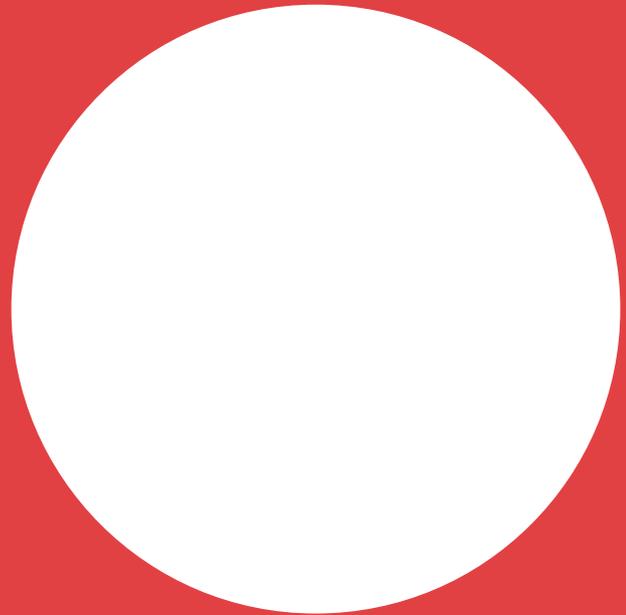


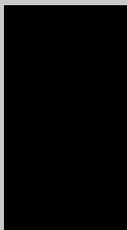
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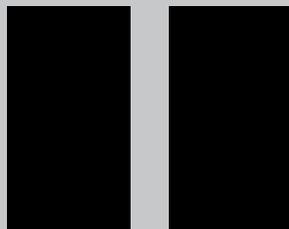
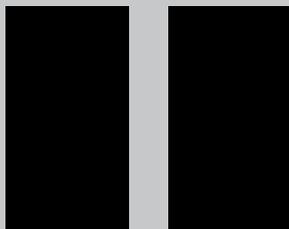
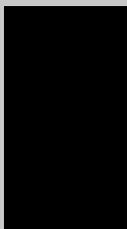
QUARTERLY ON GOOD SPACE



1—2021



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HOUSING PROBLEM
AFTER 1989

For the past year, we spent a lot more time in our homes and our flats; therefore, we experienced all their shortcomings much more acutely. Online meetings revealed various clever strategies for self-presentation – but they also exposed the impossible-to-disguise, omnipresent lack of space (Poland has one the smallest average size of apartments in the EU).

In this issue we look at housing in the Visegrad countries after 1989: in the Czech Republic, Hungary, Poland, and Slovakia. We analyse the consequences of including these countries in the system of global neoliberalism, particularly in terms of direct consequences for the region's inhabitants, pertaining to their dwellings.

Former Czech Prime Minister Václav Klaus noted that the apartment is unlike ham; we cannot simply give it up if the price increases. Gaby Khazalová quotes that statement in her text on Czech re-privatization. Indeed, flats have grown more expensive, and within a few decades for the majority of Central Europeans they have become a commodity that is hard to afford. It is striking – but not surprising – to observe how similar the stories told by our authors from different countries are. The re-privatization, gentrification, suburbanization, gated communities and commodification of housing have changed the space in which Central Europeans live. We can point out subtle differences, compare dynamics, but basically the advent of neoliberalism had the same outcome everywhere: it inevitably turned an apartment into a commodity, and a new housing estate into a product. The weaker were relegated to the outskirts, disappearing from the field of visibility. The logic of money took over the space, and both the city centres and suburbs were built using the financial mechanism of mortgage loans.

The paradigm of values has changed: the place of living, loving, growing up, growing old has become, above all, a resource – something that you can sell, buy, and trade in the real estate market. In our late, soulless capitalism, this resource is earning us money even when it remains empty. That is why concrete is being poured everywhere (we will soon run out of sand), and blocks of flats are growing, ever thicker and higher – containing not only apartments, but also investment properties. Living there is often compared to “cage rearing”. Dysfunctions multiply, yet people do not take to the streets to protest about not having access to sunlight and greenery, about the cities becoming deserted, fences growing, and playgrounds located right next to busy thoroughfares.

Three decades after changing the system, we are in the process of a thorough re-evaluation of the political and economic paradigm. This issue of “Autoportret” is a record of the present moment. We analyse processes, we criticize the logic of late capitalism, but we do not stop at complaining. Our authors' texts offer outlines of possible changes on many levels: from the vision of cooperative movement (Zofia Piotrowska), to the involvement of the state in the construction of cheap apartments for rent (Zuzanna Mielczarek, Kamil Trepka), to the postulates of an inclusive city without fences (Agata Twardoch), and finally – probably the most difficult task – to a banking system in which a flat will no longer be a financial instrument (Mikołaj Lewicki). What is more, ready-made solutions already exist, they have been tested, and it would be enough to revive or adapt them to our present needs.

There is a consistent tone throughout the issue: the paradigm of values must be changed. We have to build the foundations of a community. We take the first step: we are thinking and talking about housing as a fundamental human right.

Dorota Leśniak-Rychlak

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PHOTOS

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How Central Europe
lost its right to
housing, and how to
get it back

Poverty, limited access to vital public services, and economic inequalities, especially within the domain of housing, are systemic phenomena: over the last three decades, a decent house that would offer adequate conditions of health and hygiene has become a luxury that fewer and fewer people can afford. The privatization of the current social housing fund, the government's support almost exclusively for the construction of private houses and for real estate developers, the encouragement of the transformation of the living space into an investment for profit through fiscal measures favourable to this aim — all these have led to the current state of affairs.¹

The above quote comes from the *Manifest pentru dreptate locativă* (Housing Justice Manifesto), published last April by the Romanian network of associations and groups Blocul pentru Locuire (Housing Bloc), fighting for a fair and equitable housing policy in response to the coronavirus pandemic. The latter revealed and deepened the scale of the housing crisis in Romania. Data published by the Eurostat show that the country is facing serious problems: in 2018, Romania had the highest share of overcrowded housing among European Union countries (46 per cent) and severe housing deprivation (16 per cent of the population live in overcrowded apartments with at least one major disadvantage, e.g. a leaking roof, no bathroom or toilet, too dark).² Romania also had the highest percentage of people at risk of poverty and living in overcrowded homes. Having said that, after studying the Eurostat data, we will notice that many countries experience these problems on a similar scale. In terms of overcrowded housing, Latvia, Bulgaria, Croatia and Poland are close behind. The highest rates of severe housing deprivation are recorded in Latvia, Bulgaria, Poland, Hungary and Lithuania. As in Romania, alarmingly high numbers of people at risk of poverty live in overcrowded flats in Poland, Slovakia and Bulgaria.³

It is tempting to interpret these comparisons as another symptom of the “poverty of small Central and Eastern European countries”, a typically Central European ailment, resulting from the repeatedly described structural backwardness of the entire region. However, when we also take into account other indicators related to the quality of housing, the picture becomes somewhat more complicated: among the countries with the highest financial burden related to the cost of housing (expressed in the number of households that spend more than 40 per cent of their income on housing), Greece is clearly the leader; excessive costs of housing also plague many residents of Great Britain, Belgium, and Germany.⁴ If we went beyond

Europe and looked at the housing situation on other continents, it would turn out that the people of Canada, Kazakhstan, Chile and India would be equally eager to sign the manifesto for housing justice. Seen from this perspective, housing problems in Central Europe turn out to be not an endemic phenomenon, but a part of the global crisis. Former UN Special Rapporteur for the right to adequate housing Raquel Rolnik sees this crisis as “the expression and the result of a long process of deconstructing housing as a social good and transforming it into a commodity and financial asset.”⁵

This process is inextricably linked with the expansion of the reactionary political and economic concept of neoliberalism. Central European countries played a special role in the history of commodification and financialization of housing. By looking at this story, we can illuminate both the key features of the neo-liberal doctrine and the sources of the housing problems we are currently facing in our region.

The free market enters people's homes

The housing sector has played an important role in this story since the birth of the neo-liberal ideology. Generously financed from public funds as part of the post-war welfare policy, for the supporters of free-market solutions it has become an example of how not to organize social policy. From the 1970s, it was targeted by ideologists who were convinced that the state should drastically reduce its expenses, and withdraw from the position of regulator in various areas of social life. It was not only about savings for the budget and opening a source of potential profits for commercial enterprises. The home was a sphere in which neoliberal doctrine met directly with the personal, everyday experience of individuals, and it could serve as a space for transmission and training of the desired norms and attitudes. As a result, writes David Harvey, “all forms of social solidarity” were to be replaced by beliefs in “individualism, private property, personal responsibility, and family values.”⁶

The flagship example of neo-liberal housing policy – the “Right to buy” program launched by Margaret Thatcher in the early 1980s that allowed council tenants to buy the flats in which they lived – opened up space for financial institutions offering mortgage loans, for private property administrators and commercial construction companies, but most of all it made tenants aware that the relationship between them and the state had changed significantly and that from then on, ensuring proper living conditions for themselves would be primarily on them.

Neoliberal ideologists and economists perceived the countries of Central and Central Eastern Europe, which entered the transformation period at the end of the

1980s, as an area of great potential. With huge resources in the form of public housing, ranging from 20 per cent (in Hungary) to as much as 70 per cent (in Latvia) of all available apartments, they constituted the perfect ground to test new market solutions in practice. The events in the region after 1989 are often interpreted as an obvious continuation of the neoliberal policies developing in the West and the inevitable result of geopolitical changes. We should remember, however, that these policies had only been implemented in the West for a decade and were still emerging in the process of “chaotic experimentation” at that time.⁷ Thus, the post-communist and post-socialist states were not only a place for the implementation of ready-made solutions, but also “an important laboratory for creating a new paradigm of housing policies, clearly expressed in the documents of the World Bank.”⁸ If we take into account the costs of these experiments borne by the inhabitants of the region, we should speak not so much of a laboratory as a military training ground.

Let us begin with the assessment that had been at the root of all these experiments. In 1993, the World Bank published the *Housing report. Enabling markets to work*. Raquel Rolnik compares its effects to releasing the genie from the bottle. This document, aptly referred to by the

←
Ruczaj Estate in Kraków, from
the series *Self-affirmation*

- 1 Blocul pentru Locuire, *Manifest pentru dreptate locativă. Împotriva pandemiei capitalismului și rasismului*, 02.04.2020, <https://bloculpentrulocuire.ro/2020/04/02/manifest-pentru-dreptate-locativa-impotriva-pandemiei-capitalismului-si-rasismului/>. English version: *Manifesto for Housing Justice: Fighting the Pandemic of Capitalism and Racism*, 02.04.2020, <https://bloculpentrulocuire.ro/2020/04/02/manifesto-for-housing-justice-fighting-the-pandemic-of-capitalism-and-racism/> (accessed: 15.03.2021).
- 2 *Severe housing deprivation rate, 2017 and 2018 (%)*, Eurostat, [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=File:Severe_housing_deprivation_rate_2017_and_2018_\(%25\)_SILC20.png](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=File:Severe_housing_deprivation_rate_2017_and_2018_(%25)_SILC20.png) (accessed: 15.03.2021).
- 3 *Housing statistics*, Eurostat, https://ec.europa.eu/eurostat/statistics-explained/index.php/Housing_statistics#Tenure_status (accessed: 15.03.2021).
- 4 Ibid.
- 5 R. Rolnik, *Urban Warfare: Housing Under the Empire of Finance*, London–New York: Verso, 2019 (ebook).
- 6 D. Harvey, *A Brief History of Neoliberalism*, Oxford: Oxford University Press, 2005, p. 23.
- 7 Ibid.
- 8 R. Rolnik, op. cit.

researcher as the “housing privatization manifesto”, contains specific indications regarding reforms in Central European countries. Reading these indications gives an insight into the broader ideological assumptions underlying the entire report. We learn that in the former socialist and communist countries “the basis of housing policies [...] was the perception of housing as part of the public service sector rather than a productive sector of the economy,”⁹ which the authors see as the source of most of the problems plaguing this domain. A number of measures aimed at activating the economic potential of housing include, among others: reform of property rights, unlimited possibility of selling and exchanging apartments, raising rents in communal flats to the market level, limiting housing subsidies to the most needy households. In order to increase the supply of housing

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in the private market, a gradual sell-out of public resources was proposed. It was also suggested that spatial and construction regulations should be “improved” and made dependent on economic conditions. The state was expected to withdraw from supporting the construction industry, and replace it with “making efforts to increase competition”.

This set of solutions was part of a broader political agenda to no longer view housing as merely “providing shelter” or merely as “part of social policy”. Housing as a “productive sector” was meant to increase the “efficiency of the entire economy”. Thus, the document does not mention housing as a human right, as a space necessary for physical and mental regeneration, ensuring a sense of security, enabling the fulfilment of human needs, creating and maintaining family ties and social bonds. From the specific goals set for the “productive” housing sector, it is clear that the wellbeing of individuals and social groups is subordinated to a wide range of economic indicators; only some of them contribute to its improvement, and not always in a direct way. Although the needs of tenants, here consistently referred to as consumers in accordance with the free market nomenclature, are described in detail, the report does not propose instruments that would help protect human rights in a situation where these needs are in conflict with the interests of financial institutions from the housing sector. The latter, on the other hand, are secured by a number of mechanisms.

We might say that in terms of “enabling the markets to work”, the report brought about tangible results. Undoubtedly, the “productive” potential of the housing sector has been mobilized, and not only in Central Europe. Real estate is now ranked among the most attractive investments. Its global value is three times higher than the sum of GDP of all countries in the world.¹⁰ Satisfying the needs of tenants, though, is not going so well. “Commodification of housing, together with the increased use of housing as an investment asset within a globalized financial market, has profoundly affected the enjoyment of the right to adequate housing around the world,” writes Raquel Rolnik.¹¹

Neoliberalism commands violence

According to Joanna Kusiak, the limitations of this program were quickly revealed and subjected to critical evaluation even by experts working for the World Bank.¹² So why did the Central European countries decide to implement housing policies that raised doubts from the very beginning? There were at least several reasons for this. Let us start with one of the most obvious and at the same time rather telling: the World Bank, the International Monetary Fund and many other international financial institutions made debt cancellation or granting new loans for development contingent on the

implementation of the solutions they promoted. That is why the authors of the Romanian manifesto are calling today, among other things, that we “condemn and abandon the stabilization programs [...] imposed by large international organizations.”

Violence has accompanied the expansion of neoliberal doctrine since its inception, the most dramatic example of which is the coup d'état by General Augusto Pinochet in Chile in September 1973. The economic reforms implemented during his ruthless dictatorship became prototypes of solutions used later by Western governments, albeit the latter were elected in accordance with democratic procedures. There, too, economic changes were accompanied by violent social conflicts, and the Western authorities reacted by abusing the apparatus of violence, for example by suppressing strikes and breaking up the trade union movement. Yet another mechanism is the economic violence described above, which takes advantage of the unequal distribution of power between the state and international organizations within the global geopolitical system. Institutions such as the World Bank often resort to this kind of violence.

With the implementation of neoliberal reforms, individuals also experience various types of violence. Deprived of sufficient legal protection, tenants are condemned to living in precarious conditions, to abusive contractual provisions, sometimes even to physical violence. Intimidation or unlawful evictions – which we know, for example, from Polish re-privatization – seen from a broader perspective, also turn out to be a product of the functioning of this economic model. The murder of Jolanta Brzeska (ten years ago this March)¹³ can also be seen as a consequence of subordinating human life to the needs of ruthless profits and putting the right of private property above the right to decent housing.

Neoliberalism disguises itself well

Of course, neoliberalism is not only about violence, and exposing the mechanisms involved in its various forms is often a lengthy process. Both in Central Europe and in other parts of the world, free-market reforms were implemented with the support – often enthusiastic – from at least part of the population. This is partly because this doctrine, which we can define after Stuart Shields as the process of intensifying the commodification of social relations,¹⁴ is extremely effective in naturalizing its underlying ideological assumptions and transforming the accompanying norms and values into a widely shared, “common-sense” vision of reality. It is difficult to find an alternative to it, and it is shared by a wide spectrum of social groups, often against their most evident self-interest.

In the West, the ground for the introduction of

- 9 S.K. Mayo, S. Angel, *Housing. Enable markets to work*, Washington: World Bank, 1993, p. 49.
- 10 Compare: L. Farha, *When governments sell out to developers, housing is no longer a human right*, The Guardian, 29.02.2020, <https://www.theguardian.com/commentisfree/2020/feb/29/governments-developers-housing-human-right> (accessed: 15.03.2021).
- 11 R. Rolnik, op. cit.
- 12 J. Kusiak, *Chaos Warszawa. Porządki przestrzenne polskiego kapitalizmu*, Warszawa: Fundacja Nowej Kultury Bęc Zmiana – Muzeum Warszawy, 2017, p. 107.
- 13 Jolanta Brzeska was a tenants' rights activist who fought against re-privatization. In March 2011 she was found dead in the woods in the vicinity of Warsaw. The circumstances of her death remain unclear. She soon became the symbol of Warsaw's tenants movement.
- 14 S. Shields, “How the East Was Won: Transnational Social Forces and the Neoliberalisation of Poland's Post-Communist Transition”, *Global Society* 2008, vol. 22, p. 452.
- 15 More about this process in: K. Cupers, “Human Territoriality and the Downfall of Public Housing”, *Public Culture* 2017, no. 29.
- 16 Compare: D. Jarosz, *Mieszkanie się należy... Studium z peerelowskich praktyk społecznych*, Warszawa: Oficyna Wydawnicza Aspra-JR, 2010, p. 101.
- 17 Compare: C. Jelinek, *Uneven development, urban policy making and brokerage. Urban rehabilitation policies in Hungary since the 1970s*, doctoral dissertation, Central European University, Budapest 2017, pp. 61–62.
- 18 Compare: A.N. Dan, M. Dan, *Housing Policy in Romania in Transition: between State Withdrawal and Market Collapse*, [in:] *Globalization, European Integration, and Social Development in European Postcommunist Societies*, eds. H. Rusu, B. Voicu, Sibiu: Psihomedica Publishing House, 2003.
- 19 Compare: S.K. Mayo, S. Angel, op. cit., p. 128.



pro-market, conservative policies had been prepared at least since the 1960s, when publications were gaining popularity that disavowed the idea of commons (like Garret Hardin's famous *Tragedy of Commons*), or fostered the viewers' belief that the pursuit of private property is embedded in human "nature" (like *Defensible Space: Crime Prevention through Urban Design* by Oscar Newman). They were accompanied by TV productions documenting British council housing complexes, which have gone dilapidated during the crises of the 1970s. They suggested that a similar fate inevitably awaits all public space; therefore, privatization is the most effective way of managing it.¹⁵

It is worth looking at how neoliberal ideology worked its way in the countries of Central Europe. Before 1989, an ambitious housing policy was an essential element of the socialist political project. The authorities of

most countries in the region built their legitimacy, among others, on the foundations of systematically implemented promise to provide housing for everyone, regardless of their profession, financial situation, or social standing. Considering the scale of destruction that the region experienced during World War II, and above all, the catastrophic condition of the economies and living conditions in these countries before the war, it would be hard not to appreciate the effects of this policy. The housing system in Central European countries was not without its drawbacks: flats were often built from the cheapest materials, their quality left a lot to be desired, the infrastructure accompanying the housing estates was built much more slowly than the residential buildings, so tenants sometimes had to wait for years until basic services would be provided in their area. The way the apartments were allocated was also

controversial; nevertheless, during almost the entire socialist period in Central Europe, flats were built on a mass scale. In Poland, between 1971 and 1980, a total of about 2.5 million apartments were built, and in the record year of 1978, as many as 248,000 were put into service.¹⁶ In 1960, Hungary embarked on an ambitious "fifteen-year plan". The plan was to build one million flats by 1975. It was implemented successively, and in the 1970s the number of new apartments was growing at a rate of more than one hundred thousand each year.¹⁷ In Romania, from the beginning of the 1970s, about one hundred and forty thousand apartments were built annually.¹⁸ Moreover, these countries tried to keep the costs of rent as low as possible. World Bank experts reported with dismay that on the threshold of transformation, rent in Hungary was only 3 per cent of household income.¹⁹



So how did the citizens of the region's countries, whose decades of active housing policy confirmed the belief that every person deserves a home, so quickly became convinced that this is a private matter, and that everyone should take care of it on their own now? Undoubtedly, the ubiquitous discourse promoting individualism and private property played an important role during the transition period. It penetrated all spheres: from media debates to pop culture images, from daily papers to illustrated magazines. Dorota Leśniak-Rychlak writes extensively about the transformation in perceptions and ideas about good life and comfortable living in her book *Jesteśmy wreszcie we własnym domu* (Home at last).²⁰ The vision of a prosperous life "at home" was accompanied – rather like in the West – by various measures stigmatizing the system of subsidised social housing and its tenants. Even if the beneficiaries of

social housing and other forms of social support that the state provided before 1989 were reluctant to enthusiastically embrace the reforms, it was more important for the success of the transformation that they found support among the elites. The latter in turn, willingly adopted and reproduced the individualistic discourse.

Importantly, in Central Europe, this discourse was not a complete novelty. The development of housing in socialist countries required large financial outlays, and the policy of low rents made it difficult to obtain adequate funds for the purpose, which is why in the 1970s some of the region's countries began to cautiously encourage the construction of individual housing. This was not just about introducing the savings thus made by the more affluent households into the economic circulation. It was the sign that the changes taking place in the economic and social philosophy of socialist states were

setting in. In Hungary, the symbol of those changes was the reform of 1968 known as the New Economic Mechanism, opening up the country to more pro-market forms of economic organization.²¹ Similar processes took place in Czechoslovakia and in Poland. Today, it is particularly important to try and capture the moment when the socialist ethos of collective action for a common, better future began to erode, and became gradually replaced by the individualistic discourse of aspiration and material consumption, family values and conservative models of social relations. It shows that laying foundations for the introduction of neoliberal solutions in the region was stretched over time. Even before experts from the World Bank formulated their recommendations for Central Europe, the Polish Round Table thematic group for housing policy called for "a move away from egalitarianism in the field of housing",²² and its co-chairman

Aleksander Paszkowski demanded that housing be moved “to the sphere of consumption, to a much greater extent than until now”.²³ He saw a manifestation of “demanding attitude” and “confused thinking” in the belief that “everyone is entitled to housing”.²⁴

Different faces of neoliberalism

While virtually all Central European countries have decided to privatize their housing stock, we will see many differences between them in terms of speed, scale, and the way they implemented their reforms. In Lithuania, 95 per cent of the housing stock had been privatized by 1995, while in other countries this process continued until the late 2000s.²⁵ The history of the region shows that neoliberalism, from the start, was never a monolithic political and economic project. It was influenced by local political cultures, as a result of negotiations between different groups of stakeholders, and it took various forms. In Poland, the introduction of neoliberal reforms was particularly aggressive. The reformers were eager to employ the “shock therapy” discourse, and they left no room for illusion: wellbeing of the society in transition was not their primary concern. In Estonia, neo-liberal ideology was integrated as an element of national identity, and the privatization of housing was part of the process of symbolic breaking away from the past of the former Soviet Republic. The authorities tried to symbolically compensate for the inconveniences related to the course of reforms by strengthening the nationalist course.²⁶ It was different still in Hungary, where the society expected the safety net of social security, and the largest political parties responded to this demand by introducing various mechanisms to mitigate the course of transition, including investments in the pension system, family policy, and unemployment benefits.²⁷

From today’s perspective, it might seem that these differences are not of great importance, since all policies ultimately produced similar effects. However, it is worth recalling the words of Karl Polanyi from *The Great Transformation*: “the pace of change is often no less important than the change itself; and if we cannot influence the change itself, we can influence the pace at which it takes place.”²⁸ It was in influencing the pace of changes that Polanyi saw a key tool for mitigating the social effects caused by the profound transformation of economic systems. For ordinary people it was a fundamental difference – whether the reforms in the 1990s were accompanied by protective measures, mitigating the effects of changes and improving the quality of everyday life, or whether they were offered symbolic ennoblement as the only form of compensation, leading to increased ethnic tensions and antagonizing various social groups.

Inequalities, discrimination, racism

One of the categories fetishized by neoliberal discourse is economic growth. The example of Central Europe proves that this ideology is remarkably effective in generating growth in another field. David Harvey noted that the region experienced the greatest growth “in terms of inequality” following the introduction of free-market reforms.²⁹ Privatization of housing played an important role in this process. Flats sold at a high discount, up to 90 per cent of their value, were priced arbitrarily, without taking into account factors that would affect the market price. Therefore:

One can speak of a ‘value gap’, i.e. the difference between the price paid by tenants for the redemption of flats and their rapidly changing market value. The capitalist logic of the real estate market, where location translates into market value, has strengthened the existing socio-economic divisions, not only inside cities, but also between them. [...] If, for example, two teachers, one from Wałbrzych and the other from Warsaw, earning more or less the same salaries at the beginning of the transformation, bought identical apartments for the same price in the same block of flats in 1991, this would not mean that both got the same deal.³⁰

Socio-economic divisions had their origins, among other things, in the way housing was distributed during the socialist era. Although egalitarianism was an essential element of the socialist political project, various practices fossilized old social hierarchies or produced new ones. It was not only about the privileges resulting from political commitment and loyalty to the authorities, which sometimes might have been helpful for obtaining a flat in a prestigious neighbourhood, but about a systemic phenomenon observed in various countries of the region. As early as the 1960s, Hungarian city planners and sociologists noted a disturbing mechanism of unequal housing distribution among various social groups. Their research showed that:

Among those who were offered newly built apartments, the share of well-educated, wealthier families was disproportionately high. The new housing estates became home to the socialist middle class, while workers and other poorer families had to remain in the flats that had been much more modestly subsidized, or often they occupied inferior housing in the inner city or on the outskirts, where the infrastructure was significantly inferior.³¹

Similar results as the ones found in the work of Hungarian experts, and reported by Csaba Jelinek, were

←
Ruczaj Estate in Kraków, from
the series *Self-affirmation*

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- 20 D. Leśniak-Rychlak, *Jesteśmy wreszcie we własnym domu*, Kraków: Fundacja Instytut Architektury, 2019.
- 21 Compare: C. Jelinek, op. cit., p. 51.
- 22 D. Jarosz, op. cit., p. 150.
- 23 Ibid., p. 149.
- 24 Ibid.
- 25 Compare: H.M. Broulíková, J. Montag, “Housing Privatization in Transition Countries: Institutional Features and Outcomes”, *Review of Economic Perspectives* 2020, vol. 20, no 1, pp. 65–69.
- 26 Compare: D. Bolee, “Post-Socialist Housing Meets Transnational Finance: Foreign Banks, Mortgage Lending, and the Privatization of Welfare in Hungary and Estonia”, *Review of International Political Economy* 2014, vol. 21, no. 4, pp. 10–11 (pre-published).
- 27 Compare: ibid., pp. 9–10.
- 28 K. Polanyi, *The Great Transformation. The Political and Economic Origins of Our Time*, Boston: Beacon Press, 2001, p. 39.
- 29 D. Harvey, op. cit., pp. 17–18.
- 30 J. Kusiak, op. cit., pp. 109–110.
- 31 C. Jelinek, op. cit., pp. 64–65.

obtained in the research of a pioneering team led by Ewa Kaltenberg-Kwiatkowska, who dealt with the sociology of housing in Poland in the 1970s. The researchers observed that access to housing – in addition to education or free time resources – is one of the main factors differentiating society.³² Representatives of the intelligentsia more often than representatives of working-class professions lived in higher-standard premises, in new buildings, in better located and better connected parts of cities.

Other forms of exclusion overlap with class inequalities. The authors of the Romanian manifesto write:

Among these categories, there are groups that find themselves at the intersection of several conditions of precarity, violence, and marginality. The Roma communities are a group that constantly feels the effects of the housing crisis [...], housing injustice works according to a racist logic, revealing itself through an acute and consistent dispossession and dislocation of the Roma persons and communities.

Indeed, housing policy can be one of the most effective tools of racial segregation – take for example ‘redlining’ – the infamous planning practice applied in the United States since the 1930s. Its effects are sorely felt even to this day. Entire social groups are spatially excluded and condemned to living in poorer material and sanitary conditions, poorer access to services and public institutions, and problems with finding employment. When a major public health crisis strikes – such as the current pandemic – people in these areas are most at risk, they have poorer access to medical facilities, and they are more severely affected by the economic meltdown.

Many Roma communities in Central European countries are struggling with such problems as a result of both the systemic, long-term discrimination, and the modern-day economic mechanisms. Despite the fact that after the end of World War II, many initiatives were undertaken in the region aimed at the emancipation of the Roma people, improving their living conditions, and supporting the development of social and cultural institutions, individual states pursued inconsistent policies and applied practices that were in fact favouring segregation. Csaba Jelinek points out that in Hungary such an effect was accompanied by the introduction of the New Economic Mechanism: “the previous universalist and egalitarian discourse was transformed into a more exclusive and selective one, focused on qualitative differences between various groups benefiting from social welfare [...] the main effect of which was the stigmatization of the poorer people and Roma families.”³³

The effects of such stigmatization were also noticeable in Czechoslovakia. When a modern industrial centre was built on the ruins of



an old mining town of Most, its inhabitants opposed the settlement of Roma families in the neighbourhood. Eventually, the settlement of Chanov, intended for the Romani community, was established a few kilometres away from the new, comfortable housing estates. Spatially separated, excluded in terms of transport accessibility, and with lesser supply of services, it quickly became a kind of ghetto.³⁴

The immediate ghettoization of such centres after the political transformation and the collapse of large industrial plants took place in many areas. The living conditions of Roma people in the 1990s deteriorated – be it in Chanov, or the Luník settlement near Košice, or the Hungarian tower block estates in Miskolc, while latest research shows that the housing situation of this ethnic group is improving slowly. Roma people live in significantly worse conditions than the majority societies: in more overcrowded, substandard housing, lacking basic amenities – often without running water or adequate sanitary infrastructure.³⁵

Free-market housing policy exacerbates these problems and generates new ones, which can be illustrated with the example of the Czech Republic, a country with a limited supply of municipal housing. Housing benefits are the main form of support for families in a difficult financial situation, and although the subsidy is small, it is permanent and reliable. No wonder that entrepreneurs soon appeared in the housing market, having noticed a source of guaranteed profit in the recipients of the benefits. Private companies began to buy former

workers’ hostels and apartments in multi-family blocks of flats and rent them out to people who receive housing allowances. The regulations do not define the conditions to be met by social housing. As a result, numerous Romani families, who cannot find apartments for rent in the commercial market – among other things, due to prejudice on the part of the majority society³⁶ – are forced to live in substandard, overcrowded, run-down workers’ hostels or dilapidated blocks of flats. Short-term lease contracts and the terrible condition of the buildings (which can be taken out of service at any time) force Roma families to move frequently. Another feature of the neoliberal economic model emerges: there is no group too poor or too vulnerable to become a source of additional profit. The uncontrolled market not only fails to provide decent housing conditions for those less well-to-do, but it also very effectively seizes public funds intended to help them.³⁷

The ‘trade in poverty’ in Czech cities is not accidental, neither is it a Central European aberration. Trade in substandard units rented to recipients of housing benefits, on par with toxic financial services (such as high-interest payday loans), is one of the most widespread practices of the dynamically developing ‘poverty industry.’ Its activities have a negative impact on the housing situation not only in Central Europe, but also, for example, in the United States. In the US, much like in the Czech Republic, it is the representatives of minority groups that feel its effects most acutely.

The ‘trade in poverty’ also leads to spatial isolation

of people in a difficult financial situation, to the deterioration of buildings and entire housing estates, and, as a result, to further tensions and conflicts. The housing crisis is hitting the Roma community in two ways: firstly, it exposes them to living in precarious conditions; secondly, it leads to the deepening of xenophobic sentiments in the majority society and the intensification of racist incidents. You can clearly feel that the atmosphere in Most is hostile towards Romani people. Three years ago, Czech public opinion was shocked by the campaign ahead of the local elections, in which local political groups openly used racist, anti-Roma rhetoric. The majority of the inhabitants of Most and its vicinity are plagued by the progressive neglect of housing estates and the debt of housing communities, partly as a result of speculation on the housing market. Their anger, however, is turned not towards the corrupt management of the local housing cooperative which looks after a large part of the housing stock in the region, but towards the tenants on benefits – and most of those are Roma people. Instead of fighting the unfair practices by private companies, the residents of Most are demanding the creation of areas where families on benefits will not be able to move in, and thus, effectively, another form of spatial segregation.³⁸

Neoliberal housing policy preys on the social divisions already existing in our communities; worse, it deepens those divides: the anger of those affected by its negative effects is channelled not against the source of the problem, but against even weaker and more excluded groups. The discriminatory mechanisms are escalating.

How to fight the pandemic of capitalism and racism?

The issues described above explain why the manifesto of the Romanian collective mentioned in the introduction bears the significant subheading *Împotriva pandemiei capitalismului și rasismului* (Combating the pandemic of capitalism and racism). How to fight this pandemic? The authors offer a clear-cut prescription:

The time has come for the rich to pay for everything that they stole through workforce exploitation, real estate speculation, and the theft of the government's resources [...]. We need radical measures to make sure that the economic post-crisis order will be one of equality and social justice. The time has come for those privileged by the system all over the world, who have accumulated profit and enormous wealth over the last decades, to pay their dues. [...] It is time to end the regime where the real estate developers, the great renting companies, and private utility providers make

enormous profit off the backs of those who barely survive from one month to the next!

The postulate may sound radical, but we should start getting used to this type of radicalism. In the context of the multidimensional crisis we face today, it is not enough to debunk the naturalized “common sense” elements of neoliberal ideology. It is necessary to disseminate values and attitudes that may have an impact on changing the socio-economic and political paradigm. Perhaps it is worth finally to consider abandoning capitalism as a reasonable and well-founded postulate? The examples I have cited from the history of Central European countries show that socialist systems, in which housing was treated as a basic need rather than a commodity, were much better at securing it. However, they also show that economic mechanisms (for example, a planned increase in housing construction spending) and only declarative egalitarianism, albeit not accompanied by a constant evaluation of anti-inequality policies, is not enough, especially in societies burdened with social stratification and long traditions of national or ethnic discrimination.

If we come back to seeing housing as a way to meet the basic human needs, we will also be more effective in dealing with the environmental burdens generated by the construction sector. During the deepening climate and ecological crisis, it is extremely important to provide all people with decent housing conditions without undue pressure on the environment. Let us finally begin to learn from the experience of housing policies, and then let us use it in a solidarity-based fight for a world with better living conditions – and a better life – for everyone.

←
Ruczaj Estate in Kraków, from
the series *Self-affirmation*

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- 32 E. Kaltenberg-Kwiatkowska, *Słowo wstępne*, [in:] *Mieszkanie. Analiza socjologiczna*, edited by E. Kaltenberg-Kwiatkowska, Warszawa: Państwowe Wydawnictwa Ekonomiczne, 1982. Western researchers also drew attention to similar issues, and noted the spatial and class segregation of Polish cities. Compare: J. Kusiak, op. cit., p. 106.
 - 33 C. Jelinek, op. cit., p. 52.
 - 34 History of the demolition of old Most and the construction of a new urban centre, as well as Czech-Romani relations in the region is described in detail in: M. Spurný, *Most do budoucnosti: laboratoř socialistické modernity na severu Čech*, Praha: Karolinum, 2016.
 - 35 As many as 68 per cent of Romania's Roma community and more than one third of Roma people living in Hungary and Croatia do not have access to running water. A similarly high percentage of Romani families live in houses or apartments without adequate sanitary infrastructure (toilets or bathrooms): in Romania this deprivation affects almost 80 per cent, in Bulgaria and Croatia over 40 per cent, in Slovakia and Hungary – almost 33 per cent. Compare: *A persisting concern: anti-Gypsyism as a barrier to Roma inclusion*, European Union Agency for Fundamental Rights, 2018, p. 43 ff., https://fra.europa.eu/sites/default/files/fra_uploads/fra-2018-anti-gypsyism-barrier-roma-inclusion_en.pdf (accessed: 15.03.2021).
 - 36 Research from a few years ago shows that as many as 60 per cent of Roma people in the Czech Republic experienced ethnic discrimination when searching for a flat or a house. Compare: T. Peric, *The Housing Situation of Roma Communities: Regional Roma Survey 2011*, Bratislava: UNDP, 2012, p. 49.
 - 37 The evictions of Roma families in Varnsdorf during the second wave of the pandemic have recently caused a great stir and a wave of protests. Compare: SUH, *Majitel bytů v Kovářské ulici ve Varnsdorfu se zbavil poslední rodiny. Město pomoc odmítá*, A2.Alarm, 06.01.2021, <https://a2larm.cz/2021/01/majitel-bytu-v-kovarske-ulici-ve-varnsdorfu-se-zbavil-posledni-rodiny-mesto-pomoc-odmita/> (accessed: 15.03.2021); P. Šplíchal, *Romské rodiny z Kovářské ulice ve Varnsdorfu dopadly jako obvykle*, A2.Alarm, 02.03.2021, <https://a2larm.cz/2021/03/romske-rodiny-z-kovarske-ulice-ve-varnsdorfu-dopadly-jako-obvykle/> (accessed: 15.03.2021).
 - 38 Compare: S. Uhlová, P. Šplíchal, *Most k české politice*, A2.Alarm, 16.09.2018, <https://a2larm.cz/2018/09/most-k-ceske-politice/> (accessed: 15.03.2021).

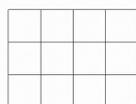
○ KINGA
ZEMŁA

ILLUSTRATIONS

○ KACPER
KĘPIŃSKI



EMATY
A GOAA:



HOUSING CONSTELLATIONS
OF THE THIRD POLISH
REPUBLIC

He looked around, about him, on the fence, at the well, at the guava tree, and everything, and it occurred to him that this compound had been part of him. He would live on from this moment like a living animal of the present whose tail is stretched permanently into the past. It was this thought that broke him the most, and which caused him to weep as Elochukwu, who would be handing over the keys of the house to the new owners, locked it all up.¹

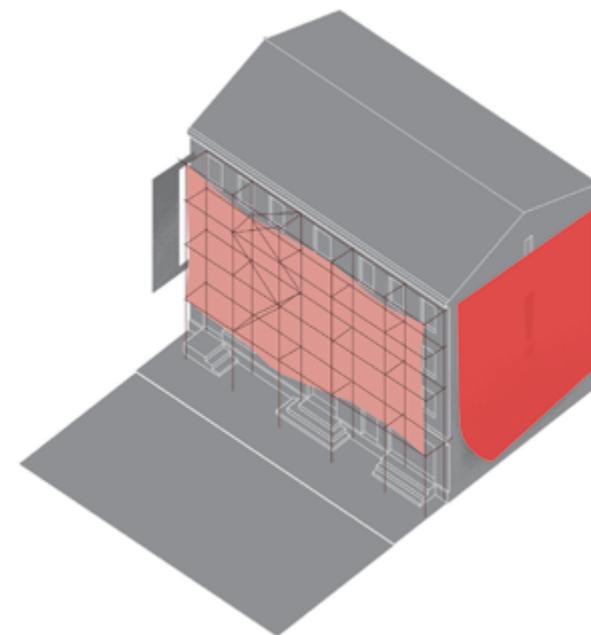
The dwelling – house or apartment – although undoubtedly separated from the surrounding space by a solid structure of walls and ceilings, goes beyond the original framework of physical shelter and serves a fundamental function in human life. As sociologist and city activist Joanna Erbel argues, our dwelling determines our initial situation, as it determines opportunities, or becomes a source of limitations.² The way in which we manage to meet our housing needs determines other life strategies – it influences our decisions about taking up a job, starting a family, or pursuing education. It regulates the rhythm of everyday life, based on a specific routine of necessary habits and behaviours. It can become an eloquent element of self-creation or, on the contrary, an allegorical cage from which we strive to escape – a lesson that many of us learned the hard way during the pandemic. All the while, the material shell of the apartment is covered with a dense web of personal meanings and associations assigned thereto, memories of moments spent with loved ones, emotions we experienced. Despite the multidimensionality of the issue, Poles have become accustomed to considering it in terms imposed by the neoliberal dogma, which reduces housing to economic parameters, dictated not so much by the actual costs of shaping the housing environment, but by the imperative of profit. As a result, the selling price per square meter has become the most sacred indicator describing the home.

The fundamental metamorphosis of the Polish housing system has, of course, a transformational pedigree and is an expression of not only political and economic changes, but above all, of social changes. The modernity that was crystallizing in the 1990s in the West, which the Third Polish Republic was hastily trying to catch up with, was described by Zygmunt Bauman as liquid modernity. According to Bauman, the latter replaced the historic stage of early, “solid” capitalism, directly derived from the industrial revolution. Its symbols featured Fordist factory, bureaucracy, Panopticon, Big Brother, and finally, the Konzlager.³ This epoch was haunted by the dangerous spectre of totalitarianism, summarized in Orwell’s canonical *1984*, and in Polish literature, for instance in Witkacy’s *Szewcy* [The Shoemakers] or *Pożeganie*

Jesieni [Farewell to Autumn]. Predominant fear concerned the defencelessness of an individual, melting into the homogeneous mass of society and losing autonomy in confrontation with a centralized political system. The emancipation of man from the reality filled with threats became a historic turning point; it opened the way to a new order, which to a greater or lesser extent began to be guided by Margaret Thatcher’s infamous maxim “There’s no such thing as society.” In the ethical and political discourse, utopian visions of a just society began to be displaced by new goals focused on the individual and his never-ending identity project. The modern condition of “continuous transgression” turned out not only to be devoid of faith in gaining control of the future – and thus a goal that would be worth striving for – but also lacking the support of a community of people heading in a similar direction. The fragmentary nature of the world and the indeterminacy of the individual resulted in anxiety, as well as loneliness in facing life challenges. Furthermore, Bauman concludes, individualization is not a choice but a human fate, and the independence or self-sufficiency of the individual is yet another illusion.⁴ Thus, freedom has a bitter aftertaste of appearances, because we did not choose the circumstances in which we are faced with our choices, and we probably have no influence upon those either.

What is truly disastrous for a good housing system, though, is not so much the existential dilemmas of individuals as the accompanying breakdown of the idea of community. The individual is the citizen’s worst enemy because the citizen “is a person inclined to seek his or her own welfare through the well-being of the city – while the individual tends to be lukewarm, sceptical or wary about ‘common cause’.”⁵ Bauman’s concerns are shared by the American philosopher and historian of ideas, Mark Lilla. The latter criticizes contemporary liberal politics for giving up inspiring people to actively transform society in favour of the passive, social construction of individuals: “In an age when we need to educate young people to think of themselves as citizens with duties toward each other, we encourage them instead to descend into the rabbit hole of the self.”⁶ The individual pulled into an identity project, out of sheer momentum ends up occupying a position in the culture war in which “what is being said is much less important than who wants to speak and for what reason.”⁷ Michał Markowski, literary critic and essayist, explains that the direct consequence of “aggression of opinions, emotions, and values” is progressing polarization, because the dividing line today runs in a horizontal, level relationship, between contradictory world views of voters, rather than vertically, bottom-up, that is, between society and those in power.⁸

When postmodernity reached Poland, a backward country in relation to the West, it fell on fertile ground



in a society tired of the People’s Republic and resulted in a wide-ranging “manifestation of long-suppressed individuality”.⁹ In this article, I will try to summarize the legacy of the transformational restructuring of Polish housing, classify its most important trends, and also show that housing and the debate about it as a particular, indispensable good may spark broader, positive changes, addressing further social stratification.

Privatization of profits, socialization of losses

At the root of contemporary living trends lies the transformational reshuffling of roles and values. Satisfying housing needs is now the responsibility of a modern – and therefore self-sufficient and independent – individual, rather than of the social policy by the state, as the latter gladly relinquishes control tools in this area. Inseparable from this phenomenon is the final ennoblement of private property, equated with security, and seen as a symbol of individual resourcefulness.

- 1 C. Obioma, *Orchestra of Minorities*, London: Little, Brown, 2019 (e-book).
- 2 J. Erbel, *Poza własnością. W stronę udanej polityki mieszkaniowej*, Kraków: Wydawnictwo Wysoki Zamek, 2020, p. 18.
- 3 Z. Bauman, *Liquid Modernity*, Cambridge and Malden: Polity Press, 2000, pp. 25–26.
- 4 Ibid., p. 34.
- 5 Ibid., op. cit., p. 36.
- 6 M. Lilla, *The Once and Future Liberal: After Identity Politics*, London: Hurst Publishers, 2018 (e-book).
- 7 M.P. Markowski, *Wojny nowoczesnych plemion. Spór o rzeczywistość w epoce populizmu*, Kraków: Karakter, 2019 (e-book).
- 8 Ibid.
- 9 Ibid.

As a result of this re-evaluation, and the ensuing political decisions made in the 1990s, Polish housing can be described by three aspects that determine it most powerfully: privatization of virtually all housing sector, largely based on mortgage loans; changes in planning regulations – by which ownership of a plot of land becomes tantamount to the right to build¹⁰ – and lastly, the reduction of public funds allocated to housing, down to 0.08 per cent of GDP, which is five times less than the European average.¹¹

According to the formula that the World Bank developed in 1990 in the document *The Housing Privatization Model for Central and Eastern Europe*, the reform of financing the housing sector and the privatization of municipal resources were prescribed to heal the new democracies. Access to property was treated as a manifestation of Poles' empowerment in the new economic reality.¹² Simultaneously with the process of enfranchisement came the fixed pattern of an idyllic single-family house among nature; already in the 1980s

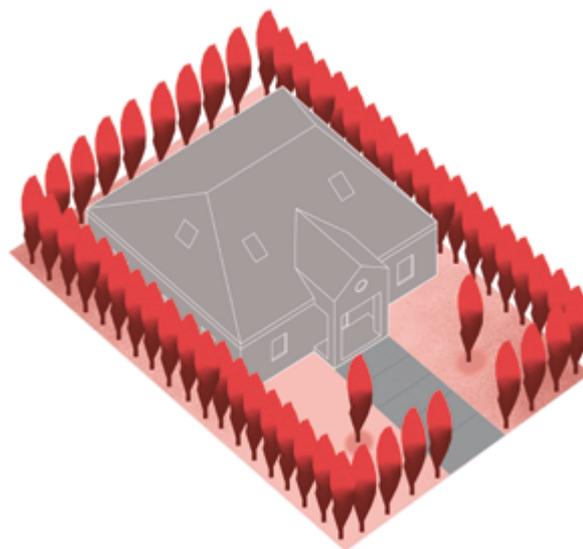
it slowly evolved from the “Polish cube” towards a “sub-urban manor”. As a result, in 2011, private housing made up nearly 80 per cent of the total stock. Just over 10 per cent was under public control, and only a few per cent remained within the social housing sector.¹³

The inevitable consequence of seeing the purchase of a home as the only correct strategy is the generation burdened with twenty or thirty years of mortgage payments. Its representatives often equate signing a loan agreement with true maturity. “For all those who are grown up enough to have their own apartment, PKO Bank Polski offers a mortgage loan at an interest of 1.1 per cent for the first year” – announced the PKO Bank advertisement in 2011.¹⁴ Meanwhile, although in the contemporary global economic order credit is undoubtedly an important tool enabling the achievement of housing and other goals, it is often associated with a significant restriction of freedom in making life decisions. It may even become tantamount with being trapped in a specific personal or professional situation, stable

the free, autonomous and self-sufficient individuals are left with is to choose their relationship with the necessity of debt: he or she will either believe in credit, or feel condemned to it. In addition, this dubious luxury can only befall the richest Poles, about 20 per cent of the population, most of who will not buy a flat for cash, but will “accomplish” creditworthiness.¹⁶ Bank loan also becomes an obvious choice due to the deregulated and completely unprofitable rental market. If it is within your reach, it is better to pay your instalment than someone else's, especially since the character of the lease agreement is not that of a partnership, and your freedom and comfort of living – from the decor to long-term security – depend on the owner's whim. Adding to that the typically poor condition of the offered apartments, it is no wonder that only 4.5 per cent of Poles decide to rent their flat in the open market.¹⁷

People falling into the so-called rent gap are even worse-off: they earn too little to achieve creditworthiness, but too much to be able to apply for social housing or another form of support from the state or local government. According to estimates, the problem affects 30-40 per cent of the population.¹⁸ Also worrying is the high percentage of young Poles between the ages of 25 and 34 who still live with their parents. Eurostat data shows that this concerns as many as 40.5 per cent of this age group.¹⁹ In the neoliberal model, the risks, contradictions and obstacles are still a product of society, and yet the responsibility and necessity to deal with them are transferred to the shoulders of individuals.²⁰ As sociologist Mateusz Halawa explains, as a result, “housing classes” developed, replacing traditional social classes,²¹ and belonging to those is associated with the way in which we deal with satisfying our housing needs and, as a result, the way we live.

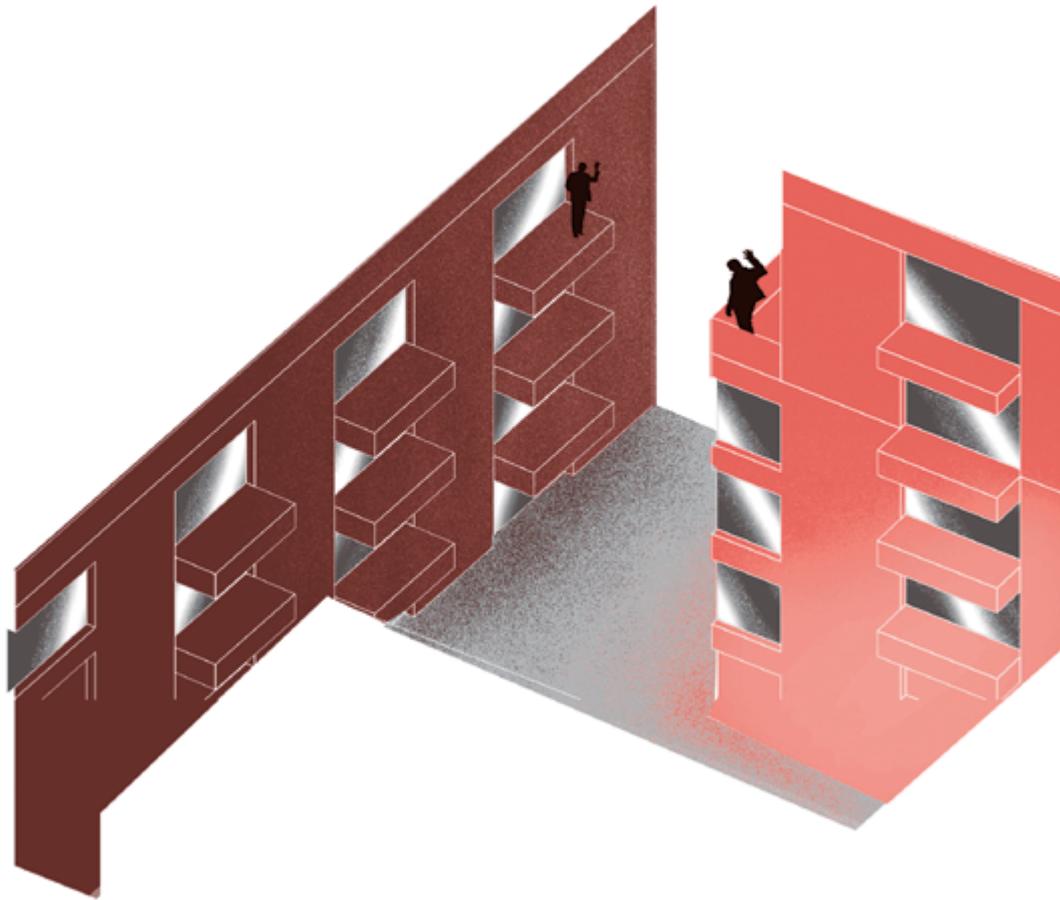
Dorota Leśniak-Rychlak mentions spatial implications of new forms of living in her book *Jesteśmy wreszcie we własnym domu* [In our own home, at last]. These include: a gentrified tenement house, a modernized block of flats, a suite in a gated community, a house in the suburbs, and a suburban residence.²² The sociologist Joanna Kusiak explains that their unrestrained proliferation in the city and beyond – the mythical visual chaos – is not a phenomenon of unknown origin, but a manifestation of the installation of neoliberal order, an expression of the logic of capital's operation in space.²³ The key factor in this process is the freedom with which these paradigms can be implemented, resulting from the practical abolition of the role of an urban planner; from gaps in the local master plan; from lack of not only the will, but also of strategies and tools that would enable local governments to supervise the partnership with the private party, while securing the public interests they represent. Therefore, newly emerging housing environments take the shape of



but not satisfactory enough. The discipline imposed by the bank loan is also controversial in a broader, social dimension. According to the anthropologist Kacper Pobłocki, “it is a blurry line between loaning in order to increase the availability of housing and make life easier for millions of people, and the moment when the debt mechanism becomes an instrument of exercising power.”¹⁵

The basic problem in the Polish housing system is not the bank loan in itself, but its unquestionable inevitability – due to the lack of other options, such as institutional rental, lease with pursuit of ownership, or affordable housing – and its long-term nature, caused on the one hand by insufficient purchasing power of Polish wages on the housing market, and on the other hand, the dominance of this market by private entities driven by return on their investment. All the choice that

- 10 M. Staniszki, “Polityka i urbanistyka”, *Autoportret* 2016, 3 (54), <https://autoportret.pl/artykuly/polityka-i-urbanistyka/> (accessed: 17.01.2021).
- 11 A. Twardoch, *System do mieszkania. Perspektywy rozwoju dostępnego budownictwa mieszkaniowego*, Warszawa: Wydawnictwo Bęc Zmiana, 2019, p. 137.
- 12 J. Erbel, op. cit., p. 37.
- 13 A. Twardoch, op. cit., p. 45.
- 14 F. Springer, *13 pięter*, Wołowiec: Wydawnictwo Czarne, 2015, p. 180.
- 15 K. Pobłocki, *Kapitalizm. Historia krótkiego trwania*, Warszawa: Wydawnictwo Bęc Zmiana, 2017 (e-book).
- 16 A. Twardoch, op. cit., p. 53.
- 17 Data of the Habitat for Humanity Foundation. Quoted from: Tylko niespełna 5 proc. Polaków wynajmuje mieszkania, *Forbes*, 14.0.2016, <https://www.forbes.pl/wiadomosci/tylko-niespelna-5-proc-polakow-wynajmuje-mieszkania/pwpqft0> (accessed: 17.01.2021).
- 18 A. Twardoch, op. cit., p. 54. Habitat for Humanity Foundation estimates that this concerns as many as 40 per cent of the population. *Informator Rzeczniczy*, Warszawa: Habitat for Humanity Poland, 2020, https://habitat.pl/files/Informator_Rzeczniczy.pdf (accessed: 17.01.2021).
- 19 Living conditions in Europe. 2018 edition, Eurostat, <https://ec.europa.eu/eurostat/documents/3217494/9079352/KS-DZ-18-001-EN-N.pdf/884f6fec-2450-430a-b68d-f12c3012f4d0?t=1532352347000> (accessed: 10.01.2021).
- 20 Z. Bauman, op. cit., p. 19.
- 21 Quoted in: F. Springer, op. cit., p. 180.
- 22 D. Leśniak-Rychlak, *Jesteśmy wreszcie we własnym domu*, Kraków: Instytut Architektury, 2019, p. 14.
- 23 J. Kusiak, *Chaos Warszawa. Porządki przestrzenne polskiego kapitalizmu*, Warszawa: Fundacja Bęc Zmiana, 2017 (e-book).



dysfunctional neighbourhoods that either sprawl into uncontrolled suburbs or create fenced-in enclaves within the urban fabric.

Out-of-town suburbs are organized along extensive tracts of single-family houses American style: without social infrastructure, that is without public spaces for the local community, without small service centres, workplaces, kindergartens or schools – a roadside grocery store is considered the pinnacle of functional possibilities there. This reprehensible arrangement has become part of the canon of common expectations – since we live far away from the city centre, it seems natural that everywhere and everything is remote. In the dream of a suburban cottage, “time is reduced to one moment, which is a Saturday afternoon spent with young children in the garden, playing with the dog or having a barbecue together”; in this idyll, “the children will never grow up, and the weekend will not turn into a tedious working day marked by arduous commute,” notes Joanna Erbel.²⁴ Say what you will about the post-transformation aspirations of Polish people, additionally stimulated by television clichés; with rising housing prices in the city centre, expanding one’s living space turns out to be economically feasible only in the much cheaper suburbs. This form of living – and with it, developers and banks – was also supported by the state in its few interventions – for example, as part of the

Mieszkanie dla Młodych [Flat for the Young] program, it offered loan subsidies, but only up to a specific, low price per square meter.

Dorota Leśniak-Rychlak explains that the move of more enterprising or better-off social groups to new living spaces – whether a house in a green suburbia or a gated estate within the city – has become a way of actualising “the conviction of middle-class representatives about achieving success and wealth through their own talents and work”.²⁵ Since, according to the concept of a resourceful individual, private property in the housing sector both motivates and attests success, developers quickly understood that separating new estates from the urban fabric would increase their value. In Poland, statistically, there are significantly fewer robberies and thefts than in many other countries within the European Community.²⁶ The obsessive construction of wire mesh fences – which by the way are easy to climb over – is on the one hand a marketing trick based on the commodification of fear, and on the other hand, an expression of the *nouveau riche* prestige associated with the place where such “problems” as “people walking by the windows”, “bums loitering”, or “drunk students returning home at night” have been eliminated.²⁷ We are slowly bidding farewell to fences thanks to the new landscape laws, written in the belief that the city should be a common platform, a place to live and meet various social groups, with a structure allowing for free movement of people.

The fence is the tip of the iceberg of problems stemming from closed housing environments with gentrifying potential. Already at the marketing level, private investors strictly define their target, and by doing so, they do not eliminate social differences, but simply manage them effectively. An advertisement on the website of one of Warsaw’s property development companies claims that the new housing estate is being built “for people who are open minded, who value independence and want to taste new things.” Such messages are part of the contemporary tendency to define one’s identity through “disproportionate and mutual alienation of one’s own uniqueness versus everyone else’s.”²⁸ The ubiquitous alienation is aggravated by the insufficient quantity and quality of common spaces, places of accidental contact, and even children’s playgrounds.

