

# How Vienna Implements the 5 Pillars of Housing: Produce, Preserve, Protect, Prevent, Promote

The 5Ps framework, developed by the Global Policy Leadership Academy, is a tool to facilitate discussions about the range of policies and programs that encompass a comprehensive response to the demand for more affordable homes with access to resources that support thriving communities. The Global Policy Leadership Academy has mapped the core elements of the Vienna Social Housing Model to the 5Ps Housing Policy Framework to foster a shared understanding of how Vienna's policies and programs work together to create a stable housing system.



**Produce Housing for All** focuses on policies and programs that support the production of new affordable housing.

## Active Role of Government

The City of Vienna takes an active role in acquiring, funding, regulating, managing, and incentivizing housing development. Because they build enough affordable housing to meet local demand, more than 60% of the city's 1.8 million inhabitants live in subsidized housing (limited profit and municipal housing).

## Permanent Source of Funding

Vienna's social housing system is supported by a 1% tax on the salaries of all Viennese residents. Half of this tax is paid directly from each person's wages, and the other half is paid by their employer. This tax generates about \$240 million annually. The City of Vienna also receives about \$200 million annually in loan repayments, ground lease repayments, and rental income from the housing stock that is owned by the public sector. In total, approximately \$440 million is generated annually for public sector use related to housing initiatives. In 2020, approximately 80.6% (\$355 million) of the funds were used as development subsidies, including \$255 million for new construction and \$100 million used to subsidize refurbishments. Approximately 19.4% (\$85 million) of the tax revenue was used as rental assistance for individuals.

## Mobilize Land for Housing

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The City of Vienna acquires sufficient land for 15 years of anticipated residential development through **Wohnfonds Wien**, a quasi-governmental nonprofit corporation. This corporation is governed by a trust, which is chaired by the city council and regulated by the public sector.

## Rent to Purchase

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Some subsidized condominiums, cooperative housing, and renters within LPHA rental properties have the right to purchase their units after 10 years of occupancy. Additionally, accessible low-interest loan products are available through private-sector banks to cover equity contributions for LPHA units.

## Social Housing includes the Middle Class

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High income limits of approximately 180% AMI of the median income are at the heart of Vienna's social housing approach. By creating broad income targets and requiring a mix of incomes in every community (and in most developments), Vienna has built broad-based support for social housing. Some researchers (Mundt 2018; Kadi 2015) agree that Vienna's moderate-income social housing stock dampens rent levels in market rate housing. To guarantee higher-income households do not crowd out lower-income households, Vienna produces 5,000-10,000 units of social housing per year and has a system for needs-based allocation of lower-income units.

## Diversity in Types of Social Housing

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In the City of Vienna, social housing has taken many physical forms and has evolved over time to respond to shifting population needs and challenges.

Below are some examples of the housing types present in Vienna's social housing stock:



- Municipal Housing was the primary form of social housing that was developed from the turn of the 20th century through the 1970s. It is owned and master leased by the City of Vienna and serves the lowest-income residents with the greatest need. Municipal housing production was discontinued in 2004, but has restarted within the past 10 years.
- In the 1980s, the Limited Profit Housing Association (LPHA) became the dominant form of new housing construction and financing in Vienna, shifting the Vienna social housing

system toward private development by LPHA. Most LPHA projects are mixed income with two-thirds of the units set aside as below market housing for income qualified tenants. The remaining one-third of the LPHA units are rented at market rates.

- SMART Apartments are compact LPHA units with efficient floor plans and lower rents. These units are prioritized for smaller households, such as senior citizens, single parents, and young people who are just starting out.
- Owner Cooperatives, known as “baugruppe,” are self-financed, cooperatively owned residential buildings that are eligible for subsidies. They often are formed by collectives with shared interests—such as people who live without cars in the “Bikes and Rails” baugruppe and include common areas that support the group’s interests. This form of collective property ownership is gaining popularity in Austria, and major publicly owned land developments regularly set aside sites for baugruppe development competitions.
- Gentle Density Across Existing Housing Stock is funded through a public program that rehabilitates multifamily residential buildings to maintain the quality of the units while also adding density when the housing supply for a neighborhood is not meeting the demand.
- Temporary Emergency Housing allows for rapid development to meet sudden demand. These structures have a flexible design that can respond to changing resident needs and can be easily dismantled and reassembled. Vienna has adopted land use laws to enable nonresidential land to be used for temporary emergency housing for up to 10 years.



