

URBAN RENEWAL IN VIENNA

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1 Introduction

The policy of *gentle urban renewal* has become a crucial issue for urban planning in Vienna, due to the large number of buildings going back to the nineteenth century and before. In addition, the various public housing projects that were carried out between World War I and World War II and in the post-war period require a particular type of preventive care so that deterioration can be avoided even before it becomes visible.

In Vienna, a specific model of *soft* or *gentle urban renewal* has been developed in the last three decades. This policy has not been delineated as a single concept at a given time but it has been developed step by step, modifying inefficient instruments and strengthening successful measures in the process. Gentle urban renewal focuses on sustainable renovation that incorporates the tenants into the renewal process. The goals are to maintain and improve the existing urban fabric and create affordable, high-standard apartments. In addition, the attractiveness of the inner-city neighbourhoods is improved while a balanced, socially mixed residential population is maintained. In 1998, 2000 and 2002 the Viennese model of sustainable urban renewal won the UN-HABITAT Best Practices Award. The main instruments of this renewal policy, the results and the challenges are presented in this paper.

2 Starting point: the heritage of nineteenth-century apartment houses

Almost 37 percent of the total number of apartments in Vienna was built before World War I. At that time the urban population was growing rapidly and desperately needed living quarters. The result was dense and extensive construction. In order to gain the highest possible profits, building permissions for up to 85 percent of a piece of land were granted (*Lichtenberger, 1978*). The goal was to build a lot of apartments quickly, and quality was not always among the developers' central concerns. The construction debris from the buildings previously

standing on the properties was reutilized. Many of these 19th-century projects were later found to be damp and poorly insulated, and required repairs within a few decades after their original construction. Particularly those apartments facing small inner courtyards were dark and unattractive. In accordance with the concentric growth zones in Vienna, apartments built before 1919 are concentrated in the inner districts and in the neighbouring areas of the outer districts. In these quarters the share of such apartments goes up to 50 percent or more.

The restructuring of the urban fabric in the second half of the 19th century 'divided' the city spatially into neighbourhoods for the middle and upper-middle classes on the one hand, and those for the working-class on the other hand. Characteristic working-class apartment blocks from this period can be found in areas of the outer districts, but adjacent to the inner districts, while the inner districts themselves are characterized by a higher percentage of middle-class blocks of flats. While the Austrian tenants of the working-class apartments have passed away or moved out into higher-standard social housing apartments, since the 1970s these apartments have become homes for an increasing low-status immigrant population.

The workers' apartment blocks consisted of one or two small rooms and a kitchen, with neither toilet nor bathroom. Running water was available only in the exterior hallways from a sink known as a 'bassena'. These are categorized as so-called 'D' apartments. Some of them have been upgraded to Category C by the tenants, integrating running water and toilet, but most of these apartment buildings received neither improvements nor renovations in the years after World War I. This was largely due to the results of rent control regulations that froze rental incomes at the level they were at in 1917, in order to protect the population from rent increases and evictions. This frozen rent-system was referred to as 'peace-rent' (*Friedenszins*). Without significant rental incomes, however, the landlords' interest in maintaining and perhaps even improving their properties was limited. The longer the phase of non-investment, the greater the need for renovation became. In addition, the longer this stage lasted, the less likely the property owner was willing to invest in renovation, especially if increased capital could not be obtained via higher rents.

However, abolishing rent controls was and still remains a very sensitive political issue in Vienna. For this reason, policy-makers were caught in a 'renewal trap' and the status quo ruled for decades: limitation of permitted rents and repair of only the worst damage. Not until the 1970s, when deterioration had already turned from bad to worse, were the rent laws eventually liberalized step by step in order to stimulate renewal. The *Friedenszins* was lifted from a property when a new tenant moved in. Due to the natural processes of dying and moving out, the number of old, frozen rental contracts went down, and the average rent

went up, as did the incomes of the property owners. The willingness of these private property owners to renovate their properties increased simultaneously.

In addition to these legal measures, public financial assistance was also provided. On the political level it was always clear that the renovation of these nineteenth-century buildings could not be funded by the public or private sectors alone. Both would have been overwhelmed by the amount of the investments needed. Through private and public cooperation, where both sides operated in their own interests and both could profit from the results, Vienna has become a model for Public-Private Partnership (PPP).

But it was not only the private sector that was involved in renewal efforts. In the 1920s the City of Vienna launched an ambitious social housing program, which was to provide affordable apartments of better standard for low-income households. In that period about 66,000 apartments were constructed. Even though these apartments were small in size, they were equipped with running water and toilet. So the standard of these apartments met the criteria of Category C and therefore, compared to the working-class apartments of the 19th century, living conditions were much better. Huge apartment blocks, which comprised up to over 1,000 apartments, were built either at the edges of the 19th-century neighbourhoods or on vacant lots within this area. Integrating Category C apartments into the gentle urban renewal program enabled the city to improve and renew its own housing stock that had become wanting for repair and improvement as well (Förster, 2004b).

