

Origins of the Housing Policy in the Czech Lands: the Austrian Housing Policy in the 1852–1918 Period

*Jan Hladík**

The subject of the submitted paper is mapping of the gradual formation of the initial framework of the housing policy in Cisleithania, primarily focusing on the Czech lands. The author asks to what degree did the decision-making sphere managed to successfully face the issues that troubled the housing market by means of its housing policy. The government's interest in resolving the situation on the housing market initially focused only on the general regulation of natural persons active on the residential property market, but the framework of the actual housing policy started to be formed a little too late, from the 1890s. However, the government's attempt to stimulate residential construction proved to be insufficient, even though it must be acknowledged that in some areas of the empire the housing shortage was actually relieved. A fund was established by law in 1907 in support of construction of housing for government employees and a housing management fund was established in 1910. With the beginning of the First World War the government intervened in the housing market much more actively than before and imposed previously unparalleled restrictions on this market in Cisleithania and Transleithania. After the Habsburg Monarchy fell in the autumn of 1918, the legal-institutional framework of its housing policy was mostly assumed by the young Czechoslovak Republic.

[Housing Policy; Social Policy; Housing Market; Rent Regulation; Austro-Hungarian Empire]

This paper is devoted to examination of the gradual formation of the government housing policy in the territory of Cisleithanian region of the Habsburg Monarchy, primarily focusing on the Czech lands. This text reveals the difficulties the housing policy of the time had to cope with and the difficult situation on the housing market it endeavoured

* Department of Economic History, Faculty of Economics, University of Economics in Prague (VŠE), Nám. Winstona Churchilla 1938/4, 130 67 Praha 3, Czech Republic. E-mail: jan.hladik@vse.cz.

to resolve. The topic and content of the analysed issue therefore remain of some significance in today's world, in which the housing difficulties affecting particularly large cities remain a tough challenge to resolve not only for the Czech decision-making sphere. Furthermore, the newly created Czechoslovakia subsequently built directly onto the legal-institutional foundation, which was created at the time of the Danubian Federation. As the following text demonstrates, the process of implementing the housing policy in Cisleithania was a much more gradual affair compared to West European states.

Debates concerning the living conditions of low-income groups, in relation to the influx of labourers to West European countries, were initiated in the 1830s. J. Gruber¹ states that in 1837 the Belgium Central Council for Public Healthcare carried out a survey of labourer's flats, and similar surveys of the living conditions of the labourer classes were carried out in the following decade in Great Britain on the basis of an impulse from Prime Minister Robert Peel. Affairs progressed from debates to specific housing policy actions in Great Britain during the 50s and 60s. The hygienic conditions in flats were legally stipulated in 1853 and the number of people that could live in the flats was also limited. In 1866 an act enabling municipalities to borrow money for construction of flats for labourers in over-populated cities was enacted in 1866.² This option was only utilised by Liverpool,³ where the first communal residential building in Great Britain, *St. Martin's Cottages*, which consisted of four-storey blocks of flats with quite good civic amenities, was built in 1869. This building's only Achilles heel was the location of the toilets in the corridor on the half-landing.⁴

In the German-speaking region public debates regarding the housing situation were initiated at the beginning of the 1870s. As Gruber states, it was only the Census in 1890 resulting in a survey of the housing situation in Austria that elicited true interest from the professionals in this issue and forced the decision-making sphere to take action.

¹ J. GRUBER, *Bytová politika v Rakousku a v republice československé*, in: *Obzor národohospodářský*, XXVII, 1922, p. 19.

² M. E. BEGGS-HUMPHREYS – H. G. HUMPHREYS – D. HUMPHREYS, *The Industrial Revolution*, Reprint, London 2006, p. 34.

³ *Ibidem*.

⁴ J. N. TARN, *Five Per Cent Philanthropy: an Account of Housing in Urban Areas between 1840 and 1914*, London 1973, p. 62.

Until then, the only action in the field of the government housing policy taken by the government was Imperial patent No. 253/1852 ř. z., by means of which self-help housing societies were regulated.⁵ It must be pointed out that this legal regulation can be considered very generally defined. It concerned the terms of origin and termination of societies, whereas charitable societies (i.e. housing societies) had to inform the relevant office of their origin and termination in accordance to Section 23 of Patent No. 253/1852 ř. z. The act can therefore be considered the legal framework for a housing policy executed not by the government sector, but by charitable societies.⁶ This procedure, during which the government simply set the rules, but did not otherwise intervene in the specific market as a participant, was fully in compliance with the liberal economic-political doctrine of Bach absolutism of the time.⁷

This is why the first actual action taken in the field of the Austrian state's housing policy can be identified as Act No. 37/1892 ř. z., on labourers flats dating from February 9, 1892.⁸ The act supported construction of flats for labourers indirectly – tax relief from housing tax⁹

⁵ M. ŠPILÁČKOVÁ, *Bytová krize v českých zemích v letech 1918–1948 a sociální práce jako jeden z nástrojů jejího řešení*, in: *Historica – Revue pro historii a příbuzné vědy*, 7, 2016, 1, p. 60.

