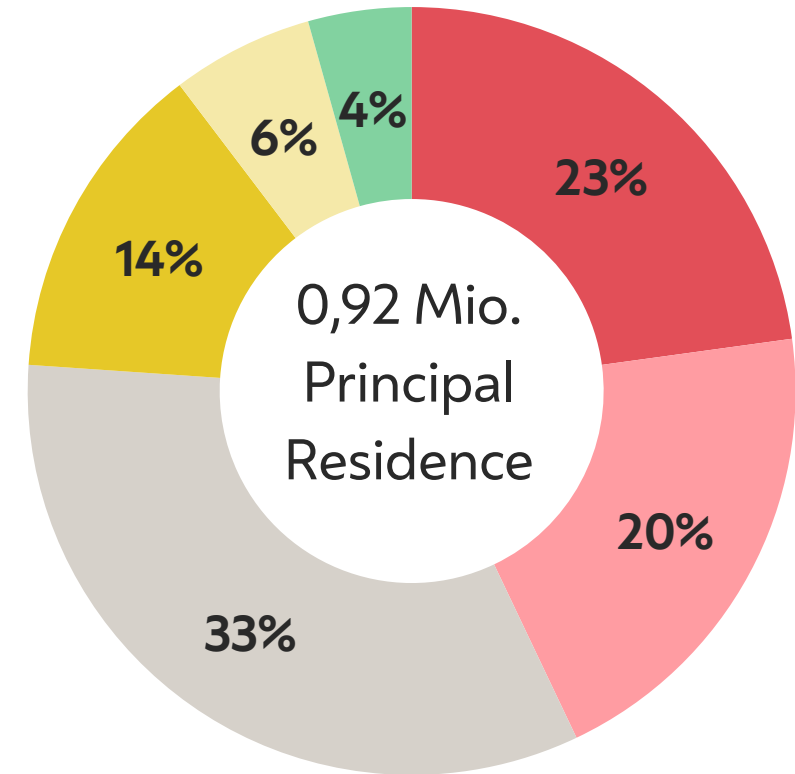
305.000

180.000

125.000

55.000

40.000



Estimation MA 50, Source: GBV Kompaktstatistik , Statistik Austria, Wohnen 2017, Mikrozensus 2017

Inclusive Housing Policy



Sonnwendviertel, 10. Bezirk, Foto: Christian Fürthner /wohnfonds_wien

Inclusive Housing Policy

Housing the Many

Housing the Many

- › social housing address the **middle-class**
- › **80 % of all households** meet income limits for social housing
- › **quotas for low-income** households and vulnerable groups **ensure social accuracy**
- › emphasis on **building subsidies over individual housing benefits**
- › subsidy scheme for **different target groups**



Sonnwendviertel, Alfred-Adler-Straße 12, Wien10. Bezirk, Foto: Stephan Huger/wohnfonds_wien

