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**Land Policy's Influence on the Resilience and
Fragility of Social Housing Systems: comparing
active and passive, targeted and generalist land
management strategies in Austria, England and
the Netherlands**

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Land Policy's Influence Social Housing's Resilience and Fragility: comparing active and passive land management in Austria, England and the Netherlands

This paper explores the ways in which land supply and price, the policies and mechanisms used to manage them and changes to these arrangements over time have influenced the long-term trajectories of social housing systems in three Western European countries. The argument offered here is that land policy has exerted a major, and underappreciated, influence on the resilience and fragility of social housing systems – meaning their tendency to expand (in resilient cases) or contract (which indicates fragility) over the long run in terms of the proportion of all households accommodated. Land policy can provide a valuable 'invisible' subsidy for social housing which plays a particularly important role in enabling the sector to withstand adverse changes in the wider political economy such as economic or fiscal crisis and growing ideological and political opposition. These ideas are explored in comparative and historical perspective by examining changes in land policy and social housing supply in Austria, England, and the Netherlands since the early twentieth century. The analysis focuses on the extent to which arrangements for providing land for social housing and land policy more broadly focus on replacing, steering, subsidising, or enabling land markets.

Introduction:

Housing can't be built without land, so access to land is obviously for vital for social housing provision. The cost of purchasing land and servicing it with the infrastructure required for house building, such as sewage, water, road access and power, are also substantial components of housing provision costs and therefore key challenges for housing delivery. These challenges are often heightened by features inherent to land markets that drive housing cost inflation and unaffordability. The supply of land is largely fixed, therefore, when demand for land for house building increases, the price also tend to rise but without triggering a supply response that might moderate this inflation (Ryan-Collins, Loyd and Macfarlane, 2017) These features of land markets

also mean that inherently prone to speculative and hoarding behaviours that can further reinforce price inflation.

Notably, social housing landlords generally face much stronger challenges in competing in land markets than commercial housing developers. The need to charge cost or below cost rents significantly constraints their ability to compete against commercial buyers for land on the open market, for instance (Needham and de Kam, 2000). Social housing is often most needed in urban areas, where affordability is lowest, but where land prices and competition to purchase it is strongest (Tasan-Kok et al., 2013). Landowners' concerns that social housing might negatively affect the price of adjacent developments may discourage them from selling land to social landlords. Ensuring sufficient land supply can require long term planning and significant investment in land purchase and servicing decades before the dwellings are occupied and generating rental income. Funding this investment can be challenging for social landlords (Lawson and Ruonavaara, 2020). Therefore, land supply, price and servicing costs and the policies and mechanisms that influence these have a significant influence on the social housing systems.

Tasan-Kok et al's (2013) review of mechanisms for providing for providing land for social housing and controlling its price identifies a wide range of approaches used in different European countries, which they organise into four categories. Some countries use a direct approach to keeping land prices for social housing below market rate, these include Austria, the Flanders and Wallonia regions of Belgium, Italy, Luxembourg, France and Germany. Other countries use indirect mechanisms to achieve the same objective - the Netherlands, Norway, Spain, and the UK are examples. Denmark and Portugal, by contrast, use a 'threshold approach' to controlling land prices for social housing, meaning that government will only fund construction on land that falls below a specified threshold. While in Ireland and Spain social landlords pay market rate for land. However, the effectiveness of these different approaches is strongly influenced by the operation of wider land markets, taxation, legal and land use planning systems in which they are embedded. Thus, their impact must be evaluated contextually. Furthermore, Tasan-Kok et al's (2013) article is a point in time review of approaches to providing land for social housing and these have changed significantly over time in several European countries, particularly since the 1980s.

This paper explores the ways in which land supply and price, the policies and mechanisms used to manage them and changes to these arrangements over time have influenced the fragility and resilience of social housing systems in the three countries – Austria, England and the Netherlands. This analysis is organised chronologically into two sections. Firstly, land policy and land management during the so called 'golden age of social housing' – the decades after World War II when the sector expanded significantly in many European countries (Harloe, 1995; Malpass, 2005). This

discussion distinguishes between the countries where government intervention in land markets to support social housing provision during this period was strongly activist and more passive in orientation, and between countries where land policy designed specifically to enable access to land for social housing or with more generalist objectives of managing residential land markets in mind. The second half of the paper presents an analysis of the changes made to these arrangements since the 1980s, and of their operation and effectiveness in supporting social housing output during these decades when the social housing sector has contracted in many countries and consequent changes in the countries that were laggards and leaders in terms of land policy activism. Consideration of how the different approaches to providing land for social housing interact with land markets, taxation, legal and land use planning systems and how the latter influences the effectiveness of the former is threaded through the analysis. The conclusions to the paper reflect on the significance of land policy and land management mechanisms in the resilience and fragility of social housing sectors.

Concepts and Cases.

Focus, Aims and Definition of Terms

The terms resilience and fragility have a variety of meanings in the social scientific literature (Jacobs and Malpas, 2018). However, in this paper these terms are used in a specific and rather narrow way to refer to:

- the tendency of social housing sectors to expand (in resilient cases) or contract (which indicates fragility) over the long run in terms of the proportion of all households accommodated and,
- the ability or inability of these sectors to continue to expand or at least retain their share of households accommodated in context of challenges related to the wider political economy (e.g. economic, fiscal or banking crises, ideological and/or political opposition). The ability to withstand adverse changes in the wider political economy context is a key feature of resilient social housing sectors, fragile sectors don't share this characteristic.

