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1 Introduction

The aim of this thesis is to research the challenges that property developers respectively housing associations are confronted with when managing mixed tenure housing. Furthermore, the author tries to investigate how mixed tenure housing is being provided and what the purposes and the reasons behind the development of this kind of housing form are. Also, the current academic discussion on mixed tenure housing in the two chosen cities will be discussed in this thesis. This specific form of housing can roughly be described as the co-existence of privately owned homes and rented homes owned by social landlords within one housing development.

In this thesis a wider understanding of management will be applied. This thesis will not only focus on the day to day management of mixed tenure housing schemes but will also deal with the general political and social system which constitutes the wider environment in which mixed tenure housing is embedded. Therefore, questions on funding, location, developer attitudes, applied policies, purposes and aims of these developments will be examined in this thesis. Another important distinction that has to be made is the differentiation between the conversion of social housing schemes into mixed tenure housing schemes by the selling off of homes to private landlords, and purpose built mixed tenure housing schemes, where the mixing of different tenures was intended from the very beginning on.

In general, social housing is under pressure in many European countries and especially in times of tight budgets, many cities and municipalities struggle to provide enough cheap housing for the poor and the ones in need. Especially from the 1970s on, social housing and the welfare state in general have been subject to austerity measures. "The retrenchment of the welfare state is one version of a convergence explanation that sees the European welfare state on the defence and in need of a radical reorientation. The reduction of social spending is seen as necessary, for one part, as it is supposed to be an impediment to economic growth, and for another part, as high taxes needed for social

spending are (per se) deemed as a disadvantage in a competitive global economy” (Matznetter and Mundt, 2012: 278).

The reason why I chose Birmingham and Vienna as my case studies is that each city has a different approach to social housing. On the one hand, Vienna represents a city of the corporatist-statist welfare state regime with a strong social democratic background and a high percentage of social housing. The income limits to be eligible for social housing is relatively high and a vast part of the population lives in social or subsidised homes. On the other hand, Birmingham stands for a more liberal approach. It remains to be further examined how these political and social structures have an influence on the development and implementation of mixed tenure housing in each city.

1.1 Research Questions

The questions dealt with in this thesis are the following ones:

Is there an immanent conflict of interest between the different owners of homes in a mixed tenure residence? How does this conflict manifest itself? Some projects in Vienna and in Birmingham will be chosen as case studies. What differences can be observed in handling mixed tenure housing in the corporatist-statist regime of Vienna and the liberal regime of Birmingham? Can mixed tenure housing be seen as a tool of neoliberal policies?

1.2 Hypothesis

The following hypothesis is formulated: The provision and management of mixed tenure housing differs substantially in Birmingham and Vienna due to the different welfare state regimes. In the liberal cluster, mixed tenure housing is an instrument to oblige housing companies to provide affordable homes. In the welfare state regime of Vienna, the mixing of social classes constitutes the main motivation to provide mixed tenure housing. There are inherent conflicts between the residents and the different owners because they have different interests.

1.3 Methodology and Outline of the Thesis

In order to effectively analyse the topic and answer the research questions, various methods were used. First, desk research was conducted. Latest literature and papers relevant for this topic were studied and analysed. Second, semi-structured interviews and email consultations with various experts on the topic were conducted. Online research and visits to some mixed tenure housing estates were also carried out.

This thesis is structured in 5 parts. In the first part a general introduction to the topic is given. Chapter 2 provides a comprehensive overview on recent literature explaining the political and social framework within the housing projects have been developed. The neoliberal trend that is also visible in social housing policies will be examined and how these developments affect mixed tenure housing. In order to understand how housing is being developed and provided, the 'Structures of Housing Provision' will be discussed. In the end, a categorisation of the welfare state according to Esping-Andersen will be deployed. Chapters 3 and 4 deal with the case studies of Vienna and Birmingham. In Chapter 5 the results and the characteristics of each case study will be further discussed and compared. In the end, an overall conclusion will be given.

1.4 Limits of Thesis

In general, the topic of housing is a complex and vast field in research and covers many aspects. This thesis can consequently only provide an insight into a minor aspect of housing and its development in Birmingham and Vienna. The author has tried to work as accurate as possible to contribute to the research and analysis of the broad field of housing.

2 Literature Review

In this section the theoretical background and framework for mixed tenure housing will be provided.

2.1 Neo-liberal Restructuring Processes of Social Housing

To begin with, a short definition of Neoliberalism will be given. Hackworth (2007: 9) defines neoliberalism as “an ideological rejection of egalitarian liberalism in general and the Keynesian welfare state in particular, combined with a selective return to the ideas of classical liberalism”. The principles of classical liberalism are according to Hackworth (2007: 3-4) the strong believe that individual autonomy is above everything else and that a free market is the most efficient and most effective way of assuring individual autonomy and a non-interventionist state. “Neo liberalism essentially implies freedom, that freedom which is necessary for economic efficiencies, progress and development. In this context neo liberals believe that free competition and market mechanism would bring about more economic advancement rather than a regulated economy. Therefore, the economic role of the state should be minimized” (Sandhu and Korzeniewski, 2004: 1).

Neoliberalism is, though, not just an ideology like other ideological directions of thought. Neoliberalism is embedded in society. Brenner and Theodore (2002: 351) name it ‘actually existing neoliberalism’ which means that the neoliberal way of thinking is reproduced in institutional frameworks, policy regimes, regulatory practices and political struggles. Therefore, neo-liberal restructuring processes also affect housing.

One of the countries where neoliberal ideas were applied in an extensive way was the United Kingdom. “The privatization of public housing in the United Kingdom is arguably one of the most iconic and significant applications of neoliberal policy worldwide and has been central to the transformation of UK society over the past three decades” (Hodkinson, Mooney and Watt, 2012: 4). The effects of the instruments used for the privatisation of public housing will be discussed in the following sections.

2.2 Structures of Housing Provision

The provision of housing can vary from country to country. Various authors have elaborated tools in order to analyse different structures of housing provision. The results can be described as conceptual or analytical frameworks. These frameworks “seek to bring together the different aspects of the object under inquiry. They highlight and connect together key terms associated with the object in a way which gives coherence to a discussion of it” (McNelís, 2014: 75). In this case, the object under inquiry is housing, the key terms and subjects being defined and discussed in the following sections. As mixed tenure housing is one form of housing these analytical and conceptual frameworks can help to analyse the provision of housing in general and the provision of mixed tenure housing in particular. McNelis (2014: 75) further makes the distinction between 3 different perspectives of conceptual frameworks. He distinguishes an economic perspective, a political perspective and frameworks for elements within housing provision. In the following section the author will focus on the economic perspective. The political perspective will inevitably also be dealt with, as the social and political institutions providing housing constitute an important factor in the analysis of housing provision. Nevertheless, the author will neither apply a “*policy perspective*, i.e. an ambition to make relevant and useful contribution to political, administrative and professional decision-making [nor a] politics perspective, analysing the political institutions of relevance of housing provision and the games and processes of decision making per se” (Bengtsson, 2012: 206). Elements within housing provision such as the rental systems, allocation systems and the structure of a house (McNelís, 2014: 75) will be partially discussed in the following section.

2.3 Housing Provision Chain by Ambrose

From the economic perspective, the Housing Provision Chain by Ambrose (1991) constitutes an important analytical framework. The Housing Provision Chain provides an analytic tool for a comparative study of different housing provision systems. Ambrose (1991: 92-93) argues that “the provision of a housing unit should not be seen as an undifferentiated process. Instead it needs to be unpacked into a linked sequence of

events". On an empirical basis Ambrose (1991: 92) distinguishes between 5 different stages:

- Promotion (initiation of the scheme)
- Investment (the provision of the money needed for construction)
- Construction (building of the housing unit)
- Allocation (decision on the residents)
- Subsequent Management (maintenance, possible conversion, re-allocation and eventual termination of use)

Furthermore, this framework makes the distinction between non-democratically accountable actors and agencies which constitute the 'private sector', and democratically accountable actors and agencies that can be described as the 'public sector'. The crucial determinant is "whether or not the population at large (virtually all of whom are housing users) can vote to elect and remove the actors or affect the behaviour of the agencies" (Ambrose, 1991: 94). As far as non-democratically accountable actors and agencies are concerned, their motives are not only solely oriented towards accumulation of capital and maximisation of profits. There is a great variety of different actors and "characteristically there is a mix of motives which may include any or all of pure philanthropy, housing production as an aid to more stable/healthy workforce or union membership, production for personal utility and use, or housing promotion as a tax-effective form of personal investment" (Ambrose, 1991: 95). Non-democratically accountable actors and agencies are depended on prevailing legal norms and subsidies from the public sector. Besides, the financial market and the 'cost of money' play an important role on the activity of these private actors (Ambrose, 1991: 94-96).

Typically, housing provided by the public sector is a responsibility carried out by lower tiers of local government. The most significant contrast to non-democratically accountable actors and agencies is that decision-makers are elected by the people. "In theory [...] there is a direct line of accountability from the decision-makers back to the local electors who are also the local users of the housing" (Ambrose, 1991: 97). Money needed for the construction of housing is mainly generated from local and central tax revenues. Nevertheless, the role and the strength of local government on housing policy

can vary due to political and structural reasons. Various forms of public financial support of the housing sector and three key political issues (what kind of financial support through which sectors and what mix of tenures) were deduced from the housing provision chain (Ambrose, 1991: 97-102).

Ambrose's housing provision chain can be regarded as a useful tool to study the housing sector in different countries and to make a comparative analysis.

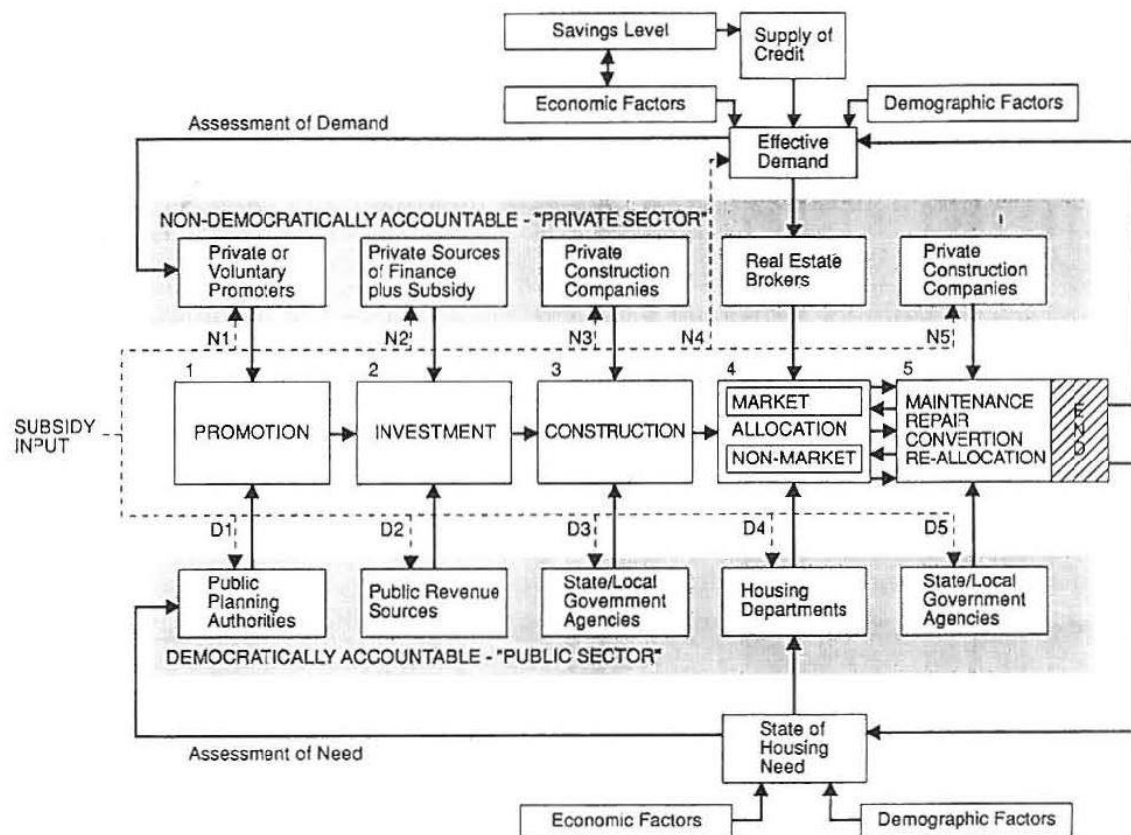


Figure 1: Ambrose, 1991: 94

2.4 Housing Provision according to Barlow and Duncan

Another framework for comparative housing provision analysis is provided by Barlow and Duncan. Based on the previously presented concept by Ambrose (1991) Barlow and Duncan (1994: 32) developed a framework focusing on the interplay between market and state interventions and mechanisms. They identify 4 different elements:

- Promotion (initiation of the project)
- Production (actual production of the housing unit)
- Land Supply (considered to be as important as the process of production)
- Consumption (use by residents)

The role of the state and market mechanisms can differ to various degrees within each element of this housing provision chain. For the first element Barlow and Duncan identify 3 major forms of housing promotion and a fourth sub-form: 'Speculative housing' promotion where private companies initiate the development process under market conditions and the aspect of profit maximisation; The second form is 'limited profit social housing' where the development process is typically initiated by a socially-owned institution and housing is provided under non-market conditions, profits are used to cover costs and are being reinvested; The third major form constitutes 'self-promotion' where an individual household initiates and consumes the housing project; The fourth form of housing promotion is regarded as a sub-form of the speculative housing form and is called 'restricted profit private sector promotion', where the processes and developments are the same as in the speculative housing promotion form but there are some rules regulating the costs and the price of the housing unit. (Barlow and Duncan, 1994: 33-34)

Barlow and Duncan (1994: 34) remain quite vague and general about the tools and mechanisms the state can operate with to influence the production of housing units. The field of intervention can reach from indirect interventions in the production process of private companies with financial subsidies to direct intervention like imposing restriction regarding various aspects of the production process. "The important point, however, is that state intervention in production will potentially influence the production regime under which builders and promoters operate. In turn this will influence industrial restructuring in the sector and consequently the size of housebuilding firms. All this affects what sort of housing is built, how much of it is built and its cost and quality" (Barlow and Duncan, 1994: 33). State influence on the production process of housing is, thus, a very crucial aspect of housing provision and determines the way and what kind of housing is built.