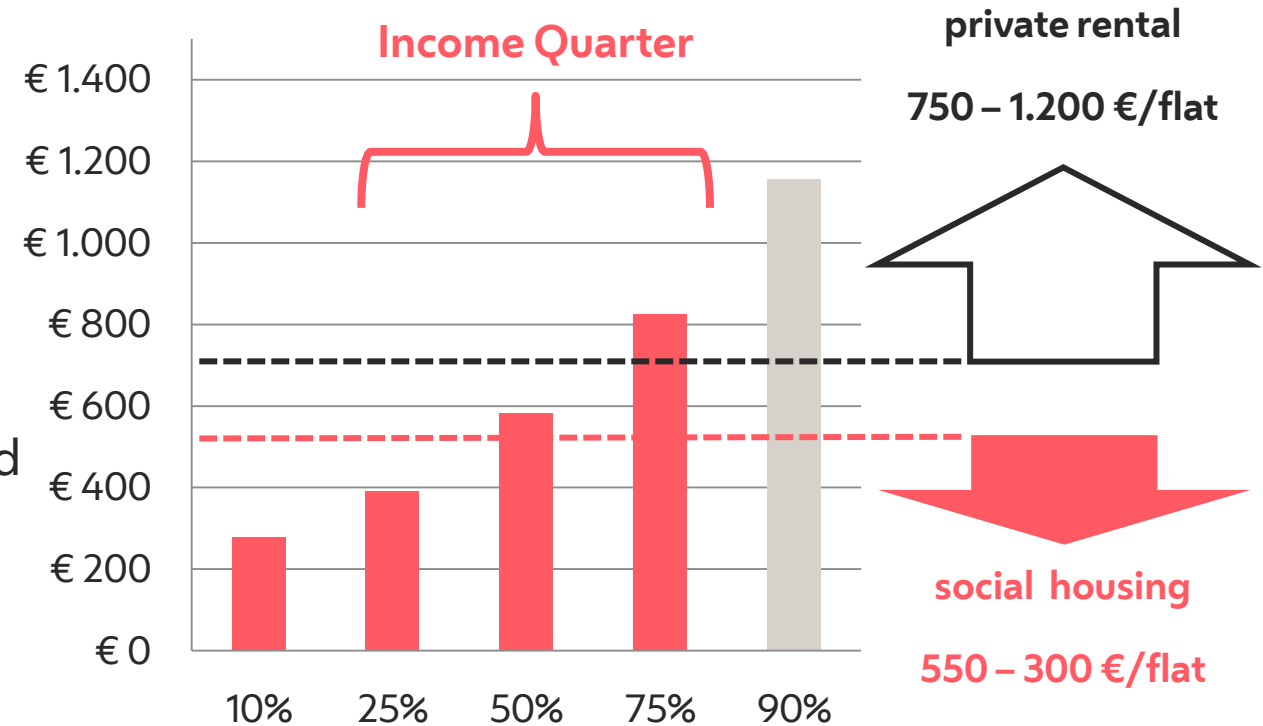
Inclusive Housing Policy

Affordability for the Middle Class

Single-Person Household

- › net-income:
 - › 1.300 – 2.700 €/month
- › affordable total housing costs:
 - › max. 30% of net-income
 - › 400 – 900 € (incl. taxes, fees, energy and running costs)
- › adequate flat size:
 - › 40-60 m² (single-person- household)

affordable total housing costs
for the 2nd and 3rd
Income Quarter



Calculation MA 50, Source: Statistik Austria EU-SILC 2018



Berliner Morgenpost vom 8. April 2019 / Foto: Maurizio Gambarini / dpa / dpa

Non-Profit Housing

Limited Profit Housing Associations

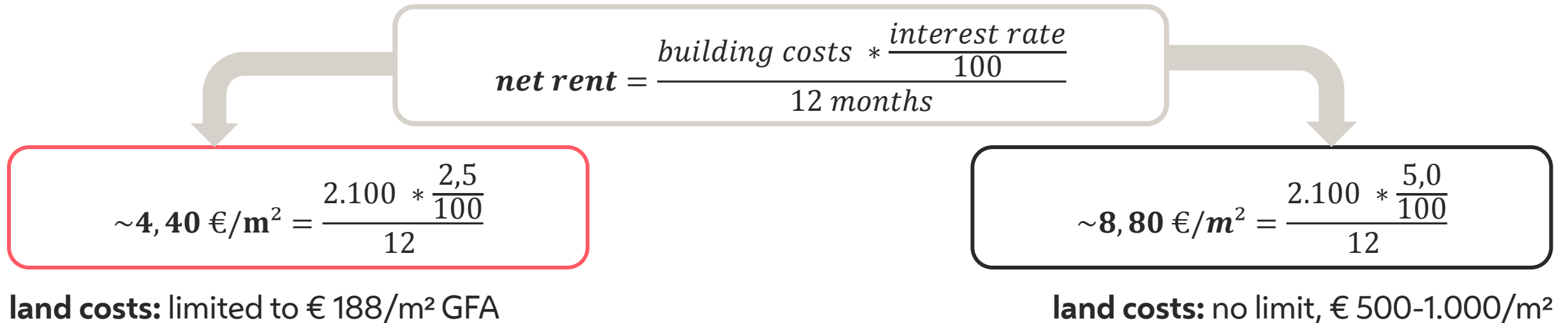
Limited Profit Housing Associations (LPHA)