However, this is not about creating an illusion of being-together, but rather about “redesigning and repopulating the now largely vacant agora – the site of meeting, debate and negotiation between the individual and the common, the private and public good.”²⁹ Forty years before Bauman, Hannah Arendt brought this discussion to a deeper level by describing the constitutive aspects of *vita activa*:

Action and speech create a space between the

24 J. Erbel, op. cit., p. 44.

25 D. Leśniak-Rychlak, op. cit., p. 66.

26 A. Twardoch, op. cit., p. 99.

27 The quotes come from the comments under the article about the introduction of the fencing ban in Warsaw: *Zakaz grodzienia osiedli płotami wchodzi w życie*, Warszawa i okolice, 18.01.2020, <https://wio.waw.pl/artykul/zakaz-grodzenia-osiedli/916076> (accessed: 24.01.2021).

28 M.P. Markowski, op. cit.

29 Z. Bauman, op. cit., p. 41.

participants which can find its proper location almost any time and anywhere. It is the space of appearance in the widest sense of the word [...] where I appear to others as others appear to me [...]. No man, moreover, can live in it all the time. To be deprived of it means to be deprived of reality [...]. To men the reality of the world is guaranteed by the presence of others, by its appearing to all [...] and whatever lacks this appearance comes and passes away like a dream, intimately and exclusively our own but without reality.³⁰

Neither Bauman, in invoking the agora, nor Arendt, when writing about the space of appearance, meant physical space. Architects often forget that communities do not appear just because we have provided them with adequate spatial conditions; after all, their existence does not depend solely on space. This does not mean that designing common, public spaces is futile. They are just one of the components needed. Of course, in the end, the agora is a physical structure – a plaza.

Nonetheless, a debate and action should develop over the issue of space, and living space in particular, which is equally relevant to us all. Understanding the specificity of the good that is indispensable to everyone, such as a dwelling, would set a new, supra-individual goal: the right to housing. This essentially solidarity-based proposition is rooted in the belief that ensuring decent living conditions for all members of society is not only at the heart of balancing equal opportunities, but will prove beneficial for the further development of the community, including its economic aspect.

In Article 25 of the UN Declaration of Human Rights, housing is made part of the “health and well-being” standard of living to which every person is entitled.³¹ According to this assumption, a responsible housing policy must focus on the availability of housing as one of its goals, in addition to the number and quality. Although neither adequate quality, nor even the number, can be ensured solely by market forces, it is precisely the accessibility – especially understood as affordability, i.e. cost below 40 per cent of a household’s income³² – that simply cannot be realized in a free market reality on its own accord. The European Parliament, in a resolution adopted at the beginning of 2021, also calls on the Member States to ensure universal access to decent housing.³³

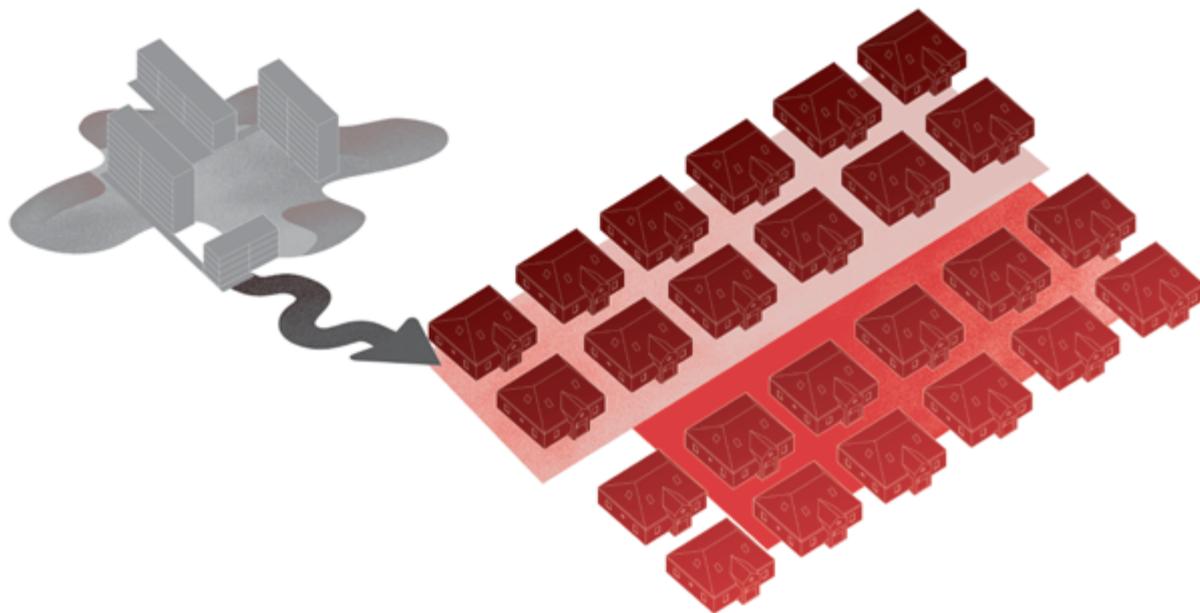
According to the division proposed by the architect and researcher Agata Twardoch in her book *System do mieszkania* [Housing system], the shaping of accessible housing, apart from intangibles, is influenced by organizational factors – top-down and bottom-up – as well as spatial factors related to the architectural form and location. Top-down, systemic organizational measures resulting from the policy of the state or local government include, for example, elements of fiscal policy (tax breaks), supply policy (council housing and social housing), demand policy (housing loan subsidies or preferential loans), and rent control. Bottom-up instruments are related to the potential of self-organization of groups of people; these include small housing associations, construction groups, and cohousing. In spatial terms, this is about specific architectural solutions, including structural ones, as well as location aspects related to the interactions between the dwelling and its surroundings.³⁴

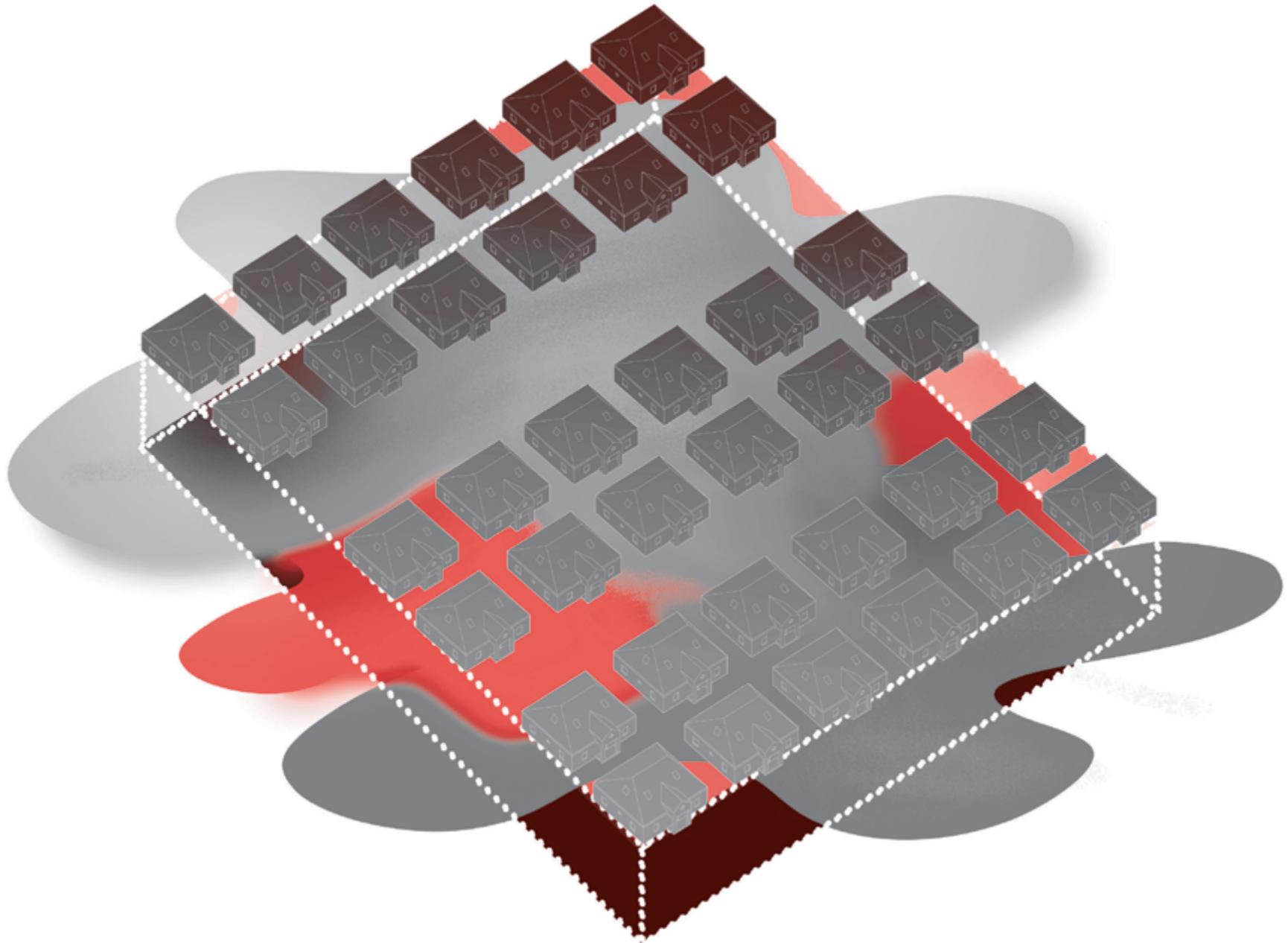
A good housing system, oriented towards increasing accessibility, would be based on the flexible use of various methods and tools, within a coherent plan covering all levels of administrative organization – at the State, regional, and municipal level. However, I would like to focus on describing two selected strategies: grassroots cooperatives, and prefabricated housing systems (the latter concern spatial activities, as I believe them to have the potential to change the individual perspective into the community optics, shaping civic attitudes, and setting bold social goals).

Second birth

The history of the cooperatives in Poland started promisingly in interwar Warsaw, with the establishment of the Warsaw Housing Cooperative and the Society of Workers’ Housing Estates. Alas, these first attempts to ensure a fair housing environment were interrupted by World War II, and the ideals of the movement’s pioneers, picked up by the communist authorities of the People’s Republic of Poland, were completely distorted in the new political order from the moment the decision was made to manage them centrally. This is the reason why today they do not evoke positive connotations, and modern forms of cooperatives or cohousing are treated as curiosities with no potential for wider dissemination. It is not difficult to imagine a defeatist argument based on the belief that no one will want them in Poland, or that developer housing estates are convenient and, above all, ready-made solutions, and that Poles are busy people who do not have time for this.

My belief is that it is the lack of awareness of the benefits of such solutions that is working against the creation of small, grassroots housing cooperatives. The blame for this state of affairs lies with the promotion of the one and only “correct” model. The convincing narrative of loans and apartments in a commercial development largely draws its strength from the lack of alternatives. Meanwhile, a cooperative initiative has the potential of being much cheaper, and therefore attractive, especially to those who fall within the rent gap. You will still have to take out a loan to cover the investment contribution and its subsequent costs, but it will be a much lower one, because the payment of the developer’s profit and overheads that includes sales offices, agents and marketing will not be added to the cost of building the apartment. The difference becomes significant when you take into account high developer margins, which have remained at the level of 20–30 per cent for several years.³⁵ If local governments were to recognize bottom-up housing initiatives as something positive, they could support cooperatives, for example by selling plots at preferential prices, which would contribute to further cost reduction.³⁶ Building with their own housing environment in mind, the cooperatives





30 H. Arendt, *The Human Condition*, Chicago and London: University of Chicago Press, 1998, pp. 198–199.

31 Universal Declaration of Human Rights, Article 25, <https://www.un.org/en/universal-declaration-human-rights/> (accessed: 10.01.2021).

32 According to Eurostat definition: Housing statistics, Eurostat Statistics Explained, May 2020, https://ec.europa.eu/eurostat/statistics-explained/index.php/Housing_statistics#Housing_affordability (accessed 17.01.2021).

33 *Parlament wzywa do działań dla rozwiązania kryzysu mieszkaniowego*, European Parliament, 21.01.2021, <https://www.europarl.europa.eu/news/pl/headlines/society/20210114STO95643/parlament-wzywa-do-dzialan-dla-rozwiazania-kryzysu-mieszkaniego> (accessed: 26.01.2021).

34 A. Twardoch, op. cit., p. 144.

35 Narodowy Bank Polski, Raport o sytuacji na rynku nieruchomości mieszkaniowych i komercyjnych w Polsce w 2019 roku, [Report on the housing and commercial property market in Poland in 2019], Warszawa: Departament Stabilności Finansowej, 2020, https://www.nbp.pl/publikacje/rynek_nieruchomosci/raport_2019.pdf (accessed: 22.01.2021).

36 Since 2019, a draft act on housing cooperatives is being proceeded, providing for tax breaks and discounts for cooperatives. Bill on housing cooperatives, Government Legislation Centre, <https://legislacja.rcl.gov.pl/projekt/12321969> (accessed: 24.01.2021).

would be able to define and meet their expectations regarding the quality of private and shared spaces. As a grassroots group, they would become the seeds of the neighbourhood community.

It should be stressed that a strong local government is needed in order to properly finalize the process of creating a new residential district, taking into account various actors. It is the local self-government that should be setting housing standards and provide the urban plan for the estate – selected in a competition – under which individual plots would be sold or leased to private and public investors, small cooperatives, but also non-profit organizations or Social Housing Associations. The duty of the local government as a party in public-private negotiations would be to strive at creating a socially heterogeneous community of neighbours, by taking

into account apartments of a different standard, size, type, or manner of occupancy (mixed tenure strategy). Local governments cover the costs of infrastructure and public spaces, and they may also offer preferential prices of land plots or other facilities in exchange for some apartments to be taken over and included in the pool of municipal resources. “Lokal za grunt” [“Property for land”] law, passed on 13 January 2021³⁷ will facilitate the exchange system. Local government’s control over newly emerging investment projects (also those organized as grassroots initiatives) is of great importance – because not only large development ventures, but also organizing groups based on private capital, such as cooperatives, have the gentrification potential, and thus may deepen spatial segregation.

“With word and deed we insert ourselves into the human world, and this insertion is like a second birth [...]. To act, in its most general sense, means to take an initiative, to begin [...], to set something into motion”³⁸ – writes Hannah Arendt. She means the individual ability of each person to trigger chains of events that will also

37 Lokal za Grunt – Senat przyjął pierwszą ustawę z rynkowej części pakietu mieszkaniowego, gov.pl, 13.01.2021, https://www.gov.pl/web/rozwój-praca-technologie/lokal-za-grunt-senat-przyjal-pierwsza-ustawe-z-rynkowej-czesci-pakietu-mieszkaniowego?fbclid=IwAR3q6AFxMAYnD9XyN9reLMikJg-pxxWCbR_atdKMtsg3_sKM1e__PYAnfdTQ (accessed: 24.01.2021).

38 H. Arendt, op. cit., p. 176.

39 Z. Bauman, op. cit., p. 41.

40 M. Lilla, op. cit.

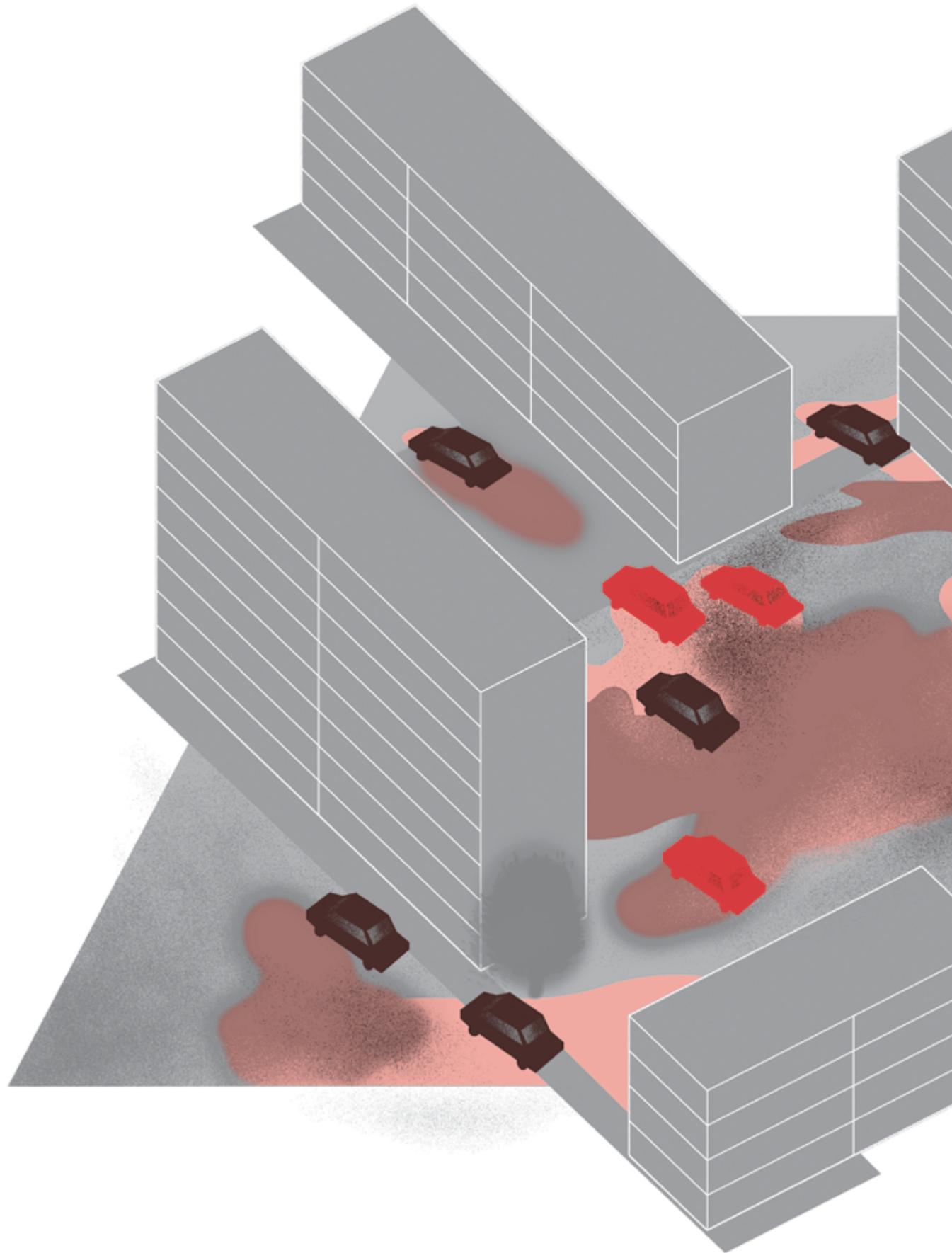
41 *Budownictwo wielkopłytowe – Raport o stanie technicznym*, kierownik zespołu J. Schulz, Instytut Techniki Budowlanej, <https://budowlane-abc.gov.pl/budownictwo-wielkoplytowe-raport-o-stanie-technicznym/> (accessed: 21.01.2021).

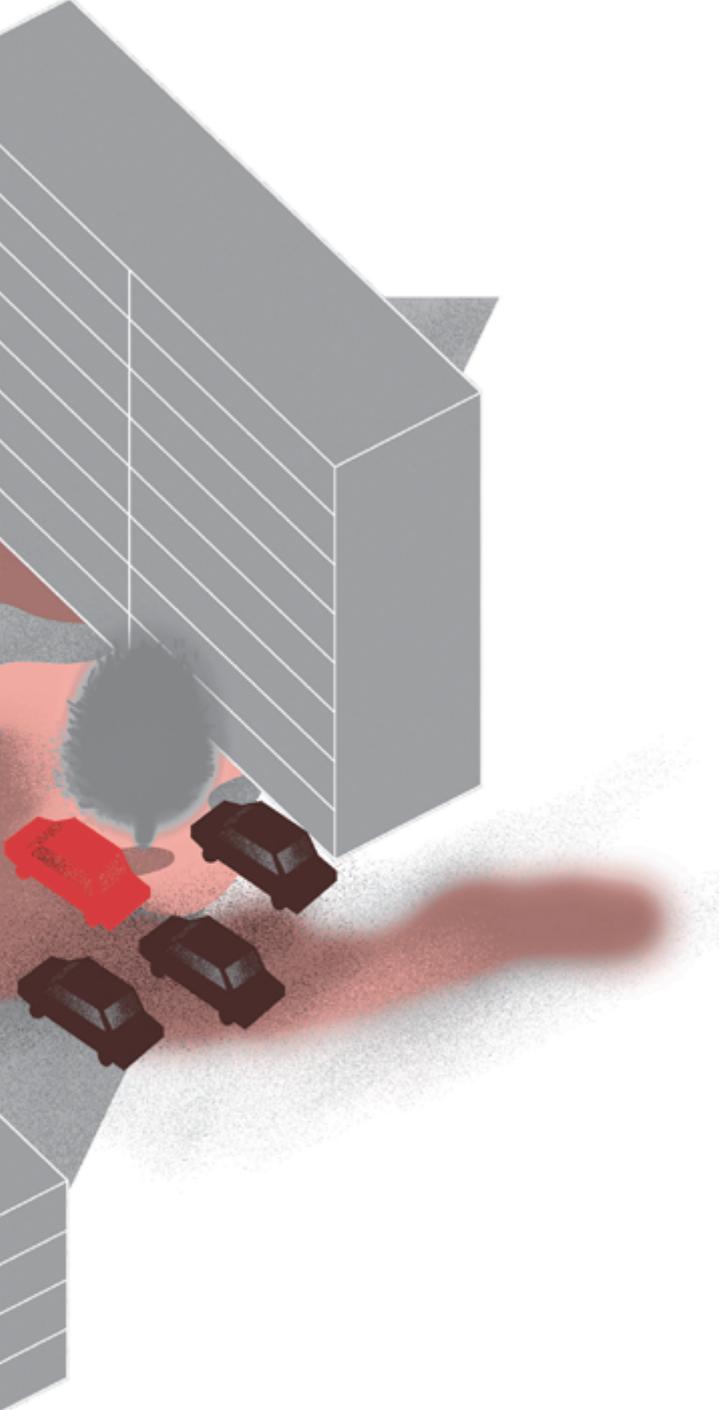
42 P. Alonso, H. Palmarola, *Paneles voladores: Cómo los paneles de hormigón cambiaron el mundo*, [in:] *Paneles voladores: Cómo los paneles de hormigón cambiaron el mundo*, P. Alonso, H. Palmarola (eds.), Berlin: DOM Publishers, 2019, p. 21.

43 The phrase was used by Erik Stenberg in his lecture *Structural Systems of the Million Program Era*, delivered at the Architecture Department of the Royal Institute of Technology in Stockholm in September 2019.

44 Based on interviews with residents conducted by the author in the Tensta district of Stockholm in September 2019.

45 For example, Józef Wojciechowski, chairman of the supervisory board of J.W. Construction Holding SA, responsible for the construction of Bliska Wola Tower in Warsaw, expresses such belief. K. Florencka, *Józef Wojciechowski: Bliska Wola jak Hong Kong? To komplement. Krytykują ci, których nie stać*, INN Poland, 11.12.2020, <https://innpoland.pl/164047,osiedle-bliska-wola-w-warszawie-szef-jw-construction-o-krytyce-wywiad> (accessed: 21.01.2021).





include others. A grassroots initiative, involvement in creating one's own housing environment in collaboration with other cooperatives, can awaken a sense of agency, divert interest from what is individual towards what is common. It is impossible to fill a desolate agora without reviving social instincts: those individuals who "relearned the forgotten citizen skills and reappropriated lost citizen tools are the only builders up to the task of this particular bridge building,"³⁹ spanning the shores of the shattered world of individuals. Lilla, too, finds a panacea in the supra-individual attitude, but he also points out that citizens are made, not born.⁴⁰ Therefore, cooperatives have a great activating potential, and unlike cohousing, they are generally free from ideological dogmas. Thus collective methods of satisfying housing needs with the support of public agencies may yet become an important part of civic practice.

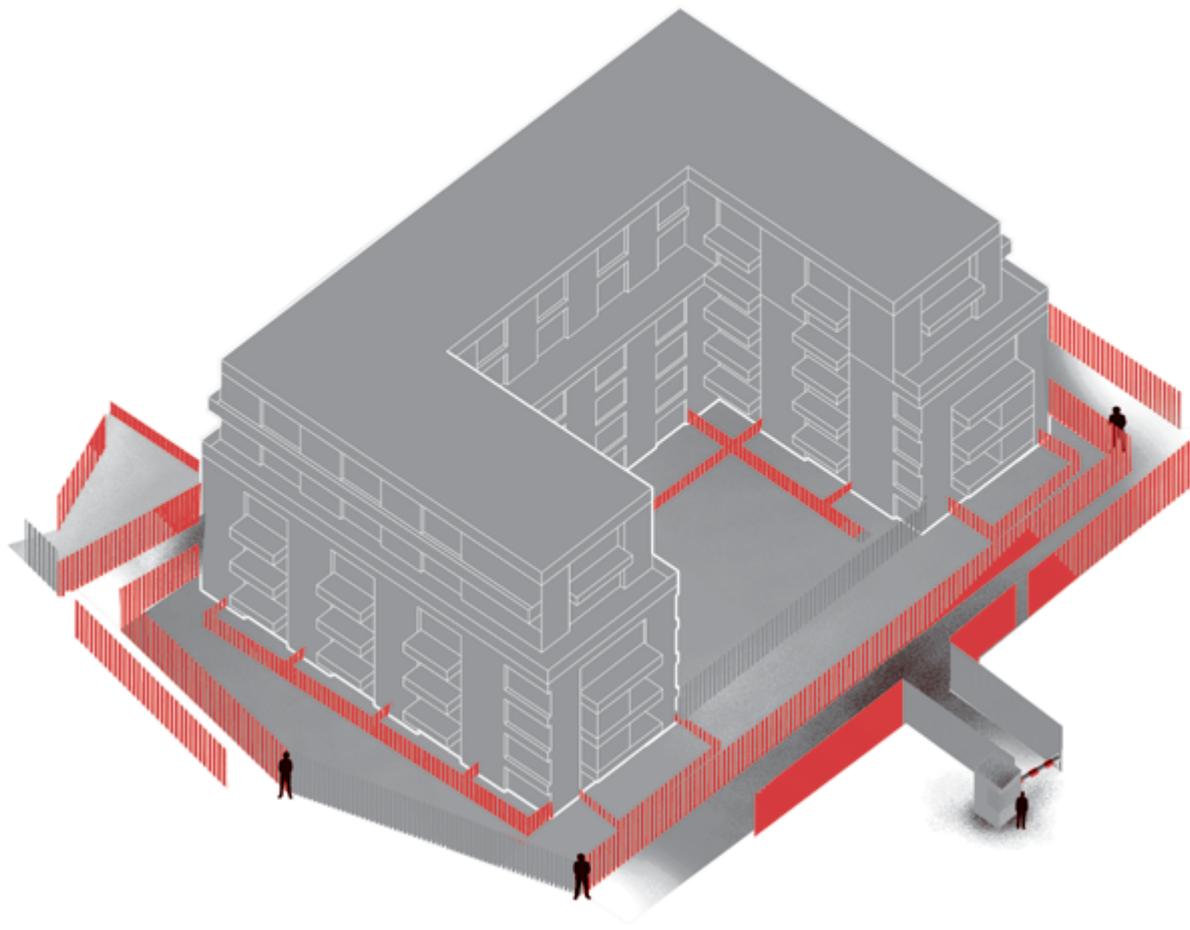
Hope glued crosswise

Twelve million Poles are still living in the modernist blocks of the communist era. Despite their unexpectedly durable structure,⁴¹ the claustrophobic space, under-insulated and insufficiently soundproofed interiors, and the aesthetics associated with the communist regime have managed to discredit large panel systems, and with it the idea of increasing housing resources on a mass scale thanks to a system of cheaper and faster production of typical designs. The abstract image of the large panel system floating in the air sparked the hope for a better, equitable future in many places around the world, also outside the Soviet dominion, for example in France, the Netherlands, Germany, Great Britain, Italy, Canada, the United States, Japan, Denmark, Switzerland, and Sweden. Associated with the University of Chile in Santiago and the London-based Architectural Association, architect Pedro Alonso undertook research into prefabricated panel structures. He tried to place them in the critical architectural discourse. He emphasizes that the large panel system, "timeless, with the expression reduced to a minimum", by challenging the status quo, has become to architecture what Malevich's *Black Square* is to painting.⁴²

Hopes related to prefabrication of apartments did not have to turn out to be naive dreams. Take for example the counterparts of Khrushchyovkas on the other side of the Iron Curtain, the Swedish systems. It was in Sweden in 1967 that the largest association of housing co-operatives, HSB, issued *En social lyftkran* [The Social Crane] – a publication, which expressed the belief that the large panel system and the crane that assembled it would support the construction of a new social order. Factory production was expected to help keep the promise made by the social democratic government – to build one million apartments within one decade. Record-breaking for Swedish housing industry,

Miljonprogrammet [the Million Program] gave an impetus to the development of prefabricated systems, which similarly as for those built in the more traditional way were based on the knowledge gained through in-depth architectural research conducted since the 1940s. Detailed analyses of the needs of future residents, including all the scales of everyday routine – from the ideal dimensions of living rooms, kitchens, bedrooms and bathrooms, down to the standards for wardrobes, lockers and cupboards, and even drawers with cutlery compartments – were found in the *God Bostad* [Good Apartment] handbook, published in 1954. Erik Stenberg of the Royal Institute of Technology in Stockholm, an architect and researcher of the "record years",⁴³ explains that these design guidelines – in the modernist spirit of seeking the measurability of life and corresponding standards – contributed greatly to the subsequent success of IKEA. Swedish prefabricated apartments were spacious, comfortable, and well-lit, and at the same time they were designed in a modernist style, whose logic is still appreciated by their tenants today.⁴⁴ From the contemporary perspective, the most remarkable feature is the fully prefabricated S-66 system by Ohlsson & Skarne (later purchased by Skanska), consisting of load-bearing walls, ceiling panels and columns. In this arrangement, the load-bearing walls do not cut across the flats, so the arrangement and layout of the latter depends on the needs of the users. The orthogonal discipline of this system imposes limitations on moulding the external architectural body, but it offers high flexibility of shaping the interior – it is possible not only to create independent units, but also to connect apartments relatively freely, which was achieved, for example, in the design by the aforementioned Erik Stenberg for a family of ten. The S-66 has been tested and proven both in six-storey blocks in the Stockholm district of Tensta, and in the intimate-scale Orminge development outside the city, where the height of the buildings does not exceed three storeys.

In this short historical summary, the most important threads of the abandoned system design are becoming clear. It is primarily about increasing the supply of affordable housing, thanks to typical modules and factory production. It is also crucial to support the industrial process with exhaustive research on housing needs present and future, including understanding of the local context, for example, demographic forecasts or the development prospects of smaller and medium-sized cities, but also more universal premises, including free spatial arrangements that will easily yield to functional re-adaptation. Market research conducted by developers – contrary to theories about the invisible hand that will solve the problems and fill the gaps – basically equates the financial possibilities of Poles with their aspirations. As a result, especially in the centres of larger cities, a lot



of small flats are being built, which investors vaguely explain by the advent of a new generation of people who “live out on the town and do not need large living spaces.”⁴⁵ Arguably, they fail to notice the continuing trend of families looking for their own home in the more affordable suburbs.

One of the biggest challenges of modern construction is minimizing the negative impact on climate change. Large panel systems are comprehensive, intelligently designed templates, ready for highly controlled factory production. They can be seen as an attempt to reconcile the interests of society and the welfare of the planet, subject to verification of material solutions. Thus, rigid panels made of timber glued crosswise, used increasingly often in the construction of apartment blocks, for example in Scandinavia, will work best.

Moreover, the architecture assembled from the new and more environmentally friendly large panel is aesthetically neutral due to the fact that the supporting core of the panel, made of several layers of glued wood, must be protected by some type of external façade. The repetitive logic of the prefabricated system does not allow for an showy MVRDV-style treatment of the building’s body, but it can be softened by well chosen materials, thoughtful details, the atmosphere of the place shaped by the scale of the objects and their mutual

relations, as well as consciously conducted spatial sequences, full of tensions – intriguing passages, cut-outs, animated ground floors – but also intimate nooks, open courtyards, and so forth. Despite the industrialization of the construction process, there is a lot of room for creativity of architects and town planners, and they should make an effort to break the negative visual associations that the large panel system evokes among the public. Curiously, the widespread aversion to “monotone aesthetics” does not include the consistently boring housing estates, dull as dishwasher, in every shade of beige.

For many years, representatives of the Polish architectural community have attempted to break the spell and rehabilitate prefabrication as an effective construction solution, referring to its frequent use in Scandinavian countries. Only recently has there been a progressive interest in residential systems based on typical projects and large-panel elements. The subject is more frequently taken up by the authors of diploma theses and organizers of competitions, including those carried out at the initiative of the state-owned company PFR Nieruchomości, responsible for the implementation of part of the National Housing Program.

On the theoretical level, the main housing objectives are slowly shifting, embracing the government’s policy,

at least on paper. System design could turn out to be an important tool facilitating the implementation of the egalitarian postulate, according to which belonging to a community is a sufficient reason to ensure decent living conditions and more equitable development opportunities – for the benefit of the whole society.

Filling the agora

“By social housing I mean any housing that does not make a direct profit, that is, the construction of houses with their inhabitants in mind, rather than the rent they are going to pay,” wrote the famous cooperative activist Teodor Teopltiz in 1929.⁴⁶ Nearly a hundred years later, this simple postulate placing the good of the community before the profit of individuals sounds almost utopian – not only because of the priorities of the new system, but also because the myth of an independent individual has arisen and consolidated in the public consciousness, and at least a portion of society firmly believe it to be true.

“The experience of people who took out a loan to buy an apartment, especially those on the verge of creditworthiness, is a constant effort and work on ‘making sense of the debt’.”⁴⁷ The generation that tried to satisfy their and their loved ones’ housing needs in the post-transformation reality created a specific ethos of a grand life project; within it, the rightfulness of the chosen – or rather the only available – path of sacrifices and hard work was sealed by the success of owning a condo. In the context of facilitating or normalizing the housing issue for the next generations, it is not difficult to understand the sense of historical injustice, but one should beware indulging the often naive belief that accompanies it – namely, belief in a “just world” in which people worse off than ourselves clearly did not deserve a better fate, because they were too lazy, too clumsy, or maybe even degenerate.

I grew up and lived most of my life in a typical block of flats from the 1970s, so I am particularly disgusted by the conviction that the reward for “resourcefulness” – that is, a better start, resulting from greater cultural capital, good upbringing, a favourable environment or simply happiness, plus actually putting in the effort – should be a flat “without ruffraff next door”. Joanna Erbel, already as the director of the Innovation Office of PFR Nieruchomości, mentions in her book how she heard from neighbours in the newly built housing estate

46 T. Teopltiz, *Spoleczne budownictwo mieszkaniowe*, [in:] *Teksty modernizmu. Antologia polskiej teorii i krytyki architektury 1918–1981. Vol 1*, D. Jędruch, M. Karpińska, D. Leśniak-Rychlak (eds.), Kraków: Instytut Architektury, 2018, p. 83.

47 J. Erbel, op. cit., p. 94.

48 Ibid., p. 70.

49 Ibid., p. 90.

(not council housing) that “they do not want trash living next door”.⁴⁸ The disappearance of elementary social solidarity – regardless of the fact that the word is often used in our public space – is a truly tragic consequence of the changes we have experienced as a result of the political transformation.

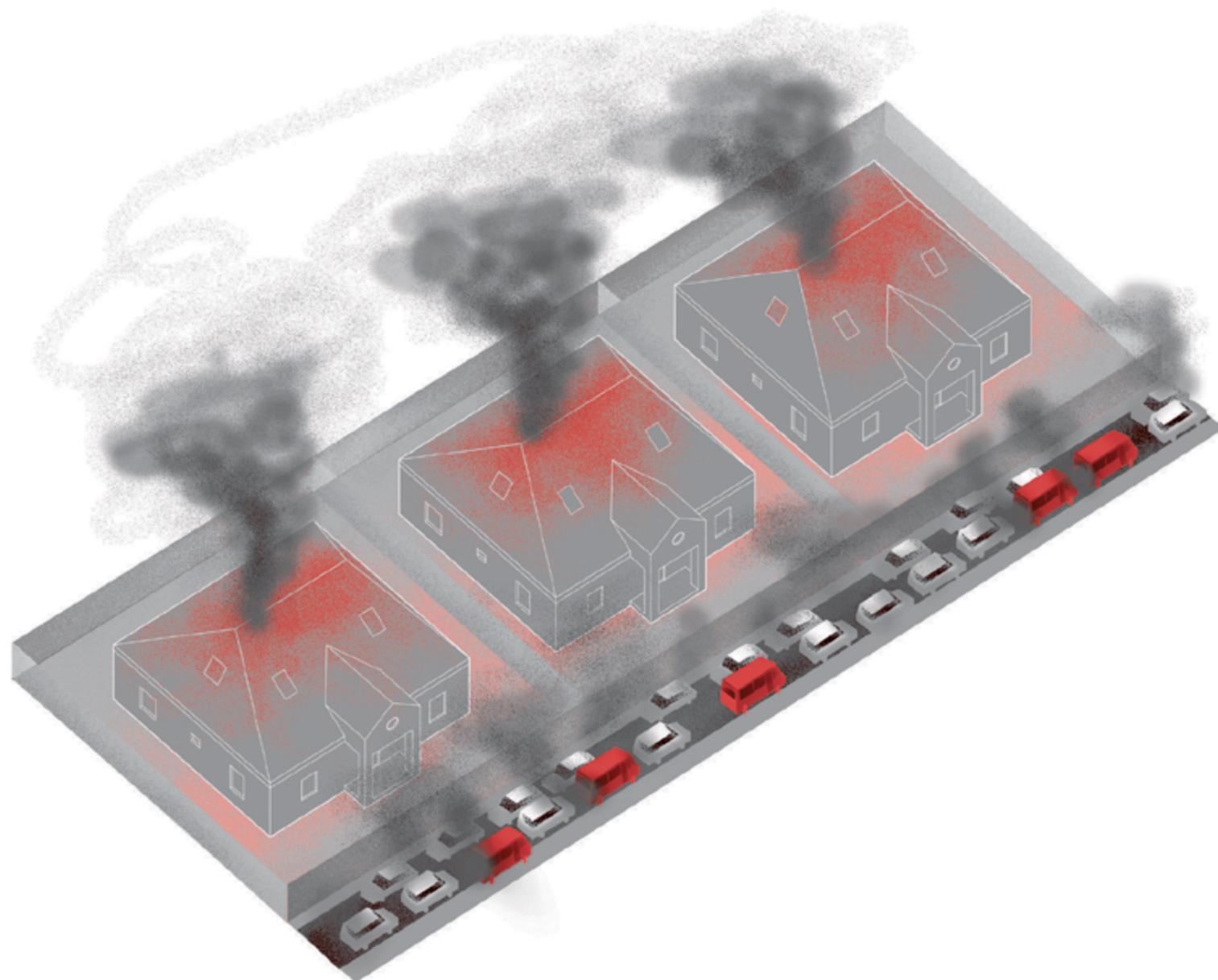
The phenomena related to Polish housing, collected and briefly described in this article, clearly indicate that only some part of society are comfortable in the new model. In the system of unbalanced, and even heightened material, social, and cultural differences, the concept of being the architect of one’s own fortune is not only a useless strategy, but a dangerous illusion that mounts even more barriers between members of the community.

The fiasco of the neoliberal belief in the invisible hand that will put our world in order should not come as a surprise. The free market that serves the interests of individuals focuses on that which pays, and these are luxury apartments in prestigious locations, not affordable housing. Criticizing property developers for being property developers is futile and it leads us nowhere, as the subject of criticism should be the political strategy, which resigns itself to their mercy: “housing issue should depend on state regulations, rather than individual choices.”⁴⁹

The solutions I have mentioned, used together with other methods aimed at increasing the offer and availability of housing, could become the foundation of a more just society. In recent years, awareness of these

issues has slowly been on the rise, and even prominent liberals are increasingly biting their tongues. They do not criticize social policy as handouts, but consider it normal in a healthy developing society. Transformation in thinking does not yet mean a successful introduction of actual reforms, but as I have tried to prove in this article, without it we cannot start a discussion that would lead to action. It is necessary to begin with a universal shift in perspective. It is high time to direct it towards social solidarity.

The illustrations by Kacper Kępiński were previously published in K. Kępiński, D. Leśniak-Rychlak, *Atlas powszechnych patologii* [An Atlas of Common Pathologies], Instytut Architektury: Kraków, 2016, an accompanying publication to the 8th WARSAW UNDER CONSTRUCTION Festival, *Home At Last: The Polish House during the Transition*.



○ VLADIMÍR
CZUMALO

From tower blocks

Housing in the
Czech Republic
1990–2010

to

tower blocks

Modernist Dargovské hrdiny
housing estate on Furča hill in
Košice

—
photo by: Bubamara / Wikime-
dia Commons BB BY-2.5



“Foxes have dens and birds have nests, but the Son of Man has no place to lay his head.”

Luke 9:58¹

It is difficult to write about housing in the lands of the former Czech Republic² without excessive use of the word “crisis”. The complex sphere of housing always consists of an intricate tangle of social issues. If we were to consider this concept in its full Heideggerian sense,³ we would end up delving deep into the sensitive issues of home, fatherland, individual and collective identity. Here, too, we would not manage without the word “crisis”. Instead, we will start with a simple quantitative account: over the last century, the Czech Republic has not recorded a single year in which there would be sufficient housing for everyone, but in its turbulent history, the deficit of housing has more than once turned into a housing crisis. Its cause has not changed since the turbulent urbanization of the nineteenth century: the number of inhabitants for whom housing is financially difficult to access is growing the fastest, whereas the number of dwellings available for them is growing the slowest.

According to the last census, by January 1, 2011, there were a total of 4.76 million flats in the Czech Republic. This means 465.5 flats per 1,000 inhabitants – slightly less than the EU average (489.4).⁴ After all, statistical data can be deceptive. For example, in Spain, there are 549.7 dwellings per 1,000 inhabitants, the highest number in Europe, but this indicator is not related to the overall well-being; after the investment bubble burst, Spain also has the highest vacancy rate. In the Czech Republic, 83.4 per cent of the available housing units are occupied. In absolute terms, this means that 652,000 apartments are empty.⁵ We do not know exactly what proportion of those is accounted for by landlord speculation on the rising real estate prices, but it is certainly the majority.

The average age of the inhabited dwellings is fifty years. Thus, a typical Czech apartment remembers socialism, the Soviet occupation, the fall of the communist dictatorship, and the collapse of the common state of Czechs and Slovaks. Many flats, of course, have survived both world wars – indeed, some of them go back as far as the Napoleonic wars. However, statistics are more interested in newer apartments. In 2019, 36,419 apartments were put into service throughout the Czech Republic and the construction of another 38,677 started, most of them in Prague (6,487) and Central Bohemia (6,489).⁶

Moving to the apartment block

The pace of new construction can be measured by the rhythm of housing crises. We will never settle this

matter once and for all. The housing stock is physically used up; new needs and opportunities arise. It has never been possible to shorten the distance between the number of flats needed and those built. Only the width of the gap, and the means expected to solve the problems have changed.

After World War I, the young Czechoslovak Republic tried to make up for the inherited shortage of housing. At the level of municipalities and cooperatives, conditions were created conducive to the construction of new apartments, while limiting speculation at the same time. Then came the economic crisis and not all plans were realized. Immediately after World War II, the housing situation did not seem too dramatic. Compared to Poland or Germany, the losses that we suffered on the housing market because of the war were minor. What is more, as a result of post-war displacement, former German flats and houses became vacant. There were so many of them that not all were utilised during the re-populating of border areas. In the five years from 1946 to 1950, the average annual increase was only 1.39 new dwelling per 1,000 inhabitants. The focus was on repairing the economy. The recovery in housing construction began only with the advent of socialist industrialization. Apart from the state, the role of housing cooperatives has gained importance again. The culmination took place in the 1970s – when the annual average growth exceeded 8 new apartments per 1,000 inhabitants. Unfortunately, the economy could not cope with such dynamics; stagnation set in, and by the end of the 1980s the growth rate had dropped by almost half. After the collapse of the centrally planned and governed economy, the gap has widened: in the first half of the 1990s the annual average was 2.73, and in the second half of the 1990s it was only 1.99.

The post-war development, although it related to the postulates of typification, standardization and industrialization proclaimed by the interwar functionalism, degenerated into the production of an extremely limited range of prefabricated elements and construction techniques; they did not bring the desired price reductions or accelerated development. On the other hand, apartments in the projects offered an upgrade, with cold and hot water on tap, one’s own toilet,⁷ central heating, elevators, plenty of fresh air and light, and above all, a relative abundance of space. The designers of the functionalist minimal apartment calculated an area of 9 square meters per one adult; between 1970 and 1980, this increased on average from 12.4 to 14.6 square meters per person, and finally the standard was adopted of a 3 + 1 apartment with a usable area of 74 square meters, and a living area of 49 square meters.

The layout of new apartments was not only a mechanical consequence of economic requirements, as is commonly believed, but above all a distant echo of

- 1 Holy Bible, New International Version.
- 2 The Crown of Bohemia, established in 1348 by Charles IV, encompassed the Kingdom of Bohemia, the Margraviate of Moravia, and the Duchy of Silesia. The common name of these lands reminds us of the multitude of peoples who still live in the territory of the Czech Republic. By using this term, the author emphasizes his culturally anti-centralist attitude (editor’s note).
- 3 M. Heidegger, *Poetry, language, thought*, edited and translated by A. Hofstadter, New York: Perennial Library, 1975.
- 4 *Sčítání lidu, domů a bytů, Český statistický úřad*, <https://www.czso.cz/csu/czso/scitani-lidu-domu-a-bytu> (accessed: 01.03.2021).
- 5 *Zpráva o bydlení v České republice*, Praha: Nejvyšší kontrolní úřad ČR, 2018.
- 6 P. Cuřínová, *Bytová výstavba v roce 2019*, Statistika&My. Magazín Českého statistického úřadu, 30.04.2020, <https://www.statistikaamy.cz/2020/04/30/bytova-vystavba-v-roce-2019/> (accessed: 01.03.2021).
- 7 For example, in 1967 in what was then Czechoslovakia, there were 300 apartments and 767 rooms per 1,000 inhabitants. During the same period, only one third of the flats in today’s Czech Republic had a bathroom with a toilet, and only 57.6 per cent of the flats had running water. *Husákovo 3+1: Bytová kultura 70. let*, L. Hubatová-Vacková (eds.), C. Říha, Praha: VŠUP, 2007, pp. 18–20.



Modřany housing estate in
Prague, built before 1989

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Písnice housing estate in
Prague, built before 1989

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the functionalist concept of housing. It was assumed that the use of flats would change to fit the idea of a new socialist lifestyle. According to the program of ideal social functioning (a flat without a household), many household activities – such as cooking, washing, or ironing – were to be provided by external, state-run service points. This has never been realized; on the contrary, in socialism there was shortage of virtually everything, and under such circumstances the role of the household, paradoxically, increased even further. Of course there was no way that the apartments could fulfil the functions that the designers did not plan for.

Moving out of the apartment block

The socialist state had no sympathy for single-family houses.

The single-family house under capitalism became a stronghold of petty bourgeoisie. After all, the owner of a single-family home feels greater class solidarity with other owners, and not only of single-family houses. In his way of thinking, the seeds of individualism germinate; and the belief that his own interests should come first is reinforced. When all this ballast gets to the broad masses of citizens of the state, it immediately inhibits the development of society.⁸

Of course, the broad masses of citizens of the state did not cease to dream about a single-family home with a garden as an ideal dwelling; furthermore, the state was aware that the so-called comprehensive housing

development would not be enough to solve the problem of the housing shortage. From 1953, independent construction of one's own single-family home was allowed; later, those willing to undertake it were additionally supported by dynamically operating cooperatives. The joint studio of Stavoprojekt and the National Standardization Institute issued templates of single-family house typical designs, textbooks for amateur builders began to appear, and several journals covered the topic. However, all this happened on the margins of architecture. In fact, the type of the single-family house known from the interwar period was simply replicated. Its roots went back to early modernism and since then it had matured into a universal form, almost devoid of any style.

These new possibilities emerged only after the period of Stalinist traditionalism, and aroused the need for a stylish single-family house that was an expression of modern life. Significantly, the need was satisfied from below, and outside the city centre: in 1967, architect Josef Vaněk presented a new model of a single-family house. He built his first houses in the Šumperk district whence they quickly spread to the villages and outskirts of smaller towns throughout the territory of what was then Czechoslovakia. The largest number of such houses is found in northern Moravia. Researchers also found one building just across the border, on the Polish side.⁹ The designer named his creation 'type V', but soon people started talking about *šumperák* houses. The diminutive *šumperáček* was also used, clearly exuding the bliss that the lucky ones felt when their dream of a perfect dwelling came true. (Similarly, the diminutive phrase *rodinný domek* – a little single-family house

- 8 J. Gočár, J. Toman, *Architekt a ekonom k socialistickému stylu života*, Praha: Svoboda, 1977, p. 147.
- 9 T. Pospěch, M. Mertová, *Šumperák*, Praha: PositíF, 2015, p. 24.
- 10 The Masaryk Republic, the First Czechoslovak Republic or simply the First Republic is the name of the unified state of Czechs and Slovaks, established on October 28, 1918. After the reunification of Austria with the Third Reich in 1938, it was incorporated into Hitler's state and thus ceased to exist. Its territory included the Czech Republic, Moravia, Opavian Silesia, Hlučín Region, Slovakia and Subcarpathian Ruthenia.
- 11 J. Musil et al., *Lidé a sídliště*, Praha: Svoboda, 1985.
- 12 For example: M. Kohout et al., *Sídliště, jak dál*, Praha: České vysoké učení technické, 2016.
- 13 K.E. Zarecor, *Manufacturing a socialist modernity: housing in Czechoslovakia, 1945–1960*, Pittsburgh: University of Pittsburgh Press, 2011; L. Zdražilová, *Když se utopie stane skutečností: Panelová sídliště v Československu 1953–1989*, Praha: Umělecko-průmyslové muzeum, 2013; *Experimentální sídliště Invalidovna*, L. Zikmund-Lender (ed.), Praha: Zikmund Hradec Králové – Národní památkový ústav, 2014; *Paneláci 1: Padesát sídlišť v českých zemích: Kritický katalog k cyklu výstav Příběh paneláku*, L. Skřivánková et al. (eds.), Praha: Umělecko-průmyslové muzeum, 2016; *Paneláci 2: Historie sídlišť v českých zemích 1945–1989: Kritický katalog k výstavě Bydlení 1945–1989: Plány, realizace, bydlení 1945–1989*, L. Skřivánková et al. (eds.), Praha: Umělecko-průmyslové muzeum, 2017; M. Strakoš, *Ostravská sídliště: Urbanismus, architektura, umění a památkový potenciál*, Ostrava: Národní památkový ústav, Územní odborné pracoviště v Ostravě, 2018; *Sídliště Dáblice: Architektura pro lidi*, I. Lehkoživová et al. (eds.), Praha: Spolek přátel sídliště Dáblice, 2019.



– which in the second half of the twentieth century ousted *rodinný dům* – a single-family home – from the Czech language, signifies something more than the modest size of individual buildings at that time).

Why was *šumperák* so popular? Josef Vaněk employed all his practical experience as a bricklayer, and he perfectly understood the needs and possibilities of a builder who did not have many resources at his disposal, and had to do most of the work with his own hands. At the same time, the design bears clear formal traces of the Brussels style, so called in reference to the success of the Czechoslovak pavilion at the Expo'58 exhibition in Brussels. The sources of *šumperák* can be found in the Residência Prudente de Moraes Neto in Rio de Janeiro – a project by Oscar Niemeyer from the 1940s – but Vaněk freely drew on and adapted from the original. This was a translation of the 1960s modernity to a language understood by a layman, so that the builders could refer to it when working on the construction of the house and its finish.

In *šumperák* single-family homes, there was a clear division between the utility section and the residential section. On the ground floor of the house of slab-on-grade structure there was a garage, which also served as a home workshop, a laundry room, a boiler room with a drying room for clothes, and a fruit and vegetable storage space. A tiled, covered terrace occupied a quarter of the building's plan. In the entrance hall, the stairs led to the upper floor with a living room, a bedroom, a kitchen-cum-dining room, a pantry, a bathroom, and a toilet. The layout of the dining room and the kitchen area, the size of the

balcony and the sanitary facilities as well as built-in wardrobes clearly indicate a close relationship between the *šumperák* plan and the apartments in the block of flats. The house did not require a great deal of materials: simple concrete foundations, ground floor made of bricks, with a reinforced concrete ceiling slab on it, cellular concrete or brick upper storey, simple roof structure covered with galvanized steel sheet. Giving the house its character were the stone facing bricks in the ground floor, the texture of the finishing plaster, the larch wood moulding, the balcony railing – a graceful field for the creativity of the builders.

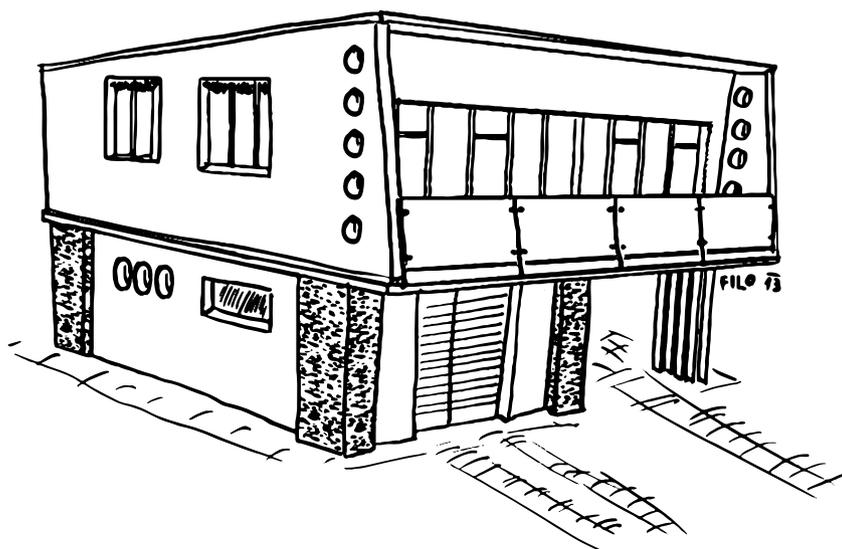
For the entire two decades, subsequent houses were built according to or based on Vaňek's design, as imitations of *šumperák* or variations on the theme. It was not until the mid-1980s that the stylistic features of the model were definitely exhausted, and the construction of *šumperák* houses was stopped. The owners of these buildings began to modernize them, therefore in the 1990s they did not become – unlike blocks of flats – a substitute attribute of socialism; the aversion to them was rather generational. In order to understand the housing situation in the Czech lands in the 1960s, 1970s, and 1980s, it is worth juxtaposing *šumperák* houses, at the time the most typical realization of a longing for a room of one's own, with apartments in a block of flats. Apartment blocks were built in many countries in Europe at that time, while the *šumperák* is an endemic Czechoslovakian phenomenon.

At the end of the socialist era, apartment blocks offered roughly 1.2 million flats and more than three million Czechs, Moravians, and Silesians found their

home there. As late as 1995, the construction of the last housing estates was being completed, and all the while the escape therefrom was already happening. It seemed a mass exodus at the time, because it was one of the ways in which people cut themselves off from the socialist past. Blocks of flats and housing estates were top of the list of its symbols, and it was a popular, commonly quoted opinion that socialism had thrown us into concrete towers.

In the twentieth century, two fetishes of freedom were established: one's own car and a single-family house. In the Czech lands, both were making their way slowly. In the Masaryk Republic,¹⁰ the car was officially considered an anti-social luxury. The socialist state later treated single-family homes in a similar way. During the communist era, the car was as scarce as housing, so for many families both these symbols of freedom remained in the sphere of unfulfilled dreams. An escape from blocks of flats should therefore be understood as a pursuit of a dream of an ideal home rather than a way out of an unsuitable way of living into a more satisfactory one. Already in the 1970s and 1980s, sociological research showed that two-thirds of the residents were satisfied with their apartment in the housing estate.¹¹ Even today, a third of the inhabitants of the Czech Republic live in the projects, and these are definitely not only the socially weakest people – as the gloomy forecasts of ghettoisation of housing estates were trying to scare us back in the 1990s. Some of the inhabitants have indeed been kept there by their economic situation, but we must not forget that many of them grew up in the housing estates and they identify with this environment, or at least they have got accustomed to its advantages. The technical deficiencies of the tower blocks were gradually removed during the modernization; thanks to insulation, new elevators, and the replacement of windows and sanitary facilities, the apartments now meet modern standards. The interest in them is growing, as the prices and rents get closer to mid-range.

For a long time, the determinant of a housing estate was its unfinished, incomplete condition. After the implementation of the absolute priority investment – the construction of residential buildings – as a rule, not enough money was left for social infrastructure, not to mention greenery. The projects were commissioned decades ago, so by now the trees have grown, in the meantime, public utility buildings have been added, and the network of retail and transportation grew denser. Architects and city planners became interested in the opportunities for the development of housing estates, and the threats thereto.¹² The delight of the younger generation with the architecture of the 1970s and 1980s, often uncritical, does not weaken and, of course, it does not bypass housing estates. Fortunately, the number of scientific studies on the history of architecture and town



Šumperák – a popular type of a single-family house in the Czechoslovak Socialist Republic

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planning of housing estates is growing, therefore their interest can go deeper and become more directed.¹³ The appreciation for the projects also initiated the topic of their protection. There is a glimmer of hope suggesting that the era of aversion to the monotonous uniformity of housing estates is nearing its end. The fight against that uniformity, under the banner of humanization, deployed coloured plasters on the façades; together with polystyrene panels, glazing or enclosures in the balconies, and variations on traditional roofs, they often turned the blocks of flats into pathetic caricatures.