3 The model of gentle urban renewal

Urban renewal financed exclusively by private investors without public control can result in serious socio-political consequences. When private investors renovate residential buildings they expect adequate returns and these returns have to be the result of higher rents. If the level of the rents is regulated, the private investors will decide to shift their capital elsewhere or to achieve incomes through disinvestment. If, on the other hand, the rents are deregulated and left totally to free market forces, social groups that can no longer afford the renovated apartments will be displaced. Compared to Austrian examples, the regeneration of urban neighbourhoods in cities of West-Germany, where a substantially more liberal rent legislation is in force, reveals the results of physical improvement tied to increased rents. Market forces have often resulted in gentrification and a shift in the rental population. This social shift and the displacement of population also brings about increasing social segregation. Equally, the first renewal projects launched by the City of Vienna, such as *Blutgassenviertel* in the 1st

district, completed in 1965, or *Spittelberg* in the 7th district, launched in 1973, resulted in the gentrification of the affected areas.

Vienna city planners have always tried to steer away from measures which would result in such social segregation. The implementation of public housing projects for residents of modest and average income in high-status neighbourhoods was an aspect of Vienna public housing policy as early as between the two World Wars. The same holds true for renovations, which could not be left totally to the market and which were supposed to prevent social segregation. The primary goal of the Vienna model of gentle urban renewal has been and still remains not to displace the resident population, but rather to renovate and improve the quality of old buildings in a way that the apartments remain affordable for their tenants after renovation.

4 Steps of implementation

The first legal steps towards gentle renewal were taken in the late 1960s. The goal of the Apartment Improvement Act (*Wohnungsverbesserungsgesetz*) of 1969 was the creation of incentives for tenants to undertake improvements. A further step was taken in 1972, when the Vienna City Government passed the Old City Redevelopment Act (*Altstadt-Sanierungsgesetz*). In order to maintain historically and culturally important buildings, the first preservation zones were created. These included the zone of *Spittelberg*, delineated in March 1973.

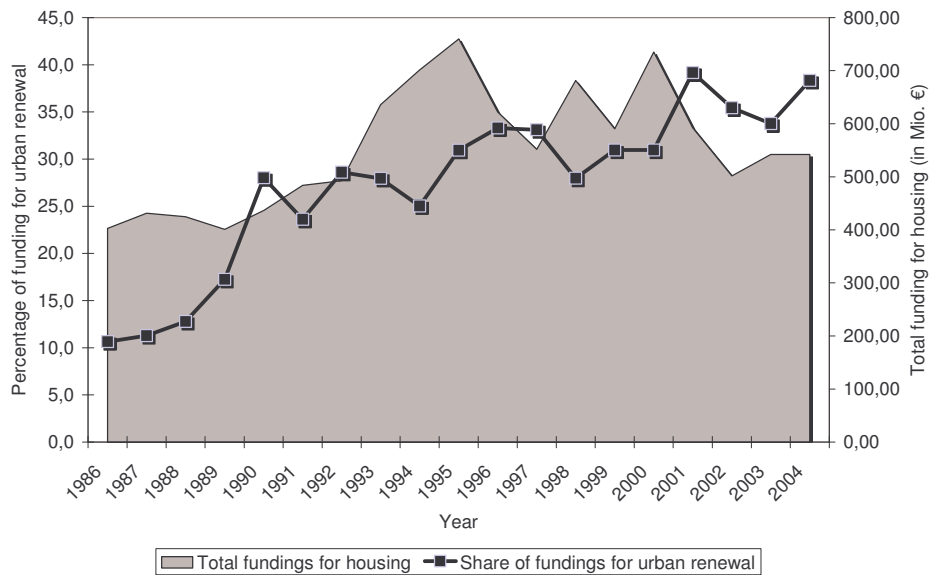
The Urban Renewal Act (*Stadterneuerungsgesetz*) of 1974 contains the legal and organizational structures which enable the City of Vienna to participate in the renovation and renewal processes. The Urban Renewal Act was the only law that comprised provisions related to the renewal process. It defined specific renewal areas, it contained an obligation for the building owners to offer their property to the city in case of compulsory purchase and also the option of a 50 percent tax deduction tied to renewal costs. Additionally, the involvement of tenants in decision-making processes has become part of the renewal process. Area Renewal Offices have been established as mediating institutions between the interests of politics, developers and residents.

The Rent Act (*Mietrechtsgesetz*) of 1981 was finally passed in 1986. It provides incentives for renovation by private owners by liberalizing rents for Category A apartments. Such apartments are the size of at least 30 square meters and contain a kitchen or kitchen area, hall, WC, modern bath or shower, central heating and running water.

The Residential Building Rehabilitation Act of 1984 (*Wohnhaussanierungsgesetz* or WSG), and the Viennese Housing Promotion and Renovation Act of

1989 (Wiener Wohnbauförderungs- und Sanierungsgesetz or WWFSG) shifted urban renewal in Vienna “from the small-scale study area to large-scale urban renewal” (Förster, 2004b). In 1989 the responsibility of promoting construction was transferred from the Republic of Austria to the federal provinces (Feigelfeld–Stocker, 2003). Since then the City of Vienna as a federal province has been empowered to decide how to use development expenditures for housing, and it has favoured renewal and improvement of the existing building stock over demolition and new construction (Figure 1).

