Non-profit Housing: Current Trends in the European Context and its Specific Value for the Inward Urban Development in Switzerland

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1 ABSTRACT
The market share of social housing is around 6 % in Switzerland, while it amounts to an average of 11 % across the countries of the EU-28. Between the countries, big differences in market shares and support schemes for social housing exist. This paper investigates these characteristics of social housing in Europe as well as its trends in the recent years. The situation of social housing in Switzerland in the European context is highlighted – with a special focus to the aspect of inward urban development.

It is shown, that market shares of social housing are generally declining in Europe. Parallely, there has been a shift from bricks and mortar subsidies towards housing allowances and a focus on clearer targetting of the remaining social housing stock towards those most in need. While this can be seen as a necessity to reach a high effectiveness of social housing, it has led to an increased concentration of economically and socially disadvantaged people in the remaining housing stock, raising concerns about ghettoisation that contradict the housing paradigm of socially mixed neighbourhoods. In Switzerland, social housing is partly clearly targeted at certain population parts (continously subsidized housing), but partly also open for all people (mostly social cooperative housing). This raises questions about the fair distribution of public housing subsidies, but also reflects the large variety of different social housing providers in the country. Moreover – linking the subject of social housing and spatial planning – it is shown, that social housing providers play an important role in the national spatial strategy of inward urban development. Using the example of the city of Zurich, which has the biggest social housing market share (24 %) of any Swiss municipality, success factors in this regard are examined. It is detected, that a continous cooperation between the city authorities and social housing providers is a key factor for a succesful linkage of housing policies with urban development. The strategy builds upon a set of housing support measures from the city with clear requirements for compensatory measures by the social housing providers that further the quality and effectiveness of social housing projects.

Keywords: spatial planning, inward urban development, Switzerland, non-profit housing, social housing

2 NON-PROFIT HOUSING: DEFINITION AND OVERVIEW IN EUROPE

2.1 Definition of social housing
SCANLON ET AL. (2014: 3) state, that “it is impossible to provide entirely consistent comparative figures for the stock of social housing because different countries define the tenure in different ways and because of the limitations of the data.” Social housing can be defined based on rent levels (social rents as opposed to market rents), ownership (social dwellings are owned by particular types of landlords), or the existence of a government subsidy or allocation rules (social dwellings are distributed to households via an administrative procedure rather than the market). In this paper, social dwellings are qualified as such through the application of social rents – understood as rents that are either directly subsidized or operated on a cost basis without generating a profit (so-called cost rents). In this sense, non-profit housing and social housing are treated as synonyms in this paper.

2.2 Housing challenges in Europe
The provision of sufficient affordable housing is a key issue in Europe. As a recent EU report (HOUSING EUROPE 2017: 11) states, house prices are growing faster than incomes in most European countries. This is reflected in the share of EU households’ budgets used for housing which has risen from around 22 % in 2000 to 25 % in 2016 – making housing the single highest expenditure item for Europeans (EUROSTAT 2017a). This development did not happen equally over the different income groups in the EU: While the average EU overburden rate – defined as the share of people who spend more than 40 % of their disposable income for

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1 The rent of a dwelling calculated on the cost of providing and maintaining the property without allowing for a profit (THE FREE DICTIONARY 2018).
housing – has slightly decreased for higher income groups, it has risen for the people in the lowest income quintile from around 34 to 36%. In total, 11% of the EU population was “overburdened” by housing costs in 2016 (EUROSTAT 2017b). Furthermore, there are regional differences: Rising prices and rents can be observed particularly in large cities and metropolitan areas with a growing population, where housing shortages and conflicting interests between profit seeking investors in the housing markets and inhabitants come together. Therefore, finding adequate and affordable housing becomes increasingly difficult in central places, where job opportunities usually are the best (HOUSING EUROPE 2017: 11). People on the move as a result of, inter alia, armed conflicts, disaster, political instability or the effects of climate change can exacerbate this situation as migrants and locals oftentimes compete for the same low-price accommodations. This can be seen particularly in Germany, where in 2015 the so-called refugee crisis reached a peak with around 900’000 registered arrivals of asylum seekers (BAMF 2016) in the country.