The third element of this housing provision chain is land supply. In contrast to Ambrose, Barlow and Duncan (1994: 34-35) dedicate an entire element of the housing provision chain to land supply. They consider it crucial and “also a central element in housing provision, because of the effects it has both on the cost of housing and the way it is produced” (Barlow and Duncan, 1994: 34). Broadly speaking the authors identify 2 different ways of state intervention: land use planning and fiscal controls. Land use planning can consist of development control, zoning and publicly owned development land (Barlow and Duncan, 1994: 34-35).

The fourth field of state intervention is the consumption of the housing unit. Barlow and Duncan (1994: 35) identify 2 major methods of state intervention. Firstly, to support and increase the income available for the consumption of the housing unit and secondly, to decrease the price of the housing unit applying alternative ways of calculating the rent and the price costs than by market mechanisms.

Barlow’s and Duncan’s housing provision chain can be regarded as a further development of Ambrose’s housing provision chain discussed in the previous section. This more recent conceptual framework of housing provision is presented with fewer elements compared to Ambrose’s housing provision chain. Barlow and Duncan only use 4 different chain elements and the authors lay the focus on state-market interventions. They argue (Barlow and Duncan, 1994: 31-32) that traditionally comparative housing studies mainly focus on the housing tenure and investigate the differences in the housing provision system by questioning political, social, tax and subsidy systems. However, they argue that the focus on tenure encloses problems. “First, using tenure as one comprehensive index assumes the convergence of systems which Esping-Andersen and Schmidt show does not exist. Second, it over-emphasizes just one element of housing” (Barlow and Duncan, 1994: 32). Barlow and Duncan, thus, stress the essential differences of housing provision systems which are defined by the welfare state as for example Esping-Andersen (1990) describes them. Esping-Andersen analysis and definition of the different welfare systems will be further discussed and presented in a following section. It seems obvious that different arrangements of the welfare state in general and public spending in specific do play an important role on how housing is provided.

2.5 Structures of Housing Provision by Matznetter

Another conceptual framework was elaborated by Matznetter (1991). This framework also reflects the Austrian housing industry and the institutions relevant for the provision of housing. In addition, this concept of housing provision combines the relevant institutions with the social structure and shows the connection between these two spheres. In contrast to Ambrose's and Barlow's and Duncan's framework, Matznetter (1991: 28) further distinguishes between central and local institutions. Another important point added by Matznetter (1991: 24-25) is the ownership of properties and land acquired under non market-based conditions. This point demonstrates a peculiarity of the housing industry and incorporated numerous properties appropriate in times of early capitalism or before capitalism. Moreover, a distinction is made between three different spheres proving housing in a country: the monopoly sector, the public sector and the competitive sector (Matznetter, 1991: 26). This concept incorporates various aspects of the housing business and functions as a tool for international comparison. All in all, Matznetter's conceptual framework of housing provision manifests a complex and sophisticated tool in order to compare and contrast the systems of housing provision of different countries.

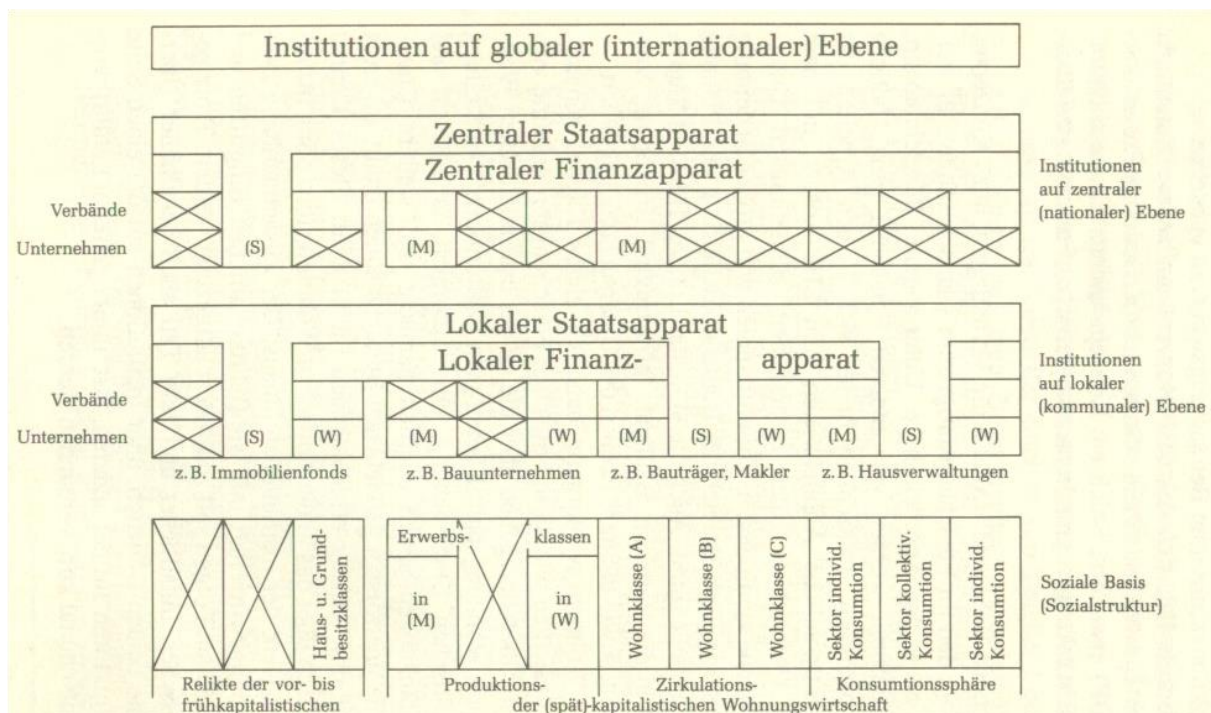


Figure 2: Matznetter, 1991: 22

2.6 Categorisation of Welfare States according to Esping-Andersen

Esping-Andersen (1990) has developed a framework in order to categorise welfare state systems. In his book Esping-Andersen describes “the welfare state as a principal institution in the construction of different models of post-war capitalism” (Esping-Andersen, 1990: 5). Housing is not directly tackled in this book but housing is an essential part of a welfare state system and the configurations of a welfare state system do clearly have an effect on the housing system itself. “Although Esping-Andersen does not include housing in his analysis, it is clear that the implications for housing provision will be different in each regime type” (Barlow and Duncan, 1994: 30). Basically, Esping-Andersen distinguishes between three different types of welfare state regimes: the liberal, the corporatist-statist and the social democratic welfare state regime.

The liberal welfare state regime is characterised by modest universal transfers or modest social-insurance plans. In general, benefits are modest and only provided to low-income groups. Countries like the United States Canada and Australia are considered archetypical

examples of this cluster (Esping-Andersen, 1990: 27). The United Kingdom is not described as an archetypal example of a liberal welfare state but it is ascribed to the cluster of the liberal welfare state (Esping-Andersen, 1990: 33).

The second welfare state regime is called corporatist-statist regime. This cluster is dominated by conservative and corporatist structures in the welfare state system. In addition liberal ideas have never been predominant in countries ascribed to this cluster and social rights have never been seriously contested. In these countries market rules have been partially replaced by corporatism. This system, however, does not have the characteristics of a redistributive mechanism and class and status, on which social rights are attached, are upheld. The preservation of traditional family patterns plays an important role in countries of this welfare cluster and the state functions as a safety net in case when family support fails. Countries such as Austria, France, Germany and Italy typically belong to this welfare state cluster. (Esping-Andersen, 1990: 27)

The third welfare state cluster is the social democratic one. According to Esping-Andersen this cluster is the smallest of the three clusters. The major principles of these welfare state systems are universalism and de-commodification of social rights. In these countries the Social Democrats have been the driving force for social reforms in order to abolish the dualism between state and market. In this cluster the welfare state promotes equality between working and middle class. As a consequence, the welfare state has a high reputation in these countries. The fusion of welfare and work is another striking feature of this welfare state system. That means that high employment ensures that only few people are dependent on the welfare state which consequently reduces the costs. The social democratic welfare state system is prevailing in the Scandinavian countries. (Esping-Andersen, 1990: 27 – 28)

Esping-Andersen's categorisation firstly of welfare states and thereafter also of countries was elaborated at the beginnings of the 1990s. It is therefore obvious that not all of the characteristics are still applicable to every country in every detail but the general trend of each welfare state system is most likely still appropriate.

3 The Case Study of Vienna

Vienna is the capital of Austria and also its largest city. Vienna recorded 1.741.246 inhabitants (MA 23, n.d.) in 2013 and is one out of 9 states (*Bundesland*) making up the federal state of Austria. The area of Vienna is 41.487 hectares and generally speaking the city is experiencing a significant growth. Between the years 2004 and 2014 Vienna grew by 9.7 per cent. Within the next 20 years Vienna is expected to reach more than 2 million inhabitants (MA 23, 2014: 3–9). Vienna was chosen as a case study because it represents on the one hand the corporatist welfare state regime according to Esping-Andersen and on the other hand it has a large social housing stock. Furthermore, social housing and subsidised housing have played an important role in the city's politics and hence, formed the landscape of Vienna's housing market substantially.

3.1 Housing in Vienna/Austria

To begin with, the author will state some statistical numbers about the property situation of homes in Vienna. According to the Austrian Housing Census (Statistik Austria, 2013b) in 2011 around 52 per cent (511.282) of all the apartments in Vienna were privately owned. 25 per cent (235.832) were owned by a public institution and roughly 15 per cent were owned by a limited-profit housing association. The remaining 8 per cent of the housing stock were either owned by other companies or other property owners. These numbers demonstrate that there is a housing stock of predominantly privately owned apartments. However, a substantial part of these apartments is apparently not owner-occupied as the rental market has a predominant position in Vienna. Around 73 per cent of accommodation in Vienna is rented (Statistik Austria, 2013a). At this point it is important to mention that a substantial part of rents in Vienna is regulated and therefore below market value. Besides the legal provisions regulating a considerable part of the rental market, social housing is another important pillar of affordable homes. In general, Vienna has a long history of social and subsidised housing. As a consequence, the majority of the Viennese residents live in subsidised homes. In the year 2002 around 60 per cent of all the residents lived in subsidised dwellings (Förster, 2002: 5).

The relatively high amount of social homes can be explained by Vienna's political history. Since the formation of the state Vienna in the early 20s of the 19th century the Social Democratic Party has been the ruling party and has been governing Vienna except for the period of Austro-fascism and the Second World War. Therefore, the term 'Red Vienna' was given to the city. It stands for the social democratic government in Vienna during the interwar period and the reforms done by the government. "At that time Vienna was the only metropolis in the world with a social-democratic municipality; the implementation of a left-wing reform policy could be tested here for the first time. On the other hand, the ideology of 'Austro-Marxism' was strictly based on the principles of a parliamentary constitution aiming at achieving a comprehensive change of society in a democratic way – in spite of the revolutionary mood in the Austrian labour force, and contrary to the Marxist regimes in neighbouring Bavaria and Hungary" (Förster, 2002: 12). An important pillar of the 'Red Vienna' was housing. As a consequence, numerous municipal housing estates were built.

"Housing estates became a symbol of power, which to some extent can still be seen today. The 'right' of the labour class 'to its own history' was documented by estate names (Marx-, Engels, Adler-, Bebel-, Liebknecht-, Matteottihof, etc.). Architecture served as a physical expression of this social Utopia, which is best symbolised by the numerous communal facilities, the courtyards serving as a central communication area, and last but not least by the architecture itself" (Förster, 2002: 13). Therefore, it can be said that social housing has played a major role in Vienna and also has served as a manifestation of the political opinion.