FIGURE 1
Funding of housing and related expenditures for urban renewal



Source: City of Vienna, Statistical Yearbook (1986–2004), calculation and draft by H. Fassmann and G. Hatz.

In 1984 the Vienna Land Procurement and Urban Renewal Fund (Wiener Bodenbereitstellungs- und Stadterneuerungsfonds or WBSF, later renamed in wohnfonds_wien. fonds für wohnbau und Stadterneuerung) was established to advance the renewal process. The fund was neither established as a public office nor as a part of the municipal administration. It could act independently, more quickly and efficiently than the traditional administrative bodies. The fund’s two primary tasks emphasize the preparation and implementation of urban renewal measures, as well as limiting competition between the various construction firms

being financed with public money. In the first area, consultation, coordination and supervision are tools for assisting the urban renewal process. The tasks of the WBSF begin with the purchase of real estate and include active participation in giving the projects specific directions. The WBSF owns around 190 hectares of real estate, which can be used according to needs. In order to assure quality, public competitions for bids are organized and successful bidders are selected by an interdisciplinary panel of experts. This process is intended to achieve the goal of the highest possible quality at a low cost so that reasonably-priced but high-standard apartments can be built.

In 1984 the Vienna City Development Plan (Stadtentwicklungsplan Wien or STEP) was launched with the intention to put special emphasis on urban renewal. This plan gives priority to urban renewal over urban expansion and it is the keystone of the legal development of Viennese urban renewal policy. The STEP of 1984 did not establish any new measures and instruments but it summarized the principles and goals of gentle urban renewal.

The STEP of 1984 was modified in 1994 due to changing conditions, anticipating Austria's accession to the European Union in 1995. These modifications included the construction of new apartments as well as the renovation of nineteenth-century neighbourhoods in particular. Twenty years later the Vienna City Development Plan 2005 (STEP 2005) was set up as the most recent comprehensive plan, also emphasizing the importance of the renewal process. However, with the success of the renewal policy, its relevance has decreased. Vienna is now a 'renewed city', and on the agenda of the City Government urban renewal has lost its earlier importance and priority.

5 Entities of renewal

Urban renewal is carried out on three different spatial levels: the level of the individual apartment, the level of the buildings, and the level of the entire neighbourhood. On each of these three levels renewal requires different measures (*Table 1*).

On the level of the individual apartment, the tenants are subsidized by investing in improvements of the dwelling. Investments for installation of central heating or a bathroom, or the improvement of the apartment's floor are encouraged by offering 'easy money', such as low-cost loans provided by the city and annual public subsidies in paying back the bank loans.

On the level of the building, total or base renewal as well as the maintenance of the physical structure is encouraged. Measures that help to preserve the building but do not actually improve it are considered as maintenance. For ex-

ample, roof repairs or the repair of a building's facade can be considered maintenance. The most important type of building improvement under the label of gentle urban renewal is the so-called *base renewal* (Sockelsanierung), which involves simultaneous maintenance and modernization of partially or fully inhabited buildings. It can occur either all at once or in phases, and the rental contracts continue as before. Not all the residents have to participate in modifications to their individual apartments but they are invited to. This means that in buildings which have undergone such a base renewal, substandard apartments can be found next to top-quality Category A ones.

TABLE 1
Entities of Renewal and Measures

Level	Measures	Content and Goals
Apartments	individual improvements	improvement of heating, sanitation and floor plan of the apartment; subsidizing interests of mortgages and loans
Building	basic maintenance, base renewal and total renovation; thermal energy renewal	preservation and improvement of electricity and water supply (pipes..), sewage, elevator, roof etc.; improvement of the insulation, windows; subsidizing most of the renovation costs
Block	block renewal	coordination of the single-building renovations and improvements of the semi-public space within the block

Source: H. Fassmann and G. Hatz.

In contrast to this type of renewal, *total renewal* involves the thorough renovation of an empty building, with the aim of creating Category A apartments. Total renewal is more radical than base renewal, and in most cases it leads to a complete change of the inhabitants. For the landlords total renewal is the most profitable strategy, but under the given legal situation it is a long-lasting and costly process to clear the house and to motivate all tenants to move out of their apartments. Therefore in quantitative terms total renewal is of minor importance.

Often a base renovation is combined with a modest block renovation. For example, through the demolition of parts of one building complex, the lighting and ventilation situation for a number of buildings can be improved. Normally, the lost space can be compensated for by creating penthouse apartments, or by adding an extra storey on to the top of the building. Due to the high density of buildings in inner city neighbourhoods, it has become clear that the improvement of living conditions in renovated buildings and apartments is related to the physical structure not only of the premises, but also of the adjacent buildings and

the entire block. This has led to the development of concepts of urban renewal that comprise not only a single building but entire premises of adjacent buildings.