⁶ *Zákoník říšský a věstník vládní pro císařství Rakouské* (hereinafter ř. z.), part LXXIV, Imperial Patent No. 253/1852, by which new provisions concerning societies dated 26 November 1852 is published, Section 23, p. 1115.

⁷ One of the figures also participating in the character of the economic policy of the Austrian Empire after the revolutionary years of 1848–1849 was Karl Ludwig von Bruck, who was initially Minister of Commerce and Public Works, and then Minister of Finance. He is credited with removing obstacles to domestic trade and also with reduction of customs obstacles to foreign trade. He also executed a liberal policy on the bank market and construction of railways was also supported. E. D. BROSE, *German History 1789–1871: From the Holy Roman Empire to the Bismarckian Reich*, New York 2013, pp. 262–263.

⁸ GRUBER, p. 20. *Zákoník říšský pro království a země v radě říšské zastoupené* (hereinafter ř. z.), part XLV, Act No. 37/1892, dated February 9, 1892, on the advantages for new buildings with labourer's flats, Sections 1–9, pp. 401–402.

⁹ The house tax was a tax imposed on real property, which was used for residential purposes. It was in the form of a rent tax or class tax. The rent tax applied to owners of buildings with rental flats and was determined on the basis of the rent. The class tax was paid by owners who did not rent anything. The tax was determined depending on the number of rooms intended for residential purposes. For more information see Z. JINDRA – I. JAKUBEC, *Hospodářský vzestup českých zemí od poloviny 18. století do konce monarchie*, Praha 2015, p. 80.

for 24 years after completion of construction.¹⁰ The act set the goal of creating cheap but sanitary flats and determined three groups of entities building the structures with the right to tax relief. The first group benefiting from the tax relief was municipalities, charitable societies and institutes for labourers, the second group was various labourer societies, which undertook to build housing for their members, and the last group was employers, who were also entitled to government support if they built housing for their labourers.¹¹ Maximum rent per square meter was determined.¹² However, the very strictly set terms for providing these advantages were a problem and can be considered the cause of failure in the endeavour to stimulate construction. Between 1892 and 1896 only around 500 labourer's houses were built on the basis of this act, which meant that the situation on the housing market did not improve much.¹³

Probably the biggest problem the housing policy of the time had to face was that the flats were overcrowded. In August 1895 the *Národní listy* periodical discussed this issue extensively in the context of Prague. At the time an overcrowded flat was defined as a flat that had three residents in each heated section. In Prague and its suburbs there were 9,276 of these flats with 60,582 residents living in them in 1890. The percentage of flats that were overcrowded out of the total number was 12.9 % in 1890. If the percentage of the population living in overcrowded buildings is examined, then it can be stated that a third of the population of Prague lived in overcrowded flats and in districts such as Žižkov and Josefov over a third of the population lived in such flats.¹⁴ The greatest numbers of overcrowded flats were located in areas where the rental form of housing predominated and also in areas with a poor population, which had a greater number of children. Health committees examining living conditions occasionally registered extreme situations. In July 1893 the committee found that

¹⁰ Ř. z., part XLV, Act No. 37/1892, dated February 9, 1892, on the advantages for new buildings with labourer's flats, Section 2, p. 402.

¹¹ Ibidem, Section 1, pp. 401–402.

¹² Ibidem, Section 5, p. 402.

¹³ GRUBER, p. 20; A. MAYER, Bytová reforma na venkově, in: *Revue zemědělské politiky*, 1, 1913, 2, p. 9.

¹⁴ About the housing situation in the royal capital city of Prague and the surrounding area, in: *Národní listy*, 35, 1895, 226, p. 1. According to M. Špiláčková about 10 % of the flats in Prague itself were overcrowded. ŠPILÁČKOVÁ, p. 60.

there were 60 people living in eleven flats in one building in Malá Strana not far from the chain bridge¹⁵ with only a single toilet available.¹⁶ Prague (excluding the suburbs) was also the second most populous city in Cisleithania, because there was one Prague resident per 78.47 square meters. The greatest population density was registered in the Viennese centre, where there was one resident per 66.94 square metres.¹⁷ On the other hand it must be mentioned that the percentage of overcrowded flats very gradually fell in 1890 compared to 1880. In Prague itself it fell by 2.4 %.¹⁸ People mainly lived in small flats with one or two rooms. This is how 57% of the population of Austrian cities lived, but for example in Košíře up to 89.49 % of the population lived like this, in Nusle this number was 87.69 % and in Vysočany it was 80.89 %. The situation improved outside Prague and its suburbs – in Kladno 74.48 % of the population lived in flats with one or two rooms, in Kolín it was 66.79 % and in Pardubice just 62.34 % of the population lived in such flats.¹⁹ The census of flats in 1900, which also covered the density of the population living in flats with one to two residential areas, also provides an interesting picture of the housing market in the period between 1890 and 1900. The results for some towns in Cisleithania are given in the table below. Two findings are apparent from the table. First of all, it is clear that industrial cities in the Czech lands (particularly Plzeň) had more overcrowded flats compared to Vienna and Linz. Secondly, the statement above that the rate of overcrowding in flats very slowly fell over time can be confirmed. This fact is apparent from the table because the percentage of one-room and two-room flats, which were occupied by multiple people (i.e. three and more people per room) fell. However, this fall in numbers was not that dramatic, and the degree of overcrowding in the flats was not actually reduced everywhere. For instance, the percentage of one-room flats occupied by three and more people increased over a ten-year period by 0.33 per cent in Plzeň, and the situation was similar in relation to two-room

¹⁵ Most Legií now stands there.