The number of municipal housing estates grew considerably over the decades and Wiener Wohnen, the public institution that is responsible for the managing of the municipal housing estates, is said to be the largest house manager in Europe (MA 53, 2011). According to Wiener Wohnen (Wiener Wohnen, n.d.), there are about 2.000 municipal housing estates today in Vienna with about 220.000 municipal apartments. More than 500.000 people live in these housing estates; that is more than every fourth resident in Vienna. In 2004, though, a sharp turn in Vienna's housing politics took place. In that year the last municipal housing estate in Vienna was finished in the 23rd district. The Social Democratic government made the decision to stop the provision of municipal housing

estates. The reason for this step was apparently of a financial nature. The city argued that it has become too expensive to provide municipal housing estates (Vasari, 2013). From that time on the city intensified the strategy of subsidising the provision of housing and the limited-profit housing industry. The limited-profit housing associations are also those housing associations that provide purposely built mixed tenure housing schemes in Vienna.

“The limited-profit housing system might be regarded as a third sector within the housing system”(Austrian Federation of Limited-profit Housing Associations, 2011). Generally speaking the system of limited-profit housing associations has become an important pillar in the Austrian housing system. “Besides the legal instruments such as security of tenure and rent control, the public promotion of housing and the organizational instrument of limited-profit housing are of major importance for housing in Austria” (Austrian Federation of Limited-profit Housing Associations – Report).

The Austrian Federation of limited-profit Housing Associations provides in a report published on their homepage (Austrian Federation of Limited-profit Housing Associations, 2011) a comprehensive overview of the legal principles and activities of limited-profit housing associations. These principles and the legal basis of limited-profit housing associations are defined in the Limited-Profit Housing Act (*Wohnungsgemeinnützigkeitsgesetz*). The five regulatory principles of limited-profit housing associations are:

- Cost-effectiveness: prices charged by limited-profit housing associations are fixed by law at a level neither higher nor lower than the construction costs the management costs of residential buildings
- Limitation of profits: limits are tolerated but limited; that is why the housing associations are defined as limited-profit and not as non-profit housing associations.
- Appropriation of assets: the generated assets of limit-profit housing associations are required to be solely used for the purpose of housing (including construction, renovation and refurbishment)
- The sphere of business activities is limited

- Government approval and governmental surveillance and control: the bodies and activates of limited-profit housing associations have to be approved by the government and are subject to government surveillance and control

According to the limited-profit housing federation, limited-profit housing associations account for approximately 24 per cent of the total housing stock in Austria. In some countries of Austria like Burgenland or Upper Austria they comprise about 70 per cent of the multi-story housing stock. For the case of Vienna, limited-profit housing associations account for roughly 25 per cent of the multi-story housing stock. Hence, in Vienna they are relatively more represented in the housing market than in the overall Austrian average. (Austrian Federation of Limited-profit Housing Associations, 2014)

These regulatory principles and the legally defined activities of limited-profit housing associations demonstrate that the housing system in Austria is highly regulated.

3.2 Mixed Tenure Housing in Vienna

When analysing the situation of mixed tenure-housing in Vienna, one has to carefully distinguish between purpose built mixed tenure housing schemes and the selling off of dwellings in rented apartment buildings. However, both can be described as relatively new phenomena in the Viennese housing market and housing policies.

When talking about the possibility of buying rented apartments, one has to mention that since the beginning of the year 1994 there is the option of rental purchase (*Mietkauf*) of apartments in subsidised housing estates. Rental purchase has received some attention on Vienna's housing research website (Vienna Housing Research, 2010). A report (Oberhuber and Götzl, 2009) on the evaluation of rental purchase can be found there. The report covers legal, economic and sociological aspects as well as housing policy in general. Generally speaking, the third Housing Law Amendment of the year 1993 (*Wohnrechtsänderungsgesetz*) within the legal framework of the Limited-Profit Housing Act (*Wohnungsgemeinnützigkeitgesetz*) introduced specific rules regulating the rental purchase option. Under certain conditions renters of subsidised apartments were eligible to gain statutory rights and acquire home ownership after a minimum rent period of 10

years so the first apartments could have been bought in 2005. Without any doubt this amendment of the Non-Profit Housing Act marked a quite fundamental change of Vienna's housing policy. The introduction of rental purchase was also criticised and concerns were raised about the future of social housing and the 'selling-off of social capital' which could be a threat to social housing in Austria. (Vienna Housing Research, n.d.)

The evaluation of rental purchase as an instrument of Vienna's housing policy shows that mainly two objectives were followed: the increase of home ownership and the increase of capital assets of the non-profit housing industry and its financial strengthening. Both of these objectives were based on high expectations regarding the demand for purchasing the apartments due to a coherent and straightforward legal basis, psychological attachment by the renter, the relatively long saving period (10 years of rent period) and other factors. The increase of home ownership was generally pursued by the legislators since 1945. However, great differences between the different states of Austria can be observed. While Austria in total records relatively high numbers of home ownership accounting for more than 50 per cent of all tenure, Vienna has traditionally a dominating rent sector. The high percentage of rented apartments in Vienna can be explained by the high amount of social housing owned by the municipality. In addition, the relative amount of newly built subsidised condominiums has decreased since the 1980s and got at least partially replaced by subsidised rental apartments with a rental purchase option. (Oberhuber and Götzl, 2009)

The report shows mixed results on the financial strengthening of the limited-profit housing associations despite the high expectations regarding purchases of rental apartments. On the one hand, mechanisms were established to ease the financing of housing in Vienna for limited-profit housing associations. On the other hand, public money has been reduced since the transfer of responsibility for the stimulation of residential housing construction from federal level to state level in 1988. In general limited-profit housing associations face two challenges: increase of capital assets to compensate reduced public money and the acquisition of private money as a source of financing. The authors also argue that as far as rental purchase is concerned an inherent conflict of interest can be observed. The non-profit housing organisation and the renter

have opposing financial objectives. Whilst the housing organisation aims to maximise the revenue and strengthen its ability of self-financing, the renter undeniably desires an affordable offer. (Oberhuber and Götzl, 2009: 18-19)

In this evaluation the authors also deal with the criticism and the possibly negative effects of selling off housing partially financed with public money. The policy tool of rental purchase of subsidised apartments can be regarded as a threat to public housing and public influence on housing and social resources. Generally speaking, the report states that the loss of subsidised rental apartments can be seen as counteracting the advantages and benefits of public social housing. The benefits of social housing are described as follows: affordable and high quality housing for future generations, the prevention of speculation with subsidised apartments, the function of subsidised housing as insurance system for lower-income households, the regulating effect of subsidised housing on rents also on the private market. (Oberhuber and Götzl, 2009: 15)

Another important point mentioned in the report is the difficulties when managing such mixed tenure housing schemes. Specifically the problems of the different legal statuses of the different tenures are mentioned and the complicated process of decision making. (Oberhuber and Götzl, 2009: 13). These two aspects will specifically be discussed in the analysis of the interviews with limited-profit housing associations providing mixed tenure housing schemes in Vienna.

The evaluation report states that between the years 1994 and 2000 out of 120.000 newly built subsidised apartments provided by limited-profit housing associations approximately 28.000 have been offered to the current renters for sale (Oberhuber and Götzl, 2009: 14). One can assume that the majority of these apartments were offered and sold in Vienna as it shows the highest amount of subsidised apartments of all 9 Austrian states. Following this assumption rental purchase of subsidised apartments appears to be more of an urban phenomenon. Moreover, from this numbers one can conclude that at least up to the year 2000 rental purchase was not a very widely used form of mixing tenures and establishing home ownership in Austria.

In the case of Vienna the evaluation report explicitly mentions that between 1994 and 2001 about 44 per cent of subsidised rental apartments granted a rental purchase option.

The year 2000 marked a far reaching change regarding rental purchases. Amendments of federal Housing Acts changed the laws regulating rental purchase options. From 2000 on the federal government eased regulations on rental purchases. These new regulations are reflected by the numbers of rental apartments offered with a purchase option. In Vienna the percentage of apartments equipped with a rental purchase offer rose to 66 per cent on average between the years 2002 and 2007. According to the evaluation report, in the year 2004 for example out of 2.826 subsidised rental apartments 2.042 rental apartments featured a rental purchase option. However, the number of apartments with purchase options derives from only a few housing estates. (Oberhuber and Götzl, 2009: 44-45)

Furthermore, tremendous difference between the 23 districts of Vienna can be observed. In absolute numbers the tenth, eleventh and twenty-second district are those districts with the highest amount of subsidised rental apartments constructed in the years 1994 to 2008. In some districts the evaluation report shows that no subsidised housing construction took place in the stated time period; for example most of the inner districts and the districts 13 and 19. These numbers only depict the amount of rental apartments with a rental purchase option, but do not show how many apartments in fact have been sold to the previous renters. Taking a look at these numbers, one can see that up to the year 2008 rental purchase had not been a very popular and widely used option in the Viennese housing market. In total about 2 per cent of the subsidised rental apartments in the years 1994 to 2008 have been sold to the sitting renters. Of course, differences between the districts can be observed. The districts with the highest amounts of sold subsidised rental apartments are the eleventh and the twentieth district with an absolute amount of 127 (11th district) and 255 (20th district) sold apartments. To sum up, in total in the period between 1994 and 2008 about 46 per cent of subsidised rental apartments showed the feature of rental purchase option, but only about 2 percent of the total amount of subsidised apartments have been sold and the sitting renters have established home ownership of their previous rented apartment. (Oberhuber and Götzl, 2009: 45-49)

These numbers and figures show again that rental purchase option is a quite common feature of subsidised rental apartments, especially in Vienna compared to the other states in Austria. However, the rental purchase option has hardly been realized by the renters. The reasons for this may not be very clear and probably has to be further

researched. This is, however, not the aim of this thesis. Furthermore, predictions cannot be made whether the number of households taking advantage of the rental purchase option will increase or not. Oberhuber and Götzl (2009: 48) assume a further increase due to changes in the legal framework and to a general increase of rental apartments equipped with a rental purchase option. However, an increase in suitable apartments does not necessarily mean a relative increase of households willing or able to purchase their rented apartment. In general, Oberhuber and Götzl (2009: 21) doubt in their evaluation report that rental purchase of subsidised apartments could be a suitable tool for general public to satisfy their need to establish housing ownership.

Rental purchase option is only one way of creating mixed tenure housing. The main focus of this thesis will be purpose built mixed tenure housing schemes with a mix of subsidised apartments and privately owned apartments. However, Vienna's housing policy tool of rental purchase option shows some similarities in the characteristics with purposely built mixed tenure housing estates in Vienna.

In order to investigate the situation and the framework of purposely built mixed tenure housing in Vienna, the policy tool of rental purchase and the evaluation report of this policy discussed above can help to understand and analyse purposely built mixed tenure housing schemes in Vienna. As already mentioned, Vienna has a relatively strong rental sector in the housing market and especially a strong public housing sector respectively subsidised housing sector. This manifests a striking contrast to the rest of the country which in total records a relatively high percentage of home owners in the housing market. The above discussed report suggests, though, that increasing home ownership was an important aim of the amendments of the housing acts introduced at the beginning of the 21st century.

3.3 Results and Discussion of Interviews and Email Consultations with Housing Associations providing Mixed Tenure Housing in Vienna

As already mentioned in the part 'Methodology' interviews and email consultation with several limited-profit housing associations developing, providing and managing mixed

tenure housing projects in Vienna were conducted. The results will be summarized, analysed and discussed in the following section.

First, the author has to state that interviewing representatives of limited-profit housing associations providing mixed tenure housing was not an easy task to fulfil. However, two in-depth interviews with managing directors of limited-profit housing associations were conducted. Furthermore, an email consultation with a managing director of a limited-profit housing organisation was conducted and several short email conversations with several limited-profit housing associations and other relevant institutions and organisations were conducted.

The interviews and the consultations with the involved persons show that mixed tenure housing is a relatively new phenomenon in Vienna. Housing associations have started to build and develop housing estates with different tenures around the turn of the last century. According to an article by Michaela Mischek (1997), managing director of a housing association, the first purposely built mixed tenure housing scheme with a mix of subsidised rental apartments and owner-occupied apartments was built in 1997. The project was called 'IZD-Türme' (IZD-Towers) and is located on Wagramer Straße. This mixed tenure housing estate is part of the large scale urban development project 'Donau City' in the 22nd district of Vienna.

As already mentioned above, amendments of the federal Housing Acts in the year 2000 have changed in favour of home ownership which has had quite an effect on limited-profit housing associations. Because of these changes in the legal framework not only the regulations regarding rental purchase were eased, but also mixed tenure in general was being promoted with this new legislation. At that time Austria was governed by a coalition of the Conservative Party and the right-wing Freedom Party. One can conclude that promoting home ownership was a pursued objective by the then federal government of Austria. Nevertheless, purposely built mixed tenure housing schemes have not become a general trend that can be observed within the Viennese housing market. At this point it is probably advisable to repeat that Vienna's limited-profit housing market is very fragmented as numerous limited-profit housing associations are documented on the website of the Austrian Federation of Limited-Profit Housing Associations. In total there are 191 different housing associations members of this federation. The biggest part of

these associations is based in Vienna. In the case of Vienna, 54 different limited-profit housing associations are listed on the website of the federation of limited-profit housing associations (Austrian Federation of Limited-Housing Associations, 2014). As email consultations with many of the Vienna based limited-profit housing associations show, the majority of the limited-profit housing associations do not engage themselves in mixed tenure housing projects.