The third level of renewal is the block, an aggregation of adjacent buildings delineated by at least three streets. Block renewal attempts to coordinate single-building renovations, improvements in the public space (such as through the creation of parking spaces and the limitation of traffic), structural changes in the entire block (such as landscaping or the combination of courtyards), as well as various business efforts (such as providing local supplies of food and other necessities). One aspect of such gentle urban renewal is that the affected residents are supposed to be included in the process of renewal and renovation. Block renovation projects therefore include information offices through which the tenants can be informed about the project and they can participate in planning. It must be stressed, however, that tenants are not forced either to improve their apartments or to move out. In the process of improving the neighbourhood (such as installation of public facilities) the cooperative assistance of the tenants is welcomed. As part of block renovation projects, additional facilities such as day-care providers or counselling services are also supported.

Since 2000 a new type of renovation, known as *Thermal Renovation* (THE-WOSAN or Thermisch-energetische Sanierung) has become popular, as part of the Climate Protection Program of the City of Vienna. This type of remodelling involves a complete installation of new insulation, including modern, insulated windows. It was developed and implemented specifically with post-World War II apartments in mind.

Funding conditions do not include any specific limits on the type of renovations undertaken. What is required is that the building to be renovated should be a residential one and that after the renovation it remains at least fifty percent residential. The building to be renovated must be at least twenty years old at the time financial aid is requested. Apartments that can be included in this financial support program must not be smaller than 22 or larger than 150 square metres. The financial conditions with regard to construction costs and rental incomes must be economically feasible as well. To direct the funding to buildings and areas in great need of renewal, the amount of grants is regulated by a priority scale.

In the case of base renewals the priority scale includes criteria that refer to urban planning and development, building fabric and standard of apartments and to the integration and participation of the tenants in the renewal process. These criteria include the location of the building in urban areas designated as requiring refurbishment or block renewal. On the level of buildings and apartments, funding increases along with the share of Category C and D apartments in the building, with a bottom limit of 25 percent and a share of small-size apartments

not below 30 percent. On the level of apartments and tenants, ranking in the priority scale increases with the share of inhabited apartments to be upgraded (at least 5 percent), the improvement of the apartment's floor plan (at least 10 percent) and the overall improvement of the standard of apartments (at least 30 percent). Even though the funding of renewal has an upper limit, the maximum amount of public support can go up to 90 percent of the renovation costs through subsidies on bank loan annuities (UN-HABITAT 2002), and in case of block renewal, grants can go up to 100 percent (wohnfonds_wien 2005).

6 Financial impact

In 2004 the total amount of financial support for urban renewal projects in the city of Vienna was approximately 380 million Euros for 10,000 apartments. This is more than 4 percent of the entire city budget. In 2004 revenues amounted to an estimated 9,288 billion Euros and expenditures amounted to about 9,305 billion Euros. Of this amount, 860 million Euros were budgeted for housing and out of this a total of 542 million Euros for renewal in a broader sense: 239.5 million Euros for the construction of 5,000 new apartments, 207 million Euros for the renovation of 10,000 apartments and a record 95.5 million Euros (double the amount spent in 1998) for rental subsidies. These expenses are seen as seed money which will generate a much larger amount of private capital. It is estimated that about 1.23 billion Euros are going to be generated through the investment of public money (*Figure 2*).

Between 1984, when the WBSF was founded, and the end of 2003 financial support for approximately 4,300 buildings with over 210,000 apartments at a total cost of 3.98 billion Euros was granted. Over the last two decades the city spent an average of 200 million Euros on gentle urban renewal annually. The 210,000 renovated dwellings comprise almost one quarter of the entire housing stock in the city (approximately 911,000 dwelling units in 2001). These indicators demonstrate the significance and priority of urban renewal policy in Vienna (*Table 2*).