¹⁶ From the municipal council, in: *Národní listy*, 33, 1893, 228, p. 3.

¹⁷ *Die Ergebnisse der Volkszählung vom 31. December 1890 in den im Reichsrathe vertretenen Königreichen und Ländern. Heft 4 Die Wohnungsverhältnisse in den grösseren Städten und ihren Vororten*, Wien 1893, pp. II–III.

¹⁸ ŠPILÁČKOVÁ, p. 60.

¹⁹ About one's own home and cheap flats for officials and labourers, in: *Národní listy*, 47, 1907, 98, p. 4.

flats. On the contract the percentage of overcrowded flats in Brno and Liberec was successfully reduced and the percentage of one-room flats occupied by three and more people fell by 13.28 per cent, or by 10.44 per cent over ten years. Liberec registered successful development in regard to the same situation in two-room flats.

Act No. 144/1902 ř. z.,²⁰ which was connected to Act No. 37/1892 ř. z., on labourers' flats, was enacted in 1902. The new legislation further expanded the options of tax relief for construction of family homes intended for labourers. This act defined labourers as persons whose annual income did not exceed the sum of 1,200 K,²¹ labour families of two to four members were able to earn a maximum income of up to 1,800 K, families with five or more members were only considered labour families if they had an annual income of less than 2,400 K.

Table 1. One-room and Two-room Flats according to the Number of Persons occupying them – Development of the over Degree of Overcrowding in Small Flats between 1890 and 1900 in selected Towns and Cities²²

Town/ city	Years	Occupation rate of one-room flats by X persons [%] $X =$					Occupation rate of two-room flats by X persons [%] $X =$				
		1	2	3-5	6-10	>10	1-2	3-5	6-10	11-20	>20
Vienna	1890	18.30	31.98	43.20	6.22	0.30	24.45	55.03	20.05	0.46	0.01
	1900	22.93	33.98	38.38	4.68	0.03	25.86	54.20	19.63	0.31	0.00
Linz	1890	25.10	29.20	38.40	7.20	0.10	36.80	48.30	14.40	0.50	0.00
	1900	28.98	28.55	35.84	6.34	0.29	32.89	50.96	15.60	0.55	0.00
Trieste	1890	19.60	30.60	41.90	7.80	0.10	25.20	55.70	18.90	0.20	0.00
	1900	24.09	30.85	38.34	6.65	0.07	27.02	55.21	17.51	0.26	0.00
Liberec ²³	1890	12.90	22.30	51.70	12.80	0.30	21.50	55.10	22.70	0.70	0.00
	1900	20.98	24.66	44.85	9.45	0.06	31.42	54.53	13.74	0.28	0.03
Plzeň	1890	5.70	16.50	54.70	22.90	0.20	16.70	47.90	34.00	1.30	0.10
	1900	4.84	17.03	56.96	20.88	0.29	15.09	49.32	34.41	1.16	0.02
Brno	1890	20.50	23.50	43.20	11.60	1.20	22.70	51.90	24.70	0.70	0.00
	1900	29.42	27.86	34.51	7.82	0.39	25.56	51.54	22.25	0.65	0.00
Krakow	1890	9.70	19.20	43.60	25.80	1.70	16.40	41.80	37.90	3.50	0.40
	1900	14.25	20.83	43.34	20.87	0.71	19.74	43.37	35.04	1.85	0.00

²⁰ T. DVOŘÁK, *Bytové družstvo: převody družstevních bytů a další aktuální otázky*, Praha 2009, p. 4.

²¹ K = symbol for Krone.

²² *Die Ergebnisse der Volkszählung vom 31. December 1900 in den im Reichsrathe vertretenen Königreichen und Ländern. 1. Heft. Erweiterte Wohnungsaufnahme*, Wien 1904, p. XIV.

²³ Excluding suburbs.

Table 2. Technical Conditions for Allocation of Support in Act No. 144/1902 ř. z.²⁴

Family houses		Dormitories for single people	
Number of rooms in the flat	Required area [square metres]	Number of rooms in the flat	Minimum area [square metres]
1	16–25	1	8
2	20–35	2	12
3	30–80	3	20

These limits were set an eighth higher in cities with a population exceeding 50,000 and a quarter higher in Vienna.²⁵

If all the conditions stipulated by the law were met, including those set out in the table below, the builder's of the buildings were able to use construction of houses with cheap flats to obtain exemption from class house tax for a period of 24 years, i.e. for the same period as in the preceding act.

