

Reduction of outward migration in parts of Lower Austria - Solutions and strategies by using new instruments.

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Abstract:

In the first study the problem of the drift and outward migration in some regions of Lower Austria were discussed. Compiled in form of new activities together with 42 project municipalities of the association „Interkomm Waldviertel“ a study for the development of housing locations has been done.

The main goal was focused, to bring more people into the region and to reduce the outward migration. The initiative comes from inside the region that means from the persons concerned. The focal points are: A new positioning of the region “Waldviertel” as residential area, the stimulation of sale and/or the renting of real estate, inducing measures of reorganization and renovation of buildings.

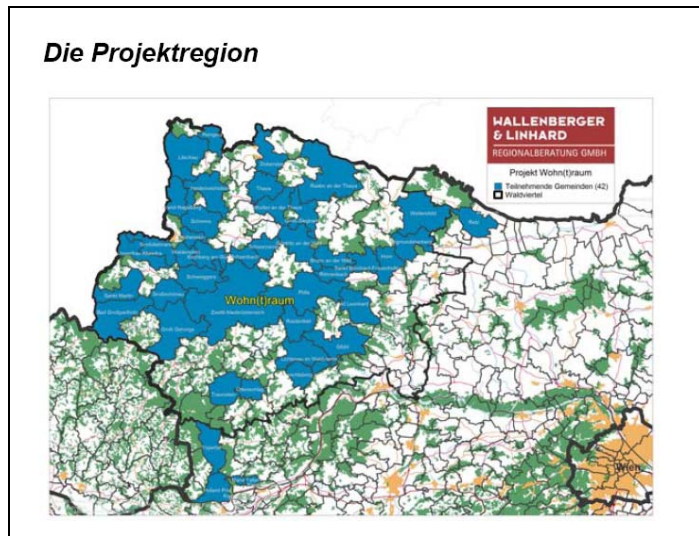
The instruments for conversion in each of the 42 project municipalities were: Conversion plans, which are compiled together with the municipalities; Presentation of the municipal infrastructure offer and quality of location; Marketing concept for the application of the “Waldviertler” housing locations; A local location information system (KOM SIS) - www.komsis.at; „Waldviertel - Ambassadors “in large cities like Vienna and Linz; „pilots” for municipality activities for the reinforcement of the integration offer and an information campaign for the resident population.

In the context of a second study it was examined whether by means of buying options for rented flats on a long-term basis the acquisition of property at dwellings could be popular. This could be a new instrument of changing housing markets. The reasons for it are to be evaluated, why the non-profit housing enterprises reach very different sales ratios. General strategies for an increase are prepared. In addition the following questions are treated: Which factors are important for the decision of the tenants to take a buying-option? Are the selling prices and financial conditions for the potential buyers of importance and how does cost increases affect the interest to buy? The applied sales methods are evaluated and the motives of non-profit housing enterprises for a forcing or a non--forcing of sale, too.

In further consequence to the possibilities in Lower Austria, mentioned in Dublin 2008 in the working group, the results of two new studies will be reported:

In the **first study** ¹⁾ **“Wohn(t)raum Waldviertel”** (it’s a jesting word, created from the German words Wohntraum – “dream living” and Wohnraum – “residential area”) the problem of the drift and outward migration in some regions of Lower Austria were discussed.

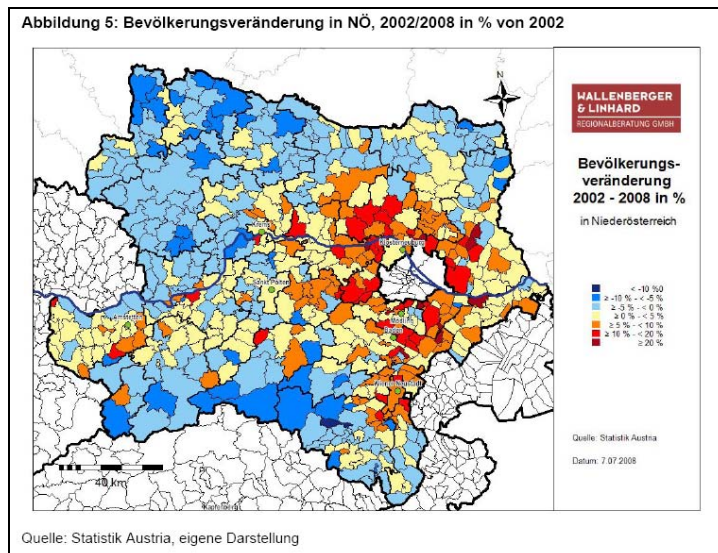
Compiled in form of new activities together with 42 project municipalities of the association „Interkomm Waldviertel“ a study for the development of housing locations has been done.