For fugitives from housing estates to the rapidly expanding suburbs, their former place of residence had provided them with many valuable experiences; our suburbs began in the projects. Some housing estates have a population comparable to that of medium-sized cities, which however they are not. They parasitized a real city – in much the same way as suburban districts of single-family houses are doing it today. As Léon Krier put it succinctly, both forms of housing can be called suburbs without cities.¹⁴ Planning solutions for housing estates are rarely successful, whereas an urban concept, even if it is a good one, is not always clear to an ordinary resident. Being accustomed to a certain irregularity, blurry indeterminacy of non-urban environment, just like the experience of living in an environment without memory, is compatible with the place where everything is "not quite the thing", or at best, "same old". Both forms are neither a city nor a village, also in terms of social contacts: in both, anonymity reigns along with a closed nature of private life; there is no public space, thus no meeting possibilities.

One of the appellations given to suburbs as a new form of living in the early 1990s was "horizontal estate of tower blocks". The term expressed the basic paradox: the escape from the egalitarian herd of the housing estate led not to the paradise of individualism but to a different kind

of herd. The form of houses also contributed to this (and it continues to do so). Mass production along with the repeatability of available single-family house designs affects individual construction; marketeers quickly learned to offer saleable goods to customers whose tastes were shaped not by architecture, but at best by tinkering with the décor of an apartment in the projects, or a woodshed in communal gardens. Therefore, both groups do without architecture – indeed, in several apartment complexes the architectural creation seems rather ludicrous. The suburbs are constantly growing in the landscape like mould, and separating the cities from that landscape. More and more new land is earmarked for development around large cities. The mould also attacks older habitats that have wisely limited their growth with the aid of a zoning plan. It is enough that you buy an older house, often modest – as in the First Republic – or limited to one hundred and twenty square meters and a maximum of five rooms, according to socialist regulations; then you tear it down and build a new, much larger one on the plot thus recovered.

In the Czech Republic, 5,989,538 passenger cars were registered by the end of last year, which means that on average, there is one car per less than two inhabitants (1.78 to be exact). In the suburbs, the ratio is more like 1:1. There, life without a car is simply not possible. The car-dependency line is somewhere between a population density of thirty and forty inhabitants per hectare. The provision of public transport can be plausibly considered with a population density of fifty inhabitants per hectare. Ordinary walking distances to shops and basic services within a quarter of an hour start at a density of one hundred inhabitants per hectare. In the suburbs, there is nowhere to walk to, nor even path to walk along. The lack of public transportation infrastructure contributes to the increase in the traffic of individual vehicles, and the economic and environmental costs of this state of affairs are borne by society as a whole – not only

those who built their houses in the suburbs (the average service life of passenger cars in the Czech Republic is currently 14.93 years).

The biggest problem in the suburbs stems from the basic living conditions in a single-family home: a less economical way of living does not exist, neither in terms of materials or energy. By its very nature, a detached single-family house will never be environmentally friendly. Adding to the already mentioned needs for increased transportation, infrastructure, and the impact of travel by individual means of transport on the environment, there is something that I like to call the criterion of social acceptability. Seen from this angle, the age of Czech apartments is a positive feature. Residential buildings have an increasingly shorter "useful life", especially in the suburbs. The problem is not limited to the service life of the buildings; it is also that society stops accepting them. One generation made their dream of a perfect apartment come true by building *šumperák* homes on their own, and as soon as the next generation came of age, those homes became the object of contempt. Children of refugees from the projects to the suburbs are returning to the cities, and bringing elements of their lifestyle with them when they move in to the older buildings. The principle of sustainable construction means that we will not tear down tomorrow what we have built today. What is the situation in the Czech Republic in this respect? On the one hand, the beginnings of architects' ecological thinking can be traced back to the 1940s. Currently, many interesting environmentally conscious buildings are being built, and extensive informational and educational activities are being conducted. On the other hand, statistics show that, for example, the number of energy-efficient A-class buildings is growing at a slow pace. The only regular growth, at 6 per cent each year, is observed in the interest in wooden houses.¹⁵ Reflection on the change of tone in Czech society has long been hampered by the

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- 14 L. Krier, *Architecture: Choice or Fate*, London: Papadakis Publisher, 1998.
 - 15 P. Cuřínová, op. cit.
 - 16 *Zelená architektura.cz: Architektura, krajina, udržitelný rozvoj, inspirace přírodou*, P. Kratochvíl (ed.), Praha: Galerie Jaroslava Fragnera – Architektura, 2008, p. 32.
 - 17 D. Prokop, *Slepé skvrny: O chudobě, vzdělávání, populismu a dalších výzvách české společnosti*, Brno: Host, 2019, pp. 47–49.

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Šumperák after thermal
insulation

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Šumperák, a single-family
house

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anti-environmental attitudes of some of the political representatives, but fortunately there are also enormous differences between the generations in this respect, and that brings hope. Compared to the rest of Europe, we deal with an added problem of having chosen a wrong starting point in architecture. There was no focus on social ecology. As geologist and climatologist Václav Cílek has written:

In the Czech milieu (but also in Poland, Hungary and Russia), we are not correctly defining the starting point. We are asking: how can we have the largest possible usable space, and use as little energy as possible? This conveys the impression of being sensitive to the needs of the environment, and a person who thinks this way is immediately considered to be an enlightened, prudent investor. Meanwhile, in fact, we should start by trying to devise a social model or formulate a definition of individual freedom, and consider how to arrange ourselves in a small space – fairly and intelligently.¹⁶

A dream of one's own home versus poverty

The Czechs willingly blame socialism for virtually all their failures, despite the fact that almost as many years have passed since its collapse as Jesus lived, and a generation has grown up that have zero experience of the past system. It is precisely in the sphere of housing that we can see – apart from various excuses and alibis – that we are actually burdened with historical experience to this day. Tenant-owned housing, a favourite form of investment, still offers no guarantees: a tenth of the population of the Czech Republic cannot afford rent, and they are struggling with the long-term problem of bailiff enforcement; in poorer regions that number goes up to 20 per cent.¹⁷





Today's poverty is the leaven of tomorrow's poverty. A survey conducted by the Lumos platform (a gathering of non-governmental organizations, professionals, and representatives of the public dealing with the issues of social housing and human rights) revealed that 83,000 people living in 54,000 households are experiencing precarious housing situation. Out of 9,600 such families come 20,500 minors,¹⁸ who are exposed to difficult living conditions in orphanages, nursing homes, and inadequate housing; sometimes they are placed under the tentative care of relatives or friends, and are exposed to frequent relocations. The correlation between housing and school problems of children has been proven,¹⁹ as was the negative correlation between higher education and the risk of poverty. However, we keep putting this malady aside, we are not looking for a solution, instead, we only struggle with the consequences; in addition, we are also plagued by the lack of legislation on social housing.

Rapid changes in social relations always follow the physical law of action and reaction. In the early 1990s, the restoration of private property as the primary form of ownership led to extreme situations. In 1991, the state and the municipalities owned 213,961 residential houses, in 2011 they were down to 48,146, and within twenty years the real estate properties of the state and the municipalities decreased by 77 per cent.²⁰ The dizzying pace of re-privatization deprived many people of their homes, but most of all it deprived the state and the local governments of an important instrument for solving social problems and in many areas it inhibited the development of municipalities.

The ratio of the number of people living in single-family houses to the

number of people living in multi-family houses (on the basis of a lease or rental contract) always reflects the condition of a given society on many levels. Out of 4.76 million flats certified in the 2011 census, 2.4 million were in apartment blocks and tenement houses, and 2.2 million – in single-family houses. In 1989, single-family homes constituted 24 per cent of the housing stock, in 2019 their share increased to 52.8 per cent. Most of the apartments are owned by private individuals, and single-family houses constitute a large part in this category. The state constantly encourages citizens to buy apartments, primarily with the incentive of low property taxes and mortgage interest rate subsidies.

This does not mean that everyone who needs a mortgage loan will get one. Under what conditions is mortgage credit currently granted? Each bank, of course, has its own requirements, but I will give you a rough example. Let's say that I want to buy an apartment for three million Czech crowns and that this property will be my warranty for the bank, of course, this is after a careful examination of my financial situation. The bank will lend me a maximum of 2.7 million Czech crowns. It is not enough to have money set aside to cover the difference of 300,000 crowns; most likely, I will also have to come up with the difference between the default price of the apartment set by the bank and the market price. I will pay various commissions to the bank, and the real estate agency will also collect theirs. Fortunately, the real estate tax – formerly at 4 per cent of the purchase price – has been abolished recently. The amount of the instalment cannot exceed 50 per cent of my monthly income, so if I dare to take out a loan for the maximum amount, and earn a monthly net income of 25,000 Czech crowns, with an interest rate of 2.5 per

cent, I will pay off the mortgage a quarter of a century later.²¹ The interest rate may change; you can also imagine how I will live on the remainder of my salary for these 25 years, what will happen if I lose my job, etc. For three million crowns outside the very centre of Prague, but also not in the periphery, you can buy a studio apartment of 25 square meters, with a separate kitchen, in a newly constructed building. For the same amount, you can buy a single-family house with an area of 100 square meters on a plot of 435 square meters in a small village in Central Bohemia, albeit without infrastructure or efficient communication.

The number of families renting their apartment is decreasing. According to the Eurostat data, in 2018 this was 21.3 per cent in the Czech Republic, i.e. proportionally roughly the same as in Spain (23.7 per cent) or Norway (18.7 per cent), but more than half less compared to Germany (48.5 per cent), Austria (44.6 per cent) or Switzerland (57.5 per cent). Is this a healthy trend?

There is still nothing being said about growing social inequality and poverty. Fortunately, sociologist Daniel Prokop speaks about this openly and competently:

The most overlooked inequality in the Czech Republic [...] is wealth inequality. In the Czech Republic, the differences in the value of real estate owned are one and a half times higher than income inequalities. Added to that, there are also differences in savings and other assets. Wealth inequality is much more dangerous than income inequality. Instead of inspiring motivation, it leads to inheritance of poverty and perpetuation of social status. Income to some extent reflects the person's efforts, but real estate is mainly about whether and how much that person has inherited and how much their parents are able to help them pay off a loan, especially when real estate prices are rising, most young people cannot afford to buy an apartment, and there are not many of those available to rent. From the point of view of housing, the view on income is then completely different: it is still possible to earn fifteen thousand and live in your own house in a small municipality, but renting a flat in the city while on the same salary is irreconcilable.²²

Since the beginning of the transformation, low mobility of inhabitants has clearly inhibited social change and economic development. According to the data of 2018, in order to buy an apartment with an area of 70 square meters in the Czech Republic one would need the equivalent of 11 average annual salaries (to compare, in Belgium this would be 3.7, in Germany 5, in Poland 7.5, in France 8, in Great Britain 9.8).²³ The average expenditure

for the construction of one apartment in 2019 was 3.55 million crowns for a single-family house, and 2.27 million crowns for a multi-family residential building. In terms of the average cost of constructing 1 square meter of usable space, this translates to 26,572 crowns in a single-family house, and 33,321 crowns in a multi-family building.

The average cost of rent in the Czech Republic in the second quarter of 2020 was 266 crowns per square meter, but of course it varied from region to region. The capital was the most expensive – at 299 crowns per square meter – here, however, prices differed depending on the district. In Mala Strana (Lesser Town), you needed to pay 365 crowns per meter, in Královské Vinohrady, 334 crowns per meter, and in the periphery around 200 crowns per meter. The cheapest flats for rent can be found in trans-border regions – from 73 to 100 Czech crowns per square meter. Among other things, these numbers reflect vast inequalities between the regions. Increase in the rates of rent is constant, albeit irregular. In Prague, for a long time rent has been growing at 7.4 per cent year each year; of course, this is an average increase, because in 2017, for example, it jumped by 12.5 per cent.

In comparison with other European capitals, Prague ranks among the most expensive. It is cheaper to rent an apartment in Berlin, Vienna, and Budapest, among others. We are currently seeing a downward trend as the COVID-19 pandemic has paralyzed tourist traffic. Before the pandemic, in 2019, for the first time in the Czech Republic there were more tourists registered in the accommodation than residents. The housing crisis is principally caused by short-term rentals of apartments via digital platforms, such as Airbnb, which are several times more profitable for owners than long-term rentals. There are already about fifteen thousand such flats in the centre of Prague. In the centres of cities that are attractive from tourism point of view, we will not find flats for locals; instead, the entire rental market has been adapted to the higher purchasing power of tourists. The right of property and the freedom to conduct business are still sacrosanct to the Czechs, and they still believe that tourism will bring prosperity to everyone. However, unlike the vast majority of European countries, no measures have been taken so far to solve the housing problems arising from tourism; we are only beginning to talk about it, timidly.



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Housing development at Holubí
street in Prague

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Central Park Praha – one of
new housing developments in
Žižkov district in Prague

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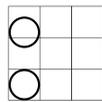
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- 18 Zpráva o vyloučení z bydlení za rok 2018, J. Klusáček (ed.), <https://socialnibydeni.org/wp-content/uploads/2019/04/Zpr%C3%A1va-o-vylou%C4%8Den%C3%AD-z-bydlen%C3%AD-za-rok-2018.pdf> (accessed: 05.03.2021)
 - 19 D. Prokop, "Záleží na bydlení? Vztah nekválitního bydlení a školních problémů dětí v chudých českých domácnostech", *Sociologický časopis* 2019, year 55, no. 4, pp. 445–472.
 - 20 Zpráva o bydlení v České republice, op. cit.
 - 21 Podmínky pro získání hypotéky 2021, <https://www.banky.cz/podminky-hypoteky/> (accessed: 05.03.2021).
 - 22 D. Prokop, *Slepé skvrny...*, op. cit., p. 37.
 - 23 Zpráva o bydlení v České republice, op. cit.





Re-privatization, re-privatization, deregulation

Czech housing
policy after 1989



They imagined they would own their apartment; instead, they struggle to earn enough to make the rent. The post-November politics is to blame,¹ because it has excluded housing from the realm of public interest. It has dug deep trenches, dividing people, and making it impossible for them to communicate – even to this day.

“If the price of ham increases, we can do without ham, but if housing prices rise sharply, we cannot give that up overnight,” admitted Prime Minister Václav Klaus in an interview for the *Respekt* weekly in 1993. Meanwhile, the next twenty-five years of non-existent housing policy showed how easy it is to render housing an inaccessible commodity, in an instant.

For almost one hundred and eighty thousand people affected by the housing crisis, their own apartment is something resembling luxury ham. For the next generation, it can become so in the near future.

After the revolution, young families were not sure whether they would be able to get their own apartment, although the power elites at the time unanimously promised them that they would; today, many people abandoned the hope. The longing for private property is still strong, despite the fact that the present generation is approaching it with growing reservations.

In the past regime, people started the family and waited for their dream apartment. In the contemporary regime, people work to obtain creditworthiness and

then to be able to start a family. The system gives them the promised freedom for a limited time: they can leave their family home and live for a few carefree years in a flat rented together with other people. Then comes the uncertainty, which even the mythical “million from the parents” will not alleviate.

And yet, the same parents in the years after the revolution justified the succession of housing problems and confusion with the phrase “We are doing it for our children’s sake.” For whose sake, then, was the housing policy pursued (or rather not pursued) over the last twenty-five years?

The state should not interfere

The Czech post-November housing policy is a story of minor and major injustices. In the short term, they resulted in commonplace conflicts between people; in the long run they strengthened the already deeply entrenched distrust towards the state, and added to the general frustration of the day.

Everyone knows at least one instance of injustice where someone got too little or nothing while someone else gained too much. Our views as to why and how this happened may differ, but the experience of injustice is universal. It continues to accompany Czech society to this day.

To look at the events of the 1990s and the first decade of the twenty-first century only through the prism of the open conflict between the old regime and the new ideology, or between tenants and owners, would be a gross simplification. The opposing interests obviously influenced the direction of the public and expert debate, and even plainly shaped it. However, we can look at these events as a chain of mostly bad decisions, made out of ignorance, reluctance, and indifference on the part of post-November politicians.

At the same time, it must be admitted that the state did not have enough leeway to play any significant role in the emerging housing policy. The need to get out of the all-embracing state control – symbolized by the hated waiting lists for housing allocation – was accompanied by a new notion, formulated with the advent of the neo-liberal ideology: “Let everyone take care of their own housing.”

Stills from a TV commercial of a Czech real estate development company, 1994

Source: YouTube



¹ The changes related to the political transformation in Czechoslovakia/the Czech Republic are often referred to as “November 1989”, by reference to the wave of protests – later called the Velvet Revolution – that broke out in November that year. Therefore, the second, popular term that also appears in this article is “after the revolution”.



“Good luck, Czechoslovakia”,
IBM’s billboard campaign,
Prague, 1991

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Photo by: Jaromír Čejka

In short, housing was considered an individual’s business. It would be best for everyone if the state stopped intervening in this area. The view spread from the 1980s onwards all over the Western world. The Czech Republic jumped on the speeding train of this ideology, but, unlike most Western cities, it has not got off it to this day.

Almost immediately after the revolution, the state withdrew from the management of housing resources. Some were privatized, the rest was handed over to municipalities, and in some cases to enterprises, which later got rid of the donated apartments, anyway. Contrary to other post-communist countries, the Czech Republic did not enact any general regulations to standardize the procedures of municipal authorities and at least ensure fairly equal conditions for all.

If the state supported anything, it was primarily the transfer of housing into private hands – in the form of construction loans or mortgage loans; in the first post-revolution years such financial aid was unanimously called for. It was not fathomed that any one group of people would “fall out of” the housing market. Nobody considered social changes, such as migration to larger cities in search for work, or the increase in the number of people living alone. Thus, the state stopped

providing housing not only to people in the most difficult economic situation, but also to those who migrated to cities.

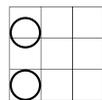
Housing policy, which would deal with who has housing needs and where, virtually ceased to exist. The matter was left to the workings of free market. The state confined itself to supporting the latter, and to regulating issues related to the legacy of the past regime. The activities covered three key areas: restitution, privatization, and deregulation. Today, hardly anybody is satisfied with the course those activities took.

Re-privatization: one got a tenement house, and the other got nothing

In April 1991, a process began that had no analogies in any of the former Eastern Bloc countries: namely, the restitution commenced. A bigger share than elsewhere had been nationalized, and more radically so. Other countries of the Eastern bloc, with the exception of Estonia, mostly paid some compensation to the expropriated owners; here, property nationalized after 1948 was simply returned to its original owners or their heirs.²

In practice, thanks to re-privatization, a new segment has emerged, namely, private rental. In the centre

of Prague, this covered as much as 70 per cent of the housing market. Most people, especially in the 1990s, accepted this state of affairs and agreed with it, and its costs were borne by tenants of flats in houses returned to their previous owners. In the past regime, they used to live in state-controlled apartments. They had certain – even if limited – rights, for example the right to exchange one flat for another. After re-privatization, private owners replaced state control, and the protection enjoyed by tenants was even weaker than that guaranteed by today’s rental contracts. ○



The tenants have irretrievably lost their privileges, and have never received any compensation in return. The owners created a new group of stakeholders and, under the banner of protecting private property, they demanded the right to freely increase rent or evict the tenants.

Of course, it would be false to claim that all former owners mistreated their tenants after their ownership rights were reinstated. After all, we do not even know how many of these people maintained the ownership, and how many sold their property. It is no secret, which streets in Prague belong to influential foreign groups (or the mafia), but there is still no data on the scale of property sell-off in the capital.

Although initially the re-privatization was hailed as “morally justified”, soon cases of tenants being pushed out without mercy (for example, by cutting off their power supply) changed this picture. From the discourse on redressing the wrongs of the past, public debate has shifted towards conflicts between landlords and tenants.

Deregulation: one lived cheaply, and the other did not

Those who had to use the real estate market after the revolution had a tough time of it. Mortgage loans were still essentially non-operational, interest rates in relation to purchasing power were unsustainable, and there was a shortage of housing available to rent. Young people just gaining their independence in cities found themselves in a particularly difficult situation. Many of them blamed this on rent control.

For example, in the districts of Prague 1 and Prague 2, the number of flats decreased by almost 6,000 between 1991 and 2001. If a flat for rent became available on the market, it was taken immediately. Inadequate legal protection combined with the pressure of private capital forced the owners of rental flats to change the designation of the property from residential to another. The city centre was transformed into an office space because renting offices brought much higher profits than the controlled tenant’s

rent. Therefore, many owners tried to arrange for their tenants to take another flat or even evict them without any compensation.

In their defence, the owners cited regulations concerning controlled rents, which were much lower than the market value. Some of the flats reinstated to the owners had been badly damaged, and the renovation required considerable financial outlays. Therefore, some owners sold their property, and others decided to sublet it to companies, foreigners, or new tenants.

When re-privatizing real estate, the state did not take

these problems into account, and then, when they happened, made no attempt to eliminate them. Deregulation was meant to be the solution. Rents were gradually increased, and in 1995 a directive segregating tenants into two groups came into force: those who signed contracts earlier benefited from the controlled rent; but it no longer applied to new tenants. “If the gradual rent increases were adhered to, they could have been regulated more fairly, according to income,” recalls Stanislav Křeček, longtime president of the Tenants’ Association.³

In his opinion, the 1995 directive created a two-track system and compromised the essence of the regulation: it did not serve those in need, but only benefited the tenants who had already signed a contract. Its costs were borne by the generation of “Husák’s children” entering adulthood.⁴ “We’d had controlled rents for ninety-five years. Very few people realise that this was not an invention of the communist regime. Rent control was already in force during the First Republic,” Křeček explains.

All those who criticized deregulation at its various stages did so with the situation of the most deprived people in mind. “We knew we had to increase the rents, but not in such a way that it would ruin part of our society,” recalls Táňa Fischerová today. When she was an MP, she severely criticized the 2005 law, tantamount to terminating rent control. At that time, about eight hundred thousand households benefited from rent-controlled housing. “I believe this is the greatest harm done during the whole length of my political career. After all, nurses and pensioners must also live in cities,” adds Fischerová tartly.

In their analyses, already back then, experts agreed with Fischerová’s diagnosis: they indicated that the complete abolition of rent control made many households vulnerable. Housing benefits were too low, and increasing them in line with the new rates of rent would burden the state budget excessively. Furthermore, even if all council flats were allocated to people threatened with eviction, it would still not be enough. The situation was particularly dire in Prague and the South Moravian country, where the highest increases were expected. Ultimately, in some districts of Prague, rent control ceased to apply as late as 2012, and not – as originally predicted – in 2010. Experts also pointed to the risk of ghettos developing in areas affected by high unemployment.

At the time, ecologist Milan Smrž lived in a tenement house on Truhlářská Street in Prague. He remembers the soaring rents. “We used to pay two hundred dime. Clearly, this rate was unsustainable in the long run, but in the last phase of the rent increase, it went up by CZK 5,000 during one year. This was far beyond the financial capacity of many households.” In 2003–2005, Milan Smrž was a councillor in the Prague 1 district and a member of the local movement, which warned against the effects of deregulation and even organized street protests. “We feared that this would harm the weakest, so we wanted to at least slow down the pace of rent increase and compensate people in the most difficult economic situation,” he explains.

He does not mention a possibility of the deregulation being completely rejected. He perceives the movement’s activity at the time as an attempt to mitigate its negative effects. He realised that the system was creating more injustice as people benefiting from rent control were in

2 The author did not include Poland, where re-privatization also meant the restitution of property, but the process began later than in the Czech Republic (editor’s note).

3 This and all the following statements come from the interviews conducted by the author for the purposes of the article (editor’s note).

4 A colloquial term for the generation of baby boomers in the 1970s, when Gustáv Husák was the General Secretary of the Communist Party of Czechoslovakia, and then the President of Czechoslovakia.

a more privileged position than those in the commercial market. Yet members of the movement were unpopular. “We were not only against deregulation, but also against privatization,” he says with a smile.

Privatization: one has always owned a home, and the other has never owned one

“We wanted to hold a local referendum on the distribution of profits from privatization equally among those who were not able to buy a flat,” recalls Smrž. “The allocation could reportedly amount to several hundred thousand Czech koruna per person. I was putting up leaflets in re-privatized tenement houses, but most of the owners threw me out the door. Why? After all, it would also be in their best interest if the tenants had more money.” Even now, years later, he shakes his head in disbelief.

The movement did not like the fact that Prague 1 was getting rid of valuable real estate for next to nothing. The prices of the privatized flats ranged between two hundred thousand and three hundred thousand koruna. Above all, however, the movement drew attention to the obvious inequity: some had the opportunity to buy a flat cheaply, while others did not, because the flats in which they lived were given to the former owners or their heirs.

Restitutions turned residents into ordinary tenants in the commercial market, while privatization extended the quasi-ownership rights of the past regime. The tenants of the houses nationalized after 1948 were simply

unlucky. Many of them invested in the apartments they lived in. If they were reinstated to private owners, in principle, all these expenditures were lost.

In some ways, privatization reproduced the growing inequality. Those who had a good standing in the past regime, thanks to which they managed to get an apartment, for example, in Vinohrady, were able to buy it very cheaply, almost instantly. On the other hand, disadvantaged people living in controlled-rent flats were afraid of privatization because they would not be able to afford the buyout

– explains Jan Sládek, a sociologist and housing expert.

There were urban legends about the buyout of flats. “A bloke in a suit, with a briefcase, would come to visit an elderly man, and offer to buy the apartment on his behalf and let him live in it until his death.” In this way, fraudsters were capitalizing on the fear elderly people had of being evicted. In most cases, however, flats were purchased by their actual tenants.

This is also confirmed by Smrž. In his opinion, the problem lay rather in the method of appraisal: the value of the flat was determined on the basis of the square footage; the location was not taken into account. By this token, for the same price, some obtained an apartment in a prestigious neighbourhood that would be worth much more on the free market. “We wanted to block the sale of flats by the new owners for a certain period of

time,” he explains. Sládek believes that there was no way to do that: property rights were only just being extended, and any such limitation would be unthinkable.

Even greater differences than those within one district were visible between municipalities. Each municipality and each district independently determined the terms of property sale. In some places, everything was privatized, such as in Teplice under Jaroslav Kubera’s administration. In other places – for example in Brno – only part of the housing stock has been privatized. The prices and the pace of the process were also different.

According to Sládek, the ubiquitous reluctance towards centralization stood in the way of the common housing policy. “Towns have also clearly decentralized, one could even say that they have become fragmented. The regional level would be ideal for creating a housing policy, but appropriate agencies or offices probably did not even exist.” Today, the municipalities, which retained some housing resources and completed the privatization process, are now mostly satisfied with the decisions they made. They understand that an increasing number of people cannot afford housing in the commercial market.

Another problem is that many municipalities have not reinvested the money obtained through privatization into housing projects. According to Sládek, we must also remember that they often lacked sufficient funds to renovate houses and flats that were in poor condition. They simply had to get rid of those.

“Nobody questioned the need for privatization. Still, people had good reasons to be outraged at the way the transformation proceeded. Politicians tried to appease them by granting apartments,” Sládek recalls. Milan Smrž adds: “Here, in Prague 1 district, people universally agreed: everyone was in favour of privatization except us.” Experts from other post-communist countries, even Hungarians, who are still paying the price of privatizing most of their housing, were unable to imagine a different path.



Vaclav Klaus's campaign poster in a toy store window display, Prague, 1990

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Photo by: Jaromír Čejka



On the verge of a new crisis

Privatisation, restitution, and deregulation proceeded in the name of neoliberal ideology. According to the latter, the free market will always solve all problems in such a way that all parties are satisfied. In the post-revolution years, few people thought that the effects of the market forces would also result in unforeseen, far-reaching consequences. A typical example thereof is the sharp increase in inequality of access to housing.

Simply put, it is not in the owners' interest to seek solutions to this situation, because they make profit from the high and constantly rising prices and rents. Thanks to their economic advantage, they gain more power in society than those condemned to renting on the commercial market.

Owing to the ideological belief in the market, no one paid any attention to the processes and problems faced by the cities in the West, the more so as these problems did not penetrate into the public debate. Only later did we begin to be aware of the phenomena of gentrification, privatization of public space, or the growing areas of exclusion.

We just had to "deal with it" in the 1990s. In the face of the so-called large privatization, the housing issue was pushed into the background, and its importance notwithstanding, it continues to remain there still. Let us recall that until recently the media was uninterested

in the housing situation of people in the Ostrava region, for instance.

The RPG apartments are perhaps the best example of a failed privatization.⁵ For years, the entire region had been absorbed with the righteous anger caused by this scandal. Anyway, who would trust politicians who are unable to provide for one of the basic human needs, not only for the weakest individuals, but even for the middle class as well?

Ultimately, there is no difference between those who criticize the state for the lack of council housing, those who are distressed by high property rental prices in Prague, and those who were promised their own apartments but got nothing. A roof over one's head is a basic right, but also our greatest concern in life, and our biggest investment.

If we are uncertain whether we will make the rent, or whether we will be able to save enough for our own contribution and then pay off the loan, we lose our main anchor in life. More and more people today find themselves in this position. ●

5 RPG Byty company, owned by the coal baron Zdenek Bakala, took over the apartments from OKD (Ostrava-Karviná Mines), making it the largest owner of housing property in the region. It was criticized for increasing the rent, even beyond the rates on the commercial market, for neglecting the flats, for short-term lease contracts that were unfavourable to the tenants, and for many other activities to the detriment of residents. In 2015, the company sold their flats to a foreign investor linked to the Blackstone investment fund, known for speculating on housing markets and censured for taking over housing stock intended for economically weaker social groups. More on the subject: P. Zewlakk Vrabec, *Fotoreport: Firma RPG už Ostravě smrdí*, A2Alarm, 31.10.2016, <https://a2larm.cz/2016/10/fotoreport-firma-rpg-uz-ostrove-smrdi/>; P. Šplíchal, *Po Bakalovi může být ještě hůř*, A2Alarm, 26.10.2016, <https://a2larm.cz/2016/10/pobakalovi-muze-byt-jeste-hur/> (accessed: 18.02.2021) (editor's note).

Restituce, privatizace, deregulace: a politika bydlení je v troskách by Gaba Khazalová was originally published on Deník Referendum website. We thank the author for her permission to reprint the text.

○ MAŁGORZATA
POPIOŁEK-ROBKAMP

TOWN FOR SALE

THE CRISIS OF BERLIN'S
HOUSING POLICY





Protest of rental tenants from Berlin's Karl-Marx-Allee against rising rents and plans of selling the buildings to the Deutsche Wohnen property company, April 2019

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photo by: Florian Peters

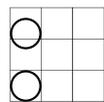
Rent cap

“Socialism made in Germany”¹, “assault on our economic order”², “GDR-like politics”³ – these are just some of the negative monikers for the law that limits the rates of flats for rent in Berlin,⁴ commonly known as the *Mietendeckel* (the rent cap). In an atmosphere of scandal, the law was passed on 30 January 2020 by the Berlin Senate, ruled by the coalition of the Social Democratic Party of Germany, Alliance 90/the Greens, and the Left. The first part of the law came into force on 23 February last year and resulted in freezing the amount of rent at the level it was at the time; the second part, which took effect on 23 November, determines the maximum rent for the property – calculated on the basis of the year of construction, amenities, and location. The Berlin Senate estimates that thanks to the new regulation, rent will be reduced for three hundred and forty thousand apartments.⁵ The compliance of this act with the constitution has been questioned by members of legal and political circles alike, as they see it as violating private property protection and hindering the operation of the free market.

Quite recently, only a dozen or so years ago, Berlin was famous for cheap apartments for rent. In this respect, it stood out not just from among the other European metropolises, but also other large West German cities – Munich or Hamburg. Why, then, was it necessary to resort to such radical measures? In this article, I will present significant political, economic and urban developments and phenomena that have led to the current situation in the Berlin housing market. According to estimates for March 2020, the German capital is short of one hundred and forty-five thousand apartments.⁶

An apartment for rent

In order to understand the background to the creation of the Berlin rent cap law, it is necessary to explain the specificity of the housing market in the Federal Republic of Germany and its history in the divided Berlin. Germany has a long history of rental housing. ○



According to statistics from 2019, every second German resident lives in a rented apartment. Compared to other European countries, Germany is second only to Switzerland in terms of the lowest number of people who own the apartments they live in.⁷

This solution was made possible by the extensive system, existing until recently, of subsidizing rental housing by the state – both social housing, and housing intended for the middle class with their higher earnings. The rental of flats is managed by housing cooperatives, also acting as developers. In West Berlin, they operated as joint stock companies, and their shares still belong to the city. Thanks to this form of housing support, the

supply of apartments was maintained at a high level, and at the same time the prices on the real estate market were stable.

The tradition of the state supporting the construction of apartments for rent dates back to the Weimar Republic, when the right to housing was written into the constitution. The modern housing estates created at that time were intended to provide healthy living conditions for people of various social status, and meant as counterbalance to “the world’s largest city of tenement houses”, as Berlin used to be called in the Gründerzeit era. As land was scarce and expensive in the city centre, housing estates grew mainly in the erstwhile suburbs. Construction was carried out by state-subsidized housing cooperatives. Six of these estates have been inscribed in the UNESCO World Heritage List. They deserved this distinction for their pioneering character for those times, including amenities that met modern hygiene standards. Furthermore, the cooperative movement was included on the list of intangible cultural heritage. Significantly, to this day only two of the modernist estates – the garden city of Falkenberg and Schillerpark in the Wedding district (both designed by Bruno Taut)

- 1 S. Stahl, *Mietendeckel: Sozialismus made in Berlin*, Augsburg Allgemeine, 22.10.2019, <https://www.augsburger-allgemeine.de/wirtschaft/Mietendeckel-Sozialismus-made-in-Berlin-id55797226.html> (accessed: 04.02.2021).
- 2 M. Voigtländer, *Der Mietendeckel ist ein Angriff auf unsere Wirtschaftsordnung*, Institut der deutschen Wirtschaft, 11.08.2020, <https://www.iwkoeln.de/presse/in-den-medien/beitrag/michael-voigtlaender-der-mietendeckel-ist-ein-angriff-auf-unsere-wirtschaftsordnung.html> (accessed: 04.02.2021).
- 3 dpa/bb, *Merz sieht in Berliner Mietendeckel „DDR-Politik“*, Süddeutsche Zeitung, 30.08.2019, <https://www.sueddeutsche.de/wirtschaft/wohnen-berlin-zeitung-merz-sieht-in-berliner-mietendeckel-ddr-politik-dpa.urn-newsml-dpa-com-20090101-190830-99-667370> (accessed: 04.02.2021).
- 4 Full name of the regulation: *Das Gesetz zur Mietenbegrenzung im Wohnungswesen in Berlin MietenWoG Bln.*
- 5 T. Gabriel, *Wird meine Miete ab 23. November gesenkt?*, rbb24, 15.11.2020, <https://www.rbb24.de/wirtschaft/beitrag/2020/11/berlin-mietendeckel-fragen-und-antworten-zweite-stufe.html> (accessed: 04.02.2021).
- 6 R. Schönball, *Mieten in Berlin steigen kaum im Vergleich zum Vorjahr*, Tagesspiegel, 25.03.2020, <https://www.tagesspiegel.de/berlin/hauptstadt-ehlen-145-000-wohnungen-mieten-in-berlin-steigen-kaum-im-vergleich-zum-vorjahr/25681530.html> (accessed: 04.02.2021).
- 7 *Wohneigentumsquote in ausgewählten europäischen Ländern im Jahr 2019*, Statista, <https://de.statista.com/statistik/daten/studie/155734/umfrage/wohneigentumsquoten-in-europa/> (accessed: 04.02.2021).



Wedding, a residential district of West Berlin after revitalisation. New housing developments in lieu of demolished 19th century tenement houses. Swinemünder Straße, 2011

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Photo by: Sabine Klingner/Małgorzata Popiołek-Roßkamp

– are still managed by housing cooperatives.⁸ Flats in the remaining housing estates were sold several times over, and eventually ended up in the hands of large-scale, profit-oriented development companies or private individuals.

An apartment in the divided Berlin

After World War II, providing shelter to all citizens and housing policy became a fundamental element of the Cold War competition between the two German states, and the divided Berlin played a special role in this rivalry.⁹ In terms of housing construction, both parts of the city relied on public subsidies: the eastern districts due to the nature of the GDR's political system and the capital-city importance; whereas West Berlin as the “window display of the West”, cut off from the rest of the state, would be too risky a market for investors without the financial support of the state.¹⁰

The first major undertaking in the “housing battle” was the construction of a socialist realist housing estate on Karl-Marx-Allee (then called Stalin-Allee). West Berlin responded first with the Ernst-Reuters estate in Wedding (which was ceremoniously inaugurated in the presence of President Theodor Heuss), and then with Hansaviertel, the housing estate that originated as an international architectural exhibition.¹¹

After rejecting the doctrine of socialist realism, which was dubbed a national tradition in the GDR, modern housing estates in East Berlin began to spring up both in the suburbs and in the city centre. Construction activities intensified following the announcement, in 1971, of the “Resolving the Housing Problem” by 1990, as one of the flagship policy promises of Erich Honecker's

government. It was then that the large housing estates of Hellersdorf, Marzahn and Hohenschönhausen were built, with three hundred and thirty thousand apartments.¹² Contrary to popular belief about the GDR, slightly more than half of the population lived not in apartment blocks, but in buildings erected in the first half of the twentieth century, and much more new architecture was created in West Germany after the war.¹³

The inhabitants of nineteenth-century tenement houses were in a particularly difficult position. The architecture of their homes, identified with the capitalist past, was not being renovated apart from a few examples of revitalization projects (Arnimplatz, Arkonaplatz); therefore, it was gradually decaying.¹⁴ Any renovation investments were made impossible by the artificially maintained level of rents, throughout East Germany, at the level they were in 1936. Despite the nationalization of the land, 41 per cent of the flats still remained in private hands. Since the low rent made it impossible not only to earn money on rent, but also to carry out any renovation works, landlords often relinquished their properties to the state. Statistics show that East Germans lived in much worse conditions than West Germans. In 1989, 99 per cent of western flats had a shower or a bath, and 98 per cent had a toilet; in the east, these figures were 80 per cent and 73 per cent, respectively.¹⁵

In West Berlin, the main goal of housing policy has been the renewal of former working class quarters. The “first city revitalization program”, announced in 1963 by Willy Brandt, Berlin's mayor at the time, consisted in the massive demolition of nineteenth-century tenement houses and the erection of modern buildings in their place. The displaced tenants were offered new apartments in the Markisches Viertel, Gropiusstadt, or Falkenhangener Feld projects, which were built on the then outskirts of the city. The protests of residents in Kreuzberg and Wedding as well as a reorientation in the perception of historicist architecture led in the 1970s to a modification of the planning course, and shifted the focus to the modernization of tenement houses and their surroundings. An important condition for these changes, known as “careful revitalization” (*behutsame Stadterneuerung*), was the inclusion of townhouses' tenants in the redevelopment planning process and keeping rents at a level that would allow them to return to their old apartments after those had been renovated.¹⁶

Both the implementation of revitalization projects in the city centre and the construction of new housing estates in the suburbs were carried out – with enormous financial support from public funds – by cooperatives of pre-war origins, including DEGEWO and GESOBAU. They also dealt with housing management: rental, repairs, and administration. Some of the units built at that time were developed as social housing; subsidies and cheap loans for their construction were granted

8 *Modernität und soziales Denken im Berlin der Weimarer Republik*, Deutsche UNESCO-Kommission, <https://www.unesco.de/kultur-und-natur/welterbe/welterbe-deutschland/siedlungen-der-berliner-moderne> (accessed: 04.02.2021).

9 C. Reinecke, “Am Rande der Gesellschaft? Das Märkische Viertel – eine West-Berliner Großsiedlung und ihre Darstellung als urbane Problemzone”, *Zeithistorische Forschungen – Studies in Contemporary History* 2014, no. 2 (11), p. 213.

10 H. Häußermann, A. Kapphann, *Berlin: Von der geteilten zur gespaltenen Stadt? Sozialräumlicher Wandel seit 1990*, Wiesbaden: VS Verlag für Sozialwissenschaften, 2002, pp. 57–58.

11 *100 Jahre Städtebau für Gross-Berlin*. Ausstellung, Hrsg. H. Bodenschatz, B. Goebel, Ch. Gräwe, Berlin: DOM publishers, 2020, pp. 198–201.

12 H. Häußermann, A. Kapphann, op. cit., p. 68.

13 A.W. Putz, *Wo Paul und Paula lebten. Zur Erhaltung und „Rekonstruktion“ des Baubestands in der DDR*, [w:] *Rationelle Visionen. Raumproduktion in der DDR 2019*, Hrsg. T. Mager, B. Trötschel-Daniels, Ilmtal-Weinstraße: Bauhaus-Universitätsverlag, 2019, p. 81.

14 H. Häußermann, A. Kapphann, op. cit., p. 179.

15 S. Wolle, *Die heile Welt der Diktatur. Alltag und Herrschaft in der DDR 1971–1989*, München: Ullstein-Taschenbuchverl, 2001, pp. 183–185.



“Careful revitalisation” of tenement houses in Wedding district. Only buildings inside the quarter have been demolished, and frontal tenement houses modernised. The municipality aimed at allowing as many tenants as possible to stay in their old apartments and getting them involved in the process of revitalisation. Graunstraße, 2011

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photo by: Sabine Klingner/Matgorzata Popiótek-Roßkamp

- 16 S. Klingner, M. Popiótek, *Wedding-Brunnen Street Revitalization Area in Berlin: Planning and Implementation*, [in:] *Community Spaces. Conception – Appropriation – Identity*, Hrsg. M. Harnack, Berlin: ISR Impulse Online 2015, pp. 65–75.
- 17 A. Holm, *Die Legende vom sozialen Wohnungsbau*, Berliner Hefte zu Geschichte und Gegenwart der Stadt, Hrsg. A. Holm, U. Hamann, S. Kaltenborn, Bd. 2, Berlin: EECLECTIC, 2018, pp. 6–7.
- 18 H. Häußermann, A. Kapphan, op. cit., pp. 16–17.
- 19 C. Reinecke, “Auf dem Weg zu einer neuen sozialen Frage? Ghettoisierung und Segregation als Teil einer Krisensemantik der 1970er Jahre”, *Informationen zur modernen Stadtgeschichte* 2012, no. 2, pp. 124–125.
- 20 H. Häußermann, A. Kapphan, op. cit., p. 16.
- 21 B. Hotze, *Neue Wohnstätten und Wohnanlagen im vereinten Berlin 1990–1999*, [in:] *Wohnen in Berlin. 100 Jahre Wohnungsbau in Berlin*, Hrsg. L. Juckel, C. Hegnal, Berlin: Stadtbaukunst 1999, p. 238.
- 22 M. Bernt, *Rübergelappt: Die „Behutsame Stadterneuerung“ im Berlin der 90er Jahre*, Berlin: Schelzky & Jeep 2003, pp. 236–237.
- 23 B. Hotze, op. cit., pp. 238–239.
- 24 H. Häußermann, A. Kapphan, op. cit., p. 16.

on the condition that rents would be kept at a constant level. Andrej Holm writes that, contrary to the “legend” about the social nature of the flats then created, the purpose of the subsidy was not to provide long-term housing for the most needy, but to build owner-occupied flats while making real estate developers richer. The state’s financial support lasted fifteen years, with an option to extend it for another fifteen. After paying off the low interest loan, the owner of the apartments – in this case a real estate developer – was no longer compelled to keep the rent low and was able to set prices according to the free market.¹⁷

The above model of financing the construction of social housing by the state led to a situation in which low rents and the status of social housing survived longest in those housing estates that were built last – namely the blocks of flats on the outskirts of the city. As a result, the poorest people clustered there, and so these projects became ghettoized.¹⁸

In West Germany, the fees in rented flats were kept low after the war by central planning. This practice was gradually abandoned in the 1960s, due to the saturation of the market with apartments following the period of reconstruction after the war damage. Back in the 1950s, both the middle class and the lowest-income households spent the same proportion of their income on housing; in the 1960s it was the poorest who paid proportionally the most.¹⁹ Since the 1970s, West Germany had been undergoing deregulation of the housing market and privatization, and this trend intensified after 1989.²⁰

Living together

After the GDR was incorporated into the Federal Republic of Germany, both parts of Berlin found themselves in a completely new political and economic situation, devoid of the former status of competing centres. The decision to transfer the German capital from Bonn to Berlin in 1991 gave hope to the united city. Therefore, a rapid population growth was expected and it was from this angle that the housing policy was initially pursued. Lucrative tax benefits were meant to be an incentive for investors. Until 1996, those who built new facilities, and until 1998, those who modernized the existing ones were eligible to apply.²¹ It was mainly the buyers of flats for rent, well-earning Germans from the West, who benefited from the new regulations; they treated investment in real estate market as an opportunity to reduce their income taxes.

A major challenge for the unified city was the restitution of properties seized in East Berlin. Applications for restitutions could be filed also by those who lost their homes earlier, after 1933. In the districts of Prenzlauer Berg and Mitte, 70 per cent of the buildings were returned to the previous owners or their descendants. Many of them, overwhelmed by the enormity of necessary renovation investments, resold the recovered property to development companies. Most of the long-term rental houses in the eastern districts, which had not been modernized, were in a deplorable condition. Soon after reunification, the city launched a program for revitalizing tenement houses. They attempted to implement it under the slogan of “careful revitalization” like the one used in West Berlin. Due to the reduction of direct subsidies and to restitution, despite the tenant protection program, the process of replacement of residents began. Even during the revitalization process, they began to move out of tenement houses and were often unable to afford the new, higher rent in the renovated apartments.²²

In addition to the revitalization of downtown districts, the modernization of tower block estates was also carried out, which differed in standard from their West German counterparts. Large investments in new housing construction were made in the 1990s, mainly in the new suburbs of Berlin (Buch, Karow, Alt-Glienicke, and Rummelsburger Bucht), i.e. areas that had been earmarked for development even before 1989. In the city centre, however, a policy had been introduced of condensing the existing building substance with facilities for “new urbanites” – well-earning employees of global companies that opened their offices in Berlin.

From unification until 1995, seventy-one thousand new flats were built with the city’s support.²³ Despite these investments, the population of Berlin began to decline after 1994.²⁴ In the mid-1990s, Senator for Construction and Housing, Wolfgang Nagel, pointed to the



need for a change in the city's housing policy founded on extensive subsidies: "In Berlin, we have reached the financial limits of our possibilities in this regard. We even exceeded them."²⁵ Subsidized social housing, programs to revitalize old buildings in West Berlin even before reunification, combined with the revitalization of tenement houses and the modernization of apartment blocks in the eastern districts have pushed the city into enormous debt.²⁶ Besides, any further support for housing construction was unnecessary, as in 1996 the housing stock increased by 6.4 per cent, with the outflow of residents at 2 per cent.²⁷

Hence, the situation on the housing market was stable in the first years after reunification. The high percentage of flats belonging to municipal cooperatives, new construction investments, subsidies for the revitalization of tenement houses in the eastern part of the city, and a smaller than expected population growth all contributed to the fact that in 2002 the number of vacant flats for rent was around one hundred and twenty thousand.²⁸

An apartment for sale

From the mid-1990s, the capital of Germany took the course towards liberalisation of the housing market, and enabled its progressive privatization. The former model, in which housing construction was carried out by private enterprises using state subsidies and cheap loans, had been gradually abandoned in West Germany since the 1980s, following the scandal related to the misappropriation of public money by the Neue Heimat real estate

development company.²⁹ Due to the widening gap in the city's budget, Berlin politicians wanted to reduce debt at all cost. This strategy was part of the New Public Management trend, which proposed the reform of municipal public institutions, aimed at making them similar to free market enterprises in terms of their functioning. This concept was characterized by the drive to streamline administration as well as debt reduction through privatization – also in the housing sector. Therefore, the city sold building plots and real estate belonging to municipal enterprises on a mass scale.

The scale of the land sale phenomenon is illustrated by the exhibition *1989–2019: Politik des Raums im neuen Berlin* (1989–2019: Spatial policy in new Berlin) at the Neuer Berliner Kunstverein, organized in 2019. In her work *Kartografie der Privatisierung* (Cartography of privatization), Florine Schüschke calculated that twenty-one square kilometres of land in Berlin had been privatized since the unification, which is the equivalent of the entire district of Friedrichshain. After 1989, Berlin sold more than half of its land that was fit for development; no other German city had disposed of so much land at that time. Plots of land were sold to the highest bidder, therefore the investors who wished to capitalise on that built luxury real estate rather than flats for the average Berliners. As noted by Schüschke, the income from the sale of land did not contribute to a lasting reduction of Berlin's debt; furthermore, it deprived the city of strategic land management policy.³⁰

Apart from building plots, municipal flats were privatized. East German housing co-operatives and

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Tenement house at Rykestraße and Wörther Straße in Prenzlauer Berg district in Berlin before 1989

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Source: Leibniz-Institut für Raumbezogene Sozialforschung in Erkner, Research collection, Photo archive, file: Berlin-Prenzlauer Berg D1_1_7_2-005

→
Tenement house at Rykestraße and Wörther Straße in Prenzlauer Berg district in Berlin before 1989

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Source: Leibniz-Institut für Raumbezogene Sozialforschung in Erkner, Research collection, Photo archive, file: Berlin-Prenzlauer Berg D1_1_7_2-003



25 W. Nagel, *Wohnen in Berlin*, [in:] *Hauptstadt Berlin. Metropole im Umbruch*, Hrsg. W. Süß, Berlin: Berlin-Verl. Spitz, 1996, p. 506.

26 H. Stimmann, *Städtebau und Architektur der Hauptstadt*, [in:] *ibid.*, p. 403.

27 B. Hotze, *op. cit.*, pp. 238–239.

28 A. Holm, *Berliner Wohnungsfragen seit 1990*, [in:] *Wohnungsfrage und Stadtentwicklung*, Hrsg. H. Bodenschatz, K. Brake, Berlin: Lukas Verlag, 2017, p. 179.

29 A. Lepik, H. Strobl, *Die neue Heimat. [1950–1982] eine sozialdemokratische Utopie und ihre Bauten*, München: Edition Detail, 2019; *Neue Heimat. Das Gesicht der Bundesrepublik Bauten und Projekte 1947–1985*, Hrsg. U. Schwarz, München–Hamburg: Dölling und Galitz, 2019.

30 F. Schüschke, "Ausverkauft – Die Privatisierung von landeseigenem Grundbesitz in Berlin", *Arch+* 2019, no. 12 (241), pp. 76–82.

31 A. Holm, "Privatisierungspolitik in Berlin seit 1990", *Arch+* 2019, no. 12 (241), pp. 96, 98, 101.

32 *Ibid.*, *Die Legende...*, pp. 16–17.

33 H. Bodenschatz, *op. cit.*, p. 203.

private landlords, already in debt before 1989, could count on debt reduction under the Altschuldenhilfe Act, on the condition that they would sell 15 per cent of their resources. The act provided for flats to be purchased directly by the tenants, but in the entire East Germany, only 20 per cent of flats sold in this way ended up in the hands of their occupants; in Berlin the figure was only 5–6 per cent. A total of 277,000 apartments in the former East Germany – including 46,000 in the eastern part of Berlin – were privatized at that time.³¹ The sale of council flats also covered West Berlin. In the early 1990s, the city owned 480,000 municipal flats, whereas in 2009 – it was down to only 260,000.³²

In search of an apartment

From 2007 on, the population of Berlin began to grow again, and so did prices in the housing market.³³ In the years 2009–2017, the city experienced an average increase of forty-five thousand inhabitants per year. Local politicians seemed to hope that the real estate market would be able to respond to the growing demand for apartments on its own, but this did not happen. The insufficient number of flats on the market also affected rental prices – they grew at a dizzying pace. The residents of Berlin began to split into those with the old lease agreements, and those with the new ones, as each re-letting of the apartment allows the owner to increase the rent. Currently, those who wish to rent an apartment have to pay much more than those who have been renting for years. People of limited financial means often resort to looking for a place on the outskirts of the city. For incumbent Berliners, “luxury renovations” present a big problem. The owners of tenement houses carry out modernization (for example, they add balconies and install elevators), and the costs – usually high – can later be incorporated in the rent. Legally, the city can prevent this type of investment from happening – among others, thanks to the *Milieuschutz* (community protection) program, which covers the areas threatened with gentrification. The goal is to protect the tenants against removal; investors are required to get approval for all renovation works from the city planning office.

Another strategy is the extremely costly repurchase of former council housing by the city. In 2019 and 2020, two spectacular actions were taken to buy out apartments that had been sold after the reunification of Berlin. They were carried out by the city-owned Gewobag cooperative. Nearly six thousand flats in the districts of Spandau and Reinickendorf were purchased from the Luxembourg-based Ado Properties corporation for nine hundred and seventy million euros. These units had been built in West Berlin in 1960–1990 as part of the municipal housing construction program, and were sold in 2004.³⁴ In November 2019, six hundred and seventy apartments





were purchased from Predac Immobilien Management AG, after the protests of the residents of Karl-Marx-Allee who feared rent increases by Deutsche Wohnen, a company with a bad reputation that expressed interest in taking over these flats.³⁵ In January 2020, the purchase of another one hundred and fifty-one units was announced.³⁶ To date, the amount that Gewobag paid for the apartments in Karl-Marx-Allee, with the support from the city, has not been made public.

In February 2021, a campaign began to collect signatures as part of a citizens' initiative to propose new legislation, aimed at expropriating Deutsche Wohnen and other real

estate development companies. The operation is possible under section 15 of the constitution, and it assumes the payment of compensation by the state.³⁷ The mayor of Berlin, Michael Müller, has already announced that he would not support this initiative.³⁸

The "rent cap" initially seemed to be a controversial, albeit, in its assumptions, essentially correct method of protecting the social order. However, already in the first months of its effective operation, it turned out that the new law affected not only big companies speculating with real estate. Housing cooperatives were prevented from carrying out the necessary renovation works in the existing facilities and from building new ones. It

also placed in a difficult situation those private owners of single rental apartments who treated them as an additional source of income, for example to supplement a low retirement pension.

The fate of the "rent cap" will depend on the judgment of the Constitutional Tribunal in 2021. If it proves to be unconstitutional, landlords will be able to claim retroactive rent payments. Many tenants are already putting aside the money they saved on the rent, because they do not believe that the law will stand. Regardless of what the Tribunal decides, the rent limitation law is unlikely to provide a lasting solution to the housing problem in Berlin, because, as its critics emphasize, it



has not contributed to a single new apartment being built in the city.³⁹

The history of the housing crisis in Berlin is a story of missed opportunities, myopic decision-making, and the inability to draw conclusions from the experiences of other cities. Berlin had a chance to remain a unique metropolis where everyone, regardless of the content of their wallet, was able to find a place for themselves. Maybe that is what Berlin's problem is – like many other cities before it, it fell victim to its own popularity. ●

I would like to thank Stefanie Brünenberg and Kathrin Meißner for bibliographical tips, as well as Florian Peters and Anja Pienkny for sharing their photos.

Postscriptum: On 15 April 2021, the Constitutional Tribunal declared the *Mietendeckel* Act unconstitutional. Tenancy laws can be regulated only at the national scale. To be continued.



↖ Advertisement of a manual entitled *Own Apartment as a Capital Investment: How to Calculate Income, How to Avoid Risk*. Thanks to rising rents, buying apartments for rent became both a lucrative business and a way to secure one's future financial stability

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Photo by: Małgorzata Popiotek-Roßkamp

← Tenement houses at Karl-Marx-Allee with colorful textile banners hung out in protest

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Photo by: Florian Peters

↑ “We love this neighborhood and we are looking for an apartment for our small family!” Advertisements of this kind are all around the city. Finding a bigger apartment in the same district became a difficult task.

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Photo by: Małgorzata Popiotek-Roßkamp

34 djo/sti, Berlin kauft knapp 6000 Sozialwohnungen zurück, Deutsche Welle, 27.09.2019, <https://www.dw.com/de/berlin-kauft-knapp-6000-sozialwohnungen-zur%C3%BCck/a-50604521> (accessed: 04.02.2021).

35 S. Krause, *Berlin kauft mehr als 670 Wohnungen an der Karl-Marx-Allee*, Tagesspiegel, 15.07.2019, <https://www.tagesspiegel.de/berlin/rekommunalisierung-in-berlin-berlin-kauft-mehr-als-670-wohnungen-an-der-karl-marx-allee/24594338.html> (accessed: 04.02.2021).

36 *Gewobag übernimmt auch Block F-Nord an der Karl-Marx-Allee*, Gewobag, 31.12.2020, <https://www.gewobag.de/ueber-uns/presse-und-medien/gewobag-uebernimmt-auch-bloc->

[kf-nord-an-der-karl-marx-allee/](https://www.kf-nord-an-der-karl-marx-allee/) (accessed: 04.02.2021).

37 Initiative's website: <https://www.dwenteignen.de/> (accessed: 01.03.2021).

38 T. Gabriel, *Volksbegehren zur Enteignung von Wohnkonzernen startet*, rbb24, 26.02.2021, <https://www.rbb24.de/politik/beitrag/2021/02/berlin-volksbegehren-deutsche-wohnen-enteignen-startet-unterschriften.html> (accessed: 01.03.2021).

39 R. Maus, “*Mietendeckel bringt keine einzige neue Wohnung*”, Frankfurter Allgemeine Zeitung, 06.01.2021, <https://www.faz.net/aktuell/rhein-main/wohnungsnot-in-hessen-warnung-vor-mietendeckel-einfuehrung-17131830.html> (accessed: 04.02.2021).