3.3.1 Motivation of Limited-profit Housing Associations to provide Mixed Tenure Housing Schemes

The motivation for the limited-profit housing associations engaging themselves in mixed tenure projects is most likely to be of financial nature. Even though, they stress their non-profitmaking purpose and legal status, the selling-off of apartments to private buyers does result in a financial surplus which can be reinvested in order to fund further subsidised rental apartments. In the report by Mischek (1997: 73-74) the author clearly states that subsidised housing would not have been possible at the specific building plot where in the end the first mix tenure housing estate in Vienna was realized. As a price reduction for the building plot was not feasible, mixed tenure housing seemed to be the solution in order to realize subsidised apartments on this well located building plot. Consequently, the housing association providing the privately owned apartments paid a bigger part of the land costs. As a result a smaller part of the land costs had to be ascribed to the subsidised rental apartments and subsidised housing became affordable for the housing association.

Besides the financial aspect, there is also a legal aspect. As described a bit earlier, under certain circumstance renters of subsidised apartments do have the right to establish home ownership and to acquire the rented apartment. Further reasons like social intentions could not be identified. Therefore, one cannot argue that mixed tenure housing estates were supposed to fulfil the function of mixing different social groups or classes of society and establishing a social mix in Vienna; at least it is not stated as an objective when implementing mixed tenure schemes by the housing associations.

3.3.2 Legal Aspects

The legal situation is also very interesting in the case of providing and implementing mixed tenure housing estates in Vienna. As already mentioned, the implementation of new federal legislation regarding housing, especially in the years 1994 and 2000, is a crucial point when setting the legal framework for mixed tenure housing schemes. So in Vienna, but also in Austria in general, there is basically no legal problem of mixing tenures in one housing estate respectively on one property. As a consequence, there is hardly any academic or professional discussion about the basic principle of mixing tenures in Austria. Most likely, professional discussions deal with detailed configuration of certain laws and regulations. The discussion about specific laws and details of legislation shall not be part of this thesis. Generally speaking, though, two specific laws are important and relevant for mixed tenure housing estates in Vienna. First, there is a law dealing with limited-profit housing (*Wohnungsgemeinnützigkeitsgesetz*). Second, there is a law regulating home ownership (*Wohnungseigentumsgesetz*). Both of them are federal laws which means that the local government of Vienna is not in the position of directly influencing legislation dealing with these two kinds of issues. So basically, the first one is regulating the rental sphere of mixed tenure-housing, where rents are not set by the markets or market laws but under specific legal regulations. These subsidised rents are not a tool to maximise the profit of the housing organisation but to ensure affordable housing. The second mentioned law broadly speaking regulates the sphere of home ownership in mixed tenure housing estates. The different legal regimes applied for the different forms of tenure within one housing estate is a very important distinction to make as different rights and obligations can derive from the different legal regulations. Admittedly, these two laws were mentioned to demonstrate the two different legal spheres that have to be applied; of course there are numerous other laws that have to be applied when providing and managing mixed tenure housing or housing in general in Vienna. Law of Tenancy (*Mietrechtsgesetz*) or the General Civil Code (*Allgemeines Bürgerliches Gesetzbuch*) are just two important laws to be mentioned.

3.3.3 The Ratio of owner-occupied Homes and Rental Dwellings

Taking a look at the ratio of rented apartments and owner-occupied apartments within one mixed tenure housing estate, one can say that there is no predefined overall fixed ratio. Therefore, one can find different ratios between rented apartments and owner-occupied apartments in each housing estate. However, a mixed tenure housing scheme with a majority of owner-occupied apartments could not be identified. Here, the distinction between purposely built mixed tenure housing estates and mixed tenures housing estates as a result of rental purchase has to be made. Rental purchase is not the object of discussion and analysis of this thesis so there is the probability that there are some mixed tenure housing estates in Vienna with a majority of owner-occupied apartments. However, this would have to be further investigated. A definite number or percentage cannot be stated on how many apartments in mixed tenure housing estates in Vienna have been sold to private households or investors. It has been argued that the number of owner-occupied apartments is a result of the construction and building concept. Here the question arises, what comes first? Manfred Wasner from the limited-profit housing association 'Migra GmbH' pointed out that for example in the mixed tenure housing project 'Living next to the Garden' (*Wohnen am Garten*) in the 14th district of Vienna out of 32 apartments, subsidised rental apartments account for 26. 6 apartments are owner-occupied, whereby three out of the 6 apartments were sold below market price. In the article by Mischek (1997: 75) the author states that in the mixed tenure housing scheme in the 'IZD-Türme' out of 460 apartments 110 are privately owned apartments and subsidised rental apartments account for 350 apartments. In this example roughly 25 per cent percent of the apartments are privately owned and 75 per cent are rental apartments. From these examples one can conclude that probably in mixed tenure housing regimes one can find roughly between 10 per cent and 30 per cent of owner-occupied apartments. These numbers have to be treated with caution as there is no broad and solid basis for this assumption. There is certainly further research needed in order to determine the average percentage of owner-occupied apartments in Vienna's mixed tenure housing schemes. One can assume, though, that privately owned apartments will not exceed 50 per cent of all apartments in one housing scheme because of the way decisions are made in housing estates.

3.3.4 Communal Areas in Mixed Tenure Housing Schemes

When talking about the communal areas of mixed tenure housing schemes, one can maintain that generally all communal areas within mixed tenure housing schemes in Vienna are equally accessible by all the residents, no matter whether they are renters of subsidised apartments or owners of their homes. Some limited-profit housing associations specifically stressed the point that even from the architectural features on the façade it is not visible or distinguishable where the rental apartments and where the owner-occupied apartments are situated in the mixed tenure housing scheme. As an example, one can mention the mixed tenure high rise on the Höchstädtplatz in the 20th district of Vienna. The quite monotonous façade does not give a hint where the better-off live. The same picture can be observed at the mixed tenure housing estate on Chlumberggasse in the 16th district. Both of these mixed tenure housing estates are provided and built by two different limited-profit housing associations. However, according to the interviews, owner-occupied apartments are mostly situated in the better locations within the mixed tenure housing estates; that are the upper floors. The above mentioned housing estates, on Höchstädtplatz in the 20th district and on Chlumberggasse in the 16th district, also serve as an example for this statement. In these housing estates one can find the owner occupied apartments on the top floors. Another example for privately owned apartments located on the top floors of a residential building illustrates the 'IZD Türme'. In this case, the owner-occupied apartments are also located on the top floors of the 60m high residential towers. The fact that mostly all the owner-occupied apartments are located on the top floors can most likely be argued and explained by the financial considerations when selling apartments to private households or investors. In general, the top floors contain the most lucrative apartments where the highest price can be achieved. Therefore it is somehow reasonable for limited-profit housing associations that the owner-occupied apartments are located at the most lucrative floors in mixed tenure housing estates. These aspects of how communal areas and accessibility within a mixed tenure housing estates is handled in Vienna show that there is a huge difference to shocking examples being published by newspapers from time to time. Quite recently two examples of social segregation within mixed tenure housing estates appeared in British newspapers. 'The Guardian' and 'The Independent' published articles about different mixed tenure housing schemes in London where the

communal areas within the housing estate was completely segregated and the poorer renters were denied access to some facilities. The example of 'High Point Village' in West London demonstrates that renters of affordable apartments and the owners of the more expensive apartments can be segregated from each other and this segregation is also visibly manifested. In the article, this mixed tenure housing scheme is also compared to a gated community within the housing scheme (Quinn, 2013). Another example recently on the news is the implementation of so-called 'poor doors' in order to segregate the renters of the affordable homes from the better-off owners. The implementation of different entrances for the different kind of tenures is described as a general trend in London and not as a feature of a specific mixed tenure housing scheme (Lusher, 2014). In Vienna, though, none of these examples were found in any mixed tenure housing scheme.

3.3.5 Life in Mixed Tenure Housing Schemes

According to the interviews an inherent conflict between the renters of subsidised apartments and the owners of owner-occupied apartments could not be identified. Apparently, life in mixed tenure housing estates in Vienna works fine without any increased conflicts; or at least one can maintain that there not more conflicts than in any other housing estate in Vienna. In order to confirm this statement from the limited-profit housing associations the author sent a questionnaire to the Austrian Tenants' Association (*Mietervereinigung*). The Austrian Tenants' Association is a non-profit association that works as an advocacy group for renters and supports the renters' concern in a multi-layered way with the overall aim of the protection of tenants. In addition, a questionnaire was sent to the Association of Condominium Owners (*Gemeinschaft der Wohnungseigentümer*) which acts as an advocacy group for people that own their apartment. The results of these questionnaires were clear without ambiguity. Both of the associations stated that there were no increased complaints reported neither from the condominium owners nor from the renters of homes in mixed tenure housing schemes in Vienna.

3.3.6 Decision Making

Another interesting aspect of managing mixed tenure housing schemes is the process of decision making. Coming to a compromise and making a decision is most likely a tedious process in any housing estate. When dealing with mixed tenure housing estates it becomes clear that decision making is even more complicated in these kinds of housing schemes. Generally speaking, the majority of the property owners makes the decisions in a residential building. The majority is determined not by the number of apartments or the amount of money invested into the apartment but by the proportions each property owner holds of the joint ownership. These proportions are calculated by a civil engineer on the basis of the value in use (*Nutzwert*) of an apartment. The value in use of an apartment incorporates the floor size of an apartment including specific features of an apartment which could increase or decrease the value of the apartment in comparison to the other apartments in the same residential building (Bundeskanzleramt Österreich, 2014).

In the case of mixed tenure housing estates one can generally find two different kinds of property owners. On the one hand, there are the private home owners who hold one or very few apartments. On the other hand, there is the limited-profit housing association which owns the rental apartments. Mischek (1997: 77) argues that rental apartments should always account for more than 50 per cent of the total apartments. The majority of rental apartments is not just meant in a numeric sense but also the value in use of rental apartments should exceed 50 per cent in the housing estate. The reason for this is that in this case the limited-profit housing association holds the majority in the housing estate and therefore the limited-profit housing association is in charge of the decision-making and the management of the housing estate. As discussed earlier in this section, most likely there is no mixed tenure housing estate in Vienna where the limited-profit housing association does not hold the majority in a residential building with mixed tenures. If there was a mixed tenure housing estate where subsidised rental apartments account for less than 50 per cent of the value in use of a residential building, the housing associations would in simple terms just lose control over the building as most of the decisions are made by a simple majority. So from this one can conclude that limited housing

associations hold the majority in Vienna's mixed tenure housing estates and decision making is primarily a matter of the housing associations.

3.4 Analysis of Structures of Housing Provision

In order to further analyse the provision of mixed tenure housing schemes in Vienna a conceptual framework of housing provision will be applied. The author decided to use the framework of the Housing Provision Chain by Ambrose because this framework is very straightforward, clear to analyse and discuss and also one of the first frameworks of its kind.

As already discussed in a previous section, Ambrose distinguishes between 5 different stages: Promotion, Investment, Construction, Allocation and Subsequent Management. In addition, a further distinction between non-democratically accountable actors and agencies and democratically accountable actors and agencies is made (Ambrose, 1991). These stages and structures will be applied to the case study of Vienna and the provision of mixed tenure housing schemes in Vienna.

3.4.1 Promotion

To begin with, a short definition of promotion needs to be done to avoid misunderstanding. By promotion of housing is meant "that some person or agency decides that it should be initiated at that particular place" (Ambrose, 1991: 94). On the homepage of one limited-profit housing association one can find a report (Ludl, 2007) about Austria's system of limited-profit housing associations. In this report one can find the point 'Government promotion of housing' (Ludl, 2007: 8). This point deals with the funding of housing in Austria. So in this case promotion does not have the same meaning as in Ambrose's conceptual framework. In Ambrose's work the initiation of the project is meant, while this above mentioned report more refers to the stimulation and the financial subsidisation of housing.

In the case of Vienna the initiation of mixed tenure housing schemes in Vienna is done by limited-profit housing associations. Limited-profit housing associations are characterised by a strictly regulated field of business and a limitation of profits so they do not act out of purely profit-seeking motives. They are formally not accountable to the voters and therefore they can be categorised as a non-democratically accountable actor. On the other side of the spectrum of accountability one must not forget about the legal basis that made mixed tenure housing schemes possible. In the case of Vienna, the legal preconditions for mixed tenure housing schemes were made on the federal level. Furthermore, land use planning and use permissions and restrictions are specified by public authorities on the city level. Public authorities, though, do not directly initiate mixed tenure housing schemes in Vienna.

3.4.2 Investment

The second stage of the Housing Provision Chain is investment. Investments and the funding of mixed tenure housing schemes appear to be a quite complicated process. Generally speaking, limited-profit housing associations do not have the same possibilities to source funds as for-profit housing associations have due to their limited-profit status. An important source of funds, though, is public subsidies. Austria shows relatively high direct object subsidies in relation to the GDP (Matznetter, 2002: 273–274). In addition, the major part of public subsidies is direct object subsidies. Over 92 per cent of the subsidies are attributed to object subsidies (Amann and Mundt, 2007: 12). These subsidies are intended to promote the construction of new housing and they involve “all public expenditure and tax exemptions that are linked to the investment expenditure of a project” (Ludl, 2007: 8). Subject subsidies, on the other hand, involve financial support of the consumer.

3.4.3 Construction

The construction of mixed tenure housing schemes is carried out by non-democratically accountable actors; these are construction companies.