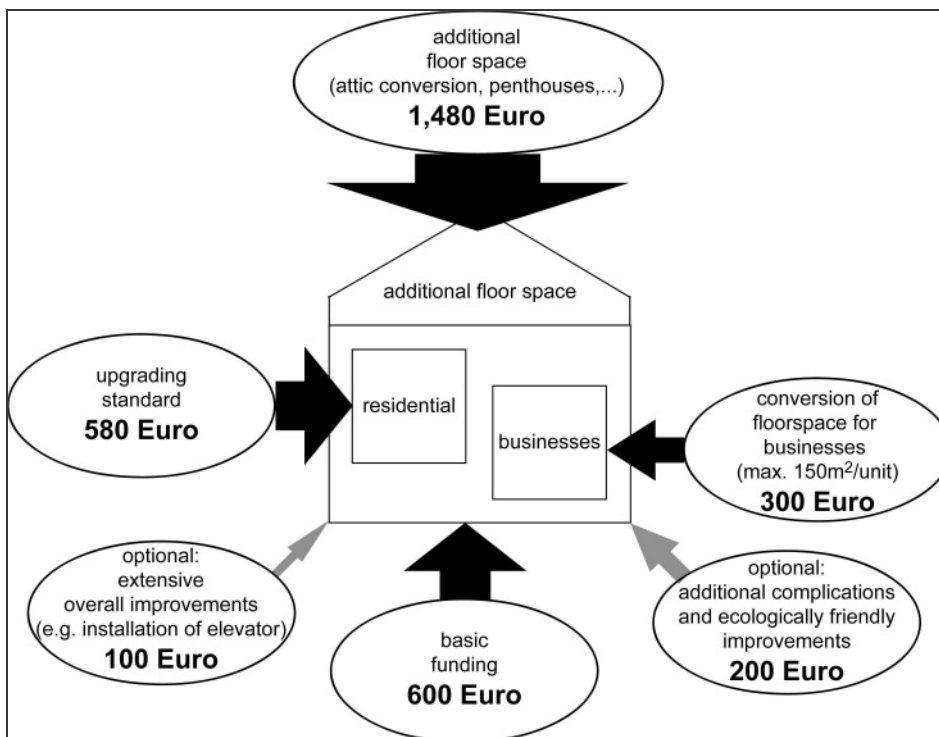
Among all types of renewal summarized under the term 'gentle urban renewal', base renewal of buildings is the most popular type of renovation. Almost 60 percent of the public financial support allocated between 1984 and 2003 was dedicated to this type of renovation. Slightly more than 19 percent was divided among individual improvements of apartments and the basic maintenance of buildings. Only a little more than 4.6 percent of the total budget went to the total renovation of empty buildings, indicating the marginal importance of this type of renovation.

With a share of only 2.3 percent in total costs, block renovations cannot be seen as quantitatively successful and show the limits of comprehensive urban renewal, even though subsidized by public investments. Block renovations require a consensus among the various property owners, users and other stakeholders. Despite the fact that grants for block renewal can cover the overall costs, up to 2003 only 63 renovation areas with 426 blocks were involved through cooperation between the city and district authorities and 11 areas are still under reconstruction. Regarding these figures, only a small percentage of the city blocks in need of renovation have been affected.

At the beginning of these programs many people were sceptical about whether private owners could be motivated to renovate their properties. By now it has become clear that private property owners as well as collective construction corporations and the city of Vienna itself are ready to invest in renovations.

FIGURE 2

Upper limits of subsidized costs per building (e.g. base renewal, total renewal) per square meter



Source: wohnfonds_wien, 2005, p. 3, draft by H. Fassmann and G. Hatz.

TABLE 2
Total costs of renovation by type and ownership, 1984–2003
(in millions of Euros)

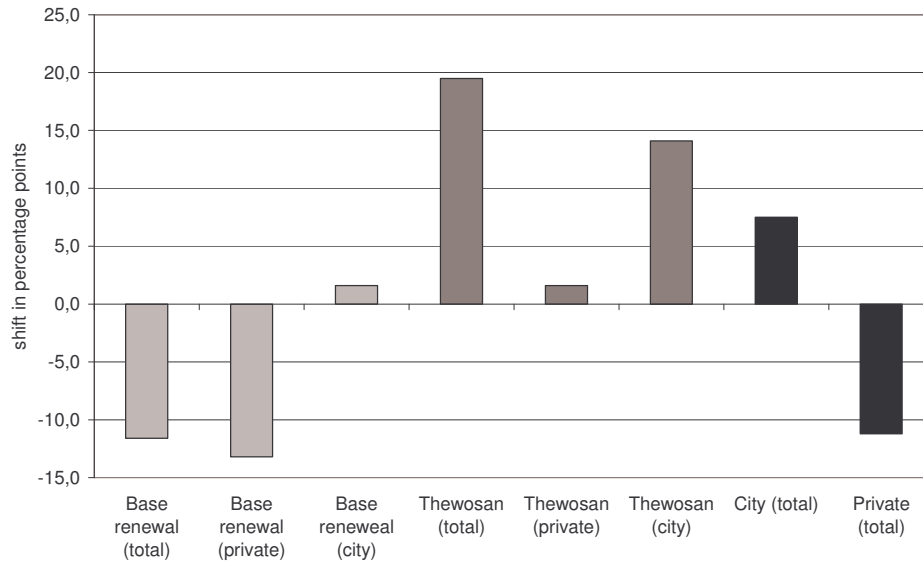
Type of renewal	Private properties	Properties of the City of Vienna	Properties of co-operatives	Total	Proportion in %
Base Renewal	1.166,1	1.095,4	113,3	2.374,8	59,7
Basic Maintenance	326,9	198,8	5,7	531,4	13,4
Total Renovation	118,4	17,5	45,9	181,8	4,6
Individual Improvements	51,0	147,8	32,6	231,4	5,8
Thermal Renovation	32,6	279,7	75,2	387,5	9,7
Homes	56,4	6,8	33,8	97,0	2,4
Block Renewal	49,1	34,5	8,9	92,5	2,3
Others	0,0	84,0	0,0	84,0	2,1
Total	1.800,5	1.864,5	315,4	3.980,4	100,0

Source: WBSF 2004.

