



Green Social Housing

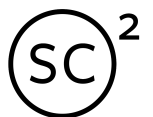
Lessons from Vienna

**Climate &
Community**
INSTITUTE

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Ruthy Gourevitch, and Gianpaolo Baiocchi**

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Cover image: Sonnwendviertel social housing complex, photo by Climate and Community Institute.

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Executive Summary

This report outlines the key features of Vienna's green social housing system, and emphasizes its lessons for the US context.

The United States's housing crisis is obvious to all—not enough homes, unsustainable costs, and the growing ravages of climate disasters. To ensure abundant green housing security for all, we need fresh ideas that tackle the housing and climate crises together, a fact reflected in increasing countrywide campaigns to establish green social housing. There's growing interest in other housing models, especially Vienna's famous success. But despite some excellent journalism, and specialist academic research, the details of Vienna's social housing model are still widely unknown. This research report outlines the key features of Vienna's green social housing system, and emphasizes its lessons for the US context. We believe that policymakers and practitioners could start achieving similar results right away.

Vienna is the global capital of social housing. As of this writing, over 40 percent of the city's housing units are social housing, providing homes for the majority of the city's renters.¹ And, as the city's population has grown over the past two decades, Vienna has continued to build affordable, beautiful housing: 5,000 units per year, representing nearly one third of all housing construction in the city.² In Vienna's social housing communities, doctors live next to janitors, and grandparents live down the street from their kids. Community gardens, playrooms, and quality architecture abound. Social housing is the foundation of the city's good life. Vienna has been ranked repeatedly by the Economist Intelligence Unit as the world's best city to live in.³

Vienna has been building social housing since 1923 through two main models: municipal social housing and "limited-profit" social housing. Municipal social housing is the original model; these homes are fully owned by the city and rented out to people with a wide range of incomes, with rents affordable enough for the lowest-income households. Limited-profit social housing is publicly subsidized, privately developed, and heavily regulated social housing.⁴ This has been the most common form of social housing built in recent decades.

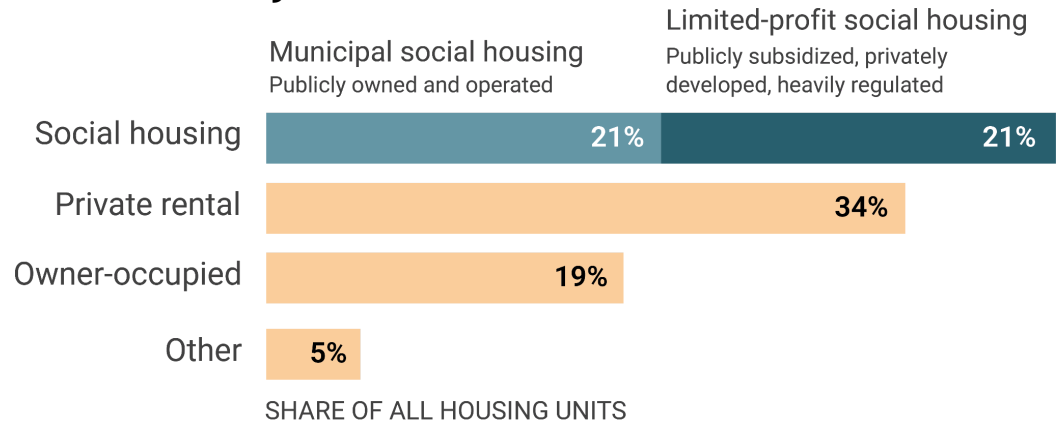
¹ City of Vienna, "The 'Vienna Model,'" accessed April 30, 2025, <https://socialhousing.wien/policy/the-vienna-model>; Statistik Austria, "Zahlen, Daten und Indikatoren der Wohnstatistik," 2023, Übersicht 2, Grafik 4, https://www.statistik.at/fileadmin/user_upload/Wohnen-2023_Web-barrierefrei.pdf.

² City of Vienna. "Vienna's Population 2024 – Facts and Figures on Migration and Integration," accessed April 30, 2025, <https://www.wien.gv.at/english/social/integration/facts-figures/population-migration.html>; City of Vienna, "Limited-Profit Housing Construction," accessed December 25, 2023, <https://socialhousing.wien/tools/limited-profit-housing-construction>.

³ Economist Intelligence Unit, "The Global Liveability Index 2024," 2024, <https://www.eiu.com/n/campaigns/global-liveability-index-2024>

⁴ In normal terms we might call this non-profit housing in the sense that LPHAs have to invest their limited "profits" (excess revenue after costs are paid out) back into housing provision and upkeep.

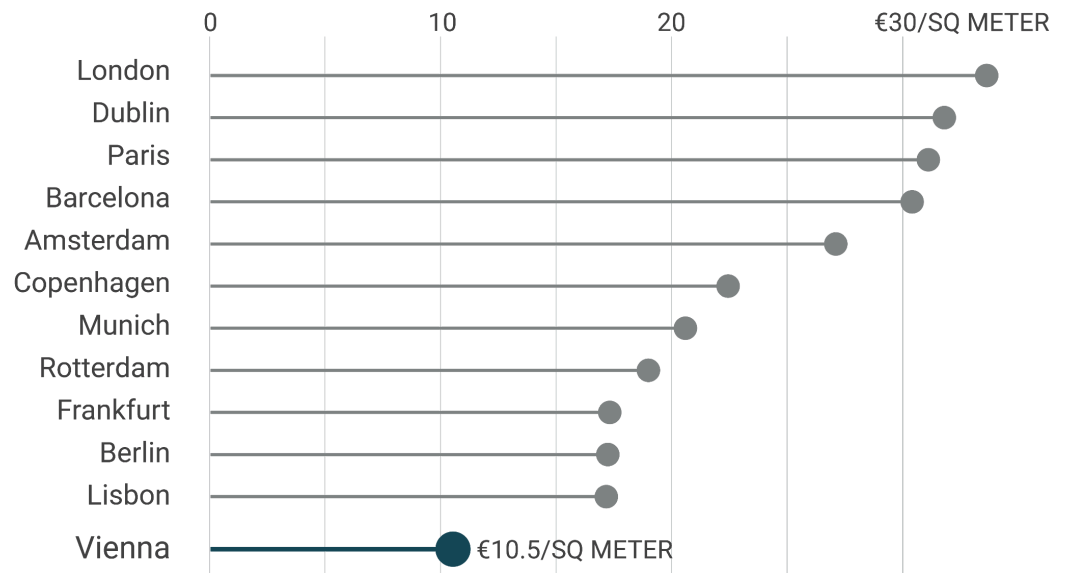
The majority of Vienna’s renters live in the city’s 400,000 units of social housing.



Source: Climate and Community Institute, using data from Statistik Austria (2023)⁵

Thanks to its social housing and widespread rent control, housing costs are low for all of Vienna’s 1.6 million renters (80 percent of the overall population of 2 million).⁶ **In 2023, the average rent per square meter in Vienna was €10.5; by contrast, rents in Inner London were over three times as high. No major city in Western Europe has lower rents.**⁷

Rents in Vienna are the lowest among all major Western European cities.



Source: Climate and Community Institute, adapted from Deloitte (2024)⁸

⁵ Statistik Austria, “Zahlen, Daten und Indikatoren der Wohnstatistik,” Grafik 4.

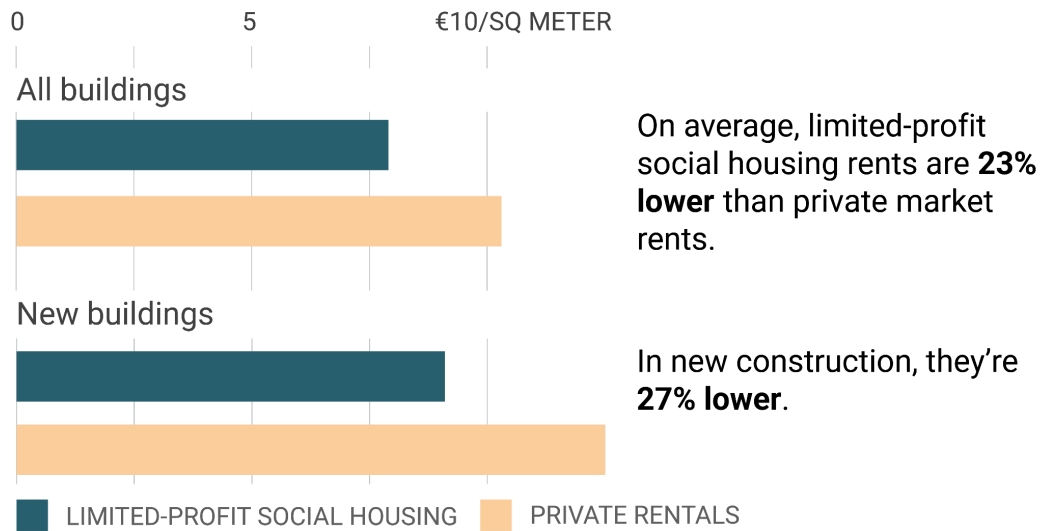
⁶ Michael Klien et al., “The Price-Dampening Effect of Non-Profit Housing,” Austrian Institute of Economic Research, WIFO Research Briefs, May 2023, <https://www.wifo.ac.at/en/publication/48877/>.

⁷ Miroslav Linhart et al., “Property Index: Overview of European Residential Markets,” Deloitte, August 2024, <https://www.deloitte.com/nl/en/Industries/real-estate/perspectives/property-index-deloitte.html>.

⁸ Miroslav Linhart et al., “Property Index: Overview of European Residential Markets.”

Within Vienna, new social housing units continue to be more affordable than privately owned units. On average, new limited-profit social housing rents are 27 percent lower than private rentals.⁹ Unlike Vienna, most cities in the rich world are seeing their social housing stocks erode; in the US, the public housing stock has declined by one quarter in the 21st century.¹⁰

Vienna’s limited-profit social housing is significantly less expensive than private-market housing.



Source: Climate and Community Institute, adapted from Austrian Federation of Limited Profit Housing Associations (2022)¹¹

⁹ In-person presentation from Gerald Koessl, Austrian Federation of Limited Profit Housing Associations, October 18, 2022.

¹⁰ Kira McDonald, Daniel Aldana Cohen, and Ruthy Gourevitch. "The Case for a Green New Deal for Public Housing." Climate and Community Project, March 2024, <https://climateandcommunity.org/wp-content/uploads/2024/09/GND4PH-Report-050824.pdf>.

¹¹ In-person presentation from Gerald Koessl, Austrian Federation of Limited Profit Housing Associations.

Vienna's green social housing is integral to its climate policies.

Because Vienna's social housing is constructed and operated based on *public* policies grounded in community support, it has not only put much of the city's built environment under public control but also increased the power of its public sector overall. **This has allowed the city government and other nonprofit groups to prioritize public goods—public transit, social equity, and women's needs, for example—over private developers' profits.**

A strong public sector in Vienna has also enabled the city to become a global leader in climate resilience and green innovation. More of Vienna's residents now own an annual public transit pass than a car.¹² And thanks to robust investments in renewables by its public energy utility, the city currently serves 72,000 residents via solar power—a fivefold increase in the last five years—with an aim to serve a total of 530,000 residents by 2030.¹³ Since 1990, Vienna has cut CO₂ emissions from its largest emitter—its buildings sector—by 37 percent, including a whopping 20 percent in just the last five years.¹⁴

Vienna's green social housing is integral to its climate policies. As part of its \$30 billion plan to eliminate greenhouse gas emissions by 2040, Vienna has accelerated interventions to remove all gas from its building systems.¹⁵ It is ramping up consultations with residents to gain their trust for building upgrades; expanding large-scale district heating systems; shifting operations from gas combustion to electric heat pumps powered by renewable energy (including geothermal) and waste heat; and developing district cooling systems.¹⁶

¹² City of Vienna, "Vienna Climate Guide," March 2022, 25, <https://www.wien.gv.at/english/environment/klip/program.html>.

¹³ City of Vienna, "Solar Energy Handbook," 2022, <https://www.wien.gv.at/stadtentwicklung/energie/pdf/solarleitfaden-en.pdf>; Patrick Jowett, "Vienna's Largest Stadium Completes Solar Array," *PV Magazine*, March 28, 2025, <https://www.pv-magazine.com/2025/03/28/viennas-largest-stadium-completes-solar-array>.

¹⁴ City of Vienna, "Vienna Climate Guide," 58.

¹⁵ European Commission, "Vienna's Detox for an (Even) Happier City," Covenant of Mayors – Europe, Directorate-General for Energy, accessed April 30, 2025, <https://eu-mayors.ec.europa.eu/en/vienna-s-heat-detox-for-an-even-happier-city>; City of Vienna, "Czernohorszky/Gaál/Hanke/Gara: Vienna's Heat Plan 2040 Illustrates Vienna's Climate-Neutral Future," City Hall Correspondence, May 6, 2024, <https://web.archive.org/web/20240516084557/https://presse.wien.gv.at/presse/2024/05/06/czernohorszky-gaal-hanke-gara-wiener-waermepplan-2040-veranschaulicht-klimaneutrale-zukunft-wiens>.

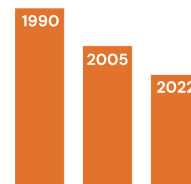
¹⁶ City of Vienna, "Vienna Climate Guide," 58; City of Vienna, "Phasing Out Gas: Heating and Cooling Vienna 2040," February 2023, <https://www.wien.gv.at/stadtentwicklung/energie/pdf/phasing-out-gas.pdf>.