3.4.4 Allocation

Allocation is the fourth stage of housing provision according to Ambrose. Here one has to differentiate between owner-occupied homes and subsidised homes. When it comes to owner-occupied homes the allocation is carried out by non-democratically accountable actors. Owner-occupied homes in mixed tenure housing are to a large part privately financed. Therefore, these homes are allocated on the private market. Subsidised homes are at least partially financed with public money. To be eligible for subsidised homes one has to fulfil certain income criteria. Depending on the size of the household there are different income limits that must not be exceeded to be considered for a subsidised home (Stadt Wien, n.d.). In Vienna there is also the possibility to find a subsidised home through public institutions. Wohnservice Wien (Wohnservice, n.d.) provides a tool to apply for a subsidised home in Vienna. So to conclude, for the allocation of mixed tenure housing schemes in Vienna both non-democratically accountable actors and democratically accountable actors are responsible.

3.4.5 Subsequent Management

The subsequent management of housing is the final stage of housing provision. Generally speaking the management of housing is a long process and task. The subsequent management is, basically, the task of the limited-profit housing association that provided the mixed tenure housing scheme.

3.5 Conclusion of the First Case Study

All in all, mixed tenure housing is a relatively new phenomenon in Vienna and one can say that purpose built mixed tenure housing schemes do not seem to be a very common form of housing in Vienna. While there is in general in Austria a relatively high amount of owner occupied homes, which is also being fostered by the federal government, Vienna shows the characteristics of a strong rental market, not just in comparison to the rest of

the country but also in comparison with many other West European major cities. First mixed tenure housing schemes, though, were built at the end of the 1990s. The mix of owner-occupied apartments and rental flats was regarded as an instrument to finance a greater number of social homes or even to facilitate social homes at a specific building plot, so owner-occupied apartments are supposed to generate as much money as possible which can be reinvested for further subsidised homes. That is also the reason why owner-occupied apartments are often located at the most lucrative spaces in mixed tenure housing schemes. It is important to add that mixed tenure housing schemes in Vienna are built by limited-profit housing associations. As their name suggests their profits are limited and their field of business is also restricted to housing. Another reason or motivation to build such housing schemes could not be identified. In Vienna and Austria renters of subsidised homes under certain circumstances also do have the right to acquire home ownership and purchase their current rental flat. The policy tool of rental purchase is, though, a different story and was not subject of further research in this thesis. Nevertheless, reports show that this option to acquire home ownership was not exercised very often. When it comes to purpose built mixed tenure housing schemes, it becomes obvious that the housing association that manages the residential building also tries to retain a majority of the value in use within a housing scheme. The reason for this is that in this case the housing association is able to exercise the majority vote regarding maintenance and other issues in the housing scheme itself. As far as communal areas and life within mixed tenure housing states are concerned, one cannot identify an increased level of conflicts. Moreover, the different tenures have equal access to all areas in the housing estates.

The application of the housing provision chain shows that mixed tenure housing schemes are mainly provided by non-democratically accountable actors, that are the limited-profit housing associations. Nevertheless, democratically accountable actors do also contribute to the provision of mixed tenure housing schemes. First of all, they passed the laws that facilitate and regulate the construction and the subsequent management of subsidised housing and owner-occupied homes within one housing estate. Second of all, the funding of subsidised homes is a crucial point. Without the financial support of the public subsidised housing would not be feasible.

To answer the research questions, in the case of Vienna an inherent conflict between the renters of subsidised homes and the owners of owner-occupied apartments cannot be identified; at least it does not manifest itself in measurable conflicts. There have no increased conflicts between the different tenures been recorded neither to the housing associations nor to the advocacy groups of the renters and the homeowners. This result may be surprising as home owners and renters most likely do have different interests and are also differently represented in mixed tenure housing schemes. As the limited-housing associations hold the majority in such housing schemes, it can make the decision in the interest of the renters. However, as these housing associations do not act out of purely profit-seeking motives, it can probably be argued that these housing associations do pursue the goal of a harmonic communal life between the different tenures in a higher degree. Hence, it seems that the different tenures can live alongside in the same housing estate without any increased conflicts.

Another research question is whether the provision and the fostering of mixed tenure housing schemes can be regarded as a neoliberal policy tool which also contributes to the privatisation of public and social housing. To answer this question one has to distinguish again between the instrument of rental purchase and purposely built mixed tenure housing schemes. The intention of rental purchase was most likely the promotion of home ownership. The legal basis for the selling off of subsidised flats to sitting tenants was created in the 1990s in times where liberal approaches were prevailing in many countries. Furthermore, the selling off of subsidised flats to private homeowners does in the first place reduce the number of social homes and therefore it could be argued that it can contribute to the privatisation of social housing. However, as already said, this policy instrument was not very often applied in Vienna. Therefore, further research is needed in order to answer the questions to what extent rental purchase can be regarded as a neoliberal policy tool. When it comes to purposely mixed tenure housing it is clear that no social homes are supposed to be sold to private homeowners. On the contrary, the selling of some flats in a housing estate to private homeowners is rather supposed to fund social homes in Vienna. At this point one can pose the questions, why it is necessary that limited-profit housing associations need to sell some flats in housing estates to generate enough funds for social homes. This question cannot be answered in this thesis but it can be argued that in times of tight public budgets mixed tenure housing schemes do seem

like a favourable option to guarantee enough funds for limited-profit housing associations to provide a sufficient number of subsidised homes.

4 The Case Study of Birmingham

As a second case study the author chose Birmingham in the United Kingdom. Generally speaking, the United Kingdom represents the liberal cluster in Esping-Andersen's (1990) categorisation of welfare states. Esping-Andersen's framework and the discussion of this classification of welfare states can be found in the part 'Literature Review' in the section about the categorisation of welfare states according to Esping-Andersen. Birmingham was chosen because it is part of the liberal cluster and it is from its size somehow comparable to Vienna. Birmingham is the second largest city in the United Kingdom after the capital, London, and it is located in the metropolitan county West Midlands in western central England. According to the census data of 2011 Birmingham has 1.073.045 inhabitants (about 2.4 million inhabitants in the metropolitan (Office for National Statistics, n.d.)) and is therefore somewhat smaller than Vienna in terms of inhabitants (Birmingham City Council, 2014a). The city has a total area of around 26.800 hectares and shows therefore a population density of about 40 people per hectare (Office for National Statistics, 2012). Birmingham is also a growing city and projections predict an increase of about 8 per cent between the years 2011 and 2021 (Birmingham City Council, 2012).

4.1 Housing in Birmingham/England/United Kingdom

At first, a few statistical data on Birmingham and housing in Birmingham will be provided. According to the 2011 census, around 613.000 persons live in an owner-occupied home in Birmingham. This is about 58 per cent of all usual residents in Birmingham. This number is slightly lower than the number for England where about 65 per cent of all residents live in owner-occupied homes. Taking a look at the social housing sector, one can see that about 22 per cent of all residents in Birmingham live in social rent; this is about 226.000 residents. In England about 17 per cent of all residents live in social rent. Private rent accounts for about 18 per cent which is in absolute numbers about 187.000 residents. In the overall country of England about 17 per cent live in private rent. The remaining residents live rent free. (Office for National Statistics, 2013)

From this numbers one can conclude that in England in general but also in Birmingham the rental housing sector is significantly smaller than for example in Vienna. In Birmingham privately owned homes are predominating. In addition, the number of people living in social homes is substantially lower than in Vienna. The reason for the relatively high number of people living in owner-occupied homes can probably be explained by the history of housing in England but also by the housing policies and policy instrument applied. The policy instruments will be explained and discussed in the next section. In this section a brief overview on England's history of housing will be given.

The United Kingdom used to have large public housing sector provided by the municipalities. Public housing was once seen as a common good and the state fulfilled its role as provider of housing (Dodson, 2006: 4). However, "under conditions of emerging neoliberalism in the late 1970s and early 1980s, the privatisation of Council began through the Right-to-Buy scheme promoted by the Thatcher Conservative government. The governmental conception of housing changed at this time from an object that was best provided by the state to a good that was best provided by the individual" (Dodson, 2006: 5).

Specifically in the United Kingdom a fundamental change in the welfare system and the institutions of the welfare state can be observed from the 1980s onwards. Deregulation has been a characterising feature of this period. In addition, the roll back of the state as a provider of social housing has also been a part of this development. (Kilburn, 2013: 13)

Another characteristic of the roll back of the state can be observed in the rental sector as private renting is rising while public renting is declining. On the one hand, over the last couple decades the private rental sector has significantly increased in England. At the beginning of the 1990s only about 9 per cent of the households were renting their homes from private landlords. In 2010 the number was nearly double as high. Besides some demand side factors like rising incomes the deregulation of private renting facilitated a boom in 'buy to let' housing. (Kemp, 2011: 1021)

On the other hand, the social housing sector has decreased steadily in England over the past couple decades. Both in absolute and relative numbers the number of people living in social rent declined significantly. While in the 1990s around 32 per cent rented from a

social landlord in 2010 only around 17 per cent of all residents live in social rent. The reason for this decline are the low rates of social housing construction and the Right to Buy initiative that allowed sitting tenants to purchase their social home. (Kemp, 2011: 1021)

The question whether mixed tenure housing can also be described as a manifestation of neoliberal policy will be tried to be answered in the following sections.

4.2 Mixed Tenure Housing in Birmingham/England/United Kingdom

In general social mix has a long history in the United Kingdom. Already at the beginning of the 20th century social mix and mixed communities have been goals of Britain's policies (Bond, Kearns and Sautkina, 2009: 71). More recently, Kilburn (2013: 12) argues that there are basically two developments responsible for the formulation of mixing tenures as a policy programme. Firstly, the privatisation of social and affordable housing is mentioned. Secondly, the problematisation of social housing of causing social exclusion and spatial concentrations of lower-income households is stated as the second development. The mixing of tenures was, hence, seen as a favourable solution to these developments.

In the United Kingdom the construction and the provision of mixed tenure housing schemes are apparently widely spread. The provision of mixed tenure housing has often been formulated as a policy programme in the United Kingdom and is recommended and fostered through several policy papers. A few of these papers and some legislation specifically dealing with mixed tenure housing will be discussed in this section.

A very important but also very controversial policy instrument of privatisation of housing and of fostering home ownership constitutes the so-called 'Right to Buy'. "The Housing Act (1980), which introduced a statutory obligation on local authorities to administer a 'Right to Buy' (RTB) for sitting tenants, was envisaged as an efficient means of achieving both objectives [...] first, the need to reduce public expenditure; and second, the ideological desire to expand home ownership" (Brown and Sessions, 1997: 581). Generally speaking, the 'Right to Buy' grants sitting tenants of social housing the right to

buy their home at a discount. This right is only granted under certain conditions – for example one has to be a public sector tenant for at least 5 years. The discount accounts for 77.000 Pounds maximum, only in London the upper limits has been raised to 102.700 Pounds. The discount will be adapted every year in line with inflation. In addition to the cash discount there is also a percentage limit. The maximum percentage discount is now 70 per cent of the property value but must not exceed the cash discount (Department for Communities and Local Government, n.d.). The higher discount granted for buying social housing in London can most likely be explained by the higher housing prices in London than anywhere else in the United Kingdom. The British newspaper 'The Telegraph' published an article on the internet stating that on average housing prices in London are double as high compared to the rest of the country. In absolute numbers the price difference is about 183.000 Pounds (Dyson, 2014).

Even though the numbers of council houses sold every year differ substantially, one can maintain that the 'Right to Buy' initiative has been a very successful one in terms of council houses being sold. 'The Guardian' reports that "some 971,000 sales were processed under Margaret Thatcher's government (an annual average of 97,000), 316,000 under John Major (an average of 45,000) and 487,000 under the two Labour administrations from 1997 onwards (averaging 35,000 yearly)" (Gulliver, 2012). These numbers represent England only and do not represent the entire United Kingdom. Taking a look at the yearly numbers of council houses sold to sitting tenants in England, one can conclude that on average the number of homes sold is steadily declining. More recent numbers show that the number of council houses sold to sitting tenants in England has declined over the years and is far lower than the peaks in the 1980s. The highest number was recorded in 1982 when about 167.000 homes were sold in England under the 'Right to Buy' programme. However, in 2012 only 3.744 council houses were sold to sitting tenants. In the following year an increase was recorded and about 8.400 homes were sold (Department for Communities and Local Government, 2014). This increase can maybe explained by the most recent changes made by the coalition government of the Conservative Party and the Liberal Democrats. An essential part of these modifications was that the discount was increased to the level discussed a bit earlier in this section. From these numbers and statistics but also from the controversial discussions about the 'Right to Buy' initiative, one can conclude that the 'Right to Buy' obligation marked a

fundamental change in British housing policy aiming at fostering home ownership and leading to a privatisation of public housing stock. Furthermore, “the RTB [Right to Buy] represented a sea-change, if not in the direction, then certainly in the speed of development and implementation of British housing policy” (Brown and Sessions, 1997: 581).

