

**Seminar at the Czech Bishop Conference
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Affordable Housing in Austria

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I•IBW projects in social housing implementation

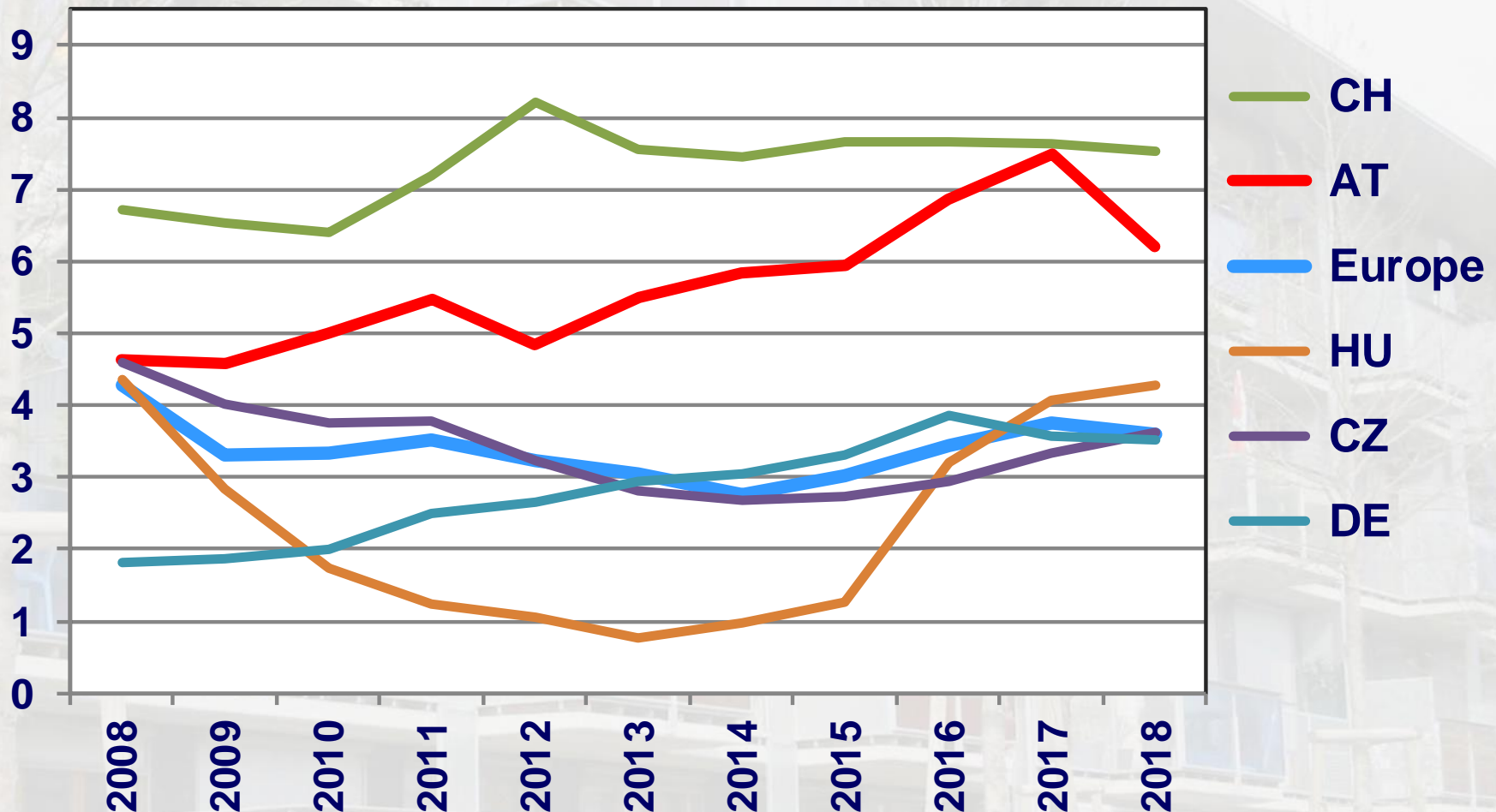
- Austria: 20 years of research and political consulting
- UNECE
- Union for the Mediterranean
- Albania
- Armenia
- Australia
- Bulgaria
- Hungary
- Kosovo
- Kyrgyzstan
- Montenegro
- Romania
- Russia
- Switzerland
- Ukraine