Notably, the city is using its competitive process for social housing developers to “drive social innovations and generate new solutions for climate protection and climate adaptation.”¹⁷ It has launched programs to retrofit its existing stock of social housing, with upgrades ranging from new insulation to greening HVAC to adding rooftop solar panels.¹⁸ The city and its buildings have begun using heat pumps to run very cold water through pipes, thereby cooling homes and offices with greater efficiency than traditional air conditioning.¹⁹ These in-building interventions complement the city’s broader efforts to map and mitigate heat islands.²⁰

Vienna’s social housing plays a key role in decarbonization.

As of 2024, there were **80** retrofit and upgrade projects underway in Vienna’s social housing, representing **€800 million** of investment.

Since 1990, Vienna has cut heat-trapping carbon dioxide emissions from its largest emitter—its buildings sector— by **37 percent**.



Sources: Climate and Community Institute, using data from Kaja Šeruga (2024)²¹ and City of Vienna (2022)²²

¹⁷ City of Vienna, “Phasing Out Gas: Heating and Cooling Vienna 2040,” 30.

¹⁸ Kaja Šeruga, “Light, Air, Sun, Carbon Neutrality: Greening Vienna’s Social Housing,” *Green European Journal*, May 17, 2024, <https://www.greeneuropeanjournal.eu/light-air-sun-carbon-neutrality-greening-viennas-social-housing>.

¹⁹ Medical University of Vienna, “Climate-Friendly Cooling: New District Cooling Center for Alsergrund,” July 3, 2023, <https://www.meduniwien.ac.at/web/en/ueber-uns/news/2023/default-34fee72b1e-3/klimafreundlich-kuehlen-neue-fernkaeltezentrale-fuer-den-alserground>.

²⁰ City of Vienna, “Vienna Heat Action Plan: For a Cool Vienna,” n.d., <https://www.wien.gv.at/english/environment/klip/heat-action-plan.html>.

²¹ Šeruga, “Light, Air, Sun, Carbon Neutrality: Greening Vienna’s Social Housing.”

²² City of Vienna, “Vienna Climate Guide.”



Biotope City, a new green social housing development. Photo courtesy of IBA_Wien.

Today, Vienna's social housing shelters residents from both real estate speculation and climate breakdown.

Vienna's model works because it is popular, and it is popular because it is tangible. Vienna's public agencies produce high-quality public goods that people can touch. The city's Social Democratic Party, long rooted in the working class, first began building social housing over a century ago and has been identified with it ever since. It has never lost a free election.

Today, Vienna's social housing shelters residents from both real estate speculation and climate breakdown. Although Vienna's history and institutions are unique, the city's social housing model provides ample lessons for other cities looking to decrease rents and increase climate resilience.

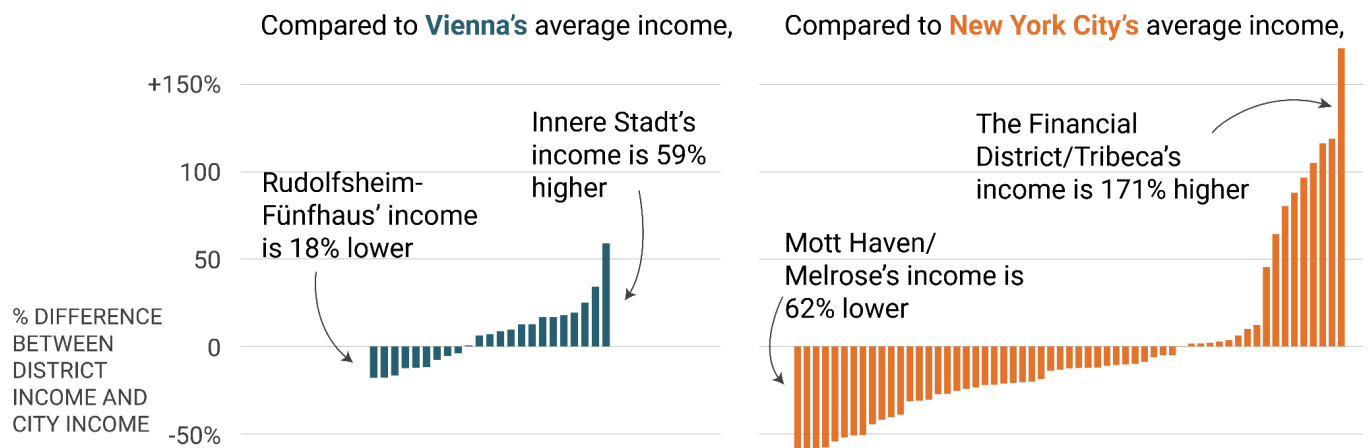
Four strengths of Vienna's model stand out:

1. **Green social housing ensures permanently affordable housing for a range of residents.** Thanks to a large supply of both municipally owned and "limited-profit" social housing and strong rent control regulations, Vienna is able to provide permanently affordable, high-quality homes to households earning a broad mix of incomes. Vienna has built social housing in every district, and regulates rents across the city. Vienna boasts greater income diversity within neighborhoods—and far less inequality between them—than

comparable American cities. Overall, thanks to its social housing and related policies, Vienna’s neighborhoods have a far more equitable distribution of income than, for example, New York’s.

Vienna’s social housing anchors urban equity. Income differences across Vienna districts are far smaller than New York City’s.

In Vienna, social housing is spatially distributed throughout the city, anchoring relative spatial equity. In New York City, income inequality by neighborhood is much starker.



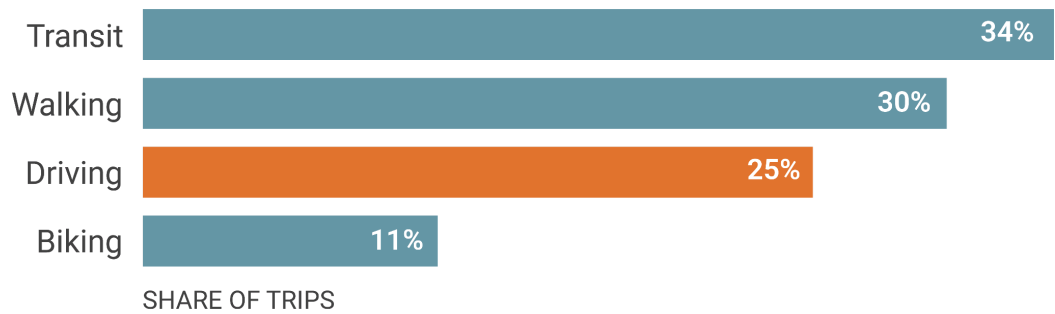
Sources: Climate and Community Institute, using data from City of Vienna (2024), NYC Department of City Planning (2023), Census ACS (2023)²³

- Livable, inclusive, and sustainable communities are created by comprehensive planning and anchored in social housing.** On our research trips to Vienna, we saw cohesive and integrated communities, well-served by public transit and full of parks and recreational infrastructure. The city’s social housing anchors a progressive urban planning regime that has emphasized sustainability, gender equity, low-carbon mobility, and other public goods.²⁴

²³ Vienna data represents the gross average annual salary per employee by district (see Table 9.1.2 in City of Vienna, “Statistisches Jahrbuch der Stadt Wien 2024: Wien in Zahlen,” November 2024, <https://www.wien.gv.at/statistik/pdf/jahrbuch.pdf>); New York City data represents the average annual household income by community district (see New York City Department of City Planning, “2022 ACS 5-Year,” <https://www.nyc.gov/content/planning/pages/resources/datasets/american-community-survey> (variable MnHHIncE)); for total New York City average household income, see Table S1902 in US Census American Community Survey, “2022 5-Year Estimates.”

²⁴City of Vienna, “Gender Mainstreaming in Vienna,” accessed May 21 2025, <https://www.wien.gv.at/english/administration/gendermainstreaming>.

Vienna's social housing anchors a broader approach to urban planning that prioritizes low-carbon mobility.



Source: Climate and Community Institute, adapted from Christoph Engelmaier (2025)²⁵

3. Green social housing provides a foundation of climate action.

Vienna shows how public ownership and regulation, a strong civil service, and a hefty social housing sector can accelerate climate action. Publicly owned buildings and land provide pilot locations for large-scale green projects, allowing social housing to act as a “role model” and “first mover” for the rest of the city’s building stock. Developer competitions institutionalize these advances, while stringent criteria for sustainability drive new green innovation in the building sector, creating a virtuous cycle of increasingly cleaner construction. And through public ownership of its energy utility, Vienna is installing solar panels across the city, and expanding geothermal energy development, integrating waste heat with large-scale heat pumps, and expanding its district heating network (and district cooling) while powering it with ever-greener energy, all to ensure year-round comfort in the city’s homes.

4. Durable political alliances sustain green economic populism over time.

The Social Democratic Party kickstarted the city’s social housing boom over a century ago, and voters have rewarded them with victories in every free election since. Thanks to the social housing’s direct, widespread, and literally tangible social uplift, the city has continued building social housing at scale despite neoliberal pressures, and irrespective of national political swings. The continued successes of the Viennese social housing model has also relied on a network of supportive political institutions—labor unions, tenant associations, neighborhood groups, the Chamber of Labor, and the Social Democratic Party. It’s this favorable political context that has allowed Vienna’s housing experts to put their architectural and financial expertise into providing high-quality housing for all.

²⁵ Christoph Engelmaier, “More and More Public Transport and Fewer Cars in Vienna.”

Vienna's municipal green social housing system provides an example of how, in the context of a conservative national government, states and cities can still take bold action to tackle the housing and climate crises together.

We must also confront the model's weaknesses. Discrimination against immigrants, and people descended from immigrants, is widespread in Vienna, and even more so in Austria generally. The city's efforts to tackle this racism, overall and in its social housing system, have had mixed results. People living in Vienna can now move into social housing after residing in the city for two years, but the social housing system has not, on the whole, welcomed residents with migrant backgrounds at rates comparable to their population share.

More broadly, while Vienna's limited-profit housing sector has been an ingenious way to keep building social housing even under conditions of neoliberal austerity, its successes are premised on being paired with municipal social housing. **For American cities and states to replicate Vienna's success, they would need to expand both kinds of social housing—social housing built and operated by public agencies, and social housing built by other organizations.**

Overall, at a time when federal housing and climate progress are facing steep opposition in the United States, the road to social housing may seem daunting. **But Vienna's municipal green social housing system provides an example of how, in the context of a conservative national government, states and cities can still take bold action to tackle the housing and climate crises together.**

When social housing is broadly available and beautifully made, it can be a unifying project that sustains progress across generations.



Sonnwendviertel, a social housing complex recently built on redeveloped railyards. Photo: Climate and Community Institute.

Introduction

The United States' failure to provide stable, affordable homes is causing an extraordinary crisis. The widespread lack of stable housing robs people of economic security, fuels political chaos, and makes climate change even more dangerous. This crisis has been building for decades, and it demands a crisis-level, comprehensive policy response.

In recent years, a groundswell of housing advocates from the grassroots level to the halls of Congress has been calling for bold new models that will increase housing security, bring down rents, and curb the power of exploitative real estate interests.²⁶ Simultaneously, climate advocates have argued that building green housing outside conventional markets—and upgrading low-income housing with protections for tenants—could address the housing crisis and climate breakdown at one stroke while also making progressive policy more popular.²⁷ No surprise, then, that green social housing has become the rallying cry for growing ranks of progressives in the United States.²⁸

Policymakers also have a successful, popular, and durable social housing model to point to: Vienna.

Established almost a century ago, Vienna's social housing program has lowered and stabilized rents for swaths of its residents, fostered strong progressive political alliances across city institutions, and created the conditions for bold green innovation. Due in part to its frequent citation as one of the world's most livable cities, mainstream journalists are now covering Vienna's housing successes as well.²⁹

²⁶ Climate and Community Institute et al., "Building Our Future: Grassroots Reflections on Social Housing," May 2024, <https://climateandcommunity.org/research/grassroots-reflections-social-housing/>; Alexandria Ocasio-Cortez and Tina Smith, "Our Solution to the Housing Crisis," *New York Times*, September 18, 2024, <https://www.nytimes.com/2024/09/18/opinion/aoc-tina-smith-housing.html>.

²⁷ Daniel Aldana Cohen and Mark Paul, "The Case for Social Housing," Justice Collaborative Institute, Data for Progress, November 2020, <https://theappeal.org/wp-content/uploads/2020/12/the-case-for-social-housing-2.pdf>; Gianpaolo Baiocchi et al., "Green Social Housing at Scale: How a Federal Green Social Housing Development Authority Can Build, Repair, and Finance Homes for All," Climate and Community Institute, June 2024, <https://climateandcommunity.org/research/green-social-housing-at-scale/>; Daniel Aldana Cohen and Thea Riofrancos, "Biden Left Us with a Prius Economy; It's Time for Something Different," *New York Times*, January 7, 2025, <https://www.nytimes.com/2025/01/07/opinion/electric-vehicles-tax-credits.html>.

²⁸ Daniel Aldana Cohen, "A Green New Deal for Housing," in Craig Calhoun and Benjamin Fong, eds., *The Green New Deal and the Future of Work* (Columbia University Press, 2022), 237–254.

²⁹ Philip Oltermann, "The Social Housing Secret: How Vienna Became the World's Most Livable City," *Guardian*, January 10, 2024, <https://www.theguardian.com/lifeandstyle/2024/jan/10/the-social-housing-secret-how-vienna-became-the-worlds-most-livable-city>; Aitor Hernandez-Morales, "How Vienna Took the Stigma Out of Social Housing," *Politico*, June 30, 2022, <https://www.politico.eu/article/vienna-social-housing-architecture-austria-stigma>; Francesca Mari and Luca Locatelli, "Lessons From a Renters' Utopia," *New York Times*, May 23, 2023, <https://www.nytimes.com/2023/05/23/magazine/vienna-social-housing.html>; Richard Conway, "Vienna Launched a Public Housing Revolution in the 1920s," *Bloomberg*, November 8, 2023, <https://www.bloomberg.com/news/features/2023-11-08/the-design-history-of-vienna-s-world-famous-social-housing>.