Another official document dealing with the provision of mixed tenure housing is the Housing Green Paper (Department of the Environment, Transport and the Regions, 2000). Generally speaking, a Green Paper is a consultation document produced by a Department of the United Kingdom Government when considering introducing a new law. The Green Paper serves as a basis for discussion inside and outside the Parliament (Parliament of the United Kingdom, n.d.). The definition of a green paper shows that it does not constitute binding law but it does show, though, a clear motivation of the government what policies are being favoured and what political goal the government follows in a specific field of politics. The Housing Green Paper produced in 2000 by the Department of the Environment Transport and the Regions clearly stresses the intention of the central government to foster and promote mixed tenure housing in the United Kingdom. The report says that “policies for affordable housing must ensure a better mix of housing types and tenures and avoid the revisualisation of social housing and its occupants. [...] We must seek to develop social housing alongside housing built for homeownership and private renting” (Department of the Environment, Transport and the Regions, 2000: 71).

This consultation document is aimed at upgrading the current social housing stock by creating more mixed tenure housing estates where social housing is built alongside privately owned apartments. This policy should also lead to more sustainable communities. This policy programme is probably the first one in the United Kingdom directly addressing mixed tenure housing and promoting the construction of mixed tenure housing schemes. Even though this policy paper is a green paper and therefore not legally binding, the document clearly shows that mixed tenure housing is being favoured and promoted by the central government. Moreover, mixed tenure housing is generally supposed to fulfil a social function and to ‘upgrade’ neighbourhoods by mixing tenures; that is most likely supposed to be done by building privately-owned apartments as parts of mixed tenure housing schemes in poorer neighbourhoods.

The Section 106 Agreement of the Town and Country Planning Act 1990 constitutes another legal basis for the provision of social housing accompanied by mixed tenure housing. The Town and Country Planning Act is an essential part of land law in England. Generally speaking, “planning obligations (or ‘section 106 (s106) agreements’) are an established and valuable mechanism for securing planning matters arising from a development proposal. They are commonly used to bring development in line with the objective of sustainable development as articulated through the relevant local, regional and national planning policies” (Department for Communities and Local Government, 2006: 3). So a planning obligation is an agreement made between a planning authority and a developer in order to fulfil specific policy guidelines. Once the agreement is signed, it has a legally binding function. Therefore, it can most likely be compared to a contract between business partners. Such agreements have been used in order to build and provide a greater number of affordable housing. “In the case of affordable housing, government policy has explicitly put in place the use of planning agreements to facilitate developer’s contributions” (Monk et al., 2006: 2). Monk et al. (2006: 2) also describe how these negotiations between the developers and the planning authority take place and what criteria have to be met. More specifically, there are 4 pre-conditions at the beginning of the negotiations: Planning authorities have to have explicit policies about the provision of affordable housing, the provision of affordable housing is sought to foster mixed communities, the focus is laid on brownfield development and as a fourth condition the authors state that these agreements are only supposed to be made for building sites above a certain threshold.

Furthermore, Section 106 Agreements follow two different approaches. First there is the ‘General Approach’ and second, there is the ‘Exceptions Approach’. The ‘General Approach’ defines affordable housing as planning gain and the obligation to provide affordable housing is imposed on the developer. The developer may build the affordable homes and sells them afterwards at a discount to registered social landlords. Under this approach affordable housing is provided as a part of a mixed tenure housing scheme. Moreover, the planning gain replaces public subsidy in most cases (Gallent and Tewdwr-Jones, 2007: 133). Under this approach additional development value is created as planning permissions are granted (Burgess, Crook and Monk, 2013: 3)

The 'Exceptions Approach' will be applied for the construction of housing on land that is not allocated for that particular use according to the relevant development plan. The objective of this approach is to reduce land value and consequently unit costs of affordable housing. This can be done by acquiring developable land below full development value. This approach is usually, though, only applied in rural areas and for the provision of smaller number of units (Gallent and Tewdwr-Jones, 2007: 133).

The report by Monk et al. (2006) also examines the outcomes and outputs of the above described Section 106 Agreement. Generally speaking, the authors argue (Monk et al., 2006, 3) that by the time the report was produced over 50 percent of all affordable housing units were constructed and provided through Section 106 Agreements. Moreover, single tenure housing schemes are declining steadily in England. The numbers provided by Monk et al. (2006, :4) also makes clear that affordable housing constructed through a Section 106 Agreement accounts for about 12 per cent of the total number of dwellings constructed in England in 2004/2005. Moreover, the reports demonstrate (Monk et al., 2006: 4) that the number of dwellings provided through a Section 106 Agreement has risen steadily between the years 1999 and 2005.

When taking a closer look at the metropolitan county West Midlands, in which Birmingham is located, in the years 2004/2005 about 1.672 affordable dwellings under a Section 106 Agreement were completed. The tenure breakdown stated in the report shows that out of the 1.672 dwellings 1.039 are rented, 492 are shared ownership and 127 are sold at a discount, 14 are of unknown tenure. This breakdown illustrates that the majority of affordable housing units built under a section 106 Agreement are for rent. They make up about 62 per cent. Shared ownership is the second biggest fraction of affordable homes and accounts for 29 per cent. (Monk et al., 2006, 5)

All in all, these numbers demonstrate that Section 106 Agreements are a very important policy instrument when it comes to the provision of affordable homes in England. Moreover, it fosters the provision of mixed tenure housing and has proven be an effective measure to construct social homes and at the same time Section 106 Agreements reduces the pressure on the public budget. This can be an important argument in times of tight public budgets. The numbers discussed above, however, only depict the constructed and completed results of Section 106 Agreements.

The report also deals with all the outcomes of such an agreement. Here (Monk et al., 2006, 17) the report shows that the provision of affordable house is in general in line with the agreement, so no major deviations are identified. However, the report also suggests that changes and different outcomes from what was initially agreed on can take place. According to the report (Monk et al., 2006, 17), the most common deviation from the initial agreement happens when a revised agreement is negotiated and implemented. This practice is especially common when dealing with larger projects. Another outcome according to the report (Monk et al., 2006, 18) is for example post-contractual negotiations. In this case both parties have to agree on the changes but no new agreement is being formulated or signed.

Other variations in the outcome could be that the output is different but consistent with the agreement. This case could happen if not all the elements of the provision of affordable homes were specified. Further variations mentioned in the report are that the planning permission is not implemented, or the developer implements the permission but fails to comply with the Section 106 Agreement, or there is an unknown outcome reported. The last three mentioned outcomes are apparently extremely rare or not able to be measured within a relatively short period after the settlement of the agreement. (Monk et al., 2006: 18–19)

All in all, the report that assesses the implementation of the Section 106 Agreements shows that this agreement is in wide use in England and facilitates affordable homes and promotes the provision of mixed tenure housing schemes. There are, however, cases where the Section 106 Agreement does not fulfil the expectations and the housing developers do not follow the criteria made in the agreements. Therefore, one can conclude that this policy instrument only proves to be as good and effective as to how concrete and direct the criteria and obligations imposed on the housing developer are specified in the contract.

4.3 Results and Discussion of the Interviews and Email Consultations with Housing Associations providing Mixed Tenure Housing in Birmingham

For the case study of Birmingham the same methodology was applied as for the case study of Vienna in order to gain the information needed to describe and discuss the provision and the management of mixed tenure housing schemes in Birmingham. Just as in the first case study two in-depth interviews with two representatives of not-for-profit housing associations that are developing, providing and managing mixed tenure housing projects in Birmingham were conducted. The results will be summarized, analysed and discussed in the following section.

To begin with, the author has to state that also in the case of Birmingham interviewing representatives of not-for-profit housing associations or other housing associations providing mixed tenure housing was not an easy task to fulfil. However, the author was able to conduct two in-depth interviews with head of community investment of one not-for-profit housing association and a managing director of another not-for-profit housing association.

The interviews and desktop research show that mixed tenure housing has a long history in the United Kingdom and in Birmingham. The first time mixed tenure housing was officially fostered on a big scale was probably at the beginning of the 1980s. The 'Right to Buy' obligation, which was already discussed in the previous section, set somehow the starting point for the mixing of tenures. This initiative, hence, has facilitated the mixing of tenures through the selling off of apartments or flats to sitting tenants. This, however only increased the number of mixed tenure housing schemes as a result of privatisation of social homes. The provision of purpose built mixed tenure housing schemes on a large scale started most likely in the 1990s in the United Kingdom. Also one interview indicates that purpose built mixed tenure housing schemes were built from the 1990s on in Birmingham. This year would go together with the implementation of the Section 106 Agreement under which mixed tenure housing schemes are being fostered.

As the interviews and the desktop research cannot be handled as exhaustive, it can neither reflect and represent the entire housing market nor the entire not-for-profit

housing market in Birmingham, so there is of course the probability of purpose built mixed tenure housing estates constructed prior to the above mentioned date.

As already mentioned above, the introduction of the Section 106 Agreements manifests a very important piece of legislation as far as social housing and the affordability of social housing is concerned. Because of these agreements social housing seems to have become more affordable for public authorities as private developers have to make contributions to the provision of social housing. Moreover, these agreements are clearly fostering the construction of mixed tenure housing schemes. At that time the United Kingdom was governed by the Conservative Party. One can conclude that promoting mixed communities and as a consequence mixed tenure housing scheme was a pursued objective by the then central government of the United Kingdom.

Generally speaking, it is hard to say how many not-for-profit housing associations do engage themselves in the provision of mixed tenure housing schemes. On the website of the Birmingham City Council (Birmingham City Council, n.d.) one can find about 55 Registered Social Landlords. Registered Social Landlords do not only provide affordable homes but also provide homes for “older people, sheltered housing, accommodation for younger people and housing for vulnerable people with specific needs” (Birmingham City Council, n.d.). From this fact, hence, one can conclude that not all of the Registered Social Landlords are providing mixed tenure housing schemes in Birmingham. Also email consultations with Registered Social Landlords in the Birmingham show that at least not all of the Registered Social Landlords engage themselves in the provision of mixed tenure housing schemes.

4.3.1 Motivation of Not-for-profit Housing Associations to provide Mixed Tenure Housing Schemes

The interviews clearly suggest that the primary motivation for not-for-profit housing associations to provide mixed tenure housing schemes is the social impact and effects these kinds of housing schemes are expected to have on the neighbourhood. Mixed tenure housing schemes are intended to create balanced and sustainable communities. As an example the mixed tenure housing scheme of ‘Crocodile Works’ was given. The

project 'Crocodile Works' is located in the inner city neighbourhood of Newtown and is also a urban regeneration project, where an old factory was transformed into a housing project; in other words a brownfield redevelopment project. According to one interview the neighbourhood, where 'Crocodile Works' is located, shows the characteristics of social economic deprivation. Newton is a neighbourhood in the Aston council wards. Generally speaking, a ward is an electoral district and considered the key building block of administrative geography in the United Kingdom. Furthermore, wards are used to elect local government councillors (Office for National Statistics, n.d.).

The chosen case study Birmingham consists of 40 electoral wards with an average population size of 27.000 inhabitants. The ward Aston, where Newtown is located in, with about 32.000 inhabitants is a very diverse neighbourhood. According to the 2011 census, the biggest ethnic group in Aston is 'Pakistani' which accounts for about 21 per cent of the total inhabitants of Aston. The second biggest ethnic group is 'Bangladeshi' with about 17 per cent followed by 'Indian' with about 12 per cent. 'Black Caribbean' and 'White British' both account for roughly between 10 and 11 per cent. This is a huge contrast to the city of Birmingham and the United Kingdom. In Birmingham the biggest ethnic group is 'White British' with about 53 per cent. The second biggest group is 'Pakistani' accounting for about 14 per cent. In total, in the United Kingdom roughly 80 per cent of all the inhabitants are 'White British'. The second biggest ethnic group in the United Kingdom is 'White Other' with about 5 per cent. These huge contrasts between the ward, the city and the country can also be observed in the religious affiliation. According to the census 2011, in Aston 54 per cent of the inhabitants are Muslim, 26 per cent are Christian and 8 per cent have no religious affiliation. In total, in Birmingham 46 per cent are Christian, 22 per cent are Muslim and 19 per cent have no religious affiliation. If one compares these numbers to those of the entire country, one can see that the differences to Aston are even bigger. In the United Kingdom there are 59 per cent Christian, 25 per cent have no religious affiliation and 5 per cent are Muslim. This pattern can also be observed in many other statistical parameters, for example in Aston residents are on average younger than in the entire city or in the United Kingdom in total; also unemployment is in Aston (19 per cent) much higher than in the city of Birmingham in total (11 per cent) or in the entire country (6 per cent). (Birmingham City Council, 2014b)

From these numbers, one can conclude that Aston is a very diverse neighbourhood. The numbers also suggest that the neighbourhood suffers from social economic deprivation. The intention of the mixed tenure housing schemes 'Crocodile Works' was to rebalance the neighbourhood and to foster mixed communities. In addition, the interview with one not-for-profit housing association suggests that the aim of such mixed tenure housing schemes in Birmingham is to prevent the ghettoization of some neighbourhoods in the city. By ghettoization most likely the concentration of one ethnic or social groups in one neighbourhood in the city is meant. So 'Crocodile Works' is also supposed to attract people with a higher income to move into the neighbourhood of Newtown. Generally speaking, mixed tenure housing schemes are regarded by the housing association as something positive where people with a different background get along together and foster a cohesive society.