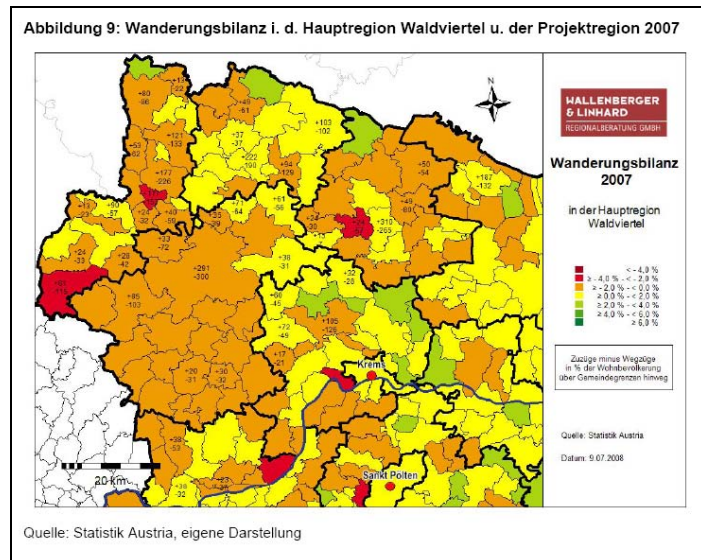
The project region

The main goal was focused, to bring more people into the region and to reduce the outward migration.

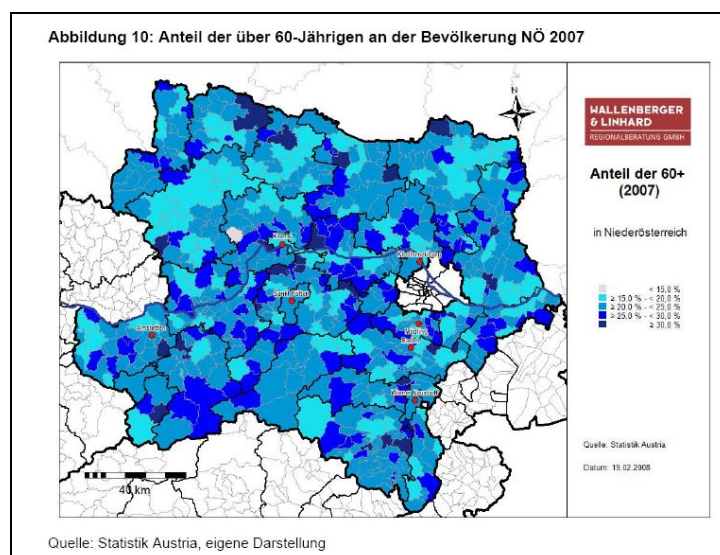
During the years 2002 – 2008 there has been an outward migration and reduction of the number of inhabitants in the region between 5 – 10 %, in some villages more than 10%.



If a balance is done only between outward and inward migration, the balance is negative, in some villages more than 4 %.

