Affordable housing for whom?

The changing conditions of equal housing opportunities in former Red Vienna

Katharina Litschauer
Michael Friesenecker

Institut für Soziologie, Universität Wien

FWF-Project „Vienna in Transition“
Introduction

- Housing affordability has become one of the most pressing issues across Europe
- Viennese housing system builds on its historically grown social housing segment
- Different approach to housing affordability:
  - Housing provision as a social process
  - Housing policy as dynamic products of conflict that influence housing opportunities
  - Housing affordability in Vienna calls for a nuanced picture
Analytical Approach

• **Housing**
  ◦ housing provision
  ◦ social relations and processes of institutionalization

• **Housing Policy**
  ◦ housing policy instruments
  ◦ housing segments & housing conditions

• **Affordability**
  ◦ as a relationship between housing and people
  ◦ equality of opportunity in the context of inequality of condition
Affordability

• What **housing** are we comparing?
  – tenure forms
  – housing quality (incl. location)
  – household characteristics

• How to **measure** housing affordability?
  – housing costs
  – income

• What is **(un)affordable** housing?
  – indicator vs. standard
Methods and Data

• Mixed-method approach
  ◦ process tracing method to analyze policy documents
    → identify housing segments and insider/outsider
  ◦ quantitative analysis of housing costs
    → deliver a nuanced picture of housing affordability

• Data sources
  ◦ EU-SILC (housing cost burden)
  ◦ Microcensus (gross rent per square meter)
Results

1. **Housing conditions** are institutionally mediated
   → **Segmentation** of the Viennese housing system

2. Housing regulations translate potentials into **housing opportunities**
   → **Insiders/outsiders** in housing segments

3. Housing opportunities are realized in social conditions
   → **Housing affordability** for different segments and households
1. Housing conditions are institutionally mediated (I)
   Housing policy within a multilevel governance arrangement
1. Housing conditions are institutionally mediated (II)

Rental housing segments in Vienna as the outcome of housing provision

<table>
<thead>
<tr>
<th>Housing Provision</th>
<th>Allocation</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supply</td>
<td>Who provides?</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Private rental housing</td>
<td></td>
</tr>
<tr>
<td></td>
<td>regulated</td>
<td>unlimited</td>
</tr>
<tr>
<td></td>
<td>reference value rent</td>
<td>limited</td>
</tr>
<tr>
<td></td>
<td>unregulated</td>
<td>unlimited</td>
</tr>
<tr>
<td></td>
<td>free market rent</td>
<td>limited</td>
</tr>
<tr>
<td>Limited-profit housing</td>
<td>new dwellings</td>
<td>unlimited</td>
</tr>
<tr>
<td></td>
<td>high cost rent</td>
<td></td>
</tr>
<tr>
<td></td>
<td>old dwellings</td>
<td></td>
</tr>
<tr>
<td></td>
<td>low cost rent</td>
<td></td>
</tr>
<tr>
<td>Municipal housing</td>
<td>category rent</td>
<td>unlimited</td>
</tr>
<tr>
<td></td>
<td>cost rent</td>
<td></td>
</tr>
</tbody>
</table>
2. Housing regulations translate potentials into housing opportunities

- **Housing supply** (housing quality)
- **Housing demand** (housing needs are met)
- **Housing allocation**
  - via **housing market** (private rental housing)
    - price mechanism
    - social barriers (e.g. racism)
  - via **eligibility criteria** (municipal and limited-profit housing)
    - income limits (min. and max.)
    - nationality, 2 or 5-year-residency rule
    - price mechanism (entry down payment requirements)
3. Housing affordability: Housing opportunities are realized in social conditions

- Rental housing segments (rent setting & (un)limited contracts)
- Housing conditions (housing quality)
- Household characteristics (eligibility & access)

→ housing opportunities differ
→ housing affordability for different opportunity structures
Housing affordability within rental housing segments

Housing Cost Burden

Source: Statistik Austria, EU-SILC; Dotted lines = Confidence Interval 95%
Housing affordability within rental housing segments

Gross Rent (incl. utility costs) per square meter

Source: Statistik Austria, Mikrozensus; Dotted lines = Confidence Interval 95%
Housing affordability within private rental segments

Gross Rent (incl. utility costs) per square meter

Source: Statistik Austria, Mikrozensus; Dotted lines = Confidence Interval 95%
Housing affordability within rental housing segments

Housing Cost Burden

Source: Statistik Austria, EU-SILC; Dotted lines = Confidence Interval 95%
Housing Cost Burden for different household types

Source: Statistik Austria, EU-SILC; Dotted lines = Confidence Interval 95%
Housing Cost Burden for low income quintiles

Source: Statistik Austria, EU-SILC; Dotted lines = Confidence Interval 95%
Discussion

• Multilevel institutional arrangements establish **housing segments** which differ with regards to affordability
  
  → social housing successfully provides affordable housing

• **Price dynamics over time** vary according to housing segments
  
  → pronounced increases in the (unregulated) private rental segment

• Affordability challenges arise at the interplay of housing segments and **household characteristics**
  
  → low-income households and single-person households
Conclusion and Outlook

• Housing **affordability** as a relation between housing and people

• Housing **opportunities** are shaped by institutional regulations (housing segments and eligibility/access for households)

• Affordability challenges in Vienna: in sub-segments for specific households

• Further research into **housing opportunities** is necessary
  → Institutionally established **sub-segments** (housing quality)
  → Housing **regulations** produce insiders/outsiders (eligibility)
  → Housing **conditions** of different households (housing quality & access)