Besides the social aspect and the possible social effects of providing mixed tenure housing schemes, there is generally also a legal aspect. As already discussed in the previous section, Section 106 Agreements may oblige housing associations to provide mixed tenure housing schemes. Another aspect is of course a financial consideration when selling homes to private investors. According to one interview, the plan for 'Crocodile Works' was initially to offer a higher number of homes for outright sale. However, as the financial crisis hit and the chances for many people to take out a mortgage decreased heavily, the housing association was not able to sell all the homes they wanted to sell because the housing association would not have generated enough money. At this point it is important to mention, that generally the selling off of dwellings to private home owners can facilitate the provision of further rented dwellings and can therefore function as a cross-subsidy for affordable homes. However, in Birmingham there is apparently only a weak link between the sale of homes to private investors and the reinvestment of this money in order to build more social homes. It is important to add that in the United Kingdom there is a huge north south division as far as housing prices are concerned. As already discussed a bit early, in the south prices are in general much higher, especially in the capital London. In one interview the example is put forward that in London social landlords can generate massive wealth by selling homes on the private market. Hence, they have much more money to provide social homes. In the case of Birmingham, the difference between social rent and market rent is minor and therefore

also selling homes on the private market does not necessarily generate a considerable surplus.

As conclusion, one can say that the social aspects of mixed tenure housing play an important role for the provision of such housing schemes. The financial reason to provide such housing is especially in Birmingham, where the difference between social housing and free market housing is not that big as in other parts of the United Kingdom, not that prevailing. Government grants still play a more important role in the budget of not-for-profit housing associations in Birmingham.

4.3.2 Legal Aspects

When dealing with the legal aspects of mixed tenure housing schemes the planning system plays in general an important role as it determines the style and size of properties not-for-profit housing associations develop. In the United Kingdom there used to be the local authority system, where local authorities provided affordable housing themselves. According to one interview, most of the local authorities do not provide council houses themselves anymore today but in partnership with not-for-profit housing associations. In the case of Birmingham, though, the local authority does still provide small amounts of council houses.

In addition, there are in general some legal elements for the provision mixed tenure housing. Firstly, the 'Right to Buy' initiative has to be mentioned that allowed sitting tenants to purchase the council home. Secondly, Section 106 Agreements can oblige housing associations to provide affordable homes and as a consequence provide mixed tenure housing schemes.

As far as the different tenures are concerned, there are differences in the legal regulations. However, basically the system is regulated predominantly in the same way for the different tenures.

4.3.3 The Ratio of Owner-occupied Homes and Rental Dwellings

According to one interview, the project 'Crocodile Works' incorporates about 165 homes. Out of the 165 homes only 3 have been outright sold. Initially, as already discussed, there was to plan to sell more homes, but as the financial crisis hit, the housing association was not able to generate enough money from selling off the homes. 120 out of 165 homes are intermediate rent. 42 homes are social rent. However, these numbers contradict the numbers published on the website of the housing association providing the mixed tenure housing scheme. On the website (Midland Heart, 2013) it is stated that in total 168 homes are built. Out of the 168 homes 44 are dedicated to general needs units, 68 are rent to home buy, 41 are intermediate rent and 15 are outright sale.

Rent to home buy homes can be regarded as an intermediate scheme between home ownership and rent. Generally speaking, rent to home buy is a scheme to foster home ownership and to help those who cannot afford to buy their home outright. Under this scheme tenants can move into their new home and pay a reduced rent, at most 80 per cent of the market value. Within 5 years the tenants have the option to buy the property entirely. The aim of this program is to increase home ownership. People who cannot afford to buy their home outright should get the opportunity to save money while paying a reduced rent and exercise the option within 5 years to buy the home (Home Owners Alliance, n.d.).

Intermediate rent is paid by eligible households above a rent charged by a social landlord and below market rent. Some criteria to be eligible for intermediate rent is to have an income below a certain level, to cannot afford a property on the open market and to be able to save through the intermediate rent money in order to pay a deposit for a property (Shelter, 2014). So basically intermediate renting is another scheme to increase home ownership by subsidising the rent in order to save money for the purchase of a property.

The main conclusion from this is that generally speaking there is no fixed ration between rental apartments and owner occupied apartments in mixed tenure housing schemes. The ratio of different tenures varies. There are mixed tenure housing schemes with a 50 per cent ratio of owner-occupied homes. Basically, the ratio depends on individual circumstances but typically in mixed tenure housing schemes in Birmingham one can find

a minimum of 50 per cent rented dwellings. As mixed tenure housing also functions as an instrument to attract a certain social class into less prosperous neighbourhoods the number of home occupied apartments will most likely be relatively low and only a few homes will be sold to private people. Another important aspect is the features of the dwellings of the different tenures. In general there is a difference in the features between the homes dedicated to different tenures, but it is crucial to add that within mixed tenure housing schemes there is in general no segregation between the different tenures. The tenures are mixed within the housing scheme and there is generally no specific area or floor where only owner-occupied homes are located or where only homes for social rent are located. According to one interview, it is also not possible from the exterior to tell where the different tenures are located. However, in some large scale mixed tenure housing schemes there could be a segregation of tenures in the sense that parts of the building block are only designated for only kind of tenure. This segregation, though, seems so be rather unusual in Birmingham.

4.3.4 Communal Areas in Mixed Tenure Housing Schemes

According to the interviews, all areas are equally accessible by all the residents, independently of their tenure status. In the case of 'Crocodile Works' on a regular basis events are scheduled in order to break the barrier and bring people that are living in the mixed tenure housing scheme together and strengthen the community. In the mixed tenure housing scheme 'Crocodile Works', which is described as a flag ship project, there are no so-called 'poor doors' that segregate the different tenures. There are also no areas which are only accessible by the better off home owners. According to the interviews, there are most likely no mixed tenure housing schemes in Birmingham that have so-called 'poor doors'. As far as architectural features are concerned, the interviews and illustrations of 'Crocodile Works' do not suggest that the architecture and the design of the building do indicated where the different tenures are located.

4.3.5 Life in Mixed Tenure Housing Schemes

According to the interviews, mixed results on the life in mixed tenure housing schemes can be identified. On the one hand, an interview suggests that an increased potential of conflicts between the residents in mixed tenure housing schemes in Birmingham can be recognized. People living in mixed tenure housing schemes can stereotype other residents having a different status. The example is put forward that people owning their home can consider residents of social rents as lesser, but also the other way round people living in social homes can stereotype the owners in mixed tenure housing schemes. It is the work of the housing association to avoid conflicts and facilitated a conflict-free cohabitation. In the case of 'Crocodile Works' the housing association has tried from the very beginning on to avoid such conflicts between the residents of different tenures and scheduled events in order to get residents to know each other. According to the interview, these activities worked really well and helped to bring people together.

On the other hand, the second interview suggests that there are no increased conflicts to private housing developments or single tenure housing schemes, but differences in expectations can be observed. The example of a mixed tenure scheme with a majority of retired people is put forward. If in that case a young family moves into that housing scheme, conflicts can occur. Furthermore, antisocial behaviour can also be identified in mixed tenure housing schemes in Birmingham. This result of the different styles of living mixed in one housing scheme.

To sum up, there seem to be some conflicts in mixed tenure housing schemes in Birmingham as a result of mixing different styles of living and different social classes in one housing scheme. However, the question arises whether these conflicts can be found in any housing scheme or whether they are peculiar to mixed tenure housing schemes in Birmingham. Further research would be necessary to answer this question.

4.3.6 Decision Making

The process of decision making is a slightly complicated issue in mixed tenure housing schemes in Birmingham. Generally speaking, decisions are made on consultations with all

the residents. So basically the housing association makes the decision for the entire housing scheme. As an example decision around maintenance are put forward. Different tenures have to pay different charges for the maintenance of the communal areas. For example people in social rent have to pay an extra charge for the maintenance and tenants with a higher rent do not have to pay this extra. The reason for this extra charge is that renters of social homes just have to pay the extra service charge what it costs to keep a good standard. Renters of homes rented at market price in general already pay a higher rent which somehow includes part of the maintenance. In the mixed tenure housing scheme 'Crocodile Works' homeowners do not have to pay a service charge because they have a private garden. However, they would have to pay a small service charge if they do not. So basically there is no collective decision making process where a majority of the owners decides on the relevant issues. However, there is a second stream on social housing in Birmingham and in the United Kingdom that is specifically co-operative.

4.4 Analysis of Structures of Housing Provision

Also in the case of Birmingham a conceptual framework of housing provision will be applied in order to further analyse the provision of mixed tenure housing schemes in Birmingham. As in the section about the case study of Vienna in this section also the Housing Provision Chain by Ambrose (1991) will be applied. The 5 stages defined by Ambrose will be applied and discussed in this section.

4.4.1 Promotion

The promotion of mixed tenure housing schemes in Birmingham can be described as a two way process. Democratically accountable actors and non-democratically accountable actors do have an influence on the promotion of mixed tenure housing schemes in Birmingham. Not-for-profit housing associations are guided by the local authority that can identify the housing need according to a housing need survey. People eligible for affordable housing can apply for housing at the local authority and get on a waiting list

including their preference in which area they want to live in. Not-for-profit housing associations consider providing a housing scheme in a particular area where there is a sufficient demand for housing and where the provision of housing is financial feasible. The housing associations make then the decision whether the provision of housing in the specific area is feasible. In the end, the decision is made by the not-for-profit housing association. The decision is, though, guided by the planning system.

4.4.2 Investment

In general, there are several ways of funding for not-for-profit housing associations. The main source of income for not-for-profit housing associations is nonetheless the rent of their tenants. To generate enough funds for the developing of new housing not-for-profit housing associations receive grants, engage private funding and access funding through the markets.

In Great Britain, though, the amount of direct object subsidies has declined since the 1980s. While in 1980 about half of the social housing subsidies were direct subsidies to the landlords, in 2004 object subsidies have fallen to a third. In the same period subject subsidies haven risen from around 40 per cent in 1980 to about 67 per cent in 2004. Basically subject subsidies intend to increase the demand for housing. (King, 2006: 34)

4.4.3 Construction

The actual construction of mixed tenure housing schemes is executed by builders which are appointed through a procurement process.

4.4.4 Allocation

The allocation of renters to affordable homes in mixed tenure housing schemes turns out to be a quite complicated process as there are different systems. Basically there is a waiting list for vacant homes. Some housing associations maintain their on waiting list and allocate the applicants according to their criteria. The criteria are based on a points

system according to the current housing need. But there are also some not-for-profit housing associations that do not maintain their own waiting list. In this case the waiting list of the public authority is used and the housing associations receive a nomination from the public authority. The housing associations can, however, refuse the nomination and can decide whether to allocate the individual or not, but the persons can also refuse the allocation. So in the end it is a two way process between democratically accountable actors and non-democratically accountable actors.

4.4.5 Subsequent Management

The final stage of housing provision according to Ambrose is the subsequent management. This stage is mainly done by the housing associations providing the mixed tenure housing scheme.

4.5 Conclusion of the Second Case Study

To conclude, one can say that mixed tenure housing schemes seem to be in wide use in the United Kingdom and also in Birmingham. Generally speaking, the mixing of tenures and the establishment of mixed communities have a long history in the United Kingdom and first ideas to foster social mix emerged already at the beginning of the 20th century. The 'Right to Buy' program, however, marks a new orientation in British housing politics which aims at fostering home ownership and consequently mixed tenure housing schemes. This initiative has proven to be very successful and a great number of sitting tenants of council homes have been able to purchase their dwelling. As a consequence, the number of social homes in Birmingham is relatively low with only about 22 per cent. On the other hand, the number of people living in owner occupied dwellings accounts for nearly two thirds of all residents in Birmingham. Generally speaking, the provision of mixed tenure housing schemes in Birmingham somehow also functions as a social policy tool. Many of the newly built mixed tenure housing schemes are located in deprived neighbourhoods. As a flagship model the project 'Crocodile Works' serves as an example for this argumentation. Projects like 'Crocodile Works' are intended to create mixed and

more sustainable communities by attracting homeowners into poorer neighbourhoods. The mixing of different social classes, though, does have the potential for conflicts. Stereotyping and different expectations of different tenures are mentioned in the interviews as possible issues in mixed tenure housing schemes. However, in newly built housing schemes the not-for-profit housing associations try to take measure from the very beginning on in order to avoid conflicts and maintain a harmonic communal life. The ratio of owner occupied homes and rented dwellings is not fixed at a specific level for different mixed tenure housing schemes. The ratio is rather the results of the individual circumstances of each development. As far as communal areas within mixed tenure housing schemes in Birmingham are concerned, one can conclude that so-called 'poor doors' do most likely not exist in Birmingham. Usually, all the tenures have equal access to the communal areas. Decision making is a slightly complicated process in mixed tenure housing schemes in Birmingham.

The analysis of the housing provision chain shows that mixed tenure housing schemes in Birmingham are basically a two way process between democratically accountable actors and non-democratically accountable actors. Planning authorities identify the need for additional affordable homes and in the end housing associations decided whether the development is feasible or not. When it comes to the funding of mixed tenure housing schemes, the analysis shows that public grants are important to facility housing but rents and funding on the markets make up a substantial part of the funds. In addition, direct object subsidies have decreased over the last couple decades. The construction is done by non-democratically accountable actors. The fourth stage of the housing provision chain is very important. The allocation of renters in Birmingham is done both by democratically accountable actors and non-democratically accountable actors as also public authorities maintain waiting lists for affordable homes and nominate suitable renters. The subsequent management is usually done by the housing associations providing the mixed tenure housing scheme and therefore by non-democratically accountable actors. To conclude, the provision of mixed tenure housing in Birmingham is not solely done by non-democratically accountable actors. This result may come surprising in a liberal welfare state.