The definition of what constitutes social housing varies significantly between countries and the size and characteristics of the sector also varies depending on the particular definition used (Granath Hansson and Lundgren, 2019). Here this term is deployed in a relatively inclusive way to mean rented housing allocated according to non-market criteria (such as need or waiting time) rather than ability to pay. Other social housing researchers limit their analysis to dwellings provided by non profit or

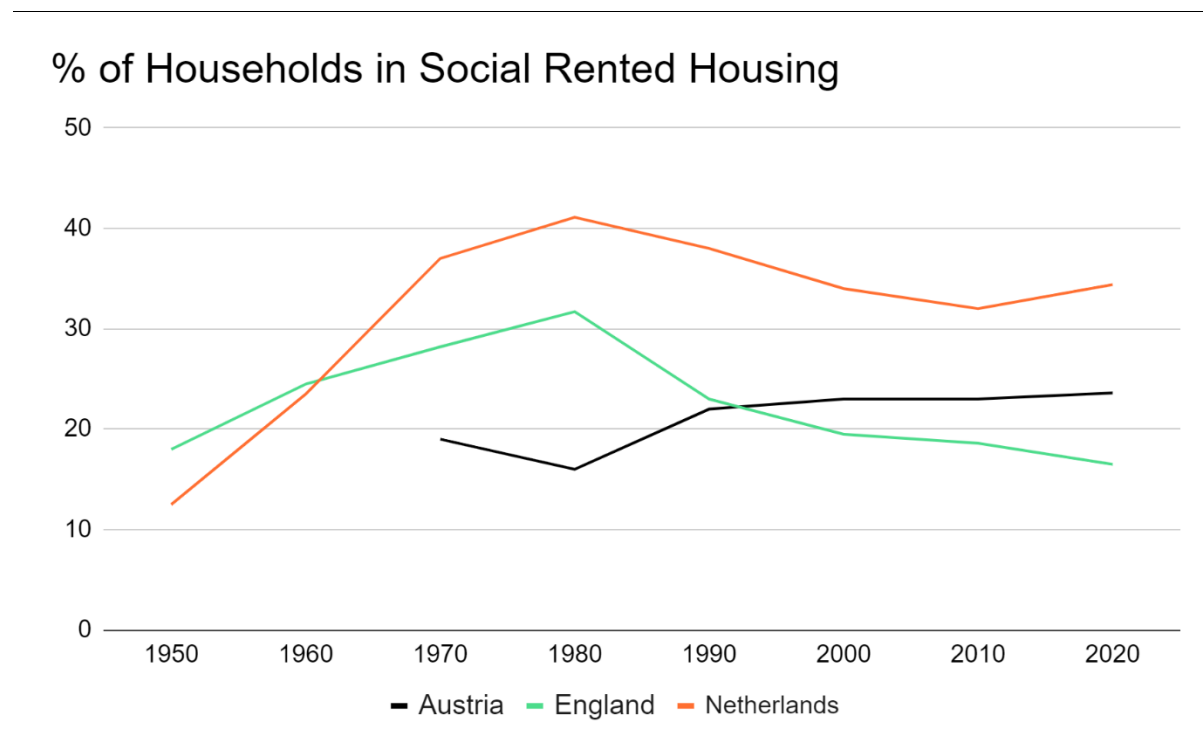
government agencies and/or let at sub-market rents, but this approach excludes large numbers dwellings which are defined by both governments and populations as social housing. Sometimes housing for sale (at below market value or on a shared equity basis) is categorised as social housing because they are commonly provided by social landlords, but these dwellings are no longer in the control of these organisations once sold, therefore there are excluded from the analysis set out in this paper.

Which Fragile and Resilient Social Housing Systems?

This paper focusses on developments since World War II in selected social housing sectors in Western Europe. This admittedly Eurocentric focus, which ignores the significant social housing sectors in North America, Australia, New Zealand, and several of the advanced East Asian economies, was selected for pragmatic and purposeful reasons. Pragmatically, it reflects the focus of the author's previous research, publications and therefore expertise on comparative housing policy. In addition, most countries in Western Europe have social rented housing sectors which fit within the definition of social housing set out above.

For logistical reasons it was not possible to examine all Western European countries, so only three are examined here. Austria, England and the Netherlands were selected as case studies for examination primarily because the varying patterns of resilience and fragility evident in their social housing sectors in recent decades means that they are particularly useful for exploring this paper's central focus (see Figure 1). Austria and the Netherlands are defined as having high levels of social housing in Scanlon, Whitehead and Arrigoitia's (2014) comparative analysis of social housing in Europe - this tenure accommodated 23.6 and

Figure 1. Social Housing as a % of all Occupied Dwellings, in England, France and the Netherlands, 1950-2020.



Note: data are for the first five years of each of the decades referred to, Source: Norris and Shieds (2004) Dol and Haffner (2010); Ministry of Housing Communities and Local Government (various years) and OECD (2022). The information from all these sources is derived from census or register data.

34.1 per cent of households in these countries respectively in 2020. Social renting has expanded significantly in Austria since 1980 – by 7.6 percentage points – so it falls clearly within the definition of resilient proposed above. Rates of social renting have remained static in the Netherlands in recent years, but the Dutch social housing sector has contracted over the longer term – it accommodated 41.1 per cent of households in 1979 – so although currently reasonably resilient, in long term perspective, this sector appears more fragile (Elsinga and Wassenberg, 2014). Responsibility for housing policy was fully devolved to the governments of the countries which make up the United Kingdom in 1999 and since then significant differences have emerged between the social housing sectors of these countries (Stephens, 2019). Therefore only the English social housing sector is examined in this paper. This sector is medium sized compared to the rest of North Western Europe (it accommodated 16.5 per cent of households in 2020) but is the most fragile of the cases examined here because it has contracted by almost half since 1980.

The key features of social housing in the three case study countries, in terms of their organisation, financing and target population are outlined in Table 1 which that marked inter-country variations in this regard. Local government historically played the dominant role in the provision of social housing in England, but this is no longer the case. Instead, non-profit- sector housing associations now dominate new provision (Malpass, 2005).