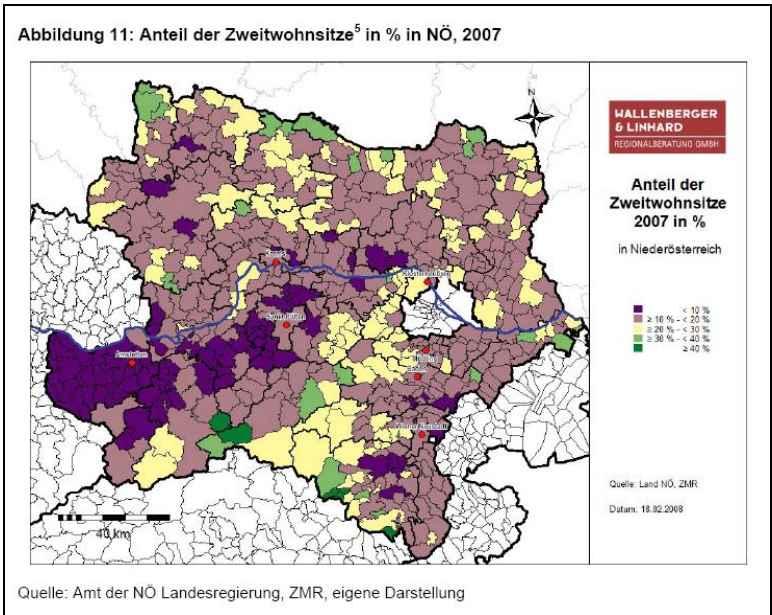


An additional problem is the age of the inhabitants; in some municipalities the number of persons having an age of 60plus exceeds more than 30%:



A further problem is the so-called “second - domicile – owner” (“Zweitwohnsitze” “weekend homes”). To the fact one must know that in Austria so-called finance assistance (“Finanzausgleich” – finance reconciliation) is paid to all communities (Federal tax funds of the republic are divided on the individual municipalities). However the municipalities receive only funds per household of the “primary domicile” in order to build infrastructure facilities etc. For so-called “second – domiciles” municipalities don’t receive Federal money, have however nevertheless expenditures for infrastructure such as sewers, water, roads, street lighting, etc. If the number of these “second - domicile – owners” is relatively high (especially more than 20 or 30%), municipalities suffer from financial problems.

Abbildung 11: Anteil der Zweitwohnsitze⁵ in % in NÖ, 2007



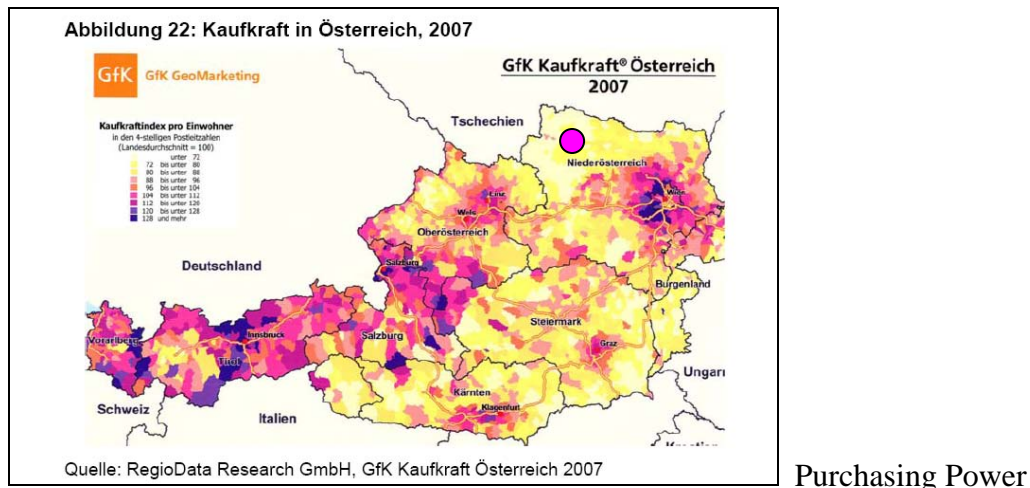
Quelle: Amt der NÖ Landesregierung, ZMR, eigene Darstellung

It was examined by a survey which factors are important for people having an interest to settle in a region:



- +++: Costs of plots and houses
- +++: Reach ability of regional main townships (near or excellent traffic possibilities)
- +: Quality of leisure possibilities
- +: Infrastructure like schools, medical coverage, shops
- +: Existing family relationship

The purchasing power of the mentioned region is very low (O):



The initiative for improvement of the situation comes from inside the region; that means from the persons concerned. The focal points are:

- A new positioning of the region “Waldviertel” as residential area
- The stimulation of sale and/or the renting of real estate, inducing measures of reorganization and renovation of buildings.