So all in all, the research question, whether an inherent conflict between the different tenures in mixed tenure housing schemes can be identified, cannot be answered without any ambiguity. The interviews suggest that there is at least an increased potential on conflicts between the different residents in mixed tenure housing schemes. The conflict can manifest itself in differences in expectations or antisocial behaviour. The housing associations, though, try to tackle these problems by organising certain events and bring the residents together in order to avoid increased conflicts. As the main provider of mixed tenure housing schemes are not-for-profit housing associations and therefore they do not act out of purely profit-seeking motives one can assume that they pursue to a higher degree a harmonic communal life. There is still more research needed in order to further analyse the situation of conflicts in mixed tenure housing schemes compared to any other housing scheme.

It is hard to say whether in general the mixing of tenures can be regarded as neoliberal policy tool in Birmingham or England. 'The Right to Buy' program can probably be described as a neoliberal tool in the sense that it is resulting in the rolling back of the state and the reduction of council housing. The idea of purpose built mixed tenure housing schemes, though, seems to have a strong social intention in Birmingham. In addition, public authorities do have an influence on the provision of affordable housing and also mixed tenure housing Birmingham.

5 Comparison of the Case Studies and Conclusion

In order to make a comparison between the two case studies the differences and similarities between them will be discussed for each section. At the end an overall conclusion will be given.

5.1 Results and Discussion of the Interviews

In this section the results of the interviews with the housing associations of Birmingham and Vienna will be compared and discussed.

5.1.1 Motivation of Housing Associations to provide Mixed Tenure Housing Schemes

The motivation to provide mixed tenure housing differs between the two case studies. In Vienna there is a clear financial motivation for limited-profit housing associations to develop mixed tenure housing schemes. As the core business field of limited-profit housing associations is subsidised housing, the provision of owner-occupied apartments only functions as a cross-subsidy. In the case of Birmingham the motivation to provide mixed tenure housing schemes is basically the social impacts of such housing schemes on the neighbourhood. In Birmingham many of the newly built mixed tenure housing schemes are located in deprived neighbourhoods. The goal pursued with the provision of such housing schemes is to attract middle income or higher income households. As a consequence, more sustainable communities shall be developed. Financial considerations do also have an impact on the provision of mixed tenure housing schemes in Birmingham. Generally speaking, the selling off of dwellings to private households can also function as a cross-subsidy for affordable homes. However, the difference between housing prices on the private market and subsidised homes is not as big as in London for example. While in London housing associations can profit immensely from selling off dwellings in housing schemes, the financial surplus in Birmingham is not as high. Another aspect in Birmingham are Section 106 Agreements which can oblige housing associations to provide affordable homes and therefore provide mixed tenure housing schemes.

All in all, the financial aspect is of importance in both cities. In Vienna there is the direct link between the selling off of dwellings and the funding of subsidised homes. In Birmingham this direct impact is not as strong as in Vienna, even though connections between the selling of dwellings to private households and the provision of affordable homes exist. The social aspect of these housing schemes does not seem to play an important role in Vienna. In Birmingham, though, housing associations definitely stress this aspect.

5.1.2 Legal Aspects

When dealing with legal aspects of mixed tenure housing there are of course differences between the two case studies. In both countries the national legislation is crucial in the case of the provision of mixed tenure housing. In Austria there are basically two legal spheres regulating mixed tenure housing. On the one hand, there is legislation dealing with subsidised homes and on the other hand, there is legislation dealing with owner-occupied dwellings. Both of them are federal laws, so the local government cannot directly influence this legislation. Different rights and obligations can derive from the different legal regulations. In Birmingham one cannot find the two legal spheres. There are some differences in the regulations regarding the different tenures but basically they are regulated the same way.

To conclude, there are differences in the legal aspects of providing and managing mixed tenure housing schemes in the two cities. At this point the question arises what consequences the residents do experience. Are these differences really that big or are the only of technical nature? Further research would be necessary in order to investigate this topic.

5.1.3 The Ratio of Owner-occupied Homes and Rental Dwellings

In the case of the ratio of owner-occupied homes and rental apartments no big differences between the two cities can be identified. In both cities there are no fixed ratios between the different tenures and generally speaking the majority of homes in

mixed tenure housing schemes are rented homes. There may be a different reason for this ratio, though. In Vienna the majority of rented apartments is linked to the decision making process in mixed tenure housing schemes. As decision have to be made by the majority of the value in use, limited-profit housing associations will most likely maintain the majority in purpose built mixed tenure housing schemes. In Birmingham, basically, the number of dwellings being sold to private households depends on the individual circumstances. Mixed tenure housing schemes are often located in deprived neighbourhoods and housing associations try to attract people who can afford to buy their homes. As a consequence it seems logical that the number of dwellings being sold is relatively low in mixed tenure housing schemes in Birmingham.

As a conclusion one can say that there are no major differences in the ratio of different tenures in the mixed tenure housing schemes of Vienna and Birmingham. The reason as to why a majority of rented apartments exists however differs substantially. In Vienna the reason is due to the decision-making process and in Birmingham the housing associations probably have difficulties attracting more buyers.

5.1.4 Communal Areas in Mixed Tenure Housing Schemes

Firstly, in both cities the construction of so-called 'poor doors' that are intended to segregate the tenures from each other are non-existent; at least their existence is unknown to the interview partners. Basically, communal areas are equally accessible by all the residents of a mixed tenure housing scheme in both cities. In addition, it is not possible to identify the location of the different tenures from the exterior.

5.1.5 Life in Mixed Tenure Housing Schemes

When it comes to the daily life and conflicts in mixed tenure housing schemes, differences between the two case studies can be identified. In Vienna life in such housing schemes apparently is without any increased conflicts. In Birmingham however, the interviews show mixed results. One can therefore conclude that least in some mixed tenure housing schemes there is a greater potential for conflicts. The reasons for these differences are

hard to assess. In order to get a better understanding of life and conflicts in mixed tenure housing schemes further research is needed.

5.1.6 Decision Making

The process of decision making is in both cities a complicated issue. There are, though, differences in the way decisions are made in Vienna and Birmingham. In Vienna decisions are basically made by a majority of value in use. Therefore, the not-for-profit housing associations maintain the majority of the dwellings and of the value in use in a mixed tenure housing schemes. In Birmingham housing associations make the relevant decisions after consultations with all the residents. All in all, the way decisions are made can be important for the amount of dwellings being sold and for the way different tenures are represented in the housing schemes. Nevertheless, in the end the housing associations have the responsibility for most of the decisions in mixed tenure housing schemes in both cities.

5.2 Analysis of Structures of Housing Provision

The analysis of the provision of mixed tenure housing schemes through the application of the housing provision chain will also be discussed in this section.

5.2.1 Promotion

The analysis of the promotion of mixed tenure housing schemes in Birmingham and Vienna shows surprising results. In Vienna the promotion is basically done by non-democratically accountable housing associations. In Birmingham the promotion can be described as a two way process in which public and private actors are responsible for the promotion of mixed tenure housing. These results are surprising as Birmingham represents the liberal cluster of welfare state regimes, but public actors are more involved in the promotion of mixed tenure housing than in Vienna that stands for the corporatist-statist regime with a strong social democratic influence.

5.2.2 Investment

Generally speaking, the housing associations in Birmingham and Vienna have various possibilities to generate funds and it turns out that funding is a complex system. The rent of the tenants appears to be an important source of funding besides public subsidies. While in Austria subsidies are to a major part object subsidies, the United Kingdom subsidises the consumer through subject subsidies. These systems of subsidising differ substantially. Object subsidies increase the supply of housing and subject subsidies increase the demand. Each system follows a different logic of subsidising housing, the goal, though, is the same: a sufficient provision of housing. It is hard to say which system works best and which system is best to apply as it highly depends on the individual circumstances.

5.2.3 Construction

The construction of mixed tenure housing schemes in both cities is done by private builders.

5.2.4 Allocation

The allocation of owners seems to be a clear process in both countries. As mainly private funds are invested, the allocation is carried out through private markets. Subsidised homes are at least partially financed with public money. Therefore, democratically accountable actors contribute to the allocation of renters in mixed tenure housing schemes. In both cities renters can apply for subsidised homes through the local authorities. Naturally, there are differences in the detailed processes of allocation but in general the systems are to some degree similar and in both case studies non-democratically accountable actors as well as democratically accountable actors are necessary to allocate the dwellers to mixed tenure housing schemes.

5.2.5 Subsequent Management

In both cities the subsequent management is basically done by the housing associations and no major differences between the case studies could be identified.

5.3 Final Discussion

The comparative analysis of Birmingham and Vienna has shown that the role of mixed tenure housing differs a lot in the two case study cities. These differences are due to the history of housing in the cities, as well as to legislation and intended purpose of mixed tenure housing. In Vienna the financing aspect of owner-occupied homes is predominating while in Birmingham the social effects are the most important motivation to provide mixed tenure housing.

An inherent conflict between the different owners could not be identified in both case studies but in some housing schemes in Birmingham an increased conflict between renters and owners was recorded. The reason for these differences may be due to the different status of affordable housing in the two cities and countries. In general, there are major contrasts with regard to the recipients to whom affordable housing in England and Austria is targeted. In England, affordable housing is apparently only targeted at low income groups whereas in Austria and especially in Vienna, social or subsidised housing is for a wider range of residents, as about 60 % of all residents live in subsidised homes. Therefore, in Birmingham's mixed tenure housing schemes, the differences between the residents tends to be bigger than in Vienna.

The low amount of affordable homes in Birmingham may be explained by the liberal welfare state which basically builds on self-responsibility. That approach leads to the belief that the welfare state regime has a decisive influence on mixed tenure housing schemes. However, one has to take into consideration that many decisions of the housing associations regarding the provision of mixed tenure housing in Birmingham are in practice guided by the local authority, whereas that is not necessarily the case in Vienna. To conclude, the welfare state regime does not necessarily influence the actual form of the provision and management of mixed tenure housing schemes.

It is hard to say in general whether mixed tenure housing can be regarded as a neoliberal policy tool. It is in a way an instrument of privatisation of social housing, as social homes are provided by private companies. These companies are, though, not-for-profit or only for limited profit. Therefore, they do not act out of purely profit-seeking motives. In Vienna, mixed tenure housing is basically provided by non-democratically accountable actors. In Birmingham, the promotion of mixed tenure housing is at least guided by democratically accountable actors. Public authorities in both countries also distribute renters to social homes in mixed tenure housing schemes. In both countries, central parliaments have introduced laws to promote home ownership and the selling off of public housing. While in England, this policy has turned out to be very effective, in Vienna only few people took advantage of the possibility to buy their rented subsidised dwelling.

The hypothesis cannot be confirmed entirely. There are differences in the provision and management of mixed tenure housing in Birmingham and Vienna. These differences cannot be described as substantial, as only some aspects differ between the two cities. Conflicts can occur but are not necessarily a by-product of the provision of mixed tenure housing. In the liberal welfare state regime, the main purpose of mixing tenures is not merely the adding of social homes to a housing development, but, more importantly, the creation of mixed communities. In Vienna, the form of purpose built mixed tenure housing is not in wide use.

All in all, mixed tenure housing can be a favourable option to provide a greater number of affordable homes by selling a minor part of the dwellings to private owners. Life in such housing schemes can work without any increased conflicts and they can help to create more sustainable communities.

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7 Appendix

7.1 Abstract

The focus of this thesis is the provision and management of mixed tenure housing schemes. Mixed tenure housing is characterised by multiple ownership of dwellings, to be more specific, social housing and privately owned dwellings within one housing estate. Two cities of different welfare state regimes were chosen as case studies: Birmingham, which represents the liberal welfare state regime on the one hand and Vienna, which stands for the corporatist-statist welfare state regime with a strong social democratic influence on the other hand. The aim of the thesis is to analyse the reason why mixed tenure housing is provided and what challenges housing associations have to cope with.

7.2 Zusammenfassung

Der Fokus dieser Arbeit liegt auf der Bereitstellung und der Verwaltung von „mixed tenure“ Wohnanlagen. „Mixed tenure“ bedeutet eine Mischung von verschiedenen Eigentumsformen innerhalb einer Wohnlage; um genauer zu sein, handelt es sich bei dieser Arbeit um Wohnanlagen bei denen sowohl geförderte Mietwohnungen als auch Eigentumswohnungen vorhanden sind. Als Fallbeispiele wurden zwei Städte gewählt, die unterschiedliche Wohlfahrtsregime repräsentieren. Birmingham steht für das liberale Regime und Wien für das konservativ-korporatistische Regime mit einem starken sozialdemokratischen Einfluss. Das Ziel der Arbeit besteht darin die Unterschiede zwischen den beiden Städten bezüglich der Intention und der Probleme solcher Wohnungsprojekte herauszuarbeiten und zu analysieren.

7.3 Curriculum Vitae

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