Table 1. Characteristics of Social Housing Sectors in Austria, England, and the Netherlands.

Theme	Details	Austria	England	Netherlands
Social Housing Finance	Main source of capital funding	Private mortgage banks	Private bank loans and bonds (for housing associations). Government loans (local authorities)	Private banks.
	Main source of revenue funding	Rents which reflect the cost of housing provision	Rents linked to the dwelling value and quality or to market rents (for designated new tenancies)	Rents linked to housing quality (except for new dwellings).
	Number of sources of housing finance	Multiple: rents, government, bank loans and social landlords' equity.	Multiple: rents, government grants, bank loans and bonds	Multiple: rents, bank loans, landlords' equity. No public supply side subsidies
	Social housing privatisation	Very limited	Extensive and highly subsidised	Low pre 1990s, but high since then and subsidised.
Social Housing Landlords	Main providers of social housing	Limited profit housing associations	Non-profit housing associations (58.8%) and local authorities (41.2%)	Non-profit housing associations
Tenants	Allocation criteria	Targeted at employees/ the working class.	Targeted at the most vulnerable	Universalistic
	Income characteristics of tenants	Middle income in housing association provided dwellings. But tenants of local authority provided social housing tend to have lower incomes.	Disadvantaged. 45% of social renting households had incomes in the lowest quintile and 37% were employed compared to 59% in all households in 2016.	Lower than average and falling but still contains significant mix of incomes.

Source: Czischke (2006); Lawson and Ruonavaara (2020) Tunstall and Pleace (2018), Scanlon, Whitehead and Arrigoitia (2014); Whitehead (2014); Wilson, (2019)

Housing associations are also the main social housing providers of social housing in the Netherlands and are significant providers in France too (as are municipal housing companies which are separate from but, controlled by, local government). In all three countries, a wide variety of sources of capital funding are used to fund the provision of new social housing, including: government grants and loans, commercial and non profit loans and tenants' and social landlords' own equity contributions (Whitehead, 2014). However, arrangements for setting the rents that help to repay loans taken out to fund the costs of providing social housing vary between countries. In Austria they are set at cost recovery rate (bearing in mind that these costs are reduced by public subsidies), whereas in England and the Netherlands they have historically been linked to dwelling quality.

Land Policy and Management During Social Housing's Golden Age

Activist and Generalist Land Management in the Netherlands

Among the three countries under examination, the Netherlands had the strongest active land management policies between the 1950s and the mid-1990s. During this period, Dutch municipalities bought almost all development land, assembled it into sites as required, serviced them with the water, power, transport, and other services required to enable construction of dwellings and other buildings and then sold serviced sites onto private developers and social landlords to recover costs. Commercial developers or social housing landlords played little or no role in land banking or servicing at this time (Buitelaar, 2010). Tasan-Kok et al's (2013) aforementioned typology categorises this system as an indirect approach to providing low-cost land for social housing. However, it played a critical part in underpinning the golden age of social housing in this country, by ensuring ample supply of sites for this form of housing and by reducing costs for social landlords. Indeed as de Kam (1998: 453-454) points out during the post war era 'interventions in physical planning, housing and land policy have become so strongly intertwined' that they could be characterised as 'an iron triangle, with housing and land policy at the base'.

Surprisingly, in view of the persistence of these arrangements for four decades, Dutch municipalities were not subject to any legal or constitutional obligation to pursue active land management (Needham, 1997). Rather the 1965 Spatial Planning Act (*Wet Ruimtelijke Ordening*), which essentially established the Dutch land use planning system, assumed that land development would be carried out privately. However, Needham (1997: 261) points that Dutch municipalities were strongly incentivised to actively manage land in order to have 'greater control over physical development' because, if the municipality supplies the land, it can ensure

development occurs at the time and sequence required'. In the context of the acute land development challenges that exist in the Netherlands, due to flooding risk, poor soil conditions, very high population density and shortage of buildable land, this control, and the ability to pool the high costs of land servicing, is particularly attractive (Buitelaar and Bregman, 2016).

Also surprising is the fact that while Dutch municipalities enjoyed extensive legal powers to enable them actively manage land, including compulsory purchase and pre-emption (i.e. preferential acquisition, essentially 'first refusal') powers, these were rarely used (Korthals Altes, 2014). In practice, they operationalised active land management by purchasing land for the price it would have secured if acquired via compulsory purchase – generally twice existing use value. Aware that municipalities possessed strong compulsory purchase powers should they choose to use them, landowners generally 'voluntarily' acceded to these offers. Municipalities borrowed money to acquire and service the land (generally for 10-15 years) on the understanding that they would recoup this investment by selling serviced sites.

The Dutch active land use model has been widely praised by international observers for enabling high quality and comprehensive land use planning, capturing some of the increase in price that occurs when land is rezoned for development (often called 'betterment'), ensuring sufficient supply of serviced land and contributing to relatively stable and low (by comparison with other European countries) property prices and modest regional price differences (Hallett, 1988; Needham, Koenders and Kruijt, 1993; Badcock, 1994). These outcomes undoubtedly had important *indirect benefits* for social housing provision but critically, from the perspective of the discussion at hand, the active land management model also *directly benefited* this tenure in several ways.