The instruments for conversion in each of the 42 project municipalities were:

- Conversion plans, which are compiled together with the municipalities;
- Presentation of the municipal infrastructure offer;
- Quality of location;
- Marketing concept for the application of the “Waldviertler” housing locations;
- A local location information system (KOM SIS) - www.komsis.at;
- „Waldviertel - Ambassadors “in large cities like Vienna and Linz;
- „pilots” for municipality activities for the reinforcement of the integration offer and an
- Information campaign for the resident population.

Abbildung 48: Kommunale Standort Informationssysteme



Quelle: Wallenberger & Linhard Regionalberatung GmbH

KOMISIS in Internet

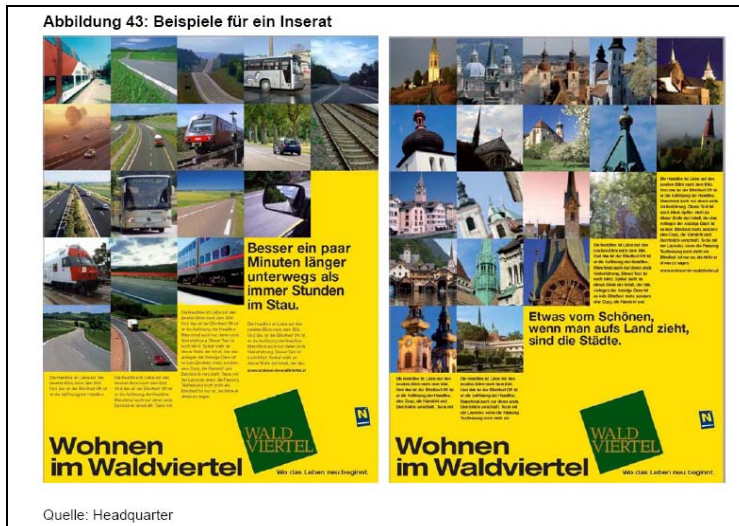
Abbildung 42: Werbelinie



Living in Waldviertel – where life starts again

An additional idea has been to merchandise the Waldviertel like consumer products:

Abbildung 43: Beispiele für ein Inserat



Quelle: Headquarter

Abbildung 45: Internet-Banner

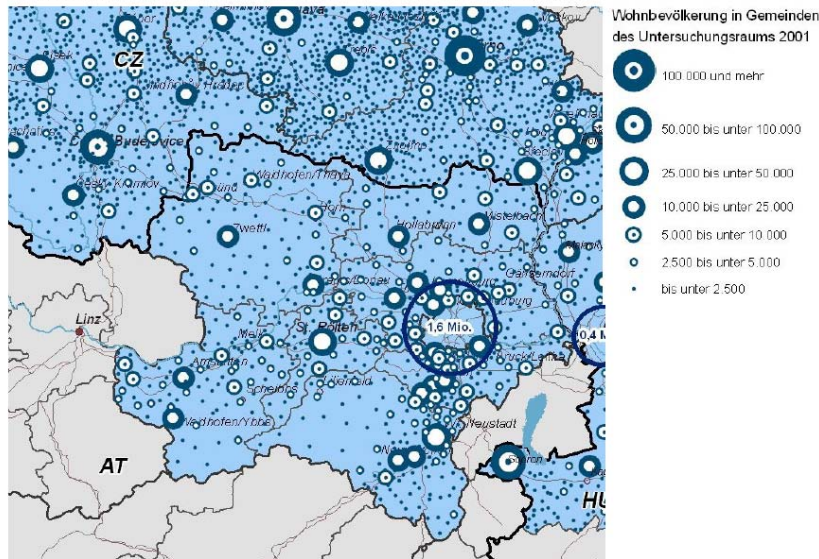


Quelle: Headquarter

Some looked for a new job and found a new life – Living in Waldviertel

The fact also is very interesting that since opening the “iron curtain” 20 years ago and joining the EU by the Czech Republic the region of Waldviertel got new connections to larger and populous areas in the Czech Republic like Brno and Budejovice:

