

Social(ist) Housing

Housing as public interest, political duty and architectural task[1]

– An opposition to free-market doctrine, as in Patrick Schumacher's Urban Policy Manifesto

Gabu Heindl, Drehli Robnik

From Brno to Vancouver, cities worldwide are in the midst of an enormous housing crisis, which, as we're told, would be solved by an expansion of free-market housing.

As an alternative way, the "Vienna model" is today regarded beyond Europe as a model for social housing and thus for a welfare-state approach to crisis-like phenomena in metropolitan housing supply, which have been exacerbated by urban growth and the capitalization of urban space. Nevertheless, also in Vienna, rising social inequality is becoming increasingly apparent: 43 percent of people pay more than 40 percent of their income for housing costs in the private rental sector. This hits poor households particularly hard. The current Covid-19 pandemic is leading to a further worsening of the situation everywhere – not only in Vienna – especially when rent deferrals are still due to be paid off in the foreseeable future.

In the following, the Vienna model will be subjected to a two-part analysis with regard to its ambivalences and potentials. On the one hand, I want to criticize the model immanently, that is, to measure it against its claims and to question it in relation to its history: that is, to housing policy as part of the socialist-egalitarian project of Red Vienna in the 1920s. On the other hand, the historical and current Viennese housing policy, which is shaped by social democracy, is to be contrasted with the opposing market radical-oriented approach to solving the global "housing problem" by calling for the abolition of state-subsidized social housing per se: The eight theses presented by Patrik Schumacher at the World Architecture Festival in Berlin in November 2016 as the Urban Policy Manifesto for London, and elaborated in an expanded form for the liberal Adam Smith Institute in 2018,[\[2\]](#) are a prominent and heatedly discussed example of such a discourse in architecture. This text is also intended as a "radical democracy"-oriented sketch of analysis and response to the demands it raises and the political understanding of society that it expresses.

Suppose the initial question is how affordable housing in big cities is possible. In that case, neoliberal think tanks have a clear answer ready: finally, let the truly free hand of the market prevail, plus meritocratic competition and displacement of those who cannot afford it, in short: stop all political intervention.

(De)regulation

Schumacher's first postulate is to "regulate the planners": The "right to build" should only be restricted by planning if a building project conflicts with development possibilities, with traffic infrastructure, with a monument and environmental protection or with the rights of neighbors (e.g. to sunlight). He demands that "nothing else can be brought to bear" here: "No social engineering agendas!"

Schumacher is implicitly calling for reducing planning primarily to technical rules and keeping it free of political agendas. This corresponds to a "post-political" view of planning that is itself highly political, and at the same time, ties in with the master plan critique from the right. The concern about "over-regulation" typical of this critique fails

to recognize that agendas are always set, and thus regulations are made, even and especially when they are not set.

Precisely this kind of neoliberal “depoliticization” is, however, evident in contemporary cities, also in Vienna: the increasing deregulation of planning, such as operating with non-binding guidelines, is giving rise to a veritable “negotiated urbanism” based on their free interpretability, which is flexible toward capital interests and thus toward investor-driven urban planning, while at the same time working toward a “lean” administration in the sense of a market-liberal policy. In contrast, the first step towards a radical democratic planning policy is to avoid the “policy phobia” of neo-liberal discourses, i.e. a critique of deregulation, and – with Hannah Arendt – the insight that freedom always needs a public space for its development, enclosed by rules.^[3]

Land Policy

The market, as a self-regulating force, should alone decide what gets built where. This is how Schumacher calls for the “abolition of all land-use prescriptions.” In this perspective, built urban space is not the result of a political agreement but emerges from the omniscience of the market. Apart from the fact that historically there has never been a free market, but always processes of monopoly formation, this thinking in terms of “ideal types” is characteristic of an approach that wants to build society, and thus also the city, *ex nihilo*, from an ideal ground, far from any social reality. But with such notions of ideal market conditions as in the laboratory experiment, market apologetics are closer to the totalitarian master plan than they think.