2.3 The social housing sector in Europe – recent development, market shares and allocation criteria with a special focus on Switzerland

2.3.1 The social housing sector in Europe – recent development

Meanwhile, an important contributor for affordable housing – the social housing sector – has experienced profound changes lately. At first, its market share of the total housing sector, which currently (2017) amounts to around 11% across the EU (HOUSING EUROPE 2017: 42), has been declining in most European countries in the last decades (SCANLON ET AL. 2014: 5). Oftentimes, this development went along with an increase in the share of owner-occupied home ownership (PRIEMUS, DIELEMANN 2002: 191). An important reason for this was the housing policy in some countries, which pushed forward the sale of social housing stock to its tenants (e.g. Great Britain, the Netherlands and especially the post socialist states in Central and Eastern Europe) (PRIEMUS, DIELEMANN 2002: 193; HEGEDÜS ET AL. 2014: 240). Furthermore, financial support of social housing by the public sector was reduced in numerous countries (e.g. in Germany), slowing down social housing production substantially without a respective compensation through an increase in home ownership (PRIEMUS, DIELEMANN 2002: 193). In many European countries, this reduction went along with a shift from supply to demand side financing measures: Providing housing allowances directly to clearly defined population groups (demand side) gained political support at the expense of so-called bricks and mortar subsidies for the building of new social housing (supply side). While public spending for housing allowances has risen from 55 to 81 billion Euro between 2009 and 2015, capital spending on building new homes across all EU countries has almost halved in the same timespan from 48 to 28 billion Euro (NATIONAL HOUSING FEDERATION 2017: 6). Exemplarily in this regard is the UK, where the drop of expenditure on housing development in the same period was even more pronounced from £11 billion to £5 billion. Housing allowances on the other hand mounted to around £25 billion in 2014/15, creating a ratio between supply and demand side housing subsidies of 1:5 (HOUSING EUROPE 2017: 22). In Switzerland, this ratio is even more one-sided: While more than 1 billion Swiss Francs were spent by the public for housing allowances in the year 2013, it is estimated that only about 50 million Swiss Francs were used to subsidize the construction of social housing, which corresponds to a ratio of more than 20:1 (GERBER 2015: 45). The narrowed focus of housing policies towards low-income people (targeting) – linked to more income related subsidies – has led to a residualization of social rented housing almost everywhere in Europe (POGGIO, WHITEHEAD 2017: 3). This is reflected in an increasing concentration of socially and economically disadvantaged households in the remaining social housing stock, which can be observed in numerous countries of the EU including the Netherlands, Denmark, Sweden, UK, Germany and France (PRIEMUS, DIELEMANN 2002: 195, HOUSING EUROPE 2017: 23). On one hand, this can be seen as a necessary development for an effective spending of state subsidies to those most in need. On the other hand, it raises concerns about the ghettoization of areas with a strong concentration of low-income people and contradicts the paradigm of socially mixed neighbourhoods.

Alongside these developments, a decentralization of the responsibility for the provision of social housing from central state institutions to regional and local housing actors as well as from public to private providers of social housing (e.g. housing cooperatives, non-profit housing companies) could be determined (BRAGA, PALVARINI 2013: 10). This goes hand in hand with the determination of a (re)emergence of collaborative housing types, such as co-housing, cooperative housing and other forms of collective self-organised housing with a usually high degree of residents involvement (CZISCHKE 2017: 1). Examples like Switzerland and
Denmark, where the provision of affordable housing through private not-for-profit organizations (mainly associations and cooperatives) have a long tradition, indicate the potential of these types of housing.