**Preserve Vulnerable Housing** focuses on policies and programs that result in the preservation of housing that is at risk of being converted to market rate housing.

### Permanent Affordability

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By law, most subsidized housing in Vienna is permanently affordable with no mechanism to be converted to market rate housing. Municipal housing remains affordable by virtue of public ownership, while LPHAs are restricted from taking excess profits on property in perpetuity.

### Municipal Housing Stock

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Vienna’s city government owns and manages 220,000 housing units, which represent about 23% of the city’s housing stock. These city-owned housing units have been the primary source of affordable housing for Vienna’s lower-income residents since the 1920s. Although many cities in central and eastern Europe have privatized their municipal housing stock in the past 40 years, Vienna chose to maintain public ownership of its municipal housing stock.

### Gentle Urban Renewal

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Funded by the City of Vienna, the Gentle Urban Renewal Program preserves the quality of Vienna’s affordable housing stock and ensures that people are not displaced because of low-quality standards and increases in housing costs due to rehabilitation investments.



**Protect Tenants** includes policies and programs to reduce evictions, eliminate illegal rent gouging, support small property owners, and ensure housing stability

### Maintaining Housing Stability

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The City of Vienna provides strong legal protections for all residents of social housing as well as most residents of private property in the following ways:

- **Rent Control** was first established in 1917 to protect widows and orphans of soldiers killed in World War I from exorbitant rent hikes.
- **Open-Ended Leases** mean that tenancy agreements do not have expiration dates.
- **Just Cause Eviction Protections** limit the reasons (e.g., non-payment of rent) that property owners can use to terminate lease agreements. Terminations are managed through the court system.
- **Right of Inheritance/Transfer** allows households to transfer a unit to their heirs or to a qualified transferee.

### Tenant Services

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The City of Vienna supports tenants through the implementation of high-quality service programs offered through Wohnservice Wien, an agency with three operating units that provide comprehensive services to tenants and property owners:

- **Wohnberatung Wien** (Housing Advice Vienna) provides leasing assistance and support to anyone seeking housing, including assistance with the process of applying for and locating social housing.
- **MieterHilfe** (Tenant Assistance) provides legal support to help residents understand landlord/tenant laws and free mediation services to address landlord tenant disputes.
- **Wohnpartner** (Tenant Community Building and Social Services) offers comprehensive, free-of-charge information for residents, and provides counseling and community support to foster greater residential cohesion.



**Prevent Displacement** includes policies and programs that prevent households from being displaced from their homes and communities by market pressures.

### Eviction Protection

The City of Vienna is immediately notified when an eviction notice is filed. In the event this occurs, the City provides immediate rental assistance for tenants experiencing financial difficulty and provides referrals to tenant rights support, as needed.

### Income Only Checked at Lease Up

A unique feature of Vienna's social housing program is that the city's income restrictions for subsidized units only apply when families first move in. Residents are never required to move out, even if household income levels increase in subsequent years. This results in a substantial number of moderate-income residents living in subsidized housing, and this mixing together of residents with different income levels supports social integration.

### Small Scale Block Renewal

Through Vienna's Gentle Urban Renewal program, neighborhood preservation efforts subsidize the rehabilitation of apartment buildings and are managed in a way that ensures that the apartments remain affordable and that avoids radical displacement of tenants.

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**Promote Equity, Inclusion, and Sustainability** places a focus on social goals that have a demonstrated impact on population-level health and well-being.

### Social Mixing Policy

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Vienna's "social mixing" policy is based on the principle that integrating households from different professions and backgrounds promotes social solidarity, reduces crime, improves health, increases social mobility, and avoids stereotyping of households in need of assistance. The social mixing policy is carried out through zoning laws, financing structures, and scoring criteria for selecting new development projects. The primary goal for the social mixing policy is that there is income diversity in all districts and 2/3rds social housing in all new residential developments.

### Social Housing Zoning

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Social housing zoning laws require new residential land to be dedicated for mixed-income developments. Two-thirds of the units are set aside as below market housing for income qualified tenants. Half of the below market units are for any household that meets the basic income eligibility and half are set aside for households with identified housing needs (i.e., young people, single parents, elderly). The remaining one-third of the units are rented at market rates.