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

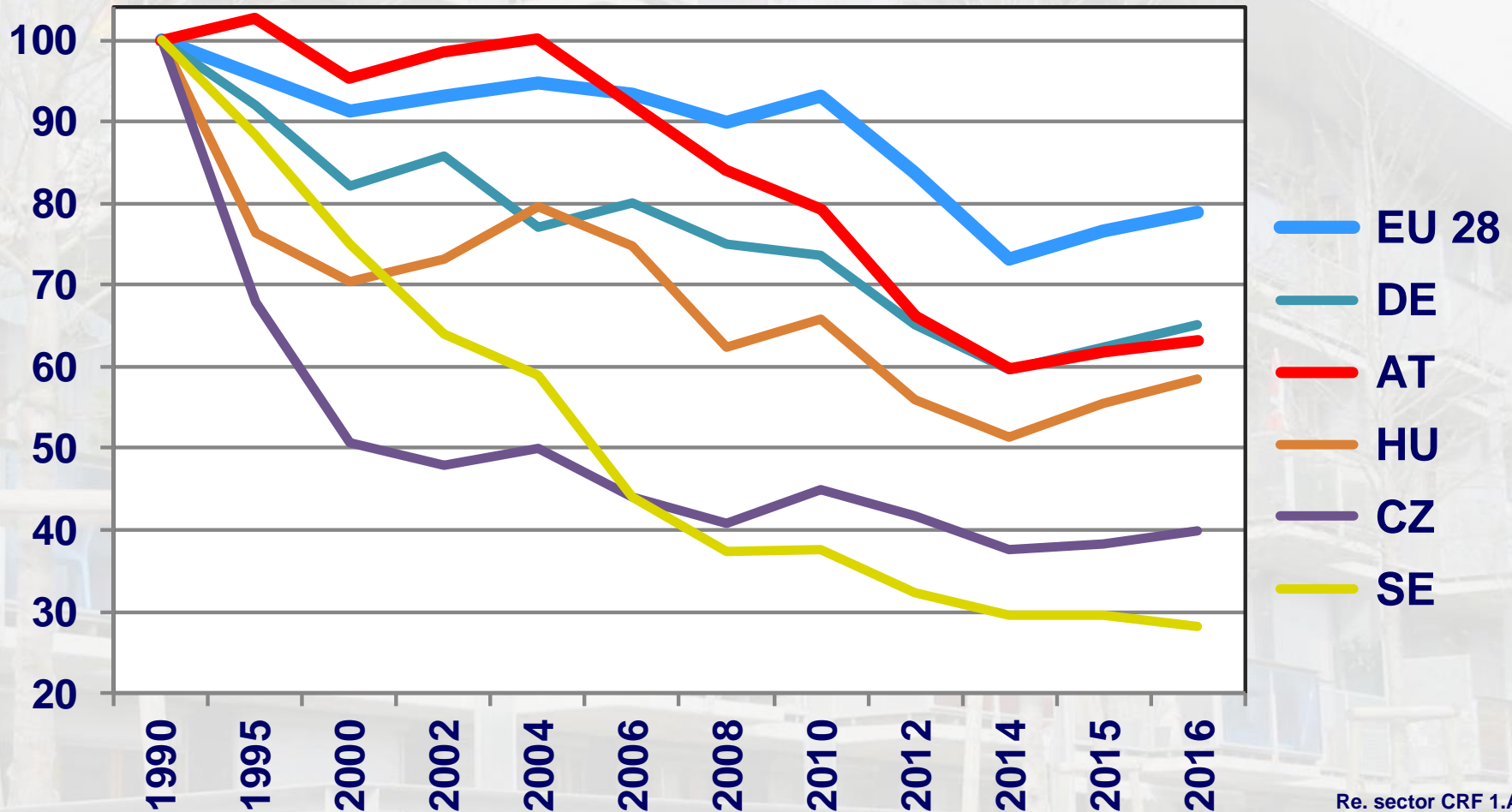
Housing permits per 1,000 inhabitants



Re. Europe = Euroconstruct-countries
Source: IIBW, Euroconstruct, national statistical offices