In the period of 1984–2003 the city received more than 47 percent of the funds allocated for renovations through renovations of public housing projects which are actually public property. This shows that the city itself – as the biggest property owner – has great interest in defining generous public funding. Around the same amount of funding goes to private owners and less than 10 percent to co-operatives.

The distribution of costs within the soft urban renewal programme shows a clear shift of renovation activities not only in terms of the type of renovation but also of property owners. The investments spent on base renewal have decreased, particularly on base renewals of privately owned buildings, and shifted to thermal renewal, implemented in 2000 and mainly carried out in public housing properties (*Figure 3*). This can be regarded as a success of urban renewal. Due to renovations in the first period (1984–1995), the number of residential buildings with low-standard apartments requiring renewal has decreased. However, the decrease of base renewal by the private sector already became visible in the first years after launching gentle urban renewal. Due to expectations of higher profits, landlords preferred renovation without public subsidies and circumvented the restrictions of gentle urban renewal (WBSF, 1992). The redirection of funding from the private to the public sector reveals the limits of integrating the private sector in sustainable urban renewal but also a new quality introduced into gentle urban renewal.

FIGURE 3
Shift of subsidized renovation costs by type and ownership 1984–1995 and 1996–2003



Source: WBSF 1996 and 2004, calculation and draft by H. Fassmann and G. Hatz.

7 The social sustainability of urban renewal in Vienna

Like the levels of different spatial scales gentle urban renewal is targeting, the social sustainability of urban renewal in Vienna has to be evaluated on different spatial levels, as well.

On the level of the entire city it can be stated that, with regard to improving the quality of dwellings, the Viennese Model of urban renewal has been truly successful. Even though not all dwellings have been improved in the course of the gentle urban renewal program, the number of substandard apartments in Vienna has been reduced considerably. The share of Category C and D apartments decreased from 27.7 percent in 1991 to 10.4 percent in 2001. In the neighbourhoods dominated by Category C and D apartments in 1991, these low-standard dwellings more or less vanished by 2001. In spite of the considerable impact of urban renewal on the building stock of the city, this restructuring was not accompanied by an exclusion and displacement of low-income residents from the refurbished neighbourhoods. Analyses on the dynamics of socio-economic patterns in Vienna show that within the last decade the segregation of typical ‘guest

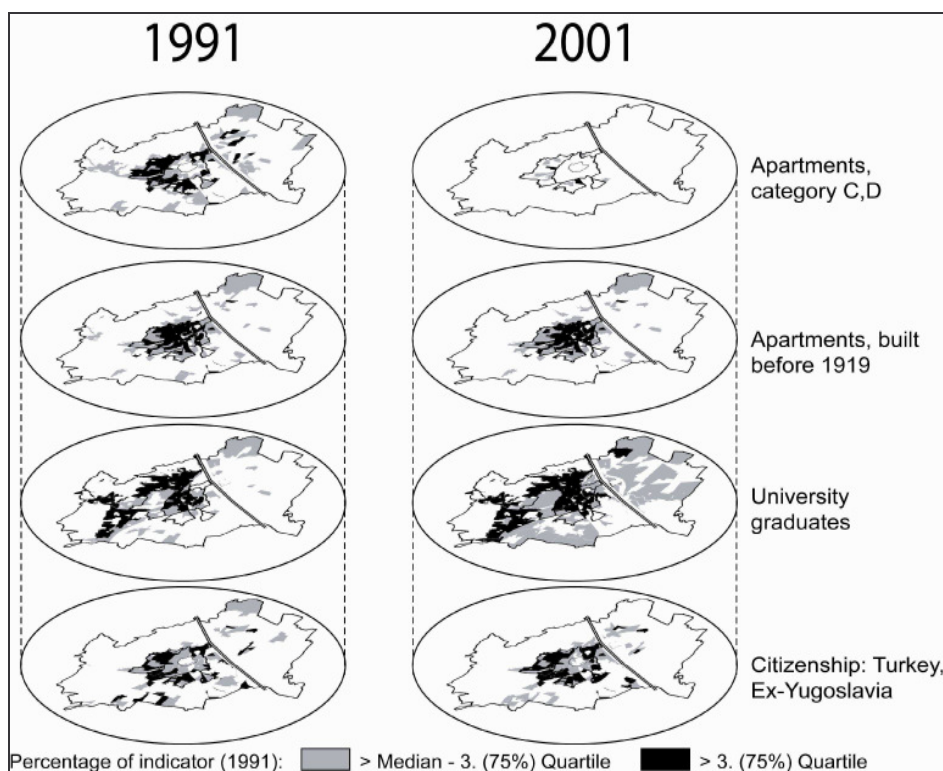
worker' households from the former Yugoslavia and Turkey has increased neither on the level of districts nor on the level of census tracts (Fassmann–Hatz, 2006). What can be concluded is that the renewed neighbourhoods have obviously not been gentrified. The share of university graduates has slightly increased, but not more than in other areas of the city that have not been affected by urban renewal. Similarly, on the level of census tracts the gentrification of renewed neighbourhoods, as well as the displacement of low-income residents or the increase of segregation, could be avoided by gentle urban renewal. While the quality of housing has been improved, the historic ambience as well as the underlying socio-spatial patterns have remained more or less unchanged (Figure 4).