However, the previous housing policy actions were not sufficient, because the price of building materials, rent and land increased at the beginning of the century – which meant that housing became unobtainable²⁶ and there was also a lack of loan capital²⁷ for financing purchase or construction of flats. Major changes were made to the housing policy in 1907. First of all a Headquarters for Housing Reforms in Austria was established in Vienna and the Czech Provincial Association for Housing Reforms with headquarters in Prague was established for the Czech lands,²⁸ and then, at the end of the same year, Act No. 285/1907 ř. z. was enacted.²⁹ The total volume of finances

²⁴ Ibid., Sections 5–6, pp. 492–493. The law considers dormitories for single persons to be “for the accommodation of individual persons of the same sex in separate residential rooms”. Each of these rooms could usually be occupied by one person, and a maximum of three persons. Ibid., Section 6, p. 493.

²⁵ Ř. z., part LXIX, Act No. 144/1902, dated July 8, 1902, on the relief for houses with sanitary and cheap flats for labourers, Section 2, p. 491.

²⁶ A. SOLDÁT, *Bytová otázka dělnická – dějiny a přehled úkolů reformy bytové*, Praha 1905, p. 26. On one's own home and cheap flats for officials and labourers, in: *Národní listy*, 47, 1907, 98, p. 4.

²⁷ DVOŘÁK, p. 4; GRUBER, pp. 20–21.

²⁸ At the impulse of the president of the local trade licencing council, the Provincial Association for Housing Reforms in Moravia was established on 16 January 1911, with the goal of improving the housing situation in the Moravian Margravate. See: Provincial Association for Housing Reforms in Moravia, in: *Moravský živnostník*, 10, 1911, 2, pp. 2–3.

²⁹ GRUBER, pp. 20–21; ř. z., part CXXX, Act No. 285/1907 Ř. z., dated December 28,

intended by this act for expenses was 83.3 million K.³⁰ The majority of this amount (57.7 million K) was intended for construction of railways. The remaining funds were intended to cover other requirements, such as construction of the telephone network, development of hospitals, but, from the viewpoint of the government, the most important sum is the four million Crowns intended for loan assistance in relation to assuring housing for government employees – the “*Emperor Franz Josef I. Fund in memory of the ruler’s jubilee in 1908*” (the so-called jubilee fund) was established.³¹

The supreme imperial decision dated September 28, 1908 brought a new regulation on how to dispose of funds intended for assuring the housing requirements of government employees and how to distribute these funds. The new regulation concerned permission of advantageous loans provided to building co-operatives, which undertook to construct cheap but sanitary flats in their articles, in places where there was a shortage of suitable flats or their owners rented them for high prices; it was also not possible to use money from the fund to support construction work carried out by those co-operatives who did not undertake to set a ceiling on the value of their membership dividends in the sum of 4 % of the share in their articles and whose activities did not primarily focus on active government officials.³²

Government funds could be provided not only for construction of new houses with flats but, in justified cases, also for purchase of existing residential property with the goal of converting it into affordable and sanitary housing for government employees. Support from the fund was in the form of a mortgage with an interest rate of 3 %, however, the total loan for the land and the house could only cover 90 % of its estimated value, which meant that the co-operatives had to have at least 10 % of the total construction costs available. The Ministry for

1907, on additional collection of taxes and fees and also about settlement of state costs during the period from 1 January to 30 June 1908, and about submission of the central final accounts concerning the state economy of the kingdom and lands at the Imperial council of representatives for 1907, Sections 1–9, pp. 1304–1306.

³⁰ Ibidem, Section 5, p. 1304.

³¹ Ibidem.

³² The Supreme Decision by His Imperial and Royal Apostolic Majesty dated September 28, 1908. The entire text of the approved regulation is available for example in: Fund for Providing Flats for Government Officials, in: *Brněnské noviny*, 122, 1909, p. 1.

Public Works was responsible for the administration regarding permission of loans. The regulation stipulated the first day of the first month of the calendar quarter following the date on which the permit for use of the house was issued as the date repayment of the amortisation and interest commenced. The funds for the construction were not usually provided as a lump sum, but according to the progress of the construction work itself. First of all, the builders would receive part of the funds for covering the costs related to obtaining the land, then up to 75 % of the loan would be provided during the course of construction work and the builder would receive the remaining sum after completion of the building.³³

The regulation also focused on the structure of rent for flats built with the support of the fund. The rent could not be increased arbitrarily without the consent of the Ministry for Public Works, its value had to be set so that the investors generated a profit on one hand and so that the new flats did not lose their social character on the other hand.³⁴

The actual situation concerning the housing shortage in some areas of Cisleithania can be observed in the table above. On the basis of the results of the Census dated 1910 the table above shows how many people occupied one room in a flat with one, two, three or four rooms. The table also shows how many people occupied one flat. The problem of overcrowding continued to apply mainly to small flats with one or at most two residential rooms, of which there was a marked predominance in Prague for example. The table shows that there were an average of 2.36 people occupying one flat with one residential room in Vienna and when viewing the results of the Census it is clear that flats in the Austrian lands were much less crowded than in the industrialised Czech lands, where Brno and its suburbs reached values closest to the Austrian situation, with an average of 2.58 people occupying one flat with one room. On the contrary, the most heavily crowded flats in the Czech lands were in cities with heavy industry – Ostrava with an average of 4.06 people occupying one flat with one residential room and Kladno with an average of 4.01 people occupying in one flat with one residential room. Statistical surveys also examined the

³³ Ibidem.

