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# Wohnen & Nachhaltigkeit

## Politikwissenschaftliche Perspektiven

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# *Sustainability of Housing in Times of Crisis*

***Abstract***

*Der Artikel skizziert Nachhaltigkeit als Herausforderung der Wohnungspolitik im weiteren Sinne, welche auch die Wohnraumversorgung aus vergleichender Perspektive beinhaltet. Er nimmt Überlegungen auf, wie sich die Wohnungspolitik aufgrund aktueller Krisenphänomene (Corona-Pandemie und Krieg in der Ukraine) zukünftig entwickeln könnte.*

***Schlagworte: Wohnungspolitik, Wohlfahrtsstaat, Corona, Ukraine***

*The article sketches the challenges of sustainability for housing policy in a broader perspective including housing provision from a comparative perspective. It also sheds light on how considerations about housing policy may have been changed due to the ongoing crises (the COVID pandemic and the war in the Ukraine).*

***Keywords: housing policy, welfare state, COVID, Ukraine***

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In this article, I will argue that housing is a neglected topic in both political science research and current politics in Germany and Europe. Starting from the scratch, I will first lay out why housing is an interesting topic for political science at all, also adding a comparative perspective on housing across Europe. I will proceed with arguments why housing is a sustainability issue and how current events (the COVID pandemic and the war in the Ukraine) force us to rethink our strategies concerning housing provision.

## Why is housing interesting for political science research?

Housing – together with food, clothing, medical care and social services – is enshrined as a basic human right in in Article 25 of the United Nations Human Rights Convention. Under normal circumstances in modern industrial societies, the "if" of housing is no problem, which is discussed at length, despite all countries in the EU still having measures to fight rooflessness (Zólyomi et al., 2019) and there are audible calls for the EU to tackle the problem (FEANTSA, 2020). It seems self-evident that the focus of modern societies regarding housing is not the numbers. Instead, the political debate is focused on the "how" of housing: How should housing be provided? How large is the share the government provides, how many units are offered by private actors, how many people are owning the housing unit they live in? What is a reasonable price for rental housing and for buying real estate? How strong do we expect the government to lean into housing and real estate markets? How do we organize housing and the infrastructure to accompany the use of housing?

For political science, housing thus is a field where questions are being fought over which are typical for policy studies. What is special about housing policy is that first it usually generates decisions with long-term impacts, second it deals with very large investments and third it is strongly restricted or influenced by external factors like geography, demographics, capital markets, prices for construction materials, labour etc.

## Why is housing interesting for a comparative perspective?

From the perspective of political science, housing is a very interesting issue because it shakes up our common understanding of social policies. Once described as the "wobbly pillar under the welfare state" (Torgersen, 1987), the role of the housing system for other vital parts of domestic policy is still unclear. It is obvious that housing is interconnected with a large number of other fields in public policy (strategic and infrastructure planning, welfare policy, fiscal and tax policy, etc.), but the consequences of the individual setup of housing policies in a country for its welfare system are not yet understood.

It seems straightforward to put housing into the drawer where the other traditional welfare state policies are located. From this perspective, all private and public efforts to provide housing serve the goal of mitigating the risk of individual homelessness, just like health care systems should mitigate the risk of illness, labour market policies should mitigate the risk or consequences of unemployment and pension systems should mitigate the risk of old-age poverty. What the political scientist would expect is that the composition of housing tenures (owner occupation housing vs. rental housing) would somehow fit to the overall style of welfare politics that is usually run in the respective country. This

would mean that we could expect less ownership and more rental housing in what Esping-Andersen (1990) calls "social democratic welfare states", where governments usually show heavy spending for welfare which is paid for by generally higher tax levels. One would expect that the share of renters is higher in those countries, because a government which has to provide housing for the needy would rather subsidize rental housing than subsidize owner-occupied housing – simply because rental housing is less expensive in investment and maintenance. The opposite is true for countries from the "conservative welfare state" type, where it is more important for individuals to acquire housing ownership before entering the pensioneers' force to avoid paying high rents. This aspect is even more important in countries with a residual welfare system like the Eastern European countries. Countries in the "liberal welfare state" type are expected to have large shares of owner-occupation and private rental, whereas the government provides public housing for those who are in urgent need only while usually focusing on helping people to acquire ownership status. While this reasoning seems understandable from an intuitive point of view, a quick look at some usual suspects among the countries – where the welfare model is well understood by science and the politics of welfare have been quite consistent over many decades – reveals that it is not as easy as expected. Overall, the educated guesses are not wrong (see for example the OECD affordable housing database), but there are notable exceptions in all of the welfare state groups.

It is obvious, though, that different countries answer the "how" questions of housing quite differently, even if the general features of countries are similar. Countries follow their own unique pathways in the provision of housing, and so it is time for the first disappointment here: There cannot be a unique solution to the sustainability questions that fits for all countries, but there will have to be national adaptations.

## Why is housing a sustainability issue at all?

Sustainability, as commonly understood, aims at meeting the needs of the present generations without compromising the ability of future generations to meet their own needs (WCED, 1987). Usually, it is defined as having three components which all have to be met in order to declare a measure or a policy sustainable, namely from an ecological, an economic and a social perspective. It is obvious that housing policies are subject to sustainability questions from all three perspectives.

