ROMAN ZWICKY

Housing Governance in a Time of Financialization

A Comparative Analysis of Zurich, Birmingham and Lyon

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Part I: Introduction

1. Introduction

There are reports of rising rents and the increasing unaffordability of housing in cities around the world (Jirát 2020). After all, city regions are attractive places to live and offer a wide range of leisure and entertainment activities, job opportunities, etc. These urban promises attract many people to the cities and at the same time lead to an inflow of international financial capital. Especially capital cities with an international flair are affected by these developments, but smaller, less central or "second cities" are affected as well.

Housing is a basic human need. Nearly all members of a society live in some kind of dwelling and spend a significant part of their budget for housing, whether they pay rent or own their house. Most people spend more money on housing than for any other good. According to the Universal Declaration of Human Rights (Balmer and Bernet 2015: 178–81; Eberhardt-Köster et al. 2018), housing is an essential good for a dignified human existence and a basic human right. Yet, finding adequate housing can be difficult, especially for low-income households (Bochsler et al. 2015). The fact that housing is an essential good for most people means that almost every individual is affected by general developments in the field of housing and the political decisions being made there (Bratt et al. 2006b: 1).

The strong role of the market characterizes the field of housing. In many cities, housing is largely provided by profit-oriented market actors, complemented by a smaller share of the housing stock owned by the local state and nonprofit-oriented housing cooperatives or housing associations. Therefore, decision-making in the field of housing shows elements typical of arrangements discussed by approaches from urban governance: involvement of market actors, complex actor constellation, fuzzy boundaries between the public and private sector (e.g., Kjaer 2009). In many countries and cities, the actor and power constellation has been subject to significant changes over time, with concrete consequences for the field. The state, represented by local governments, usually aims at withdrawing housing from the market. Weakening this position can lead to higher prices in the housing sector (Balmer and Bernet 2015: 183).

Against this background, my dissertation analyzes recent developments in the field of housing in three cities that are not capitals, through the lens of urban governance approaches. Housing policy is a promising field for the application of urban governance approaches, since, as mentioned above, very different types of actors come together and are supposed to influence actual policies. These can be grouped into four categories: public, private, civil society, and third sector actors. This investigation also looks at the increasingly important phenomenon of the "financialization of housing" (Aalbers 2019) and how the emergence of a new kind of financial actors affects housing.

The present study addresses two main research gaps. (1) From the perspective of housing studies, there is a lack of studies describing processes using theoretical concepts that allow discovering of similarities between different contexts. Further, the process of policy development has previously

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not been sufficiently analyzed (Bengtsson 2015), and emerging conflicts between different actors in the wake of changes in the field of housing are rarely investigated (Jacobs and Manzi 2014). (2) From the perspective of urban studies, there is a need for comparative investigations that go beyond individual cases. In addition, empirical studies must take greater account of the complex interplay between different levels of government (da Cruz et al. 2018).

1.1. The Overall Research Project

This thesis is part of the overarching project "The Democratic Foundations of the Just City", funded by the Swiss National Science Foundation (SNSF). The project was inspired by the book "The Just City" by the planner and political scientist Susan Fainstein. In her book, justice is seen as "a distribution of both material and nonmaterial benefits derived from public policy that does not favor those who are already better off" (Fainstein 2010: 36). The book serves to guide urban planners toward more justice in city planning. In the end, she lists principles for evaluating urban planning policies (e.g., all new housing developments should provide units for households with incomes below the median – affordable housing – with the goal of providing a decent home and suitable living environment for everyone). A research gap for the overall project lies in the major neglect of the role of political processes for just city planning. Thus, this project aims at investigating how institutions shape political processes of leadership, accountability and involvement, and how this influences urban planning policies.

The project could not analyze all the numerous planning-related aspects. Rather, we focused on two urban planning domains: urban regeneration and housing. In this dissertation, I concentrate on housing and am primarily interested in developments regarding affordable housing, because this domain is directly relevant to society as a whole and to the whole population of a city, and it seems to be central to assessing the extent to which a city is just (or pursues just policies), especially if we look at recent developments within the wider political-economic context.

1.2. Research Question and Expectation

This investigation analyzes major developments and changes related to housing policy in three European city regions from 2000 to the present day and identifies similarities and differences in their actor constellations, decision-making, implementation and in the programmatic orientation between cities, without neglecting the central developments on other governmental levels and broader international trends. Therefore, my research questions are as follows:

1. *How has housing policy in three European urban regions changed over the last 20 years, and what main causes and mechanisms have shaped housing policy?*
2. *What is the relationship between governance arrangements and the actual design of housing policies during this period?*

In order to limit the analysis, the investigation primarily, but not exclusively, examines the developments and policies related to affordable housing. This includes policies that address the issue of homelessness but also the supply of affordable housing both in the public and in the private sector. Why is the term affordable or social housing not made explicit in the research questions mentioned

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above? The main argument is that a comprehensive understanding of housing policy is necessary to investigate developments in affordable housing and to better contextualize them. Policies limited to the private housing sector, for example, may have an impact on affordability without any immediate intention to do so and therefore cannot be ignored out of hand (e.g., the rise of Airbnb).

The focus of the investigation lies on the local or urban level, where the implementation of housing policies takes place and where the relevant actors such as private landlords and developers, civil society organizations, grassroots movements and local authorities are closest to the actual service delivery and implementation of policies. Urban or local politics is expected to be of relevance, and numerous contributions in this field have been made by political scientists analyzing political processes (Davies and Imbroscio 2009; Pierre 2011a; Stoker 2000).

Nevertheless, the broader regional, national and even international context defines the maneuverability of actors on the local level, and relevant relations between different governmental levels seem to exist which also depend on the national politico-institutional context a city is embedded in (see also Sellers 2002).

In general, municipalities and cities are local welfare states, although their discretion is affected by higher state levels (Hanesch 2011: 12–15). In France and in Great Britain, the national contexts of two of my case studies, national housing policies form an important framework for the formulation of social policies in cities (Güntner 2007: 111).

I also consider other nonpolitical explanations for housing policies originating in the economic, sociodemographic or even ecological context a city is embedded in.

According to Matznetter (2006: 11), "comparative housing policy research at the subnational, regional or local levels has remained a minority program, despite its early and promising beginnings." Only a few studies have investigated housing policies on these levels, and even fewer have compared housing policies on the city level across different national contexts.

With its focus on developments at the urban level, the study ties in with the debate on the distribution of power at the urban level going on for decades in the research field of urban studies, and with the question of the extent to which economic actors are also involved in policy-making or to which structural conditions influence it. In terms of housing policy, the goal is to find out the extent to which governance – understood as a constellation of actors – affects the content of housing policy. On a more abstract level, the study touches the often-raised question in political science: "Does politics matter?" (Lasswell 1936/1958), which to date has not been conclusively answered in the field of housing, where one of the primary characteristics seems to be the predominant role of the market.

What are the basic expectations of the present dissertation regarding developments in the long-term housing policy in the three urban regions in Europe? What is my thesis? Housing policy has always been relatively strongly influenced by market actors such as private developers, real-estate companies and landowners because of the high capital intensity and the proximity to economic policy. In recent decades, however, the importance of market players would seem to have increased even more. Partly because of structural changes in the global economy, they have been able to increase their power even further. Increasing inequality can be observed especially in

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attractive urban areas around the world, which then manifests itself in the field of housing (Fainstein 2016; Jacobs and Manzi 2014; Sassen 2016; van Bortel et al. 2018; Walks 2019). This development was triggered mainly by the financial crisis and the increasing role of financial actors in the housing market (financialization of housing).

Depending on the context, not only is the public sector, in the form of local political authority or a higher state level, mainly responsible for the legislative process in the field of housing, but cities sometimes also have a significant stock of housing on their own, which is allocated according to certain criteria and is available especially to people with lower incomes. Yet, within a multilevel government structure, cities can put pressure on higher-level legislators to increase local room for maneuver in housing policy (Boelhouwer and Hoekstra 2012).

At the same time, more so in some urban regions than in more rural regions, nonprofit housing providers become important actors in housing policy. Their stock is usually much higher in cities, and the majority of them have established forms of cooperation, especially with the public sector, in some cases even over decades (Balmer and Bernet 2015; Czischke and van Bortel 2018).

Civil society organizations and grassroots movements often also make themselves heard in housing policy. Progressive demands for adequate and affordable Housing for All sections of the population – and against gentrification or rent explosion – can be channeled by social movements. Associations of residents who oppose new construction projects and wish to preserve the specific characteristics of the local community are examples of the influence of civil society. Special interest organizations can introduce the interests of underrepresented groups into housing policy-making or even become service providers themselves, if the state is gradually retrenching (DeFilippis 2004; Domaradzka and Wijkström 2019).

Under these conditions, it seems to be of central importance how market actors, public authorities, civil society and nonprofit housing organizations cooperate with each other in the process of making decision and finding solutions, introducing their different interests and finally implementing housing policy in all its facets – from the concrete design of programs, plans and laws to specific development projects. This implementation can be designed so that economic goals such as growth and profit maximization are of primary importance. However, it is also conceivable that the social dimension of housing, i.e., the conception of adequate housing as a universal human right, plays a decisive role in shaping policies.

In essence, urban governance denotes a rather abstract umbrella term comprising reflections from different approaches dealing with urban power constellations; the classical political arena has lost significance for policy-making on the urban level to the detriment of a complex mesh and the broad involvement of different kinds of actors in policy-making (Logan and Molotch 2007; Pierre 2011a; Stone 1989), located not only on the local level (Giersig 2008; Pierre 2019; Sellers 2002).

Against this background, the potential of a successful affordable or social housing policy is an open question. Neither an unalterable imprint of profit maximization of housing in an era of neoliberalism, globalization and capitalism nor the opposite view, namely, prioritizing the social objectives of housing in the sense of a universal right to adequate housing for everyone, may be assumed. The thesis in my dissertation follows the argumentation of Susan Fainstein in her book on the Just City (2010) and other authors from urban studies that policy-making has the potential

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to make cities at least a little bit more just despite the existing contextual conditions. I understand governance arrangements as the multilevel constellations of a variety of actors, which are subject to change over time, have an effect on the design of actual policies and tend to move or transform them in one direction or the other. Depending on the respective governance arrangements, it may be possible, for example, to shape housing policies so that the social dimension of housing is not neglected – even if it is strongly profit-oriented because of the financialization of housing.

1.3. Structure of the Thesis

This thesis is structured as follows: The next chapters are dedicated to theoretical considerations based on reflections from two different fields of research, urban studies and housing studies. The theoretical section on urban studies starts with reflections from the early community power debate, moves to the urban-growth-machine approach and urban regime analysis, and culminates in urban governance theory. The section on housing studies starts with a discussion of a typology of national housing systems frequently used in contributions on housing and then focuses on affordable housing, also concerning the overall project. The broad distinction of actor types into four categories is then introduced. Thereafter, I put forward a definition of affordable and social housing and discuss some of the recent developments in this regard, also presenting a three-categorical distinction of policy instruments for the provision of affordable housing. The section on housing closes with the financialization of housing. A final theoretical synthesis brings together both research fields, urban and housing studies. After a summary highlighting the main elements of the preceding sections, I develop my own conceptual model of housing governance.

The methods chapter (see Section 5) introduces the within-case approach to process-tracing and outlines all three stages involved in the process of case selection. Then, I describe the data basis and the collection procedure for primary and secondary data and how all the empirical evidence is analyzed and finally fed into a case report for each city. In closing the chapter, I discuss some reflections about potential methodological limitations of the present investigation.

Sections 6, 7 and 8 are dedicated to the case study reports. This empirical part starts with the case study report on Zurich, followed by those of Birmingham and Lyon. Each case is treated largely in isolation. The structure of these case study reports is always identical: It starts with the characterization of housing in the respective city region, thereby introducing the case. This is followed by a look at housing-related issues on other governmental levels (national, regional). Then come the main developments, more or less chronologically presented based on a periodization of housing developments. Every case study report ends with a summary chapter outlining the main developments during the period of investigation and some special features of the respective case.

The comparative chapter in Section 9 dissolves the isolation of the three case study reports and provides a comparative analysis of housing in the three city regions, highlighting both the commonalities and the differences in terms of governance arrangements and specific policies.

The thesis ends with a synthesis and conclusion that answers the research questions and draws some methodological conclusions. The final outlook section presents aspects that have been touched on by the present research; it closes the circle by referring back to the just city debate, which lies at the origin of the overarching project.

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Part II: Theory and Method

2. Theoretical Approaches in Urban Studies

2.1. Introduction to the Theoretical Sections

Theories should ultimately help to explain causal mechanisms active among the concepts, variables and indicators of interest. But how to choose access to the question of causes and mechanisms for changes in housing policies in European urban regions and to explain the role of governance arrangements therein?

Because urban regions are the object of investigation here, on the one hand, I chose an approach using the theories of urban power distribution from the field of urban studies. Over approximately the past 70 years, various theories have traced which factors ultimately influence decision-making at the urban level and affect the concrete implementation of policies. One of the common features of these approaches is their opening up the perspective on urban policy by taking into account not only classical political factors but also economic ones. This analytical breadth appears to be particularly important in a policy field with a central market role such as housing. However, the approaches from urban studies differ, first, in whether they focus more on structural factors or on individual actions to explain urban developments. A second distinction is whether they focus more on agenda orientation or on the concrete implementation of policies.

Because the policy field of housing is a very specific one, nor should we omit contributions from a second discipline, housing studies. This second line of research aims to provide the necessary understanding of the unique characteristics of the policy field of housing, including, for example, the central definitions of different types and modes of housing, the description and explanation of the functioning of different policy instruments or the reflections on current developments in housing.

The present study, as is explained in more detail in the chapter on methodology, examines the research questions posed at the beginning in different urban regions (see Section 5). To investigate the causal mechanisms in heterogeneous contexts, I therefore applied a pragmatic research strategy applied regarding the theoretical foundations, sometimes called *eclectic theorization*. Eclectic theorization means that the causal mechanisms and expectations from different theories can be combined to explain a particular outcome in a particular case (Beach and Pedersen 2013: 63–66). I thus give priority to the explanation of developments in the field of housing in the three cases – or in the words of Evans: “Cases are always too complicated to vindicate a single theory, so scholars who work [with eclectic theorization] are likely to draw on a mélange of theoretical traditions in hopes of gaining greater purchase on the cases they care about” (Evans 1995: 4).

Following these reflections, the next section starts with theoretical considerations based on urban studies, ranging from the early community power debate to the current focus on urban governance. Thereafter, I discuss insights from housing studies and ultimately bring together both strands in a theoretical synthesis and my own model of housing governance.

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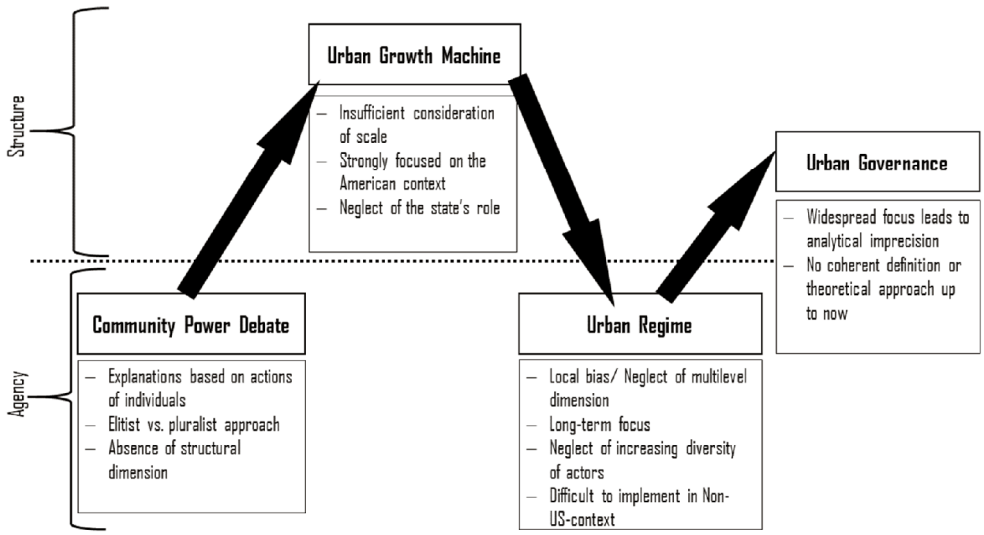
The following section provides an overview of the theoretical approaches and developments in urban studies up to the present. The section is structured chronologically following the theory development and starts with a discussion of the early community power debate, followed by the structural-institutional explanation of urban growth machine approaches. Subsequently, the regime approach developed as a reaction to the differing viewpoints in the community power debate between elitist and pluralist proponents is discussed. A commonality with the regime approach lies in its being an attempt for a greater contextualization of the city within its larger environment. Urban regime approaches are earlier, more US-centered version of urban governance theory.

Before we go into the individual theoretical approaches, here is a figure that gives a simplified overview of the cross-fertilization of the approaches from urban studies. The starting point for new innovative theoretical considerations can be found in the shortcomings of the theories existing hitherto. Basically, most theoretical approaches are criticized by different camps and for different reasons. Therefore, mainly those points of criticism are listed that are relevant to the present study.

Figure 1: Theory development in urban studies and cross-fertilization based on deficiencies



(Source: own representation)

2.2. The Community Power Debate

The focus of the community power debate in urban studies has been on decision-making processes in cities and how power is structured in urban areas; this approach had its origins in the US of the 1950s and dominated studies on urban politics for more than 30 years. In fact, it prepared the ground for the investigation of politics on the urban level and thereby established a new academic

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focus. According to Harding (2009: 27), it set a high standard in terms of conceptual and methodological clarity and has not been reached by many approaches from later urban studies.

Representatives of the community power debate assume that social phenomena can ultimately be explained by the behavior and decisions of individuals. This is a central common feature of all representatives. Despite this core agreement, there were two opposite viewpoints regarding how power is distributed.

2.2.1. Elitist approaches

Adherents of the elitist approach argued that a small group of people has power over the rest of society. Urban power structures were conceptualized as pyramids: Most people dispose of little power, whereas only a few people dispose of a lot of power. Identifying members of the governing elite has been a challenging task for which different methodological approaches were developed. Floyd Hunter (1953) was one of the first authors to make an empirical contribution from an elitist perspective. He investigated urban power structures for the case of Atlanta and established the reputational approach. Actors from business, local government and civil society were first asked which of their colleagues they would consider powerful. These answers were then compiled and ranked. The persons in the top positions were then interviewed to validate the assessment. The result was a small circle of power, consisting mainly of company executives, with the mayor being the only representative of government (Hunter 1953). This result challenged local representative democracy, and "established Hunter as the father of US urban elite theory" (Harding 2009: 30). His approach was criticized by other researchers starting within the elitist perspective because theoretical reflections on the power of nondecisions are missing (Bachrach and Baratz 1963). Pluralist representatives such as Polsby (1963) accused Hunter of not analyzing the effective power constellation, only the perceived one, which says nothing about who is ultimately making the central decisions.

2.2.2. Pluralist approaches

In contrast, pluralists claimed that power in cities is not concentrated so much in one group but usually dispersed between different groups. Elitist findings of narrow elites were judged as methodological artifacts. Robert A. Dahl wrote one of the most famous pluralist contributions. In his influential and frequently cited study on the city of New Haven, Dahl (1961) reconstructed decision-making in the three urban policy fields of public education, urban renewal and nomination for office by political parties. He described which actors were actually involved, which interests they had and in the end which position was successful for studying the existing power constellation. His findings show that democratically elected and appointed government officials – and especially the mayor – were key actors in shaping policies, and that the economic elite only sporadically influenced decision-making significantly (Dahl 1961). His research was criticized for several reasons, for example, for ignoring nondecisions, for neglecting agenda-setting as a relevant dimension of power or for choosing the wrong policy fields as well as misinterpreting who actually ruled in the city of New Haven (Domhoff 2014).

This generally more positive evaluation of representative democracy on the local level was supported by other contributions from the pluralist tradition. Banfield (1965) investigated the

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political influence in the city of Chicago. He looked at six cases of large development projects in the city, from the construction of a hospital, an event hall, a campus to a merger in welfare organizations, and analyzed the structure and process of influence therein. Although his methodological approach fundamentally differed, he found that different groups can influence decision-making on the urban level, and that there is no danger of power abuse by economic interests and democratic control is functioning (Banfield 1965).

Approaches from the community power debate in the 1950s were criticized on several grounds. Apart from the methodological critique, one of the main deficiencies was the absence of structural explanations for urban transformations. Instead, the focus lay on explanations starting with the individual actions of powerful actors. These deficiencies contributed to the development of other approaches (see also Harding 2009).

2.3. The Urban Growth Machine Approach

In the theoretical tradition of urban growth machine approaches, urban developments are primarily seen as a consequence of global capitalism and existing production and ownership structures. Individuals are conceptualized mainly as agents of global capital (Fainstein and Fainstein 1982). Although this theoretical approach was developed at a completely different time, it seems to offer many reflections and insights that are more relevant today than ever before. This is particularly true when examining the causes and mechanisms of housing policy in urban areas, which are affected by developments on the global financial markets (see also Section 3.6 on the financialization of housing).

The theory of the city as a growth machine can help us to understand the relationship of urban politics and policy outcomes as well as for housing. This theory strand has its origins in a paper written by the urban sociologist Harvey Molotch in 1976 entitled "The City as a Growth Machine," further refined together with John Logan in 1987 and 2007. It is one of the most influential approaches to the analysis of urban politics, especially in the United States (Cox 2017; Jonas and Wilson 1999a).

Despite its popularity, the approach was criticized on many grounds, for example, for neglecting governmental levels beyond the city or overemphasizing agency (Farahani 2017: 3; Jonas and Wilson 1999b). Nevertheless, it still seems to be a useful approach for analyzing power constellations and the cooperation between representatives of the public and the private sector as well as how these shape housing and urban policies (Shamsuddin and Vale 2017: 139–40).

Several contributions based on the urban growth machine approach showed its utility. Reference to the growth machine approach was made in a case study on Los Angeles, where a crumbling growth census was discovered (Purcell 2000). There was also an application to American suburbs (Phelps 2012) or a Californian county (Pincetl 1999), and several contributions have discussed its applicability in the UK (Bassett 1999; Harding 1991). Harding (1994) investigated whether urban growth coalitions similar to those emerging in the United States can be identified from the mid-1980s in the United Kingdom. He finds that modifications have happened in the UK over the last couple of years which brings the UK and the United States closer to each other. Especially coalition formation in economic regeneration has increased. Nevertheless, the organizational

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landscape in the UK and the strong centralization of financial as well as political resources continue to divide the two contexts (Harding 1994: 311–12). Devolution initiated by successive national governments in recent years might have changed the situation once again.

2.3.1. The political and economic actors

In their book on urban fortunes, Logan and Molotch (1987) shed light on the role of politicians and business elite actors as entrepreneurs for urban growth. The term "growth machine" stands for the "apparatus of interlocking progrowth associations and governmental units" (Logan and Molotch 1987: 32). It is used to describe the alliance of otherwise pluralist (elite) actors involved in shaping cities, such as real-estate firms, private building companies, leaders of public and semipublic agencies, legislative members and the mayor (Rodgers 2009). Growth and increasing attractiveness are conceptualized as the common denominators for those actors, no matter whether they are politicians or economic actors: "The city is, for those who count, a growth machine" (Molotch 1976, 310).

Hence, the term "growth machine" is a concept for distinguishing who is dominating the city and which interests are influential. It is distinguishable from other approaches such as the regime theory by Stone (1989, see below) by its explicit focus on growth (Logan and Molotch 2007: ix-x). Growth is an objective, because it provides wealth and power from increasing prices for land and housing. According to Molotch (1976), exactly this dimension has long been neglected by scholars of urban studies.[1]

The development of a city is affected not only by political decisions but also by economic activities and decisions by investors and private companies – a fact that seems to be even more relevant today, if we look at discussions surrounding the increasing role of global capital on housing markets, often at the detriment of residents for whom housing becomes unaffordable (Fernandez and Aalbers 2017; Loughran 2014; Sassen 2017). Understanding the dynamics within the growth machine is crucial in an era of spreading neoliberal policies across the globe (Logan and Molotch 2007: xxiv).

Decisions made by the government form the context, e.g., the tax level, regulations on site preservation, zoning laws or social-housing quotas. Based on these circumstances, global investors and private corporations then decide where to locate. In turn, this locational decision affects the land use of other parts of a city. Usually, the public sector is well aware that their decisions affect the business climate, and they are eager to attract business (Molotch 1976: 312). Often, politicians and even whole administrative units play the role of business ambassadors, welcoming corporations and maintaining close ties to them (Wyner 1967).

Molotch (1976: 313) refers to the distinction between two types of politics put forward by Edelman (1964): symbolic politics usually depicted by the media and the actual process of distributing material goods. Land is described as one of the most important material goods within society.

1 Rising population figures are an indication for the success of growth entrepreneurs (Molotch 1976: 309–10).

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Hence, the second type of politics, the process in which it is negotiated who gets what, when and how (Lasswell 1936/1958), is more important.

Growth results not only from the successful competition with other cities, it also results from politics at different state levels. A city must attract financial resources from the national level or convince actors on the national level that policies favoring cities and metropolitan areas (specifically their own city or metropolitan area) will be adopted. On the local level, political decision-makers can create a favorable environment for business, e.g., by alleviating building restrictions or releasing land for building industrial sites. Such developments and policies can have negative effects on the life of ordinary citizens. Indeed, growth usually benefits only a small local elite, whereas large parts of the local population seem to be negatively affected: Their financial situation deteriorates, and their quality of life decreases. Local growth can even threaten whole neighborhoods. Growth is the transfer of wealth and quality of life from the public in a locality to a small local elite, which increases local inequality (Molotch 1976: 318–20).

2.3.2. The distinction between use value and exchange value

The authors intensively discuss the role of land values and housing for urban growth. Their theory relies heavily on two different conceptions of the value of land (Logan and Molotch 1987; 2007); it is based on Marxist thinking, building on Gidden's structuration theory, a neo-Marxist approach, although they distance their selves explicitly from these approaches by recognizing the role of human agency for bringing social structures to reality (see also Farahani 2017).

The *use value* of land concerns the value a place represents to its user. This conception is usually not part of the conventional concept of land as a commodity. Land is an indispensable good for human beings, and its use even creates additional value by giving individuals access to additional resources such as schools, friends and job opportunities. Therefore, place is different from other resources by determining how other resources are used (Logan and Molotch 2007: 17–18). Use value refers to the role of places and buildings as settings for human housing and interaction (Shamsuddin and Vale 2017: 139).

This conception is strongly related to the perspective of housing as one of the basic human needs, an essential good for a dignified human existence and a basic human right according to the Universal Declaration of Human Rights (Balmer and Bernet 2015: 178–81; Eberhardt-Köster et al. 2018).

Residents are the best example for a segment of the population pursuing an interest in the use value of land, but there are also retailers with longtime connections to the local population ("the local grocery store") for which geographical proximity is one of the most important resources. (Logan and Molotch 2007: 20–23).

Use value is based on the utility of a good, the value resulting from the actual use of land. It is the value found in a place for its residents, the social interaction at that place, belonging to a local community in a specific area of the city (Farahani 2017). Although newly built firms or other modifications of urban space can increase the use value for citizens in a neighborhood, these changes usually originate from market mechanisms out of the control of ordinary citizens (Logan and Molotch 1987: 111).

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The *exchange value* of land, on the other hand, with which profit can be made, stands in stark contrast to the use-value. It is usually expressed by different forms of payments, for example, from home buyers, investors or tenants to landlords (Logan and Molotch 2007: 23). The potential for deriving profits is fundamental to the exchange value of land. Profits can be significantly increased by investment in and development of land. According to this conception, land, houses, apartments, etc., are a source of rent for landowners (Shamsuddin and Vale 2017: 139). Actors from the progrowth coalition (banks, business firms and political actors) are primarily interested in the exchange value of land in order to achieve rent increases, property renovation and higher sales (Logan and Molotch 1987).

Exchange value is important primarily for elite actors from the political and economic realm, whereas nonelite actors are concerned mainly with the use-value of land (Farahani 2017). Hence, the two competing conceptualizations of land clash. The actions in which growth-oriented elite actors are involved usually "[…] privilege the exchange values of land rather than the use values held by lower income renters" (Sidney 2009: 175). Tenants paying rents are often concerned only with use values of the place, whereas homeowners also have exchange value interests, because their investment in a house usually represents a kind of a wealth and pensions strategy (Logan and Molotch 2007: 20).

The current trend of the financialization of housing (see also Section 3.6) favors the exchange value conception of land and housing. Governments become accountable to international financial institutions at the detriment of providing residents with access to affordable housing. Decisions are made at remote places without interaction or accountability to local communities, thus weakening the conception of land and housing as use value. Austerity measures and growth-oriented policies can even lead to the privatization of social housing and real-estate assets to financial institutions such as private equity or pension funds (see United Nations 2017: 10–12).

The distinction between exchange value and use value is closely linked to two kinds of coalitions. Growth coalitions aim at acquiring more and more of this precious resource, thereby fueling the growth machine. Negative consequences for nature, society and urban development are usually masked, while positive effects are highlighted (Mitchell Dix 2015). Actors from the growth-machine coalition often cite the argument that local growth creates new job opportunities. Instead of transparently saying that they are simply interested in more profit, these actors claim that they are mainly interested in creating jobs, which often secures the support of working-class groups. Growth-machine actors work together with all their resources available to make this claim: The media publishes articles on the positive effects of growth, and politicians and the administration do so as well. What is often forgotten, however: Growth-promoting measures cannot create new jobs from scratch, meaning that the competition among cities is a zero-sum game whereby one city always gains at the expense of the other. In fact, it is more about distributing jobs than creating them (Molotch 1976: 320–26).

Antigrowth coalitions existed already at the time Molotch wrote his paper in 1976, despite the dominance of progrowth coalitions in most cities. This ideological countermovement gained momentum by collecting empirical evidence on the negative effects of growth for most local citizens (Molotch 1976: 326–328). Molotch (1976: 329) formulates the expectation that local

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business elites withdraw from local politics as soon as growth loses prominence on the local political agenda. Local activists from antigrowth movements, usually with a more progressive, growth-critical agenda, take over their role. In the current era of climate strikes and Fridays for Future, antigrowth coalitions face a highly promising environment.

2.3.3. Critique of the growth machine approach

Despite its popularity, not the least because of its long existence, this approach has been criticized on many grounds. According to Farahani (2017: 3), we can distinguish at least the following five central areas of critique:

- the overemphasis of agency;
- the economistic analysis;
- the weak scalar theorization;
- the exaggeration of the role of property markets;
- the failed temporal and spatial decontextualization.

Scholars have criticized the *overemphasis of agency*, arguing that structural causes are critical to explaining the success and power of urban growth machines, and that they are largely neglected by the authors (Farahani 2017: 3). The urban-growth coalition as agent needs a context or structure from which it emerges and from which its interests can be deducted. Usually, scholars have a capitalist structure in mind (Lake 1990).

The second point of critique refers to the degree that it is an *economistic analysis*. Although the authors argue frequently throughout their book that the role of culture is not neglected as in common economic approaches, they reduce culture to a reinforcing factor of the previously established economic system and do not treat it as an important factor on its own (Farahani 2017: 3).

Third, the *insufficient consideration of scale* is criticized. Hierarchically higher government levels are hidden and the urban growth coalition is put right on center stage without a thorough conceptualization of developments on other levels such as devolution, denationalization or internationalization (Farahani 2017: 3). Local government focuses too prominently in the urban growth machine approach accordingly (Wood 1999).

Fourth, according to Kirby and Abu-Rass (1999: 214–15), the state's role in urban growth is largely neglected, while in the contribution by Logan and Molotch the *role of the property market is exaggerated*. State interventions and the whole political setting seem to be critical to urban growth; a large body of research with empirical examples for this exists, but the authors fail to consider this aspect sufficiently (Kirby and Abu-Rass 1999).

The *transferability of urban growth machine approach beyond the US context* is another critical point. According to Jonas and Wilson (1999a), the context in American cities is different in that land use competencies are highly decentralized, and the national level strongly supports private initiatives for urban development (Jonas and Wilson 1999a: 14). Even Molotch argued that the urban growth machine approach is "as American as apple pie" (Molotch 1999: 249). Nevertheless, there are several solid contributions to growth machines in non-American cities documenting its applicability in other contexts (Anselmi and Vicari 2019; Enright 2018).

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Some authors argue that because the approach originated in 1976 it is outdated (see Jonas and Wilson 1999a), which is the second point of critique briefly discussed here. In their newly written revised Preface from 2007, Logan and Molotch argue that the modern world has changed only slightly, so that many of their reflections are still valid today and some of the trends have even intensified over the last decades, such as the spread of neoliberal policies across the globe (Logan and Molotch 2007: xxiv–xxv). The value of the growth machine approach nowadays is also stressed by other authors in more current contributions (Farmer and Poulos 2019; MacLeod 2011): "Despite criticism and the passage of time, the theory of the city as a growth machine offers insights into the relationship of local economic development and urban politics" (Shamsuddin and Vale 2017: 139). The relevance of the modern approach is highlighted by current developments under the heading of the financialization of land and housing (see also Section 3.6). Residential real estate has become a key asset for corporations, institutional investors and other actors from the world of finance (Aalbers 2019: 40–41).

A more general critique is put forward by Vogel and Swanson (1989), who argued that the issue of growth involves a complex mechanism in which a variety of explanatory factors is involved which cannot be covered by a simple dichotomy comprising the distinction between growth and antigrowth coalition.

2.4. Urban Regimes

The urban regime theory assumes that cooperation between political and private actors is a precondition for effective local procedures (Stone 1989). "In all of its forms, the urban regime concept has described formal and informal modes of collaboration between public and private sectors, arguing that the fragmentation of power between a market economy and popularly elected political institutions makes such cooperation necessary in order to realize important local policy goals" (Mossberger 2009: 40).

An investigation into housing as an urban policy field, where market forces play a central role and not just local authorities, but also private investors, housing companies and other nongovernmental actors are involved, can benefit from insights of this approach. Local actors are constrained by economic circumstances but also possess a certain amount of discretion in shaping agendas and making decisions.

The urban regime approach is a reaction to irreconcilable differences between the two viewpoints in the community power debate between elitist and pluralist proponents. It is the attempt to locate the city in its bigger environment consisting of the economic and political context. Ward (1996) describes the urban regime theory as an "agency-focused account [that] seeks to overcome the rigidity of both the pluralist and elitist accounts of local power" (Ward 1996: 429). It deviates from the pluralist viewpoint by assigning no limitation to decision-making by elected politicians and foreseeing no narrow focus on those in control of resources such as from the elitist viewpoint. Urban power structures are conceptualized as dependent upon the context and which actors are actually involved (Di Gaetano and Klemanski 1993).

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2.4.1. Definition and types of urban regimes

Mossberger and Stoker (2001) list four core criteria for defining a regime. First, governmental and nongovernmental actors should be involved, and business involvement is required as well. Second, collaboration is based on social production, meaning that the "power to" accomplish certain goals is central, in contrast to the "power over" other actors, then possibly translating into other forms of power. Third, participants' agendas should be identifiable, and it should be possible to link agenda and participant. Fourth, a regime is based on long-term rather than short-term cooperation.

The urban regime theory focuses on the input side of the political process and the mechanisms for agenda setting, whereas newer approaches (e.g., urban governance) focus primarily on the implementation of policies and service delivery. In addition, urban regime theory refers to groupings resulting from an impetus of actors from society; governance approaches look at groups established by public actors/governments. Furthermore, regime analysis points to the fact that the political economy provides unequal power to different groups of society, favoring business interests at the detriment of other interests (Kjaer 2009: 149).

Stone (1989, 1993) developed the initial typology of urban regimes to which most subsequent studies refer. This typology is based on the availability of institutional resources to coalition partners and the design of the policy agenda developed by those involved. An agenda can evolve despite the conflict between the partners involved. The cooperation is intended to increase the capacity to act, and it is said to have an informal character. First, the maintenance or caretaker regime, which focuses on routine service delivery and low taxes, wants to preserve the status quo, preventing it from future change. Local identity has priority and is defended. Second, development regimes are concerned with changing land use to promote growth. Growth is the priority on the policy agenda, and more resources should be secured for the future. Third, there are middle-class progressive regimes, including goals such as environmental protection, historic preservation, affordable housing, and the linkage of funds. Here, economic growth should be contained and controlled, benefitting the environment. Fourth, lower-class opportunity expansion regimes highlight human investment policy and widened access to employment and ownership. This regime type needs mass mobilizations and is therefore rather rare (1989: 229–30).

Based on the considerations by Stone (1989), various other regime typologies were developed over the following years, whereby the concept was partially modified (Di Gaetano and Klemanski 1993; Lauria 1997; Orr and Stoker 1994). Lauria (1997), for example, expects the evolution of a further type – entrepreneurial local government regimes – in an era of global competitiveness, which prioritizes privatizations and service cuts. Clark (2001) integrates reflections on social movements and political culture in a review of urban regime theory and thereby develops six regime types, whereby the regimes differ in terms of which types of economic development policy is pursued.

In general, the regime analysis assumes that economic goals are reflected more frequently and more strongly in the agenda. In other words, in the agenda, social goals are reflected relatively rarely and only under very specific circumstances. This may be related to the fact that, in many contributions from urban regime theory, the role of poor and/or disadvantaged people is usually neglected, because they and their representatives from the associative world are not seen as powerful actors on the urban scene from various existing discrimination mechanisms. The stronger

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incorporation of the role of the poor people and the nonprofit sector as a kind of advocate is only a more recent tendency. It is more and more seen as a critical member of regimes and partnership arrangements, addressing the interests of poorer segments of the population, which are largely neglected without an active nonprofit sector (Sidney 2009).

Nevertheless, some contributions discuss the potential for socially oriented, progressive urban agendas, though the empirical evidence is rather disappointing. Progressive orientations are often either limited in scope or exist only for a short period (Mossberger 2009: 45).

2.4.2. Applications of urban regime theory beyond the US context

Many approaches used in local government studies have their origin in the US context and are not widely recited beyond the US context. This reflects several points of divergence between local systems in the US and the European context regarding finances or the level of autonomy (see also Bogumil and Seuberlich 2014). Some authors from the strongly US-centered urban regime theory commenced opening up their models and premises to allow greater international applicability (Mossberger et al. 2012). The relevance of the approach for Europe or European city regions seems to have increased overall in recent years because of the convergence of contexts in the course of globalization. Competition between cities and regions has increased in many countries. Privatization and market mechanisms as well as the development toward more frequent public-private partnerships are phenomena that affect a large part of Western countries. It is also argued that globalization has led to a convergence of contexts, and that power in capitalist democracies oscillates between state and market at least to a certain degree, allowing a more widespread application of urban regime analysis (Mossberger 2009: 45; Sellers 2002). The field of housing in urban regions seems to be particularly affected by developments on the global capital markets, which will be shown in more detail with reference to the financialization of housing (see Section 3.6).

Beyond the US context, urban regime theory was first applied to the UK, which has to do with the comparatively favorable conditions for “the free play of market forces” in Anglo-Saxon countries already earlier on (see Le Galès 2002: 172).

The contribution by Davies (2003) highlights difficulties in applying urban regime theory in the UK. He analyzes urban regeneration partnerships and finds that calling them “urban regimes” leads to a lack of conceptual clarity. Partnership with business elites only plays a marginal role in those arrangements (Davies 2003).

In his review of developments in five European cities, Harding (1997) finds evidence for shifts in decision-making over time. His analysis shows a growing influence of networks in shaping urban development projects at the expense of classical political authorities. Together with elite actors, politicians sometimes even bypassed democratic scrutiny and accountability mechanisms (Harding 1997: 307–10).

Lambelet (2017) analyzes major urban development projects in the Swiss cities of Bern and Zurich and finds that five resources are crucial to the urban development trajectories of both cities: democratic support, land, money, law and expertise. Based on this, Lambelet (2017: 1425–27) develops two different types of regimes, one in which the private and one in which the public sector dominates.

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John and Cole (1998, 2001) provide one of the rare cross-national applications of regime analysis beyond the US, analyzing cities embedded in different national contexts. In their comparative empirical study of the French city Lille and Leeds in the UK, they show that both cities have moved toward greater involvement of business concerns in the last years, although the authors are cautious about using the term "urban regime," because patterns of cooperation are not long-established and stable. Instead, they use the expression "not fully developed regimes," which is more a type of urban governance arrangement, marked by an occasional exchange between business and politicians (John and Cole 1998: 399–400).

In a contribution on housing in the Polish capital of Warsaw, Koch (2009) applies urban regime theory to the Eastern European context, where, until recently, firms played only a modest role. Focusing on the role of the private sector, the author finds that the sector is very important in the field of housing, but because of frequent changes and transformations within the public administration and instability of the public authorities as a whole, no stable urban regime developed. Instead, the development is characterized by a declining role and less activity of the municipality in housing and a growing importance of private endeavors (Koch 2009: 355).

2.4.3. Critique of urban regime theory

Sapotichne et al. (2007) argue that the success of urban regime analysis caused reinforced barriers to arise between the subdiscipline of urban politics and the rest of political science. The advent of urban regime analysis brought a new perspective into a discipline in which structural Marxism dominated at that time. However, its supremacy led to a status in which it became more or less unthinkable to analyze urban politics without looking at the role of business. "The very success of regime analysis seems to have allowed the construction of barriers that have continued to insulate urban politics from the vigorous trends that have engulfed other parts of political science" (Sapotichne et al. 2007: 99–100). As a consequence of the frequent application in so many different contexts, the contours of the concept became blurred "[…] to the point that the concept itself runs the risk of becoming meaningless and a source of theoretical confusion" (Mossberger and Stoker 2001: 810).

Pierre (2014) argues that urban regime theory is not suited to travel across time and space. More specifically, four aspects of urban politics lead to a reduction of the capacity of urban regime theory to be a comparative theoretical framework applicable to different urban contexts. First, there is an increasing diversity of actors in urban politics. Second, there seem to be big cross-national differences regarding local autonomy. Third, there are national and local differences in the institutional context of the economy. Incentives given to (international) firms to engage the city largely vary by context. Fourth, the impact of globalization on urban politics also reduced the capacity of the urban regime approach, mainly because of the rescaling of political authority and vertical integration of corporate structures (Pierre 2014: 866–67).

Giersig (2008) stresses that urban regimes do not include actors who have an actual say in the decision-making processes, but rather focus on those having potential access to decisions. Therefore, the question of which decisions are actually taken is neglected. A further point of critique brought forward is the local bias, meaning an exclusive concentration and limitation on

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actors and groups on the local level, neglecting the multilevel dimension of urban politics as well as of the national state's role (Giersig 2008: 65–70).

2.5. Urban Governance

Below, I now discuss approaches from the tradition of urban governance. Although there are certainly many similarities to the other approaches discussed so far, my focus here is broader. In contrast to contributions from the tradition of urban regime analysis, for example, there is no narrow focus on stable and long-term cooperation between actors at the urban level (Pierre 2011a: 13). Urban governance can be used as a more abstract umbrella term encompassing urban regimes without being limited to them (Sellers 2002). Moreover, urban governance is concerned more with the implementation side. This means that the focus is less on which actors work together to put issues on the political agenda and more on how policies are implemented and services delivered. In view of the research questions formulated at the beginning, where the focus was also on the implementation side, a shift in perspective seems particularly appropriate here.

The next section discusses the development from government to governance, which is by no means observable only at or restricted to the urban level, nor to the fields of research touched on by the present investigation.

2.5.1. Definition of (urban) governance

Beginning in the 1980s, political science experienced a shift from analyzing governments to studying governance. Classical arenas analyzed in order to understand decision-making were long parliaments and governments; now the scope was widened to include civil society actors such as NGOs and actors from the private sector such as international or local business companies – and how they interact with politicians and the public more generally (Pierre 2003).

Governance became important with the advent of new public management under Reagan and Thatcher in the 1980s. Changes also manifested within the urban bureaucracy, where the boundaries between public and private sectors were increasingly blurred and new actors who evolved on the stage were included in decision-making and implementation of urban policies (Kjaer 2009: 137–38).

The five most important characteristics of the move from government to governance were described by Stoker as follows (1998: 18–19):

- Governance refers to a complex set of institutions and actors that are drawn not only from, but also go beyond government.
- Governance recognizes the blurring of boundaries and responsibilities for tackling social and economic issues.
- Governance identifies the power dependence involved in the relationships between institutions involved in collective actions.
- Governance is about the autonomous self-governing networks of actors.

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- Governance recognizes the capacity to get things done, which does not rest on the power of the government to command or use its authority. It sees the government as being able to use new tools and techniques to steer and guide.

Government and governance are distinguished on several dimensions. Government is said to be vertical, institutionalized, and formal and directed from above; governance is horizontally oriented, informal and self-regulating (Savitch and Vogel 2000: 161–62).

The shift from government to governance can be followed in different subdisciplines of political science. In the field of international relations, the new term frequently in use is "global governance," whereas in urban politics the term used is "urban or local governance." The latter terms are usually used as synonyms for decision-making processes involving diverse types of actors (Bogumil and Seuberlich 2014: 51).

In contrast to governance on other levels, institutions and actors on the local level have always been in an interdependent mesh of relationships. Although many authors describe urban governance as a novelty, it is not a completely new phenomenon. Cooperation, coordination and steering were earlier on relevant activities. The changes are rather related to the role of government in governance. City governments usually play a coordinating role and take responsibility for reconciling the activities of the various actors involved and are the prime steering actor. It must be relativized that the actual function and strength of local governments is not fixed, but rather variable (Peters and Pierre 2012: 74).

The increasing importance of the term governance in studies from local political science came about from the observation of a changing role of governments. For example, there was a pluralization of forms of interaction and a blurring of boundaries between political-administrative and economic embodied in the term public-private partnership (Stewart 2005).

One of the defining features of urban governance is the inclusion and mobilization of a variety of societal actors (Peters and Pierre 2012: 82). Policies, services and the pursuit of collective objectives no longer result from government actions alone, but are the consequence of negotiation processes between a wide variety of actors, including public, local, economic and civil-society actors (Bogumil and Seuberlich 2014: 50–51).

Denters and Rose (2005: 261) attribute the shift from government to governance on the local level to three main factors: the rise of new public management combined with frequent privatizations and contracting out of public services; a stronger involvement of local associations, interest groups and private actors; and the emergence of new forms of citizen involvement.

The shift to governance was partly caused by the increasing power of market actors over the last 20 years and their growing interference in the political realm to influence the regulatory framework according to their wishes, enabling them to make higher profits. In the literature, there seems to be a consensus that the shift to urban governance took place in Anglo-Saxon countries, but it was long unclear whether this development is a rather ubiquitous phenomenon (Le Galès 2002: 171–72).

Peters and Pierre (2012) see the value of urban governance approaches first in the conceptualization of how actors on the urban level seek coalitions and cooperation with other resourceful

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actors. Second, urban governance approaches contribute to discussions about the requirements for democracy such as transparency, accountability and the overall involvement of citizens or the population (Peters and Pierre 2012: 83).

According to Kjaer (2009: 150), urban governance approaches are grounded in institutionalism, because the assumption is that formal and informal rules, norms and patterns of behavior are affected by political actors. This assessment is also supported by Peters and Pierre (2012), who argue that, despite the perception of urban governance as a process, institutions are central in shaping this process (Peters and Pierre 2012: 80). Therefore, a comprehensive investigation of governance depends on a thorough analysis of these institutions at work between stakeholders and mapping actors' interests derived from it (Kjaer 2009: 150).

Urban governance refers to the process through which a city is governed, without making any prejudgments or specific assumptions about the locus of power, the temporal duration of these arrangements or the relative significance of political and actors representing market or civil society in that process (Pierre 2014: 867). Such an unprejudiced approach seems to be particularly helpful when examining developments and policies across different contexts and over a longer period of time, as is the case in the present investigation. In principle, I assume here that the whole variety of actors within urban governance arrangements can be important and can thus influence urban and housing policy.

I also assume that the resources of the actors are one of the decisive factors for the role they play within urban governance arrangements. Equipped with sufficient resources, such as money, law, time, ownership of land, expertise, privileged access to information, human capital, political reputation and legitimation, these new actors can challenge and shape public policies in several fields in a meaningful way, because these resources are directly linked to the power constellation (Schäffer-Veenstra 2013: 46; Stewart 2005). The unequal distribution of resources and power often results in a deficit of democracy and legitimacy. These power or resource asymmetries pose a big threat. For example, some groups of actors are not equipped with the necessary resources to participate and articulate their interests and needs in these arrangements. Actors in possession of land are more powerful than others (Schäffer-Veenstra 2013: 49).

One of the defining features of urban governance is the broad involvement of different types of actors and the changing role of local government (Peters and Pierre 2012: 82). New actors appear on the scene. If it is assumed that existing power or influence is finite and shared among a larger number of actors, it may also be expected that the existing actors inevitably lose some of their influence to the detriment of new actors. Private business is said to have a privileged position within these new urban governance arrangements, and services are usually delivered in cooperation with market actors (Lindblom 1977; Peters and Pierre 2012).

The function of local government changes insofar as the new role is "[…] to set up goals and coordinate the actions of public institutions, market actors, and voluntary associations. Urban governance thus sees the steering and coordination of the local society as a process wherein the role of the local government is not fixed as a constitutional mandate but rather a variable both in terms of its strength and its functions" (Peters and Pierre 2012: 74). This variability regarding the

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role of public authorities and a broad view of potentially relevant actors seem to be of particular importance for a comparative longitudinal study.

2.5.2. Typologies of urban governance

In an earlier contribution, Pierre (1999, 2011b) discusses four different models of urban governance: managerial, corporatist, progrowth and welfare.[2] These types vary in terms of their overarching objectives, instruments, key participants and outcomes. He suggests that the national context is important in shaping urban governance, and that there are differences by sector. Some of these models of governance are more relevant to some sectors than others (Pierre 1999: 377).

The *managerial urban governance model,* often associated with the term "new public management" (NPM), ascribes a minimal role to elected politicians. Government services are clearly seen as commodities. Consequently, all services are evaluated based on private managerial standards. Managers of organizations are the key players in this model of urban governance, but because customer satisfaction ranks high on the list of evaluation criteria, customers are relevant, too. The efficient delivery of public services is one of the primary objectives besides providing a real choice to customers, as found with other goods and services provided by the market. As a strategy to this end, the distinction between private and public is being blurred, e.g., by introducing market-based elements. Associated with an orientation toward the customer is the subobjective of restoring confidence in the public service. Instruments are mainly contracts, new recruitment strategies, new roles for elected politicians and internal competition. Increased efficiency of public services is suggested by bringing in private expertise, but other outcomes ascribed by this type of urban governance are uncertain (Pierre 1999: 377–80; 2011b: 29–48).

The *corporatist urban governance model* "[…] is typical of the small, industrial, advanced democracies of Western Europe. These are political systems historically characterized by a strong 'etatist' tradition that manifests itself in a large public sector, redistributive policies, comprehensive welfare state service provisions, a high degree of political involvement, proportional representation, and strong voluntary associations" (Pierre 1999: 380–81). This type of governance is found predominantly in distributive sectors of local governance, and the commitment to participatory democracy is generally described as strong. Participation is generally a two-stage procedure, meaning that the broad basis is involved within organizations, where they decide about issues later delegated to organizational leaders – and only they are actually involved in the political process. In terms of objectives, this model of urban governance mainly concerns coordinating actions of organized interests and local governments. Hence, there is a danger that unorganized interests are excluded from the political process. Nevertheless, the inclusionary character serves as a central instrument for increasing public acceptance of policy proposals. Because it includes broad segments of society, it initially slows down the whole process, though the subsequent implementation becomes smoother and easier because opposition is considerably less frequent. In addition, financial and personal resources by organizations are often involved, leading to a bigger

[2] Plüss (2013) based her contribution on the impact of urban governance on role perceptions of European City Councillors on these four models.

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chance that these organizations assume responsibility. In terms of outcomes, there is the danger that fiscal discipline is reduced because each organization favors particularistic public spending, and there are usually no or only a few advocates of higher revenues. In addition, power between interest organizations is often unequally distributed (Pierre 1999: 381–83; 2011b; 49–66),

For the *progrowth urban governance model,* the central question concerns the degree to which the political sphere is independent of the economic environment and vice versa. Central elements of this model are the close relationship between private and public and the comparatively low level of participation compared to the other three models. Broad participation is not possible, because this would immediately lead to competition with other possible goals, such as distribution. Although there is a variation between different national contexts, the question of and competition for acquiring private capital to create an opulent revenue and tax base is a common characteristic of Western cities. As discussed above, participation is often restricted because distributive claims would otherwise dilute the progrowth agenda. Simply put, growth serves as an overarching objective, though its origins have significantly changed over time. Initially, growth originated from land-intensive industries, whereupon the source changed to the service sector. Instruments for boosting the local economy are generally diverse and intended to increase the attractiveness of a city for investors. Among them are urban planning, tax incentives, infrastructure development or the mobilization of resources from other, usually higher, governmental levels. Although several studies suggest that politics matters, it is questionable how important politics is compared to larger developments in the international economy (Pierre 1999: 383–385; 2011b: 67–87).

Finally, the *welfare urban governance model* is characterized by limited growth and a high amount of financial transfers from the central government as the main source of capital. Hence, here is the extent to which the state is involved largest among all four models. Cities from this model are often leftist, have an industrial past followed by high unemployment rates. This model is thus characterized by a hostile assessment of private market actors, and cooperation with the national state is central, because that is where financial support originates. Thus, compared to the other models of governance, there is an inherent dilemma between the urgent need to attract financial investment from the private sector and the normative assessment of private actors (Pierre 1999: 385–87). In this model, local and national government officials are the main participants. If they are all from the same party, this can be fruitful for the financial support of the national government. Sustaining financial inflows from the central government is usually a short-term objective, whereas long-term objectives differ, ranging from minimal involvement of private capital to fruitful cooperation. Networks with higher governmental echelons figure as central instruments. In terms of outcomes, this model of governance is described as having no future: Financial support from the national government can only be a short-term option, particularly in times of frequent austerity programs on the national level and cutbacks in finances dedicated to local governments, reducing the service delivery level of localities (Pierre 1999: 387–388; 2011b: 88–103).

Some commonalities between the four models of governance do exist. The managerial and pro-growth urban governance models focus primarily on commercial outcomes, but how these outcomes are actually achieved is of subordinate importance. In contrast, the welfare and corporatist

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urban governance models are process-oriented and emphasize the role of representation and entitlements (Pierre 1999: 389).[3]

In response to most of the urban governance typologies, where power or actor constellations and programmatic orientation are usually mixed, for example, in the case with the typology by Pierre (1999, 2011b) discussed above, Sack (2012) argues that these two dimensions can and should be separated from each other, because a combination of both narrows the view and impedes an open-ended research process. Consequently, in his own typology, which he calls "field of urban governance," two dimensions are relevant: power constellation and programmatic orientation (Sack 2012: 326–27). The dimension of power or actor constellation consists of four different types, ranging from the inclusion of few actors to the inclusion of many:

- **hierarchy:** executive dominance and a small inner circle which dominates urban governance, initiates and implements. Here is where resources are concentrated.
- **corporatism (administration and parties):** networks with a limited number of actors and a tendency to exclude new possible members. In terms of resource allocation, this type of urban governance focuses on the maximization of votes, and material resources usually stem from the political-administrative system.
- **corporatism (administration and corporations):** networks with a limited number of actors and a tendency to exclude new possible members. In terms of resource allocation, expertise, financial and material resources usually stem from the private sector and are allocated according to competitive criteria/market rationality.
- **pluralism:** relatively many actors are involved in the realization of city politics, an open participation process takes place and resources are less asymmetrically distributed.

In terms of the second dimension of programmatic orientation, Sack (2012) distinguishes four types: market/competition, security and exclusion, social justice, and environment and intercultural integration. All four programmatic orientations are derived from the comparative distinction of policy positions of political parties on the national level by Kitschelt (1992).

The present study takes up the idea of splitting governance types into two dimensions. It seems that many typologies mix up too many aspects with each other, combining aspects that do not necessarily belong together. However, the division of the programmatic orientation proposed by Sack (2012) is not helpful for various reasons. First, it is based on a study of national party systems, which is also an older one. I do not think that the orientation of national parties can be broken down to the local level in this way. Second, I am not convinced by the four types proposed, especially for studying housing policy against the background of the Just City debate. Security and exclusion or the environment can be neglected, but I do agree that these aspects are completely irrelevant to housing. The two types market/competition and social justice seem to be clearly more important for a fair housing policy in an urban region.

[3] According to Pierre (2011), UK cities are usually characterized by a managerial model of governance, while Swiss cities follow the corporatist model.

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Schäffer-Veenstra (2013) presents another typology based on the three-category distinction between public, private and civil society actors (see Table 1).

Table 1: Urban governance: Form of governance, relevant actors, governance mechanisms

Form of governance	Actors	Governance mechanisms
Hierarchy	Mainly political-administrative actors (state), but also inside of companies and organizations	Regulations, statements, laws, rules, controls, agreements, contracts
Market/competition	Mainly private sector actors (companies, organizations)	Fiscal and financial incentives, concurrence, target agreements
Network/cooperation	Mainly actors from civil society (citizens' initiatives, communities)	Discursive instruments, rules, socioemotional relations
Mix of governance forms	Political-administrative, private sector and civil society actors	Combination of governance mechanisms

(Source: Schäffer-Veenstra 2013: 53)

This distinguishes four different forms of governance based on which of the three categories finally dominates. The fourth form is an imprecisely specified mixed type in which all three categories of actors are ultimately significant (Schäffer-Veenstra 2013: 49–53).

Different governance mechanisms are attributed to each form of governance. Hierarchical governance, for example, is attributed to the instruments of law, regulations or contracts, whereas fiscal and financial incentives are described as mechanisms of market-dominated governance. The idea that different instruments are used depending on the dominant actors within governance is something that may also be relevant to the research question of the relationship between governance arrangements and concrete policies. As discussed below, different types of instruments are used in housing policy which may, conversely, have an impact on governance arrangements (see Section 3.5). One problem with the aforementioned typology is that an automatism is presumed, i.e., if certain actors dominate, certain instruments are also used. Following the previously presented reflections by Sack (2012), I doubt that there must be a compulsory link.

Djordjevic (2006) developed a typology of governance arrangements based on three different dimensions: type of actors involved, nature and relationship between the actors, and stability and longevity of the governing arrangement. The first dimension consists mainly of the vertical and horizontal actor constellation. Djordjevic distinguished six ways of interaction: local public-public, local public-nongovernmental, local public-private, intergovernmental coalitions, intergovernmental coalitions with strong influence of the central state, and central-local public-private including both vertical and horizontal relations (Djordjevic 2006: 37).

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The second dimension of the relationship between the actors is assessed mainly on the extent to which these actors cooperate, situated on a continuum ranging from no cooperation to a maximum of cooperation (Djordjevic 2006: 38). The third dimension of stability and longevity is conceptualized as a continuum ranging from stable and long-term cooperation over project-based and short-lived or ad hoc cooperation to no real cooperation at all (Djordjevic 2006: 39). Based on these three dimensions, four different governing arrangements are developed thereafter and discussed in detail: coalitions, networks, local-government centered governance and traditional local government (Djordjevic 2006: 37–53).

The originality of this contribution – and at the same time its relevance for the present study – can be located in the first dimension, where the various categories of actors are linked to the vertical division of power within the state. To analyze the housing policy of an urban region and the underlying mechanisms, it is essential to examine developments at higher levels of government as well, also because the field of housing has close links with national or even international economic policy, as we will see later (see Section 3).

2.5.3. Urban governance and the actual design of policies

This section discusses contributions that can help us to understand how governance affects the actual design of policies. Several studies investigated the consequences of different forms of urban governance for specific fields or characteristics of policies. A common feature of most of these contributions is that they emphasize the influential role of the business sector, arguing that it has significant influence on urban policies. The inactivity of economic actors is also considered to have the potential to be reflected in concrete policies (Peters and Pierre 2012: 79).

Various authors investigated the question of how the observed change from government to governance is reflected in specific policies or policy areas. Andersen and van Kempen (2003) discuss the consequences of a shift from government to governance in terms of urban policies in Europe, finding that universalistic policies are increasingly being replaced by targeted ones. In addition, there seems to be a tendency to integrate various policy fields into unitary projects. Sectoral policies, which have been the usual thing for a long time, were replaced (Andersen and van Kempen 2003: 90).

According to Jessop (2002), economic actors favor the expansion of market principles to all spheres of the society. This means that they support the spread of the commodity form to as many goods as possible. The balance of power in decision-making structures is said to affect the degree to which this overarching project can be realized (Jessop 2002: 453–54). In sum, the neoliberal project pursued on many governmental levels relies on adequate forms of urban governance for its securitization/maintenance (Jessop 2002: 469).

Einig et al. (2005) describe the consequences of shifting toward urban governance in terms of new modes of cooperation. Instead of laws and interdictions issued by authorities, the involvement of private sector actors contributes to the use of more market-oriented instruments (Einig et al. 2005: 2).

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The central research question investigated by van Marissing et al. (2006) is how and under what circumstances cooperation within urban restructuring policy affects different forms of social cohesion. Their contribution concerns the effects of urban governance on social cohesion, hypothesizing that cooperation between different actors such as local authorities and its departments, social housing associations and neighborhood representatives is associated with positive effects on social-cohesion policies (van Marissing et al. 2006). However, one of the most exciting results of the study fundamentally contradicts this thesis. The very fact that certain actors (in this case, local residents) are not involved in urban development processes has positive effects on social cohesion in certain neighborhoods (van Marissing et al. 2006: 285–87).

In her contribution on German-speaking cities, Schindler (2010) investigates how urban governance affects the sustainability programs, arguing that regulatory instruments are a cornerstone of urban governance without directly linking instruments and actor constellations. Schindler operationalizes urban governance with the category "patterns of regulation" and therein distinguishes between changes related to regulatory instruments and changes regarding the actor constellation (Schindler 2010: 32–40). She concludes that changed sustainability programs in the two cities of Hamburg and Vienna can certainly be linked to adjustments in the constellations of actors. For example, the creation of new bodies in which actors from the private, civil society and public sectors exchange goes together with the elaboration of more ambitious sustainability goals (Schindler 2010: 281–88).

Devecchi (2016) examines the relationship between public and private actors in several municipalities located in Swiss' agglomerations, arguing that these diverse relationships, i.e., ultimately the different forms of local governance, can be observed by means of the policy instruments chosen and used in a specific context (Devecchi 2016: 46). This argument is based on considerations from previous studies that viewed the choice of policy instruments as an expression of a decision-making situation reflecting the context in which a political entity is embedded and the corresponding (local) power constellation (Lascoumes and Le Galès 2005).

These considerations are not entirely convincing. As mentioned in the previous section, it is not possible to draw direct conclusions about the nature of governance from the use of policy instruments or the programmatic orientation. I therefore assume here that the use of the instruments can provide an indication of governance arrangements in the housing sector, but that the two dimensions should not be automatically and directly linked.

2.5.4. Multilevel (urban) governance

An exclusive focus on developments at the urban level is far from sufficient to provide even a rough understanding of housing policy in urban regions. The multilevel perspective on urban governance becomes even more important in an investigation that analyzes developments over a longer period. Institutional reforms such as devolution, metropolitanization or centralization can have important effects here (see also Kübler and Pagano 2012). This section therefore discusses various contributions in which largely the vertical dimension is taken into account.

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Urban policies result from the interactions of powerful actors situated at different governmental levels. The most obvious actors and institutions in my field of research are cities or municipalities itself, embedded within a given national institutional landscape, ranging from a federal to a central state. On the European level, there is a grouping of institutions, united under the term "EU Urban agenda" and URBACT, a European exchange and learning program helping cities to develop adequate solutions for the challenges they are facing. Furthermore, there are international institutions such as groups from the United Nations, OECD and rules determined by groups of countries (e.g., Paris Agreement on Climate Change). In addition, associations, civil society organizations, international companies and neighborhood groups have a say in urban policies as well: "Urban policy therefore covers a wide range of actors from different sector of societies, with different status, acting at different levels" (Borraz and Le Galès 2010: 143) and different policy levels are increasingly interlocked (Giersig 2008: 55).

Cities are embedded in national, regional, international and even transnational contexts. This context defines the level of autonomy for the locality. The embeddedness provides opportunities, too, e.g., resources can be extracted from higher governmental levels (Peters and Pierre 2012).

The situation in the specific field of housing is no exception. Housing policy is pursued to varying degrees in many countries at the national, regional and local levels, and the different interests of residents, tenants, owners and market actors feed into the concrete design of policy. The United Nations has had a Special Rapporteur on the human right to adequate housing since 2014, and Housing Europe is an example as federation of public, cooperative and social housing and represents the interests of their member organization on the European scale (Gertten 2019).

Salet et al. (2003) identify an institutional shift that started since the 1980s in European city regions. They attribute this shift to globalization, the liberalization of economic markets and "a new differentiation in intergovernmental relationships" (Salet et al. 2003: 3). The shift resulted in a more varied form of structuring. In addition, on the one hand, devolution tendencies have increased the discretion of local authorities, whereas, on the other hand, they have contributed to more competition of authorities within the same state (Salet et al. 2003).

Savitch and Kantor (2002) provide an analysis of the political economy in several Western cities. They investigate the room for maneuver for these cities and their answers to globalization and increasing international competition during the years 1970–2000 and the importance of economic conditions, intergovernmental politics, democratic institutions and cultural values. Processes originating in the global economy do constrain cities, though cities are nevertheless able to develop their own responses based on their respective national context (Savitch and Kantor 2002).

Carmichael (2005) provides an analysis of the multilevel governance structure of European cities. He finds that the European Union's policy has predominantly pursued economic objectives and the enhancement of the presence of business interests within local governance. To ensure a successful future of European cities, a balance between social and economic policies is necessary as well as engagement of actors from all levels, ranging from the neighborhood area to the European level (Carmichael 2005: 144–45).

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Giersig (2008) investigates multilevel urban governance in two cities situated in Northern Europe (Helsinki and Stockholm). He uses the analytical flexibility to argue why the term governance is more frequently used than "urban regime," although striking similarities between both exist (see also Section 2.4). To make up for the neglect of the multilevel character of urban political studies, he develops the concept of multilevel urban governance, from which four dimensions for an analysis are derived (structural framework conditions, composition of actors, governance in the making and actual outcome) (Giersig 2008: 108).

Pierre (2019) discusses the emergence of multilevel governance in the Swedish city of Gothenburg. His analysis shows how a city can build capacity and access transnational networks with expertise and knowledge by joining international projects (Pierre 2019: 113).

The public discourse on governance as well as the academic arena predominantly focus on power inequality, citizen involvement, representation and democracy, thereby largely neglecting the issue of multilevel governance institutions including devolution or state reform more generally and their impact on achieving common societal goals (da Cruz et al. 2018: 2).

Starting from a range of literature in urban studies, planning and geography, MacLeod (2011) discusses key issues confronting planners and scholars investigating the urban governmental landscape. According to MacLeod (2011), one of the key challenges surround the determination of the adequate level of decision-making and boundaries. Boundaries of political decision-making institutions should be set such that representative democracy functions effectively and government services are provided efficiently, despite existing disparities in terms of economic resources and political orientation between central and suburban territories (MacLeod 2011: 2650).

One of the earliest contributions to systematically incorporate the interaction of different government levels by Sellers (2002). In his international comparative analysis of 11 urban regions in France, Germany and the United States in three policy domains related to the use of urban land (growth promotion, inequity remediation and environmental protection), he pleads for the appropriate consideration of the multilevel character of urban governance in order to understand the complex interactions of levels. He argues against two types of simplification frequently made in urban studies to explain policy outcomes: On the one hand, outcomes are often explained primarily by the system, developments and constellations of actors at the national or higher level. This kind of study often uses typologies that assume a common context for each type and, then, determine the extent of local influence. A second opposite type of simplification explains local policy outcomes exclusively as the result of decisions made by actors at the local level, e.g., public or private actors, actors from civil society or a combination thereof. This exaggerates the importance of the local level, which often does not reflect reality (Sellers 2002: 16–19).

Compared to these simplifying approaches, Sellers' analysis (2002) is more nuanced. It shows that policy outcomes are ultimately influenced by developments at the higher levels. At the same time, however, it also indicates that the actors of urban governance, i.e., politicians, economists, activists or the electorate, play an important role. Higher levels, for example, decide that additional funds will be made available for the construction of social housing. However, the decision-makers at the city level then have the power to decide whether this promotes the social mix of an area or, on the contrary, whether it accentuates ghettoization tendencies by building blocks in already burdened

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areas. This ultimately shows that the local level often has the power to decide on the spatial distribution of nationally approved resources. Yet, the influence of national developments is not uniform but also depends on the respective policy domain (Sellers 2002: 90).

Ultimately, the study shows that it is too easy to attribute transformations solely to abstract global forces. In itself globalization has had a certain impact on policy outcomes in metropolitan regions/cities around the world. However, transformations are usually also triggered by local initiatives or occur because of changes in the orientation of local decision-makers, activists and business elites. Comparative analyses should therefore appropriately take into account that the reasons for change may simultaneously be situated on the local, regional, national and the international level, and that these levels also interact (Sellers 2002: 374–76).

The present study attempts to apply a similarly differentiated approach to the analysis of developments in the field of housing. To get to the bottom of the causes of certain policies and to explain the mechanisms, we have to abandon abstract terms, which often serve to reduce complexity.

2.5.5. Critique of urban governance

Gissendanner (2003, 2004) points to a methodological problem of research on urban governance, which ultimately also results from its openness: Governance structures are found everywhere, and their functioning is usually described as similar. But this does not explain the variations between cities. The combination and comparison across several case studies is described as one way out of this deadlock, though this is rarely done, as it requires a great deal of time and resources (Gissendanner 2003: 664–65). The author sees the deductive approach, followed by many scholars doing research in the tradition of urban governance, as a problem that can be resolved with better research designs. Having more descriptive approaches that look at simple characteristics of the structural context of governance arrangements and are not related to particular concepts beforehand could strengthen the inductive stance and urban governance research more generally (Gissendanner 2003: 683).

Lucas (2017) formulated a need for more comparative approaches in urban studies. He even finds that there is a "growing chorus of urban politics scholars who have advocated a move away from single-case studies of particular cities and toward a more comparative approach to urban politics, policy, and governance" (Lucas 2017: 15). In addition, the author distinguishes between three types of starting points or approaches for analyzing the institutional context for urban policy-making: the city, higher-level government or the policy domain. This approach assumes that "patterns of policy and governance are sorted by policy domain" (Lucas 2017: 2). Limiting the analysis to a specific policy area, as is done here, therefore seems to be a good starting point.

Da Cruz et al. (2018) discuss the current research gaps in urban governance research and point to areas for future research as well as to the current challenges. They see a big potential for cross-national comparative studies. In addition, there seems to be a misfit between the practical needs and the research focus of academic contributions from urban governance. In fact, there is a bias in academia toward the issue of citizen participation, while civil society engagement with decision-making, working across government tiers (vertical coordination), private sector involvement in

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governance and public budget constraints (austerity) are seldom investigated and rank high on the list of future "urban governance challenges" (da Cruz et al. 2018: 3).

Stoker (1998) has demonstrated that urban governance approaches are useful because they provide an organizing framework for understanding power constellations, decision-making processes, and how they evolve over time. The expectation for urban governance approaches cannot be that they provide concrete instructions on how to analyze causal mechanisms exactly (Stoker 1998: 18), or that specific assumptions regarding the concrete implementation of an investigation are made (Pierre 2014).

Urban governance approaches incorporate both structural features and individual behavior to analyze the changes at the urban level. This opens up the field but forfeits some analytical precision. This is one reason for the frequent allegation of imprecision. The approach offers the necessary analytical flexibility to analyze processes in a longitudinal and comparative perspective. This seems to be important precisely because the present study analyzes city regions from three very different national contexts (see Section 5.1) over a period of approximately 20 years, which presumably vary in terms of relevant actors and the distribution of competences and are subject to change over time. Such a broad theoretical approach seems to be justified since a limitation to a specific period and a single policy field such as housing occurs. This allows analytical flexibility within certain boundaries.

3. Theoretical Approaches and Developments in Housing Studies

This chapter discusses theoretical approaches in housing studies. After a short introduction to national housing systems stemming from comparative housing research primarily on the national level, I make my way from housing to affordable housing. The third section reviews contributions from housing research which reference governance. In the fourth section, I define the terms affordable housing and social housing and discuss current developments related to it. The fifth section presents the main policy instruments in the field of housing, while the sixth section finally introduces the concept of financialization of housing.

3.1. Types of National Housing Systems

International differences in housing policies are often explained by using (national) welfare state regime typologies or typologies of rental systems (Hoekstra 2010). A frequently cited starting point is Esping-Andersen's (1990) comparison of welfare state regimes in Europe. Barlow and Duncan (1994) combine his typology with specific aspects from the field of housing, but the results of his proposition are rather ambiguous (Matznetter 2002). Compared to the traditional fields analyzed in welfare research, housing is more complex, combining policies from the different fields of social policy, urban development, and income and property policy. It is different from the classical pillars of the welfare state, and, therefore, it is casually called "the wobbly pillar of the welfare state" (Torgersen 1987).

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In his widely noticed study, Kemeny (1995) differentiates between unitary and dual systems of housing based on the structure of the rental housing sector. Whereas unitary systems are associated with the social democratic and conservative welfare state, dual systems are assigned to the liberal welfare regime (see Table 2).

Table 2: Structure of the rental-housing sector

	Unitary systems	**Dual systems**
Welfare regime	Social democratic and conservative	Liberal
Cultural background	Germanic	Anglo-Saxon
description	Social housing stock is permeable, stands qualitatively in concurrence with private sector and contributes to decommodi-fication	Social housing stock primarily for low-income groups

(Source: Kemeny 1995 translated from Wukovitsch 2011: 92–93)

The social housing stock in a unitary system is open, permeable and stands in concurrence to the private rental sector because of its high quality, which can contribute to a decrease in market dependency (decommodification). The whole rental sector is comparatively stable and attractive, independent of social class. Tenant's rights are protected, and the quality of rental housing is high, so owner occupation is not an urgent issue for the middle class. Therefore, the social housing sector integrates a broad segment of the population and cannot be seen as a place of social exclusion. Consequently, in countries with a unitary market, the degree of social mix is comparably high and districts with social housing are little marginalized. In a *dual system*, the social housing sector primarily targets low-income groups. Lower income groups tend to be additionally disadvantaged because of the concentration in certain areas and the frequently formulated goal of social mixing is difficult to achieve (Schönig et al. 2017: 32; Wukovitsch 2011: 92–93).

Hoekstra (2010) further develops the typology of Esping-Andersen and Kemeny, applies it to housing in Europe and analyzes power relations and class coalitions and how they finally shaped housing outcomes. His classification entails different criterion for distinguishing four types of housing systems based on the traditional typology of welfare-state regimes (Hoekstra 2010: 62–77).

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Table 3: Housing outcome typology based on welfare state regime

Welfare state regime (Esping-Andersen)	**Social-democratic**	**Conservative corporatist**	**Liberal**	**Mediterranean**
Ideology, political structure and type of rental system (Kemeny)	Collectivist ideology, corporatist political structure and unitary rental system	Collectivist ideology, corporatist political structure and unitary rental system	Privatist ideology, noncorporatist political structure and dualist rental system	Not included in Kemeny's theory and typology
Share of home-ownership sector	Mixed	Mixed	High	High
Quality and appreciation of apartments compared to single-family dwellings	Low	Low	Low	High
Housing outcomes regarding the rental market	Typical of a unitary rental system	Typical of a unitary rental system	Typical for a dualist rental system	Typical for a dualist rental system
Housing satisfaction of homeowners compared to tenants	High	Mixed	High	High

(Source: Hoekstra 2010: 177)

The social democratic welfare state regime, like the conservative corporatist regime, is characterized by a corporatist political structure in which the state plays a central role as the ordering authority. Moreover, both regimes can be described as unitary rental markets. The housing outcomes in terms of housing quality, tenure, rent levels or satisfaction with the housing situation are similar. The liberal and Mediterranean welfare state regimes show many similarities, also in terms of outcomes. However, they differ in terms of the greater appreciation of single-family homes in the Mediterranean regime (Hoekstra 2010: 177–80). What the contribution indicates is that the typology from Kemeny (1995) seems to be a better explanation for differences in housing outcomes than the distinction between welfare state regimes.