2.3.2 The social housing sector in Europe – market shares

Fig. 1 shows the current market shares of social housing in Europe. The shares vary greatly from near to zero percent in Greece and Latvia up until to over one fifth in Denmark (21 %), Austria (24 %) and the Netherlands (30 %) (HOUSING EUROPE 2017). Among all the states of the EU-28, the share of social housing lies at around 11 % of the total housing stock, while around 70 % of the population live in owner-occupied properties and around 20 % in properties rented on the private market (EUROSTAT 2015).

Fig. 1: Market shares of social housing in Europe (approx. 2016). Data source: HOUSING EUROPE (2017), WBG ZÜRICH (2015)
In Switzerland, the share of social housing is significantly lower with around 6% (WBG ZURICH 2015: 4). It must be stressed here, that a clear distinction of social housing within complex housing markets is sometimes difficult to make. Housing cooperatives, as an example, can be classified as social housing, when they provide housing strictly on a not-for-profit or limited-profit basis. This is the case with most of housing cooperatives in Switzerland and Austria, whereas their defining characteristics are determined in the legislation for housing subsidies in Switzerland (Wohnraumförderungsgesetz und -verordnung) and in the Non-profit Housing Act in Austria (Wohnungsgemeinnützigkeitsgesetz). In Germany, on the other hand, a similar law (Wohnungsgemeinnützigkeitsgesetz) was abolished in 1989, which was followed by the privatisation of large parts of former publicly owned buildings. As a result, the social housing stock in Germany decreased in the last two decades from around 2.6 to around 1.4 million units or a market share of 4%. However, this covers only the stock still under legal restrictions with regard to rent and access. There are housing cooperatives and professional private housing companies that still account for a total stock of 6 million dwellings (around 14% of the housing stock) and – apart from what is officially considered as social housing – often apply rents below the market level (HOUSING EUROPE 2017: 69). Nevertheless, because these dwellings are not clearly bound to the application of cost rents, they are not considered social housing in this paper. According to SCANLON ET AL. (2014: 4), the countries can be classified principally as followed: On the one hand, there are the countries with a medium or high share of social housing (>10%, mostly around 20% or more), which in general can be assigned to the relatively wealthy European welfare states (The Netherlands, Austria, Denmark, Sweden, UK, France, Finland). These countries share in common a long-term commitment to significant social housing provision. Those countries with a rather low share (<10%) have generally placed stronger emphasis on owner occupation (Portugal, Spain, Ireland, Italy, Greece, Malta, Luxemburg and Belgium) or they are former communist countries that privatised large parts of public (social) housing to sitting tenants after the fall of communism (SCANLON ET AL. 2014: 4, HEGEDÜS ET AL. 2014: 240). While most of the post-socialist countries have privatised almost all former public housing (Hungary, Bulgaria, Romania, Slovakia, Slovenia, Croatia, Estonia, Latvia, Lithuania), this development was less accentuated in Poland, Czech Republic and Slovenia, which still maintain social housing sectors with market shares of 6-9% (HOUSING EUROPE 2017).

Two countries in the group with social market shares below 10% stand out because of their low home ownership rates: In Germany (45%) and Switzerland (below 40%), less than half of the housing stock is owner-occupied. In combination with rather small social housing sectors, their market rent segments are particularly important, making up more than half of the total housing stock, which is the highest share throughout Europe (HOUSING EUROPE 2017: 68-69, BWO 2017a).

