

Best Practice 01 Urban Planning



Vienna's Housing Policy: A master class in Affordable Housing

Vienna's housing strategy exemplifies how addressing complex issues in public policy can lead to positive and meaningful results for everyone. Through the effective implementation of this strategy, Vienna has ensured broad access to affordable housing, helping to stabilise market costs, particularly for low- and moderate-income individuals.

While affordable housing alone cannot make the entire housing market accessible to everyone, it plays a crucial role in maintaining affordability and preventing extreme price fluctuations. As a result, Vienna remains one of the most accessible housing markets in the world and a model for admired urban housing policies globally.

The City's strategy combines public and social housing, strict rent controls, and residency security, becoming a living lesson for cities facing affordability crises. A key feature of Vienna's approach is the clear and structured allocation of public housing. Applicants must meet specific criteria, including age, residency duration, citizenship status, and income limits, to qualify for subsidised or municipal flats. This transparency ensures equitable access and fosters public trust in the housing system. By balancing diverse housing needs across income levels using innovative and integrated policies, Vienna ensures long-term sustainability and inclusivity. Vienna's strategy also aligns with and inspires [the Urban Agenda for the EU Partnership on Housing](#), acting as coordinator.¹

Key elements of Vienna's housing market structure success:

a) It is Predominantly a Rental Market

Vienna's housing market is predominantly rental based, with 78% of the housing stock dedicated to rentals. Public housing plays a key role, accounting for 58% of the rental market. Vienna has two types of public housing:

1. **Community-Owned Flats:** built before the 1980s and directly owned by the city, they form the backbone of the city's historic commitment to affordable housing.
2. **Cooperative Flats:** constructed through public-private partnerships since the 1980s, involving nonprofit housing corporations and offer affordable units to various income groups.

These models ensure that 60% of Vienna's residents live in publicly supported housing. Unlike other cities, Vienna's public housing policy does not segregate tenants based on their income but instead encourages socioeconomic diversity, ensuring inclusion and promoting cohesion between different demographic groups.

b) Strict Regulation of Private and For-Profit Rentals

In Vienna, 77% of private rentals are subject to rent controls, which reduce excessive rent increases and maintain affordability. These controls are based on key factors such as construction date, size or location.

A significant portion of Vienna's housing stock has benefited from government-funded renovations, with rent controls imposed to prevent excessive landlord profits. This innovative strategy has modernised over 170,000 units while maintaining their affordability.

c) Effective Tenure Security

Vienna boasts some of the strongest tenant protections globally, offering long-term security to renters. Until recently, indefinite leases were standard practice, and even now, landlords must provide discounts for fixed-term contracts. These protections foster tenant stability, as leases can often be passed down to family members, promoting generational security.

d) Public Renovations and Rent Control Integration

As mentioned, Vienna's public renovation programmes have been transformative, with over 170,000 private housing units upgraded using public funds. These renovations modernized the housing stock while preserving affordability by imposing rent controls that prevent landlords from exploiting the improvements for profit. Integrating public investment with affordability safeguards is a cornerstone of Vienna's housing policy.

The Strategy Behind: Vienna's Integrated Approach to Housing Policy

Despite its complex regulations, Vienna's overarching goal is clear: to limit profit-driven housing while ensuring inclusivity and long-term affordability. Having a low percentage of the city's housing operating free of rent controls means that

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affordable options dominate the market and set competitive pricing standards.

Vienna's success stems from its ability to leverage federal laws, some dating back to the Hapsburg era, alongside progressive municipal policies. The city's integrated approach—where every reform complements others—ensures coherence in housing policy and delivers results that are admired globally.

Vienna's strategy demonstrates that the profit motive and housing affordability are fundamentally incompatible. By minimising profit as the driving force in most of its housing stock, the city has proven that long-term affordability is achievable. This model underscores the potential for other urban centres to address housing crises by prioritising public good over market-driven solutions.

Vienna's housing policy sets a compelling precedent for cities worldwide, especially those facing affordability challenges. Its integrated approach—combining strong tenant protections, public investment, and rent controls—offers a practical, sustainable path to creating inclusive and affordable urban environments.

Strategic Objectives

1. Providing affordable and quality housing, since the 1920s. Vienna has prioritised social housing construction to ensure its residents have access to dignified and affordable homes. Approximately 60% of the population lives in high-quality social housing, including middle-class families and young professionals.

2. Preventing social segregation through an integrative model which includes diverse social groups, avoiding ghettos and promoting social cohesion. Historic complexes like the Karl-Marx-Hof house a mix of residents, fostering harmonious relationships between different classes.

3. Regulating and reducing the demand pressure on the private housing market, by maintaining a vast supply of public housing and an affordable public housing stock. Vienna mitigates housing market imbalances, ensuring that the entire city remains accessible to all residents, regardless of their financial status.

4. Enhancing sustainability and environmental standards. Many new public housing projects incorporate energy-efficient

designs, green spaces, and environmentally friendly technologies. The goal is to reduce the city's carbon footprint while creating healthier living environments for residents.

5. Supporting mixed-income communities within its public housing schemes. This approach reduces economic segregation and fosters diversity, helping residents from various income levels live together, strengthening social ties, and reducing inequality.

6. Encouraging public-private partnerships, particularly in developing cooperative flats. This allows for innovative affordable housing solutions, while maintaining public control over its affordability and quality.

7. Combatting homelessness by providing supportive housing solutions for vulnerable populations. This includes social housing initiatives to ensure that even those facing economic hardship or at risk of social exclusion can secure long-term accommodation.

MAIN OUTCOMES

Vienna's housing policy has led to a **58% public housing rate**, ensuring affordability and quality for diverse groups (Source: [Social Housing in Vienna](#)). Rent controls cover **77% of private rentals**, stabilising the market (Source: [City of Vienna - Housing Information](#)).

The integration of various income groups promotes social cohesion and prevents segregation (Source: [Social Housing in Vienna](#)).

Vienna's commitment to long-term affordability is exemplified by **over 170,000 renovated units** under public funding (Source: [Vienna Housing Authority](#)).

AWARDS:

UN-Habitat **Scroll of Honour Award** (2010); **European Housing Award** (2021); **Vienna Housing Award** (2024).

1. You can learn more about the results of the Housing Partnership through this Policy Guidelines for Affordable Housing in European Cities including more good practices and an overview of actions and recommendations <https://www.urbanagenda.urban-initiative.eu/partnerships/housing>