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A later publication coauthored by the same author (Boelhouwer and Hoekstra 2012) further refines the main characteristics of the four welfare state regimes in relation to housing. Modern corporatism is developed as a new regime type, in which the role of the central state consists mainly of setting the framework for the negotiations between private actors and local authorities. The new refinements in the typology provide a more precise structure for the social rented housing sector (Boelhouwer and Hoekstra 2012).

Elsinga (2015) argues that housing systems have undergone significant changes in recent years, a development that can partly be explained by the global financial crisis. First, in many countries of the world, home ownership was harder to access in the aftermath of the global financial crisis, and stricter regulations regarding mortgages were introduced. Second, more emphasis was given to the private rental sector, often seen as a cure for most housing needs. Third, financial problems arising from the bailout of banks led to discussions about the adequate size of the social housing sector and the extent and type of subsidies provided by the authorities. Fourth, discussions about who has the right to claim social housing were intensified: Should large parts of the population still have access as in unitary rental housing systems or is a limitation to the most vulnerable population groups more appropriate? (Elsinga 2015: 27–30).

Lawson (2012) writes about theories explaining the development and change in housing systems, thereby stressing convergence or divergence. For example, Harloe (1995) links economic development to the development of welfare regimes and argues with converging phases. Harloe's convergence model perceives systems of housing as oscillating between mass and residual forms of provision linked to normal and abnormal phases in capitalist development. In contrast, Kemeny (1995) puts forward a divergence thesis. Divergent systems emerge partly as the role of governments in and response to different types of rental markets (dual, integrated, unitary), where different rental models (cost rent, market rent, etc.) and competitive market conditions are of strategic explanatory significance (Kemeny 1995). Lawson (2012: 194–95) concludes that typologies, such as those discussed in this section, may be helpful in the analysis of policy developments in housing. However, there is a risk that their use may play down local characteristics, which in turn may affect national housing systems. Thus, an important mechanism is overlooked.

In a similar vein, Wukovitsch (2011: 96) argues that typologies based on national welfare regimes are useful for categorizing urban housing policies, but that they are highly abstract and have to be reformulated and concretized in order to be even more useful. Following the reflections of the previous authors, Wukovitsch (2011) sees national typologies for housing systems as a general frame of orientation and should thereby support the investigation of housing policy in urban regions with important background knowledge.

3.2. From Housing to Affordable Housing

The question of affordability is a central dimension of housing, not only, but also, because housing is a basic human need. The implicit focus on affordable housing can be found in the origins of the overall project "The Democratic Foundations of the Just City," from which this dissertation originates (see also Section 1.1). The project investigates cities regarding their capacity to provide just policies or outcomes for their citizens in urban development, whereas the situation of

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affordable housing is considered an essential aspect. It is inspired by a lively debate among scholars from urban planning and urban studies on the Just City. According to them, social injustice has become a growing feature of urban society – and increasingly so in the globalized world of the early 21st century (Marcuse et al. 2009). In her book entitled *The Just City*, Susan Fainstein (2010) departs from a Rawlsian liberal concept of justice and discusses its applicability in the context of urban planning at the beginning of the 21st century in wealthy Western cities. With reference to the capabilities approach formulated by Nussbaum (2000), Fainstein argues that the Just City should be designed to allow for the enhancement of everyone's capabilities. Each individual should dispose of nontradable and consciously valued opportunities regarding quality of life, health, bodily integrity, access to education, and control over one's political and material environment (Fainstein 2010: 55).

Nearly all members of a society live in some kind of dwelling and spend a significant part of their budget for housing, whether they pay rent or own a house. Most people spend more money for housing than for any other good. And, according to the Universal Declaration of Human Rights (Balmer and Bernet 2015; Eberhardt-Köster et al. 2018), it is an essential good for living a dignified human existence and a basic human right. Finding adequate housing can be difficult, especially for low-income households (Bochsler et al. 2015). The fact that housing is an essential good for most people means that almost every individual is affected by general developments in the field of housing and political or economic decisions being made here (Bratt et al. 2006a).

The justice of a city can be assessed by looking at the design of concrete policies to provide affordable housing and tackle involuntary homelessness (Fainstein 2010: 172–73). It is thus argued that justice in an urban society can ultimately be measured by how it deals with its weakest members and what it does to fulfil the right to Housing for All, independent of income. Nevertheless, exclusively focusing on developments in the affordable-housing sector could obscure the causes of unaffordability from other sectors.

3.3. Governance and Housing

Scientific contributions explicitly connecting (urban) governance and housing often start from the premise that actors can be distinguished in three broad categories. Public actors encompass administrative units and politicians, market actors and representatives from the civil society. The rough distinction between the three actor groups – public, private and civil society – seems to be popular and common in governance research related to housing (Borchard 2011: 108–10; Czischke and van Bortel 2018; Selle 2008: 4; van Bortel et al. 2018). All actor groups differ regarding their goals, structure, interest and motivations, and there is also a large divergence and heterogeneity within these three groups (Borchard 2011: 108).

There are different opinions in the academic debate as to whether economic or political actors are the main or central decision-makers in the field of housing. In addition, there is a debate about the central objectives of housing policy, ranging from social to macroeconomic factors (King and Oxley 2000: 1).

According to Blessing (2012), the boundaries between social and commercial tasks are even more blended, and hybrid organizations evolved on the stage, making the distinction between market

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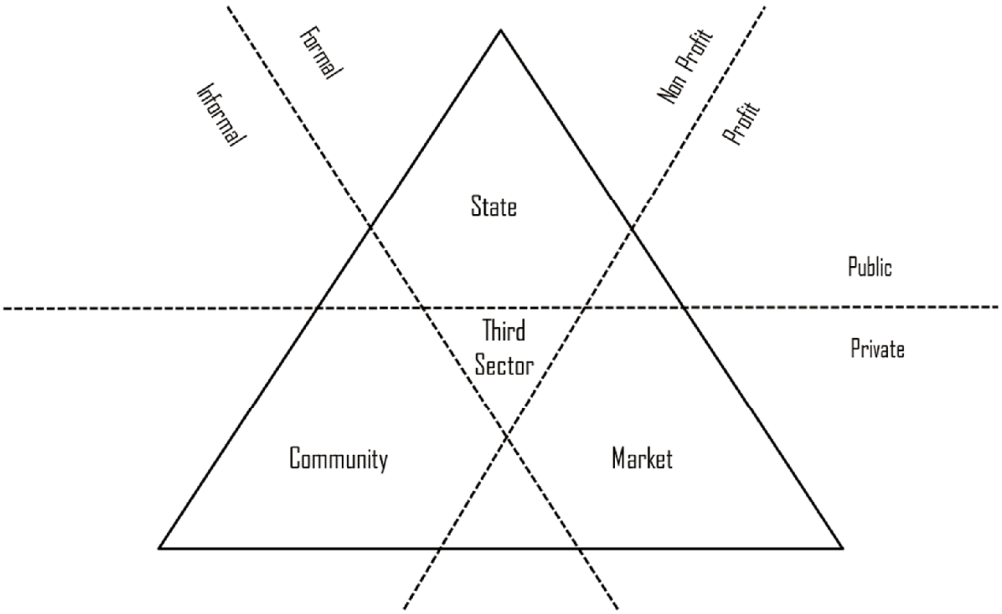
and public even more difficult. Despite this trend, the conceptual landscape of housing research is dominated by the market-state dualism (Blessing 2012: 189).[4]

By taking the big variety and hybridity regarding governance and provision of affordable housing into account, recent publications further refined the three-categorical distinction. Also, there seems to be a mixture of state, third-sector, market and community actors involved to varying degrees (van Bortel et al. 2018). Figure 2 shows an alternative and more sophisticated distinction of different actor groups.

Figure 2: Distinction of actor groups involved in the governance of housing



(Source: own representation based on van Bortel et al. 2018: 7)

In addition to the state, market and community groups, the "third sector" is introduced as further category. This can be understood as an umbrella term for various formal organizations that are not profit-oriented but that differ from the public sector, because they are private. In the housing sector, for example, these include civil society organizations (nongovernmental organizations [NGOs], charities) and housing associations or cooperatives (van Bortel et al. 2018).

The trend toward an increasing diversification of actors can be attributed to neoliberalization, the retrenchment of the state and related austerity measures. These developments have forced housing

[4] Blessing (2012) further develops a new conceptual approach to investigations of not-for-profit social housing actors.

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providers, whether public or nonpublic, to search for alternative financial sources on the private market (van Bortel et al. 2018: 2).

Van Bortel et al. (2018: 5–6) define governance in housing as a process in which third sector actors, such as housing associations or cooperatives, the state, private actors and the community, are involved, embedded within the context of national policies, economies and welfare regimes. Governance of housing is characterized by two trends: increasing cooperation of the public sector with private actors to expand the housing supply; and social landlords adopting commercially oriented strategies, which illustrates the contradiction between affordability and profit maximization as objectives (van Bortel et al. 2018: 6).

DeFilippis (2004) argues that civil society and urban communities are not powerless actors in the era of globalized mobile capital and far-reaching competition. Instead, specific modes/institutions exist to retain autonomy and even further social justice. Among the examples discussed by the author are the collective ownership of work, housing cooperatives, land trusts, or community-based financial institutions and credit unions. These institutions have the potential to improve the lives of citizens by rooting capital to place (DeFilippis 2004). This allows the use value conception of land and housing to be strengthened (see also Section 2.3.2).

Housing studies usually acknowledge that a variety of actors with different interests is involved in providing housing, and that this is associated with consequences for the field of housing, though the term urban governance is seldom applied. Frequently, the group of actors is distinguished between owners and tenants. Only few contributions from the field of housing refer explicitly to urban governance approaches.

Smuda (2012) argues for the case of Germany that the increasing involvement of financial actors in housing – largely a consequence of tight financial situations at the communal level – has important consequences for the field of housing (see also Basolo 2000; Borchard 2011). In a similar vein, Kadi (2015) discusses changes in governance of housing for the case of the Austrian capital of Vienna, a pioneer city regarding the social housing stock possessed by the city. Over time, the increasing influence of actors from private finance and the growing importance of competitiveness as a central value led to recommodification policies. As in other cities and countries across Europe, a right-to-buy scheme was introduced, meaning that residents were allowed to buy their dwellings. Hence, some parts of the formerly municipally provided social housing stock was privatized (Kadi 2015: 252).

Wray (2017) discusses the developments and governance transformations and their corresponding effects on residents in the metropolis of Detroit. She develops a framework which connects governance of the metropolis and commodification as a form of policy intervention. The emergence of governance is said to be the crucial starting point for transforming social goods into commodities (Wray 2017: 58–59).

Several recent publications specifically focus on the role of civil society organizations in the field of housing. Domaradzka and Wikström (2019) compare two different grassroots movements in Poland. The movement for the right to housing and the one for a right to the city are compared in terms of their respective composition and networks of contacts. One of the central findings is that the right to housing movement mainly consists of seriously distressed lower-income groups, while

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the right-to-the-city movement has an urban middle-class basis promoting a hipster lifestyle. This creates a pretext to ignore the more serious claims and demands of other activists (Domaradzka and Wijkström 2019: 18–19).

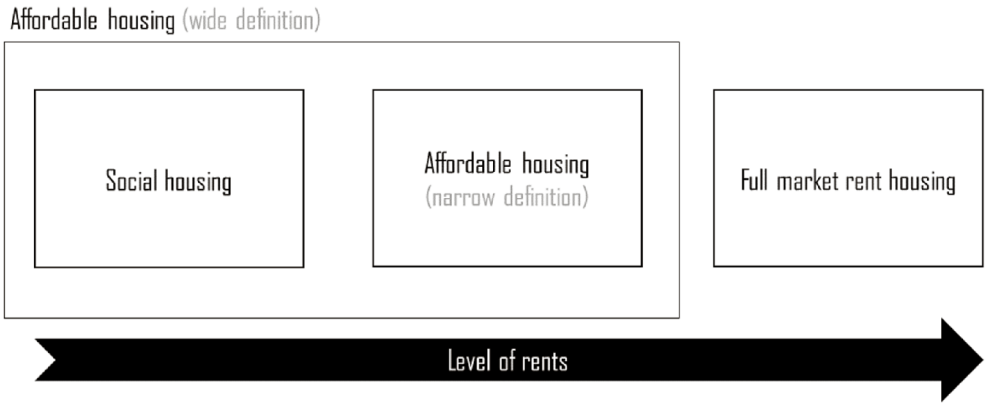
Weerdt and Garcia (2016) investigate the reactions of the civil society to the bursting housing bubble in Spain and find that the platform of mortgage victims (PAH) is a social innovation platform, uniting citizens fighting for social justice. In terms of visibility, a central aspect for judging the success of social movements, it is successful. The housing-related debate about mortgages has been transformed, and some of the government policies have been changed according to the interests of the platforms (Weerdt and Garcia 2016: 491).

3.4. Social and Affordable Housing

This section explores the relationship between social housing and affordable housing and discusses different types of measurement and current developments in the context of the two terms.

Colloquially, the two terms are often used as synonyms. Both ultimately refer to the costs of housing as related to the available income of a person or household. When it comes to providing adequate housing for low-income earners, it is usually implicitly assumed that this can be done primarily through the rental housing market. Therefore, in the academic literature on housing, the distinction between social and affordable housing refers to the full range of possible rent levels on the housing market, as indicated in Figure 3.

Figure 3: Narrow and wide definition of affordable housing



(Source: own representation based on Czischke and van Bortel 2018)

On the right side are market rents, usually said to be the result of market mechanisms (supply and demand). Here, private actors usually make a significant amount of profit. In the middle lie affordable rents resulting from affordable housing in the narrow sense. Rents here tend to be lower than on the open market. Usually, a specific threshold relative to pure market rents is defined. In contrast, the wide definition of affordable housing encompasses social housing, the third type of

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housing, which usually exhibits the lowest level of rents. Rent levels are frequently set based on to the actual costs or the income of a household, meaning that no profit can or should be made (in German: *Kostenmiete*).

Hence, the key distinguishing feature between market and nonmarket rented housing is the type of allocation. Market housing in the private sector is allocated based on the ability to pay, constituting what is frequently referred to as demand. In contrast, social housing is allocated by the government itself or government-nominated organizations or providers (Haffner 2009: 4–5). Allocation schemes are the specific guidelines of these organizations, in which the rules for the distribution of apartments with submarket rents are outlined.

Although there is no common and agreed-upon definition of social housing at the European level and conceptions as well as policies vary largely by country (van Bortel et al. 2018: 4), social housing is usually defined as housing for a group of households denoted only by their limited financial resources, i.e., housing that targets low- or no-income households and provides some kind of subsidy, either directly to the household or indirectly by reducing the rent, which has to be paid by the renter (Granath Hansson and Lundgren 2018: 14). Which segments of the population actually get access to social housing often lies in the responsibility of a national, regional or even local authority and thus can even vary within a country (van Bortel et al. 2018: 4).

To define the social housing stock of a given territory (e.g., country, city, etc.), one has to choose an adequate starting point. First, social housing can be defined based on the rent level, where social rents are usually substantially below market rents (see also Figure 3). Second, social housing can be defined based on the type of ownership, meaning that those units are in possession of a particular owner, often local authorities or nonprofit-oriented actors (housing cooperatives, housing associations, etc.). Third, social housing can be defined as housing where government subsidies exist or where specific allocation rules apply. This presumes an administrative procedure in contrast to a market-based allocation favoring those with higher financial resources (Scanlon et al. 2014).

Affordable housing, in contrast, is often seen as complementary to social housing and targets households disposing of a higher income than social housing but still not in the position to pay full market rents or own an apartment or house (van Bortel et al. 2018: 4–5).

Whereas the social housing sector has a long history in many countries, the emerging affordable housing sector is a more recent phenomenon in Europe (Czischke and van Bortel 2018).

There are different approaches for measuring affordability in housing in quantitative terms, ranging from the frequently applied ratio income approach, which defines a threshold for the ratio of housing expenditures to a households income, to the residual income approach and some composite measures (Li 2014).

The affordability of housing is based mainly on two factors: housing costs and income levels. Housing costs can be in the form of rents or mortgage payments. Because of the opposite development of both factors, the housing affordability problem has emerged in many countries across the world (Leishman and Rowley 2012: 379).

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Recent contributions on the development of social housing in Europe showed a growing residualization of the sector in many countries, meaning that social housing is increasingly accommodating people on very low incomes and with special needs. This trend contributes to an increase of social difficulties in those areas where social housing is concentrated (Borg 2014; Czischke and van Bortel 2018).

Recent developments on the housing market also contributed to the broadening of the policy discourse. The global housing affordability crisis emerged since the outburst of the global financial crisis in 2007–2009 and has contributed to rising inequality, especially in urban areas (Walks 2019).

The lack of affordable housing for low- and middle-income households has become an issue in most urban areas across Europe. The precarization of job conditions and the creation of new low-income jobs (e.g., Uber driver, battery charger for kickboards) in the wake of digitalization has also contributed to this development (see also van Bortel et al. 2018: 4).

Whereas the discussion used to be centered around social housing especially for low-income households, the financial crisis led to a housing crisis in many parts of Europe and extended discussions on affordable housing in the narrow sense, because middle-income groups were increasingly affected by the housing crisis (van Bortel et al. 2018: 2). Involuntary homelessness is the most blatant manifestation of the affordable housing crisis.

Access to home ownership is becoming increasingly difficult, and rising rents, especially in urban centers, mean that more and more people cannot afford to pay rents in the private sector. At the same time, the supply of social housing is diminishing in many places. This will inevitably lead to political conflicts (Jacobs and Manzi 2014).

The previous discussion showed that most recent contributions from housing research usually implicitly make reference to the rental sector. The question of the extent to which the state or state institutions can also promote property ownership for low-income earners is largely neglected. However, it is precisely this form of support that would enable low-income households to earn a living independently of the sometimes very high burden of rents. A stronger incorporation and conceptualization of the role of home-ownership promotion for lower-income households in housing research could possibly contribute to the development of promising solutions for the part of the population, who have to fight on various fronts because of their low income.

3.5. Policy Instruments for Affordable Housing

A whole range of policy instruments is available for regulating housing markets and providing affordable housing (in the wider sense) across Europe. These instruments differ in form and orientation, depending on the specific context. Among them are area plans, taxation, planning codes, public ownership of land and a whole range of financial instruments (Le Galès 2002:

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218–20).[5] In the UK, for example, many forms of intervention are based on market principles, meaning that exchanges are based on supply and demand with a respective monetary price (Lund 2016).

Some authors make a distinction between legal and monetary instruments. Monetary instruments are further subdivided into supply-side subsidies (also called benefit payments for objects) contributing to the construction of new housing units and demand-side subsidies (also called benefit payments for subjects) reducing the price for the good of housing for individuals and families (Fijalkow 2016; Heinelt and Egner 2006; Holm 2013).

Balmer and Bernet (2015) argue that withdrawing housing from the logics of markets with demand and supply, for which the term "decommodification" is used, is necessary to fulfill the right of housing (shelter as a basic human need). The authors base their reflections on the distinction of financial schemes in demand- and supply-side subsidies and add a third type or group of policy instrument aiming at the decommodification of housing: property rights-related instruments (Balmer and Bernet 2015: 185).

Based on the previous reflections regarding the subdivision of instruments for the creation of affordable housing, we can distinguish three categories of instruments, which are discussed in the following subchapters: supply-side subsidies, demand-side subsidies and planning instruments. For each of the three categories, empirical examples from comparative housing research are also presented.

3.5.1. Supply-side subsidies

Supply-side subsidies or benefit payments for objects are directed toward the construction of affordable housing. Sometimes, the expression "brick and mortar" subsidies is used (in French "aide à la pierre"). This form of subsidy is usually provided by the state and consists of granting interest-free loans or loans with reduced interest rates to developers. More or less strict rules apply to the residents of such apartments with a reduced price. For example, depending on the number of persons in a household, a certain income threshold must not be exceeded. This form of subsidy was dominant in the 1950s and 1960s, when a need for constructing additional social housing units was identified as a priority. In the 1970s and 1980s, supply-side subsidies were gradually becoming less popular in many European countries (Yates 2012: 399).

Famous French sociologist Pierre Bourdieu, together with Christin Rosine (1990), investigated the decision-making process surrounding the major reforms of France's housing policy related to the financing from 1977. It is said that government representatives and pressure groups including builders, developers and local politicians under the leadership of young senior civil servants contributed to a move away from benefit payments for objects ("aid for stone") to supporting individual households based on their situation (benefit payments for subjects).

[5] Le Galès (2002:219–220) describes the French city of Rennes as an example where the strong regulation of the housing market aims at avoiding gentrification and speculation. Only a small number of primarily local property developers are active, while the city protects them from external competition.

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3.5.2. Demand-side subsidies

Demand-side subsidies or benefit payments for subjects are the second type of financial payments for the provision of affordable housing. This type of subsidy usually aims at closing the gap between what low-income tenants are able to pay and what the actual costs of housing are. Most countries in Europe have introduced some kind of income-related demand-side subsidy since the 1970s onward. Usually, these subsidies, called housing allowances or housing benefits, are provided by the national government, although sometimes also regional or local authorities are responsible for the provision (Scanlon et al. 2014: 12).

Housing allowances are a form of demand-side subsidies found in most European countries, more or less independent of the welfare regime type of the state. Because in most countries not only poor households are targeted, the general picture of housing allowances as means-tested benefits has to be revised (Griggs and Kemp 2012).

These subsidies are usually available to social and private tenants and sometimes even to some categories of homeowners. For example, mortgages can be paid for a limited time. In addition, there are implicit demand-side subsidies such as tax exemptions, deductions or concessions, which reduce the cost of housing for individual households. It is controversial to what extent only the items listed in the budget should be regarded as subsidies and whether also other forms of intervention reducing the cost of housing should be seen as subsidies (see Yates 2012: 398–400).

3.5.3. Planning instruments

This group of instruments is grounded in administrative powers for facilitating the provision of affordable housing (Balmer and Bernet 2015: 185). It refers to the spatial and geographical dimension of affordability. This category includes planning instruments such as zoning laws (Li 2014).

In their international comparison of affordable housing endeavors, Gurran et al. (2008) distinguish five categories of planning instruments for the provision of affordable housing in the wider sense. First, housing supply levers are aiming at stabilizing the land market; a stable incremental release of land is cornerstone. This can be guaranteed by a public authority (national or local) purchasing land destined at the provision of affordable housing. Development in specific target areas of cities can be promoted by financially supporting developers with infrastructure costs. In addition, financial penalties can be set for actors withholding land reserves with the aim of greater future profits. Second, barrier reduction strategies include measures for reducing the hurdles for the provision of affordable housing and make it easier to build. Examples include the relaxation of restrictive design standards or enabling a mixed tenure in as many estates as possible. Third, preserving and offsetting the loss of low-value housing focuses on guaranteeing a low-cost housing stock. This includes measures such as restricting value-increasing redevelopments and encouraging new creative ideas regarding the change of use of existing buildings as well as the assistance of displaced tenants. Fourth, incentives for newly-built affordable housing refer to the reduction of building costs for affordable housing. One of the most common approaches in this category is to increase floor-space entitlements in exchange with guaranteeing affordable housing on site. Fifth, incentives for dedicated affordable housing within new developments can consist of

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voluntarily negotiated contributions between planning authority and developer or mandatory policies specifying an obligation to contribute affordable housing units in all developments of a certain size ("inclusionary zoning") (Gurran et al. 2008: 28–32).

3.6. Financialization of Housing

This section makes the argument for a more thorough discussion of the private housing sector and an integration of recent developments often summarized under the heading of "financialization of housing." Financialization of housing refers to the process by which housing is transformed by global capital and is primarily treated as a commodity for investment, a good providing wealth; on the other hand lies depriving housing from its social function (Heeg 2013). This process of financialization is especially important for the field of housing, though not limited to it. The term is used in a variety of academic disciplines (e.g., history, law, ethnography) and is also applied to general changes in people's everyday lives (van der Zwan 2014).

Friedrich Engels (1872/1975) was a forerunner for the debate on the financialization of housing, because he drew the attention to the shortage of housing for workers in major industrial cities and argued that the housing question cannot be solved as long as a capitalist mode of production prevails. He made the argument that landlords extract the wealth of the working population by renting accommodation to them, without making any productive contribution (Engels 1872/1975). More recently, Harvey (2010) and Piketty (2014) extended the analysis and indicated the extent to which housing serves as an asset and wealth-generator for those who own property and are selling or renting them.

Capital is elementary to housing. Housing is and has always been a capital-intensive field. All sorts of actors, ranging from homeowners to construction companies and landlords, are dependent on financial resources (Aalbers 2019). Nevertheless, in recent years the expression "financialization of housing" suggests a development toward an even starker reliance on financial capital. It can be defined as "the increasing dominance of financial actors, markets, practices, measurements, and narratives, at various scales, resulting in a structural transformation of economies, firms (including financial institutions) states and households" (Aalbers 2019: 31).

A useful distinction between earlier developments related to the role of capital in housing and more recent ones was introduced by the differentiation in financialization of housing 1.0 and 2.0 (Wijburg et al. 2018). Financialization of housing 1.0 started in the new millennium and the years before the financial crisis. It describes the acquisition of different forms of housing, commodified or not, by private-equity funds or other investors. Its main feature is a short-term orientation (3–5 years), with the objective of buying at a small price and selling at a high price. Therefore, it is also termed "primitive accumulation" (Aalbers 2019: 37).

Financialization of housing 2.0 is not a completely different form since it pursues similar objectives, albeit by other means and strategies. This term is characterized by the conversion of real-estate investment trusts and real-estate firms. At this stage of the capital accumulation process, housing units are treated as long-term investment objects for investment funds. In contrast to the expectation, the long-term focus entails the option of trading shares on the stock market, which was not the case under financialization of housing 1.0 (Fields and Uffer 2014; Wijburg et al. 2018).

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The following table summarizes the investment strategies, depending on the type of landlord, and compares it with conventional social housing companies as well. Three different types of landlords are distinguished: social housing company, private equity or hedge fund, and real-estate companies or investment trusts (see Table 4).

Table 4: Investment strategies of different types of landlords

	Company structure (landlord)		
	Social housing company	Private equity and hedge funds (financialization 1.0)	Real-estate companies and real-estate investment trusts (financialization 2.0)
Principal activity	Providing affordable housing for low- and moderate-income households	Buying low and selling high	Managing and maintaining income-producing real estate assets
Debt structure	Fiscal and financial subsidies, bank loans	Low equity and high debt, often through offshore finance (highly leveraged)	Capital markets and offshore finance
Profit vs. risks	Nonprofit, long-term	High risks, high profits, short term	Medium profits, low to medium risks, long term
Tenants	Security of price and tenure	Insecurity of price and tenure	(In-)security of price and tenure

(Source: own representation based on Aalbers 2019: 40)

The financialization of housing has become an increasing problem in recent years, exactly because it prefers the interests of the finance sector compared to the needs of the people, or in the words of Atkinson and Jacobs (2020: 11): “Finance is [...] an increasing problem insofar as it represents a set of interests that disregards human need and works hard to maximize profits.” Referring to the UK housing system, they argue that banks, investors, real-estate companies and a majority of homeowners are the primary beneficiaries of the housing system, not ordinary citizens (Atkinson and Jacobs 2020: 2). A similar point is made by Susan Fainstein in her work *The Just City*, where she argues that the narrow focus on economic growth in planning and urban renewal projects is opposed to the social dimension and has the tendency to contribute to growing injustice in the city

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(Fainstein 2010: 1). In a similar vein, based on the findings of a quantitative analysis of mayoral perceptions, Dlabac et al. (2020) argue that mayors considering the market as the best solution to attend housing needs more often tend to be opposed to the ideal of a just city.

Starting from the premise already presented in the section on the urban growth machine (see Section 2.3.2) that housing has a double character with a use and an exchange value, Holm (2011) discusses the increasing financialization and what housing as a commodity means for ordinary citizens. Financial market players increasingly push the housing and real-estate market, predominantly in attractive urban areas. They invest in prestige objects such as city towers, office, commercial buildings and housing (Holm 2011: 12–14). The latter seems to be a particularly interesting field for investors compared with commercial use, because, in principle, demand remains high even during difficult financial times.

In most European cities, housing is currently an object of trade. It is often a commodified good embraced by market mechanisms. In contrast, decommodification refers to political interventions in the field of housing usually aimed at withdrawing housing "from the sphere of profit-oriented, speculative real-estate markets" (Balmer and Bernet 2015: 179). Decommodification can even become the aim and benchmark of political housing programs and regulations (Holm 2011; 2013).

Norfield (2016) writes from a Marxist perspective and goes as far as conceptualizing the financialization of housing as economic imperialism with negative consequences for the state. Financial institutions are beginning to play a major role in a range of policy fields. Thereby, state retrenchment and a reduction of the services provided by the welfare state are ongoing, and an agenda dominated by the notion of austerity is spreading (Norfield 2016).

Jacobs and Manzi (2019) interrogate and assess the utility of the concept of financialization for housing research in general. Based on case material for the UK, they suggest a framework for the deployment of the concept at different scales, namely, structural, institutional and individual. In an effort to disentangle the different processes involved in the financialization of housing, they say globalization is the context in which financialization is enabled. The globalization of financial markets is a prerequisite for the greater financialization of housing. Neoliberalism provides the ideological background for extending these financial practices, and privatization, commodification and marketization are the terms used for describing its manifestation (Jacobs and Manzi 2019: 14–15).

A recent contribution by Aalbers et al. (2017) focuses specifically on the financialization of social housing, using an example from The Netherlands. The Netherlands have long been described as a pioneer of social housing. The current developments even affected social housing providers. Vestia, a housing association in The Netherlands started to invest on the financial market. As a consequence of some financial losses, Vestia has been re-regulated and then even increased its activities on the financial market by trading with derivatives and other complex financial instruments in order to get more financial resources for investments, a high-risk strategy. The authors conclude that the development toward the financialization of housing is not only shaped by classical financial actors, but also actors such as Vestia looking "for new opportunities in an emerging landscape" (Aalbers et al. 2017: 584).

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According to Fainstein (2016), it is too simple to attribute uneven developments and increasing injustice to financialization itself: “Rather it is the combination of financialization with neoliberal ideology, globalization and the constriction of state-sponsored social welfare and housing affordability programs that underlies the inequities produced by property investment” (Fainstein 2016: 1503). She argues that greater justice in cities is inhibited mainly by the neoliberal design of the state’s role and not by financialization per se. Financialization of housing even provides the opportunity to counteract the lack of affordable housing and the housing crisis, because it seems to be easier to (re-)distribute financialized benefits than money already transformed into concrete structures. However, this potential cannot be exploited as long as a neoliberal ideology coupled with austerity measures inhibit the realization (Fainstein 2016: 1507).

Marcuse (2012) also discusses the process of financialization of housing and offers a critical approach to the currently existing housing shortage. Housing problems result from the fact that most dwellings are privately provided with the aim of making profit. Housing problems “result [...] from the simple fact that the overwhelming majority of housing, both units and services, are privately provided for profit, and given the level of payments required to produce that profit, major parts of the population are not paid enough to afford adequate housing, and will either pay a disproportionate part of their incomes for housing, neglecting food or clothing or health care or education, or go homeless” (Marcuse 2012: 226). The dilemma lies in an imbalance between the income and housing costs of a household, which brings us back to the relationship between the two factors discussed in the section on affordable and social housing (see Section 3.4).

4. Theoretical Synthesis

This chapter first summarizes the theoretical reflections and considerations from other scholars presented in the previous sections and then discusses the very essence of these reflections for the investigation of housing. Based on this, I collect and merge the relevant aspects for the investigation at hand into a conceptual model of governance in housing that can specifically be applied to developments in the field of housing in Western cities and in recent years.

4.1. Summary of the Preceding Sections

At the beginning, I discussed the community power debate, in which two different conceptions of power distribution in urban societies were opposed, an elitist and a pluralist perspective. Although the perspectives differ regarding their conception of how power is distributed in cities, both perspectives have in common that actors outside the classical political sphere are taken into account, e.g., economic actors. This aspect is of particular importance for the following empirical analysis of housing in three urban regions, as is the idea that development projects indicate the actor and power constellation.

The structural-institutional explanatory approach of the urban growth machine describes the interaction among economic and political actors who jointly pursue the overarching goal of economic growth. This overarching goal gives precedence to the conception of exchange value, which sees land and housing primarily as investment objects over their value for the inhabitants

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of a particular area (use value conception). One can understand this distinction as a programmatic orientation; it will be of importance again later on.

The urban regime approach, on the other hand, tries to explain urban power relations and developments based more on individual actions and activities. By doing so, it primarily considers the input side, and the urban agenda lies at the center. It assumes that economic interests in particular are given preferential treatment over other interests and tend to be prioritized. Nevertheless, under certain conditions, other agenda goals, such as the extension of affordable housing, may be given preference. Precisely this aspect – that priorities may vary and may be connected to the constellation of actors – is important to the present analysis.

Urban governance can be used as an umbrella term as well as includes urban regimes. In contrast, however, the focus here often lies on policy implementation and service delivery, rather than on agenda orientation. Urban governance typologies emphasize various characteristics of actors and describe how they work together. A first central aspect of most urban governance typologies is the constellation of actors. Which actors are involved? Who are the most important actors, and how is power distributed among them? Which actor assumes the leadership role? Also of importance in this context is the extent of citizen participation. A second aspect relates to the programmatic orientation and the main objectives of the cooperating actors, whether individually or collectively. Third, the main instruments, policies or types of regulation can form part of an urban governance typology.

Urban governance approaches have the advantage that they are generally more open to the inclusion of developments on other government tiers and do not focus exclusively on the urban level, even though few contributions incorporate the multilevel aspect of urban governance systematically. The functioning and interaction across different government tiers (vertical coordination) is one of the underexplored questions related to urban governance, albeit one central to this analysis.

Another advantage of urban governance approaches is that they offer the necessary analytical flexibility to analyze processes in a longitudinal and comparative perspective. This seems to be important precisely because the present study analyzes city regions embedded in three different national contexts over two decades, in which many things can change (see also Section 5.1). Such a broad theoretical approach seems justified since a limitation to a specific time and a single policy field such as housing occurs.

In the context of housing governance, I distinguish at least three categories of actors that need to be examined in more detail: the state, the market and the civil society or the community (which some authors have given a different name). Based on more complex categorizations of actors from studies on affordable housing, I call for the role of the so-called third sector, including housing associations or housing cooperatives, not to be neglected as well.

What is of primary interest here is not the concrete design of an agenda, but its implementation and how services are provided and designed in concrete terms. Dividing policy instruments into supply-side subsidies, demand-side subsidies and planning instruments (e.g., inclusionary zoning), as proposed by various authors from housing studies, seems to be helpful in this respect.

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The theoretical considerations related to the financialization of housing show the necessity of taking global capital and its increasing importance into account. The financialization of housing is one of the central trends in recent years and is particularly pronounced in urban regions. It poses an increasing threat to the social function of housing and cannot be disregarded in the subsequent empirical analysis. The financialization of housing appears to be linked to the basic orientation and major objectives of housing policies.

4.2. Conceptual Model of Housing Governance

In this section, I introduce the relevant dimensions of housing governance, which provide the background for my empirical analysis of housing in three European cities. I refrain from developing my own typology, however, because the development and application of typologies always serves certain intentions and purposes and involves the decision to highlight certain aspects and neglect others (see also Giersig 2008). Additionally, I think that it often serves the purpose of pressing empirical cases into a certain schema, distorting empirical reality and thereby inhibiting scientific progress. In contrast, working with largely unrelated dimensions has the advantage that there is more analytical flexibility, an asset for the longitudinal analysis of housing governance in three different contexts (see also Sack 2012).

The following figure summarizes the main elements and relevant dimensions for the purpose of this investigation in an own conceptual model linking governance arrangements (independent variable) and actual design of housing policies (dependent variable). The upper part relates to the governance arrangements as actor constellation and distinguishes between four groups of actors, namely, the state or the public sector, the market, civil society/community and the third sector. All of these actor groups are expected to interact, cooperate and collaborate to varying degrees illustrated by the arrows. Institutional reforms are expected to be a central development within the state; they refer to possible shifts regarding the vertical distribution of competencies and powers within the public sector. The lower part concerns the content or actual design of specific policies and entails the programmatic orientation of housing as well as the main policy instruments. It is expected that actor constellation and content of housing policies affect each other.

Although it varies from author to author, which actors are involved in governance arrangements emerges as one of the central dimensions of governance and urban governance – a fact that seems to hold for the governance of housing as well. Simply put, the housing policy of a city or region results from the actions of actors from the spheres of state, market, society and third sector. The actors in these groups are characterized by differing goals and interests. The third sector consists of private nonprofit housing providers such as housing associations or cooperatives (van Bortel et al. 2018). Differences exist not only between the groups, but also within them. It therefore seems reasonable to divide the constellation of actors according to these four categories and to analyze in detail whether relevant actors from each of the category are involved or excluded.

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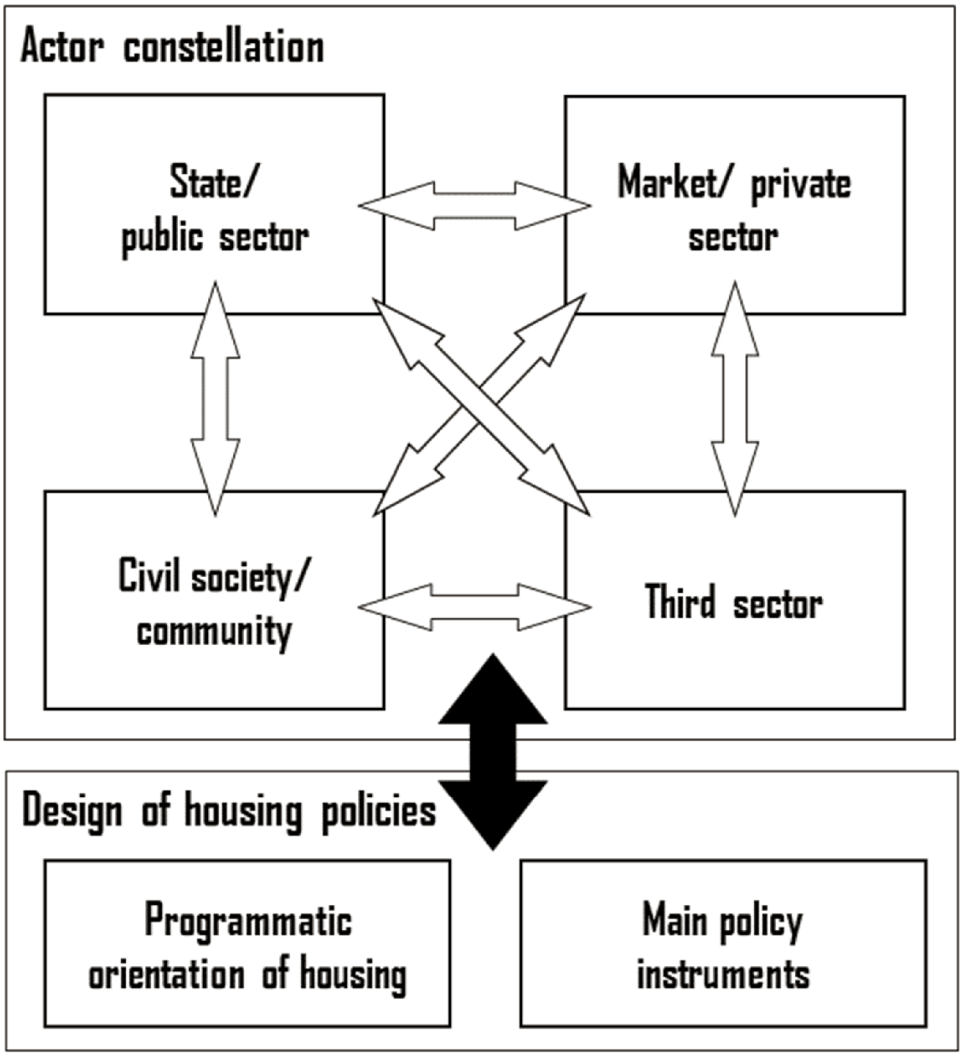
Figure 4: Conceptual model of housing governance



(Source: Own representation)

Regarding the role of the state in housing policy, it seems important to know which level of government is mainly responsible and dominant. In principle, the multilevel character of housing policy should be adequately considered. Not only but also because housing is a market-dominated field and for some authors even a central pillar of the national economy, developments on the national level seem to be important as well. Since the present study covers several years, I also take the aspect of institutional reforms of the state into account. I consider institutional reforms as a central dimension and assume that they take place between the poles of centralization and

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decentralization/devolution and manifest within the field of housing or at least have some spillovers.

Actors from civil society, ranging from individuals, households, grassroots movements to organizations representing interests of certain population group, may also participate in governance arrangements and can have a variety of functions in the field of housing.

I do not list the scope or discretion of cities vis-à-vis the national state or other levels of government within the state as a separate dimension. However, I do take this aspect into account for the case selection, based on existing typologies (typologies of local government systems/administrative traditions) (see also Section 5.1).

A key issue regarding the importance of market actors is also to consider the role of the financialization of housing. When doing so, it is important to keep an eye on global capital markets, national and international investors.

The third sector as an additional category comprises nonprofit-oriented actors on the housing scene responsible for the provision of affordable housing. Depending on the specific context, these can be housing associations, social housing providers or housing cooperatives.

The other two central aspects in the lower part of Figure 4, programmatic orientation of housing and main policy instruments, are related to the specific content or design of policies and the key purpose of regulations in the field of housing. The composition of the housing stock in a given territory and how it develops over time seem to be useful indicators for the assessment of the actual design of housing policy.

Following Atkinson and Jacobs (2020: 39–48), there are two conflicting orientations of housing policies, a social orientation and a profit orientation. This distinction lies at the heart of the current housing crisis in many European countries and cities and in programmatic orientation can be traced back to the early work of Logan and Molotch (1987; 2007), who use the terms exchange value and use value. It is also reflected in the current conception of housing as a basic human need and right versus a highly profitable investment option for market actors. Policies, plans, documents and projects can be assessed based on which of the two contradictory orientations dominates. It is expected both objectives cannot be fulfilled at the same time without creating conflict.

The last dimension refers to the policy instruments that can be used by local authorities. We refer here to the three-part division into supply-side subsidies, demand-side subsidies and planning instruments (see also Section 3.5). Which policy instruments are available in a city or a country, and which of them are actually used, provides information on housing governance. One cannot automatically infer from policies to actor constellations as governance arrangements or vice versa, but if one properly explores the underlying causes of policies, this might at least provide some indication of the constellation of actors.

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5. Methods

Case studies are carried out to analyze and ultimately understand the mechanisms and processes in housing policy. In the case studies, the method of process-tracing is applied which serves to understand the interactions and mechanisms crucial to the occurrence of an observed empirical phenomenon, here the concrete design of housing policy.

Process-tracing is often described as a method for evaluating the causes of specific outcomes in particular cases in which different types of data are combined and analyzed (Mahoney 2012). As is normally the case with process-tracing, here too we processed a combination of different sources of evidence (Beach and Pedersen 2013: 132–37). Process-tracing is one of the most common tools used in social sciences for establishing causal inference in case study research (Bengtsson and Ruonavaara 2011; Bennett and Elman 2006; George and Bennett 2005).

This chapter first describes the case selection for the empirical investigation of housing in more detail, before outlining the data collection process. Finally, I explain the approach for the analysis of the data collected. The chapter ends with a discussion of some methodological limitations of the investigation.

5.1. Case Selection: A Three-Stage Procedure

The selection of the cases to be analyzed is done in three steps. First, the decision between single and multiple comparative case study has to be made. Second, there is a need for limiting the scope of the analysis to a specific context or country. Third, within this context or country, a city has to be selected.

5.1.1. Decision between single or multiple-case study

The first decision is made between single or multiple comparative case study. Both methodological approaches have their advantages and disadvantages (see Gustafsson 2017 for an overview). Nevertheless, there seems to be a consensus in the scientific community that a combination of single-case study and comparison over several cases is most likely to allow causal inference (George and Bennett 2005: 18). The present study therefore makes an attempt to combine several case studies to provide comparative insights. However, the first step is to focus on the individual case lying at the heart of the investigation; comparative insights can be gained in a successive second step.

Various contributions from the governance literature point to the necessity of conducting multiple-case studies. Comparative research across national contexts is important because the insights and assumptions emerging from a single-case study can be questioned and provide a more refined perspective (da Cruz et al. 2018; Skelcher et al. 2013: 17). In addition, a single-case study approach entails the danger that cross-national differences are not adequately taken into consideration, as is frequently the case in the governance literature. The special features of particular contexts should be incorporated and can lead to a significant gain in knowledge in a research field (Skelcher et al. 2013). Every empirical case study is characterized by a unique constellation of explanatory factors.

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Combining several case studies thus enriches the whole analysis. An analysis of causal mechanisms in highly different contexts can even increase the validity of conclusions made from one case (Levi-Faur 2006). As Sellers (2002: 308) mentions on several occasions, a comparison of several cases across national contexts has the advantage, first, that it can highlight subtle differences in governance arrangements that would otherwise have been overlooked; the comparative approach provides an indication of the wide variety of governance arrangements that vary within countries and across urban regions (see also John 2001: 175). Second, it also helps to identify common developments that take place across national borders (Sellers 2002: 378).

Clearly, this empirical richness does not facilitate the whole investigation. For example, the meaning of concepts can vary depending on whether the context or data comparability is not granted, or whether there are other differences that are important for the analysis, which must first be detected (Goerres et al. 2019).

My intention is to identify the similarities and differences in housing and governance structures over time and to show the consequences this has in terms of concrete policies. When the value of the dependent variable is unknown and hard to measure, as in the case of housing-policy outcomes, selecting cases on particular independent variables is a common approach in comparative case study research. Fairfield and Charman (2019) argue that almost any case selection is informative, so we should not obsess over case selection.

5.1.2. Selection of national states

Case selection is inspired by existing typologies, in which European countries are divided into several groups based on the setting they provide for governing the local level. The goal is to have a large variance regarding the local political context, because this seems to have profound effects on decision-making and its actual consequences (Koontz 2005), shaping the behavior of local political actors (Lowndes 2009: 102). Many different typologies have been proposed, emphasizing different criteria for the construction of types (Goldsmith and Page 2010; Hesse and Sharpe 1991b; Kuhlmann and Wollmann 2014). One of the most cited typologies was elaborated on by Hesse and Sharpe (1991a) and has been assessed as “a good baseline from which to judge the evolution from government to governance” (John 2001: 31).

Hesse and Sharpe (1991a) distinguish three types of settings. In the Northern and Middle European settings, local governments have a high financial independence and are generally rather autonomous in the policy-making process and in economic terms, too. There, processes are often consensual and more open to the influence of different stakeholders (Bäck 2005: 88–93). In the Anglo-Saxon setting, on the other hand, local governments have a comparatively weak legal and political status and are mainly seen as service providers without a big amount of autonomy. Deeply rooted in their culture are community involvement and the willingness to open up the policy-making process to different stakeholders (Carpenter 2016). In countries from the Napoleonic tradition, finally, mayors often have a rather strong position, with the political function of bridging a highly centralized administration to the needs of their municipality and city region (Hesse and Sharpe 1991a).

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Recent contributions have taken up these differences and further refined them. In their international classification of administrative traditions, for example, Painter and Peters (2010b) look at the dimensions of legal tradition, state-society relationship, administrative organization and public service across the world. Based on these dimensions, they distinguish four country groups in Western Europe: Anglo-American, Napoleonic, Germanic and Scandinavian (Painter and Peters 2010a: 20). It is usually argued that countries from the Scandinavian group and federal systems in the Germanic group show significant overlap because of their common legal tradition in Roman law and high local autonomy (Kuhlmann and Wollmann 2014: 18).

The next step is to limit study to one country in each of the three groups of administrative traditions. The Anglo-American administrative tradition is epitomized by the United Kingdom, and Great Britain is selected as country. France is seen as the classical example of the Napoleonic administrative tradition and therefore selected for the present investigation. From the Germanic/Scandinavian tradition, Switzerland is selected as country for investigation. Though Switzerland is not a typical example of the respective tradition, the reason for choosing Switzerland lies in the familiarity of the research team with the respective tradition.

To what extent are typologies relevant to the subsequent empirical study on housing governance? Ultimately, we can derive different expectations regarding housing governance in the three contexts. The Napoleonic context is characterized by a strong centralist state: Laws are a means to intervene in society and regulate the relationship between the state and its citizens. In terms of housing policy, a more interventionist attitude of the state is therefore expected here. A corporatist form of governance dominates in the Germanic context: Public action is often carried out more in cooperation or through nongovernmental organizations, which are entitled to represent economic and social groups. The expectation here is therefore to observe a closer form of cooperation between state, private and civil-society actors in housing policy. Federalism also means that the local level plays an important role in housing policy. In the Anglo-American context, the market and civil society play major roles, and the liberal state plays a comparatively reserved or restrained role. In addition, the local government level is comparatively weak. The expectation here is therefore that the private sector tends to play a strong role in housing policy because of these characteristics (Painter and Peters 2010a: 20–23).

These expectations remain relatively general, partly because various contributions to urban governance showed that urban governance can take very different forms depending on the respective context. There seem to be huge differences between countries and localities: “The differences here are so large as to defy any easy generalization. Patterns of change do not reflect simple categorizations based on the distinction between federal and unitary systems or between Northern, Southern and Anglo local government systems” (Denters and Rose 2005b: 261).

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This restriction to the three administrative traditions and national contexts has two advantages. First, it covers the different types of rental housing markets as initially formulated by Kemeny (1995) – and further developed and refined in recent years (Kemeny et al. 2005).[6] The second advantage lies in its coverage of different traditions of planning systems that are idiosyncratic to the respective administrative tradition (Nadin and Stead 2008). Planning systems to some degree inform which planning instruments are available, which refers back to Section 3.5.3.

5.1.3. Selection of cities within national states

The analysis focuses on the urban level, because that is where a large variety of governance forms and regulatory approaches regarding housing exists (Le Galès 2002); the focus on cities also emerges from the overall project. The selection of cities is done purposively (nonrandom). Focusing on the urban scale also makes sense, because that is this level where governance and the outcome of housing policies finally manifest.

From each of the three countries – France, Switzerland and the United Kingdom – one city is selected that is not the capital. The reasoning behind this is as follows: Seawright and Gerring (2008) point out the danger of internal heterogeneity within subcategories used for a diverse case selection. In order to guarantee some kind of typicality, "[a] case study should not focus on an atypical member of a subgroup" (Seawright and Gerring 2008: 301). Taking this into account, one noncapital city is selected from each of these three countries and corresponding administrative traditions (Anglo-American, Napoleonic, Germanic/Scandinavian group). Why not select capital cities? A capital city is often an atypical, unrepresentative city of special status: National and local politics are particularly linked, and the city and their leaders can mobilize extra resources for housing and planning as well. For example, the accumulation of electoral mandates is particularly prevalent in the French capital of Paris, where local political figures such as mayors often also hold elective positions on upper levels (Wollmann 2008: 287). Such cities are less representative and therefore provide limited insights into the larger universe of cases (Gerring 2008).

Which cities are specifically selected within the respective administrative traditions and countries? First and to make the cases comparable, despite the big contextual heterogeneity, I focus on growing cities instead of shrinking cities, where population figures have been rising over the last 20 years. Second, I limit my choice to cities in which the general tendency is one of economic growth in recent years. The main argument for choosing growing cities experiencing economic growth is that both of these developments put pressure on the local/regional housing market, which necessitates local authorities and their respective partners to react with policy instruments. The final case selection and how it is related to other cities embedded within the same context is presented in the following table.

[6] Dual and unitary rental housing markets were initially distinguished by Kemeny (1995), see also Chapter 3.1. Recent developments on the housing market led to a reformulation of the initial typology, so that Switzerland was described as a unitary system (Kemeny et al. 2005).

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Table 5: Final case selection and respective criteria

City	Administrative tradition	Population trend	Economic performance	Comparable cities in the same national context
Zurich	Germanic/Scandinavian	Growth	Growth	Basel, Geneva
Birmingham	Anglo-American	Growth	Growth	Newcastle, Liverpool
Lyon	Napoleonic	Growth	Growth	Marseille

(Source: own representation)

From the Germanic/Scandinavian group of countries, I selected Switzerland. Like the other countries in this group, Switzerland is characterized by a strong role of local government and a large degree of autonomy, although it also deviates substantially from this group because of its highly developed direct democratic rights. Zurich is the biggest city in Switzerland, with a population of around 434,000 in 2019. Population figures peaked in 1962 at more than 440,000 inhabitants and decreased steadily until 1989 to no more than 355,000 inhabitants. Since then, the values have started to rise again and continued their upward trend until today (Stadt Zürich 2020). Faced with a growing population, the city is confronted with considerable housing shortages, together with growing disparities within the city. Although the nonprofit housing sector in Switzerland is small, there are notable exceptions especially in urban areas. The city of Zurich has a long tradition of cooperating with housing cooperatives. Zurich is even the Swiss city where the nonprofit sector is highest, amounting for more than 18% in 2000 (Schmid 2008: 31). Together with the city's own stock, about a quarter can be described as affordable (Balmer and Bernet 2015). Zurich is the economic heart of Switzerland and is known as a center of financial and insurance services. The city ranked 13 in the list of Europe's major business cities from 2010 (Rossall and Gorman 2010).

Birmingham is selected from the United Kingdom and the Anglo-American group. It is the second-largest city of the UK, located in the West Midlands. From its peak in the 1950s, its population declined steadily until 2001 (977,000) but has since risen to 1.12 million (2016). The city of Birmingham is the largest single social housing provider in the whole of the United Kingdom, managing a stock of roughly 90,000 dwellings in 2001. It is a pioneer in the provision of housing as a welfare service. The local authority has been able to retain a significant proportion of dwellings despite contrary developments at the national level (Daly et al. 2005: 332). Birmingham is a former industrial city known for its automotive sector. Since 1971, the city has more or less consistently grown in economic terms, albeit well below the national average (Martin et al. 2019). Nevertheless, it is a city of comparatively high economic attractiveness, ranking 18 in the list of the European cities monitor (Rossall and Gorman 2010).

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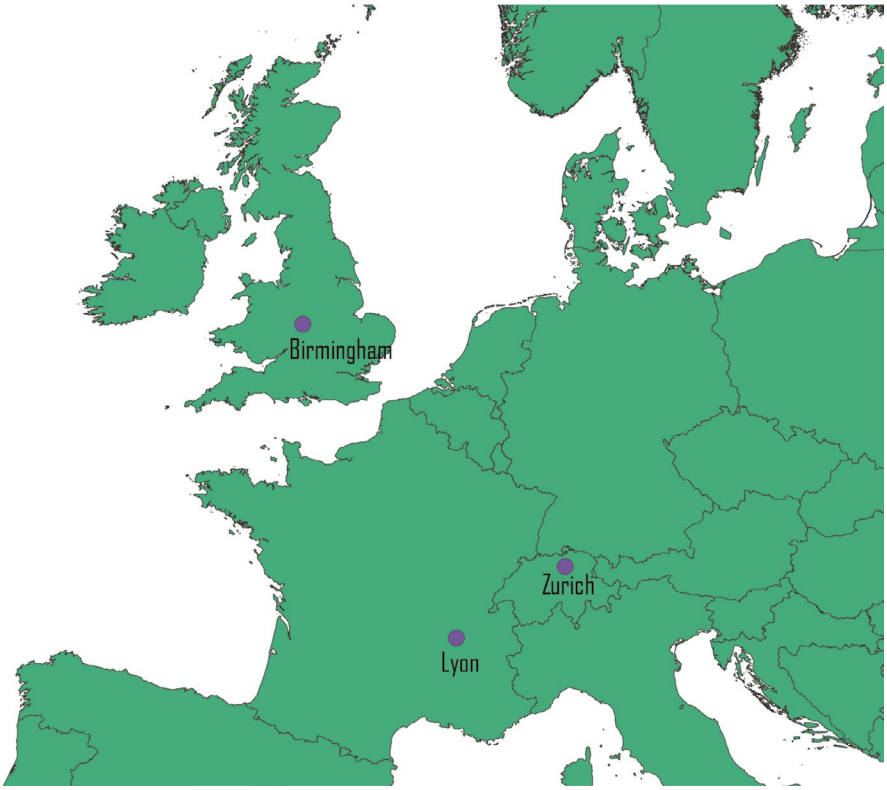
France is the country selected from the Napoleonic group. In France, besides the capital Paris, the second and third largest cities – Marseille and Lyon – are embedded in a similar national institutional context. Institutions for intermunicipal cooperation were established in all three city-regions with national decentralization laws of 1982 – and even earlier in Lyon (Hoffmann-Martinot 1999). From these two cities, Lyon is selected, because it is a forerunner regarding metropolitan governance. Induced by the city of Lyon, an integrated metropolitan structure developed in the agglomeration. The population in Lyon rose from 445,000 in 1999 to 516,092 in 2017. With this growth come concerns about urban development and the pressures of growth on housing. The social housing share was 17.8% in 2002 but increased steadily to 19.8% in 2015 (Ministère de la Cohésion des territoires 2020). Lyon is known for its long tradition of cooperating with civil-society actors in providing accommodation for low-income households (Ball 2012). However, there are great disparities between areas both within the city and within the broader agglomeration (Galimberti et al. 2017). Following the decline of the silk-weaving industry, the economic development was stimulated once again, leading to place 19 in the European cities monitor (Rossall and Gorman 2010).

The exact location of the three urban regions in Europe is illustrated in the following map (Figure 5).

Figure 5: Location of the three urban regions in Europe



(Source: own representation)

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The analytical goal of this case selection lies in understanding each of the three cases and distinguishing between nonsystematic causal mechanisms related to housing governance, which are unique to a specific case, and systematic causal mechanisms, which may operate across a range of cases. Methodologically, the approach chosen here is based on case-sensitive process-tracing to explain outcomes.[7] It is a case-centric approach in the sense that case-specific causal mechanisms producing the outcome are central and are closely linked to the particular case. Understanding the causal mechanism in a particular context is the main goal of such studies, and theories often provide help for building explanations for a particular outcome. In the end, such studies usually aim at making generalized theoretical claims (Beach and Pedersen 2013: 16–36). Applying this methodological variant of process-tracing to explain outcomes to the three very heterogeneous cases Birmingham, Lyon and Zurich reveals a large variance regarding the administrative tradition and ultimately allows a systematic distinction between similarities and differences regarding housing governance.

5.2. Data Basis and Collection

I analyzed a combination of primary and secondary data sources, which provide a more complete, in-depth understanding of the research phenomena (e.g., Creswell 2003). I therefore combined information on laws, programs and specific projects, which minimizes the danger of selectivity and bias (Thies 2002). The triangulation of several data sources ("data triangulation") can enhance the validity of the findings.

The primary data consist mainly of qualitative interviews and photographs taken during visits to the cities for the qualitative interviews. The secondary data consist of quantitative datasets from national and municipal statistical offices as well as various types of text documents.

The data collection process applied for the current investigation can be divided into three broad phases, briefly summarized in Figure 6.

Figure 6: Data collection process

(Source: Own representation)

[7] In the academic literature, there is often a distinction between three types of process-tracing: theory-testing, theory-building and explaining outcomes. These types can be seen as quite different methods with various underlying assumptions. They "differ regarding whether they are theory- or case-centric, along with what they are actually tracing and the types of inferences they enable" (Beach and Pedersen 2013: 22).

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First, I collected secondary data and literature to obtain insights into housing-related developments in the three cities. Second, I conducted the primary data collection via qualitative interviews based on the collection of secondary data and statistics. Third, I supplemented the insights gained from the analysis of the secondary and primary data by a further, more focused search for secondary literature and data, mainly in the form of newspaper articles and additional official documents from the respective governmental level.

5.2.1. Secondary data

Following the suggestions by Andranovich and Riposa (2012) on data collection in the urban setting, I collected and filtered as much data as possible concerning research interest, questions and temporal limitation. I thereby considered not only data sources provided by national or local governments, but also data sources produced by nonprofit organizations and commercial actors. For the present study, this ultimately meant considering that all documents of different origins relating to housing or housing policy in one of the three cities and national contexts over approximately the last 20 years as potentially relevant secondary sources. However, I did relax the time limit a little: In order to better understand the situation around 2000, I sometimes had to go back a few years.[8]

The following sections describes the secondary databases for all three cities separately. The international comparative character of the present study means that the corresponding data and documents cannot be found at some central location. Instead, the location is case-specific and has to take the respective context into consideration – and not all the potentially relevant data are available for all contexts (Goerres et al. 2019).

The main sources in all three contexts include the publications of the administration as well as scientific contributions, including research papers, journal articles, research reports by other researchers, newspaper articles and various websites with further information.[9]

Secondary data in Zurich included, first and foremost, the city's various publications, e.g., legislative focal points, including in particular those of the Office for Urban Planning (*Amt für Städtebau*), Urban Development Zurich (*Stadtentwicklung Zürich*) and the Statistical Office of the City of Zurich.

They were supplemented by media contributions, in particular articles from Zurich's daily newspapers, i.e., *Neue Zürcher Zeitung* (NZZ) and the *Tages-Anzeiger*, but also contributions in other media outlets such as the more left-wing weekly newspaper *Wochenzeitung* (WOZ) or Swiss radio and television (SRF). Another source were the publications of the Federal Office of Housing (BWO, *Bundesamt für Wohnungswesen*), which is responsible for housing policy at federal level and monitors developments at other levels. Cantonal publications, including explanations of laws

[8] Originally, it was even planned to examine the period from 1980 to 2020, but this turned out to be a too ambitious goal.

[9] Most newspaper articles used in this dissertation were accessed via the Factiva press database provided by Zurich's central library (Zentralbibliothek Zürich). For some newspaper articles, there was no information about the number of the issue or the respective page number available.

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and reports, were also taken into account. Articles in the magazine of the tenants' association (MV, *MieterInnenverband*) called *Mieten+Wohnen*, as well as publications of the homeowners' association (HEV, *Hauseigentümerverband*) were also analyzed.

The datasets used are all official ones, in which policymakers and institutions usually have more confidence (Corbetta 2012; Young and Ryu 2012). For the distribution of dwellings within the city of Zurich and the share of different ownership types, data come from the Statistical Office of the City of Zurich.

In Birmingham, a large proportion of the publications analyzed on housing policy and urban development come from the city administration as well, called the Birmingham City Council (BCC), including development plans or the Strategic Housing Market Assessment for example. Some of the reports were not available online and had to be obtained by the project partners from Birmingham (see also Section 1.2) locally at the city library, which has a special section for publications on Birmingham, the so-called "Birmingham Collection." Other relevant text material was obtained from the national Department for Communities and Local Government and the Ministry of Housing, Communities and Local government (MHCLG).

Media articles stem from the British daily newspaper *The Guardian*, the British Internet newspaper *The Independent,* the local tabloid *Birmingham Mail* (formerly known as *Birmingham Evening Mail*) and the weekly newspaper *Birmingham Post*. These sources were supplemented by text documents from the British nongovernmental organization for the homeless Shelter, which can be regarded as a critical observer of British housing policy.

Statistics are provided by the Ministry of Housing, Communities and Local Government (MHCLG) and the Office for national statistics (ONS), for example, on the housing stock by tenure over time.

In the case of Lyon, in addition to the municipal publications, publications of the metropolitan government – which has far-reaching competencies in housing and urban planning – played an even greater role. Some of the publications and some of the data are from the urbanism agency *UrbaLyon* (*Agence d'urbanisme aire métropolitaine Lyonnaise*).

Media articles mainly come from the monthly investigative magazine *Lyon Capitale*, the independent journalistic platform *Rue89Lyon* and the regional daily newspaper *Le Progrès* based in Lyon. In addition, some publications of *Millénaire3*, a platform created by Grand Lyon with forward-looking contributions concerning the agglomeration, were also taken into account.

Some information also comes from contributions by the electronic scientific journal *Métropolitiques*, which publishes discussions on cities, territories and architecture, and by the *Fondation Abbé Pierre*, a charity supporting homeless people in France.

Statistics come from *UrbaLyon*, the statistics portal of the metropolitan government of Grand Lyon and the national institute for statistics (INSEE, *Institut national de la statistique et des études économiques*).

To get access to documents that were not available in Switzerland or online, I visited the municipal library in Lyon (*Bibliothèque municipale de Lyon*) several times, scanning relevant documents for further analysis.

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5.2.2. Primary data

In order to get to the bottom of developments in housing policy and changes in governance and to identify the key periods of these developments, I rely on the knowledge of local experts. Therefore, I conducted qualitative guideline-based interviews to complement the secondary data. I drew up a guideline in which questions are specified, but the interviewees are given a great deal of leeway in answering them (Meuser and Nagel 2009). The questions are derived from the objectives of the overall projects and considerations in the theory chapter synthesized in my own conceptual model of housing governance (see Section 4.2).

The interview guideline included questions about important developments in terms of housing and urban policies during the last 20 years, relevant actors and their interests and processes such as segregation and gentrification.[10] Since I examine cities from three very different contexts here, the guide must take these particularities into consideration.

First, this circumstance was taken into account by adapting the language. The guide was therefore translated into the official language of each city (German in Zurich, English in Birmingham and French in Lyon). Second, the specific features of the three cities were taken into account by reformulating some of the questions and words and adapting them to the respective context. All three complete interview guides can be found in the Appendix. The interview guide was slightly adapted for each interview, i.e., some questions were added or omitted depending on the presumed knowledge of the interviewed person.

Because the focus of this study is on governance and policies in the field of housing, a central element in the selection of interviewees from the three case study cities was to cover as wide a range of actors with different interests as possible, i.e., public actors, private market actors, civil-society actors and representatives of social housing providers (third sector). However, for various reasons, this was not possible in all cities to the same extent.

I conducted a total of 10 interviews in Zurich between 15 January and 26 April 2019. During the first three interviews, other members of the project team were present as well.[11] Interview 10 was conducted in the presence of the communication manager of the homeowner's association (see Table 6). Unfortunately, no current representatives of the city administration were willing to conduct a face-to-face interview: They either refused the interview request directly or had to cancel it at short notice because of a heavy workload. At least one person from the city administration of Zurich answered the interview questions in written form, and a former planner and city council member represented the perspective of the public sector as well.

[10] Some questions not directly relevant for this thesis were asked as well.

[11] For interviews 1 and 2, a project partner from University of Birmingham fluent in German was present, while the project leader from the University of Zurich participated in interview 3.

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Table 6: Overview of interviews in Zurich (15 January 2019 to 26 April 2019)

#	Organization	Function	Other persons
1	Office for urban planning (City of Zurich)	Former head of spatial planning	yes
2	National housing cooperative	Former president	yes
3	Foundation for the procurement of housing (*Stiftung Domicil*)	Member of the foundation board	yes
4	Regional housing cooperative	President	
5	Foundation for the preservation of low-priced residential and commercial space in Zurich (PWG)	Former president and founding member	
6	Communication agency	Networker for center-right parties and real-estate sector	
7	Communal parliament and tenant's association (*MieterInnenverband*)	Former parliament member (left wing)	
8	Swiss Federal Railways (SBB)	Project manager real estate	
9	City council/communal executive (City of Zurich)	Former member and past head of the building department	
10	Communal parliament and homeowner's association (HEV)	Parliament member (center-right)	yes

Some interviewees held more than one relevant function related to housing and were therefore particularly suitable for interviewing, including current or former members of the municipal parliament who simultaneously represented the tenant's association, or the homeowners' association and a former scholar.

A total of 11 interviews were conducted in Birmingham between 11 February 2019 and 3 May 2019 (see Table 7). The first four interviews took place between 11 February 2019 and 14 February 2019; the remaining seven interviews were conducted between 29 April 2019 and 3 May 2019. Three people were present in each case: the person being interviewed, the project partner in Birmingham (Liam O'Farrell) who conducted the interviews, and myself.

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Table 7: Overview of interviews in Birmingham (11 February 2019 to 3 May 2019)

#	Organization	Function	Other persons
1	Consulting firm in urban and regional policy	Planner and former Assistant Director of Birmingham City Council	yes
2	Planning department (Birmingham City Council)	Planning policy manager	yes
3	University of Birmingham, Birmingham City Council	Project manager and urban research project coordinator	yes
4	Birmingham City Council	Integrated service head in a community center	yes
5	Cabinet (Executive) (Birmingham City Council)	Cabinet member from the Labour Party	yes
6	Regional Housing Association	Public Affairs and Policy Manager	yes
7	Birmingham Municipal Housing Trust (Birmingham City Council)	Housing Development Manager	yes
8	Planning and Regeneration (Birmingham City Council)	Assistant Director	yes
9	International company for building construction and civil engineering	Executive property consultant	yes
10	Inclusive Growth domain (Birmingham City Council)	Acting Director	yes
11	Partnerships, Insight and Prevention Directorate (Birmingham City Council)	Assistant Chief Executive	yes

Most interview partners were recruited through the existing networks of the project partners in Birmingham. A large proportion of the interviewees are therefore employed by the Birmingham City Council (BCC) or have a connection to the BCC. I also requested civil society actors and other representatives of the market, but no interview date could be arranged with them during my visit to Birmingham. Although various interview partners can provide information about the perspectives and interests of these actors, the overrepresentation of the BCC must be kept in mind for the following analyses.

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I conducted a total of 10 interviews in Lyon between 19 June 2019 and 29 August 2019, which lasted 38–70 minutes each. In preparation for the qualitative interviews in French, I took a language course (applied vocabulary B1–B2) during the spring semester 2019 between 20 February 2019 and 22 May 2019 for improving my oral skills. Nine out of 10 interviews were conducted in Lyon. Interview #5 was performed on the phone without my recording it. In two interviews, other persons were present as well: another project manager (Interview 1) and a staff member responsible for organizing housing-related workshops (Interview 7).

Table 8: Overview of interviews in Lyon (19 June 2019 to 29 August 2019)

#	Organization	Function	Other persons
1	Civil society organization (ALPIL)	Project manager	yes
2	Civil society organization (*Fondation Abbé Pierre*)	Former area leader	
3	Metropolitan parliament (*Conseil de la Métropole de Lyon*)	Metropolitan parliament member from a Left Party	
4	Delegation for solidary development, Housing and Education (*Grand Lyon la métropole*)	Project leader for housing	
5	Social and private housing provider active in the region	President	
6	Metropolitan social housing provider	President	
7	Urban planning agency (*UrbaLyon*)	Research officer	yes
8	Metropolitan social housing and office space provider	Project leader	
9	Metropolitan executive (*Conseil de la Métropole de Lyon*)	Member of the metropolitan Executive (vice-president)	
10	University of Lyon (*Université Lumière Lyon 2*)	Researcher on real estate, space and socialization	

I requested an interview with various other actors in the housing market, such as the association of real-estate agents in the region and several private developers. However, none of them were willing to conduct an interview, maybe also because the request was sent before public holidays in France.

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Of the total 31 qualitative interviews conducted for this project, 30 were recorded, though the telephone interview (Lyon) was not. In addition, the questions from the guidelines were answered in written form by one person from Zurich.

I visited the cities not only to conduct the qualitative interviews on site, but also to explore the concrete manifestation of housing policy in the field and to enable an objective observation of the research object on site. For example, I visited neighborhoods characterized by high-rise buildings with a high proportion of social housing or areas affected by major upheavals (e.g., large urban renewal projects), after having become aware of these areas through the project and interview partners or based on the secondary literature. During my field research in those cities and regions, I also made use of the "power of photography." As Doucet (2019) argues, photographs are an ideal medium to document developments and changes in cities. In this context, buildings can to a certain extent be a manifestation of urban development and housing policy. The photographs presented in the empirical part (see Sections 6, 7 and 8) were taken with a Nikon D810 full-format camera.

Furthermore, and in order to gain additional insights on developments in the social-housing sector in Lyon and globally, I attended the International Social Housing Festival 2019, which took place from 4 to 8 June 2019 in Lyon. Besides visiting exhibitions on housing cooperatives in Zurich or the model of social housing in Vienna, I attended workshops on possible interventions of cities in view of rising rental costs, the importance of land for the supply of affordable housing and the urban transformations in various districts in Lyon (e.g., La Duchère, Cité Mignot).

5.3. Data Analysis

As discussed at the beginning of this chapter, I chose process-tracing as the within-case methodological strategy for analyzing the three cases. The choice for the within-case approach of process-tracing is justified for two reasons. First, comparative housing studies are often descriptive in nature and do not aim at finding evidence for causality working between concepts (Bengtsson and Ruonavaara 2011). Therefore, applying a method like process-tracing to the field of housing seems to be particularly suited for an investigation, in which the processes and mechanisms working between different concepts, here actor constellation in governance arrangements and actual design of policies in housing, are being investigated. Second, a specific feature of housing – its general sluggishness – qualifies it for the application of a method like process-tracing. "A housing stock produced over centuries and decades of building activity creates a powerful historical heritage for any governments to adjust to when making housing policy decisions" (Bengtsson and Ruonavaara 2011: 398).

Process-tracing allows one to take into account that different complex paths can lead to the same or similar outcomes, for which the term "equifinality" is often used (see Brady and Collier 2010). In each city, the methodological approach allows investigation of the role of different actors, but also disentangling the effects of other governmental levels as well as alternative explanations such as economic developments.

The collected secondary data and the qualitative interviews conducted are processed in different ways. The next chapters describe the respective procedure for secondary and primary data.

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5.3.1. Secondary data

The analysis of the secondary data was structured thematically without using sophisticated software. The documents were stored in a city-specific folder system, which is structured as follows: There are four folders for each city: scientific articles, media articles, publications of the authorities and datasets/maps. These are further subdivided into the topics of urban development, housing and a category combining both of them for sources, in which both issues were discussed.

All documents collected in this way are uniformly labelled with author, year and short title. If not already available, they were converted into pdf and searchable text after the scanning procedure. Text passages relevant to the research interest were highlighted and partly supplemented by my own notes. This procedure subsequently made it possible to find the relevant topics and corresponding documents using the search function, even across the folder structure. As Bowen (2009) noted, careful handling of such documents is important, and triangulation with further data sources should be performed during the analysis to strengthen the confidence in the data as a whole.

5.3.2. Primary data

This section illustrates and makes transparent the methodological procedure used for analyzing the primary data, which primarily consists of the interviews. The process of analysis consists of various steps, during which various insights were gained that are not discussed in detail in this dissertation (see Appendix 4: Interim Results of Interview Analysis).

First, all 30 recorded interviews (11 in Birmingham, 9 in Lyon and 10 in Zurich) were transcribed. The transcripts for Zurich and Lyon were done by two bachelor student assistants at the IPZ based in Zurich. The interviews in Zurich were transcribed to German, the interviews in Lyon to French. Transcripts of all the Birmingham interviews were by a professional transcription service based in Scotland (1st Class Secretarial Services).[12] For the transcriptions, accentuations such as the special emphasis of a word, delay signals or nonverbal actions such as coughing or laughing were not transcribed (see also Dresing and Pehl 2018). Subsequently, the interviewer went through all the transcripts and listened again to the records, focusing especially on the sections that remained unclear to the transcribers. This strategy of proofreading by the interviewer, who is more familiar with the interview topic than the transcriber, increases the accuracy of transcripts (McLellan et al. 2003).

Second, the transcripts were coded. Because of the different languages in each context, coding was done separately for each of the three cities. To summarize the extensive text material, the coders arranged passages thematically according to codes developed based on the theoretical discussion above (see Chapters 2 and 3). This procedure allowed theoretical generalizations and thematic comparisons across the individual interviews (Meuser and Nagel 2009: 476–77). We used the software NVIVO Pro 11 for qualitative content analysis. The use of this software does not replace the manual qualitative content analysis, but it does allow a more efficient and accurate evaluation

[12] For the case study reporting, the German and French interview passages were translated into English with the support of a translation software.

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of the data at hand (Welsh 2002). The practical ideas described in the manual for NVIVO for building and efficient node hierarchy were respected. This means that node names were kept short, we tried not to force nodes into a hierarchy, and we did not nest nodes more than three levels deep (QSR International 2016).

For all the parent nodes on a hierarchically higher level, we turned on aggregation for the subnodes into the parent node. For example, if a text passage was coded with "creative economy as incubator," this node was aggregated also into the parent node "gentrification," therefore increasing the number of codes in the parent node.