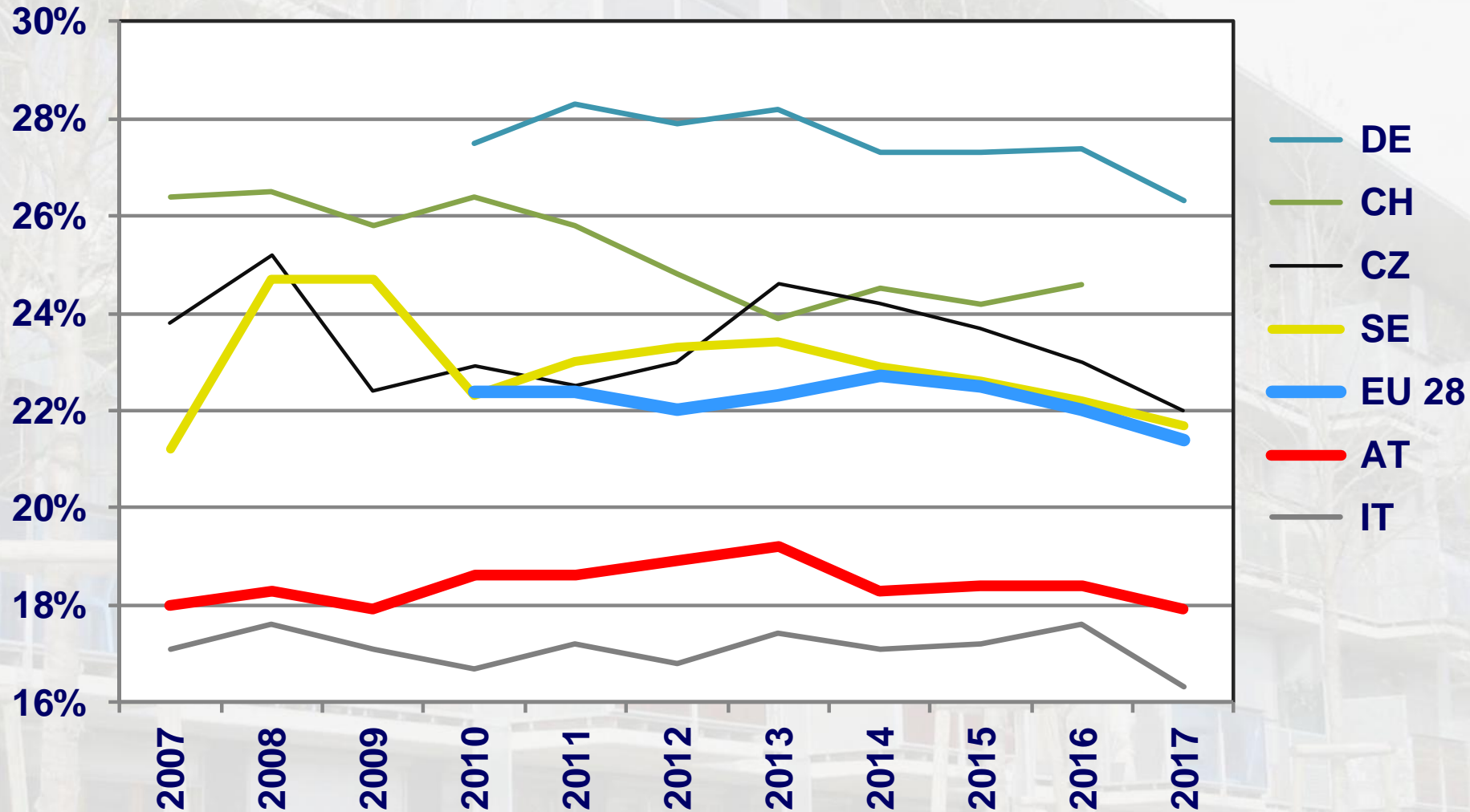
Energy efficiency

Index GHG emissions of buildings (1990=100)

