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Track #4: Die Hegemonie der Ökonomie

## **Who raises land prices? An analysis of institutions and ownership structures impacting residential building land in Vienna**

This contribution is mainly based on the results of my master's thesis written as part of the program Socio-Ecological Economics and Policy at WU Vienna. Proceeding from the results and against the background of goals on multiple levels to reduce land consumption, the paper discusses the widespread assumption that an increase in the supply of building land and housing necessarily leads to a decrease in housing costs, especially with regard to the implications for social-ecological land and housing policy.

The master's thesis investigates ownership structures and prices of residential building land in Vienna in the period 2000-2020 and analyzes institutions in the field of land and housing in Vienna. Using descriptive-statistical methods of analysis and based on the Kaufpreissammlung Liegenschaften Wien, it updates the research of the 2012 study *Analyse der Angebots- und Preisentwicklung von Wohnbauland und Zinshäusern in Wien*. Using diverse economic theories of land, the data was analyzed in the context of historical-institutional developments in the field of land and housing. The results show that residential land prices in Vienna have increased significantly since 2000 and especially after the financial crisis in 2008. The prices paid by private companies have almost tripled (196%) since 2009, and the latter appear as the main actor group driving prices. While private companies have increased their purchasing activity, the role of other actors (private individuals, limited-profit housing associations, and public entities) is diminishing. Current trends such as the relative decline in subsidized housing, new housing construction exceeding demographically based demand, the financialization of housing, and low municipal housing construction help to understand the growing dominance of private companies. Although Vienna is known for its strong set of institutions in the field of land and housing and therefore considered a best-practice example for decommodified housing, recent developments suggest that existing institutions might be insufficient to counter these changes. Furthermore, the results indicate that neoclassical reasoning, assuming that land, like capital, responds to the pressures of supply and demand and that building more homes and zoning more land as building land would therefore lead to lower prices, is insufficient to explain current developments. Instead, critical political economy approaches focusing on financialization are better suited to explaining these developments.

Key words: residential building land, economics of land, ownership structures, actors, prices, institutions, Vienna