○ ZUZANNA
MIELCZAREK

○ KAMIL
TREPKA

ILLUSTRATIONS

○ WOJCIECH
GAWROŃSKI

Are we to TBS?



Boat-shaped building of Nasze
Kąty TBS in Wrocław, con-
structed by Intakus real estate
development company

Photo by : Michał Sierakowski

On January 19, 2021, the Act amending the law on certain forms of support for housing construction entered into force. Under the mysterious appellation we find the so-called Housing Package – one of the last projects proposed by Poland’s former Deputy Prime Minister Jadwiga Emilewicz. The amendment introduces new regulations, more favourable for municipalities, pertaining to the financing of housing investments, as well as a number of changes aimed at improving investment processes in the development of municipal and social housing. The changes also covered Social Housing Associations (*Towarzystwa Budownictwa Społecznego*, or TBS for short), and included, *inter alia*, the “participation settlement” – that is, the option of redeeming tenant participation after five years of lease – and the codification of the mechanism of “obtaining ownership” in new investment projects.

There is another change worth mentioning: despite the protests of the TBS community, it was decided that the nomenclature that had been used since 1995 should now be abandoned. The already existing entities may retain their names, but the TBSs established after the amendment comes into force will be entered in the official registers as Social Housing Initiatives (*Społeczne Inicjatywy Mieszkania*), abbreviated as SIM. This new nomenclature is a good opportunity to take a look at the TBSs, which have been present on Polish soil for twenty-five years now. What exactly are they, what was their genesis, and how did they work during the first quarter of the century? And is there more to the name change than just the desire to rebrand the old concept?

New order, old problems

The Polish social rental housing program started in earnest in 1995, after the Act on certain forms of support for housing construction entered into force, although its origins date back to 1992.

In July 1992, economist Irena Herbst, an expert from the Institute of Housing Economy, started working at the Ministry of Spatial Economy and Construction. The new Deputy Minister, politically connected with the Solidarity movement-derived Democratic Union, was given a difficult task: to organize the transition-related chaos and create regulations for the emerging housing market, which at the time resembled – as she herself calls it – a wilderness.

At the beginning of the 1990s, there were no real estate development companies in the format that we know today; housing cooperatives continued to be the main investors in the field of multi-family housing. Banks did not grant mortgage loans to private households – although this is a very common tool today, back then there were no laws that would regulate the granting of such loans. The systemic transformation did not eliminate the housing crisis that had lingered for decades: the fledgling Third Republic of Poland inherited from the People’s Republic of Poland a dramatic overcrowding and a massive demand for housing.

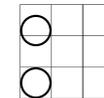
A few months before Irena Herbst was appointed Deputy Minister, Jacek Kuroń (then a member of the Democratic Union) asked her to analyse the situation



at that time, but also to propose solutions that would help overcome the housing crisis. Together with the economist Andrzej Bratkowski, who would later become the Minister of Spatial Economy and Construction, Herbst created the *Memoriał mieszkaniowy* [‘housing memorial’ or ‘housing agenda’]. The document, issued by the Institute of Housing Economy, reverberated far and wide, mainly among the people associated with the emerging local self-government structures, and dealing with municipal housing management on a daily basis. In March 1992, the parliamentary club of the Democratic Union invited local government representatives from all over Poland to a discussion on the *Memoriał*. It took place in the famous Column Hall of the Sejm (the Polish Parliament). The participants of the meeting – also at Kuroń’s initiative – praised the document, mostly for the pioneering quality of the proposed institutional, legislative and financial instruments that all the previous studies neglected to address.¹ Herbst and Bratkowski even called for the establishment of the Ministry of Housing (the latter never happened – unlike the other

plans and assumptions of the *Memoriał*, which were extended, clarified and successfully implemented in the government’s reform program dubbed the “New Housing Deal”).²

The program developed by Herbst was introduced back in 1992. It contained a proposal for a comprehensive restructuring of the entire housing sector in Poland, as well as the creation, from scratch, of a coherent housing policy (practically non-existent at the beginning of the 1990s), which would take into account the new market realities and implications for the housing economy, tidying up ownership issues, introducing mortgage loan institutions, and the principles of functioning of housing cooperatives. ○



Both the *Memoriał* and the “New Housing Deal” define housing as a system based on market principles and rights of ownership, but they also highlight the role of the state in providing every citizen with a roof over their heads. The need to create a program of social housing for rent, aimed at people and households who do not qualify for a mortgage loan, featured prominently on the agenda. One of the main pillars of the program was to be a new kind of entity – *Towarzystwo Budownictwa Społecznego* (TBS, or Social Housing Association).

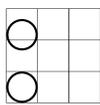
The name is a reference to the pre-war *Towarzystwo Osiedli Robotniczych* (Workers’ Housing Association), a company established in 1934 by Bank Gospodarstwa Krajowego (BGK), Fundusz Pracy (Labour Fund) and other state agencies. The Workers’ Housing Association built flats for blue-collar workers and low-paid white-collar workers. And although its activity was not enough to overcome many years of neglect in the area of workers’ housing construction, in the context of Polish conditions it can be credited with a substantial number of completed apartments of decent quality – by the

- 1 Compare: E. Kuminek, “Memoriał Mieszkaniowy – Dyskusja zorganizowana przez klub parlamentarny Unii Demokratycznej”, *Sprawy Mieszkaniowe*, Institute of Housing Economy, 1992, no. 1–2.
- 2 I. Herbst, “Nowy Ład Mieszkaniowy”, *Sprawy Mieszkaniowe*, Institute of Housing Economy, 1992, no. 4.

outbreak of World War II, 2.2 thousand units had been built, and the construction of approximately nine thousand more had been financed.³

TBSs were modelled on institutions known from Western European countries: French *habitations à loyer modéré* (HLM), Dutch *woningcorporaties*, and British housing associations. In its assumptions, TBSs are non-profit enterprises; they play the role of an investor, they manage residential buildings and work in close collaboration with local governments. They usually operate in a specific area and can function as limited liability companies, joint stock companies, or cooperatives of legal persons. The main statutory tasks of TBSs include the construction and operation of residential buildings with housing units made available on the basis of social lease, aimed at people who are above the threshold of earnings that would make them eligible for an allocation of council housing, yet at the same time they do not earn enough to take out a mortgage. Optionally, TBSs can administer the stock of council flats and conduct other activities related to construction and to housing infrastructure.⁴ Some municipalities have decided to use the extended option – for example, TBSs in Stargard and Szczecin successfully manage council flats, while the TBS in Katowice is currently implementing a multi-storey car park in the Culture Zone and an aparthotel in the city centre.

Most TBSs were established by municipalities, but private companies are also authorized to act as the founding bodies (although it must be admitted that the non-profit character of TBSs was never intended to be particularly attractive from business point of view). Among others, J.W. Construction boasts its own TBS. The Marki Sp. z o.o. (limited company) Social Housing Association built a huge block of flats in Warsaw's Żerań, reminiscent of the architecture of the parent company's residential skyscrapers near the Wilanowska metro station. In Kraków, the second largest city in Poland, there is not a single municipal TBS (the Kraków Municipality has only minority shares in one of the housing associations), despite the fact that in the 1990s as many as ten TBSs were established there, and eight of them have survived to this day. The largest of those – TBS Kliny Zacisze – has built 1,013 apartments to date. These investment projects do not stand out from the contemporary architecture of other developer-built housing estates. The developer's aesthetics is not accidental, as all of Kraków's TBSs are owned by private construction companies, and they consistently implement a policy of building commercial apartments for sale – the last social apartments for rent in the capital of the Małopolska region were put into use in 2006. On the map of Polish TBSs, Kraków remains an exception; apart from Rzeszów, every other main regional city can boast a TBS of their own, belonging to the municipality. ○



Since the model of basing social housing on entities similar to TBSs proved successful in other Western European countries, and the consultations of the Polish project were attended by experts from abroad, including Great Britain and France, the proposal to create a social housing program was met with great enthusiasm by local government officials, i.e. largely the future initiators of the first TBS ventures.

↑
Osiedle Pod Klonami [The Maples housing estate] realised by TBS in Szczecin (2003–2004), design: Wunsch & Wolanowski

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Photo: STBS

→
Paska-Parkowa development, realised by TBS in Szczecin (2001–2003), design: Domino Grupa Architektoniczna

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Photo: STBS

3 Compare: A. Szelągowska, *Finansowanie społecznego budownictwa czynszowego*, Warszawa: Wydawnictwo CeDeWu, 2011, pp. 270–271.

4 Compare: Ustawa z dnia 26 października 1995 r. o niektórych formach popierania budownictwa mieszkaniowego [Law of 26 October 1995 on certain forms of support for housing construction], Dz. U. 1995 Nr 133, poz. 654 [Journal of Laws 1995, No. 133, item 654].

5 Unless otherwise stated, the statements come from the interviews that the authors conducted for the purpose of this article in March 2021.

Among those to attend the consultation meetings was Piotr Mync, deputy mayor of Szczecin in 1991–1998, responsible for housing policy (later, among others, president of the Housing and Urban Development Office, deputy minister for construction, president of the TBS in Stargard, and now vice mayor of Stargard).

“We were captivated by the program,” recalls Mync. “We lacked the tools to work in the new socio-economic system. The program included an idea for smoothing all the basic problems of housing, and it laid the foundations without which it would be difficult to get out of the “trap” of multi-family housing at the time. Cooperative housing was practically all that there was, inflation caused a very substantial reduction in contributions from building society passbook savings, but also an exponential growth in interest on loans.”⁵

Among other things, the “New Housing Deal” (Nowy Ład Mieszkaniowy) section describes the system of TBS financing: funds for the construction of apartments for rent were to be largely obtained from preferential repayable loans granted by the National Housing Fund (*Krajowy Fundusz Mieszkaniowy*, KFM), managed by the BGK bank. Postulates from the *Memorial* and the “New Housing Deal” regarding TBSs have been codified in the Act on certain forms of support for housing construction. The new law entered into force in November 1995 as part of a package of laws dubbed “the housing constitution”, and it introduced three new tools: savings banks with contract loans, the

aforementioned KFM, and the legal institution of TBS. And so the modern social housing sector in Poland was born.

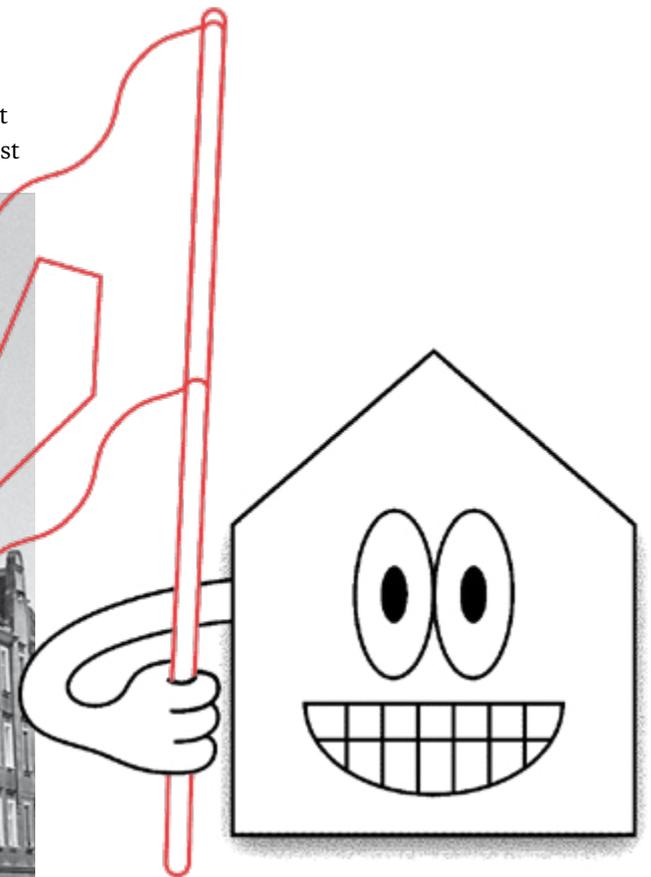
Self-government pioneers

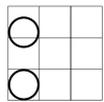
One of the pioneers of the TBS program, registered under number 27, was the Szczecin Association for Social Housing (*Szczecińskie Towarzystwo Budownictwa Społecznego*, STBS) founded in December 1996. Its first president was Grażyna Szotkowska, a clerk from the Housing Affairs Department of the City Hall in Szczecin. At the beginning of 2021, STBS merged with the Prawo-brzeże TBS, and together they created the largest enterprise of the kind throughout the country.

From the very beginning, TBSs in Szczecin have based their activities on several pillars – apart from the construction of social housing for rent, they are also managing a large part of the municipal resources and buildings belonging to housing communities, as well as engaging in the revitalization of downtown quarters. Diversification turned out to be the key to the success of a tenaciously implemented housing policy, which is a good-practice model for the region and the whole country. This is confirmed by the figures: STBS now has a stock of nine thousand community flats, and it manages an additional 5.5 thousand council flats and units belonging to housing communities. Diversified branches of activity and the city’s strong commitment allowed STBS to survive unscathed through the darkest

times of marginalization and curbed financing of social housing from the state budget in the years 2009–2015.

In 1998, the TBS in nearby Stargard was established. It quickly adapted the best Szczecin-derived models, translating them into efficient operation in a much smaller centre: with the population of 70,000, Stargard even went a step further and handed over all its municipal resources for the TBS to manage. This approach is a model implementation of Irena Herbst’s assumptions. Her intention was for TBSs to build but also to take over the tasks of the municipality in the field of the use of communal flats, which was to ensure efficient administration of the resources. ○





West Pomeranian companies are precursors not only in the field of management. Investments implemented both in Szczecin and in Stargard are known for their attractive architecture that fits the urban context, for high-quality finishing materials, and well-planned common spaces. Decent playgrounds and friendly green areas with an appropriate number of comfortable benches, which are still sorely missing from many development projects in 2021, in West Pomeranian TBS projects were already part of the standard at the turn of the century.

"Nie Sami" senior housing complex realised by TBS in Stargard Szczeciński (2011), design: Domino Grupa Architektoniczna

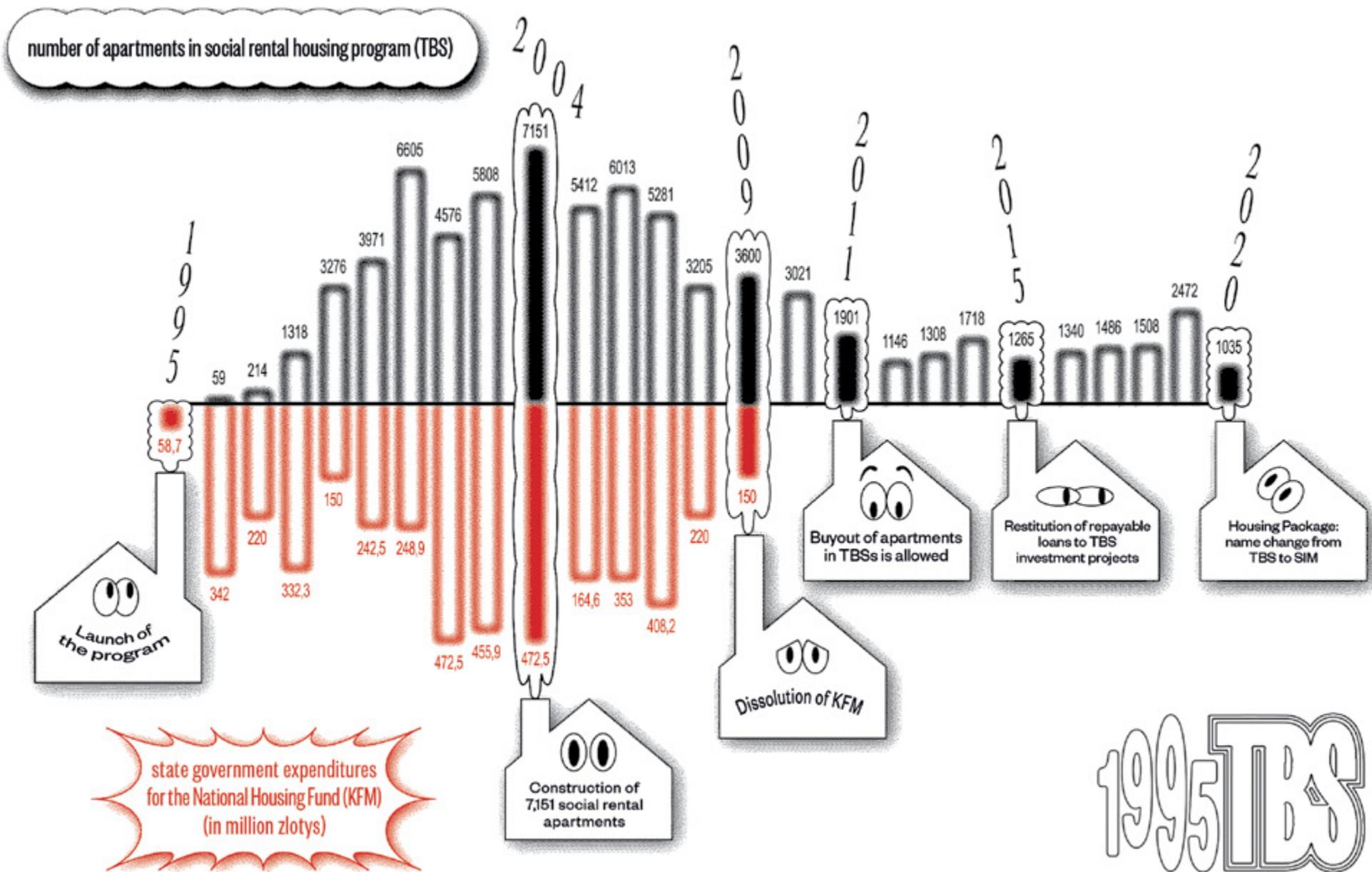
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photo: STBS



It was no coincidence, because Piotr Mync, an architect by education, from the beginning followed the ambition not only to build as many apartments as possible, but also to create high-quality spaces. Throughout its existence, STBS has organized architectural competitions in cooperation with the SARP (Association of Polish Architects), the Municipal Spatial Planning Office (formerly Municipal Urban Planning Studio), and the City Architect.

Among the investments in Szczecin city, Osiedle pod Klonami [The Maples housing estate], built according to the design of the Wunsch and Wolanowski studio (2003–2004), deserves special attention. The frontage-type organisation, clinker façades, and tenant front gardens in the complex of housing blocks evoke associations with British or Dutch townhouses. Although the project's overall formal expression fits in with the trend of historicising references that had been common at the beginning of this century (and that was uniformly embraced by cooperatives, TBSs, and fledgling developers alike), it is distinguished by attention to detail and a friendly scale of development compared to the standard housing complexes of its time. The architecture of another project by the Szczecin TBS, Paska-Parkowa (2001–2003) transports us to the mecca of social housing: contemporary Vienna. The housing estate designed by Szczecin-based studio Domino Grupa Architektoniczna fits in well with the dense downtown development. The façade is distinguished by solids covered with natural wood, the windows are large, and the balconies are plenty. In the scans of analogue photos posted on the SBTS website, only the cars and the clothes worn by the passers-by reveal that this is Poland of 2003 AD. The Domino studio also designed the first housing estate for seniors that the Stargard TBS built in 2011.

The milieu of West Pomeranian TBSs makes an effort to popularize investment projects that apply the architectural competition formula as a nationwide standard, but in smaller cities there are often no adequate agencies that could formulate the terms of such competitions and successfully conduct them. This does not mean that TBS competitions never happen. Although this is not a rule, they do sometimes take place in both smaller and larger cities. For example, at the end of 2019, the TBS Wrocław, owned by the city of Wrocław, commissioned an innovative residential and service building, designed by Major Architekci, in Nowe Żerniki – and the design was selected in an architectural competition. An interesting hybrid has emerged from the investment project intended for a range of different generations – half of the apartments are intended for seniors, half are standard apartments for rent, and the ground floor houses care services and a kindergarten. The buildings are also distinguished by the tasteful façades on the courtyard-side, covered with natural wood and the



functional, green common space. For years, we used to associate TBSs with quite another architectural style: a modest, blue-lemon plaster blocks of flats with sloping roofs, i.e. the Polish standard of the 1990s and the first decade of the twenty-first century. However, products of some – especially private – companies with larger budgets are not lacking certain “panache”. Among other things, this resulted in a kind of residential folly: a gigantic “cruise-ship” of the Nasze Kąty TBS, built by the Wrocław-based real estate development company called Intakus (today TFI Holding SA).

The first successes

Despite the initial difficulties associated with the time-consuming process of setting up and registering

new TBSs, the program was gaining momentum. The number of flats built thanks to it was growing steadily: in 1996 – the first full year after the law on certain forms of support for housing construction entered into force – TBSs commissioned fifty-nine flats. The threshold of one thousand apartments per year was crossed in 1998; 1,218 social flats were built at that time. Just three years later – in 2001 – TBSs built 6,605 apartments, which constituted 6.2 per cent of all newly completed residential units in Poland. In the years 2002–2007, the annual number of all flats put into service stabilized at the level between 4,500 and 6,000, except for the record year 2004, when TBSs built 7,151 flats. They would never achieve such investment momentum again.

Contribution of wedding money

Until 2009, TBSs financed the construction of new apartments for rent from three sources: from preferential repayable loans granted by the KFM, from funds transferred to TBSs from the owner (typically, the municipality), and from the so-called construction cost contribution, paid by the future tenants. Plots for the construction of the projects were contributed to the TBS in kind by local governments or private owners.

“In the first edition of the social rental housing program, the implementation of an investment project was difficult. Initially, the preferential loan granted to TBSs from the KFM could not exceed 50 per cent of the value of the project,” explains Piotr Mync. “Fortunately, the establishment of a TBS, its registration, constitution



of its governing bodies, then the preparation of an investment project, design, and finally the construction of apartments took so long that the impatient Sejm (the Polish Parliament) changed these criteria in favour of investors. From that moment on, BGK granted loans for a maximum of 70 per cent of the investment project value.” The remaining funds – that is 30 per cent of the investment costs, the so-called own contribution – the TBS had to obtain from other sources. Financing of the own contribution to the municipal TBS loan depended on the housing policy pursued by a given

local government: in some cities, future tenants were required to pay the entire remaining amount, i.e. 30 per cent of the construction costs of the apartment they wanted to move into; in other cities, the participation was fully or partially paid for by the municipality. It was common practice to divide the resources of the municipal TBS into segments addressed to different groups of residents – depending on their earnings, the future tenant would pay a contribution of 10, 20 or 30 per cent of the construction costs. For example, TBS in Szczecin implements a number of programs for several groups

Apartment building in Warsaw realised in 2011 by Marki TBS, a private company that belongs to the J.W. Construction Holding S.A. Its architecture refers to other developments by the parent company

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Photo by: Kuba Rodziewicz

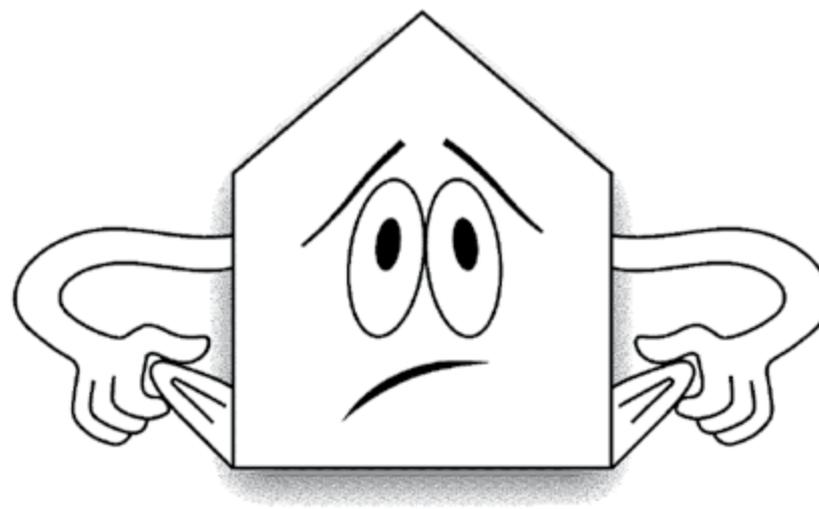
6 A. Szelałowska, *Finansowanie społecznego budownictwa czynszowego*, Warsaw: Wydawnictwo CeDeWu, 2011, p. 297.

of recipients, and therefore it applies different levels of participation in construction costs (according to this policy, the required contribution towards a flat built under the “Home for a Graduate” program is 15 per cent of the construction costs).

The necessity to pay the tenant’s contribution is probably the weakest point in the TBS program. On the one hand, it improves and even enables the implementation of investment projects in municipalities that are otherwise unable to provide the company with sufficient financing; on the other hand, it can be an obstacle on the way to getting a flat in a TBS and may lead to abuse and distortion of the idea of social rental housing. Contribution at the level of 30 per cent in large cities often translates into dizzying amounts, exceeding the required minimum own contribution necessary to obtain mortgage credit for a similar apartment. This is a paradox, as TBSs were supposed to be an alternative for people who cannot afford a loan. On the website of the Warsaw City Hall we find information that in the newly-implemented investment project, the amount of contribution per square meter is “only” 2,805 złoty (i.e. 30 per cent of the cost of building the flat, which is 9,350 złoty per square meter). The future tenant of an apartment with a size of fifty square meters must therefore pay the contribution in the amount of one hundred and forty thousand złoty, and added to that, a deposit equivalent to one year’s rent. This places contribution, as an expense, somewhere between the amount of own contribution to the loan, and the purchase of an entire apartment. Of course, in the event of pulling out from the TBS, it is possible to redeem the contribution paid – furthermore, the amount is subjected to valorisation, which means that the actual sum redeemed is higher – therefore, it is sometimes (rightly) treated as a capital investment. Before you invest, though, you need to accumulate considerable funds, which in many cases makes taking out a loan necessary.

At first glance, it might seem that the amount of contribution could scare potential tenants away – and yet, this is contradicted by the considerable interest that TBS apartments enjoy on local markets. “When recruiting tenants for one newly built flat in the TBS system, there are four applicants on average, and for the flat that is vacated, there are often as many as a dozen or so,” says Janusz Olesiński, president of the TBS in Katowice. “In the past, in Katowice, we experienced some problems with large apartments that required greater financial commitment. At that time, however, the Building Society lowered the amount of the contribution required. Today, the problem of the lack of people willing to buy into a TBS apartment no longer exists.”

Piotr Mync recalls that in the early years of operation, the monthly rent was a greater obstacle than the cost of a one-off contribution. “Young married couples

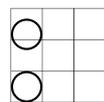


were able to afford the contribution if they had a big wedding and they managed to raise enough cash there, but they were not necessarily earning enough to pay the rent. Thus, while in real money the contribution has increased in relation to income, the rent in TBS flats, quite the reverse: it is now a smaller portion of the essential expenses of an average household. In addition, banks are not currently offering loans to cover the contribution, as they used to.”

“Will sell flat in TBS”

Ads with the above content can be found on the Internet today. Of course, they are not about selling the property, as it is not an owner-occupied flat. So why is it possible to “sell” or “buy” an apartment in a TBS?

Tenant contribution was supposed to be optional, but with time it became an important component of the budget of most investment projects. In turn, residents often treat the funds they paid as their own contribution, and in the event of their resignation from the lease they try to speculate on that. In theory, the Building Society takes priority in terms of choosing and assigning a new tenant, while the latter – also in theory – only pays the contribution amount. However, the tenant giving up the lease on the apartment has the right to transfer the lease contract to a specific person that she nominates. If the “client” who responded to the advertisement meets the income conditions required by the given TBS, the person leaving the apartment can earn quite a lot of money. Additional “compensation” paid by the new tenant to the one moving out could amount to several dozen or even hundred thousand Polish złoty. ○



Illegal transactions are made to the detriment of those on the waiting list. In 2019, regulations were

regulated to curb this “trading” – today, the consent of the Building Society is required for the transfer of a TBS apartment. The situation resembles the commodification of family allotments, which were never intended to be a market product. They were invented so that they would serve a social purpose, yet they have been sold “under the table” for several years.

So long, KFM!

In the first years of the PO-PSL government, the social housing for rent sector lost momentum in terms of investment dynamics. The government gradually reduced the outlays for financing the KFM from the state budget: in 2007, they added 408.2 million złoty; in 2008, the subsidy dropped to 220 million złoty, and in 2009, down again, to only 150 million złoty – the lowest level of budget expenditure on KFM since 1999. Ultimately, for reasons that are incomprehensible today, and despite huge protests from local governments and the TBS community, the PO-PSL coalition decided to dissolve the KFM. Interestingly, the bill cancelling the fund (that entered into force in May 2009) was supported by the whole range of political parties in the Sejm at the time, from SLD to PiS.

Professor Anna Szelańska from the Warsaw School of Economics calls the liquidation of KFM one of the “biggest mistakes of the state’s housing policy”.⁶

The decision left the people associated with the TBSs perplexed. “Until the end, we did not believe that this could happen,” says Piotr Mync, who in 2009 was the president of the Stargard TBS. “It just seemed so absurd, so wasteful, so damaging to the only housing sector that developed in the new times. It is often said that TBSs and housing cooperatives built only one hundred thousand apartments with the KFM. In certain years, with the actual demand worth a billion and several hundred million złoty, less than two hundred million złoty had been reserved in the state budget for the purpose. If all the correctly submitted applications were implemented throughout the entire time of KFM’s operation, there would be many, many more flats. We were surprised and outraged that in 2009 the fund ceased to exist, especially since until 2015 no other tool was proposed to support the development of the rental housing sector with moderate rents.”

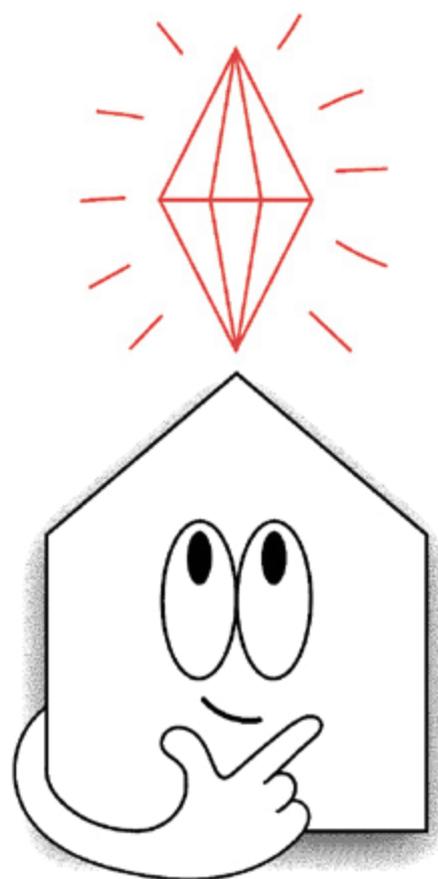
Today it is impossible to reconstruct the reasons behind the liquidation of the KFM. Various hypotheses arise: one is that the government wanted to allocate this money to buy out a stake in PKO BP bank, another is that the KFM fell victim to the personal dislike of Piotr Styczeń, the deputy minister of infrastructure responsible for housing in 2005–2013, and the creator of pro-ownership programs for mortgage loan subsidies, called “Rodzina na Swoim” [Family in their own home] and “Mieszkanie dla Młodych” [Flat for the young].

“When the KFM was being liquidated, I had a terrible fight with one of the MPs from the PO-PSL coalition,” recalls Irena Herbst with bitterness. “I asked him: ‘How can you vote for the liquidation of KFM?’ He replied: ‘We were promised that if we voted for the liquidation of KFM, the money would be allocated to road infrastructure.’ Then I said to him: ‘It won’t, you’ll see.’ And of course, it wasn’t!” If the government at the time had not decided to abolish the KFM and kept it separate, according to Herbst’s calculations, in 2018 the fund would have had approximately three hundred and fifty million złoty of free resources, coming from the repayments of previously incurred loans; and in 2019 – as much as five hundred million złoty. Therefore, it would be able to grant new repayable loans on a similar scale as in the best period of its operation, and that would be without having to use subsidies from the state budget.

Deprived of preferential credits, TBSs had to reinvent themselves in the new reality. In order to maintain the construction activity, some societies abandoned the original assumptions of the program and started building condos – that is, tenant-owned flats. Those TBSs, which also managed municipal resources on behalf of the municipalities, were in a better position than those that were building only social flats for rent, but all of them faced problems with financing new investment projects. Piotr Mync explains the context of those times:

“A TBS without investment activity is not ‘it’ anymore. It is impossible to pursue an ambitious housing policy this way. In order not to stop investing, we then decided to go for flats financed by the BGK Subsidy Fund, whose main task is to bankroll the construction of social flats and council housing. For this reason, we automatically stopped offering flats for families with average earnings, because flats from the Subsidy Fund are intended only for people from the municipal queue.”

With the PiS government taking power in 2015, the concept of the so-called “lease leading to ownership” gained popularity: the tenant pays an increased rent with the view to ultimately becoming the owner of the apartment. Thanks to the favourable credit line at the BGK, certain Building Societies, for example those in Poznań or Katowice, are building some of their apartments according to this formula. “The TBS in Katowice



follows the ‘tailor-made’ strategy,” explains Janusz Olesiński. “We cater to three groups of clients: people with low, medium, and high income. To families from the first two groups, we offer classic apartments for rent in the TBS system. To the more affluent clients, we build ‘leading to ownership’ apartments where the contribution is 50 per cent of the construction costs, and tenants pay an increased rent.”

The TBS belonging to the city of Katowice focuses on the construction of apartments for rent. Janusz Olesiński supports this strategy: “If I were to define the

ideal proportions of our construction activity, I would say that the Katowice TBS should develop 80 per cent of apartments for rent, with the remaining 20 per cent of apartments offered for sale on the commercial market or with the option of obtaining ownership. We wish to allocate the funds obtained from the sale of these apartments to our social projects, for example the revitalization of tenement houses in Mariacka street.” It is there – in one of the most famous places in Katowice – that KTBS plans to rebuild three neglected pre-war tenement houses based on a design selected in an architectural competition in 2019. The investment, designed by the Katowice-based studio OVO Grąbczewski Architekci, involves the construction of forty apartments for seniors and university graduates.

A new beginning?

Towards the end of the second term of the PO-PSL coalition government, the attitude of decision-makers towards the housing-for-rent sector slowly started to change. In September 2015, at the eleventh hour before the upcoming parliamentary elections, the Sejm revised its 2009 mistake and restored preferential crediting of social housing for rent, which was a huge success for the entire TBS community. BGK had also become the operator of the new support program, known today under the trade name of *Spółeczne Budownictwo Czynszowe* (Social Rental Housing). Gradually, the number of flats commissioned by TBSs began to grow again – from 1,265 flats in 2015 to 2,472 in 2019. Unfortunately, the trend turned out to be short-lived. Despite the record-breaking construction activity in 2020 – the total of 222,000 apartments were built throughout Poland – the number of flats completed by the TBSs decreased drastically. Last year, Building Societies put to use only 1,035 apartments; this is the worst result of the social housing sector since 1997.

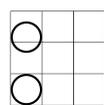
Sacred Property and the path thereto

In the original assumptions of the creators of the Polish social housing system, the units built by TBSs were to remain permanently in the stock of flats for rent. A month before the parliamentary elections in 2011, the Sejm – just like two years earlier, when it liquidated the KFM – almost unanimously voted to enable the purchase of flats by the tenants. However, the regulations had been designed in such a way as to discourage the buyout as far as possible. Zdzisław Słabkiewicz, the then president of the Polish Chamber of Commerce of the Building Societies, explained the new regulations in *Rzeczpospolita* paper: “Tenants are counting on getting discounts. Meanwhile, the amendment requires the sale of units at market price, at least; and this applies to cooperative flats as well. You also have to pay off the mortgage burden on the apartment. So it simply isn’t

worth it; it is better to give up renting a flat in the TBS, get the reimbursement of your contribution, and buy a new flat from the developer.”⁷

The community of people associated with local government TBSs was mostly against the idea of housing privatization. Irena Herbst, the creator of the TBS program, was among those dissatisfied: “I am totally against the privatization of TBS resources. If someone absolutely wants to live in a tenant-owned apartment, they should leave the stock of social resources created specifically for people who need it. We still have a huge shortage of apartments with accessible rent! It was primarily private TBSs that lobbied for the possibility of privatizing TBS flats, whereas the much more numerous municipal TBSs were against it.” ○

In the period of early



transformation, and in the first decade of the twenty-first century, the promotion of property – of ownership – as a superior value left its mark on both housing policy and need creation: the need to own a flat at all costs. Since 2015, we have been cleaning up the chaos in the wake of pro-ownership loan subsidy programs. Despite this, both in the “Mieszkanie Plus” investments and in the TBS system, against experience and despite the shortage of social housing, the state places great emphasis on the possibility of depleting this resource by promoting the aforementioned “lease leading to ownership”.

Most of the milieu connected with TBSs does not share the enthusiasm for this mechanism that those in power seem to have. “The TBS in Szczecin does not offer flats for rent with the ‘lease leading to ownership’ option,” explains Grażyna Szotkowska. “Personally, as the president of the board, I think that it is pointless for TBSs to build this type of apartments, and of course it would be completely senseless for this to be their core business. From 2009 to 2015, that is, during the stagnation of housing support, the construction of flats on ‘lease leading to ownership’ basis became popular. TBSs then began to offer this option in order to fill the gap in their investment activities. Currently, the system has been structured by legal regulations, but in my opinion, municipal TBSs should be careful with such activities, and treat them as supplementary and secondary to the construction of classic, TBS-proper apartments for rent.”

Is SIM still a TBS?

When reading the new law that introduces the Housing Package, one gets the impression that the biggest change that has taken place

in the TBS system concerns the vocabulary. The name *Spoleczne Inicjatywy Mieszkaniowe* (Social Housing Initiatives) brings to mind misleading associations with housing cooperatives and a greater participation of grassroots ventures, while in fact the nature of the TBSs’ activities has not been significantly modified, except for the so-called “settlement of contribution in the cost of building the apartment”. From January 1, 2022, a tenant of a TBS flat, who has been a party to the lease agreement for at least five years, will be entitled to recover the contribution paid by her in full or through a periodic reduction in rent (i.e. she can go on a so-called “rent holiday”), of course, provided that the given TBS/SIM has repaid the preferential loan from the BGK bank. If the tenant has paid more than 20 per cent of the contribution (25 per cent in the capital of the region or a city with the status of a district, with a population

of over one hundred thousand inhabitants), she will be able to convert her existing contract into a “lease leading to ownership” agreement.⁸ The government assures us that the decision on whether tenants of social flats built before the entry into force of the Housing Package will be able to “acquire ownership” in this mode should rest with the owners of the TBSs. However, there are doubts: it may seem that the transitional provisions of the Act were structured in such a way as to oblige municipalities to take that decision, and thus open the door to the privatization of the TBS resources – as it is still unclear whether municipalities that decide not to introduce the possibility of transforming old lease contracts into those with the “leading to ownership” option will be able to use new, more favourable instruments for financing investment projects introduced under the Housing Package.

Despite the adversities, the social housing associations survived and became one of the most interesting elements of the housing policy of the Third Polish Republic. In the years 1996–2020, TBSs built 74.7 thousand new units, which is 2.2 per cent of all apartments

commissioned in that period. Although these numbers may not seem very impressive, thanks to TBSs, we have experienced some kind of version (albeit a poor substitute) of Western European housing policy in Poland.

Using the experience of foreign colleagues, individuals involved in launching the program and creating TBSs have implemented – and still continue to implement – a pioneering, non-profit model of social housing. Thanks to the architectural competitions, many TBS projects can be considered exemplary in terms of caring for the quality of space. Piotr Mync explains the uniqueness of TBSs: “A dynamic environment of experts who care about housing construction has accumulated around social housing associations. Admittedly, not everyone considers this a priority issue, as it is not very spectacular in terms of political actions and profits.”

Janusz Olesiński emphasizes that mutual support given to each other by self-government owned TBSs is of great value: “Social housing associations have this very cool feature: they freely share their good practices. If the management of one of the TBSs has introduced an interesting solution, they are happy to share it with representatives from other TBSs. This is probably because the municipal TBSs do not compete against each other. Each society is building homes only within its own territory. The TBS in Katowice builds only in Katowice, and not, for example, in Chorzów or Sosnowiec.”

Answering the title question: SIMs are still TBSs, albeit under a changed name. Therefore, we do not bid farewell to entities that for over twenty-five years have been implementing the program of social rental housing in the form that we know. On the contrary, we are observing their further development with hope and curiosity. Our interlocutors unanimously recognize the TBS program as a success. We strongly support social housing associations so that they not only maintain their current pool of resources, but also gradually increase it. ●

7 R. Krupa-Dąbrowska, *Wykup mieszkań w TBS i spółdzielniach możliwy od 11 października 2011*, Rzeczpospolita, 10 October 2011, <https://www.rp.pl/artukul/729227-Wykup-mieszkan-w-TBS-i-spoldzielniach-mozliwy-od-11-pazdziernika-2011.html> (accessed: 28.02.2021).

8 Ustawa z dnia 10 grudnia 2020 r. o zmianie niektórych ustaw wspierających rozwój mieszkalnictwa [Law of 10 December 2020 amending certain Acts supporting housing construction], Dz. U. z 2021 r. poz. 11 [Journal of Laws 2021, item 11].



○ WOJCIECH
WILCZYK

Kraków, ul. Stanisławy Wysockiej
20.12.2020

People
will take
to the streets



Kraków, ul. Wielicka
31.07.2020

Ludzie wyjdą na ulice [People will take to the streets] is the title of a poem by Krzysztof Jaworski, which I heard in 2015, recited by the author at a literary festival. It is the poem's title, and at the same time its entire content, because the text consists of forty-two lines with the same wording repeated in every line – "people will take to the streets". The piece inspired me to search for visuals, which eventually focused on contemporary housing architecture in Poland. Buildings erected just before the political transformation and a decade or two since only seemingly liberated themselves from the total character of large-panel housing estates. The project is not finished because I have not yet found the equivalents to all forty-two lines of text. ●



Kraków, al. Pokoju
27.07.2020



Kraków, ul. Balicka
12.12.2020



Kraków, ul. Balicka
12.12.2020



Kraków, Centrum E
housing estate, 20.12.2020

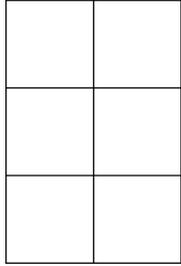


Kraków, ul. Mogilska
20.08.2020



Tychy, ul. Romana Dmowskiego
3.08.2020

○ AGATA
TWARDOCH



→
Security control at a gated
housing estate in Kraków
—
Photo by: Grzegorz Karkoszka

↓
Fences and security control at
a gated housing estate, Osiedle
Europejskie, Ruczaj, Kraków
—
Photo by: Jarek Matla



Dzielnia syndrome

Why are we
unable to sort
out gated
communities?



The worst way of dealing with a problem is to pretend that it doesn't exist. In psychology, this attitude is called denial, and it can lead to amnesia and numerous psychosomatic disorders. Gated communities are a symptom of denial in cities.

Since the end of the 1990s, the issue of gated communities has inflamed the milieu of people associated with urban issues in Poland. It was then that such housing estates first appeared in our country. The first Polish gated community was most probably an enclave of single-family houses, built in Piaseczno. Zbigniew Niemczycki, the real estate developer responsible for its construction, had returned from America not long before that. From overseas, he brought not only the idea for the estate being gated, but also for the houses – literally – to be put together from prefabricated elements.¹ The gated community debate has gone through the stages of curiosity, surprise, anxiety, indignation, and finally, it seems, a kind of resignation. An impasse was reached: the professional community agrees that it is a harmful phenomenon both from the point of view of space and the functioning of society, but this consensus does not translate into material reality.

Two themes dominate the discourse on gated communities: the spatial and the social; several others fit within their narrative. The spatial thread is simpler. Gated communities are “walled off or fenced off housing units with limited public access”²; and this thread analyses the degrees and methods of limiting access, and their impact on the surrounding space. We are talking about communication barriers,³ about the disruption of urban continuity, but also about monotony and ugliness of fences and related inconvenience.

The social thread is much more ambiguous and it consists of many narratives. The first one connects the popularity of gated communities with the natural processes resulting from the political transformation and the transition from an inefficient socialized system to an idealized free market economy. According to this narrative, the reasons for fences include distrust in public institutions and the liberal belief held by the middle class that housing is a completely private affair.⁴ In this narrative, a gated community becomes a synonym of resourcefulness and ennoblement.

The simplest explanation, often accepted intuitively and unreservedly, points to the feeling of danger or threat as the main basis for the decision to live behind closed gates. According to this – second – narrative, gated communities are a direct response to the need for security, one of the most important human needs. This point of view makes the fight against fences particularly difficult.

The individual narratives intertwine and overlap, and thus the second narrative turns into the third one – related to the commodification of fear, and then commodification in general. The fences and the system of protection, and finally a sense of security, are indicated in it as another commodity for sale (Zygmunt Bauman wrote about this in his *Liquid Life*: “marketing experts find the anxiety [...] to be potentially inexhaustible source of profits”⁵), and because it is affected by market demand and supply mechanisms, it is subject to marketing efforts. Therefore, if it is profitable for business entities to sell flats in gated communities, they will tend to exaggerate the threats posed by the outside world in their advertisements and in public communications.

The fourth narrative changes the frame of fear into a frame of cooperation.⁶ It emphasizes the intentional aspect of fences, and the opportunity they present for creating lively, neighbourly communities whose members act for the common good, support each other, and strive for synergy. At this point, the narrative accompanying gated communities coincides with that of bottom-up housing initiatives, that is housing cooperatives and cohousing, and these are getting good press – much better than housing estates behind the gates. The fourth narrative implies the fifth one, which also concerns the community character of gated housing estates, although it points to the community as a tool of oppression. This narrative assumes the existence of intramural communities, but emphasizes their internal oppressive function of social control and external function of exclusion, based on a sense of elitism and the need for distinction.

At this point, the concept of social segregation appears, followed by yet another narrative. The phenomenon of gated communities development is called ghettoization. The word “ghetto”, although used in reverse, retains its pejorative connotations. It emphasizes the importance of gates, but not only in the sense of protection, but also compulsory enclosure, and the relativism of the fences – which always have two sides. This narrative presents gated communities as something shameful, out of fashion, and out of date. It results not so much from the extensive criticism thereof as from the popularisation of the phenomenon. The popularity of gated communities has made it more difficult to buy a new apartment in an open housing estate than in a gated one, but at the same time the gated community has lost its ennobling and exclusive character. Besides, with its coarse fences, it does not resemble the most fashionable places in which to live today: functionally diversified residential and service complexes, typically embedded in the historic urban fabric. Elektrownia Powiśle (formerly a power plant) and Centrum Praskie Koneser (erstwhile vodka factory) in Warsaw manifest their elitism and exclusivity in much more subtle and tasteful ways. The excluding factor here is, on the

one hand, the prohibitive price of flats, and on the other hand, hidden security and monitoring, which keep up appearances of a fashionable urban space, despite the fact that they offer none of the authentic urban openness and diversity. In this narrative, the criticism of gated communities, manifested in the contemptuous terms of “lemmings” and “transplants”,⁷ is founded in the same resentment on which their elitism once stood.

Each of the narratives contains a different part of the truth about gated communities, and points to different parts of the problem, so it is no wonder that subsequent reactions to fencing off housing estates also match only selected narratives and subplots.

Seeking a legal solution

The spatial thread contains the idea of introducing local landscape resolutions. Pursuant to the Act of April 24, 2015 on the amendment of certain acts in connection with the strengthening of landscape protection tools, local governments may introduce their own local landscape regulations. As part of these regulations, under local law, decisions are made on advertising-free cultural parks, as well as on the prohibition of fencing off

- 1 Compare: P. Johnsson: “Gated communities. Poland holds the European record in housing for the distrustful”, *Baltic Worlds* 2012, no. 3–4, pp. 26–32, <http://balticworlds.com/poland-holds-the-european-record-in-housing-for-the-distrustful/> (accessed: 10.02.2021).
- 2 S. Blandy et al., *Gated Communities: A Systematic Review of the Research Experience*, Bristol: ESRC Centre for Neighbourhood Research, 2003. Quoted in: D. Owczarek, “Zamknięte osiedla, czyli dylemat współczesnych polskich miast. Badanie porównawcze mieszkańców zamkniętych i otwartych osiedli w Warszawie”, *Przegląd Socjologiczny* 2011, no. 60 (2–3), pp. 365–291.
- 3 Compare: M. Smętkowski, *Miasto deweloperów?*, [in:] B. Jałowiecki et al., *Warszawa. Czyje jest miasto?*, Warszawa: Wydawnictwo Naukowe SCHOLAR, 2009, pp. 8–88.
- 4 Compare: D. Leśniak-Rychlak, *Jesteśmy wreszcie we własnym domu*, Kraków: Instytut Architektury, 2021.
- 5 Z. Bauman, *Liquid Life*, Cambridge: Polity Press, 2005 (e-book).
- 6 Compare: M. Szczepańska, “Osiedla grodzzone. Świadomościowe aspekty podziałów społeczno-przestrzennych i więz sąsiedzka”, *Przestrzeń Społeczna (Social Space)* 2012, vol. 2, no. 1, pp. 102–125.
- 7 Compare: J. Gądecki, “Gasnący urok lemingradu. O osiedlach grodzonych w Polsce”, *Autoportret* 2016, no. 3 (54).



Seestadt Aspern, Vienna. New residential district planned according to the principles of social, spatial and economic equality. Fencing becomes redundant

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Photo by: Agata Twardoch

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Warszawa, Koneser Centrum Praskie. Fencing often becomes a nuisance for the residents too („gate out of order”)

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Photo by: Agata Twardoch

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Seestadt Aspern, Vienna

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Photo by: Agata Twardoch

urban space. Resolutions explicitly prohibiting the fencing of multi-family residential areas were introduced in 2018 in Sosnowiec,⁸ Sopot⁹, and Gdańsk¹⁰ and in 2020 in Kraków.¹¹ In Nowy Targ¹² and Cieszyn,¹³ resolutions prohibit only full fences; in Katowice (March 2021), the resolution has not been adopted yet, despite the fact that work on it began in 2015, and in 2017 the proposed regulations were presented for public consultation. Also in Poznań, consultations are underway on the provisions of the resolution. Apparently, the draft supposedly prohibits the fencing of multi-family housing, but it allows so many exceptions that even if it comes into force, this will not change much.¹⁴

In January 2020, the councillors in the capital adopted the Warsaw landscape resolution, but in February 2020 it was completely repealed by the governor of the Masovia Province. The city filed a complaint against this decision, but in December of the same year the Regional Administrative Court in Warsaw dismissed it in closed hearing. Also the landscape resolutions of Łódź and Opole were repealed by court decisions, and an appeal was made against the resolution adopted in Gdańsk.

It turns out, therefore, that for almost six years there has been a tool that might have stopped the fencing of housing estates, but only a few municipalities have actually used it. Perhaps this solution is of low effectiveness, because it concerns only the spatial sphere, while completely ignoring the social aspect?



Enhancing security?

There are also other ways of dealing with gated communities that are only solutions within the chosen paradigm. When the housing estates behind the gates are seen through the prism of the second narrative – the one related to the need for security – architectural concepts that strengthen the sense of safety are proposed as an antidote. Most of them are based on Oscar Newman’s classical theory of defensible space. The latter contains the principles of arranging the housing estate in such a way as to prevent unwanted behaviour – theft, assaults, or acts of vandalism.¹⁵ Newman recommends

- 8 Resolution No. 130/VI/2019 of the City Council in Sosnowiec of March 28, 2019 on establishing the rules and conditions for the location of small architecture objects, advertising boards, advertising devices and fences, their dimensions, quality standards and types of building materials from which they can be made.
- 9 Resolution No. XXXIX/521/2018 of the Sopot City Council of 26 March 2018 on the adoption of the rules and conditions for the location of small architecture facilities, advertising boards, advertising devices and fences, their dimensions, quality standards and types of building materials, from which they can be made, within the city of Sopot.
- 10 Resolution No. XLVIII/1465/18 of the Gdańsk City Council of February 22, 2018 on establishing the rules and conditions for the location of small architecture objects, billboards and advertising devices as well as fences, their dimensions, quality standards and types of building materials from which they can be made, within the City of Gdańsk.
- 11 Resolution No. XXXVI/908/20 of the Kraków City Council of February 26, 2020 on the establishment of the “Rules and conditions for the location of small architecture objects, advertising boards, advertising devices and fences”.
- 12 Resolution No. XVI/166/2019 of the Nowy Targ City Council of December 27, 2019 on the rules and conditions for the location of small architecture facilities, advertising boards, advertising devices and fences in the city of Nowy Targ.
- 13 Resolution No. XIII/133/19 of the Cieszyn City Council of November 28, 2019 on establishing the rules and conditions for the location of small architecture objects, advertising boards, advertising devices and fences, their dimensions, quality standards and types of building materials, which can be made; in the area of Cieszyn town.
- 14 *Odkryjmy Poznań. Projekt uchwały krajobrazowej*, [Let’s discover Poznań. Draft of the landscape resolution] Poznań, <https://www.poznan.pl/krajobrazowa/> (accessed: 18.03.2021).
- 15 O. Newman, *Defensible Space: Crime Prevention through Urban Design*, New York: Macmillan Publishing, 1969.
- 16 R. Głowacki, K. Łojek, A. Urban, *Wpływ ukształtowania przestrzeni fizycznej na zapobieganie przestępstwom i wykroczeniom*, Szczytno: Wydawnictwo Wyższej Szkoły Policji, 2008, pp. 58–62.
- 17 *The International Crime Prevention Through Environmental Design Association*, www.cpted.net (accessed: 23.03.2021).
- 18 B. Lee Jr., *America’s Cities Were Designed to Oppress*, Bloomberg CityLab, 03.06.2020, <https://www.bloomberg.com/news/articles/2020-06-03/how-to-design-justice-into-america-s-cities> (accessed: 18.03.2021).



clear zoning of public, semi-public, and private spaces, providing conditions for observing all areas of the estate, and eliminating objects that could be used as steps in a ladder, thus allowing an intruder to climb to higher floors. In short: the spatial solutions proposed by Newman are meant to result in specific behaviour of the users.

On the basis of Newman's theory, many programs were created, recommended by city planners and policemen,¹⁶ including Secured by Design – the official program of the British police, and the CPTED program (Crime Prevention Through Environmental Design), which comes from the United States, widely promoted by the international non-governmental organization called the ICA (International CPTED Association)¹⁷. ICA led to the publication of the ISO standard on CPTED in January 2021 (ISO 22341:2021). Although the American version focuses on spatial issues, it also emphasizes the importance of a strong local community. In the second generation of CPTED rules (the first one contained spatial and technical solutions, also regarding access limitation), it was described, for example, how to organize a neighbourhood watch. It is difficult to shake off the impression that the proposed remedy may become a disease at some point. The problem was noticed, among others, by Bryan Lee Jr., a black designer from New Orleans who deals with the concept of 'just city'. Lee believes that security mechanisms based on neighbourly control and the assumption that any person with antisocial intentions should feel uncomfortable may cause discomfort to anyone who looks different and does not conform to normative patterns or – what is particularly important in the United States – has a different coloured skin.¹⁸ The strategy promoted by the CPTED threatens to deepen the divisions between "us" and "them" and reinforce the not-in-my-backyard phenomenon, i.e. the opposition of residents to certain investments (for example shelters for people experiencing homelessness crisis, or counselling centres for people with addictions) in their immediate vicinity, although they do not deny that these facilities are needed.

The concept of design influencing user behaviour can also lead to abuse. After all, this includes the controversial 'hostile design', i.e. elements used in public space that are supposed to modify human behaviour, for example, prevent the homeless from lying on park benches. It is difficult to precisely answer the question of when the applied elements help maintain security, and when they serve to divide and exclude.

Therefore, this solution cannot be considered effective either. Focusing on one narrative does not lead to obtaining answers to other narratives; worse, it provokes situations that, according to subsequent narratives, may be considered problematic. The effects of the criticism against the fencing of housing estates, based largely on

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Somewhere in Warsaw. Narratives based on fear usually emphasize the care for children („Please close the gate for the sake of the children”)

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Photo by: Agata Twardoch

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Warszawa, Elektrownia Powiśle. New way of fencing without using a fence

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Photo by: Agata Twardoch

the contempt for inhabitants of gated communities who want luxury and distinction, can be assessed in a similar way. It resulted (in a manner of speaking, because we should not ascribe excessive importance to that) in a new wave of antagonisms and reluctance towards yet another social group.

Diagnosis

To understand the problem of gated communities with all its complexity, no single narrative will suffice. In medicine, when a set of symptoms is not amenable to diagnosis or treatment, an explanation beyond purely physical issues is sought. As health problems can be a symptom of disease not only of the body, but also of the mental sphere, answers are sought in the patient's personal life, in his relationships with his family and childhood memories, and uncomfortable truths are discovered. Perhaps, in a similar way, the problems of our cities result from the psychological problems of individuals and the society, and gated communities are merely a veil, the effect of the denial syndrome that breaks to the surface while hiding the thing that causes the unpleasant feelings, the thing we subconsciously do not want to look at, that does not fit into our vision of reality?

After all, there are many things we do not want to look at: places and people who will never fit into the perfect image of the city straight from Jan Gehl's books, an inconvenient truth that does not fit in with our collective vision of an ideal city. Many elements hurt our eyes also in the housing sphere.

Firstly, the housing problem can never be fully resolved. It is impossible to arrange a city where there will be no substandard flats, which are too small, overcrowded, underexposed, and ugly, or a city where everyone will have access to the flat they need. Housing resources are degrading, the requirements, needs and possibilities of the entire society and individuals are changing, so even in cities where the statistical deficit of housing has been eliminated, a housing policy must be pursued. If we were to acknowledge that for housing, crisis is a natural condition, we would cease to perceive housing policy as an intervention. The housing estate would become a type of infrastructure, rather than a social policy; it would cease to be perceived in terms of charity or as something shameful. It would not be necessary to hide social flats on Dudziarska Street in Warsaw, or in metal containers on the outskirts of many cities in Poland.