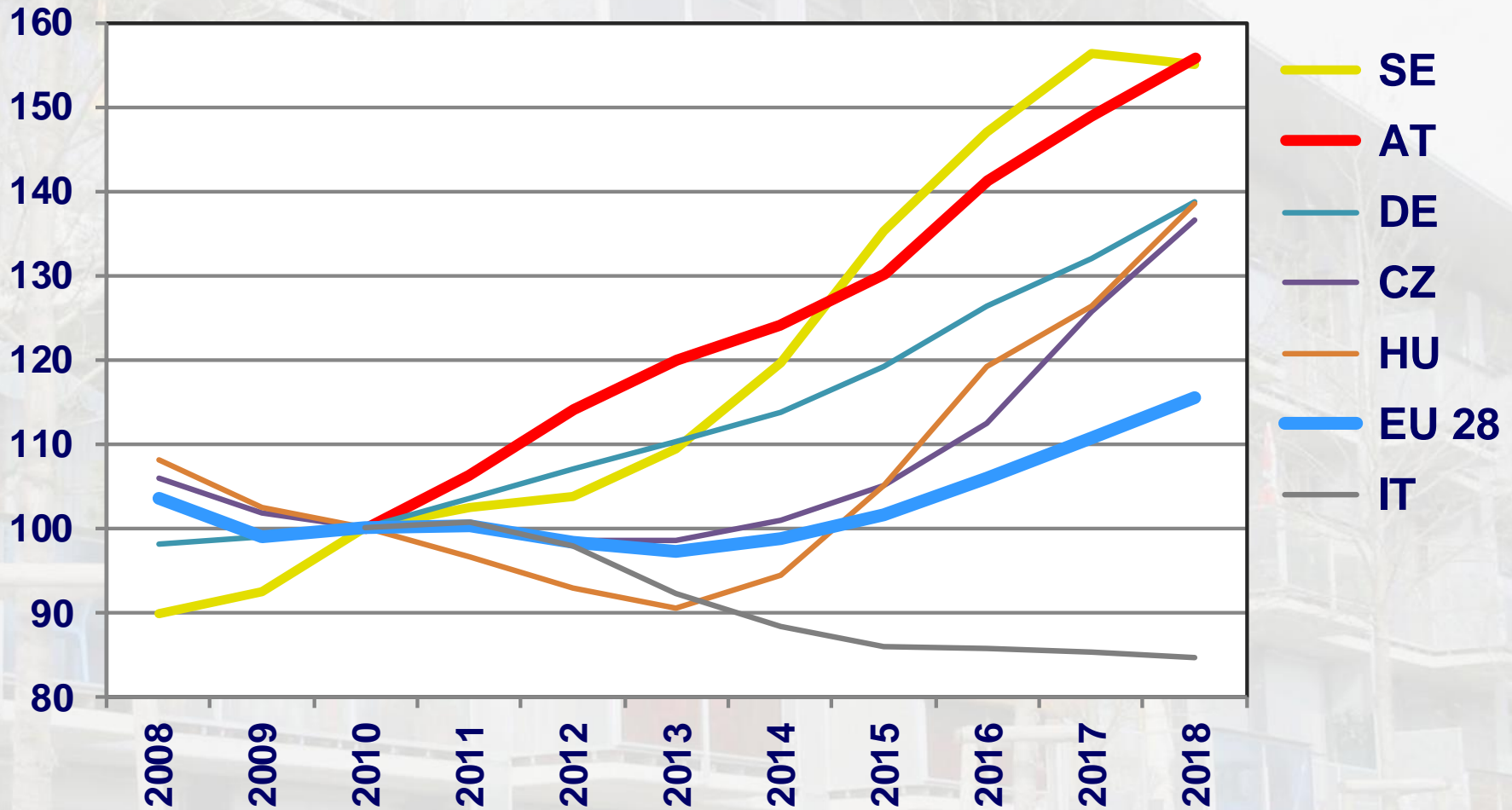


Re. sector CRF 1.A.4,
CO2 equivalent