Third, all of the nodes were examined, producing a regrouping, reordering and refining of the existing system of codes. This happened after all sources had been first roughly coded. We checked whether a node with different name, but similar meaning, appeared twice. If yes, we merged those nodes into one, using the more adequate of both names for the retained node (QSR International 2016: 27). Similar thematic issues were merged in similar codes, duplicates were deleted or reframed. This resulted in a reduction of the number of codes for each city. For the case of Zurich, this procedure resulted in a reduction of the number of parent nodes (superordinate nodes) from 158 to 103. For example, all text passages relating to land policy were grouped together in the parent node "Land and Soil Policy," including passages on land funds, land as a scarce resource, the transfer of land to housing cooperatives and the respective sections, where the term soil (in German: *Boden*) was used as a synonym for land (in German: *Land*).

The photographs taken during the visits were stored on an external hard disk in city-specific folders. The images ultimately used in the empirical part were then edited with Adobe Photoshop 2020. No fundamental changes were made, only basic corrections, such as cropping the image, correcting minor errors (spots on the image sensor) and subtle corrections in exposure, colors and sharpness.

5.3.3. Case study reporting

The actual analysis of the collected data then took place during the writing of the case studies. In this process, we brought the different types of evidence together based on the theoretical considerations, research and interview questions to finally arrive at a rich and complete explanation. As Yin (2014: 127) convincingly demonstrated, case studies follow a fundamentally different logic than quantitative evaluations using statistical material, where relatively clear guidance can be obtained. How the evidence is arranged and presented ultimately depends on considerations made by the researcher. Thus, we made the attempt here to present all the empirical material, the evaluations of the qualitative interviews with the help of NVIVO Pro 11; the tables were based on the collected quantitative data as well as the map material produced from them, in a way that allowed us to draw meaningful and convincing conclusions.

The crucial phase of implementing case studies is where, similar to detective work, the aim is to condense the types of evidence collected into an overall picture. As is often the case with case studies, the analysis in this study did not represent a linear process but was characterized by going forth and back in order to more precisely understand the individual processes. During the writing process and the first reading, it became apparent that certain aspects needed to be deepened further,

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while others could be defined more broadly, which ultimately corresponds to the tradeoff between depth and breadth common in case studies.

More precisely, based on the entire empirical material, we first attempted to write down a more or less chronological account of developments in the housing sector in all three cities for the period between 2000 and 2020. This analytical step is often described as the *ideal-typical approach* followed by historians and tends to be rather descriptive. This narrative was then revised and supplemented and expanded with analytical explanations inspired by the theoretical considerations. We took care to strike a balance between an accurate historical analysis of the cases and the elaboration of a theory-focused explanation. In addition, we worked with graphical representations of housing governance as a supplement in order to transform descriptive explanations into more analytical ones (see also George and Bennett 2005: 75–76). In this phase, complementary secondary sources of information were sometimes necessary, for example, to better understand the origins and process involved in the elaboration of certain housing policies.

Developments are sometimes attributed to personalities. However, this partially obscures the underlying processes and results in an oversimplification. During the writing of the case study reports, the historiography should therefore be viewed critically and questioned, and a detachment from personalities should take place, where this seems appropriate based on the empirical evidence at hand. In addition, reference to the concepts discussed in the preceding theoretical chapters should be made, so that conclusions can be drawn that can also be transferred to other contexts (see also Bengtsson 2015).

5.4. Reflections about Potential Limitations

The first methodological limitation relates to case selection. As various authors have discussed (Goerres et al. 2019), a research design that provides for a comparative investigation across different national contexts faces numerous challenges. While the diversity of cases adds to the enrichment of the study, it inevitably implies a loss of precise knowledge of the individual context. We already noticed this in the course of data collection, when it became clear that the three city regions differ in terms of whether there is a metropolitan level and how important this institutional level is in planning and housing.

The second limitation relates to the qualitative interviews conducted. On the one hand, it was not possible to interview actors from all four categories (civil society, public, private and third sector) as originally intended. In Zurich, the public sector was underrepresented, i.e., no direct interviews with current representatives of the administration were possible. In Birmingham and particularly in Lyon, the private sector was underrepresented. On the other hand, conducting qualitative interviews in different languages proved to be a challenge. One is more likely to respond spontaneously in one's mother tongue than in a foreign language. In this respect, it can be assumed that the opportunity to gain knowledge by conducting interviews in French was somewhat limited, although a language course was completed beforehand.

The third limitation relates to the method of case study research. As Yin (2014: 127) indicated, "the experienced case study investigator is likely to have great advantages over the novice at the analytic stage." To somewhat compensate for this lack of experience, I attended the Oslo Summer

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School on Case Study Research in June 2019. I was certainly able to broaden my knowledge through this, but a significant distance to an experienced case study investigator undoubtedly remained. In addition, it turned out that analyzing causal mechanisms over a longer time during the investigation is a challenging endeavor. Retrospectively, it might have been a good idea to focus only on specific laws and projects and to analyze the mechanisms in a much narrower area.

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Part III: Case Studies

6. Housing Policy in Zurich

The case study for Zurich is structured as follows: First, there is a general characterization of housing policy in the city of Zurich, which discusses the general framework conditions and some of the specific features, such as the role of housing cooperatives, land reserves, the instrument for the promotion of housing construction and the Domicil foundation. This first section discusses political aspects as well. However, they either refer to the entire period under study, have their origins before it or cannot clearly be assigned to a specific phase. Subsequently, the basic framework of housing at the higher levels of government is discussed, before turning to developments during the period under study on the basis of a periodization.

6.1. Characterization of Housing in Zurich

Zurich is Switzerland's biggest city with a population of 433,496 in 2019. Local government is characterized mainly by consensual elements: a multiparty system in which on average 14 parties receive electoral votes; a broad-based executive consisting of different parties; a very proportional electoral system; a comparatively significant local autonomy within the federal state system where Zurich remains under legal-administrative supervision of the canton of Zurich and fully developed direct democratic instruments. Zurich is the economic heart of Switzerland, and a center of financial and insurance services. In many districts, local elites (mostly local business owners) have become powerful actors fundamentally shaping urban development and housing policy (Hitz et al. 1995: 262).

Picture 1 shows the four high-rise buildings called *Hardauhochhäuser* close to the Letzigrund football stadium and the main railway station, which are owned by the city of Zurich. They were constructed in 1978 by the architect Max P. Kollbrunner and are among the highest buildings in the city of Zurich. A publication commissioned by the federal administration listed this neighborhood as one of 30 Swiss neighborhoods, in which problems for integration have accumulated and where ghettoization could become a problem in the future, mainly because of a concentration of poorly educated, unskilled population groups and a high share of foreigners (Arend 2008).

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Picture 1: High-rise buildings at Hardau (*Hardauhochhäuser*), Zurich (13 February 2020)

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Faced with a growing population, the city is confronted by considerable housing shortages, together with growing disparities within the city. An efficient regional transportation system called "S-Bahn Zürich" established in May 1990 meant that many wealthy residents chose to live in the suburbs, whereas more recently the city center regained its attraction and is subject to processes of gentrification and displacement in neighborhoods previously inhabited by low-income immigrants (see also Schenkel 2015).

As in many other Swiss cities since the mid-1990s, there is a left-green majority in the communal executive. In Zurich, the tipping point dates back to 6 March 1994, when the fifth representative of the left-green camp was elected to the communal executive comprising a total of nine seats. The left-green majority has continued to this day and even increased its share in 2018 by obtaining a sixth seat (Burkhard and Zehr 2018).

Housing cooperatives and the affordable housing stock in Zurich

The city of Zurich has promoted housing cooperatives for more than 100 years. In 1907, the first estate of a housing cooperative was built on Limmatstrasse. Thanks to steering instruments in this area introduced in 1907, the city has considerable influence, beyond just building its own dwellings. The active partnership with more than 150 nonprofit housing cooperatives (*Baugenossenschaften*) and foundations was and still is an undisputed field of action for the city's housing

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policy. Housing cooperatives are an organization of the third sector. They are usually jointly owned and run by their tenants, pool their members' resources, and give them a say. The creation of affordable housing renders an important contribution to the social population mixture and a diverse and comfortable city (see also Kuhlenkötter 2016: 23–24). An investigation comparing house prices across the city showed that units rented out by housing cooperatives are on average 26% cheaper than comparable flats on the private market (Statistik Stadt Zürich 2009).

Zurich can even be described as "Switzerland's city of housing cooperatives" (Schmid 2006b: 3). There seems to be a comparatively high awareness of housing in Zurich compared to other cities in Switzerland (Schmid 2008: 105), and housing cooperatives in Zurich are particularly successful compared to other Swiss cities. Case studies of several Swiss cities show that discretion exists on the local level, and that it is used by different types of initiators, which can lead to changes in the local housing policy, although existing structures and partisan power constellations constitute high obstacles. It is not easy to implement new instruments in the field of housing, especially when targeting low-income groups (Schmid 2006b).

With a share of roughly 25%, the nonprofit housing sector of Zurich is the largest in all Swiss cities and housing cooperatives, and foundations significantly contribute to this. In other Swiss cities, the size of the affordable housing stock is substantially smaller (12% in Basel, Bern and Winterthur, and 15% in Lucerne). 19% is privately owned by the nonprofit housing sector, compared to a Swiss-wide average of 4.5% across all municipalities. The large share in Zurich dates back to the legal foundations originating in 1924, which were since constantly adapted. The nonprofit housing sector is promoted through an encompassing land policy (Balmer 2017: 74).

The active promotion of housing cooperatives by the city of Zurich has a long tradition as well as contributes to the model of success unique in Switzerland (Schmid 2006b: 4). The city does not only deliver land for construction to cooperatives with building permits (*Abgabe von Bauland im Baurecht*), although this means of promotion is usually described as the most effective promotion instrument of the city of Zurich (Schneider 2012: 297). It also gives financial contributions to them and therefore gains the right to participate with a representative in the board of directors, thus ensuring limited direct participation and influence on the eligibility and the allocation of dwellings. Another promotion instrument lies in loans from the pension fund (*Pensionskasse*) of the city of Zurich for financing the remainder (up to 94%) (Lawson 2010: 214).

Zurich's housing cooperatives usually had membership open to everyone who could afford to buy shares of about 2–3 monthly rents (Lawson 2010: 214). According to Hurni (2009), it is not easy to access a housing cooperative, especially for foreigners and low-income households. For this reason, these parts of the population are often forced to live in private rental buildings in less preferential residential areas within the city. The problem of the uneasy access to housing cooperatives is also mentioned by the more business-friendly interviewees, among them former politicians and representatives of profit-oriented private-sector organizations on the housing market. The term "clientelistic policy by the left" is used in all three interviews with relatively business-friendly actors, while in the remaining seven interviews in a section it is only used when the former secretary of Zurich's housing association describes the argumentation by politicians situated more to the political right of the spectrum. The strong role of housing cooperatives is a

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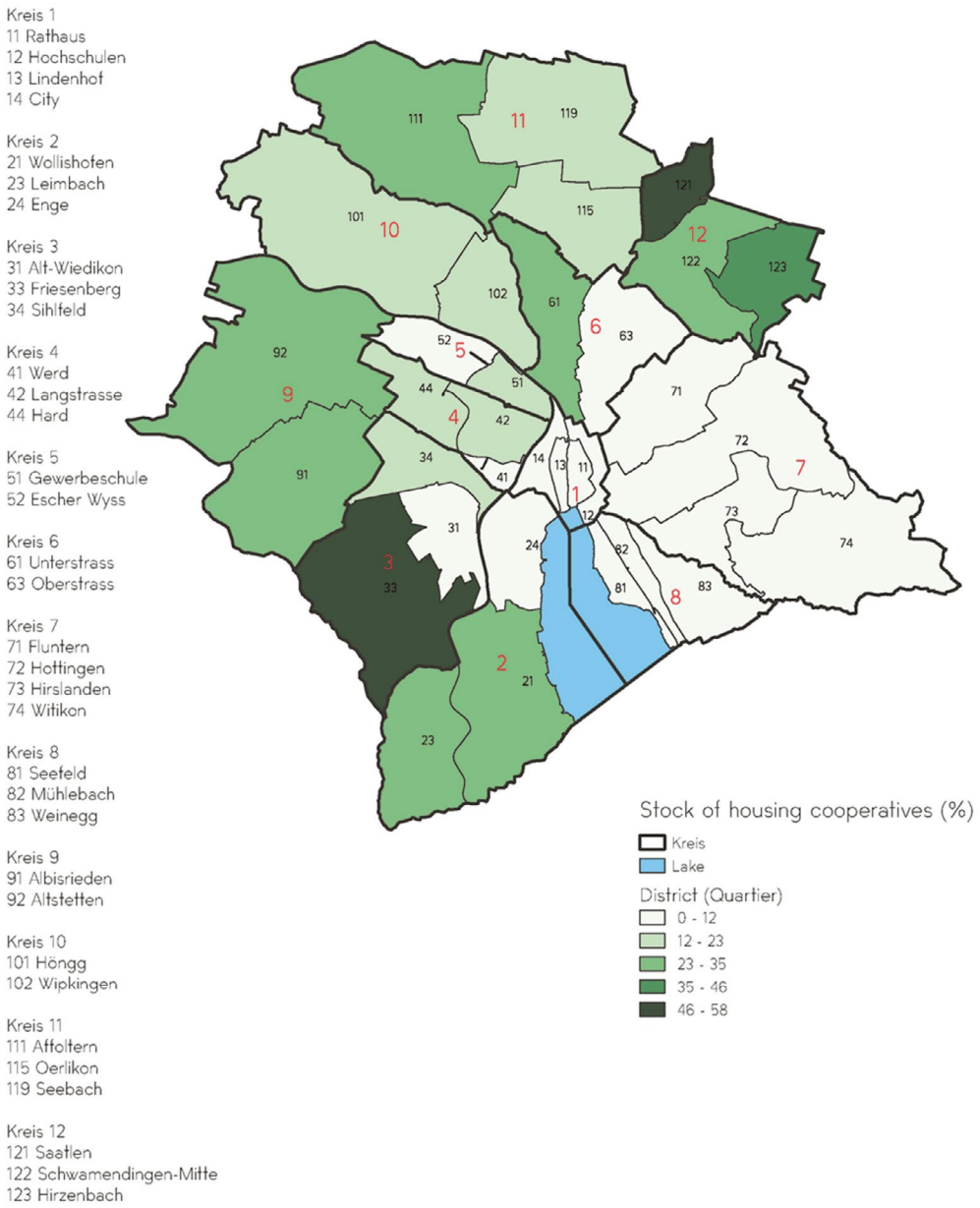
Figure 7: Share of nonprofit building cooperatives from the total housing stock by district, 2000



(Source: own representation based on data from Statistik Stadt Zürich 2019)

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thorn in the side of more business-friendly politicians. Housing cooperatives are even named "the city's allies," profiting from those unequal conditions for competition at the detriment of the private sector (Interview 8, Zurich).

Housing cooperatives not only contribute significantly to Zurich's affordable housing stock, they are also involved in visionary new projects. Some of them are experimenting with new forms of living, such as participatory neighborhood development projects or new combinations of housing and working (Hugentobler 2015; 2017: 215–20; Statistik Stadt Zürich 2006).

The share of dwellings provided by housing cooperatives largely varies by county (*Kreis*), the main political and administrative subdivision of the city. In total, Zurich has 12 counties, covering historic neighborhood structures (Widmer and Kübler 2014: 213). On an even lower level, it also varies between districts, of which there are 34 in Zurich.

Figure 7 provides an overview of the location of housing cooperatives by districts across Zurich for the year 2000. High shares of cooperative housing can be found on the periphery in Kreis 12, 3, 9 and 2. There is no cooperative housing in the historical center (Kreis 1), where the city itself possesses a significant stock and thereby compensates for the lack of cooperative housing.

The largest shares of cooperative housing can be found in the district of Friesenberg to the South (54.4%) and Saatlen in the northwest part of the city (57.6%). Albisrieden and Hirzenbach also exhibit a share above 30%. No housing cooperatives are found in the districts City, Escher Wyss, Hochschulen, Hottingen, Lindenhof and Rathaus.

Affordable housing and land reserves

Zurich has only few land resources that can be strategically used for influencing urban planning, although the city possesses a portfolio called *Strategische Landreserve*. Among these reserves, there is land that was bought to prevent expropriation when new roads are constructed as well as greenland. Because of the relatively scarce land resources, two tools are often used: design plans (*Gestaltungspläne*) and special use plans (*Sondernutzungspläne*). In addition, changes in zoning are relatively frequent, and political majorities in the communal parliament and executive are decisive for the local land policy (Gerber 2008).

In Zurich, the left-green majority pursues a land policy that provides existing land reserves only as leaseholds, especially for housing cooperatives. With this instrument, the city retains a say in construction projects and can define certain preconditions such as reserving some space for childcare facilities or organizing public tender procedures to guarantee a high architectural standard. It also ensures the existence of a stock of comparatively cheap housing and allows effective opposition to speculation. In addition, it ensures a good social mix of tenants, because the city often requires a certain share of subsidized units in new constructions (Gerber 2008: 75–76).

According to one of the interviewees, the former president of an organization active within the cooperative landscape, one major economic advantage of housing cooperatives is the lower consumption of living space compared to housing on the private market (Interview 2, Zurich). An analysis conducted by the city of Zurich confirms this statement. In private rented flats, the average living space 40.5 square meters/person, whereas tenants in housing cooperatives only use

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34 square meters on average (Rey 2017). Against the background of the expected population growth of the city of Zurich as well as debates about densification in the next couple of years and the scarcity of existing land reserves, this finding is particularly interesting. If everyone in the city of Zurich were to use the same amount of living space as in the housing cooperatives, Zurich would have space for around 50,000 more inhabitants – even without building densification (see also Schmid 2016).

The instrument for the promotion of housing construction (*Wohnbauaktion*)

Another recurring issue is the instrument for the promotion of housing construction called *Wohnbauaktion*. Having originated in 1943, this is an instrument for the explicit subsidy of living space. It consists of interest-free repayable loans from urban framework credits. Housing cooperatives get a 30-year term loan, which allows them to reduce the price for some dwellings over the long term. These long-term benefit payments for objects are a major characteristic of the municipal promotion policy for affordable housing, leading to a price reduction for land, constructions and dwellings (Caduff 2000, 27). The goal of this instrument is to reduce the overall costs of a dwelling. Households that obtain a subsidized dwelling have to fulfil strict income thresholds and respect occupancy figures.

The resulting rents are affordable for broad segments of the population. In addition, the instrument serves to promote social diversity in the city and its districts, a goal even enshrined in the municipal code.[13]

The first *Wohnbauaktion* started in 1943 with a credit of 5 million Swiss francs. Since then, more than 402 million Swiss francs have been used for this instrument, 213 million of which were repaid. Usually, *Wohnbauaktionen* must be put to a communal direct democratic vote because of their height. Households get subsidies if they fulfil certain income thresholds and occupancy figures. The local office for the promotion of housing construction (*Büro für Wohnbauförderung*) controls compliance with provisions. Authorized applicants, mainly housing cooperatives, get a 30-year term noninterest-bearing (*unverzinslicht*) loan, which allows them to reduce the price for some dwellings over the long term in times of higher interest burden following new construction.[14]

The communal parliament decides how much money is spent on these urban framework credits, usually preceded by a controversial debate in the parliament about the sum, though the instrument itself is not disputed by any political party. Finally, there is a direct democratic vote for each *Wohnbauaktion;* such proposals are usually accepted by the public.

Domicil Foundation

The Domicil Foundation, established in 1994, is both a platform and an important actor on the housing market, especially for low-income households looking for affordable housing within the

[13] Gemeindeordnung der Stadt Zürich vom 26. April 1970 mit Änderungen bis 26. November 2017, Article 2 quarter.

[14] Weisung des Stadtrats von Zürich an den Gemeinderat vom 31. August 2016.

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city or even beyond (Glaser 2017: 77). In general, households with different types of difficulties belong to the target group and can benefit from the activities of the Domicil Foundation, which one of the interviewees, who also pointed out that they cannot directly affect the city's housing policy, described as follows:

> We cannot actually influence the municipal housing policy. We're sort of the tail end of the whole thing. We are at the end of the chain. We just pick up the phone when a flat lies in the price range of our people. We try to work with housing cooperatives, but also real-estate management companies, to allow us to send someone to introduce themselves and then possibly gets the flat. (Interview 3, Zurich)

Nevertheless, interviewee 3, who is a member of the foundation board of Domicil, describes it as relevant, since it draws actors from different spheres of the housing market together. A look at their webpage verifies this assessment and shows that several well-connected personalities from the field of housing are on the foundation board, such as the current president of the universal housing cooperative (ABZ, *Allgemeine Baugenossenschaft*), the former director of urban development Zurich (*Stadtentwicklung Zürich*) and the former president of the Swiss Association of the Real Estate Industry (SVIT, *Schweizerischer Verband der Immobilienwirtschaft*) (Stiftung Domicil 2019).

6.2. Housing Policy at the Federal and Cantonal Level

6.2.1. National housing policy in Switzerland

Switzerland is a country of renters. The home ownership rate is among the lowest in Europe with only 42.5% (2019). Hugentobler (2017: 205) therefore describes Switzerland with its low share of homeowners and the high share of tenants as "country of tenants."[15] According to Thalmann (2002), the high proportion of tenants in Switzerland can be explained by the following factors: The quality of the rental housing sector is high by international standards, so that being a homeowner brings relatively few financial advantages; also, condominiums in Switzerland are relatively expensive compared to those in other countries.

Around one-fourth of the rental market is owned by institutional investors such as pension funds, insurance companies or real-estate funds and other companies in 2000 (Bourassa et al. 2010; Hugentobler 2017: 206). Recent developments regarding the ownership structure in the housing market, however, point to significant changes. Whereas in 2000, 57.3% of the rental stock was owned by private individuals and only 23% by institutional investors, these figures have started to develop inversely. In 2019, privately owned rental accommodations comprised only 49.2%, while institutional investors such as pension funds, banks, insurance companies and the like had increased their share to 31.8% (Keller et al. 2020).

[15] She shortly describes many additional characteristics of the Swiss housing system in her contribution and also makes reference to housing cooperatives (see Hugentobler 2017: 205–206).

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The federal law "Lex Koller,"[16] which came into operation in 1985, introduced regulations regarding the acquisition of land and properties by persons from abroad. Foreigners not residing in Switzerland are not allowed to buy properties and residential land. Commercial properties and holiday apartments were incrementally excluded from this restriction, but contingents have been defined for holiday apartments. Only foreigners with a residential permit have rights equal to those of Swiss citizens, if their center of life lies in Switzerland. Over time, more and more exceptions have been granted, leading to a situation, in which purchase of real estate is now permitted in many cases (Bürgi 2009). Despite these exceptions, the law prevented especially large international investors from buying residential properties and land in Switzerland and thereby protects the Swiss housing market from external shocks, triggered by investors withdrawing their money at short notice. Although steps were taken in 2007 to completely abolish the law, the repeal never passed. In 2012–2013, the national parliament again refused to abolish it, and in 2014 the parliament refused even stricter regulations proposed by Jacqueline Badran, a parliament member from the Social Democratic Party (Borowiecki 2009).

In Switzerland, the public sector (federal state, canton and municipalities) only relatively rarely builds housing itself. In most cases, they prefer to work together with various types of actors who assume responsibility for the project, including housing cooperatives, foundations or real-estate companies (Cuennet et al. 2002: 15).

The Federal Housing Office (BWO, *Bundesamt für Wohnungswesen*) is the central administrative unit of the federal state in the field of housing. Umbrella organizations bring together regional, cantonal and local housing cooperatives and foundations. Loans and guarantees are the main tools stimulating the housing supply (BWO 2019a).

The promotion of housing on the national level is rather rudimentary in Switzerland, meaning that the housing supply is provided primarily by the marketplace without interference in pricing. The federal housing policy in Switzerland is based on the following pillars (Balmer 2017: 67–70).

The first pillar is the tenancy law (*Mietrecht*), which has the function of mediating between tenants and owners and protecting tenants from arbitrary termination and unjustified rent increases. Compulsory forms or the national reference rate (*Referenzzinssatz*) are some of the instruments belonging to this pillar. The national reference rate, for example, was introduced in 2008 and is one of the key benchmarks for determining the level of rental costs in Switzerland as well as a regulator in the relationship between tenants and landlords. This measure was based on a compromise between tenants' and homeowners' associations as a result of a failed tenancy law revision. Before 2008, some cantons used mortgage interest rates as a benchmark. It is set quarterly by the Federal Office for Housing (BWO) (NZZ 2008); if it is reduced from that of the previous period, tenants can demand a reduction in rent. If, on the other hand, it increases, which has never happened since its introduction, landlords would have the option of increasing the rent. There is no automatic mechanism, but the parties must each submit an application (BWO 2020).

[16] Bundesgesetzes über den Erwerb von Grundstücken durch Personen im Ausland vom 16. Dezember 1983.

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The second pillar is the direct support for low-priced rented accommodations, especially for low-income groups. This is based mainly on the housing and property promotion act (WEG)[17] from 1974, later replaced by the national housing promotion act (WFG)[18] in 2003, which led to a simplification of the former multistage reduction system. The housing policy objective of reducing housing costs for disadvantaged groups was formally retained, although the financial resources have been steadily reduced over time (Balmer 2017: 69). A recent report of the National Program Against Poverty on housing provisions found that there is a lack of affordable housing in Switzerland, and that households affected by poverty and people in precarious living situations face difficulties in finding affordable housing and in keeping it for longer periods of time (Bochsler et al. 2015: II–III).

The third pillar is the indirect support at the federal level for nonprofit housing through loans and guarantees for various funding instruments of the two umbrella organizations of nonprofit housing construction in Switzerland (*Wohnbaugenossenschaften Schweiz* and *Wohnen Schweiz*). One of these major instruments is the *Fonds de Roulement* (FdR), which has existed for more than 100 years now and provides financial resources for the promotion of housing. Since WEG was initiated in 1974, the federal state has financially supported the *Fonds de Roulement* (FdR), which grants low-interest, repayable loans for new construction or renovation projects and, since 2014, also for land purchases to nonprofit housing developers (Balmer 2017: 69). It is one of the few instruments that exist on the national level for the promotion of affordable housing in Switzerland. A former parliament member from the left described the FdR with the following words:

> The *Fonds de Roulement* is a very interesting instrument because it is a start-up financing, especially for housing cooperatives that still have little equity capital and as a pilot to try out new housing policy things, new modes of living together, etc. It does not actually cost the federal government anything, because it is a rolling credit that is repaid. So, it's not really an expenditure; the federal vault simply pushes in capital on a rolling basis. (Interview 7, Zurich)

Linked to the national popular initiative "For More Affordable Housing," discussed in more detail in Section 6.3.5, the national parliament elaborated a counterproposal aiming at increasing its financial involvement in exchange for a negative outcome in the direct democratic vote.

The general framework of the federal housing policy is based on three articles in the federal constitution (Cuennet et al. 2002: 11). According to the federal constitution[19] from 1999, the federal state and the cantons work to ensure that housing seekers can find a suitable housing, though no immediate claims on state services can be derived from this (Article 41e). The competencies of the federal states regarding promotion and legislation are declared in Article 108 on housing construction and homeownership promotion (Caduff 2000: 24–25) and in Article 109

[17] Wohnbau- und Eigentumsförderungsgesetz (WEG) vom 4. Oktober 1974 (as of 1 January 2013).

[18] Bundesgesetz über die Förderung von preisgünstigem Wohnraum (Wohnraumförderungsgesetz, WFG) vom 21. März 2003 (as of 6 April 2004).

[19] Bundesverfassung der Schweizerischen Eidgenossenschaft vom 18. April 1999 (as of 1 January 2020).

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on the rental sector. Article 108 of the federal constitution says that the federal state promotes housing construction, the acquisition of housing and home ownership for individuals as well as the activities of supporters and organizations of nonprofit housing. Especially the interests of vulnerable population groups should be considered (Article 108, number 4). Article 109 of the federal constitution refers mainly to regulations against abuse in the rental sector such as abusive rents, contestability of abusive terminations of rental contracts and the temporary extension of tenancies (Article 109, Section 1). Rules regarding the general validity of rental framework contracts may be adopted (Article 109, Section 2).

Many legal provisions have their origins in direct democratic votes, a characteristic of the Swiss political system. Table 9 provides an overview of national popular initiatives with housing-related content over the last 20 years (1999–2020).

Table 9: National popular votes with housing-related content, 1999–2020

Date	Title	Yes votes (%)	No votes (%)
07 February 1999	Homeownership for all (*Wohneigentum für alle*)	74.7	25.3
18 May 2003	Yes to fair rents (*Ja zu fairen Mieten*)	32.7	67.3
11 March 2012	Building savings initiative (*Bauspar-Initiative*)	44.2	55.8
11 March 2012	End to the endless construction of second homes (*Zweitwohnungsinitiative*)	50.6	49.4
23 September 2012	Safe living in old age (*Sicheres Wohnen im Alter*)	72.7	27.3
09 February 2020	More affordable housing (*Mehr bezahlbare Wohnungen*)	42.9	57.1

(Source: own compilation)

The initiative from 1999 submitted by the homeowners' association entitled "Homeownership for All" called for the introduction of additional tax benefits for homeowners. The 2003 initiative of the tenants' association "Yes to Fair Rents," on the other hand, demanded that tenants be better protected from wrongful ejection. It was clearly rejected: Business and homeowners' associations were against it. In the following roughly 10 years, there were no popular initiatives on housing, until 2012, when votes on three of them took place. The building savings initiative was submitted by the homeowners' association (HEV), and its aim was to promote private-sector housing construction activity and thus increase the ownership ratio by means of tax benefits (Kübli 2019a). The second home initiative supported by the left demanded that a maximum of 20% of the living space of a municipality be available for second homes (Kübli 2019b). An initiative submitted by the homeowners' association called for pensioners, after reaching retirement age, to be able to

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decide whether they want to be exempt from the taxation of their homes (*Eigenmietwert-besteuerung*) and in return waive the deduction of maintenance costs exceeding 4,000 Swiss francs (Strasser 2019). The last direct democratic vote regarding housing took place on 9 February 2020 concerning a popular initiative demanding, among other things, that the share of nonprofit housing construction from all newly built apartments be at least 10% throughout Switzerland (see Section 6.3.5).

This brief overview of the voting record on housing illustrates that the lobby groups representing tenants (MV, *MieterInnenverband*) and the homeowners (HEV, *Hauseigentümerverband*) have often been at the origin of the use of direct democratic rights. Depending on the association, the corresponding initiatives were then supported either by the left-wing or right-wing parties.

6.2.2. Cantonal housing policy in Zurich

The housing promotion at the cantonal level, the level below that of the federal state, is also rudimentary designed. Nevertheless, the canton of Zurich is one of the few in Switzerland with its own housing program, which subsidizes approximately 2% of the total housing stock (Cuennet et al. 2002: 46).

Housing supply must take place primarily through the market and without interfering in the pricing policy. If a corresponding financial contribution by the municipality exists, object-oriented, low-interest or interest-free loans are available to nonprofit builders in order to subsidize living space below cost rent (*Kostenmiete*). On 1 January 2016, the canton of Zurich implemented budgetary and planning-related framework conditions to promote affordable living space (Kanton Zürich 2015).

The cantonal policies regarding housing promotion go back to 1918. A huge housing shortage at the time led to several measures, among them the construction of emergency housing, the first dwellings realized by cantonal support. By 1999, the canton had subsidized about 54,500 dwellings. In the year 2000, the cantonal housing promotion was based on two legal foundations: the cantonal law to promote housing construction and home ownership[20] and the corresponding decree on housing promotion[21]. Based on these legal foundations, the canton promotes the construction, restoration and acquisition of affordable housing for persons with at the most mid-level income, if necessary (Caduff 2000: 25). In 2000, about every tenth dwelling in the canton of Zurich was owned by a housing cooperative (Schmid 2000: 32).

The canton possesses several strategic land reserves in the city of Zurich such as museums (*Kunsthaus*), hospitals, the universities campuses and the former military barrack (*Kaserne*). The canton is owner of the lakeshores, too (Gerber 2008, 73).

As with the federal level, discussed in the previous section, popular initiatives fundamentally shape the cantonal housing policy. Table 10 presents an overview of housing-related initiatives on the cantonal level since 2000.

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[20] Gesetz über die Förderung des Wohnungsbaus und des Wohneigentums (WBFG,) vom 24. September 1989.

[21] Wohnbauförderungsverordnung (WBFVO) vom 1. Juli 2005.

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Table 10: Cantonal popular initiatives with housing-related content, 2000–2019

Date	Title	Yes votes (%)	No votes (%)
30 November 2003	Put an end to official increases in housing costs for tenants and owners (*Schluss mit amtlicher Verteuerung der Wohnkosten für Mieter und Eigentümer*)	52.1	47.9
25 November 2012	Transparent rents (*Transparente Mieten: Offenlegung von Anpassungen bei Neuvermietungen*)	52.3	47.7
25 November 2012	Legal protection for all (rental court free of charge) (*Rechtsschutz für alle: Mietgericht gebührenfrei*)	40	60

(Source: own compilation)

The 2003 initiative, launched by the homeowners' association (HEV), called for the abolition of a tax on real-estate sales. It was supported by the center-right dominated cantonal parliament. The other two initiatives were initiated by the tenants' association (MV) and called for better protection of tenants (Scherr 2016a). In November 2012, 52% of the cantonal electorate accepted the initiative on transparent rents, leading to the reintroduction of compulsory forms for all rental apartments. The initiative requested that compulsory forms be introduced by 1 November of the year as soon as the vacant housing stock of the canton dips below 1.5% on the due day of 1 July the same year (Fassbind 2012). This regulatory instrument had already been in force from 1994 to 1997 and in a second phase from 2000 to January 2004 (Bleiker 2013).

Two additional initiatives calling for more affordable housing (*Bezahlbar wohnen im Kanton Zürich!* and *Für mehr bezahlbaren Wohnraum*) were withdrawn by the initiators between 2013 and 2015. In 2019, an additional initiative on land value capture (*Für einen gemeindefreundlichen Mehrwertausgleich*) was withdrawn.

As at the national level, initiatives often have their origin in efforts of associations. The tenants' association appears to be more active at the cantonal level, which can also be explained by the fact that the parties to the right of the center have a majority in the cantonal parliament, i.e., the tenant's association is supported by left-wing parties that often have to tread the extraparliamentary path.

Cantonal planning and building law (*Planungs- und Baugesetz*, PBG)

The cantonal planning and building law is one of the central documents for urban development, not just limited to housing but with a much wider orientation. This cantonal law defines the objectives and purposes of spatial planning; it lays the foundations for the various types of land

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use, describes what is and is not permitted.[22] It provides the framework and several instruments for Zurich's endeavors in the realm of housing and urban development.

Paragraph 186[23] on area redevelopment says that, if the condition of built-up districts require renewal and renewal is in the public will, area redevelopments can be carried out. According to a former member of the communal parliament from a party on the political left, this casually called *Slumparagraph*, developed for areas in which many people live in precariousness and under miserable conditions, is an exciting instrument for urban area renewal, but one that has never been applied to the present day:

> The article says that with majority decisions – with two thirds of the owners – one can overrule the remaining third, and that a special use plan or a design plan can be issued which is legally binding for all in the area concerned. In return, an inventory of the current residents must be made, i.e., what their income is, how much living space is needed and their economic situation. In this renovation process, [the residents] must also be made offers. (Interview 7, Zurich)

The tenure status of politicians has a big effect on the kind of policies they favor, said one of the interviewees. What kind of instruments and subventions they favor depends on their own tenure status. He argues that it is a good thing for housing policy in Zurich that about 90% of the population are renters and not owners, making the success of left-wing proposals and policies in favor of housing cooperatives more probable. Members of the cantonal parliament, for example, are 80% owners and 20% renters overall, so this has an effect too (Interview 2, Zurich).

6.3. Urban Housing Policy Periods in the city of Zurich Since 1990

The following sections provides an overview of developments in housing over the last 30 years.

6.3.1. Polarization between public and private sector (up to 1998)

From 1986–1998, Ursula Koch, head of Zurich's Building Department, was responsible for urban development and planning (Bracher 2020).[24] During her first years, the share of newly built dwellings was exceptionally low. She was opposed against opening up the former industrial zones for office use and declared that "Zurich is built." Her vision for these zones was more living space (Amt für Städtebau Stadt Zürich 2013).

The evaluation of the qualitative interviews confirms the central role of Ursula Koch, who has been described as "pioneer of cooperative planning" (Interview 2, Zurich). Although the interviews conducted focused primarily on the period from 2000 to 2019, the name Ursula Koch

[22] Planungs- und Baugesetz (PBG) des Kantons Zürich vom 7. September 1975 (last changes: 1 November 2019).

[23] The paragraph was already in the early version of the law enacted on 1 April 1976.

[24] Koch became a member of the cantonal parliament in 1979 and was elected as a member of the communal executive in 1986. It was the first time for 60 years that the left had held the majority in the City Council. Koch was described as one of the most influential politicians of that time (Bracher 2020).

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was the most frequently mentioned name of people connected with housing policy and urban development. She was referred to 13 times and in 9 out of 10 interviews.

Around that time, Zurich was marked by political polarization and heterogeneous interests among important stakeholders such as the local government, private investors and landowners.[25] During this phase, the important and rather status quo-oriented role of direct democracy becomes particularly apparent. Various development projects were buried in direct-democratic votes, as ad hoc coalitions and referendum committees were formed to express their criticism of modernization (Hitz et al. 1995: 240–41). In 1990, important transformations and development processes were initiated by bridging those different interests. Josef Estermann, mayor from 1990, already began the dialogue with private actors shortly after assuming office. The executive embarked on a more market-oriented urban development policy. Social movements, important actors in the preceding decade, were becoming more and more isolated by this new strategic focus of the communal executive (Stahel 2006: 240).[26] Despite his endeavors, the big political polarization in the city continued to exist, with negative consequences for the cooperation of political and private actors, leading to a construction blockade (Devecchi 2012: 47–48). Things began to change with the compromise subsequently found, allowing the reuse and conversion of former industrial zones only with special land use plans (Böniger and Statistik Stadt Zürich 2009: 154).

6.3.2. Public sector and market actors build together (1998/99–2010)

During the 1990s, the attractiveness of Zurich as a city where people wanted to live was rather limited. Living in the surroundings was considered more attractive until about 2000. This began to change shortly before the new millennium, when the political debate began about economic growth and a stronger policy orientation on economic growth. According to one of the interviewees, the primary aim at that time was not to create a potent taxpayer base, but to get rid of certain population groups, which were perceived as "problematic."

> But it is clear that they wanted to attract middle- and high-income groups. But there was no direct talk of good taxpayers. That was a pleasant appearance on the whole. But it was more about providing a counter-measure to the concentration of alcoholics, the elderly, and foreigners. (Interview 7, Zurich)

The change in policy orientation was also associated with certain political personalities and changes within the City Council (*Stadtrat*). After Ursula Koch, head of Zurich's Building Department, lost the support of the communal Social Democrats, the party approached the Liberal Party and often built alliances with them generally favoring business interests. In 1998, Elmar

[25] The polarization originated in the 1980s, in generally inhibited strategic discussions about urban development (see Rüegg 1996; Cattacin 1994).

[26] Social changes after 1968 led to the emergence of housing policy movements in Zurich, which long exercised a significant influence on Zurich's urban development (Stahel 2006). In the interviews conducted for the current investigation, the influence of social movements and squatting (*Hausbesetzungen*) was estimated to be relatively low over the last two decades.

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Ledergerber, a Social Democrat, but not from the left wing within the party, became head of the Building Department.

Ledergerber was Building Director until 2002, when he was elected Mayor of Zurich. During his term 1998–2002 as head of the Building Department, and during the term of his successor, Kathrin Martelli, from the liberal FDP party (2002–2010), large estate owners and developers enjoyed very favorable conditions. Special building regulations were defined for the project Maag Areal and the railway station Oerlikon-Ost. Floor area ratios (*Ausnützungsziffern*), meaning the relationship between the area of a plot and the built floor space, were massively increased without compensation to the public (Scherr 2016, 49). This changing constellation within Zurich's executive was also mentioned in one of the interviews with a former parliament member from the left.

> And then there was the change in 2002, when we mockingly said "Elmartelli GmbH." […] It was actually a tandem: [Elmar] Ledergerber as City President and [Kathrin] Martelli as head of building construction. (Interview 7, Zurich)

This interviewee also pointed to developments surrounding the central railway stations, which are discussed later on.

Legislative focus: "10,000 Units in 10 years" (1998)

Shortly after the beginning of Elmar Ledergerber's term of office, the legislative focus for the period 1998–2002, aimed at constructing 10,000 residential apartments within 10 years, was initiated (*10'000 Wohnungen in 10 Jahren*). The task of elaborating a concrete concept was given to an interdepartmental project group by Ledergerber and the head of the Financial Department, Willy Küng, of the Christian-social party (CSP, *Christlich-soziale Partei*).

The exodus of predominantly Swiss families with above-average incomes to the surrounding municipalities was set to be stopped by the creation of housing units and the transformation of the existing stock. The ongoing segregation process was described as not only having negative consequences for the population structure, but also for the financial situation of the whole city (Stadt Zürich 1999). Internally, the communal executive further specified their vision of "10,000 spacious and attractive housing units in a qualitatively good environment predominantly for families" (Stadt Zürich 1999: 12).

It was planned that the goal should be reached not only by the city itself, but also that other developers should become involved, such as housing cooperatives, commercial and private developers. Based on the tenure existing around 2000 – 25% of the rental stock was provided by not-for-profit developers such as the city and housing cooperatives and 75% was provided by private and judicial actors – the quantitative targets were formulated resulting in a claim of 2,500 units for the nonprofit sector and 7,500 units for the for-profit sector. A broad spectrum of offers should be promoted, satisfying the somewhat contradictory needs and interests of the population collected in a previous survey (Stadt Zürich 1999: 13–14).

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As a consequence of this distribution at that time, one of the interviewees, a former parliament member from the left, accused the former communal executive of not having a clear target group in mind and leaving most of the construction work to the market, independent of affordability of the units:

> In terms of housing policy, the slogan was 10,000 apartments in 10 years. This is virtually the counterprogram to the stagnation of the 1990s. That was above all [Elmar] Ledergerber. But people didn't talk about the quality or the prices of these flats, they simply said that one simply had to get out of this population stagnation […]. It didn't really matter who built these apartments or what they cost. Simply more apartments. A market dogma: If you build more flats, the market will be more liquid and that will solve the problems over time. (Interview 7, Zurich)

A look at the respective document confirms this statement. It seems to be true that the affordability of housing was not the subject of the general discussions at that time, which is indicated by the absence of the term in the conceptual paper (Stadt Zürich 1999).

The program must be seen against the background of a poor financial situation, in which the city tried to attract potent taxpayers, which was mentioned in one of the interviews with a former board member of the foundation for affordable residential and commercial space (PWG, *Stiftung für preisgünstigen Wohn- und Gewerberaum*):

> There was a discussion. It came up because people said that, after 10,000 family homes for people who earn money, the hole [in the city's budget] could be filled. At that time, the city was always in deficit and issued austerity programs. (Interview 5, Zurich)

The different actors in the field of housing should be approached according to their current constructional potential and commitment. While natural persons possessed around 45% of Zurich's housing stock in 1995 (see Brenner 2016), they were not very active in terms of construction. On the other hand, legal entities such as private companies possessed a significantly smaller stock but were by far the most active actors if we look at the sum they were spending on construction, followed by the housing cooperatives (Stadt Zürich 1999: 15). Therefore, the city saw legal entities and housing cooperatives as their main partners for implementing this legislative focus program. Land should be made available to housing cooperatives under the condition that units for families are being built.

Developments in neighboring communities such as Glattbrugg or Adliswil are also mentioned in the respective document. It states that these municipalities dispose of a significant potential for residential construction. Instead of seeing these potentials as an opportunity, it said that "[f]rom the point of view of the legislative goal, these potentials are to be regarded as competition" (Stadt Zürich 1999: 19–20).

Nine fields of actions are defined in the paper as well as how they involve the different types of housing actors such as the city itself, housing cooperatives, natural and legal persons (see Table 11).

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Table 11: Fields of actions and actors potentially involved

		Type of Actor			
	Field of action	**City**	**Housing cooperatives**	**Natural persons**	**Legal persons**
1	Marketing of Zurich as residential city		x	x	x
2	New priorities for urban land ownership	x	x		
3	New activities of housing cooperatives		x		
4	Revision of the building and zoning regulation (BZO)	x	x	x	x
5	Inventory of buildings worth protection	x	x	x	x
6	Active development of residential locations	x	x	x	
7	Advising builders	x	x	x	x
8	Promotion of home ownership			x	x
9	Improvement of living environment	x	x	x	x

(Own representation based on Stadt Zürich 1999: 21–22)

In general, this overview is directly related to the question of governance of housing. For each of the fields, an approach for the cooperation with other nonstate actors is outlined as well as how they can contribute with their knowledge and resources to the implementation of Zurich's housing policy. In the next few paragraphs, it becomes clear that housing is a public policy field marked by a complex governance arrangement.

In the first field ("marketing"), the organization of housing workshops and the participation in national and international exhibitions are envisaged, as is the development of new channels for communication such as internet or an own journal on housing (Stadt Zürich 1999: 24).

The second field ("new priorities for urban land ownership") wants to strengthen nonprofit housing and the conversion of existing housing estates into spacious and attractive units. Outsourcing a significant part of this task to housing cooperatives was a strategic decision because the city's finances should be left untouched while at the same time meeting social obligations. Renewal of the city's own stock is envisaged, though in a first phase, only the cost-neutral identification of estates where action is required should take place (Stadt Zürich 1999: 25–26).

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The third field ("new activities of housing cooperatives") is related to the second one. In cooperation with the nonprofit sector including cooperatives, foundations and associations, strategies and offers should be developed. These activities were supported by the local section of the Swiss umbrella organization for housing cooperatives (*Schweizerischer Verband für Wohnungswesen*).[27] Among the measures are awareness-building and consultation as well as the establishment of an interdisciplinary expert team within the administration as contact point for all related questions (Stadt Zürich 1999: 27–28).

Within the revision of the BZO (field 4) taking place in the communal legislative, conversion of zones and the introduction of residential units in existing or new central areas was defined as an objective (Stadt Zürich 1999: 29).

Fields five and six are more generally related to questions surrounding urban renewal. The categorization of residential estates serves to create framework conditions for urban renewal in those areas. Actual renewal projects should be pushed forward in cooperation with public and private partners. The work providing foundational information for developing specific areas is conducted by different departments of the communal administration and several areas where actions are required have already been identified in the document (Stadt Zürich 1999: 30–33).

Field 7 focuses on project consulting and project support for all potential constructors, with the aim of promoting quality and simplifying and shortening administrative planning procedures. Different instruments for the support of potential constructors are proposed such as meetings and internet (Stadt Zürich 1999: 34).

Field 8 concerns the promotion of home ownership in Zurich. Because this field is largely beyond the competencies of the city, they seek an increased cooperation with the federal government, financial institutions and other actors in the area of home ownership. The main contacts are administrative units on the national level such as the Federal Housing Office (BWO, *Bundesamt für Wohnungswesen*) and the Federal Office of Spatial Development (ARE, *Bundesamt für Raumentwicklung*) or on the cantonal level. In addition, the Homeowners Association (HEV, *Hauseigentümerverband*) or the cantonal bank of Zurich are listed as interlocutors (Stadt Zürich 1999: 36).

The ninth and last field ("improvements of living environment") contains mainly two points: the improvement of infrastructure in specific areas and the reduction of emissions (noise and air). For both dimensions, there are cross-links to the programs ongoing at the time (Stadt Zürich 1999: 37).

To sum up, the legislative focus at that time was primarily aimed at stimulating the construction activity of market players. However, the long-established cooperation with the cooperatives or other nonprofit housing developers continued more or less as before.

[27] In 2012, the association changed its name to Housing Cooperatives Switzerland (*Wohnbaugenossenschaften Schweiz*).

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Legislation focus and program "Housing for All" (2002–2006)

During the subsequent legislative period from 2002–2006, the efforts that started in the previous legislative period were continued. The legislative focus was named "Housing for All" (*Wohnen für alle*). It consisted of eight subprograms including different target groups. It is explicitly mentioned that private actors are also actively involved in the process, and that an advisory board consisting of experts from the private housing sector should accompany the program. Citizens are informed about central activities, current projects and progress twice a year with a newsletter (Fachstelle für Stadtentwicklung 2003a).

The eight subprograms, for which different administrative units are responsible, were as follows:

1. *"10,000 units in 10 Years" with its focus on family housing:* See the previous section for more details.
2. *200 housing options for young people in training:* The main providers in this subprogram are the student housing cooperative Zurich (*Woko*), the foundation for student housing and the youth housing network (*Jugendwohnnetz Juwo*).
3. *200 flats for old people:* The demand for flats for older people exceed what is provided by the city's own foundation for retirement housing (*Stiftung Alterswohnungen*). Therefore, new construction and conversion projects are to be sought, planned and realized in order to increase the number.
4. *New forms of financing:* Nonprofit housing should at least maintain its share of the market. To this end, the city aims at investigating especially two modes of financing: a fund based on loans (subsidies) which reinvests this money in nonprofit housing construction; and particularly favorable interest rates for leaseholds for housing cooperatives and nonprofit developers.
5. *Renewal programs in residential properties owned by the city:* Four renewal strategies are defined: maintenance of usability, modernization of existing estates, comprehensive modernization with improved floor plans and replacement construction.
6. *Consultation/advising of housing cooperatives on refurbishments and replacement of buildings:* This subprogram includes networking and exchange with housing cooperatives at workshops and seminars. Especially small and middle-sized housing cooperatives should be supported during planning and realization by municipal delegates and a cooperative elaboration of development strategies for specific areas is aimed at.
7. *Creation of living space for temporary housing (emergency housing):* The goal of increasing the number of temporary accommodations from 730 to 930 by 2006 was formulated as a reaction to the difficult situation of people threatened by homelessness, especially families with kids and asylum-seekers.
8. *Dialogue with the public:* Consists of three different channels of communication: the newsletter already mentioned before, public events and presentations, and a view across the borders to inform and compare experiences from other cities (e.g., Munich).

The affordability of housing is again not the central focus of the program on the whole, but in contrast to the previous legislative focus, it seems to be more important. It is written that around one quarter of the housing stock, approximately 50,000 units at that time, should be affordable

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even for socially deprived population groups. In addition, it was mentioned that the increasing housing shortage is a particular problem for the weaker groups on the housing market, such as households with lower incomes, which is why certain segments of the population are particularly targeted such as old-age housing or housing for young people in training (Fachstelle für Stadtentwicklung 2003a).

The second newsletter published and disseminated in November 2003 presented a renewal case from a housing cooperative in Seebach, described other projects also from Bern and summarized discussions from a workshop held with experts from the administration and the private sector about new forms for financing the nonprofit sector. Benefit payments for objects and for subjects were briefly discussed first and then participants decided that the current mode of financial contributions to objects should be maintained. In addition, the idea of a "Fonds de Roulement" on the communal level was born, but cantonal legal bases were lacking at this time (Fachstelle für Stadtentwicklung 2003b). Although the city has made various efforts at the cantonal level to create the legal foundations, the only Fonds de Roulement that exists is at the national level (see also Section 6.2.1).

In April 2004, the third newsletter was published, providing a positive impression of Zurich's housing policy. Based on the results from a population survey, it is concluded that Zurich's housing policy is on the right path, and that the city of Zurich is not an expensive place to live. Nevertheless, housing cooperatives and the city's housing stock fulfils an important relief function, especially for low-income households. Furthermore, the burden posed by high rents for low-income households seems to be significantly lower in the city than within the wider surroundings, which is interpreted as an indication for the success as well (Fachstelle für Stadtentwicklung 2004a).

The second newsletter from the same year, published in October 2004, introduced several housing development projects in which different governance arrangements exist. The Swiss Reinsurance Company Ltd, for example, planned a new construction in the area of Höngg at that time. Another project mentioned was the housing development at Dennlerstrasse, a private project where general contractor Allreal AG was involved (Fachstelle für Stadtentwicklung 2004b).

At the time when the legislative focus on "Housing for All" was published in 2002, Allreal AG and Leopold Bachmann were among the biggest private providers of housing in Zurich (Wehrli-Schindler 2002). The Allreal group constructs residential buildings and office complexes for third parties as well as itself in order to sell them directly later on. Leopold Bachmann constructs residential complexes and manages a part of them (Fachstelle für Stadtentwicklung 2002, 13). From 1998 to 2002, Allreal AG and Leopold Bachmann built around 1,700 flats in Zurich. In an interview with Franz Ullmann, project developer of Allreal AG, and Leopold Bachmann, the relationship with the city of Zurich is briefly discussed. In general, they say that scarce land resources and the difficulty in getting building permits are factors leading to a scarcity of housing in the city of Zurich. According to Ullman, the city must guarantee a framework that makes it interesting for private individuals and firms to invest: Plans should be approved quickly, and as soon as they are legally binding, construction work should start. Existing land reserves should be

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placed at the disposal of private investors. Bachmann says that it should be easier to sell rental flats, because there are advantages for both investors selling and former renters buying: The first get additional income, while the second have to pay less interest to banks than they paid as rent before (Fachstelle für Stadtentwicklung 2002).

Newsletter 5 from April 2004 focused on the subprograms of emergency housing, housing for young people in training and housing for old people (Fachstelle für Stadtentwicklung 2005b). The sixth and last newsletter from November 2005 concluded the series with a bottom line for all of the six subprograms. In general, positive feedback is claimed and the cooperation, especially with housing cooperatives, is praised as fruitful. 200 units for older people were constructed as well as 200 additional units for younger households. Emergency housing was still a scarce resource, despite an increase by 38 units over the period from 2002 until the end of 2005. According to the newsletter, 50 representatives of housing cooperatives, firms and associations from Zurich are involved in actions against homelessness and providing housing support. Regarding advising housing cooperatives, the main achievement is strengthening the network with housing cooperatives, further formation of the city's delegates to housing cooperatives and especially the creation of an administrative unit for the promotion of nonprofit housing construction (*Förderstelle gemeinnütziger Wohnungsbau*) supported by the city of Zurich. In addition, the public's awareness of housing topics and its competency were strengthened through the realization of different measures related to communication (Fachstelle für Stadtentwicklung 2005b).

The section on "10,000 Units in 10 Years" provides an overview of all the housing units realized since 1998 for each district with a selection of specific examples. In addition, the cooperation of the city with the private sector is described as constructive, promoting further investment in the housing market and even strengthening Zurich's role as leading market for housing construction in Switzerland (Fachstelle für Stadtentwicklung 2005a).

In 2006, the city of Zurich published a short evaluation of the program. The population trend and specifically the surplus of births in 2004 is interpreted as a sign for the success of the overall program of attracting families to Zurich. What was achieved is briefly discussed for each of the eight subprograms. The target of "10,000 Units in 10 Years" defined in 1998 was clearly exceeded in 2008. Natural persons built about 30% of the apartments, housing cooperatives about 20%. Public limited companies were involved in the construction of one out of six units, pension funds in one out of seven (Stadt Zürich 2006).

Rental prices in the city of Zurich increased during the period of this program in all areas of the city, but rental prices still strongly varied depending on the specific location. The highest apartment prices were found in the centrally located Kreis 1. In contrast, the lowest apartment rental prices were found on the periphery in Kreis 9, 11 and 12 (Statistik Stadt Zürich 2008). In view of the tense situation on the housing market, efforts were made to increase the stock of emergency housing by 100 flats. However, this goal was clearly missed with the creation of only 35 additional flats (Stadt Zürich 2006).

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Homelessness

The issue of homelessness, which tends to be a marginal phenomenon in Switzerland in general and in Zurich in particular, seems to have been a subject in the discussions surrounding the legislation focus "Housing for All." Homelessness is less visible in Zurich than in other European countries or cities. Nevertheless, homeless people do exist, but they are visible only in a few places in the city, and official statistics on homelessness do not exist. In certain areas, such as Europaallee or Zurich Airport, homeless people are no longer tolerated at night and are sent away by the police or private security services (Brusa 2018).

A recently published investigation is described as the first scientific investigation on homelessness in Switzerland. The focus of the study is on the city of Basel, with approximately 200,000 inhabitants less than half the size of Zurich. Based on statistics and information from emergency shelters, it is estimated that 100 persons are homeless and 200 do not have an own flat in Basel (Drilling et al. 2019). One of the problems in Switzerland is the lack of comparable figures. There is no set definition for homelessness as in many other European countries (Rohner and Bachmann 2020).

It seems reasonable to assume that the numbers for Zurich are higher, but on which level they are higher is difficult to estimate in the absence of investigations and official statistics. The housing and homeless assistance of the city of Zurich calculated that 900 people were living in emergency accommodations (*Notwohnungen*) in 2004. These people have mostly been pushed to the edge of homelessness because of financial problems, long-term unemployment, psychological crises or social impairments (Fachstelle für Stadtentwicklung 2005a). In connection with the social assistance rate, the Statistical Yearbook of the city of Zurich for 2017 mentions 580 persons who could not be assigned to a place of residence in 2005. However, this category also includes people with an unknown residential address and thus presumably overestimates the proportion of homeless people. By 2014, this figure had risen to 3,170, and in 2015 to 3,869, i.e., it is likely that the number of homeless people has increased over time in Zurich (Stadt Zürich 2018a: 304). In contrast to these high numbers, the social authorities assume that only 12 people currently live outside on the streets all year round (Vögeli and Koponen 2020).

Despite the uncertainty about the actual extent of homelessness in Zurich, it seems clear that the unaffordability of housing is one of the main explanations for homelessness. The Basel study concludes that the housing market, which has been tight for some years, increases the risk of low-income households facing housing shortages (Drilling et al. 2019). A high demand for housing and a correspondingly low number of empty flats (*Leerwohnungsziffer*) has been a characteristic of the city of Zurich in recent years, i.e., it can be assumed that a similar problem situation as in Basel applies here.

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National housing promotion act (WFG, *Wohnraumförderungsgesetz*,) (2003)

According to one of the interviewees, a representative of the cooperative sector, a significant change on the national level took place in 2003. The National Housing Promotion Act (WFG) from 2003 replaced the earlier Housing and Property Promotion Act (WEG) from 1974 (see also Section 6.2.1).

> At the national level, in 1974, there was the so-called WEG, the Housing and Property Promotion Act. This was replaced in 2003 by the WFG, the Housing Promotion Act. There were still direct payments, but only for nonprofit housing developers. These were abolished. There were loans for the subsidence of flats, which were also suspended, if I still remember that correctly. And there are two instruments remaining, but they cost nothing, so they are not subsidies or anything. That is the Fonds de Roulement, a counterguarantee for the EGW. This means that they actually help to finance more cheaply. But simply in the tendency. (Interview 2, Zurich)

The act originally provided four instruments for the promotion of housing in Switzerland, but because of an austerity program for the federal budget, direct support in the form of interest-free or low-interest loans for nonprofit developers in rented housing and direct support through interest-free or low-interest loans for owners of owner-occupied housing were suspended. Therefore, no direct financial support of housing remained on the national level. Resources for research into and promotion of reference projects in the housing sector is one of the remaining, comparatively weak instruments. The other one is an instrument of indirect support: The Federal Government guarantees bonds issued by the Issuing Centre for Nonprofit Building Contractors (EGW, *Emissionszentrale für gemeinnützige Bauträger*), provides counterguarantees to the mortgage guarantee for housing cooperatives in the rental and property sector, and grants the umbrella organizations of the nonprofit housing sector funds for the creation of a Fonds de Roulement (BWO 2019b: 2).

There are no indications that the city of Zurich was directly and actively involved in lobbying for the act. However, there was no agreement within the national parliament on how strongly the federal government should intervene in housing policy. In the debates, an urban-rural divide became apparent. Representatives from the larger cities such as Zurich and Geneva were in favor of increasing housing loans, while parliamentarians from rural areas were more opposed. In the end, the more rural representatives succeeded within the center-right-dominated parliament (Mettler 2003).

The advent of Swiss Federal Railways (SBB) as real-estate agent (2008)

Many projects are realized in cooperation between public and private sector. A frequent partner of the city is Swiss Federal Railways (SBB, *Schweizerische Bundesbahnen*). In procedures with the SBB, the city of Zurich has a dual role: First, it gives advice and, second, it is the authority that has to approve any plans. These procedures are sometimes not very transparent (Gerber 2008: 78).

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The paradigmatic change that made SBB an important player started in 1999; today they are the second largest real-estate company in Switzerland. The first factor that contributed to this shift was the decision back then to exclude SBB from Switzerland's Federal Administration. The SBB became a company regulated by public law. The federal state, however, retains its hold by owning 100% of all shares. The second important factor was the bad situation in which the pension fund of the SBB was around 2005. A restructuring plan was forwarded, in which SBB acknowledged a liability to its pension funds, which should be paid by means of the cash flow generated in the real-estate sector over the upcoming 25 years (Bundesrat 2007). The third factor, related to the preceding one, was upgrading SBB Real Estate (*SBB Immobilien*) to become an independent division within the company (Scherr 2018: 24). The significance of these developments was also confirmed in the interview conducted with a representative of the SBB Real Estate (Interview 8, Zurich).

The federal government demands from SBB that a reasonable amount of profit is made with SBB Real Estate. The performance mandate defines that the amount of 150 Million Swiss Francs made as profit from real estate has to be used for subsidizing the railway infrastructure, and since 2007, the remaining money has to be used for restructuring SBB's pension funds, approximately 93 million Swiss Francs a year (Schoop 2018: 161). According to one of the interviewees, a former planning official in the Zurich administration, negotiations between the communal executive and the SBB about affordable housing were not clear:

> What I think is very important today is that the City Council and SBB have not negotiated clearly enough with each other about affordable housing, i.e., how large this part has to be. And, of course, there is now the criticism. Let me put it this way: During the preparations, certain things were perhaps not very well thought out. (Interview 1, Zurich)

In 2006, the communal parliament decided that a design plan (*Gestaltungsplan*) is obligatory for the SBB area Zollstrasse. This decision paved the way for negotiations between city and the SBB. The SBB received a design plan for the project *Gleisarena* and *Gleistribüne*. In return, together with the city, they sold part of their parcel to the housing cooperative Kalkbreite at fair conditions, leading to the construction of 48 affordable apartments. The SBB also did not sell the Letzibach D site in Zurich-Altstetten of its own free will to enable 250 nonprofit apartments. In 2010, the city was set to cede a strip of land to the SBB for its major Westlink project, but the Alternative List threatened a referendum. The City Council withdrew the bill and instead granted the SBB a right to build closer (*Näherbaurecht*). In return, they gave up an area for affordable housing on the other side of the tracks. The purchase contract was not concluded until 2013, when the actors involved agreed on the price (Scherr 2018: 22).

The area "Europaallee," situated around the central railway station in Zurich, was bought over 150 years ago by a predecessor organization of the SBB (*Nordostbahn*) for about 10 Swiss francs per square meter. Recently, the land was sold for about 27,000 to 70,000 Swiss francs per square meter. One of the biggest problems of these projects by the SBB is that, usually, living space is not affordable for broad segments of the population. Most of the time, luxury apartments are built (Hug 2018).

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Already back in the 1960s, there were thoughts about a large reconstruction of the area. Plans became more concrete in the 1980s, and the project was revised and renamed several times (from *HB Südwest* to *Eurogate*), until it finally ended in 2001, because there was no agreement between the actors involved, among them UBS. The history of the area marked by the failure of these various previous projects seems to have had an impact on the future development. The design plan submitted in 2004 for the project, initially known as *Stadtraum HB*, was approved by the municipal parliament without any dissenting votes (Schoop 2018: 150–58). Under these conditions, the economically liberal City Council was unwilling to jeopardize the project again at that time by negotiating the proportion of affordable housing. Interviewee 7, the former parliament member affiliated with the tenant's association, supports this assessment.

Once a pioneer in nonprofit housing, the SBB increasingly focused on residential buildings made of glass, steel and concrete, which are rented at market prices, and even apartments for the wealthy segments of the population (Strohm 2020). Their large involvement in building luxury apartments led to public critique, which has been especially linked to the project Europaallee next to the main railway station Zurich. The representative of the SBB Immobilien pointed out that, strictly speaking, SBB's land, which also lies at the origin of the Europaallee project, could not be considered as brownfield land in the classical sense.

> The Europaallee project started at a time of industrial decline in the city, when there were larger, contiguous brownfield areas especially in urban Kreis 5. The term "brownfield" does not adequately describe the areas of the SBB. The SBB land has never been fallow and has never remained unused for a longer period of time. The area where Europaallee is now located was largely underused or occupied by things that had no real relevance there but had grown there for historical reasons. The land was always used until time point X, until it was converted as part of the city. This distinguishes the SBB to some extent from other real-estate companies. (Interview 8, Zurich)

Looking at it from the perspective of affordable housing, the whole Europaallee project has been quite unsuccessful, because no affordable housing has been built at all. All of the 400 apartments are luxury objects within the highest price segments (Zander 2015). The high rents in the Europaallee also contributed to the fact that Kreis 4, where it is situated, became one of the most unaffordable areas *in the world* according to an investigation by Nestpick (Kohler 2019).

According to Schoop (2018: 155), the Europaallee project illustrates what happens when urban development processes are primarily advanced by a profit-oriented company that aims at cross-subsidizing their ailing pension funds and the national railway infrastructure through high rents. The perception of Europaallee as a luxury project, in which apartments are unaffordable for a large part of the population led to a more critical attitude toward the SBB's construction projects throughout Switzerland (Scherr 2018).

Another big urban renewal project close to the main railway station on land owned by the SBB had its origins in 2016, when the SBB announced its intention to construct. The SBB's repair center situated on an area the size of four football fields (see the area marked in Picture 2) should be replaced by a combination of housing, business and public space (SBB 2019).

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Picture 2: Neugasse, Zurich (14 January 2019)

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Discussions surrounding the share of affordable housing within this large, centrally located project soon started. As a reaction to the failure to provide affordable housing at Europaallee, the SBB proposed a share of one-third of affordable housing in the project called Neugasse, which was far from being enough for a citizen's committee consisting of one of the interviewees, a former parliament member from the left, who said the following about the negotiations between SBB and the city:

> The city government was totally happy and said it was insane what they had achieved. I then started an initiative with some people and said that, for all the SBB has already done, they have to compensate now. We said we wanted 100% [affordable housing based on the principle of cost rent]. We then had a meeting with the City Council's housing delegation.[28] In this meeting I tried to tell the mayor that it is good that we did that, so now we can increase the pressure on the SBB. Mauch [the mayor] was very offended: "We negotiated really well. We can't just go back to the SBB now." And I said: "Of course, you can still go to the SBB. You can say that the rezoning will not be approved, and that the parliament will be opposed. That's it. Take advantage of that." She replied: "No, we have an agreement with the SBB. We can't do this ..." That's the logic. (Interview 7, Zurich)

[28] The housing delegation (WoDel, *Wohnungsdelegation*) coordinates Zurich's housing policy across the administrative departments and is headed by the mayor and three additional council members.

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After a successful signature-gathering process, the initiative entitled "One Europaallee Is Enough – Buy the Neugasse Area Now!" (*Eine Europaallee genügt – jetzt SBB-Areal Neugasse kaufen*), launched by "Verein Noigass," was submitted on 21 March 2018 to put pressure on the SBB to increase the share of affordable housing as much as possible (Scherr 2018: 23; Verein Noigass 2019). One participant, who used to be a researcher in the field of housing some years ago, mentioned that the signature-gathering process for the initiative has been exceptionally fast (Interview 3, Zurich).

The mounting public pressure on the SBB, including the successful signature-gathering process initiated by the citizen committee and numerous rather negative media releases concerning the Europaallee project had some effect. In cooperation with the city, the SBB improved its offer and added one-third of housing in limited price in addition to one-third to be provided to housing cooperatives via leasehold contracts (Baumgartner 2018).

In April 2019, negotiations about the future of the area were resumed by the communal legislative. A group consisting of AL and Green Party members called for a share of 66% of affordable housing, while the Green-Liberal Party (glp) and the Social Democrats requested a share of 50% affordable housing. Finally, the parliament rejected the proposal of one-third affordable housing and one-third limited price housing (see above), also because of the unclear definition of this second third, and decided that the communal executive has to continue negotiations with the SBB aiming at 50% of actually affordable housing (Müller 2019). Because of the negotiations about the share of affordable housing in this urban development project of the SBB, the former secretary of Zurich's housing association described Zurich as "pacemaker for Switzerland" as a whole:

> The opposition to the Europaallee project was a sign that conversions at the SBB were not just going through without discussion. SBB has very large construction projects in French-speaking Switzerland and in Basel. If they now increase their share of nonprofit housing from one-third to 50%, that is the tariff that will also apply in Basel or Lausanne. (Interview 7, Zurich)

In addition, the SBB also started a series of workshops on the future development of Neugasse to better understand the needs of the local residents surrounding this area. In order to motivate young people to participate in these so-called townhall conversations (*Hallengespräche*) cooperation with the open youth work (OJA, *offene Jugendarbeit*) has been started. Finally, five or six teenagers actively participated and even expressed their opinion in front of an audience of around 200 people according to the representative of the SBB Immobilien (Interview 9, Zurich).

The following figure shows a simplified representation of the governance arrangement in the corresponding period. At the national level, the gap between the cooperative and public sector is widening, while the close cooperation between cooperatives and the city of Zurich at the local level continues. The relationship between the city and the private sector is improving and in parallel. The SBB is becoming a major real-estate player. These developments are ultimately reflected in the design of the housing policies. There is increased construction activity and the abolition of benefit payments for objects on the national level. Overall, profit orientation seems to dominate the social dimension of housing during this period.

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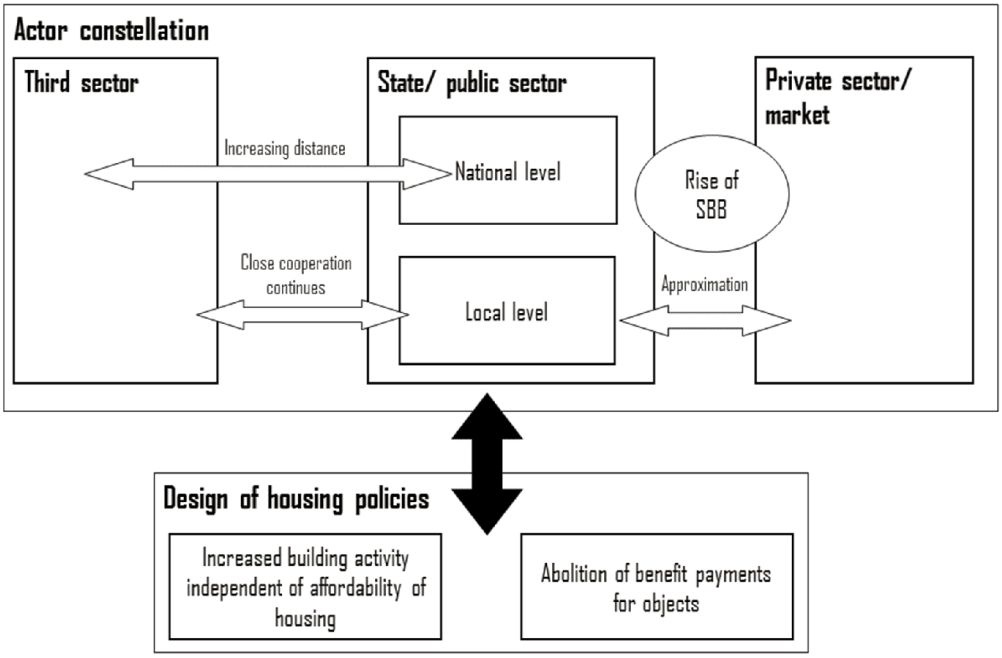
Figure 8: Housing governance in Zurich, 1998/99–2010



(Source: own representation)

Civil-society actors or community groups rarely play a major role in this period and are therefore left out in the figure above.

6.3.3. Affordable housing on the agenda and actor polarization (2010–2014)

One of the biggest changes in Zurich's housing policy, with far-reaching consequences for the respective governance arrangement and the general atmosphere within the city, happened around 2010. At that time, André Odermatt of the Social Democratic Party was elected as new building director, a position he still fills in 2020. He succeeded Kathrin Martelli of the Liberal Party (FDP), who ran unsuccessfully for mayor in 2009 and then ended her political career by 2010, after being defeated by Corine Mauch (SP).

Despite the shift to the left in the communal executive, concrete impulses from the communal executive for more affordable housing were rare. There were frequent contributions and analyses by the communal statistical office or urban development Zurich (*Stadtentwicklung Zürich*), but concrete planning actions were not introduced. According to Scherr (2016b: 50–51), the social aspects of urban renewal seemed to rank low on the priority list of the communal executive, although it primarily consisted of Social Democratic and Green Party politicians. Efforts for more affordable housing either came from the communal parliament or were introduced via the direct democratic instrument of the popular initiative. Statements from interview participants and

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secondary literature confirm this assessment. The following sections discuss factors and developments surrounding this change in more detail.

Developments contributing to a change in Zurich's housing policy in 2010

Several factors contributed to the fact that housing, especially affordable housing, ranked higher on the political agenda around 2010. One element was a series of popular initiatives related to housing which shaped political discussions around that time (Troxler 2010).

Discussions were launched by the Alternative List (AL) in 2007 about introducing a minimal share of affordable housing if buildings are reused and zones are changed, and in November 2009, the communal tenants' association (MV) requested that a minimal share of affordable housing be established in the communal building and zoning regulation (BZO). In 2010, the communal legislative voted for a minimal share of affordable housing in the area of Manegg (Sihlpapier area) (Scherr 2016b: 50).

A popular initiative from 2010 requested the introduction of the principle of cost rent (*Kostenmiete*) to be applied to all residential estates and commercial premises owned by the city. This initiative was a reaction to the cantonal request for a revaluation of municipal real estates (Troxler 2010).

One of the interviewees, the former president of a national housing cooperative, observed that the sensitivity for the theme of housing in the population increased over time because of increasing unaffordability of housing in the city. The rising level of suffering had the effect that nearly everyone knew someone who had trouble finding an affordable apartment in Zurich, which contributed to the final "yes" vote in the direct democratic ballot of 2011 (see below).

> I: My hypothesis is that the sensitivity of the population to housing issues is increasing. If I were to set up an acceptance barometer between 2000 and today for affordable housing, approval would increase, but it is not yet so strong that it is decisive.
>
> R: Would you predict that this will even intensify if rents and prices continue to increase?
>
> I: If it goes on like this, it will happen at some point. This is a purely economic [statement]. From the point of view of the political economy, the level of suffering leads to a change in politics. When an issue affects the population more, it suddenly comes up in the polls. (Interview 2, Zurich)

A further justification for the changes to Zurich's housing policy come up in another interview with a former parliament member from the left. As is argued here, the changing orientation in Zurich's housing policy at that time can also be attributed to the rise of a more investor-critical group or fraction of politicians within the Social Democratic Party around 2010 and 2011. The left wing of the party, represented by Jacqueline Badran, who was a figurehead of the Social Democratic housing policy and mainly responsible for drafting the initiative "Housing for All" in 2010, gained power, which lead to a fracture with the tradition under Elmar Ledergerber. The former member of the communal parliament from the left identified discussions about the conversion of the Sihlpapier fallow and the Green City development project as the final tipping point,

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although the dispute surrounding *Stadtraum HB* and later on the *Zollfreilager* were two housing policy debates. A completely minority discussion was held within them, but one conveying a content that relatively soon became politically acceptable to a majority (Interview 7, Zurich).

Fundamental article on housing (2011)

In 2010, four popular initiatives organized by different political groups were submitted which concerned the city's housing policy. In a strategic paper adopted by the City Council in November 2009, it was declared that the city wants to maintain 25% affordable housing, which is the highest share across Switzerland (Sonderegger 2010).