Secondly, it is impossible to solve the problem of homelessness or to remove people in the homelessness crisis from the urban space. Some of these people will never be able to lead the life that the general public considers 'normal'. Some will never wish to. This does not mean that night shelters should be closed; on the contrary – infrastructure for people experiencing a homelessness crisis should be made a rightful and equal element of the urban landscape. Night shelters should not be situated in the worst locations, and park benches should not discourage people from lying down. No worries, people will not take to sleeping in parks on a mass scale, the general public prefer the comfort of their beds.

Finland introduced the “home first” scheme, and has done so comprehensively. Within that scheme, any person in a homelessness crisis can obtain assisted housing, regardless of whether or not they will adapt to arbitrary rules. At the Congress of Urban Movements in Katowice in 2017, Hanna Gill-Piątek emphasized that within only three years, the costs generated for the city by a person in a homelessness crisis exceed the cost of building a small, basic apartment. Perhaps the Finnish method would help us bring the phenomenon of homelessness to the lowest possible level, and save a few people from dying in the street while we're at it.

Thirdly, when we say that a city is its people, we cannot mean merely heteronormative families with two children, or middle-class members with internalized social norms. The real city is the young and the old, the poor and the rich, the smart and the stupid, the pretty and the ugly; exemplary citizens, but also troubled





units among private housing) and ‘tenure blindness’ (meaning that from the outside, it is impossible to distinguish the status of the apartment). We need to coordinate the construction of new apartments with the infrastructure, not only technical, but also social where necessary, and the costs of that must be passed on to real estate developers. We need to start treating property also as an obligation, and not just as an unlimited right.

We need a holistic paradigm shift. If it happens, perhaps gated communities will not be needed anymore. However, if any do appear, we will include them in the urban landscape and accept them. ●

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Warszawa, Elektrownia Powiśle
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Photo by: Agata Twardoch

recidivists, vegans, cyclists and diesel SUV-driving pork-knuckle eaters. The city is made up of Catholics, Buddhists and followers of the Flying Spaghetti Monster, classical music lovers and disco polo fans, those who are pro-choice and those who are pro-life, and even the residents of gated communities.

Fourthly, city will never be completely safe, so instead of hiding our children behind a fence, let us teach them to minimize the risk.

Fifthly, not everywhere can be beautiful. Ugliness, dirt and mediocrity have the same or even greater right to the city space as cleanliness, beauty and harmony. Perhaps a centrally managed shopping mall can be truly clean, beautiful and harmonious – but a living city cannot.

I do not intend to psychoanalyze the city. There are authors, for example Andrzej Leder, who are better equipped to do that. I would like to point out that if a city (which also extends to ourselves – town planners and residents) wishes to solve the problem of gated communities, it must – to continue the psychological parallel – face the truth about itself: get rid of its idealized image, and in return begin to like itself the way it is, accept its imperfect but merely good enough elements.

What we need

We need an inclusive city that accepts its problems and solves them openly instead of being ashamed of them, ignoring them, and finally denying their existence. We need a city in which every resident, regardless of their status, gender, age, ethnic origin and any other characteristics, firstly, will find a place for themselves (in a general sense), and secondly, will find the conditions to secure a decent place to live. Citizens have the right to the city, and the right to housing. They have the right to use the city fairly, and to participate broadly in its governance, and in housing accessibility for all. That accessibility should be considered already at the stage of ensuring the conditions for the supply of housing, i.e. when establishing the framework for the city’s development, estimating the number and type of housing units needed, designating land for their construction, and planning technical and social infrastructure.

In practice, we need the percentages of flats in the accessible sector to be established for each area within the city limits, already at the level of local law. We need housing provisions through which social housing will be created next to commercial housing, indistinguishable from the outside, for example in accordance with the principles of ‘pepper potting’ (scattering social housing



THE
SOCIAL
LIFE
OF
CREWIT

Dorota
Leśniak-Rychlak
talks to sociologist
Mikołaj Lewicki,
author of the book

Spółeczne życie hipoteki
[The social life of a mortgage]

DOROTA LEŚNIAK-RYCHLAK: Let us begin with a transformational story. When and how did the mortgage loans arrive in Poland and other post-communist countries?

MIKOŁAJ LEWICKI: The arrival of mortgage loans in Poland is both a symbolic and a literal marker of the transformation of the entire housing system. Economists and analysts might argue, but I feel ready to defend that statement in symbolic terms. Until 1997 – when the Mortgage Act came out – there existed housing loans, but they were granted in a different manner, mainly to housing cooperatives or through housing cooperatives, and the loan was included in the rent of the apartment. In principle, a form of ownership appeared, but it was still cooperative ownership.

Then came the year 1997, and the Mortgage Act was introduced. For the next several years, mortgage loans were not in fact visible in the socio-economic life. They appeared rarely, in specific forms, such as the “Alicja” loan at PKO BP bank, which turned out to be a total failure due to inflation and interest rates. In the years 2002–2003, a version of a foreign currency loan, denominated and indexed to a foreign currency, made its debut. This was not the only form of loan available, but it turned out to be crucial for the future history of credit.

In the first decade of the twenty-first century, macro-economic conditions changed: at the level of public finances, in line with the monetary policy, we managed to reduce the state deficit and its liabilities, and at the same time to stifle demand. Thanks to this, the zloty has become a stable currency with predictable interest rates. We had experienced a major economic crisis and high unemployment. After the stabilization of macro-economic conditions, the financial sector was willing to offer mortgage loans. But the story of the mortgage loan needs to be related in conjunction with the changes in the Polish housing system. In the 1990s and early 2000s, it was not clear which way the latter would go. Various concepts were clashing – one was close to the German system, that is, with incentives to accumulate savings, and with a range of different titles to an apartment: in addition to ownership, there was the rental market, non-commercial i.e. subsidized rent, and social housing. That might have given us a chance to respond to the housing needs of different groups. However, that concept competed against and ultimately lost out to another system, strongly supported at that time by USAID or the World Bank, whose agendas recommended the commodification of housing.

DLR: When did the postulate of housing commodification first appear?

ML: Much earlier than in the 1990s. It was associated with the general trend of neoliberal policy, but in Poland it came to the fore more strongly on the eve of its accession to the European Union, when our

country became investment-worthy. The horizon of accession to the European Union was important for three reasons. Firstly, for the stability of the currency and the price of money. Secondly, for the housing issue and its resolution by the state. At that time, the state’s involvement in the housing system in Poland – that includes also the expenditure on housing policy – was limited in order to stabilize public spending, reduce the deficit, and meet the criteria expected by the European Union. Hungary followed a similar trend. Thirdly, Poland’s accession to the European Union was important for real estate investors. Suddenly, we have become a market where you can invest in residential real estate. Commercial real estate had already been globalized and internationalized previously; to this day, lease prices for office space are calculated in euros and dollars.

The year 2004 was important for the housing market, because foreign investors were expected to arrive, and so they did. This fuelled a surge in home prices, the most dynamic in the last thirty years. Even today’s gains are no match for it. Those who were selling or trading apartments at the time were able to generate enormous profits. The “rush code” emerged. The narrative was directed at those who bought their first apartment, in order to live in it: do not delay buying, because housing prices are constantly growing. When weighing our own comfort and standard of living related to income, which also somehow more or less predictably grows, it was necessary to take into account the fact that the more we postpone the purchase of an apartment, the more we will have to pay for it, and the ratio between our income and the costs of the loan can only get worse.

Let us get back to the housing system. In 1997, in addition to the mortgage loan, other solutions were introduced, such as reforms of the housing sector, and experiments with TBSs (Social Housing Associations). It seemed that the rental market would develop in parallel and become competitive to real estate ownership. This was to be ensured by exemptions, various tax solutions that were meant to encourage investing in rental apartments in order to build the stock of those. The plan did not work. All discounts and incentives for private investors have been cut. After 2000, the effects of the transition could already be seen (and the transition itself would end at the end of the first decade of the twenty-first century), specifically in decreasing public sector spending on housing, which was radically reduced in 2009 by the liquidation of the National Housing Fund as an institution responsible for the state’s housing policy. The share of housing in the state budget has decreased drastically, which translated into the marginalization of solutions that competed with purely market-oriented ones, focusing on individual ownership and individual investment in property, i.e. primarily the mortgage loan. This is a story about the role of the state

in the development of the housing market.

DLR: The last piece of the puzzle is missing, namely the privatization of the housing stock.

ML: We do not fully know the scale of the transfer of property. I found no reliable data to show how many apartments were ultimately privatized, no estimates of their value. ○

We know one thing: the transition had enormous economic consequences.

Private apartments appeared on the market, they could be sold, they belonged to someone. The owners could adopt different strategies: to sell the apartment, to exchange it, or to keep it. In a social sense, the privatization of the housing stock played an even greater role: home ownership has become the norm.

Data from the Central Statistical Office of Poland’s household budget surveys show that this norm did not come out of nowhere. We fantasized about living in our own, beautiful, spacious apartment in a new building, while at the same time rental – even market-based – began to be associated with something transitory, related to a specific stage in life, or with a personal failure. The tenants are either young people, or those whose socio-demographic and financial situation is worse than that of apartment owners.

To sum up: three macro-processes – changes in the financial sector regarding the zloty and macroeconomic stability, the related change in the state’s housing policy, and privatization – led to the situation where the mortgage loan, although it had appeared legally and institutionally back in 1997, only started to play a major role from the beginning of the twenty-first century. In the years 2008–2009, the mortgage credit was already the main actor in the boom in the housing market in Poland, and then in the history of Swiss-franc debtors, emblematic of what was happening with mortgage loans. Then mortgage became naturalized; from the second decade of the twenty-first century onwards, it has entered the horizon of thinking about the future for the majority of young Poles who are becoming independent, starting a family, and looking for a place to live. Young Poles know

that a mortgage is practically the only way to acquire an apartment of one's own, unless you inherit or expect to inherit a flat.

In Poland and in Slovakia, unlike in the other two Visegrad countries, there is an intergenerational transfer of housing, and inheritance is gaining importance as a way to obtain your own apartment. In Hungary and the Czech Republic, it is the norm – or rather a social necessity – to buy a flat. The Polish market is not moving towards the market of active investors who trade in apartments like on the Anglo-Saxon market. We are heading towards polarization: some will indeed enter this kind of business, but at the same time we will see the growing number of people waiting for a flat in the family stock to become vacant, similar to Italy. The latter method of obtaining a place to live has already become relatively popular in Poland. In the population of households, some 10–15 per cent of their representatives from younger age cohorts report the so-called free use. They do not formally pay for the apartment they occupy, meaning that they live in it thanks to family relations. Another dozen or so per cent hope that they will one day inherit an apartment. The process of marketization of the housing sector does not have to end with a flourishing society of speculators. It may well be based on the transfer of property within the family.

DLR: In the People's Republic of Poland, there was a conviction that an apartment was one's due (although one had to wait for it for a long time). How did it happen that we stopped seeing housing as our right, and began to perceive it as a commodity, and then as a financial instrument?

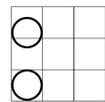
ML: Let me indulge in an intellectual exercise here, because this process is yet to be investigated. I'm under the impression that an apartment as commodity is currently legitimized in the discourse. The younger generation are aware that their parents got their flats for free or bought them at low cost, therefore, it had been much easier for them. Now the apartment can be bought or inherited. In terms of buying, there is a growing challenge, as the actual relationship between the earnings and the prices of flats is becoming increasingly unfavourable for buyers. In subjective experience, this means that since I cannot afford an apartment, I simply have to recognize that I must wait for something to become available within the family resource. Such an apartment will not be a commodity; it will be an inheritance – or an inherited property. The above circumstances lead us towards a social order based on the patrimonial principle. The decision by the head of the family – about who inherits what – is of primary importance. Scholars who study this area and deal with the housing sector also write that we are already seeing a trend towards developing a sort of a patrimonial system. Therefore, family ties will certainly be broader, and

people will try to control them.

This behaviour is in opposition to the belief that there is a continuous and dynamic process of individualization, meaning that each of us wants to become independent as soon as possible. It seems that the importance of family ties in Polish society will continue to grow. We have two Polands: one tries to individualize, become independent, go on its own; and the other is unable to do so, it lives by the hope of inheritance.

DLR: You write a lot in your book about the importance of family ties also among people who decide to take out a loan. You have devoted much space to the family's support in raising one's own contribution to the loan, taking care of one's children, or financial assistance in purchasing furniture. About the title of your book *The Social Life of a Mortgage* – I'd like to ask you, to which extent is the mortgage experience a social experience? How does it affect society? What group of Poles does it concern?

ML: It must be clearly spelled out that the percentage of credit recipients is not that high – and if we were to stick to the data, it would be difficult to claim that mortgage is important for the entire housing production and distribution system. In 2018, in a representative survey by Eurostat, 11.7% of households declared that they were recipients of a mortgage loan. In this respect we are far behind Spain, where every second household is repaying such a loan. Two things must be taken into account: the increasing number of credit recipients, and the lack of alternative forms of title to an apartment, including a rental contract. The Platforma Obywatelska (Civic platform party) government towards the end of their term in office, too late realized the necessity for the existence of home rental market. After the financial recession, it was already made clear that mortgage loans alone would not solve the housing problem – but now the second decade of the twenty-first century was coming to an end, and no programs had been launched that would have given the rental market a strong boost. The lack of alternatives means that the credit market has been growing dynamically all the time. ○



The second issue concerns the normative level: the ownership of a flat is evidence of social status, of the fact that we have a predictable life trajectory – no longer as individuals but as families. Loans for home purchase in Poland are mainly taken out by couples, and so people burdened with credit are sending a signal to the society about what stage of life they are at, and what their plans are for the future. In this sense, the mortgage radiates much wider.

A study by Marta Olcoń-Kubicka and Mateusz Halawa – systematic research, albeit not yet covering the entire population – shows that there has been a normativisation, related not only to those who take out a mortgage. The wedding custom of gifting the bride and groom an envelope with money towards their own contribution is a certain social norm. One of the reasons that people get married and put on a wedding is because along with the ceremony, there comes a chance to collect money for their own contribution towards the loan, creating conditions in the family circle that will support endeavouring to acquire property.

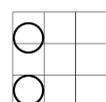
DLR: You are writing about household debt in your book. How would you explain what it is, exactly, in the context of the configuration of global capitalism?

ML: Research shows a steady trend in household debt. It did not arrive with the transition and the advent of neoliberalism; it had started earlier, but we only now understood its nature. The banks' portfolios show that the value of loans to individual households is growing proportionally to the loans granted to entrepreneurs. In the global trend, household debt begins to affect the configuration of the financial sector. Banks are slowly ceasing to be the resource and the player that develops the production sector, and their customers are individual households who are not so much saving money, but getting into debt. We must remember that household debt is integrated into institutional systems. For instance, the debt of the entire Dutch society, which is higher than the country's GDP, does not mean that the poor, indebted society must take out loans in large amounts. Note that households are getting into debt because they are encouraged to invest in the market. This phenomenon has been typical of the last twenty years; Poland and the countries of Central and Eastern Europe have become part of it, and the political and economic transition in the region has coincided with the dynamics of this process. The most emblematic examples of this tendency are the stories of Ireland and Spain, the two countries that have modernized themselves thanks to EU accession and globalization.

Modernisation was coupled with financialisation, and the development of those countries largely resulted from the relationship between the financial sector and the housing sector. Homes have become “high-quality collateral”. Housing investments, in addition to meeting the housing needs of the Spaniards and the Irish, secured the capital needed to generate capital in the financial markets. Apartments are needed to dynamically develop financial market instruments that have nothing to do with housing, or borrowing for housing purposes. This changes the logic of the relationship between supply and demand.

When we think about why mortgage credit market grows, we usually primarily consider housing needs. People have to satisfy these needs somehow, so they buy apartments on the market. We wish they had another choice, another option. The situation in Spain and Ireland was different in the way that they already had a developed and privatized housing stock. Agents and financial brokers would accost ordinary people, and use hard-sell techniques to peddle credits. They presented loans as a unique opportunity, cheap money, a great investment, and a way to earn money. They did this because banks needed the security of these forms of capital.

DLR: So some kind of fictional narrative was created... ○



ML: The idea was to find credit recipients who would hedge more important and more profitable financial instruments. That is why no one thought much about the terms of mortgage loans, or analyse whether they were safe, whether they met the actual needs, whether the construction of housing made sense. At some point, it all ceased to matter.

The whole phenomenon of “ghost cities” in Spain and empty quarters in large towns of Ireland is due to that rush, that bandwagon. Construction was not about providing saleable and attractive flats. Instead, flats were built as a collateral against more substantial capital.

DLR: Why is an apartment a good collateral for the bank?

ML: Banks assume that the value of an apartment will always grow. The apartment has a material aspect, i.e. it is inalienable. There will be tenants. Also, we need to remember that – contrary to what might seem – the financial market operates according to stereotypes, representations, and fantasies. Investors are guided not only by numbers, but also by beliefs and intuitions. Hence the speculative manias. For a long time, the political and economic system followed one simple rule: let us separate ordinary people, with their ordinary needs and the pursuit of their fulfilment,

from the financial sector where investors earn serious money. They are prepared for that, they know the risks, and so they protect themselves. It wasn’t until 1980s in the United States, and then in Europe in the process of market integration (primarily financial markets), that the idea of linking the two was conceived – because it would facilitate the creation of instruments involving mortgage loans for individual people – a specific Spaniard who wished to buy an apartment to live in, or to invest – with an investor in Wall Street or in Madrid who intended to speculate. The combination of these two created an explosive mixture – or rather, a narcotic drug – and now it is difficult to back away from it.

DLR: It caused the crisis of 2008, and yet the system persists...

ML: Nothing extraordinary happened within that system. We can expect that since Poland – a country in Central and Eastern Europe – has already become globalized, it will also be involved in the process. Poland’s situation is slightly different from that in the Western European countries that I mentioned earlier: we do not have surplus capital here, meaning that agents are not looking for potential credit recipients to generate more capital. In Poland, banks grant mortgage loans because they earn their rates of return as well as the interest rate they charge on the loan. The real estate market is not liquid enough. There is a shortage

of properties that change hands quickly, so the market is not attractive enough for the type of operations that have been conducted in Spain.

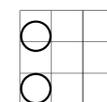
DLR: Does this mean that the “wall of money” does not work in our country? You wrote about this – let us explain what it is.

ML: In Poland, the “wall of money” does not work in the same way as in the aforementioned Western countries. The basic problem of the global financial sector is capital surplus, meaning that it has a lot of money generated by successive financial operations, and is looking for new sources of profit. Inevitably, these sources are increasingly risky – after all, how many options are there to invest in a predictable way, with a good rate of return? And rates of return must be preserved. Consequently, risky investments are secured by financial products that appear to be more secure – such as the promise of future, consistent mortgage payments.

On the other hand, progressively more risky investments are being sought. For an investment banker, the “wall of money” means that although he may have safe investments in his portfolio, they will not achieve his primary goal of increasing the rate of return, or at least maintaining it at the current level. Surplus money has to be employed somehow. During the financial crisis, it was transferred to Central and Eastern Europe.

The search for new sources of profit gave the main impetus to increase the share of mortgage lending in the region. We are talking about the years 2004–2008, but it continued beyond that period, only with different dynamics. Banks withdrew loans partially due to the recession and its effects. For example, in Hungary, the financial crisis had much greater repercussions, it turned into a social crisis, both due to the effects of the economic collapse, the crash of the financial sector, the collapse of investments, and also in the aspect of mortgage loans denominated in foreign currencies. Hungary – and Croatia as well – suffered more severe social costs of credit loans than Poland did.

After 2008, it quickly turned out that mortgage loans, especially those denominated and indexed to a foreign currency, known as “foreign currency loans”, are simply a dangerous tool. Because of them, there is a growing group of people who have already gone bankrupt or may soon go bankrupt. As a result, there is a growing pressure to do something about these loans, or to call them by a different name, institutional and financial regulations notwithstanding. In Hungary and in Croatia there has been a shift transforming the importance of the mortgage loan. Orbán called the banking sector the “foreign capital”, and announced a payback for driving so many Hungarians to the brink of bankruptcy, or to the actual bankruptcy and losing their homes. He got the state and the public sector involved in solving the problem, but shifted part of the costs of resolving the Swiss franc issue to global banking networks. In Croatia, on the other hand, a strong consumer movement has led to a turning point in court proceedings. ○



In Poland, we have not experienced a transformation of the significance of a mortgage loan. It is still socially legitimate – implying that it is considered the main, even the only way of obtaining property. True enough, we know the history of Swiss franc debtors, but

frankly, it is not teeming with social drama. Instead, it illustrates the risks involved. It tells us: “you are entering dangerous ground”, rather than “someone has done us harm”.

The Swiss franc credit recipients are constantly trying to be heard in the public sphere, so far unsuccessfully. I believe that the problem has become “juridized”, that is, the claims were transferred from the political sphere – in which we say: “banks acted dishonestly” (the categories of justice and injustice can be seen in Orbán’s discourse) – to the sphere of courts and lawyers, decided case by case. Orbán took advantage of the topic politically, but he also politicized the whole problem, theoretically financial and economic one; he said that it was unfair, and the relationship with the banks had to be changed. Society in Poland does not wonder: something has happened here, there is a large social group involved, and we cannot lay all the blame on these people. We let it slide, in a similar way as we let the re-privatization slide.

DLR: What are the social and spatial consequences of mortgage credit? How is space created as a result?

ML: Researchers dealing with urbanization agree that without the mortgage credit, we would not have experienced the same dynamic suburbanization as the last two decades had seen. The faster the prices and the demand in the housing market grow, the greater the tendency towards suburbanization. Flats are becoming more expensive, especially in city centres, and so are loans – therefore, we settle further from the centre, in worse locations. This is quite an obvious correlation. I’m talking about big cities. The situation is a bit different in lesser towns, where the market is smaller, the prices are not so high, and there is more space. It is a simple derivative of the land value and investment opportunities of individual credit recipients. Few people can afford to live in the city centre. Increasingly luxurious investment projects are being built there, which are often the subject of speculation, in other words, real estate trade.

Let us start getting used to the sight of vacant buildings and flats; indeed, they will be more common in the city centre than on the outskirts. Flats purchased for investment purposes, for long-term or short-term rental will fall victim to that phenomenon. In Warsaw, more than half of the apartments are bought with cash, and this is while the prices are rising. It is not some money pulled out of a mattress. The buyers pulled the money out of their previous investment in an apartment, and put it into a new one. There is even a name for such manoeuvres: flipping. Small entrepreneurs speculate in the housing

market in the short term, and they are among the drivers of prices. They are crowding out those who want to buy a flat to live in and start a family. The latter are left with lower standard housing outside the city centre. The cities are developing extensively.

Along with the dynamic suburbanization, there grows a heterogeneous, less valued space, burdened with higher risk from the developers’ point of view. Individual, small developers are starting to dominate within it. This is an important signal for all architects and town planners. Suburbanization is not about purchasing large tracts of land by large investors who decide to build a large-scale housing estate near the city and we cannot assume that what they build will be a logical, rational urban or suburban structure, with a high degree of density, but relatively comfortable. Comfort-related requirements are growing: people want apartments, plus a gym, and a space for themselves. Large real estate developers take this into account at the planning stage, but in the suburbs, that is in the areas with the highest dynamics, small-scale concerns tend to dominate. The latter work in the short term; they wish to build and to sell right away. They do not need to create a brand. There are so many suburban areas that if the investment project does not work out in one part of the city, they can simply move to another part. The implications are simple: a standard of housing that is not too high, fairly low expectations as to the integration and blending of the project into the surroundings, shifting costs onto the future tenants – because this is about short-term profit. Yes, the fault lies with the developers, but also with the local authorities. The latter encouraged people to settle in suburban municipalities, because they wanted more tax revenues, and they did not care much about the urban composition.

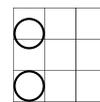
The process will continue. Growing expectations of the residents mean that the market may become a bit more civilized, that is to say, investments of a higher standard will be created, but it is not a given. Investors do not think in terms of creating an urban fabric, which is best demonstrated by the notorious gates and fences. I think the developer uses them to clearly show the residents how far his power extends. This generates the kind of urban composition that triggers conflict. Inevitably, in this chaos, functionally divergent spaces arise, and the people who live there have to deal with that somehow.

DLR: Ultimately, they self-organize in their own ways. You studied these processes with Joanna Kusiak in the context of the development of Białołęka. Now I would like to address the social function of credit, its contribution to creating social stratification and distinction. In your book, you invoke Pierre Bourdieu’s phrase: the “choice of the necessary”. Mainstream media have been feeding us beautiful stories about choosing

an apartment, and then furnishing it according to our status or our aspirations. It is only the hard data – or the very fact of the mortgage – that reveals to what extent the housing situation is determined by creditworthiness or the lack thereof.

ML: “Choice of the necessary” was coined to describe the basic experience of the lower class. Of course, Pierre Bourdieu created an oxymoron. While we experience something as an option, we are actually deprived of any choice. In theory, we can buy an apartment or not buy it. We can do it with someone, or we can do it on our own. We can buy a cheaper or a smaller flat. We ourselves decide whether we include another room for a child, although this will cost us more, or whether we stick with a safe option, just one room and a kitchen. People rarely notice that their choices are embedded in a certain logic that led them to the fact that, for example, they do not think of long-term rental as a viable option for an extended period of time. The dimension of aspirations is important in this context. The market of apartments for rent offers a low level of security and comfort of living. Rental dominates: it is expensive, mainly due to limited supply, therefore it does not present an attractive alternative to ownership; also, its conditions are mostly determined by the landlord. As flats to rent are in short supply on the market, ownership remains the only option, while rental is a temporary condition. And so: the waiter hands you the menu, you are hungry, but you can only choose salad. Sure, there are various ingredients to choose from, but you cannot order any other dish.

So far, our career opportunities, and thus our social and economic status, our social position and our earnings, have been determined by our profession. ○



I believe that a second order is growing around us, in which housing becomes as important a resource as the profession. Consequently, a mortgage is used as the primary leverage that allows us to possibly climb higher up the ladder, and therefore the functioning of the mortgage market is of paramount importance.

Sociology used to believe that one’s profession was a derivative of how the market develops. Today we could say that credit places you in a specific class division.

If you manage to buy a good flat cheaply, in a good location, and at the same time you get attractive credit conditions, then you are a winner on the market. We know from research that apartments in the suburbs are usually bought by those who were not able to afford buying one in the centre, and furthermore they had low creditworthiness, so they had to pay more for the loan. These people are therefore potentially the most exposed to a possible turmoil resulting from the change in the status of their property (as its value may decrease), and if their source of income is unstable, they may find it difficult to repay the loan.

DLR: Added to this is the role of the state in creating housing policy. In the post-transition period, the state supported the activities of developers and banks through the so-called housing programs.

ML: This logic is striking in its simplicity. In 2009, the boom on the housing market ended, as the availability of mortgage loans denominated in foreign currencies was declining, and ultimately reduced. At that time, the government program was gaining pace, called “Rodzina na Swoim” [Family in their own home], which de facto consisted in subsidising loans to support individual investments in home ownership. A similar program, “Mieszkanie dla młodych” [Flat for the young], continued regardless of changes in the government. Some will say that we have a consensus on the housing issue, in that it is increasingly market-oriented, while others will complain: we submitted to powerlessness. The state cannot solve the problem, although we know that with private property alone it is impossible to meet the housing needs of Polish people.

Recently, I have been thinking about the housing issue in a demographic context. The population was shrinking rapidly even before the pandemic. When was Polish demography in the black? This was immediately after the boom on the housing market in the 1980s. Towards the end of the 1970s, the People’s Republic of Poland produced two hundred and twenty thousand flats per year. We remember that these were substandard flats (and we still find the “Alternatywy 4” comedy TV series funny today), but they were also more accessible. Soon after, there was a demographic boom. It allowed us to enter the transition with an important resource pool: of people entering the labour market. Currently, in the studies among young Poles, we can find declarations about attachment to family values, and I would read them not only in the context of fantasies about creating a wonderful family, but also in the context of the resources that the family brings with it. The respondents also report that what they need the most is housing. We can already see how dramatic this problem can be.

There is a danger that we will follow the Spanish scenario. In Spain, private property was not firmly rooted – but at one point the state,

ruled by the dictator Franco, figured out how to promise the people that they would become “a better sort”. He turned to tenant-owned housing, in order to make owners out of workers. The same process in Poland was initiated by the privatization of apartments. Spain was financialised: the society of landlords then entered the global financial circuit, and in a short time we had five hundred thousand “sidewalk” evictions. The situation in Poland may evolve in a similar direction. The other dimension of the class question is social reproduction. Clearly, at some point in their lives, young people face a barrier that makes them postpone the decision to start a family until they feel secure enough. Recently, I have noticed that people who think about housing also think about retirement. When the pension system collapses, it is only one’s own apartment that will provide financial comfort and security in the old age. This raises questions about other elements of the welfare state.

DLR: The stories about the relationship between the financial markets and the individual fates of the people in Central Europe inevitably lead to the conclusion that the new system, colloquially speaking, is evil. Empty housing shells are created in city centres under the guise of building actual housing, while people are being pushed out into a hostile environment. Overzealous pouring of concrete, pathological real estate development. In my observation, the housing estates of the last decade are even more optimized in terms of profit; now developers only think in terms of Excel sheets. Is it possible to somehow unscrew the tight neoliberal system, to explore alternative paths?

ML: I want to make it clear that I am not demonizing the mortgage as a certain solution, which provides people with a home of their own. The point is that it should have its place within the institutional system – rather than being the only option, with no alternatives.

DLR: Is the operation of financial markets and the treatment of housing as a resource for the production of financial instruments not equally problematic?

ML: Although there is a lot of talk about how dysfunctional this relationship is, at the same time both particular interests and the above-mentioned ideologies, coupled with the relative weakness of nation-states, mean that criticism does not lead to actual change. Joe Biden and Barack Obama purportedly said that the financial sector is terrible and that they wanted to do something about it, but nothing has happened. Before financialisation, there was a ban on combining investments in the financial market with the capital of individual bank customers, including credit recipients. Nobody brought back that restriction.

We will not change this. We can exert social pressure towards better living standards, but again we will run

into a big problem. I can imagine a reformed order at the local level – that is, increasingly better organised cities. I can imagine regulations that will reduce the amount of “wild”, uncontrolled urbanization.

There is a growing group of people who are aware that quality of life does not end with one’s own apartment and the fence around one’s own property or neighbourhood. The number of aware citizens holding local governments accountable and making demands will grow – so far, I am observing that in particular districts of Warsaw – but this does not mean that their demands will translate into demands towards the state as a national organism. I do not feel particularly optimistic. I believe that such big changes only happen as a result of crisis events. We will probably start to think differently about housing and lease under the influence of the coronavirus pandemic. Some time soon we will witness the bankruptcies of speculators on the housing market, we will see how many apartments remain vacant in the middle of the city.

At the same time, I am under no illusion that this crisis can improve the lot of young people. Researchers need to look at a broader context. Currently, protests of young people, organized for various reasons, are considered separately, case by case. At the discourse level, we do not see any connection between the protests of young entrepreneurs and the Women’s Strike. Meanwhile, in the experience of individuals, they all blend in with the question of life opportunities, next to the mortgage and the housing issue. I see the multitude of movements in which young people engage as part of a certain social process, although I do not believe that the state or the politicians will begin to change the system and to make it rational. PiS failed to launch the housing agenda as a rental program. This shows that even if someone comes with meaningful program ideas and makes the first moves: passing legal acts, establishing new institutions, at some point they end up running out of steam.

DLR: Can the slogan and the belief that housing is a right, and not a commodity reappear in public discourse? Do you see an opportunity for such discussion and such values to break through to the mainstream media?

ML: The importance of the mainstream is decreasing. Young journalists come along and they create space for other types of language and ways of expression. I think that, among other things, the pandemic, the experience of life’s instability, the importance of where you live, will accelerate the process of realizing that the logic of individualization must be replaced by some form of solidarity. Of course, I do not mean solidarity of quasi-patrimonial order, based on inheritance and the reproduction of inequality. Disputes over the city space will break out as well, and all this will be in line with a language alternative to the discourse of individualization (read: privatization). ●

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IV



When housing loses its status as a right, and becomes a commodity, this entails a number of changes, going beyond legal and financial considerations. On the architectural scale, the investment function leaves its mark on the size of flats, their layout, natural light exposure, and quality standard of equipment. On the urban scale, the way of shaping the housing estates is changing, as well as the scenarios of their use and purpose. When buildings constructed as apartment blocks cease to meet housing standards, and investment properties do not even offer registration of residence, the real and tangible dimension of real estate investment becomes apparent. Hundreds of substandard properties create junk space that will be difficult to adapt to other purposes. These types of investments bring a higher rate of return than the most popular deposits or bonds, but they also adversely change the landscape and the functioning of cities, generating a gigantic carbon footprint and future maintenance costs.

The market of apartments for sale

The housing market has not experienced a slowdown in the difficult pandemic period.¹ Units intended for sale are becoming more expensive despite the existing restrictions and temporary limitations on granting mortgage loans. According to Eurostat data, housing prices in Poland are still the fastest growing of the entire European Union – in the period from the end of 2019 to the third quarter of 2020, their prices increased by almost 8 per cent. On the one hand, this is due to low interest rates and the outflow of cash from bank deposits. Mortgage loans are currently the cheapest in the history of the Third Republic of Poland – on average they dropped from 4.39 per cent down to 2.95 per cent, which translates into hundreds of zloty worth savings on each instalment. Unlike the growth of housing prices experienced throughout the EU, the reduction of loan costs is a phenomenon that is specific to Poland.

On the other hand, it would not be profitable or feasible to maintain growing sales if not for the long-term trends in the Polish housing market. The postulates of the right to housing and universal access to the institutional rental market invariably remain unfulfilled. Negative phenomena are exacerbated by the proliferation of non-residential investment properties, replacing smaller flats and studios in the portfolio of real estate development investments.

The market of rental housing

The situation on the rental housing market is quite different. The outflow of temporary workers, students, and tourists meant that the vacancy rate in large cities reached 12 per cent.² Only in Warsaw, this translates into ten thousand units. At the same time, Eurostat data show that almost every third tenant in Poland lives in

an overcrowded apartment – this result is three times worse than the EU average.³ Unfortunately, the instability of private rental, and the spectre of a comeback to high pre-pandemic prices mean that the recent reductions are unlikely to bring about any improvement in the quality of living spaces. Many of the units offered for rent fulfill the overcrowding criteria adopted by Eurostat.⁴

A non-overcrowded flat is one in which a couple of household members, or a single person over the age of eighteen, have at least one room (bedroom) at their disposal. A room for children of the same gender should not accommodate more than two people, and if they are of different gender, then each child should have their own room. Such conditions are not met by the micro-studios and micro-apartments, which are mass-produced at present. Also in larger, two-room apartments, it is often impossible to provide a separate room for the child, the caregivers' bedroom, and a common living space. Do such units even fall in with the definition of an apartment?

Housing estate as a product

In the 2016 exhibition *Jesteśmy wreszcie we własnym domu. Dom polski w transformacji* [Home at last: the Polish house during the transition], presented as the key point of the WARSAW UNDER CONSTRUCTION festival program, I prepared the project titled *Produkt osiedle* [Product: housing estate].⁵ Through mock-ups, drawings,

←

Bliska Wola Estate in Warsaw,
investor: J.W. Construction,
design: Studio B.A.U.

- 1 Compare: R. Kędziński, *Mieszkania w Polsce droższą pomimo pandemii. Niemal najszybciej w UE*, *Gazeta.pl*, 18.01.2021, <https://next.gazeta.pl/next/7,151003,26697316,mieszkania-w-polsce-drozeja-pomimo-pandemii-w-ciagu-pieciu.html> (accessed: 08.03.2021).
- 2 Compare: K. Sulowski, *Ponad 10 tysięcy mieszkań na wynajem w Warszawie stoi pustych. „Placimy karę za pazerność”*, *Wyborcza.pl* Warszawa, 25.09.2020, <https://warszawa.wyborcza.pl/warszawa/7,54420,26328314,-co-dziesiate-mieszkanie-na-wynajem-stoi-puste-wlasciciel-placimy.html> (accessed: 08.03.2021).
- 3 Statistical data on housing, *Eurostat*, 05.2020, https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Housing_statistics/pl#-Jako.C5.9B.C4.87_mieszka.C5.84 (accessed: 08.03.2021).
- 4 Glossary of terms, *Eurostat*, https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:Overcrowding_rate (accessed: 08.03.2021).
- 5 K. Kępiński, “Produkt osiedle”, *Autoportret* 2019, no. 1 (64).



Wilno Estate in Warsaw,
investor: Dom Development,
design: HRA Architekci

and descriptions, it was meant to introduce the recipients to the process of designing standard modern housing estates, and to explain the regulations behind spatial solutions and ways of circumventing them by investors and architects.

Then, marketing issues and legal norms came to the fore: the language of advertising, aestheticizing measures, and the selection of popular materials, while bending the rules of natural light exposure or density (floor area ratio). For the most part, they concerned residential buildings and their immediate surroundings. Real estate developers restricted the area of their interest (and their investment) as much as possible, which was dictated by cost minimization. Thus, the real estate expos were overwhelmed by visualizations of apartment buildings drowning in greenery, which in reality were part of a housing estate without social infrastructure, or sometimes merely a stand-alone block of flats, which had a solely residential function.

More of the same thing

Flats are mainly shaped by ratios and regulations determining the minimum natural light exposure, distances, or biologically active surfaces. They were and still are tailored to the creditworthiness of the average buyer, and that is constantly growing.⁶ However, greater creditworthiness does not translate into the possibility of buying a flat with higher parameters – housing prices are still growing faster than Poles' earnings.⁷ At the beginning of 2020,

the mortgage credit availability index collapsed for a short while, but it quickly returned to normal. Banks also began to lower the required minimum own contribution.

That is why most of the apartments offered on the market are pretty much the same. They are about fifty square meters. They usually consist of a hall, a living room with a kitchenette in the darkest place, a bathroom, and a bedroom. Only the floor plan, which had been implemented in large-panel blocks of flats since the 1970s, has been slightly modified. Mere details separate the apartment from the People's Republic of Poland era from its successor, product of real estate developers. Over time, the depth of the apartment's communication route increased; therefore the area with direct exposure to natural light has decreased. The shape of the apartment has evolved from a square towards an increasingly elongated rectangle with a shorter outer wall – the only one where the windows can be placed. Balconies and loggias have been added to the regular standard. Corner windows are also growing in popularity, despite the fact that they are bending the rules of daylight analysis. Technical conditions precisely define the minimum time of daylight exposure in the apartment; therefore, architects calculate it down to the minute. Usually, they do not take into account the thickness of window frames – as a result, the muntin bar in the corner shades the room instead of illuminating it. However, this does not affect the calculations, which in turn allows architects and developers to increase the

- 6 Compare: B. Turek, *Zdolność kredytowa 2020 coraz łatwiej dostać kredyt mieszkaniowy*, Infor, 16.09.2020, <https://mojafirma.infor.pl/nieruchomosci/kredyty-mieszkaniowe/rynek-kredytow/4685662,Zdolnosc-kredytowa-2020-coraz-latwiej-dostac-kredyt-mieszkaniowy.html> (accessed: 08.03.2021).
- 7 Compare: M. Gwardecki, *Zdolność kredytowa 2020 – będzie trudniej o kredyt hipoteczny?*, Enerad, 30.03.2020, <https://enerad.pl/aktualnosci/zdolnosc-kredytowa-2020/> (accessed: 08.03.2021).
- 8 Polskie Obozy Mieszkaniowe, Facebook, <https://www.facebook.com/polishresidential-camps/> (accessed: 08.03.2021).



floor area ratio (i.e. the density of buildings). The wall separating the kitchen from the living room is gone – today the cooking is done in kitchen-annexes. In overcrowded apartments in the People's Republic of Poland, the larger room often doubled as a bedroom; today it is sold primarily as a living room.

It is the common spaces and the immediate surroundings of apartment blocks that have changed the most. Today, staircases are often individually designed – with embellishments and door portals, sometimes also a reception desk. These simple measures are meant to raise the standard (or at least the visual standard) of the investment project. As the size of flats decreases, their number per floor increases. Single elevators have to serve more residents, and the length of the corridors is limited only by fire regulations. Increasingly, common spaces inside the building are deprived of daylight, as they are encased in flats on all sides. In pre-1989 blocks

of flats, it was usual for staircases to have extensive glazing, and for gable walls to have windows, which illuminated longer corridors. As a norm, each apartment also had its own cellar or storage room assigned. Now the latter come as an additional, paid option and often give way to the more pressing need of having a dedicated parking spot.

Life and death of gated communities

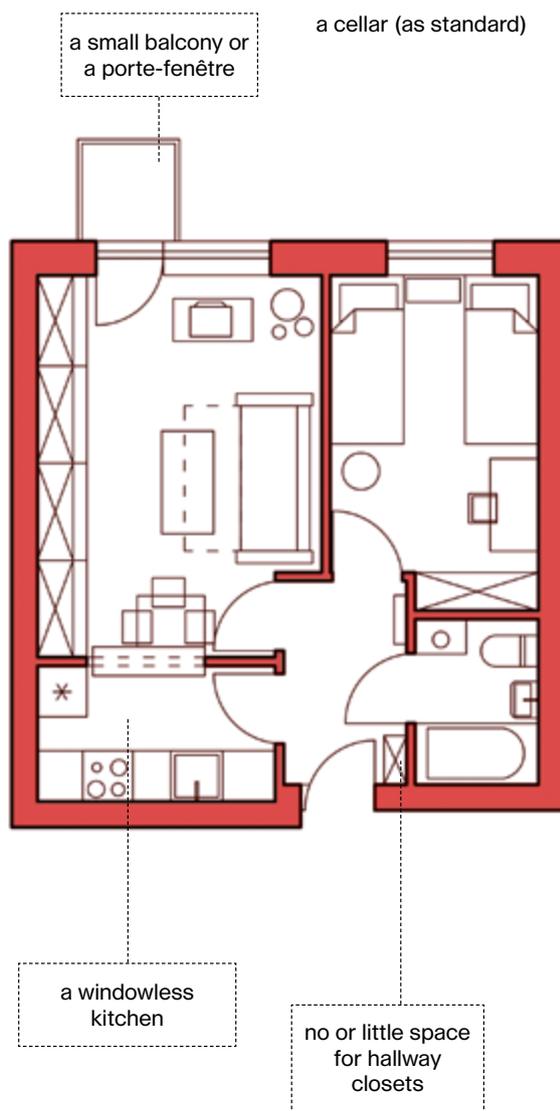
One and a half decades after Poland joined the European Union, typically, small estates or individual blocks of flats were being constructed. Real estate developers were just getting started. They carried out smaller ventures and accumulated capital to soon enter the market of much larger housing complexes. For years, a housing estate would be associated with a neatly trimmed lawn, unsoiled with animal excrement (these needs are dealt

with outside the estate), effectively separated from the immediate surroundings by fences, barriers, and a gatehouse.

Polish Residential Camps,⁸ as some call them, have become the object of criticism – initially from urban activists, then industry circles, the press, and finally, from local authorities. Due to the new legislative possibilities offered by the so-called landscape act, cities began to prohibit fencing of housing estates within their territories – such attempts were made in Kraków and Warsaw, among others. As a result of widespread criticism, developers themselves began to change the form and location of fences, although fully open housing estates still remain exceptions to the rule. Fences are placed in-between buildings to separate the semi-private space of the estate from streets and public spaces. Increasingly, commercial premises are replacing the apartments with fairly unattractive gardens on the

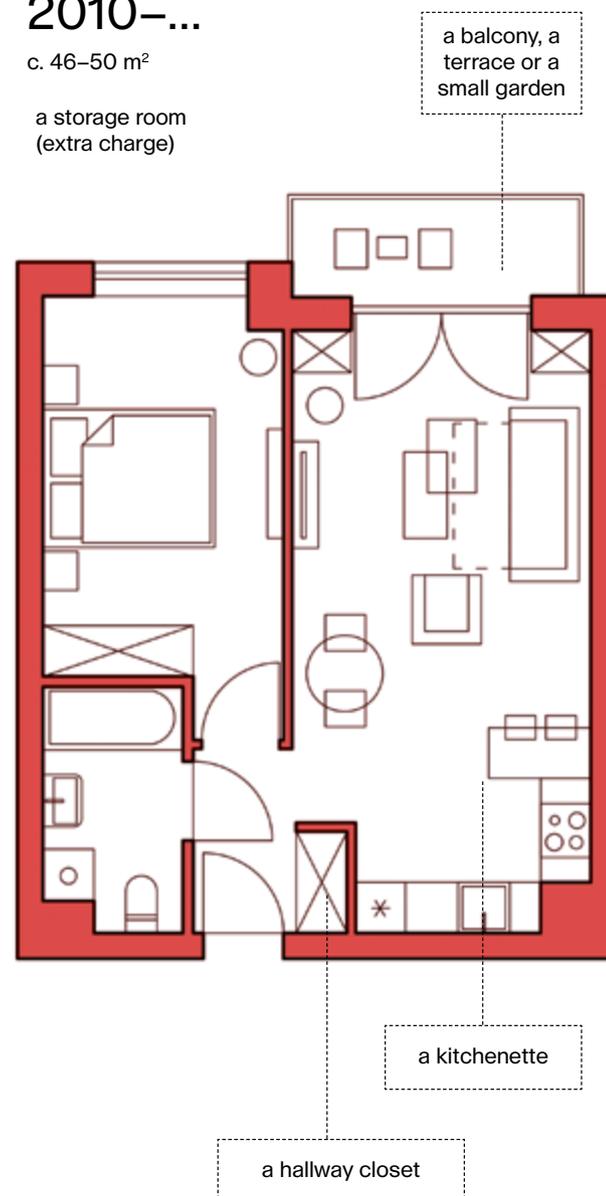
1970-80

c. 36–38 m²



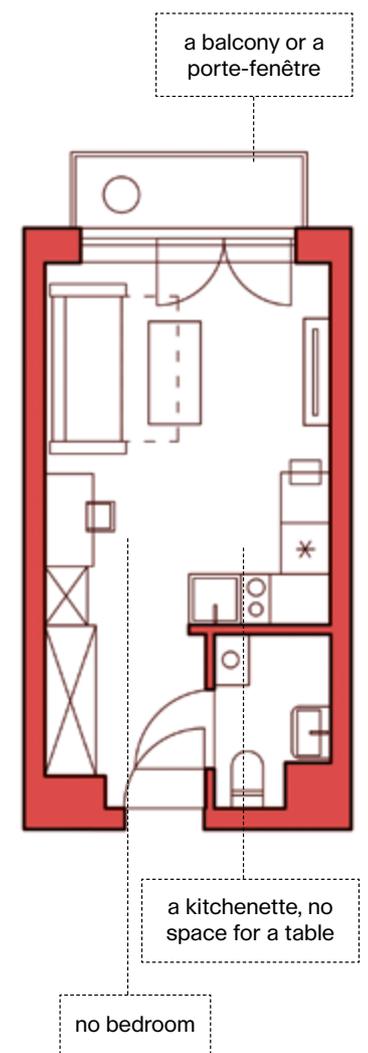
2010-...

c. 46–50 m²



2018-...

c. 15–20 m²



ground floors of apartment blocks, located along the streets. One reason why this is possible is the fact that more and more urban areas receive local spatial development plans, which often impose functional differentiation.

Residential district as a product

The move away from gated estates and an increase of buyers' expectations resulted in a change, introducing a new type of investment projects. Real estate developers began to build housing estates with mixed functions, often advertised as small ("intimate") residential districts or "little towns", where the housing function is complemented by local services, private educational institutions, and network health clinics. There is still little room left for common spaces. Although you cannot see the fences, or their number has significantly decreased, in such estates you will hardly ever come across a public park, a kindergarten or a nursery run by local government.

A spectacular example of a large housing estate erected by just one developer is Wilno Estate in Warsaw. The investment project by Dom Development on the outskirts of Targówek has its own train station and a central square. Several thousand people are going to live in the estate designed by HRA Architekci. Although the urban plan, the quarters, and the road layout were adapted to the local spatial development plan that is currently in force, the city planners gave the company almost a free hand in shaping the development. No roads or public spaces were designated, and only basic indicators of height, floor area ratio, and biologically active surface have been assigned. Marketing descriptions and press statements by both the investor and the architects focus on common spaces and the individualization of similar blocks of flats through murals. There are no mentions whatsoever of schools or kindergartens. The entire Elsner estate, within which Wilno Estate is being built, does not have a single primary school. The increase in the number of children here between 2010 and 2017 was 1,592 per cent. This is the highest rate in the capital, among other things, undoubtedly caused by the construction of Wilno Estate. Translated into numbers, this means the arrival of three hundred and fifty children up to the age of four. The data only includes the persons with registered residence, so it can be assumed that the figures are significantly underestimated. In 2018, 1,622 people were registered residents at the estate, whereas according to the developer's company, Wilno Estate already counts five thousand residents.

Suburban estates are associated with mediocre architectural standards and long commute time, and yet they remain in the investment portfolios of all major developers, despite the fact that in recent years the latter have entered the premium investment market



– targeted at more affluent clients and investors in city centres. These projects are often advertised as being part of the revitalization of post-industrial neighbourhoods. The narrative used to promote housing investments is changing: "green oases", "lavender hills", "birch groves" and "new residences of Queen Marysienka" are out, "breweries", "factories" and "manufactories", referring to the history of the place, are in. Because they present a higher standard of common spaces, and create semi-public squares and plazas open to outsiders, as well as better quality architecture, they win favour with urban activists, authorities, and trade journals. At the same time, the controversy related to the obvious gentrification effect of this type of enterprises, which was still being discussed as recently as a decade ago, now all but disappeared from the press and public debate.

Trojan horse

It is hard to shake the impression that investors make excellent use of the narratives built by city activists against their creators. Otherwise, the delight and praise of the Warsaw activist community and the representatives of municipal authorities (who derive from these

- 9 Compare: P. Wróblewski, *Marlena Happach: Chcielibyśmy, żeby Towarowa nie stanowiła arterii komunikacyjnej, a stała się miejską ulicą*, *Nasze Miasto Warszawa*, 28.03.2019, <https://warszawa.naszemiasto.pl/marlena-happach-chcielibysmy-zeby-towarowa-nie-stanowila-ar/c3-5055089> (accessed: 08.03.2021).
- 10 Compare: *Opracowanie redakcyjne, Top 10 – największe centra handlowe w Warszawie*, *Property Design*, 06.06.2016, https://www.propertydesign.pl/architektura/104/top_10_najwieksze_centra_handlowe_w_warszawie,8522.html (accessed: 08.03.2021).
- 11 Compare: T. Żuchowski, *Pismo podsekretarza stanu w Ministerstwie Infrastruktury i Budownictwa w sprawie interpretacji przepisów regulujących budowę apartoteli*, 04.2017, [https://orka2.sejm.gov.pl/INT8.nsf/klucz/283B8401/\\$FILE/z03324-o1.pdf](https://orka2.sejm.gov.pl/INT8.nsf/klucz/283B8401/$FILE/z03324-o1.pdf) (accessed: 08.03.2021).



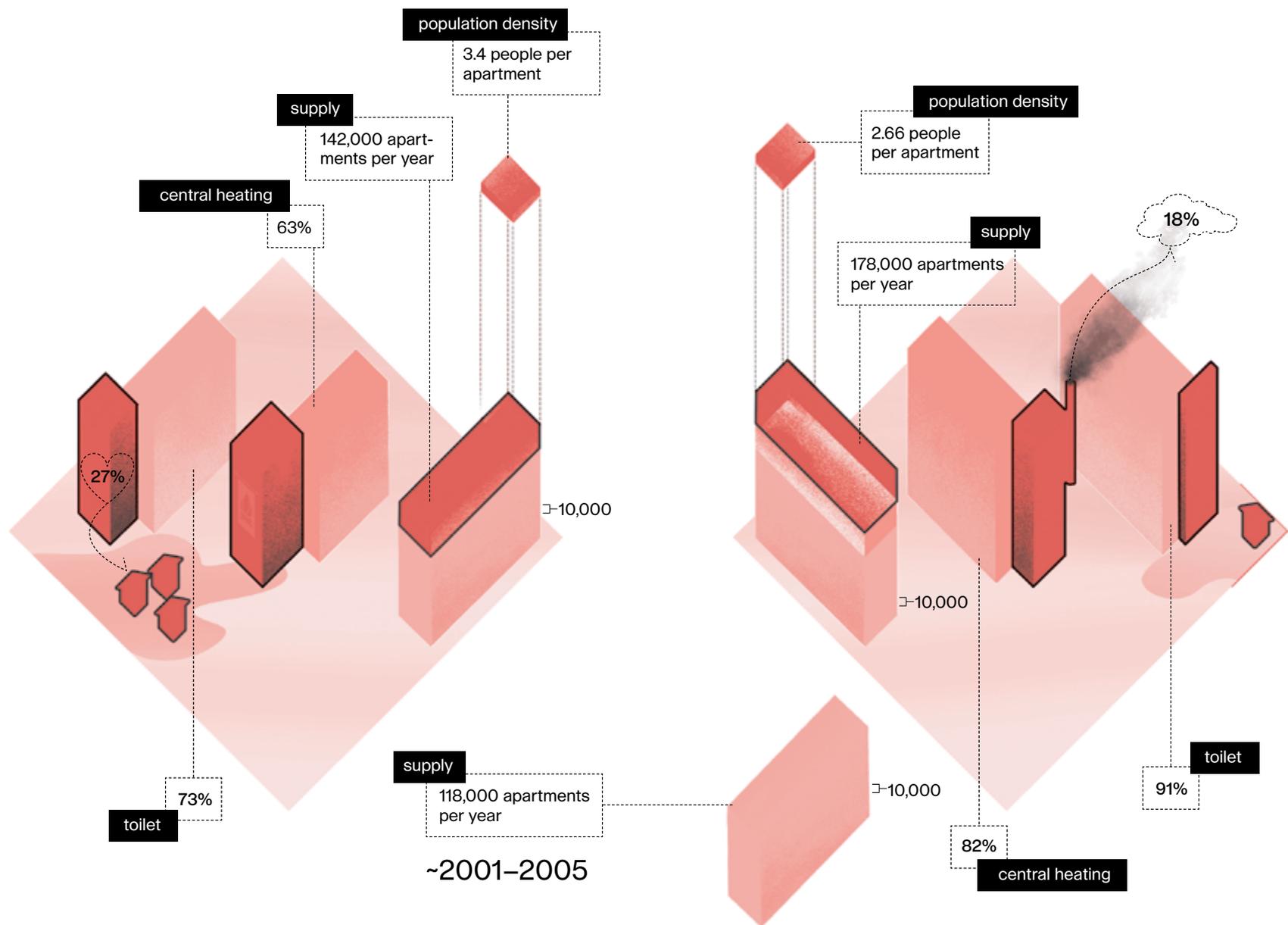


movements) for the Towarowa 22 project would be hard to explain.⁹ The design, commissioned by Echo Investment, was created in the BIG architectural studio. The previous version presented by the investor met with fierce criticism, mainly due to the huge shopping centre it proposed, passageways covered with glass roofs instead of streets, and high density of built environment. In fact, BIG studio replicated all these premises, but dressed them in showy architecture and covered them with hundreds of trees in a rooftop park, and the presentation was delivered by a renowned architect. These tricks have radically changed the perception of the proposed investment. City representatives praise the developer for introducing additional green areas and new functions

compared to the previous project – in addition to the shopping centre, provisions were made for hotels and a relatively small residential building. The question is whether the investors, who are not bound by the provisions of the Local Development Plan (that has been in the works since 2004), will actually see these intentions through. Even if they do, the green-roofed behemoth will remain but a huge commercial mall. As much as half of the area of the complex – 110 thousand square meters – has been earmarked for retail. Put this alongside 30 thousand square meters of offices and 15 thousand square meters of living space, and we get the proof of the developer's real intent. The size of retail space will match that of the largest shopping centre in Warsaw, the Arkadia.¹⁰

Non-housing product

Sometimes it is difficult to assign the investment area to its function. More and more often, we see units built that do not meet the standards of accommodation, because their function or purpose is not that of regular residential space. The popularity of the so-called “aparthotels”, which cannot be assigned either to the housing category or to the service (hotel) category, results from the leeway for bending local plans to the investor's needs. Local governments are bound by ministerial interpretations, which do not offer simple definitions or guidelines.¹¹ They put local governments under obligation to come up with analyses and interpretations, which, unfortunately, are easy to question or undermine. The function of a building that is not



controlled under planning regulations results not from the declared or actually planned purpose, but from the current business considerations. It is down to officials, which category this type of building should be assigned to: hotels or apartments; they must deduce this from development plans, floor plans, and their possible modification capacities. All these constitute circumstantial evidence, failing to provide a solid basis for making decisions against the investor's interests.

The legal situation of the units, which are located in residential buildings but fail to meet the housing standards, is somewhat simpler. Increasingly often, developers are offering "investment properties" – suites of rooms that look like apartments, available for commercial sale; these are subject to VAT, but are exempt from the tax on civil law transactions (PCC). You can live in such a unit, but you cannot officially register as resident. The property has the status of business premises, and of course it

can be rented out as a flat, but it cannot be bought using a mortgage credit. We are now suffering the consequences of the changes introduced to the law in 2018. At that time, the minimum size of an apartment was set at twenty-five square meters. Although this does not seem much, developers offer units of several square meters as studios. The same changes in technical specifications introduced the possibility of placing the kitchen in the annex of a one-room apartment (previously the kitchen had to be separate).