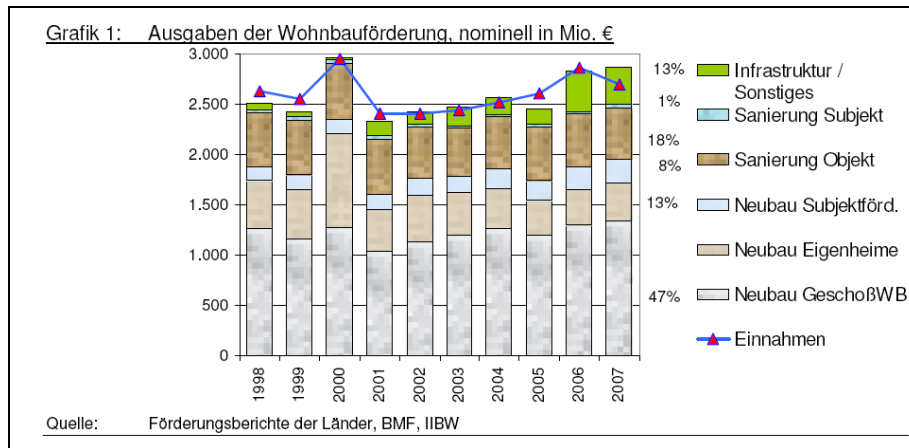
Abbildung 32: Die (neuen) Zentren im Umfeld der Projektregion



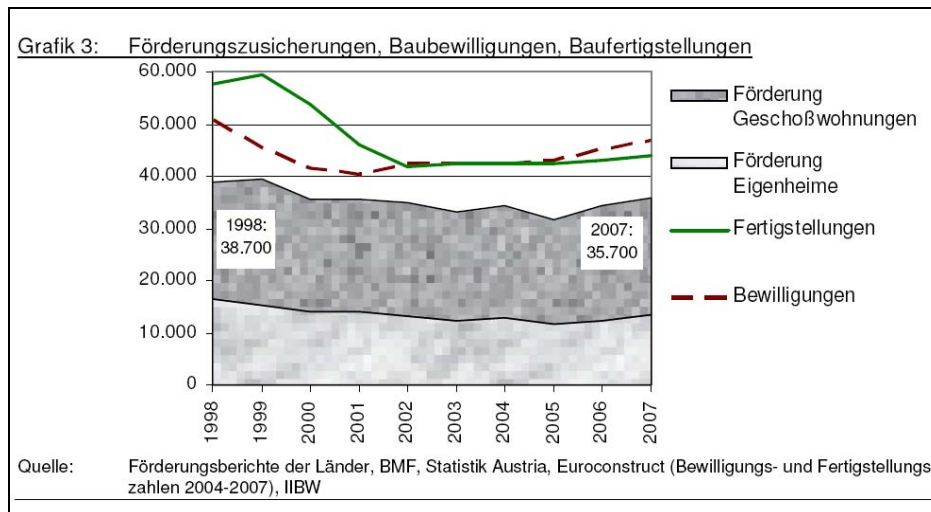
Quelle: Niederösterreichische Grenzlandförderungsgesellschaft

In the context of a **second study** ²⁾ **Kaufoptionswohnungen der Gemeinnützigen** – (“buying options for rented flats”) it was examined whether by using buying options for rented flats on a long-term basis the acquisition of property at dwellings could get very popular.