Measures and prerequisites of providing subsidies for soft urban renewal include a wide range of renovation strategies and property owners. Regarding property owners, an evaluation of the social sustainability of gentle urban renewal has to differentiate between the private and the public sector. Access to public housing in Vienna is strictly regulated by citizenship and income level. Until 2005, residents who were not citizens of EU Member States or who earned more than the maximum income level of eligibility had no access to dwellings in public housing projects. On the other hand, rents in public housing apartments are below the respective market values. As a result, the renewal of public housing projects will not be accompanied by a shift in the social structure of tenants. Before starting a renewal project, low-income immigrant households – the group regarded as most seriously affected by evictions due to renewal – can hardly be found in public housing apartments, and likewise the influx of high-income households in renovated apartments is restricted by upper income limits. As a result, the social sustainability of gentle urban renewal in public housing projects has to be explained in part by the regulations of access to public housing apartments, and by the prerequisite of the standard of apartments. With running water and toilet inside, the quality of even non-renewed apartments is higher than that of working-class houses dating from the second half of the nineteenth century. Therefore the need for costly renewal efforts is lower, and a shift from the apartment as the main target of renewal to the improvement of the building fabric is more possible.

It is not only the ownership that predetermines the social sustainability of urban renewal, but the type of renovation as well. It can be assumed that individual improvements do not lead to an exchange of tenants. On the contrary, if a tenant decides to improve the standard of the apartment on his own, he has decided not to move out in advance. As a result of these considerations, about two thirds of renewal projects are predetermined to be socially sustainable, not because of specific sustainable models of renewal but by legal regulations of public housing and type of renewal. On the contrary, one third of renewal projects are expected

to have a considerable impact on the social sustainability of the renewal process. Base and total renewals of privately-owned residential buildings have to be considered as relevant in relation to the exchange of the local population. To accomplish social sustainability in terms of involving the residents in these renewal concepts and to avoid displacement and eviction thereof, a variety of tools has been developed.

FIGURE 4
Sustainability of Urban Renewal in Vienna 1991–2001



Annotations:

Apartments, cat. C, D:	Median (1991): 21.97	3. (75%) Quartile (1991): 32.17
Apartments, built before 1919*):	Median (1991): 21.98	3. (75%) Quartile (1991): 54.20
University graduates:	Median (1991): 4.49	3. (75%) Quartile (1991): 10.26
Citizenship: Turkey, Ex-Yugoslavia:	Median (1991): 5.17	3. (75%) Quartile (1991): 11.02

* Apartments not exclusively used as work place.

Source: Statistik Austria, calculation and draft by H. Fassmann and G. Hatz.

Subsidizing urban renewal is not only aimed at initiating the renewal process but also at avoiding displacements and evictions. As the costs of renewal are usually returned by the tenants in terms of higher rents, subsidizing the costs of renewal was aimed at reducing the increase of rents accompanied by the renewal process. To apply for these subsidies landlords have to fulfil additional requirements, such as not to convert rented apartments into private properties or not to increase the rents of apartments for a period of 15 years. By subsidizing the renewal of the buildings this period proved to be short and the same was true for the increase of rents for inhabited apartments. Low-income households are additionally supported by individual rental subsidies.

Before launching the renewal, the landlord is obliged to inform and involve the tenants by offering several options:

- 1) To stay in the dwelling without any participation in the renewal process;
- 2) To move out either into another dwelling offered by the landlord or anywhere else, with financial compensation offered;
- 3) To participate in the renewal process by improving the standard and/or increasing the size of the apartment.

These requirements accompanied by subsidies were supposed to guarantee the protection of the tenants and the social sustainability of the renewal. However, initiating the renewal process by providing subsidies for the costs of renovation did not prove to be sufficient. For the landlords, the expectation of additional profits was decisive to start the renewal of the buildings they owned. As the rents for inhabited apartments had to be kept on a low level, for market-based rents new rental contracts were required with those tenants who moved into the renovated apartments after the final completion of the renovation of the building (WBSF 1992).

Analyses of the social sustainability of base renewal show that basic renewal as a part of gentle urban renewal can only be regarded as partially successful in terms of the replacement of residents (Hatz, 2004). Even though the renewal of both the building and the dwellings were subsidized, only about 10 percent of the tenants participated in the renewal process by improving the quality and/or size of their own apartments. In the renewed buildings about 40 percent of the tenants did not participate in the renewal of apartments, while 50 percent of the tenants moved in after the renewal. This might indicate that at least 50 percent of the apartments had been vacant even before the renewal process was launched. Regarding the prerequisites of base renewal, it can be assumed that this type of subsidized renewal is accompanied by the displacement of former residents as well.