2.3.3 The social housing sector in Europe – allocation of apartments

Allocating housing with social rent to the „right“ people is a difficult task and there are different policies for it. CECODHAS (2007: 14-16) differentiates between universalistic and targeted allocation approaches. The universalistic approach is based on the conception of social welfare, that it is a public responsibility to provide the whole population with housing of a decent quality at an affordable price. Social housing providers are either municipal housing companies or private non-profit organisations. Social dwellings are allocated in this approach through waiting lists or without priority criteria and local authorities usually reserve a number of vacancies for those households with urgent housing needs. An important objective in this model is to foster socially mixed and cohesive neighbourhoods, e.g. by avoiding strong concentrations of lower income groups or ethnic minorities (CECODHAS 2007: 15). On the other hand, the targeted approach stems from the conception, that housing needs of the population are predominantly met by the market and only those households, for whom the market does not deliver an adequate housing supply, should benefit from social housing. Within the targeted approach, another distinction can be made between general and residual social housing policies (GHEKIÈRE 2007: 5). The former policies target households under certain income limits, while the latter correspond to a much more restricted category of beneficiaries, usually the so-called most vulnerable population groups (e.g. unemployed, disabled or elderly people, lone parents etc.).

Fig. 2 shows the countries of the EU-28 plus Norway and Switzerland classified according to the size and allocation scheme of their social housing sectors. It can be seen, that countries with universalistic conceptions of social housing usually have larger shares of social housing than those with targeted systems. However, there are also expections, such as the UK that has a rather large share of social housing (18%)
which at the same time is clearly targeted at specifically vulnerable households (e.g. priority for homeless people, people who live in cramped conditions, people with medical problems) (UK GOVERNMENT 2018).

In general, countries with medium or low market shares of social housing tend to have more targeted social housing systems: Those with a market share of more than 5% tending to target middle- and low-income people, while those with a lower market share rather target only the most vulnerable households.

![Fig. 2: Market shares and allocation criteria of social housing in Europe. Source: based on CECODHAS (2007:16), updated and complemented for Norway (SANDLIE, GULBRANDSEN 2017:55), Croatia (HOUSING EUROPE 2017:54) and Switzerland (WBG ZÜRICH 2015:4, BWO et al. 2013:1, BWO 2012:4)](image)

The example of Switzerland is special in the way that its social housing sector has parts of the stock both with universalistic and with targeted allocation schemes. On the one hand it is declared by the Federal administration, that the provision of housing mainly happens through the private market (BWO 2018). This is reflected in the rather low market share of social housing of around 6%. In the Law for housing subsidies (WFG 2018) it is furthermore stated, that the Federation particularly supports the housing provision for low-income households as well as the access to homeownership with a special regard to the interests of families, lone parents, people with disabilities, elderly people in need and people in education programmes. This corresponds to a targeted approach.

However, it is also stated in the Law, that the Federation supports the activity of non-profit housing providers. In order to be acknowledged as such, those have to operate with cost rents and provide housing at affordable prices agreeing with the so-called Charter of non-profit housing providers (BWO 2017b:2). In this charter, it is stated, that non-profit housing providers offer housing for all sections of the population and strive for social mix with a special focus on the before-mentioned people in need – indicating a rather universalistic approach. This is reflected by the fact, that only around one fifth of all apartments with social rents are subject to mandatory income and wealth limits, even though most of their providers state, that they allocate their affordable apartments primarily to low income households. At the same time, more than two thirds of the social housing stock are subject to mandatory occupation rules that regulate the minimum number of persons, who have to live in an apartment (BWO 2012:4). The occupation rules, in combination with the allocation priorities of social housing providers, have led to an overall situation, where people with low education levels as well as little financial resources are overrepresented in housing with social rent (BWO 2017c:7). These findings support the argumentation of social housing providers, who emphasize that the sector is self-regulating – in the sense that “the right people” profit from affordable social housing, even without having strict income limits or similar rules. However, the question of the right amount of regulation for the allocation of social housing is still subject to a vivid political debate in Switzerland.