- › LPHA get tax reliefs (corporate tax), but have to meet certain provisions:
 - › **limitation of profits** (max. 3,5 % interest rate on equity capital)
 - › **obligation to reinvest profits**
 - › **cost-limited rents** (rents used mainly for refinancing)
 - › **“intergenerational contract”** (after refinancing: € 1,81/m² are used to build up equity capital)
- › 60 active **LPHA are important partners** to provide affordable housing

Non-Profit Housing

Housing - Service for the public

For-Profit vs. Non-Profit Business Models



Prospective Land Policy



Rothneusiedel, 10. Bezirk, Foto: Christian Fürthner / wohnfonds_wien

Prospective Land Policy

Vienna Land Procurement and Urban Renewal Fund

Wohnfonds_wien

- › **public fund**, founded 1984
- › tasked with long-term prospective land management
to **supply social housing sector with needed building grounds**
- › close **cooperation with urban planning departments**
- › fund plays major role in **allocating subsidies** for new construction as well as refurbishment

Prospective Land Policy

Areas Predominantly Dedicated to Subsidised Housing

New Zoning Category

- › regulated by Vienna's **building code** since May 2019
- › **land price** per m² floor space for subsidized construction is **limited by law** to € 188/m²
- › **net-rent is limited by law** to € 4,97/m²
- › in separate resolution Vienna City Council clarified that **usually 2/3 of residential floor space** in these areas have to be realised in subsidised housing projects

Sustainable Funding

ERBAUT VON DER
GEMEINDE
◆ WIEN ◆
IN DEN JAHREN
◆ 1924-1925 ◆
AUS DEN MITTELN
◆ DER ◆
WOHNBAUSTEUER



LASSALLE-HOF

Lassalle-Hof, Wien, 2. Bezirk

Sustainable Funding

Financing Needs

Financing Needs

- › **total building costs** for new housing estates are **~2.100 € / m² UFS**
- › **total land costs** for subsidised projects are **~ 300 € / m² UFS**
 - › land costs are capped by housing subsidy act at 188 € / m² GFA
 - › land costs are ~ 235€ / m² UFS
 - › infrastructure costs, fees and charges up to ~ 60 € /m² UFS

Financing Components

- › **bank loan** (adequate interest rate, pay back time > 15 years)
- › housebuilder's **equity capital** (adequate interest rate, max. 3,5 %)
- › **subsidy loan** (City of Vienna) (1% interest rate, pay back time 40 years)
- › non repayable **grants** (for special qualities, for SMART flats)
- › Tenant's **contribution**
 - › for construction costs (max. 12,5 % of total construction costs)
 - › for land costs (about 300€/m² UFS, capped costs for subsidised housing projects)
 - › annual write off (minus 1 % , refunding after moving out)

