The Impacts of EU Enlargement on the Viennese Housing Market

The survey deals with prospective flows of migrants and commuters from the accession countries Poland, Slovakia, the Czech Republic and Hungary. The evolving demand for housing is calculated on the basis of the age and income structure of potential migrants, the size of households as well as the planned duration of residence here. The housing demand is analysed by size, equipment, location, legal form and costs broken down by the different countries of origin.

Empirical inquiries, scientific research and expert interviews have been carried out in the four Central and Eastern European countries to quantify the need for additional housing supply.

Based on the analysis of migration-relevant statistical data from the fields of demography, housing supply, labour markets and previous migration studies, several migration scenarios were developed. In line with the population forecast of Statistics Austria, two scenarios tried to cover the extreme cases of immigration or remigration and return migration.

Under the baseline scenario, Vienna has to expect a plus of approximately 1,000 new households annually. Half of these migrants will be from Poland, followed by Slovak migrants.
Scenario 1 assumes a rise in return migration of Central and Eastern European citizens already living in Austria provided that the accession countries will see a prosperous economic development. Under these circumstances, the increase in households will be limited to 500 annually.
Scenario 2 hypothesises that the restructuring of the Polish agricultural sector fails. In this case, most migrants would, in fact, go to Germany or the United States, but significant migration impulses would also affect Vienna. This scenario, describing the likely upper limit, anticipates about 4,000 additional households per year, with the main share of migrants arriving from Poland.

In summary, it can be stated that the impacts of EU enlargement on the development of Viennese households - between 500 and 4,000 additional ones - relatively manageable.

The anticipated migration balance of 3,000 to 4,000 households in the baseline scenario (1,500 from Central and Eastern European countries) and the rise in household numbers by 1,500 owing to smaller household sizes are juxtaposed to a loss of 1,500 dwellings per year due to the demolition and merging of flats. Assuming that the resulting additional housing demand has to be entirely covered by new buildings, 6,000 to 7,000 dwellings would have to be constructed annually. Housing subsidy warrants should be raised to 5,500 to 6,000 entities a year.

One of the main conclusions is the dependency of migration on the employment trends in Vienna and Austria's eastern region (Vienna, Lower Austria, Burgenland). Employment in the eastern region has experienced similar growth rates as Austria as a whole. Since the mid-nineties, Vienna has recorded a decrease in employment. Up to 1999, this decline was compensated by a rise in Lower Austria and Burgenland. Thereafter the employed population has remained static in the eastern region, whereas other regions have posted clear increases. The so-called scissors effect has widened the gap up to 0.5 to 0.8 percentage points.

Sixty per cent of Austria's native-born Poles and nearly 50 per cent of native-born Slovaks live in Vienna. During migration in the nineties, only 28 per cent of the Poles and 26 per cent of the Slovaks chose Vienna as their destination. A much larger number of migrants went to Lower Austria and newly to Burgenland. Many migrants will only be willing to go abroad if there are specific job opportunities.
Migrants from the Central and Eastern European countries have similar levels of education as the Austrians. Therefore, their income structure will be comparable as well.

With regard to attractiveness, Vienna competes with other provinces rather than with other foreign big cities. In addition to Vienna's cultural significance, a housing supply with a good cost-benefit ratio could be a pull factor for highly qualified migrants.

Population growth is considered a great chance for a metropolis that boosts its international standing and the prosperity of its inhabitants. This requires, however, increasing employment opportunities.

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Bei der Einschätzung des zukünftigen Zustroms von Pendlern, Grenzgängern und Saisonniers liegen bisherige Prognoseberechnungen und offizielle Daten sehr weit - im Verhältnis von 10:1 - auseinander. Dies mag an unzutreffenden Modellannahmen liegen. Es wird aber offensichtlich mit der offiziellen Pendler-Statistik auch nur ein Teil des Pendlerstroms erfasst. Nicht-Tagespendler ohne Arbeitsbewilligung sind statistisch nicht erfasst und somit auch kaum prognostizierbar. Diese Gruppe deckt ihren Wohnbedarf überwiegend am privaten Wohnungsmarkt. Um eine übermäßige Konkurrenzierung am privaten Wohnungsmarkt zu vermeiden, sollte „offiziellen" Migranten und Pendlern verstärkt Angebote im geförderten Bereich eröffnet werden.

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