³⁴ Ibidem.

Table 3. The Number of Persons occupying one Room depending on the Size of the Flat and per Flat according to the Census dated 1910³⁵

Place	The number of people occupying a room in a flat with 1 to 4 rooms				Per one flat
	1	2	3	4	
Vienna	2.36	1.86	1.54	1.06	4.14
Prague	3.2	2.03	1.3	1.13	4.23
Brno	2.58	2.05	1.54	1.14	4.47
Salzburg	2.15	1.63	1.3	1.05	3.98
Linz	2.39	1.83	1.37	1.05	3.79
Kladno	4.01	2.44	1.77	1.29	4.62
Ostrava	4.06	2.59	1.88	1.4	5.34
Plzeň	3.8	2.28	1.65	1.24	4.52
Drohobych ³⁶	4.48	2.91	1.9	1.48	5.41
Těšín	3.42	2.18	1.65	1.21	4.61
Jihlava	3.45	2.06	1.39	1.09	4.03
Ph. agl. ³⁷	3.57	2.12	1.42	1.05	4.26
Terst	2.44	1.82	1.6	1.29	4.59
Cheb	3.55	2.11	1.54	1.19	4.26
Pardubice	3.42	2.09	1.48	1.15	4.19
Přerov	3.49	2.23	1.64	1.13	4.67

housing situation in relatively poor areas of the Cisleithanian part of the Monarchy, these being Bukovina and Galicia. The statisticians found the highest level of overcrowding of all of Cisleithania in Galician towns, Drohobych registered the highest degree of overcrowding with an average of 4.48 people occupying one flat with one residential room and there was also a relatively high level of people in one flat in this area (regardless of the number of rooms), this being an average of

³⁵ *Die Ergebnisse der Volkszählung vom 31. Dezember 1910 in den im Reichsrat vertretenen Königreichen und Ländern. 2. Heft des vierten Bandes. Wohnungsaufnahme, Wien 1914, pp. 10–11, 31.*

³⁶ City in Galicia (today in Lviv Oblast, Ukraine)

³⁷ Ph. agl. = Prague suburbs. It is appropriate to mention that Prague consisted of eight city districts, the suburbs of Prague included six “suburban” towns, these being Smíchov, Královské Vinohrady, Vršovice, Nusle, Žižkov and Karlín; the suburbs also included “more distant suburban municipalities” which were Košíře, Břevnov, Střešovice, Dejvice, Bubeneč, Hlubočepy, Vysočany, Podolí, Braník, Michle and Krč. For more information see J. HAVRÁNEK, *Pražští voliči roku 1907, jejich třídní složení a politické smýšlení*, in: *Pražský sborník historický XII*, 1980, pp. 170–212. According to period statistics the population of Prague, excluding the suburbs, was 233 thousand, see *Die Ergebnisse der Volkszählung vom 31. Dezember 1910*, p. 46.

5.41 people, which represented the maximum measured value out of all the surveyed towns in Cisleithania (however, Ostrava came on this imaginary scale). Apart from poverty, another reason for the flats in Galicia being so overcrowded could have also been the different demographic behaviour of the population, distinguished by the greater fertility of women compared to more advanced areas of Cisleithania.³⁸ In his book A. Soldát described how some residents of Prague lived in 1905 (i.e. five years after the Census). In Josefov the authorities found a dark flat, a former workshop, with one room, which was occupied by eleven adults and four children. Small flats with 22 or 30 tenants and sub-tenants were also discovered in the same district.³⁹

The successful lobbying activities of the Austrian Headquarters for Housing Reforms and the Czech Provincial Association for Housing Reforms resulted in Act No. 242/1910 ř. z. on establishment of a housing management fund.⁴⁰

³⁸ G. B. COHEN, Ethnicity and Urban Population Growth: The Decline of The Prague Germans, 1880–1910, in: K. HITCHINS (ed.), *Studies in East European Social History*, Vol. 2, Leiden 1981, pp. 10–11. Comparison of the occupancy rate of the smallest flats (i.e. the number of persons in a 1-room flat) in 1910 and now is interesting. The data from 1910 indicates that this number ranged around 3.5 persons in the Czech lands, the approximate value of this indicator can be calculated for the Czech Republic at the present on the basis of data from the Census of people, houses and flats from 2011 – 1.66 persons to a 1-room flat and 0.93 persons per 1 room in a flat with 2 residential rooms, which is a very significant difference compared to 1910. For more information see the Census of people, houses and flats 2011: Tab. 122 Occupied flats according to the number of people in the flat and according to type of house, type of flat and number of rooms, available at https://vdb.czso.cz/vdbvo2/faces/cs/index.jsf?page=statistiky&filtr=G~F_M~F_Z~F_R~F_P~_S~_null_null_#katalog=30731 [2017-04-05] and *Die Ergebnisse der Volkszählung vom 31. Dezember 1910*, p. 31.