The communal popular initiative "Housing for All" (*Wohnen für alle*) was penned by a group of Social Democrats from the left wing. Their main claims were an increase of affordable high-quality housing and commercial space across the whole city, enabling a socially mixed population in all districts. One-third of the total rental stock should be provided without profit orientation by 2040. The initiative submitted by the Protestant People's Party (EVP, *Evangelische Volkspartei*) entitled "City of Zurich for the Elderly" (*Seniorengerechte Stadt Zürich*) demanded a need-oriented offer of apartments and options for assisted living for senior citizens. The cooperation of public and private sector was suggested to fulfill this demand. In addition, the inclusion of elderly people in social and cultural life was promoted by this initiative. The third initiative also submitted by the EVP called "City of Zurich for Families" (*Familiengerechte Stadt Zürich*) was intended to guarantee measures for the promotion of family living within the boundaries of the city. Thereby, the share of family households should be increased permanently. A high-quality and sufficient offer of family apartments should be provided across the city. The fourth initiative submitted by the Green Party was still in consultation at the time, when the voting brochure was published (Stadt Zürich 2011b: 11).

In a summary of the claims of all three or even four initiatives, the city elaborated a counterproposal presented to the electorate on 27 November 2011. Because of these three initiatives, the rather ambitious goal of reaching a share of one-third of nonprofit housing by 2050 was inscribed in the fundamental article on housing (*Wohnpolitischer Grundsatzartikel in der Gemeindeordnung*) in the municipal code. Although not implemented straightforward, the main goals put forward by the initiators of the initiatives were satisfied. In the end, the counterproposal was successful with a yes-vote of 76% of the direct-democratic ballots. It inscribed the goal of reaching a share of one-third for nonprofit housing by 2050 in the municipal code.[29] In addition, the publicly owned nonprofit housing sector was significantly strengthened by this initiative (Balmer 2017: 79). The spatial dimension did not play a role here, nor did a large part of the other policies, although the distribution of the nonprofit housing stock across the city shows that there are clear spatial imbalances.

[29] Gemeindeordnung der Stadt Zürich. Gemeindebeschluss vom 26.April 1970 mit Änderungen bis 24. November 2013, Artikel 2 quarter.

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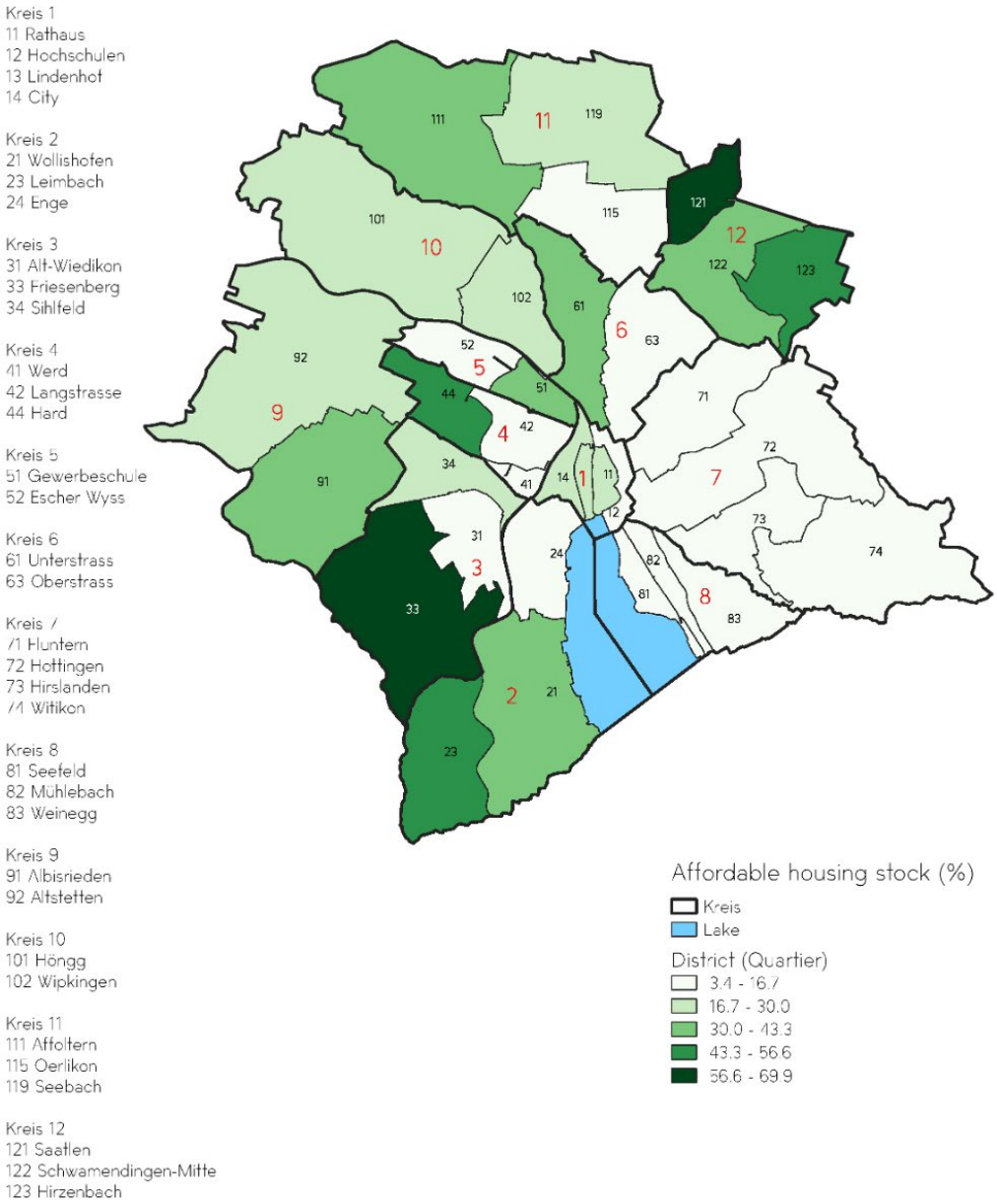
Figure 9: Share of affordable housing by urban district, 2011



(Source: own representation based on data from Statistik Stadt Zürich 2019)

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Figure 9 shows the share of the affordable sector (city and nonprofit-oriented housing providers) in the year the fundamental article on housing was accepted for each of Zurich's 34 districts. It illustrates stark differences between the districts in terms of the stock. The lowest share is found in Hottingen with only 3.4%, while in Saatlen it amounts to more than two-thirds of the total housing stock, with 69.8%.[30]

Implementation of the article

Only a few days after the popular election, the communal executive informed about new strategic guidelines in its housing policy: more housing construction by housing cooperatives and the local authority, clear orientation toward specific target groups, socially acceptable and sustainable use of building fabric as well as cooperation and dialogue with private individuals. This last point is circumscribed as involving private actors in the city's housing policy, because they make a significant contribution to Zurich's housing stock (Stadt Zürich 2011a).

To achieve this goal, they took specific measures: an advisory and information center to be opened by the PWG Foundation, supporting property owners and tenants in purchase negotiations. An advisory center was set up by the Social Department supporting landlords in case of difficult tenancies/leasing relationships and the so-called echo chamber housing (*Echoraum Wohnen*) will be set up as an institutionalized form of regular dialogue and exchange between nonprofit and private housing and real-estate actors (Stadt Zürich 2011a). In addition, a housing delegation of the communal executive (*Wohndelegation des Stadtrats*), headed by the mayor and including the executive member in the Department of Finance and the executive member responsible for the Building Department (*Hochbaudepartement*) will be created; also a housing platform (*Plattform Wohnen*) will be set up as an expert group internal to the administration headed by a management staff (*Stab Plattform Wohnen*) consisting of administrative heads (Kälin 2011; Stadt Zürich 2011).

The housing program (*Programm Wohnen*) from 2012 was formulated by the communal executive not only – but also – as a reaction to the acceptance of the fundamental article on housing in 2011. According to the document, Zurich's rather ambitious housing policy can be successful only in partnership with key housing actors. Maintaining a dialogue with housing cooperatives, foundations and private developers is key to providing a sufficient offer (Stadt Zürich 2012: 5). Eight measures for the promotion of nonprofit and affordable housing are outlined, ranging from continuing the practice of giving land to housing cooperatives in leasehold, lobbying at the cantonal and federal level for more effective planning instruments and the possibility to create a communal Fonds de Roulement (Stadt Zürich 2012: 6–7).

[30] Information received from Zurich's statistical office on 5 February 2019 says that the rather complicated calculations following the definition in the municipal code are carried out only every 4 years for reporting purposes, for the first time in 2016 based on data for 2015. Data used here are based on less complicated calculations equating the nonprofit stock (*gemeinnützige Wohnungen*) with the sum of the public and the housing cooperatives stock, which leads to results that are nearly congruent.

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As a measure to improve the dialogue and cooperation with all the relevant actors on the housing market, the echo chamber housing is created as a platform for exchange. The echo chamber housing is officially described as a platform allowing a dialogue between relevant public, private and nonprofit actors active on Zurich's housing market. Urban development Zurich (*Stadtentwicklung Zürich*) is responsible for this platform, and the common goal should be to provide affordable and contemporary housing of high quality (Stadt Zürich 2012: 9).

The assessment of the echo chamber for housing varies widely among the interview partners. One of the interviewees, the former president of a national housing cooperative, says that actors just participate out of politeness, and that the important people soon started to send their deputies.

> Yeah, that's where you politely go. After the second time, the really important people don't come anymore and send their deputies. [...] Yes, you go because the mayor invites you. It's a matter of politeness that you show yourself there now and then and you show your own examples. But it's not a real one ... Maybe if you ask people from urban development Zurich [*Stadtentwicklung Zürich*], they might see it differently, but for me it's a fig leaf. It's nice to have the conversation – and you know each other anyway and you know about the different interests, intentions and backgrounds. (Interview 2, Zurich)

In a similar vein, one of the participants reacted to the question regarding the relevance of the echo chamber saying that it is not the only – and clearly not the central – body for shaping housing policy, even though it seems to be an important platform for feedback. Contacts within the field of housing are much broader than just within the echo chamber. In addition, many regulatory instruments (e.g., the BZO) have extensive official feedback procedures and consultation processes. However, there are permanent contacts to all relevant associations and major investors in the building department, the Presidential Department and the Finance Department (Interview 3, Zurich).

Another interviewee and current parliament member from a party favoring less state interventions in the housing market described the echo chamber as a leftist platform, where housing cooperatives have the opportunity to be in the spotlight and present their projects, while market actors play only a marginal role.

> I have to tell you, it's just a left thing. There are housing cooperatives. The institutional ones are there too, but I must tell you that when I hear them ... Yes, they were there once and they listened, but then they go out and say: "Well, that was okay." So you discuss. And they always bring examples from their own side ... They always try to put the housing cooperatives in the spotlight or different institutional investors who follow their line but are dependent on the city. It's a kind of nepotism. (Interview 10, Zurich)

One of the interviewees representing a large regional housing cooperative describes the platform as an important and good platform for exchange, which allows you to get to know the interests of other actors, but where no bargains are made. In addition, the assessment of the previous interviewee is confirmed at least to some degree by saying that "we as housing cooperative have

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a good opportunity to explain our differences on the one hand and our needs on the other hand" (Interview 4, Zurich).

Statements by one of the interviewees, the former parliament member from the left, indicate that the fundamental article on housing is not implemented as originally intended by the initiators. He says, "the city pursues the path of least resistance" and does not negotiate hard enough with private actors on the housing market. Instead, projects are mainly going on concerning parcels, which are already withdrawn from the market.

> From 2011 onward, it can be said that the Department of Building Construction [*Hochbaudepartement*] is actively pursuing the fundamental article on housing with the one-third goal of urban housing construction, i.e., by accelerating and densifying the construction of urban plots or by purchasing an area such as the Koch site and delivering it under building lease [*Baurecht*]. But you don't stand on the toes of private actors in this process. So, you say you buy the land and pass it on in building lease or you encourage the housing cooperatives to demolish their settlements and build more densely. In other words, the fundamental article on housing, which in my view represents a fighting instrument against the purely market-oriented private construction and investment policy, is now simply being implemented on sites that are already outside the market. This is not what the inventors intended, but it is the path of least resistance. On the other hand, the good taxpayers are happy with it. (Interview 7, Zurich)

This focus on the already affordable stock contributes to more demolitions and renovations within the stock of housing cooperatives or densification endeavors, which sometimes even have negative consequences for current residents who cannot afford to live in a new or refurbished flat, which are significantly more expensive, although still within the affordable part of the housing stock (Interview 4, 7, 10). Presently, it cannot be said exactly whether the city or the housing cooperatives were the main driving forces behind this trend. In recent years, however, a debate was going on about the problems of this practice in the local media, and awareness of the negative effects was raised in the cooperative sector (see also Schmid 2016).

Consequences of the fundamental article on housing

As another interview participant, a former executive member who is not directly involved in politics any longer, suggested the fundamental article led to a more conflictual constellation in the field of housing, making it more difficult to find adequate solutions. All the relevant actors are following their own interests and finding a compromise has become nearly impossible.

> I think it was a change in the whole way of doing housing policy to some extent. Over the last 10 years, I think it has become much more violent. It became like this, a struggle, of course, because of the difficult situation in the city of Zurich. Negotiations do not actually take place like they used to anymore. Instead, everyone wants to assert their interests. It seems to me that this makes it more difficult to find good solutions. (Interview 9, Zurich)

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One of the interviewees noticed a significant change in Zurich's housing policy, which took place after the fundamental article on housing was introduced, when the city restarted its own housing construction activity.

> There was a period in Zurich, 7 or 8 years ago I think, if I understood it correctly, when the city said it was not building primarily apartments. Instead, it tries to support nonprofit housing, for example, by providing land under building law or a loan, but it tends not to build itself. That has changed again, I don't know exactly how it started. That was certainly a relatively important policy decision for the city. It is again building itself, Kronenwiese and all other settlements, some of which are still being built or have already been built. (Interview 3, Zurich)

The estate of Kronenwiese situated in the district of Unterstrass was built from 2014–2017 (Stadt Zürich 2019b). One-third of the totally 99 flats are subsidized, and 10 flats were reserved for the asylum organization Zurich (AOZ) (Sarasin 2016).

Connected to the fundamental article on housing, the project leader of the SBB we interviewed suggests that there is a need to understand what the consequences of a one-third of apartments being withdrawn from the market are for the rest to stay on the market. According to her, the cooperative model of housing is rather restricted, and not everyone has access to it (Interview 8, Zurich).

6.3.4. Increasing profit-orientation by market actors (2014–2017)

The growing importance of institutional investors

Massive changes on the housing market in Switzerland are going on. Real-estate corporations, real-estate funds, insurance companies, banks and pension funds have all been able to significantly increase their share of rental apartments in Switzerland in recent years. Between 2000 and 2017, the share owned by these actors increased from 29% to 39% (Young 2019). This development must be seen against the background of the financialization of housing (see also Section 3.6). The current situation on Zurich's housing market is no exception from this general trend. In fact, as several interviewees pointed out, the situation in the city of Zurich seems to be particularly tense. One interviewee, who used to work in urban planning in Zurich, mentioned the interest rates and how attractive it is for institutional investors to put their capital in real estate:

> But what worries me more as a planner is … now you get the money for free from loans. Because if you want to invest 100 million [Swiss francs] somewhere and go to a bank, then you have to pay so that the bank takes the 100 million from you [negative interest rates]. But if, somewhere, in the completely wrong place, you convert the 100 million into concrete, housing, offices or something like this, it doesn't matter. Theoretically, you still gain more profit, and you can even take tax deductions. This means that now the living space and investments are being distributed too often completely unprofessionally. (Interview 1, Zurich)

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In a similar vein, the council member from a Liberal Party argued that it was not a conscious decision of investors such as insurance companies and pension funds which drove them to the housing sector:

> I believe it is also the insurance companies and the institutions that have naturally contributed to the investment and construction of properties. The property automatically became a capital investment, because interest rates are on the ground and no other investments are possible. As a result, there were shifts into the property market. [... The changes] were driven by financing. One was driven by cheap money, because investments in housing are the only ones that yield profit. One did not enter the real estates consciously, that resulted from the situation. Fixed deposits have decreased, investments no longer bring much and so on. They said that, by granting mortgages, one earns a little bit more. And when I have real estate, I at least have a return. Everything was driven into housing, which is why there are now so many players in the market. (Interview 10, Zurich)

More and more apartments are owned by big professional economic actors with relatively clear expectations regarding the amount of profit that should be made. Generally speaking, occupancy rates vary by type of owner: More people usually live in flats owned by housing cooperatives than in flats owned by institutional investors. Often, these institutional investors/owners are blamed for increases in rents and housing prices (Schumacher 2018; Wegelin 2020a). The reason for this is the low interest rate level, which has the effect that institutional investors are looking for safe investments with regular returns, especially in attractive urban centers such as Zurich.

Every second interview mentioned the increased importance of institutional actors on Zurich's housing market as a significant development over the period 2000–2019. The former president of a national housing cooperative argued that the importance of private homeowners with a stock of a few units has significantly decreased over time.

> Institutional investors have increased. The private sector, in the sense of a private homeowner who owns one, two or three houses, is becoming less important. This means that they sell to institutional actors, either through developers or directly. They search everywhere. At the moment, the institutional actors are stronger, and then we have the city and the cooperatives, the nonprofit housing construction: They currently hold their market share. They can only increase it through purchases, because there is not enough land to maintain production in relation to the others, and the concentration is only sufficient to maintain the share, but not to increase it. This means that, at the moment, there is a shift from the private to the institutionals. (Interview 2, Zurich)

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The current parliament member from a Liberal Party confirms this temporal development and at the same time questions whether investment decisions by institutional investors – currently the most important actors who significantly shape the development of the city – are always thoughtful enough:

> I think that, from today's point of view, the most important [actors] are certainly the institutional ones. I mean, they are the ones who have to invest. Whether they always invest accurately is another question, but they have to invest. The institutional actors, these pension funds, insurance companies and the like, are now moving certain things in the city. [...] Of course, we already have the private sector building. But nowadays insurance companies and this sector are also subsumed under the term "private." Private individuals do not contribute as much as they did in the past. (Interview 10, Zurich)

In this same interview, a federal law on retirement[31] is mentioned several times. The increasing importance of institutional investors in the Zurich housing market is therefore explained by the provisions of this federal law. He sees this as a contradictory attitude, because everyone wanted sufficiently large pensions in old age, but complained about apartments being too expensive. Both together are not possible (Interview 10, Zurich).

In Zurich, the share of institutional actors increased from 24.2% in 2005 to 28% in 2015 (Brenner 2018). At the same time, private individuals came to own less housing units over time. Stock companies are buying more, and private individuals are selling more over time (Schumacher 2018). More up-to-date data provided by the statistical office of Zurich show that this trend continued in the last couple of years. The share of housing hold by institutional investors further increased from 28% in 2015 to 31.1% in 2019. Over the same period, the share held by natural persons further decreased from 37.9% to 34.6% (see Figure 10).[32]

Testimonies of other interviewed persons indicate that current discussions about housing in Zurich have become rather polarized and focus too much on housing cooperatives and institutional investors, although they account for a little more than half of the total housing stock.

> I believe that it is not black and white, and that there is a huge gray zone in between, which is rarely discussed in the media and the political arena. People like to talk about the white, that is, the housing cooperatives, and the black, that is, the institutional investors. The gray area has no ear and finds no acceptance at the political level. Nonetheless, it accommodates most the population. That is once again an exciting question: Why do politicians discuss only the extremes, when the mass of the population in the middle is actually being ignored? (Interview 8, Zurich)

[31] Bundesgesetz über die berufliche Alters-, Hinterlassenen- und Invalidenvorsorge (BVG) vom 25. Juni 1982 (as of 1 January 2020).

[32] The values for the year 2019 reflect the status at the end of November.

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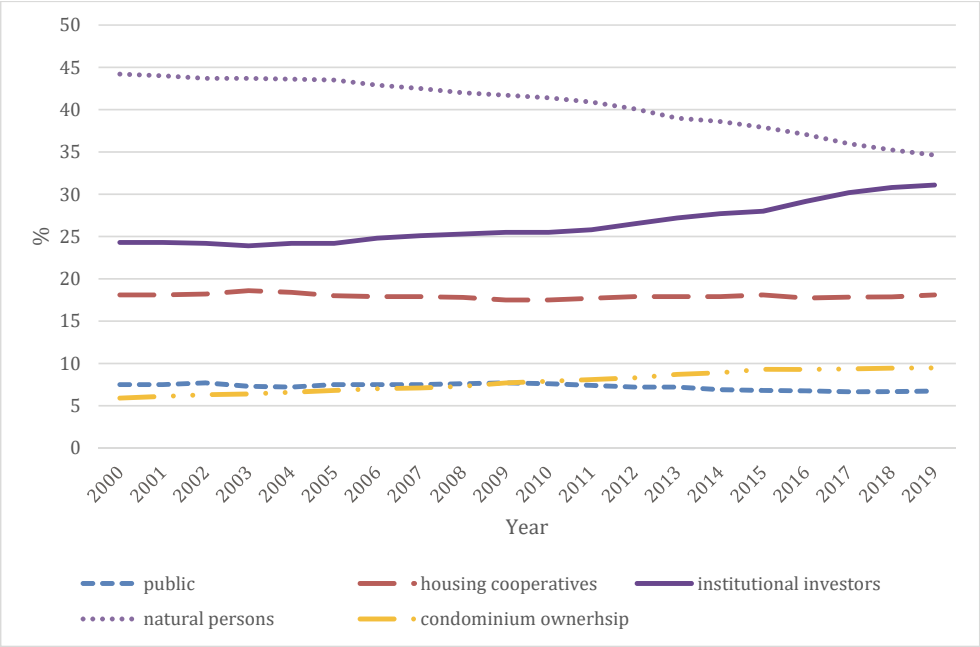
Figure 10: Ownership type of housing in Zurich, 2000–2019



(Source: Statistik Stadt Zürich 2019)

Referring to the area of Friesenberg, where massive renewal is going on now, the former executive member at least to some degree confirms this framing and the situation, in which a good-bad scheme dominates the debates around housing in the city of Zurich (Interview 9, Zurich). At the same time, it is admitted that housing cooperatives pay more attention to current residents than private actors do when it comes to tenant changes.

> When I look at the big area in Friesenberg. They're doing a major renovation of cooperative housing schemes. Several thousand people live there in the apartments. To put it simply, they were on the good side for a long time. The cooperatives are good, they provide housing, and in this right-left scheme, good-evil, they are good. Pension funds and investors are the bad guys and they [the housing cooperatives] are the good guys. And now [the cooperatives] are taking on the role of demolishing houses and entire settlements, because they say that the small single-family houses are bad in terms of energy and acoustics, and nothing is right about them. You can build much more densely, and you can accommodate more people. They do that and now they're displacing the residents. In such a situation they [the cooperatives] will certainly take better care of tenants than any private ones, who would simply give notice. (Interview 9, Zurich)

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Another economy-friendly interviewee also observes a shift to institutional actors in recent years. He argues that the role of "collectivized capital" in general has increased in the last few years, and that "small private investors are deterred from the market," which contributes to a relative increase of Zurich's housing shortage. This development has also to do with the ideological proximity of housing cooperatives and current City Council (Interview 6, Zurich).

A report on the composition and characteristics of the private rental sector conducted by Ilg and Zimmerli (2013) on behalf of the Homeowners' Association (HEV) surveyed homeowners. It points to fundamental differences in terms of the rental mechanisms that apply to small private owners compared to large institutional ones. This report was also mentioned by one of the interviewees, who currently works for the principal of this investigation:

> In principle, half of the living space in the city of Zurich is provided by private individuals. These private individuals are usually an older married couple who owns an apartment building. On average, they have 5, 8 or 10 apartments and live in one of them themselves. The rental income they generate is their retirement provision, they live on it. We saw that in our survey. Their aim is not to maximize returns, but to keep the tenancies as long as possible. Better cheaper and long term [than more expensive and short term]. Because every tenant change means a much greater effort for a small tenant [than for a large landlord or institutional investor]. [...] When [a tenant] moves out, [the question] arises how easy it is to find a new one. Because every month of vacancy is money that goes missing. Not in the calculation of the yield, but in the wallet they live on. That's why it's better if someone pays less rent, but has a long-term lease. It's different with a pension fund. It has maybe 1,000 apartments for which it can hire, say, a painter. On average [such a pension fund] has, say, two or three tenant changes. Then it can define and standardize this as a process. Apartment inspection and changing tenants are no longer an issue. (Interview 10, Zurich)

The report commissioned by the homeowners' association is an attempt to draw a differentiated picture of the private sector in the housing market in a time of growing importance of institutional investors.

The Project Brunaupark as illustration of growing profit orientation

Developments surrounding the estate called Brunaupark situated in Zurich's Kreis 3 in Wiedikon illustrate several aspects of Zurich's housing policy at that time. The project shows the growing pressure stemming from institutional investors being oriented toward profit maximization, which ultimately leads to conflicts and contradictions with the goal of providing affordable housing. It can also be read as an example illustrating the complex interplay of different actors. The currently existing estate can be seen in Picture 3.

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Picture 3: Apartment Block in Brunaupark, Zurich (13 February 2020)

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Four interviewees, three from more economy-friendly organizations and parties and one from the other side of the spectrum, referred to Brunaupark during the interview, although it was not explicitly listed as a question or theme in the interview guideline (see Appendix 1: Interview Guide Zurich (German)).

Brunaupark has a long and complex history dating back to the shutdown of Zurich brickworks. In 1969, an area of 10 hectares was assigned to residential zone C, in which three floors were allowed at that time, indicating the aim of the city government to provide more residential housing there. One year later, the Schweizerische Kreditanstalt (SKA), predecessors of Credit Suisse bought the area from Zurich brickworks and wanted to build its administrative center there. On 16 November 1973, the City Council and SKA signed an agreement to reconcile the conflicting interests. The agreement was described as "very progressive contract for that time" by the former parliament member of the left (Interview 7, Zurich). It allowed the change from residential zone C to the five-floor residential zone A. The contract was subject to several conditions, e.g., increasing the share of offices in the area can only be done if a corresponding residential share is realized; the SKA makes an infrastructure contribution of 4 million Swiss francs; and the dwellings are subject to cost rent for 30 years from the date of first occupation and are monitored by the Office for Housing Promotion (*Büro für Wohnbauförderung*). During this period, rents are calculated on the basis of construction costs only (*Kostenmiete*), without taking into account the value of the land (IG Leben im Brunaupark 2020).

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During the period in which private market actors found favorable conditions provided by the Liberal and Social Democratic alliance of Elmar Ledergerber and Kathrin Martelli as head of the building department, the city adopted the new building and zoning regulation (BZO) in 1999, the first one after the blockade that started with BZO Koch from 1992 and the transition BZO issued by the cantonal Building Director (Amt für Städtebau Stadt Zürich 2013). Therein, the whole area was split into two parcels, one with a residential share of 0% (Uetlihof) and one with a residential share of 75% (Brunaupark), which finally led to the disappearance of a fifth of the total residential share (IG Leben im Brunaupark 2020). According to a former parliament member from the left, the preconsulting commission was not informed that this zoning would undermine the contract from 1973, and that the limitation on the use of office space would become obsolete. In December 2002, at the request of Kathrin Martelli, who was head of Building Department at the time, and Martin Vollenwyder, from the Financial Department, who was responsible for the entire rent control of these apartments, the City Council decided that the 1973 contract should be cancelled, and that the entry in the land register should be deleted. This was completely concealed in the municipal council. A much-downsized version of the contract was made, which regulated only that rent controls would continue until 2023 for 92 flats and until 2026 for 78 flats. Otherwise, the Credit Suisse and its pension fund, on whose premises the apartments are located, were released from all further obligations (Unternährer 2019).

The new twist came with the announcement of a new project for the area by Credit Suisse's pension funds, including 500 apartments planned in several stages. It was foreseen that, for the first stage, tenants would have to move out of their flats by June 2020 and already received letters of termination, and that the second stage should start in 2023. The negotiations between the city and the pension fund are searching to find a solution about what happens to the flats under rent control, especially those 78 flats under rent control till 2026. There was a deal between private and public actor resulting in the provision of 16 flats under the model of cost rent (*Kostenmiete*), but later the executive member responsible for the building department, André Odermatt, announced that the City Council does not agree any longer, potentially also because of the increased public pressure on the communal executive following the publication. Zurich's tenant's association and left parties (AL, Social Democrats, Greens) increased pressure on the City Council (Tages-Anzeiger 2019). The tenant's association requested a round table with all actors involved and demanded taking back the termination letters, which according to them had been sent hastily. In a motion declared urgent by the municipal parliament, the left wing expressed their dissatisfaction (Unternährer 2019).

Interviewee 7, a former parliament member from a Left Party, described the developments in the last 20 years as a political scandal of first order, referring to the urgency motion as well, which demands the obligation of a design plan (*Gestaltungsplan*) for the whole area. The communal collegium of builders (*Baukollegium*), consisting of external architects and members of Zurich's administration, also supported this concern (Stadt Zürich 2019a).[33] Finally, this motion was can-

[33] For the term 2018–2022, it consists of seven members: the Director of the Urban Planning Department, the council member heading the Department of Civil Engineering and Waste Management (*Tiefbau- und Entsorgungsdepartement*), two architects from Zurich and three based in other Swiss cities. In addition, there are five representatives from other departments and offices in the communal administration with an advisory vote (Stadt Zürich 2019a).

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celled by the communal executive in June 2019, on the argument that a design plan obligation is a public restriction on ownership and may be ordered only if it is reasonable and if the public interest cannot be implemented in any other way, which is not the case for the project Brunaupark, where less restrictive means would be available as well (Kälin 2019).

This example demonstrates how complex the actor constellation in a single project can be. Actors from public and private sector are involved, nontransparent activities of executive politicians are criticized by members of the local parliament, courts and banks may become involved, too.

In addition, this episode also points to the process of the financialization of housing. Large parts of a settlement that are less than 30 years old are replaced by new buildings to increase the profit for the private developer to the detriment of current residents and the affordable housing stock in the city. A media release from January 2020 announced that UN special rapporteur for the right to adequate housing, Leilani Farha, had visited Brunaupark and thereby expressed her astonishment that such well-preserved houses should fall victim to profit maximization by a global bank. She even wrote a letter to Credit Suisse, in which she expressed her concerns that the rights of tenants may be violated in Brunaupark (Sturzenegger 2020).

An additional aspect to keep in mind, also mentioned by some of the interviewees, is that the concrete actor constellation depends on the specific housing or urban development project we are looking at (Interview 4, 5 and 9).

Zurich's "rotten houses"

The story of the "rotten houses" in Zurich also symbolizes how profit-oriented actors exploit the strong demand for housing to their advantage. Situated in the famous Langstrasse nightlife district, a real-estate investor rented out apartments in two old blocks on Neufrankenstrasse and Magnusstrase in precarious conditions at absolutely exorbitant prices, mainly to the socially disadvantaged. Larger apartments were further subdivided in order to make even more profit. The investor was arrested in 2015, and investigations were initiated (Eppenberger and Hohler 2015)

After the houses were vacated at the end of 2016, the City Council finally acquired them by emergency resolution to put an end to the precarious conditions. This procedure of the City Council to purchase the houses without going through the parliament was subsequently not considered legally legitimate by the administrative court (Schenkel 2019).

6.3.5. Policies for a more social orientation of housing (2017–2020)

The following figure shows the interaction between governance arrangements and concrete housing policy in the last period from 2017 to 2020. The pressure from civil society, which was already significant in the previous period, seems to be contributing to an increase in regulation and affordability. Efforts to increase affordability are underway at all three state levels. This is exemplified by developments surrounding the land value capture. Institutional investors continue to gain importance, and housing cooperatives imitate the profit motives of the private sector with premature renovations at least to some extent.

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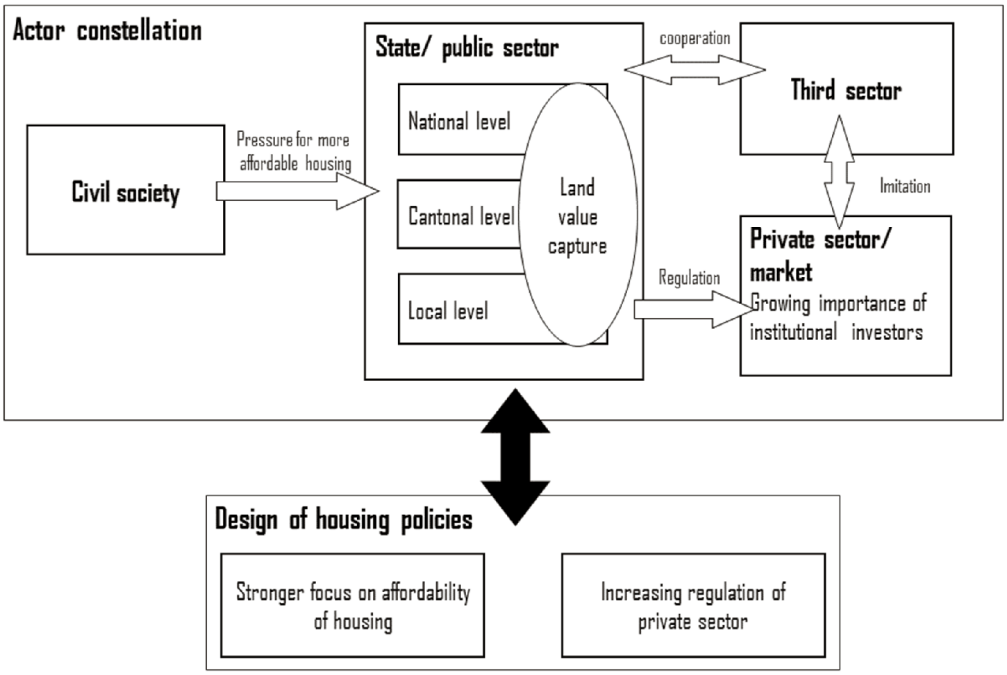
Figure 11: Housing governance in Zurich, 2017–2020



(Source: own representation)

Developments on all governmental levels during this period will be discussed in more detail in the following sections, starting with the local housing program from 2017.

Housing program (*Programm Wohnen*) (2017)

In 2017, the housing program (*Programm Wohnen*) was revised and reformulated (Stadt Zürich 2017). The central aims are being an attractive residential city, guaranteeing sociopolitical stability and forward-looking activities on the housing market. Pursuing an active housing policy in all districts within the existing framework is described as necessary for a good social mix of tenants across the whole city. According to the document, cooperation with other actors is indispensable for the self-declared progressive housing policy: "The City of Zurich can only achieve its ambitious housing policy goals in partnership with the important public, private and nonprofit players on the housing market. Therefore, great attention is paid to cooperation and dialogue – especially in planning – with foundations, housing cooperatives and private builders" (Stadt Zürich 2017: 5).

In order to achieve the goals written in the fundamental article on housing from 2011, affordable housing should be provided by nonprofit-oriented housing providers including the city, its foundations and housing cooperatives following the principle of cost rent. Related to this is a clear orientation toward specific target groups, especially low- and middle-income households, older people, families and students, who often have difficulties finding an accommodation on the free

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market. The contribution of nonpublic actors for Zurich's spatial development is recognized. An intensified cooperation and a close dialogue with private households, institutional investors are mentioned as one of the main directions (Stadt Zürich 2017: 5–6).

In total, the following 10 measures for more nonprofit and affordable housing construction are listed in the document, and the administrative department in charge of the individual measures are indicated for each measure (Stadt Zürich 2017: 6–8). Some of the important measures are:

- Zurich will continue to buy building land and houses for municipal housing construction and for the levy to nonprofit housing cooperatives at favorable conditions aiming at expanding the nonprofit portfolio (property management).
- If a planning-related advantage results from planning, this must be adequately compensated by all landowners. In negotiations with property owners and private developers, an adequate share of affordable housing should be negotiated.
- Communal housing projects should be actively advanced and realized continuously, including projects of Zurich's foundation (PWG). In addition, the possibility of undertaking projects containing mixed uses such as in Kalkbreite should be assessed.
- No housing units within the affordable stock provided by the city, housing cooperatives and other nonprofit housing providers should be rented out as secondary residences.
- A Fonds de Roulement should be established at the communal level for the provision of affordable rental housing.
- The city advocates a pre-emptive right of the public sector (federal government, canton, municipalities) if the latter wishes to acquire building land for nonprofit housing cooperatives.
- Land value calculation for building lease contracts is applied so that high-rise buildings, compacted and ecological construction are promoted.
- The city works with the canton to ensure that, in addition to extra ecological costs, those for compact construction (including high-rise buildings) are now also included in the cost limits for subsidized housing construction.

Additionally, eight measures regarding target group orientation and three measures for sustainable use of the building fabric are formulated (Stadt Zürich 2017: 8–10). For an intensive dialogue with all the relevant private and nonprofit housing actors, the echo chamber on housing is continued and a regular exchange with neighboring communities as well as the canton within different boards/committees about housing and planning is maintained. Progress and the achievement of intermediary goals is monitored every 4 years by an accountability report, for which Urban Development Zurich (*Stadtentwicklung Zürich*) assumes the responsibility (Stadt Zürich 2017).

Counterproposal to initiative "For More Affordable Housing" (2018)

The Social Democrats submitted the cantonal initiative "For More Affordable Living Space" (*Für mehr bezahlbaren Wohnraum*) after a successful signature-gathering process in June 2011 (Regierungsrat des Kantons Zürich 2012).

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What they exactly proposed was the possibility of a minimal share for affordable housing as soon as rezonings continue on the municipal level. In October 2013, the majority in the cantonal parliament agreed to the counterproposal, containing supplements to the Planning and Building Act (PBG, *Planungs- und Baugesetz*), allowing the creation of more affordable housing. On 28 September 2014, the cantonal popular vote on these supplements took place. With a yes share of 58.5%, the cantonal electorate accepted these supplements. In the city of Zurich, the share of yes votes was even significantly higher at 72.4%. As a counterproposal, the cantonal executive proposed changes to the cantonal Planning and Building Act (PBG). The new legal provisions in paragraph 49b can be interpreted as a form of land value capture (*Mehrwertausgleich*). As soon as landowners receive higher utilization possibilities by zoning up and zoning in additional areas, it should be able to oblige them to build a part of these flats within the segment of affordable housing. In July 2018, the cantonal executive (*Regierungsrat*) issued the decree on affordable housing (PWV)[34] for the actual implementation of the new article (Kälin 2018).

The city of Zurich and other municipalities gained the possibility to pursue an active housing policy. The cantonal executive also points out that a certain additional administrative burden must be accepted. For example, the suitability of an area must be clarified before zones for affordable housing can be created, or occupancy regulations must be enacted afterward. In addition, licensing procedures are becoming more complex (Regierungsrat des Kantons Zürich 2018: 19–20). Nevertheless, municipalities seem to have a large amount of discretion in implementing the article, and, theoretically, a share of 100% affordable housing in new or changed zones based on the principle of cost rent seems to be possible. The article only becomes legally binding as soon as the decree is approved by the cantonal parliament. The homeowner's association (HEV, *Hauseigentümerverband*) was against the article as well as were members of the cantonal parliament from right-wing parties (Kälin 2018).

In a media release, the city of Zurich welcomes the decree on affordable housing, providing the basis and a new instrument for municipal endeavors regarding more affordable housing, but they also see some difficulties in the implementation. A balance between incentives for construction and the construction of as many affordable units as possible has to be made (Stadt Zürich 2018b).

The cantonal parliament approved the decree for affordable housing (PWV) on 27 May 2019, and the decree was put into effect by 1 November 2019 (Regierungsrat des Kantons Zürich 2019).

National popular initiative "More Affordable Housing"

In 2015, a national popular initiative entitled "More Affordable Housing (*Mehr bezahlbarer Wohnraum*) was launched. The initiative had its origins in a time when the dominance of center-right parties within parliament at the federal level had even increased. The fact that the left-wing parties, together with the Tenant's Association (MV), chose the path via the initiative should be seen against this background. The initiative claims that 10% of all new housing units in Switzerland are built by nonprofit housing organizations such as housing cooperatives and are

[34] Verordnung über den preisgünstigen Wohnraum (PWV) (as of 11 July 2018).

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therefore excluded from the logic of profit maximization. The campaign against the initiative is led by the homeowners' association (HEV) and supported by real-estate firms, pension funds, insurance companies, banks and parties from the right (Wegelin 2020a). A pre-emptive right for the public sector should be reintroduced for land plots sold by the SBB and the Post, which already existed before the partial privatization of those two public services (Wegelin 2020b). This demand must be seen in light of the developments concerning the advent of the SBB as a real-estate agent and important institutional investor in Zurich and other Swiss cities (see also Section 6.3.2).

The popular vote, which took place on 9 February 2020 and resulted in a defeat for the concern brought forward by the tenant's association (MV) and supported by Left and Green Parties. The national yes-vote was 42.9% to 57.1%. This stood in stark contrast to the results in Switzerland's urban areas, where the shortage of affordable housing is frequently discussed and a more salient issue on the political agenda. In Zurich's Kreise 4 + 5, which are combined for all electoral matters, the yes-vote was substantially higher, amounting to 72.5% (Kälin 2020a). This shows the popular support for issues regarding affordable housing in Zurich. The lowest share in the city of Zurich can be found in the more affluent districts 7 + 8 with a yes-vote of 50.25%, meaning that the initiative would have been adopted in all of Zurich's Kreise, hence also the city as a whole (Kanton Zürich 2020).

As a reaction to this initiative, the federal council proposed an increase of the Fonds de Roulement by 250 million Swiss francs in case of rejection at the popular vote (Scherrer 2018). Discussions about the amount of the increase in this fund are currently ongoing.

Regulations of short-term rentals

The regulation of short-term rentals in Zurich has a relatively long history and began as early as 2009, shortly after the establishment of Airbnb. At that time, a member of parliament from AL, supported by the tenants' association (MV), proposed that the second-home market be more strongly regulated. The idea at that time was that short-term rental units could no longer be counted as part of the housing stock. Although supported by left-wing parties and the Green Party, the proposal was finally rejected by the City Council in 2012 on the grounds that there was no cantonal legal basis for the introduction of such a provision in the building and zoning regulations (Merkt 2016).

In 2017, the canton of Zurich published a study that found an increase in Airbnb services. The study identified the city center and the areas around the airport as hotspots. 2,770 of almost 4,000 identified Airbnb properties are located in the area of the city of Zurich. The report concludes that the impact on the regular housing market could not be clearly assessed (Statistisches Amt Kanton Zürich 2017).

At the same time, the tourism association (Zurich Tourism) also intervened in the public debate and finally demanded equal treatment with the hotel industry. After several years of negotiations, it was agreed on 1 August 2018 that a tourism levy would be payable by Airbnb throughout the canton. The city tax, as it is called, is paid to the tourism association and not to the public (Merkt 2016).

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Only recently, a case was made public in which existing leases with long-term tenants in the Letzigrund area were terminated in order to rent out the apartments for short periods, as the owners were hoping for higher profits. The city reacted to this by amending the building and zoning regulation (BZO) to say that short-term leases can no longer be considered actual residential use. However, with reference to the current pandemic, the landlord has meanwhile withdrawn the terminations (Michel 2020). The measures already demanded by the left in 2009 therefore appear to be implemented by the city in the near future.

Land value capture

The revision of the National Spatial Planning Law (RPG, *Raumplanungsgesetz*), adopted in a popular vote on 3 March 2013, obliged all Swiss cantons to introduce a land value capture for owner's profits from rezoning land (Devecchi 2016: 27; Hotz 2019). Cantons were given a deadline of 5 years for elaborating the concrete implementation. Negotiations between the canton and representatives from Zurich and other cities from the canton lasted longer, even leading to the imposition of a zoning stop by the federal government. It was not until June/July 2019, when the cantonal Law on Land Value Capture (MAG, *Mehrwertausgleichsgesetz*) was passed.

Political processes surrounding the elaboration of this law are mentioned by more than half of all interviewees as significant development regarding housing in Zurich. According to several interviewees, cooperation with the canton is not very easy in this regard. Discussions about the actual design of this law are described in the following way:

> There's this debate already going on about the land-value capture. The city has now incorporated the master plan into the building and zoning regulation [BZO], because the land value capture had not yet been defined by the canton. Now the city was able to negotiate contracts with investors who, for example, wanted a conversion, a design plan or a change regarding the zones, to determine what they [investors] would pay. First, the new proposal of the cantonal government on land-value capture put a brake on all this. Second, the cantonal executive says 20% and 15% is paid to us, [the] canton. Of course, this is an anticity reflex, and we've just seen it happen again with the barrack [Kasernenareal]. (Interview 2, Zurich)

Another interviewee who used to work for the foundation PWG mentioned that the city of Zurich loses millions of Swiss francs because no decision on the land value capture has been achieved in the center/right-dominated cantonal parliament.

> That's millions, of course. And it's not being skimmed off; the profits are stuck somewhere. [This profit] could theoretically be skimmed off. There is an article in the Spatial Planning Law [*Raumplanungsgesetz*], but it is not yet applied. In other places, Basel and so on, that's not the case. That is why it was very attractive. That's why the land is worth so much. It used to be said that the land value should be about 16% of the total housing estate. Now it's about 30% or 40%; the land value has increased infinitely. (Interview 5, Zurich)

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Even a former executive member from a Liberal Party described the land value capture as a crucial instrument, potentially facilitating negotiations between the city and private landowners, which in the past used to be very difficult and cumbersome.

> A very decisive instrument, which unfortunately still does not exist, is the skimming off of added value [land value capture] in these areas. We often negotiated with landowners with great difficulty that they should also pay for the design of open spaces and give financial contributions to the upgrading of the neighborhood. It was voted that this instrument should be [anchored] in the Spatial Planning Law [*Raumplanungsgesetz*]. This makes all this possible, but the canton has yet to pass a law on it. It's just sitting there and it's not going forward. A lot of things are going wrong because it is simply not ready. People have known for 15 or 20 years that [such a law] is needed. (Interview 9, Zurich)

In June 2019, the cantonal parliament finally approved that municipalities can get up to 40% of the land value created by changes in zoning regulations (*Auf- und Umzonungen*). Municipalities were given significant leeway to adapt the law according to their specific needs within the boundaries defined by the canton. Settling the actual size of an area affected by land value capture for example, lay in the competency of municipalities, while the canton defined a range from 1,200 to 2,000 square meters (Scharrer 2019).

In the city of Zurich, a partial revision of the building and zoning regulation (BZO) is necessary for concrete implementation. The partial revision of the BZO will be available to the public sometime between mid-May and mid-July. The leeway provided by the canton is exploited to the full, i.e., the rate of the land value capture will be set at the cantonal upper limit of 40% and will be applied to all areas of 1,200 square meters or more, which corresponds to the cantonal lower limit (Hochbaudepartement Stadt Zürich 2020b). Nevertheless, it is also said that the city wishes to stick to its current practice, and that land value capture should not be applied everywhere as a general principle, but simply where it becomes necessary (Hochbaudepartement Stadt Zürich 2020a). The left-wing parties originally even demanded a higher rate for the land value capture of 50% or more, but were ultimately restricted by cantonal regulations. In the so-called urban development contracts (*städtebauliche Verträge*), which are concluded with the private landowners, the practice of the city has long been to demand 50% (Kälin 2020b).

It appears that the municipal bargaining position is weakened by the cantonal requirements. The fact that the canton has set a maximum land value capture of 40% is tantamount to undermining municipal practice, which provides for 50% in urban development contracts with landowners. In the future, landowners could invoke the lower 40% value of the canton. This episode exemplifies how the three levels of government interact with each other and how this interaction can ultimately have concrete consequences for negotiations between the public and the private sector related to housing.

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6.4. Summary and Conclusions

The first period until 1998 was characterized by a great polarization of the political system in Zurich, which ultimately led to a construction blockade. Local government, private investors and landowners had diverging interests and direct democracy mainly functioned as an outlet for modernization critics, forming alliances. This was aggravated by a tense financial situation and the fact that this phase was marked by an emigration of the city population to more rural areas, which was originally even initiated by the city in cooperation with housing cooperatives earlier on as a measure against overcrowding.

Beginning shortly before the new millennium, Zurich began to react to the ongoing urban exodus and increased its efforts in becoming an attractive residential city. In retrospect, the slogan of this phase from 1998–2010 could be described as "building at any cost with the focus on economic growth." Market actors and the public sector were building together. Cooperation with private investors was indispensable to realize the project 10,000 residential units within 10 years initiated in 1998. Therefore, the liberal-dominated executive embarked on a business- and investor-friendly course at that time and continued the long-established cooperation with housing cooperatives and foundations, although an increasing provision of affordable housing has not been a target. The city itself was reticent to construct new buildings but became more active regarding replacement construction (Devecchi 2012; Sonderegger 2006: 174).

After a stagnation in cooperative housing at the end of the 1980s, figures started to rise with the project "10,000 residential units in 10 years" from 1998 (Schmid 2006a). For private and institutional investors, the crisis on the office market led to a further concentration of activities on the housing market. The legislative focus and especially its component of creating housing for households with higher purchasing power, combined with the general aim of increasing Zurich's attractiveness as a place of residence, gave new impulses for investors. This new policy orientation also had its origins in the establishment of a new alliance between the Social Democratic Party and the Liberal Party. The alliance created favorable conditions for the private sector. The acceleration of approval procedures (e.g., granting building permits) and close networks between local authorities and the building sector created an environment in which the willingness to invest in housing was high (Elte 2006: 182–83).

The advent of the SBB as large-scale institutional investor on the housing market happened during this period, more specifically from 1999–2006, and culminated in housing developments in Europaallee, which are characterized by the absence of affordable housing. This episode illustrates that the affordability of housing has not been a major issue in the second period. Increasing attractiveness and producing economic growth were the central objectives back then, to some degree also as a reaction to the tense financial situation in the period before.

The period from 2010 to 2014 put affordable housing on the agenda but did not lead to big changes in policy outcomes. It can only be described as big policy change at first sight. The changed agenda priorities cannot be ascribed to a single development. Rather there was a combination of inter-related factors around that time, which contributed to it.

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First, the success of the earlier legislation programs “10,000 Units in 10 Years” and “Housing for All” actually increased the attractiveness of the city and attracted people from other places inside and outside of Switzerland.

Second, the growing attractiveness put pressure on land prices and rents, contributing to a growing unaffordability of the city, especially marked in some gentrifying areas of the city. As one of the interviewees mentioned, within a few years everyone suddenly knew someone who had trouble finding an affordable apartment in Zurich. Apartments in Zurich became a rare good, also because they were popular for private individuals as well as an investment option for large institutional investors such as pension funds, which increasingly penetrated the market, crowding out even the smaller private owners and landlords.

Third, there was the failure of the City Council to drive hard bargains with investors such as the SBB regarding a share of affordable housing in new development projects. At the same time, the SBB was insufficiently forward-looking and did not anticipate the negative public reactions to its luxury project situated next to the main railway station.

Fourth, the question of affordability of housing also found its way on the political agenda in a setting, where there was a left slide in the City Council and within the Social Democratic Party in the sense that the business-friendly wing has been superseded by a more business-critical fraction, breaking the alliance with the Liberal Party.

All of these developments finally culminated in a large support by Zurich’s population for the fundamental article on housing in 2011, in a direct democratic vote that initiated a new housing policy in which the creation of affordable living space became the central objective on the political agenda. What began to evolve at that time seems not to have been a generally business-critical attitude within the administration, but rather a clear separation of tasks and a polarization between the for-profit and not-for-profit sectors. On the one side was the city, its foundations and housing cooperatives, which assumed primarily responsibility for the provision of affordable housing. The fundamental article was implemented in this way, focusing on the already quite affordable part of housing and increasing the number of flats within this segment by densification, which also reduced the share of very affordable housing provided by the nonprofit sector. New platforms for exchange were established at that time. On the other side were the actors from the private rental sector such as institutional investors or private house-owners who are largely unaffected by the council’s new focus on affordability. In negotiations with the private sector for larger development projects, the City Council (*Stadtrat*) continues to have a relatively weak bargaining position and negotiates relatively low shares of affordable housing.

The fourth period from 2014 to 2017 saw an increasing role of profit orientation by market actors. First, the increasing importance of institutional investors was observed, which are even displacing small private owners. National legislation with the Lex Koller restricts the acquisition of property by foreign investors, which is why mainly local pension funds, insurance companies and the SBB became active in the housing market. Their search for profit sometimes led to the disappearance of affordable housing in the private sector (through renovations and the complete construction of

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new housing estates). The project Brunaupark and its developments over time illustrate this trend and point to the negative consequences of profit maximization in terms of affordable housing stock, which ultimately disappears. Banks and pension funds might play a central role, but it is not always the case. The SBB is another actor that cooperates and negotiates with the city on the question of affordability. What these actors have in common is their profit orientation. In contrast, housing cooperatives can develop projects on their own or provide a share of affordable housing within larger housing developments constructed by the private sector.

The fifth and last period (2017–2020) emerging from the analysis of the empirical material can be interpreted as a rise of policy instruments for a more social orientation of housing on all governmental levels. Developments at the cantonal level are especially marked in this regard with the adoption of a cantonal law for more affordable housing in 2018 and the introduction of a land value capture 1 year later. Although the national initiative for more affordable housing was rejected in 2020, it seems to have increased the amount of finance provided for affordable housing (via the Fonds de Roulement). This period illustrates how the levels of government influence each other. The introduction of the law on land value capture (MAG) on the cantonal level could probably change the situation, probably weakening the position of the city in negotiations with the private sector, because they defined a lower maximal share than usual in contracts with private sector actors.

The preceding sections also illustrated that processes of urban development and the field of housing are often intransparent, and that there seem to be informal contacts between powerful actors making decisions at secret places. In addition, fundamentally different assessments of the various groups of actors were revealed, depending on the political orientation of the interviewees. Interviewees favoring the market often accused the Left-Green city government of favoring housing cooperatives and of being responsible for the prevailing housing shortage. On the other hand, the interview partners who tend to be classified more to the left usually blamed the increasing importance of institutional investors for this development and the rising rental and property prices.

Zurich's administration seems to be an important actor involved in all projects to some extent over the whole period of investigation. Different units share their tasks, and the empirical evidence indicates that there are permanent contacts between private actors, housing cooperatives and the administration, especially with the Building Department, the Department of Finance or the Special Office for Urban Development. There seems to be a clear distribution of roles between those administrative units of the city. The Office for Urban Planning (*Amt für Städtebau*) bends the building regulations so that they come as close as possible to the wishes of the investors, while Urban Development Zurich (*Stadtentwicklung Zürich*) tries to calm the bad social conscience with discussion groups, studies or reports.

The developments involved in the housing policy in Zurich over time show the relevance of two characteristics of the political system in Switzerland. First, the direct democratic instrument of popular initiative has been quite influential. Several efforts started with grassroots movements by citizens in neighborhoods particularly affected by ongoing developments and projects. Efforts for more affordable housing often started with signature-gathering processes by a relatively small group of people. Second, developments as well as the power constellation on other federal levels

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(e.g., cantonal or national parliaments) cannot be disregarded, even in a system granting such a large autonomy to the local level. This points to the relevance of multilevel governance (see also Section 2.5.4). The city of Zurich as national pioneer in cooperative housing also lobbies for the promotion of more affordable housing on the hierarchically higher governmental levels (e.g., continued efforts for the introduction of a Fonds de Roulement below the national level).

7. Housing Policy in Birmingham

The case study for Birmingham starts by discussing a general characterization of housing policy concerning some of the relevant developments in recent years as well as before the period of investigation. It is followed by outlining the developments on higher governmental levels (regional and national) such as the right to buy, the recent housing crisis in the UK or the establishment and abolishment of regional bodies. The third and major section distinguishes urban housing-policy developments based on the empirical evidence at hand into five broad periods. The whole case study for Birmingham builds on a recently published research report entitled "Governance and Urban Development in Birmingham – England's Second City Since the Millennium" (O'Farrell 2020).[35]

7.1. Characterization of Housing in Birmingham

The extent of the destruction wrought by the Birmingham Blitz during the Second World War and the dramatic changes in urban planning and architectural trends in the postwar period precipitated large-scale reconstruction of the city along modernist principles, with large housing estates, tower blocks and ring roads being built throughout the 1950s and 1960s. The city also changed demographically, experiencing large-scale immigration from the Commonwealth to work in its industries, especially from Pakistan, India, Bangladesh and the Caribbean nations.

The population of the city increased rapidly over time. In the first half of the 20th century, Birmingham's economy continued to grow. The city benefited from a diversified industrial base of small firms and highly-skilled workers that set it apart from the industrial conurbations of northern England based on low-skilled mass labor in steel, textiles and coal, which had been in relative decline since the turn of the 20th century (see also Barber and Hall 2008). In the 1950s population figures fell. The increasing attractiveness of rural living as well as the rather unpopular construction of high-rise concrete buildings following modernist principles also contributed to the population decline at this period (Clemens 2010: 4).

Over time, Birmingham became increasingly ethnic diverse, and the cohabitation of its population with different ethnic backgrounds is of great importance to the city's future. According to the 2018 figures, 40.2% of Birmingham's population is nonwhite, making it one of the most diverse

[35] Written by Liam O'Farrell, Research Associate at the University of Birmingham, with the support of the whole project team, the report summarizes some of the main findings from the qualitative interviews and the secondary data analysis, complemented with photographical material.

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localities in the UK. Sizeable communities of white ethnic minorities also exist, such as those from Ireland and Poland (BCC 2018). Musterd (2012: 430) finds that the level of housing segregation is especially high for the Bangladeshi and Indian community.

The peak of Birmingham's economic prowess came in the 1960s, when wages and employment levels in the city far exceeded the national average. From the late 1970s onward, however, Birmingham's economy suffered a sharp downturn. Throughout this decade, the city shed 370,000 manufacturing jobs, and GDP per capita fell to 10% below the national average, rapidly transforming the West Midlands from one of the wealthiest regions of the UK to the second poorest.

During this period of decline, there were also changes to the governance structures of the city. Scholars have argued that the Local Government Act 1972, which reformed local government in England and Wales beginning in April 1974, marks a turning point in the autonomy and financial powers of councils in the country (Hambleton 2017). Previous local government structures were abolished, and a new two-tier system of counties and districts was introduced (with a further tier of civil parish councils beneath this). According to Hambleton (2017: 3), this reform created a "super-centralised model of decision-making in which locally elected politicians are required to comply with central directives," a trend he argues has continued with the new combined authorities.

As a response to the worsening economic situation of the city, a new economic and political enterprise culture took hold in the local authority through the 1980s, with a series of "flagship" development schemes such as the National Indoor Arena, the International Convention Centre, Symphony Hall and the Brindleyplace regeneration. The West Midlands County Council Plan review (1983) sought to regenerate older and underused parts of the city, encourage economic development, improve housing conditions and enhance the quality of the built environment. However, the original plan had assumed that reductions in public spending on housing would be balanced by an increase of private sector investment, which failed to materialize, particularly in housing for those in greater economic need. This was to have important long-term implications for the condition of housing for the city's poorest residents.

Picture 4 depicts one example of high-rise council housing in Birmingham. Situated in the vicinity of Broad Street and close to the Canal network (seen in the middle ground), there are four tower blocks named Civic Close. An attempt by a property company to reach an agreement with the tenants to buy those houses was unsuccessful in 1987 (see Cameron and Doling 1994: 1217). Today, these tower blocks are still owned by the Birmingham City Council.

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Picture 4: High-rise council housing at Civic Close, Birmingham (14 February 2019)

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The West Midlands County Council was abolished in 1986, meaning Birmingham City Council became responsible for strategic land use and infrastructure planning in the city. This culminated in the 1988 Highbury Initiative, which was intended to reverse severe decline in the city's economy and put a halt to its shrinking population. The premise for the plan was the sense that Birmingham's postwar development had not stood the test of time, and that there needed to be dramatic changes in order to stop the city's decline. As one council officer commented:

> Postwar housing estates were built on mono-tenure, so everyone that lived there rented from the council and were on low incomes. So, there were no people with higher incomes. And, ultimately, that sort of concentration of poverty leads to mindsets centering around poverty, crime and antisocial behavior. (Interview 7, Birmingham)

These negative perceptions (and to a certain extent, realities) of Birmingham's situation meant that the local authority sought to stimulate inward investment into the city center and to improve the city core, which had become utterly dominated by cars. The Inner Ring Road in particular was identified as a "concrete collar" cutting off connectivity and accessibility. Large flows of fast-moving traffic through the city center were believed to be preventing the economic development and physical growth of the urban core. More general issues were identified as well, such as a lack of green space and pedestrianized areas. The city targeted its efforts at Broad Street and Brindleyplace, seeking to improve the quality of the urban environment and to overhaul negative perceptions of the city. This was codified into the City Centre Strategy (1990, updated in 1992), which sought to improve the pedestrian experience, make the city more physically integrated, and regenerate areas such as the canals around Gas Street Basin and the Jewellery Quarter in order to

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make them attractive destinations. The central focus of development was very much the city center; new housing developments, and particularly mixed-use schemes, were encouraged. The Unitary Development Plan (1991) agreed with central government furthered these ambitions, seeking to encourage the economic growth of the city center for the benefit of the entire city, improve public transportation infrastructure and enhance the condition of local authority housing stock.

Birmingham is nowadays divided into 69 wards. Each of these wards elects one or two councilors to the City Council, comprising in total 101 councilors. A boundary review was initiated by the independent Local Government Boundary Commission for England (LGBCE) which came into effect on 1 December 2017. Before that date, Birmingham had 40 wards and a parliament with 120 councilors, with three councilors from each ward (BCC 2020b). With the review came the obligation to elaborate the Ward Plan and Priorities for the electoral period 2018–2022. A brief look at these documents shows that housing conditions and the quality of public spaces are often mentioned as one of the priorities (BCC 2020c).

Throughout the period under investigation, the executive branch in Birmingham is organized in the Cabinet Leader form. The leader, and thus quasi the mayor, is elected by the party that has a majority in parliament, and in rare cases by a ruling coalition. Various attempts have been made at the national level to change this. In February 2006, the left-wing thinktank Institute for Public Policy Research (IPPR) supported the introduction of a directly-elected mayor (DEM) in Birmingham. In October 2012, a nationally initiated referendum was held in various cities in England and Wales on the issue of changing the form of government at the local level. In Birmingham, the switch to having a mayor directly elected by voters was finally rejected by 42.2% to 57.8% of the vote (Dommett and Flinders 2014). Led by the Chamber of Commerce, a large part of the business community and the leader of the Labour group (Albert Bore) supported a DEM (Birmingham Post 2012).

7.2. Housing Policy on the National and Regional Level

7.2.1. National housing policy

The British state can be characterized as highly centralized and relatively reserved. Local governments do have some powers, but these can often be taken away from them by the national level (Kriesi 2008: 87–126).

Housing tenure has always been a political battleground in the UK. The Right to Buy scheme introduced in 1980 under Prime Minister Margaret Thatcher, also described as “enemy of the council house culture” (Hattersley 2001) was one of the programs with the most far-reaching consequences for the British housing policy. Reflections already started in the run-up for the general elections in 1974, when members of the Conservative party thought about measures for increasing the number of homeowners. The Conservative Party’s election manifesto from 1979 said that discounts for council tenants increasing with length of stay should be introduced in order to get rid of the council housing stock. For the Conservative party, it was clear even back then that the announcement of the Right to Buy, which was finally implemented in the Housing Act of 1980,

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was an important factor contributing to the electoral success in the 1979 general elections (Lund 2016: 127–30).

The selling of council housing has been described as the most important element in the privatization program of the Thatcher government in economic, political and social terms. The main objective in privatizing council housing was the quest for improved efficiency (Forrest and Murie 1988: 1–2). In many cities across the UK, the best properties were sold, and councils were left with moldered and very old houses (Hattersley 2001).

Contrary to other countries in continental Europe for example, Sweden and France, where they are predominantly situated on the periphery, estates in the UK are mainly situated in the innercity. In addition, higher concentrations of council housing can be found in the northern cities, which used to be marked by industries. In contrast, less council housing can be found in middle-class cities located to the South (Butler and Hamnett 2012: 153).

The English social housing stock including dwellings owned by the local authority as well as the nonprofit registered social landlord (RSL)/housing associations (HA), which reached its height in 1979 with 31% of the dwelling stock. Back then, mainly because of the "Right to Buy" program, especially the stock of local authorities decreased. Up to the 1980s, their stock roughly amounted to 30%, but by 2018 it had dropped over time to less than 7% (see Figure 12). A core feature of the English housing system is that social housing is owned and provided mainly by local authorities, although in recent years, housing associations have played a growing role at the expense of so-called council housing. Independent of the provider, the social-housing stock dropped to no more than 18% in 2005. The Right to Buy Programme initiated in the 1980s contributed to this loss in social-housing stock (Whitehead 2007). The Housing Europe Review for 2012 states that the developments in the United Kingdom from 1980–2009 contributed to the strong role of housing associations in the provision of social housing. They replaced local authorities as main deliverer of affordable housing in many parts of England (CECODHAS 2011: 77–78).

The restructuring of the role of the state in the housing sector took place in several stages (Malpass 2005). The right to buy was introduced in 1979, signifying the encouragement of homeownership within the social-housing stock. More than a third of the 5 million tenants bought the dwelling they lived in. Another transfer of assets took place at nearly the same time: large-scale voluntary transfers encouraging municipalities to release from their social-housing stock and transferring it, especially the least attractive, to housing associations. This occurred despite national laws in 1977 and 1996 reminding the municipalities of their obligation to house the least well-off. By 1988, housing associations played only a marginal role. Subsequently, equipped with more financial resources, their importance grew steadily. Led today by a semipublic national organization called Housing Corporation, they began to be publicly evaluated in exchange for state subsidies (Fijalkow 2016: 55–56).

Referring to the Labour government 1997–2010, a current planning consultant said that the main focus of national policy at that time was to encourage housing associations to create more affordable housing within private development projects. "Affordable" in this context, however, means that rents are only about 20% below market value, i.e., such affordable rents are in fact unaffordable to all except a tiny minority (see also Section 3.4).

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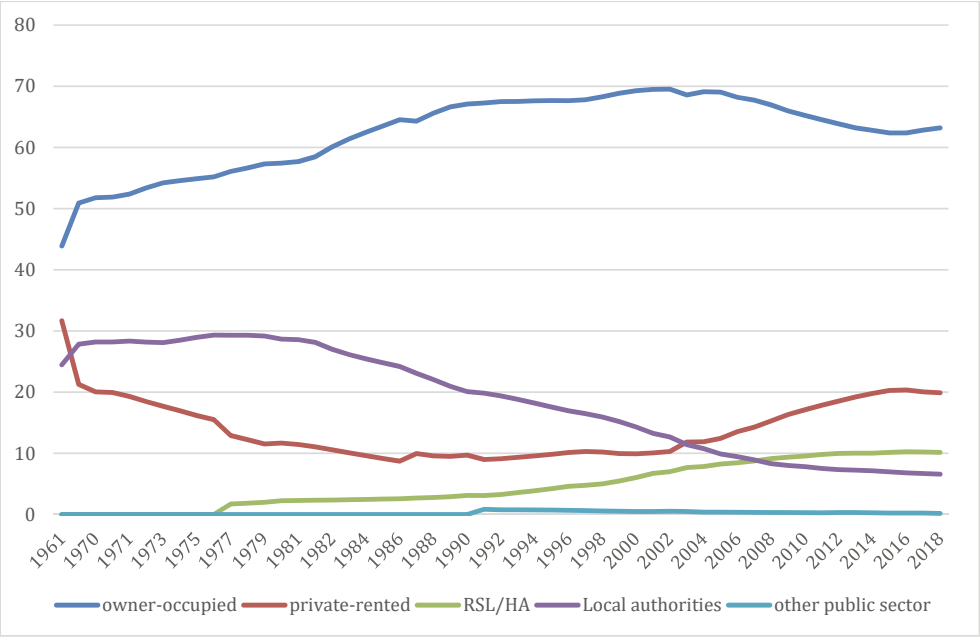
Figure 12: Dwelling stock in England by tenure, 1961–2018



(Source: MHCLG 2019b)

Pawson and Mullins (2010) investigate the process of transferring council housing from the local authority to the nonprofit housing associations sector. They write that "by the end of 2009, in almost half of municipalities in England and Wales, council housing was a thing of the past" (Pawson and Mullins 2010: 1).

Contrary to this dramatic national trend, the local authority in Birmingham remains the major provider of social housing, providing 15.4% (63,458 households) of the total household stock in 2011 compared to 8.8% (36,134 households) provided by housing associations or registered social landlords (MHCLG, Ministry of Housing, Communities and Local Government 2019c).

In comparison, the British welfare state can be regarded as particularly parsimonious regarding transfer and support payments to those in need. Reforms on the national level contributed to a decrease in benefit payments for objects and an increase in benefit payments for subjects (Fijalkow 2016: 55–56). Public expenditures for supply-side subsidies in England decreased steadily, while demand-side supply significantly increased over time, a move away from bricks and mortar to so-called housing benefit payments. This was also because of the commitments of successive national governments to target individuals instead of the construction of social housing. In 1985–1986, housing benefit payments outperformed supply-side subsidies for the first time (Webb 2012: 9). The upward trend of housing benefit payments in the years thereafter more than doubled since the start of the 1990s. According to a recently published report commissioned by Shelter, "the increase is mainly because of rising housing benefit payments per caseload as real terms rents for all tenures

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have increased. However, an increased reliance on privately rented sector tenures has also raised the housing benefit bill and the cost in rents to tenants" (Chaloner et al. 2019: 2).

According to Bramley (2017), the housing benefit system has played a strong role since the 1970s. It is a means-tested subsidy for individuals who cannot afford to pay their rents. The social rents of individuals on very low income are usually paid completely, but the level of subsidy decreases with increasing income. Since 2006, the support of private renters is called local housing allowance (LHA). Bramley (2017) even writes that "[the] LHA system reflects a long-standing tradition in the UK's social security system to separate the housing element of basic income support from general income maintenance, and to reflect actual costs (which vary greatly between individuals and geographical areas (Bramley 2017: 140).

Nowadays, the primary responsibility for housing policy rests within the Department of Communities and Local Government (DCLG) in England. This department is responsible for planning and urban regeneration, but not for housing benefits and housing allowances, where the responsibility lies with the Department for Work and Pensions (DWP). Since the mid-2000s, more political and policy attention has been paid to the issue of housing in the United Kingdom. Substantial devolution tendencies have characterized urban and housing policies since 2000. Further devolution related to fiscal arrangements, welfare benefits and some forms of regulation is still ongoing. Local authorities are responsible for planning and housing but have only limited resources for implementing housing policies, also because of austerity. Social housing plays a bigger role than in other European countries as a legacy of the earlier postwar period. In addition, private renting has been deregulated, meaning that there is no long-term security for tenants (Bramley 2017: 136–41).

The Housing Crisis

Many of the participants in our interviews noted the housing crisis in the UK as well as in the city. They talked about a severe shortage of affordable housing and the power imbalance between local authorities and property developers who control and limit supply to the housing market to maintain high prices. This has negative implications for vulnerable people. As one housing association officer noted:

> We've had fewer homes and more people needing them, and what increasingly happened is we are housing people who are vulnerable or who have a series of complicated needs. Perhaps people who have come out of care, out of prison, people who have had mental health problems … And of course, what happens when you put a lot of people with a lot of issues all in one place, is that place becomes dysfunctional. (Interview 6, Birmingham)

Existing research finds that the housing crisis is a national problem, and local authorities have little scope to tackle the problem on their own. While the affordability crisis is particularly acute in London and the South East, there are also areas of the Midlands and the North of England where average house prices are well in excess of median local incomes. It should also be borne in mind that banks and building societies typically lend only up to 4.5 times the income of a mortgage

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applicant (individual or couple) – demonstrating that, in much of the country, the typical house on the market is simply beyond the reach of even a working couple on average incomes (Shelter 2015). The recent analysis by Shelter (2015) found that, in 59% of local authority areas, fewer than one in 10 available properties are affordable to a working couple with children on average wages; in 85% of local authorities, fewer than one in 10 available properties are affordable to a single person on average wages. While the cost of buying property has rapidly increased over the past few decades, the social housing stock has shrunk. The privately rented sector has expanded to fill this space, where rents are higher and standards (if they exist at all) much less regulated.

What's more, research by the Joseph Rowntree Foundation from 2014 indicates that this trend of unaffordability is set to keep growing. As private rents continue to rise more rapidly than incomes, without corrective action, between 40–50% of private tenants will be living in poverty by 2040. This increase in poverty could be even greater than the statistics forecast if the trend for reductions in housing benefit continues – and even more people could move into the privately rented sector as a result of future government policies (Joseph Rowntree Foundation 2014).

For example, the 2017 report *Fixing Our Broken Housing Market* opened with an introduction from then-Prime Minister Theresa May, which stated "Our broken housing market is one of the greatest barriers to progress in Britain today. Whether buying or renting, the fact is that housing is increasingly unaffordable – particularly for ordinary working class people who are struggling to get by" (DCLG, Department for Communities and Local Government 2017). The report identifies that 225,000 to 275,000 additional new homes are needed every year (in addition to the 160,000 built on average) in order to make up for historic shortages dating back to the 1970s, and identifies the dominance of the construction industry by a few large players and the practice of "land banking," whereby developers sit on land and only slowly release it in order to maintain high demand, as key issues in the housing market, also mentioned by a representative of the BCC during the interviews.

> The overall shortage nationally is being mainly controlled by private developers who clearly build most of the properties. And their model is to sit on land and release it slowly, so that house prices stay stable. If they were to suddenly release all the land that they owned, it would cause a complete glut of supply, which would force prices down, which they don't want to do. (Interview 7, Birmingham)

The report also notes the sobering statistic that, in 2015, the average home in South East England increased in value by £29,000 over the course of the year, more than average annual pay in the region of £24,542. Similarly, the average London property increased in value by £22 per hour, well in excess of the average hourly pay of a Londoner. The imbalance between income and housing costs are thus still increasing (see also Section 3.6). The market is enlarging the net worth of those who already own their properties, while at the same time creating almost insurmountable barriers for young people and those on lower incomes to enter the market (DCLG, Department for Communities and Local Government 2017).

While the report does identify the problems in the British housing market, the suggestions it makes to remedy the situation can best be described as lackluster. It proposes that any local authorities

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without a housing plan should write one, but at the same time it commits to supporting the Green Belts around urban areas that constrict their expansion. In fact, steps to encourage institutional investment in the privately rented sector called for by the report could even exacerbate the housing crisis by making the market even more reliant on the principles of investment and short-term returns on capital.

There are no measures in the report to protect the most vulnerable individuals from predatory landlords or offer protection of tenancy to tenants in the privately rented sector. This insecurity has a knock-on effect on local authorities, which are expected to be a provider of last resort. As one council officer stated:

> One of the biggest issues that causes homelessness is private landlords just evicting people … So, the private sector does something and then the problem presents itself to us to solve and we've no longer got the resources to be able to do it. (Interview 4, Birmingham)

Nothing in the report suggests that this situation is likely to change in the future – there is great inertia at the top of government in dealing with the housing crisis driven by market pressures and a restriction of the finances and powers of local authorities. As Scanlon (2017: 25) noted in an analysis of social housing in England over the past 40 years, "there is no political appetite – at least under the current government – to reverse this [housing affordability problem]." The social-housing sector, which continued to grow until the election of Margaret Thatcher in 1979, has been reduced from 31% of England's housing stock on the eve of her election to just over 17% in 2016. The money raised from the sales of social housing went directly to the Treasury rather than to local authorities, meaning not only that they lost the cost of building the properties and the future potential revenue streams from them, but they were also unable to use the money raised under right to buy to build new properties. Over this same period, the public discourse surrounding council housing also changed – from being aspirational and promoting high-quality housing with secure rights to today's perceptions of poverty and "no-go" brutalist estates. As Scanlon (2017) concludes, while there is a lobby of activists, politicians and tenants themselves arguing in favor of more social housing, there is no broad-based public movement in support of the sector today.

7.2.2. Regional housing policy

Generally speaking, regional governments in England do not dispose of a huge amount of powers, although this depends on the specific region we are looking at. Nevertheless, some competencies reside on this intermediate level. Developments regarding the West Midlands region are marked by the establishment and dissolution of different regional institutions over time.

West Midlands Regional Assembly (WMRA) (1999–2010)

The regional chamber for the West Midlands region, called the West Midlands Regional Assembly (WMRA), was established in 1999 (see also Murie et al. 2003). It consisted of 100 members that were not directly elected but nominated. The largest part of its members was nominated from local authorities in the region (68), with 16 members coming from the business sector and 16 seats reserved for regional interest groups, among them trade unions. It was characterized by a strong

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engagement with the business community. One of its main functions was being a regional planning body responsible for the regional planning strategy. In addition, two platforms especially focused on housing issues within the wider region, the West Midlands Regional Housing Board and the West Midlands Regional Housing Partnership (West Midlands Regional Assembly 2005). According to Gamble (1999), the so-called boards, being parastate service providers, illustrate the liberal conception of the British state and serve as a buffer between state and society.

