Affordable Housing in Austria

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IBW projects in social housing implementation

- Austria: 20 years of research and political consulting
- UNECE
- Union for the Mediterranean
- Albania
- Armenia
- Australia
- Bulgaria
- Hungary
- Kosovo
- Kyrgyzstan
- Montenegro
- Romania
- Russia
- Switzerland
- Ukraine
Social housing in Austria – Performance indicators

- Housing quantity
- Housing provision for households in need
- Quality of construction, planning, social environment, urban development
- Social integration, cohesion of society
- Stability of markets
- Energy efficiency
Stability of housing construction
Housing permits per 1,000 inhabitants

Re. Europe = Euroconstruct-countries
Source: IIBW, Euroconstruct, national statistical offices
Energy efficiency
Index GHG emissions of buildings (1990=100)

Re. sector CRF 1.A.4, CO2 equivalent
Source: Eurostat, IIBW
Housing cost ratio (EU-SILC)

Source: Eurostat, IIBW
Market segmentation – Vienna

Household income strata

10th
9th
8th
7th
6th
5th
4th
3rd
2nd
1st

Private rental owner-occupied

LPHA

Municipality

Source: IIBW
Market segmentation – other provinces

Household income strata

- 10th
- 9th
- 8th
- 7th
- 6th
- 5th
- 4th
- 3rd
- 2nd
- 1st

Source: IIBW

Single family homes
Owner-occupied
Private rental

LPHA
Public funding on housing in Austria

- Object side subsidies (on “bricks and mortar”) – predominant
- Subject side subsidies – complementary
- Tax subsidies (reduced VAT rate, deduction of housing investments, non-taxation of sale of own property) – low
- Subsidies on capital market instruments – “Bauspar” (contract saving) scheme, housing bonds, Housing Investment Bank (new) – low
Housing construction and subsidies (units p.a.)

Source: BMF, IIBW
Public expenditure on housing in % of GDP

Source: IIBW, national statistical offices, different sources
Limited profit housing associations (LPHA)

• Legal regulations: Limited Profit Housing Act
• Owners are municipalities, the financing sector, trade unions, charity organisations, private persons etc.
• 24% of total housing stock
• 1/3 of total new construction from LPHAs
• LPHA shall make profit, but profits have to be re-invested in affordable housing; low profit distribution to owners, but very substantial undisclosed reserves
• Cost coverage principle, linked with defined components of revenues
• Tie-up of assets, undisclosed reserves cannot be cashed out, but other benefits to owners
• Strict audit and control
High quality planning and construction

- incentives from subsidy system to realize very high quality
- neighbourhood development
- architecture competitions
- very low energy consumption, passive houses
- rents approx. below 30% below market level, additional housing allowances for low income households (ca. 5% of population)
Audit and control

- supervisory authority are the provincial governments, who at the same time provide housing subsidies
- inspectorate by an auditing association organised by the LPHA sector itself
- inspection similar to annual audit by certified accountants, but also including the entire financial and business conduct
- effective tools to avoid misconduct
- effective tools to spread innovation
Financing of LPHA new construction

- Housing subsidies: soft loans, grants, annuity grants, approx. 30% cash value, decreasing
- Own equity: for purchasing land, construction financing, approx. 20%, increasing
- Capital market financing approx. 50%, increasing
Financing of LPHA refurbishment

- Repear funds: up to 2 €/m² per month
- Increase of rents: rarely
- Subsidies: mainly for comprehensive thermal retrofit
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