

Name

**Sustainable Urban Renewal,
Vienna/Austria**

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Type of Organisation:

Local Authority

1: Short description of organisation

wohnfonds_wien - fund for housing construction and urban renewal

wohnfonds_wien was founded in 1984 based on a resolution of Vienna's City Council.

- Land procurement for social housing,
- Preparation, development of projects, ensurement of quality and realization of measures for urban renewal, especially consultation, coordination and control of subsidised housing improvement.

Because of the major task of the **wohnfonds_wien** in the field of land procurement and project development it was possible to develop land for the construction of about 51,400 new subsidised flats until today. Within the scope of quality ensurement in subsidised housing projects 40 public housing-development competitions with a volume of about 15,800 flats were carried through until now. More than 1,400 housing projects were assessed by the land advisory board, of which approximately 760 projects with about 60,000 housing units were being recommended for assistance.

Until January 2009 more than 10,800 applications for subsidised housing improvement had been filed and of these about 6,200 were approved of for subsidised improvement. The reimprovement work has been concluded in 5,170 houses. The investment volume recommended for subsidised improvement (based upon so-called "Vorprüfberichte") is valued at more than 5.7 billion Euro, the grant of the municipality of Vienna about 3.7 billion Euro.

2. Short description

The model of sustainable or soft urban renewal has made a significant contribution to improving living conditions in the City of Vienna. A decisive factor in this process is that urban renewal is understood as an interdisciplinary challenge, where social, economic, cultural, aesthetic and ecological demands must be taken into consideration. Urban renewal requires future-orientated, strategic continuing development, which reflects the possibilities for the city as an evolving system. Soft urban renewal pursues the goal of linking affordable housing with economic use of resources, mixed use, and adaptation to the existing infrastructure. Re-conversion and upgrading of the existing urban structure is counter-posed to demolition and new building.

The Viennese model of "soft" urban renewal places residents in the foreground so as to minimise the repression frequently induced by improvement activities. Owners and residents are involved in the progress. Main emphasis is placed on so-called base improvement, that is on maintaining, improving and modernising existing housing structures in coordination with residents. The legal foundations of "soft urban renewal", such as amendments to the tenancy

laws, were laid long before actual improvement activities were launched. "Soft urban renewal" is an excellent example of how a cost-intensive project is easily prepared with reasonably priced planning measures.

Currently, more than 150,000 apartments have been renewed with public subsidies, one sixth of the total housing stock - one of the world's leading tenant-oriented urban renewal programmes.

Key Dates

1974: foundation of first area renewal office, development of strategy of "soft" urban renewal

1984: start of subsidized housing renewal programme, foundation of WBSF

1989: decentralization of Austrian housing policies to the "Bundeslaender" (Provinces), Vienna being one of them, adoption of Vienna Housing Subsidization and Housing Renewal Law (WWFSG)

Long Description:

SITUATION BEFORE THE INITIATIVE BEGAN

In Vienna- a city with 2000 years of history reflected in its urban and building structure -, as in many cities, the greatest urban problems are concentrated in those city districts, which are most in need of modernisation; a high percentage of families with low incomes, deficient infrastructure and high levels of environmental pollution.

At the start of the programme in 1984 there were more than 300.000 apartments (39 % of the total housing stock) categorised as of insufficient standard, meaning without toilets and/or water supply within the apartments. The City of Vienna decided both against demolition and construction of new urban areas, and against the displacement or compulsory re-housing of those living in such areas.

ESTABLISHMENT OF PRIORITIES

In its rehabilitation efforts Vienna has been able to benefit from experiences made abroad. The city learned its lesson and decided not to rely on demolition, new construction and the eviction of residents. Run-down inner-city areas should rather be improved by a "soft" renewal approach. The priorities were settled by two relevant legislative means which were developed when there were not yet sufficient means to rapidly improve the situation: The

Tenancy Act and The Non Profit-Housing Act, laying the foundations for a future sustainable development.

