

### *Summary*

#### *»Affordability« and access to housing in Vienna*

Regular household income and available assets play a decisive role in selecting housing in Vienna. Therefore the City of Vienna attaches great importance to the topic »affordability« of housing for all households living in Vienna:

- Those having an inadequate income (and lacking disposable assets) may expect to gain access to affordable housing partly through individual subsidies and partly through assistance provided to them in finding a municipal flat (or co-operative housing).
- Households with adequate income (but lacking disposable assets) may meet their housing needs in the market for rental housing governed by different legal provisions (to which also non-profit players contribute their supply of housing).
- The market for owner-occupied homes is open to households possessing assets or planning to increase their assets (by taking up a loan).

#### *The rent/income ratio ...*

Against the background outlined above, the »average« rent burden on the net household income (in 2007) of the different groups of households living in Vienna is as follows:

- an average rent burden of up to 20% has to be borne by »couples with children«, »couples without children«, »multiple-person households with children«, and »multiple-person households without children«;
- »single parents«, »couples without children« are faced with a rent burden of 20% to 29%;
- 30 to 35% correspond to »one-person households«;
- the total rent burden in Vienna is 24.2% on average.

#### *... deserves careful interpretation*

In interpreting the »rent burden«, the following interrelations should inter alia be taken into account:

- The percentages stated correspond to a »median« representing households occupying an average position in the rent burden spectrum; substantial (partly temporary) variance from this median can be observed (e.g. in single-parent households in the event of unemployment).
- The rent burden is calculated by comparing the rents to the household income; the household budget available for expenses may be considerably lower (for example if loans have to be repaid) or significantly higher than the household income (if assets are disposable for financing regular consumption).

*Distribution of  
rent/income ratios  
among districts*

The inter-urban distribution of flats (with different standards of fixtures and fittings, of different sizes, locations and legal status) shows substantial differences among the districts of Vienna.

- A share of less than 20% is recorded in one district (Simmering/11<sup>th</sup> district).
- A share between 20% and 24% is recorded in ten districts.
- A share between 25% and 29% is recorded in six districts.
- A share between 30% and 39% is recorded in five districts.
- 40% are exceeded in one district (City Centre/1<sup>st</sup> district).

*Replacement/income  
ratio for owner-  
occupied housing*

To determine the »affordability« of owner-occupied homes, the following methodology is applied (also for international comparisons): what amount (as the multiple of the annual net income of the household) would the household have to spend if it were to procure new »equivalent« housing (in terms of size, fixtures and fittings as well as the location)? In response to this question, the situation can be described as follows:

- For the average of all households living in owner-occupied homes, this calculation results in a median value of ten times the annual net income.
- Households financing their owner-occupied homes from assets or previously earned income register high replacement values (one-person households: 15.5 times the annual net income).
- Below average replacement values are recorded by households having to finance their owner-occupied homes predominantly »independently« and from the regular household income (lone parents: 8.4; couples with children: 5.7 times the annual net income).

*Model »WOHNWIEN«*

The findings provided above are the result of evaluating the WOHNWIEN model, covering all housing units classified as a main residence in Vienna and their households on a micro-data basis (in strict compliance with the data protection law).