There’s no justice in a housing market that is too tight

Bernd Hunger is an urban planner and urban sociologist. Until 2018, he headed the department for urban development at the GdW Bundesverband deutscher Wohnungs- und Immobilienunternehmen e.V. (Federal Association of German Housing and Real Estate Companies). He is the Chairman of the Board of Kompetenzzentrum Großsiedlungen (The Competence Center for Large Housing Estates) in Berlin.

Marcel Helbig is an educational sociologist at the WZB and professor of social inequality and education at the University of Erfurt. In 2018, he and Stefanie Jähnen published the study “Wie brüchig ist die soziale Architektur unserer Städte?” (How Fragile is the Social Architecture of Our Cities?).
In German cities it is becoming increasingly rare for the poor and the rich to live next to each other. This finding of a WZB study hit the headlines in 2018 and fueled public debate on what can be done to combat the growing social division of cities.

Marcel Helbig – the author of the study – and urban planner Bernd Hunger discuss housing, the cohesion of a society, and the responsibility of social research to study this.

Professor Hunger, in many places the socially mixed urban society is more a dream than reality. Did this result of the WZB study surprise you?

Bernd Hunger: When income differences widen, they are reflected in housing conditions at some point. How and where people live is a reflection of underlying social developments. The social segregation of society is a long-term trend, so I wasn’t surprised. What did surprise me, however, was that the social divide in the East German cities is markedly greater than in the West.

Marcel Helbig: I find the speed of this development remarkable. In the mid-1990s, studies came to the conclusion that there is actually no socio-spatial segregation in the East. Our data show that the East overtook the West in this regard within ten years.

What do you think has driven this particular dynamic in the East?

Helbig: I see three key developments. First, we have the departure of the better educated after the fall of communism, especially from the industrial cities towards the West. Second, the construction boom, some of which was artificial, resulted in families with higher incomes moving to the suburbs. Third, the newly renovated city centers have an enormous appeal for those who can afford them. The most beautiful cities in the East are especially marked by this socio-spatial segregation. All this has led certain areas to have a massive concentration of the people left behind. If between 50 and 70 percent of all children in some prefabricated housing estates live in families that are on welfare, then I can no longer persuade the middle class that they should move there.

Hunger: I would like to differentiate things in this matter. We have to find a balance between describing reality exactly and not exacerbating the stigmatization of these residential areas. In my opinion, this is also a major responsibility of science. There are very different residential areas and residential qualities within the housing estates, and the owners, too, are different. For example, the eastern part of Halle-Neustadt, which lies close to the city center, is a stable and sought-after residential area without vacancies.
What happens in a society when the poor and the rich are no longer neighbors?

*Helbig:* To my knowledge, there are no studies on what this separation actually does to social cohesion in German cities. But when different social groups no longer meet and no longer understand the problems of others, the effect on a society cannot be positive.

So, is housing the new social issue?

*Hunger:* It is not housing that is the social issue, rather it is the growing gap between the poor and the rich. You can’t heal social wounds through living arrangements. But I agree with Marcel Helbig that it is bad when people do not know each other’s lifestyles. That’s why we make a case for social mixing. The second point involves equal opportunities. In certain spatial milieus many negative factors come together. A democratically constituted society must address this issue, otherwise there will be no exchange between people in different social situations and thus no basis for social consensus. It is important to recognize, however, that a small-scale social mix does not necessarily mean social peace.

What do you mean?

*Hunger:* The Wilhemenian city quarters, for example, were built in such a way that lawyers and doctors lived on the first floor and the misery was hidden in the back buildings. This means that the WZB study would show only a slight socio-spatial division if the researchers were to examine the year 1910, as the rich and the workers lived spatially close together. That was the German model. In America, a society’s social reality as manifested in the work process and in income has always been much more clearly reflected in socially segregated housing conditions. So, the idea of achieving social peace through social mixing is also a very German one.

*Helbig:* A hundred years ago, the inhabitant of the front building at least had a conversation with the worker from the back building.