Firstly, sites for commercial use (e.g. offices or shops) were sold for higher prices than residential development sites and more was charged for sites for market housing for sale than for social housing. This enabled cross subsidisation with some users paying above average costs so social housing providers can pay below average (Needham, 1997). Secondly, municipalities received higher central government subsidies if the costs of servicing sites for social housing were high (for instance if flood defences were required) and if high density social housing (e.g. high rise apartments) was planned for these sites. Although municipalities were in theory required to sell sites for cost price, de Kam (1998) argues that they had a lot of discretion in determining these costs. Public policy objectives encouraged municipalities to make as many sites as possible available for social housing, but the subsidy model also encouraged them to funnel as much social housing as possible onto difficult to service sites and high-rise developments, because they would yield greater 'profits' (de Kam, 1998). His analysis of the 1954-1983 period reveals that in 23 out of these 29 years the municipalities' yield on land for social housing exceeded the yield on land for all

housing (i.e. on both social and other housing tenures) and high-rise social housing generated a higher yield. De Kam (1998) raises concerns that these arrangements reduced the value for money for the exchequer and encouraged excess output of high-rise social housing and socio-spatial segregation of this tenure. However, this model also enabled very high levels of social housing output in the post-war decades and its persistence until the 1990s, helps to explain the particularly long duration of the golden age of Dutch social housing, compared to the other case study countries, as flagged in Figure 1.

Activist and Targeted Land Management in England

In contrast to the relative stability that characterised Dutch land policy during the post-war decades, Hallett and Williams (1988: 116) suggest that ‘The most striking characteristic of British land policy since 1945 has been its violent swings’. The groundbreaking Labour Party government that won the first post-war election in 1945, governed until 1951 and, during this time, set up the main elements of the modern British welfare state, applied equally radical thinking to the management of land markets (Renwick, 2018). They legislated for the compulsory purchase of land at existing use value for building social housing and ‘new towns’ (on greenfield sites outside existing urban settlements) and also introduced taxes to capture the full betterment value (Cox, 1984). These measures largely decommodified residential land markets and radically reduced the cost of land for social housing. However, in the context of highly adversarial politics of land and property during the post-war decades, these measures were incrementally rolled back during the 1950s and early 1960s when the Conservative Party returned to government and efforts by Labour governments to reintroduce them in the 1960s and 1970s were also reversed by the Conservatives (Cox, 1984). In addition to ideological differences between the Labour Party (which was formally committed to land nationalisation for the first two thirds of the twentieth century) and (more pro-market) Conservatives and variations in the socio-economic profile of their voters (land owners were influential in the Conservative party during this period, while private and social renters were far more likely to be Labour voters), these policy swings were also influenced by implementation challenges and unintended outcomes (Cox, 1984; Weiler, 2013; Foye, 2022). Access to and the cost of land for social housing was directly affected by some of these policy swings, but it was impacted indirectly by the remainder because they shaped inflation in building land markets more broadly (Bentley, 2017; Ryan-Collins, Loyd, and Macfarlane, 2017).

These swings in land policy began in 1947 with the enactment of the Town and Country Planning Act by the Labour government. It essentially established the modern UK land use planning system by replacing the heretofore patchy and often unforced planning legislation, with comprehensive arrangements that brought all development

under state control by requiring that planning permission be secured prior to construction. This development had been preceded by decades of debates in government and the Labour Party about how best to address the impact that planning would have on land price inflation (Cullingworth and Nadin, 2016). The approach eventually adopted in the 1947 Act was to tax this increase using a development charge set at 100 per cent of the difference between the land's existing use value and its residential use value. This meant in practice that betterment would be entirely captured by the state (Bentley, 2017).

This measure initially had minimal impact on private housing output because the 1945-51 Labour government stipulated that 80 per cent of new house building must be for social housing (Boughton, 2019). However, when the Conservatives returned to power in the early 1950s, they argued that the development charge was a barrier to achieving their objective of reanimating private housing output because it removed all incentives for landowners to sell land for development (Hallett and Williams, 1988). To overcome this issue the 1947 legislation had included powers to compulsorily purchase land for private development, but these were poorly drafted and rarely used (Bentley, 2017). The development charge was also deeply unpopular with landowners, so it was abolished by the Conservatives in 1953. From then on land for private housing in England was bought and sold at full market value, and new measures to clawback betterment value were not introduced until the early 1990s (Hall, 1973; Foye, 2022).

The purchase of land for social housing was initially shielded from this reform by another provision of the 1947 Act, which enabled municipalities to compulsorily purchase land for social housing at existing use value. It is unclear how much this provision was used in practice – like in the Netherlands, the existence of compulsory purchase powers in England may have obviated the need to use them in practice (Bentley, 2017). However, the abolition of the development charge on land for private housing created a dual land market - with owners of land sold for private construction receiving much higher compensation than those forced to sell land for social housing – which heightened landowners' opposition to the latter measure (Connellan, 2004). Thus in 1959 the Conservative government abolished these compulsory purchase powers too. Although this measure had been operational for just 11 years, Bentley (2017: 45) points out that 'About 1.8m [social rented] homes were built in England during this period, more than a third of the 4.5m that have been built since the Second World War' and argues that the compulsory land purchase provisions were vital enablers of this particularly high rate of housing output.

Arrangements for compulsorily purchasing land for new towns at existing use value (introduced by the New Towns Act, 1946) were the only pillar of the post war Labour government's land policy that remained in place by the late 1950s. Twenty-one new

towns were developed in England using this land-purchase framework, which currently accommodate 2.8 million people (Bentley, 2017). Although rarely used in practice, the treat of compulsory purchase induced landowners to agree to land at very low prices. Raw land accounted for only one per cent of the cost of housing provision in Milton Keynes (the largest new town built under the terms of the 1946 legislation) for instance (Bentley, 2017). Critically, from the perspective of the discussion at hand, the vast majority of the housing built in new towns during the 1950s was social rented. Some 1.8 million social rented homes were built in the twenty-one new towns developed under the terms of the New Towns Act, 1946 (Foye, 2022).