In 2022, we traveled to Vienna along with tenants, organizers, researchers, and policymakers from New York State and the San Francisco Bay Area to study the city's social model. What we found was an immensely successful housing program that sheltered a wide range of households from real estate speculation and anchored a progressive and sustainable urban planning regime.³⁰

Although Vienna's history and institutions are distinct, its experience with social housing provides important lessons for US policymakers, activists, and housing advocates. In this report, we summarize Vienna's model, highlighting its considerable strengths as well as its weaknesses. We conclude with recommendations for how American actors might adapt the Vienna model to the US context while avoiding its pitfalls.³¹

The idea of a national green social housing program may seem like a daunting longshot in the current political environment. But Vienna shows us what is possible when cities and regions take charge to house people amid a crisis—and provides a blueprint for realizing housing victories in the United States.

About the Viennese Social Housing System

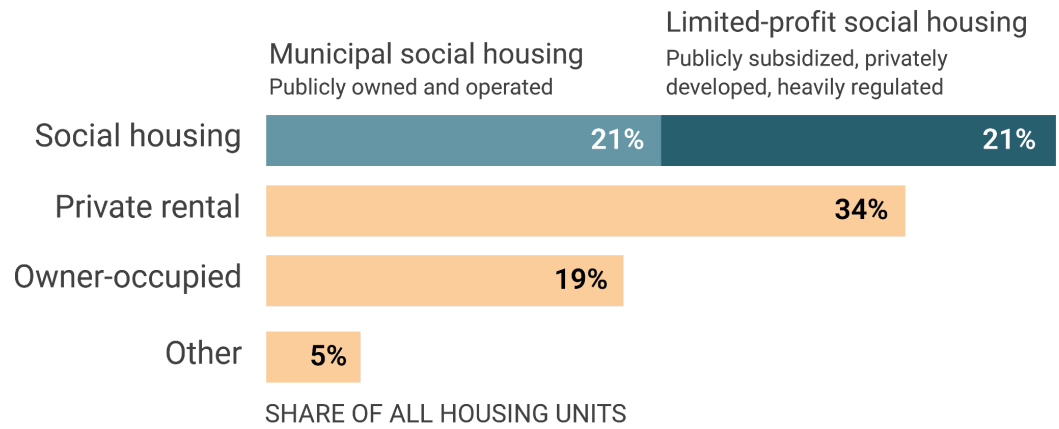
As of this writing, the majority of Vienna's renters live in some form of social housing. **Over 40 percent of the city's housing units are either fully owned or subsidized by the city, creating the foundation for the city's exceptional quality of life and ambitious climate plans.**³² No other large city in Europe or North America can compare to Vienna's scale of innovative, increasingly green social housing.

³⁰ To hear more about this trip from the perspective of co-participants, see Oksana Mironova, "Reflections on Vienna's Social Housing Model from Tenant Advocates," *The Nation*, January 5, 2023, <https://www.thenation.com/article/society/reflections-vienna-social-housing>.

³¹ In a longer, forthcoming report, we delve into these issues in greater detail.

³² City of Vienna, "The 'Vienna Model,'" accessed April 30, 2025, <https://socialhousing.wien/policy/the-vienna-model>; Statistik Austria, "Zahlen, Daten und Indikatoren der Wohnstatistik," 2023, Übersicht 2, Grafik 4, https://www.statistik.at/fileadmin/user_upload/Wohnen-2023_Web-barrierefrei.pdf.

The majority of Vienna’s renters live in the city’s 400,000 units of social housing.



Source: Climate and Community Institute, using data from Statistik Austria (2023)³³

Organized community members, supportive institutions, and dedicated experts have ensured the growth and innovation of Vienna’s social housing system.

To be sure, Vienna’s housing successes did not happen overnight—the city has been building social housing for over a century. And although the model has changed over time—from solely building *municipal housing* (homes wholly owned and operated by the city) to prioritizing new *limited-profit housing* (homes insulated from conventional markets and heavily regulated)—**the city’s social housing proponents have sustained their core vision: making affordable, high-quality housing available to a broad range of people.**

Throughout the last 100 years, three sets of actors have ensured the growth and innovation of Vienna’s social housing system: (1) **organized community members**, who through various groups (including renter organizations) continuously fought for better housing and held institutions accountable; (2) **supportive institutions**, especially the Social Democratic Party and the growing municipal government, which viewed the provision of high-quality social housing as a fundamental duty and goal; and (3) **dedicated experts** like architects, urban planners, and financial analysts, who ensured that social housing was built to a high standard and had the resources for maintenance and upgrades. Together, these actors secured both the longevity and adaptability of social housing policies and projects.

As with social security in the United States, success did not flow from a single, unchanging policy. Rather, once the political commitment to the public good was made, a core set of actors formed around it, building widespread social consensus and adjusting the policy as needed. We do not expect the United States to follow Vienna’s model precisely. However, there

³³ Statistik Austria, “Zahlen, Daten und Indikatoren der Wohnstatistik,” Grafik 4.

is much to learn from the particulars of its approach; and, given that many US states and cities have organized communities, housing-oriented institutes, and experts eager to develop green social housing, we believe those places are closer to establishing green social housing than many think. In places like Seattle, voters, advocates and green experts have come together to demand green social housing through a ballot measure, working to build this model in their city.³⁴

Emergence and evolution of Vienna's model

The story of social housing in Vienna begins after the collapse of the Austro-Hungarian monarchy in 1918. After winning the city's first free elections, the insurgent Social Democratic Workers' Party confronted economic collapse and widespread misery. Working in concert with mobilized workers, it was able to usher in a series of progressive urban reforms, including the introduction of social housing.³⁵ At the time, Vienna, then the fifth largest city in the world, was struggling with a housing crisis born of overcrowded, overpriced, and poorly maintained tenement housing. Between 1919 and 1934, a period commonly referred to as "Red Vienna," the city government leveraged extremely progressive property taxes and taxes on luxury goods to build and operate 64,000 units of municipal housing.³⁶ Those units were able to house 200,000 residents, over 10 percent of the city's population.³⁷ At the time, Vienna was the fifth largest city in the world, and this social homebuilding program provided an impressive solution to a city-wide crisis of over-priced, over-crowded tenement housing.³⁸

Red Vienna's social housing program was also a jobs and local business program. Generous contracts were granted to builders and carpenters, which in turn created demand with local materials suppliers. Today, we would call this industrial policy.³⁹ The results were extraordinary. Young, innovative architects employed by the city developed beautiful complexes that included an array of social services, community spaces, and amenities like city-run interior decorating services.⁴⁰

³⁴ Tiffani McCoy and Jordan Z. Bollag, "Seattle has voted to build social housing," *Jacobin*, March 3, 2025, <https://jacobin.com/2025/03/social-housing-seattle-vienna-dsa/>

³⁵ Eve Blau, *The Architecture of Red Vienna, 1919-1934* (MIT Press, 1999).

³⁶ We follow the Viennese in calling this type of social housing *municipal housing*. In the United States, the comparable type of housing would typically be referred to as *public housing*.

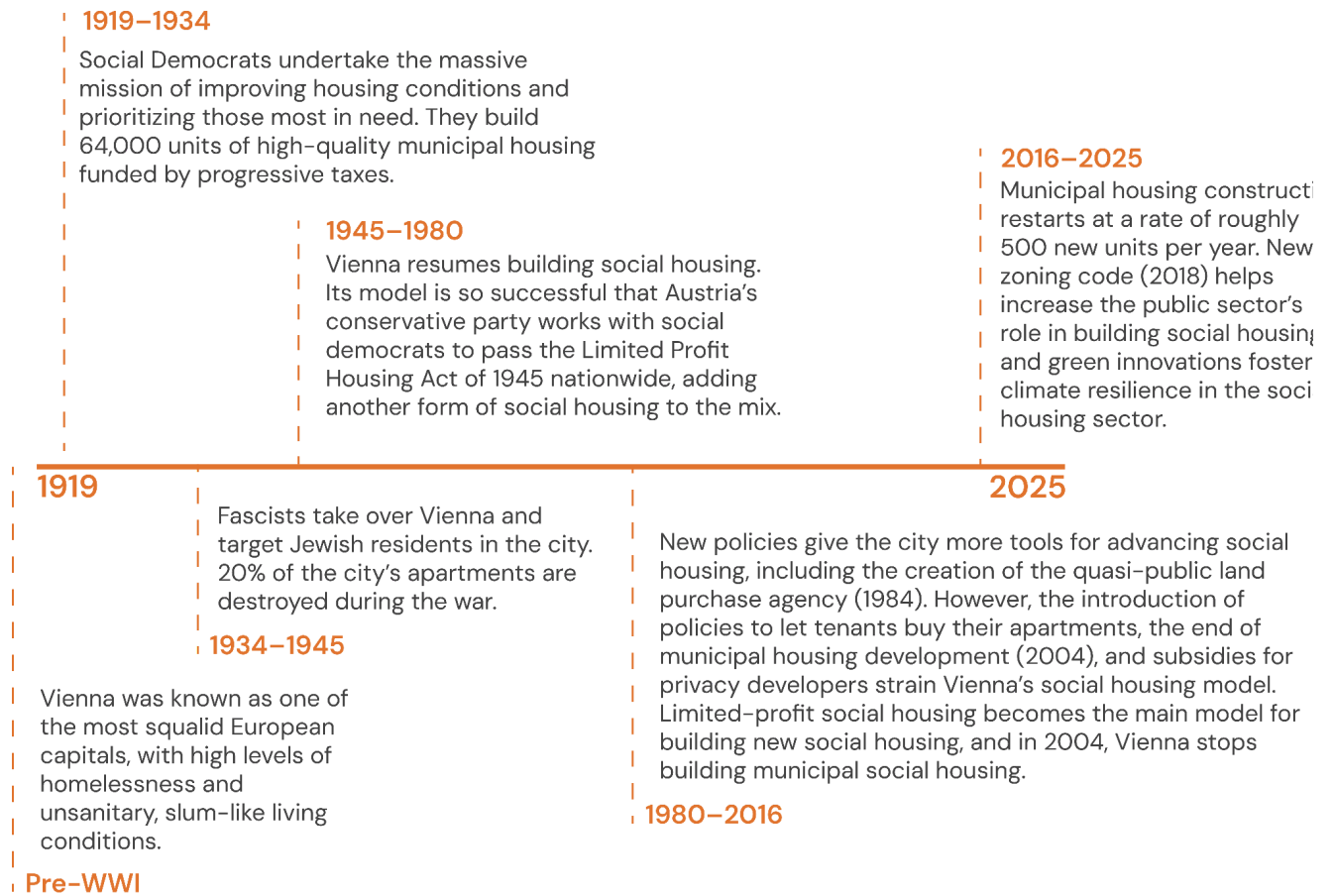
³⁷ Blau, *The Architecture of Red Vienna, 1919-1934*, 5.

³⁸ Veronika Duma and Hanna Lichtenberger, "Remembering Red Vienna," *Jacobin*, February 20, 2017, <https://jacobin.com/2017/02/red-vienna-austria-housing-urban-planning>.

³⁹ Blau, *The Architecture of Red Vienna, 1919-1934*, 43.

⁴⁰ Blau, *The Architecture of Red Vienna, 1919-1934*.

Vienna's social housing timeline



Source: Climate and Community Institute

The Social Democratic Party's efforts on behalf of residents struggling to find high-quality, affordable, and stable housing paid dividends in terms of popularity. By 1931, the party boasted 1,500 paid staffers, 21,500 cadres performing routine tasks at the neighborhood level, and 425,000 members.⁴¹ It enjoyed the support of the city's trade unions, ran a print media operation with 127 newspapers and journals and a circulation of over 3 million, and built a dense network of cultural organizations—from choirs to chess clubs to cycling groups—that connected people to each other and to the party.⁴² A detailed historical analysis of Red Vienna-era electoral returns found that an increase in social housing in a district led to an increase in the Social Democratic Party's vote share.⁴³

⁴¹ Helmut Gruber, "History of the Austrian Working Class: Unity of Scholarship and Practice," *International Labor and Working-Class History* 24 (Fall 1983): 49–66.

⁴² Gruber, "History of the Austrian Working Class: Unity of Scholarship and Practice"; Mario Holzner and Michael Huberman, "Red Vienna: A Social Housing Experiment, 1923–1933," *Journal of Interdisciplinary History* 53, no. 1 (June 2022): 49–88, https://doi.org/10.1162/jinh_a_01798; Robert B. McFarland, Georg Spitaler, and Ingo Zechner, eds., *The Red Vienna Sourcebook* (Camden House, 2020).

⁴³ McFarland, Spitaler, and Zechner, *The Red Vienna Sourcebook*, 77.

Austria's Social Democrats were a powerful social force, especially in Vienna, where its social housing complexes were often smeared as "red fortresses." A detailed historical analysis of electoral returns found that during Red Vienna, an increase in social housing in a district led to an increase in the Social Democratic party's vote share.⁴⁴ But they were far less influential in rural areas, where Austria's fascist right built its own power base. However, while the Social Democratic Party was consolidating its power in Vienna, the fascist right was doing the same in rural Austria.