FORMULATION OF OBJECTIVES AND STRATEGIES

The goals as defined by the strategy of soft urban renewal may be specified according to the objectives of housing rehabilitation:

1. "Soft Urban Renewal"

- Priority of social criteria
- Avoiding social segregation or gentrification
- Avoiding forced change of ownership
- Affordable rehabilitated housing

2. "Sockelsanierung" - Renewal of inhabited buildings

- Distribution of responsibilities between owner and tenants
- Tenants' participation
- Tenant-oriented modernisation schemes
- Substitute housing offers

3. Subsidies

- Amount of subsidies depending on existing standard of apartments (maximum ca.98% of total building costs!)
- Allowances to low-income households
- Controlled and limited rent increase
- WBSF-point system: priority by social, technical and urban criteria
- Equal subsidies to privately- and publicly- owned rental buildings

4. Single building approach/Area oriented renewal/Conflict management

- No designated renewal areas with special subsidies
- "Gebietsbetreuung" = area renewal offices to stimulate rehabilitation measures and to coordinate improvement of public spaces
- "Blocksanierung" = block improvement schemes including housing renewal, improvement of public spaces and ecological measures.

MOBILISATION OF RESOURCES

Describe how financial, technical and human resources were mobilised and where they came from.

PROCESS

The basis for "Soft Urban Renewal" can clearly be laid, even if initially hardly any financial means are available from the city. This first phase of the Soft Urban Renewal Project in Vienna was used alongside "first aid" measures for situational analyses. User-friendly housing redevelopment obeys the principles of soft urban renewal, which gives priority to social, technical and urban criteria. The housing stock is improved and modernised without driving out those renting the properties. Complete restoration of the base of buildings is the most important strategy in this process, involving as it does the division of responsibility between owners and residents, co-determination by those renting, modernisation according to the wishes of those renting, offers to convert and subsidies. The size of the grants is based on the existing standard of the housing, which is in need of repair. Grants, including assistance to households with low incomes and monitored and limited increases in rent, are available to those renting both publicly and privately. A fixed level of rent is planned to remain in force for 15 years. In addition, local support services are also to be set up, i.e. offices to provide information and to co-ordinate the renewal of public spaces, in order to link plans for housing redevelopment with the transformation of public spaces and ecological measures.

The most significant renewal strategy is what is termed "Sockelsanierung" ("basic renewal"), i.e. preserving, improving and modernising old housing-stock without moving tenants. Such projects include the renovation and improvement of the building in question and the modernisation of the flats in accordance with the tenants' wishes.

Vienna's leading role in urban renewal shows that this strategy has been successful. Soft urban renewal has also proven to have an economic impact. It not only offers growth potential for the construction industry, but also opportunities for smaller businesses.

3. The Partners

- A) Vienna Land Procurement and Urban Renewal Fund (WBSF)
 - B) Area Renewal Offices
 - C) Private and public landlords
- Owners and tenants

Type of Partner Support:

- A) WBSF: provides technical and administrative support (as a one-stop-shop)
- B) Area Renewal Offices provide technical and administrative support in the area, get support from the City (financial, administrative)
- C) Landlords provide part of the financing, get support from the above
 Owners and tenants provide part of the financing, get support from the above

Financial Profile

The main part of the financing comes from the city budget (about 200 mio US \$ per year), the partners are mainly engaged in some co-financing and in the implementation of the program. The city's budget is therefore included in that of WBSF, a city-owned institution, in the following table:

Year	Total Budget (US\$)	<i>Partner A (% of the budget) City and WBSF</i>	<i>Partner B (% of the budget)</i>	<i>Partner C (% of the budget)</i>
2002	220 mio	60		40
2001	220 mio	60		40
2000	220 mio	60		40
1999	220 mio	60		40
1998	220 mio	60		40

4. IMPACT

- 7,560 buildings had been applied for renewal with public assistance.
- 4,700 residential buildings - with 210,000 apartments – approved.
- 2,160 buildings with 142,000 apartments were completed.
- total investments: approx. US \$ 2,40 billion for completed projects, and US \$ 3,40 billion for all buildings recommended for the program

- public investments: US \$ 2,51 billion for all projects recommended in the worst areas.
- "substandard" dwellings reduced from approx. 320,000 (39 % of the total stock) to less than 116.000 from 1984 to 2006
- fully equipped apartments have gone up from approx. 328,000 to more than 715,000.
- the program started 1984 and is still running.