However, these measures were also abolished by the Conservative party. Its Land Compensation Act, 1961 stipulated that, in future the state must pay market value for all development land it compulsorily purchases. Notably the definition of market value enshrined in this legislation encompassed not only the land's current use but also its prospective uses in the future, or in other words its 'hope value' if designated for housing development by the land use planning system. This definition greatly inflated the cost of compulsory purchase of raw land by government, for any purpose including social housing development (Bentley, 2017).

The provisions of the 1961 Act only applied to greenfield sites and municipalities remained empowered to purchase urban buildings at existing use value as part of their slum clearance initiatives. This contributed to an over-reliance on slum clearance by municipalities to acquire social housing development sites and inappropriate, visually unappealing clearances of inner-city streetscapes and promoted a backlash from the public (Watling and Breach, 2023a). However, it is also the cause compulsory purchase of brownfield, inner city sites, did not provide enough land to compensate for the barriers to purchasing raw land for social house building introduced by the 1961 Act. Social housing output (and indeed total housing output) in England has never again matched the levels of output achieved during the 1950s (Watling and Breach, 2023a).

The Land Compensation Act, 1961 did not mark the end of the end of the post-war swings in land policy, however. During the 1960s and 1970s, Labour Party governments made several short-lived attempts to reintroduce versions of their mid-1940s land policies (Hallett and Williams, 1988). For instance, in 1964 the new Labour government established a land commission with powers to acquire land compulsorily and powers to administer a 'betterment levy' - similar to the 'development charge' included in 1940s legalisation but set at a lower rate. However, Hallett and Williams (1988: 121) report that the 'levy became an administrative nightmare, because of its Byzantine complexity, and the way it was applied to the smallest or most notional of gains'. The Land Commission managed to acquire only a tiny amount of land during its lifetime and attracted significant opposition. In 1970 the Conservative Party returned

to power and abolished both the Land Commission and the levy (Watling and Breach, 2023a).

When Labour returned to government in 1974, it adopted a new land policy, which had strong similarities to the Dutch active land management system describe above. Its Community Land Act, 1975 provided that all land required for development or redevelopment would be compulsorily acquired by municipalities at existing use value and then serviced and sold to developers at current use value. However, the legislation was never fully implemented, because it was repealed soon after the election of the Margaret Thatcher led, Conservative government in 1979.

Land Management Passivity in Austria

In contrast to England and the Netherlands, government action to supply land for social housing was consistently minimalist in Austria during the golden age of social housing. Indeed, this was also the case during the inter-war period, when very large numbers of municipal social housing units were built in 'red Vienna' (although output was negligible in the rest of the country) (Lewis, 1983). Vienna's municipal government did not enjoy any compulsory purchase powers during this period, rather social housing development sites were purchased at full market value. However, a radical decline in land prices due to low levels of private construction and the introduction of strong tenants' protection rights helped to reduce the cost of acquiring sites for social housing. Thus, the municipality managed to double its land holdings from 17 to 33 per cent of the city's land area between 1918 and 1931 and this opportunity to buy cheap land was a key enabler of the high levels of social housing output between these years (Förster, 2008).

No specific measures for providing land at low cost for social housing were introduced during the decades that followed World War II. A new tax was introduced in 1961 to stimulate the mobilisation of idle land zoned for building. Furthermore, the 1974 Land Acquisition Act and Urban Renewal Act granted municipalities pre-emptive purchase rights in urban renewal zones and in cases of acute local housing shortages, but these instruments were very rarely used in practice (Förster, 2008). This created challenges for social housing delivery because land costs were not generally funded by the government subsidy schemes. These challenges were particularly acute in the municipal housing sector because rents were not set at cost recovery levels. This contributed to this sector's declining contribution to social housing output from the 1960s, and to the increasing dominance of the limited profit housing association sector, in which rents were linked to costs, in new social housing provision (Förster, 2008).

Land Policy and Management Since the 1980s

From Land Management Activism to Passivity: Developments in the Netherlands and England.

Changes to the post-war land management policies came later to the Dutch social housing sector than in some of the other countries under review here. No significant reform was initiated until 1988 when the planning ministry published the first part of its *Fourth Report on Physical Planning* – the latest iteration of the national land use, planning and development plans had governed the spatial development of the Netherlands since World War II (Ministry of Housing Physical Planning and the Environment, 1988). The reforms initiated at this time were far from sweeping. The main features of the active land management approach employed during the post war decades remained in place and, between 1995 and 2005, 68 per cent of new homes were built on land assembled and serviced by municipalities (Priemus, 1997; Buitelaar and Bregman, 2016). However, the ability of local government to use active land management to steer overall levels of housing production was weakened (Lawson and Ruonavaara, 2020). Furthermore, in tandem with the removal of direct public capital subsidies for social housing provision, also introduced around this time, reforms to land management precipitated a significant reduction in social housing output.

This reduction was in part a deliberate objective of the *Fourth Report*, which aimed to increase the role of the market in the housing supply (Ministry of Housing Physical Planning and the Environment, 1988). Its implementation plans specified that at least 70 per cent of new suburban development must be unsubsidised/ market housing and a maximum of 30 per cent social housing. While the latter is high, by the standards of many other Western European countries, by Dutch standards, as Priemus (1997: 79) points out ‘Compared to the 1970s, this represents a dramatic shift away from social housing and toward the unsubsidised sector’.

Reduced availability of cheap land for social housing was also an indirect result of the wider changes to the active land management system made at this time and their implementation by municipalities. For instance, the longstanding system of fixed sale prices for land for social housing was abolished and central government subsidies for land purchase and servicing were reduced radically so municipalities were forced to cover more of these costs from their own resources. Although some municipalities had accumulated substantial land banks by the 1990s and continued to provide sites to Dutch housing associations (Amsterdam is a case in point), others proved unable or unwilling to take on more of the, now significantly increased, costs and risks of doing so. In addition to ideological antipathy towards social housing in some cases, this development also reflected a perception that housing associations were asset rich (which some undoubtedly were, but this varied across the sector), while municipalities

had been stripped of resources by central government (Lawson and Ruonavaara, 2020).