First of all, housing poses challenges to the *environment*. In the case of new developed housing, units must be built using different materials such as wood, steel, stones, sand, concrete, glass etc., which have to be harvested, produced, refined, assembled, stored, and transported in advance. Before the construction itself starts, the ground has to be prepared accordingly, which may also influence future usage. When the building is finally set up and the inhabitants move in, the actual usage of the dwelling begins: It may have to be heated in the winter and cooled down in the summer, people need warm water to shower, and water may have to be treated. Even if it is a low-energy house or meets the standards of a passive house, it requires other devices such as ventilation systems. Therefore, electricity is used for additional systems and daily usage of other devices. Wastewater has to be treated, garbage must be collected, there may be cars or bikes or other mobility devices to be parked and many things more. After a certain time, dwellings have to be

renovated and refurbished which also needs new material and may result in construction waste.

Second, housing is also an *economic* issue for private investors and the government. External factors like emigration, immigration, demographics, labour markets, increasing urbanisation and changes in individual behaviour like the trend for single households are creating challenges for the housing units and the housing system as such (Krapp et al., 2022, S. 81ff.). For example, housing units which were formerly the ultimate goal for the traditional family (i.e., one family houses in the countryside with cheap commuting to the neighbouring by car running on cheap gasoline) are not popular and affordable any more. Due to their inflexibility, settlements consisting mostly of those housing units have to be either abolished, converted or sold/rented for low prices – which is financially unsustainable.

Third, housing is increasingly a *social issue*. The same factors that drive economic issues for investors and the government (see above) also drive rental and real estate prices. Rental prices are not only increasing in the big cities, but also in suburbia and in second-range cities (see e.g., for Germany Egner & Grabietz, 2018; Rink & Egner, 2021). Buying housing creates higher financial risks for the purchaser than in the past, because interests are increasing and there is no guarantee that one can resell the own housing without losses and buy a new one at the destination if a relocation is required, i.e., for job purposes.

## The impact of current events

It seems obvious that from all three perspectives housing is both a challenge for the government and the individual, even in times without crisis. Within the last two years, the context for housing policy – and for the sustainability question in general – has significantly changed both due to the COVID pandemic and the war between Russia and the Ukraine. In this section, I will shortly address the impact of those two developments on housing and the prospects we are facing.

### *The impact of the COVID pandemic*

It is difficult to estimate the impact the pandemic exerted and still exerts on our daily lives. Housing is affected in a double way, short-term and long-term. Short-term measures like lockdowns, mask mandates, test regimes and the shift from common office structures to a massive "home office" work force has blurred the line between labour and home. During the infection waves with no vaccination available, people were forced to assign parts of their private homes to work spaces and to stock children's bedrooms with home schooling equipment which led to a narrower space for living. As we are not through the pandemic yet, we are now beginning to discuss how desk work will be organized after the pandemic. There seems to be a trend to keep home office solutions for at least some of the people, which might strongly affect housing. If people are sure that they will have to work at home in the long run, they might search for housing which is suitable in this respect, e.g., with larger spaces or separable working areas. For this purpose, they might move out of the cities to rural areas where data connections are working well and housing is cheaper. It is the culture of work places that might change by the much stronger integration of work into the homes of those affected. Additionally, the pandemic has significantly blocked the strategy of new housing construction in areas where it is desperately needed. Construction company work has been slowed down because the pandemic hit the workforce, but also because supply chains for steel, timber and other

materials have been cut or slowed down. The overall challenge is answering the question of the durability of the changes which are looming: Will a significant part of the work force stay at home for work in the future, which would probably require a new or bigger kind of housing unit? Can we build those homes in a sustainable way, where the ecologic dimension is protected by the usage of environment-friendly materials, where the economic dimension is addressed by avoiding investment bubbles and where the social dimension is addressed by reasonable prices where the "new" housing is affordable by those who need to take their work load home? How will those developments affect other infrastructures like transport and electricity provision?

### *The impact of the Russia-Ukraine war*

The ongoing war between Russia and the Ukraine also shows effects on housing policy, especially in Germany, but also in other European countries. First, it also impedes supply chains for steel, other metal goods and timber, which are needed for the construction of new housing units. Second, the war has significantly increased the cost for heating and electricity, putting additional pressure on those who are already struggling in duly paying their rent or mortgage. Increasing heating costs might be mitigated by higher energy standards of housing, but respective investments are expensive due to the shortage of materials and workforce these days. For example, most types of solar panels are sold out across Germany as a result of a summer shopping frenzy of renters and homeowners who want to escape increasing prices for electricity by producing their own. As a collateral effect of the war, housing markets may be hit additionally by just shy of a million Ukrainian refugees, which took shelter in Germany, creating added demand especially on the rental market.

## Conclusion

As I have shown, housing clearly is a sustainability issue from various perspectives. In the past, we conceptualized housing as a good which was simply there, maybe a little harder to find in the cities than in the countryside, but no big problem, and with affordable prices. This behaviour of politics and society which von Einem (2016) accurately described as the "overslept decade of housing policy" led to the current situation which was additionally fuelled by both crises. With both in full impact mode, we are increasingly experiencing the problems in housing provision, the lack of flexibility in the market and the construction process. We see that it is more important than ever before to think carefully how to address the environmental, but also the economic and social dimension of housing. Of course, different countries with different setups may react differently to the crises, depending of the tenure system in the country, the degree of dependency on certain resources and their different responses to the pandemic.

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