Sustainable Funding

Subsidy Schemes

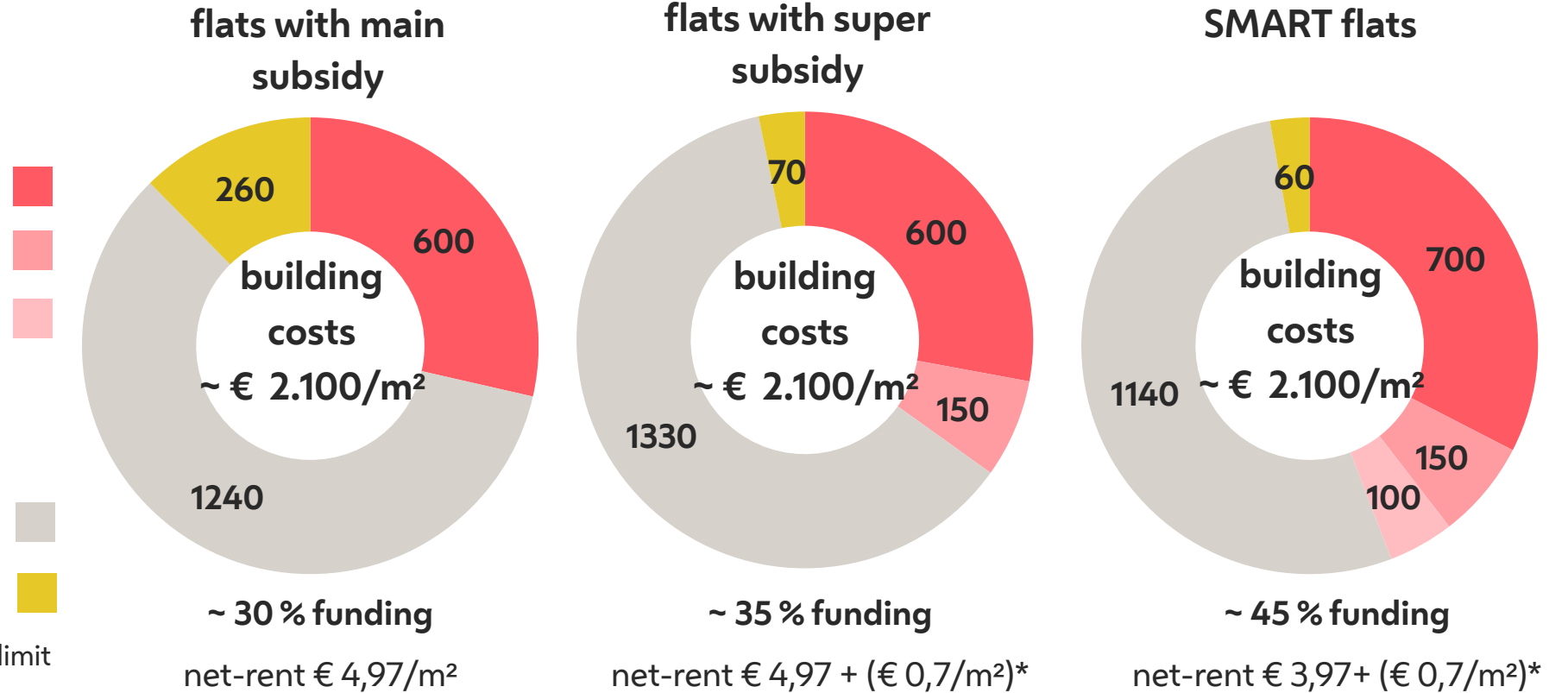
subsidies

- › main subsidy loan
- › super subsidy loan
- › grant for SMART flats

further financing needs

- › bank loan/equity capital
- › tenants contribution

* if household income is over a certain limit



Innovation and Quality

Polgarstraße, 22. Bezirk, Foto: Christian Fürthner / wohnfonds.wien

Innovation and Quality

Quality and Affordability

Subsidy Allocation by Competition on Quality

developers competitions

- › for subsidised projects **larger than 500 housing units**
- › for **plots owned** by the **City of Vienna** or the wohnfonds_wien
- › **architects** and **housebuilders** together **submit** a fully developed **project**
- › a **judging panel** choose the best **project**
- › the chosen project has to be realised

Innovation and Quality

The 4-Pillar Model

Project Evaluation

- › by judging panel or land advisory board
- › competition on quality (land costs are limited to ~€ 300/m² USF)
- › projects with well-balanced qualities

Social Sustainability	Architecture	Economy	Ecology
suitability for daily use	quality of urban structure	costs for the land plot	climate-friendly and resource-saving construction
affordability by efficient planning	quality of building structure	costs for building	healthy and environmental-friendly construction
living in the community	quality of flats and floorplans	costs for tenants and contract conditions	quality of green and public spaces
living for changing needs	quality of design	price-quality ratio, maintenance costs	divers quality of green and public space
total evaluation			

Source: Online https://www.wohnfonds.wien.at/media/file/Neubau/4-Saulen-Modell_Gesamt_2017.pdf

Site-Visit Sonnwendviertel



Site Visite Housing for All Conference, Wien 10. Bezirk, Foto: Johannes Wiedl/SWM



Thanks!

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