Consequently, housing associations' reliance on municipalities for land fell dramatically from around 60 per cent of land bought in 1995 to only 15 per cent in 2008 (Buitelaar, 2010). Instead housing associations bought serviced land from commercial developers, worked with commercial developers and municipalities to acquire, and service land, or less often bought raw land from farmers and serviced it themselves. Purchasing land from the market was also generally more expensive because liberalisation of land markets, the increased restrictions on locations for new housing developments introduced by the *Fourth Report* and rising house prices all contributed to land price inflation. Notably, another common strategy used by housing associations to manage these challenges was to source building land from their own stock by redeveloping their own housing complexes (Needham and de Kam, 2004). This was a key contributor to the high rate of housing demolitions seen in the Dutch social housing sector in recent decades, and meant that new housing output did not always constitute net additions to the stock.

Partly in response to this shortage of land for social housing, and following intense lobbying from housing associations, the national planning act was radically revised in 2008 (Buitelaar and de Kam, 2012). These amendments provided more options for municipalities to recover the costs of land servicing from developers, to guide the form and content of developments more closely and also to require developers provide public goods including social rented and low-cost home ownership housing. Buitelaar (2010: 355) suggests that these reforms effectively marked the death knell for the dominance of active land management because they mean that 'the planning system has taken on board functions that active land policy used to fulfil'. Unlike active land management, which proactively steered the scale, pace and character of land development, the inclusionary zoning mechanisms introduced by the 2008 amendments are more reactive in nature – they rely on the private sector to take the initiative in initiating land development and then annex a part of this supply for social housing. In common with many high-income countries, private housing output fell after the 2008 global financial crisis in the Netherlands, which reduced the effectiveness of this mechanism for delivering social housing (Buitelaar and Bregman, 2016). Implementation challenges have reinforced the latter problem. For instance, the extent to which different municipalities are willing to support social housing output continues to vary and, as many small locally focused organisations have merged to form regional and national bodies, their relationships with municipalities and therefore ability to negotiate land access deals has weakened (Lawson and Ruonavaara, 2020).

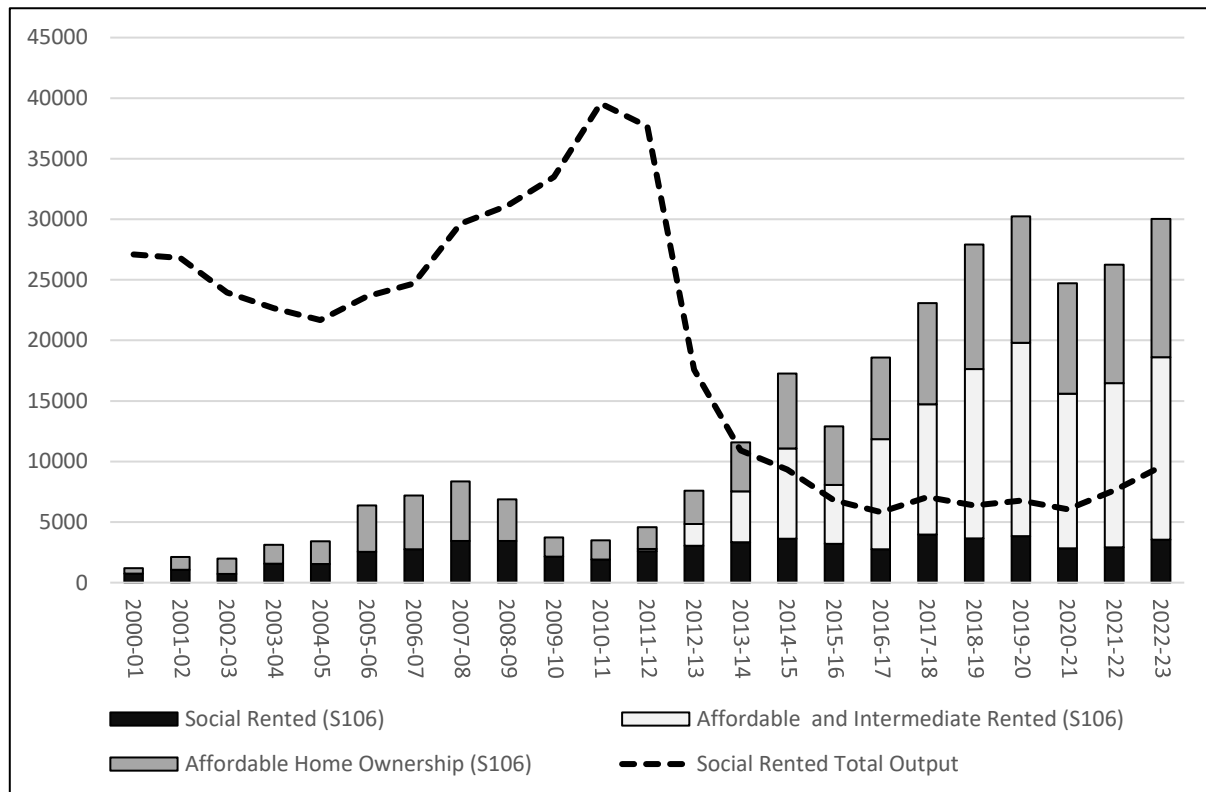
As mentioned above, following the election of the Margaret Thatcher led governments in the late 1970s government involvement in capturing betterment and compulsorily purchasing land at below cost for social housing was ended. However, by the middle of the next decade some pioneering (and cash strapped) municipalities started to tentatively fill this vacuum by making the funding of infrastructure (including social housing or other forms of affordable housing) a condition for granting developers planning permission (Foye, 2022). These *ad-hoc* arrangements became more widespread and subsequently were formalised and legislatively underpinned by the Town and Country Planning Act, 1990. Section 106 of this act enables municipalities to negotiate obligatory contributions to infrastructure provision with property developers as a condition of planning permission – these are commonly known as Section 106 agreements. By the early-2000s, inclusionary zoning obligations to provide social housing and other infrastructure were included in most English municipalities’ development plans (Catney and Henneberry, 2019).