³⁹ SOLDÁT, pp. 14–15.

⁴⁰ Public housing management in this country, in: *Národní listy*, 51, 1911, 282, p. 9. J. Gruber states that organisation of the 9th international housing conference in Vienna from 29 May and 3 June in 1910 also contributed to the rising influence of the Housing Reform Headquarters and its analogue in the Czech lands. GRUBER, pp. 20–21. The elite of the time met at the conference in order to discuss the housing issues. Proposals for taxation of acquisition of land were heard (probably with the goal of restricting property speculation), as well as proposals for support of charitable construction works or decentralisation of industry. Baron Oppenheimer primarily considered the wealthy classes' sympathy with the needs of the destitute to be a solution to the housing issue. Others thought that cooperation across the classes of the population, which should be preceded by election reforms leading to greater democratisation of the system, could be a solution. Professor of statistics, H. Rauch-

Table 4. Amounts for the Housing Management Fund according to the Act on Establishment of a Housing Management Fund⁴¹

Period	Amount in Krone (total)
1911 and 1912	1,500,000
1913	1,300,000
1914	1,500,000
1915	2,200,000
1916 to 1918	7,500,000 (2.5 mil. p.a.)
1919 to 1920	7,000,000 (3.5 mil. both years)
1921	4,000,000

Act No. 242/1910 ř. z., on establishment of a housing management fund, focused on improving the living conditions of the poorer inhabitants. On the contrary to Act No. 285/1907 ř. z. it did not apply to just government employees, but to a much broader group of recipients.⁴² Act No. 242/1910 ř. z. determined the volume of funds that would be expended on financing the housing management fund. A ten-year horizon was assumed, whereas the planned volume of funds for the purpose of the housing fund would be increased over the years from 1.5 million K in 1911 and 1912 (in total) to four million K in 1921. Total costs for financing the Housing Management Fund on the basis of this Act should have risen to 25 million K over ten years.⁴³

Loan assistance from the housing management fund could be obtained by public corporations, charitable societies, construction companies and foundations, who built houses with small flats. This assistance was provided using two methods. Support using the first method, i.e. indirect loan assistance, consisted of the fund providing a

berg, stated that the essential cause of problems on the housing market was the unavailability of mortgages. He promoted the concept of the state or municipality helping builders arrange mortgages using the funds they administered and guaranteed. The opinion that the housing shortage was mainly caused by the low salaries of the labourers, which prevented them from satisfying even the most modest housing needs, was also heard. Social matters, in: *Naše doba: revue pro vědu, umění a život sociální*, 17, 1910, 9, pp. 683–684.

⁴¹ Ř. z., part CII, Act No. 242/1910, dated December 22, 1910, on establishment of a housing management fund, Section 3, p. 751.

⁴² Ibidem, Section 1, p. 751.

⁴³ Ibidem, Section 3, p. 751.

guarantee for loans and interest. The second method of support, so-called direct loan support, meant providing a loan directly to a legal entity, however, this support was conditional to at least 10 % of the costs being covered from the entity's own funds. The total volume of guarantees provided by the government could not exceed 200 million K. If the indebted legal persons had difficulty paying off the loans on individual buildings, the Housing Management Fund would acquire the title to these buildings. The definition of a small flat is interesting from today's viewpoint. According to the law at the time a small flat should have at maximum area of 80 square metres (including closets, room and kitchen).⁴⁴ Hostels, dormitories for single people⁴⁵ and boarding houses were also classified in the small flat category. The term "charitable societies" was also defined and their regulation was implemented. According to J. Gruber the method of defining small flats was a signal that the government housing policy would no longer be concerned with just the housing difficulties affecting the labourer and poorer classes, but would also focus on helping the middle classes.⁴⁶ The Housing Management Fund was used to help build 1,093 houses with 2,728 flats.⁴⁷

A year later the funds for the government housing fund were increased by two million K by means of Act No. 244/1911 ř. z.⁴⁸ Act No. 242/1911 ř. z. provided tax relief for construction and conversion of

⁴⁴ Ibidem, Section 6, p. 752. We must point here the potential discrepancies between Act No. 242/1910 ř. z., and the quoted literature GRUBER, p. 23 a ŠPILÁČKOVÁ, p. 63. Section 6 of the Act states: "The following in particular are considered small flats within the meaning of this Act: 1. family flats, if the residential area of each individual flat (rooms, closets, kitchen) does not exceed 80 square metres"; Gruber: "The fund's articles consider a small flat to be enclosed family flats with a residential area of up to 80 % (which does not include secondary rooms, such as small kitchen, bathroom, rooms for servants, etc.)." Špiláčková (quotes Gruber): "Enclosed family flats of an area of up to 80 m² (this does not include the kitchen, bathroom, secondary rooms and rooms for servants), and also hostels, dormitories for single persons and boarding houses (similar to today's lodgings) were considered small flats."