Source: Eurostat, IIBW

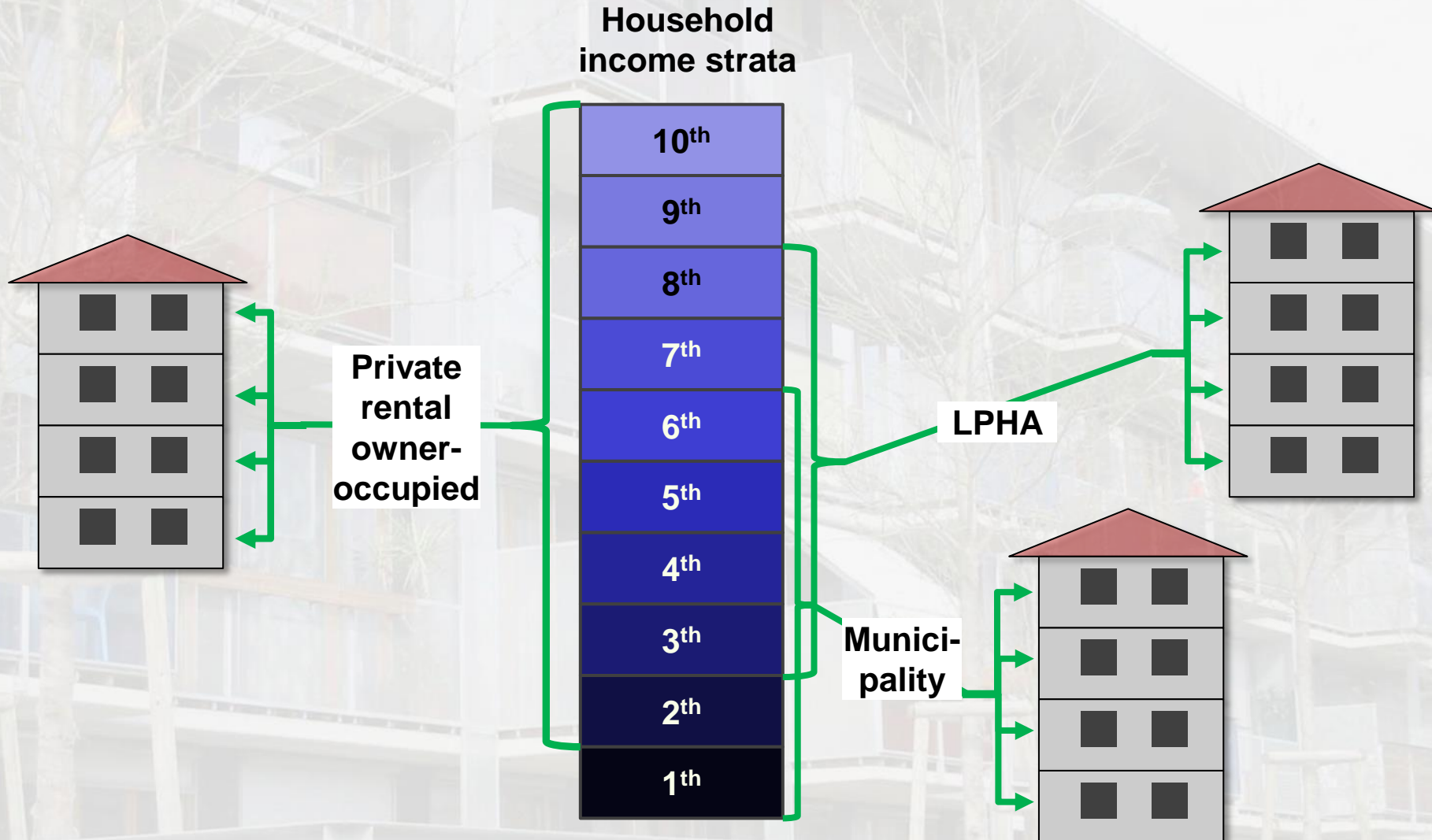
Housing cost ratio (EU-SILC)