The application of Section 106 has not been without controversy. Developers regularly complain they should not be forced to fund public goods unrelated to the proposed development and that some municipalities (particularly left-wing ones) have required too much social housing to be provided, thereby threatening the viability of the developments (Foye, 2022). However, as evidenced by its longevity – Section 106 was still in place at the time of writing – it has proved significantly less controversial than the land policies introduced during post-war decades in England. Foye (2022) attributes this phenomenon to several ‘institutional depoliticization’ features inherent in the design of Section 106. For instance, unlike earlier land policies that were managed by central government, municipalities have almost complete control over the content and negotiation of Section 106 agreements. This fragments opposition to Section 106, and this is further defused by the highly technocratic nature of its negotiation and implementation which can be challenging for the politicians and the media to understand and therefore to challenge (McAllister, Street and Wyatt, 2016). It is also likely that the muted opposition to Section 106 compared the earlier land management policies, reflects the weaker political influence of the buyers of dwellings in new housing developments who bear the costs of the former, compared to the landowners most negatively affected by the latter. It may also reflect the relatively conservative nature of Section 106, which in contrast to compulsory purchase at existing use value, allows developers to recoup any losses by increasing the sales prices of private houses.

However, Section 106 has been far less effective mechanism for delivering social housing than the post-war land management policies. This partially reflects the fact that, like the Dutch inclusionary zoning policies examined above, Section 106 social housing output varies in line with market housing output. However, Figure 2 below demonstrates that a more significant factor in the English case is government policy

regarding the type of affordable housing that can be delivered via Section 106 and changes to social housing financing. In 2000/01 social housing accounted for 66.2 per cent of total Section 106 output

Figure 2 - Section 106 Enabled Social Rented, Affordable Rented and Affordable Home Ownership Dwellings Compared to Total Social Housing Output in England (N), 2000/01 – 2022/23



Note: S106 = Section 106. Affordable and Intermediate Rented includes dwellings provided under the Affordable Rent, London Affordable Rent, and Intermediate Rent schemes. Affordable Home ownership includes dwellings provided under the Affordable Home Ownership, Shared Ownership and First Homes Scheme.

Source: Ministry of Housing Communities and Local Government (various years).

(750 dwellings), with affordable home ownership measures making up all the remainder. Total Section 106 output increased to just over 30,000 dwellings by 2022/23 but social rented housing was just 11.8 per cent of this (3,545 units) and a most of the remainder were affordable and intermediate rental dwellings (provided under schemes introduced in 2010) which were let at significantly higher rents than social rents. The need to cross subsidise social housing with profits from affordable or full market priced housing for sale or rent, following reductions in public subsidies, was a major driver of this development. Notably Figure 2 also flags that from 2010

total output of social housing declined significantly and Section 106 provided a much higher proportion of this much lower output than had been the case previously.

From Land Management Passivism to Activism in Austria

In Austria, by contrast, arrangements for procuring land for social housing and controlling its price have generally been strengthened in recent decades from a low base in the post-war decades. This development is part reflects the increasing financial strength of the limited profit housing associations that provide almost all social housing in this country. LPHAs are required to use their reserves (i.e. surpluses or 'profits') to fund land acquisition and receive interest payments from government for doing so. As the sector has matured and repaid housing development loans, many LPHAs have strong reserves and therefore are in a good position to compete for land on the open market. These advantages are amplified by LPHA's access to public subsidies that are not available to private developers and without which the building of low to mid-priced, high density market housing in urban centres is not financially viable (UN-Habitat, 2022). Furthermore, on occasions LPHA's can compensate for high land prices by building at higher densities (Amann and Mundt, 2005). As a result, many LPHAs have accumulated substantial land banks and often purchase land in collaboration with commercial developers.

Where affordable land is not available for social housing the Lander are also empowered to help LPHAs and have become increasingly activist in this regard since the 1970s. They can do this by selling or leasing public land banks to LPHAs (the latter option has become increasingly common in recent years) and/ or zoning sites specifically for social house building, zoning more land for any type of housing or increasing construction densities (all of which help to depress market prices) (UN-Habitat, 2022). However, because these measures are local government responsibilities, they have not been applied evenly across the country (Donner, 2002).

They are used most extensively in Vienna where the city council established a company called the Fund for Housing Construction and Urban Renewal (wohnfonds_Wien) in 1984 to acquire and service land for social housing. It currently owns approximately 3.1 million m² of sites. Wohnfonds Wien buys land at full market value, but generally at low prices because it purchases with long lead in times for development, well ahead of the land being zoned for housing. It then works with the municipality to zone and service the land and to plan its use in detail before disposing of the smaller sites by selling them to LPHAs and of bigger sites using an innovative system of 'developer competitions' (Bauträgerwettbewerbe) whereby individual LPHAs or more commonly consortia of LPHAs and private developers compete for permission to develop Wohnfonds Wien sites (Lawson and Ruonavaara, 2020). The different applications are assessed competitively according to several criteria

including design quality and price, which helps to promote better building quality and lower costs (Förster, 2008). Wohnfonds Wien sells sites at a below market price that covers its costs and provides for a surplus to be reinvested in more land acquisition. To further manage land prices the social housing subsidies, specify the maximum prices that can be paid for land. These price controls help to set market expectations for land prices and discourage speculation (Deutsch and Lawson, 2012). In 2018 the City of Vienna also amended its building code in 2018 to introduce a new ‘subsidised zoning’ category, which requires that two thirds of the useable floorspace of residential sites subject to this zoning must be devoted to the construction of subsidised dwellings (primarily social housing). This zoning category also encompasses restrictions on the sale of any social housing constructed there.