Polish Hong Kong

Investment properties are therefore nothing more than the physical dimension of a financial instrument, an investment in real estate where the quality of space is irrelevant. They can be offered for short-term rental, converted into offices, but they can also remain empty, and serve merely as a tool of speculation. In 2020, there was much talk about the Bliska Wola housing estate,

developed by J.W. Construction according to the design by Studio B.A.U. The press hailed it as "Polish Hong Kong". It is terrifying with its height (ninety-three meters!) combined with the extreme density of built environment and small distances between the buildings. Inside, 380 commercial units and one thousand apartments have been planned, including 18-square-meter "investment mini-apartments" at fifteen thousand zlotys per square meter. Such shaping of the estate's space was possible, among other things, due to the fact that non-residential investment properties were designed in the most shaded areas.

In response to media interest, Józef Wojciechowski, chairman of the supervisory board of J.W. Construction Holding SA, published a letter in which he presented his perspective on the project that is gaining rather bad reputation.¹² From the developer's statement, we learn that the investment responds to market demand, and meets the expectations of young people. According

to Wojciechowski, many young people choose to live in smaller, often rented apartments due to the need for mobility and comfort, and the proximity to work. “The developer cannot be indifferent to these needs; he adapts to the market situation, and builds both very small and very large apartments.” Another reason why investors target small apartments is that for years now, the latter have been the safest form of investing financial surpluses. According to the investor, the housing estate fits in with the current lifestyle trends, “for example, minimalism that is popular among young people [...]. People from generation Y often spend most of their time outside the home. They want to meet friends, play sports, and devote themselves to their passions.”

A flawed system or the lack of will?

According to representatives of state authorities, the solution to the problem and the only way to safeguard public interest and the quality of living spaces lies in the local spatial development plans (master plans). “We need to fight such investment projects. The solution is primarily local plans” – this is how Deputy Minister Anna Kornecka, responsible for construction, spatial planning and housing, commented on Bliska Wola in the media.¹³ There might have been something to it if it were not for the fact that the investment project is being implemented in compliance with the currently valid master plan. Therefore, as in the case of the aforementioned Wilno Estate, we are again faced with the issue of the questionable quality of master plans that are being developed in Poland – plans, which make it possible to produce such pathological spaces.

Under the pressure landowners, and in fear of attempts to challenge the provisions of master plans in court, local authorities often act against the public interest. It is common for land status to be changed from agricultural to residential, for the buildings to be supersized, for the introduced provisions to be far too general. By now, the residential areas planned in this faulty manner possibly already accommodate some two hundred million people.¹⁴ Worse, these estimates do not seem to take into account the investment creativity of real estate developers who hide even more micro-apartments under the cloak of commercial premises.

In order to heal the bad situation, action must be taken from at least two directions simultaneously. Above all, master plans should protect the interests of the city and the local community as well as reducing environmental costs. That cannot be achieved without land consolidation; and so land for public services and greenery must be bought from or exchanged with private owners. Obviously, such activities are expensive and time-consuming. Where to get funds for their financing? The answer lies in the cadastral tax – whose



introduction has been postulated for years. Such measurable financial tool of spatial policy would allow the municipality to profit as well, whenever it adopts a development plan favourable to the investor, because the value of the land would increase. The income from the cadastral tax, at least in part, could cover the costs related to utility infrastructure and the provision and maintenance of public services.

The reform should begin with the spatial planning system in Poland. Planning approvals require greater control and participation of the community representation in their creation, and the introduced provisions must be given greater legal force. Starting with the studies of land use conditions and directions, all planning acts should be binding for investors. Today, the study has no legal force; local master plans must comply with it, but the investments projects based on planning permits do not have to. As a result, many of the areas in Polish cities where the greatest investment pressure is felt remain unplanned – suffice it to mention Kraków’s Krowodrza and Grzegórzki, or almost the entire area of Warsaw’s Śródmieście with Muranów, the East Wall, and Powiśle.

At the same time, we need master plans that are detailed enough to really shape the quality of the space in Polish cities: they should define the street grid, development areas, differentiation of functions, and their spatial distribution. Some of these postulates can be introduced today, using the existing legal solutions. ●

← Apartment supply and standard, a comparison of years 1989–2017

Wilno Estate in Warsaw, investor: Dom Development, design: HRA Architekci

12 Compare: KOS, *Wszystkie apartamenty sprzedane. Deweloper Józef Wojciechowski o najszynniejszym polskim osiedlu*, Money.pl, 27.02.2021, <https://www.money.pl/gospodarka/wszystkie-apartamenty-sprzedane-deweloper-jozef-wojciechowski-o-najszynniejszym-polskim-osiedlu-6612477124819904a.html> (accessed: 08.03.2021).

13 Cited in: D. Czerny, *Ministra twierdzi, że ma lek na patodeveloperkę. Architekt: to nic nie zmieni*, NOIZZ, 27.02.2021, <https://noizz.pl/design/ministra-twierdzi-ze-ma-lek-na-patodeveloperke-architekt-to-nic-nie-zmieni/q08scnt> (accessed: 15.03.2021).

14 Compare: J. Dybalski, *Koszty chaosu przestrzennego to 84,3 mld zł rocznie*, Transport Publiczny, 11.06.2019, <https://www.transport-publiczny.pl/mobile/koszty-chaosu-przestrzennego-to-843-mld-zl-rocznie-61843.html> (accessed: 08.03.2021).

○ ŁUKASZ
PANCEWICZ

The need for new modernism

Presentation of "a real estate developer" represented by a group of students tutored by Łukasz Pancewicz during OSSA 2020 summer workshop ("Experiment")





I was inspired to write this article by a hypothetical exercise we conducted with a group of architecture students during the OSSA 2020 summer workshop in Nowa Huta. One of the quarters of the socialist housing estate was replaced with entirely new buildings. The real estate development company responsible opened their fake point of sale in the fake part of the city, and were confronted with the local residents.¹ The coarse architecture of the new development – modelled on other new developments on the outskirts of Nowa Huta – was designed by a large commercial studio in Kraków. The end result caused a range of extreme reactions. The longstanding residents of Nowa Huta responded with a *bon mot*: “We are living with a view of the park, your view will be that of a car park.” The reaction of younger people was more surprising: for them, the *patodeweloperka* (“patho-development” or dysfunctional development) squeezing apartment sizes at the expense of the quality of space has become the norm; some of the interviewees even voiced their appreciation for the fact that a green spot of the micro-park was featured in the visualizations of the “new” housing estate.

The reactions of young people, mostly from the generation who are repaying their mortgage loan or planning to buy a flat, show how much we have got used

to living in *biedamodernizm* (“poverty-modernism”) in Poland (the term coined by Kacper Pobłocki).² Modernist ideas have been abridged; what is left is technocracy and economic efficiency. Architecture critic Owen Hatherley said: “all the ‘social’ aspects of socialism are abandoned except as a residuum.”³ His assessment was based, among other things, on his visit to Nizhny Novgorod housing estates, constructed in prefab technology.

Is the legacy of modernism reduced merely to technical artefacts? In the conclusion of the interview she gave to NN6T about the post-transition changes in Warsaw, Joanna Kusiak formulated the following diagnosis:

We need a completely new concept of ownership. This is a task on which all future forms of planning will depend. In this sense, we need a new and bold model. Modernism was the last urban and architectural system that had the courage to think comprehensively about the socio-political and spatial order. Question is: do we have the courage to create a new, different modernism?⁴

In Kraków, students demonstrated that it is possible to visualize, in a simple way, the poverty-modernism of

Provocative proposal to replace one of the quarters of old Nowa Huta with new real estate developments. Designed by a group of architecture students tutored by Łukasz Pancewicz during OSSA 2020 summer workshop (“Experiment”)

- 1 OSSA 2020 Kraków, Project titled “What if Nowa Huta was built in 2020?”, tutor: Łukasz Pancewicz, authors: Pola Godlewska, Szymon Pawelczuk, Michał Różycki, Aleksandra Różańska, Aleksandra Stasica, Corinne Stefanini, Aleksandra Szymańska.
- 2 K. Pobłocki, *Stypa w Atomicach, czyli życie w czasach biedamodernizmu*, [in:] *Architektura nie zrównoważona. Synchronizacja – projekty dla miast przyszłości*, K. Pobłocki, B. Świątkowska (eds.), Warszawa: Fundacja Bęc Zmiana, 2016.
- 3 O. Hatherley, *Paradise lost? The enduring legacy of a Soviet-era utopian workers district*, *The Calvert Journal*, 04.12.2014, <https://www.calvertjournal.com/articles/show/3405/owen-hatherley-avtozavod-workers-paradise-nizhny-novgorod-russia> (accessed: 12.02.2021).
- 4 *Żeby zlikwidować chaos, potrzebujemy nowego modernizmu*, an interview with J. Kusiak, NN6T, 06.05.2018: <https://www.nn6t.pl/2018/05/05/zeby-zlikwidowac-chaos-potrzebujemy-nowego-modernizmu/> (accessed: 12.02.2021).



builders of housing estates to meet the needs of investment efficiency – quantity over quality – rather than to implement the assumptions of social housing estates. At best, from the perspective of an average inhabitant of a Polish city, the parameters of the new buildings slightly deviated from the standards and achievements of communist-era apartment blocks.⁷

Recently “discovered” by Warsaw activists, the phenomenon of “patho-development”,⁸ from the perspective of thirty years, is a logical consequence of the contest between costs, profits and the subject of optimization. When re-evaluating the principles of building housing estates, if the usable floor space of apartments is taken as the key parameter, the obvious field for reducing standards are non-residential parts of the investment project – green areas, services, time of sunlight access – designed at the statutory minimum level or even reduced as a result of “creative” interpretation of regulations by designers. The illustrations of the latter include the grotesque micro playgrounds, counting green areas on balconies and terraces as bioactive surfaces, and other developer “tricks”. The pressure to maximize the height of housing development, which is

Polish developers. If so, can we just as easily attempt to seek out the practices of “new modernism”?

Housing in times of poverty-modernism: patho-development and Excel-based cities

Searching for any way out of the housing deadlock by redefining modernism would not be possible without sketching the mechanisms that force the idea of mass provision of housing into the logic of profit.

The paradox of poverty-modernism is that the ideas of *Existenzminimum* (minimum dwelling)⁵ were hijacked and used to “optimize” the efficiency of investments, that is, to reduce the necessary floor space in order to maximize profit. Developers reduce their costs and, at the same time, they are testing the tolerance threshold of apartment buyers. Technological development, allowing the acceleration of resource production, and the reduction of production costs, no longer serves the purpose of mass housing programs; instead, it is used to improve financial results of real estate developers and the institutions that are financing the construction projects. Its integration in design is not only about applying progressively better technologies, but it also involves a close union between the form and the market results. The result of land speculation (in 2020, on average, a quarter of the cost per one square meter of an apartment resulted from the cost of land) combined with the projected rates of return on investment directly dictate the shape and nature of a housing development. The latter, in a way, is a container for the products sold,



which the individual apartments have become. Hence the idea of cities created in an Excel spreadsheet. The idiom of finance was turned into a tool for describing cities and dictating the living conditions of their inhabitants.⁶ In this sense, the worst practices of real estate developers resemble those known from the declining phase of late modernism, when it was essential for the

↙
Nowe Żerniki estate near Wrocław - a rare example of a development taking into account public space, rational planning, and lower floor area ratio
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Photo by: Maciej Lulko

↑
Nowe Żerniki estate – public space
—
Photo by: Maciej Lulko



embodied in, for example, the Bliska Wola state (Warsaw's Hong Kong), or the attempts to promote the fashion for micro-apartments and their marketing standardization, are equally unsurprising.

Of course, featuring in the debates, there is the thread of the “enlightened real estate developer”, usually in the context of housing estates built to a better standard. In line with the principles of market segmentation, developers are still trying to diversify the value of real estate properties in commercial housing estates, and they do so by improving these places. The elements of the modernist minimum – distance from the neighbour, presence of a green area, fulfilment of environmental conditions, comprehensive design of housing estates – this is what we may (or may not) get as a bonus, at most. The latest practice of the so-called corporate social responsibility works in a similar way: commitment is parameterized, included in cost balances, and woven into the PR narrative, nowadays an obligatory element of commercial housing construction. In fact, these are optional measures, contingent on the goodwill of investors, and not subjected to the standard.

Modernist dwelling as a result of rational planning

A feature of modernist thinking was the idea of rebuilding the city “from scratch” within the possibilities offered by new technological means, knowledge and actions of designers. In response to the pathologies of the first version

of industrial town, modernist planners created a new formula for the concept of dwelling and the city. Their weapons were twofold: social ideas and technological solutions – prefabrication, development of construction techniques, and new principles of composition. They combined ideas, values, and action. Subsequent criticism by social activists and sociologists soon revised the reductionist aspirations of engineers, or the technocrats' faulty understanding of urban complexity. Modernism, however, was a creative force with enormous influence. In the field of housing, modernists, with the support of social housing programs, created significant housing resources and developed a set of rules for the organization of a good place to live. Universal concepts, such as the creation of “neighbourhood units”, the provision of green areas, segregation of vehicle traffic, and linking housing estates to public transport hubs, were applied and modified nationally and locally as part of “real existing modernisms”.⁹

If we were to look back – even at the risk of gross oversimplification – and to examine the possibility to build the order of the “new modernism” in 2021, the starting point should be the idea of pushing architecture towards something more than merely profit-driven activity. Following the example of modernists, we should face the main challenges – the housing crisis, the environmental crisis. It is impossible to discuss the concepts of “new” modernism without addressing the issue of values. The modernists from a hundred years ago were guided by the ideas of technological progress, albeit closely related to the ideas of social reformers, motivated by moral, often leftist, attitudes¹⁰ – the desire to improve housing conditions, health, and dignity of living. The practical application of these principles included cooperative housing estates, the progenitors of large-scale post-war public housing programs.

Directly related to large-scale design would be the restoration of what I would tentatively call urban thinking, i.e. combining activities on a city scale, and its almost planetary range of influence.¹¹ This involves building and negotiating ideas and plans for the city that go beyond the narrow horizons of individual schemes of private investors, or one part of the city; it is about influencing the entire urban system. Modernists were distinguished by their courage to act, the desire to push the boundaries of what was possible in terms of realisation, and the “optimism of the imagination” invoked by Mike Davies.¹² This means permitting oneself to practise utopian design, to dream, to engage in intellectual speculation, in activities not focused solely on efficiency. It is a practice that is contrary to market activities, which are often characterized by conservatism, risk avoidance, or shrinking from engagement in community activities. It is also connected with allowing oneself to experiment, understood as novel building

practices and testing the unknown. As it is impossible to effectively build a theoretical answer to the question of what living in a city could be in the era of climate change; the only sensible option is an urban experiment.¹³

City as the space of experiment

The concept of the idea, test, and implementation, of strategic activities on an urban scale, returns today not as total urban planning scheme created by a technocrat; instead, it is more akin to the distributed city management. This is probably the biggest single difference between the ideas of erstwhile modernists and today's designers – the modernists were guided primarily by the logic of “grand gesture”, they implemented mega-projects, which were planned and executed by designers-technocrats. We tend to associate modernism with momentum, urbanity and courage. As with modernist designs, success of the experiments depends on

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Nowe Żerniki estate – one of residential complexes

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Photo by: Maciej Lulko

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- 5 The minimum necessary for existence. This issue was explored in the context of housing at the second CIAM congress in Frankfurt in 1929.
 - 6 After: A. Celiński, *Szmilewski: Inwestorzy mówią Excelem*, *Magazyn Miasta*, 29 December 2016, <http://magazynmiasta.pl/2016/12/29/szmilewski-inwestorzy-mowia-excelem/> (accessed: 12.02.2021).
 - 7 M. Ostrowski, *Zmiany, które (nie) zaszły*, [in:] *Architektura niezrównoważona...*, op. cit.
 - 8 Jan Śpiewak, Facebook post of 12 February 2020, <https://www.facebook.com/JanDawidSpiewak/photos/a.1528675940483966/3016948681656677> (accessed: 12.02.2021).
 - 9 To paraphrase the term used by Łukasz Stanek in relation to national, local versions of modernism. Ł. Stanek, D. van Den Heuvel, *Team 10 East and Several Other Useful Fictions*, [in:] *Team 10 East: Revisionist Architecture in Real Existing Modernism*, Ł. Stanek (ed.), Warszawa: Muzeum Sztuki Nowoczesnej, 2014.
 - 10 H. Syrkus, *Ku idei osiedla społecznego, 1925–1975*, Warszawa: Państwowe Wydawnictwa Naukowe, 1976.
 - 11 Adrian Krężlik uses the term “planet-oriented architecture”. A. Krężlik, “Many beginnings: the thought, thinkers and actions behind the planet-oriented architecture”, *Budownictwo i Architektura* 2021, No. 20 (1).
 - 12 M. Davies, “Who Will Build the Ark?”, *New Left Review* 2010, No. 61.
 - 13 Compare: A. Kartowska, P. Jaworski, “Zwinna urbanistyka”, *Autoportret* 2017, No. 1 (56), <https://autoportret.pl/artykuly/zwinna-urbanistyka/> (accessed: 25 February 2021).

political, public support that provides a safety margin for their implementation. Therefore, the domain of experiment and change consists mainly of the city's shared resources – public spaces and streets, urban infrastructure and transportation systems, green spaces, modest but still existing municipal housing resources.

Urban “real utopias” on the citywide scale are never a total, finished project. They arise as complex systems, processes and institutions, and they evolve with time – they continue to develop and provide foundations for further activities. An example of implementing a utopia is the idea of a “fifteen-minute city” – the political slogan of Anne Hidalgo, the left-wing mayor of Paris, re-elected for the second term in office – that refers to the modernist idea of the “neighbourhood unit”. It entails various actions on the part of the authorities: excluding car traffic from the centre of the capital, greening the city space, building safe roads to school for children traveling by bike or on foot, neighbourhood infrastructure – kindergartens, community centres. In the communications by the authorities, technical solutions are mentioned on a par with the idea of broadening participation and sharing in decision-making. All these activities are possible by accepting the common benefits of reducing car traffic combined with planting trees: improving air quality, combating heat waves, better conditions of living. In practice, implementation is to be ensured by a combination of legal actions – regulation, testing, and application of new solutions or new public projects.

Another long-term, complex scheme in the sphere of housing is the so-called “Viennese model”, that is, an enduring public housing system that includes a number of activities: building up the public housing stock, nurturing cooperative movement, and urban experiments in designing new housing estates. The guarantee of success came from the consistent and coherent idea of ensuring decent housing, and steadily maintaining the mechanism for over a hundred years.

The city as a public service

Providing decent living conditions involves not only building new structures, which is a departure from the modernist concept of total city reconstruction, but also ensuring access to the urban “new minimum”, i.e. community services in the existing urban areas.

While referring, among other things, to Viennese solutions and the ideas of co-living and co-housing, Joanna Erbel points out that apartments for rent could help us out of the impasse of the decreasing availability of mortgage credit-financed housing.¹⁴ The mechanisms of the modernist “welfare state” – guaranteed access to basic public services – do not always meet the requirements of complex life in a modern city, the diverse needs, paths,



and life choices. The problem concerns especially the departure from the family model in favour of various forms of being together – individually and socially. The emergence of new ways of living requires a review of the activities that the designers of “hard-infrastructure modernism” used to focus on. An example thereof was building large block-of-flats housing estates, “machines for living in” with a set of essential social facilities – schools, kindergartens, and parks. The realities of a contemporary, diverse city require for this approach to be further developed and supplemented with thinking about neighbourhood infrastructure.

Market mechanisms try to keep up with consumer needs through the actions of supervisory capitalism: gathering and analysing data, searching for links between behaviour in urban space and personalization and selection of services. The idea of “smart cities” was an expression of a technological digital utopia involving the use of panoptical data analysis, while new concepts focus on combining various kinds of information. New ideas attempt to integrate the analysis of market data and the knowledge about real estate resources with the practices of tracking user behaviour.¹⁵ The new slogan is treating “the city as a service”,¹⁶ which means making the availability of services more flexible and adapting them to the mechanisms of free market choices. As a result of the aforementioned organizational change, cities witnessed swift and efficient development of franchise networks of neighbourhood shops, logistics services’ market, and food deliveries using these activities. This approach facilitates personalizing all these services as much as possible.

The opposite of the liquefaction and commercialization of services is the flight of capital from the city’s non-profit functions and the atrophy of public resources. This process results in withdrawal from unprofitable public services: closing schools which lose students, and selling the buildings; selling the municipal stock of real estate properties, and withdrawing from maintaining transport functions.

Creating a city that provides the right combination of quality-of-housing services needs to rely on a combination of public activities and should be complemented by commercial services. In a proto-modern city, the development of public infrastructure determined whether urbanization would favour the creation of friendly places to live; almost a century later, nothing has changed. The organization of housing environment is associated with ensuring the basic minimum, and that is still based primarily on public services – a park, a school, access to public transport. At the same time, the public side should provide space to support the essential needs resulting from various life paths – namely, meeting places for various neighbourhood activities.

Urban modernists fought for access to light, clean air, transport; today, the list is supplemented by a social infrastructure that allows avoiding the problem of loneliness, facilitates meeting residents of the same district, provides respite from living in ever smaller apartments, and improves environmental conditions. The desire to shape the urban environment means caring for and establishing urban green areas and squares, creating social infrastructure – community centres and libraries – or even maintaining alternative trade venues, such as

neighbourhood marketplaces. A parallel activity is the development of mechanisms enabling the financial survival of the aforementioned services: preferential rent, facilitated subsidizing of such activities by the users, reducing legal and organizational obstacles.

Learning from the modernists – a housing estate-scale experiment

The orders of new modernism do not mean abandoning the idea of building new housing estates as alternative housing schemes. In our private conversation about Nowe Żerniki, one of the few new Polish “model housing estates”,¹⁷ Wrocław-based architect Mikołaj Smoleński mentioned his desire to create a housing estate comparable to the achievements of WUWA architects or comprehensive projects of socialist housing estates. The idea of *Wohnungsausstellung* – an exhibition of architecture created as a living prototype and a model for a different, better formula for building apartments – was consciously adopted by the designers of the Wrocław housing estate. Apart from Żerniki, other attempts were made to build such districts, mainly in Warsaw: Warszawska Dzielnica Społeczna (Warsaw Social District, WDS), Jeziorki, and Osiedla Warszawy (Warsaw Estates). Only Żerniki has been fully implemented. All these projects have a common denominator: dissatisfaction with the standard of currently emerging commercial housing estates and “mobilising the imagination” of their authors.

Shared motivation, collective creativity and the will to improve the city found their expression in an unprecedented cooperation of the “super-studio” – a collective of over forty architects from different generations. This gesture symbolically negated the practice of competing for a commission, which is typical of commercial architects. The departure from the commercial mode of operation was to reverse another aspect of the profit logic. The starting point for the design of Żerniki was to be the reorganization and improvement of the way of living, rather than the production of square meters, as in most commercial projects.

The completed Nowe Żerniki is also an example of a new version of the idea for a complete urban unit, a new neighbourhood, with services and public spaces. The Wrocław housing estate was created as a result of a comprehensive process, starting with workshop sketches and ending with the construction of buildings. In a way, it is a distant echo of massive housing construction programs. Not in terms of scale, of course. The experimental model housing estates are still small, and they lack the momentum of mass industrialized production. Instead, what they have in common with modernist designs is the comprehensive process of shaping space. In terms of tools, it is the restoration of designing practice, which is rarely used in Poland today.¹⁸ Within that

practice, the design covers all the elements of a housing estate comprehensively, combining different scales of design (from urban to architectural) as well as covering all aspects of the estate (residential buildings, common spaces). Designers of the Wrocław housing estate, at least at the first stage, departed from the efficiency regime – they abandoned the idea of employing an architect for quick project implementation in favour of workshop and design activities aimed at developing the main assumptions for the estate. Under the assumptions of WDS and Osiedla Warszawy, specialists from other fields – housing and sociology – also joined in the process of creating designing guidelines. The projects were publicly consulted – this was also a departure from commercial reductionism in favour of holistic practices.

Most of the large-scale model projects are built with public backing. In the case of the Wrocław housing estate, architects from the SARP persuaded the municipal authorities to take joint action. Thanks to the cooperation with the city, it was possible to provide public land for the estate, to develop a comprehensive idea in the test design formula,¹⁹ to safeguard the negotiated concept within the provisions of the local plan, and to build the essential infrastructure. The city was responsible for the sale of land and the gradual implementation of the housing mix: commercial and communal housing, TBSs (building societies), and cooperatives. Therefore, the public party acted as a co-organizer of the whole process, and at the same time promoted best practices that would not have been possible otherwise, under different circumstances. The planning has worked in combination with the public form of ownership.

“New Modernism” as the practice of building a good city

The exercise in Nowa Huta reveals that thirty years after we started building a neo-liberal city model, we have plunged into a serious crisis of imagination connected with the command of “Excel formula cities”. There comes a moment when change becomes necessary – not only because of the housing problem, but also because of the existential challenge posed by the climate crisis. Critique of the old modernism, apart from dismantling the model of building large, comprehensive housing estates, did not propose an effective alternative to the ideas that guided the modernist revolution. As architects and city planners, we must take responsibility for creating a good and dignified place to live in cities. Our inspiration is certainly the modernist courage in developing a new mode of operation, activating the collective imagination, the willingness to carry out urban experiments, and to practice a city that is responsible towards others.²⁰ Good intentions are most emphatically not enough. If the experience of modernism teaches us anything, it is first and foremost a lesson about the key

role of the public base in supporting radical housing innovation. For several decades, solving strategic urban challenges – fast construction of good quality housing stock, its servicing with social and technical infrastructure – has become the subject of public attention.

The three decades of cities’ privatization has torn through the thinking and acting in the field, and left a significant gap. To answer Kusiak’s question, the implementation of the new order, apart from giving room for human invention and re-evaluation in thinking about housing, must rely on the actions of the public side – that is, the local governments – as well as the social side. The tools for building a “new modernism” must include not only ideas and “real existing utopias”, but also changes in the law,²¹ the use of fiscal tools (for example, cadastral tax), public projects, practices of managing common resources, moderating community debates, resisting free market and privatization temptations. ●

←
Dense development of the Avia housing estate in Kraków’s Czyżyny district
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Photo by: Jarek Matla

14 J. Erbel, *Poza własnością. W stronę udanej polityki mieszkaniowej*, Kraków: Wysoki Zamek, 2020.

15 These practices are referred to as 3B analysis (as in: bricks, bytes, behaviour).

16 The concept of “city as a service” refers to flexible provision to resources according to needs rather than based on a fixed, pre-existing infrastructure. The term was initially applied in connection with software using “cloud” resources instead of selling hard copies to the user. The purpose of this practice was to limit costly permanent resources and instead providing them on subscription basis, depending on the demand and availability.

17 The term used by the authors of the concept for Nowe Żerniki housing estate.

18 The process of multi-sectorial and multi-faceted design, combining urban planning, architecture and implementation. The design refers to a larger space, beyond individual buildings.

19 Another term for the workshop process applied at the initial stage of Nowe Żerniki design.

20 On the mobilisation of collective imagination and values within the concept of a “total urban mobilisation”, see: K. Nawratek, *Total Urban Mobilisation. Ernst Jünger and the Post-Capitalist City*, Singapore: Palgrave Pivot, 2018.

21 One example is the recent package of housing laws supporting the activities of local governments to build municipal resources.

○ RAJMUND
RYŚ

ILLUSTRATIONS

○ KACPER
KĘPIŃSKI

WILL URBAN
STANDARD
SAVE US?



Make-believe

In the spring of 2020, the renowned Portal Samorządowy (Local Government Portal) organized another edition of their “Top Municipal Investments” competition. Its advisory council was made up of ministers and representatives of eminent institutions. The nominees included the Dębno housing estate, developed by the Kurzętnik municipality. It is undoubtedly commendable that the municipality, through its own investment, creates new opportunities to meet housing needs in areas where real estate developer activity is hardly present.

Before we give our final verdict, however, let us take a closer look at the investment project in question. Its architecture, to put it mildly, “does not bring you to your knees”. In terms of urban planning, it deserves strong criticism – it is situated outside the urbanized area, sandwiched between a sand mine, and some farm buildings. Nearby is the beautifully meandering river Drwęca, an additional argument against this being the right place for a complex of apartment blocks.

So, does this – clearly defective – public investment project really deserve recognition from the members of the advisory council? Of course not, and yet it received such an endorsement. It is a failure of the municipality, which “treated” the inhabitants to such living conditions, but also of us all as a society – even though neither the “experts” awarding the nominations nor the public seem to notice the problem. The biggest losers are the new tenants, ready to settle for living in a substandard location – because they have no comparable offers to choose from, they do not know that they could expect more, and they do not anticipate the problems that living in such location may involve.

If a similar project was implemented by private entrepreneurs, one would typically complain about their unscrupulous drive for profit and the philosophy of “sell and forget”, subject closed. However, this is a public investment. Importantly, it is not an exception, because public investors have produced many more such “mishaps”. When the first project within the framework of the government housing program “Mieszkanie Plus” (a housing estate near Jarocin) was commissioned, information about it featured in all media. No attention was paid to the location of the housing estate and the location of the buildings – crying shame from the point of view of quality of life and climate challenges.

We can and we must demand more from a public investor. After all, they do not operate for profit, but in the public interest – that is, in principle, they are working for the benefit of all. Unfortunately, in order to make that demand, we would first need to have awareness and social control, exercised, for example, by the media. If we had those, we would have a chance to create a certain STANDARD, which could also be a reference point when assessing

commercial residential investment projects. Meanwhile, it seems that we collectively participate in a kind of game of make-believe – mediocrity bothers very few people; others are even prone to praise it. In this way, as a society, we greatly reduce our chances for high quality.

A debate leading nowhere

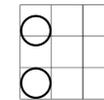
To say that we do not at all value the quality of housing development would be an oversimplification. Recently, the expression “patodeweloperka” (patho-development, pathological or dysfunctional real estate development) has become immensely popular, and a succession of shocking examples of the phenomenon that it defines can be found flagged in social and traditional media. However, these are mostly used to entertain (yes, they often make you laugh out loud) or to relieve righteous exasperation. It is much less often that they give rise to a profounder discussion about their causes; for example, about what mechanisms have been driving the recent pressure to increase the floor to area ratio – wherever the planning guidelines are not precise enough. Does this density of development result from the developers’ lack of scruples and greed, or is it a market process derived from a defective spatial planning system? Since it gives someone the opportunity to significantly “plump up” their investment, the competition forces others to also “squeeze as much out of their plots as possible”. The systemic consent to the chaotic urban sprawl has a similarly destructive effect – the permissibility of the construction of subsequent housing estates in random and scattered suburban locations, often with a dramatically poor spatial structure. The analogy to the “bad money driving out good” comes to mind. The widespread awareness of the problem and the increased media interest therein have not yet led to any significant changes for the better.

On the other hand – paradoxically – the average standard of a housing development has been improving in recent years. In large cities, in the face of competing for clients, more and more developers are paying attention to common spaces between buildings, facilities for pedestrians and bicycles, access to public transport, etc. The number of fences is decreasing, public recreational spaces are being arranged, and numerous housing estates are gaining a block structure with service premises in the ground floors. Often such spatial arrangement results from the local zoning plan, but the fight for clients seems to be a stronger factor. The latter can be measured by the degree of finding one’s place on the market, because significant differences in the approach to the above-mentioned issues are visible even among real estate developers of neighbouring estates, implemented on the basis of the same planning acts. Those more ambitious and/or reliable undoubtedly deserve praise, and it would be desirable for their behaviour to set a new STANDARD. However, we must remember that the process of

“improving” a housing product has its limits. On the one hand, it is certainly weakened by the current situation of unsatisfied demand, in which an apartment is primarily an investment of capital and you can sell it without much effort; on the other hand, we cannot naïvely expect that developers will rationally arrange our cities on their own accord, relying solely on market mechanisms. Their area of intervention is generally limited to the building plot. Although recently more and more comprehensive projects have been developed, leading to the construction of large districts (with some benefit to their quality – see for example Wilno Estate in Warsaw’s Targówek district), individual developers will not – we should hope – build or rebuild entire cities.

Longing for the standard

This is where we must return to the subject of public authority. Its action and its endeavours are necessary to ensure that the contribution of new housing developments to the creation of a good city is the norm, rather than an occasional resultant of various factors. ○



Virtually every discussion in this context uses the slogan “urban standard”; the introduction, or rather the restoration of the latter is suggested by every proposal for reforming the planning system in Poland. And rightly so, although the approach to that standard is probably a bit unrealistic. Older town planners fondly remember it as an element of the times when effective design and implementation of urban guidelines were simpler than they are today; the younger ones idealistically see it as a symbol of the “era of better urban planning”, in which so much space was left between the buildings for greenery that today creative developers often “manage”

to squeeze another full-sized block of flats in the middle.

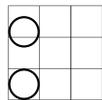
It is true that in the People's Republic of Poland there were regulations on the urban planning norm. They were last updated in 1974 and in theory they continued to apply until the mid-1980s. They defined, among other things, standards for furnishing residential areas with technical infrastructure, securing green areas, and ensuring access to various amenities, including public services. The norm lost its relevance completely with the local government reform, and the subsequent adoption of the law on spatial development in 1994. In the completely changed systemic conditions, it was decided that it was no longer necessary to impose anything on the municipal town planners. They would know best, given the specific local conditions, how to determine land development indicators and other principles and parameters of urban planning.

While this approach may appear to be a gross negligence today, back then it was not entirely irrational. All areas based on the professionalism and inventiveness of the designer do not succumb easily to rigid, top-down regulations – and if they are forced to do so, it usually happens to the detriment of the final designing decisions. For example, in complex cases, the technical conditions for buildings tend to be too strict, and they are blocking the implementation of rational ideas, and yet they do not offer protection against substandard solutions, for example in the aspect of daylight exposure.

Lawmakers in the early 1990s made a mistake. They did not foresee the development of the situation, and more specifically, they did not anticipate how the new realities would affect urban planning: that in most cases it would cease to be a sphere of creative activity of a professional project team, but instead it would become an area of non-transparent synthesis of various conditions – legal judgments and interpretations, financial possibilities of the municipality, and often not very transparent agendas and particular interests. In such a system there may not be enough space for state-of-the-art, good-practice design decisions. The difficulty with the resulting local plans concerns not even inappropriate urban planning parameters, but often, instead, it is their limited regulatory importance that is the problem. They do not contain appropriate provisions, or they formulate their guidelines so “loosely” that a stubborn investor will coerce an interpretation that is favourable to him, ruining the original concept on which the local plan was based.

It is not that simple

Therefore, the urban planning standard should undoubtedly be introduced. We do not know whether it will be an easy and obvious procedure, and what its effects will be. Many questions arise. Will all newly constructed residential buildings in Poland fit into the complete urban structure as a result, and will it be the only result? Will there be side effects? ○



The basic question is what the urban standard should look like. What should its scope and functioning mechanism be? Would it apply uniformly to the territory of the whole country, or would it be differentiated depending on the characteristics of the municipality, type of development, or other parameters specific for the given area? Or perhaps individual municipalities should be allowed to modify the standard (if so, only to tighten it, or also to alleviate it?) or to extend it thematically? Would it apply only to the area without detailed local plans, or would it be binding when those plans are developed?

It turns out that if the legislators wanted to develop an optimal solution – one that would solve as many problems as possible and cause as few complications as possible – then in virtually all of the above issues, each of the options would have its advantages and disadvantages. Perhaps the biggest challenge is related to the correct definition of the substantive scope of the standard, and the manner of its formulation. One can reject in advance the option of using the normative of the People's Republic of Poland, if only because of the changes in the lifestyle that have occurred over the last fifty years; these changes directly translate into completely different needs in the way that housing complexes are shaped. Translating new needs into regulations will be quite problematic. I will use an example from the times of the Building Law Codification Commission, working on the Urban Planning and Construction Code (in 2013–2014). A group of professionals and masterminds planned to restore the standard, but while trying to formulate it, they came across some obstacles. A set of conditions emerged that did not match the most important development challenges – for example, members of the commission proposed making the permissible number of storeys dependent on the size of the city. As a result of Edward Gierek's decision, there are eleven-storey blocks of flats in Słubice, with the population of 16 thousand, and they do not seem to have any impact on the urban problems of this city. In any case, the professors from the committee quickly gave up the onerous task, and in the draft of the standards code they only entered a designation to develop and issue standards

by regulation. Clearly, the classic “I'll think about it tomorrow” kind of solution – better still, let someone else think about it, that is, the relevant ministry.

A quality determinant or a barrier?

And yet “urban standards” are something more than a theoretical entity in our legislation. To some extent, they are already operational as part of the infamous “lex

developer” act.¹ The structure of the latter leads us to question the remnants of rationality in what is called the spatial planning system in Poland (and which some argue does not even deserve that term). The scope of application of the law is smaller than assumed by its authors, but this does not alleviate its sins. Moreover, many find positive aspects in it today, and derive from it the defective financing mechanism of social infrastructure by real estate developers – which only proves the extent of desperation of local governments who are lacking effective urban planning tools. Urban standards are seen as an undoubtedly positive aspect of the “lex developer” act – and rightly so – but attention should be paid to the way they are used in the application of this act. Typically, municipalities try to oppose the buildings proposed by investors that are inconsistent with local plans. In those cases, statutory urban standards, often additionally tightened by the municipalities, turn out to be a helpful tool: they prevent the construction of undesirable buildings.

And so we are arriving at the heart of the matter. What is the purpose of the urban standards that we are thinking about: to block the construction of new buildings, or to shape them? It seems that introducing the standards as universally applicable would have the same effect as the “lex developer” act: a large part of the planned investment ventures could not be completed. Although real estate development companies evidently abuse this argument in discussions about systemic changes, in this context it is an actual fear that the availability of new housing would decrease, and prices would increase due to the limited supply. Therefore, the

¹ “Lex developer” is a popular name of the Special Housing Act that came into force in Poland in 2018.

standards alone are not enough to heal the situation. Associated legal mechanisms are needed in order to ensure the emergence of new infrastructure. Restoring the urban standard cannot be a one-off, “spot” reform out of context, but it must be aligned with a number of other changes to the system, especially in terms of financing urbanization.

Additionally, when you want to use the standards “in a positive way”, the nuances that could be omitted in the case of “lex developer” will become important. The requirement for access to a public transport stop is seemingly a zero-one variable, but if you evaluate the actual expediency for future residents, you should take into account the range of transport offer from this stop, as well as other issues that are included in the urban primer, but are difficult to translate into the language of a mandatory legal act. For example, if the stop is located at the required distance from a residential building, and the kindergarten is also located at a required distance, but in the opposite direction, then the functionality of such a system for the resident will be limited, despite its being in accordance with the regulations. Common sense should be used in the context of urban planning standards – and this is something that is difficult to achieve when it comes to applying and interpreting generally applicable law. If there is no school at the appropriate distance in a new housing estate, regulations may require its construction even in a situation where just a little further, in another housing estate whose population have already “matured”, and which has good public transport access, there is a school that is only partially used.

In times of chaos and crisis

It is also worth asking ourselves how many new housing estates are we still going to build, because it is for their creation that urban standards seem to be an ideal tool (just as they were during the People’s Republic of Poland). Designing a new housing estate is relatively simple: it is easy to estimate the number of inhabitants and shape the spatial structure adequately, without forgetting any functions required by the standards. If further spatial development (does it really deserve to be called that?) in Poland follows the current dynamics and continues to apply the unchanged formal and qualitative principles – then a lot of new projects will actually be constructed.

The challenges facing us today should, after all, force us to rapidly change the way of thinking about the desired directions of spatial development in our country. Already in 2015, the principle of situating new buildings by supplementing the existing ones was introduced into the planning act. In particular, this should mean the best possible use of developed areas – those that have lost their former functions, as well as those built up haphazardly: temporarily, accidentally, and extensively. It would

be impossible to argue that this principle is being consistently implemented at present. The blame lies chiefly with the lingering, perverse mechanism of issuing a “decision on land development conditions” (also known as the zoning decision). However, the lack of consistency does not invalidate the importance of the principle, on the contrary – there are all the more arguments for it. Even though the announced EU regulations limiting the possibility of additional soil sealing have not yet come to pass, some countries, with their actions, have already embarked in this direction, treating it as one of the mechanisms to counteract climate change. Poland, a European laggard in the area of water retention, must also follow this path sooner or later.

Meanwhile, around Polish cities, not only the largest, but also those quite small, “rings of spontaneous suburbanization” are growing – bigger and bigger areas built up haphazardly and with varying intensity. They will not “repair themselves” spontaneously, nor will they become friendly and well-functioning living spaces. The priorities of climate-responsible and economically responsible urban planning in Poland should focus on precisely those areas. Instead of creating new “ideal” housing estates, it is first necessary to take care of such spatial planning that on the one hand would minimize the area intended for land sealing, and on the other hand, would repair the current dysfunctional structure of suburban built environment. It is about functional and environmentally rational filling the gaps in chaotically dispersed buildings, and an attempt to transform them into sensible housing complexes with access to services and efficient public transport connection to central cities. The task seems enormous, and it probably really is so. It is worth making sure that the way the future universal urban standard is formulated does not pose any additional complications – therefore in the case of the areas of “spontaneous suburbanization” it should be sufficiently flexible.

Legislative remedy to cure all evil?

What is the conclusion from the above considerations? There is no doubt that an urban standard is necessary. The philosophy of spatial planning, which boils down to the principle of “each municipality will know best how to shape the spatial order in their area”, unfortunately – as is only evident – did not work. Therefore, apart from the procedures, the regulations must include substantive content safeguarding the guaranteed minimum quality of planning studies. On the other hand, they should be formulated in such a way that the baby is not thrown out with the bathwater. If necessary, they should enable the municipality and the designer using his own knowledge and techniques to flexibly approach the application of at least some elements of the standard. Of course, we need to make sure that this flexibility does not go too far. The statutory expanding of the

mechanisms of social participation in the development of planning acts will be useful here.

Indeed. The introduction of the urban standard as an exclusive and self-contained reform of spatial planning will not work. As already indicated, in order for it to bring real and positive change, it must be related to other changes in the spatial planning system, especially in terms of effective financing of urbanization and elimination of uncontrolled development in previously undeveloped areas, but also in terms of rationalization and improvement of planning procedures, broadening the permissible scope of content regulated by local plans, as well as the aforementioned social participation.

At this point, many of you will ask about one more key aspect: what about the existing housing that will not meet the new, universal urban standards? There are certainly many such cases. Would they also be subject to these regulations? Of course, in theory it is possible to formulate such law, but what would it achieve? Wherever the conditions are not met, the local government would have to build the missing schools, kindergartens, widen the streets and sidewalks, launch public transport? Undoubtedly, such legal norm would join the litany of useless laws and generally ignored regulations, and after years of zoning free-for-all and chaotic dispersal of built environment, it would lead to many difficult dilemmas. I do not believe that we are mentally or financially ready, for example, to demolish some of the buildings in a development that is too dense in order to fill the deficit of green areas, although probably, in the future, we could also think about that. Moreover, in some cases an obligation to conform to a rigid standard would be simply unfair. Why should a local community bear the above-standard costs of supplementing the infrastructure for people who consciously decided to live in locations where such infrastructure was missing and where it was never planned in the first place? On the other hand, even without statutory provisions, local government officials know where in their area there are deficiencies in terms of infrastructure or access to public services. This knowledge is communicated in letters, petitions, or protests of dissatisfied residents, yet local authorities do not keep up in terms of meeting these expectations. The essence of the problem lies not so much in the lack of regulations on adapting the existing buildings to specific standards, as in the lack of financing. This is an element of the aforementioned fundamental omission in Polish urban planning regulations – the lack of rational and effective economic mechanisms that would ensure the formation of the whole, complete city, i.e. residential development with parallel implementation of infrastructure and guaranteed access to public services and green areas.

Today, when so much “milk has already been spilled”, formulating rational rules is more difficult

than ever. It is all too easy to assume that the costs of new urbanization are to be borne by its users, but then how to finance the redressing of shortcomings where houses have already been built? Should we introduce a universal infrastructure charge? Each potential solution will find its opponents, and the development of a fair mechanism will be extremely challenging, because it is difficult to take into account all the pre-existing complex conditions. For instance, where residents in the past co-financed the infrastructure (for example through the so-called adjacent fee, a betterment levy), a universal infrastructure fee would force them to do so again. This is probably the most difficult aspect in the necessary reform of the planning system. Alas, from the public debate so far it does not appear that the proponents of new solutions actually focus on these issues.

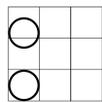
Let us, however, be optimistic and assume that the new and comprehensive legislative solutions will become binding law. When that happens, does it mean that overnight we will enter a straight and wide path towards improved space and a specific housing STANDARD in Poland? Probably not. As experiences with changes in spatial planning systems have shown, not everything goes according to the intention of the legislator. Interpretations and jurisprudence have led us to stray from many a rational solution. In addition, there is the unstoppable inventiveness of some investors and designers in circumventing the adopted regulations. The relevant groups in social media would probably soon fill with discussions on how to “bend” or interpret a given regulatory requirement in order to continue building the old way. Even if this is only a marginal pursuit, and the introduced legal solutions turn out to be fairly effective, we will still need someone to build these districts according to the established standards.

So much to do, right now

Therefore, legislation needs to be a significant, albeit one of the many areas of action, which public authorities take. Spatial policy cannot be reduced only to legal changes at the national level, or planning acts at the local level. It is no less important to promote specific attitudes, build awareness, communicate expectations and wishes to investors, and set a good example. The latter aspect seems particularly essential. When representatives of local authorities complain about spatial chaos or low-quality commercial development, they do not sound credible if the municipality allots poor locations for its municipal projects or TBS investment ventures, or if it gives up investment activity in the housing area altogether.

Meanwhile, it is the municipality’s investment activity that has an enormous potential to create a STANDARD – that is, to establish good practice in terms of the shape and the location of investment projects that

commercial investors should match. In particular, this applies to the promotion of new downtown buildings complementing those already existing, or to structures resulting from the modernization or adaptation of old buildings for housing purposes. ○



By nature, these are complex projects and it is difficult to achieve impressive financial ratios in such cases, but we need them because they are part of the revitalization policy to revive older districts and strengthen the urban structure desired in the face of climate change. Unfortunately, in some cities, there is no noticeable tendency to locate residential buildings in the centre, regardless of the availability of vacant land. A good example from the municipal investor would be useful.

Some of the largest Polish cities – Warsaw, Łódź, Gdańsk, and Szczecin – have completed numerous own housing investments in central areas. Besides, in large cities there is the greatest potential to formulate innovative projects, whose main objective is to create a benchmark for high-quality housing – both public and commercial. In this context, it is impossible not to mention the award-winning Nowe Żerniki housing estate in Wrocław and the unfortunately unfinished initiatives in the capital: the Warsaw Housing Standard (Warszawski Standard Mieszkaniowy), and the Warsaw Social District (Warszawska Dzielnica Społeczna). It is a pity indeed that such projects are few and sensitive to staff changes and procedural complications. They have a long way to go – it really seems like light years – until they reach the scale and importance of projects with similar aspirations that we find abroad, such as the successive IBA “exhibitions”, which are organized in various locations in Germany.

The few good examples

The role of the public investor as a promoter of the urban STANDARD is sorely needed in smaller cities, where private developers are few and they often lack incentives to compete with each other in terms of quality. In these circumstances, the city’s activity within the housing market becomes a necessity.

If we cast a broader comparative look at Polish medium-sized and smaller cities, we will notice clear differences in their spatial development. In some of them, new or modernized buildings, mainly residential, complement the earlier urban tissue and enrich the structure of the city. In others, new residential projects are being built, but their location in no way fits in with a well-thought-out plan for improving or shaping a residents-friendly city. Usually, this differentiation is related to a more or less rational spatial policy and the

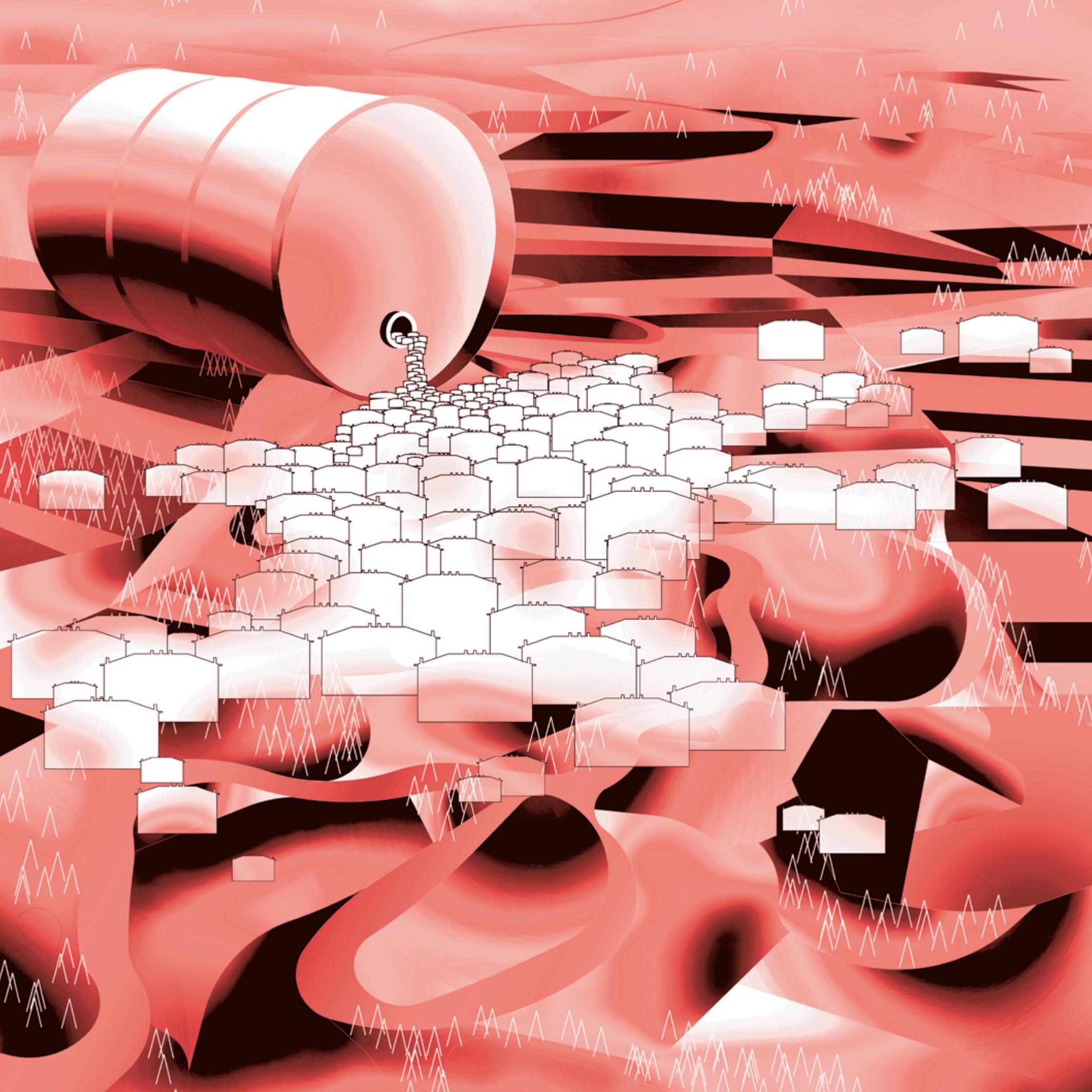
adoption of planning acts (or the lack thereof), but it is also easy to notice the correlation with whether the city is implementing ambitious downtown housing investments. Many cities have been executing such projects for a long time (which clearly translates into their

appearance), some have only recently embarked on this path of development – including Stargard, Słupsk, Suwałki, Konin, Kwidzyn, and Włocławek. This model of operation is also accessible to towns of really small sizes. A TBS has been operating in Karlino (less than six thousand inhabitants) since 1997, and has already completed numerous investment ventures. Some of these are small buildings filling the gaps in the existing built development, and shaping the present-day image of the town. Without their investment activity, Karlino would undoubtedly look quite different.

Currently, few smaller cities take up the challenge of actively and consciously shaping the housing development in their area, particularly such development that has the ambition to create a STANDARD. This deficit is one of the key challenges for our housing policy, and also a crucial spatial and demographic challenge. What is an exception today must be made a universal rule. But how can we achieve that? First, it is necessary to understand what it is that produces the success of the aforementioned cities. They probably owe the most to the right people in the right places, to their work ethos, and to the continuity of ideas and actions.

In order to transform the occasional attention to the quality of living conditions into something common and universal, a multiple and versatile action is necessary, and we need to focus on the effects achieved by the leading, benchmark cities. This requires linking legislative activities with the education and support of officials and agencies, appropriate financing tools, various mechanisms of promotion, pressure and regulation on the part of public authorities aimed at investors, and building market awareness among consumers who should not be satisfied with mediocrity.

If most of the issues on this list can be at least partially addressed, it is to be hoped that the STANDARD will indeed become standard. ●



○ ZOFIA
PIOTROWSKA

PHOTOS

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RODZIEWICZ

4y themselves, for 4hemselves

Polish
housing
cooperatives



Dreams of cooperation

Cooperative movement, one of the most interesting social ideas, is a system based on self-organization and commitment of all participants. It implements the concept of direct democracy not in the political dimension, but in the direct building of the economy. Cooperatives can be treated as an economic utopia built around the ideals of equality and self-governance, or as one of the methods of managing a company. Either way, we should not forget that they are primarily a social movement.

Cooperative movement began to emerge since the mid-eighteenth century in England, the most developed capitalist country at the time. The first consumer cooperatives collapsed quickly – it turned out that ideas alone, without good organization and political support, were not enough. The establishment of the Society of Equitable Pioneers in 1844, a consumer cooperative of weavers from Rochdale, is considered a breakthrough for the cooperative movement. The principles formulated at that time still form the foundation of the international cooperative movement, and are called the Rochdale principles. Six, seven, or sometimes eight legendary founding rules are listed. The Polish National Cooperative Council (Polska Krajowa Rada Spółdzielcza) included them in the following points:¹

1. **The principle of voluntary and open membership;**
2. **The principle of democratic member control;**
3. **The principle of member economic participation;**
4. **The principle of autonomy and independence;**
5. **The principle of education, training, and information;**
6. **The principle of cooperation;**
7. **The principle of concern for the local community.**

Cooperatives developed the fastest in the area of food production and distribution. By the end of the nineteenth century, cooperatives accounted for up to 15 per cent of retail turnover in some countries. A social utopia has been turned into an efficient – or at least feasible – economic model that encompassed agriculture, commerce, industry and, later, also housing.

Recently, the ideas of cooperatives are gaining more and more popularity, and some point towards them as an alternative to today's form of capitalism; a solution that would lead to a fairer and more sustainable economic development. Housing cooperatives are part of this strategy. To illustrate the latter, the most frequently cited example is the city of Zurich, where cooperatives own as much as 38 per cent of the housing stock

(although the average for the entire Switzerland is only 5 per cent); three-quarters of them are small organizations, managing about ninety flats each, although there are larger ones that take care of 5,000 flats.² Large institutions, in the segment of one thousand to five thousand apartments, dominate in Germany. There are a total of two thousand such cooperatives in Germany, and they comprise a total of 2.2 million flats, which is slightly more than 5 per cent of the country's housing stock.³ Many German cities support the development of small cooperatives as a city-forming instrument and a means to supplement the built environment of downtowns, or to activate communities in newly emerging districts. Berlin and Hamburg are best known for such activities.

Even against the background of the European leaders – Germany and Switzerland, Poland is a unique country. In our reports, we are breaking records in terms of cooperative construction, also in comparison to other post-socialist countries. As recently as in 2015, 16.2 per cent of the Polish housing stock belonged to cooperatives, while neighbours with a similar history of public support for cooperative building models retained much smaller stocks – in the Czech Republic it was 9.4 per cent, and in Hungary only 1 per cent.⁴ An outside observer might find the situation enviable; the Polish reader sees in these statistics only an image of a useless cooperative swamp.

Dreams of a new housing cooperative movement, such as the implementation of individual examples of building groups that would act as “urban acupuncture”, will not come true until we deal with the cumbersome inheritance of the previous system. Urban planners and activists dodge the subject even in the sphere of language: when talking about cooperatives, they limit themselves to one segment of the issue and to one – in fact, the most exclusive – investment model. And yet millions of Poles still live in cooperative flats. Without judging whether the latter are the noble legacy of socialism, or the cursed legacy of a system based on corruption, we need to ask ourselves what to do with this: repair the system, or finally eliminate it?

Path to glory

Poles created housing cooperatives already before the First World War. In the 1890s, the cooperative movement was active in the part of Polish territory that had been annexed by Prussia: the first organizations started operating in Bydgoszcz, Poznań and Toruń. In the interwar period, the Warsaw Housing Cooperative was established, extremely progressive both socially and architecturally. Many buildings were constructed in the formula of building cooperatives created by the wealthy part of the society. And yet the cooperative model did not dominate the market of new apartments; it did not even gain a significant share in that market, despite the

fact that already existing organizations survived World War II. By the end of the 1940s, they managed to complete the construction of the Koło II and Praga I estates in Warsaw, which had started before the war.

It soon turned out that the new authorities wanted to take control of all areas of the economy; therefore, any kind of social activities were placed on the list of suspects. The established Zakład Osiedli Robotniczych (National Unit of Workers' Estates) had a monopoly on the construction and distribution of apartments, while the role of the cooperatives was limited to managing the pre-existing housing stock.