The history of Vienna’s planning policy offers a revealing counterexample. The social-democratic Viennese city government of the years 1919–1934 saw itself as revolutionary, but not in the sense that it aimed at the total construction of a new society from an ideal foundation, but much more pragmatically in its concrete political action against the prevailing market and profit economy. In Red Vienna, the starting point for building new forms of social order and collective welfare was essentially seen in urban planning policy. However, this policy was less concerned with urban planning in the broad sense but focused primarily on housing (in addition to planning prominent cultural buildings and medical infrastructures). Hence, no real alternative to the capitalist city was pursued – which has its disadvantages to be discussed – but nevertheless, a different policy of hegemony was made according to the available terrain.

Specifically, a housing requisition law allowed the municipality to requisition “duplexes and improperly utilized apartments and living quarters in the interest of those in need of housing” to rent to those seeking housing. This is reminiscent of the contemporary housing policy of the city of Barcelona, which has started to requisite vacant apartments from banks in order to make them available for rent.

In our historical example, the housing requisition law – combined with strong tenant protection – ensured that neither speculation nor large-scale profit generation was possible in private housing at all, which is why private construction activity declined, and land prices in the city fell massively. This made it possible for the municipality or Red Vienna itself to acquire large tracts of land on which, with the help of a progressive redistribution tax, the “housing tax”, the municipal housing estates that are still iconic today were built; and this, too, is an expression of planning that did not start from the ideal type – wherever there was space for it (sometimes in vacant lots).

Following in the footsteps of Red Vienna, the municipality of Vienna still pursues an active land policy, primarily through the *wohnfonds_wien*, founded in 1984 as the “Vienna Land Procurement and Urban Renewal Fund” [*Wiener Bodenbereitstellungs- und Stadterneuerungsfonds*], which is active in acquiring land and launching quality-assurance developer competitions for housing.

However, as a result of the global financialization of urban space and a speculative land market, land prices in Vienna are now barely affordable for the fund. On international real estate portals, Vienna is described as an important “gateway to Eastern Europe” and as a safe investment port with a “stable market”, also because the Austrian Tenancy Law Act of 1981 allows rentals in new construction without any price cap, plus short-term time limits and location surcharges.

A remarkable political reaction to land speculation is the zoning category “subsidized housing” introduced by Vienna’s red-green municipal government in 2018, which de facto caps land prices in rezoning procedures. On the part of the capital side, i.e. the owners of the land to be rezoned, the objection was raised that this was virtually an expropriation measure; however, this assumption implies that the profit margins achievable through non-subsidized housing are regarded from the outset as the property of the landowners. What is being “expropriated” here – under loud protest – is a speculative prospect.

Milieu/monument protection

Third, Schumacher calls to “stop all vain and unproductive attempts at ‘milieu protection.’” The protection of milieus, of environments, even of the sociocultural character of neighborhoods is seen here as another form of illegitimate “social engineering” that blocks progress and productivity.

In Vienna, there is no milieu protection comparable to the milieu protection as a political lever against gentrification in Berlin; in Vienna, however, investor interests increasingly collide with the protection of historic monuments. A prominent example is a controversy surrounding the planned luxury apartment tower on Heumarkt. In the sense of political pragmatism, the – in the full understanding of the word – conservatively defined instrument of monument protection can be used for progressive radical democratic goals. Undoubtedly, this raises the problem that criticism of investor-driven politics and speculation with urban space can suddenly give rise to a “right-wing” discourse – as happened in Vienna in the form of the massive commitment of the Freedom Party of Austria (FPÖ) against this tower building project.

In contrast to the ideal model propagated by Schumacher and others, however, in urban planning, we are always dealing with real conditions, i.e. impure constellations – in which a radical democratic, “left-wing” critique must draw precise contours in order not to make common cause with right-wing resentments despite selective contact zones. In this context, we have to ask ourselves the broader ecological and socio-economic question far beyond the classical field of monument protection: What do we define as a monument or a milieu worthy of protection?

Standards

Schumacher's fourth commandment is: "abolish all prescriptive housing standards [...], stop all interventions and distortions of the (residential) real estate market." Only the market can produce "the most useful, productive and life/prosperity-enhancing mix." Public regulations regarding apartment size and type of furnishings, etc., which would restrict free choice on the housing market, should be abolished.