Similar subsidised zoning arrangements are in place in around half of the other lander in Austria, whereas building land funds like Wohnfonds Wien are less common. They existed at the time of writing in two Lander (Tyrol and Salzburg) but at a much smaller scale than in Vienna, while the Vorarlberg Lander has recently decided to establish a building fund. Elsewhere municipalities are encouraged to provide land at low cost for social housing as part of their contribution towards the costs of its provision (Amann and Mundt, 2005)

There is some evidence that the effectiveness of these active land management measures in shaping the entire Austrian development land market has diminished somewhat in recent years, however. For example, Donner (2002: 102) reports that the ‘former monopolistic position’ of Wohnfonds Wien in land markets ‘eroded in the 1990s, because profit-orientated developers stocked up on land at current market prices. therefore, the market prices can now hardly be influenced.’ Relatively low land taxes are also inadequate to discourage land hoarding by commercial developers. On the other hand, the measures for actively managing the supply of land for social housing have been effective and have made a significant contribution to supporting the relatively high rates of output of dwellings in this tenure in Austria in recent decades (Lawson and Ruonavaara, 2020). Achieving this level of land supply for social housing has not been easy, however. Mechanisms for active management of land for social housing have reformed regular reforms to maintain their effectiveness (Friesenecker and Litschauer, 2021). Furthermore, due to increased competition with developers for land, social housing construction in Vienna has increasingly been pushed to the periphery of the city in recent years (IIBW, 2016).

Conclusions

This paper has examined arrangements for procuring land for social housing and reducing the cost of this land in the three Western European Countries since the early Twentieth Century. It has compared developments during the tenure's post-World War II golden age, when it expanded significantly in all these countries, to developments since 1980 when the social housing sector contracted significantly in some countries but proved more resilient in others. This analysis indicates that land management policy is probably not the principal 'internal design' influence on the resilience and fragility of social housing systems - financing models are likely to be more influential in this regard. However, if effective in increasing the supply and critically in reducing the costs of land for social house building, land management policies can play a significant role in shaping the long trajectories of social housing systems and this role is generally underappreciated in the research literature.

The enormous expansion of the English and Dutch social housing sectors in the post-war period was underpinned by measures to actively manage the supply and reduce the cost of land for social housing that were very radical by contemporary standards. The power to compulsorily purchase land at existing use value in the former country and municipalities' procurement and servicing of almost all raw development land in the latter decommodified land markets, reduced the prices paid for land for social housing and thereby provided an enormous invisible subsidy to this sector that reduced the subsidy it required from government to provide new housing. The dismantling of these active land management policy mechanisms in the 1960s contributed to the early end of the English social housing sector's post war 'golden age' in comparison with the norm in other Western European countries. The longer golden age enjoyed by the Dutch social housing sector reflects the persistence of activist land management in this country until the 1990s. The changes to land policy introduced since then have made an important contribution to the contraction of Dutch social housing sector by significantly increasing the price and restricting the supply of land for social house building (Buitelaar, 2010).

In contrast the growth of the Austrian social housing sector in recent decades has been underpinned by the emergence of active land management measures in this country from the 1980s, particularly in Vienna (Pearsall, 2021). Furthermore, this policy has been consistently reformed, updated, and expanded since its introduction and has played an important role in enabling the expansion of the social housing sector in recent decades.

The chronological review of active management of land for social housing presented in this paper suggests that the importance of active land management policies to the resilience of this tenure has increased in recent decades. During the

post-war decades, the commercial construction sector was non-operational or weak, which reduced competition for land and land prices. Thus, in Austria municipalities managed to accumulate substantial land banks for social house building during this period without the support of any active land management policies. Since the late 1960s and 1970s however, increasing restrictions on land uses related to the expansion of land use planning systems and increased flows of investment into land and property due to financialisation, among other factors, have contributed to marked increases in development land prices, particularly in high-growth Western European cities (Buitelaar and de Kam, 2012; Watling and Breach, 2023b). Thus, the land market context in which social housing landlords operate has become more challenging, active management of land has become even more vital for sourcing affordable land for social housing building.

The analysis presented in this paper also demonstrates that, in addition to changes in the scope and ambition of active land management policies, changes to the dominant instruments employed for this purpose have influenced these policies' effectiveness in supporting the resilience of social housing system. Measures such as compulsory purchase powers, pre-emption rights and public land banking that proactively manage the supply and critically reduce the cost of land for social housing by partially or fully decommodifying land markets are particularly effective in supporting the tenure's resilience. In contrast, although inclusionary zoning has undoubted benefits in terms of enabling tenure mixing of new housing developments and can decrease the costs of social housing provision by transferring these costs to developers (or more accurately to the purchasers of private housing in new developments), it is less effective as a support for the resilience of the sector. This is because, unlike active land management, which proactively steers the scale, pace and character of land development, inclusionary zoning mechanisms are more reactive in nature – they rely on the private sector to take the initiative in initiating land development and then annex a part of this supply for social housing (Buitelaar and Bregman, 2016). In addition, inclusionary zoning mechanisms are generally less effective in reducing the costs of land for social housing than the more strongly decommodifying mechanisms used in the past (Lawson and Ruonavaara, 2020)

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