⁴⁵ According to Act No. 242/1910 ř. z., "Dormitories for single persons must be arranged so that each residential room is usually occupied by one, or a maximum of three persons. Persons of different sexes may only be housed in completely separate sections." Ř. z., part CII, Act No. 242/1910, dated December 22, 1910, on establishment of the housing management fund, Section 6, p. 752.

⁴⁶ GRUBER, p. 23.

⁴⁷ DVOŘÁK, p. 4.

⁴⁸ Ř. z., part CII, Act No. 244/1911, dated December 28, 1911, on government aid for the housing management fund, Section 1, p. 662.

houses with small flats.⁴⁹ Furthermore, according to Act No. 243/1911 ř. z., charitable societies engaged in construction, the net proceeds of which do not exceed the maximum sum of 1,200 K, are completely exempt from profit tax. Subventions provided to charitable societies and public corporations were exempt from tax by this legal standard.⁵⁰ J. Gruber pointed out the fact that by October 1913 the fund had assumed guarantees for loans of a total value of 21.37 million K and provided direct loans in the total volume of 1.25 million K, which was less than the amount that could be provided according to the law.⁵¹

In May 1912 Act No. 86/1912 ř. z. came into force,⁵² which regulated building law, along with charitable construction works.⁵³ Section 19 of this Act, which determined relief from fees during acquisition of real property, was especially important.⁵⁴ According to J. Gruber the purpose of the act was to simplify acquisition of building plots without taking on oppressive capital obligations, or in reduction of building costs and stimulation of construction of new, financially affordable flats.⁵⁵ According to Section 3 of the abovementioned act, it would be possible to build a building on a land plot belonging to another person for at least 30 and at most 80 years, for a so-called building rent (construction fee). According to Section 2 building rights could only be established on land belonging to the state and some municipalities, and this regulation could also be applied to land belonging to religious organisations and charitable co-operatives, which required a decision by the political provincial authority, which was required to consider whether such a step was in the “public interest”.⁵⁶ It is clear that the

⁴⁹ L. MUSIL, Chudoba a československý stát mezi dvěma světovými válkami, in: *Sborník prací Filozofické fakulty brněnské university*, 43, 1994, G36, p. 33. Ř. z., part CII, Act No. 242/1911, dated December 28, 1911, on tax relief for new buildings, annexes, additional storeys and conversions in general and for construction of small flats in particular, see particularly appendix B and C, pp. 654–659.

⁵⁰ Ř. z., part CII, Act No. 243/1911, dated December 28, 1911, on tax and fee relief for charitable building societies, Section 1, p. 660.

⁵¹ GRUBER, p. 23.

⁵² Ř. z., part XXXIII, Act No. 86/1912, dated April 26, 1912, on building law, Sections 1–20, pp. 276–279.

⁵³ GRUBER, p. 24.

⁵⁴ Ř. z., part XXXIII, Act No. 86/1912, dated April 26, 1912, on building law, Section 19, pp. 278–279.

⁵⁵ GRUBER, p. 24.

⁵⁶ Ř. z., Part XXXIII, Act No 86/1912, dated April 26, 1912, on building law, Section 2–3,

act did not apply to private individuals, which limited the scope of this act and the success during fulfilment of its goals.⁵⁷

The building codes were also one of the causes of the difficult situation on the Cisleithanian housing markets.⁵⁸ No legal standards with central impact applied to the Building Code in Austria, apart from regulation in the constitution, and the legal regulations applying to building codes can therefore be considered quite fragmented. Each city had its own Building Code, whereas provincial codes simultaneously existed, which were intended for rural regions. Most of the codes originated during the middle of the 19th century and delegated building supervision to the municipality. One persisting problem, which some building codes suffered from, was their ambiguity. The codes determined various normative provisions, which regulated technical, safety and sanitary matters in relation to construction of buildings, but did not determine whether these provisions only applied to establishment of new districts or to all building activities.⁵⁹ Furthermore, the fairly strict stipulation of some parameters of the building codes made construction of buildings more expensive, which consequently had a negative impact on the price of the flats and the rent. And the entire issue was underscored by the high rent tax.⁶⁰ As J. Rákosník mentioned, millions of Krone were earmarked from public funds for construction of buildings with flats within the terms of emergency works, in order to moderate the impact of the housing shortages on the labourer and middle classes in Prague and Brno.⁶¹

pp. 276–277.

⁵⁷ GRUBER, p. 24.

⁵⁸ Ibidem, p. 25.

⁵⁹ D. NOVOTNÁ, *Regulace stavby měst v historii*, in: *Urbanismus a územní rozvoj*, 8, 2005, 2, p. 9.