### Integrated Land Use Planning

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Vienna plans for housing affordability along with mobility, sustainability, and livability through its Strategic Urban Development Plan. Every 10 years, this plan is revised and adopted with broad public participation by residents, district councils, and other stakeholders.

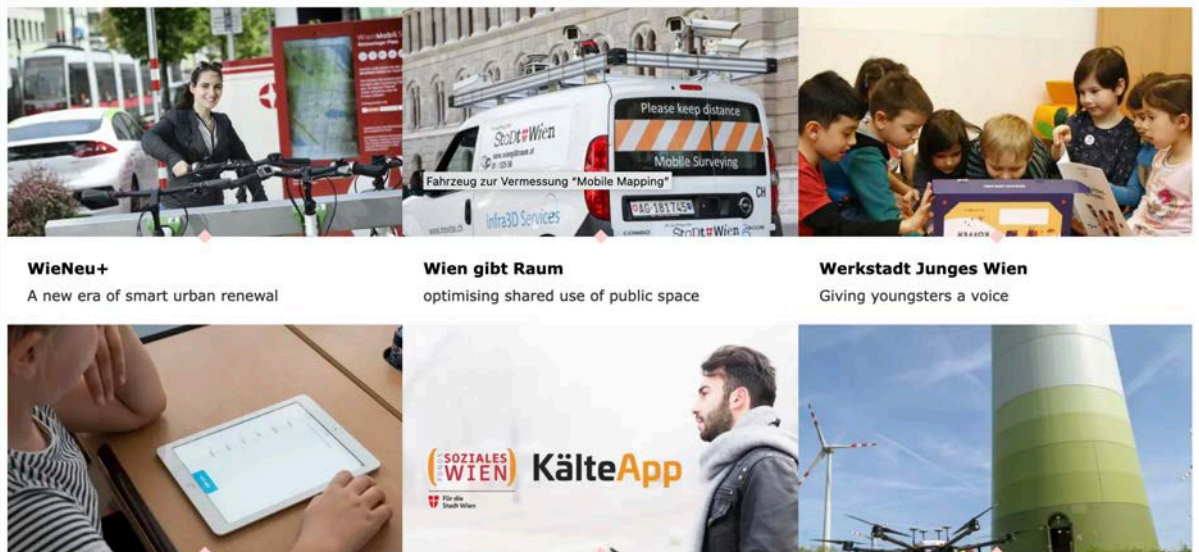
### Juried Developer Competitions

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Since 1995, every subsidized new-build project in Vienna must be assessed based on quality criteria, either in a public developers' competition procedure or by the land advisory board. For projects from a volume of 500 subsidized apartments upwards, a developers' competition is compulsory; smaller projects are assessed by the land advisory board. A developers' competition is set up for all properties of the Wohnfonds Wien, independent of the project volume. Both non-profit and commercial developers are entitled to take part in these competitions and must form a project team with the architect of their choice. While specialist experts may also be appointed, this is not compulsory. Wohnfonds Wien established a Land Advisory Board that serves as a jury to evaluate new residential projects using a four-pillar model based on social sustainability, architecture, environmental sustainability, and economic feasibility. Professionals in the field of sociology participate on the Land Advisory Board to evaluate the developments' approach to social mixing. To ensure the prioritization of social mixing policies, the developers' approach to sustaining a good social mix is considered during the scoring process that dictates how public land and subsidies are awarded.

## Smart City Vienna

In 2020, the City of Vienna adopted a Smart City Strategy to reach climate neutrality by 2040. This plan includes a combination of climate and social goals and aims to transform all the municipality's systems (e.g., mobility, energy supply, green spaces, housing) while also providing enough high-quality housing to reduce the size of the rent-burdened population. To achieve these goals, the plan employed strategies such as establishing a city-wide greenhouse gas (GhG) budget, against which the GhG emissions of its housing stock can be measured.