5. SUSTAINABILITY

Today, urban renewal offers to the property owner sufficient financial incentive while remaining socially oriented through the high level of public subsidy involved. Up to 90% of rehabilitation cost is born by the public sector through subsidies on bank loan annuities. The amount of money granted depends on the type of improvement option selected and on the standard of the building. The principle is that the worst kept houses must be the best subsidised. The subsidy on annuities is highest, for instance, for the elimination of "substandard" dwellings (flats without bathrooms or toilets). In order to pay back the bank loans - reduced by the annual subsidies - rents may be increased temporarily to a cost covering level set and controlled by the city authorities and accompanied by individual allowances to the tenants if necessary. It is important, however, to note that no further rent increase may be made during the fifteen-year period over which promotion is effective.

Today, one out of five dwellings in Vienna is located in a building that is already being renovated or will be refurbished in the near future. There is still a lot to catch up with, and funds are limited. But urban renewal has also turned out to be major economic factor that promises to open up a vast potential for the building industry but also for smaller area-based enterprises, which can create new job opportunities in run-down districts.

Moreover, block improvement schemes, i.e. the improvement of whole blocks of buildings with different owners aim at combining the improvement of flats with other measures like improving the living environment as well as backyard clearing, merging backyards of adjoining properties to lay out green spaces, creation of traffic reduced zones, preservation of small businesses compatible with residential areas, insuring neighbourhood shopping facilities etc. Landlords, shop owners and the people who live in the buildings concerned are all involved in developing the block improvement project right from the beginning. Through the planning, coordination and implementation phases detailed information, expert advice and specific project management are provided to insure that whatever conflicts may arise

can be discussed and resolved openly and that everybody's interests are respected to the greatest possible extent.

6. TRANSFERABILITY

Although in Vienna a large amount of public monies has been invested in urban renewal, the model can also be applied in situations where less money is available. Vienna has often undertaken consultancy work in this context for communities in Eastern Europe. Close contacts have been established between Vienna and the cities of Budapest and Bratislava, just to name two. The experience gained is applicable to other urban areas where redevelopment measures are being planned.

7. INNOVATION

Although a high amount of public money has been dedicated to urban renewal projects in Vienna - a comparatively rich region - lessons can be learned also for the case of poorer areas.

This includes:

- Priority of social criteria: Renewal programs have to target on those already living in the area considering their (financial) possibilities. The first aim must be to improve an area without evicting the residents.
- Accepting different lifestyles: The political aim is to preserve and improve as many old buildings as possible as long as it is economical to do so (i.e. cheaper than new housing). In this respect, it is not so important to achieve the standard of quality that new dwellings would offer. Different people have different demands on quality, and often these requirements can be met with comparatively modest means.
- "Soft" renewal strategies should concentrate on small-scale and/or low-standard renewal schemes giving new hope and proud to deteriorating areas. At the same time significant improvements can be reached by a step to step approach following a careful survey of the existing problems, and including self-help activities. Such measures can also strengthen local business and provide new jobs in the area.
- Area based approach: Urban renewal consists of more than technical measures; typical area improvement schemes have to consider such problems as unemployment, crime rate, ethnic tensions, drugs, etc., i.e. social problems cannot be solved by building programs alone. Area based renewal requires a decentralisation of decision, but at the same time an interdisciplinary approach to the existing problems.

- Information and training: Early information has to be given to all parties involved, but if all groups are to participate, professional support has to be provided especially for weaker groups and for minorities. Special training programs are to be set up to compete with the range of problems to be tackled in typical renewal areas training both the technical experts and local citizens.

Lessons learned and legislation:

- Using economically weak times to set the frame: As the case of Vienna shows foundations for a future sustainable development can be laid even if at present there is only little money to carry out improvement works. Both relevant legislative means in Austria have been developed when there were little to no means to rapidly improve the situation: The Tenancy Act and the Non Profit-Housing Act. But also the Housing Improvement Act was established when Austrian's economic condition was significantly weaker than that of most other Western European countries. Ironically, this may have contributed to avoid problems achieved elsewhere, as there was less immediate economic pressure from different market forces. Economically weak times can therefore be used to concentrate on priority ("first aid") programmes and independently work out own strategies for a sustainable development based on a careful study of the specific situation. Vienna's way to a leading role in urban renewal policies proves that to take that road it is well worth the effort

8. Recognition

The sustainable urban renewal is a UN-HABITAT Best Practice from 1996, 2000, 2002 and 2006

Also

See: www.wohnfonds.wien.at

Or

http://bestpractices.at/main.php?page=vienna/best_practices/housing/urban_renewal&lang=en