The only problem is that many people do not have the freedom to choose because they lack the means to do so. Such argumentation is based on the assumption that a flexible individual with a middle-class education is the exemplary model subject of any planning and misses the social reality of many people's lives. In the case of the political tolerance of ever-smaller housing units, it seems that primarily young students with a temporary, digital minimalist lifestyle are being addressed. However, if one takes into account that living in minimal units also affects precariously employed migrant workers in overcrowded rooms, the hidden power aspect of such considerations becomes apparent.

The minimum limits of minimal housing – even smaller square meters, even lower room heights – are pretty wide open at the bottom. The tenants' limited freedom of choice or defenselessness in the face of such dynamics corresponds roughly to the forced willingness of workers to go along with wage dumping.

In this light, an ambivalent legacy of Red Vienna, or continuity, emerges: the municipal government had sought higher wages and higher standards of housing, but Red Vienna's apartments were so small at the beginning of municipal building activity that they were enlarged after criticism by the International Housing and Urban Development Congress in Vienna in 1926. More precisely, one price for the undisputed alleviation of the mass housing misery of the time was the production of housing units based on a tightly calculated subsistence level. Such a "creatively" implemented willingness to provide the many non-owners with only a minimum of housing continues in today's "SMART living" housing subsidy initiative, which aims to build more affordable housing by downsizing. Today, this creates the same dilemma as the one that Giancarlo De Carlo had already criticized in 1969 in relation to the planning of "the housing for the subsistence level" [*Die Wohnung für das Existenzminimum*] in the CIAM progressive projects of the interwar period: architects are supposed to compensate for the given lack of space through creativity.[\[4\]](#)

Social housing

"Abolish all forms of social and affordable housing." According to Schumacher and market-liberal proponents, all social housing should be privatized, and instead of housing subsidies, there should be financial subsidies without earmarking. Freely usable subsidies could be approved within the framework of a policy that distributes wealth, for example, through an unconditional basic income.

I agree with the criticism of the *subject* housing subsidy, but for a different reason: because it is basically a transfer of public money to private landlords. Rent subsidy for housing on the open market is a direct subsidy of the owners by the taxpayers.

Instead of subject subsidies, the Viennese model, however, is based on *object subsidies*: investments in the housing infrastructure and its non-profit status, which should ensure affordability for as many people as possible. In principle, a redistribution policy that

works against the “free market” makes sense not least because the “free market” is fiction under laboratory conditions – for example, also with regard to the basic meritocratic assumption as represented by neoliberal representatives of the “achievement idea”: that “productive” people “earn something”. In fact, wealth, and also ownership of housing, has for a long time (and not only in Vienna) been created essentially through inheritance or speculation.

In the specific case of Vienna, which has never sold its municipal housing, the sell-off of social housing to the private market have at least been contained, in contrast to many cities that have followed the mantra of privatization much more extensively. However, due to recent law changes, subsidized apartments – the second strand of social housing aside from municipal housing units – can under certain conditions today be offered for sale after only five years. And if – as is happening more and more often – commercial developers build subsidized housing, it will no longer be subject to rent control after a certain period of time. This also means that housing built with public subsidies becomes private property.

(De)privatization

As a sixth point, Schumacher makes the following demand: “Abolish all government subsidies for homeownership, like *Help to Buy*: this distorts real housing preferences and biases against mobility.”

This should be critically examined from various perspectives, especially in view of Vienna’s housing and planning situation. First, this claim is problematic because, once again, it elevates a dynamic middle-class subject to the standard of a general argument. The great emphasis on mobility is more in line with the lifestyle of an entrepreneurial jet-set class. It ignores the fact that not everyone can or wants to be mobile but that many need or desire housing security – and get too little of it.

In principle, there is something to be gained from the rejection of homeownership subsidies because housing security should not be made dependent on private ownership of housing. Here, a historical view, sensitive to political power constellations, is revealing: In the housing administered by the municipality of Vienna, housing security is largely ensured in the rental mode, namely by keeping rental costs low, through open-ended rental contracts, up to the possibility of passing on the rental apartment to relatives. Another important factor for housing security is the knowledge of the availability of social rental housing (in municipal or non-profit housing), which exists in Vienna for almost half of the living population.