### WieNeu+

A new era of smart urban renewal

### Wien gibt Raum

optimising shared use of public space

### Werkstatt Junges Wien

Giving youngsters a voice

<https://smartcity.wien.gv.at/en/>

# Key Takeaways for LA from the Vienna Social Housing Model

Participants in the two 2023 GPLA Vienna Social Housing Field Study Los Angeles cohorts saw firsthand a working housing system that was consistently meeting the needs of a growing and dynamic population while also ensuring most households are afforded a significant degree of stability. This stability is seen in modest housing costs and substantial tenant protections, rights, and enforcement. Participants were overwhelmingly struck by the contentment present in Vienna's residential neighborhoods that permeate even densely populated areas. For many in the delegation, listening to residents talk about the ease with which they can find and afford housing was the most powerful reminder of the trauma the housing crisis takes on lives in LA.

The Vienna Social Housing Model is not perfect; bureaucratic hurdles, socioeconomic inequities, and more are indeed present. Nonetheless, the field study prompted reflections on how Los Angeles can learn from Vienna's Social Housing Model and apply those insights in the local context. Participant reflections emerged along the following key themes and related guidance for Los Angeles region's housing landscape:

- (1) **Create mixed-income communities:** The Vienna Social Housing Model benefits a broad base of the city's population and, in turn, creates socioeconomically diverse neighborhoods.

*Guidance:*

1. Broaden the base of support for affordable housing by expanding eligibility, where appropriate, to include households earning more than the median income, while also prioritizing low-income households.
2. Do not require affordable housing residents to recertify income eligibility after moving in.
3. Design housing projects and neighborhoods to integrate mixes of incomes, household sizes, and types. Maintain the benefits of ethnic enclaves by integrating design, programming, and leasing practices that are culturally meaningful.

- (2) **Use public land and social housing zoning:** The social housing model is based on substantial government involvement in land acquisition and ownership as well as zoning that incentivizes affordable housing.

*Guidance:*

1. Scale up social housing through land banking, public land development, and partnerships with other institutions
2. Continue using entitlements to incentivize development
3. Wield zoning as a tool
4. Further Decolonization

- (3) **Promote alternative housing models:** Housing affordability is created and maintained through alternatives to the dominant models found in the United States. Examples include offering alternative forms of ownership, resident cooperatives, and a different conception of housing as a wealth-building tool.

*Guidance:*



1. Continue pursuing alternative ownership models
2. Ensure greater resident agency
3. Continue to explore ways to increase wealth-building beyond homeownership

- (4) Ensure permanent funding & simplify the capital stack:** The robust social housing system relies on a permanent funding source for housing, simplified project financing, and substantially lower construction costs.

*Guidance:*

1. Continue to build permanent sources of financing for affordable housing and ensure permanent affordability
2. Continue to explore the LPHA model to identify ways to simplify the existing financing process
3. Continue to explore ways to contain and control costs
4. Explore a “public guarantee” for bank loans financing affordable housing

- (5) Maintain existing housing stock:** A priority on maintaining and upgrading social housing over the long term is supported by funding commitments and a set of policies that govern how new structures are made and how existing structures are maintained and improved over time.

*Guidance:*

1. Dedicate public funding to new production and preservation of affordable housing
2. Create financial incentives to retrofit existing housing that requires affordability commitments
3. Consider including essential services and other community resources within new housing developments

- (6) Support tenants:** Once housing is created and occupied, its residents are afforded a significant degree of stability for both renters and homeowners. Housing stability is protected vigorously by the government.

*Guidance:*

1. Establish and enforce strong tenant protections
2. Centralize the system of accessing affordable housing in LA County with a single point of contact and support services for application and placement
3. Invest in care-first approaches

- (7) Create strong institutions and reliable processes:** A network of government departments makes up a rich ecosystem of institutions and processes that all support the housing system.

*Guidance:*

1. Support strong public and private housing institutions and agencies that are each specialized and all seen as part of a single ecosystem
2. Centralize the system of accessing affordable housing in LA County with a single point of contact and support services for application and placement
3. Implement social housing pilot projects, including through ULA, LACAHS, and other initiatives

- (8) Create a new housing narrative:** Social housing is deeply embedded in Viennese culture and is supported by a vast portion of the population, including those on the right and the

left. Though there are differences of opinion about some policies, people see how the system benefits them individually and the city as a whole. This support was created over time and could be replicated in LA.

*Guidance:*

1. Build off existing work to broaden the base of support through narrative change
2. Being clear, thoughtful, and strategic within a coalition