Lastly, it has to be noted, that the relatively liberal allocation policies of social housing only apply to the part of non-profit housing, which is indeed operated with cost rents, but not continuously dependent on state subsidies (there might have been subsidies used to build the dwellings, e.g. with reduced land prices, but after that, they are financially self-sustained). Apartments that are operated below cost rents and thus need to
Non-profit Housing: Current Trends in the European Context and its Specific Value for the Inward Urban Development in Switzerland

be continuously subsidized, are subject to clear income and wealth limits, but they only comprise a small part of the social housing stock. In the city of Zurich, around a quarter (around 53,000 apartments) of the total housing stock is social housing, of which only around 13% (6,700 apartments) is offered below cost rents (this part of the housing supply in Switzerland is usually referred to as subsidized housing or sometimes also social housing, showing the difficulties of this term in the comparison between countries) (STADT ZÜRICH 2018a). Within the clearly targeted social housing stock, there can be found examples that are aimed at middle- and low-income people as well as those which exclusively target certain vulnerable population parts. Examples for the latter are social-rent-projects for the elderly or those specifically for large families with limited income.

3 SWITZERLAND: SOCIAL HOUSING AND INWARD URBAN DEVELOPMENT

3.1 The housing market and the situation of social housing

Overall, the housing situation in Switzerland can be qualified as good and most people have access to housing with a sufficient quality. However, there are significant differences with regard to the location of the dwellings and the socioeconomic status of its demanders. As in most European countries, there is a strong reurbanisation trend observable in Switzerland, which led to a large overhang of housing demand over supply in larger cities and metropolitan areas. The consequences are rapidly rising prices in the residential market both for dwellings to buy and rent, especially in urban areas such as in Zurich, in central Switzerland and in the region of Lake Geneva. In the period between 2000 and 2015, rental prices of apartments offered on the market have risen in the five largest cities between a third in the city of Berne (+35%) and more than double in the city of Geneva (+140%). In Zurich, the largest city of Switzerland, rents have gone up by around two thirds (+65%) (WÜEST PARTNER 2015).

On the other hand, housing production was strong in Switzerland in recent years, leading to a situation, in which overall housing affordability has slightly improved. This is reflected in a slight decrease of the average share of household incomes that have to be used for housing (from around 20 to 19% between 1998 and 2014). However, this is not the case for low-income people: When looking only at the fifth of population with the lowest incomes, this share has risen in the same timespan from around 27% to 31% (BFS 2017).

Summarized, a slight ease of the housing market in Switzerland can be detected, but there is still a significant lack of new housing in central areas as well as at low prices. This leads us to the question, how the social housing sector is constituted in Switzerland.

Even though Switzerland has the largest share of rental housing in Europe (>60%), its social housing sector is rather small. It consists of around 6% of total housing stock or 260,000 apartments. The most important providers in this sector are social housing cooperatives with around 160,000 units. It is estimated, that additional 100,000 apartments with social rents are offered by other providers such as municipalities, foundations and non-profit companies (WBG ZÜRICH 2015: 4). Most of the social housing providers are private nonstate entities with heterogenous structures, sizes and strategies. According to the two umbrella organisations of social housing providers, there are around 1,500 social cooperative housing providers in Switzerland (WBG SCHWEIZ, WOHNEN SCHWEIZ 2013: 3). This indicates a large organisational fragmentation of social housing providers in Switzerland. Their common characteristic is, that they operate with cost rents rather than market rents. As mentioned in 2.3.3, only a small part of their dwellings is continuously subsidized so it can be let below cost rents.

Around three quarters of the social housing cooperatives are organised as member cooperatives (SCHMID 2004: 30) and as such, they primarily serve the needs of their members. Besides an increased housing security compared with the commercial rental market, this means, that members themselves decide in democratic processes, how the cooperative is further developed (e.g. if the financing of a new building is granted or not). BALMER and GERBER (2017: 1) suggest that while the reasons behind their success are complex, basing policies on private initiative rather than public property and targeting the middle class contributes to their popularity.

With its federalistic state system, Switzerland has different housing policy measures at the federal, cantonal and municipal level. Instruments to foster social housing include financing measures (e.g. low interest loans, 2 measured with average 4-room apartments.
grants, guarantees, supplying social housing providers with affordable land), spatial planning measures (e.g. minimum shares or usage privileges for affordable housing in zoning regulations) and promotional measures for the social housing sector (e.g. consultation/sensitisation of municipalities and landowners, support for educational programmes and project work) (WBG SCHWEIZ 2017: 1).