During the 1934 civil war, fascist militants overran Vienna, while especially targeting social housing complexes where members of the Social Democrat resistance and Jewish community resided. They even shelled the Karl Marx-Hof, the city's largest and most elaborate social housing complex. (Its in-house amenities included a dental clinic, maternity clinic, youth hostel, post office, 25 small businesses, and a "city-run furnishing and interior design advice" showroom.⁴⁵)

The fascists won. Although the Nazis did not dismantle existing social housing, they suspended construction and "Aryanized" homes by evicting their Jewish residents. The Nazis only subsidized housing construction for upper-income home-buyers.⁴⁶

With the return of democracy following World War II, the Social Democrats quickly regained power at the ballot box. In terms of social housing, they picked up where they left off, constructing up to 10,000 units a year after the war, albeit with less attention to architectural diversity.⁴⁷ And the city increasingly supported the construction of publicly subsidized, highly-regulated *limited-profit* social housing, which was developed through a new, postwar national policy framework passed for all of Austria.⁴⁸ Initially, it was largely political parties and unions that built this housing in the form of cooperatives.

By the 1980s, limited-profit social housing had become the dominant model. This was also a period of public innovation. For one, architectural experimentation had returned, a shift heralded by the inauguration of the

⁴⁴ McFarland, Spitaler, and Zechner, *The Red Vienna Sourcebook*, 77.

⁴⁵ Blau, *The Architecture of Red Vienna, 1919–1934* *The Architecture of Red Vienna, 1919–1934*, 324.

⁴⁶ Wolfgang Förster, *2000 Years of Housing in Vienna: From the Celtic Oppidum to the Residential Area of the Future: Housing as Social History* (Jovis, 2020), 106.

⁴⁷ They even named one complex after Hugo Breitner, the Red Vienna finance chief who had set the progressive tax rates that enabled the city's ambitious social housing program. (Breitner had been labeled a "tax sadist" by the conservative opposition. See Blau, *Architecture of Red Vienna*, 137.)

⁴⁸ Wolfgang Förster, *2000 Years of Housing in Vienna* (Berlin: Jovis, 2000), 117. In US terms, "limited-profit" is synonymous with "nonprofit."; on Breitner as "tax sadist," Blau, *Architecture of Red Vienna*, 137.

famous Alt Erlaa complex, with its curvilinear towers, terraced gardens, and rooftop swimming pools. For another, in 1984, the city established Wohnfond Wien (now called wohnfonds_wien), a land purchase company whose longer development timeframes would allow for continuous construction despite boom-and-bust business cycles.⁴⁹

In 2004, as budgets tightened, European Union regulations favored the private market, and the city experienced a neoliberal turn, Vienna stopped municipal housing construction entirely and relied exclusively on limited-profit social housing, now developed by both cooperatives and Limited Profit Housing Associations (LPHAs).⁵⁰

In recent years, Vienna has once again started building municipal housing, albeit at a slow rate (~500 new units per year). The city also introduced a new “social housing” zoning category in 2018 that allows landowners to change the zoning type for a parcel if two thirds of the land is set aside for social housing.⁵¹ This new zoning category ensures ongoing social housing construction throughout the city, including in high-value areas. The city has also become more focused on integrating environmental resilience into its buildings, and has used social housing as a key site for innovation around climate resilience and decarbonization.

Types of social housing

As mentioned above, there are two types of social housing in Vienna: municipal housing, which is publicly owned; and limited-profit housing, which is excluded from conventional markets, publicly subsidized, privately developed, and heavily regulated.

Municipal Housing

Vienna began developing municipal housing during the Red Vienna period (in 1923), and its construction continued largely unabated until 2004.⁵² After a period during which municipal housing construction ceased entirely, it has recently resumed on a minor scale.

Municipal housing apartments currently make up 21 percent of housing units in Vienna. They typically feature the lowest rents in the city and are

⁴⁹ In-person presentation from Daniel Glaser, City of Vienna Municipal Department for Housing Promotion, October 17, 2022; for more information see <https://www.wohnfonds.wien.at>.

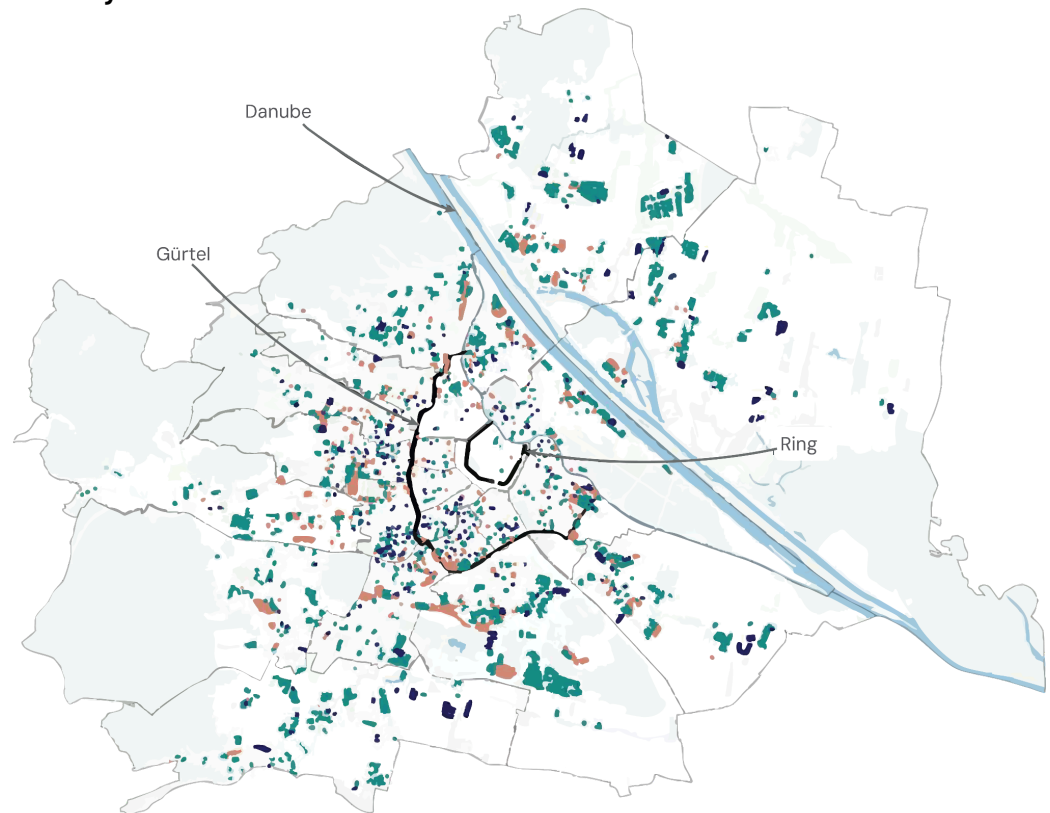
⁵⁰ City of Vienna, “Municipal Housing in Vienna,” accessed April 23, 2025, <https://socialhousing.wien/tools/municipal-housing-in-vienna>.

⁵¹ City of Vienna, “Urban Development and Land Policy,” accessed September 9, 2024, <https://socialhousing.wien/tools/urban-development-and-land-policy>.

⁵² Zoom interview with Justin Kadi, University of Cambridge, June 28, 2023; City of Vienna, “History: 100 Years of Social Housing,” accessed December 25, 2023, <https://socialhousing.wien/city-profile/history>.

allocated based on need through a waitlist system.⁵³ There are approximately 200,000 units of municipal housing in total spread across the city.

Vienna's 200,000 units of municipal housing are spread across the city.



CONSTRUCTION PERIOD

BEFORE 1945 1945–1980 AFTER 1980

Source: Climate and Community Institute, adapted from Tamara Premrov and Matthias Schnetzer (2023)⁵⁴

Municipal housing is available to a wide range of households. The 2024 income limit was €57,600 net income for a single household, making around 80 percent of Viennese residents eligible for municipal housing.⁵⁵ The primary beneficiaries of municipal housing are lower- and middle-class households. Of the approximately 500,000 municipal housing residents, 44 percent are in the bottom two income quintiles.⁵⁶ People with a range of backgrounds and professions live side-by-side in municipal housing. Once a

⁵³ Yuri Kazepov and Roland Verwiebe, *Vienna: Still a Just City?*, 1st ed. (Routledge, 2021), 62, <https://doi.org/10.4324/9781003133827>.

⁵⁴ Tamara Premrov and Matthias Schnetzer, "Social Mix and the City: Council Housing and Neighborhood Income Inequality in Vienna," *Urban Studies* 60, no. 4 (2022): 752–69.

⁵⁵ Wolfgring, C., Peverini, M. Housing the poor? Accessibility and exclusion in the local housing systems of Vienna and Milan. *J Hous and the Built Environ* 39, 1783–1819 (2024). <https://doi.org/10.1007/s10901-024-10142-5>

⁵⁶ Yuri Kazepov and Roland Verwiebe, *Vienna: Still a Just City?*, 1st ed. (Routledge, 2021), 62, <https://doi.org/10.4324/9781003133827>.

resident is accepted for municipal housing, they may remain in their unit even if their income rises above the threshold for being accepted initially.

To be eligible for municipal housing, prospective tenants have to have lived in Vienna for at least two years, meaning new immigrants cannot access this form of affordable housing immediately. That said, many Viennese people of migrant backgrounds eventually live in social housing, especially municipal housing.⁵⁷

The waitlist system awards a number from one to ten to housing seekers, with those in greatest need—including the homeless and those living in derelict or unsanitary conditions—given the highest number.⁵⁸ Historically, the points system has favored Austrian citizens, families with children, those with longer lengths of stay in Vienna, disabled people, and those with poor current living conditions.⁵⁹ For example, according to the waitlist parameters, someone with a complete disability would have 5 points added to their score.



Karl Marx Hof municipal housing, the most ambitious social housing project of Red Vienna. Photo by oberhaidinger, [Flickr](#), licensed under [CC BY-NC-SA 2.0](#).

⁵⁷ Yuri Kazepov and Roland Verwiebe, *Vienna: Still a Just City?*, 1st ed. (Routledge, 2021), 64, <https://doi.org/10.4324/9781003133827>.

⁵⁸ Blau, *The Architecture of Red Vienna, 1919–1934*, 143; McFarland, Spitaler, and Zechner, *The Red Vienna Sourcebook*, 178.

⁵⁹ Blau, *The Architecture of Red Vienna, 1919–1934*, 148. McFarland, Spitaler, and Zechner, *The Red Vienna Sourcebook*, 176.

Limited-Profit Social Housing

Limited-profit social housing is publicly subsidized, privately developed, and heavily regulated. Limited-profit units are owned by entities—Limited Profit Housing Associations (LPHAs)—that can only earn a limited profit (3.5 percent maximum) on the property over time. LPHAs must reinvest all profits in building maintenance or new social housing construction.⁶⁰

While the roots of limited-profit social housing date back to resident-led cooperative housing efforts of the 19th Century, this model was formalized through the national Limited Profit Housing Act of 1945.⁶¹ LPHAs have steadily grown their market share in the last 50 years and today, limited-profit housing is the most common form of new social housing construction.⁶² Limited-profit apartments make up 21 percent of housing units in Vienna.⁶³

About half of LPHAs are organized as cooperatives, 30 percent as limited companies, and 20 percent as public limited companies.⁶⁴ The leadership of LPHAs are required to be independent from the construction industry, have capped salaries, and can only pursue business activities related to limited-profit housing provision.⁶⁵

Although LPHAs are rooted locally, they are regulated federally, which somewhat reduces individual municipalities' (e.g., Vienna's) ability to influence new construction and allocate social housing in accordance with its target groups. (To combat segregation, Vienna plans to situate diverse housing types side by side and include additionally subsidized units within new buildings.)

Rents in limited-profit housing are also heavily regulated. LPHAs use a "cost-rent" approach, meaning that they charge rents that cover the costs incurred. Tenants can see detailed rental statement breakdowns that make the costs tenants are paying for (such as employee salaries or maintenance funds) more transparent. To acquire limited-profit social housing, new tenants typically must make a down payment (whose amount ranges widely

⁶⁰ Zoom interview with Justin Kadi.

⁶¹ Gerald Koessler, "The system of limited-profit housing in Austria: cost-rents, revolving funds, and economic impacts," *CIRIEC No. 2022/04*, accessed May 21 2025, <https://www.ciriec.uliege.be/wp-content/uploads/2022/11/WP2022-04.pdf>

⁶² Zoom interview with Gerald Koessler, Austrian Federation of Limited Profit Housing Associations, May 17, 2023; City of Vienna, "Limited Profit Housing Construction," accessed December 25, 2023, <https://socialhousing.wien/tools/limited-profit-housing-construction>.

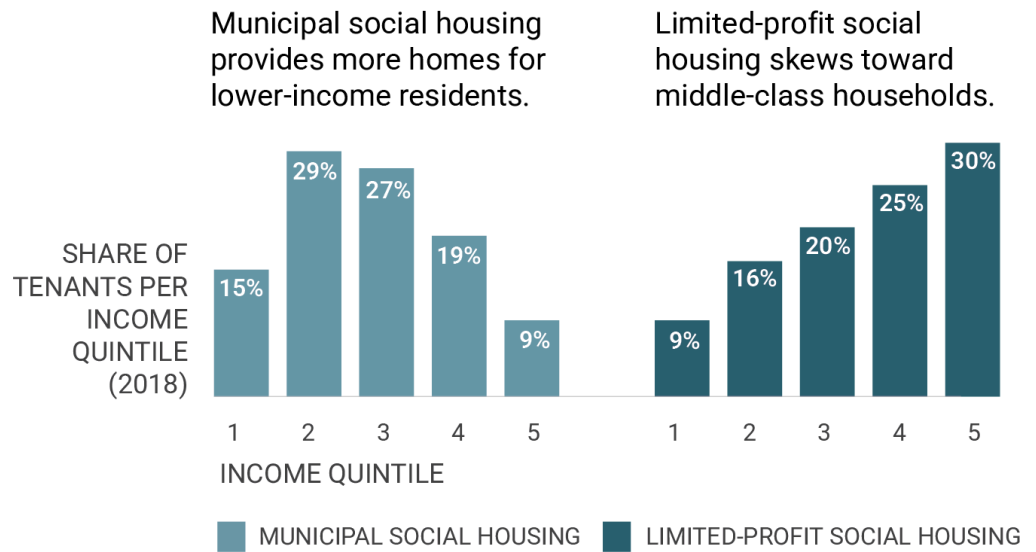
⁶³ Statistik Austria, "Zahlen, Daten und Indikatoren der Wohnstatistik," Grafik 4.