For the recent past and present, however, the situation is now as follows: due to the decline in municipal building activity and the concentration instead on subsidizing non-profit developers, a growing proportion of people in Vienna now live in cooperative housing. And it is this subsidized housing type that privatization campaigns have been targeting already by propagating rent-purchase options and by the federal government setting up corresponding financing procedures for this purpose.

Ironically, this measure – itself an expression of a deeply neoliberal agenda – is not at all dissimilar to the *Help to Buy* model rejected from Patrik Schumacher’s libertarian perspective. The radical democratic objection, however, is a fundamentally different one: the encouragement, indeed the support, for the private purchase of subsidized rental housing is not to be criticized on the grounds that homeownership promotion would distort a market or that people would use housing “beyond their means”; rather,

it corresponds to a process of responsabilization that is outsourcing more and more responsibility to the private sector, and that goes hand in hand with the dismantling of public provision and pension insurance systems: homeownership as retirement provision for those who can afford it. The option to privately buy housing built with public money is part of a comprehensive capitalization of public commons up to their re-functioning into a financial product suitable for speculation.

Tenant Protection

Schumacher's seventh thesis is to "abolish all forms of rent control and one-fits-all regulation of tenancies: instead allow for free contracting on tenancy terms and let a thousand flowers bloom." The goal of such deregulation, he said, is "the creation of the dense, urban fabric that delivers the stimulating urbanity many of us desire and know to be a key condition of further productivity gains within our post-Fordist network society."

The "dense, urban fabric" was and is also the goal of Vienna's social democratic urban planning policies, beginning with the housing blocks of Red Vienna and extending to the urban densification agendas of the last twenty years. In Schumacher's formulation, this dense, urban fabric is linked to further purposes, one being that of "further productivity gains," which unawares, or ironically, indicates certain proximity of neoliberal discourse to classical socialist discourse. And not so much to the socialism of Mao Tse-tung, whom Schumacher paraphrases with regard to the latter's anti-monopolistic "hundred flowers" slogan.

But rather: Productivity and a certain fixation on the gainful employment relationship have always been part of the programmatic, even folklore, of social democracy, especially in Red Vienna. The difference, however, was that the song "Die Arbeit hoch!" (praising work) was usually accompanied by "Die Löhne höher!" (demanding higher wages) and that this demand was still somewhat supported by minimum and collectively agreed wages and unionization. The invocation of a specifically "post-Fordist" productivity in the network society, on the other hand, is notoriously associated with low-wage development and, above all, with the dismantling of general collective bargaining sovereignty and union representation.

With reference to Schumacher's seventh thesis and the "abolition all forms of rent control", the Viennese housing and rent situation is briefly outlined here: Approximately 78 percent of Viennese live in rented apartments, which is partly due to the relatively good protection of tenants. However, the trend toward owner-occupied apartments has also been growing in Vienna recently. This is due to the increasing housing insecurity in the rental sector, partly created by a political strategy, namely by massive lobbying on the part of homeowners – with successes in the enforcement of rent restrictions and location surcharges, as they have been introduced in 1981 and 1994.

Vienna's urban densification and the introduction of location surcharges provide a good sketch of the political-ideological positions on housing management: From a perspective in which the city is essentially defined as a market, increased demand for housing and the presence of useful and attractive public infrastructures around a privately owned property are favorable value-adding factors to be translated into increased profit through entrepreneurial skill – and lobbying to create administrative frameworks. In this perspective, strong tenant protection prevents the allocation of goods as a task of the market because it discourages landlords from offering housing precisely because the

conditions of exploitation – low rents, long-term fixed tenancies – would be unfavorable. Limits on contracts make people existentially dependent on the landlords, which is also why unlawfully high rents are not claimed. In addition, the short rental periods are also conducive to speculative sales and purchases. Thus, the (neo)liberal party NEOS, since 2020 the new coalition partner of the Social Democrats in the Vienna city government, has launched the idea of reducing the minimum term of tenancies from currently three years to six months. In this line of thinking, it is also consistent to abandon the standardization of tenancy relationships to the extent that these relationships are always renegotiated on a case-by-case basis between the respective market actors, analogous to the deregulation of wage relationships or the above-mentioned “negotiated urbanism” – in Schumacher’s diction: “let a thousand flowers bloom”.