Fig. 3 shows the spatial distribution of social housing in Switzerland. Remarkable is the clear concentration on the cities and agglomeration areas in the Swiss Central Plateau. The city of Zurich has – with its around 53’000 dwellings and a market share of around 25 % (STADT ZÜRICH 2018a) – both absolutely and relatively the largest social housing sector in any Swiss municipality. The next biggest social housing stocks are to find in Basel (around 10’000 dwellings), Berne (around 8’000) and Lucerne (around 6’000). Overall, the six largest cities of Switzerland (Zurich, Geneva, Basel, Bern, Lausanne and Winterthur) almost comprise half of the total social housing stock in Switzerland (BWO 2015). With regard to market shares, there are big differences between the cities. Besides Zurich, in Biel (15 %), Lucerne (13 %) and Winterthur (11 %) the social housing shares make up more than 10 % of the housing stock. By contrast, strikingly low market shares are identifiable in the western and southern part of Switzerland. Only about 5 % of the housing stock in Geneva and less than 1 % in Lugano are operated with cost rents (BFS 2014a).

Fig. 3: Absolute and relative size of the social housing sector in Switzerland and selected cities. Data source: BWO (2015), STADT ZÜRICH (2018a) and LIECHTI (2015)

3.2 Relevant Aspects: Rental prices, living space per person, urban quality and ecology

Swiss Planning Law (RPG) aims at an economic land use by directing the future settlement development “inwards” and creating more compact cities and villages (SCHWEIZERISCHE EIDGENOSSENSCHAFT 2018). With this inward urban development, population growth should be contained, in large parts, in the already built up areas. According to the Spatial Concept of Switzerland, particularly urban and suburban areas should cover the bulk of this growth (SCHWEIZERISCHER BUNDESRAT ET AL. 2012: 45).

For the inward urban development, the social housing sector can play an important role. Firstly, by providing affordable housing in central locations. As shown in fig. 4, rents in social housing are by average around 15 % below the Swiss average (BFS 2014b: 6). In the cities, rent differences are usually even higher – e.g. in the city of Zurich, where rents in the commercial housing sector are between a third and 50 % higher,
depending on the number of rooms of the dwelling (STATISTIK STADT ZÜRICH 2006). The lower rents enable it for lower-income people to live in Zurich. This not only furthers social mix, it also gives access to the city for people, who generally use less living space than others. Statistics show, that net floor area per person in social housing is with 35 m² significantly lower than the Swiss average of 45 m² (BWO 2015). Compact dwellings and minimum occupation rules – which are applied in more than 70 % of all social apartments (BWO 2012: 4) – are important reasons for this.

Interestingly, the area-saving effect of social housing is particularly strong in newly built projects. As shown in fig. 5, the net floor area per person is more or less constant in social apartment buildings over the different building periods. In the total housing stock, on the other hand, it rises from around 44 m² to 49 m² in apartment buildings built before 1919 and those built between 2011 and 2014 (BWO 2015). This indicates the importance of the integration of social housing in new construction in terms of an economic land use.

The example of Zurich illustrates the role of social housing in new construction. Here, social housing providers were particularly involved in the transformation of their existing building stock. As many social residential areas were built with a relatively low building density and partly in modest quality, many of them were torn down and replaced by new construction. When we compare these residential replacement projects between different providers in the years 2003 until 2016, it becomes evident, that the net floor area per person usually rose significantly with the new construction. However, in the social rental market, this increase was limited from 31 to 35 m², while it rose in the commercial rental market from 42 to 47 m² and in the owner-occupied condominium market from 47 to 53 m² (STATISTIK STADT ZÜRICH 2018).