In 2006, regional assemblies were given the task of functioning "as regional housing boards with responsibility for providing advice to ministers on strategic housing investment priorities through the preparation of regional housing strategies" (Oliver 2011: 17). The WMRA was finally abolished on 31 March 2010.

Establishment of the West Midlands Combined Authority (WMCA) (2016)

The Localism Act from 2011 provided that so-called combined authorities could be created at the regional level, which is an act of devolution, ostensibly aimed at transferring decision-making powers from the central government to communities, such as the elected mayors of combined authorities. To date, however, there has not been a noticeable shift to local decision-making in the UK. The first combined authority was established soon after the act was adopted in Manchester (Greater Manchester) (Ward et al. 2015).

The West Midlands Combined Authority (WMCA) consists of 18 local authorities and three local cooperating enterprise partnerships (LEPs); Birmingham is the biggest authority that participates. Other local authorities are Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton. The WMCA was established on 17 June 2016, only some days before the vote on Brexit. Andy Street from the Conservative Party was directly elected as first regional mayor for the initial 3-year term (WMCA, West Midlands Combined Authority 2020). The fact that local authorities and LEPs collaborate within this regional body highlights its economic orientation. There are seven thematic priorities within the foundation, each of which is the responsibility of a counselor. The thematic area housing deals with the supply of housing and the provision of public land (WMCA, West Midlands Combined Authority 2016).

Four out of 11 interviews mentioned the lack of planning competence. One of the interviewees, the representative of a housing association, argued as follows:

> But I think one of the perhaps missed opportunities is with the combined authority that we've got and not having … they don't have planning powers. There's a whole load of reasons why they don't, and some of them good ones. But I think there's perhaps a missed opportunity there to have a bigger authority that could look across the whole region and what housing opportunities there are. (Interview 6, Birmingham)

The creation of these combined authorities was not appreciated by everyone. The Birmingham Trade Unions Council, for example, even saw it as a threat to public services, and some other observers argued that the central aim of the (national) Conservative government was to gain political control in areas of working-class voters (Latham 2017: 64–65). Critics have also emerged

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within civil society: Various actors joined forces within the organization Birmingham Against the Cuts (BATC) and demanded, among other things, that the Combined Authorities be designed so that they distribute the region's economic growth fairly, that public services be improved and no further cuts be made, and that public participation in decision-making be made possible. It was further demanded that members of the civil society become part of the powerful committees responsible for subjects such as housing (BATC, Birmingham against the cuts 2016).

7.3. Urban Housing Policy Periods in the City of Birmingham Since 1990

The next few sections provide a periodization of the major developments in terms of governance and housing over the period approximately from the 1990s to 2020.

7.3.1. Discussion about budget priority (1993–1998)

The defeat of the right-wing of the Labour Party in 1993, including cabinet leader Richard Knowles, who used to play a leading role in the so-called Highbury initiative for city center renewal in Birmingham from 1988, put an end to the growth-oriented policy orientation. The latter was characterized by city center revitalization via prestige projects, in which first the City Council assumed the leading role, later on the Chamber of Commerce and Industry assumed leadership for these developments (Clemens 2010: 58; Loftman and Nevin 1996). Seen retrospectively, the hype created by city authorities in the pursuit of flagship redevelopments such as the international convention center or the national indoor arena had uneven socio-spatial impacts. "The economic difficulties and wider disadvantage experienced by much of the city's population and many of its neighborhoods, especially those inner city areas with large ethnic minority populations, have endured and even deepened since the early 1990s despite the efforts of numerous area-based regeneration programs funded by central government" (Barber and Hall 2008: 281). Partnerships with private enterprises were supported by an alliance of right-wing Labour and Conservative councilors. To improve the image of the city, national funds for schools and housing were used to compete internationally with other European cities. The local housing benefit office was closed during this period (Cohen 1993).

The left wing of the Labour Party assumed power in 1993, also because votes were split between two candidates on the right wing. Theresa Stewart became "the first women leader of Birmingham City Council [… and] in this masculine city" (Sandercock 2003: 17) from 1993–1998 also because disputes within the local Labour group broke out about how to deal with these prestige project. New spending priorities were introduced, and social goals were prioritized. In general, housing, education and social services played a prominent role on the policy agenda. Urban renewal and social inclusion ranked high on the agenda (Cohen 1993). Many initiatives at that time focused on improving the quality of the existing housing stock in Birmingham. The new priorities on the political agenda can be illustrated by the following quote from the period before Stewart assumed the leadership of the BCC in May 1993: "Had I been in the position to determine whether we'd had [the prestige projects] or not I'd have left them out, preferring to go for better social services and more stable school roofs. Now they're in place though let's market them within strict boundaries. Local government, of which I think the world, has strayed from providing the services

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it was established to provide. What some called putting Birmingham on the map has become a priority. I think that is wrong. The priority must be employment, housing, social services and so on" (Messent 1993).

The new policy orientation at that time was reflected in the desire to promote social mix in the city center by establishing tough guidelines that required a certain proportion of affordable housing in new development projects, based on the possibility created by the national Town and Country Planning Act from 1990 and related Section 106 agreements, which set out that planning permissions can be guaranteed only if a certain amount of affordable housing has been created. It therefore needed a change of power in the City Council to implement the instruments created at the national level. This should be seen against the background of rapidly rising rents, particularly in the city center, where low- and middle-income groups were finding it increasingly difficult to afford rents. The private developers resisted these guidelines and argued that this would slow down the necessary development of Birmingham. Therefore, the guidelines were not strictly enforced in the 1990s (Birmingham Post 2002).

In addition, it was not possible to completely abandon the previous expansive policies because of obligations and contracts with the private sector that continued to exist, and because funding from national and European sources was conditional upon growth. Funding for prestige projects was nevertheless cut and money was diverted to other areas, including housing as well as, in particular, the much-needed refurbishment of school buildings. The new policy orientation was also expressed by the renunciation of Birmingham's planned bid for the Commonwealth Games in 2002 (Clemens 2010: 59).

In addition, City Council decision-making processes were opened up at that time and greater and open-ended debates about the priorities in the local budget were held (Di Gaetano and Klemanski 1999: 96). This marked a stark contrast to the previous period dominated by the right-wing of Labour, where the cabinet largely decided on their own without prior debate.

The Birmingham Plan from 1997 noted concerns about the condition of housing stock in both the public and private sectors, particularly the number of dwellings that did not comply with modern building standards and regulations such as fire safety, insulation, heating and space. Figures from the City Council estimated that 17% of all dwellings in the city were in a poor condition and failed to meet these standards, two-thirds of which were privately owned. By this point, the majority of new housing completions was provided by the private sector (52%). In that same period 1988–1996, 45% of new dwellings were built by housing associations and just 2% by the local authority. While the focus on the city center continued with further development in the Jewellery Quarter and Digbeth, major regeneration areas beyond the center were also identified, such as Castle Vale, Aston, Newtown, and Lee Bank (Di Gaetano and Lawless 1999).

7.3.2. Devolution and resistance against privatization (1999–2004)

In 1999, this aforementioned progressive phase, in which social objectives dominated, came to an end. The right wing of the Labour Party fought back. Albert Bore was elected as new leader by a narrow majority of 40 to 36 votes against Theresa Stewart (Elkes 2013). From 1999–2004, the council reduced its role as a basic service provider considering the transfer of council housing

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units to a trust body. Although from the same party, his position significantly deviated from that of his predecessor. Albert Bore from the Labour Party was a more growth-oriented politician (Clemens 2010: 58–60; Loftman and Nevin 2003: 78–82). His policy agenda included the privatization of housing repairs, the transfer of the council housing stock, the introduction of a direct mayoral election and the devolution of responsibilities to lower levels (Elkes 2013). Plans of the governing circle were secret for a long time, and there was no debate about these priorities; the situation of affordable housing owned by the municipality (council houses) deteriorated rapidly because of neglect (Dale 2002a).

During this period, the BCC pursued a targeted partnership approach combined with the devolution of tasks to ward subcommittees and Housing Liaison Boards (HLBs). HLBs exist for more than 20 years now in Birmingham, having been created to give tenants a voice and to allow them to be actively involved in the development of their neighborhood (BCC 2016). It consists of a group of volunteers who tries to observe and improve council housing and its related services. The aim is to ensure that tenants views are heard, and that their views should contribute to helping to improve the daily life in council housing and even beyond in the whole neighborhood (BCC 2016: 6–7). Members are elected every 2 years at a general meeting (BCC 2016: 12). The HLB has been described as a monitoring body allowing a link between administration and inhabitants covering not only the area of housing, but also other aspects relevant to people living in a specific neighborhood such as transport and leisure (Richardson 2008: 117–18).

A Regional Planning Guidance was issued in 2000 by the central government for the West Midlands as well as a local initiative supporting flourishing neighborhoods. In the national housing and planning context, the "Decent Homes Programme" was introduced in 1998. The Decent Homes Programme introduced under the national Labour government improved over a million homes from 2001 to 2010, installing new kitchens, bathrooms and central heating systems to ensure that social housing units met the standard of "decent homes" set out by the Department for Communities and Local Government. The starter home initiative for key workers was launched in 2001. In addition, there was the New Deal for Communities from 1997 onward, which covered the Birmingham Priority Areas of Kings Norton and Aston and was a central government intervention to regenerate some of the most deprived parts of England.

In 2003, the local Labour group decided to devolve some decision-making competencies to district committees. Local areas were given more discretion regarding the design of appropriate solutions as well as the management of local services. However, it took until 2008 before the competences were actually handed over to 11 and later on 10 district committees. Among the services for which district committees received the discretion to design were housing, youth and adult services. This happened at a time when the city was ruled by a coalition of Liberal Democrats and Conservatives (Coulson and Ferrario 2007).[36] In the meantime, urban riots following racial tensions in the area of Lozells in October 2005 demonstrated the urgency of engaging certain communities with the democratic process (Brookes et al. 2016: 87). Lozells is one of Birmingham's areas characterized

[36] The deputy leader at that time was millionaire and local businessman John Hemming from the Liberal Democrats, a man with good connections to the financial industry (Coulson and Ferrario 2007).

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by mono-tenure. The majority of the apartments consists of social housing for low-income households. Many of them are living in large tower blocks (see Picture 5).

Picture 5: Tower Blocks in Lozells, Birmingham (4 May 2019)

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According to a former council officer we interviewed, devolution can also be seen as a political strategy. At first sight, it may sound good to give responsibility to the local people, and such a process is often appreciated by the wider local public, because more local discretion is usually welcomed in a national context where many policies are driven and funded mainly by the national government. But this strategy often goes as far as creating "small isolated powerless units" (Interview 1, Birmingham), thereby also reducing opposition to the central power.

New affordable housing policy (2001)

Birmingham introduced a new affordable housing policy in 2001 based on Section 106 agreements with developers. This happened in the process of revising the Unitary Development Plan. Section 106 (S106) agreements are legal agreements between local authorities, property owners and developers which are linked to planning permissions and are also known as planning obligations (Barber 2007).

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According to Leishman and Rowley (2012), Section 106 agreements have their origin in the national Town and Country Planning Act from 1990 and form the main legal basis for the delivery of affordable housing. They are not restricted to affordable housing, but instead can contain a wide range of obligations such as financial contributions or physical works. Theoretically, the local planning authority has the power to refuse planning permissions on the grounds that an insufficient share of affordable housing is created.

In fact, Section 106 provides local authorities the discretion to derive their own specific affordable housing strategy based on it. Most local authorities in England take advantage of this opportunity, and their affordable housing policy is often written in their development plans or similar planning documents. Typically, local planning authorities set the affordable housing requirement as a percentage of the total units developed in a private scheme (Leishman and Rowley 2012: 388–89).

Birmingham's affordable housing policy sets the objective that all new developments with more than 24 units should provide a minimal share of 35% affordable housing, further divided in 25% actually social housing and 10% housing below market rents. Thereby, a distinction is made between affordable housing in the wider sense, including all the submarket rent levels, and affordable housing in the strict sense (see also Chapter 3.4). For the city of Birmingham, until 2003 this meant that new developments in the city center had to pay a financial contribution to the City Council, which was then used to develop social housing in another area within the same ward, usually in areas already characterized by large concentrations of social housing which therefore did not contribute to social mixing (Barber 2007: 190).

The authorities in Birmingham thus only belatedly took advantage of the opportunity provided by the national level comparatively, which can be explained by the widespread growth orientation. Surprisingly, a business-friendly Labour government continued the path taken by its leftist predecessor government and pushed it through even more strongly. There are several interrelated reasons for this. First, the activities of institutional investors within the city center intensified at this time, contributing to an additional increase in rents. Since 1999, a total of 40% of all new apartments in the city center have been bought by institutional investors (Birmingham Post 2002). Second, a report by the monitoring group Birmingham City Pride also brought this development to the attention of the public. Third, the housing associations called for a stronger enforcement of the affordable housing guidelines by the Birmingham City Council. As one council officer highlighted during the interview, the final negotiations about the price for the affordable part of homes in a new development scheme took place between private developers and housing associations and in absence of the Birmingham City Council (Interview 7, Birmingham). Therefore, housing associations had an interest in stricter regulations, because they were ultimately responsible for the affordable housing stock. Section 106 agreements were mentioned in 4 out of the total 11 interviewees, all of them representatives of the Birmingham City council.

A report of the Birmingham City Council, providing background evidence on the application of these agreements, found that there were roughly 700 units secured through Section 106 agreements over the period 2001–2005 (see Table 12).

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Table 12: Affordable dwellings completed (S106 Agreements) 2001–2005

	Low-cost market	Social rent	Shared ownership	Total affordable completions
2001–2002	51	57	44	152
2002–2003	30	72	39	141
2003–-2004	16	22	37	75
2004–2005	64	120	134	318

(Source: BCC 2015)

The figures indicate that the new affordable housing policy is reflected only in the figures after a certain time lag. This may be because some planning permissions had already been granted previously in times of a less stringent enforcement (Birmingham Post 2002).

Stock transfer, rejection of it and consequences (2002)

Stock transfer is a process whereby the ownership of council housing is transferred to a housing association (Daly et al. 2005; Malpass and Mullins 2002). In 2002, Birmingham was one of the largest social housing landlords in the whole UK with a stock of 90,000 properties (Daly et al. 2005: 332). Initiated during the term of Albert Bore, the plan was to transfer Birmingham's total housing stock to registered social landlords or trust bodies (Clemens 2010: 60). In 1999, nearly 3,000 such properties including land holdings on the Lee Bank had already been transferred from the local authority to the housing association Optima Community (Hattersley 2001). In 2002, a survey took place among all the council housing tenants in the city, 61,593 in total, children not included. The council housing tenants were asked to decide about transferring the housing stock to housing associations. One important aspect of the national governments' proposal was the cancelling of existing capital debts and access to private financial resources. Because of an outstanding capital debt of £600 million pounds, the proposal was especially attractive for Birmingham's local authorities. In addition, there were problems with housing repairs and maintenance which could have been shifted away to housing associations (Daly et al. 2005: 333–34).

Central government funding was absent at that time, so stock transfer became an option. In fact, it was even one of the national government's aims following the advent of New Labour and explicitly mentioned in New Labour's housing green paper from 2000 (Daly et al. 2005: 329; Ginsburg 2005).

Tenants in Birmingham voted on a proposal envisaging subdividing the whole stock into 10 relatively large housing authorities. In addition, it was planned that tenants would form only a minority on the boards responsible for these estates, while other local authorities envisaged a significantly stronger role for tenants. Finally, this resulted in a resounding No vote (40,869 votes of a total of 61,593 were against the transfer, approximately 66.8%). The turnout in this ballot was

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substantial at 66.5% compared to the 59% in the general elections of 2001 (Daly et al. 2005, 332–33). This result even created a real shock, not only but also because Birmingham was England's biggest city apart from London, with one of the largest council housing stocks in the whole country (Foot 2004; Hetherington 2002).

One must take into consideration that there are different interpretations of this transfer to registered social landlords. Some commentators say that this is equal to the privatization of the social-housing stock, while others argue that privatization is the wrong term, because registered social landlords (RSLs) are actually not the same as companies aiming for profit and additional return for their shareholders (Daly et al. 2005: 331).

According to Daly et al. (2005) the following factors were most important in producing the no-vote among tenants in Birmingham:

- **Lack of political coherence and political leadership on the local level:** Although the council leader Sir Albert Bore and Cabinet Member responsible for housing Dennis Minnis were in favor of the stock transfer, this support was not shared by the whole Labour group at that time (Daly et al. 2005: 334–35).
- **Very effective "no" campaign led by Defend Council Housing:** Defend Council Housing is a coalition of individuals that was formed in the run-up to the vote and whose offshoots were particularly strong in Birmingham. An effective "no" campaign was led by the organization Defend Council Housing.
- **No support by trade unions:** The campaign was supported by the trade union *Unison* as well as some members of the Labour group in council. On the other hand, the "yes" campaign by the City Council was rather ineffective, although its cost amounted to barely £40 million.
- **A lack of confidence in the Birmingham City Council and its Housing Department:** They published different numbers about the value of its housing stock, and in addition they caused fears among council house tenants, because they said that in order to succeed with stock transfer, more than a fourth of the total housing stock would have to be demolished, although they could not precisely say where this should actually happen (Daly et al. 2005: 335).

As a reaction to the no-vote in 2002, the Birmingham City Council, in collaboration with the national government, set up the Independent Commission of Enquiry into the Future of Council Housing in Birmingham (Daly et al. 2005: 334). No direct representatives of the city were involved in the commission, and consultations with tenant's groups all across the city were started. A new bottom-up approach to housing and neighborhood renewal was proposed, which offered new possibilities for diversifying ownership structure, creating a social mix and attracting investments (Power 2002; Power and Houghton 2007: 155–56). More specifically, the report suggested the creation of 35 community-based housing organizations (CBHOs), consisting of a large variety of actors such as tenants, councilors, business leaders and owner-occupiers. Each CBHO should have an own budget of annually approximately £4.5 million at their disposal for the improvement of the council estates, from which about two-thirds were said to be in poor conditions (Dale 2002b). This suggestion was welcomed by the cabinet at that time and CBHOs, strictly speaking not actual

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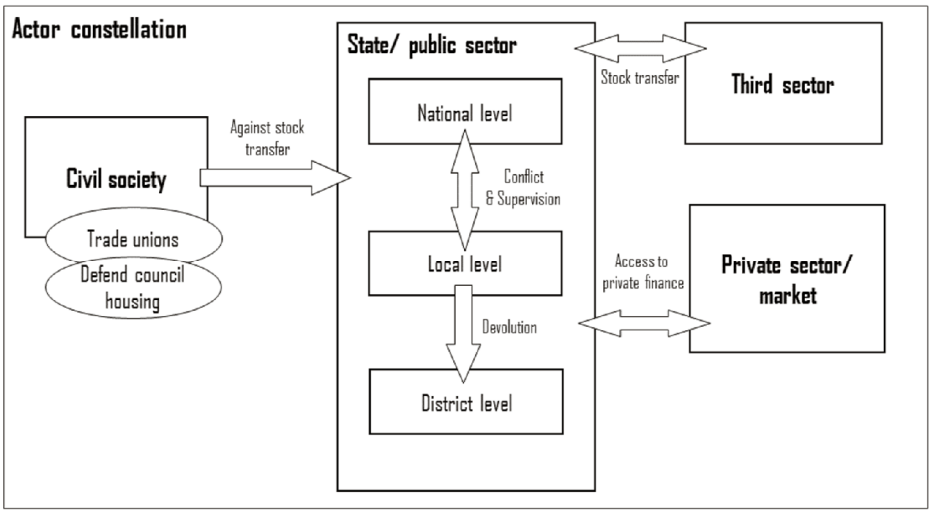
council bodies but autonomous and council-funded bodies, were finally introduced in two council constituencies Hodge Hill and Northfield (Wilkes 2006). Why were only two of the 35 proposed CBHOs finally introduced? This can again be explained by the fact that the local branch of the trade union Unison together with Defend Council Housing opposed the large-scale introduction. It was said that, based on the experience with similar organizations (e.g., Tenant Management Organizations, TMOs), there was a risk of increasing the danger for racial segregation (Dale 2003).

The following figure shows schematically how housing governance was structured around the time when stock transfer was finally refused. Within the public sector, there were conflicts between the national and the local level. The stock transfer movement was initiated on the national level and can be read as an approximation to the third sector (housing associations) and the private sector through access to private market finance. Strong resistance to the national project emerged at the local level. Civil society groups played a major role in the negative outcome of the stock transfer vote. Community representatives were united in the Defend Council Housing group and supported by trade unions.

Figure 13: Housing governance in Birmingham, 1999–2004



(Source: own representation)

The final rejection of the project in Birmingham led to increased supervision by the national level and growing conflicts. In addition, there were efforts at the city level to transfer housing competencies to the neighborhood level.

The spatial distribution of Birmingham's housing stock is illustrated in the following figure for the year 2001. Data for 2002 were not available, because the national census conducted by the office for national statistics is only conducted every 10 years. The figure shows that the council housing stock is located mainly in the city center and to a lesser degree to the South (see also Murie 2014: 423). The lowest shares of council housing are found in Sutton Vesey and Sutton Four Oaks with less than 5%. On the other hand, Aston ward, area of the famous football club

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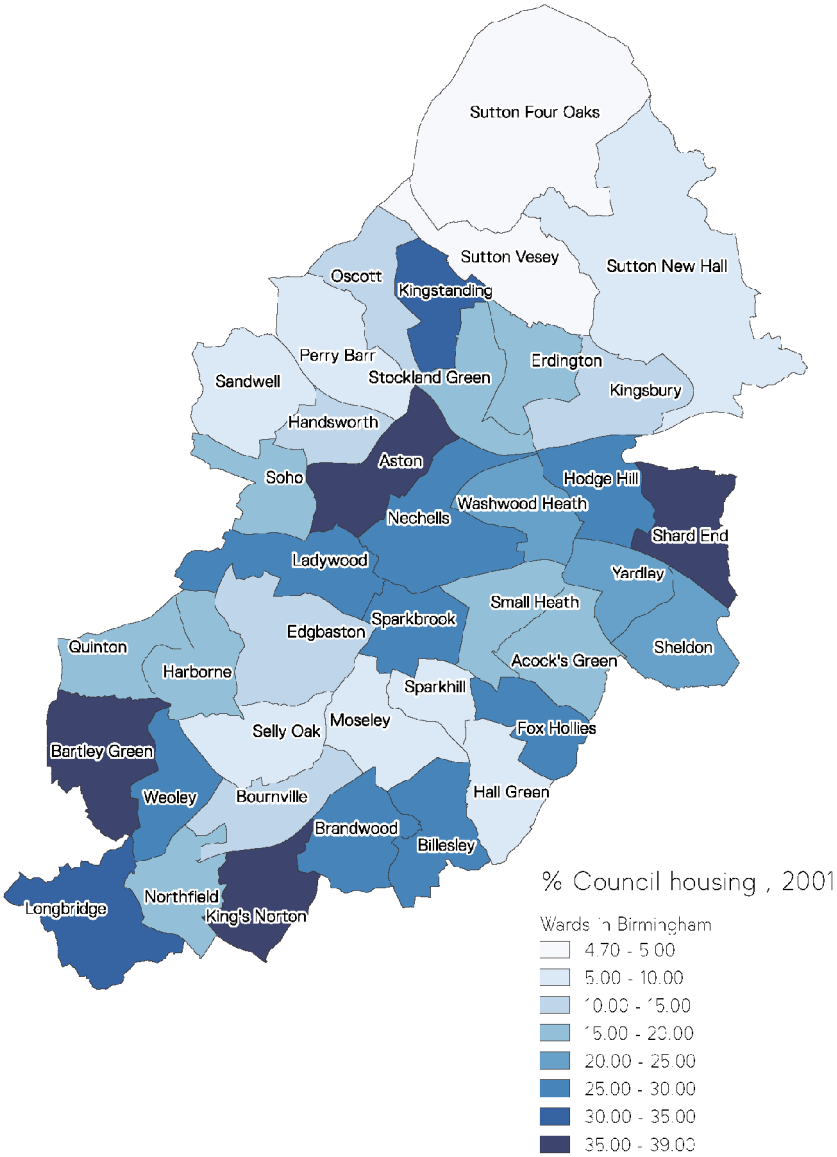
Aston Villa, shows the highest percentage with 39% of council housing. Similarly, the values in King's Norton, Bartley Green and Shard End were high and above 35% (Figure 14).[37]

Figure 14: Council housing in Birmingham, 2001



(Source: own representation based on ONS census data for 2001)

[37] The figure is based on the old boundaries in existence up to the end of November 2017. Nowadays, Birmingham is divided into 69 wards.

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7.3.3. Social orientation of housing despite growth priority (2005–2008)

During this period, the dominant theme seems to be one of competitiveness. Under the leadership of Mike Whitby from the Conservative party at Birmingham City Council (2004–2012), the 2005 Housing Strategy pursued economic growth, while at the same time homelessness was identified as a major issue. The Strategic Housing Market Assessment acknowledged a growing shortage of affordable housing for the city's residents. This was against a national backdrop of the Barker Review of Housing Supply in 2004 that called for 120,000 new houses to be constructed annually in the UK in order to bring price inflation down to the EU average – and billions extra per year to be spent on social housing (see also Bentley 2005).

Regional Housing Strategy (2005)

The 2005 Regional Housing Strategy laid out a vision for the development of the city, namely, of housing and neighborhoods that reflect and meet diverse lifestyles encourage and facilitate economic growth and prosperity. The West Midlands Regional Housing Board and the West Midlands Regional Housing Partnership as well as the BCC were involved in elaborating this strategy (West Midlands Regional Assembly 2005). Over a period of 18 months, almost 20 consultation events were held in the region. These events, open to the public, were attended by representatives of the construction industry, scientists and civil society organizations (Ganguly 2005). The issue of affordability emerged as the most important one in these consultations (West Midlands Regional Assembly 2005: 10).

Homelessness was identified as a particular problem in Birmingham. Rates were twice the national average, amounting to around 5000 households in 2004/2005. Furthermore, it identified a mismatch between the existing supply of affordable housing and the location of the demand. In terms of governance, it noted the need to work with the Social Care and Health Directorate and registered social landlord partners to develop extra-care and special care housing for older people, and defined the need to establish community-led housing management services. The report acknowledged that the emigration trend was a problem that needed resolving, noting that the significant increase in black minority ethnic (BME) people in the city was driving much of the demand for affordable housing, particularly in areas that already had a high concentrations of minority ethnic groups. The strategy also commented on the spatial dimension of initiatives. Development efforts were too focused on the city center, and attention needed to be paid to what was going on in Birmingham beyond the central ring road. Key figures in the report included the statistic that 67.5% of local authority housing stock (49,260 units) did not meet the decent homes standard in April 2004, and that an estimated 35,000 vulnerable households were living in substandard private sector accommodation. 50,000 households were assessed as being in danger of fuel poverty, and homelessness was identified as a severe issue (West Midlands Regional Assembly 2005). Key actions for the report were laid out in a series of thematic areas:

1. Housing service performance, including the establishment of community-led housing management services at a local level and a target to successfully resolve 80% of neighbor disputes, antisocial behavior and lifestyle clashes through mediation.

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2. Safety net and support services, aiming to reduce the level of statutory homelessness, eliminate the use of bed and breakfast accommodation for homeless households with dependent children, develop special care housing for older people, and act to tackle nondecent housing in the privately rented sector. Many of these issues were also brought up in the interviews in 2019, suggesting the aspirations articulated in 2005 remain unfulfilled.
3. Decent homes, investing the planned £604 million in council stock up to 2010, undertaking planned clearance and release of land for redevelopment, and directing more spending to planned maintenance of council housing stock rather than to responsive repairs.
4. Changing demand, aiming to implement an Urban Living Program for North West Birmingham, consult on and progress proposals to regenerate three housing estates in Kings Norton, and develop a Prospectus for Action to contribute to growth and quality of the built environment in the eastern corridor of Birmingham and North Solihull.
5. Affordable housing, redeveloping obsolete local authority housing stock to increase and diversify the housing supply in the city, reducing the average re-let time for empty local authority properties to 36 days and taking action to reduce the number of long-term empty properties in the private sector.

Housing associations are described as preferred partners in the context of the delivery of £78.8 million Approved Development Program for 2004–2006. In addition, the planning system should also play its part and help to secure intermediate market and social rented housing (West Midlands Regional Assembly 2005).

The origin of this new and more social orientation of housing policy, which focuses on affordable housing and measures against homelessness, lies at the national level. In 2003, the then national Labour government pledged nearly £300 million in funding (Walker 2003). To ensure that the money was spent appropriately, Regional Housing Boards were set up throughout England. The West Midlands Regional Housing Board included a number of Governmental Bodies, the local branch of the trade association for social housing providers (National Housing Federation) and the West Midlands Community Housing Network (WMCHN), an association of civil society organizations from the region. Among them are organizations that promote the interests of black and minority ethnic communities (BMEs), asylum-seekers and homeless people (Dorey 2005: 251; Mullins and Murie 2006: 77). The presence of these two actors contributed significantly to the social turn in policy orientation.

Unitary Development Plan (UDP) from 2005

The Unitary Development Plan (UDP) from 2005 defines two different types of affordable housing. The first type is housing provided either by the local authority or by registered social landlords/housing association, which is allocated on the basis of need. The second type of affordable housing consists of low-cost market housing, which is aimed at meeting the needs of those who cannot afford to rent or buy on the open market (BCC 2005: 93).

The plan also formulates the need to cooperate with neighboring authorities in the region in order to meet the affordable housing needs of Birmingham beyond its boundaries and for a balanced provision of affordable and market housing across the city (BCC 2005: 93).

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Furthermore, it prescribes that the need for affordable housing must also be respected in private development or conversion schemes. This obligation is again based on Section 106 agreements, often also referred to as "planning obligations" (Grayston 2017: 5), but deviates from the new affordable housing policy discussed in Section 7.3.2 by defining the objectives more precisely.

A threshold of at least 25 dwellings or 1 hectare is defined, secured through Section 106 agreements. Above that threshold, the city starts negotiations with private developers aiming at a 25% share of social housing and 10% of affordable housing (slightly below market rents). The report also points to the possibility of constructing affordable housing off-site in another area of the city, under exceptional circumstances. The precise affordable housing mix the city seeks in negotiations depends on the specific characteristics of the development scheme such as location, connection to the public transportation infrastructure or local housing needs in the specific area. Developers are obliged to ensure that affordable housing is available only to those households who are in need (BCC 2005: 93–94).

This period was brought to a close by the effects of the 2008 financial crisis and the subsequent "credit crunch"; in 2009, the outgoing Labour government brought forward social housing investment to help stimulate the economy, but the Conservative-Liberal Democrat coalition that came to power in 2010 ushered in a period of heavy austerity that continues to this day.

7.3.4. Local reactions to national decisions regarding housing (2009–2014)

Affected by the bursting housing bubble in the US in 2007, banks in the UK had to be bailed out, a decision made by the New Labour government under Tony Blair. This decision led to a sharp increase of government debts from 36.4% in 2007 to 62% in 2010. Debt reduction became an issue in the general elections from 2010, finally won by the Conservatives and leading to the Coalition government with the Liberal Democrats (Lund 2016: 136–39). This marked the starting point for a phase characterized by big reductions in spending and services. The national austerity agenda of that time reduced the discretion of local authorities across the UK. Especially bank finances were difficult to obtain at that time, a fact that especially hit local and regional actors in the construction sector (Whitehead et al. 2014: 42).

Foundation of the Birmingham Municipal Housing Trust (BMHT) (2009)

In 2009, the Birmingham Municipal Housing Trust (BMHT) was established, the housebuilding arm of the Birmingham City Council, which became the largest provider of social housing in subsequent years following a principle of mixed tenure in all developments. The approach has facilitated the fast development of new housing. The BMHT constructs not only itself, but also via public-private partnerships – and it builds homes for sale on the market at affordable prices (McKendry 2018). Its objectives are also to fight ghettoization and promote social mixing, as indicated by one of the interviewees from the BCC with the words "It's always mixed tenure" (Interview 5, Birmingham).

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A council officer we interviewed compared the BMHT with other legal entities porting the name "trust" and said that, in fact, it is only a brand name, so not a trust like other ones. In fact, it is the council itself, building new housing, though the history of council housing in the UK as described in the sections before urged policymakers to find a different name (Interview 7, Birmingham).

The same interviewee pointed to the uniqueness of Birmingham as a local authority having its own house-building arm and a house-building program of its own, in a national context, where many local authorities transferred the whole stock to housing associations. These local authorities are required to have a dialogue with the organizations managing the former council housing stock:

> A lot of other local authorities got rid of all their council housing, to a housing association, through stock transfer, and so they have a much stronger enabling dialogue with those organizations, and in effect are managing the stock that used to be the councils. (Interview 7, Birmingham)

This stands in contrast to Birmingham, where the cooperation with these actors is less necessary, because of the existence of the BMHT.

According to a private sector representative, who works for a big developer, the foundation of the BMHT has changed the relationship with housing associations, and even worsened the relationship over time:

> There's a bit of a, I don't want to say rift – a bit of a *gap* between the city and the registered providers over the last x number of years. Because they city has said, "Well, we can develop through BMHT, through HRA [Housing Revenue Account], we can develop social housing so do we really need the registered providers?" And they own stock anyway, but do we really need them. And so, the registered providers said, "Okay fine, if that's the way you're going to be, we're going to go and do things elsewhere. Again they'll remain nameless but you've got local RSLs investing in the East Midlands because it's easier." (Interview 9, Birmingham)

Another council officer from the BCC highlighted the need to involve the private sector in the provision of affordable housing in Birmingham, because the BMHT on its own is not able to provide enough units below market prices.

> But, yeah, I mean there's almost a challenge around getting enough affordable housing built regarding ... The BMHT makes a big contribution, but it doesn't go as far as we need it to, because it's the private sector. Whether it's through viability or other concerns, they're often getting figures in beneath the 35% target. So, the BMHT plays a key role, but, yeah, we'd like to see the private sector provide more affordable housing really. (Interview 10, Birmingham)

In the particular case of Birmingham, only 31% of properties on the private market are affordable to a working couple with children, 6% for a single person, and 61% for a working couple with no children. This means that the city compares favorably for affordability to the UK as a whole but

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still illustrates how important market pressure is in the spatial segregation of low-income people (Shelter 2014).

Related to the BMHT is the assessment of a council officer that the sophisticated market intelligence by private developers in Birmingham is sometimes not able to find hidden wealth in rather deprived areas (Interview 7, Birmingham). Referring to stigmatized areas such as Newtown or Lozells in the Northwest of Birmingham, it is said that money is often not held in bank accounts or by people with high-profile jobs. Instead, BME communities often hold money differently, e.g., various smaller sums are lent to other persons of the community, but this money can be given back very fast, if people want to buy properties. The BMHT has uncovered this difference and thereby has an advantage compared to the private sector. In a similar vein, a councilor we interviewed said that there is also a demand for owner-occupied houses in areas dominated by large social housing estates, especially because there are people who have got good jobs, social networks, enough money and would like to stay in these areas (Interview 5, Birmingham).

Planning-related developments

The 2010 Big City Plan set out a vision of Birmingham's future, in which the redevelopment of the city spills out beyond the ring road while also calling for more inclusive economic growth. Central government has also encouraged devolution, such as through the new combined authorities in England – although these have limited powers and are shaped by the priorities of central government. The central administration also released a National Planning Policy Framework in 2012, deregulating areas of the system by reducing dozens of policy documents into a single framework. There is also the 2011 Localism Act, which ostensibly aims to transfer decision-making powers from central government to communities, such as through elected mayors of combined authorities. To date, however, there has not been a noticeable shift to local decision-making in the UK.

Cuts in public spending have had an impact on the housing market, and Birmingham has been hit more heavily because of its relatively weak economic position compared to the national average. One council officer who was interviewed was quite explicit:

> Until government stops attacking local authorities like Birmingham and taking more money off them, we will continue to barely provide safety-net services, and that impacts everyone in the city. (Interview 7, Birmingham)

For instance, there is the so-called "bedroom tax" in the 2012 Welfare Reform Act which reduces housing benefit paid to those in receipt of the benefit when they have extra bedrooms. There are also ongoing issues with housing affordability and homelessness. In the period 2016–2017, 8.1 in every 1,000 people were reported as being homeless and in priority need in Birmingham. New developments in the city are failing to meet the Birmingham City Council's target of 35% of new builds being offered as affordable housing. Rather, less than 10% of new builds can be classed as affordable housing. A lack of affordable housing has negative consequences, hindering first-time buyers from getting on the property ladder and leading to higher rents in the private sector because of high demand. It also leads to longer waiting times for those registering for social housing.

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As the table below shows, more people in Birmingham live in social rented properties than the England-wide figure, and already in 2011, only slightly more than half of the people of the city owned their own homes.

Table 13: Tenure in Birmingham and England, 2011

	Birmingham		England	
	Number	%	Number	%
All households	410,736		22,063,368	
Self-owned	226,616	55.2	13,975,024	63.3
Shared ownership	3,940	1.0	173,760	0.8
Social rented	99,592	24.2	3,903,550	17.7
Private rented	73,405	17.9	3,715,924	16.8
Living rent free	7,183	1.7	295,110	1.3

(Source: ONS 2011)

Austerity and governance arrangements

There were also extremely harsh austerity measures implemented in 2010 by the Conservative-Liberal Democrat coalition as part of an ideology of dismantling much of the postwar welfare state. Even those who initially supported austerity may now be exhausted by it; one property consultant we spoke with said the following:

> Austerity has been in my view a good thing … [The public sector] had become inefficient, as actually business does when it's not in competition. Now, there comes a time when austerity stops driving innovation and stops driving better services and becomes something that ultimately hinders local authorities in being able to do what they need to do. So, yes, I now think it's gone too far. (Interview 9, Birmingham)

Austerity has fundamentally changed governance and policy-making across different fields in Britain. Policymakers have to find creative solutions, often involving community groups in times of scarce or even inexistent financial resources (see also Mulliner and Maliene 2013). This strive for innovative solutions is also mentioned by an executive manager of the BCC:

> So, I think the challenge is how do you redefine the roles of those different agencies? And we've certainly done that. We've stopped being a paternalistic provider of most things and expecting our role almost as first port of call on societal need, and we've started to try and play a different

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> facilitative role where you use the capacity you've got to bring people together in a different way and enable things differently. Try and kind of lead differently, without being the course to delivery on those things. (Interview 11, Birmingham)

The changing way of doing things is also put forward by another interviewee working for the Birmingham City Council as well, who observes the potential for doing things in a more participative way:

> So, I think that's that new way, the council does things in a different way now, so working with volunteers and communities is the new way forward. So, the council might say, well, you can use the building, but we can't put any staff in there. So, we'll provide the building, and you do the staff. So, that more participative way of, well, what can the council put in that doesn't cost a lot of money but can still deliver the service. And the lollipop lady thing, sort of community volunteers and things like that. (Interview 7, Birmingham)

According to a councilor we interviewed, decisions taken at the national level strongly affect the developments on the local level, the problem being that especially the most vulnerable households most experience the negative consequences. Austerity and the level of cuts decided by the national level are said to have consequences for housing policy on the local level, which seems to be constantly in crisis:

> What we've got is a whole host – across different things, not just housing – of broken systems. That's ultimately what austerity has created, this level of broken systems […] So, there's a whole range of things that the national picture's just affecting, so we're kind of swimming in this difficult period, and trying to do as much as possible, but if there was a change in some of the government policy, it would assist and facilitate us, enabling us to be able to manage the local issue. We wouldn't feel like we're constantly in crisis. At the moment, we're looking at crisis, but as a council we're trying to implement and create a platform for prevention, and to do the two at the same time is incredibly complex, incredibly difficult, and people do fall between policies and fall between the net, particularly those who are in the most need. (Interview 5, Birmingham)

According to this interviewee, new governance arrangements are needed to deal with and find adequate reactions to the situation in which many different broken systems exist. Innovative partnership approaches involving the local community and the whole range of service providers.

Some innovative examples for the involvement of communities already exist in Birmingham. For example, the city started trials with consultations in ethnically diverse parts of the city to understand the priorities and fears of inhabitants better. As a planner we spoke with commented, the council has tried using translation services and even driven a consultation bus into more diverse neighborhoods to gather opinions but consistently found that "the more educated and affluent an area is, the more response you will receive" (Interview 2, Birmingham).

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Abolition of regional planning and strategic housing market assessment (2012)

In 2011, the Coalition government decided to abolish regional planning. Up to this point, housing need was sorted out on the regional level, which had the advantage that the need for housing was assessed across the boundaries of the municipalities, and that greater cooperation was possible. With the abolition of regional planning, this form of cooperation was replaced with:

> [...] a very weak kind of mechanism called the duty to cooperate, which doesn't have any teeth basically. It's just a legal duty to say you've consulted, but it's not a duty to agree. (Interview 2, Birmingham)

In March 2012, the BCC commissioned the Strategic Housing Market Assessment (SHMA) to two independent consulting firms. The goal was to estimate the required housing mix in the city and to enable the BCC to develop adequate planning and housing policies as a response.

The requirement for this SHMA goes back to a restructuring of the planning system on the national level, with the introduction of a new National Planning Policy Framework (NPPF) by 2012. Before, two different layers of government were involved in decision-making. Affordable housing policies were in the competency of local authorities based on an earlier version of SHMA reports. The targets regarding land provision were based on regional requirement studies and set in Regional Strategies (BCC 2013: i). Hence, two different reports were commissioned by two different governmental levels. With the restructuring of the planning framework, only one report was required, which should underpin affordable housing policy and planning targets.

Affordable housing, as officially defined, is set at up to 80% of rents on the open market. This means that very few households in need could actually afford rents. Therefore, the report outlined alternative thresholds and argued that it could be set to 65% or 70% if affordable rent should actually exhibit substantial needs (BCC 2013: ii).

The estimated housing requirement for Birmingham was higher than what is realistic within its boundaries. Therefore, it was suggested in the report that that Birmingham City Council and their neighboring local authorities collaborate in setting their housing targets jointly and based on shared evidence, although it was relativized that, currently, such a common approach is not practicable because of the different stages in which the local authorities currently are regarding the plan preparation process. In addition, one proposition was to discuss about housing development in the Green Belt (BCC 2013: iii).

The report ends with an estimation of the total new accommodations needed in Birmingham by 2031. The highest required share is estimated for the open market segment (62%), followed by dwellings on affordable rent (22%) and social rented accommodations (11%) (see Table 14).

The estimations also show that, in the category of affordable rent accommodations, more than half of the total need is for two-bed apartments, while four-bed apartments are required on the open market and in the category of social rented flats (BCC 2013: vi).

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Table 14: Total new accommodations required by 2031

Tenure	N	%
Market	49,891	62.2
Shared ownership	3,866	4.8
Affordable rent	17,308	21.6
Social rented	9,135	11.4
Total	80,200	100

(Source: BCC 2013: vi)

In 2012, the role of cabinet member for housing was abolished by the right wing of the Labour Party, which came to power that year. Political responsibility for housing was divided between 15 councilors, including 10 district chairwomen or chairman responsible for overseeing the management of existing housing stock (Elkes 2013).

Big City Plan (2013)

The Big City Plan intends to deliver 51,100 homes over the period 2011–2031 to meet demand, given Birmingham's growing population. In order to meet the demand for affordable housing, the City Council continued its policy of seeking a 35% developer contribution toward the provision of affordable housing on residential developments of 15 dwellings or more, which was also mentioned in several interviews with representatives of the BCC (e.g., Interview 2 with a planning officer in Birmingham). However, our interviewees mentioned that developers are quite proficient at reducing this contribution. A former senior council officer commented:

> A whole industry has grown up around the development industry devoted to viability studies, simply demonstrating to the local authority that they couldn't possibly [meet the affordable housing target]. (Interview 1, Birmingham)

According to a report by Shelter, the problem of undersupply of affordable housing has its roots in the wider developments regarding England's housing policy. But with the introduction of the National Planning Policy Framework (NPPF) in 2012, the problem was even made worse "by enabling the widespread use and abuse of viability assessments" (Grayston 2017: 4). The loophole allowed private developers to overpay land in the beginning to outbid other interested parties and compensate for that afterward. The possibility of viability studies was created by the national legislator after the financial crisis, after the construction industry lobbied for it (see also Elkes 2017).

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Several areas of the planning system were deregulated by reducing dozens of policy documents into a single framework (Grayston 2018). The viability loophole allowed private developers to bypass the obligation to provide affordable housing within their development scheme if they were able to show that providing units below market price threatened their ability to make a profit of 20%. The consequence was that developers and real-estate firms often overpaid land with the assumption of not providing any affordable units at all. This overpayment of land was then finally used as a prove for impossibility to provide affordable housing in turn (Grayston 2018). Although the City of Birmingham is pursuing the strategy of bringing developers to reach 35% affordable housing in the wider sense in new schemes, this promise is clearly not being fulfilled. In fact, Birmingham, together with Manchester, scored worst in a comparison of cities from the UK, i.e., viability studies were able to reduce the proportion of affordable housing here the most (Elkes 2017). In 2016/2017, the proportion of affordable housing was less than 10% (425 out of a total of 4,768 apartments) (Slawson and Elkes 2018).

Following the lobbying by the civil society organization Shelter, national regulations were changed in order to close the viability loophole. This happened within the new NPPF published in July 2018. Previously, Shelter had published various studies that highlighted the extent of the loss of affordable housing as a consequence of the loophole throughout England and lobbied at the national level (Grayston 2018).

Nevertheless, private developers still refrain from the City Council's official affordable housing policy. In a development scheme recently announced about the construction of a new skyscraper in Birmingham, some councilors expressed their disappointment about the project that deviates from the city's policy by a planned amount of affordable housing of only 25%, 10% below the city's policy (ITV 2020).

Kerslake Report (2014)

Many consecutive budget excesses on the local level led to a stricter oversight on the national level. In 2014, the National Department for Communities and Local Government (DCLG) published an independent review regarding governance and organizational capabilities of the BCC (Kerslake 2014) after the budget was exceeded several times in various areas, including housing.

This report discusses the "triple devolution model," which consists of the following pillars: First, it is based on the cooperation with neighboring communities as a crucial aspect for the future development of Birmingham; strategic plans in housing and land use should be made in cooperation with other local authorities. Second, it rests on a closer cooperation of the council's agencies from different field such as schools, health or housing; they have a common budget, which allows the different services to have an integrated perspective and plan the use of resources more strategically. Third, neighborhood and community services should be brought together, and a wider role for the existing providers of services such as housing associations or schools should be promoted; housing is expressly mentioned as one of the key service areas in this regard (Kerslake 2014: 17).

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Birmingham City council is generally not considered as a "too-big" institution that should be broken up. Several recommendations are made regarding governance reform. Although they were not formulated directly as recommendations for housing, they do have consequences. Among them the following ones (Kerslake 2014: 8–14):

- Roles, responsibilities, behaviors and ways of working expected have to be clarified between cabinet members, councilors, officers and the leader of the City Council.
- A simplified planning framework should be developed based on the Big City Plan from 2013.
- An electoral review of the governments boundaries is suggested to provide a more effective model of representation.
- The 10 district committees, having their origin in the year 2003, should not function as service providers but instead, if retained, should have a more strategic role in shaping and leading their local areas. The responsibilities of these committees included housing-related services such as the promotion of tenants' participation, estates management, housing renovation and relations with the private sector in the respective area.
- The BCC should redefine and redevelop its partnership approach and develop a clear statement, which can be communicated to internal and external partners.
- Creation is suggested of a combined authority on the regional level, in which cooperation with neighboring authorities can be conducted. More specific recommendations are made based on the experiences of other combined authorities across the country.

The devastating report led, on the one hand, to the establishment of the Birmingham Independent Improvement Panel (BIIP) by the national government to monitor and regularly report on the processes, the required reforms and the budget in Birmingham. From this point on, budget overruns had to be strictly avoided. On the other hand, the report also had personnel consequences and led to the cabinet leader Albert Bore (right wing of Labour) bowing to public pressure and handing in his resignation at the end of 2015 (see also Elkes 2018).

Changing tenure in Birmingham over the period of investigation (2009–2018)

Housing tenure only marginally changed in this period. Larger shifts took place before the period under study. There was a dramatic increase in home ownership in Birmingham beginning in the 1980s. On the other hand, the percentage of social rented housing has significantly fallen over time from 38.7% in 1981 to 27.7% in 2001. From then on, the share of social housing including the stock owned by the local authority and the stock provided by housing associations (formerly known as registered social landlords) has been pretty stable, oscillating between 24% and 26% (see Figure 15).

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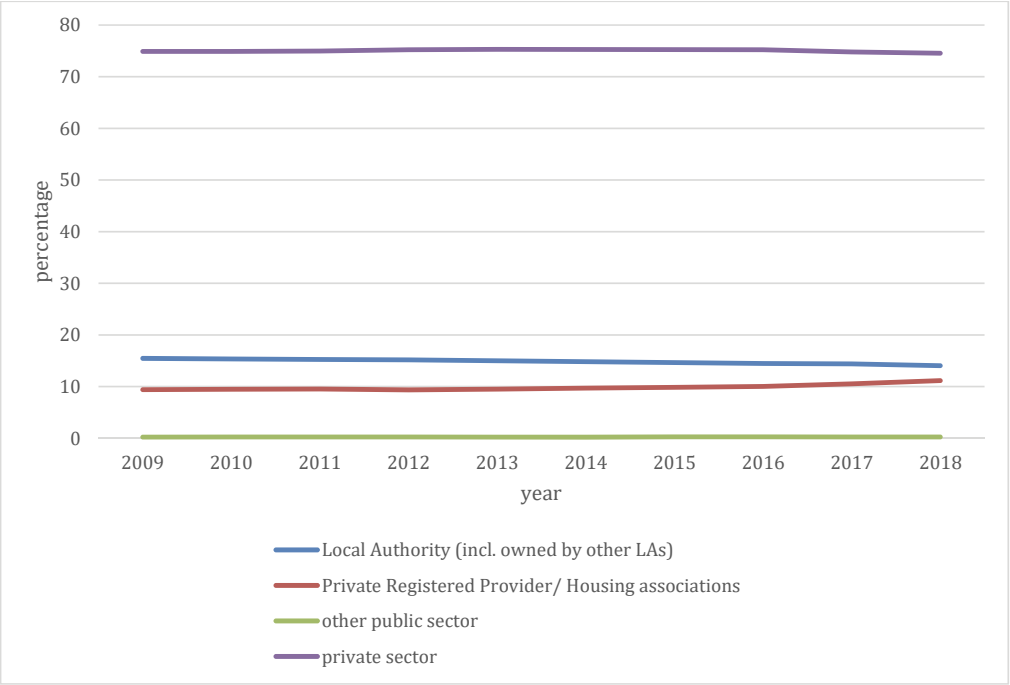
Figure 15: Housing tenure in Birmingham, 2009–2018



(Source: MHCLG, Ministry of Housing, Communities & Local Government 2019b)

Interestingly, the share provided by the local authority decreased over that period from 15.5% in 2009 to 14% in 2018, despite endeavors to play a more active role on the housing market. In contrast, the stock of housing associations increased from 9.4% to 11.2% over the same period.

The following figure links up with the theoretical synthesis (Section 4) and represents an attempt to transform descriptive explanations into more analytical ones (see also George and Bennett 2005: 75). Housing governance in Birmingham in the respective period from 2009 to 2014 is characterized by pressure from civil society on national state actors for a more social orientation of housing policy. Within the public sector, there was still a tense relationship between the national and local levels, and national oversight is even being strengthened.

The city of Birmingham is trying to involve civil society actors more closely, and the social dimension is reflected more strongly in the design of concrete policies. Cooperation with the third sector is deteriorating, which is specifically related to the establishment of its own housing construction arm, the BMHT. Relations between the public sector and the private sector are characterized by the viability loopholes introduced in the wake of the financial crisis as a measure to stimulate housing markets.

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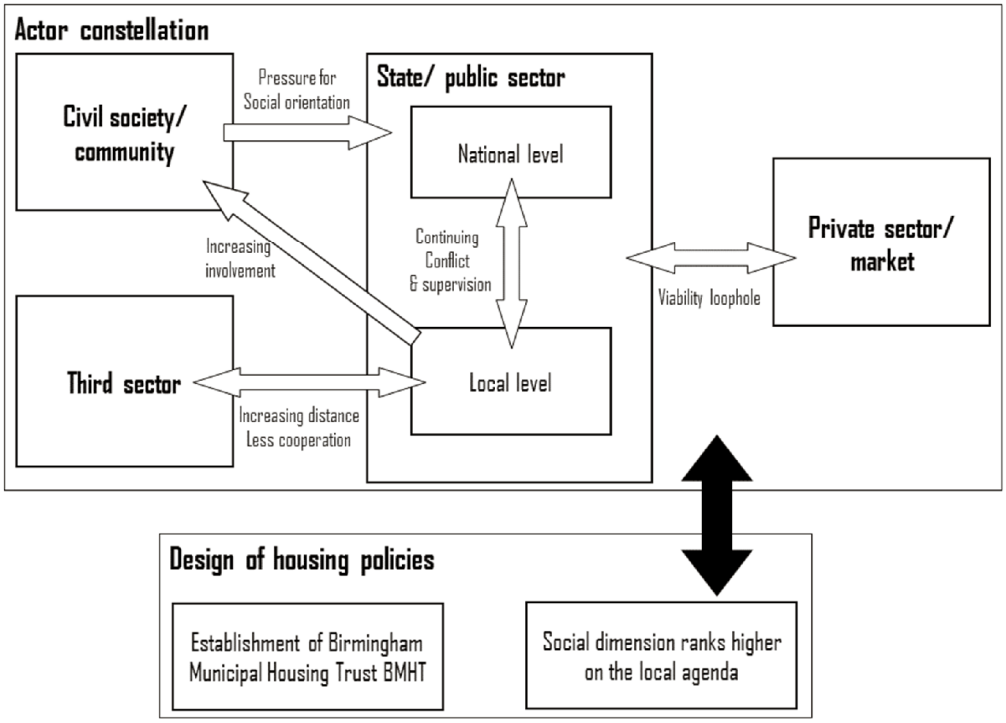
Figure 16: Housing governance in Birmingham, 2009–2014



(Source: own representation)

7.3.5. Obsession with growth and increasing profit orientation (2015–2020)

Although Brexit dominated the political discussions in the United Kingdom from 2016 onward and outshined other policy priorities at least to some degree, the field of housing was not completely neglected, and the housing crisis popped up as a problem at specific points in time.

Hence, this housing period is centered around Brexit and the high-speed railway link between London and Birmingham (HS2). HS2, a topic referred to in nine out of 11 interviews, could make the city a dormitory suburb of London – or it could inject further investment and growth into the city's economy. The project itself remains in doubt, with the results of an official review into HS2's future called by the Johnson government not yet known. A senior council officer said that "HS2 will help lift up the offer within the city center, the fact you can get to London in 45 minutes, it's like being in Zone 6 on the Underground" (Interview 10, Birmingham) positing a vision of Birmingham's future as an appendage of the wealth generation and destination of global investment that is London.

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HS2 is one of the central projects advocated by the Core Cities group established in 1995, an advocacy group of large regional cities in the UK, of which Birmingham is a member.[38] It tries to put issues of importance for large cities outside of London on the agenda of national policymakers and is a strong lobby, according to two of our interviewees. One interviewee, the assistant chief executive, said the following:

> So, what really struck me coming into this role, compared to the other places I've been, was how really important and different the Core Cities agenda in the UK is compared to every other council. So, there really is a dozen geographies that are having a completely different conversation about everything, from economic growth to kind of social reform, to demand in public services, compared to the 300 and ... whatever it is, 338 other places. So, there's a real kind of cities dynamic, and what's interesting about that is that Glasgow, Belfast and Cardiff are part of that network. So, through a kind of cities network there is a coherence to that which is based around the common urban demand, really. And there's a very coherent policy agenda, they're pulling permanent secretaries every month and leaders get together, so that kind of hangs together pretty well. But it's quite opaque, it's kind of hidden really from mainstream development of social policy. (Interview 11, Birmingham)

The issue of affordable housing in cities is frequently raised by Core Cities, and attempts are being made to lobby at the national level through reports and data material. In 2015, together with the National Housing Federation, the umbrella organization of social housing providers, it published an appeal to the parties to put an end to the housing crisis in the run-up to the national general elections in which they requested a long-term strategy for guaranteeing affordable cities (National Housing Federation and Core Cities 2015).

As already described, Birmingham's property market is buoyant, with many developments taking place following the announcement of HS2. One of the interviewees even talked about the inflow of international capital because of the announcement of the construction of HS2.

> And, it's already started happening, so private landlords are buying the more attractive properties to rent them out to the Londoners any time soon. And stuff like Digbeth, like what's happening in Digbeth at the moment right now, it's all the prices go up, because most of it is privately owned, and the landlords are, you know, sitting abroad, right? So, do they care whether our art sector dies or not? Do they care about our social enterprise sector in Digbeth? So, that would be the dynamics, I think. (Interview 3, Birmingham)

The origins of the transformation of the area of Digbeth lie in the late 1990s, when the right wing of Labour came back to power in Birmingham. At that time, the business-friendly attitude contributed to the fact that numerous plots of land were being sold by the city to private developers. The development of the area was finally halted by the financial crisis. During this phase, the

[38] The other members are Bristol, Cardiff, Glasgow, Leeds, Liverpool, Manchester, Newcastle, Nottingham and Sheffield.

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creative industry made interim use of some of the properties that had not yet been built on. After the financial crisis, development picked up speed again, further accelerated by the announcement of HS2 (see also Charnley 2019). The attractiveness of the area also attracted foreign investors who started to buy houses as an investment and for whom investment in London has become unaffordable (Arcibal 2019). This episode again points to the financialization of housing, housing becoming a global investment object rather than a safe place for local residents.

The city authorities usually limited themselves to welcoming the private developers. A project planned in Digbeth with more than 700 new apartments was approved by the city, although only 5% of these apartments would be affordable. Representatives of the authorities argued that the population was already benefiting from the additional new public spaces being created around the canal, which made it "a positive scheme in terms of a significant investment" (Jackson 2019b). This attitude clearly shows the growth-oriented attitude within the BCC: Investment is approved without criticism, and the social dimension of housing is neglected to a large extent.

However, the city also has many social and economic problems – some with deep roots in the 1970s and beyond, whereas others were caused (or at least intensified) by austerity policies. Because of the dependence on frictionless trade and "just-in-time" methods of the industrial supply chains and logistics networks, which are crucial to the city's still important manufacturing base, leaving the European Union is contributing to the uncertainty and has the potential to worsen some of these problems. Nevertheless, there is also the opportunity for new ways of working, as recent investigations revealed (Hassan 2019). In the area around the Icknield Port Loop, coproducing knowledge with local communities has created a huge potential to change how policy decisions are made in the city and even beyond.

The Birmingham Development Plan (BDP) 2031 (adopted in 2017) and new ways of Funding

The BDP 2031 was adopted in January 2017 during the term of John Clancy from the Labour Party (in office from 1 March 2015 until 11 September 2017). Clancy was elected with only one vote difference as new cabinet leader in March 2015 (Elkes 2015). During his tenure, the lack of affordable housing and the bad quality of the existing social-housing stock were identified as the most urgent needs. One of the solutions proposed by Clancy for the shortage in housebuilding was the introduction of Birmingham City Council's own municipal bonds (or "Brummie Bonds") to fund housebuilding. According to Clayton et al. (2017) this is also a way of thinking about local authority finances that is rather novel and has the potential to change how public activities are funded in the city.

Another approach followed by Clancy and his team was to bypass the chronic shortage of government funding in the UK and of the European Union following the Brexit vote on 23 June 2016 by attracting other financial sources for funding housebuilding in the city. Among them was an agreement with a Chinese developer based in Guangdong named Country Garden, to provide £2 billion for the investment in housing across the city. Another approach was to use the pension fund money of the city's employees to build affordable housing (Elkes 2016). Both strategies

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should be seen against the background of the Kerslake Report (2014) and the subsequent establishment of the "Birmingham Independent Improvement Panel." The overall aim was to find new sources of finance for housing construction without running the risk of exceeding the budget again.

The BDP writes that the City Council will seek a developer contribution of 35% toward the provision of affordable housing on residential developments of 15 dwellings or more. The level of developer subsidy will be established taking account of the above percentage and the types and sizes of dwellings proposed. The City Council may seek to negotiate with private developers in order to revise the mix of affordable dwellings (for instance, to secure additional larger dwellings) or to adjust the level of subsidy on individual dwellings (a higher subsidy may be required in high value areas). Where such negotiations impact on the number of affordable dwellings secured, the level of developer subsidy should be unchanged (BCC 2017: 112).

In the Birmingham Development Plan, the number of homes needed for the period 2011–2031 is "objectively assessed" as well. The estimation results in the need for 89,000 additional homes for that period, including 33,800 affordable units, which is said to be larger than what can be done within the boundaries of the city of Birmingham. Therefore, these 37,900 units, among them 14,400 affordable dwellings, have to be provided by other municipalities within the Greater Birmingham Housing Market Area (e.g., Solihull, Sandwell, Walsall or even parts of Wolverhampton) (BCC 2017: 28). Upcoming negotiations and the need for cooperation with neighboring communities were also mentioned in interviews with representatives of the city administration (see Interviews 2, 5 and 7).

The BDP replaced earlier policies targeting urban regeneration in areas such as Lozells, Aston or Newtown. Newtown, for example, was described as an area with a bad image, where the majority of the apartments consists of social housing for low-income households, and where unemployment rates are higher than in other neighborhoods (Stollberg-Barkley 2001).

The Housing Revenue Account (HRA) and removal of the borrowing cap in 2018

The national Housing Revenue Account (HRA) is a requirement for every local authority with a social housing stock of at least 200 units. It is an account over which all the income (rents and service charges from tenants) and expenditures (maintenance costs, major repairs, loan charges, and depreciation costs) related to the stock of council housing are cashed up by the local authority. On 29 October 2018, the borrowing cap was abolished immediately, meaning that local authorities were no longer constrained by government controls over borrowing for housebuilding (MHCLG, Ministry of Housing, Communities & Local Government 2019a).

According to a planning director from Birmingham City Council, "local authorities have greater ability to deliver housing" (Interview 8, Birmingham) with this decision taken at the national level.

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Another interviewee also working for the BCC, but in the field of housing, highlighted that the HRA has been protected from austerity measures:

> In terms of providing social housing, we've been protected from that, because that's funded from an earmarked pot of money called the Housing Revenue Account, which basically money from all the people that pay rent, the 64,000 people, that pot is protected from cuts, but you can't use any money from that on any other council services. So, someone paying their rent on a council house can't pay for a lollipop lady, or school meals, that sort of stuff. (Interview 7, Birmingham)

At the same time, he relativized the discretion of the local authority, by pointing out that rather strict regulations in terms of where the money is spent apply to this account.

Social housing green paper (2018)

The Ministry of Housing, Communities and Local Government (MHCLG) on the national level published a social housing green paper in 2018.[39] Among other things, it states that the national level will provide additional funds for the construction of social housing in the coming years. It also states that, in response to the fire at the Grenfell social housing tower blocks in London, more money will be allocated to ensure that homes are safe and decent (Brokenshire and Malthouse 2018). Referring to this green paper, a planning consultant said that he misses the will of the government to actually implement these measures.

> The [national] government issued their social housing green paper in November last year and there's lots of warm words in there. It says all the right things. But there's still a lack of commitment to increasing funding. (Interview 2, Birmingham)

The example of equipping buildings with sprinkler systems confirms this statement and illustrates the conflict between the national and local levels. In Birmingham, a project was launched to equip all 213 high-rise social buildings with sprinklers. The national government promised a contribution of £31 million. However, since the money was not transferred, a member of the government in Birmingham put pressure on the government and started to lobby for the promised money. Supported by cities from the Core Cities Group, neighboring local authorities across the West Midlands and the chair of Birmingham's Housing Liaison Board they wrote a joint letter to the Prime Minister and paid her a visit (Haynes 2019b). However, the efforts were to no avail, and at the end of 2019, the government had still not provided funds for any local authority. On the other hand, security regulations were tightened further, causing additional costs, especially in Birmingham with its large stock of social housing (Jackson 2019c).

[39] Green papers aim at contributing to the discussion of a theme and are usually at a formative stage. In contrast, white papers are documents at a later stage, often setting out proposals for future legislative changes.

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Insights from ongoing development projects

Most of the interviewees were positive about the development currently taking place in Birmingham, with many projects that will visually transform the city currently going on in different areas. For the Ladywood regeneration project, Birmingham City Council is currently seeking a partner to redevelop the Ladywood housing estate between Broad Street and the ring road (BCC 2019). The local authority still owns two-thirds of the units on the estate. Further details of its future are not available yet, but this is a large site that hosts an ethnically diverse and poorer population, so it is important that the plans be sensitive to this reality. One of the interviewees, a private property consultant said:

> So, the bit for me is Ladywood is a great example of where the city again they've got an asset, so they're going out to the market and they're saying to the developer community "Okay guys, there it is, but we want social housing out of it, we want lots of social housing out of it, we want housing that means we can rehouse the existing community and they can afford to live there and still access the jobs." They'll actually have better quality housing as well, which is a great side product. So, how are you going to bring forward your development proposals in order that you're using some of the value you're generating from the Broad Street end and some of that to create that affordable housing? I think that's one method they will use. (Interview 9, Birmingham)

The area of Ladywood was mentioned in 6 out of the total of 11 interviews conducted in Birmingham. Central Ladywood has been identified as an area that was significantly affected by the national right-to-buy policy. It is said that the share of the social rented sector has dropped by 27% between 1981 and 2001, while the privately rented sector has grown by 43% (Murie 2014: 422–23).

Smithfield and the adjacent Rea Valley Urban Quarter will transform the Digbeth area of the city center. Smithfield is being built on the location of the former Birmingham Wholesale Markets and will include over 2,000 new homes and 3.2 million square feet of mixed-use floor space. The Rea Valley Urban Quarter will return the hidden River Rea to public use and regenerate a dilapidated formerly industrial area in the city center. According to an interviewee working for the private sector, in this project, the city worked closely with the responsible local enterprise partnership (LEP), for example, to persuade the market traders to leave the city center and thus release the area (Interview 9, Birmingham). In addition, the first development phase was largely financed by the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP), one of two LEPs in the region (see also Sturzaker and Nurse 2020: 49–52). The city is also entering into cooperations with private developers, charging them with the regeneration project. The same interviewee points to the necessity of cooperation between the City Council, BMHT and housing associations in order to deliver a substantial share of social and affordable housing within the scheme (Interview 9, Birmingham).

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The project as a whole illustrates the role of the municipalities within the governance arrangements. Their primary objective, as frankly stated in an interview with a senior council member, is "to take the lead in creating those partnerships" (Interview 8, Birmingham). What happens afterward and how the negotiations between private developers and housing associations actually proceed is of secondary importance.

Perry Barr in North Birmingham is set to be regenerated as part of the 2022 Commonwealth Games. Alexander Stadium will be modernized and expanded, and a new Athlete's Village of accommodation for the games will be constructed, comprising over 1,400 dwellings to be converted into homes after the event. The surrounding public realm will also be regenerated. The Commonwealth Games is one of the world's largest sporting events and is an opportunity for Birmingham to present itself to a global audience. The organizing body for the 2022 Birmingham Commonwealth Games say they intend to "deliver an unforgettable, global Games" while showcasing the region (Birmingham Commonwealth Games 2019).

The construction of the athlete's village in Perry Barr will see large-scale regeneration of this part of North Birmingham, which will be converted into 1,400 new homes after the event. In mid-March 2019 it was revealed that only 58 of the 1,400 homes will be available for low-income households after the Games (social rent), and 254 will be offered at prices slightly below market prices (affordable rent). With £185 million in public funding from the WMCA Housing Fund, and over 12,000 people on the waiting list for affordable housing in Birmingham, such a low share has been condemned from various sides. Among others, local members of parliament from the Labour Party or representatives of surrounding local authorities criticized this approach. The WMCA executive and the cabinet of the Birmingham City Council, together with the local business sector and the major private developers involved (e.g., Lendlease UK, IM Properties or Peddimore), however, support this approach and argue with the "trickle-down effect," i.e., the urban renewal efforts would increase the attractiveness of the whole area in the longer term and thus lead to the construction of additional affordable housing in the near future as a consequence of this attractiveness (Oldham 2019).

The regulation of Airbnb became an issue in Birmingham only when the high costs of the Commonwealth Games were being debated. Local newspapers had reported rather uncritically about Airbnb for a long time. Their articles focus on the most spectacular apartments on the online platform that are offered in Birmingham, or Airbnb is described as a great opportunity for private landlords who can recoup the costs of buying an apartment in a short time by offering it on the platform (on average in 38 months) (Birmingham Post 2017). Although the number of overnight stays on Airbnb in Birmingham has increased almost sevenfold since 2015 – the strongest increase in all English cities – only the local authorities in London introduced regulations (see Ferreri and Sanyal 2018 for an overview; Morton 2018). According to political observers, the fact that no regulations have been adopted at the national level is also because of the radical market beliefs of the ruling Conservatives (The Guardian 2019). Politicians from Birmingham do not see the rise of Airbnb as a threat for low-income households, but they saw the opportunity to regulate it to at least some extent via the introduction of a tourist tax for the Commonwealth Games in 2022. With the support of the local cabinet, former members of the local parliament, who are now part of the House of Lords, started an attempt to change the law in this way (Walker 2019). This episode

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shows that the introduction of taxes and regulations for the financing of megaprojects seems possible – but not for furthering social goals. This can be explained by the city's close and long-standing partnership with economic players and once again illustrates the joint focus on economic growth (see also Brookes et al. 2016).

The Commonwealth Games were also mentioned in five of 11 interviews. The dominant theme was the story of the Games as a great opportunity for the city of Birmingham to present a positive image, and to continue or even increase its economic growth. Only one senior council officer mentioned in this context the possibility of "tackling a number of social policy challenges," including the homelessness issue and the creation of more affordable housing (Interview 11, Birmingham). Four out of the five people interviewed were on the Birmingham City Council staff at the time of the interviews, suggesting that the "obsession with growth" mentioned by a former employee (Interview 1, Birmingham) still continues to exist. This orientation leads to the neglect of social goals such as the creation of affordable housing for lower-income groups.

Various interview partners offered a very similar line of argument. Many of them noted that gentrification is not necessarily simply a negative force in all of these and related projects – it can also be positive for an area and its residents. However, it was also noted that, while the city can take steps to encourage inward investment or voluntary collaboration between organizations, ultimately the national policy framework is crucial in determining the state of the city's housing market. As one planner we spoke with said that, while recent government statements "[say] all the right things, there's a lack of commitment to increasing funding" (Interview 2, Birmingham).

International investment and obsession with growth

The focus on major flagship projects has "[...]created an elite international enclave within Birmingham city center: a space for the national and international tourist/business class, which is increasingly divorced from its regional and local context" (Henry and Passmore 1999: 61). It seems that this assessment about the 1990s still holds today, as it is a theme that also emerged in the interviews conducted for this project; both council officers and those working in the housing market beyond the local authority commented on a mindset among certain council leaders that is geared above all toward economic growth and attracting international investment. One council officer commented:

> I think there is an obsession with growth in the city, that city that we tend to believe in cranes, we tend to believe in building buildings. We think that this is a manifestation of growth and it shows that our city does well, yet … there is a lot of poverty. (Interview 3, Birmingham)

The BCC is by far the largest property owner in the West Midlands with 10,408 sites, followed by other local authorities such as Sandwell or Dudley. The housing association Midland Heart Limited is another important owner in the region with 6,227 land parcels in its possession (Miller and Rodger 2017).

More than 1000 properties in Birmingham are owned by companies from overseas. Around a quarter of them belongs to companies registered on the island of Jersey. 52 land parcels located in

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the Jewellery Quarter on the Northeastern fringes of Birmingham's city center are owned by the same Jersey-based company. Many other owners are also based in British overseas territory such as the British Virgin Islands, Guernsey, Gibraltar or the Cayman Islands. With 91 titles, companies in Luxembourg also own a significant part of Birmingham (Whitehouse 2017).

Between 2017 and 2019, Birmingham became the most popular destination for investors throughout the UK. London and Manchester occupied this place for a long time, but the major projects and the great potential of a city with a young and diverse population attracted international investors from Hong Kong, Singapore and the Middle East. They took advantage of the buy-to-let system introduced under the national Conservative government of Theresa May, which meant moving away from the exclusive promotion of homeownership as under the previous Conservative government. The buy-to-let system works like the name suggests: Apartments and whole houses are bought with the sole purpose of renting them out immediately and thus making a profit and being able to benefit from the longer-term rise expected on the housing markets (York 2019).

This practice ultimately led to a conflict within the private sector. The local branch of the association of homeowners (Homeowner's Alliance) criticized the practice, blaming it for overvaluing properties and driving up property prices. So-called potential first-time buyers were thus deprived of the opportunity to acquire property in their city (Johnston 2019).

Particularly sought after by international investors and by investors from London are apartments in new buildings that are close to the city center and ideally located directly next to the canal (see also Picture 6).

These trends stress the increasing importance of economic profit-oriented actors for the future development of Birmingham. Financialization of housing suggests that housing is becoming increasingly dependent on finance (Fernandez and Aalbers 2017; Sassen 2016). Global investors have recently acquired more power and gained a stronger role notably at the cost of smaller local investors. It becomes evident from the data sources that the railway project HS2 was one of the major factors contributing to this development, but there were also several companies that decided to build their headquarters in Birmingham, among them HSBC or Channel 4 (Dowle et al. 2018). It was also mentioned as a main thriving force by a council officer we interviewed, who said that urban renewal and investments in Birmingham's infrastructure including the railway project HS2 have increased the attractiveness for foreign investments.

> The private sector is, and because of the increases in values in the city and the perceptions of the city, there is a bigger global audience. (Interview 8, Birmingham)

A representative of a housing association, who admitted to being somewhat biased as a consequence of his function and employer, mentioned his fear of large institutional investors with huge pockets outbidding not-for-profit housing associations.

> I think there's a feeling that, maybe, you bring private sector providers in to compete with not-for-profit, maybe that encourages us to be a little bit more … I think the danger is that you have big institutional investors come in, outbid us for affordable housing on big estates that are being built, and actually all it does is drive up the cost. (Interview 6, Birmingham)

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Picture 6: New building next to the Canal, Birmingham (22 August 2017)

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Later on, in the interview, it is said that there are also arguments for for-profit housing associations. In a recent article on a housing association in the Netherlands, Aalbers et al. (2017) argue that for-profit housing associations are a great risk. They often merge into larger organizations as a first step, are then branched out and finally have to borrow on the global capital market, which means that gambling on derivatives and other financial instruments becomes their daily business. This entails the risk of making losses, for which then often tenants have to pay via rent increases (Aalbers et al. 2017: 582).

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Cooperation with the private sector

The role of the private sector and of private investments in urban development and housing policy in Birmingham is an important issue discussed in detail in most of the interviews. From the assessment of the interview partners it becomes clear that the Birmingham City Council relies on private sector investments, partly because of the extensive austerity measures introduced on the national level. The annual budget cuts since 2010 add up to about £700 million.

Therefore, the system works so that the city becomes dependent on private developers and foreign capital, as there is hardly any money to be raised nationally or at the European level. However, private investors are not interested in building social housing, but rather mostly in building in the high price segment because of the profit-maximization ideology. In order to be able to increase the share of social housing nevertheless, the municipal land is sold to the developers/investors, and part of the income is then used by the BMHT to build social housing at another location in the city.

Interview partners differed on how they view such cooperation with the private sector and what hopes they place in actors from the private sector. According to a council officer, "we seem to be losing the battle with private developers, who come and dictate the conditions that they're building on" (Interview 3, Birmingham).

Another representative of the BCC appealed directly to the social responsibility of the private sector. The private sector must be aware that its support is necessary, and that, if it fails to provide it, there is a risk that Birmingham "will cease to be a place where they can benefit from" (Interview 11, Birmingham). Long-term investments by the private sector in measures to improve the quality of life of the population, among them measures against homelessness or the housing improvements, are therefore necessary to enhance the attractiveness of the city, especially in the face of budget constraints. The city is called upon to ensure a degree of coherence in private sector investment and to avoid excessive fragmentation.