However, if we do not take a market-radical view of the city, then it becomes clear from a regulated economic perspective that housing costs should actually fall in the course of urban growth and the accompanying densification because the same infrastructures are financed and used by an ever-greater number of people. Basically, all paid-off apartments could be offered at “cost rent”. In Austria, non-profit housing developers are obliged to do this by the Non-profit Housing Act (Wohnungsgemeinnützigkeitsgesetz): After the investment costs have been paid off (after debt relief, approximately 30 to 35 years after construction), a cost recovery principle ensures that the “cost rent” (the cost-covering fee) is reduced to a few euros per square meter. Furthermore, any surpluses generated in the non-profit sector must be reinvested. Renting a non-profit apartment thus builds up socially bound collective wealth.

If we go beyond the arithmetical cost-benefit logic in the direction of an understanding of the city as a social public sphere with its dynamics and power relations of various kinds, then every exchange relationship is a power relationship, so also between those who offer housing and the great mass of those who need housing and cannot pay “any price” for it, not even any price that “the market gives”. These power relations, which are added to the capital relation, express themselves, for example, in exclusion mechanisms (racist, anti-migrant, favoring the family as a privileged bourgeois life model, etc.). Unfortunately, they are not reducible to private sector housing. A radical democratic understanding criticizes these exclusions in the same way as economic ones. As social dynamics describe a wealth of lifestyles and uses, that cannot be subsumed under calculated value calculations anyway.

With a non-market-oriented view of the city as a society, we relativize the validity of a principle of exchange, according to which housing that is not optimally profitably utilizable remains withdrawn from the market (as vacant space). We relativize the pure exchange value logic in favor of the use-value, in other words: in favor of a multiplicity of claiming and shaping space, for which “stimulating urbanity” is not a bad label. Housing as commons understood as the common property includes the social agency of people (not their reduction to customers or “service providers”). This agency does not mean the compulsion to permanent activity, but – precisely because it is about living here – also spaces and times of reproduction and care work, as well as of doing nothing.

Thus, “stimulating urbanity” is not to be equated with developer ideas of growth and capital exploitation of spatial potentials. A neighborhood with many speculatively vacant building stock is not “stimulating,” just as housing is not an investment product. Rather, housing is a human right, and thus to be defined as an explicit public interest, making public action an obligation for policy.

Public Space

Eighth and finally, Schumacher dubs, “Privatize all streets, squares, public spaces, and parks, possibly whole urban districts.” This postulate can easily be understood as a provocation. And it is advisable not to fall for this PR stunt in the form of a provocation through indignation. On the other hand, why should we not think about the privatization of all health care, the police and, ultimately, even the air we breathe? Moreover, why should we feel provoked by something that is no longer even particularly crassly exaggerated or dystopian but is ultimately already present in germinal forms in everyday life? In more idyllic forms in Vienna, too: Let’s think of districts that have been cleaned out and taken out of public law, like Viertel Zwei in the Prater or the Museumsquartier, whose legally defined or consumer-economic and ethnic-cultural markings produce exclusions: of more and more people, from their everyday use. And also, the ecologically aggravated problem of access to or exclusion from recreational areas, urban greenery and cooling will, in times of global warming and increasing pandemics, increasingly become a task that a radical democratic planning policy^[5] and thus also architects will have to face.

^[1] A German version of this text was first published in Arch+, 2021

^[2] Patrik Schumacher: “Only Capitalism Can Solve the Housing Crisis,” in: Adam Smith Institute, 25.4.2018, www.adamsmith.org/capitalismcansolvetheshousingcrisis (as of 25.5.2021);

^[3] Hannah Arendt: *The Origins of Totalitarianism*, London 2017 [1951], p. 611.

^[4] Giancarlo De Carlo: “Architecture’s Public” [1969], in: Peter Blundell Jones, Doina Petrescu, Jeremy Till (eds.): *Architecture and Participation*, London 2005

^[5] See Gabu Heindl: *Stadtkonflikte – Radikale Demokratie in Architektur und Stadtplanung*, Vienna 2020.