Displacement, participation and influx of new tenants are perceived as sensitive issues in social and demographic terms. Tenants who did not participate in

the base renewal but remained in their apartments are on average 20 years older than new tenants, while new tenants show an average household income that exceeds that of tenants who remained in the building by one quarter up to two thirds. Therefore the base renewal of privately owned buildings is accompanied by an overlay of young and high-income households. This 'social overlay' results in the expectation of profits by private landlords and in turn in the integration of the private sector of the PPP-model of gentle urban renewal.

In the same way the intended participation and integration of tenants living in the area in the renewal process has to be evaluated. More than half of the dwellings still inhabited by former tenants who remained in the building but did not participate in the renewal process had been of a high standard even before the renewal started. If the improvement of inhabited apartments is regarded as the main target of base renewal, this goal has been accomplished in just 17 percent of all the inhabited apartments. This small amount of improvement results not primarily in the increase of the average rent per square meter but rather in the total rent increase if the improvement results in an increase of the apartment size. Consequently, the improvement of inhabited apartments is of minor significance, as these apartments are rented by older households, of comparably higher quality and, finally, increasing the size is accompanied by an increase of rents and therefore not affordable for tenants who have a lower average household income at their disposal. These findings are supported by the fact that – at a first glance surprisingly – the average size of renewed apartments inhabited by new tenants is about 10 to 15 square meters below the average size of apartments of comparable standard, inhabited by tenants who participated in the renewal or remained in their apartment without agreeing to participate. A pre-selection of tenants already living in high-quality apartments can be assumed before launching the renewal, while new tenants have to adjust to higher rents through a decrease of the size of the apartment.

For new tenants who moved into formerly vacant but refurbished dwellings base renewal cannot be considered in terms of being 'sustainable'. As newly inhabited renovated dwellings are rented on market conditions, average rents per square meter are up to 50 percent more than in the case of apartments of comparable standard, inhabited before the start of the renewal process. Even when the renewal is completed, high rents for renewed apartments prevent low-income households as new tenants in later abandoned or vacant apartments in renewed buildings and the building itself becomes more and more infiltrated by higher-income groups. In the long run, base-renewed residential buildings are becoming gentrified as well. With reference to the different scales of spatial levels, gentle urban renewal certainly leads to an increase of segregation on the level of buildings. Even though the concept of gentle urban renewal forms, if the private sector is integrated, 'gentrified isles' on the level of buildings, the influx of ten-

ants with high social status in these renewed but spatially scattered buildings on a higher spatial level prevents the neighbourhoods from conversion into ghettos of low-income groups. What is more, soft urban renewal prevents elderly tenants from being evicted or displaced.

8 Discussion and Outlook

The gentle model of urban renewal in Vienna has been a successful concept promoted by the City of Vienna, within the context of public-private partnerships, to reduce the large number of apartments and apartment buildings in need of improvement. Urban renewal does not have to be accompanied by the displacement of inhabitants. On the contrary, the active participation of the population is an important part of the renewal process. Through this, the population becomes not simply the subject of urban renewal plans, but an active participant.

Even with this generally positive evaluation of the gentle renewal process, it must be stated that studies have shown that long-term changes in social and demographic structures are almost inevitable. With the renewal of an area, the cumulative process of *improvement* begins. As renovated parts of the city are seen as attractive, they attract groups with good access to capital. These groups have more purchasing power, which brings higher returns on investments to the renovated areas. In the case of Vienna, a relatively modest scale of the accompanying socio-economic valorisation process is apparent and can be seen as the result of interventions of the public authorities to reduce less desirable impacts of the urban renewal process.

Even if the social sustainability of the Viennese model of gentle urban renewal is evident, in the discussion on whether the Viennese model can serve as a general model for sustainable urban renewal and might be applicable for other cities as well, it has to be taken into account that *gentle urban renewal* requires considerable investments by the city and therefore might not be affordable to cities with limited budgets. What is more important, the legal framework of social housing supports the sustainability of urban renewal. The renewal of social housing units is an essential part of gentle urban renewal in Vienna. With a share of about one quarter of the total housing stock, the social housing sector operated by the City of Vienna holds an outstanding position in Europe. Consequently, the sustainability of gentle urban renewal in Vienna is due to the city's specific policy on social housing, as well.

With the success of urban renewal in Vienna in reducing the number of low-quality apartments, the tasks of urban renewal have shifted and lifted to another quality of renewal. Not renewal but improvement of the building fabric will

become the target of urban renewal in the future. Thermal energy renewal, launched in 2000, targets buildings erected in the period between 1960 and 1980. The urban expansion areas of this period will probably be the future renewal areas. The social needs of the residents are becoming more prominent for the tasks of urban renewal. These tasks include the adaptation of the building fabric to the needs of an ageing population in these areas. Moreover, Area Renewal Offices have been established in municipal housing projects. The tasks of these 'new' Area Renewal Offices do no longer focus exclusively on issues of renewal, but rather on interventions in social issues, such as everyday problems of residents and conflicts among them. These measures of conflict management are primarily aimed at preventing social tensions and decay in these large municipal housing complexes of the 1960s and 1970s (Förster, 2004b). In the future the tasks related to the social sustainability of urban renewal in Vienna will have to include the reparation of failures of municipal urban planning in the past.

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