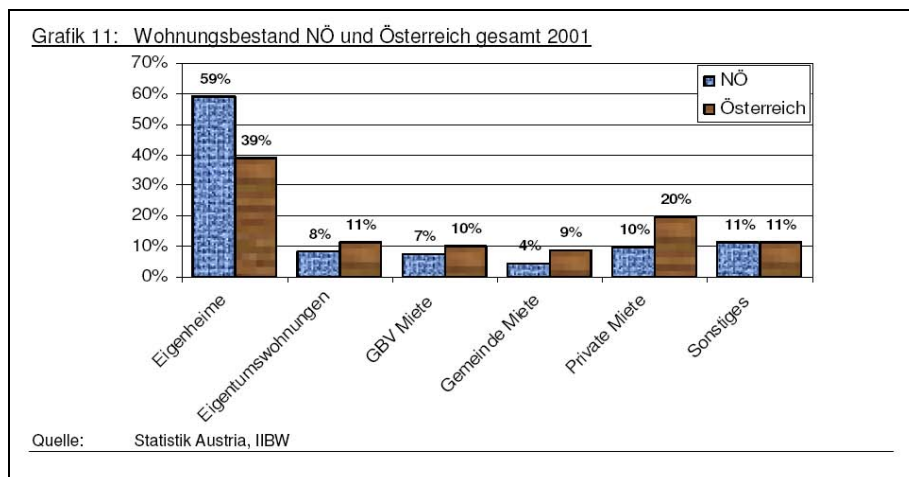
In Austria, federal tax money is used for housing allowances in different ways (13% general Infrastructure expenditures, 1% Renovation direct payment; 18% Renovation company grants, 8% new buildings – single family houses – direct payment, 13%: new buildings – single family houses – company grants, 47% new buildings – residential buildings with 3 or more flats).



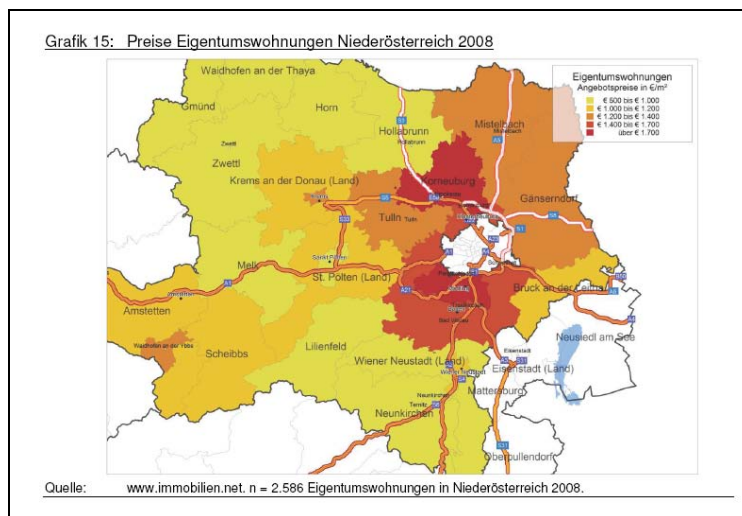
This can be evaluated by using numbers of subsidies (dark gray: construction permits residential buildings and light gray: family homes), building permits and number of finished flats:



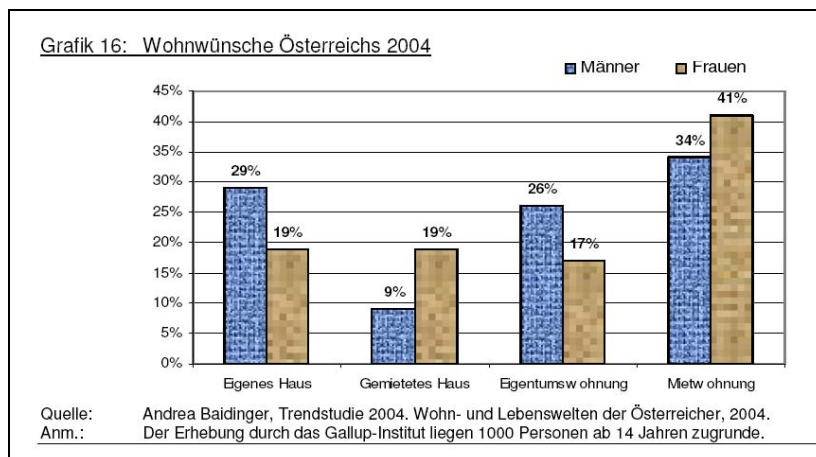
The ownership situation in housing is shown by the following slide (Austria: 39% private ownership of single family homes, 11% private ownership of flats, 10+9+20% different rented flats and houses; 11% Miscellaneous).