In a third assessment of the private sector's role from a representative of Birmingham's house-building arm, it is said that the private sector cannot be regarded as a homogeneous actor. For example, there are private landlords who would refuse to admit persons receiving housing benefits to their accommodations and thus refuse to cooperate with the City Council. On the other hand, there are also those who are willing to cooperate and accept nominations from the council (Interview 7, Birmingham).

The obsession with growth can also be identified during this period. It was an issue over the whole period of investigation, going back to the economic downturn and the closure of industrial sites in the past. Growth-oriented measures were adopted in the service, entertainment, sports and tourism sector, which was not beneficial for people in need, because financial resources were diverted:

> Our unemployment in the city is going up just as our employment rate is also going up, which is kind of completely perverse, isn't it? As in, we're a fantastic growth story if you look at the right metrics, but our people aren't necessarily benefiting from that … I think the city's struggled to land a kind of forward-looking narrative that matches its growth agenda. (Interview 11, Birmingham)

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Several interviewees talk about the need to regulate private landlords more strongly. Four interviewees, all of whom belong to the Birmingham City Council, mention in this context regulations for so-called houses in multiple occupation (HMOs). In the UK, HMOs are understood to be houses that were originally designed for one family but are later used by several households simultaneously. The central feature of HMOs is that they share common areas, namely, the kitchen and bathroom. HMOs have various advantages for the mostly private landlords. When fully occupied, more rental income can be generated than if the house were rented to just one household. Moreover, the probability of a complete vacancy is lower. HMOs are particularly attractive for low-income earners. According to a Birmingham City Council employee whom we interviewed, the increase in the number of HMOs in certain areas has become an increasing problem and is damaging to community spirit:

> One of our growing issues is they've been used as houses of multiple occupation, and that can either be for people who have particular support needs, just came out of prison, drug- or alcohol-related or homeless. The difficulty is there's such a concentration of them in some areas on this side of the city that local residents find that quite difficult, because they feel it's changed the nature of the community. Of course, all the public agencies aren't in a position to provide the support you might want to see there at the level that you would want. So, that can cause tension. (Interview 4, Birmingham)

Newspapers frequently reported on the subject, talking about at least 6,000 HMOs, concentrated mainly in the more deprived areas of the city, including Ladywood, Handsworth and Lozells, for example. In order to avoid concentrations of HMOs and at the same time better monitor their quality, in mid-2019 the local parliament decided to strengthen the regulation of HMOs. If houses are converted into HMOs, planning permission must first be obtained from the city. This regulation was unanimously welcomed by all parties in parliament. Some districts such as Edgbaston had already introduced this obligation in 2014, but a widespread introduction failed because of the resistance of the private sector (Jackson 2019a).

The following picture shows a street in Edgbaston, south of Birmingham's city center near the Five Ways train station. This area is known for having a large number of HMOs. There are signs on almost every house with the inscription "to let." In addition, the scaffolding on the right side also indicates that a transformation is taking place (see Picture 7).

In 2019, the widespread introduction succeeded, because the private sector was also behind such a solution. As the cabinet member interviewed said in the interview, the unanimity can also be explained by the fact that the private sector was informed in advance, namely, at a conference of landlords in which the cabinet member took part (Interview 5, Birmingham). An additional factor was that community groups in affected neighborhoods started petitions to put pressure on the City Council to introduce stronger regulations (Jackson 2019d).

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Picture 7: HMOs in a street in the area of Edgbaston, Birmingham (16 February 2019)

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Measures to tackle homelessness and housing crisis

Given that demand for social housing exceeds supply and that waiting lists are getting longer and longer, the city of Birmingham is forced to place some households in temporary accommodation. As said by the representative of a housing association, cheap bed-&-breakfast and budget hotels are used for accommodation, for example, on Hagley Road near the Five Ways train stop (Interview 6, Birmingham). The cabinet member interviewed also speaks in this context of temporary accommodation at motorway service stations or in neighboring communities (Interview 5, Birmingham).

In 2001, just under 2,000 households were housed in temporary accommodations throughout the West Midlands region. This figure was 3,000 in 2020, but this year it was only in the city of Birmingham. The relative difficulty of finding accommodation for the homeless and low-income households has ultimately had the effect of strengthening the power of private landlords and neighboring authorities (BCC 2020a). They can dictate the price in negotiations with the city of Birmingham, and it is thus possible to make a profit even with the unfortunate situation of these households. Here, the civil society organization Shelter is once again at the forefront of efforts to regulate private actors and is lobbying, especially at the national political level (Perraudin and McIntyre 2019).

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In May 2018, the national government decided to support a program called Housing First in various regions of England to provide homeless people with accommodation and then additional support or advice. The program was welcomed in the West Midlands and, under the leadership of Birmingham City Council, was eventually launched at the end of 2018. Charities, the various local authorities and several companies worked together on the program (Walker 2018).

In 2019, the Labour cabinet member Sharon Thompson, responsible for homes and neighborhoods, launched the idea of doubling the council tax for all the homes that stand empty for a longer period. In fact, the council tax has already been raised to 150% for all dwellings empty for more than 2 years. In view of the high number of homeless people, it is unacceptable that almost 2,000 houses will not be inhabited in the long term, so that incentives must be created to bring these flats/homes back into use (Haynes 2019a).

7.4. Summary and Conclusions

Up to 1993, urban development in Birmingham was dominated by the Highbury Initiative, in which a coalition of business leaders, the right wing of the Labour Party and the Conservative Party focused on prestige projects and the regeneration of the city center, neglecting the creation of new affordable housing or the upgrading of existing stock. In 1993, however, the left wing within the Labour party won the power struggle and rearranged priorities. The decision-making process was opened up under Theresa Stewart, first female leader of the Birmingham City Council between 1993–1998, and real discussions took place within the communal parliament and the executive on the design and priorities of urban finances mitigating the influence of the business sector. It was decided to shift the priorities away from prestige projects toward providing basic public services. The changed governance arrangement was finally reflected in the 1997 Development Plan, which recognized the problem of poor housing conditions in both the private and public housing sector and identified new development areas outside the city center (e.g., Newton, Lee Bank, Castle Vale). The possibility already created by the national legislator in 1990 to demand an affordable share in private projects has now been used for promoting more social mix in the city center, though a strict implementation failed because of the resistance of private developers.

However, from 1999–2004 a phase followed in which the right-wing of Labour came back to power and again put priority on devolution and privatization, both of which were met with civil society resistance. Among the top priorities were the privatization of housing repairs, the intended transfer of the council housing stock and the devolution of responsibilities to the neighborhood level.

In 2001, a new affordable housing policy was introduced. The affordable housing policy of Birmingham in relation to new developments initiated in this period was that 35% of affordable housing have to be created in new private developments with at least 24 units. Surprisingly, the business-friendly Labour government continued the path taken by its leftist predecessor government and pushed it through even more strongly. There are several interrelated reasons for this. First, the activities of institutional investors within the city center intensified at this time, which

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contributed to an additional increase in rents. Second, a report by the monitoring group Birmingham City Pride also brought this development more to the attention of the public. Third, housing associations called for a stronger enforcement of the affordable housing guidelines by the Birmingham City Council. They had an interest in stricter regulations, because they were ultimately responsible for the affordable housing stock.

The stock transfer policy aiming at the transfer of the city's own housing stock (council housing) to housing associations was rejected in 2002 by the council's tenants because of the strong opposition. In the run-up to the vote, an organization called Birmingham Defend Council Housing was founded, uniting transfer-critical individuals, leading a successful no campaign. It was supported by the trade unions and the left wing within the Labour Party, which consequently did not stand united. The rejection may also have been an expression of dissatisfaction with the government on the national level and the Third Way of New Labour under Tony Blair. It was then the national level that subsequently exerted its generally strong influence at the local level and, together with the losing government, set up an independent inquiry commission that called for the introduction of community-based housing organizations (CBHOs), decentralized organizations responsible for implementing housing policy. Here too, Defend Council Housing and the trade union Unison were successful in combating the widespread introduction.

The third period, from 2005 to 2008, was characterized by a stronger social orientation of housing policy. In collaboration with the various bodies of the West Midlands Regional Assembly (West Midlands Regional Housing Board and West Midlands Regional Housing Partnership), the new housing strategy for the city of Birmingham identified homelessness and the inconsistency between actual location of affordable housing and where the demand comes from as major problems. Community-led housing services were proposed as was the qualitative improvement of the public, but also the private stock. In the Unitary Development Plan (UDP), the threshold for affordable housing in private projects was adjusted based on national planning obligations (Section 106 agreements). The threshold for affordable housing in private projects was adjusted; 35% of affordable housing is now also specified in projects with a size of at least 1 hectare. The origin of this new and more social orientation of housing policy, which focuses on affordable housing and measures against homelessness, lies at the national level. To ensure that the money is spent appropriately, Regional Housing Boards were set up throughout England. The West Midlands Regional Housing Board included a number of Governmental Bodies, the local branch of the trade association for social housing providers (National Housing Federation) and the West Midlands Community Housing Network (WMCHN), an association of civil society organizations from the region. Among them are organizations that promote the interests of black and minority ethnic communities, asylum-seekers and homeless people (Dorey 2005: 251; Mullins and Murie 2006: 77). The presence of these two actors contributed to the social turn in policy orientation. In fact, the interests of disadvantaged groups were now represented in policy-making.

The fourth period from 2009 to 2014 was characterized by the consequences of national decisions for the local level, to some extent triggered by the 2008 financial crisis. The outgoing Labour government on the national level brought forward social housing investment in 2009 to help

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stimulate the economy. In this context, Birmingham established its own house-building arm, the Birmingham Municipal Housing Trust (BMHT), which builds affordable housing itself but also cooperates with private actors. As a consequence, in comparison to other cities in the UK, Birmingham was less dependent on housing associations, which tended to worsen relations with this group of actors (Brookes et al. 2016: 93).

The Conservative-Liberal Democrat coalition that came to power on the national level in 2010 ushered in a period of heavy austerity that continues to this day. Austerity has fundamentally changed governance and policy-making in Birmingham. First, seen from a positive angle, it initiated the quest for more creative and innovative solutions, often with a greater involvement of community groups in times of scarce or even inexistent financial resources (Mulliner and Maliene 2013). Whether this is only a form of contracting out services to "cheaper" providers or whether it actually improves services and furthers participation is an open question. Second, leadership of the City Council and trust in the chief executive have been rather unstable. The budget was exceeded several times in various areas, including housing. The national government again set up an independent review on the governance in Birmingham. The devastating final report led, on the one hand, to the establishment of the Birmingham Independent Improvement Panel (BIIP) by the national government to monitor and regularly report on the processes, the required reforms and the budget in Birmingham (Kerslake 2014), to strictly avoid budget overruns. On the other hand, the report also led to the resignation of successive governments.

During this period, there was a new strategic housing market assessment that provided a more comprehensive assessment of the housing need in the future. In addition, it suggested cooperation with neighboring authorities and initiated discussions about green belt release. The issue of greater cooperation with neighboring communities was taken up in the Big City Plan from 2013 as well as in the Kerslake Report on the governance structure in Birmingham from 2014 mentioned before.

In 2010, the introduction of the Big City Plan continued the previous affordable housing policy. 35% of affordable housing in private schemes was the objective, further divided into 25% actually social housing and 10% housing with rents just slightly below market rents. However, this policy was only inadequately implemented. With the introduction of the national planning policy framework (NPPF) in 2012, several areas of the planning system were deregulated (Grayston 2018). The viability loophole introduced, following the lobbying by the construction industry, allowed private developers to bypass the obligation to provide affordable housing within their development scheme if they were able to show that providing such units below market price threatened their ability to make a profit of 20%. Following the lobbying by the civil society organization Shelter, national regulations were changed in order to close the viability loophole. Shelter published various studies that highlighted the extent of the loss of affordable housing because of the loophole throughout England.

The fifth and last period resulting from the investigation started in 2016 and lasts until the beginning of 2020. The obsession with growth seems to be more important again, and the focus is increasingly being put on prestige projects at the detriment of a more social orientation of the

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housing policy. Various domestic and international market players see new opportunities for profit maximization. On the national level, Brexit dominates the political agenda. International investors are attracted by major projects like High Speed 2 providing a fast railway connection from London to Birmingham and the bid for the Commonwealth Games 2022. Increasing numbers of international finance coming to Birmingham are observed in urban renewal projects in several areas, a development that is credited with increasing the attractiveness of the city as a whole as well as contributing to rising rents and gentrification in various areas of the city. The homelessness crisis and waiting lists for social housing are getting longer.

The severe budget circumstances for affordable housing created by the national government and the absence of European Union following the Brexit vote on 23 June 2016 called for new approaches. During the cabinet leadership of John Clancy of the Labour Party, new sources for financing affordable housing had to be found. First, the City Council succeeded in finding new sources for affordable housing finance in China and started a cooperation with a Chinese developer. Second, the City Council introduced its own municipal bonds ("Brummie bonds") to fund housebuilding. According to Clayton et al. (2017) this is also a way of thinking about local authority financing which is rather novel and has the potential to change how public works are funded in the city. Despite this innovative approach, the 2017 Birmingham Development Plan generally continued the existing affordable housing policy and provided the starting point for closer cooperation with neighboring communities.

Since the public sector was still confronted with massively greater demand for affordable housing than the supply, many low-income households and the city of Birmingham itself became dependent on the private sector. Applicants for social housing are therefore accommodated by the city in temporary accommodation. In the private sector, which is also weakly regulated because of the liberal nature of the British state, during this phase so-called "houses in multiple occupation" (HMOs) were increasingly created. These houses were originally designed for one family but later come to be used by several households simultaneously. They are a highly profitable solution to earn more revenue from a house. In 2019, the local parliament decided to regulate such conversions more strictly by requiring a building permit in advance. The private landlords supported this move.

Birmingham's urban strategies in the 21st century mark it as a governance arrangement showing elements of both managerial and progrowth coalitions (see Pierre 2011a). The obsession with growth mentioned in most interviews highlights the need for cooperation with private-sector actors (business firms, banks, etc.). While it is said that these type of governance arrangements often give priority to outcomes and thereby neglect citizen involvement, the empirical material even indicates that austerity measures have the potential to result in more citizen involvement.

The interviews conducted revealed a mix of opinions related to several issues. First, certain institutions, organizations and platforms were mentioned by only a few respondents as influential players in Birmingham's housing policy. This is the case for the core cities group only mentioned in two out of the total 11 interviews. On the other hand, most interviews mentioned the BMHT and private sector actors as influential actors.

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Over time, the obligation to provide a certain proportion of affordable housing (in the wider sense) has been tightened by the city of Birmingham The 35% obligation has been applied to ever smaller private development schemes (see Table 15).

Table 15: Affordable housing regulations in Birmingham

Year	Document	Share	Threshold	Options
2001	New Affordable Housing Policy	25% social housing, 10% affordable housing	24 units	
2005	Unitary Development Plan	"	24 units or one hectare	Off-site construction
2017	Birmingham Development Plan	"	15 units	"

(Source: own representation)

In 2001, this plan was applied to projects with 24 residential units, and in 2005 the addition of 1 hectare was added. In 2017, the threshold was finally lowered to 15 residential units. However, these changes in the specifications do not seem to have had any real impact on the projects, which has to do with the weak bargaining power of the public sector in negotiations with the private sector – and it can be explained by the existence of the viability loophole. The question arises in this context whether changes in regulation represent merely a feint on the part of the BCC to create the impression of being active against the problem of affordable housing shortage (in the wider sense).

8. Housing Policy in Lyon

The case study for Lyon also starts with a characterization of housing policy that discusses the relevant developments in recent years as well as before the period of investigation. Because local housing policies in France cannot be understood without reference to the national housing-policy framework, the second section outlines developments on the superordinate levels. The political-institutional architecture of housing during the last 40 years was marked by significant transformations, all of which reconfigured the housing policy scene in depth (see also Cordier and Meunier 2009: 11). In the third section, I distinguish housing-policy developments based on the empirical evidence at hand into five broad periods.

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8.1. Characterization of Housing in Lyon

Lyon is the third largest city of France with about half a million inhabitants (513,275 in 2015). If the suburbs are included, the population grows to nearly 1.3 million (INSEE 2011). From the 16th to the 19th century, the Catholic city of Lyon was famous for its silk-weaving industry. The heart of the industry was situated in the area of the hill Croix-Rousse, which was also earlier on called the hill that works (*la colline qui travaille*) because of its working class population (see also Grafmeyer 1991; Michalski 2018). The chemical and pharmaceutical industry subsequently developed from the silk industry, also supported by the famous brothers Lumière, who marked the development of photography and cinema. From these industrial origins, a real culture and religion of work developed, which is epitomized by the frequently used expression "pray and work." Nevertheless, leisure enjoyment was not neglected and even played a central role in Lyon, not the least because of a long tradition of high cuisine and the famous kitchen chef Paul Bocuse (Authier et al. 2010: 8–15).

The city of Lyon is divided into nine districts called arrondissements. With the national decentralization laws, more specifically the law PLM from 1982 concerning the three biggest French cities of Paris, Lyon and Marseille, two levels of the city administration existed in Lyon (Corréard, 2012). In order to improve local democracy, the law set up a District Council (*Conseil d'Arrondissement*), creating two levels of city administration: a City Council for the whole city as well as District Councils for each district on a lower hierarchical level, respectively. In Lyon, nine districts were set up, each headed by a district mayor (*Maire d'Arrondissement*), who kept an eye on the execution of decisions taken by the District Council. The district level is not richly endowed with competencies (INA 2014).

Only recently have the perception and picture of Lyon as a dynamic city in change began to evolve. Several factors contributed to this development, among them the political shift to the left in 2001, the seven consecutive national championship titles of the local football team Olympique Lyonnais, the intensification of contacts with other European metropoles such as Barcelona or Torino, and some internationally renowned cultural events such as the Biennale of Dance or the Festival of Lights (*Fête des lumières*) or the classification of some parts of the city as UNESCO world heritage site (Authier et al. 2010: 19–22). The importance of the creative class in changing the perception of a city is not unique to Lyon, but rather something that happened in several smaller and larger cities around the globe (Florida 2002).

The perception of the city, however, is far from uniform, depending rather on the specific district, neighborhood and area in question. In general, the areas in the historical center such as Croix-Rousse or the peninsula of Presqu'île enjoyed a favorable image even outside of the agglomeration (see also Grafmeyer 1991), while especially the former worker's areas, characterized by high-rise social housing such as les Minguettes or La Duchère (see Picture 8), were marked by a less favorable image (Authier et al. 2010: 37; Graven et al. 2006; Polère 2014).

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Picture 8: High-rise housing and community center, La Duchère, Lyon (29 August 2019)

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La Duchère or Gerland, with its architectural heritage strongly marked by the urban planner Tony Garnier, have long been areas where the lower classes and households subject to the waves of immigration first settled. These districts were usually also characterized by higher levels of social housing (Authier et al. 2010: 37–38).

As usual in France, the local government in Lyon is organized in different levels corresponding to the administrative constituencies of the French State. Municipalities, metropolitan governments, departments and regions lie at the highest level (Marcou 2014). The metropolitan government in Lyon, originally called COURLY (*Communauté urbaine de Lyon*), which later changed its name to Grand Lyon, was founded in 1966 by a decree of the French central government. Back then, its territory comprised 57 municipalities (Cordier 2011: 164), whereas today 59 municipalities are part of the agglomeration. On a strategic level, Grand Lyon is responsible for spatial planning, urban development and economic promotion, although it received additional competencies in 2015 (see Section 8.2.2). It belongs to the Region of Auvergne-Rhône-Alpes created on 1 January 2016 (former name: Rhône-Alpes) and the Department of Rhône (INSEE 2011). On 1 January 2015, Grand Lyon became Métropole de Lyon. All of the 59 communities that form Métropole de Lyon were taken from the Department Rhône.

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8.2. Housing Policy on the National and Metropolitan Level

8.2.1. National housing policy in France

The French state can be described as a strong state. Its internal structure is centralized, and it has a high degree of autonomy from society. The state takes a strong position vis-à-vis interest groups (Kriesi 2008).

Many different layers of government exist in France. For a long time, most housing-related competencies were located at the central government level. On the lower levels lie the regions, departments and municipalities. Prefects (*préfet*) are the representatives of the central state on the regional and departmental level (OECD, 2004: 19). Several municipalities may group together to form an Institution for Intermunicipal Cooperation (EPCI, *Établissement public de coopération intercommunal*) in order to exercise some of their competences in common. Despite decentralization tendencies over the last 40 years, the central state plays still an important role in France's housing policy, especially because of the strong dependency of local authorities on national government's resources (Cordier and Meunier 2009; Favier 2014; Haffner 2009: 103).

The alternation of national government in 1981 as well as urban riots in many suburbs of France contributed to several decentralization laws in the following years (Zittoun 2001: 685). A law from 9 January 1983 made housing a shared competency of the national state and territorial collectivities and across France, local housing programs were introduced (PLH, *Programme local de l'habitat*). Local authorities were offered the "opportunity" to get involved in the housing question more than they were obliged. In addition, responsibilities in the field of social policy were also transferred downward to the departmental level. According to a law from 19 July 1985, the inhabitants and other locally affected groups got a say in the domain of urban planning, and communal competencies in the land use plan (POS, *Plan d'occupation des sols*) were extended (Rudolph-Cleff 1996: 130).

In the context of decentralization laws in France, the role of municipalities, market and national state began to mix, creating a more complex distribution of responsibilities. Municipalities became involved in the authorization of constructions, they were able to intervene in the land use (possession and sale of land with requirements) and have a say in the field of settlement comprising the attribution of social housing, involvement in building organizations and dealing with the question where to build in the city (Fijalkow 2016: 76–80).

Another law from 31 May 1990 (Loi Besson[40]) implemented the right to housing. A solidarity fund for housing, cofinanced by the State and the department grants financial aid to individuals and families in difficulty (DILA 2014). In addition, the law introduced departmental plans for housing access for the most deprived (PDALPD, *Plans départementaux d'Accès au Logement des Plus Défavorisés*) as well as a housing solidarity funds (FSL, *Fonds solidarité logement*) for the most deprived households (Blanc 2004: 297).

[40] Loi n° 90-449 du 31 mai 1990 visant à la mise en oeuvre du droit au logement.

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The Orientation Law for the city (LOV)[41] from 1991 and the Law on the Diversity of Housing[42] from 1995 refined and framed the content of the local housing program PLH. The LOV is based on a legislative proposal with the aim of obligating a social housing policy; its implementation was pushed decisively by violent urban riots in Lyon's suburb Vaulx-en-Velin (Rudolph-Cleff 1996: 136). The PLH became the main document dealing with local housing. The *Loi Chevènement*[43] from 1999 strengthened and simplified intermunicipal cooperation (Dormois 2015: 110). In the field of housing, organizations for intermunicipal cooperation took the lead, allowing a whole set of competences related to housing policy to be transferred to them, for example, improving substandard housing and creating a social balance of housing across the territory or housing of disadvantaged people (Cordier and Meunier 2009: 12).

By 2011, the financial benefits for households had become the national budget's first pillar of housing. Expenditures dedicated to housing benefit payments exploded over the years from more than €3 billion in 1984 to almost €16 billion in 2012. This explosion in numbers was mainly caused by the extension of payments to different types of tenants (Dormois 2015: 95–99). Several forms of tax reliefs were established in order to support the dynamics (Dormois 2015: 100). On 5 March 2007, an enforceable right on housing was enacted (DALO)[44], which obliged the state to propose certain categories of households as a decent dwelling compatible with their level of resources. The enforceable right for housing (DALO) entered into force in March 2007. Persons experiencing housing difficulty could submit a dossier to the commission consisting of 12 members from different spheres (representatives of the state, of the territorial collectivity, builders and associations). With the reforms to the Métropole de Lyon in 2015, taking over the responsibilities of former département Rhône, the DALO was also delegated to the metropole, symbolizing a shift from national to territorial solidarity. At the beginning of these reforms, it was uncertain whether the metropolitan authority even possessed enough financial and structural means in order to fulfil the new responsibilities (Decamps 2014).

In France, most of the social housing is provided by social housing providers (HLM, *Habitation à loyer modéré,* or low-rent housing) controlled by local authorities (around 50%), but also a big share (around 40%) is provided by not-for-profit or limited-profit companies, mainly sponsored by private sector firms or public enterprises (Stephens et al. 2003: 770–71).[45]

Since 1965, it is possible to buy social housing in France. The number of sales was moderate until 1990 with on average 2,200 sales per year. Since then, it increased steadily to more than 5,500 in 2013. One explanation for the relatively low share of sales may be seen in the Law on Solidarity

[41] Loi n° 91-662 du 13 juillet 1991 d'orientation pour la ville.

[42] Loi n° 95-74 du 21 janvier 1995 relative à la diversité de l'habitat.

[43] Loi n° 99-586 du 12 juillet 1999 relative au renforcement et à la simplification de la coopération intercommunale.

[44] Loi n° 2007-290 du 5 mars 2007 instituant le droit au logement opposable et portant diverses mesures en faveur de la cohésion sociale.

[45] HLM mainly take the geometric form of balks and towers (*barres et tours*). This choice of form is unique in Western Europe, though other countries such as Russia also opted for it as well. In Russia, these buildings are called *Chrustschowka* or *Chruschtschowki* after the head of government and party who initiated the construction of these buildings (Stébé 2016: 108).

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and Urban Renewal (SRU[46]) from 2001 (see also Section 8.3.2). Every dwelling sold from the social-housing stock can no longer be counted as social housing, so mayors refrain from doing such conversions (Stébé 2016: 109–10).

There are different sources of housing funding in France, ranging from employers' contributions to the central state. Between 1984–1992, only a marginal share of 2–3% of the public fund for housing was financed by local authorities (Oxley and Smith 1996: 53).

As in other European countries, the switch from object to subject subsidies began in France in the 1980s. The share of households receiving any form of housing allowance increased substantially between 1980–1993 from 10.5% to 24.3% (Fijalkow 2016: 48–49; Oxley and Smith 1996: 124; Stébé 2016: 96–97). This assessment is confirmed by Driant (2015) in a comprehensive detailed overview of the current status of housing in France. According to the author, the sharp rise in property prices since 2000 in France resulted mainly because of a shortage in construction and because of the decreasing financial support for the construction of social housing (Driant 2015). Local politicians prefer benefit payments for objects, because their public visibility is higher than benefit payments for subjects, which are more or less invisible (Dormois 2015: 106).

Benefit payments for objects (supply-side subsidies)

There are different types of social housing in France: lower, standard and upper social housing. Although standard social housing still dominates, its share has dropped from 81.3% of the social housing stock before 1977 to 65.5% from 2000–2004. Critics say that this shift in government priority led to an increasing lack of affordable housing. Social housing is provided either by public agencies funded by the local authority or by private social firms for housing (*Entreprises sociales d'habitat*). A high stock of lower social housing is provided by public agencies (Levy-Vroelant and Tutin 2007: 72–73).

I would like to summarize the existing categories of affordable or social housing in France based on the descriptions by Stébé (2016: 112–13), Haffner (2009: 125) and Ball (2012):

- *PLUS, prêt locatif à usage social:* Normal social housing belongs to this type (HLM ordinaires); around 68% of all households have access to this type of social housing.
- *PLAI, prêt locatif aidé d'intégration:* This type of social housing targets households with low incomes and resources, and it is reserved for persons in very precarious situations. Around 32% of all households have a claim on this type of housing.
- *PLS, prêt locatif social:* This type of social housing targets middle-income households and applies to around 82% of all households.
- *PLI, prêt locatif intermédiaire*: This type of housing targets households with higher incomes than under the PLS type. It is strictly speaking not a type of social housing at all if we look at the law SRU (PLI dwellings do not count). Therefore, this category is often not mentioned in publications on social housing in France (e.g., Ball 2012).

[46] Loi n° 2000-1208 du 13 décembre 2000 relative à la solidarité et au renouvellement urbains.

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In practice, from 1977 to 2006, 73.3% of all new housing in France was funded by PLUS loans, 16.6% by PLS loans and only 8.6% by PLAI loans (Ball 2012: 149).

The length of queues for social housing varies from region to region. It ranges from several months to several years (Levy-Vroelant and Tutin 2007: 78). The social housing system of France is a generalist system, not a residual or targeted system, although developments around 2007 have changed certain aspects (Levy-Vroelant and Tutin 2007: 74).

Benefit payments for subjects (demand-side subsidies)

Housing allowances in France take three forms: The family housing allowance (ALF, *Allocation de logement à caractère Familial*) has its origin in 1948. This type of allowance is allocated to persons responsible for children. The social housing allowance (ALS, *Allocation de logement à caractère social*) is mainly awarded to persons without children, and it is financed by the state and employers' contributions. The third type of housing allowance is the personalized housing allowance (APL, *Aide Personnalisée au Logement*), which was introduced in 1977. In order to receive APL, an individual must live in a dwelling eligible resulting from state support (Oxley and Smith 1996: 60–62).

APL can be interpreted as a form of redistribution from large taxpayers to the poor. It was used as an urban policy tool with three objectives: "encouragement of low-income tenants to become owners of newly built suburban single-family houses," "rehabilitation of slums and substandard private housing" and "the use of APL to protect poor tenants against rising rents in social housing high-rise estates undergoing regeneration" (Blanc 2004: 290–91). Not all objectives were achieved. With the resulting concentration of the poor in modernized social housing estates, it led to a new type of segregation. In contrast, gentrification processes in the inner cities slowed down. The introduction of *Aide personnalisée au logement* (APL) led to the concentration of tenants receiving APL in stigmatized suburban areas and therefore had the opposite consequences as intended (Blanc 2010: 268).

Classical allocations for families created in the period after the Second World War were turned into housing benefits (*Allocations de logement*) (Commaille et al. 2002). This indicates a remarkable shift from the field of social policy to housing policy.

In 1988, the benefit system in France was generalized to all citizens, but there were still big differences. Nine different types of benefits existed in France. The Barre report in 1976 triggered a shift toward housing benefits like those found in other European countries. Figures for the period 1997–2006 show that the percentage of tenants receiving APL lies at around 50% in France, having decreased from 52.2% in 2000 to 48.3% in 2006 (Ball 2012: 145–48). But the new system had some undesirable consequences: Although intended to be temporary, it became a long-time financial aid contributing to an increase in public expenditures. The number of beneficiaries increased from 1.6 million in 1986 to 2.7 million in 1995, meaning an increase from 4.7 to 36 million francs (Stébé 2016: 97–98).

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8.2.2. Metropolitan housing policy in Grand Lyon

The city of Lyon belongs to the Region of Auvergne-Rhône-Alpes created on the 1 January 2016 (former name: Rhône-Alpes) and the Department of Rhône (INSEE 2011). On 1 January 2015, Grand Lyon became Métropole de Lyon. All of the 59 communities that form Métropole de Lyon were taken from the department Rhône.

In France, agglomerations already had a significant amount of power earlier on (Ben Mabrouk 2006). Generally speaking, public institutions for intercommunal cooperation (EPCI, *Établissement public de coopération intercommunale*) such as metropoles or urban communities, departments and regions act in four different fields: financial support for the construction of affordable or social housing, restoration of public or social housing, help in accessing social housing and consideration of special needs (e.g., of the elderly or young people) (Dormois 2015: 106). EPCIs gained additional competencies over time, which is also the case for the metropolitan level in Lyon, where a long-established practice of intercommunality exists, much longer than in other big French cities (Cordier 2011: 163). The role of EPCIs in the realm of housing was reinforced in 1995 with the transfer of housing-related competencies in connection with the elaboration of the first PLH (see Table 16).

Table 16: Major developments on the metropolitan level in Lyon

Year	Development
1966	Creation of COURLY (urban community of Lyon)
1983	Transfer of competency in urban planning
1991	COURLY was renamed Grand Lyon
1995	Transfer of housing-related competencies (PLH)
2006	Grand Lyon received competency for financing social housing
2008	Combination of urban services in one administrative unit
2015	Creation of “Métropole de Lyon” and transfer of competencies in the social realm/transfer of social housing competency

(Source: own representation)

Lyon’s metropolitan authority was set up in 1966 and was among the first in France (Polère 2008). A national law initiated the creation of so-called urban communities across France. The city of Lyon has always been – and still is – at the heart of and the most important city within the larger metropolitan area later renamed Grand Lyon, comprising 59 municipalities nowadays. Competencies were transferred successively over time from the municipal to the metropolitan level

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(see also Authier et al. 2010: 96). The competency in urban planning was transferred to the metropolitan level in 1983, and many housing-related competencies were transferred in 1995 (Grand Lyon 2015b: 7).

Since 2006, in the context of national policy delegations, Grand Lyon gained the competency to manage benefit payments for objects, that is to say, the financing of social housing construction became a competency of the metropolitan authority. All private and public actors recognized Grand Lyon as main organizing authority in the realm of housing (Foret 2006).

In 2008, many of these so-called urban services were combined into a single administrative unit, the General Delegation for Urban Development (DGDU, *Délegation générale au développement urbain*). In addition, most of the competencies in economic development were controlled by Grand Lyon at that time (Maurice 2014: 229).

In 2010, another fundamental process of institutional change was launched with the creation of an ever-stronger metropolitan government in Lyon, an institution unique to France (Dumont 2013). The "Métropole de Lyon" was created by the MAPTAM Law (Law on the Modernization of the territorial Public Action and Affirmation of the Metropolitan Government) from 27 January 2014. The metropole of Lyon was different from other institutions created by that law. Article 72 is uniquely dedicated to Lyon and envisaged the creation of a collectivity of special status instead of the former urban community called Grand Lyon and the Rhône Departement on a hierarchically higher level within the territory of Grand Lyon. By regulation, under certain conditions the national state could delegate competencies in the realm of housing and habitation to the Métropole of Lyon (DILA 2017). The fusion of competencies regarding housing between Grand Lyon and the institution on the departmental level reinforced the capacity of the metropole to be the organizing authority in the field of housing (Maurice 2014: 45–46), transferring in particular competencies in the social realm, as mentioned in one of the interviews with a metropolitan councilor:

> About the creation of La Métropole de Lyon and especially regarding the question of housing … With its creation we got responsibilities in the social area. Before, the urban community had the competencies of housing production, urban planning, social housing financing, etc.; now we also have the social competencies, the social housing fund, which helps households in difficulty to pay their rent and to access housing, and to remain in the housing … So all that is the metropolitan authority now, it is the same entity and suddenly there is the administrative unit (*Direction de l'habitat et du logement*), which administers all that. (Interview 9, Lyon)

One of the few competencies still not transferred to the metropolitan level is granting building permits for new constructions. Originally, mayors, being the executive officers of the municipalities, had multiple roles in social housing, including sitting on the committees that made decisions about allocating social housing, and they had influence through their power to grant planning permission or finance construction works (Ball 2012: 15). Today, the remaining competency of mayors of municipalities consists of signing building permits, if construction work is going on in their municipality. As indicated in one interview, most of the discussions in which developers are involved are going on the metropolitan level (Interview 3).

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The new law adopted on 21 February 2014, the Programming Act for the City and Urban Cohesion (*Loi de programmation pour la ville et la cohésion urbaine*) made Intercommunal Conferences of Housing (CIL, *conférence intercommunale du logement*) obligatory (Dormois 2015: 111–13). This steering board makes strategic decisions regarding the housing policy, such as attribution of social housing or changes in the social housing stock. It is presided over by the Prefect and the President of Grand Lyon and brings together mayors of municipalities, constructers and tenants' associations (Grand Lyon 2016b: 5). Competencies of the EPCI were enlarged with Article 61 of *Loi Liberté et Responsabilité Locale* from 13 August 2004, which introduced the possibility to delegate benefit payments for objects to EPCIs. It entrusts the delegates (EPCI or department) to allocate all the budget appropriations destined to the social rented-housing stock and the private housing (Cordier and Meunier 2009: 14).

The prefect has a contingent, which allows him to give 25% of the social housing stock to disadvantaged people and an extra 5% to civil servants. Contrary to other areas in France, where this contingent was rarely applied, in Lyon the prefect was very active (Ball 2012: 116). This can be explained by the fact that cooperation between the actors responsible for housing disadvantaged persons (including civil society organizations) and the prefectural institutions was very good. The autonomous Prefectural Housing Allocation Unit (SIAL*, service inter-administratif du logement*) was an actor trusted by municipalities and civil society actors and enjoyed a lot of confidence, so no actor on the municipal or metropolitan level wanted to take over the prefect's contingent of social housing (Ball 2012: 167–69).

The fusion of competencies regarding housing between Grand Lyon and the *Conseil général du Rhône* on the departmental level reinforced the capacity of the metropole to be the organizing authority in the field of housing (Maurice 2014: 45–46). Before the creation of the new metropolis, Grand Lyon possessed no compulsory housing powers and was an important local housing actor (Ball 2012: 168).

Galimberti et al. (2017: 170) describe the housing policy of Grand Lyon as oriented toward highly deprived population groups, which can be seen by an increase of PLAI between 2000–2012 from 20% to 40%. In addition, there were several ANRU projects in the city-region of Grand Lyon aimed at tackling the inconsistency between demand and supply for social housing within the metropolitan area (Galimberti et al. 2017: 169). ANRU (*Agence Nationale pour la Rénovation Urbaine*) is an agency that develops national programs of physical regeneration targeting deprived areas. Programs in Grand Lyon amounting to a total investment of €914 million from 2007–2011 were largely financed by local authorities (municipalities, Grand Lyon, region and department; 45%). The ANRU itself bore 34% of the total costs, and 18% were financed by social-housing organizations.

The housing policy in Grand Lyon can be characterized as highly coordinated, and housing is segregated. In 2002, there were areas with a social housing share of 100% such as La Duchère (Arrondissement 9). A high share above 65% also characterized the suburban communities of Vaulx-en-Velin and Vénissieux (Ball 2012: 126). The city of Vaulx-en-Velin, situated in the East of Lyon, has been a priority urbanization zone (ZUP, *Zone à urbaniser en priorité*) since 1963. A ZUP is usually a sensitive area requiring state actions. Beginning in 1990, the city, which is part

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of the metropolitan area of Lyon, tried to free itself from the ZUP label. Several projects were elaborated. Rehabilitation measures aiming at making the area safer (*prévention situationelle*) focused mainly on social housing (Corbille 2011). Nowadays, a large part of the city Vaulx-en-Velin still belongs to the areas that receive special attention because of the concentration of a socially disadvantaged population (DDTR, *Direction Départementale des Territoires du Rhône 2014*). Since 2015, these areas are somewhat euphemistically called "priority districts of the urban policy" (*Quartier prioritaire de la politique de la ville*) (see also Strassenburg 2020).

Social housing providers (HLMs)

The Grand Lyon Habitat is one of the three main social housing providers in the territory of Métropole de Lyon and is directly controlled by the metropole. The entire social housing stock is controlled by almost 30 social housing authorities. In large estates, property is often owned and managed by several social landlords. In addition, Grand Lyon constituted publicly-owned land reserves as an asset in order to use them strategically: to build social housing or to set up a threshold of 20% to 25% in privately built projects. Another measure to promote the building of social housing seized upon by Métropole de Lyon is bringing property owners of social housing and public hospitals or churches together. Social housing property owners renovate old buildings; the latter allow building a certain share of social housings. Here, the role of an intermediary between the two types of actors is central (Galimberti et al. 2017: 169).

The history of the Grand Lyon Habitat goes back to 1920. It was founded as the Public Office of Low-Price Habitation (*l'Office Public d'Habitations à Bon Marché*) by a former mayor of Lyon, Eduard Herriot. With the creation of the urban community COURLY (*Communauté Urbaine de Lyon*) in 1966, the office changed its sphere of influence, indicated by a change of name in 1971 from Public Office of HLM of Lyon to Public Office of HLM of the Urban Community of Lyon (*l'Office Public d'HLM de la Communauté Urbaine de Lyon*). Between 1981 and 1995, five agencies were created within the metropolitan area of Lyon. In 1994, the office became OPAC (*l'Office Public d'Aménagement et de Construction du Grand Lyon*). From 2009 to 2010, it changed its name again to OPH (*Office Public de l'Habitat*) – and again to its presently valid name Grand Lyon Habitat (Grand Lyon Habitat 2015).

Distribution of social housing in the metropolitan area

The tenure type in the different reference parameters of the area of Grand Lyon and Lyon largely varies in 2007 (see Figure 17). In the city of Lyon, the private rental sector dominates with 40%. Social housing makes up 19% of all dwellings, and owner occupation amounts to 38%. The social-housing sector outside of Lyon (25%) is significantly larger than in the city of Lyon (19%). In France in general, social housing is found more often in the periphery than at the heart of a city (Butler and Hamnett 2012: 153).

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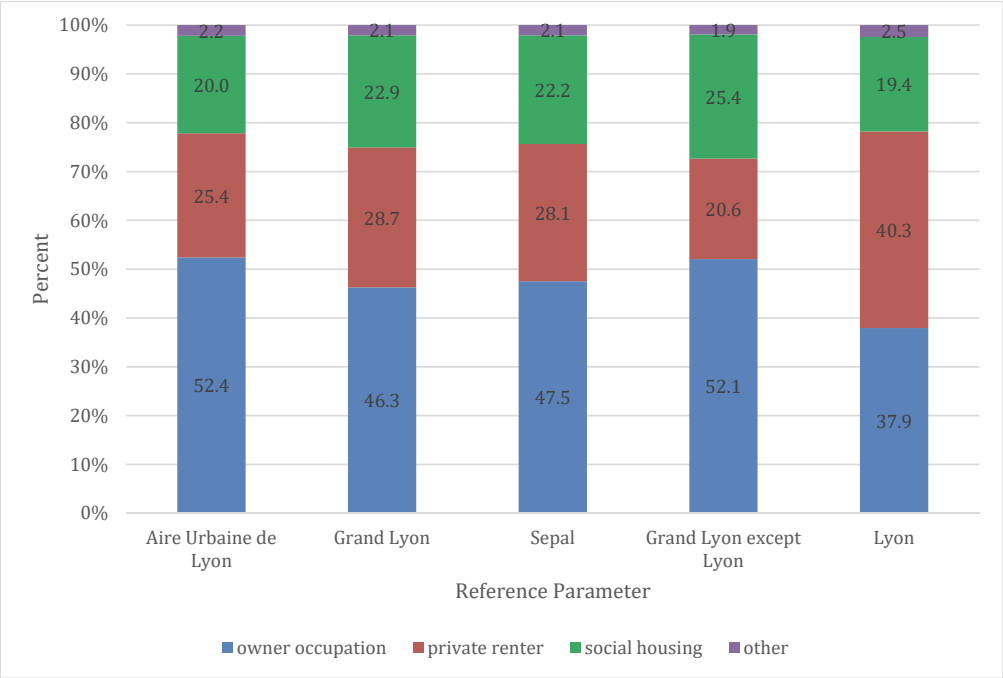
Figure 17: Tenure type in principal reference parameters for the area of Lyon in 2007



(Source: own representation based on Frérot 2010)

The social housing stock in the center increased from 19.7% in 2001 to 21.5% in 2016. At the same time, it also increased in the West from 19.3% to 21.3% but decreased in the East from 37.7% to 35.9%. Hence, the trend is going into the direction of a more equal distribution of the social housing share across the entire metropolitan area (Grand Lyon 2017a).

The number of social housing units funded in Grand Lyon increased more or less annually until 2010, where it achieved its maximum of more than 4,500 units (Figure 18). It then dropped to less than 4,000 dwellings in 2011 and again increased in 2012 to around 4,300 units. In 2013, it decreased again to slightly more than 3,500. In 2014, the last year of the time series, the number was slightly below 4,000 units. The figures show that all three types of social housing increased over time. The most obvious increase is related to the number of PLAI units funded per year, from less than 800 in 2001 to more than 1,300 in 2014 with the peak in 2014 (around 2,400 units funded).

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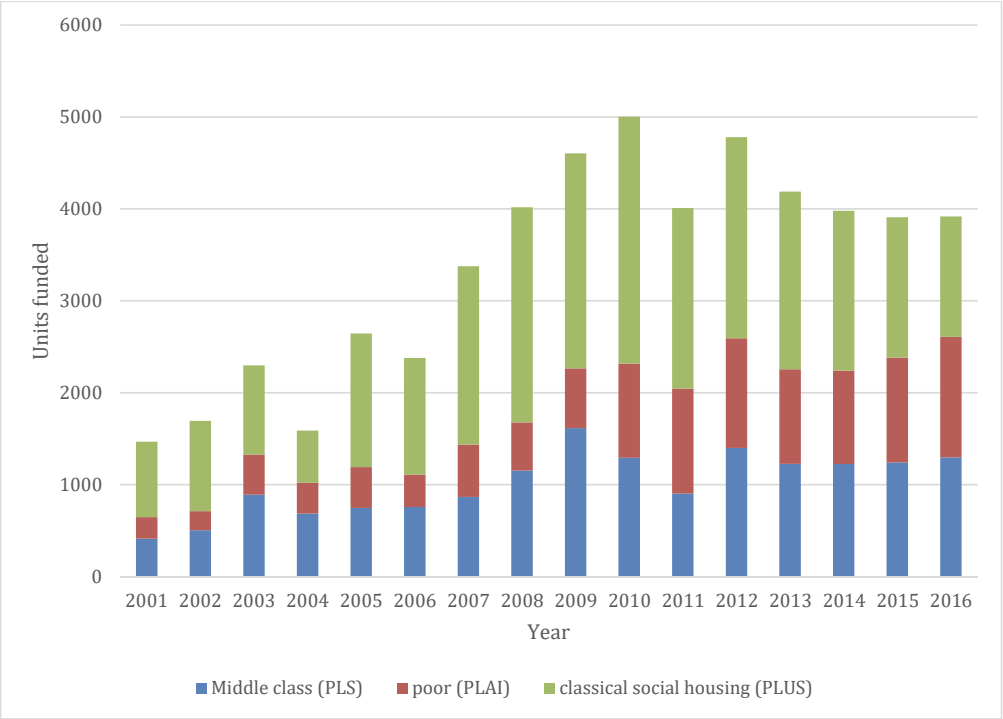
Figure 18: Social housing units funded per year in Grand Lyon, 2001–2015



(Source: own representation based on Galimberti et al. 2017: 171; Grand Lyon 2017d)

The city of Lyon and Grand Lyon, comprising the 59 municipalities within the metropolitan perimeter, are part of a larger policy and project coordination area within the joint association for research and planning in the agglomeration of Lyon (Sepal, *Syndicat mixte d'études et de programmation de l'agglomération Lyonnaise*), where long-term planning projects are elaborated, most notably the territorial coherence scheme (SCOT, *schéma de cohérence territoriale*). The Sepal contains several additional municipalities in a belt Southeast of the metropolitan boundaries. On an even more comprehensive level, Lyon and Grand Lyon belong to the urban area (*aire urbaine*), which includes the city of Saint-Etienne located to the Southwest of Lyon as well (see Figure 19).

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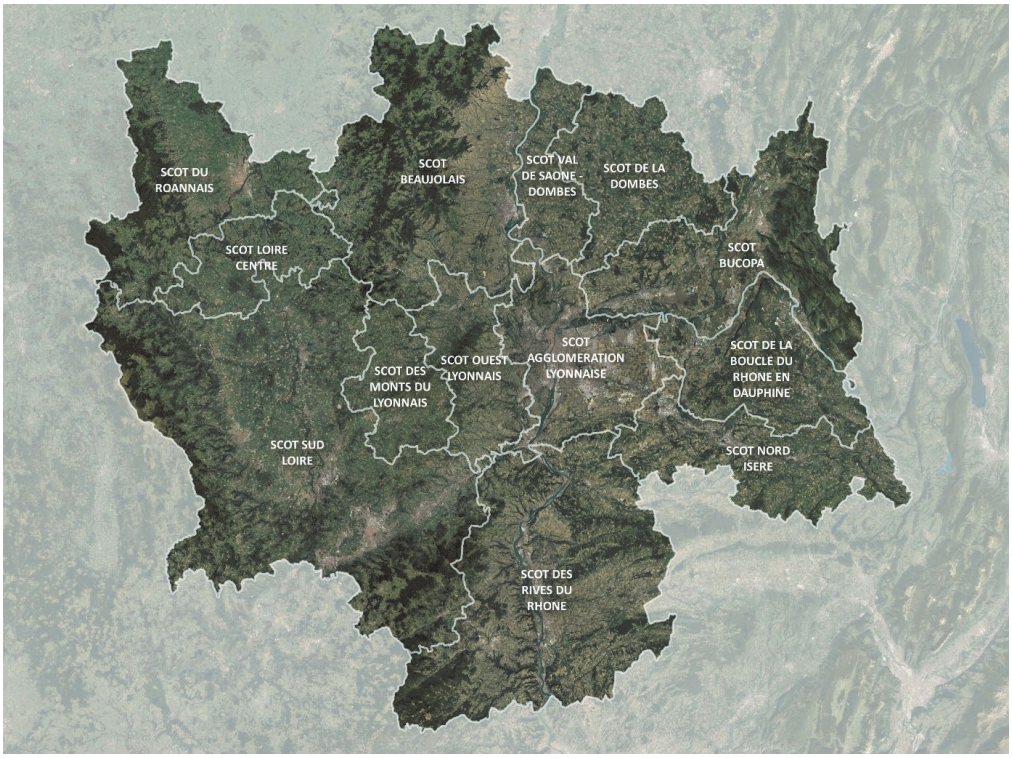
Figure 19: Territory of the larger urban area (*Aire Urbaine* or *Aire Métropolitain*)



(Source: Sepal 2020)

Four pillars of metropolitan housing policy

Since 2015, the housing policy of the metropolitan government Grand Lyon la métropole and the transfer of wider competences has been based on four pillars. The first pillar is to further develop the overall supply of housing. When demolishing existing dwellings, care is taken to ensure that their number is at least compensated for by new buildings. Second, the existing stock is to be improved in terms of quality. This involves energy improvements but also the upgrading of substandard housing, which can pose health and safety risks. The third pillar is the social aspect, in particular the inclusion of people in precarious situations through housing. This includes, for example, housing for people with disabilities, the travelling community or household members threatened with eviction. All tasks in this regard were still performed by the Département until the end of 2014. The fourth pillar includes training, advising and managing applicants for social housing. For example, it was found that many applications for social housing were formulated incomprehensibly and therefore rejected, making support in this area necessary.

According to a project manager for housing policy in Grand Lyon, this housing policy of the metropolitan government since 2015 means “that there is a lot of work in progress carried out, piloted by the metropolis, but that are not carried out alone by the metropolitan authority, they are carried out with a lot of partners” (Interview 4, Lyon).

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8.3. Urban Housing Policy Periods in the Agglomeration of Lyon since 1990

The following section analyzes the main developments in housing policy in the agglomeration of Lyon.

8.3.1. Transfer of competencies to Grand Lyon (1990–2000)

Up to the 1990s, urban governance in the agglomeration of Lyon was marked strongly by the interests of private economic actors, who were essential for all kinds of urban policies in Lyon including housing (Linossier 2006: 468). This may be attributed to the fact that Lyon is a city with a long history as a commercial and industrial center, as described in the previous sections. That is why private economic actors were much more important than in other French cities, and there was often a coproduction of urban projects by public and private sector (Boino 2009: 127).

With the election of Michel Noir of the right-wing party RPR (*Rassemblement pour la République*) in 1989 as Lyon's mayor, a new generation of elected politicians assumed office, and the urban community, predecessor to the metropolitan authority Grand Lyon, followed an economic entrepreneurial strategy, seeking to attract external financial investments for urban renewal projects (Jouve 2001). It was around that time, in 1991 to be exact, when the responsibility for economic development shifted to the metropolitan level. Politicians were more concerned with participating in international competition than with continuing, above all, to produce collective services for its inhabitants. The diversification of the economic interests had the consequence that the private sector no longer spoke with one voice, and that the Chamber of Commerce and Industry (CCI, *la Chambre de commerce et d'industrie de Lyon*) no longer had the monopoly for the representation of private interests (Jouve 2001: 290–91).

In France, chambers of commerce are generally described as possessing a lot of power in urban planning and political decision-making (John and Cole 1998: 385). French chambers of commerce are tax-raising public authorities accountable to the Industry Ministry; for this reason, they are often in conflict with leading firms and employers' federations, with whom they stand in competition for resources (John and Cole 1998: 400)

Although the focus was now on larger emblematic development projects with international vibes, the different actors from the private sector and the public sector commonly agreed that there is also a need to construct new housing estates in the agglomeration, including affordable units.

The metropolitan authority of Grand Lyon established a new partnership dynamic around 1994. Large urban projects, first called *Grands projets urbains* (GPU), then renamed in 2000 in *Grands Projets de Ville* (GPV) brought together all the relevant actors. Among them were NGOs such as Action for Integration Through Housing (ALPIL, *Action pour l'insertion par le logement*), the authorities of Grand Lyon and the municipalities concerned, private developers, social housing providers and economic entrepreneurs to work out a common vision for the respective area. The vigorous partnership dynamic was established under the impetus of the urban community Grand Lyon (Millénaire 3 2010c). Urban riots played a crucial role in this move toward greater cooperation between the relevant actors. In October 1990, social hardship (poor housing quality in predominantly social housing estates, unemployment, discrimination, crime) led to unrest in the Mas du Taureau

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district in the suburb of Vaulx-en-Velin. The events attracted considerable attention in the national media and prompted national legislators to take action (Loch 2005: 150–51). National laws were enacted which ultimately enabled Grand Lyon to embark on or strengthen this partnership.

Already at that time there were two platforms at the level of arrondissements, which observed the demand for social housing, presided over by a councilor. They worked together with social landlords, determined who had priority and which measures were to be taken to gain public support. Hence, District Councilors (*Conseil d'Arrondissement*) participated in the allocation of social housing (Ball 2012: 169).

A local observatory for the housing demand was created in Lyon's third Arrondissement at the end of the 1980s. Its goal was to understand the people's housing needs better. By 2006, 22 observatories existed in the agglomeration of Lyon, one in each arrondissement. During the 1990s, these local observatories of demand constituted the framework for a partnership work around housing (knowledge sharing, multistakeholder dialogue, strong involvement of elected representatives), resulting in the creation of the local commissions for the direction of allocations intended to define rules for allocating housing and the delivery of new operations (Cordier and Meunier 2009: 41).

The Action Plan for Housing Disadvantaged People (1991)

The Departmental Action Plan For Housing Disadvantaged People (PDA, *Plan départemental d'action pour le logement des personnes défavorisées*) is a highly formalized program of actions, with four main objectives: The first objective was to identify and register housing demand through centralization and a diagnostic report. The second was to create a diversified housing offer using new legal and financial instruments. The third was to mobilize the social park by signing social heritage occupation protocols. The fourth was to promote access to and maintenance of the housing of the most disadvantaged people by establishing a solidarity fund for social housing. The first PDA in the department of Rhône was signed in 1991. It was elaborated by a commission and five thematic subcommissions. All commissions consisted of political representatives of the local collectivities, private and public constructors, the banks responsible for allocating financial contributions to families (CAF, *Caisse d'allocation familiale*), CDC (*Caisse des dépôts et consignations*), CIL (*Comité interprofessionnel du logement*) and local associations. Finally, the PDALPD (*Plan départemental d'actions pour le logement des populations défavorisées*) was implemented between 1993 to 1995 (Maiga 2000: 219–22)

The production of very social housing was one of its consequences of the involvement of other types of actors. According to Maiga (2000: 270), the following actors were involved in the production of very social housing: the Department, the Region, Grand Lyon itself, the collectors of 1% housing, the interadministrative service for housing (SIAL, *Service interadministratif du logement*), social housing providers united in the regional umbrella organization of social housing providers and other approved bodies.[47]

[47] Founded in 1975, ARRA-HLM unites around 80 social housing providers with a total of more than 400,000 social housing units (for more details, see also Maiga 2002: 70).

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The Local Housing Plan (PLH, *Plan local de l'habitat*) (1995)

The year 1990 marked a turning point regarding Grand Lyon's housing policy: It was the starting point for the elaboration of the first agglomeration-wide local housing plan, which was finally approved in 1995. A national law of 1983 enabled municipalities to draw up local housing plans (PLHs), and the agglomeration of Lyon was one of the first in France to adopt such a plan. The decisive factor in this context seems to have been that civil society organizations such as ALPIL demanded a housing mission (*mission habitat*). The Mission for Housing (*mission habitat*) was responsible for the realization of the PLH. This administrative institution was finally created in 1992 by the mayor Michel Noir (in office between 1989–1995) (Maurice 2014: 227; Millénaire 3 2010a). Subsequently, this mission forced communities into a kind of solidarity among them as well as sensitizing mayors in the agglomeration for ongoing discriminations in the selection of social housing demanders (Cordier and Meunier 2009: 110).

Another reason for the approval of the PLH can be seen in the 1992 Master Plan for Urban Planning called "Lyon 2010." This document even became a model for new ways of planning in France. It opens up the planning process to public, private and civil society actors (business leaders, real-estate companies, urban planners, architects, scientists and public authorities). This openness enabled Grand Lyon, as the leading authority, to early on bring together all the actors relevant to the development of the PLH (Polère 2014: 422–23). And it finally enabled a joint reflection on the future housing policy (Millénaire 3 2010a). However, both the Master Plan "Lyon 2010" and the 1995 PLH did not specifically consider the citizens and residents.

With the approval of the Local Housing Plan (PLH, *Plan Local de l'Habitat*) adopted in 1995, the housing competency shifts from the municipalities within the agglomeration to the metropolitan level. The approval of the PLH marked the point in time when many housing-related competencies were being transferred to the metropolitan level (Grand Lyon 2015b: 7). The PLH draws up housing policy around three major issues: restoring the equilibrium of housing structure of the housing stock and its social composition, increasing the supply of social and intermediate housing, and rehabilitating the social housing stock and the private stock. According to Foret (2006), the PLH from 1995 marked a key moment, particularly because it was the first time a common diagnosis on housing issues on the scale of the agglomeration could be made (Foret 2006).

The diagnostic elaborated for the first PLH of Lyon discussed the difficulties in accessing housing for disadvantaged people as well as the continuing decrease of social housing production in the agglomeration. The annual need for additional social housing units was estimated to be 2,350 (Maiga 2000: 230–40).

The creation of the mission for housing and the boost in the urban social development unit must be seen against the background of significant empowerment of the administration initiated by Michel Noir. Additional financial resources were made available, general secretariats were created and Michel Noir even used his own resources to finance a study on the efficient reorganization of the urban community (Bardet and Jouve 1999: 50).

Noir has been described as an entrepreneurial mayor who exploited the possibilities presented by the national decentralization laws (Cordier 2011: 166; see Galimberti et al. 2014: 195–96). The

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will to use financial and personal resources for a real local housing policy on the metropolitan level was also exhibited around that time (Polga 2004: 23).

As mentioned in an interview with urban planning researchers in Lyon, the Urban Planning Agency (UrbaLyon), affiliated with the metropolitan authority, but strictly speaking not a part of it, is always actively involved in the process of developing a PLH or also the more up-to-date version called PLU-H. More specifically, UrbaLyon is involved:

> […] in writing diagnoses, in elaborating development orientations and in implementing parts, where indicators are monitored – and generally, they take charge of the evaluation. (Interview 7, Lyon)

The local housing plan adopted in 1995 was updated for the first time in 1998 and again in 2002. For the preparation of the 2002 update, an investigation on residential mobility in the agglomeration was conducted which showed an increased fluidity of low-rent housing (Driant 2006: 4). It is assumed that the PLH reduced the geographical imbalances in the proportion of social housing in the Lyon agglomeration (Picard 2004).

Affordable housing of good quality (1995)

Around the same time in 1995, consultations regarding affordable housing of good quality (LQCM, *Logement de qualité à coût maîtrisé*) were initiated by the public sector. According to Maiga (2000), this exchange is based on a consensus among the actors, which is operational in nature, i.e., they shared the view that the costs of producing affordable housing need to be controlled. All actors who were in any way active in the field of social housing were invited to present their views. These included those who developed projects, but also all those who subsequently were involved in the maintenance of the dwellings.

A working group led by the metropolitan authority of Grand Lyon worked on these questions, consisting of actors dealing with the production of housing in general, including construction, financing and management/maintenance. Different institutions and organizations from the private and public sector as well as civil society organizations on the agglomeration level reflected and elaborated solutions in concertation with each other. This episode illustrates two things: the focus of the debate on the localization of specific programs and a sensitization to the type and importance of the work of other actors (Maiga 2000: 247–48).

Agglomeration-Wide Housing Conference (1998)

The Agglomeration-Wide Housing Conference (*Conférence d'agglomération de l'habitat*) emerged from the PLH analyzed above. Established in 1998, it brings together all the players in the local housing sector: social housing organizations and social operators in general; civil-society actors, who intervene in terms of management and mediation between applicants and landlords; state services; local authorities, who are both funders and decision-makers; region, department, municipalities, with the aim of promoting the development of a common intervention culture (Cordier 2011: 162–70; Cordier and Meunier 2009: 41–43). The role of Grand Lyon is essentially that of leading this group of actors, and the challenge was to coordinate studies and ongoing works, to establish a

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shared understanding, identify priorities and levers for action, all in conjunction with these actors mentioned before and Grand Lyon's departments involved in urban development (Foret 2006).

The creation of the agglomeration-wide housing conference must be seen in the light of the term of Raymond Barre (UDF) from 1995–2000, characterized by efforts for enlarging the political institutions of the agglomeration regarding its real boundaries, meaning that mayors from more communities were actually represented within the different institutional structures. According to Cordier (2011: 166), this is a materialization of the will to introduce a more consensual and inclusive governance style in the metropolitan authority of Grand Lyon. The close cooperation between the metropolitan government of Grand Lyon, the department and the respective prefect for the area played a major role in this. Together, this opened up the decision-making process. Various workshops and debates took place with the aforementioned actors (Bing and Yvray-Danguis 2006). These platforms were already active before the national law against exclusion[48] was passed, which finally institutionalized the form of housing conferences already existing in Lyon and introduced them in other agglomerations in France as well (Cordier and Meunier 2009: 41).

Another reason why market players in the housing sector were also willing to take part in this exchange in the agglomeration-wide housing conference is that, like his predecessor, the president of the metropolitan government, Raymond Barre and his executive, maintained very good relations with the business sector. Entrepreneurs and the influential employers' association (Medef, *Mouvement des Entreprises de France du Rhône*) were courted (Boino 2009: 137).

8.3.2. Stronger cooperation in urban renewal and plan-making (2001–2008)

Election of the left

The elections in 2001 marked a major turning point in the politics of Grand Lyon. It was the first time a leftist politician had become mayor of Lyon and the metropolitan authority as well (Jouve 2009: 139; Jouve and Ben Mabrouk 2002).[49]

Gérard Collomb, a moderate member of the Socialist Party, was elected as new mayor by the municipal parliament members (*Conseil municipal de Lyon*) by garnering approximately 55% of votes and became metropolitan president. His predecessor, Raymond Barre from the center-right party UDF, did not candidate again, and rightist parties were not united, so a coalition of socialists and green politicians won the elections. Collomb, a former high-school teacher, perfectly embodied the neoliberal turn in the French Socialist Party (Jouve 2009: 139). In fact, he could count on the support and was supportive of the business elite. Among his supporters were heads of companies, for example, Alain Mérieux (head of the Institute Mérieux) or Jean-Michel Aulas, owner and president of the football club Olympique Lyonnais. This meeting of the political and

[48] Loi d'orientation relative à la lutte contre les exclusions from 29 July 1998.

[49] Ever since the existence of the metropolitan level, Lyon's mayor has been elected as the president of the metropolitan authority by the metropolitan parliament (*Conseil de la métropole*) (Millénaire 3, 2014). In July 2020, the 150 councilors elected Bruno Bernard, a Green Party politician from Villeurbanne as new president of the metropolitan authority Grand Lyon.

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the economic sphere established as far back as in the 1990s was now systematized under Gérard Collomb (Galimberti et al. 2014: 198).

Growth orientation was one of the dominant issues during his term. In November 2006, Collomb became president of Eurocities, an informal collaborative network of some of the largest European cities. At that time, he even announced the goal of Grand Lyon becoming one of the 15 leading conurbations in Europe in terms of economic attractiveness (Boino 2009: 141; Galimberti et al. 2014). This became something like the political *Leitmotiv* in the following years and during his first mayoral term from 2001–2008, when a rapprochement with actors of the local real-estate market happened (Guironnet 2016: 14).

The Law on Solidarity and Urban Renewal, SRU (2001)

Article 55 of the national Law on Solidarity and Urban Renewal (SRU, *Loi Solidarité et Renouvellement Urbains*) from 2001 introduced a 20% share of social housing, to be reached in each municipality across France with more than 3,500 inhabitants. The introduction of this law created a favorable political context, in which political actors on the local and metropolitan level increased their discretion. Their position in negotiations with private builders and developers was significantly strengthened by this law. Directly imposing social-housing quotas was not possible from a legal perspective, but nevertheless builders accepted them, which can be explained by factors such as their interest in avoiding legal conflicts with metropolitan authorities and avoiding the risk of being disadvantaged in any future public call for tender (Vergriete 2013: 235–41).

Political actors became able to negotiate more intensely for social housing quotas in new private projects, while they were negotiating building permits with builders. In 2007, social housing quotas ranged between 10% and 30% in the construction projects within the metropolitan area of Lyon, depending on where the construction project was situated. Although issuing building permits did not legally allow the municipalities to be the primary point of contact for private developers to impose a quota of social housing, developers still accepted these negotiations, seeing that there were often several private actors queuing up (Vergriete 2013, 236–41). Municipalities falling under the SRU regulation were given 20 years to meet the requirements formulated therein (Haffner 2009: 103).

With the SRU law, the conditions under which local and metropolitan authorities were able to introduce so-called concerted or integrated development areas (ZAC, *Zone d'aménagement concerté*) also changed. ZAC's represent a planning instrument that enable a public authority to undertake major, comprehensive and coherent urban planning operations. They offer public authorities a legal, financial and technical framework adapted to the implementation of a spatial planning operation (Foras et al. 2015).

Six out of 10 interviews conducted for this project mentioned the SRU law as one of the major developments on the national level in terms of housing. Surprisingly, both representatives of civil society organizations did not refer to the SRU law during the interviews. In contrast, social housing providers have been particularly affected by the SRU law. Here is a concise statement about the law by the President of a social housing provider:

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> This is the most important law. For a long time, sanctions were not part of it or even foreseen for not respecting it, but today there are sanctions; it is followed, controlled and gives rise to the possibility for the [national] state, the prefect, to apply fines to mayors who do not respect their obligations in the field. For example, there are 3-year agreements in which the mayors of municipalities commit themselves to a certain number of housing program or a certain production of social housing. If these agreements are not respected, there are penalties that can be quite severe for some municipalities. (Interview 7, Lyon)

This interview emphasized the sanction mechanisms introduced during the revision of the law before being passed in 2013 (see also Levasseur 2016). More information about the reinforcements by the later law is presented in Section 8.3.3.

In 1990, there were already discussions about more political interventions on the housing market in Lyon's agglomeration, but at that time housing production was only moderate and was not to be hindered by political interventions. The masterplan "Lyon 2010" from 1992 already anticipated the goal of a more equal distribution of the social housing share in the agglomeration (UrbaLyon 2010). From 2000 onward, the SRU law, paired with increasing attractiveness for private landlords as indicated by increasing land and rent prices, played a key role in shaping the implementation of urban renewal and finally also housing policies and projects.

The goal of a more equal distribution of social housing estates across the territory of the agglomeration was pursued by Gérard Collomb and supported by private developers, investors and other actors. Together, they can be regarded as a growth-oriented coalition that took the opportunity given by the legislation on the national level.

Big social housing estates in municipalities with a high share of social housing were demolished and reconstructed in more modest size in communes with a low share of social housing (Millénaire 3 2010b). In municipalities with a social housing stock above 50%, social housing was destroyed during urban regeneration projects and had to be rebuilt in another municipality in order to balance existing inequalities (Galimberti et al. 2017: 169–70). One of the interviewees, the president of a social housing provider in the agglomeration, summarized this policy briefly:

> Grand Lyon's housing policy is simple: less social housing where there is too much, more social housing where there is not enough. That's it! It is a policy that was more or less voluntarily implemented by Gérard Collomb since 2001, and when we look at the statistics over a couple of years, we see that rates have fallen in the Eastern parts and risen in the Western parts. In the Eastern parts, there were already many social housing estates, so it was important not to build too much but rather suppress the construction or even demolish older ones for a more equal distribution overall. And rates increase in the West. (Interview 6, Lyon)

The implementation of this policy only seems so simple at first glance, because it also encountered resistance in some parts of the agglomeration. The social-housing cleavage mentioned in the interview is more or less congruent with the political orientation of the municipalities described by Kübler (2012). Areas to the East are dominated by leftist parties and historically have had a

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high share of social housing, while areas to the West are often governed by right-wing parties, where social housing is largely absent (see Kübler 2012: 440).

The construction of housing is a strategy to win electoral votes as well, as indicated in a recent investigation. With reference to the period 2002–2007, a local incumbent's willingness to construct social housing might thus effectively depend on their appraisal of this choice's consequences on the long-term evolution of their electoral base (Schone 2013).

Negotiations by Collomb with municipalities in the Western part of the agglomeration and their mayors (frequently from the center-right parties) resulted in the compromise of not building any high-rise buildings comprising social housing but providing small-scale social housing. Therefore, a distribution of social housing tenants did not actually take place; rather, it was a symbolic measure to provide some units in the affluent parts of the agglomeration (Charmes and Rousseau 2014: 173; Rousseau 2015: 627). It is argued that the historical patterns of segregation between the affluent territories in the West and traditionally working-class areas to the East continues to persist, and the housing conditions of disadvantages population groups have not improved significantly and social mixing is not fostered, also because metropolitan institutions in France are characterized by the search of consensus between its members (Rousseau 2015: 622).

Construction of social housing in certain areas creates hostility. In 2003, for example, Gérard Collomb cancelled a temporary social housing project for homeless people in Lyon's fifth district only 3 days before its opening because of local resistance. After protests by several associations and Green-Party politicians, the project was relocated to the periphery (Belmessous 2004: 172).

The political cleavage is more or less congruent with the income distribution across the metropolitan area, which was subject to rising inequalities over time. The metropolitan area even shows the highest level of inequalities between municipalities. The division goes between the affluent West and the working-class population to the East (Galimberti and Pinson 2017: 206–7). This sociospatial division "[…] dates back to Lyon's history as an industrial city with a powerful economic elite concentrated in the city center (the 6th arrondissement and the Presqu'Ile around Ainay Basilica). Rapid population growth in the postwar period led to the rise of large social housing estates on the edge of Lyon, particularly in the eastern suburbs of Vaulx-en-Velin, Bron and Vénissieux" (Carpenter and Verhage 2014: 63–65).

In addition, the approach by Grand Lyon suffers from the classical dilemma of housing policy and social-mixing approaches. This became most evident in suburban municipalities in the metropolitan area of Lyon such as Rillieux-la-Pape, Vaulx-en-Velin or Vénissieux. A policy of concentrating social housing aggravates residential segregation, though it can promote the emergence of contacts within the neighborhood. In contrast, a policy of deconcentration can combat sociospatial inequalities; but here social isolation can arise because geographic proximity of groups from different social milieus does not necessarily lead to more social contacts, as is the case in those municipalities (Loch 2005: 143–44).

A look at concrete projects at this time gives further indications of the governance arrangements and the concrete design of policies. Acquisition of land, planning, construction of housing/office/retail space and commercialization should finally not only produce economic value, but also generate social balance through housing (Verhage and Linossier 2009: 144–46).

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The area of Mermoz, situated in the 8th arrondissement of Lyon, was also characterized by large social housing estates and a highway separating the northern and southern part of the area. In fact, it consisted of 100% social housing and it was known for having economic and social difficulties from the 1980s on. Urban renewal projects started in 2002 after the decision by the central state to destroy the highway following the request of Grand Lyon. This destruction, and the subsequent creation of a boulevard, was seen as an occasion to carry out heavy operations, especially in the northern sector (Chaize et al. 2007: 360–61).

The urban renewal scheme in the area of Mermoz was also mentioned and termed progressive by one of the interviewees, the director of a social housing provider that is not only active in the agglomeration of Lyon, but also in other French cities and therefore provides a comparative view (Interview 5, Lyon). In fact, the approach in Mermoz was special, as this was the first time a specific procedure was used in the process of the renewal project to collect the concerns of the inhabitants. The so-called study that listens to the inhabitants (*Enquêtes Écoute-habitants*) collected their opinion by means of a survey and was subsequently applied to several projects in the metropolitan area (Grand Lyon 2017c).

Transformations in La Duchère exemplify this approach (Verhage 2009). Situated in Lyon's 9th district, the area had a social housing share above 80% in 2002, high unemployment rates and a bad image in general because of former urban riots (Ball 2012: 126).[50] In 2010, a significant share of the social housing blocks constructed in the 1960s were demolished and replaced by new developments integrating social and private rental units (Stouten and Rosenboom 2013).

One important aspect in the urban transformation of La Duchère as well as other development projects such as Carré-de-Soie is the creation of Mission, that is, administrative agencies coordinating the project and promoting the regeneration scheme. They were situated in the vicinity of the projects. In addition, the strong commitment from both central and local government created venues for private investments in those areas (Karadimitriou et al. 2013: 143).

In their case study, Stouten and Rosenboom (2013) focus on urban regeneration in La Duchère and Vaulx-en-Velin. It lists areas belonging to the national restructuring program: 24 neighborhoods belong to the ZUS (*Zone urbaine sensible*) scheme, primarily located in the Eastern side of the city; four projects belong to the *Grands Projets de la ville*, and there are four areas with tax reduction for enterprises (Stouten and Rosenboom 2013: 108). Urban regeneration projects in Lyon are characterized by a centrality of connectivity (to infrastructure/public transport) and the ability to link socio-economic networks (Stouten and Rosenboom 2013: 115–16). A frequently used indicator for problems in social housing is the unemployment rate in these areas. Stébé (2016: 113–14) compares it between ZUS and other parts of France and finds that it is much higher in ZUS.

[50] A high share above 65% also characterized the suburban municipalities of Vaulx-en-Velin and Vénissieux within the metropolitan area (Ball 2012: 126).

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In their interview, a social and private housing provider said that Lyon's mayor should be credited for bringing all the relevant partners together for a successful transformation of the area (see also Guironnet 2016):[51]

> The area of La Duchère situated in Lyon's 9th district has been transformed from a real "Ghetto" to a social mix. It was exemplary. Gérard Collomb brought together all the housing stakeholders, including the private sector, Grand Lyon, municipalities, private developers, building companies. Each actor bought some land. In my opinion, there were no displacements or expulsions in the transformation of the neighborhood. (Interview 5, Lyon)

These urban renewal projects often aimed at providing a social mix in areas and are credited with the expectation of positive consequences. In reality, these urban renewal projects, for example, in the area of Les Minguettes in the suburban municipality of Vénissieux, lead to an erosion of the social housing stock, destroy social capital and do often not bring improvements in housing conditions (Gilbert 2009).

A recent development going on in the suburbs is the fact that developers of national scope are buying houses, regrouping land and building small apartment houses targeting young active households working in Lyon, who cannot afford to live in the center of the agglomeration because of rising house prices over the last couple of years. This emerging form of gentrification is also indicated by the developments of building permits. In Vénissieux, for example, the share of building permits tripled between 2005–2010 (Charmes and Rousseau 2014: 176).

In a similar vein, transformations initiated after the election of Collomb and with the support of the legal bases provided by the SRU law, developments in the area of La Guillotière are described as leading to tendencies of gentrification. It is said, with reference to data from the national statistical office in France, that between 1990 and 2015, for every new/incoming high-skilled inhabitant, three workers were displaced (Bouzouina 2007; RebelLyon 2019).

Overall, the general trend goes into the direction of a more equal distribution of social housing across the metropolitan area. The social housing stock in the center increased from 19.7% in 2001 to 21.5% in 2016. During the same time, it also increased in the West from 19.3% to 21.3% but decreased in the East from 37.7% to 35.9%. Hence, the trend goes into the direction of a more equal distribution of the social housing share across the metropolitan area (Grand Lyon 2017a). A growth-oriented group of actors consisting of politicians on the local level and big national industrial companies pushed for transformations, especially in the suburban municipalities within the larger metropolitan area (Jouve 2009: 131).