⁶⁴ Eva Bauer et al., "70 Years: Austrian Association of Non-Profit Building Associations Auditing Association Report," *Die Gemeinnützigen*, 2016, https://cms.gbv.at/repos/files/GBV/Preview_images/festschrift.pdf?exp=13947&fps=ecd5ee0f5073af19ac84baadf23c16506470710f.

⁶⁵ Gerald Koessler, "The system of limited-profit housing in Austria: cost-rents, revolving funds, and economic impacts."

depending on the details of the project). These down payments are returned to tenants if they move out, with a 1 percent depreciation annually as explained below.⁶⁶ The higher upfront costs can make it less accessible to the poorest residents who need it most, who are often tenants with immigrant backgrounds. While the financial model for limited-profit housing is structured in ways that protect tenants, it still puts social housing out of reach of significant portions of the population.

Distribution of tenant incomes in Vienna’s social housing



Source: Climate and Community Institute, adapted from Yuri Kazepov and Roland Verwiebe (2021)⁶⁷

Vienna has addressed this challenge by mandating that LPHAs also provide smaller, more heavily subsidized units called “SMART flats.”⁶⁸ SMART flats have a more compact and efficient floor layout and feature both maximum rents and maximum upfront tenant contributions. A 700 square foot (~70 square meter) SMART apartment, for example, would have a maximum down payment of about €4,200. The city provides financial support for these expenses as well.⁶⁹

Per city regulations, SMART flats must represent 50 percent of all new limited-profit housing construction. To ensure SMART apartments are serving those with the greatest need, they are allocated in a more restrictive way than standard apartments. For example, they may be prioritized for

⁶⁶ Gerald Koessler, “The system of limited-profit housing in Austria: cost-rents, revolving funds, and economic impacts.”

⁶⁷ Yuri Kazepov and Roland Verwiebe, *Vienna: Still a Just City?*

⁶⁸ City of Vienna, “History.”

⁶⁹ Zoom interview with Gerald Koessler, Austrian Federation of Limited Profit Housing Associations, May 17, 2023.

people with special needs, single parents, or young people leaving the family home for the first time.⁷⁰

In the US, to mimic the Vienna model's outcomes would require not just supporting regulated limited profit development, but also establishing *publicly owned developers* to create a balanced social housing system.⁷¹

Prioritizing high-quality housing through city-led development and developer competitions

One of the limited-profit social housing model's greatest strengths is that it ensures aesthetically pleasing, diversified new housing. Units in the massive new developments at Sonnwendviertel and Seestadt Aspern sites, for example, feature integrated open spaces, pedestrian-only zones, abundant natural light and balconies overflowing with plant life. The beauty and variety of limited-profit housing recall the architectural innovations of the Red Vienna period.

One of the limited-profit social housing model's greatest strengths is that it ensures aesthetically pleasing, diversified new housing.

To drive such innovation, Vienna uses sophisticated developer competitions paired with targeted subsidies and regulation. Proposals for developments of over 500 units or that seek to use city land must prove that the building will not only meet high quality standards but also integrate with public services like transit, utilities, schools, and health care. These proposals are judged by an independent jury based on four criteria: economy, ecology, social sustainability, and planning qualities.⁷² For proposals under 500 units or that do not seek the use of city-owned land, the developer must show how they will meet the city's design criteria. These processes ensure new housing is well-integrated into non-housing elements in the city.

In addition to perpetually affordable rents and the community amenities included in the first social housing developments, Vienna has improved its social benefits through increasingly equitable, resident-informed planning processes. Since 2013, Vienna has included residents in developing aspects of its social housing communities through a "dialogue-oriented" approach to increase value and use of communal facilities.⁷³ For example, residents may meet with planners to give input into the types of amenities, common spaces, and shops they would like to see in the development. This input can

⁷⁰ Zoom interview with Kurt Hofstetter, City of Vienna, Housing Promotion and Arbitration Board, June 6, 2023.

⁷¹ For one example of how to do this, see Gianpaolo Baiocchi et al, "Green Social housing at scale: how a federal green social housing development authority can build, repair, and finance homes for all," *Climate and Community Institute*, June 2024, <https://climateandcommunity.org/research/green-social-housing-at-scale/>

⁷² Roberta Cucca and Michael Friesenecker, "Potential and Limitations of Innovative Housing Solutions in Planning for Degrowth: The Case of Vienna," *Local Environment* 27, no. 4 (April 2022): 502–16, <https://doi.org/10.1080/13549839.2021.1872513>.

⁷³ Cucca and Friesenecker, "Potential and Limitations of Innovative Housing Solutions in Planning for Degrowth: The Case of Vienna."

help determine which usable spaces to include in a development like pools, fitness centers, gardens, libraries, and community rooms.

Financing social housing

In the early stages of the Red Vienna period, social housing was financed by the “housing construction tax,” or *Wohnbausteuer*.⁷⁴ This tax was levied on the fixed rent of a property but was sharply graded based on the size of the property itself. As a result, nearly 42 percent of the tax was paid by only 0.5 percent of total properties, placing the largest burden of the tax on the rich.⁷⁵

The *Wohnbausteuer* was supplemented by an array of additional taxes on luxury goods—like racehorses, servants, and brandy—as well as other levies that applied primarily to the rich.⁷⁶ Revenues realized by these taxes were earmarked for Vienna's building program. During the program's peak, it represented 20 percent of the city's annual expenditures.⁷⁷

In recent years, Austria collected a 1 percent tax on all income to build housing, fund repairs, and provide rental assistance. Although this is no longer the case country-wide, Vienna still assesses this tax, an essential source of revenue for the city.⁷⁸ In the past, these funds were strictly designated for housing, allowing the tax to escape contentious political debates.⁷⁹ Today, however, these funds are no longer so stringently controlled, and roughly 25 percent of revenues raised are used for non-housing purposes.⁸⁰ Despite its appropriation for other prerogatives, the 1 percent housing tax still provides significant funding for social housing in Vienna.

Another key funding mechanism for Vienna social housing is *Wohnfund Wien*, a housing agency empowered to buy land on the private market for the development of social housing.⁸¹ Founded in 1984, *Wohnfund Wien* currently owns about 3.1 million square meters (~760 acres) of land. It operates on a much longer timeline for land development—5–10 years rather than the quicker acquisition-to-development timelines common among

⁷⁴ Blau, *The Architecture of Red Vienna, 1919–1934*, 58.

⁷⁵ Blau, *The Architecture of Red Vienna, 1919–1934*, 138.

⁷⁶ Blau, *The Architecture of Red Vienna, 1919–1934*, 139; Gruber, *Red Vienna: Experiment in Working-Class Culture, 1919–1934* (Oxford University Press, 1991), 55.

⁷⁷ Holzner and Huberman, “Red Vienna,” 56.

⁷⁸ Zoom interview with Justin Kadi.

⁷⁹ Zoom interview with Justin Kadi.

⁸⁰ Zoom interview with Justin Kadi.

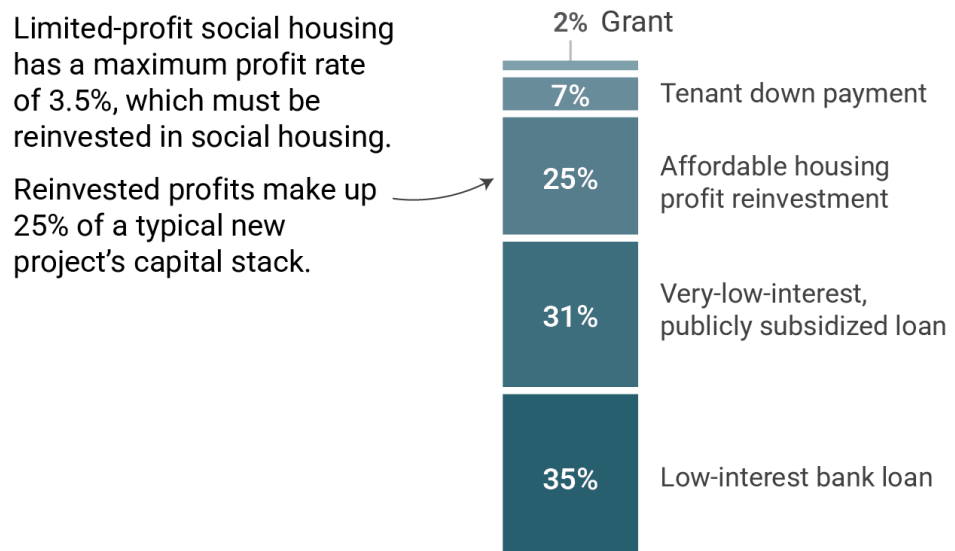
⁸¹ In-person presentation from Daniel Glaser.

private developers—enabling it to accumulate land without having to fund construction immediately. The longer timeline also allows the city to plan its expansion and ensure service integration and low costs over time (cheap land is foundational to cheap housing).

The limited-profit sector finances new construction via private bank loans, public loans, and tenant contributions. Grants and the limited profits from other housing developments—which must be reinvested into new housing development by law—provide funding that does not require repayment. Except for the private bank loans, each of these financing and funding sources is supported by policies that ensure building quality and affordability for residents. And even the private bank loans typically come from housing-focused banks, like housing-construction banks, which provide long-term, low-interest loans with capital raised from investors attracted to the low risk profile and tax advantages of these investments.⁸²

The City of Vienna uses an innovative revolving-loan funding model to finance its social housing. A typical social housing project in Vienna receives approximately one third of its financing from ultra-low-interest city loans.⁸³

Typical financing for a Limited-Profit Social Housing Project in Vienna



Source: Climate and Community Institute, adapted from Austrian Federation of Limited Profit Housing Associations (2022)⁸⁴

⁸² Alexis Mundt and Elisabeth Springler, "Milestones in Housing Finance in Austria over the Last 25 Years," in *Milestones in European Housing Finance* (John Wiley & Sons, Ltd., 2016), 55–73, <https://doi.org/10.1002/9781118929421.ch4>.

⁸³ In-person presentation from Gerald Koessl.

⁸⁴ In-person presentation from Gerald Koessl, Austrian Federation of Limited Profit Housing Associations, October 18, 2022.

The public loans offered to LPHAs feature a 1 percent interest rate and a repayment period of 40 years. The capital for these loans comes from the 1 percent housing tax and repayments from earlier public loans, and, in general, they cover about 30 percent of a new development's upfront cost. Given that public housing loans are financed by taxpayers, they are strictly regulated; conditions on these loans include a maximum rent per square meter that tenants can be charged and energy efficiency requirements for the buildings. Furthermore, public loans are structured so that tenant rents pay down the higher-interest private bank loans before any payment is necessary on the lower-interest public loans. What's more, new projects are typically financed based on 30-year loans. Once those loans are repaid, occupants' rents decrease, as they now mainly cover building maintenance and upgrades.

By dint of these requirements and repayment provisions, public loans ensure enduring affordability and sustainable construction. (Additional grants—covering on average 2 percent of an apartment's upfront costs—are also available to support energy efficiency.)

In addition to public and private loans, limited-profit developers receive an upfront contribution—typically about 7 percent of total upfront costs—from tenants. Upfront costs generally land in the €500—€900 per square meter range; to increase accessibility, Vienna offers some loans to those who cannot afford the upfront payment.⁸⁵

Upfront payments are, by law, returned to borrowers upon leaving their unit. Repayment scales are pegged to the length of a tenant's tenure, with each year of residence decreasing repayment by 1 percent. For example, a tenant who leaves their unit after 1 year would receive 99 percent of their upfront contribution back, whereas someone leaving after 30 years would receive 70 percent back.

⁸⁵ In-person presentation from Gerald Koessl; Zoom interview with Justin Kadi.

Fostering Green Social Housing Communities

The City of Vienna is committed to implementing a “social climate policy for all,” a vision that entails increasing social equity and reducing emissions at the same time.⁸⁶ **Key to this goal is Vienna’s large social housing stock, which, along with the city’s strong civil service and publicly owned utilities, allow its government to drive building decarbonization innovations.**⁸⁷

Social housing advances decarbonization through new construction and retrofits

Chief among social housing’s benefits for decarbonization is that it provides an arena for experimentation and innovation. As we note above, one of the categories city officials set to judge social housing proposals is ecology, and the competition among developers has led to their putting forward novel sustainable designs.

For example, the 22 Waldrebgasse developer competition, which focused on utilizing sustainable timber and energy systems for multifamily housing, led to a winning design that features modular construction, geothermal heat storage tanks with depth probes, external walls of cross laminated timber, and rainwater storage alongside its integrated green spaces. This property also includes an extra flat for a childcare provider, stroller storage, and a Kindergarten on the first floor.⁸⁸

Once completed, these developments provide proof of concept for novel approaches and increase workers’ familiarity with those approaches. Ever-rising building standards and future developer competitions—which include sustainability criteria that, for example, encourage the use of ecological rather than fossil-based insulation materials—expand adoption of cutting-edge green building techniques.⁸⁹ **In this way, ongoing developer**

⁸⁶ City of Vienna, “Vienna Climate Guide,” March 2022, <https://www.wien.gv.at/english/environment/klip/program.html>.