The 1950s brought the “Thaw”. Apart from state-owned flats, the needs of the population were now to be met also by individual and cooperative housing. The constitution of 1952 even stated that “for the sake of the good of the families, the Polish People's Republic strives to improve the housing situation; with the participation of citizens, it develops and supports various forms of housing, especially cooperative housing, and cares for the rational management of housing resources.”⁵ Three types of cooperatives were established: tenant cooperatives (their members had a non-transferable right to the apartments, which meant that they could not transfer it to another person), construction and housing cooperatives (they ensured a limited property, transferable and

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Stegny Estate in Warsaw, constructed in the 1970s, now forms part of MSM “Energetyka”. Almost half of its area is green space. The one millionth cooperative apartment in the Polish People's Republic was constructed there, it was also the 50 thousandth cooperative apartment in Warsaw

- 1 Zasady Spółdzielcze, Krajowa Rada Spółdzielcza, <https://krs.org.pl/spoldzielczosc/zasady-spodzielcze> (accessed: 23.02.2021).
- 2 CCH The Confederation of Co-operative Housing (<https://www.cch.coop/co-operative-housing-zurich-becoming-a-go-to-housing-solution/>) and Co-operative Housing International (<https://www.housinginternational.coop/co-ops/switzerland/>) (accessed: 23.02.2021).
- 3 The Housing Cooperatives Germany (<https://www.wohnungsbaugenossenschaften.de/genossenschaften/how-cooperatives-work>) and Co-operative Housing International (<https://www.housinginternational.coop/co-ops/germany/>) (accessed: 23.02.2021).
- 4 A. Pittini et al., *The State of Housing in the EU 2015*, Brussels: Housing Europe, 2015.
- 5 Constitution of the People's Republic of Poland of 22 July 1952, Journal of Laws 1952, item 232, article 67 clause 5.

hereditary right), and cooperative associations for the construction of single-family houses (after the building's completion, members obtained full ownership).

The "golden age" of housing cooperatives had begun. We owe it not so much to legislation as to public funding, which continued until the 1980s. The own contribution for tenants' flats was 10 per cent, whereas for construction flats, it was 20 per cent. Low-interest state loans were granted for a period of sixty years, and subsidies were sufficient to cover up to 40 per cent of the construction costs. As a result, until the 1990s, the average family's housing expenditure remained below 5 per cent of the household budget.

The distribution of finances made it possible to control the selection of program beneficiaries. A 40 per cent quota for manual workers was established, which made cooperative membership a mass phenomenon. With time, especially after the complete cessation of municipal construction in the mid-1970s, some (possibly as many as half) of all completed flats did not go to those on the official waiting list; instead, they were distributed at the discretion of local authorities to administrative staff and service employees of large state-owned enterprises. The number of cooperative members who needed an apartment consistently exceeded the number of the lucky ones who actually got one. According to statistics from 1984, one-third of the applicants had been on the waiting lists for more than ten years, and it was common practice to open a housing savings passbook for a new-born baby.⁶

Central budget management made it possible to impose architectural and urban solutions – there were standards and construction systems using the prefabricated panel technology. An unquestionable advantage was the integrated planning of housing estates with social infrastructure, and the collaboration of public institutions with housing cooperatives. On the other hand, this also made it possible for buildings to be erected on land with an unregulated ownership status, which continues to generate many problems today.

Needless to say, such use of public finances inevitably led to an economic recession in the long run. In the 1980s, funds for the construction of apartments were significantly reduced, although only one important new provision was introduced in the legislation – namely, it became possible to establish land and mortgage registers for limited property rights (i.e. for cooperative ownership apartments), which could be mortgaged from then on. Without public funding, the cooperatives stopped building new homes. In the 1990s, a sharp decline in the number of newly built flats began, regardless of the type of the investor. In 1992, the last year before the collapse, the cooperatives still managed to build eighty thousand flats (63 per cent of all new construction); today they build only three thousand flats per year.⁷

The constitution of 1997 incorporates a policy that favours satisfying the housing needs of citizens, in particular counteracting homelessness, supporting the development of social housing and activities of

citizens aimed at obtaining their own apartment.⁸ The Act of 2000⁹ implements this policy through the right to purchase tenant flats and legally separate them into isolated properties. Cooperatives can conduct real estate development activities and the profit made on those activities can be invested towards the renovation and maintenance of the existing housing stock.

A public image of cooperative movement

Despite the changes introduced at the turn of the twentieth and twenty-first centuries, which were unfavourable and inconsistent with the ideas of social cooperation and joint ownership, housing cooperatives are not seen to be the victims of the system. They are still perceived as privileged institutions that have found a comfortable corner in the current legal reality. Social perceptions are well illustrated by the report by Onet journalists Marcin Wyrwał and Mateusz Baczyński, published earlier this year, with a title that is stigmatizing the entire cooperative housing stock – simply "Spółdzielnia" [The Cooperative].¹⁰ A journalistic investigation revealed irregularities in the functioning of the LWSM "Morena", the largest housing cooperative in Gdańsk (it manages seventy hectares of land and has 6,500 apartments, inhabited by twenty thousand people).

On the tape recordings used in the material, we can hear the cooperative's vice-chairman giving orders to damage staircases and cover walls with graffiti in order to extort money from insurers ("you have to write:



Administrative building of Intercompany Housing Cooperative (Międzyzakładowa Spółdzielnia Mieszkaniowa, MSM) "Energetyka", established in 1958. The cooperative currently administers 260 residential buildings with 18,982 apartments, 21 commercial buildings, and has over 40 thousand residents

- 6 D. Jarosz, *Polaków drogi do mieszkania w PRL (szkic problemu)*, Zespół Badawczy Historii Społecznej Polski XIX i XX wieku, http://www.historiaspoleczna.uw.edu.pl/seminarium/miasto-przestrzen-i-ludzie/polakow_drogi_do_mieszkania_w_PRL (accessed: 23.02.2021).
- 7 *Raport. Stan mieszkalnictwa w Polsce*, Warszawa: Ministerstwo Rozwoju, 2020, <https://www.gov.pl/attachment/26de9999-e-a40-42c0-9396-74d3e2684a14> (accessed: 23.02.2021).
- 8 Konstytucja Rzeczypospolitej Polskiej z dnia 2 kwietnia 1997 r., Dz. U. 1997, nr 78, poz. 483, art. 75 [Constitution of the Republic of Poland of 2 April 1997, Journal of Laws 1997, no. 78, item 483, article 75].
- 9 Ustawa z dnia 15 grudnia 2000 r. o spółdzielniach mieszkaniowych, Dz. U. z 2013 r., poz. 1222 [Act of 15 December 2000 on housing cooperatives, Journal of Laws 2013, item 1222].



Residential building at Zwirzyniecka 6 in Warsaw, completed in 2018. MSM "Energetyka" is on the few cooperatives conducting construction activities for its members' own use.

'Kaczor oszust', so that there is a political connotation").¹¹ We also find that he forged the powers of attorney needed to vote and pass important decisions at general meetings, and he commissioned expensive legal services from pally law firms. Despite reports submitted for years to the prosecutor's office and the Central Anticorruption Bureau, it was only at the beginning of February this year that the cooperative's vice-chairman heard the charges. The interventions of Kacper Płażyński, MP of the PiS party and the publicity as the result of the journalists' investigation certainly contributed to this.

The journalists' report fits in with the common perception of cooperatives as habitats of pathologies or dysfunctions, fully subordinate to the CEO, in which passive members are deprived of any real influence on the functioning of the organization. The environment is dominated by older or middle-aged men, and that additionally reinforces the stereotype about the cooperative's links with the previous system. In an interesting and otherwise important conversation, organized by the "Administrator" monthly, not only the invited CEOs of housing cooperatives, but also the journalist who interviews them, use language that disagrees with the spirit of democracy

and equality. They comment on the activities of the cooperatives in the first or second person singular: "What will I do?", "Will you sell?", "Are you going to build?", "I don't know yet; for now, I want to buy land".¹²

In fact, many cooperatives contradict this image: they carry out revitalization activities, improve the quality of common spaces, and take care of the cultural and social program. Some of them still build new apartments for their members, or use preferential loans to construct affordable rental housing. However, systemic problems are difficult to overcome, and the topic of housing cooperatives is stuck somewhere between an attempt to fully transform them into condominiums (i.e. unions of independent owners), and sluggish and relatively fresh concepts for using the existing organizations to provide affordable housing. The issue concerns almost five million Poles living in two million flats, so it is by no means marginal. Currently, cooperative housing is certainly far from being a social movement or an equality model responding to the pressing problem of the housing crisis. Does it have a chance to become that? Could it actually fulfil the ideas defined by the seven founding principles of cooperative movement?

10 M. Wyrwał, M. Baczyński, *Spółdzielnia*, Onet, 15.01.2021, <https://wiadomosci.onet.pl/tylko-w-onecie/kulisy-afery-w-najwiekszej-spoldzielni-mieszkaniowej-w-gdansk-reportaz-onetu/fnp5e2c> (accessed: 23.02.2021).

11 "Kaczor" (Duck) in the phrase "Kaczor oszust" (Duck the Fraud) refers to Jarosław Kaczyński, the leader of Poland's governing party.

12 S. Augustowicz, Nie ma klimatu dla inwestycji w spółdzielniach, *Administrator24.info*, 20.12/2019, <http://www.administrator24.info/artykul/id11748,nie-ma-klimatu-dla-inwestycji-w-spoldzielniach> (accessed: 23.02.2021).



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Stegny Estate in Warsaw, constructed in the 1970s, now forms part of MSM "Energetyka"

Reviving cooperative spirit in cooperatives

The principle of voluntary and open membership

The stock of cooperative housing is gradually diminishing, so it is difficult to talk about openness to new members. Admittedly, there are first timid attempts to persuade cooperatives to invest. Cooperatives were conceived as one of the pillars for the implementation of the National Housing Program, but despite the availability of state loans, not much is going on in this area.

Building tenant-owned flats for the needs of cooperatives' members is meaningless. "Today we will build them for the members of the cooperative [...] and tomorrow a tenants' association will institutionalize, and we will lose both the building and our members,"¹³ accurately observes Grzegorz Jakubiec, CEO of the SM "Służew nad Dolinką" housing cooperative. The members are also reluctant for their neighbouring area to be filled with more houses, and are blocking their construction at general meetings according to the "not in my backyard" principle.

Despite the willingness of many people to "take matters in their own hands", new cooperatives are not emerging either. There are, of course, exceptions: a handful of building cooperatives registered in several Polish cities.

- o Looking at developers' margins, I am wondering whether it would make sense

to establish my own housing cooperative aimed at building a block of flats for my own needs [...] Do you know any websites, blogs, online forum threads describing the process of preparing such an investment venture in the organizational, legal and procedural aspect?

- o The cooperative law is so confusing that it is much better to establish a special purpose vehicle for that.¹⁴

Cooperative housing is a closed resource. Within this segment, only 2,700 new flats are built in cities each year – this accounts for as little as 2.2 per cent of all constructed apartments.¹⁵ Besides, there is no way of knowing which part of the cooperatives' output is sold on the market, and which part is allocated to the members' own needs.

The principle of democratic member control

To some extent, the stereotypical view of cooperatives is confirmed: on the one hand, they are run by CEOs and supervisory boards who are "glued to their seats", and on the other hand, members are not interested in the activities of the cooperative and do not participate in the management of the organization.

In one of Lublin's housing cooperatives, only two out of seven hundred members (0.1 per cent of all those eligible) attended meetings of the council of real estate representatives in 2017–2019, the meetings of the

¹³ Ibid.

¹⁴ Online discussion at the Murator.pl forum, topic: Establishing a housing cooperative and building a block of flats, <https://forum.murator.pl/showthread.php?169980-Założenie-spółdzielni-mieszkaniowej-i-budowa-bloku> (accessed: 23.02.2021).

¹⁵ Raport. *Stan mieszkalnictwa...*, op. cit.

¹⁶ Online training: *Spółdzielcze rewolucje*, Fundacja Republikańska, 25.08.2020, <https://spoldzielniemieszkaniowe.org/lista-szkolen/> (accessed: 23.02.2021).

¹⁷ M. Błaszke, M. Śpiewak-Szyjka, *Satysfakcja członków spółdzielni i innych osób korzystających z zasobów mieszkaniowych spółdzielni*, [in:] *Spółdzielnie mieszkaniowe. Dylematy funkcjonowania i rozwoju*, T. Skotarczak (ed.), Warszawa: C.H. Beck, 2015, pp. 158–163.

¹⁸ B. Baranowski, *Co oznacza, jeśli mieszkanie jest spółdzielcze własnościowe?*, Domiporta, 14.08.2019, <https://www.domiporta.pl/poradnik/7,126866,25087001,co-oznacza-jezeli-mieszkanie-jest-spoldzielcze-wlasnosciowe.html> (accessed: 23.02.2021).



supervisory board were attended in comparable numbers, whereas eighteen people (2–3 per cent) attended general meetings.¹⁶ A similar, although less extreme, trend has been observed in the Szczecin study: members rated the work of the board as poor (22 per cent) and as average (40 per cent), but they never attended meetings (39 per cent) or only participated sporadically (42 per cent). As a rule, smaller cooperatives are characterized by a greater degree of their members' involvement.¹⁷

There are voices proposing the introduction of the principle of rotation in office or limiting the term of the cooperative's management board. At present, the board can only be recalled, which, as everyone knows, is much more difficult than voting it in for the next term. It would also be worth introducing direct election of CEOs – currently this is the competence of the supervisory board. The latter, in turn, should treat their work as a public service and should not be remunerated for it.

Some of the changes are meant to be introduced soon.

The principle of member economic participation

On thematic social networks, people express the following opinions about the purchase of a cooperative flat:

Among the disadvantages of flats in the cooperative ownership model, there are also possibly (although this is not a rule) higher fees than in the case of tenant-owned flats. Higher fees result from the management structure of the cooperative. The majority of the existing cooperatives have a very extensive system of cooperative staff: CEOs (and their deputies), accountants, administration and technical employees. The remuneration of these people is collected precisely from the tenants' fees.¹⁸

This, however, does not always have to be the case. Some cooperatives discourage their members from converting their apartments into a separate property – they are tempting them with lower rents; also, they often own

real estate that brings additional profits (for example, shopping pavilions) or conduct real estate development activities that help reduce contributions to the renovation fund. A “diverse portfolio” not only helps to balance the finances; it is also of great urban value: commercial premises are rented rather than purchased – whereas most real estate developers have a problem with putting such spaces to business use, so they try not to include them in their designs.

The principle of autonomy and independence

After the experiences of the previous system, the foundation footing of the idea of autonomy and independence needs to be properly re-established. Investing in residential property constitutes a safe and valuable business model. Cooperatives operate in the long-term perspective, and they need state support in the current system, which is focused on quick profit. However, this does not call for repeating unsustainable course of



action such as the one that the authorities of the People's Republic of Poland took. Instead, we should enable cooperatives to carry out their investment projects over a longer period of time – and in order to do that, we need guaranteed interest rates or loans, or spreading the repayment of land costs over time.

Autonomy is also associated with the possibility of efficient management, and the latter is linked with the size of the organization. In Switzerland, small cooperatives within one building are preferred, whereas the largest German organizations manage up to five thousand apartments. In Poland, a “medium” sized cooperative counts between two and five thousand members, whereas the Warszawska Spółdzielnia Mieszkaniowa (even having excluded Koło and Chomiczówka, once parts thereof) has as many as thirty one thousand members!

The structure of prefabricated housing estates is not conducive to the fragmentation of management. Alas, large-scale activities result in the lack of accountability

for the quality of space, which is a grievous malady of Polish housing estates. Cooperatives could operate as an association of smaller units or under the supervision of umbrella organizations managing renovation funds and maintenance of common areas, but under the current legislation, the division of cooperatives into smaller entities is so complicated that it is virtually impossible to carry out in practice.

The principle of education, training, and information

Cooperative democracy is not easy, and it cannot be expected that the current members, who have acquired their membership by chance rather than by choice, will decide to actively participate in it. Without the transparent system and precise law, it is not reasonable to expect things to change.

The community of urban researchers seem to have written off the topic of housing cooperatives; the latter are not mentioned in the discussions on

Stegny Estate in Warsaw, constructed in the 1970s, now forms part of MSM "Energetyka"

¹⁹ S. Augustowicz, op. cit.

²⁰ P. Słowik, *Rząd chce odspawać prezesów spółdzielni mieszkaniowych od foteli*, Bezprawnik, 22.12.2020, <https://bezprawnik.pl/rzad-chce-odspawac-prezesow-spoldzelnii-mieszkaniowych-od-foteli/> (accessed: 23.03.2021).

affordable housing. Instead, new investment entities are created: Social Housing Associations (Towarzystwa Budownictwa Społecznego), Social Housing Initiatives (Społeczne Inicjatywy Mieszkaniowe), newly founded cooperatives (work is underway on the definition of the latter as a legal entity). Considering the complexity of the cooperative law and fossilized organizational structures, the strategy of “starting anew” could lead to real changes faster, but it is also worth fighting for the existing cooperative housing stock, which comprises huge areas in city centres, with full infrastructure and regeneration potential – provided that these housing complexes will be “condensed” in a clever way.

The principle of cooperation

Over the years [...] developers grew stronger, organized themselves into unions, created their own lobby, and meanwhile what have we done to survive on the market? If we don't organize ourselves, if we do not formulate the concept, the model for our operation, then nobody will do it for us. We react to existing regulations and we adapt to them, but we do not try to create the regulations ourselves

– such is a bitter conclusion reached by Jacek Frydryszak, chairman of the board of the SBM “Dom” housing cooperative.¹⁹

While there is talk of CEOs blocking management-restructuring regulations, which affect them directly, the public debate mainly covers members fighting for full ownership and freedom from cooperative restrictions. The Housing Europe federation brings together entities involved in public and social housing, and one of them is the Auditing Union of Housing Cooperatives of the Republic of Poland (Związek Rewizyjny Spółdzielni Mieszkaniowych RP). The “cooperative lobby” should encompass the existing organizations as well as the future cooperative movement, representing the interests of both members and management boards. Otherwise, it will continue to be perceived as a herd of CEO's friends and relations.

The principle of concern for the local community

Housing cooperatives are still actively pursuing cultural and social functions – they run residents' clubs and local community centres or collaborate with foundations that conduct this type of activity. This “old school” endeavour is a positive heritage of the People's Republic of Poland, and should be preserved and supported.

Many housing cooperatives, especially those managing complexes of blocks of flats, also manage public green areas, which are used by both their own members and residents of other, newly erected buildings, even

though the latter do not contribute financially to their maintenance. The real estate development activity of cooperatives, consisting in irreversible privatization of a part of the common resources, reinforces this phenomenon even further.

The social dimension of a cooperative may also manifest itself in an individual approach to its members, also in the dimension of settling receivables. Already at the moment, some cooperatives offer the possibility of replacing the flat with a smaller one with the financial compensation used to repay the debt. Flexible adaptation of flat sizes to the changing needs of owners within the same neighbourhood is a response to the problem of elderly people trapped in too large apartments, which are expensive to maintain.

Cooperatives' greatest strength comes from their ability to create a holistic picture of the living environment – including infrastructure, community, green spaces, and cultural activities. Despite many barriers and irregularities in the Polish system, comprehensive management of the housing stock is a value cherished in many housing estates. Separation into individual properties would result in the loss of this asset.

New rules

The present ruling party, Law and Justice (Prawo i Sprawiedliwość, PiS), became interested in cooperatives (as well as in many previously forgotten matters related to housing). In 2017, the first law strengthening membership rights was adopted, and there are plans to introduce direct elections and rotation in office for management boards. The Ministry of Development, Labour and Technology also proposes new forms of co-financing for cooperative investments as part of a multi-faceted housing support program. Before we begin to praise the present government, however, let us wait for this concern to turn into reality. As the fate of the never-passed large re-privatization act has shown, PiS is better at diagnosing problems than implementing specific solutions.

“The latest idea of the Ministry of Development, Labour and Technology is a very fine diagnosis, predicting a half-hearted action. Still, any move towards restoring the idea of housing cooperatives in Poland deserves recognition,” lawyer and journalist Patryk Słowik believes.²⁰

So far, the topic of two million cooperative flats has not emerged in the discussion on the availability of housing. The activists' efforts are focused on developing the idea of building societies. And although the latter certainly constitute a valuable city-forming tool, they will always remain but a small-scale activity, dedicated to people in a comfortable financial situation.

The Micro Cooperative (Mikrospółdzielnia), launched ten years ago by Maciej Czeredys and Piotr

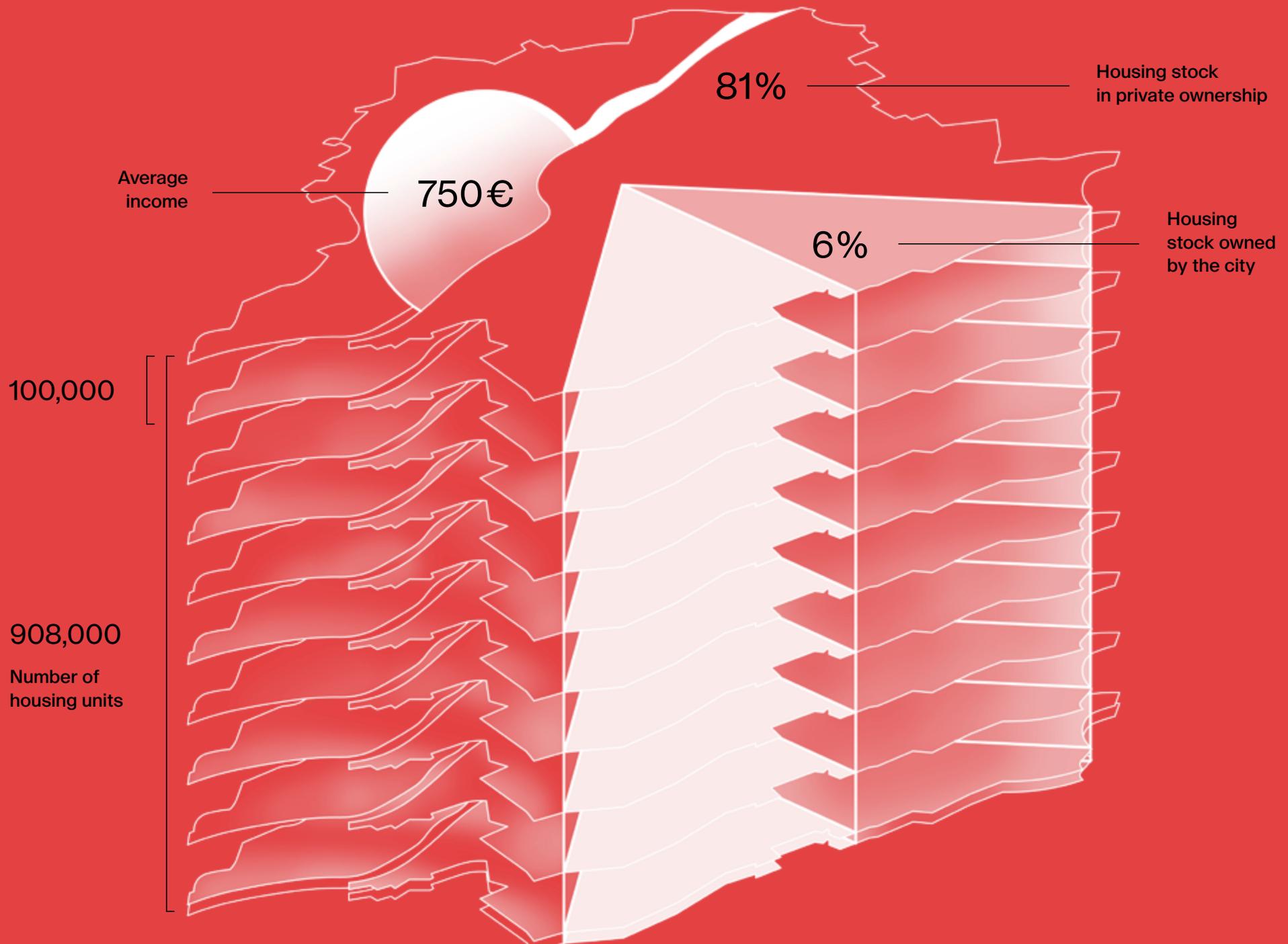
Topiński, was an attempt to implement a slightly different vision. The originators wished to build a house whose residents would remain co-owners of the entire property with the right to lease individual units. This would ensure that the organization would continue as a social resource regardless of changing tenants. Several years' work led to the creation of an organizational framework necessary for the implementation of the venture. Although the project was guided by the idea of cooperation, its proponents decided not to incorporate under the cooperative law. The limited liability company model was chosen – because it is an uncomplicated legal form, and it does not require tons of documentation and by-laws. The biggest obstacles to obtaining commercial credit were the company's lack of experience in conducting similar investment projects, and the tenants, who would become a problem in the event of the bank taking over the building. Ultimately, a financing model was developed not in the form of a mortgage credit but a leasing contract; the building would remain the property of the bank until the loan is repaid.

The implementation of the project was thwarted by the city's land-plot sale system. Warsaw city's tender procedure requires the winner to deliver the cash quickly (although in practice the deadlines may be extended, it is difficult to base the success of an investment venture on an uncertain decision of officials); thus, it gives preference to capital groups, and discriminates against entities, which use sources of financing that require a longer time frame. In the end, all the plots indicated by the Micro Cooperative in discussions with officials (including the plot at number 4 in Sprzeczna Street) were bought by commercial investors.

The city also pursues a policy of merging small plots into large construction areas, ultimately discrediting small entities, and destructive to healthy city-forming processes. We need to emphasize that the problems of the Micro Cooperative did not arise from the city's operation on a commercial basis, either in terms of credit-granting or the price of the plot (small and large plots are sold at the same price per square meter). Giving social initiatives enough time to obtain the funds and complete the formalities would be enough to support them.

“For me, the biggest shock was that the bank understood us better than the municipal officials did,” Piotr Topiński told me.

We should not expect public aid such as dedicated tenders or preferential loans (although such instruments already exist). Let us work to ensure that all investment entities have equal opportunities in the housing market. The main principle of the cooperative movement (which one of the cooperatives from Świecie adopted as their proper name) – “Help thyself” – is currently impossible to apply. ●



Percentage of inhabitants living in rented accommodation

Average price per square meter

1,687€

Growth in prices 2015–2019

40%

Average rent price per square meter

8.5€

Growth in prices 2015–2019

180%



17 years Average time to save for an apartment

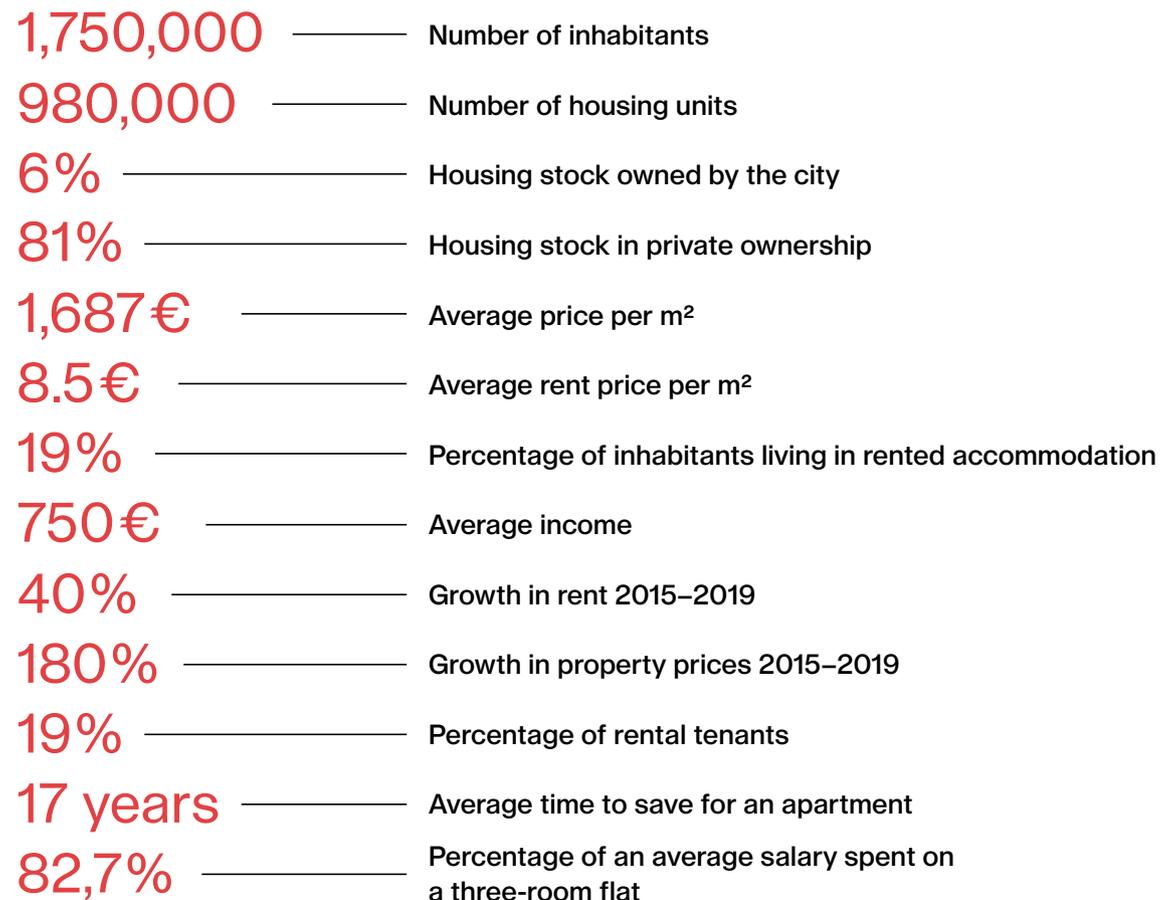
Budapest

In a clinch between luxury developments and Orbán's government

The date is September 24, the 104th minute of the match, and Javi Martínez has just gotten the better of Sevilla's goalkeeper, Jasin Bunú, ensuring Bayern Munich's victory in the UEFA Super Cup. The final was watched by over fifteen thousand wild fans. Budapest's Ferenc Puskás Stadium was UEFA's testing ground for the return of fans into the stands after the spring pandemic, with the naive belief that the virus had been defeated forever. Puskás Aréna, opened in 2019, is one of the newest and most modern European stadiums and it cost Hungarian taxpayers some 567 million euros. Viktor Orbán clearly decided that rather than enter uncertain waters, it would be better to stick to the tried and tested authoritarian approach of "bread and circuses" – support of football infrastructure is among his key investments. The announced renovation and construction of several dozen other stadiums (the first of which, as coincidence would have it, in Orbán's home village) could cost up to 598 million euros, some sources claim.

While the construction of one of Budapest's new landmarks swallowed up vast sums, the city around it is falling into an increasingly pressing housing crisis, which is, in some respects, the worst in the European Union. Rents have more than doubled over the course of the last ten years and property prices have grown by up to a hundred and eighty per cent in some districts.

In lucrative locations, a square metre goes for as much as four thousand euros. In Hungary, over thirty per cent of all households spend over half their income on housing, and in Budapest, the number is even higher.¹ According to Eurostat, quoted by the Hungarian National Bank in its report on the housing market, the Hungarian capital is the fourth worst in unaffordable housing in the EU – after Paris, Prague, and Bratislava.² Hungary also regularly leads European tables regarding the number of people living in inadequate conditions. Though the situation has improved considerably over the last few years, Hungary is still fifth, following Romania, Latvia, Bulgaria, and Poland. Orbán's government might claim the quality of housing in the country is improving, but many experts agree that the nation's leadership is doing practically nothing to make housing more affordable and ameliorate the housing crisis.



The liberal dream

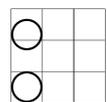
"In practice, all those statistics mean that for a young person, like me, it's practically impossible to rent an apartment, or worse yet, buy one," says Csaba Jelinek, an urban sociologist and anthropologist from the Périferia research centre, in a pub a stone's throw away from the Puskás stadium.³ "It depends on the district, but the centre is virtually unavailable for someone from the lower middle class." According to Jelinek, this is the result of years of neglect of public housing policy. "Since the revolution, no government has proposed any truly progressive housing policies. The dominant discourse is the classic denial of state intervention based on historical experiences from before 1989. The state should not intervene in housing, after all, it did not act like a prudent businessman and mismanaged public property," explains Jelinek.

1 *Living Conditions in Europe – housing quality*, Eurostat. Statistic Explained, 04.2020, https://ec.europa.eu/eurostat/statistics-explained/index.php/Living_conditions_in_Europe_-_housing_quality#Key_findings (accessed: 25.03.2021).
 2 *Housing Market Report*, Magyar Nemzeti Bank, <https://www.mnb.hu/en/publications/reports/housing-market-report> (accessed: 26.03.2021).
 3 All quotes are from interviews carried out by the author for the purpose of this article (editor's note).

Before 1989, almost 50 per cent of Budapest's apartments were owned by the city, but tenants also had certain proprietary rights. "As a tenant, I could exchange my apartment for another, or even change rental housing for ownership. The price at which these exchanges took place were around 50 per cent of the market price," says the sociologist and economist József Hegedüs from the Metropolitan Research Institute (MIT). "It was essentially a grey economy transferred into official waters. According to our research, some 30 per cent of people in the 1980s acquired housing in this manner."

As early as the 1980s, Hungary became relatively liberal in the context of the Eastern Bloc – among other things, the privatisation of housing began before the fall of the regime. Fifty thousand apartments were privatised before 1989 and the process continued after the revolution. Hungarian privatisation, or rather restitution, was different from the Czech case in that it was not possible to receive an entire house (with tenants included), but only individual housing units. The previous owners could apply for compensation, but this wasn't very high.

As a result of these factors, the rental housing sector in Hungary is highly non-transparent and unregulated. "We have virtually no data – we don't know who's renting what to whom and for how much, it usually takes place on an unofficial basis," says Hegedüs as he tries to explain the local system. This leads to a great uncertainty on both sides, but particularly for tenants, who can lose their accommodation very easily. "But I've also heard of many cases in which the tenant did not pay rent and the landlord had to pay him to leave the apartment," continues the sociologist. "This disorganised situation is convenient for many people and interest groups. But our institute proposes at least partial regulation," he adds. ○



Thirty years after the revolution, the city's housing stock represents only about 6 per cent of all the apartments in Budapest. Just like in other post-communist cities, the city therefore has limited options for supporting affordable housing and protecting its inhabitants from the negative impacts of financialisation and gentrification.

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- 4 K. Ámon et al., *Annual Report on Housing Poverty in Hungary – executive summary*, Budapest: Habitat for Humanity Hungary, 2019, https://habitat.hu/sites/lakhatasi-jelenetes/wp-content/uploads/sites/5/2020/01/HFH2019EN_V2.pdf (accessed: 25.03.2021).
- 5 New Residency, <https://newresidency.com/programs/hungarian-real-estate-residency-program> (accessed: 26.03.2021).

Municipal property continued to be sold off in recent years, even as property and rent prices skyrocketed. According to the 2019 Annual Report on the Housing Crisis in Hungary, in 2017, another 536 apartments in Budapest were privatised.⁴

Housing benefit. Decent families with children only, please

After the year 2000, as the economy grew, mortgages in foreign currencies (usually in euros and Swiss francs) with floating interest rates became very popular among Hungarians. The cheaper they were, however, the riskier. This was confirmed in 2008, when a mortgage crisis broke out, closely followed by a global economic crisis. Hungary was one of the most severely affected states – the state debt was over 70 per cent of the GDP and Hungarian households owed over six billion euros. Two years later, the economic and political crisis gave rise to Viktor Orbán as the country's leader.

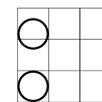
"That was perhaps the first time housing became a topic of discussion across society – the crisis affected hundreds of thousands of people across all classes, including the richest," explains Csaba Jelinek. "It took years before we got out of the crisis, but it didn't give rise to any public support for housing. Or at least not in a form that would truly help the social groups most in need," he remarks. Though the government created a programme to increase the birth rate and support economic growth, within which it offers families with children subsidies and loans for housing, in order to be eligible for these funds, you must conform to a number of criteria, including a certain income level and a clean criminal record. "This support therefore doesn't make its way to the poor families at risk, but is mostly reserved for the financially secure middle classes," says Jelinek. The system therefore ultimately aids the increasing differences between various social groups.

In Budapest, the governmental programme had a further negative impact – some 40 per cent of all families that received the housing benefit did not use the money to acquire housing in the metropolis, instead opting for a house in one of the urban agglomerations surrounding Budapest. This strengthened the generally criticised trend of suburbanisation. The government itself admitted a partial failure, especially after the programme and the dire situation became the point of critique from the Hungarian National Bank, as the

extreme rise in housing prices began endangering the entire financial market.

We (don't) want foreigners in Hungary

"Unaffordable housing has always been an issue for the poor. But today, it is also an issue for the middle classes, including the well-educated younger generations," says Áron Horváth, an economist at ELTINGY, the Centre for Property Research at Eötvös Loránd University. "Most of our students spend some time at universities abroad. They would then like to return, but more and more often, I hear that when they compare the costs of living, moving back here simply isn't worth it," explains Horváth. "Housing prices are lower in Dutch or British cities (except London), and they often have the opportunity to get better work for better money there." ○

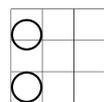


Everyone agrees that without the help of their families, young people simply cannot find housing here.



Insufficient availability of municipal rental apartments, the unregulated private sector, unsystematic state support, and also the slim offer of affordable private housing, along with the typically Eastern European desire for home ownership at any cost all contribute to the fact that over 40 per cent of Hungarians between the ages of 25 and 34 live with their parents. And all these factors continue driving prices up.

In Budapest, there is the added element of the attractiveness of the centre for Hungarian and international investors and the large number of apartments used for short-term tourist rentals. On top of that, property is increasingly being acquired as an investment. “Housing has become a commodity. The upper middle class and the wealthy are now investing much more in housing than in the stock market. And again, that contributes to the creation of social inequality, which has grown considerably in past decades,” says József Hegedüs. It is not only the local elites who are storing their money in property – there are foreign investors too, and this despite the fact that Hungary’s leadership continues to claim that they are restricting the influence of foreigners and foreign powers in the country. ○



Orbán’s regime influences (not only) the housing policy of the city to a much greater extent than is commonly found in the state–capital city relationship elsewhere in Europe. Though we could describe the official discourse as neoliberal dogma, Orbán’s government is also strengthening the position of the state, which some experts interpret as the sign of a centralist system.

But Csaba Jelinek describes the current Hungarian system as merely another form of neoliberalism, linked to elements of authoritarianism and economic nationalism. “As for housing policy, the central position is still that the state should not interfere too much; that it is not the role of the state to build houses,” explains Jelinek. Even the family subsidies mentioned above aren’t provided by the state directly – banks are used as intermediaries. “What we had before was classic neoliberalism: we have to privatize, even though the ones privatising and investing were generally foreigners. Then Orbán introduced the idea that they had to be replaced by Hungarians, so he gave the local oligarchs much greater power.”

But most development projects, especially in the centre of Budapest, involve investors from abroad. Jelinek claims that we can assume many of them are profiting from good political relationships. Áron Horváth speaks of the old government programme, The Hungarian Investor Residency Bond Program, in which foreign nationals could receive Hungarian citizenship in return for an investment over a certain sum. The programme was mostly popular with the Chinese and citizens from the Middle East. “I don’t think it was a completely transparent programme. Hundreds of apartments were sold to foreign investors this way,” claims Horváth. Though this programme has been terminated, it was replaced by another, focused directly on the property market: the Hungarian Real Estate Residency Program. “The residency permit will be based on the profit of your real estate investment. The simplest way to acquire it is to purchase at least two apartments in Budapest and rent them out with the aim of generating profit,” we read on the website of the New Residency company, which organises the programme. All you need to get is a residency permit for you and your family is an investment of at least two hundred thousand euros in “one of the most dynamically developing real estate markets in the European Union.”⁵

Ferenc Puskás Stadium in Budapest with a panoramic view of the city

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Photo by: OD Pictures / Wikimedia Commons CC A-SA 4.0

Head to head

Wandering around Budapest, you don’t exactly feel like you’re in a real estate dream. The tattered buildings are beautiful and they possess a romantic charm, but I doubt their tenants feel just as charmed. Solutions to the sorry state of the housing stock and making housing more available are some of the priorities of the new leadership of the city. The opposition won the autumn 2019 municipal elections, Gergely Karácsony from the Dialogue party became mayor, and the opposition also formed governing coalitions in many city districts. The ruling party’s failure in local elections, however, meant it fortified its centralising tendencies, further limiting the cities’ autonomy. The government is primarily trying to limit budgets. This year’s pandemic was a welcome pretext that allowed the government to confiscate large sums from cities’ budgets as part of extensive extraordinary measures. The eighth and ninth district, for instance, where the housing crisis in Budapest is at its worst, lost hundreds of millions of forints intended for the renovation of municipal apartments and aid for poor families, as reported by Balkan Insight.

Although the city hall now has at its disposal a proposal for the city’s housing policy from 2020 to 2030 developed by MIT, Bálint Missetics, an expert on social policy and housing and an advisor to Budapest’s city hall, points out that it is unclear how much of the proposal will be carried through and enforced. The core of the institute’s plan lies in broadening the segment of available rental housing in three basic ways: through better and more effective care for the current housing stock, by establishing a non-profit agency to administer the municipal housing stock and expand it, and through support of alternative forms of ownership (condominiums, cooperatives, and others). If the city were to follow this strategy, the proportion of municipal or agency housing would rise to 12 per cent, up to 30 per cent in the long-term. At this stage, however, all these are just proposals on paper.

Where do the poor go?

After the coronavirus outbreak, most tourists disappeared from Budapest, so thousands of apartments used for short-term rentals returned to the market and rental costs decreased slightly. Regulating tourist rentals was

one of the central tenets of Karácsony's programme, to which end the mayor met with Airbnb representatives shortly after last year's election. "That was more a diplomatic meeting to clarify our respective positions – we didn't have a legislative tool to limit this type of rentals," explains Misetics.

August 2020, however, saw the ratification of an amendment of a trade law that gives local politicians the right to restrict short-term rentals, most directly regarding the number of days for which apartments can be rented this way. In Budapest, though, this decision is not up to the city hall but to individual city districts. "Airbnb is lobbying against the new regulations and we're trying to get the municipalities to cooperate and unify the rules as much as possible," says Misetics. "In any case, apartments should only be rented for short-term rentals for a smaller part of the year from now on."

Airbnb and other platforms often state that only about ten to fifteen thousand apartments in Budapest are used for short-term rentals, i.e. about 1 per cent, so tourist rentals have no impact on the cost and availability of housing. "This is a highly misleading statement. Budapest is a large city, and of its twenty-three districts, only about seven are affected by this phenomenon," says Misetics. "In the central districts, it might well be more than half of all apartments, perhaps even three quarters."

Especially in the centre, recent years have seen the progression of gentrification processes that have been hardest on the city's poorest inhabitants. The central areas on the Pest side (where the parliament is) are now lucrative and popular with tourists. Traditionally, however, the central districts of Budapest were working class, poor, with a high percentage of Roma population, and highly socially stigmatised. The relocation of the original inhabitants has been taking place since 1989, but it gathered speed particularly in the past decade. "Thanks to the fact that only individual apartments could be restituted and privatised, a highly specific mosaic-like ownership structure was created here, and it didn't allow investors to buy entire houses or blocks," explains Csaba Jelinek. "In this respect, we're lucky compared to Prague, because this prevented the quick displacement of the inhabitants and the transformation of the centre into a theme park. But investors find a way, of course."

A right to dignity

Following a recommendation from journalist Eszter Neuberger, who focuses on social issues and housing, I visit Hős Utca, the location of one of Budapest's famous socially excluded districts, stigmatised by the mainstream media as a hub for a variety of negative social phenomena. In reality, it is home to dozens of families,

mostly Roma, who have the "good fortune" – for now – to live in these houses (though they are falling apart), and not in tents in the park or beyond the city borders. According to public opinion, a walk through Hős Utca would likely be dangerous for my health, but I wouldn't really have noticed I was walking through a "problem district" if I hadn't been alerted to this fact in advance. The only sign of social exclusion is the sorry state of the houses, but that is nothing uncommon in Budapest. Poverty strikes the eye even harder in a city where hundreds of millions of euros are being invested in giant development projects.

The surroundings of Puskás Ferenc Stadium underground station, where I board my train back to the centre, are full of homeless people and others clearly from the poorest strata of society. This tableau is typical of all the metropolises of the world, but I meet many more poor and begging people in Budapest than in, say, Prague, and not just at the central transport hubs. According to József Hegedűsz, some 15 per cent of Hungarians can be described as very poor, but another 70 per cent represents classes in precarious circumstances, with no security they won't lose their job or apartment, leading to serious problems.

I give the rest of my cash to an older gentleman playing the guitar on the dirty tiles in an underpass. He looks like he might have been teaching high school English just last week. Perhaps he still has a job, but it's no longer enough to live off. I have nothing left for the pensioner sitting at the other exit, so I avert my eyes. After a few days in Budapest, one can hardly avoid thinking about the banal but crucial fact that here, poverty is robbing people of one of the most valuable things they have – their dignity. ●

English translation: Ian Mikyska

Bratislava

A city with no apartments that has decided to address the housing crisis

In late February 2020, Bratislava is covered in posters of smiling men and women. Under the monumental SNP Bridge, only a few metres from the Holocaust Memorial, hangs a poster belonging to the nationalist SNS party, bearing an eagle and a promise to free mothers from tax. Next, there is a politician surrounded by several women. To avoid misunderstandings, each of them has an inscription indicating whether she is a wife or daughter. The parliamentary election campaign is reaching its peak in the Slovak capital, and, perhaps for the first time since 1989, housing policy is an important issue. This is a sign that the housing crisis also concerns Slovakia, and that here too, the limits of the neoliberal approach to housing are becoming all too obvious.

A country saddled with debt

“The topic of housing is migrating from expert circles – where it was, of course, always discussed on both the national and international level – into political debate. This can be a good thing or a bad thing,” says the leading Slovak expert on housing Elena Szolgayová, former director for housing policy and its instruments at the Ministry of Transport and Construction.¹ “The tragedy of housing policy is that any good solution begins working after six or seven years at the earliest. What we need are long-term, constructive, and fully conceptualised activities in order to do something worthwhile instead of racing from one end to the other,” explains Szolgayová, who helped write the Geneva UN Charter on Sustainable Housing and the 2016 Urban Agenda for the EU, and was, until last year, chair of the Committee for Housing and Land Management of the UN Economic Commission for Europe.

All parties mentioned housing in their election programmes, at least in passing. More accessible housing could mitigate citizens’ indebtedness, which in Slovakia is the worst in all of Central Europe. According to Miriam Kanioková and Sergej Kára, who curated the *Bývanie je (nám) drahé* (Housing – Dear) exhibition,² almost every fourth adult in Slovakia is under duress. The Slovaks owe their banks thirty-two billion euros, and housing loans represent a significant portion of this number.

Compared to other election topics, however, housing was nevertheless in the background. Almost ninety-one

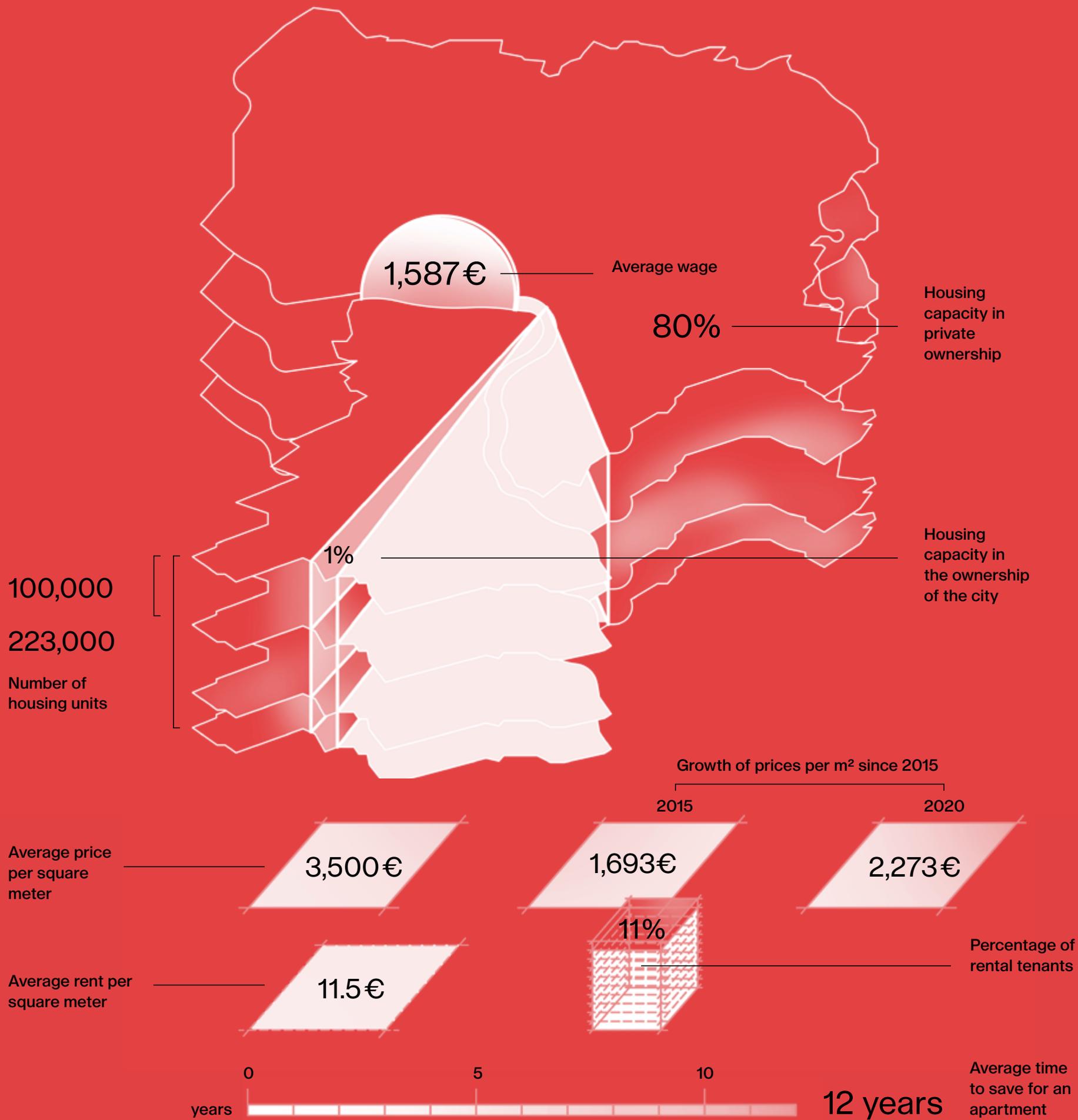


per cent of Slovaks live in housing they own (compared to about eighty per cent in the Czech Republic), so a large part of the population has not yet felt the effects of the housing crisis first hand. This problem disproportionately affects inhabitants of large cities (particularly Bratislava) and the younger generation, which, naturally, wants to acquire independence. For these groups, as well as for groups at risk economically and socially, the insufficient number of financially available apartments (whether for sale or rent) is crucial.

The situation is most dire in the capital, where, just like in other European cities, the prices of real estate and rent have grown quickly in the last few years. Last

1 All quotes are from interviews carried out by the author for the purpose of this article (editor's note).

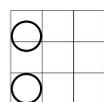
2 The art installation by Czech artist EPOS 257 was a part of the *Dymová hora* exhibition, presented between February 6 and April 26, 2020 at the Bratislava City Museum, <https://muzeum.bratislava.sk/epos-257-dymova-hora-a-instalacia-byvanie-je-nam-drahe/d-7002> (accessed: 25.03.2021).



year, they surpassed the previous record, from just before the 2008 economic crisis. This growth wasn't slowed even by the coronavirus epidemic – though the real estate market seemed to stop for a moment in April, it began a process of renewal as early as May, so the second quarter displayed a growth of one and a half per cent compared to the first. This July, the average price of the apartments on offer rose to a record 3,500 euros per square metre, signifying a yearly increase of 17 per cent, as reported by Bencont Investments in their regular market analysis.³

No parents, please!

The average price of rent has decreased slightly since 2019, when it reached a peak of 12.3 euros per m² per month. Unlike Prague, where the price drop in 2020 was mostly related to a decrease in short-term rent, Bratislava's decline is related to fewer apartments being built in newly built properties, where rents are generally higher. Prices per square metre are therefore between 11.5 and 12



euros in both cities. ○

In Slovakia, as in other countries in Central and Eastern Europe, rental housing is considered a temporary solution to a personal emergency. Even in the Bratislava Region, where the ratio of people renting accommodation is the highest in all of

Slovakia, only around 11 per cent of the population pay rent.

Generally, however, rent prices have gone up in previous years (some ten to fifteen per cent between 2018 and 2019), and, according to the experts, they will continue to rise.

Many people living in Bratislava are therefore caught in a difficult situation – there aren't enough free apartments, prices are extortionate, so one must take on considerable debt in order to buy an apartment, and many people will not be given mortgages or other loans. There are also insufficient rental apartments, and rent prices are going up just as quickly. "If demand is higher than supply, landlords can begin to choose," notes Sergej Kára, plenipotentiary of the mayor for social housing and people experiencing homelessness. "And I'm not talking about skin colour, that's a topic in itself. Discrimination of this kind affects parents, particularly single parents, as landlords will opt for someone less economically risky." A single parent of one child who works in a chain store is left with only eight euro a day after paying average commercial rent, as Kára and his colleagues demonstrated at the exhibition mentioned above. It is a straightforward deduction that if people spend most of their income on housing – and this is the case for an

enormous number of people in Slovakia – they are all the more threatened by losing their accommodation in any exceptional circumstances.

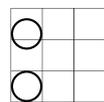
Recently, the media have paid considerable attention to the dismal situation in Bratislava. Just like in the Czech Republic, the reports often claim that the high prices are a result of the small number of apartments available and the slow bureaucratic process accompanying development. Developers continue claiming that if they could build without regulations, prices would "naturally" go down.

Representatives of the city – including Sergej Kára – agree that there really aren't enough apartments and that processing building permits on the level of the city and its individual districts is extremely slow. However, merely speeding them up will not bring prices down. Terms such as "financialisation" and "investment housing" appear minimally in the Slovak public debate, and yet they have a crucial influence on housing. The global context is thus virtually absent from the Slovak debate,

as is the local context. And in Bratislava, local conditions have a determining influence on housing costs.

Municipal apartments? One per cent of the market

"Since 1994, the city of Bratislava has let go some 67,000 apartments. We currently have less than two thousand housing units at our disposal," explains Kára. About



a thousand apartments are administered directly by the city hall and the rest is in the care of various city districts. ○

This means the city owns only one per cent of all the apartments in Bratislava, and is therefore essentially incapable of exerting any influence on rent prices. To compare: in Vienna, the figure is 60 per cent, in Brno, 15 per cent, and in Prague, only 5 per cent. If the Slovak

metropolis hadn't sold off its assets, it would now be able to influence rent prices in almost a third of all the apartments in the city

The city's housing stock is an important instrument for maintaining an acceptable price range and thus keeping the city socially diverse and functional. If the city has no such tool at its disposal, it becomes much more difficult to maintain even the previously stable middle class, as well as helping poorer classes, people in housing need, or people experiencing homelessness. "The city should own not only apartments for single parents, older people, or people in need, but also for necessary professions such as teachers and social workers," thinks Lucia Stasselová (SPOLU), deputy of the mayor for social issues. "Bratislava does not have enough of these people, simply because they struggle so much to find accommodation and keep it," she adds.

A lack of apartments everywhere

Bratislava is no exception in Slovakia. The privatisation and selling off of property took place on a much more massive scale than in the Czech Republic, and there are even cities like Žilina, which disposed of absolutely all of its apartments. And, bar exceptions, no new municipal housing was built. There are also many cases of cities keeping part of their housing stock but not using or caring for the apartments. In recent years, however, with the onset of the global housing crisis, cities are realising more and more that they need their own housing stock.

Bratislava's current liberal government, led by the architect Matúš Vallo since the 2018 communal election, wants to reverse the trend of selling off municipal property. Vallo's bid for mayor was portrayed as a civic candidate leading a team of experts called Team Vallo – who prepared an ambitious vision for the general development of the metropolis, Plán Bratislava – with the support of the centrist liberal movement Progresívne Slovensko (Progressive Slovakia) and the liberal-conservative party SPOLU (TOGETHER). The ruling coalition wants to extend the urban housing capacity in several ways. "We've got our eye on some unused properties belonging to the city that could be renovated and transformed into rental housing," explains Lucia Stasselová.

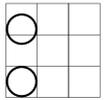
³ "Ani dočasné zastavenie dopytu po nehnuteľnostiach ceny bytov v Bratislave neovplyvnilo", *Kvartálna analýza realitného trhu 2020*, kv. 2, <https://www.bencont.sk/app/cmsSite-Attachment.php?ID=290&disposition=inline> (accessed: 25.03.2021).

“We’re also negotiating with state institutions and the Bratislava Region, who have empty buildings in the city, about transferring or buying these properties,” continues the deputy. According to Stasselová, this could lead to the acquisition of up to two hundred apartments.

Most importantly, the municipal authorities are relaunching construction after years of inactivity. In addition to the reasons listed above, there is a further motivation: the law on restitutions. In buildings that were returned to their original owners after the collapse of the communist regime in 1989, rent is regulated and the city has to compensate the difference between the regulated rent and market-value rent. This costs the city two million euro every year. Furthermore, the law states that the city is obliged to find substitute rental apartments for about five hundred tenants in restituted houses.

Not in my backyard!

Seen from above, Bratislava looks a little like a city put together by children at an architecture workshop looking to test out all the approaches that took place in



various European cities over the past centuries. In the 1970s, the old town, with its crooked paths and cathedral, was ripped apart by the huge arterial road and the SNP Bridge, crowned by the iconic UFO building. The distant horizon is lined by wind turbines and the chimneys of old gasworks. ○

However, we need only to turn our heads slightly and we’ll see an unlikely view: directly in the historical centre are several skyscrapers, towering dozens of metres into the air as consumerist counterweights to the Cathedral of St Martin. This is the New Bratislava – the Bratislava of the future. At least according to its creators, who would very much like to multiply the numbers of

cathedrals of unbridled capitalism. There must be at least some truth to the saying going around the city – Bratislava today, apparently, is a “Klondike for developers”.