Overall, a certain dilemma or inconsistency of the city region of Lyon and its policy orientation is observed by Cucca and Ranci (2015: 23), who find that there are two somewhat contradictory priorities in Grand Lyon's policy: On the one hand, a broad range of housing-affordability policies

[51] The partnership between different actors in urban planning is indispensable for urban planning in Lyon, but it can also be interpreted as a struggle between different interests which have to be adjusted (see Verhage & Linossier 2009: 147).

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were introduced, such as the development of social housing by nonprofit actors and in cooperation with private sector actors or the guidelines regarding the minimal share of social housing in private development schemes. National programs focusing on urban renewal of "problematic" areas were conducted in 12 neighborhoods. On the other hand, many measures supported gentrification, especially in the central historical areas of Lyon. These also included prestigious projects such as the development at La Confluence, where the Saône and the Rhône meet. Furthermore, regeneration in most distressed areas contributed to the disappearance of a significant part of the affordable housing stock and substantial rent increases (Cucca and Ranci 2015: 23).

Elaboration of local urban development plan (PLU)

From 2002 to 2005, the new local urban development plan (PLU, *Plan Local d'Urbanisme*) on the metropolitan level, significantly shaped by the SRU law, was elaborated. The PLU is one of the central documents for planning within the agglomeration of Lyon. The plan concerns both public and private land and is a legal document that is binding for individuals, companies and administrations. The various applications, including, for example, building permits, demolition permits, etc., are assessed based on this document. The PLU records where construction is allowed, how the buildings must be designed, which zones must remain nature or which plots are reserved for future constructions. It also contains a precise breakdown of the traffic regime (Coudereau 2015). As part of the preparation of the PLU, public consultation events were held in all 55 municipalities of the agglomeration. In some cases, associations such as "Vivre à Caluire" were formed in the run-up to these events, which developed their own ideas in relation to the document as well as put pressure on politicians in this direction (Parra 2003). There was also resistance in some municipalities against plans of the metropolitan authority for densification. In particular in the municipalities to the East, resistance to the plans of the metropolitan government to densify the municipal area also formed among the population (Messy 2004). The participation of the civil society thus played a role in the elaboration phase.

Three years of cooperation with communities, institutions, the State, citizens, companies, social housing providers, chambers of commerce and associations preceded it. The agglomeration-wide PLU finally came into existence in August 2005. In the course of the preparation of the PLU, a rapprochement between the urban planning department (*Service de la planification urbaine*) and the department of urbanism (*service de l'urbanisme*) took place within the administration at the metropolitan level. In 2006, the two departments were finally completely merged. The newly created department was then responsible for assisting the municipalities in obtaining building permits, reflecting the opinion of the metropolitan government (Coudereau 2015: 10–11). In the context of housing policy or the creation of affordable housing, the document on specific planning services, and in it the subsection defining the socially mixed sectors, is of primary importance. In the context of housing policy – or more specifically, the creation of affordable housing – the PLU is a fundamental document influencing the future orientation within the agglomeration.

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Delegation of benefit payments for objects to Grand Lyon (2006)

In 2005, the metropolitan authority Grand Lyon played a major role in the field of housing. It was even seeking decentralized funding at that time (Ball 2012: 16)

Grand Lyon contributed particularly to make up shortfalls in construction funding. It played an extraordinarily active role, underlined by the fact that the metropolitan authority took over communal allocations if displaced people had to be rehoused as a consequence of urban reconstruction (Ball 2012: 120–21).

Since January 2006, within the framework of national policy delegations, Grand Lyon manages the credits for benefit payments for objects (*Aide à la pierre*), i.e., the financing of social housing. The delegation of this competency to the metropolitan authority was described as a symptom of the housing crisis, because it usually happened in agglomerations where the real-estate market was seen as tight. The tense situation on the housing market in the Lyon agglomeration is reflected in the high number of people on the waiting list for social housing, in 2005 a total of 43,000 in the agglomeration. It also indicates that the housing-market situation affects the willingness of local politicians to play a more active role and to take charge of certain issues (Foret 2006; Maurice 2014: 229).

The national decentralization laws made this important step for the Lyon agglomeration possible. The reform created a single institution that acted as a contact point for all the players in the social housing sector, thus simplifying structures and cooperation. The former region Rhône-Alpes decided to join the decentralization efforts by entrusting Grand Lyon in turn with the competency to manage how the grants provided by the region are actually used. In addition, the financial subsidies provided by the region for social housing and private housing with rent controls were doubled from €2.4 million in 2005 to €4.8 million in 2006. In view of Grand Lyon's ambitious goals to increase the annual production of social housing to 2,500 per year, the reform initiated by the alliance Grand Lyon, region and (national) state was considered absolutely necessary (Le Progrès 2006).

Elaboration of new Local Housing Plan (PLH) approved in 2007

The content of the new Local Housing Plan (PLH) was defined in a national decree from 2005. It was defined that the PLH should be seen as the political strategy of the agglomeration in terms of housing for at least the next 6 years. The PLH serves as reference document for housing-related policies, including objectives such as the diversity of housing, the satisfaction of housing needs, addressing population imbalances and the needs of disadvantaged population groups. A fair and equal distribution of the different types of housing across a specific area is another central goal in this document. In accordance with the decree, a PLH consists of three parts: a diagnosis of the functioning of the local housing market and housing conditions, a policy document containing a statement of the principles and quantified objectives of the program, and a detailed action program for the entire territory to which it applies and for each geographical sector defined within (Quilichini 2006: 47–49).

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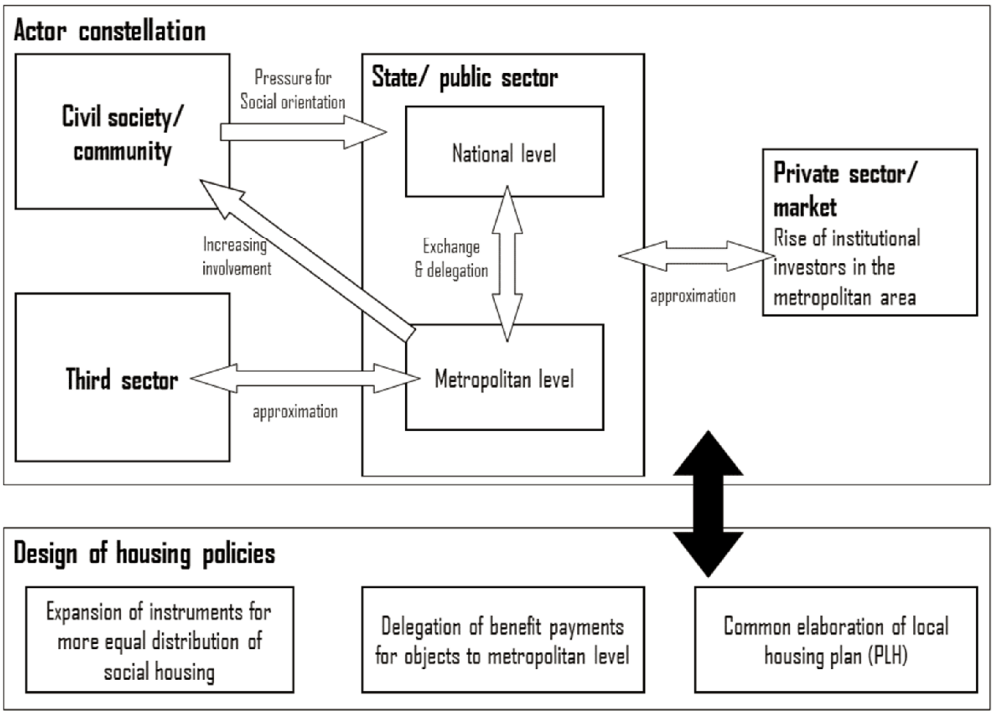
Already the first part (diagnosis), for which all the actors active in the field of housing have to participate, introduces their perspective and negotiates and develops a common diagnosis everyone can agree on – a challenging process. In the case of the agglomeration Grand Lyon, the diagnosis was presented in draft form in each of the nine mayors' conferences (*Conférences des Maires*) which structure the intermunicipal territory in order to initiate interelectoral dialogue and encourage exchanges between elected municipal officials and community bodies. In addition, workshops were organized, aimed at bringing the various partners, such as socialhousing organizations, private developers or civil society organizations together to elaborate a shared diagnosis. Additional platforms were organized regularly by the metropolitan authority of Grand Lyon for exchange and debate between the relevant actors (Cordier 2011: 369–80). In addition, the metropolitan authority of Grand Lyon showed its willingness to communicate with its member municipalities within the agglomeration concerning the distribution of their respective competences in the field of housing (Cordier 2011: 453).

Figure 20: Housing governance in Lyon, 2001–2008



(Source: own representation)

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Governance in the field of housing in Lyon in this second period is characterized by closer cooperation between the actors, ultimately reflected in the concrete design of policies. There is a simultaneous rapprochement between the third sector (HLM organizations) and private actors.

Within the private sector, institutional investors are becoming increasingly important. Within the public sector, there appears to be a close exchange between the national and metropolitan level. The competency for benefit payments for objects is being shifted to the metropolitan level, and both national and metropolitan efforts are moving in the direction of a more balanced distribution of the social housing stock among municipalities.

Civil society actors are becoming even more involved in Grand Lyon, including in the development of the Local Housing Plan (PLH), while at the same time advocating a more social orientation of public housing policy.

8.3.3. Investment increase and contradictory national priorities (2008–2014)

Increase of investment funds on the housing and property market

One of the interviewees, a researcher who closely monitors the development of the property market in Lyon and other regions of France, points to the development that occurred shortly after the credit crunch in 2008, when real-estate prices began to raise again, albeit not in the same way as in the years before:

> After 2008, there was some stagnation in prices, which are going up again and with more differentiated evolutions, so we don't really have a very clear geographical pattern because some areas are going up, while others are stagnating, Others are catching up with the more expensive areas, so they are moving away a little ... So we have very different evolutions inside the metropolitan authority as in other conurbations and we don't have a very visible pattern, for example, bidding from the West or bidding from the center, it's a little more fragmented. (Interview 10, Lyon)

This general tendency is also supported by other observers of Lyon's real-estate market mentioned in newspaper articles. The financial crisis had little impact on price trends in the city of Lyon. The city, and especially the central areas, remained a safe value in these turbulent times. Outside the core city, prices stagnated in some but not all areas/municipalities. In terms of governance, the financial crisis led to private developers having to enact savings and therefore they often joined forces with other private players on a construction site (Le Progrès 2009; Rocken 2008). The impact on social housing varies from one project to another. Some private developers whose projects were intended to provide a certain proportion of social housing abandoned the project altogether. Others even increased the share of social housing in order to pass on a larger part of the costs along to social housing providers (HLM) and thus obtain more financial liquidity (see also Duret 2008).

A second development, which became more pronounced after the financial crisis, was the increase in international investors. As already mentioned, investments in the agglomeration were considered relatively safe. Smaller, mostly locally based real-estate owners found themselves in

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financial difficulties and sold their housing stock to larger investment companies. This attracted investment funds from Abu Dhabi, for example, but also local insurance companies such as Crédit Agricole invested their money in Lyon, one of the safest markets in France. Investment funds became particularly active in the second Arrondissement of Lyon (La Tribune de Lyon 2015). This is supported by one of the interview partners, a representative from a civil society organization, who said:

> We see this phenomenon in the area around Rue de la République, which was bought by investment funds. Already at the heart of Lyon. And after that, what will happen to this neighborhood? We don't really know. But we know people are being evicted. (Interview 1, Lyon)

However, this development was triggered not just by the financial crisis. The construction of various prestigious towers within the center of Lyon was also one of the priorities of urban development. For these comparatively expensive projects, Grand Lyon and the private developers are dependent on international capital. As the project manager for housing in the metropolitan authority Grand Lyon said, various major projects could not have been realized without the money from national and international investors. Larger projects, which usually have a financial volume of €50 to €100 million could not be realized by the public hand alone, given an annual metropolitan budget of €15 million for the acquisition of land reserves (Interview 4, Lyon).

One of the projects mentioned in this context was Lyon Confluence, for which investors provided a large part of the money in the first phase for the urban development project initiated by the metropolitan authority. Located in Lyon's second arrondissement, the area has undergone fundamental changes over the past 20 years. At a time when Lyon was not yet one of the most attractive regions in France, it was initially difficult to find an investor for the fallow land. A Dutch investment company initially declined to invest, until 2004, when another Dutch investor got together with a French one for the first phase of the project. Regarding the share of social housing, the ambitious target of 23% of the total living space was set (Chavane and Auclair 2004). Picture 9 shows some of the apartments located at the tributary of the river Saône.

Another interviewee, also from the civil-society sector, in connection with international investors pointed out that this is a global trend that can hardly be stopped. It is therefore important to introduce measures to confiscate the added value initially provided by the public sector with its infrastructure services and then use it sensibly instead of trying to prohibit the increases (Interview 2, Lyon). This interviewee therefore considers that the increases in the value of land and housing ultimately occur – to some extent – because of the efforts of the public sector and must therefore be returned to it. The agglomeration of Grand Lyon became an attractive location because of public investment, particularly in public transport, which then attracted (foreign) capital in a second phase.

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Picture 9: Mixed housing development at La Confluence, Lyon (19 June 2019)

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New PLU with a binding social housing share for each development scheme (2010)

In 2010, the new local Urban Development Plan (PLU) came into existence, in which a share of social housing was prescribed for each private construction, independent of any negotiations, which is described as a significant change because, up to then, the average share of social housing in new private schemes was effectively around 10%, based on noncommittal negotiations between local authorities and private developers (Vergriete 2011).

In the PLU, therefore, new zones were introduced, the zones for social mixing (*Secteurs de mixité sociale*) (Le Progrès 2010a). All areas within the agglomeration defined as zones for social mixing are presented below (see Figure 21). Clearly, a large part of the agglomeration area and a majority of all municipalities are to be included. All the arrondissements of the city of Lyon are also included.

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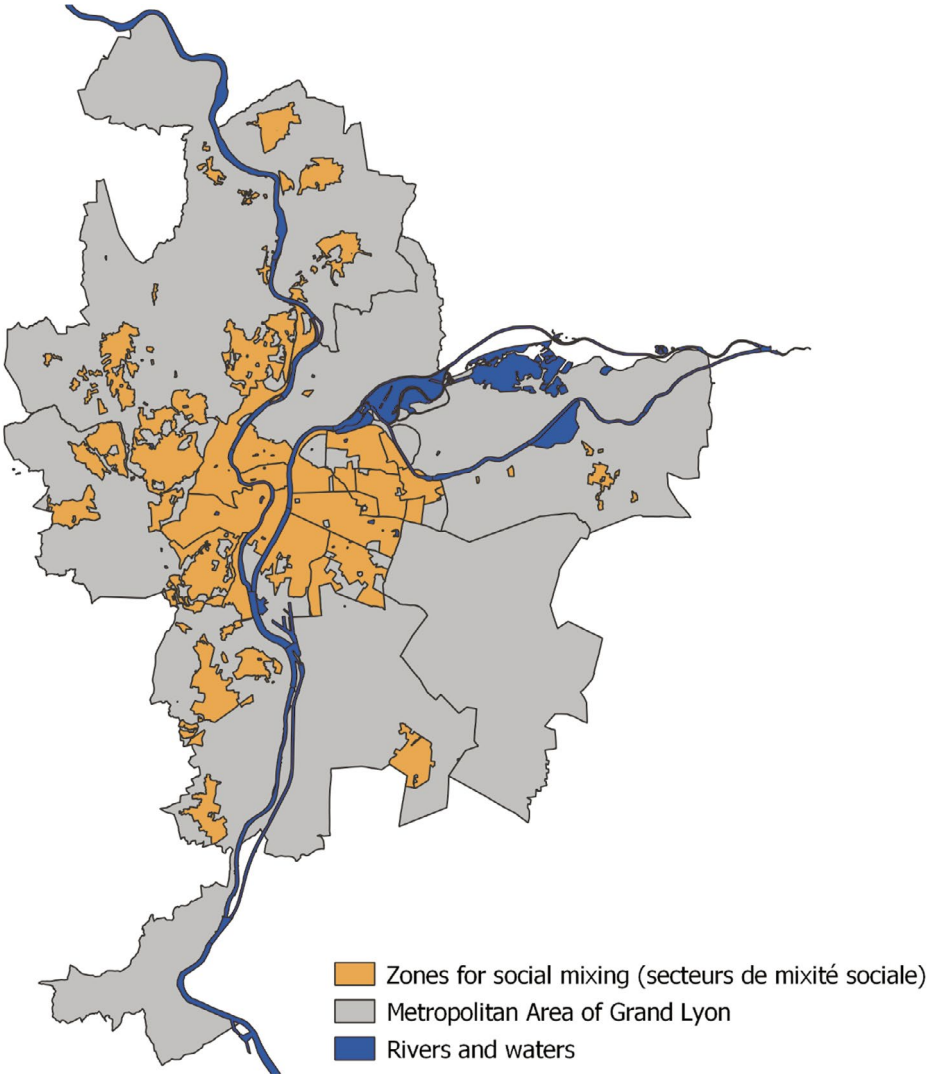
Figure 21: Zones for social mixing within the agglomeration of Lyon, 2010



(Source: own representation based on UrbaLyon 2013)

In the respective zones, a certain percentage of social housing is then applied to all projects, depending on the total living space. In the fourth arrondissement of Lyon, for example, it is stipulated that projects with a total living space of 1,500 to 2,500 square meters must provide at least 20% of the area for social housing. In projects of more than 2,500 square meters, the percentage is even 25% (Grand Lyon 2010). This also specifies which types of social housing are to be included, i.e., what types of supply-side subsidies are to be made available. These requirements are not identical in all municipalities within the agglomeration. First, there is variation in the

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proportion of social housing that has to be provided in private projects, varying between 10% and 30% depending on the municipality. Second, there is variation in the net floor area above which the requirements apply. Third, the requirements vary in terms of what types of social housing must be created (see Section 8.2.1) (Grand Lyon 2012).

Negotiations are then held with the social housing providers on the selling price of this space. According to the president of one of Lyon's largest social housing providers, the burden of negotiating about the price of the flats within private schemes with the developers was thereby shifted to the social housing providers:

> So, if a developer comes, the mayor is responsible, and the mayor issues the building permit. But if a developer wants to build somewhere, he must still respect the percentage of social housing, and he must find a buyer from the social landlords. If I don't know … Let's say if Bouygues will see me and say we are going to make a program of 50 housing units, there are 15 for you, except that I wanted to make €5000 per square meter, I will say "But wait, how do you want me to balance €5000 per square meter with the rents I can take?" I can't. So, if we make €5000 a square meter, I say no. All my colleagues [other social landlords] are going to say no. They [Bouygues] won't be able to find anyone to pay €5000 per square meter, so they won't get a building permit. (Interview 6, Lyon)

This development, precipitated by the revision of the local Urban Development Plan (PLU), can be interpreted as a move from government to governance, in which the public authority became the main organizing force and set the guidelines for the negotiations between other actors, but was not actively involved itself.

This shift to a formalized regulatory constraint has been a tipping point for the local housing policy in Lyon. Not only the local authority but also many private actors appreciated the introduction of this legally binding rule. From the perspective of Grand Lyon, the rule was judged to be more efficient because the earlier negotiation requirement often led to the abandonment of a large part of the initial objective. From the perspective of the private developers, the rule created transparency and planning security, because a more reliable cost-benefit analysis could be conducted at a time when they had to decide about the acquisition of land (Vergriete 2013: 237).

Changes regarding *Action Logement* (from 2010)

Employers' contributions supporting housing of the employees have existed for a long time in France. Introduced in 1953 for all companies with more than 10 employees, 1% of the total wage sum is dedicated to housing. Therefore, this measure was called the "1% housing contribution" (*1% logement*). Since 1992, only less than half of this contribution (0.45%) is paid by the employer and half of it by the employee. In 2010, the contribution was renamed and became what is nowadays known as *Action Logement* (Bonneval and Pollard 2017). A national order from 20 October 2016 led to a more centralized structure, gathering several contributors such as the Interprofessional Housing Committee (CIL, *Comités interprofessionels du logement*) and the Economic

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Social Housing Union (UESL, *Union d'économie sociale du logement*) together.[52] According to Bonneval and Pollard (2017), this restructuration led to uncertainties about the financing and contributed to a search for and finally to an increase of agreements with actors from the private sector.

A metropolitan councilor, responsible for housing in the metropolitan authority of Grand Lyon and in a smaller suburban municipality mentioned the developments surrounding the reorganization of the enterprise contribution from "1% housing" (*1% logement*) to *Action Logement* in 2009 as a significant decrease of the participation rights of employees:

> At the time, the original idea was that the employees of every company could discuss the use of this money. For example, part of the money could be used for renting, part could be used to help people to buy a house, and many employees bought with a bonus, which came from the 1% housing. And each company could discuss this. A council could discuss the rules of allocation and the share between renting and accession and the seniority required to benefit from it, etc. The works councils could also discuss the rules of the 1% housing. And all this was ... the subject of a major reform [...] at the time of François Hollande [France's president at the time], which concentrated everything on a large group now called *Action Logement*, which in fact merged all the collectors, so all the money goes back to *Action Logement,* and obviously the employees in the companies no longer have any say about what is actually done with it. (Interview 3, Lyon)

It was not just a matter of changing the title of the organization, it caused real changes regarding the content. There was an increased financial pressure from the national government, and it also lost its decentralized autonomy, which was originally the very identity of the *1% logement* (Le Progrès 2010b; Sigaud 2012: 5).

Action Logement consists of five subsidiary branches. First, there is the real-estate branch with social landlords, which construct social housing and where the principal function is to house employees. Second, there is a land branch, which is commissioned to buy land, especially in the urban areas with priority, which then allows to construct social housing on this land. Third, there is a service branch, which deals with employees who are tenants or who would like to be in the future. The fourth branch, called association for access to rental guarantees (*Association pour l'accès aux garanties locatives*), is closely linked to the third one and acts as a guarantor for an employee who is going to be a tenant. The fifth branch is mainly inward-looking and supports the transformation of *Action Logement* itself as well as the formation of its employees (Action Logement 2020).

[52] Ordonnance n° 2016-1408 du 20 octobre 2016 relative à la réorganisation de la collecte de la participation des employeurs à l'effort de construction.

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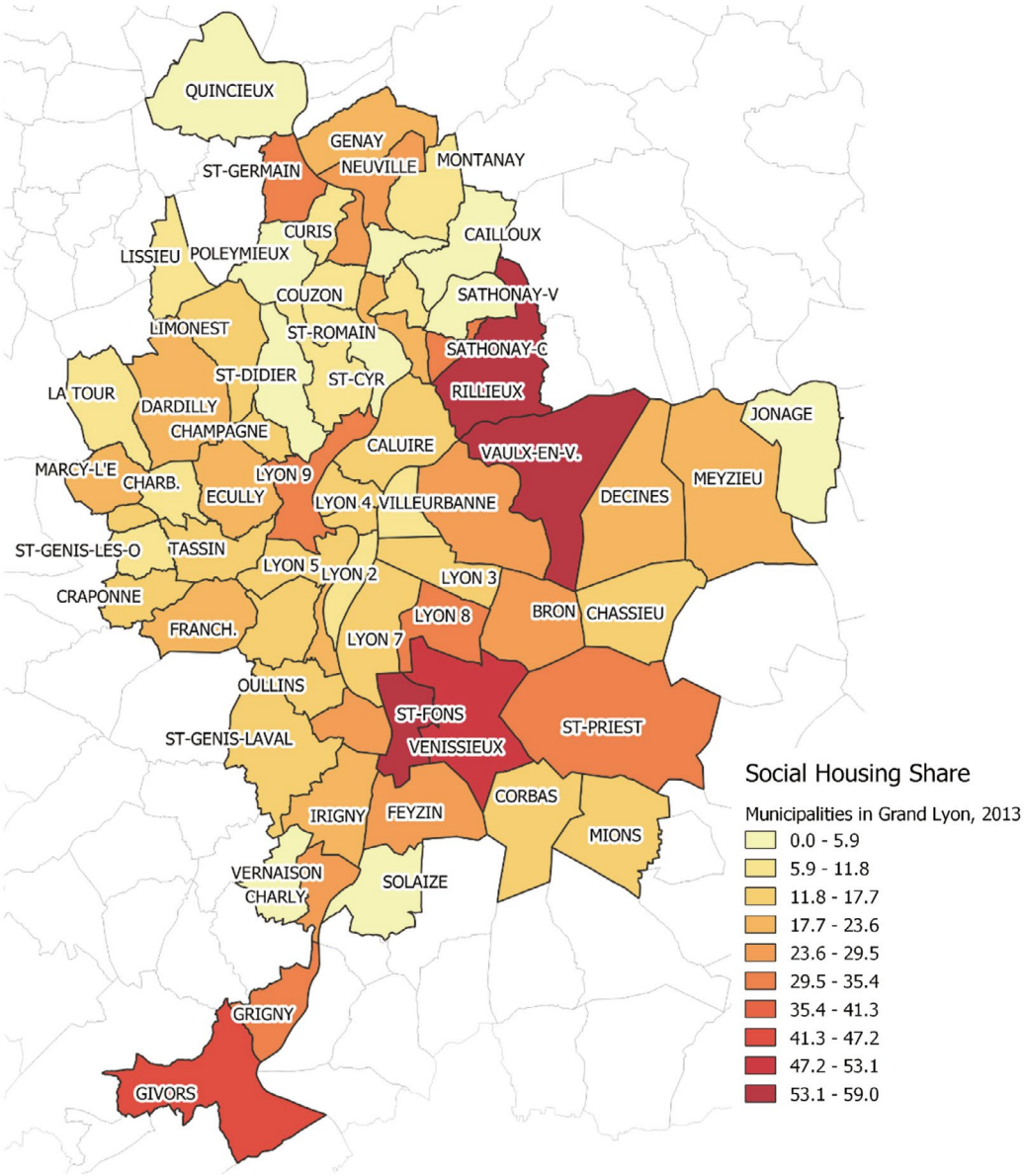
Increasing the target value for social housing by municipality (2013)

Article 55 of the national law on solidarity and urban renewal (SRU, *Loi Solidarité et Renouvellement Urbains*) from 2001 introduced a 20% share of social housing to be reached in each municipality with more than 3,500 inhabitants (see Section 8.3.2).

Figure 22: Social housing share in Grand Lyon's municipalities, 2013



(Source: own representation based on UrbaLyon 2013)

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It was further increased to 25% by a law from 18 January 2013 (*Loi Duflot I*).[53] According to this law, the target of 25% should be achieved by 2025. In order to achieve this goal, enforcement measures were strengthened, by extending the powers of the prefect. The prefect was given the ability to impose a significantly higher financial penalty on municipalities that have not achieved their housing objectives. Because the targets were mostly missed by rich municipalities, the maximum penalty was increased to 7.5% of the municipal budget. In this context, the prefect's right of pre-emption was also extended from land to apartments. Last but not least, the prefect was also granted permission to issue building permits in place of the mayor (Levasseur 2016).

The social housing stock in the municipalities of the agglomeration are now presented graphically. It is apparent that there are great differences within the agglomeration. In the North, there is a cluster of several municipalities with a social housing stock of well below 10%, while some municipalities continue to have a very high proportion of just under 60% (see Figure 22).

Only a small proportion of the communities within the Grand Lyon metropolitan area which missed the target were ultimately effectively penalized, usually with a financial fine. Some were able to argue, in the course of an extensive procedure, that there were objective reasons for not reaching the target, or that they had switched projects and resources to projects outside the territory, because of the already high density within the municipal area, for example, the Northeastern municipality of Dardilly (Le Progrès 2014).

Law on housing access and renewed urbanism (ALUR) (2014)

The law on housing access and renewed urbanism (ALUR)[54], adopted in 2014, was embedded within a larger national government objective of annually constructing half a million new dwellings across France and fighting against poverty and social exclusion and producing more sustainable and energy-efficient housing. According to then minister for housing (*Ministère de l'Égalité des Territoires et du Logement*), Cécile Duflot, who was responsible for the law at that time under the government of François Hollande, it envisages regulations of the market, protection of citizens and innovations for better housing construction. Within the framework of the regulation logic, it is a question of long-term regulation of rents as a countermeasure to the dysfunctions of the housing market, rebalancing housing costs and giving clear rules to professionals as well as modernizing urban planning rules. Within the framework of the logic of protection, it is a question of guaranteeing rents, fighting against substandard housing and a housing policy oriented toward re-housing, and preventing the deterioration of co-ownership. Finding innovation is meant to be the quest for finding alternative forms of housing and introducing more transparency in social housing (Dormois 2015: 104).

This national law was mentioned in 6 out of 10 interviews conducted in Lyon. Interviewee 6, the president of a social housing organization talked, about the consequences of this national law:

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[53] Loi n° 2013-61 du 18 janvier 2013 relative à la mobilisation du foncier public en faveur du logement et au renforcement des obligations de production de logement social.

[54] Loi n° 2014-366 du 24 mars 2014 pour l'accès au logement et un urbanisme rénové.

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> This was when the metropolitan authority actually defined the social mix sectors in the agglomeration. So, the social mix sectors, they exist in – I think it's in the ALUR law. In some places, you have defined sectors where a percentage of social-housing construction is required in relation to the volume of housing construction. Here, it is defined city by city in the metropolis, and it is defined as a percentage of the total surface of the developed area. This means that, if we build less than 1,000 square meters of floor space, it doesn't necessarily imply the same thing as building a program of 5,000 square meters of floor space. And we set percentages according to the existing level of social housing in the municipality in question. So, in the very rich municipalities, which have not built much social housing and which have a very low rate of social housing in relation to total housing, we will say it must be 30%. So, when you build a program of 50 units, you need 30% social housing (15). Otherwise, nothing happens. Nothing. Otherwise no right to build. (Interview 6, Lyon)

Apart from the definition of socially mixed areas, the measure of community land trust well known in Anglo-Saxon contexts was enabled and envisaged by the ALUR law 2014. The purpose of such a community land trust (OFS, *office foncier solidaire*) is to acquire and manage land whether built or not. Land or estates acquired through an OFS must be used for providing housing or community facilities. OFS are nonprofit organizations following an antispeculative logic aiming at allowing especially low-income households to gain ownership or rent at moderate rates (Boche 2019a; 2019d). In September 2019, the metropolitan councilors decided to create an OFS to provide housing for half the price in Lyon in the future (Boche 2019b). According to a metropolitan councilor, discussions about the endowment with resources were ongoing in late 2019 (Interview 9, Lyon).

8.3.4. Métropole de Lyon and more transversality in housing (2015–2017)

The creation of the Métropole de Lyon on 1 January 2015 meant that the metropolitan level had most central competences in the field of urban planning and housing policy. Nevertheless, the role of the other levels of government should not be completely neglected. The nation-state remains a key player in the field of social housing and retains, for example, the competence for emergency housing. Moreover, the municipalities continue to play an important role in the implementation of housing policy, i.e., they are responsible for issuing building permits as well as have a say in the granting of loans to social housing providers.

Local action plan for housing and accommodation of disadvantaged people, PLALHPD (2016)

The context with the creation of the new metropolitan authority provided an opportunity to improve access to and maintenance in housing, within the framework of the future Local Action Plan for Housing and Accommodation of Disadvantaged People (PLALHPD, *Plan local d'action pour le logement et l'hébergement des personnes défavorisées*) (Grand Lyon 2015a: 25).

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This was mentioned by three interviewees as one of the central documents related to the social dimension of housing. An administrative member responsible for housing described the document in the following way:

> The framework document for social policies is called the PLALHPD, the Local Action Plan for Housing and Accommodation of Disadvantaged People, which is copiloted by the metropolitan authority and the state, and which brings together once again the social landlords, involve all the civil-society organizations and which consists of 19 activity sheets that give the program, the framework, for example, for the traveler community on the issue of evictions, to better support people in the field of extreme precariousness, etc., and therefore really focuses on the priority targeted and disadvantaged groups. This is the social policy aspect of housing. So, that's why the associations are really involved in this document, already in the stage of elaboration. (Interview 4)

The Besson Law from 1990 established the Departmental Action Plan for the Housing of the Disadvantaged (PDALPD, *Plan Départemental d'Action pour le Logement des Personnes Défavorisées*) for the implementation of the right to housing. More specifically, this plan aims to define the objectives and methods of action of the partners (State services, Department, Family Allowance Fund, local authorities, associations operators, social landlords), in order to allow access to housing and the maintenance of underprivileged people, in particular through social support linked to housing, prevention of rental evictions or the fight against substandard housing. The ALUR law from 2014 extended it to reception, accommodation and integration policies for all population groups. Among the central objectives were Housing for All, and in particular the strengthening of support arrangements for low-income and homeless people in order to find an economically suitable accommodation (Grand Lyon 2016b: 3).

Series of workshops (*Ateliers de travail*) (approximately from 2016)

In 2016, the metropolitan authority launched a new series of workshops entitled Housing and Living (*Habiter et se loger*). The administrative member responsible for housing I talked to described the main idea behind it as "to create an institutionalized exchange to share ideas with local housing actors every two years" (Interview 4, Lyon). More than 500 professionals from the region are usually invited and participate in a series of consecutive workshops. Among the invited professionals are architects, private developers, social housing providers, civil society organizations as well as representatives from the housing services of the municipalities in the agglomeration.

The first edition consisted of three thematic workshops. During the first one entitled "Needs and the Public Sector," housing and the aging population were discussed as well as the answer to Housing for All, and findings from the Finnish experience with housing were presented. In the second workshop on economic models, issues surrounding land prices, cheaper ways of high-quality building and insights from Bordeaux were presented. The third workshop with the title "Territorial Balance" (*l'équilibre territorial*) was about the social mixing approach and the residential mobility of inhabitants (Grand Lyon 2016a).

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The second edition concerned the subjects of "Housing First" (*le logement d'abord*) and the need to help homeless people with finding an adequate accommodation first and "Housing Different" (*habiter autrement*) about other ways of living such as tiny houses, multigenerational households, cooperative housing, and how to produce and promote new forms of living and housing (Grand Lyon 2018). According to a researcher, who is also involved in organizing this workshop series, the edition from 2020 should deal with housing and families (Interview 7, Lyon).

Projet métropolitain des solidarités (2017)

The Metropolitan Solidarity Project (*Métropolitain des solidarités*) was initiated by the metropolitan authority in 2017 for the period up to 2022. It is described as a partnership project, emanating from the preceding work of several actors involved, among them metropolitan councilors, institutional partners (the umbrella organization for social housing providers in the region ABC-HLM, the primary health-insurance fund, the departmental union of communal social-action centers and civil society organizations from the social sector). The housing-related measures outlined therein respond mainly to the demands of the aging population by adapted forms of accommodations. These allow the elderly to stay in the same district, maintain their social ties and guarantee accessibility of housing and its environment for the elderly (Grand Lyon 2017b). In order to identify the needs of elderly people, a survey was conducted in 2016 for this project among all the inhabitants between 60 and 90 years of age (Grand Lyon 2017b: 27).

One of the interviewees, an urban researcher, pointed out that a new observatory (*l'observatoire de la solidarité)* was created following this project to deal mainly with social fragility in a more general sense. The same interviewee also said that both of these projects must be understood against the background of the creation of the new metropolitan authority in 2015 with additional competencies in the social realm. Altogether, this contributed to "a greater transversality in the approaches" (Interview 7, Lyon), meaning that a great variety of actors from different policy fields brought their competencies to the table.

The cleavage within the Social Democrats

In 2008, Olivier Brachet, former director of several civil-society organizations (e.g., *Forum refugiés*) and a member of the Socialist Party as well, became an executive member and head of the directorate in charge of housing on the metropolitan level. In 2014, he even became the election campaign manager for Gérard Collomb's third term from 2014–2020 (Daoud 2015; Vergriete 2013: 236).

Olivier Brachet resigned in February 2015, shortly after the creation of the stronger metropolitan government Métropole de Lyon because of disagreements regarding the elaboration and general orientation of Grand Lyon's housing policy. In his perspective, the mayor decided largely without consulting the administration or his staff and clearly without citizen participation. Rather, business groups, the local chamber of commerce and big companies seemed to be involved in his decision-making (Galimberti et al. 2017: 158; Jouve 2009; Le Progrès 2015).

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In addition, significant budget cuts occurred, especially resources dedicated for land purchases decreased from €20 million to less than €12 million (Daoud 2015). In the years before, there had been a significant increase in the overall local housing budget of Grand Lyon, especially from 2000 to 2012. In 2000, expenditures were around €20 million, rising by 2008 €61 million, and in 2012 the budget was €82.3 million (Maurice 2014: 230).

Brachet's resignation marked a critical juncture in the orientation of Lyon's housing policy and was mentioned as a significant event in half of the interviews (Interviews 1, 2, 3, 9 and 10). It can also be seen as a fracture within the Social Democratic Party in Lyon. On the one hand, there is the almost exclusive focus on economic growth, some kind of third way proposed by the president Gérard Collomb with a dominance on making the city attractive primarily for companies and investors. This also contributed to the description of Lyon as "city of the left, but which left?" (Boino 2009: 139). As mentioned before, redistribution of social housing must be seen in this light. On the other hand, the left wing of the party represented by Olivier Brachet proposed social policies in order to decrease inequality in the metropolitan area. His resignation must be understood against the background of agglomeration-wide rising land and house prices as well as rents (UrbaLyon 2018). Land prices in Lyon started to increase soon after the credit crunch. This is said to have been the consequence of the activities of big national companies on their quest for more profit. They set up commercial wings which operated as real-estate developers (Vergriete 2013: 171). In this context, having a significant amount of financial resources at their disposal was even more important than in earlier years.

As mentioned in several interviews with representatives of civil society organizations, a "precarization of the middle class" was and still is ongoing. It has become more and more difficult for middle-income households not eligible for social housing, but without enough financial resources for renting (in good quality) on the private market (Interview 1 and Interview 2). This often has the consequence that middle-class households must look for low-quality housing on the private market. Results from a survey among recipients of family allowance conducted in the agglomeration of Grand Lyon already 20 years ago pointed to this development, that the private rental sector accommodates many people with low income but often under prohibitive conditions (Le Blanc and Lopez 1996).

Another fundamental disagreement between Brachet and Collomb concerned the creation of a public land office (OFS, *Office foncier solidaire*), which was forgotten during the creation of the metropolitan authority (*La Métropole de Lyon*) according to Brachet, and no alternative solution was found (Daoud 2015). This was one factor contributing to the conflict culminating in the resignation of the housing manager at that time. Another factor concerns the extent to which political solutions are debated and commonly elaborated. According to various sources, then President Gérard Collomb decided many things on his own, without consulting his cabinet (Lagrange 2015).

In April 2016, the current French president Emmanuel Macron founded the new party "La République en Marche!" (LREM), and some months later Gérard Collomb declared his support (Clavel 2016). Subsequently, Collomb and other politicians left the Socialist Party and affiliated

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with the new party. After the election of Macron as French president in May 2017, Gérard Collomb was appointed Minister of the Interior and stepped down from his position in Lyon.

David Kimelfeld, a close associate of Collomb (member of LREM as well), belonging to the metropolitan executive, became President of the Metropolitan Authority in July 2017. This event finally put the growth consensus into question. According to most interviewees, Kimelfeld was more open to discuss and willing to play a more active role in the field of housing:

> Housing first (*le logement d'abord*), we started it under his presidency, because he used to be more open for social issues than his predecessor was. Also, housing issues were addressed in public meetings held from time to time in the agglomeration. And there is another issue I would like to talk about: the question of land, because obviously, housing costs are rising, and this is related to the access of land. Actually, it was also this issue that lead to problems and dissent between Brachet and Collomb. Brachet thought that these necessary resources were not made available for land acquisitions, which is true; I share his analysis. So, we are progressing with David Kimelfeld precisely we progress on the fact that the Grand Lyon has increased its budget from €20 Mio. to €40 Mio. per year on the acquisition of land for housing, intended for housing, because social landlords still have trouble finding land at reasonable prices. So, insufficient and passive land policy. [...] The issue has been raised under Collomb, but he did not become active and did not pass any political order on it, it was David Kimelfeld who commissioned the order to the administration, besides he did that in a record time. I think the order should normally be adopted before the next elections in March 2020. So, the subject of land and affordable housing, I would say, was much more actively addressed by Kimelfeld. The big issue of Collomb was economic growth and development. (Interview 9, Lyon)

The housing first program (*le logement d'abord/un chez soi d'abord*) implemented by Kimelfeld is a national social housing program initiated in 2017, which targets homelessness. Around that time, it was estimated that around 3,000 people were homeless in the agglomeration. The principal assumption of the program is that a stable home, not an emergency accommodation that has to be changed regularly, is the most important thing and first step to helping homeless people. Related problems such as health issues or unemployment cannot be resolved without a stable home according to this program (Lahaye 2019). Shortly after the change at the top, the metropolitan government decided to apply for this nationally advertised program. The program was officially launched in early 2019, involving about 80 different actors from the housing and health sectors, mainly public and civil society. It must be seen as a continuation of the project *métropolitain des solidarités* (Viévard 2019). The launch of the program was certainly also linked to the change at the top of the metropolitan government, but it also occurred because of a decline in social housing construction activity since 2017 (PLAI, PLUS, PLS), which has increasingly exacerbated the problem (Fondation Abbé Pierre 2019). Also, at the beginning of 2019, local entrepreneur Alain Mérieux, who has close ties to former President Collomb, launched an entrepreneurial initiative to tackle the problem of homelessness. Known as The Enterprise of Possibilities (*L'Entreprise des*

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possibles), the aim is to bring together companies from the regions and pool their resources in the fight against homelessness (Le Progrès 2019).

During my visit to the city of Lyon on the occasion of the International Social Housing Festival in Summer 2019, the problem of homelessness became apparent in various places in the city, for example, in the second arrondissement, located between the Saône and Rhône rivers, near the Lyon-Perrache railway station. The following picture shows an underpass, which offers protection from the weather and should make life in a tent a little more bearable for homeless people.

Picture 10: Tents in an underpass close to the railway station Perrache, Lyon (5 June 2019)

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The view that political interventions in housing intensified during the term of David Kimelfeld was also expressed in another interview with a former activist and regional manager of a civil society organization:

> And over the last couple of years, there have been real changes with a global strategy of cost control, especially with something I would call somewhat Leninist, land control. (Interview 2, Lyon)

In March 2019, the president of the metropolitan authority, David Kimelfeld, referring to the increasing cost of housing and the risk of gentrification, especially at the center of the agglomeration, announced an emergency plan for access to housing. More land reserves have to be acquired, and discussions were launched concerning the creation of a community land trust

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equipped with significant financial resources from the metropolitan authority. The question of rent controls has not been raised on this occasion (Boche 2019d).

The decision will probably be made before the municipal elections in March 2020, where Gérard Collomb and David Kimelfeld are set to compete against each other in the first direct elections of the metropolitan president. In a recently published newspaper article, Kimelfeld denounced Collomb for the lack of interventions in housing and social issues during his tenure. The priority given to increasing the attractiveness of the agglomeration was criticized, a proactive role in housing and social policy is needed (Boche 2019c). This shows the fundamentally different and much more growth-critical orientation of Kimelfeld.

The important role of civil society organizations (the associative world)

A strong presence of associations is a characteristic of Lyon's institutional landscape on the metropolitan and local level. They positioned themselves as charitable organizations and were significantly involved in the elaboration of the PLH adopted in 2007 (Cordier 2011: 162–70; Cordier and Meunier 2009: 41–43). This is also because of the widespread humanistic tradition in Lyon (Barthez and Bérut 2008; Crozet 2002).

With the important role given to the civil society organizations, Lyon is often mentioned in the same breath with Rennes. Both cities are often described as the most progressive ones in the field of housing. According to Le Galès (2002), there used to be an institutionalized cooperation with a network of property developers, elected and strongly legitimized politicians who work against speculation and gentrification; highly interventionist urban planning rules were strictly applied. If a developer builds profitable things such as high-income housing or office space, they have to build social housing too, at the same or another place (Le Galès 2002, 219–20).

The special role of civil society actors in housing policy in the Lyon agglomeration was also mentioned several times in the interviews, altogether by 4 out of 10 interview partners. One representative of a civil society organization declared:

> Grand Lyon has long been involved in the field of housing and has contributed to bringing the actors closer together. That has allowed a habit of working together in collaboration, in partnership. But the metropolis still does a lot and has done a lot in this field by trying to set up many devices – and I mean the civil-society actors, ours in particular, but also others have been involved in many actions. It has already been 20, 25 years, a work that was often done in a pragmatic way and by bringing together different actors. (Interview 1, Lyon)

The exceptional partnership and involvement of actors representing the civil-society world was also highlighted in an article by Hall and Hickman (2005), who offer an English perspective on the problem of unpopular social housing in Vaulx-en-Velin. Regarding the aspect of partnership working, the approach followed by policymakers and practitioners from the Lyon city region is the best practice in the French context. Central government, local authorities, social housing providers (HLMs) and civil society organizations work together (Hall and Hickman 2005: 34).

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8.3.5. Local interventions and national commodification (2017–2020)

Anti-Airbnb laws (2017)

Not only since the electoral victory of the moderate left in 2001 has the tourist industry benefited from political support. Tourism was crucial for the diversification of activities toward the service sector. Between 1995–1999, Lyon promoted tourism and chaired a respective committee within the city network Eurocities (Payre 2010: 277). In 2005, Grand Lyon and other regional actors published a dossier aiming at the promotion of economic growth, in which strengthening tourism industry and promoting business tourism was one of the main foci (Fricke 2019b: 139–40).

> And one of the main developments in his term – with disastrous consequences for us [as civil society actors in the field of housing] – was the support of business tourism. So, he left everything to the hotel industry with a dramatic lack of anticipation. Already, way before the rise of Airbnb. So, new hotels were promoted and developed … hotels everywhere. Today we must make anti-Airbnb laws to finally protect the hotel sector. But above all, this development made it impossible to build homes for the residents. We urgently needed and still need buildings to house people. And, so, today we have refugees, people in difficult situations and in need of being housed in hotels by the state. […] In France in general, but in Lyon in particular, this is very pronounced, because we developed a lot of hotels and we cannot find affordable housing for the people anymore. Tourists come and spend their nights in residential buildings rented via Airbnb, and we have residents living permanently in cheap hotels. (Interview 2, Lyon)

In 2017, around 800 people were sheltered in cheap Bed and Breakfasts in Lyon alone. The living conditions of these residents are frequently precarious, e.g., big families must stay in tiny rooms without a kitchen (Uhry 2018).

Measures to improve this situation and to provide a larger affordable housing stock accessible to low-income households are mentioned in another interview with an executive member of the metropolitan authority. They have been enacted in 2017 by the metropolitan authority.

> Public policies are necessary to maintain an accessible housing park, a housing stock accessible to all segments of the population. On this topic, there is a measure also to limit Airbnb, because you know that the big cities are being exposed and confronted with the trend of more and more ordinary dwellings becoming Airbnbs. This finally reduces … especially in central areas … this further reduces the share of private housing available for families. So, we took action in Lyon on the fact that it must be declared, and that if a housing unit is transformed to an Airbnb this loss must be compensated by the creation of an ordinary housing unit in the same area ... these deliberations [in the metropolitan parliament] concern furnished tourist apartments in general. Therefore, it is important not to become something like a museum and have neighborhoods and areas, only tourist areas, where no local people live. What else can we do? […]. (Interview 9, Lyon)

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In order to avoid seeing their center turned into a place for tourist accommodation, to the detriment of local residents who sometimes can no longer stay in certain areas, the metropolitan authority enacted some measures in 2017. Following political pressure by the metropolitan authority, Airbnb and Grand Lyon together released a couple of rules for landlords which have to be respected in Lyon since 2019. Among them is the limitation that main residences cannot be rented during more than 120 days a year, the identification of each rented object via a unique registration number and raising a tourist tax as in normal hotels (Deligia 2019). Similar laws were drafted at the national level as early as 2016 under pressure from the local government in Paris, but implementation ultimately failed, partly because Airbnb and the European Holiday Home Association lobbied successfully against them (Aguilera et al. 2019: 11).

Those and other measures taken by the metropolitan authority are endorsed by another interviewee, who mentioned the danger of Lyon becoming a huge Airbnb, where only affluent households can afford to live in central areas, implicitly referring to the tension between use value and exchange value:

> Neighborhoods that work are essential. It is therefore important not to exceed certain levels for land and house prices. Selling prices have to stay at a low level. Honestly, I think that's actually what we have to do, because otherwise we will make Lyon a kind ... it should not be that Lyon becomes a huge Airbnb, and that only the most privileged can afford to live in Lyon and the agglomeration. So, I think measures taken by the metropolitan government are going in the right direction. (Interview 8, Lyon)

The advent of apartment-sharing platforms such as Airbnb must be seen against the background of the financialization of housing. It is a highly profitable strategy to invest in apartments in attractive areas and to rent them out. This also shows the increasing importance of an exchange value conception over a use-value conception (see Section 2.3.2).

Macron's Election in 2017 and Loi ELAN

With the election of Emmanuel Macron as French president on the 14 May 2017, austerity policies not known before in France have been initiated. Although austerity measures in the field of housing were not the main point of discussion during the electoral campaign, soon after he assumed office, the world of housing was shaken by a succession of government announcements, especially since the housing issue had been very much in the public eye. The announced reforms led to strong resistance within the ranks of social housing providers, but also among representatives from the private sector, who were also affected by planned cuts (Driant 2017).

Macron was mentioned by 4 of 10 interviewees, among them all of the representatives of social housing providers. According to the director of one social housing provider, the national government under Macron soon began to attract international investments, which is a danger to the social housing providers. A relativization was made in the sense that currently (in June 2019) large-scale international investments are not seen as a danger for the social housing sector in Lyon, although the fear certainly still exists, if you look at other French cities, especially developments in the capital of Paris (Interview 5, Lyon).

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Another interviewee, a metropolitan councilor, said that the construction figures for social housing rose over time to the point when Emmanuel Macron assumed office in 2017. There was a steep decrease in construction figures across France, which was also criticized by many social housing providers across the country (Interview 3, Lyon).

Another interviewee from the social housing sector also gave a negative assessment of the developments at the national level under Macron, which even lead to a status of crisis within the social housing sector:

> Over the last 2 years, we have suffered a significant drop in our resources, because we are a victim of the government's policy of reducing housing assistance [APL] and asking social housing providers to reduce rents by the same proportion, and our rents are clearly 90% of our income. It is our natural resource. If you reduce housing assistance, the government will clearly save money, but housing-seekers and those who live there become victims. So, it is a time of crisis with the [national] government, which put in place some compensation measures, but they were not enough to offset the decline, forcing all the HLM organizations to squeeze, squeeze, squeeze as much as they could and reduce their production a little, to do a little less. While the government is asking us to do a little more at the same time, here we are. (Interview 6, Lyon)

In the same interview, the thesis is put forward that there was no social unrest similar or supported by the "Gilets Jaunes" movement only because the complexity of the reforms at that time was not understood by many people. For tenants in the social housing sector, in concrete terms the reform meant that their amount of housing benefit was cut, but they also had to pay less rent, which actually benefited them overall. The cuts in housing allowances (APL, *Aide personnalisée au logement*) relieved the burden on the central government budget, but had to be directly compensated by the loss of revenue for social housing providers. Following the announcement of these reforms by a state secretary at the annual congress of the umbrella organization for social housing actors (USH, *Union sociale pour l'habitat*), negotiations between the social housing providers and the central government were interrupted (Driant 2017).

A metropolitan councilor of the left said that this reform was mainly initiated based on the argument that social housing providers have enough financial resources of their own in their "war chests," so the national state does not have to finance them any longer. One of the consequences was said to have been the neglect of the principle of solidarity, on which social housing in France was based. It is largely neglected by the current national government:

> That undermines the concept of national solidarity, which consists of making people pay, which was the case, but it has been called into question since then ... Even so, it questions the principle of solidarity for several years, or it's out of the state budget that we finance social housing, that's the principle that's being weakened more and more, and now it's basically the poor who have to finance the housing of the poor. (Interview 9, Lyon)

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The ELAN law[55] from 2018 is the manifestation of the national government's housing strategy. It was mentioned in half of the 10 interviews and statements from representatives of all sectors, and it was criticized by all interviewees. This is also because the private actors were underrepresented in the interview sample (see Section 5.2.2).

The administrative member responsible for housing referred to it as the law, which inhibited construction efforts in the agglomeration:

> The ELAN law aims to reconfigure the social housing landscape. So, the national government is cutting funding for social housing [...]. In 2018, there was a fairly significant stop in the production of social housing in Lyon. As I was said before, it normally lies at around 4,000, and this objective was always met. We are now even below 3,000 built housing units, so it is a significant decrease. (Interview 4, Lyon)

A researcher and expert regarding Lyon's housing market said that the ELAN law shows the ideological orientation of the government Macron with its priority on "stimulating the markets" (Interview 10, Lyon). Criticism of the law and the policy orientation of the Macron government was, of course, also voiced by the social housing providers, who were ultimately affected most by the cuts (Gossart 2018).

A metropolitan councilor also referred to the recent reforms initiated by Macron and the privatization of social housing, and said that the benefit payments for objects were reduced as well:

> The state is gradually disengaging; Macron has completed this cycle by setting the state's share of the benefit payments for objects to zero. And then, on the other hand, he has completely called into question the model on which the policy followed since 2000 was based, broadly speaking. That is to say, he relied on social landlords and organized what is clearly the commodification of social housing. Thus, asking social landlords to merge, to regroup and to become asset managers in fact. So, to sell part of the stock in order to free up equity capital for investment and globally we can see that universal social housing, which has historically been the French model, is now completely called into question. And we will have very social housing managed by public authorities at very low cost and housing for employees, managed by *Action Logement* with no doubt different strata. (Interview 3, Lyon)

The policy of the national government has thus had the effect of reducing both the benefit payments for objects and the benefit payments for subjects (see also Section 8.2.1). Resistance within the Lyon agglomeration was channeled through one of the three major social housing providers, Lyon Est Métropole Habitat, whose president back then was also chairman of Housing Europe, the European umbrella organization of public, cooperative and social housing actors (Gossart 2018).

[55] Loi n° 2018-1021 du 23 novembre 2018 portant évolution du logement, de l'aménagement et du numérique.

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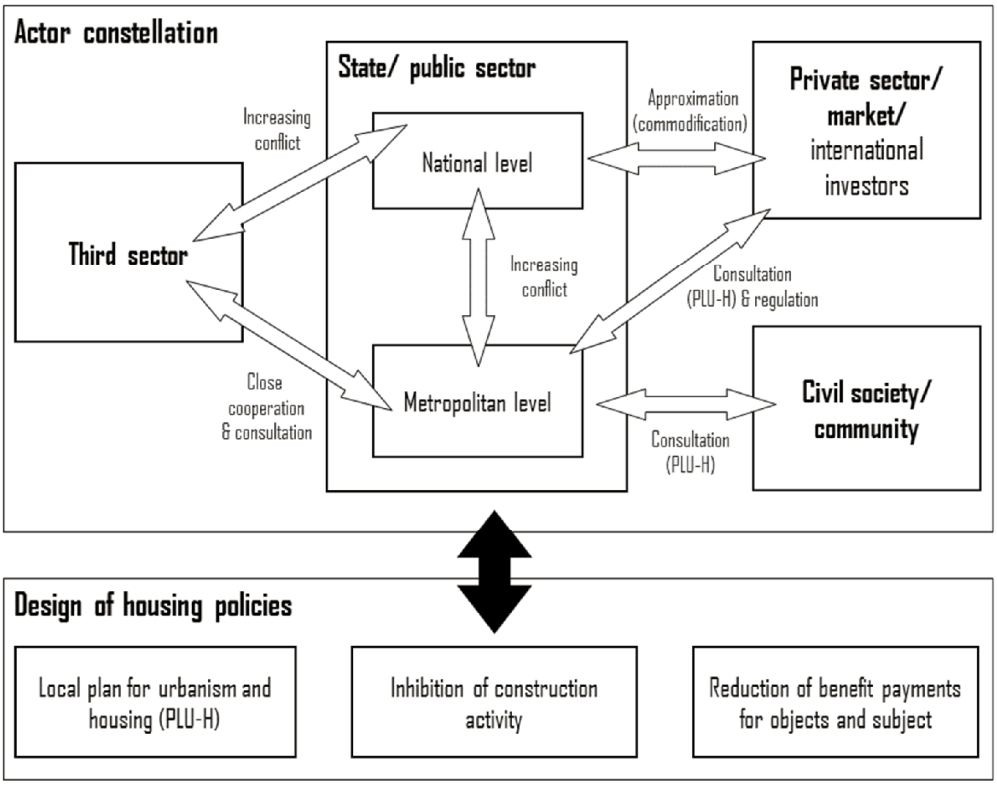
Elaboration of the new local plan for urbanism and housing (PLU-H) around 2018

In connection with the preparation of the local Urban Development Plan with a special focus on housing (PLU-H, *Le plan local d'urbanisme et de l'habitat*), extensive consultation processes were carried out with all stakeholders concerned. It was finally approved by the metropolitan council on 13 May 2019 (Egbelou 2019). According to the interviewees, the elaboration process has been an extensive endeavor involving many actors. The PLU-H came up in half of all the interviews conducted (5 out of 10). Many interviewees referred to the PLU-H when they talked about the consultation processes.

According to the metropolitan housing officer, civil society organization, promoters, construction firms, real-estate agents, social housing organizations or architects were all involved. There were even working groups focusing on different issues, such as how to deal with green spaces, how areas can best be made accessible to the existing infrastructure including public transportation or other subjects. It is said that, in the end, "we found some consensus that more or less pleases the public" (Interview 4, Lyon).

Figure 23: Housing governance in Lyon, 2017–2020



(Source: own representation)

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The last period of housing policy in the Lyon agglomeration is strongly marked by conflict between the public sector (national level) and social housing providers. The ELAN law from 2017 is an example of the market-oriented approach of the national governmental level. Commodification significantly improves relations with the private sector, and international capital is now an option for the state. Both benefit payments for objects and subjects are reduced, which contributes to a reduction of the construction activity in the metropolitan area.

Conflict is increasing within the public sector. Together with regional social housing providers, the metropolitan authority is fighting against national commodification policies. Grand Lyon itself introduces regulations of private actors such as Airbnb. In the context of the Local Plan for urbanism and housing (PLU-H), it conducts extensive consultations and works closely with groups from the private sector, civil society and third sectors.

8.4. Summary and Conclusions

Housing in Lyon differs from other French cities in two ways. First, the creation of the metropolitan level and the significant increase of competencies over time led to a situation, where the central state had comparatively fewer responsibilities, and the diffuse distribution of competencies known from other French cities or agglomerations made room for a stronger institutional authority in which the wires come together. Second, the unique tradition of cooperation between civil society organization, public and market actors also mentioned in the majority of interviews contributes to a situation, in which common solutions can be found more easily.

The first housing period in the urban region of Lyon from 1990–2000 was characterized by the shift of housing competency to the metropolitan level. The transfer of competencies finished with the first agglomeration-wide local housing plan (PLH) adopted in 1995, which also contributed to an internal reorganization of the metropolitan authority Grand Lyon. The agglomeration of Lyon was one of the first in France to adopt such a plan, enabled by a national law from 1983. The decisive factor in this context seems to have been that civil society organizations demanded a housing mission (*mission Habitat*), which was responsible for the realization of the PLH. This administrative institution was finally created in 1992 (Maurice 2014, 227; Millénaire 3 2010a). Another reason for the approval of the PLH may be seen in the 1992 Master Plan for Urban Planning called "Lyon 2010." This document even became a model for new ways of planning in France. It opened up the planning process to public, private and civil society actors. This openness enabled Grand Lyon, as the leading authority, to bring together all the actors relevant to the elaboration of the PLH already at an early stage (Polère 2014: 422–23).

Several other developments during this period illustrate the increasing importance of the metropolitan level in the field of housing. First, there was an enlargement of the political institutions of the agglomeration, meaning that mayors from more communities were actually represented, a development epitomized by the creation of the agglomeration-wide habitation conference among others in 1998. Second, a prospective vision of the territory was developed via the future-oriented platform Millénaire 3 (Demazière 2018: 67).

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Nevertheless, the departmental level (*Département*) remained the organizing force in some areas, such as the production and distribution of very social housing. A whole range of actors was involved in the action plan for the housing of disadvantaged people adopted in 1991, among them civil society organizations, social housing providers and various state levels and bodies (Department, the Region, Grand Lyon).

The second period from 2001–2008 was marked by a stronger cooperation and involvement of the different actors in large urban renewal projects and the elaboration of new plans. A stronger cooperation was also seen within the public sector between the metropolitan authority and the municipalities, which were still relevant actors despite the transfer of many housing-related competencies in the previous period. A coalition of politicians around Lyon's mayor and Grand Lyon's president from the moderate left as well as local business elites ensured a growth-oriented political agenda. Increasing the attractiveness of the metropolitan area was the main goal at that time. Housing policy must be seen against this background. The national SRU law introducing a 20% social housing quota for each municipality with more than 3,500 inhabitants was implemented on the metropolitan level also to polish up the bad image of some areas and attracting more investments as well as higher social classes to Grand Lyon. Providing more affordable housing across the territory while at the same time contributing to gentrification is a somewhat contradictory policy orientation in this period (see also Galimberti et al. 2017). The introduction of the SRU law built a favorable political context and strengthened the position of municipalities and Grand Lyon in negotiations with private builders and developers, although it was not binding, meaning that issuing building permits did not allow direct imposition of social housing quotas, though cumbersome negotiations were necessary (Vergriete 2013: 236).

In 2006, the competency for financing social housing was transferred to the metropolitan authority Grand Lyon as well. The tight situation on the housing market, epitomized by a total of 43,000 households on the waiting list for social housing in the agglomeration in 2005, required a more consistent reaction by the public. Therefore, the reform was initiated by an alliance of all governmental levels (Grand Lyon, Région and (national) state).

A year later, the new local housing plan was elaborated as a strategic orientation for the upcoming 6 years. The mission was to find a consensus between all the actors involved and to develop a common understanding of the current housing situation in the agglomeration.

The third period from 2008–2014 was marked by consequences of the financial crisis in terms of a growing influx of global capital and a somewhat contradictory housing policy on the national level.

The financial crisis led to a situation in which private developers had to reduce costs and therefore often joined forces with other private players on a single construction site (Le Progrès 2009; Rocken 2008). The impact on social housing varied from one project to another. Some private developers, whose projects were intended to provide a certain proportion of social housing, abandoned the projects altogether. Others even increased the share of social housing in order to pass on a larger part of the costs to social housing providers and thus obtain financial liquidity (see also Duret 2008). At the same time, the agglomeration of Lyon was seen as one of the safest places for investment across France and thereby attracted foreign and domestic investors alike.

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The new Local Development Plan (PLU) prescribed a binding share of social housing for each private construction, independent of any negotiations, which is described as a significant change because it provided planning security for all actors involved. More specifically, the obligation was to construct a certain share of social housing within all private schemes of a certain size, depending on the location of the specific plot. This development marked the end of cumbersome negotiations between Grand Lyon, social housing providers and private developers. The public authority became the main organizing force and set the guidelines for the negotiations between other actors, although it was not actively involved in negotiations itself.

On the national level, the former employer's contribution known as "1% housing" was centralized in an institution called *Action Logement* around that time. As a result, the employee representatives lost influence in housing policy, as they could no longer have a direct say (e.g., regarding attribution rules). Amendments to the SRU law led to the introduction of more sanctioned mechanisms in the case of municipalities that resisted the construction of social housing within their territory. In addition, the necessary quota for each municipality of a certain size was increased from 20% to 25%.

The Law on Housing Access and Renewed Urbanism (ALUR) from 2014 created several intervention possibilities for municipalities and metropolitan authorities, including rent controls and community land trusts. Both options initially remained unused in Lyon.

The fourth period, from approximately 2015 to 2017, was marked by the foundation of "Métropole de Lyon" in which the competencies of several institutions were combined, leading to a more transversal approach, i.e., housing was no longer seen as an isolated field, but more generally as a central aspect of social policies.

In this context and during the process of creating the more powerful metropolitan authority, a cleavage within the governing Social Democrats started to emerge. The metropolitan budget for housing and land acquisition was significantly reduced at that time. This was one factor contributing to the conflict culminating in the resignation of the housing manager at that time. Another factor concerned the extent to which political solutions are debated and commonly elaborated. According to various sources, then President Gérard Collomb decided many things on his own, without consultation with his cabinet (Lagrange 2015).

In the aftermath, with the support of several civil society organizations, the new housing plan for disadvantaged people was elaborated. In cooperation with social housing providers and civil society organizations, a project for a more solidary metropolis was initiated in 2017. A series of workshops entitled "Housing and Living" showed a willingness to provide a platform for exchange with professionals from all spheres regarding current and future developments in the field of housing.

The fifth period from 2017–2020 can be deemed "local interventions vs. national commodification of affordable housing." At national level, far-reaching reforms were introduced when Macron took power. First, the funding for the construction of social housing was cut. Second, housing benefits for tenants were also cut. Third, a path was taken that relied more on attracting international investment. Gérard Collomb became minister under Macron at the national level and was succeeded by David Kimelfeld as metropolitan mayor in July 2017.

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From then on, a more growth-critical and interventionist path was followed giving priority to the interests of local residents – and not only capital interests. Under the new presidency, the metropolitan authority implemented a program targeting homelessness (Housing First Program), introduced regulations on Airbnb and actually started introducing a community land trust. The launch of these programs was linked to the changes at the top of the metropolitan government, but it was also because of a decline in social housing construction activity since 2017, which increasingly exacerbated problems. In addition, pressure from civil society organizations and politicians from the Green Party and the Left Party also played a role.

9. Comparative Analysis

This chapter provides a comparative overview of the key developments in housing policy in the three urban regions under consideration. I deal with six housing-related topics. The first theme is *affordable housing* in the broad sense, i.e., basically the developments related to properties whose price lies below the market price. Second, a second aspect of affordability is addressed, namely, *homelessness*, which is closely related to this. Third, it discusses which developments stand out in the *private housing market*. Fourth, I compare the developments relating to the emergence of *institutional and international investors*. Fifth, I discuss the extent to which there is *public involvement*. Finally, I analyze the developments in connection with the *regulation of short-term rentals* (Airbnb). Table 17 provides a comparative overview of the corresponding developments.

In all three cities studied, the stock of affordable housing (including social housing and affordable housing) hardly changed during the period under study. In Zurich, the share fell from 25.6% to 24.8% because of a decrease in the municipal housing stock, with housing cooperatives accounting for 19.1% of the total stock in 2000 and 2019.

While the city of Birmingham had a stock of more than 120,000 apartments in 1981, this number has now been virtually halved to around 60,000 apartments. The situation during the period of investigation is quite similar to Zurich, where from 2000 to 2018, stock decreased from 15.5% to 14%. Since 2008, the proportion of apartments owned by housing associations rose from 9.4% to 11.2%. Overall, the proportion of affordable housing has thus fluctuated around 25%.

In Lyon, however, the share of social housing has slightly increased. In 2013, 24.9% of all apartments in the entire metropolitan agglomeration were classified as social housing, and this share rose to 26% by 2018. At the same time, a more even distribution of the stock across the area can be observed, i.e., in the Eastern municipalities the share has tended to decrease, while in the center and east there has been an increase.

Overly marked developments regarding the shares of affordable housing over time could not have been expected, in light of the general sluggishness of housing policy. However, the temporal developments are more pronounced in the private sector, where there is a tendency in all three cities for institutional investors to increase their share at the expense of smaller private owners.

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Table 17: Comparison of housing-related developments in all three city regions

Topic	City region		
	Zurich	Birmingham	Lyon
Affordable housing (wide definition)	Slight decrease from 25.6% (2000) to 24.8% (2019)	Decrease from 28% to 25%	Increase from 22.9% (2005) to 26% (2018)
Homelessness	Absence of data	Big increase → Housing First Program	Increase → Housing First (*le logement d'abord/ un chez soi d'abord*) and entrepreneurial initiative
Private housing market	Need for regulation comparatively low also because of the generally good quality of the stock	Planning permission for conversion into HMOs required	Measures against substandard housing improved quality
Institutional or international investment	Advent of the SBB (2008); after the financial crisis other domestic institutional investors (approx. 2010)	1999–2002 (limited to the city center); 2017–2019	After financial crisis; approx. 2010
Public participation	Direct-democratic instruments; grassroots movements; involvement in particular phases of projects	Pressure for more social orientation; austerity leads to "experiments" with citizen involvement	Events are only rarely opened up to the public
Short-term rentals (Airbnb)	On the agenda for a long time, but introduction of tourist tax as only regulation (2018); regulation (BZO) introducing a distinction between short-term and long-term rentals planned	Introduction of tourist tax planned in view of Commonwealth Games 2022	Regulations introduced in 2019: no more than 120 days a year, identification via registration number, tourist tax

(Source: own representation)

Regarding affordable housing, all three city regions are affected by a housing shortage. In both Birmingham and Lyon, there is an increase in the number of people on the waiting list for social housing. In addition, there is an increase of households accommodated in temporary accommodations across the city in recent years. These are often low-standard and single-room units, largely without cooking facilities, meaning that they are not adequate for accommodating multiperson households.

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In Zurich, the situation differs slightly. We have no reports about households accommodated in bed and breakfasts. Regarding the waiting lists, a centralized system collecting all the demands for social or affordable housing is absent in Zurich. Instead, most of the housing cooperatives, as the main providers of affordable housing in the city, keep their own waiting lists. Nevertheless, media reports point to a similar situation, meaning that these decentralized waiting lists are getting longer.

In terms of homelessness, the situation is most dramatic and obvious in Birmingham, which again can be attributed to significant budget cuts in recent years. The agglomeration of Lyon also experienced an increase in homelessness over recent years. Public authorities in both cities reacted by introducing a program targeting homelessness. Several entrepreneurs also joined forces to create an initiative to combat homelessness in Lyon. Zurich as all the other cities in Switzerland is characterized by an absence of reliable figures on the extent of homelessness. Homelessness seems to be a taboo in a rich country such as Switzerland. Therefore, developments cannot be classified for the period of investigation.

Regarding the private sector, the three case studies show relatively different developments. The example of Zurich shows that the private sector is hardly regulated at all, and that it is comparatively rare for private projects to negotiate higher proportions of social housing. Instead, capturing up to 50% of increased land values is sometimes done. In Birmingham, the private sector is hardly regulated at all in accordance with the liberal state tradition, though regulation is a recurring theme. In connection with the conversion of single-family houses into so-called houses in multiple occupation (HMOs), however, it has been possible to achieve, in cooperation with the private housing sector, the necessity for prior planning permission. In Birmingham, poor-quality housing seems to be a recurring issue particularly in the private sector. In Zurich, on the other hand, the private sector generally has a good reputation and is of high quality, although the example of the “rotten houses” shows that there are exceptions to the rule here, too. The agglomeration of Lyon lands somewhere in the middle. Measures have been taken against substandard and unworthy housing in the private rental sector, which have significantly improved the quality of a large part of the stock.

Institutional and international investors have become important players in all three cities during the period under study. However, the timing varies from city to city. In Zurich, the restructuring of the Swiss Federal Railways (SBB) around 2008 had its first effects, but the actual rise of institutional investors can be traced to the financial crisis. In Birmingham, institutional investors already played an important role around 2000, particularly in connection with the renewal of the city center. A second wave of development occurred roughly between 2017 and 2019, when the city came into the focus of international investors with the High Speed 2 project (a fast railway connection to London), which triggered the price spiral. In Lyon, like Zurich, after the financial crisis there was an increase in institutional investors from France and abroad.

Public participation has been a recurring issue in all three case studies. In Zurich, except for direct democratic instruments, which are frequently used, grassroots movements develop from dissatisfaction over developments in housing or urban development more generally and are finally able to shape development projects. Birmingham seems to experiment with different approaches to citizen involvement, also because of the austerity measures and because some of the housing-

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related services are provided by tenants as a form of devolution to the neighborhood level. The pressure from civil society organizations has significantly shaped housing policy. They were central in the refusal of the transfer of Birmingham's council housing stock in 2002. In Lyon, the tradition of good relationships of the public authority with civil society organizations continued throughout the period of investigation. Discussions and events about planning and housing are rarely opened up for the general public with some notable exceptions (Ecoutes Habitants, etc.).

Short-term rentals via the online platform Airbnb have increased significantly in all three cities in recent years. This development can also be seen as a form of financialization of housing. Apartments are not primarily acquired to satisfy one's own housing needs or to use them for one's own purposes, but to generate additional income.

However, the reactions to this development differ in the three cities. In the UK, the issue was raised in the national parliament, but no intervention was decided on, which can be explained by the Conservative government's opposition. However, an attempt is currently being made to introduce a tourism levy in Birmingham in view of the Commonwealth Games 2022, which would also affect Airbnb. In Zurich, the regulation of Airbnb from 2016 was discussed by left-wing politicians in the local parliament. An alliance of left-wing and green parties together with the Tenants' Association drew attention to the increasing shortage of housing through Airbnb. However, stronger regulations sometimes failed because of resistance from the tourism industry. Here, too, a tourism levy was introduced to put Airbnb on an equal footing with the other tourist attractions.

The introduction of tourism levies in both Birmingham and Zurich should therefore be seen more as a measure to eliminate disadvantages within the tourism sector than as a means of promoting a better social-housing policy. Changes in the building and zoning regulation are planned at the time of writing, which might introduce a distinction between short- and long-term rentals in Zurich.

In contrast, Grand Lyon has adopted political regulations that can be seen more strongly as part of a more interventionist and socially oriented housing policy. As early as 2017, the metropolitan authority of Grand Lyon adopted measures that were then further developed in 2019. Although the introduction of a tourism surcharge was also part of these measures, the core of the policy was the requirement that apartments could be offered via Airbnb on a maximum of 120 days per year plus a unique identification number for each object.

The empirical investigation also showed that the Social Democratic Party appears to be crucial to the housing policy in all three cities. In Zurich, with the advent of the left wing within the Social Democrats around 2010, housing affordability became an issue at the top of the local agenda, whereas the more economy friendly orientation of the party earlier on contributed to economic growth and construction activity, largely neglecting the affordability dimension. In Lyon, the rupture in the Social Democratic Party happened with the support of LREM by Collomb and the more interventionist stance of David Kimelfeld. In Birmingham, Theresa Stewart of the Labour Party followed a more socially oriented housing policy (1994–1998). After her replacement by Albert Bore from the Labour Party as well, growth orientation and the reduction of social services were among the top priorities. To put it boldly, the fracture between a social orientation of housing policy and its neglect seems to run through the Social Democratic Party.

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9.1. Financial Situation and Crisis

The case studies also show that the financial situation in which cities find themselves seems to be a decisive factor in developments related to housing policy. It has an impact on the governance of housing and beyond. If we use the primary and secondary sources of information as a point of reference for comparing the financial situation of the city regions, it becomes clear that the budget situation is best in Zurich, where there is hardly any indication of austerity programs. Lyon occupies the middle position in this respect. Particularly in connection with the budget for housing policy, it is often said that it is not sufficient and that cuts have been made at various points in time. Birmingham seems to be most affected by austerity measures. The word austerity is used in all interviews and most documents in relation to the period under investigation. The fact that the city bears the label "one of the largest local authorities in Europe" (URBACT 2019) does not seem to help ease the situation.

Of the three cities studied, Birmingham is certainly the one with the most difficult budget situation during the period of investigation. The austerity measures imposed at the national level have hit and continue to hit Birmingham City Council hard. Being labeled as one of the largest local authorities in Europe only adds fuel to the austerity measures imposed from above. Housing and other public services are therefore increasingly being outsourced to newly created nonpublic organizations or devolved to neighborhood organizations.

Zurich, on the other hand, has the best financial starting position. The high degree of municipal autonomy within the federal system means that budget priorities can be set autonomously, and that the money available can be used accordingly. Despite this autonomy, Zurich follows a cautious course, investing relatively little public money in the expansion of the city's own affordable housing stock, although the population is relatively dissatisfied with the city's unaffordability and there are various examples of households moving to the more affordable agglomeration as a result.