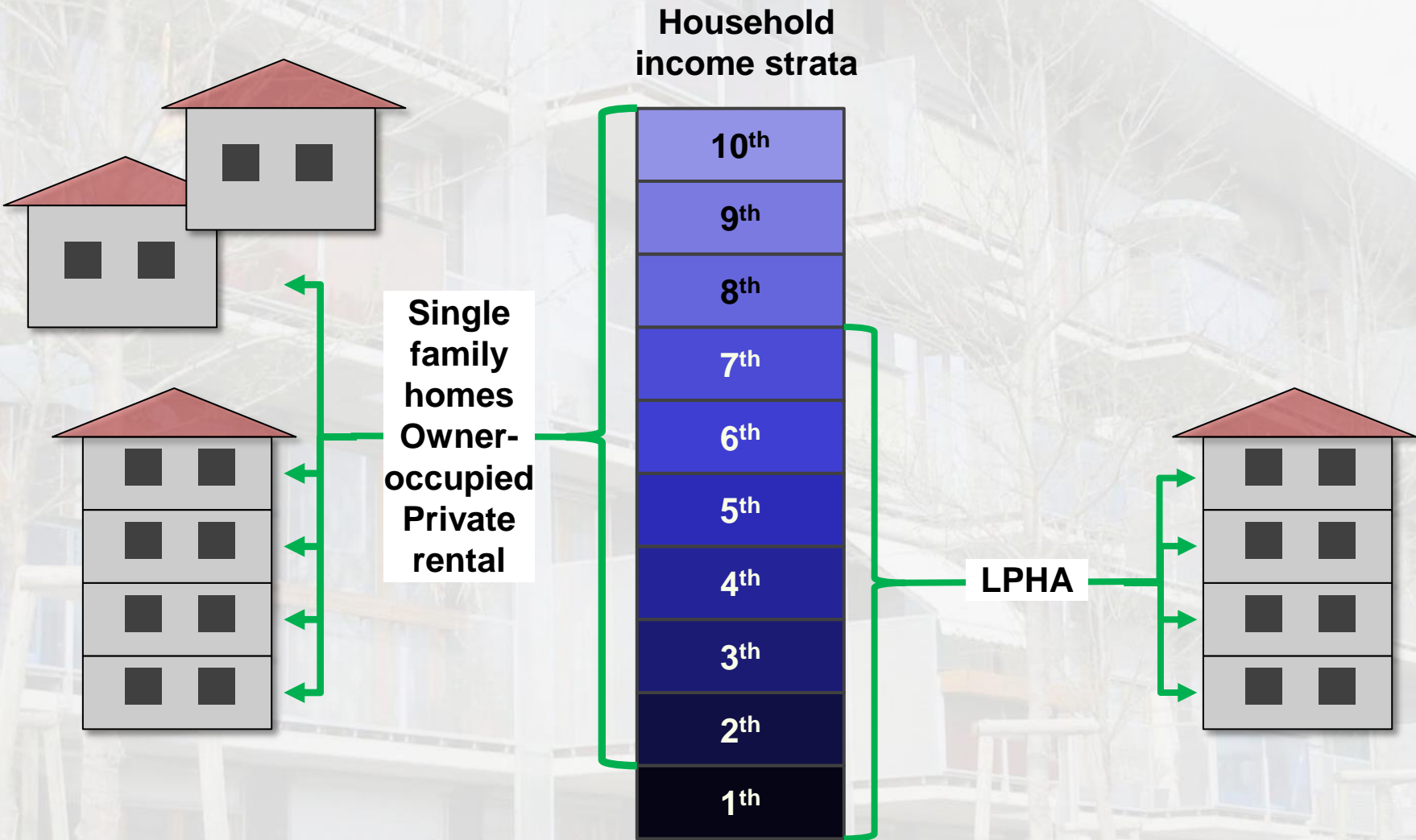
EU House Price Index



Market segmentation – Vienna



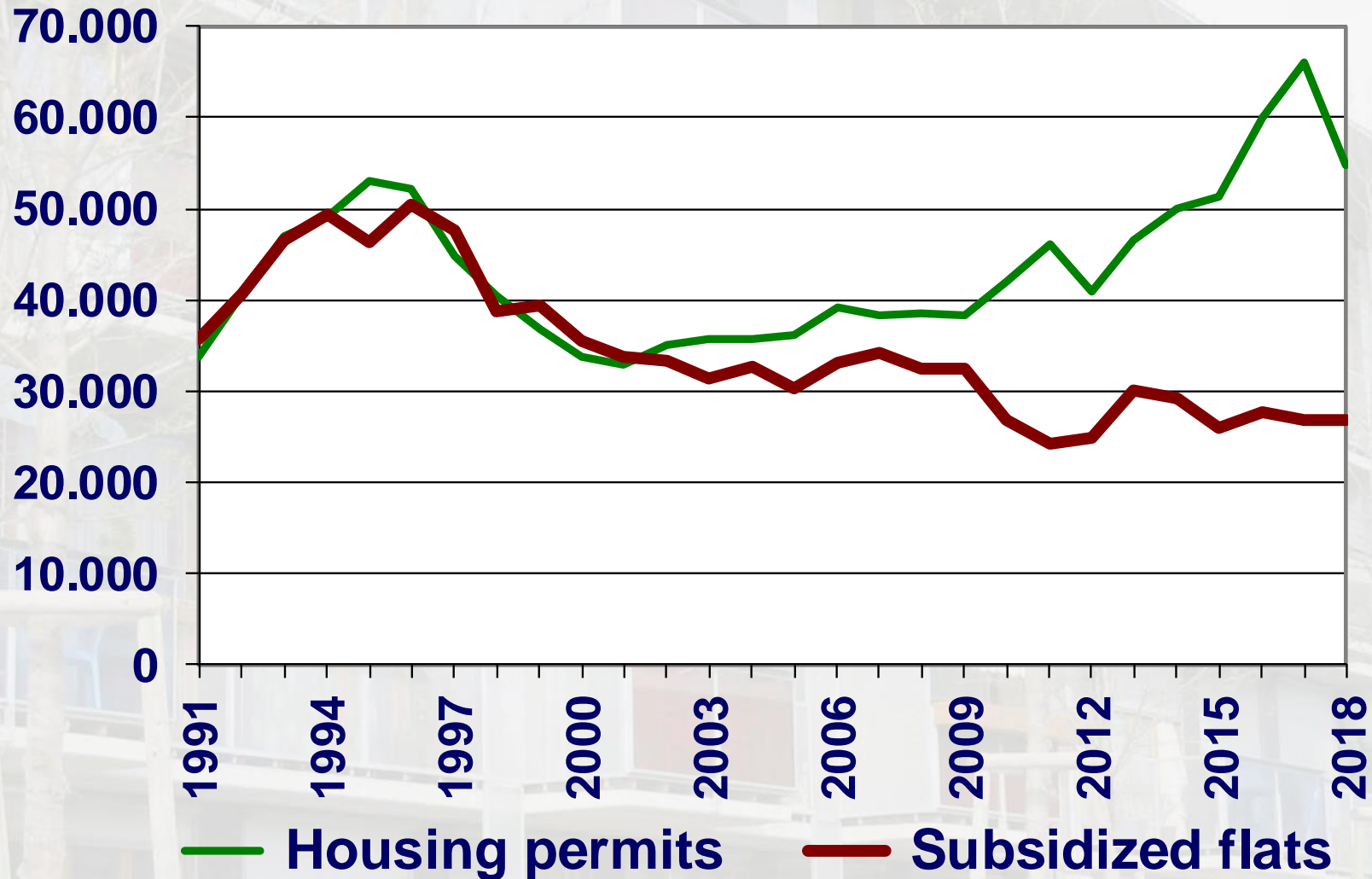
Market segmentation – other provinces