⁸⁷ Gianpaolo Baiocchi et al, “Green Social Housing at Scale: How a Federal Green Social Housing Development Authority Can Build, Repair, and Finance Homes for All.”

⁸⁸ Wohnfonds_Wien, “Developers’ Competition 22., Waldrebgasse, June 2020, http://www.wohnfonds.wien.at/media/flip-books/file/Publikationen/2020_flipbook_waldrebe_en/BTWwaldrebgasse_EN.html.

⁸⁹ Wolfgang Forster, Nikil Saval, and Ilona Duverge, “Green Social Housing at Scale: Lessons from Vienna’s Social Housing on Project Finance, Housing Immigrants, and Climate-Friendly Urbanism” (conference, Socio-Spatial Climate Collaborative, University of California Berkeley, April 13, 2021), <https://sc2.berkeley.edu/events/vienna-social-housing/>; Bernhard Hohmann, “Strategies for a Sustainable Energy Transition: The Case of the Housing Sector in Graz, Austria” (Phd diss., University of Graz, 2020), <https://unipub.uni-graz.at/obvugrhs/download/pdf/4795323>.

competitions for social housing construction coupled with higher building standards work together to first develop, and then scale, innovations in green construction. Once innovations become normalized in social housing, they can be adopted more easily in private construction as well.

Vienna's social housing system is also key to the retrofitting of the existing building stock. For context, Vienna has already reduced CO₂ emissions by 51 percent and 32 percent per capita (37 percent and 20 percent overall) in its buildings since 1990 and 2005, respectively.⁹⁰ **These reductions have come primarily from building refurbishment programs, which the City of Vienna subsidizes and for which social housing developments have dedicated funds.**

Competitions for social housing construction and higher building standards work together to develop and scale innovations in green construction.

In accordance with its pledge to reach net-zero emissions by 2040, the city is working on multiple fronts to decarbonize. To take one example, 90 percent of CO₂ emissions in Vienna's building sector come from gas heating systems. To reduce this number, Vienna will have to convert almost all of its buildings to district heat systems or heat pumps while, at the same time, powering the district heating system with zero-carbon energy.⁹¹

It is already on its way. The municipal housing agency, city government, and the municipal utility recently completed an inventory of the ~600,000 buildings that need to phase out gas and sorted the buildings into categories based on their age, condition, heating system, energy source, and other variables.⁹² They also completed a "spatial energy" plan, which divides building decarbonization plans into three categories: (1) connect to centralized district heat, (2) connect to local heat network, and (3) decentralized heat. For each category, Vienna has a distinct suite of measures, whether retrofits, solar panels, heat pumps, geothermal energy, connection to a (centralized or local) district heating grid, or some combination of approaches.⁹³ Today, Vienna is running a pilot program called "100 projects leaving gas;"⁹⁴ as of May 2024, roughly 80 projects are in progress.⁹⁵

⁹⁰ City of Vienna, "Vienna Climate Guide."

⁹¹ City of Vienna, "Phasing Out Gas: Heating and Cooling Vienna 2040."

⁹² City of Vienna, "Phasing Out Gas: Heating and Cooling Vienna 2040."

⁹³ City of Vienna, "Czernohorsky/Gaál/Hanke/Gara: Vienna's Heat Plan 2040 Illustrates Vienna's Climate-Neutral Future," City Hall Correspondence, May 6, 2024, <https://web.archive.org/web/20240516084557/https://presse.wien.gv.at/presse/2024/05/06/czernohorsky-gaal-hanke-gara-wiener-waermeplan-2040-veranschaulicht-klimaneutrale-zukunft-wiens>; City of Vienna, "Phasing Out Gas: Heating and Cooling Vienna 2040."

⁹⁴ City of Vienna, "Phasing Out Gas: Heating and Cooling Vienna 2040."

⁹⁵ Kaja Šeruga, "Light, Air, Sun, Carbon Neutrality: Greening Vienna's Social Housing," *Green European Journal*, May 17, 2024, <https://www.greeneuropeanjournal.eu/light-air-sun-carbon-neutrality-greening-viennas-social-housing>.

The city is also ramping up the installation of solar panels and regularly surpassing its own stated solar capacity goals.⁹⁶ So far Vienna has installed 250 MW serving 72,000 residents, a fivefold capacity increase in five years (the city aims to serve a total of 530,000 residents with solar power by 2030).⁹⁷ At the same time, the city and its buildings have been using heat pumps to run ice-cold water through pipes, cooling homes and offices with greater efficiency than traditional air conditioning.⁹⁸ Efforts like these complement the city's broader goal of mapping and mitigating heat islands.⁹⁹



Das Haus am Park uses energy from geothermal heat, ceiling cooling and underfloor heating. Photo courtesy of IBA_Wien.

⁹⁶ *The International*, "Vienna Surpasses Solar Energy Goals," n.d., <https://www.theinternational.at/vienna-surpasses-solar-energy-goals>.

⁹⁷ City of Vienna, "Solar Energy Handbook," 2022, <https://www.wien.gv.at/stadtentwicklung/energie/pdf/solarleitfaden-en.pdf>; Patrick Jowett, "Vienna's Largest Stadium Completes Solar Array," *PV Magazine*, March 28, 2025, <https://www.pv-magazine.com/2025/03/28/viennas-largest-stadium-completes-solar-array>.

⁹⁸ Medical University of Vienna, "Climate-Friendly Cooling: New District Cooling Center for Alsergrund," July 3, 2023, <https://www.meduniwien.ac.at/web/en/ueber-uns/news/2023/default-34fee72b1e-3/klimafreundlich-kuehlen-neue-fernkaeltezentrale-fuer-den-alserground>.

⁹⁹ City of Vienna, "Vienna Heat Action Plan: For a Cool Vienna," n.d., <https://www.wien.gv.at/english/environment/klip/heat-action-plan.html>.

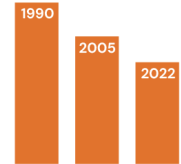
Social housing plays a key role in building decarbonization.

“Developers’ competitions in subsidized housing sector drive social innovations and new solutions for mitigating and adapting to climate change—especially greening measures.

City of Vienna Climate Guide (2022)

As of 2024, there were **80** retrofit and upgrade projects underway in Vienna’s social housing, representing **€800 million** of investment.

Since 1990, Vienna has cut heat-trapping carbon dioxide emissions from its largest emitter—its buildings sector— by **37 percent**.



Vienna’s strong public sector is driving toward net-zero emissions:

By 2030: Cut buildings’ total energy consumption for heating, cooling, and hot water by **20%** through more efficient appliances and systems
Supply **one quarter** of Viennese residents with solar power

By 2040: Cut buildings’ CO2 emissions by **100%**
Reuse **70%** of all building materials and components from demolitions and major retrofits

Key interventions to cut carbon pollution from buildings:

Expanding large-scale district heating systems

Developing district cooling systems

Implementing greening, shading, and cooling for all buildings, with all cooling systems powered by renewables

Shifting district heating operations, and in-building heating systems, from gas combustion to electric heat pumps powered by renewable energy (including geothermal) and waste heat

Ramping up consultations with residents to gain their trust for building upgrades

Ensuring continued affordability and tenant protections to prevent displacement after upgrades

Sources: Climate and Community Institute, using data from City of Vienna (2022a),¹⁰⁰ Kaja Šeruga (2024),¹⁰¹ City of Vienna (2022b),¹⁰² City of Vienna (2023),¹⁰³ City of Vienna (2022c)¹⁰⁴

¹⁰⁰ City of Vienna, “Vienna Climate Guide.”

¹⁰¹ Šeruga, “Light, Air, Sun, Carbon Neutrality: Greening Vienna’s Social Housing.”

¹⁰² City of Vienna, “Solar Energy Handbook.”

¹⁰³ City of Vienna, “Phasing Out Gas: Heating and Cooling Vienna 2040.”

¹⁰⁴ City of Vienna, “Smart City Strategy Vienna,” February 2022, https://smartcity.wien.gv.at/wp-content/uploads/sites/3/2022/05/scwr_klima_2022_web-EN.pdf.

This funding model ensures residents of all incomes benefit from the rapid decarbonization and renovation of their buildings, without the threat of displacement.

The solar panel and heat pump projects are funded by a combination of city funds and small monthly payments by residents (which are largely offset through lower energy bills). The biggest challenge to date is not price but rather residents' resistance to the intrusion of workers in their apartments. However, the trust built through decades of social housing provision makes it possible in most cases to proceed.¹⁰⁵

The pilot project—which is running concurrently with the city's buildout of solar capacity and heat-pump installation—is focusing on municipal housing and is slated to continue until 2026. Once the project is completed, the lessons learned, technological improvements, and 80+ proofs-of-concept will enable Vienna to expand the program to the rest of the city. **In short, Vienna's public institutions are driving innovation in large-scale deep geothermal energy development, heat pumps, and district heating while tailoring solutions to specific neighborhoods or even specific buildings.**

These local efforts are also supported by federal-level strategies, regulations, subsidies, and taxes designed to compel compliance with EU energy and sustainability standards. Examples abound: The most important building-standards law in Austria introduced a housing subsidy in 2006 that funds climate-relevant quality standards in new buildings and refurbishment projects that go above and beyond the legal building standard requirements; the Austrian Institute of Construction Engineering—which has been setting a higher building standard every two years for the last 30-plus years—reached a net-zero energy standard in 2020; and Russia's invasion of Ukraine contributed to Austria's passing the Renewable Heat Act in 2022, which requires the phaseout of gas by 2040 and a \$21 billion investment from the Austrian government to achieve that target.¹⁰⁶

In the United States, high-quality buildings and renovations drive up rents and can displace residents.¹⁰⁷ In Vienna, rents go into a dedicated renovation fund, with portions of social-housing rent payments set aside for 25–30 years to pay for future renovations. **In combination with social housing's affordability and tenant protections, this funding model ensures social housing residents of all incomes benefit from the rapid decarbonization and renovation of their buildings, without the threat of displacement.**

¹⁰⁵ Šeruga, "Light, Air, Sun, Carbon Neutrality: Greening Vienna's Social Housing."

¹⁰⁶ Kathrine Frich, "Austria Hits Back at Putin with Plans to Cut Dependence on Russian Gas," *Dagens.com*, January 26, 2025, <https://www.dagens.com/war/austria-hits-back-at-putin-with-plans-to-cut-dependence-on-russian-gas>; Andreas Walstad, "Ukraine War Spurs Austrian Gas Boiler Phase-Out," *Gas Outlook*, July 4, 2022, <https://gasoutlook.com/analysis/ukraine-war-spurs-austrian-gas-boiler-phase-out>.

¹⁰⁷ Ruthy Gourevitch, "Decarbonization without Displacement," *Climate and Community Institute*, January 2024, https://climateandcommunity.org/wp-content/uploads/2024/01/CCP-IRA_final-brief.pdf.

Climate resilient neighborhood planning

Vienna's social housing communities are carefully planned to ensure residents' access to key community resources and services: schools, medical care, and grocery stores, among others. (Often, these services are located within the community itself.) Social housing communities also contain many social amenities like parks, pools, gardens, libraries, fitness centers, and community rooms. Planning for these "15-minute neighborhoods," in which all of residents' basic needs can be met within a 15-minute walking distance, enable people to walk, bike, and use e-mobility resources like cargo-bike sharing to run errands. Residents often come to prefer car-free streets near their homes, and the nearness of the daily necessities results in a cleaner, greener city.¹⁰⁸

Social housing communities are also planned in coordination with Vienna public transit so that service is available from the first day of occupancy, even if the development has yet to be completed. Vienna public transit includes subways, buses, trams, and commuter rail; our own experience visiting the city was of average public transit wait times of just 4–7 minutes. **Almost 9 of 10 Viennese agree that one can manage quite well without a car in the city, an opinion reflected in people's choices: More Viennese residents own the annual transit pass (which costs €1 a day) than a car.**¹⁰⁹

The city's emphasis on public transit has significant climate impacts. Despite cars' accounting for a lower percentage of trips than public transport—25 percent versus 34 percent—cars represent 78 percent of the city's total greenhouse gas emissions. (Public transit accounts for just 3 percent.)¹¹⁰

¹⁰⁸ Bernhard Hohmann, "Strategies for a Sustainable Energy Transition: The Case of the Housing Sector in Graz, Austria."

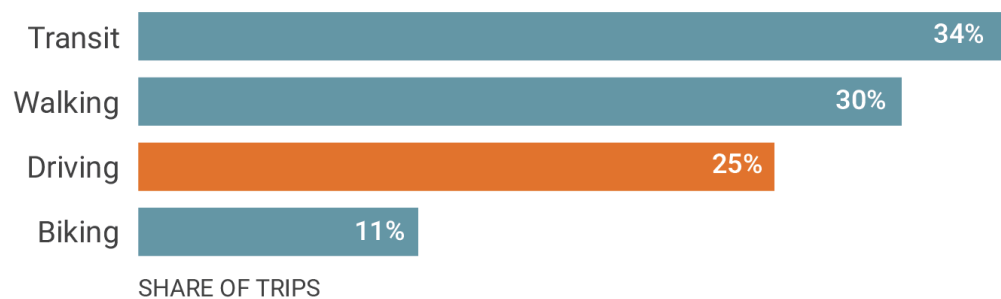
¹⁰⁹ City of Vienna, "Vienna Climate Guide."