In terms of the financial situation, Lyon lies in the middle. The city and the local social housing providers are certainly negatively affected by the recent restructuration of social housing on the national level. However, the Grand Lyon metropolitan authority is not under as much pressure as the Birmingham City Council. In a certain sense, Grand Lyon can also be considered a showcase of the national efforts and its endeavors for more decentralization, while the Birmingham City Council is considered too big by successive national governments and is therefore under particular budget pressure.

The financial crisis from 2008 triggered different consequences in each city; their responses varied as well as depended on the degree of autonomy of the local level within the respective national state. However, this was certainly one of the major developments during the period of investigation, with important effects on housing policy in each city.

In Zurich, discussions about the unaffordability of housing gained pace following this central event, culminating in the acceptance of the fundamental article on housing in 2011. In Birmingham, the shock also contributed to Birmingham founding its own house-building and construction arm, the Birmingham Municipal Housing Trust (BMHT), in 2009. Interviewees from both cities saw a deterioration of the relationship between private and public sector deriving from these two events.

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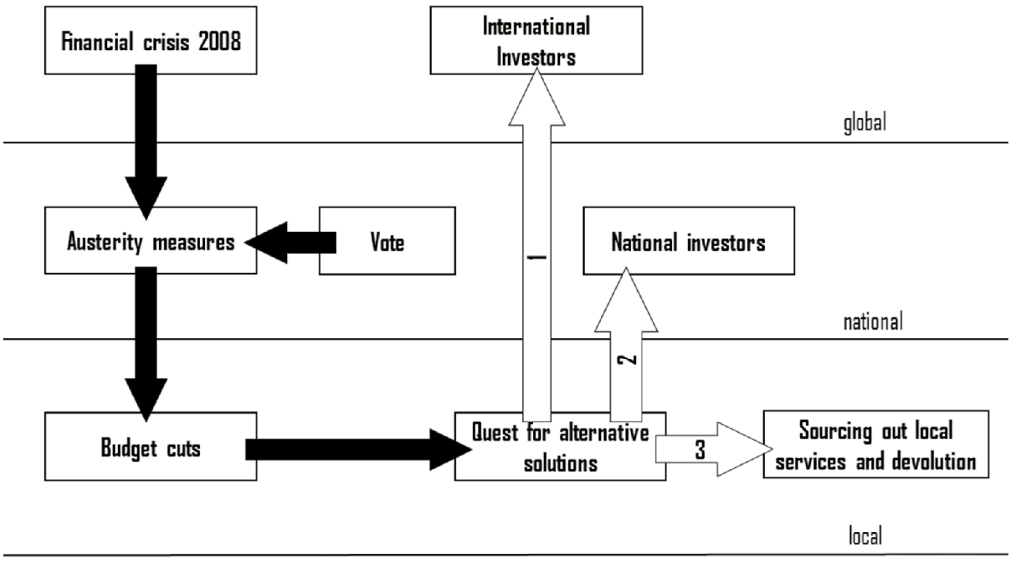
In Lyon, as mentioned above, the financial crisis led to an increase in the proportion of housing owned by domestic and foreign institutional investors. Private developers overcame their financial bottlenecks in part by allocating a larger share to social housing developers.

The process through which austerity measures triggered by the financial crisis or, in the case of Birmingham, by the Brexit vote from 2016, affected the local level as well, as illustrated in the following figure (see Figure 24).

Figure 24: Reactions to financial crisis



(Source: own representation)

In Birmingham, the financial crisis initially intensified the austerity measures at the national level. The "yes vote" on Brexit in 2016 overall led to cuts in European Union funding, which has had an impact on the local budget. As a result, the city had to look for alternative solutions. There were three different options: to cooperate with international investors or national investors, or to outsource or privatize services to subordinate levels. All options were taken at different times.

In Lyon, too, the financial crisis seems to have led to greater cooperation with institutional investors, both national and international, in urban development projects. In Zurich, the financial crisis does not seem to have had a major impact on the public budget because of the comparatively good financial situation of the city, but the advent of institutional investors can to some extent be attributed to the crisis.

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9.2. Spatial Dimension of Affordable Housing

A look at the spatial distribution of the social housing stock in the three cities reveals further interesting comparative insights, which to a certain extent are also related to the respective state policies and traditions of social housing. In France, the large HLMs were mainly built in the suburbs, whereas in the UK the stock is mainly concentrated in the inner cities. In Switzerland, there does not seem to be a uniform model in this respect, possibly also because of the strong federalism. The city regions of Lyon and Birmingham follow the respective national model. Lyon and Birmingham also differ in the geographical location of their housing stock.

In Lyon, as in many other cities in France, the social housing stock is mainly concentrated in the suburbs and suburban areas (*banlieues*). In Birmingham, as in most cities in the UK, the social housing stock is historically more concentrated in the city center. For Zurich, however, it can be noted that the city stock is more likely to be located within the city center, while cooperatives tend to have large stocks in the outer districts.

Empirical research shows that this pattern of distribution, at least in Lyon and Birmingham, becomes softened over time. Lyon is most committed to the objective of a balanced geographical distribution of the housing stock, and the aging large social housing stock is demolished in areas of high concentration and compensated for in neighborhoods with a low proportion. In purely quantitative terms, this approach is successful, and the figures for the individual municipalities within the metropolitan area are becoming increasingly similar. However, it is not possible to say exactly what will happen afterward to those households affected by demolition. In order to better balance the social housing stock, the Grand Lyon metropolitan government seems to be able to enforce these targets relatively strictly. Even in prestige buildings such as the recently built tower of Jean Nouvel Ycone, 30% of the housing was allocated to social housing providers. This is partly because Lyon, unlike the other two cities, has a consolidated metropolitan authority with Grand Lyon that seems better able to contribute to spatial justice within its territory.

Birmingham has also set itself the goal of distributing the stock of social housing more evenly and breaking up the concentration in the city center. However, this is progressing only slowly, partly because of the austerity measures but also because private development projects are yielding less.

In Zurich, balancing the spatial distribution of the stock of affordable housing currently does not appear to be an issue. Nor was a more appropriate distribution discussed in connection with the implementation of the fundamental article on housing. This may also be because concentration is not perceived as a problem. The issue of the spatial distribution seems to be more prevalent in connection with the mixing in urban schools. Housing cooperatives seem to contribute to a certain degree of mixing in school districts, and with more spatially targeted housing promotion, these effects could possibly be strengthened (Dlabac and Amrhein 2019).

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9.3. Growth Orientation vs. Affordable Housing

The investigation also revealed a contradictory policy orientation in all three cities, at least to some degree. On the one hand, there are constant attempts to attract international companies, finance, workers and tourists; on the other hand, the efforts to promote economic attractiveness have the consequence that cities are becoming increasingly unaffordable and are heating up the price development on the housing market. More or less convincing attempts are then made to counteract the negative effects of these measures by promoting the affordable housing sector. A policy that is too strongly oriented toward economic growth must therefore be compensated for by the promotion of affordable or social housing. The question arises whether it is potentially also possible to bring the two orientations together. The example of Lyon shows that a growth-oriented policy that seeks to polish up the image of the stigmatized suburbs can also bring improvements for the inhabitants in certain areas.

As in many other cities around the world, major projects or events with international appeal are also important in the three cities examined here. They can impact housing policy by directing limiting financial resources in a particular direction. Birmingham has a strong focus on major international projects. Only at the beginning of the period under review were these priorities questioned by the left wing of the ruling Labour Party, but this did not lead to a fundamental reversal of housing policy. The mindset among many politicians is geared above all toward economic growth and attracting international investment. The accusation that money for international projects should be better used for the local population is often countered by the presumption of a trickle-down effect, i.e., the investments would ultimately benefit the local population. The implementation of the Commonwealth Games planned for 2022 in times of a housing and homeless crisis is the latest expression of the prevailing order of priorities.

In Grand Lyon, major events and major projects also play an important role, albeit to a lesser extent than in Birmingham. The football stadium, inaugurated in 2016 in the Décines-Charpieu suburb of Lyon, was the main venue for several major sports events of international significance, such as matches of the UEFA European Football Championship 2016, the UEFA Europa League Final 2018 or matches of the 2019 FIFA Women's World Cup with the final taking place in Lyon.

Of all three city regions, Zurich seems to attach the least importance to major events or projects. Although there are isolated events, such as the 2008 European Championship games or the 2014 European Athletics Championships, it does not appear that the financial resources for housing policy are particularly poorly affected, or that excessive amounts of money are being wasted on prestige projects. Several factors seem to play a role as an explanation for this fact: First, prestige projects seem to be particularly difficult in direct democracy and often fail at the ballot box; second, the much more comfortable financial situation in comparison with the other two cities probably also plays a role.

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Part IV: Conclusion

10. Synthesis and Conclusion

The present study analyzes the mechanisms between governance arrangements and the actual design of housing policies. The study shows that governance arrangements and the actual design of housing policy are closely linked. However, the direction of the effect is by no means clear and varies from episode to episode. In the end, it is not clear which was or is first. The concrete design of policies is the result of the efforts of many different actors. Lobbying organizations advocate a more socially oriented housing policy and a stronger regulation of the private sector, whereas the construction industry/private sector demands loosenings in order to build faster and cheaper and ultimately to make more profit. Conversely, a particular policy can also lead to changes in the governance arrangement. Policies that introduce new institutions are the most obvious examples of this mechanism. For example, they shape governance arrangements by introducing a new organizing force in the realm of housing. Policies adopted at higher levels can also lead to the need to seek new forms of cooperation or service provision and to make increased cooperation with specific actors more likely.

Despite the great heterogeneity of the three contexts, the study shows that some mechanisms are indeed quite similar and can be regarded as systematic mechanisms that might also play a role in other contexts (cities and national states). The investigation also identified nonsystematic mechanisms that are virtually unique to a specific context (see also Beach and Pedersen 2013).

10.1. Causes and Mechanisms Shaping Housing Policy

Although housing policy operates differently in the three contexts, I identified a similar pattern on a more abstract level. This is illustrated and explained below as a mechanism consisting of a sequence of several steps (see Figure 25). The assumption is that the individual steps take different lengths of time depending on the context, and that they may also differ in intensity. However, the sequence of the steps is similar to some extent and might also be applicable to other contexts and growing cities or cities on the path to growth across the globe.

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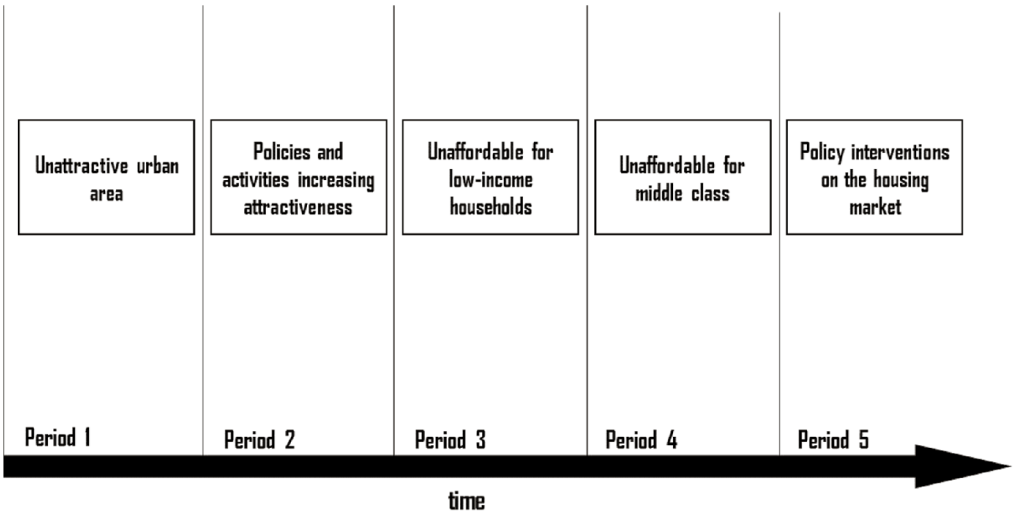
Figure 25: The process of change in housing policy



(Source: own representation)

In the beginning at Period 1, an urban space is comparatively unattractive and economically more or less stagnant. In response, the political elites in cooperation with private actors declare economic growth to be one of the most important goals. This is often accompanied by civil society actors or individuals who, partly in cooperation with other actors, partly on their own initiative, start with smaller projects (e.g., art projects, bars, pop-up ideas) and contribute to an increasing attractiveness of an area (Period 2). The aim is to establish the urban space as an attractive residential area that attracts people in the countryside or from other regions to the city. Here, in this second period, the main aim is to achieve a quantitative growth in the number of dwellings where affordability does not yet have a place. This period is usually linked with the aim of attracting various companies as part of an economic development strategy. The success of this second period initiates Period 3, in which the prices of housing (both rent and purchase) begin to rise gradually and the attractiveness of the area draws international or national investors who invest in houses and apartments. This development is usually accompanied by increasing tourism and a rise of the numbers in Airbnb apartments. Neighborhoods gradually become gentrified, often accompanied by the displacement of lower-income groups for whom the city becomes more and more unaffordable. In Period 4, the attractiveness of the city increases markedly, and the situation virtually escalates. Not only low-income households, but also the middle class is increasingly being affected by rising rent and property prices, and more and more households can no longer afford it. As a result, the demand for social housing is rising. Only now are policymakers reacting at the local level – and in different ways: Either the local room for maneuver is used to intervene in the housing market (see e.g., the one-third target in Zurich) or legislation passed at a higher level is finally being implemented at the local level (e.g., a community land trust in Lyon) (Period 5). Therefore, one of the crucial points triggering political interventions seems to be that the middle class is affected, too.

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Why do politicians only become active when the middle class expresses difficulties? This may have to do with the fact that the interests of lower-income groups or the homeless are ultimately too weakly represented in politics, a general pattern that seems not to be limited to the field of housing. Civil society organizations in the field of housing (e.g., *Shelter* in England or the *Fondation Abbé Pierre* in France) can serve as their mouthpieces. However, the difficulty is that these organizations often have a dual role: They simultaneously provide services to a state that is gradually withdrawing or to a state that is cutting services in various areas, which could potentially affect the second function of interest representation and make them less willing to criticize their principal.

The empirical analysis shows a policy response in all three cities as soon as there is an escalation in the affordability of rents, i.e., when rents explode. This convergence coincides with the period after the global financial crisis, even though the point in time is different in all cities and also depends on the financial situation of the respective city. Zurich seems to be the earliest in this respect, which is also related to the overall good economic situation in Switzerland and Zurich. Around 2010, however, the pressure increased and led to the definition of the affordability target in the municipal regulations, but which was then implemented without provoking conflicts with market players.

In Lyon, the escalation of rents occurred in the wake of the establishment of the metropolitan government Grand Lyon la métropole, which was endowed with additional powers. A change of power at the head of the metropolitan government led to a more interventionist housing policy around 2017. In Birmingham, economic growth still seems to play a greater role. Rising rents and attraction of international investments are a relatively recent phenomenon and still affect comparatively few areas. The profit opportunities expected by foreign investors in connection with the construction of the high-speed rail link to London (Highspeed 2) are contributing to rising land and rental prices, making housing unaffordable for certain sections of the population and increasingly affecting the middle class, inhibiting their will to access the housing ladder. Politicians seem to be struggling to come up with solutions. This can be explained in part by the city's strained financial situation because of nationally imposed austerity packages, the still comparatively low level of autonomy of local authorities within the UK and the dominance of the Brexit issue at all political levels since 2016.

The case study reports also point to the importance of historical developments and the path dependence of housing. In all three cities, current developments are strongly affected by historical decisions. However, all three cities seem to tend to present special cases rather than representative examples of the context. The high degree of municipal autonomy in Switzerland enabled Zurich to pursue a very progressive housing policy compared with other Swiss cities, characterized by close cooperation with housing cooperatives for more than 100 years. In principle, this approach is being continued today, which speaks for the general sluggishness of housing policy, in which changes do not occur overnight but develop incrementally over a longer period of time (Bengtsson and Ruonavaara 2011).

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In Birmingham, the developments prior to the period under review also play a very important role, especially privatization efforts at the national level. These, however, met with considerable resistance in Birmingham, leading to the prevention of the stock transfer and the establishment of the house-building arm (BMHT). Yet, since this by far failed to meet the demand for affordable housing, the private sector continues to play a very important role in providing affordable housing (including HMOs, temporary accommodations, etc.). The role of the public sector is reduced to monitoring and regulating private supply. This seems to work more badly than well.

In Lyon, two historical factors play a role: On the one hand, the path dependency is reflected in the gradual development of the competences or the importance of the metropolitan level over time. The founding of the metropolitan authority first called urban community took place relatively early on in Lyon and made it possible to maintain relatively good relations with the surrounding communities and to further develop them. On the other hand, particularly close cooperation with civil society actors was established long before the period under study.

10.2. Governance Arrangements and Design of Housing Policies

The analysis of the three urban regions reveals that the governance of housing is quite stable over time. Certain forms of cooperation were established over a longer timespan and are not subject to major changes (e.g., the collaboration of the city of Zurich with the housing cooperatives, which provide a large part of the affordable housing). The forms of cooperation are also significantly influenced by the respective state traditions. However, institutional reforms or the creation of new institutions can fundamentally influence the distribution of competencies, which can have an impact on concrete policies. Conversely, it has also been observed how new policies created an atmosphere in which the cooperation between actors from different sectors deteriorated. The evidence suggests that the direction of causality between governance arrangement and concrete policies varies depending on the context and time.

In all three city regions, however, the governance of housing has changed to the extent that, first, institutional investors played an increasingly important role and, second, the number of properties owned by institutional investors increased.

This trend is particularly evident in the world's major cities, but it also seems to be affecting cities that are mid-range in terms of economic attractiveness and are not, or at least have not been for a long time, among the tensest housing markets in Europe. However, to date governance of affordable housing is only indirectly affected by the rising house prices. Institutional investors have not yet started to invest in the social housing sector or social-housing providers themselves, although fears of such a development exist.

Regarding the thesis presented at the beginning (see Section 1.2), whereby governance arrangements affect the actual design of policies and can actually move them in a more or less social direction or to the pole of profit maximization, the case studies do not allow a clear conclusion. A more differentiated answer is needed here that account for the longitudinal, comparative perspective of the investigation. The case studies indicate that governance arrangements and policies influence each other in different ways depending on the time and context. How exactly this mechanism works depends on the policy, program or project under investigation.

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One commonality found during the period under investigation is the increasing role of market actors observed in all urban regions. These include not only large institutional investors but also individuals who own one or only a few apartments and want to derive profit. At first glance, therefore, one might assume that policies are increasingly being shaped by profit maximization. This would suggest that, within governance, aspects of the constellation of actors and programmatic orientation are more strongly interlinked than presumed. However, it is also apparent that a greater social orientation of housing policy was triggered in part by unexpected actors. This might have been expected from civil society groups and charities, but surprisingly owners' associations and private property owners are also taking a stand against the increasing profit orientation of international investors, or that entrepreneurs are setting up their own programs to combat homelessness. Conversely, it is also surprising that nonprofit housing providers are replacing older affordable housing with new buildings, without true necessity. This imitates the approach of profit-oriented actors, though the reasons for this conduct are rather unclear.

In terms of its implications, the present study shows how important a detailed understanding of the urban logic of governance is for a comparative study of a policy field. Regardless of which policy field ultimately lies at the center of the analysis, this understanding is indispensable for dealing with similarities and differences in urban governance (see also Sack 2012). At the conceptual level, this requires a precise understanding of the functioning of the state, which in many respects appears to continue to play a dominant role in urban governance (see also McCann 2016). However, the state and the public sector must by no means be treated as a monolithic block; rather, depending on the administrative and state traditions in question, conceptual considerations in connection with multilevel urban governance must understand the interaction and mutual influence of the various levels of government and the processes of restructuring urban governance (e.g., through metropolitanization). Furthermore, the present analysis shows that global developments such as the financial crisis interact with the political activities of national, metropolitan and local actors, and that urban policies in housing policy are correspondingly dependent on the specific context. The theoretical implication of these case-specific responses to global challenges is that a combination of micro- and macroperspectives for the empirical analysis of urban governance can contribute to additional insights (see also Martí-Costa and Tomàs 2016). Changes within the state as macrodevelopments, as we have seen most impressively in the example of the metropolitan government in Lyon and the cooperation of local actors around a common goal, can actually affect concrete urban policies and vice versa.

10.2.1. Civil society

Regarding the involvement of civil society, there are enormous differences between the three city regions. I first deal with the participation of the population before focusing on the representation of interests by civil society organizations.

In Zurich, the inclusion of the population takes place primarily through the direct democratic institutions. Direct-democratic votes on all governmental levels have a profound effect on developments in the field of housing. Moreover, in various planning and development projects, private and public actors jointly try to bring the local population to information events, but this does not yet mean that they are actually involved in decision-making. Furthermore, the existence

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of direct democracy tends to hinder more innovative approaches. When an institutionalized form of participation already exists for the population, it seems to prevent the need to search for alternative forms of participation. This does not mean there are no such initiatives in Zurich, but they seem to be flying below the radar at the moment.

In Lyon, on the other hand, the involvement of the population hardly seems to play a role. For example, the series of workshops on "Housing and Living" launched in 2016 is an expert platform not open to the public. The innovative potential of the "crisis of representative democracy in France" (Bherer 2010) could have created the potential for new forms of citizen participation, but this has not been implemented in Lyon. The authorities appeared to be the most innovative in Birmingham. Various projects were launched for increasing the involvement of residents in planning projects, including a "consultation bus" in which residents could express their opinions on upcoming projects in different languages. Another special feature in Birmingham was the 2002 vote on the transfer of the city-owned housing stock to housing associations, in which all residents of these flats could participate.

In connection with the organized representation of interests, the special nature of Zurich/ Switzerland stands out. No civil-society organization here represents the interests of the homeless or of groups that are particularly disadvantaged in the housing market when it comes to policy-making. In Lyon and Birmingham, on the other hand, these interests are represented by the charities *Fondation Abbé Pierre* and *Shelter,* respectively. In Zurich, the tenants' association (*Mieterverband*) and the left-wing parties are the most likely representatives of the interests of homeless and disadvantaged people. The Domicil Foundation (*Stiftung Domicil*), as a platform mediating between private sector and individual households, arranges housing for disadvantaged people but cannot be regarded as an actual lobby organization. Both the tenants' association and the left-wing parties do not focus exclusively on this issue but are much more broadly oriented, perhaps making it more difficult to represent the interests of low-income households or homeless people. This also seems to lead to a situation within these organizations and parties, where the interests of disadvantaged groups on the housing market are insufficiently represented in contrast to other interests. A further reason for the absence of homeless representatives in politics in Zurich (and Switzerland more generally) may be seen in the quasi-taboo nature of the topic of homelessness. The ongoing studies on the topic conducted by a research team from the University of Applied Sciences and Arts Northwestern Switzerland (FHNW) may eventually increase the sensitivity to it and contribute to a more focused representation of interests (see Drilling et al. 2019 for the preliminary study).

Contrary to the situation in Zurich, in the other case study cities Birmingham and Lyon, homelessness was an important subject during the period of investigation. It is interesting to note that very similar approaches to tackling homelessness were adopted in both city regions and at almost the same time. In Lyon, the program called Housing First (*Logement d'abord*) was recently enacted (2018). Within this program, homelessness is regarded as the result of various problems (e.g., job loss, mental disorders, divorce, drug abuse), and the provision of housing is seen as the first step out of homelessness. In Zurich, such a program is missing, which can also be explained by the fact that there are no official statistics on homelessness in Zurich, and that the issue has not been discussed by political actors (see Section 6.3.2 for more information).

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To what extent this statement can be explained by the system of interest-group representation prevailing in the respective country is a question that cannot be answered at this point. However, explaining developments and trends in housing policy through the system of interest representation seems to be a promising approach for future investigations.

10.2.2. The public sector

In Lyon, as in France more generally, the public sector seems to have greater bargaining power than in the other three contexts. Public actors seem to be more persistent in their negotiations with developers. They do not agree immediately but wait until the proportion of social housing is right. Nor do they shy away from breaking off negotiations with one private actor and then negotiating with another. The social housing providers (HLM) are also playing a major role in this.

Historically, Birmingham has been one of UK's local authorities with one of the highest council housing stocks, which was also subject to privatization, albeit to a lesser extent than in other authorities. The share of council housing decreased between 2001 (19.4%) and 2018 (14%) by more than 5%. The establishment of its own house-building arm in 2009 did not stopped the decreasing tendency. Nevertheless, the local authority of Birmingham is often content to let investors choose Birmingham as a place to invest in the first place and is therefore refraining from entering into tough negotiations and insisting on the much-needed proportion of affordable housing in new projects. In recent years, however, a more social orientation of housing policy has become apparent there as well. The problem of viability loopholes has been recognized and fought by the charity *Shelter,* and gentrification, especially in the city center, has become an issue.

As in Birmingham, negotiations with investors in Zurich are also relatively unsatisfactory, and even a small proportion of affordable housing in new projects is celebrated by the City Council as a great success. There are no binding legal provisions for a share in private construction. The proportion of the city-wide affordable stock has slightly decreased over time from 7.5% to 6.7%.

In terms of practical policymaking, the three case studies demonstrate the need for public authorities to strengthen their negotiating position to pursue a more socially oriented housing policy and to compete with profit-oriented actors.

The case studies show a deficit in the negotiating power of the public sector compared to the private sector (developers, investors, etc.), especially in Birmingham and Zurich. The public sector, whether the city of Zurich or the Birmingham City Council, is usually already satisfied with a low proportion of affordable housing in new private development schemes. The mere fact that a private project creates new living space is usually considered a success, regardless of the price segment in which these apartments are constructed. Civil society organizations, representatives of the left-wing parties and sometimes the local media criticize this kneeling before the market actors. The question therefore arises as to how to strengthen the position of the public sector. Does this require a change in national legislation or do solutions even have to be worked out at supranational level if we look at the mobility of financial capital easily transcending national boundaries?

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The comparison of the three cities reveals that the national level in Switzerland is the least significant in relative terms. The general framework conditions are defined at the federal level (e.g., housing promotion act or the revision of the spatial planning law), and sometimes there are national initiatives such as the one for more affordable housing, which was rejected at the beginning of 2020. The implementation side, which according to the governance concept is the focus of attention, then takes place at the subordinate federal levels (canton and city). This can be explained, first, by Switzerland's federal system, which grants considerable autonomy to subordinate levels and, second, because the federal state plays a particularly passive role in the policy area of housing (policy area-specific explanation).

Birmingham is the opposite pole in this respect and has the lowest autonomy of all three cities studied. Local decisions are largely dependent on national legislation in the parliament in London. The metropolitan government in Lyon (*Grand Lyon la métropole*) is located in between. Despite extensive powers and competences in the housing sector, at the latest since 2015, it is still relatively dependent on national developments. Both Birmingham (since about 2000) and Lyon (at the latest since Macron took power) are affected by nationally determined austerity measures. Birmingham is special in this regard, because it was most closely monitored by the national level. Several independent commissions of inquiry were set up during the period of investigation, following the refused stock transfer and frequent budget overruns. This even further limited the scope of the local level.

The discretion of the local level in all cities depends to a certain extent on legislation at the national level. This means that the laws adopted at the national level provide opportunities that can be used by local authorities. However, whether these are ultimately used effectively depends on various factors: First, there is the level of suffering by the population, especially low-income and middle-class households; as soon as a certain point of suffering is reached, measures are taken. Moreover, the problem pressure must be articulated through civil society actors and carried into the political arena. Second, it is dependent on the pressure from market actors/economic elite.

10.2.3. The private sector

At first glance, all three city regions appear to have similar inclusionary zoning regulations for larger private development projects. As described in the Birmingham case study, these regulations have been tightened up on paper over time, but not much seems to have happened in terms of their concrete implementation. The possibility of circumventing the urban specifications through viability studies, introduced under pressure from the national construction industry, and the weak position of the public sector have contributed to the fact that often little affordable housing has been created.

In Lyon, similar regulations were introduced in 2001 and were originally not declared as binding. Not until 2010 were the regulations declared binding. This also had a positive effect from the point of view of market-players, who appreciated the increasing planning security. The metropolitan authority of Grand Lyon and the municipalities within it are extremely strict when it comes to implementation, and even in large prestige buildings such as the various towers of particular architectural quality built in recent years, the stipulated proportion of affordable housing is

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consistently created. The private developers are dependent on finding a solution with the social housing provider. Without such agreement, no building permit is granted, and the planned project cannot be carried out.

The city of Zurich has known about the possibility of urban development contracts, which are concluded when a larger area is built over. The main purpose of this instrument is not to provide more affordable housing, but to transfer part of the increase in land value to the public sector in the form of a land value capture. In most projects where such a contract is signed, this involves a land value capture of 50%. However, this instrument is not consistently applied and implemented. In addition, the new cantonal requirements from 2019 in connection with the land value capture seem to weaken the position of the city in negotiations with private parties, since a lower maximum levy is defined by the canton to which private actors can refer to.

In all three urban regions, there is a trend toward increasing financialization of housing. Housing is increasingly subject to the logic of profit maximization. The investigation has thereby shown that cities that are not capitals are also affected by this phenomenon. In the case of Zurich, however, it must be put into the perspective that, although it is not a capital city, it probably has a greater appeal within Switzerland and internationally than Bern.

Differences between cities are evident, on the one hand, relative to the point at which the financialization of housing starts to take off. In Lyon and Zurich, the development seems to have started earlier and was largely a consequence of the financial crisis. Both city regions are seen as safe places to invest and therefore attract institutional investors. In Birmingham, the development started around 2017, when the city was perceived as a profitable place for investments in future developments mainly linked to the high-speed link with London. On the other hand, this type of investor is also largely dependent on the context. In Zurich, because of the national legislation restricting foreign investors from acquiring land and housing altogether, pension funds and insurance companies are the main actors investing in housing. In Lyon, national and domestic companies have started to take hold, and in Birmingham this is quite similar, although there seem to be some smaller investors from abroad who invest only in a small number of apartments or houses.

Regardless of whether they operate nationally or internationally, their primary concern is to increase profits. Not only are the traditional market players affected by this, but in the case of Zurich a similar logic spills over to a certain extent to the nonprofit housing cooperatives. With replacement of new buildings, very cheap housing is sacrificed in favor of cheap housing.

In Birmingham, the far-reaching austerity measures in social housing adopted at the national level have motivated elected politicians in Birmingham to look for alternative sources of financing. The financialization of housing has thereby been encouraged by public actors, almost out of necessity, by approaching investors from China and British pension funds and asking for money to build housing below the market price. Against this background, the financialization of housing is a strategy, even a policy, in the repertoire of local authorities, as Fainstein suggests (2016).

In Lyon, after a first wave of financialization following the financial crisis in 2008, the financialization of housing even gained pace and was strongly supported by developments at the national level (including the coming to power of Emmanuel Macron in 2017). A greater commodification of housing is observed, and there is an increasing attempt to attract international

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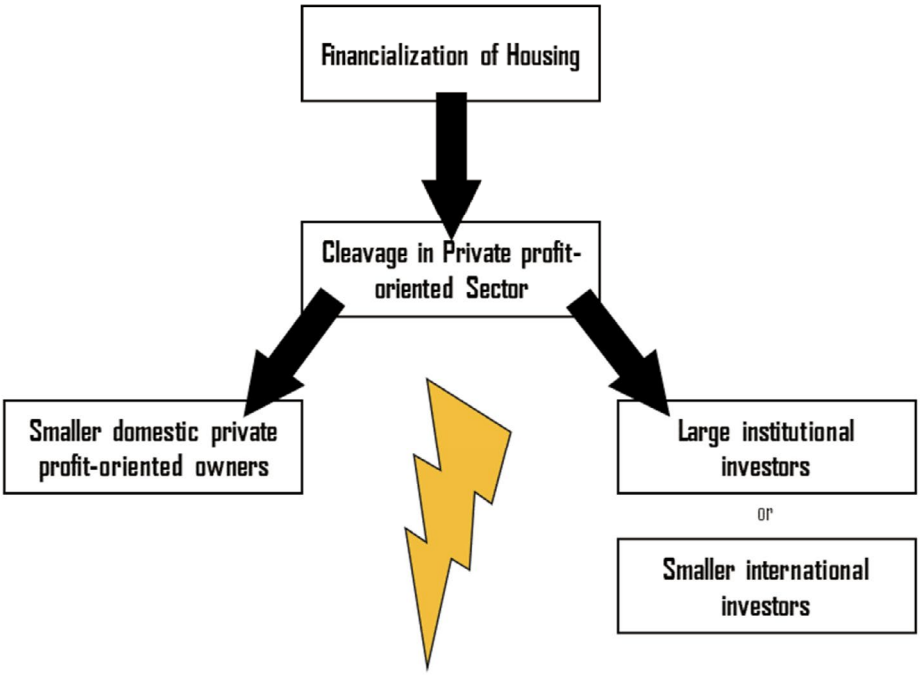
investors, ultimately calling into question the universal right to social housing in France. International investors have already bought various parts of the city of Lyon but are not yet active in the social housing sector.

According to da Cruz et al. (2018), future contributions in urban governance should increasingly attempt to build a bridge between academic discourse and the concrete challenges city administrations are facing. Regarding the financial situation of municipalities, which can sometimes be traced back to developments at other governmental level, this contrast is very large: From the perspective of practitioners, an insufficient public budget is currently the greatest challenge, but scholars are hardly concerned with it. With the insights into the financialization of housing in the context of national austerity measures, the study thus points to a promising field for future research, predestined to narrow the gap between science and practice.

The financialization of housing not only has an impact on the price level of the housing market, but also changes the governance of the private profit-oriented housing market (see Figure 26). Smaller private owners, who rent out their few properties, are increasingly trying to differentiate themselves from the large institutional investors (national or local) or from the smaller profit-oriented players. Image campaigns by homeowners' lobby groups to show that the private sector does not consist solely of unscrupulous financial investors must be understood against this background.

Figure 26: Emerging cleavage in the private sector



(Source: own representation)

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The question regarding the two types of investors listed above – larger institutional investors and smaller international investors – also affects the extent to which they differ from each other. For example, whether they are more interested in long-term or short-term investments.

In this context, it also seems to be interesting for both society and academics whether and to what extent the financialization of housing ultimately affects political attitudes within the population. If the problem of the financialization of housing continues to grow, and if in the future even more cities with a less international orientation or even more rural regions are affected, the discontent of the entire population will likely increase. If internationally active investors are then identified as the main culprits for rent and land price developments in the cities, this could lead to a (further) increase in xenophobia and to national isolation, a trend also experienced in times of the Covid pandemic.

The political authorities would in principle have various legal options at their disposal to counteract the financialization of housing and to break up the logic of exploitation. A tightening of tenancy law, restrictions or approval procedures for the conversion of housing (see HMOs in Birmingham) or laws restricting investors (Fainstein 2016; see also Schipper 2017) would be possible.

10.2.4. The third sector

The role of the third sector within housing governance arrangements varies depending on the context analyzed. Heterogeneity already exists when we take a closer look at the central actors in the third sector category. In contrast to the other two city regions, housing cooperatives dominate in Zurich. Housing cooperatives are similar to third sector actors in the other two contexts (housing associations in Birmingham and HLMs as social housing providers in Lyon), but they are jointly owned and run by their tenants. Housing cooperatives often pool their members' resources and give them a say in decisions related to their respective housing stock. Housing cooperatives thus enable a special form of citizen participation in housing policy, although this applies only to a relatively narrowly defined urban area.

In general, third sector actors seem to play an important role in housing policy, especially in Zurich and Lyon. They are not only responsible for the creation or management of affordable housing but are also actively involved in the policy process. They often work closely with the public sector, i.e., specifically with the government at the local level. In the metropolitan area of Lyon, a more social orientation of housing policy is achieved mainly through cooperation with (currently) three major social housing providers (HLMs). The legal framework in France and the Lyon metropolitan region gives social housing providers a mandate to negotiate the price of social housing with private developers, and as previously argued, depending on the characteristics of the respective area, social housing is even guaranteed in prestigious objects of the private sector. The framework conditions are clearly defined by the public sector. HLM organizations and the metropolitan authority of Grand Lyon are in close cooperation and were also among the fiercest critics of the national government's policies aiming at an increasing commodification of housing and the introduction of far-reaching austerity measures. In Zurich, there is a long tradition of cooperation with housing cooperatives. City representatives also exert influence in these housing cooperatives and vice versa. At the latest since the adoption of the fundamental article on housing in 2011

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aiming at an increase of the affordable housing share, there has been a clear mandate for a progressive socially oriented housing policy. Nevertheless, the efforts of the third sector and the city to increase affordable housing are aimed primarily at increasing the proportion of affordable housing in areas and estates that are already comparatively affordable.

In Birmingham, the third sector seems to be less strong. In large parts of the UK, the municipal housing stock has been gradually sold off since about 1980 and housing associations/registered social landlords (RSLs) have become increasingly important. However, Birmingham resisted this national trend, so that today the city is still the most important provider of social housing. There are several reasons why, in comparison, the third sector is less important in Birmingham. The first pertains to the failed transfer of the municipally owned housing stock in 2002, the second to the implementation of the city's own housing policy as defined by urban development plans and other documents, which was by no means consistent and strict. Housing associations repeatedly called for stricter implementation of plans and guidelines. The third reason lies in the establishment of their own house-building arm (BMHT) in 2009, which further deteriorated the relationship between the third and the public sector. Housing associations also tend to become less involved in political processes compared to the other two urban regions.

10.3. Methodological Conclusions

The following conclusions can be drawn regarding methodology. The first point refers to the case selection. As discussed by various authors, a research design that provides for comparative investigation across different national contexts faces numerous challenges. While the diversity of cases enriches the study, it inevitably also implies a loss of precise knowledge of the individual context. Understanding the main features of the national and regional context in which a city is embedded is already a relatively complex task. However, this step is necessary, because without this background knowledge no meaningful attribution of developments to the different levels of government can take place. Against this background, it would have made sense to adapt the case selection, i.e., examining several cities within the same context. If a researcher can bear the expense to understand the broader context thoroughly, it seems legitimate to compare several cities within this context. In this context, it also seems important to look back again at the initial case selection to view once again the three selected cases and to answer "the defining question of all case study research: what is this a case of?" (Gerring 2007: 13) based on the insights presented in the previous sections. The metropolitan authority in Lyon, which was given new powers throughout the period under study, is unique in France. Nevertheless, the comparatively progressive content of housing policy seems to have some similarities with that in the French city of Rennes. The process of metropolitanization and the gradual transfer of powers to a level higher than the city offers many lessons for all researchers interested in institutional reform. The Birmingham case also offers lessons in this respect: The wider city region is often compared to Manchester, arguing that the lack of planning competence at the metropolitan level makes it difficult to find solutions. Moreover, the privatization of the city's own housing stock over time has proved to exacerbate housing shortages. Finally, Zurich shares some similarities with other Swiss cities such as Basel, Geneva and Lucerne, in that it pursues an active housing policy compared with the rest of Switzerland and seeks to cooperate with nonprofit housing cooperatives.

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The second point relates to the qualitative interviews conducted. It was not possible to interview actors from all areas (civil society, nonprofit, public and private sector) as originally intended. In Zurich, the public sector was underrepresented, i.e., no direct interviews were possible with representatives of the administration. In Birmingham and particularly Lyon, the private sector was underrepresented. In addition, it must also be noted that conducting qualitative interviews in different languages as done here is a challenge. One is more likely to respond spontaneously in the mother tongue than in a foreign language. In this respect, it can be assumed that the opportunity to gain knowledge by conducting interviews was not the same in all three contexts.

The third point relates to the method of case study research. It is a method with likely advantages for which experienced case study investigators. Although measures were taken to compensate for this lack of experience, a notable distance to an experienced case study investigator undoubtedly continued to exist.

The fourth point relates to the analytical flexibility of the theoretical approach. The study shows that an analysis of cities or urban regions across different contexts can particularly benefit from great analytical flexibility. The urban governance approach, criticized by many as being too vague, brings this advantage with it. Conversely, the choice of this approach is also partly responsible for the fact that the investigation was sometimes deemed too broadly based. Governance can ultimately encompass almost everything. However, a certain restriction is necessary, especially when working with a qualitative research approach such as the method of comparative case studies.

With the fifth point, I would like to raise the question of whether a greater restriction of the present investigation would have been appropriate. Housing policy is in itself a very complex policy area, since social, economic and fiscal policies overlap, and the respective objectives must be weighed against each other. If an attempt is then made to examine this entire complex policy area in three different contexts and over a timespan of more than 20 years, challenges even become more acute. Nevertheless, I think that it is precisely this broad approach that has enabled new insights into similarities and differences within the European urban regions studied. However, these insights must be carefully examined and validated in future studies.

10.4. Outlook

This section discusses the extent to which the present study can contribute to some of the ongoing research debates in urban studies or urban sociology, and it discusses some open questions for future research.

10.4.1. Incongruence of political boundaries

An incongruence between political boundaries and problem pressures in the field of housing exists in all of the cities. Borders are merely lines on a map, with a continuous urban area spilling over administrative and political divisions. Problems and developments can cross borders and require different geographies depending on the specific policy and problem area. The distribution of competences within the national state should consider this situation.

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Lyon seems to be the most progressive example in this respect and disposes of a unique metropolitan government with far-reaching competences in the field of housing and a highly institutionalized form for the cooperation of municipalities in the agglomeration. However, the border problem is also evident here. For example, the housing markets in municipalities on both sides of the Grand Lyon borders are developing in a relatively similar way, but the possibilities for reaction are completely different because of the different institutional affiliations. This touches on a topic that has been discussed in urban sociology for decades, namely, the question of the appropriate form of political control for urban areas (see Kübler 2003 for a summary of the debate).

In Birmingham, cooperation with neighboring communities is mainly conducted within the framework of the West Midlands Combined Authority, which was established in 2016. The lack of affordable housing in Birmingham and of land for constructing alone shows the need for cooperation with neighboring communities, but these other local authorities are not readily willing to cooperate because of the weak institutional form of cooperation.

In Zurich's neighboring communities, price trends are similar to those in the city itself. In addition, the public transportation infrastructure is designed so that it is sometimes easier to reach the city center from communities outside the city than from peripheral districts within. Increased cooperation with these nearby communities could be useful in the future. The association for the Zurich metropolitan area (*Verein Metropolitanraum Zürich*), established in 2009, represents a step toward a more intense cooperation, but it is currently only a weak form of cooperation without many endowments (e.g., no legislative rights). In addition, coverage of such a large geographical scale including several cantons could be a problem for the decision-making capacity in the future. The intention is not to take up a position for one or the other form of institutional arrangement, but to look beyond national borders at institutional developments in other contexts. The experience gained can provide new and helpful insights to tackle pressing issues (see also Fricke 2019a; Klaus 2019).

10.4.2. The Right to the City and the Right to adequate housing

In all three urban regions studied, the shortage of affordable housing is a problem, while at the same time, these city regions form attractive centers for the population. The range of leisure options such as nightlife, culture, sport or a diverse cuisine in restaurants is comparatively large, and there are many job opportunities. Distances between work and home are short, which makes it possible to actually use the leisure activities provided. This urban lifestyle ultimately attracts more and more people. The right to the city is often understood as access to the diversity of urban life and all the opportunities provided by cities. It can best be fulfilled where rents are highest, in the center of a city.

In contrast, rural areas are emptying out all over Europe, indeed all over the world. The lack of work and prospects especially for the younger generations and families is leading to a rural exodus. However, there would be enough flats and houses available in these rather remote places. Prizes and rents are lower, the more remote a house or rental apartment is located, making them more affordable in the end. It seems more likely that the right to adequate housing as it is known by the

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United Nations (2017), consisting in guaranteeing an affordable accommodation in good quality to all individuals, can be fulfilled here.

The problem seems to be a tradeoff between the two rights or the two different potentials. The question therefore arises as to how the two potentials can be combined or bridged so that as many people as possible can benefit from the centrality of the cities and at the same time be in a position to pay the rents. How can the two rights be brought together and fulfilled at the same time? How could the unused potential in rural areas be better exploited? Can the right to the city also be realized in the agglomeration, outside of the city, but within commuting distance?

Politics – locally, regionally, nationally as well as at European level – must take greater account of this tension. Looking at the big picture and developing innovative solutions could tackle both of the problems countries across the world are struggling with. This sometimes also requires new alliances of actors between those organizations working for the realization of the right to housing for low-income earners and organizations demanding the protection of rural areas (see also Spiers 2018).

One possible solution seems to lie in an efficient public transportation system. This would make it possible to cover greater distances than before. The comparison of the three cities shows that transportation infrastructure is an important factor in this respect. Zurich and Lyon have well-developed public transportation systems that allow the residents of the outer community to benefit from the centrality of the cities. Both city regions have an encompassing public transportation system that combines different means of transportation. Conversely, public transportation in Birmingham is poorly developed, and it is difficult to reach the center quickly even with motorized private transportation. Various neighborhoods and sections are not connected to each other at all. A good transportation network therefore means that people from communities where housing costs tend to be lower and where the right to housing is more likely to be realized can also have access to centrality and thus to the right to live in the city. However, completely remote places cannot be developed in this way, and the fact that a good transport infrastructure is available would certainly attract investors again. Moreover, projects that extend beyond the city limits affect additional political authorities, which brings us back to the question of the appropriate institutional structure.

What could also help to exploit the potential of rural areas in terms of housing and relieve the tight urban housing markets is digitalization. The current Corona crisis seems to be showing us that new, location-independent forms of cooperation are possible with the help of current technologies. However, it is particularly important that the necessary infrastructure is available.

In view of the tight budget situation in many places, austerity measures initiated at the national level, the race to the bottom in terms of the tax competition between municipalities in Switzerland and an extreme increase in unexpected expenditures because of the current pandemic, the question ultimately arises as to how resources can be used most sensibly. In the current environment, does it make more sense to invest in public housing? Or would it perhaps be more efficient and more just for a larger part of the population to invest the money in transportation or IT infrastructure for home offices? From an urban perspective, investing in housing does seem to make sense, but for a higher level of government, the answer may be different, which brings us back to embedding cities in a larger, more complex multilevel structure.

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10.4.3. The Just City debate

What are the implications of this study for the Just City debate, which as is well known (see Section 1.1) and lies at the origin of the overarching project? The first finding is that the Just City debate, at least as reflected by Susan Fainstein, focuses too much on the urban level. As this investigation shows, it is inevitable to have a larger scope and take the multilevel dimension of urban governance or city development more broadly and adequately into account.

In her book on the Just City, Susan Fainstein does not make this argument. Compared with London and New York, Amsterdam is described as the most equitable city, as it allows a majority of the population access to social housing and housing subsidies (Fainstein 2010: 163). However, this is largely because of the way in which housing policy is formulated at the national level. The Netherlands have a long tradition as a unitary housing system, in which affordable housing is available to the entire population and not, as in North America or the UK, primarily to low-income earners (dual housing system). It is therefore inadequate to describe Amsterdam as a "just city." Rather, the question should be: To what extent is the Dutch housing system fair?

A second point why Amsterdam is called a more just city compared with the other two cities discussed by Fainstein is that the housing market there does not go to such excesses as in London or New York, where the financialization of housing has long been a major issue. In this respect, too, the present study shows that it would be inadequate to describe one city as fairer because it is less influenced than others are by developments on the global financial markets and the increase in investment in the housing sector. The three case studies show that the housing market in smaller urban regions is also increasingly affected by national or international investors. In the three cities studied, various instruments are being developed and introduced (e.g., community land trusts, land value capture, increased public-sector construction activity) to counteract this development. However, these locally limited initiatives cannot provide a comprehensive solution to the negative outgrowths of mobile global capital flows. Since the financialization of housing and the housing crisis that it has triggered is a global challenge, we need global solutions. The first step was taken with the "Lyon Commitment: Toward an Affordable Housing Society," which emerged from the International Social Housing Festival in Lyon from 2019, in which mayors, civil society actors, social housing providers and residents call for a Europe-wide coordinated approach (Housing Europe 2019).

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Appendix 1: Interview Guide Zurich (German)

Studie zu politischen Prozessen in der Stadtentwicklung mit besonderem Fokus auf der Wohnungspolitik

0. Einleitung

Vielen Dank für Ihre Bereitschaft, mit uns ein Interview zu führen.

In unserem Forschungsprojekt geht es um die politischen Prozesse, Akteurskonstellationen und Governance im Bereich von Wohnungspolitik in den Städten Birmingham, Zürich und Lyon für die Zeitperiode 2000 bis 2019 bzw. jetzt.

Im Rahmen unseres Forschungsprojekts haben wir bisher bereits umfangreiches Datenmaterial zu Wohnungspolitik (u.a. Sekundärliteratur, Zeitungsartikel, Karten, etc.) gesammelt. Nun führen wir in allen Städten Interviews mit ExpertInnen, die uns über die Wohnungspolitik der jeweiligen Stadt Auskunft geben können.

In diesem Interview über die Stadt Zürich seit 2000 möchten wir Fragen zu folgenden Themenbereichen aufgreifen:

1. Entwicklungen in der Wohnungspolitik in den letzten 20 Jahren
2. Governance der stadtweiten Politik im Bereich Wohnen (Akteure + Interessen)
3. Politische Prozesse in der stadtweiten Wohnungspolitik (Leadership+Segregation)

1. Entwicklungen in der Wohnungspolitik

1.1 Frage: Welches waren die wichtigsten Entwicklungen in der Wohnungspolitik in den letzten 20 Jahren (z.B. wohnungspolitischer Grundsatzartikel 2011)? Denken Sie dabei bitte an Entwicklungen auf kommunaler, kantonaler und nationaler Ebene und erläutern Sie.

- Wenn möglich: Was sind die Unterschiede zwischen der aktuellen Wohnungspolitik und der früheren Wohnungspolitik?

1.2 Frage: Welches waren die Ziele und Zielgruppen der jeweiligen Wohnungspolitik? Sie schreiben im Artikel im Widerspruch auch, dass es in der Stadtzürcher Stadtplanung “eine markante Absenz von sozialer Zielsetzungen” gibt. Hat sich daran in den vergangenen Jahren etwas geändert?

- Welche Auswirkungen hatte diese Wohnungspolitik auf verschiedene Bevölkerungsgruppen (z.B. Menschen mit niedrigem Einkommen, verschiedene Altersgruppen bzw. Nationalitäten)?

1.3 Frage: Welche Auswirkungen hatten die verschiedenen Bau- und Zonenordnungen (BZOs) auf Entwicklungen im Bereich der Wohnungspolitik in den letzten 20 Jahren?

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2. Governance der stadtweiten Politik im Bereich Wohnen und Stadtentwicklung

2.1 Frage: In Bezug auf die stadtweite Politikgestaltung und Umsetzung der Wohnungspolitik: Welches sind die wichtigsten Akteure? Welche Akteure waren involviert bzw. wurden konsultiert bei der Ausarbeitung einer neuen Wohnungspolitik (z.B. von Gesetzen, Instrumenten, stadtweiten Plänen oder Strategien)?

- Hat sich die Rolle dieser Akteure in den vergangenen knapp zwanzig Jahren verändert?

2.2 Frage: Was wollen diese Akteure in der Wohnungspolitik erreichen und mit welchen Mitteln und Strategien verfolg(t)en sie ihre Ziele bei der Gestaltung der Wohnungspolitik?

- Wohnungspolitik kann als Intervention in den Wohnungsmarkt verstanden werden. Wie greift die Stadt hauptsächlich in den Wohnungsmarkt ein? Wo müsste die Stadt aktiver sein?
- Welche Strategien verfolgen die privaten Akteure, um die Wohnungspolitik in Zürich zu beeinflussen?
- Haben sich die Art der Intervention und Strategien privater Akteure in den letzten zwanzig Jahren geändert?

2.3 Frage: Unterhalten die relevanten Akteure im Bereich der Wohnungspolitik Verbindungen zueinander? Haben bzw. hatten sie regelmässig Kontakt zueinander?

- Sind diese Akteure in irgendeiner Art und Weise abhängig voneinander? Falls ja, inwiefern?
- Haben Sie in den vergangenen Jahren Veränderungen in Bezug auf diese Verbindungen zwischen Akteuren wahrgenommen?

2.4 Frage: Gibt es Interessen, die bisher in der Stadtzürcher Wohnungspolitik nicht vertreten waren? Denken Sie, dass es Interessen gibt, die immer noch nicht vertreten sind?

2.5 Frage: Welche Rolle spielt die Beteiligung der BürgerInnen im Bereich der Wohnungspolitik in Zürich?

2.6 Frage: Wohnen ist ein Bereich/Themenfeld, in dem der Markt normalerweise eine zentrale Rolle spielt. Wie wichtig sind öffentliche Akteure im Vergleich zum Markt bzw. Marktakteuren für die Gestaltung der Wohnungspolitik in Zürich?

- Wer hat Ihrer Meinung nach viel Einfluss auf die Wohnungspolitik: die städtische, die kantonale oder die nationale Ebene? Warum?

3. Politische Prozesse in der stadtweiten Wohnungspolitik bzw. Stadtentwicklung

3.1 Frage: Können Sie sich an Zeiten erinnern, in denen der/die StadtpräsidentIn oder ein Mitglied des Stadtrates die Wohnungspolitik in Zürich maßgeblich beeinflusst hat?

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- Was war seine/ihre Vision im Bereich der Wohnungspolitik und von Stadtentwicklung?
- Hat er oder sie persönlich daran mitgewirkt, Unterstützung für ihre/seine Vision in der Verwaltung, bei Politikern, der breiteren Bevölkerung oder anderen Stakeholdern aufzubauen?

3.2 Frage: Können Sie sich an Zeiten erinnern, in denen Chefbeamte und Stadtplaner (bzw. Personen aus der Verwaltung ganz allgemein) selbst wichtige neue Richtungen in der stadtweiten Wohnungspolitik vorgeschlagen haben?

- Was waren diese neuen Richtungen bzw. die entsprechenden Veränderungen?
- Inwiefern sind Chefbeamte und Stadtplaner durch das politische Umfeld eingeschränkt worden?

3.3 Frage: Inwiefern konnten soziale Mobilisierungen bzw. Proteste von der Strasse die Wohnungs- und Stadtplanungspolitik der Stadt Zürich beeinflussen?

- Wie hat sich die Politik dadurch geändert?
- Welche Rolle spielten dabei zivilgesellschaftliche Akteure (z.B. NGOs oder VertreterInnen aus Quartieren und Nachbarschaften)?

3.4 Frage: Heutzutage sind viele Städte mit anhaltenden Segregationstendenzen konfrontiert. In einigen Stadtvierteln sind die Menschen eher benachteiligt, während in anderen die Immobilienwerte massiv gestiegen sind und sich nur noch Menschen mit hohen Einkommen eine Wohnung leisten können (Stichwort Gentrifizierung). Inwiefern können Wohnungspolitik und Stadtentwicklung diesen Trends entgegenwirken?

- Was könnte Ihrer Meinung nach getan werden, um die soziale Durchmischung in benachteiligten Gebieten zu fördern?
- Was könnte Ihrer Meinung nach getan werden, um auch in attraktiven Gegenden erschwinglichen Wohnraum zu sichern?

3.5 Frage: Wenn Sie über Segregation nachdenken, können Sie sich an Zeiten erinnern, in denen die Wohnungspolitik von einzelnen Legislativ- bzw. Exekutivmitgliedern in Frage gestellt wurde?

- Wie hat sich die Politik dadurch inhaltlich verändert?

3.6 Frage: Wie stark ist die nationale bzw. kantonale Ebene an der Aufwertung benachteiligter Stadtviertel und an der Begrenzung der Verdrängung in Gentrifizierungsgebieten beteiligt?

- Ist der Kanton an Maßnahmen gegen Segregation und Verdrängung von Menschen mit niedrigem Einkommen beteiligt? Wie?
- Welche Rolle spielt die Stadt bzw. die kommunale Ebene bei der Gestaltung der kantonalen oder nationalen Politik gegen Segregation und Verdrängung? *Oder anders gefragt*: Kann sich die Stadt bei der Gestaltung der kantonalen oder nationalen Politik in diesem Bereich (erfolgreich) einbringen?

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4. Schluss

4.1 Frage: Gibt es ein wichtiges Thema oder wichtige Aspekte im Zusammenhang mit der Stadtentwicklung und Wohnungspolitik in Zürich, die wir noch nicht angesprochen haben?

Vielen Dank für das Interview!

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Appendix 2: Interview Guide Birmingham (English)

Study on political processes in urban development with a special focus on housing policy

Introduction

Thank participant for agreeing to take part in the interview.

Guide the participant through the informed consent form and gain consent for the recording of the interview. Explain that before we publish anything in connection with their name, we will give them the opportunity to view and authorise the passages.

Explain the project: In our research project, we investigate political processes and actors in the field of housing policy with a particular focus on social housing in the three cities Birmingham, Zurich und Lyon from the period from 2000 to now. The project is run from Zurich and is funded by the Swiss National Science Foundation.

So far, we have collected data on housing, social housing and urban development including secondary literature, newspaper articles, maps and quantitative data. Now, we would like to complement this data with interviews about housing and urban development for each city.

In this interview about the city of Birmingham we would like to discuss the following topics:

1. Characterisation and description of important city-wide (social) housing and urban renewal policies for Birmingham since around 2000;

2. Governance of city-wide (social) housing policy (actors and their interests);

3. Political processes or processes in general related to city-wide (social) housing policy (e.g., leadership in the City Council, or particular policy processes around segregation)

1. Developments in housing

We will start by thinking about housing policy in Birmingham over the past 20 years. To begin…

<u>1.1 Question:</u> Over the last 20 years, which housing policies do you think were most important, and why?

- If possible: What are the differences between current housing policies and earlier housing policies?
- Was this a national or local policy?

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- [If the participant did not identify a policy affecting social housing – ask if they know of a significant social housing policy too]

1.2 Question: Who do you think has more influence over housing policy – local, regional/metropolitan or national government? Why do you say that?

- If possible: How much scope does the city have to develop its own distinctive policies rather than follow national ones?

1.3 Question: Who has been the target group of the housing policies you mentioned before?

- What was the effect of these housing policies for different population groups? [Give examples to prompt if interviewee is struggling; e.g., people on low incomes, ethnic backgrounds, or age groups]

2. Governance of city-wide housing policy

2.1 Question: Thinking about city-wide policy-making and its implementation, which actors have been actively involved in or consulted when drafting new housing policy? This can be legislation, instruments, city-wide plans or strategies.

- What has been the role of [housing officials; elected politicians; housing associations; economic and other actors] at various state levels when developing city-wide housing policies? [depends on who was mentioned before]
- Do you see any changes in their role over the last 20 years?

2.2 Question: What do these actors want to achieve in housing policy? Please describe their interests and strategies.

- And how do you think these objectives have changed over the last 20 years?
- How does the state intervene in the housing market [Prompt if interviewee needs, e.g., via law, ownership or financial subsidies]

2.3 Question: Are there actors in the field of housing policy who are connected to each other? [Such as policy makers, researchers, companies] Do they interact regularly?

- Do you think that these actors depend upon each other? [If yes: How?]
- Have you noticed any changes around how they relate to each other over time?
- [You say there is a group of actors exchanging regularly on housing needs and (social) housing policies. From your point of view, how would you describe the group's agenda regarding housing policies?]
- If possible: What is the role of the state/elected politicians in steering that group? What is the role of economic actors (e.g., real-estate firms, private investors, homeowner associations etc.)?

2.4 Question: Are there interests which were previously not represented among the group? Do you think that there are any interests, which are still not represented?

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2.5 Question: What role does citizen involvement play with regards to social housing policies in your city *[e.g., refused stock transfer in 2002]*?

2.6 Question: Housing is a field in which the market usually plays a central role. How important are public actors compared to the market in making housing policy in this city?

3. Political processes in city-wide housing and urban development

3.1 Question: Can you recall times where a council leader, executive members, chief housing officers or city planners had a significant impact on Birmingham's social housing and/or urban renewal policies?

- To what extent are chief housing officers and city planners constrained by the political environment?

3.2 Question: Have social mobilisations, such as protests or riots, successfully challenged housing and planning policies in Birmingham?

- How did the policies change?
- What was the role of community representatives and NGOs?

3.3 Question/Text: Nowadays, many cities are faced with continuing trends of segregation. In some neighbourhoods the people are deprived, while in others there have been massive increases in property values, which has displaced these lower-income people. To what extent can social housing and urban renewal policies realistically help to counteract these trends?

- What do you think can be done to encourage social mixing in deprived areas?
- What do you think can be done to secure affordable housing in gentrifying neighbourhoods?

3.4 Question: Thinking about segregation, can you recall times where (social) housing and planning policies have successfully been challenged by individual councillors or representatives?

- How did the policies change [content of policies]?

3.5 Question: Would you regard the UK government as being strongly engaged in upgrading deprived neighbourhoods and limiting displacement in gentrifying neighbourhood?

- Do you know if Birmingham City Council has any policies against segregation and displacement of lower-income people?
- What is the role of municipalities in shaping regional or national policies against segregation and displacement?

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4. Conclusion

4.1 Question: Are there important topics or important aspects in relation to social housing policy and urban development that have not been addressed so far? Do you want to add something?

Thank you very much for this interview!

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Appendix 3: Interview Guide Lyon (French)

Étude sur les processus politiques dans le développement urbain avec un accent particulier sur la politique du logement

Présentation et introduction

Merci beaucoup pour votre disponibilité et le temps que vous m'accordez pour cet entretien.

Notre projet de recherche concerne les processus politiques et les acteurs les plus importantes dans la politique du logement /de l'habitat. Nous examinons trois villes Européennes, Lyon, Zurich et Birmingham pour la période de l'année 2000 jusqu'à maintenant (20 ans). Le projet est géré de l'université de Zurich et est financé par le Fonds national suisse de la science (une institution qui promeut la recherche).

Jusqu'à présent, nous avons collecté des données sur le logement, le logement social et le développement urbain, notamment de la littérature secondaire, des articles dans la presse, des cartes et des données quantitatives. Nous souhaitons maintenant compléter ces données par des entretiens avec des experts sur le logement et le développement urbain pour chaque ville.

Au cours de cette entretien sur la ville et la métropole de Lyon, j'aimerais poser des questions traitant de 3 thématiques:

1. **Premièrement:** des questions sur les politiques importantes en matière de logement/de l'habitat et le développement urbain à l'échelle de la ville de Lyon, environ depuis 2000.

2. **Deuxièmement:** des questions sur la gouvernance (en bref, le terme décrit la diversification des acteurs dans la politique en général, non seulement les acteurs publique sont importantes mais aussi les acteurs privées) de la politique du logement à Lyon (sur les acteurs et leurs intérêts).

3. **Troisièmement:** Processus politiques ou processus en général liés à la politique de logement à l'échelle de la ville (par exemple, le leadership par l'administration et les politiciens (au conseil municipal) ou des processus politiques particuliers autour de la ségrégation.

Thématique 1. Les développements principaux dans la politique de logement

1.1 Question: A votre avis: Au cours des vingt dernières années, quelles étaient les politiques du logement les plus importantes selon vous et pourquoi? Veuillez réfléchir à

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des développements et mesures à différents niveaux politiques (national, métropolitain, communal).

- Si possible: quelles sont les différences entre la politique de logement actuelles et la politique antérieure à Lyon?
- Est-ce que c'est une politique nationale ou locale?

1.2 Question: Quels ont été les effets des changements législatifs (à l'échelle national, métropolitain ou communal) sur la politique de logement/de l'habitat au cours des 20 dernières années?

1.3 Question: Quels étaient les objectifs et les groupes cibles de la politique de logement? Le groupe cible a-t-il changé au fil du temps?

1.4 Question: Quelle est la marge de manœuvre de la ville /de la métropole de Lyon pour élaborer ses propres politiques distinctives plutôt que de suivre les politiques nationales? Comment cela a-t-il changé avec la création de la métropole de Lyon et l'agrandissement des compétences de la métropole en matière de logement?

Thématique 2. Gouvernance de la politique du logement à Lyon

2.1 Question: En ce qui concerne l'élaboration des politiques (lois, instruments, plans, stratégies, etc.) et la mise en œuvre de la politique du logement: quels sont les acteurs principaux et les plus importantes (organisations et personnalités)? Votre organisation est-elle régulièrement consultée ?

2.2 Question: La politique du logement peut être comprise comme une intervention de l'état sur le marché du logement. Comment la ville ou la métropole de Lyon intervient-elle principalement sur le marché du logement? Où devrait-elle être plus active?

- Qu'est-ce que vous pensez de ces nouvelles mesures de la métropole de Lyon publier récemment ?

2.3 Question: Les acteurs concernés par/active dans la politique du logement entretiennent-ils des liens/des relations /des plateformes? Ces acteurs ont-ils des contacts réguliers pour s'échanger?

- Ces acteurs sont-ils dépendants les uns des autres? Si oui, dans quelle mesure?
- Avez-vous constaté des changements dans ces relations entre les acteurs dans les dernières années?

2.4 Question: Existe-t-il des intérêts qui n'étaient pas représentés auparavant dans la politique du logement? Pensez-vous qu'il existe des intérêts qui ne sont toujours pas représentés dans la politique du logement (peut-être les personnes sans domicile fixe, etc.)?

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2.5 Question: Quel est le rôle de la participation des citoyens (mots clés: démocratie de proximité) dans la politique du logement/de l'habitat à Lyon?

2.6 Question: Le logement est un domaine dans lequel le marché joue généralement un rôle central. Quelle est l'importance des acteurs publics par rapport au marché (investisseurs privés, etc.) dans la définition/l'élaboration de la politique du logement à Lyon?

Thématique 3. Processus politiques en matière de logement de développement urbain à Lyon

3.1 Question: Vous vous souvenez des moments où le maire ou un membre de la législative municipal ou métropolitain (conseil municipal ou conseil de la métropole) ou des fonctionnaires/des agents public à l'administration ont eu une influence déterminante sur la politique du logement à Lyon?

3.2 Question: Dans quelle mesure les mobilisations sociales, les manifestations de rue ou les émeutes peuvent-elles influencer la politique de logement et le développement urbain de la ville de Lyon?

- Comment la politique a-t-elle changé?
- Quel était le rôle des représentants des acteurs de la société civile (ONG; syndicat, etc.)?

3.3 Question: Aujourd'hui, de nombreuses villes sont confrontées à une tendance continué à la ségrégation. Dans certains quartiers, la population est démunie, alors que dans d'autres, la valeur de la propriété a considérablement augmenté, ce qui a déplacé les personnes à faible revenu. Dans quelle mesure la politique de logement et l'urbanisme peuvent-elles contribuer à contrecarrer ces tendances?

- Selon vous, qu'est-ce qu'on peut faire pour encourager la mixité sociale dans les zones défavorisées?
- Selon vous, que peut-on faire pour obtenir des logements sociales/abordables dans les quartiers plus riches?

3.4 Question: Quelles sont les politiques qui existent à l'échelle de la ville/de la métropole de Lyon ou aussi au niveau national contre la ségrégation et le déplacement/l'expulsion?

- Considérez-vous que le gouvernement français (le niveau national) est fortement engagé dans l'amélioration des quartiers défavorisés et la limitation des déplacements des gens ?
- Est-ce qu'il y a eu des changements avec la création de la métropole de Lyon en 2015 ou avec l'extension des compétences auparavant?

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Conclusions

4.1 Question: Y a-t-il une thématique ou un aspect important en relation avec la politique de logement (social) et le développement urbain que nous n'avons pas encore abordé? Voulez-vous ajouter quelque chose?

Merci beaucoup pour l'interview.

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Appendix 4: Interim Results of interview analysis

This section presents one of the interim results of the quantitative analysis based on the interview transcripts. It present an individual word cloud in the respective language for each city region to give an impression of the most important words used during the qualitative interviews. Methodologically, the word cloud is based on the 100 most frequently used words with a length of at least 6 letters. The word length has been set to prevent the display of the frequently conjunction word without a real meaning.

Figure 27: Word cloud for the interviews conducted in Zurich

(Source: own representation)

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Figure 28: Word cloud for the interviews conducted in Birmingham

(Source: own representation)

Figure 29: Word cloud for the interviews conducted in Lyon

(Source: own representation)

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Appendix 5: List of Abbreviations

ABC-HLM	Association of Social-Housing Providers (Association des organisms HLM)
AL	Alternative List party (Alternative Liste)
ALF	Family housing benefit (Allocation de logement à caractère Familial)
ALPIL	Action for Integration Through Housing (Action pour l'insertion par le logement)
ALS	Social housing benefit (Allocation de logement à caractère social)
ALUR	Law on Housing Access and Renewed Urbanism (Loi pour l'accès au logement et un urbanisme rénové)
ANRU	National Agency for Urban Renewal (Agence Nationale pour la Rénovation Urbaine)
AOZ	Asylum Organization Zurich (Asylorganisation Zürich)
APL	Personalized housing benefit (Aide Personnalisée au Logement)
ARE	Federal Office for Spatial Development (Bundesamt für Raumentwicklung)
BATC	Birmingham Against the cuts
BCC	Birmingham City Council
BDP	Birmingham Development Plan
BIIP	Birmingham Independent Improvement Panel
BME	Black minority ethnic
BMHT	Birmingham Municipal Housing Trust
BWO	Federal Office for Housing (Bundesamt für Wohnungswesen)
BZO	Building and Zoning Regulation (Bau- und Zonenordnung)
CAF	National Office for Family Assignments (Caisse d'allocation familiale)
CBHO	Community-Based Housing Organisations
CCI	Chamber of Commerce and Industry (Chambre de commerce et d'industrie de Lyon)
CDC	French Governmental Financial Institution (Caisse des dépôts et consignations)
CIL	Interprofessional Housing Committee (Comités interprofessionels du logement)
COURLY	Urban community of Lyon (Communauté urbaine de Lyon)
CSP	Christian-Social Party (Christlich-soziale Partei)
DALO	Enforceable right to housing (Droit au logement opposable)
DCLG	Department of Communities and Local Government
DEM	Directly elected mayor
DGDU	Delegation for Urban Development (Délegation générale au développement urbain)
DILA	Legal and Administrative Information Department (Direction de l'information légale et administrative)
DWP	Department for Work and Pension

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EGW	Issuing Centre for Nonprofit Building Contractors (Emissionszentrale für gemeinnützige Bauträger)
ELAN	Housing, Planning and Digital Developments Act (Loi portant évolution du logement, de l'aménagement et du numérique)
EPCI	Institution for intermunicipal cooperation (Établissement public de coopération intercommunal)
EVP	Protestant People's Party (Evangelische Volkspartei)
FDP	Liberal Party (Freisinnig-Demokratische Partei)
FdR	Fonds de Roulement
FSL	Solidarity Housing Fund (Fonds solidarité logement)
GDP	Gross domestic product
glp	Green-Liberal Party (Grünliberale Partei)
GmbH	Limited Company (Gesellschaft mit beschränkter Haftung)
GPU	Large urban projects (Grands projets urbains)
GPV	Large projects of the city (Grands Projets de Ville)
HA	Housing Associations
HB	Central Railway Station Zurich (Hauptbahnhof Zürich)
HEV	Homeowners Association (Hauseigentümerverband)
HLB	Housing Liaison Boards
HLM	French social-housing provider (Habitation à loyer modéré)
HMO	Houses in multiple occupation
HRA	Housing revenue account
HS2	High Speed 2; high speed railway from Birmingham to London
IG	Community of Interest (Interessengemeinschaft)
INA	National Audiovisual Institute (Institut national de l'audiovisuel)
INSEE	National Institute of Statistics and Economic Studies (Institut national de la statistique et des études économiques)
IPPR	Institute for Public Policy Research
Juwo	Youth Housing Network (Jugendwohnnetz)
LEP	Local enterprise partnerships
LGBCE	Local Government Boundary Commission for England
LHA	Local housing allowance
LOV	Orientation law for the city (Loi d'orientation pour la ville)
LQCM	Affordable housing of good quality (Logement de qualité à coût maîtrisé)
LREM	French party "The Republic on the March!" (La République en Marche!)
MAG	Law on land value capture (Mehrwertausgleichsgesetz)

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MAPTAM	Law on the Modernization of the Territorial Public Action and Affirmation of the Metropolitan Authority (Loi de modernisation de l'action publique territoriale et d'affirmation des métropoles)
MHCLG	Ministry of Housing, Communities and Local Government
MV	Tenants Association (Mieterinnen und Mieterverband)
NPPF	National Planning Policy Framework
NZZ	New Zurich Newspaper (Neue Zürcher Zeitung)
OFS	Community Land Trust (Office foncier solidaire)
OJA	Open youth work (offene Jugendarbeit)
ONS	Office for National Statistics United Kingdom
OPAC	Public Office of Development and Construction of Grand Lyon (l'Office Public d'Aménagement et de Construction du Grand Lyon)
OPH	Public Housing Office (Office Public de l'Habitat)
PBG	Cantonal Planning and Building Act (Planungs- und Baugesetz)
PDA	Departmental Action Plan for the Housing of Disadvantaged People (Plan départemental d'action pour le logement des personnes défavorisées)
PDALPD	Departmental Action Plan for the Housing of the Disadvantaged (Plans départementaux d'Accès au Logement des Plus Défavorisés
PLAI	Social housing for low-income groups (prêt locatif aidé d'intégration)
PLALHPD	Departmental Action Plan for the Housing of the Disadvantaged (Plan local d'action pour le logement et l'hébergement des personnes défavorisées)
PLH	Local housing plan (Plan Local de l'Habitat)
PLI	Social housing for higher income groups (Prêt locatif intermédiaire)
PLM	Law on Paris, Lyon and Marseille (Loi Paris-Lyon-Marseille)
PLS	Social housing for the middle class (Prêt locatif social)
PLU	Local Urban Development Plan (Plan local d'Urbanisme)
PLU-H	Local Urbanism and Housing Plan (Plan local d'urbanisme et de l'habitat)
PLUS	Normal social housing (Prêt locatif à usage social)
POS	Land Use Plan (Plan d'occupation des sols)
PWG	Foundation for Affordable Residential and Commercial Space (Stiftung für preisgünstigen Wohn- und Gewerberaum)
PWV	Decree on Affordable Housing (Verordnung über den preisgünstigen Wohnraum)
RPG	National Spatial Planning Law (Raumplanungsgesetz)
RPR	Former French party "Gathering for the Republic" (Rassemblement pour la République)
RSL	Registered social landlords
S106	Section 106 Planning Agreements
SBB	Swiss Federal Railways (Schweizerische Bundesbahnen)

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SCOT	Territorial Coherence Scheme (Schéma de cohérence territorial)
Sepal	Joint Association for Research and Planning in the Agglomeration of Lyon (Syndicat mixte d'études et de programmation de l'agglomération Lyonnaise)
SHMA	Strategic housing market assessment
SIAL	Inter-Administrative Service for Housing (Service interadministratif du logement)
SKA	Swiss Credit Union (Schweizerische Kreditanstalt)
SP	Social-Democratic Party (Sozialdemokratische Partei)
SRU	Law on Solidarity and Urban Renewal (Loi Solidarité et renouvellement urbain)
SVIT	Swiss Association of the Real Estate Industry (Schweizerischer Verband der Immobilienwirtschaft)
TMO	Tenant management organization
UDF	Former French Center-Right Party (Union pour la démocratie française)
UDP	Unitary Development Plan
UESL	Economic Social Housing Union (Union d'économie sociale du logement)
UK	United Kingdom
UN	United Nations
UNESCO	United Nations Educational, Scientific and Cultural Organization
USH	Umbrella Organization for Social Housing Actors (Union sociale pour l'habitat)
WEG	Housing and Property Promotion Act (Wohnbau- und Eigentumsförderungsgesetz)
WFG	National Housing Promotion Act (Wohnraumförderungsgesetz)
WMCA	West Midlands Combined Authority
WMCHN	West Midlands Community Housing Network
WMRA	West Midlands Regional Assembly
Woko	Student Housing Cooperative (Studentische Wohngenossenschaft Zürich)
WOZ	The Weekly Newspaper (Die Wochenzeitung)
ZAC	Integrated Development Area (Zone d'aménagement concerté)
ZUP	Priority Urbanization Zone (Zone à urbaniser en priorité)
ZUS	Sensitive Urban Area (Zone urbaine sensible)

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In recent years, the financialization of housing has become a major challenge to many cities across the globe, not the least because it tends to favor the interests of global finance over the needs of residents. Based on three case studies in the city regions of Zurich, Birmingham and Lyon, the present investigation analyzes the interplay of housing governance and policies over the past 20 years against the backdrop of the financialization of housing.

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