Furthermore, the relative affordability of new construction in the social housing sector is likely a reason for the usually high approval rates for residential replacement projects in democratic votes of member cooperatives. As shown in ARE ZÜRICH and STATISTISCHES AMT KANTON ZÜRICH (2014: 6), the

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3 The difference of 1-room-apartments was 33 % (819 Swiss Francs in the commercial market vs. 612 Swiss Francs in the social market) and of 5-room-apartments 51 % (2'484 Swiss Francs in the commercial market vs. 1’645 Swiss Francs in the social market).

4 Usually, the number of persons in a dwelling has to equal the number of rooms minus 1 at least.
acceptance of urban densification is highly price-dependent, meaning that people are rather willing to live in a more densified environment, if this is not linked to an increase of their housing expenses.

The recent construction projects of social housing providers in the city of Zurich are generally of high quality, which is another important aim of the inward urban development. Many of the projects have exemplary character with regard to their variety of housing offers, solutions for densified living in an urban context and in noisy environments, architectural quality and sustainability (ESS 2009: 152). Social cooperative housing providers acted as innovators for new building and usage typologies (e.g. the combination of residential apartments, commercial and service rooms with a parking hall for trams in the project Kalkbreite) and floor plan types (e.g. large shared flats with so-called cluster apartments in the project Heizenholz, Kraftwerk 1).5

With regard to sustainability, social housing providers have acted as pioneers in energy-efficient construction by applying standards of low energy consumption such as Minergie significantly more often than commercial housing providers (STADTENTWICKLUNG, STATISTIK STADT ZÜRICH 2009: 34).

The reasons for the strong construction activity with high quality of social housing providers in Zurich in recent years are manifold. Within the large range of support measures for social housing by city authorities, especially the instrument of supplying social housing providers with land at a discount – whereby the land is not sold, but only leased for a long-term period (usually 60 up to a maximum of 100 years) – has to be pointed out. This instrument enables social housing providers to achieve affordable rents, because of significantly reduced land prices (which are determined by the city as a 10 to 20 % share of the overall building costs – independently of the market value of the land), but it is also linked to various conditions: Besides the rule, that no profit can be generated, there are requirements concerning the minimum occupancy and energy standards of buildings. Moreover, parts of the floor area have to be provided for subsidized housing, social services managed by the city authorities as well as for public use (e.g. a kindergarten). Not least, an architectural competition has to be carried out in close cooperation with the city (STADT ZÜRICH, 2018b, SCHMID 2016: 5-6, BWO 2017d: 21-22). According to ESS (2009: 151), this has prepared the ground for many innovative and forward-thinking projects.

Housing experts from the city authorities of Zurich6 furthermore point out, that the success of social housing projects in the city can be traced to a combination of, inter alia, supportive housing policies (e.g. an active land policy), good prerequisites in terms of planning law and zoning (especially large existing reserves for densification), active and innovative social housing providers as well as a very close cooperation between those providers and the city authorities. It was stressed, that the trusting atmosphere between both sides in numerous planning processes (e.g. architectural competitions or test planning processes) was a key factor for the success of many newer projects.

Overall, the example of Zurich shows the potential of the social housing sector for inward urban development and the experiences gained there can help other municipalities in Switzerland, where the transformation and further development of the social housing stock is still in an early phase. Nevertheless, many open questions are remaining also in Zurich, namely how the market share can be further increased as it is politically required because of a public vote7, how the housing offer for people with lowest incomes can be improved and how the interests of urban densification and the conservation of important urban heritage can be balanced. For these purposes, a further development of planning instruments and processes is needed.