¹¹⁰ City of Vienna, "Vienna Climate Guide," 50; Christoph Engelmaier, "More and More Public Transport and Fewer Cars in Vienna," *Kronen Zeitung*, March 17, 2025, <https://www.krone.at/3729490>.



Karl Marx Hof archway to metro station. Photo by felibrilu, Flickr, licensed under [CC BY-NC 2.0](https://creativecommons.org/licenses/by-nc/2.0/).

Vienna’s social housing anchors a broader approach to urban planning that prioritizes low-carbon mobility.



Source: Climate and Community Institute, adapted from Christoph Engelmaier (2025)¹¹¹

Planners’ efforts with regard to social housing have also benefitted the city more broadly. For example, Vienna’s planners and architects are using green roofs—informed by heat modeling techniques like those used in the social housing complex BioTope City—to mitigate urban heat island effects in

¹¹¹ Christoph Engelmaier, “More and More Public Transport and Fewer Cars in Vienna.”

neighborhoods adjacent to social housing developments. Due to dense development and heavy city discretion, the city can also maintain 45 percent of its land area as green space between dense areas.¹¹²

Taken as a whole, the city's social housing system anchors a progressive urban planning regime that leverages public goods to improve both climate resilience and quality of life. It proves that public housing for the public good is a key climate solution.

Successes of Vienna's Social Housing Model

1. Permanently affordable housing for a wide range of residents

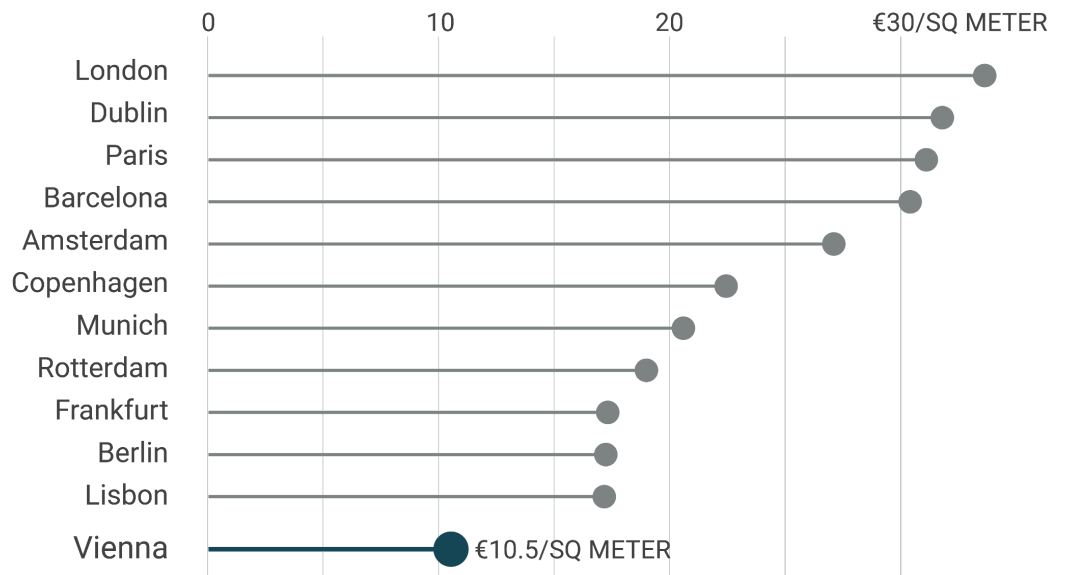
Thanks to its social housing model—which couples a commitment to the construction of plentiful, high-quality social housing with a robust regulatory framework and popular support—Vienna has managed to keep rent affordable, both in absolute terms and in comparison to its peer cities in Europe and elsewhere. For example, when compared with cities with less social housing like London (22 percent of units) and Berlin (only 10 percent of units), Vienna (43 percent of units) reports far lower rates of rent burden: 18 percent to London's 62 percent and Berlin's 50 percent.¹¹³ In 2023, the average rent per square meter in Vienna was €10.5. By contrast, rents in Inner London, Dublin, Paris, Barcelona, and Amsterdam, were approximately three times as high; rents in Copenhagen and Munich, twice as high; and rents in Rotterdam, Frankfurt, Berlin, and Lisbon, over 50 percent higher. No major city in Western Europe has lower rents.¹¹⁴

¹¹² City of Vienna, "Urban Area," accessed April 23, 2025, <https://www.wien.gv.at/english/administration/statistics/urban-area.html>.

¹¹³ Harald Baron et al., "Wohnungspolitik und Wohnversorgung: Bericht aus fünf wachsenden europäischen Millionenstädten," Stadtpunkte Nr. 37, October 2021, 57, https://wien.arbeiterkammer.at/interessenvertretung/meinestadt/Studie_Wohnversorgung_2021.pdf.

¹¹⁴ Miroslav Linhart et al., "Property Index: Overview of European Residential Markets," Deloitte, August 2024, <https://www.deloitte.com/nl/en/Industries/real-estate/perspectives/property-index-deloitte.html>.

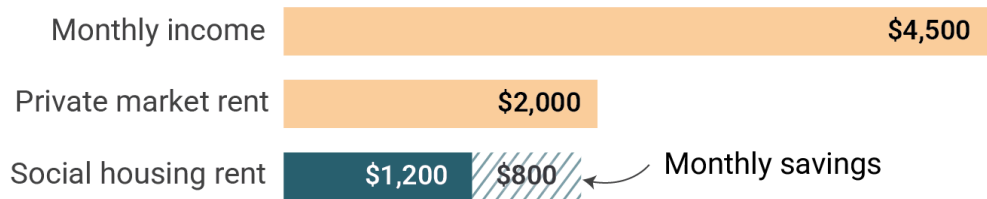
Rents in Vienna are the lowest among all major Western European cities.



Source: Climate and Community Institute, adapted from Deloitte (2024)¹¹⁵

The city has calculated that a typical middle class family would pay the equivalent of \$2,000 (US) per month in rent on the private market but just \$1,200 for newly constructed social housing—meaning social housing residents have an extra \$800 a month to spend on everyday necessities and leisure.¹¹⁶

A typical middle class family can save \$800 per month living in social housing.



Source: Climate and Community Institute, adapted from City of Vienna (2022)¹¹⁷

¹¹⁵ Miroslav Linhart et al., "Property Index: Overview of European Residential Markets."

¹¹⁶ In person presentation from Daniel Glaser, City of Vienna Municipal Department for Housing Promotion, October 17, 2022.

¹¹⁷ In person presentation from Daniel Glaser.

A recent study found that a 10 percent increase in the share of limited-profit social housing leads to a 5 percent decrease in private market rents.

Recent research has shown that Vienna’s social housing—its limited-profit housing, in particular—also has a dampening effect on prices in the private sector. **According to a study published by the Austrian Institute of Economics, a 10 percent increase in the share of limited-profit housing associations leads to an average decrease in private market rents of about 5 percent.**¹¹⁸ Vienna’s limited stock of private rental housing is also generally subject to rent control and exists in a context where social housing alternatives are affordable and plentiful.

In addition to keeping rents affordable, the city has succeeded in mitigating economic segregation on the basis of housing. Viennese residents earning up to the 80th percentile of income (i.e., the bottom 80 percent) are eligible for social housing, and discrete units are reserved for households in the lower quintiles of the income scale.¹¹⁹ Social housing complexes are located adjacent to privately owned buildings and feature comparable amenities and access to services like public transit and health care. These factors produce far more economic diversity within neighborhoods—and far less income inequality between them.

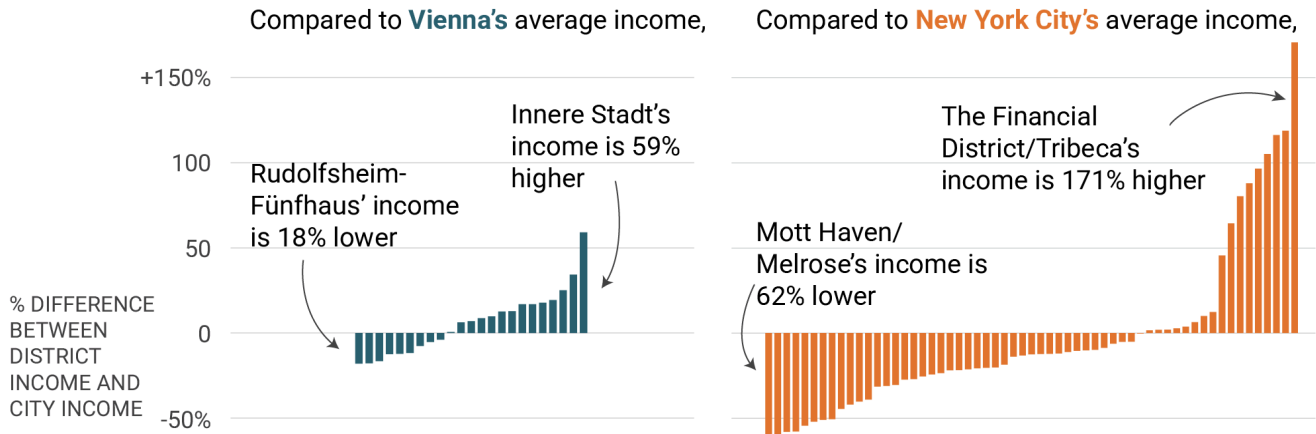
A comparison with a major American city illustrates the point. In New York, Manhattan’s Financial District/Tribeca neighborhood features an average income 171 percent higher than the New York City average. The average income of the comparable neighborhood in Vienna—the Innere Stadt district—is only 59 percent higher than the citywide average.

¹¹⁸ Michael Klien et al., “The Price-Dampening Effect of Non-Profit Housing,” Austrian Institute of Economic Research, WIFO Research Briefs, May 2023, <https://www.wifo.ac.at/en/publication/48877/>.

¹¹⁹ In-person presentation from Gerald Koessl.

Vienna’s social housing anchors urban equity. Income differences across Vienna districts are far smaller than New York City’s.

In Vienna, social housing is spatially distributed throughout the city, anchoring relative spatial equity. In New York City, income inequality by neighborhood is much starker.



Sources: City of Vienna (2024), NYC Department of City Planning (2023), Census ACS (2023)¹²⁰

Vienna’s robust eviction protections also keep people in their homes. For one, tenants in social housing retain their homes even if their income rises above the upper-bound of eligibility. In addition, those who cannot pay rent can receive expedited assistance to pay back arrears from the city and eviction prevention assistance.¹²¹

Due in large part to the array of benefits flowing from its social housing program, Vienna has been cited as the world’s most livable city five times in the last six years.¹²² Another way of gauging the success of Vienna’s social housing model is that, both in absolute terms and as a share of total housing, social housing in Vienna is *still growing*. By contrast, most cities in the rich world are seeing their social housing stocks erode: In the United States, for example, the country’s overall public housing stock has declined by one quarter in the 21st century.¹²³

¹²⁰ Vienna data represents the gross average annual salary per employee by district (see Table 9.1.2 in City of Vienna, “Statistisches Jahrbuch der Stadt Wien 2024: Wien in Zahlen,” November 2024, <https://www.wien.gv.at/statistik/pdf/jahrbuch.pdf>); New York City data represents the average annual household income by community district (see New York City Department of City Planning, “2022 ACS 5-Year,” <https://www.nyc.gov/content/planning/pages/resources/datasets/american-community-survey> (variable MnHHIncE)); for total New York City average household income, see Table S1902 in US Census American Community Survey, “2022 5-Year Estimates.”

¹²¹ City of Vienna, “Eviction prevention services at the municipal level,” accessed on May 21 2025, https://webfs.oecd.org/Els-com/Affordable_Housing_Database/HL%20Workshop/session3-Vienna-Austria.pdf

¹²² Economist Intelligence Unit, “The Global Liveability Index 2024,” 2024, <https://www.eiu.com/n/campaigns/global-liveability-index-2024>.

¹²³ Kira McDonald, Daniel Aldana Cohen, and Ruthy Gourevitch, “The Case for a Green New Deal for Public Housing,” Climate and Community Institute, March 2024, <https://climateandcommunity.org/wp-content/uploads/2024/09/GND4PH-Report-050824.pdf>.

2. Comprehensive planning anchored in social housing fosters livable, sustainable communities

Key to the popularity and desirability of Vienna social housing is its integration into the city fabric. Not only are social housing developments spread throughout the city's neighborhoods, but they offer convenient access to essential public services like transit, utilities, schools, and health care.

The *livability* of Vienna social housing is the direct result of a robust urban planning regime that has emphasized sustainability, gender equity, accessibility, and other imperatives. These efforts ensure social housing is and remains a means to better the lives of its residents—and of Viennese as a whole.

Planners are involved as early as the development proposal phase. As we note above, would-be limited-profit housing developers participate in competitions to earn permission to build. To win these competitions, among other competencies, developers must show how their dwellings will integrate with key public services, from public transit to health care. New social housing construction projects also trigger the involvement of city departments so that they can plan and build any new facilities and infrastructure needed to realize this integration.

Even the city's limited stock of private rentals benefits from the social housing planning regime. Most rental properties are rigorously rent controlled (and the rest are regulated more carefully than most US rental housing), property taxes on private homes are redistributive, and comprehensive planning applies to all real estate in the city.