Behind the SNP Bridge is a different “city of tomorrow” – that of the 1970s. The largest housing estate in Central Europe, Petržalka, is home to almost a quarter of all the inhabitants of Bratislava. It is here that the city

hall has selected several properties on which new rental houses could be built. But the city’s problem is that it disposed of its best properties along with its apartments during the transformation period and it only has small plots of land left. “But perhaps this isn’t such a bad thing – smaller projects will be easier to accept for the local inhabitants,” thinks Stasselová. In Bratislava too, the slogan “not in my backyard” is important – locals are usually not very happy with the idea of rental housing in their neighbourhood. “People usually support the construction of new municipal housing – anywhere except near their home,” agrees Stasselová. The city hall is therefore organising participative meetings in selected localities, and, according to Stasselová, they have been successful in convincing the inhabitants of neighbouring properties that municipal apartments would not be detrimental to their quality of life. A distaste for municipal development is also rooted in the stereotypes about rental housing mentioned above. “People often think that problematic individuals will inhabit these houses. Though a few apartments will be set apart for people in greatest need, most of them will be aimed at young fam-

ilies, seniors, nurses, policemen, and the like,” explains the mayor’s deputy.

The most developed project so far is a group of houses on the opposite end of the city, in Terchovská Street in the district of Ružinov. The city organised an architectural competition along with the Metropolitan Institute, established in April 2019. The Czech studio The Büro won the commission and negotiations about the contract are currently taking place. Here too, the locals were worried at first, but Stasselová claims they have mostly been put at ease. “At the participative meetings, we don’t just discuss the new constructions but also other problems worrying the locals that we try to address,” she describes the city’s strategy.

The city hall also wants to acquire new apartments through collaboration with developers. It is planning to make use of the fact that developers often circumvented the local plan, for instance by bypassing housing

coefficients. “They built more housing units than was permitted in the given area, circumventing the regulations by presenting part of the flats as suites, counting these into the category of public amenities,” explains Stasselová. The city hall has put an end to this practice and is negotiating with developers: the plan is that the city will retroactively change these coefficients, the developer will then be allowed to build more apartments, but part of these will be sold off to the city at cost value. Stasselová claims at least some developers are open to this kind of cooperation.

We have regulations, but they don’t correspond to our needs

“At present, Bratislava only has vulnerable people, more vulnerable, and the most vulnerable,” says Sergej Kára about the present situation on the Bratislava housing market. “Even the middle class is now among the vulnerable. It is unrealistic for Bratislava to provide housing for all those who need it in the following, say, ten years,” he responds when we asked him who should be selected to inhabit the new municipal apartments. The current waiting time is four to seven years. “If someone finds themselves in a difficult situation, God forbid a critical one, they have no chance to get an apartment regardless of whether they conform to the current criteria or not.” The regulations for distributing municipal apartments date back to 2000 and they do not correspond to the needs of today. In 2020, however, the system by which apartments are allocated should have been reset.⁴

Before working at the city hall, Kára worked as a social worker and co-founded the Vagus civic initiative, aiming to help people experiencing homelessness. People threatened with social exclusion are also his area of expertise at the city hall. These groups are not eligible for housing, even when they have a small income. With the aid of experts from Brno, Bratislava is now setting up pilot projects for people in greatest need of housing based on the principles of Housing First. “It’s a very long path before we are like Helsinki, where they can aim to eradicate homelessness completely,” Kára muses. “But it’s important to start naming these issues, as that dictates public policy. This is what we, as responsible people, should be doing.”

Compared to Prague, the Bratislava city hall seems much more ready for action in carrying through specific solutions. The Bratislava coalition has a much stronger position, and unlike Prague’s, is united on housing issues. The comparison yields one more difference: while in the Czech Republic, similar approaches are often considered left-wing and sometimes even “radical” (whatever that means), in Bratislava, they are promoted by centrist and right-wing parties. SPOLU, for instance, Lucia Stasselová’s party, is a political partner of TOP 09, the Czech liberal-conservative party. Prague’s

⁴ For current rental regulations in Bratislava, see <https://bratislava.sk/sk/najomne-byty-mesta> (accessed: 25.03.2021).

conservatives could learn a thing or two from their Slovak colleagues.

Housing equals living

“Unfortunately, Czechoslovakia and the entire Eastern Bloc was unlucky in having an ideological rupture in a period when neoliberalism was already the dominant ideology around the world,” says Elena Szolgayová, placing today’s problems in context. More and more experts, such as sociologist Saskia Sassen, draw attention to the fact that as far as housing goes, neoliberalism simply does not work. “The unavailability of housing grows into all sectors of society; it is a factor impacting economic and social life. But it’s hard to trace these connections from a layman’s perspective,” explains Szolgayová. “The neoliberal ideological principles of the 1980s left a huge mark on the first attempts of post-socialist countries at approaching the issue of housing. And it has become apparent that the more liberal a country’s approach was, the greater the problems it has on its hands today.”

“We subordinate our lives to the housing we can afford,” says Michal Janák of the social impact of

unavailable housing. I met him in the Nová Cvernovka cultural centre to discuss how the current crisis impacts twenty- and thirty-year-olds. “Many people live with partners they no longer want to be with simply because they cannot afford to live on their own,” he explains. And it’s not just partners: in Slovakia, some 60 per cent of young people live with their parents. The country is the European record holder, tied with Croatia for first place.

Janák, who works as an architect, also draws attention to the part his field can play in formulating societal conditions. The prevailing typology of Slovak apartments reflects the normative idea that the inhabitants of the apartment are a traditional family. “In Austria, for instance, the apartments under construction right now are much more diversified – adapted for the cohabitation of several single individuals, for instance,” he explains, describing the Austrian approach as more democratic.

According to Janák, the problem of market mechanisms is that they narrow the issue down to the greatest common societal denominator, which can also make

the most money. “Today, people over thirty opt for a particular way of life just to have a roof over their heads, and this seems dangerous to me.” His words are a stark contrast to the political slogans that so favour the happy – of course, most often also the “traditional” – family. Perhaps they will also once come to the realisation that even a happy family has to have a place to live in dignity.

English translation: Ian Mikyska



View on Petržalka district in Bratislava from the SNP bridge

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Photo by: Marc Ryckart /
Wikimedia Commons CCA 3.0

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NOVOTNÁ

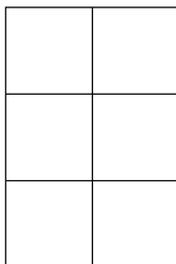
Housing blocks after thermo-
modernization
Jungmannová Street, Bratisla-
va, Petržalka, 2017

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Photo by: Kelovy, wikimedia
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Housing blocks after thermo-
modernization
Gessayová Street, Bratislava,
Petržalka

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Photo by: Kelovy, wikimedia
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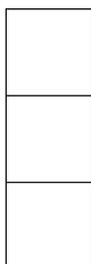
Slaves to prefabrication

Consequences of the intensification of
housing development in and around Bratislava



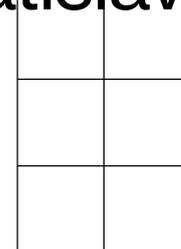
Construction of housing blocks,
Lužná Street, Bratislava,
Petržalka, 2017

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Photo by: Kelovy, wikimedia
commons, CC-BY-SA-4.0



Housing blocks, Jasovská
Street, Bratislava, Petržalka,
2007

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Photo by: Packa, wikimedia
commons, CC-BY-SA-2.5



New residential buildings,
Lužná Street, Bratislava,
Petržalka, 2017

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Mass construction of housing estates in Bratislava

After World War II, Bratislava had thirty thousand apartments.¹ Despite the efforts of progressive architects, the housing stock was largely deprived of sufficient sanitary facilities. The city became depopulated, and the socialist regime applied its concept of planning and collectivization – among other things – also to housing development in Czechoslovakia. After the abolition of private ownership and the nationalization of land, market prices ceased to apply, but unrestrained spatial development of cities began: the existing urban structures were interfered with or replaced with new buildings. Intensive post-war modernization of various areas of life was conducive to urbanization, and the planning of housing development required the state to create institutions focused on research, design, and implementation of projects.²

The authorities pushed for quantitative efficiency of the construction industry, and the response was an intensive development of prefabrication. The rapid population growth in urban centres commanded the creation of flexible construction companies that would offer diversified urban solutions, and at the same time would provide a level of comfort in various types of apartments in line with modern expectations. Efforts to increase the number of flats have resulted in the prefabrication of several standardized forms of a tower block. The state-financed construction of prefabricated blocks of flats responded to the needs of the changing demographic structure of the city – in a period of forty years, apartments for over three hundred thousand people were built in Bratislava.³

It is because of this high number that we called it mass construction rather than social housing. In a classless society that the socialist regime tried to create, the socially weaker class was simply not meant to be. Mass construction and the influx of people from other regions of Slovakia resulted in breaking the cultural continuity of the city.⁴ Nowadays, while criticizing all that is associated with the past regime, we unconsciously reject the valuable urban structures which had been created in that era. I am not driven by nostalgic optimism or the indiscriminating praise for spatial planning of the last century. I merely wish to compare concepts and tendencies that we suppose indifferent to the quality of living today. The centralization of Bratislava's function as a capital in the last century, and the lack of a motorway connection to Košice, the main metropolis of eastern Slovakia and the second largest city in the country, have led and continue to lead to a constant influx of new residents and a permanent housing shortage. Apartments offered on the market meet only the basic demand, whereas their quality and size turn out to be of secondary importance. Residential units meet only

the minimum requirements in terms of standards and norms, and they are built as cheaply as possible. We are falling into a vicious circle: new residents do not establish ties with the city, and the city does not offer them a living space that would foster a bond. As a result, the immigrants perceive the metropolis only as a source of income, rather than a place to live.

Intensive housing development yesterday and today

Until 1968, mass construction occupied all areas suitable for building housing estates, i.e. flat plots of land, without spatial barriers or the pre-existing buildings. Subsequently, the constant influx of new residents forced the development of urban projects also in less favourable locations: in hilly terrain, outside the city limits, or within the existing urban structures. The necessity to manage financial resources economically, the problems with operating machinery in more hilly terrain or between the existing buildings, and arguments related to the need of maintaining agricultural land slowed down the development.⁵ The optimal solution was to increase density of the planned housing estates, but urban concepts were often implemented in part only. Increasing the density of buildings continues to this day, and is not accompanied by any attempts to draw conclusions from previous experiences. The efficiency of infrastructure and the provision of services are still inadequate compared to the needs of the current and future residents.

Contemporary intensification is not only about increasing the density of urban structures and reducing the amount of green areas. Where the construction of underground car parks seems too expensive, part of the land is allocated to aboveground parking lots. At the same time, in houses with underground car parks, the layout of the apartments depends on the structure of pillars and load-bearing walls of the car park. Extensions are also built – extra floors added on to the existing multi-family houses.

New buildings and extensions attempt to meet the demand, but they do not offer comprehensive solutions to the problems related to living in the city. Private real estate development companies carry out their projects mostly in order to sell or rent flats and commercial spaces; activities aimed at the development of the city as such are outside their purview. They understand their contribution to the city's development as creating projects of unique visual quality. In terms of size and interior layout, the apartments offered in these buildings are barely within the norm. A walk around Bratislava is like watching an egocentrics' parade where the combination of materials and designs rubs shoulders with tacky details, soulless emptiness, and a lack of genius loci. The local government is only gradually developing tools that

will allow them to compel private developers to include public services – for example schools and kindergartens – and the development of public infrastructure in their investment projects.

All the above-mentioned processes, combined with changes in the law, have recently caused a disaster in the transport infrastructure. Since 2009, the edges of the streets have been littered with cars. Since new law allowed parking on pavements in the capital, there has been practically no space left there for pedestrians. In addition, the parking space density index, enshrined in the law, designates the obligatory one parking space per apartment. The direct effect of the increase of pseudo-residential space was the increase of the number of people who live in Bratislava but are not registered there as residents. As a result, the local government ran out of financial resources for the city to function like other European metropolises.

At the same time, the inhabitants of the concentrated city of Bratislava have become experts on parking. Housing estates built in the late 1970s on hilly terrain taught the migrants from lowlands how to park on steep streets. In modern housing estates, people handle it differently: they double park and don't apply the handbrake. If a car is blocked, its driver will simply push away the ones that are blocking it. In addition to allowing time for the typical morning traffic jam, we must therefore add at least half an hour needed to free up or find our own car, because it could be standing up to two hundred meters from the place where we parked it a few hours earlier.

In the second half of the twentieth century, efforts to develop efficient and economical buildings resulted in prefabricated housing estates. Prefabrication was invented in order to eliminate the wet process – pouring concrete – from the construction site, which was meant to speed up the work. The walls were lined with wallpaper, the floors were laid with linoleum. These materials were subject to centralized production and appeared in a limited number of patterns, so the unification of the interiors grew even deeper. At that time it was a new technology, the builders were only just learning

1 Compare: H. Moravčíková et al., *Bratislava atlas sídlisk*, Bratislava: Slovart, 2011, p. 16.

2 Stavoprojekt and the National Institute of Design and Uniformisation brought together architects, town planners, engineers and other experts developing and designing concepts for typical and atypical buildings, infrastructure related to services, transport and public space. *Pozemné stavby Bratislava* was the company responsible for the production of prefabricated elements.

3 Compare: H. Moravčíková et al., op. cit., pp. 70–266.

4 Compare: *Ibid.*, p. 20.

5 Compare: T. Bílek, "Možnosti intenzifikácie obytných súborov", *Projekt* 1979, no. 8, p. 12.

how to use it, therefore many low-quality houses were put into use. In a situation where the architects did not have enough time or financial resources to create detailed documentation regarding the finishing works, the choice of finishing materials and aesthetic solutions turned out to be the combined result of the taste of the foreman of the construction crew and circumstance.

After collectivization came privatization and freedom of expression. In the 1990s, central planning ended and the owners began to make decisions about the appearance of their houses. The period of extensions and thermal modernization began. The lack of cultural continuity, the indiscriminate elimination of prefabrication from the life of Slovaks, getting rid of prefabricated housing estates and everything that was associated with communism, combined with the extremely effective marketing of companies dealing with thermal modernization, gave rise to mass trend of painting the uniformed housing estates from the last century. Thermal insulation became an indispensable element of any renovation, a way to improve the quality of housing and a showcase product of capitalism. The marketing was based on presenting thermo-modernization as an investment that would make it possible to save on maintenance costs in the future, but its negative side-effects were ignored (attaching polystyrene to an uneven, brittle base promotes the appearance of mould; amateurish fixing causes the insulation to move away from the wall, which reduces its effectiveness; shoddy finish does not drain moisture, it collects dust and is an ideal substrate for fungi). The polystyrene insulation system had practically been promoted to the rank of a norm in building renovation. In housing estates, criticized for their uniformization, a standardized and simple solution was used, which was supposed to be the answer to many problems at once. Thermo-modernization was sold as a treatment to the “trauma of socialism”: the monotonous homogeneity of neighbourhood façades turned into a palette of pastel colours and geometric patterns.

This new, fluid identity was created by thermo-modernization companies without aesthetic education, by painting crews, and by mere chance. Today’s smooth, faultless, industrially manufactured plasters reflect the residents’ longing for an ideal, carefree world. Yet their lives and the interiors of their apartments are many coloured, full of various tones and irregularities. As Slovak architect Ivan Matušík put it: “All things live their own lives, including mistakes.” We try to hide the mistakes behind a false idea of perfection. The apartment block insulated with polystyrene, painted in bright colours, responds to the problems of the post-communist society. The inhabitants are no longer surrounded by the greyness typical of the past regime, and they feel that they can make independent decisions about their property,

invest in it, and adapt it according to their own ideas. In dreams of a small investment that would reduce the cost of living, confronted with its amateur and low-quality workmanship, we see a reflection of present times and the priorities of contemporary people.

Changing the interior of apartments after privatization

Since the 1960s, the standardized layout of typical apartments has been enriched with an innovation in the form of a prefabricated, complete interior with kitchen furniture and corner dining space. Unified products, such as Umakart HPL modules,⁶ are difficult to assess in terms of aesthetics or quality of the materials and objects used – they were installed in the apartments as a result of centrally planned production. A separate toilet is a plus, but due to an unfortunate planning solution, it was combined with a walk-through bathroom. This solution provokes reflection on the importance of caring for the body and privacy. Apparently, there was no excessive emphasis on intimacy in the family, and no taboo on nudity.

The new owners of the privatized flats were eager to interfere with the interior layout. In the first place, they usually got rid of the plastic boards and replaced them with masonry structures, and then with drywall (plasterboard). Many renovation companies still offer the dismantling of Umakart panels. The removal of the Umakart bathroom is considered an upgrade that increases the price of an apartment by approximately 10 per cent.

Before the introduction of laminated kitchens and bathrooms, the socialist regime tried to encourage the use of canteens in schools and workplaces. The kitchen and dining room were not considered an essential part of the apartment. It was believed that families are satisfied with meals made of semi-finished products, and “the modern food industry and collective eateries provide services that have freed working women from tiring and unpleasant labour.”⁷ The kitchens were therefore small, often dark and not ventilated, placed in the farthest corner of the apartment. The departure from the mass nutrition model resulted in the production of ready-made, prefabricated laminate modules, identical in the kitchen, the bathroom and the hall, as well as the emerging belief that eating meals together strengthens family ties. The press in the 1960s clearly appreciated not only the kitchen as a full-fledged room, but also as a symbol of the position of women in society. For the next thirty years, kitchens gained large windows and a dining corner. They were situated progressively closer to the living room, later with just a door between them.

With the advent of capitalism, emancipation and privatization, also this last barrier has disappeared. The kitchen has become an inseparable part of the

living room, whether this was due to the reorganization of interiors in the old apartments, or as an integrated module in new buildings. At the same time, however, modern standards do not treat the kitchen as a living room. It is stuffed into the back of the apartment, where the light from the rooms does not enter, or on one of the walls of the living room, usually the one farthest from the window, which further degrades the function of the kitchen. This solution does not separate family members who are preparing the meal from those who are spending time in the living room. In new designs for apartments or single-family houses, often offering a typical interior layout, the average size of the kitchen area has not increased over the last thirty years. If the optimization of the interior layout and the minimization of the space – as far as it is possible within the norm – continues, we will soon have to cook in windowless kitchens. Underestimating and disregarding the kitchen leads us to the question of whether we still consider cooking together as a family to be superfluous, and whether we will be content with the alternatives in the form of fast food and semi-finished products offered by the neoliberal system.

The interior layouts of apartments in tower blocks changed the most in the 1960s, also thanks to prefabricated interior finishing modules. Until the 1960s, it came as no surprise to anyone that the living room also served as a bedroom. The designers of the new housing estates had ambitions to raise the standard of flats and allocate a separate space for sleep, thus making life easier for the residents. There were standards and indicators for the number of square meters and additional space allocations (a cellar, a storeroom or a basement) per tenant. The modern trend of reducing the size of apartments has led to a situation where basements are an above-standard privilege, and entrance corridors are door-wide. There are doubts as to whether the bedroom has to be a separate room, and in cramped apartments there is often not enough space for a piece of furniture that would be intended only for sleeping. A separate bedroom, or even a space where a bed can fit, is now considered a luxury. The market price of an apartment with a bedroom is now about ten times the price at which it was built.

Apartment on arable land

In today’s Bratislava you won’t find any flats for rent or social housing.⁸ People fresh out of college or those who migrate to the city for work sublet apartments from private owners; therefore, the city does not regulate the price, only the free market does. The continuous growth of prices often forces tenants to share a flat. Even if there are still some standards and minimum requirements for housing in the designing process, in reality they are not being followed. Having too many tenants constitutes a

form of intensification; this, in turn, reduces the quality of the apartment, but also of the environment. Public services and transportation become inefficient. Traces of Slovakia's centralization and the role that Bratislava played in the last century are still visible. People from the eastern part of the country are constantly flowing into the capital, and consequently there is a shortage of housing. New residents often spend only their working days in the city, and do not develop a deeper bond with it. They are not interested in its history; the cultural continuity has been broken.

One element of Bratislava's identity grew out of the discontinuity and the random, collage-like urban development. This city consists of a mosaic of (non)urban concepts complemented by a mixture of construction permits, assorted new building façades created by various architects, extensions, renovations, and old housing estates "tweaked" and "upgraded" by thermo-modernization companies. This hybrid is gradually joined by satellite housing estates, urban concepts of living in single-family houses on the outskirts of the city. It is difficult to tell whether young families move out of the city in order to achieve their dreams of their own garden, or whether they are looking for a cheaper alternative to living in the capital. Small houses with a plot of land in suburban municipalities are roughly 30 per cent cheaper than similarly sized apartments within the city's administrative boundaries. However, it is difficult to speak of the benefits pertaining to the comfort of living in a single-family house, the way we used to imagine it. Problems are generated by contemporary spatial planning, which enables the creation of agglomeration clusters. Seemingly they look like a whole, an urban organism, but they were created without a plan, they lack services, adequate infrastructure, or public spaces: a market square, playgrounds, green areas. Their designers are selling a compact "American dream": a single-family house on a small plot separated from former agricultural land, again with the minimum parameters required by the housing standards. The advertised garden is in fact limited to a patch of land enclosed by



a tall, prefabricated fence. The immediate proximity of the neighbours does not allow you to enjoy the rural idyll or the privacy that you desire.

The standards, which are constantly lowered beyond reason, hinder flexibility in designing the interior layout and prevent the use of the potential that the house usually offers, for example having windows on all sides. The crowded plots of land and the small gaps between the houses prevent windows from being placed on the walls facing the neighbour's plot, which forces the optimization of interior layout, similar as in the ordinary city apartments. Roads with the minimum required width and the lack of parking lots mean that also here the sidewalks are densely packed with cars. People who are stuck in the morning and afternoon traffic jams experience first hand the neglect of the issue of transport infrastructure, and its results.

The estates of single-family houses on the outskirts of cities consist of individual projects, usually erected on the basis of a ready-made design purchased from a catalogue, or they are developer-built, typically according to a unified pattern. The interior design is no longer the result of central planning, but it is still an industrial product; its choice often depends on the decision of the designer, and not the owner. In the "standard finish" only the pattern of flooring has changed over the course of thirty years, while other elements remained uniform and fixed. The lack of public spaces, parks and playgrounds is not conducive to the socialization of different age groups, but some time will pass until we see the consequences of living confined between prefabricated fences. The privatization of all available land also results in reducing the public space to a minimum – the communal space that the investor or the developer should take care of, in theory.

Slaves to prefabrication

In the years 1950–1982, 116,350 apartments in blocks of flats were designed, and they were built by 1995. Over 300,000 inhabitants moved into these apartments.⁹ The Statistical Office of the Slovak Republic reports that in the 1990s, about 380,000 people lived in Bratislava, of which about 80 per cent in prefabricated blocks. Currently, Bratislava's local government reports that there are 223,000 housing units in the city,¹⁰ which means that 106,650 of those have been built in the last thirty years. According to these sources, it was estimated that the number of Bratislava residents was going to double since the 1990s, but the official data of the statistical office indicates 427,734 inhabitants in 2017. Meanwhile, researchers from the Faculty of Natural Sciences of the Comenius University in Bratislava counted that 630,000 SIM cards are active in Bratislava at night.¹¹

During the socialist period, thanks to state investments, 116,350 flats were built, plus 106,650 flats in the

private sector, without state funding. The municipality reports that 1 per cent of flats within its area belongs to the city. These are 2,335 flats for rent, of which 878 are administered directly by the municipal office, and the remaining ones are administered by district offices. The average waiting time for such an apartment is seven to eight years.¹²

Recently, Bratislava changed its housing policy and decided to build apartments for rent. Architectural and urban planning competitions have been announced for specific locations, and there are also plans to renovate decaying buildings and revitalize wastelands in order to create communal apartments. A contemporary alternative to once affordable housing is a shared flat, rented from a private owner; another option is to purchase a cheaper property in the outskirts. The most popular houses are those from the catalogue of ready-made designs, typically surrounded by a high concrete fence. And so we remain slaves to prefabrication. ●

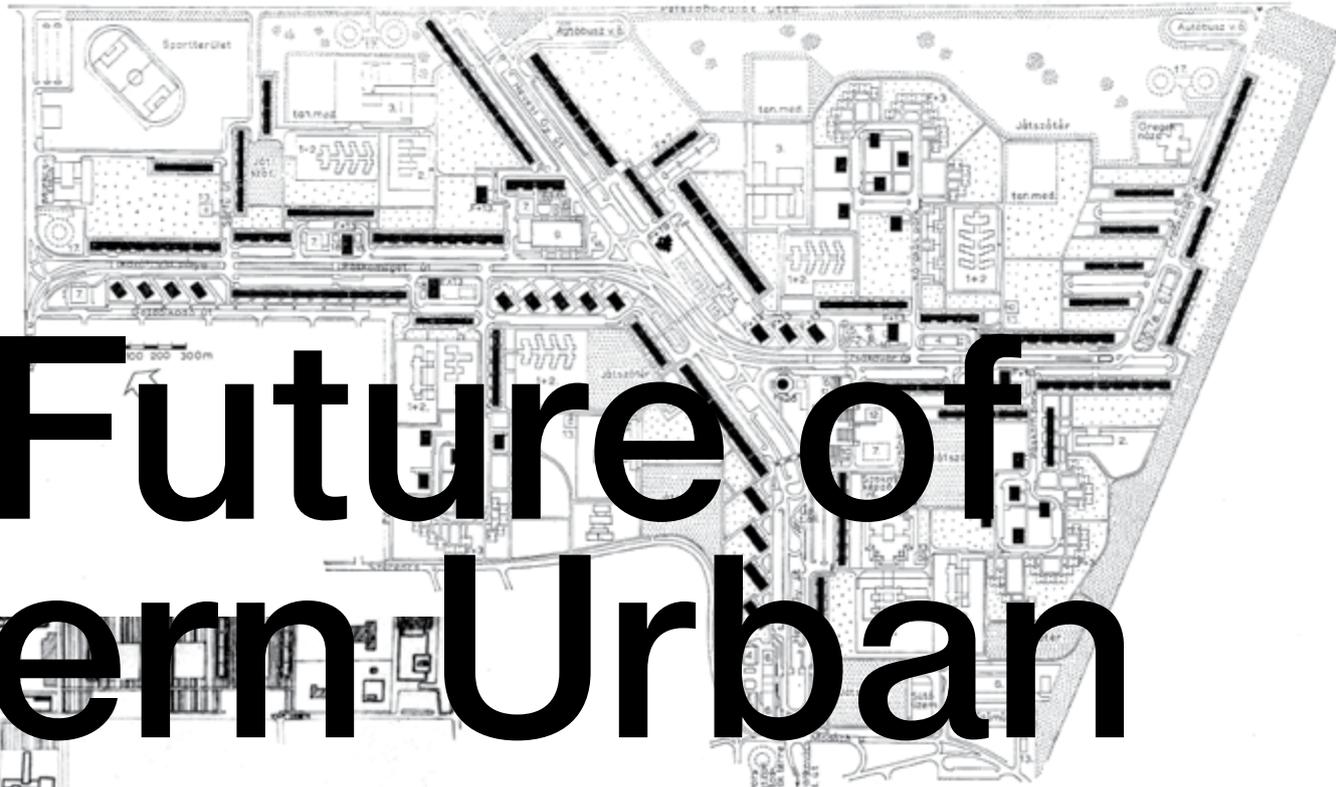
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Bratysława, Petržalka, Centrum
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- 6 Umakart (*umelý kartón*) was a synthetic material, a laminate obtained under high pressure (HPL). In Czechoslovakia, ready-made walls of bathrooms and toilets were produced from it using the prefabrication method, and then they were installed in the apartments in blocks of flats (editor's note).
 - 7 J. Senický, "Kuchyňa v bytovom organizme", *Projekt* 1962, no. 7–8, pp. 154–155.
 - 8 Only 1 per cent of the available housing stock belongs to the city. Compare: *Rozvoj nájomného bývania*, Bratislava, <https://bratislava.sk/sk/rozvoj-najomneho-byvania> (accessed: 11.01.2021).
 - 9 Compare: H. Moravčíková et al., op. cit.
 - 10 Compare: V Bratislave je 223000 bytov: *Kde ich je najviac?*, *Noviny.sk*, 26.04.2020, <https://www.bratislavskenoviny.sk/samosprava/59579-v-bratislave-je-223-000-bytov-najviac-bytov-je-v-petrzalke> (accessed: 11.01.2021).
 - 11 Compare: J. Konik, *V Bratislave žije vyše 600-tisíc ľudí, ukázali telefóny (+ mapy)*, *Denník*, 11.06.2019, <https://dennikn.sk/1495410/v-bratislave-zije-vyse-600-tisic-ludi-a-dalsich-130-tisic-dochadza-ukazali-telefony-mapy/> (accessed: 10.01.2021).
 - 12 Compare: *Rozvoj nájomného bývania*, Bratislava, <https://bratislava.sk/sk/rozvoj-najomneho-byvania> (accessed: 11.01.2021).

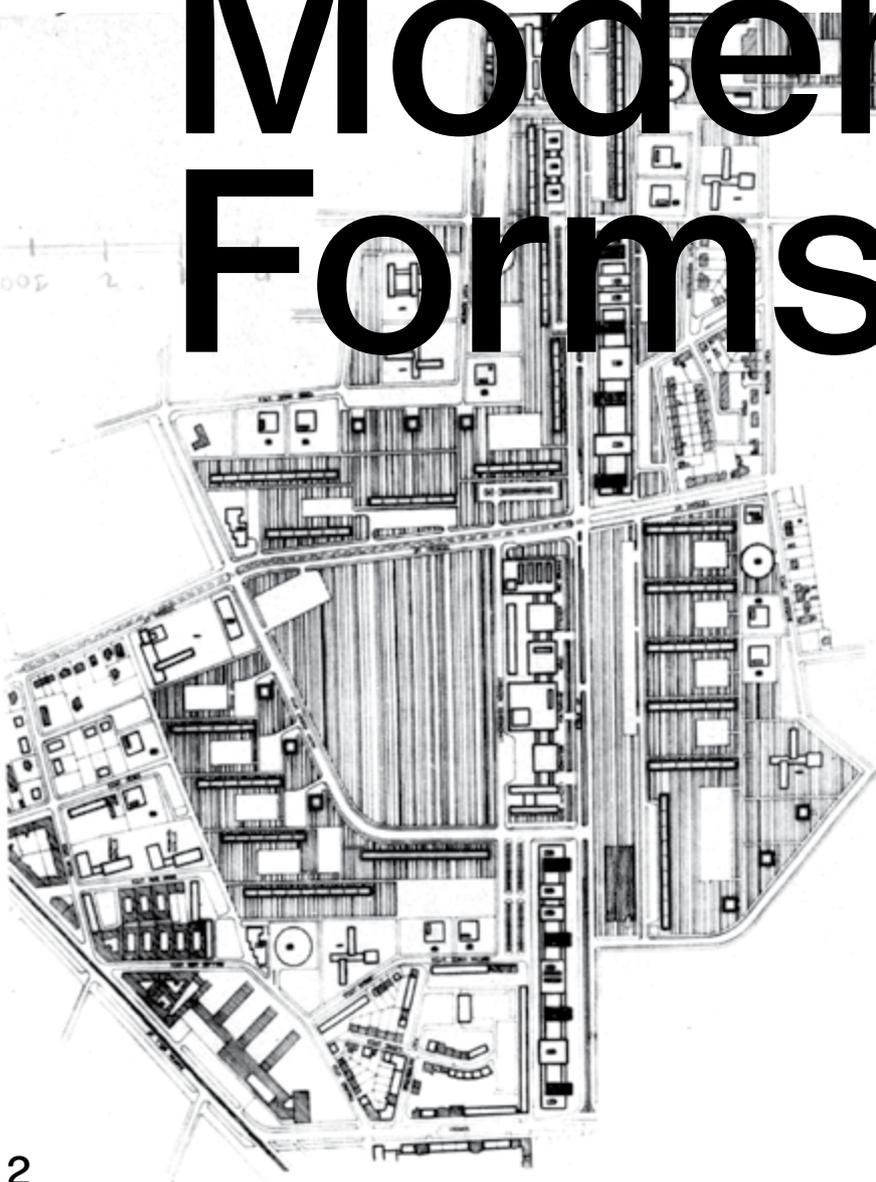
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1



The Future of Modern Urban Forms

The Renewal of Three Large
Housing Estates in Budapest



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ÜLLŐI ÚT

In Hungary, Budapest has always been regarded as a laboratory of large housing estates, and it could continue to be a testing ground for the current initiatives of their renewal. With one third of the capital's inhabitants living in this type of dwelling, the discussion on the condition and future sustainability of these housing ensembles is crucial and keeps coming up in the agenda of each currently governing party. However, centralised strategies that manifest themselves in studies, consultations, conferences etc. are not sufficiently developed, and their practical implementation is lagging behind. There is no doubt that disregarding the current condition of large housing estates can result in further urban problems in the longer term. Admittedly, over the last 20 years, the estates have been subjected to uneven, but observable improvement.

Kelenföld (1965–1983), József Attila (1958–1980) and Újpalota (1970–1979) housing estates represent development patterns characteristic of the respective decades of their creation. Discussing the results of their renewal can provide a comprehensive insight into the regeneration strategies of mass housing estates in Hungary.

Large – but only locally

Seen in the European context, the housing estates of Budapest are middle-sized. The largest housing estate in Hungary (Békásmegyer) counts nearly 18,000 apartments. However, the size is relative – from urban perspective, a project can be identified as large-scale in reference to its local context.¹ In the Hungarian capital, there are forty large-scale housing estates built after 1954, when the mass housing construction was intensified. Their population density is 182 people per hectare of land area, they possess more than 2,000 apartments², and form an important part of the cityscape.

The József Attila-housing estate was built as one of the first large-scale housing developments in the sixties in several stages, and it comprises 8,440 apartments.³ Kelenföld (9,297 apartments) was the first prefabricated housing estate.⁴ With its 15,563 apartments, Újpalota is one of the largest complexes in Budapest and its urban form reflects the impact of Toulouse-Le Mirail by Georges Candilis, Alexis Josic, and Shadrach Woods.⁵

Just because of their size, these housing complexes form substantial units of the urban fabric. Their maintenance and prosperity can be ensured only on the city level. The urban character of these areas can be demonstrated from many different perspectives, such as urban morphology. While particular buildings and open spaces are changing slowly, their other urban features (e.g. location-position, density, spatial organization, space usage and building types with different functions) are transforming in relation to their changing urban, social, and economic environment.

In order to discover and reveal contemporary urban features of these housing estates, the author interviewed three architects who were involved in the creation or reforms of the modernist large-scale built environment. Their comments are supporting the narrative. The cardinal topics of the study address the problem of large housing estates in the context of their location, density, spatial organization, space usage and building types with different functions. These five features refer to the most important configurations of an urban form⁶ in which other relevant subjects can be negotiated. Consequently, these are also the main urban planning and design issues in the regeneration of large housing estates that also have great impact on the social and economic prosperity of their dwellers.

Unequal development trajectories

For the past 25 years, the practice of building renovation has been widespread in Eastern and Central Europe, often receiving support from the European Union. In Hungary, more than a thousand blocks of flats received thermal insulation, new windows, and colourful façades. During the 2007–2013 European Union budgetary period, several housing complexes were given a chance to have their deteriorated public functions restored, but in the period that followed, from 2014 to 2020, only socially degraded housing estates could apply for urban rehabilitation subsidies.⁷ Nevertheless, in Budapest the municipality continued to support smaller initiatives in the framework of TÉR_KÖZ program that has contributed to efficient modernization of post-war housing areas.⁸ Despite all efforts, only few housing estates have changed significantly.

Kelenföld, József Attila and Újpalota estates are exceptional, in the sense that they all benefited from strong and well-established renewal concepts that were formulated over the years by integrating small- and large-scale projects focusing not only on the housing itself but also on urban relations. All three were conceived as the so-called accelerator projects. The newest subway line, 'metro 4', whose construction started in 2006, connected Keleti railway station on the left bank of the Danube (former Pest) with Kelenföld Railway Station on the right bank (Buda). The new transit artery stimulated the revival of the Kelenföld quarter, including the large housing estate with same name. The first project in Kelenföld housing estate was the relocation of a higher education institution, the SZÁMALK Centre. Several plots had to be merged to create a large site for building the newest shopping mall of the capital, Etele Plaza, in front of the railway station. As a result, the old SZÁMALK Centre had to be demolished and in 2006 it moved to a new building on the south part of the complex. This was the first step towards building the new centre of Kelenföld – meanwhile, the construction of the

1
Plan of Újpalota Estate in Budapest

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Source: *Településtudományi közlemény közlemények* 1977 (26), pp. 101–121

2
Plan of Kelenföld Estate in Budapest

—
Source: *Magyar Építőművészet* 1968 (5), pp. 20–33

3
Plan of József Attila Estate in Budapest

—
Source: *Magyar Építőművészet* 1974 (1), pp. 62–63

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- 1 Compare: F. Wassenberg, *Beyond an Ugly Appearance: Understanding the Physical Design and Built Environment of Large Housing Estates*, [in:] *Housing Estates in Europe. The Urban Book Series*, eds. D. Hess, T. Tammaru, M. van Ham, Cham: Springer, 2018, <https://doi.org/10.1007/978-3-319-92813-5> (accessed: 19.08.2020).
 - 2 According to Hungarian classification, large housing estates are those with 2,000 or more apartments.
 - 3 Compare: G. Preisich, *Budapest Városépítésének Története 1945-1990*, Budapest: Műszaki Könyvkiadó, 1998; A. Ferka, *Lakótelepek*, Budapest: Városháza, 2005.
 - 4 Compare: G. Preisich, op. cit.; Z. Körner and M. Nagy, *Az Európai És a Magyar Telepszerű Lakásépítés Története 1945-Től Napjainkig*, Budapest: Terc Kiadó, 2006.
 - 5 Compare: G. Preisich, op. cit.; Z. Körner and M. Nagy, op. cit.
 - 6 Compare: *Dimensions of the Sustainable City, Future City*, eds. M. Jenks and C. Jones, Dordrecht: Springer, 2008, <https://doi.org/10.1007/978-1-4020-8647-2> (accessed: 19.08.2020).
 - 7 Gábor Balás et al., *URB.O / Urbanisztika Kezdőknek*, ed. by J. Szabó, Budapest: BME Urbanisztika Tanszék, 2016.
 - 8 Compare: *Budapest Főváros Főpolgármesteri Hivatal Városépítési Főosztály and Városmegeújító Csoport, TÉR_KÖZ Budapest A Fővárosi TÉR_KÖZ Városrehabilitációs Pályázat 2013 És 2019 Közötti Eredményei*, ed. by Magdolna Varga and Visual Manna Design, Budapest: Budapest Főváros Önkormányzata, 2019.



The city grows around

Today, in contrast to the past, the city is growing around the large post-war housing estates.

In a short time, the first construction projects of the new Kelenföld Center will be finalised: the Budapest ONE office complex, the Etele smart shopping mall, as well as the Trendero11, a multi-family building next to the western corner of the housing estate. Private investors implemented these projects in exchange for the government granting them an exemption from urban regulations and construction permit procedures of district XI and the city Budapest. In this way these projects have their own, maximized land use strategy. In the context

metro terminal, the railway station and the plaza was still in progress. According to the urban development plans (UDP), the evolving hub was designated as a new intermodal node of Budapest. This gave boost for the area's development, as was apparent from 2010 onwards. Today the postwar housing estate of Kelenföld enjoys many benefits of the urban-scale development, but it also witnesses disquieting actions happening – as we shall discuss.

In Újpalota, the 'Boldog Salkaházi Sára' church – a flagship project of the new housing estate rehabilitation strategy of district XV, launched in 2008 – divided the complex into four neighbourhoods with distinct identities.⁹ Later, the social rehabilitation program for the specific area, named after one of the boundary streets, Zsókavár, strengthened the concept of thematic neighbourhoods in the northeast part. Other model interventions also contributed to the success of their local neighbourhood-scale development strategy – more about this later.

In 2017, the municipality of district IX announced an open design competition for the development of the whole József Attila housing estate.¹⁰ Although there have already been similar initiatives before (such as the aforementioned rehabilitation of Kelenföld area),¹¹ this was the first Hungarian call for coherent renewal of a large housing estate. Since then, there have been a series of obstacles to the implementation of the winner application, but the council of the city part is standing by the long-term plans.

In case of the three housing estates, the goals of environmental transformation vary significantly, therefore their interventions are validated in different spatial and territorial scales. The Kelenföld housing estate is going to be energized by the development of the wider part of the city. The development of the József Attila housing estate emphasizes the spatial and social cohesion of the area. The social rehabilitation of the Újpalota is linked to the spatial distribution concept.



of the whole city, the demand for the new projects in the area is understandable, but the impact for the Kelenföld housing estate is critical. The housing estate has its own central facility, around 500 meters from the assigned new centre area. The former centre used to combine many functions including a cinema, a library, a market, many shops and offices, and it served as a broad 'catchment area': it created a thriving urban space with lively activities in the middle of the housing estate.¹² Over the last 30 years, the former centre has deteriorated. The area needed revamping, but the solution that the urban developers provided is somewhat dubious. Not only the location of the new centre, but also the closed architectural form of the Etele shopping mall may have a negative impact on the physical environment and the social life of the large housing estate. They may also result in a decreased intensity of human activities. If we relocate

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'Boldog Salkaházi Sára' church,
Újpalota Estate

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Photo by: Regina Balla

KIKÖTŐ youth centre,
Újpalota Estate

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Photo by: Regina Balla

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- 9 Interview with Tamás László, Hungarian architect, former mayor of Újpalota, member of Hungarian Parliament, 2020.
 - 10 Compare: *Ferencváros Önkormányzata, A Ferencvárosi József Attila-Lakótelep Megújítása - Területrendezési És Építészeti Tervpályázat, Nyilvános Tervpályázati Dokumentáció, Budapest: Ferencváros Önkormányzata, 2017.*
 - 11 Compare: "Panelos Lakónegyedek Értéknövelő Felújítása" *Tervpályázat 1985. A Tervpályázat Eredményes Pályaműveit Ismertető Katalógus*, ed. by Lászlóné Gantner, Budapest: Tervezésfejlesztési és Technikai Építészeti Intézet, 1985.
 - 12 Compare: M. Pesti, *Az Antialvóváros Kísérlete, 40 Éve Készült El a Kelenföldi Városcsopont*, Lechner Tudáscsopont, 2019, <http://lechner-csopont.hu/cikk/az-antialvovaros-kiserlete> (accessed 19.08.2020).
 - 13 J. Jacobs, *The Death and Life of Great American Cities*, New York: Random House, 1961.
 - 14 Compare: T. Sikos and I. Hoffmann, "Budapesti Bevásárlóközpontok Tipológiája", *Földrajzi Értesítő* 2004, vol. 53, no 1–2, pp. 111–127.
 - 15 Compare: *2011. ÉVI NÉPSZÁMLÁLÁS*, Budapest: Központi Statisztikai Hivatal, 2011; G. Preisich, op. cit.
 - 16 Interview with Tamás László, op. cit.
 - 17 Interview with Dr. János Gyergyák DLA, Hungarian architect and urban planner, founder of AU.ROOM Építészműhely, designer of the winner masterplan for József Attila-Housing Estates (2017), 2020.
 - 18 Compare: *2011. ÉVI NÉPSZÁMLÁLÁS*, op. cit.



Renewed "Spirál House" service complex, Újpalota Estate

Photo by: Regina Balla

the service functions from the central commercial zone and move all of them into a large building with indoor communication, we risk encouraging social dysfunctions (such as drugs, safety issues, violence in the streets and transition zones) by limiting the open access to the public space.¹³

The case of Újpalota can serve as a risk indicator for the ongoing transformation of Kelenföld. The Pólus Center opened as a third-generation shopping mall in 1996 at the northern end of the Újpalota-Páskomliget housing estate. According to a 2004 survey, 35 per cent of the customers came to the shopping centre on foot.¹⁴ We can therefore conclude that at least as many of the residents of the estate used the mall on a daily basis. When the new shopping mall, with a wide range of services, became accessible within a walking distance, the central commercial zone of the housing estate began to deteriorate. In less than ten years, the former centre of the area became a hot pit for criminal activities. Therefore, from 2010 onwards, eliminating crime and violence became one of the main goals in the Újpalota Estate. The problems were addressed by reviving the area's central functions in the framework of the EU-subsidised social rehabilitation program. We could argue that the Újpalota Estate represents the worst-case scenario, resulting from the local absorption of the purchasing power. Kelenföld Estate, where the inhabitants have better social background, the problems are less pronounced. Still, even there, experts' assistance is desirable in creating proper living conditions – in an urban area, which should include stimulating public space uses through right development choices and architectural solutions.

Spatial impact of population decline

Although the number of inhabitants per dwelling does not always directly correspond to the dwelling sizes, present density indicators follow the quality and size of apartments. The buildings of the József Attila housing estate still reflect the small, cramped apartments of the 1950s. Kelenföld Estate exemplifies the limitations of the first prefabricated panel construction starting in the 1960s. Újpalota Estate was built in the 1970s after nationwide improvement of the prefab building system, so the apartment sizes and qualities are more convenient also for families.

In the 2000s, the number of inhabitants has decreased by 50 per cent in the József Attila, 43 per cent in the Kelenföld, and 23 per cent in the Újpalota Estate.¹⁵ According to a municipal survey, one third of the population of the Újpalota are single, typically elderly; one third live in a family, but single-parent families are significantly represented because of the affordable housing in the housing estate. The reaction of the district XV authorities to this trend was exemplary: development

of the social care system. Just to mention one example, in 2014 the former office of a political party was transformed into a youth centre (KIKÖTŐ, "harbour") where children can spend their afternoons attending out-of-school activities such as art workshops, or just meeting and learning together.¹⁶

The primary focus of the new master development plan of József Attila housing estate is turning back the population decline.¹⁷ By building different types of infrastructure, families with more children would be encouraged to move in. This should have a positive impact on the economic sustainability, but also vitalize the community life of the typically ageing housing estate. Tamás László, architect, parliamentarian, former mayor of Újpalota, has a holistic notion of the intensification of large-scale postwar areas: "Today we need to look at the extensive city form of Budapest, examine the transport network and suburbanization. Based on those experiences we are facing significant deterioration in the energy balance. From this point of view, it is interesting to appreciate the regeneration of housing estates, even by intensification. Expanding the range of apartment types, resettling of young people would be more profitable in the housing estates than sending families to the agglomeration where there is no infrastructure, no public institutions, where transport problems break the families' daily life."

Of the three cases, in Kelenföld the problem of small apartment sizes is felt the least. Population decline is connected with trending social demographics. Inhabitants aged 20–24 and 25–39 are over-represented; those are mostly single university students or young couples using the area as a stepping-stone.¹⁸ Despite the population decline, the area remains within the economically sustainable density range (approximately 100–150 people per hectare). A much more significant question is how the economically favourable density could become perceptible in open space usage. For this purpose, there are many investments in the development of public squares, community gardens, playgrounds, and large scaled recreational zones in each area. Integration of new functions in Újpalota contributed significantly to a better perception of density conditions. The Boldog Salkaházi Sára church with its multifunctional spaces and the KIKÖTŐ youth centre with a semi-private garden appointed new destinations in the unused open space that can establish a "critical mass" of passers-by with the promise of public safety in housing estates.

Altering spatial orientation

Mapping spatial organization principles is a considerable step forward in the regeneration of the housing estates. Spatial connections need to be strengthened and, in other cases, rethought or redesigned. We need to take a closer look at the main axes and neighbourhoods



View from revitalised Bikas
Park, Kelenföld Estate
—
Photo by: Regina Balla

→
Residential blocks, József
Attila Estate
—
Photo by: Regina Balla

delineated by these axes, even inside the smaller environmental units.

Local initiatives in Újpalota are based on the concept of spatial divisions. The area can be divided into quarters by the axes of Nyírpalota, Páskomliget, and Zsóka-vár streets. In the renewal concept, the four subdivisions received new identities. According to Tamás László, their new character was built around the community, religion, commerce, and social care, through the location of the abovementioned new functions. The vision is still under implementation, and Újpalota is also seeking other new ideas. Urban form of Újpalota is the most notable example for the impact of Team X in Hungary. The main axes with a brutalist water tower-house in the centre would also merit their own renewal strategy. The main axes are problematic, whereas their reshaping would require high financial outputs, modification of land use system, and concentration of social attractions, as can be concluded from the international practices.

Kelenföld strives for improvement of the main road arteries leading to the new intermodal hub that resulted in the renewal of the main streets of the housing estates. In 2008, the Futureal Group, responsible for the operational planning of the centre of this part of the city, proposed the construction of 4 to 6 tower blocks, including a 150-storey building alongside the Kelenföld railway station and the Órmező housing estate.¹⁹

Eventually, the vertical mass was rejected and replaced by more compact forms. The construction of the new centre also changes the orientation of the housing estate. Previously, the Tétényi road leading to the city centre was the dominant roadway of the area. Today Etele road becomes increasingly prominent as a primary avenue with line 1 tram, refurbished public spaces, and new developments. The new cross section of Etele road represents all architectural and landscape design values that have been wished for on the main streets of Újpalota housing estate for last fifty years.²⁰ However, the two housing estates cannot be treated in the same way. The renewal of the axes of Újpalota can only be imagined in a specific project for this particular housing estate. The location has no potential for that kind of real estate development, which currently generates resources and spatial orientations in Kelenföld.

Meanwhile, in the József Attila housing estate the scale of the streets is smaller. They were designed in line with the 1950s planning approach, with only negligible car traffic in mind. Inhabitants urge the local authorities to minimize the traffic in order to preserve green areas, quoting garden-city designs and children-friendly surroundings. The noise pollution that results from the traffic at Pöttyös and Dési Huber streets is so critical that it exceeds the noise limit allowed by law. Thus it significantly affects the quality of life of the inhabitants.

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Grassroots gardens created by
local residents, Újpalota Estate
—
Photo by: Regina Balla



- 19 *Toronyház Mellett Kampányol a Futureal*, Portfolio, 2008, <https://www.portfolio.hu/in-gatlan/20080611/toronyhaz-mellett-kampanyol-a-futureal-98067> (accessed: 20.08.2020).
- 20 G. T. Rátónyi, *Újpalotai Várostartórténet: Kompromisszumok És Kényszerpályák*, Budapest, XV. Kerületi Blog, 6.09.2012, https://bpxv.blog.hu/2012/09/06/varostortenet_ujpalota (accessed: 11.11.2019).
- 21 M. Benkő, R. Balla, G. Hory, "Participatory Place-Making in the Renewal of Post-Communist Large Prefabricated Housing Estate: Újpalota Case Study, Budapest", *Journal of Place Management and Development* 2018, vol. 11, no 2, pp. 223–241 <<https://doi.org/10.1108/JPM-06-2017-0050>>.



The municipality is currently planning to narrow the cross-section of Pöttyös Street, giving back the streets to pedestrians and cyclists, and creating a new linear common space within the housing estate.

Territorial inertia

The most complicated issues in the renewal of large housing estates concern regulatory plans and ownership relations. In Hungary, there is no coherent legal framework for solving all of these current issues but developers of the three housing estates have addressed the problem. In Hungary, the cohesive land of housing estates remains state-owned, but the buildings themselves have been privatized – this means that in the state-owned area, condominiums with tens to hundreds of owners are “floating” like islands on their building sized plots. They are referred to as “floating plots” (Hungarian *úszótelek* – land under the building plus one metre on each side for the scaffolding).

In recent years, an attempt has been made to utilize the open space in the Újpalota housing estate by expanding their building sizes using the “floating plots”. In the last 25 years, some residents have put up fences in the public open space around the typically four-storey, residential buildings, creating privately or semi-privately used gardens. They did not ask permission from the municipality or from other residents to install the fences but in the end, they inspired the maintainers of the district.²¹ The municipality initiated similar activities, however, institutionalized “self-gardening” was less successful, as evidenced by the quality of maintenance.

In the József Attila housing estate, one of the main goals of renovation is the transformation of residential buildings that also requires serious reorganization of land ownership structure. There are many parties to this operation, and the executive planners’ task is also unclear, János Gyergyák explains: “It was very difficult to deal with the fact that there is a condominium but the client is not the condominium. On the other hand, we found it very positive that the municipality is thinking about how to revitalize private condominiums.” How can we, architects accredited by local municipalities, design extensions for a block of flats with privately owned apartments if the owners do not have the financial capacity for their implementation, nor is it certain that each inhabitant is interested in the conversion (i.e. expectations can vary from storey to storey)? Tamás László considers legislation almost incapable of dealing with such complex problems: “My basic proposition is that there is no easy solution to a complex problem. Some programs require complex solutions.” But who will make the effort to elaborate the legal solution, if the legislators in Hungary recently restricted the restructuring of postwar areas even more – for example by constraining transfer of ownership right to the state-owned or municipal land? On the one hand, this is a safeguard against distorted real estate developments; on the other hand, it also creates territorial inertia in the renewal of block of flats.

Architectural potential

In the housing estates, the biggest potential rests in the state- and municipality-owned public and commercial buildings. Their renewal helps improve the quality of inhabitants’ life and refresh building stock with contemporary designs. Experiences are diverse. In most of the post-war housing estates, these buildings went through basic renovation. In Újpalota, renewals of the “Spirál House” service complex and the Health Care Centre are the most prominent building developments in the range of housing estates in Hungary. In these two cases, high architectural quality was also relevant



fo byr long-term sustainability. The main reason they stand out is that they truly serve the needs of the local community through renewed functions, unlike those in Kelenföld. The renewal and replacement of buildings in the housing estate is a kind of side effect that is sometimes positive, and in other case problematic – like the above-mentioned Etele Plaza.

Conclusion

There is much potential in contemporary large housing estates that still haven’t reached the limits of their useful existence. But their urban development requires serious attention to avoid destructive urban formation processes and to rethink some planning issues from the last 25 years’ practice. The aim of this paper was to highlight some of the ongoing initiatives in relation to three large housing estates in Budapest that can provide some insight into the Hungarian best practices of urban renewal, where besides mere renovation of buildings, urban relations came to the fore: in terms of location-position, density, spatial organization, space usage and function replacement of public buildings. Observing the planned and already implemented interventions in the three housing estates, we can conclude that, with varying success, these initiatives contribute to a better embedding of the modernist urban forms the metropolitan fabric of Budapest. ●

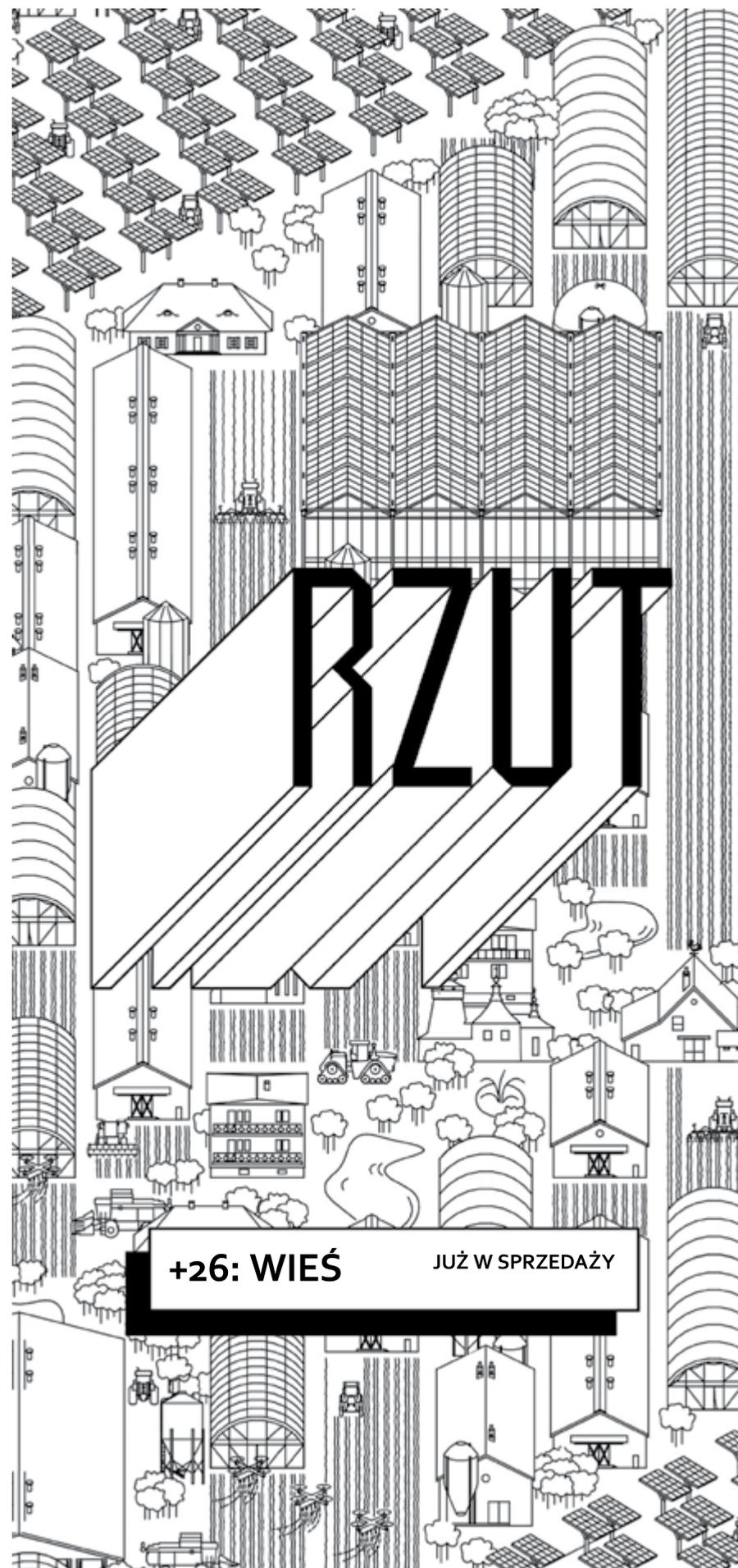
←
Health Care Centre, Újpalota
Estate
—
Photo: Regina Balla



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WOJCIECH WILCZYK

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