The prices of the dwellings stands in relation to the proximity of the city of Vienna:



If it is analysed in which way people in Austria want to live, it could be seen that property has a large value:



Blue: male, brown: female; To own a house; to rent a house; to own a flat, to rent a flat.

Purchase options could be a new instrument of changing housing markets. The reasons for it have been evaluated, why the non-profit housing enterprises reach very different sales ratios. General strategies for an increase are prepared. In addition the following questions were treated: Which factors are important for the decision of the tenants to take a buying-option? Are the selling prices and financial conditions for the potential buyers of importance and how does cost increases affect the interest to buy?

The study gave the following results:

The model of the purchase option for dwelling was introduced 1994. Meanwhile more than half of new rental flats in the public subsidy market (total 15,000 flats annually) has the

purchase option, because this offer advantages to the tenants (at the building period, VAT pre-tax allowance is possible)

At the end of 2007 in Austria totally approximately 74,000 flats have the purchase option, in Lower Austria 22.500. The quota of used options is about 21% and/or 23% in NÖ.

In the urban surrounding countryside of Vienna the sales ratios are substantially higher than in the rural area. The empirical survey showed that a large part of the past non-buyers could be still activated for a purchase, in particular with relief with the cash purchase price.

The prices for the dwellings were made flexible to increase, so that they deviate ever more from the cost recovery principle and tend toward market value.

The customers react substantially more strongly to the cash purchase price than on the more important total purchase price.

In view of strongly different market prices and incomes completely different basic conditions result for the purchase option in the surrounding area of the Vienna and in the economically underdeveloped regions e.g. Waldviertel.

As long-term trend a way has been determined to rent a flat. This is in connection with questions of financial capital and in addition, the increased personal mobility. However internationally seen, there is a broad and long lasting trend from rent to ownership.

The goals of the Lower Austrian housing subsidy program did not contain a preference for residential ownership in comparison to the rent, however the general opinion prevails: “as much property as possible, as much rent as necessary. “

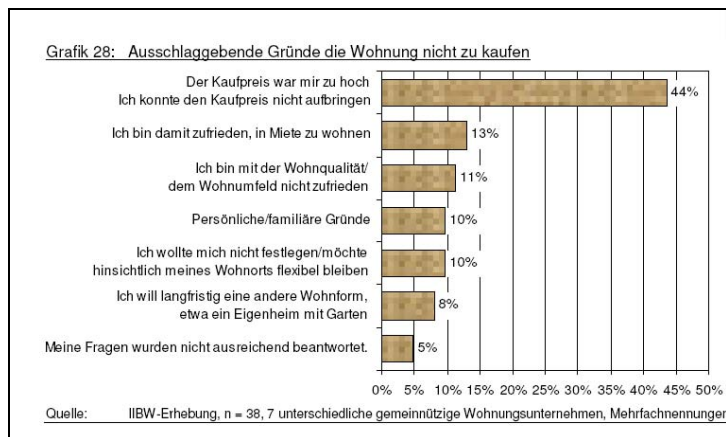
The reason for the study was a new model. 3 alternative strategies were defined and evaluated by means of a SWOT-analysis (**S**trengths/**W**eaknesses/**O**pportunities and **T**hreats)

- Fixed cash purchase price
- Market value minus discount
- Status quo version (Non-profit building companies are allowed to use their calculation formulas, but they are obligated to document their transactions and resulting prices which permits the regional government to seize individual case-referred measures).

Just as owner-friendly solutions as in Lower Austria (where the subject-related subsidies keep running and also personal housing aid is allowed) exist in Vorarlberg, Tyrol and Upper Austria.

In the last section of the study possible models are discussed for the Austrian-wide organization of the price calculation of purchase option dwellings and the model of a non-profit administrative company is presented, which pursues also the purpose, to improve the sales impact for purchase options, too.

In a survey reasons for not-buying were evaluated:



44% “I couldn’t pay the price”; 13% “I am happy to live in a rented flat”; 11% “I am not satisfied with the area”; 10% personal reasons; 10% “I would like to be flexible”; 8% “I shall buy another flat or a house with garden”; 5% Misc; “My questions haven’t been answered adequately”.

References:

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BOTH in INTERNET: www.noe-wohnbauforschung.at