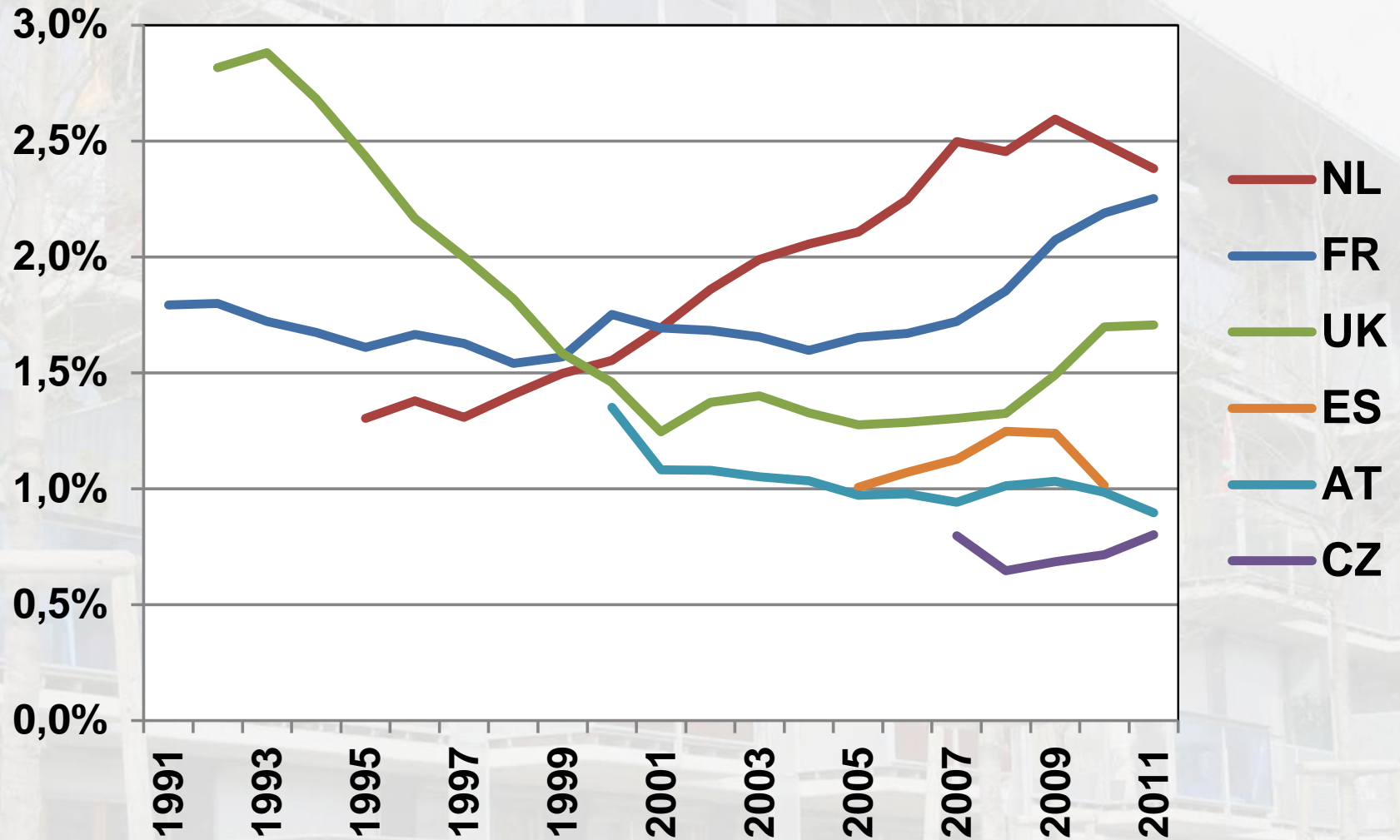
Public funding on housing in Austria

- 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.)



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

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

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