4 DISCUSSION

In the former chapters, it was shown, how the social housing sector in Europe can be characterized and what trends there are observable. It has to be seen as critical, that housing affordability is generally getting worse in Europe, while market shares of social housing are shrinking in most countries. Furthermore, a stronger targeting of social dwellings to the households in need by tightening the eligibility criteria for their allocation and by increasing housing allowances at the expense of subsidies for social housing construction may increase transparency of the usage of public subsidies, but it also raises concerns about the segregation and

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5 See also BOUDET (2017) for exemplary projects of social housing cooperatives in Zurich.
6 This finding is based on an interview with Sandra Nigsch from the Urban Planning Department and Alex Martinovits from the City Development Department of Zurich on 28th of June 2016.
7 The share of social housing in the rental market should rise to a third until 2050 (STADT ZÜRICH 2018c).
residualization of the existing housing stock, which is already happening in many European countries. Moreover, housing allowances alone don’t seem to be able to effectively soothe housing shortages in tense housing markets. The question of a right balance with the support of social housing construction will remain highly relevant. It has to be stated that besides the social housing providers, there are also other housing actors who are important for the provision of affordable housing. These can include private owners or also institutional investors who are able and willing to build or preserve housing at an affordable price and it would be interesting to examine, how they could be further included in affordable housing strategies.

With the example of Switzerland, it was highlighted, that the social housing sector offers advantages that go beyond the provision of affordable housing. Specifically, the benefits for inward urban development are highlighted, as social housing providers have proven to use space more economically than other housing actors. With the example of the city of Zurich it was furthermore pointed out, that the resulting social housing projects are oftentimes of a high quality. As the market share of social housing in Switzerland (around 6%) is already relatively low and still decreasing, while the strategy of inward urban development as well as housing affordability are still of big political interest, the connections of social housing provision with spatial planning should be further emphasized.

The accomplishments of social housing providers for a more sustainable land use could also be used to justify increased public efforts to support bricks and mortar subsidies for social housing providers. An increase in housing allowances instead of subsidies for housing construction on the other hand does not help the aspect of inward urban development. Arguably, it is also the broad target group of large parts of social housing stock in Switzerland that helps fostering their building activity and quality, as many housing providers are highly dependent on the capabilities and efforts of their members for their further development. In order to find suitable persons with enough resources (time, expertise) to invest in this task, a too narrow focus on the most vulnerable could be problematic.

At the same time, it is especially the lowest income people in Switzerland, who are most affected by housing shortages and overburdening housing expenses. With regard to these aspects, the right balance of social mix and inclusion of those most in need should be further examined and tested. The combination of a certain percentage of continously subsidized apartments with strict allocation rules (e.g. income limits) with apartments that are distributed according to the own rules of the respective social housing provider – as it is already implemented in some projects in Switzerland – shows a possible approach in this regard.

5 CONCLUSION

The situation of social housing is very heterogenous across different European countries. Different starting points and problems in the housing supply ask for tailor-made approaches and no overall solution can be presented. Nevertheless, the decreasing share of social housing in most countries and a simultaneously growing housing shortage – especially in larger cities, where job opportunities are best – are alarming trends. New instruments and processes have to be found to increase the supply of affordable housing in central locations and social housing providers are important partners to help with this task.

So far, the increased focus on housing allowances instead of subsidies for social housing construction and a more targeted distribution of dwellings with social rent towards those most in need have not proven to solve the housing issue in tense markets. It seems like an increased state support for building more social housing could help the situation by increasing housing supply and at the same time helping to prevent social housing stocks to become more segregated and residualized, as it is the trend at the moment.

Switzerland is an example, where the commercially oriented rental market is particularly important for the housing provision. Concurrently, the stock of social housing helps mitigating shortages of affordable housing especially in the larger cities. Besides the price-damping effect, an increasing importance of social housing providers for inward urban development could be observed in recent years particularly in the city of Zurich. High quality projects that helped densifying the urban fabric were made possible by a tight cooperation between the city and the social housing providers – mostly housing cooperatives. A consistent political support of social housing with different measures from financial aid to the provision of land at reduced prices fostered an increased production of affordable dwellings and a strengthened inward urban development at the same time. The support from the city authorities was bound to numerous conditions which helped the quality and social inclusiveness of the projects. Support and demand could be the summary of this strategy.
6 REFERENCES


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