But the features and character of Vienna social housing do not originate exclusively with city planners; tenants also have a say. Since 2013, Vienna has included residents in the planning process through a "dialogue-oriented" approach, one whose intent is to increase value and use of communal facilities.¹²⁴

An important outgrowth of this "bottom up" method of planning is *gender planning*—a greater emphasis on gender equity and

¹²⁴ In-person presentation from Eva Kail, Executive Group for Construction and Technology, October 19, 2022; Valeriya Safronova, "Can Urban Design Have a Gender? In This Vienna District, the Answer Is Yes," *New York Times*, July 17, 2024, <https://www.nytimes.com/2024/07/17/realestate/vienna-aspern-seestadt-gender.html>.

accessibility in social housing design. Incorporating critiques from the discipline of feminist urbanism, which argues that planners and architects—a population that skews white, male, and well educated—may neglect the infrastructural needs of the historically marginalized, Vienna’s planners ensure their designs give equal opportunity to groups like wheelchair users, parents with children, and people without cars.¹²⁵

Gender planning has meaningfully improved the design of social housing developments. Examples include adding more windows and increasing lighting for greater visibility and safety, broadening sidewalks and reducing barriers within and between them, providing gender-sensitive park amenities, naming streets after women, and prioritizing formerly secondary rooms like laundry facilities. Eva Kail, who has led the effort to incorporate gender planning into Vienna social housing, notes that in social housing developments, parents let kids walk around alone at a very young age—a strong indicator of social strength.¹²⁶

The end result of Vienna’s comprehensive planning practice is a living ecology of high-quality developments that feature mixed uses, a range of income levels, and a variety of ownership and governance structures. Vienna social housing fosters true *communities*, where children, young adults, families, and seniors of different ethnic and socioeconomic backgrounds live well. And increasingly, social housing is sheltering residents from the violence of climate change by offering affordable green living as a democratic right, not a luxury product.

3. Social housing makes possible—and is the foundation for—climate action and green innovation

As we note above, Vienna has committed itself to an ambitious decarbonization plan: climate neutrality by 2040.¹²⁷ One of the reasons—perhaps *the* reason—this target is achievable is the social housing system.

The effort starts at the proposal stage. Thanks to the rigorous sustainability requirements of the social housing developer

¹²⁵ In-person presentation from Eva Kail.

¹²⁶ In-person presentation from Eva Kail.

¹²⁷ City of Vienna, “Vienna Climate Guide.”

competitions, Vienna ensures new builds leverage the most up-to-date materials and techniques to reduce buildings' emissions. The competitions drive innovation, yielding advances that the city can later weave into regulations for private developers as well.

Given that so much of the city's housing stock—over 40 percent—is publicly owned or subsidized, Vienna can make significant strides toward decarbonization simply by green retrofits and pilot projects on its own buildings. Whether it is the installation of solar panels or the reimagination of heating and cooling systems, these initiatives serve as proofs-of-concept for private developers and result in greener housing overall.

Vienna can also lean on its robust public sector beyond its social housing programs. In addition to owning a public energy utility, it also owns large portions of the buildings-construction supply chain. This approach to industrial policy has its origins in the Red Vienna period, when the city purchased the Vienna Building Materials Company to supply sand for municipal housing.

Although urban density mitigates the need for cars and their carbon emissions, one potential downside are heat islands. However, thanks to public ownership of considerable tracts of land and the planning requirements of social housing, Vienna is able to mitigate their effect. First, the city can maintain 45 percent of its land area as green space between dense areas. Second, social housing developments always contain parks nearby both for resident enjoyment and local cooling. And finally, Vienna's planners and architects are using green roofs to better moderate heat exposure during the day.

Vienna is a study in the efficacy of green industrial policy. Thanks to broad public ownership, a strong civil service, and social housing, the city is able to build buy-in for ambitious public projects—and accelerate climate action.

4. Social housing creates durable political alliances that sustain green economic populism over time

Vienna's social housing model has proven tremendously successful: it has made stable, secure, attractive housing affordable to broad swaths of its population, and served as a key political plank for its supporters to stay in power.

Social housing has been central to the Social Democratic Party's identity for a century.¹²⁸

In the Red Vienna period, housing developments became a tangible token of the strength and ability of the Social Democratic Party to deliver gains for people.¹²⁹ They provided much-needed benefits not just to residents but also to those living nearby who used the developments' community spaces.¹³⁰ Archival evidence shows the ruling Social Democrats gave preference to *non*-party members in the provision of social housing flats as a strategic measure to expand the party's support.¹³¹

The same coalition that has kept the Social Democratic Party in power since World War II—a multiracial coalition of workers and left-leaning elites—has also played a critical role in building up progressive institutions that support social housing. Trade unions, the Chamber of Labor (a counterpart to the Chamber of Commerce), the city government—all work in tandem to protect social housing.

These organizations, in different but overlapping ways, strengthen one another as well as working-class people. Trade unions ensure sectoral bargaining and good working conditions. The Chamber of Labor conducts policy-oriented research, negotiates key policies with the Chamber of Commerce, and provides workers with many direct services (legal advice, legal representation, and housing and tax support, among others). And finally, the city government helps plan and realize an integrated social fabric centered on building communities and improving people's quality of life.

Progressive politics have become institutionalized to such a degree in Vienna that these institutions have seats at the table to balance the power of capitalist interests like the real estate lobby and chamber of commerce.¹³² Although the Social Democratic Party's membership has been shrinking, the party still operates throughout society, with party affiliates running programs like day cares, organizing local cultural events, and operating a massive hiking club.

¹²⁸ Zoom interview with Justin Kadi.

¹²⁹ McFarland, Spitaler, and Zechner, *The Red Vienna Sourcebook*, 689.

¹³⁰ McFarland, Spitaler, and Zechner, *The Red Vienna Sourcebook*, 390.

¹³¹ Holzner and Huberman, "Red Vienna," 66; Gruber, *Red Vienna*, 62.

¹³² Zoom interview with Justin Kadi.

Weaknesses of Vienna's Social Housing Model

For all the successes of Vienna's social housing program, the system nevertheless has its weaknesses.

First and most troubling, social housing is not inured to the problematic racial politics of Austria, Vienna, and Vienna's Social Democratic Party. The city's shift toward the limited-profit housing model has constituted a barrier to lower-income immigrants and people of color on two fronts: one, because limited-profit housing requires a down payment; and two, because development is spread among dozens of different associations, making this type of social housing harder to access, as prospective residents must apply to each limited-profit social housing project separately, one at a time.

It bears mentioning that municipal housing, too, features obstacles for immigrant communities. The two-year residency requirement for eligibility excludes scores of newly arrived immigrants from the economic and social stability that municipal housing provides. As a result of these barriers to access, Vienna's immigrant communities are over-represented in the lower tiers of the city's private housing market, which is more expensive, less regulated, and offers far lower housing quality.¹³³

The city's Social Democratic Party is uniquely situated to address discriminatory rules and behavior in the provision of social housing. However, the party has had difficulty building a deeply anti-racist politics grounded in the city's multiracial working class. Improving this situation would likely require that city's progressives adopt a more sophisticated anti-racist politics—and to reassert the public sector's role in building, operating, and regulating social housing.

As noted above, limited-profit housing—the overwhelmingly dominant type of social housing built in recent years—requires a down payment: anywhere from €5,000 to €40,000 for an 80 m² apartment.¹³⁴ When this upfront cost is coupled with often complex eligibility, many working-class families are left to fend for themselves in the private market.

In fact, these changes have increasingly bifurcated the rental market such that those who already have social housing or rent-controlled apartments

¹³³ Yuri Kazepov and Roland Verwiebe, "Affordable Housing for All? Challenging the Legacy of Red Vienna."

¹³⁴ Kazepov and Verwiebe, "Affordable Housing for All? Challenging the Legacy of Red Vienna," 57.

are secure, while newcomers or those who need to move face increasingly insecure, time-limited contracts.¹³⁵ From 1991 to 2018, for example, renters paying free-market rents or living in time-limited free-market leases increased from 4 percent to 14 percent and 5 percent to 17 percent, respectively.¹³⁶

Thus, although Vienna has maintained and even deepened its social housing system since the Red Vienna period, it still faces challenges. Nevertheless, while experiencing significant and increasing pressure from neoliberal logic, Vienna has managed to leverage its large base of social housing and progressive policies to blunt the worst of privatization and rent deregulation.

Conclusion: Lessons for the United States

Considering the severity of the housing crisis in the United States today, Vienna's example is striking. Vienna has shown the world that a city of renters can provide housing security as a social right. And while some may view Vienna's context as so distinctive that Americans can only admire the model from a distance, we see a lot of potential in the United States for passing policies that, like Vienna, could expand abundant green housing security here. As in Vienna, we see innovative green housing expertise all over the US, supportive (if underfunded) institutions, and organized communities.

The initial challenge, in US contexts, isn't to replicate an achievement that took Vienna a century. Rather, the challenge in the US, right now, is to start—to establish *some* green social housing, through new developments and retrofits.¹³⁷ As successes proliferate, it will be easier to mobilize resources and political enthusiasm to expand, revise, and improve this new policy paradigm.

To that end, we conclude by highlighting three lessons that bear special emphasis for US activists, researchers, and policymakers. If we're going to learn from Vienna, we have to make sure we get key lessons right.

¹³⁵ Kazepov and Verwiebe, "Affordable Housing for All? Challenging the Legacy of Red Vienna," 59–63.

¹³⁶ Kazepov and Verwiebe, "Affordable Housing for All? Challenging the Legacy of Red Vienna," 60.

¹³⁷ For one example of how to start in the US, see Gianpaolo Baiocchi et al, "Green Social Housing at Scale: How a Federal Green Social Housing Development Authority Can Build, Repair, and Finance Homes for All."

Lesson one: publicly owned social housing is a key aspect of social housing ecosystems

First, the limited-profit social housing model in Vienna is ingenious, and it is currently getting the most attention in current discussions of Vienna's model. However, this is just one half of Vienna's balanced social housing system. The other half is municipal housing, which is also mixed-income and mixed-use, but owned by the public sector. That housing is more available to the lowest-income renters.

In the US context, emulating Vienna's model will entail *both* building up public social housing developers *and* emulating Vienna's model of limited-profit social housing. Both these objectives are fully compatible with the US housing policy landscape; indeed, the United States has a range of models, like community land trusts and limited-equity cooperatives, that play a similar role to Vienna's limited-profit housing (though the US versions would benefit from more systematic and robust support). And the US also has a significant public housing stock, much of which needs green retrofits, and a number of campaigns to establish new kinds of public housing developers.¹³⁸ Ultimately, a social housing system must help those with the lowest incomes find stable, lifelong homes. Even in Vienna, the city relies on publicly owned housing to carry most of that load—in stylish and innovative ways.

Lesson two: winning and sustaining green social housing requires a working-class movement

Second, Vienna's success cannot be divorced from the city's working-class political base, and strong membership-based working-class organizations. Since its inception, Vienna's social housing system has depended on the progressive social-and-planning vision of one of the world's most dynamic leftist political parties. In the Red Vienna period, that dynamism yielded the stunning achievements of mixed-income social housing and a highly progressive tax regime.

After World War II, it was the Social Democrats' working-class base—and municipal housing legacy—that helped the city pivot to limited-profit social housing and avoid the disastrous privatizations of social housing found across the rest of Europe. In the postwar period, labor and trade unions institutionalized their power in the Chamber of Labor, which provides an

¹³⁸ Kira McDonald, Daniel Aldana Cohen, and Ruthy Gourevitch. "The Case for a Green New Deal for Public Housing;" Climate and Community Institute et al., "Building Our Future: Grassroots Reflections on Social Housing," May 2024, <https://climateandcommunity.org/research/grassroots-reflections-social-housing/>

institutional focal point for unions' collective power. The Chamber of Labor is governed by a parliament, whose members are elected by all of the country's workers—irrespective of visa status—making it the country's most inclusive political institution. The Chamber of Labor has consistently championed social housing, and its well-staffed research arm is one of the most trusted research organizations in the country. Unions also play a key role in providing housing through their own LPHAs, which develop cooperative social housing for both union members and the public at large.

In the US, there's increasing interest in social housing in the tenant and labor movement, and in segments of the political left—within and beyond the Democratic Party. Housing experts alone will not be able to win green social housing in the US; that will require a dynamic, multifaceted movement rooted in working-class political institutions.

Lesson three: social housing and green housing go hand-in-hand

Third, Vienna's experience shows the value of public regulation and involvement in housing development for advancing ambitious climate goals. When the EU set new building standards and goals, the City of Vienna's engagement with housing and urban planning gave it many mechanisms to meet those goals: increasing walkability, e-mobility, and transit use through density and urban planning; retrofitting the existing social housing stock; incorporating building efficiency standards into developer competitions to green new building construction; using planning expertise built up from social housing development to eliminate gas from all space heating and building operations; and more. Livable residential density has additional economic benefits for the city government by reducing the investments needed to service roads, water lines, sewers, and other infrastructure on a per capita basis.

Vienna's social housing paradigm creates a green and economically sustainable city, with perhaps the world's greatest quality of life. Housing and climate are not competing priorities for public investment. It is through public commitments to green housing security that cities, states, and the federal government can pass more effective climate policies that directly improve people's living conditions; and this will build greater public capacity for an ever-greater range of helpful planning and policies.



Biotop City. Photo courtesy of IBA_Wien.

Both housing security and tangible climate justice are within reach. And once communities hold that safety in their hands, they are unlikely to let it go.

American cities seem quite far away from achieving anything resembling Vienna's social housing system. Even if there were a widespread desire in the United States to emulate Vienna's model, doing so would take time and inevitably yield very different policies. But learning from Vienna requires less wholesale transformation than one might imagine. Cities and states across the United States have many of the ingredients needed to jumpstart successful social housing programs. And soon, United States residents may see political coalitions form that are capable of aligning the necessary resources, policies, and to realize a comprehensive program of green social housing. If Vienna offers one very clear lesson, it is that delivering on the promise of affordable housing is popular. Both housing security and tangible climate justice are within reach. And once communities hold that safety in their hands, they are unlikely to let it go.