*Hunger:* Yes, that was the advantage. What is interesting is that city planners in the 1920s no longer wanted this dichotomy of having the glamour in the front house and the misery in the back. They wanted the same living conditions — light, air, sun, and greenery — for everyone. The houses should look the same from all sides and be arranged loosely, with even the apartments not differing in comfort. Everything the large housing estates are accused of today, was the program of the architects of that time. This idea worked well for a long time as long as society was homogeneous.

*Helbig:* For me, the social question of living has two dimensions. First, is there enough affordable housing? Second, how are certain groups distributed to reconcile.

Does social housing help in this sense?

*Helbig:* Social housing used to have the task of both creating affordable housing and of achieving a social mix. This notion was abandoned by the 1990s at the latest. Social housing today is only about providing affordable housing. Not surprisingly, therefore, our study shows that social housing no longer has any influence on the social mix in a city. Relatively speaking, there is quite a lot of affordable housing in Eastern Germany. This fact raises the question of social distribution. In most West German cities, by contrast, there is currently a need to build social housing to create affordable housing.

What solutions do you see for the problem of social segregation?

*Hunger:* Build, build, and build — because there is no justice in a market that is too tight. In addition, the occupancy of the apartments can be politically influenced. An effective model is a tripartite approach, with one third of the housing being privately financed; one third, heavily subsidized for the very needy; and one third moderately subsidized for...
people with middle incomes. Municipalities can prescribe an arrangement like this to private investors. Munich has been doing it for a long time. It is now also the case in Berlin. It’s a question of political will.

Vienna is considered the capital of affordable living. What makes Vienna better?

Hunger: The housing issue in Austria has always had a relatively high political significance. Housing construction there is also paid for from tax revenues. There’s a lot of other money behind it. Also, Vienna did not turn its back on nonprofit housing construction, as the Federal Republic of Germany did, in 1990. That was a big mistake.

What do you mean?

Hunger: A housing company is a nonprofit organization if it pledges to reinvest profits in housing construction and if its profit margin is limited. These companies have been favored recipients of public funding. This model was very successful at rapidly eliminating the postwar housing shortage in Germany, a country that had been largely destroyed. But in the 1990s, the municipal housing companies became limited liability companies that had to generate profits. Some municipalities have changed course in recent years and have reverted to using their companies in the former nonprofit mode. In my opinion, an unforgivable and almost irreparable mistake was the privatization of large municipal housing stocks.

What is your forecast for the future?

Hunger: If we look at the whole of Germany, there is no housing problem. The majority of Germans live very comfortably. However, there are tight housing markets in the metropolitan regions and large cities. And it is now a question of political will to tackle the problems. One challenge is the balance between city and rural areas. The more successfully a city builds housing, the more people it attracts. It is therefore necessary not only to look at the individual city but also to include the region and, for example, expand local public transport there.

Helbig: There are many aspects to the trend of moving into the metropolises. It may not be wise to locate all public authorities, research institutes, and companies in the big cities. Too little thought is given to such decisions. One would have to think more strategically, for example, about strengthening medium-sized cities. Bavaria has just moved the State Statistical Office from Munich to Fürth.

What contribution can social research make?

Hunger: The social sciences have not addressed the housing
question enough in recent years. They have underestimated the interest in the subject. Living is an existential topic not just for people, but also for the economy. What is not widely known, is that more than half of society’s total capital is invested in housing.

Helandig: For a long time there was simply no publicly accessible data with which we could investigate these questions.

Hunger: At the moment, social research lags behind reality. Social scientists must therefore think about developing new methods. It would be wonderful if the WZB could undertake research that would be very closely tied to practice. For me, it has always been interesting to plan for practical application and incorporate the results into accompanying research projects at the same time. Every planning assignment in a rapidly changing society is exploratory research.

Helandig: Unfortunately, the publication constraints of science do not always match the expectations that society rightly has of social science.

The interview was conducted by Claudia Roth.