⁶⁰ GRUBER, pp. 190–191.

⁶¹ ŠPILÁČKOVÁ, p. 63. Emergency works were one method the state used to try to deal with unemployment. This was the predecessor of today's so-called active employment policy, the disadvantage of this method was that it was only short-term and also the fact that people qualified in other professions carried the work out. It was carried out mainly by municipalities and, as well as being financed from public funds, it was also occasionally supported by private funds. For more details on the topic of emergency works see J. RÁKOSNÍK, *Odvrácená tvář meziválečné prosperity: nezaměstnanost v Československu v letech 1918–1938*, Praha 2008, pp. 55 and 69.

The beginning of the First World War had an impact on the residential property market, as well as other markets. The impact of the war on this market can be divided into two diametrically different phases.

The first phase overlaps the beginnings of the Great War, when shortages on the housing market were controlled as a result of a great number of young people leaving home to fight on the front. Some of those who did not receive their draft notice left to live in the country with their relatives and so many flats remained empty. This fact put pressure on reduction of the prices of flats and on reduction of the rent level.⁶² This statement can be substantiated by the period daily press. Tens of adverts had the fact that they included sentences praising their interior and the low rent in common. It is also interesting that flats of various sizes were on offer – from one-room and two-room flats to those with six rooms. The *Národní listy* periodical from 31 January 1915 illustrates the surplus of flats quite well, whereas it contained seven inquiries and 95 adverts offering flats for lease.⁶³ The beginning of the war caused chaos and a slight economic slump, the pro-export sectors were affected – particularly the textile industry.⁶⁴ In spite of all expectation it became apparent that the war would last longer, which forced the decision-making sphere to restructure the Austrian economy in the winter of 1914, from a market-orientated economy to a war economy. This change initially caused economic expansion, which was supported by debt financing of the economy and allocation of manufacturing factors to non-productive sectors.⁶⁵ This boom became apparent in practice in relation the programme for emergency works for example, when only 600 municipalities out of 2,000 began emergency works. Only 6.98 % out of the total of 215 districts was affected by critical unemployment at this time.⁶⁶

The debt-financed boom did not last long however and economic difficulties soon appeared, which also affected the housing market.

⁶² GRUBER, p. 65.

⁶³ Minor announcements in: *Národní listy*, 55, 1915, 32, p. 14; the situation was similar in most issued of this time – for example Minor announcements in: *Národní listy*, 55, 1915, 40, p. 7 or Minor announcements in: *Lidové noviny*, 23, 1915, 126, p. 4. Compare the number of offers in 1915 and 1910, e. g., Minor announcements in: *Národní listy*, 50, 1910, 16, p. 19.

⁶⁴ JINDRA – JAKUBEC, p. 464; RÁKOSNÍK, p. 76.

⁶⁵ JINDRA – JAKUBEC, p. 464.

⁶⁶ RÁKOSNÍK, p. 76.

The problem of a shortage of flats and increasing rent arose once again in 1817. This precarious situation was mainly caused by the shortage of building materials and the lack of labour force to construct new buildings with affordable flats.⁶⁷

In a desperate attempt to prevent a housing crisis the state issued Ministerial Regulation No. 34/1917 ř. z. on protection of tenants, on January 26, 1917, which froze rent on the level of 1 July 1916 in its article 1(1).⁶⁸ However, the rent could be increased if the tax burden, costs for payment of the mortgage or costs for maintenance of the building increased.⁶⁹ Another more noticeable intervention by this regulation in the market structure of the housing market was the restriction of the lessor's options for giving notice to the tenant without serious reasons.⁷⁰ According to Section 3(2) the scope of this regulation was limited to flats for which a building permit was issued before 27 January 1917 and was also not valid throughout the lands but only in specific areas.⁷¹ The local scope of the regulation was specified by separate regulation No. 36/1917 ř. z. and only applied to Plzeň in the Czech lands.⁷² But if we re-examine Regulation No. 34/1917, we can notice the specific compensation for owners of rented flats included in Section 8 of the aforementioned decree, which imposed restrictions on the increase in interest on mortgages, which secured houses with rented flats. Section 9 of the same regulation made it possible to request a court of law to extend the maturity date of mortgages securing properties with rented flats, under the condition that the financial situation of the owners of the rented flats required this and also on the condition that the creditors suffered no significant harm as a result.⁷³ The legal

⁶⁷ GRUBER, p. 65.

⁶⁸ Ř. z., part XVI, All-Ministries Regulation No. 34/1917, dated January 26, 1917, on protection of tenants, Article 1(1) and Section 1, p. 93.

⁶⁹ *Ibidem*, Section 2, pp. 93–94.

⁷⁰ These reasons included delayed payment of rent, serious breach of the house rules and also use of the flat for the owners requirements, Section 7, p. 94.

⁷¹ *Ibidem*, Section 3, p. 94.

⁷² *Ibidem*, part XVII, Regulation by the Minister of Law, Minister of Public works and the Minister of the Interior No. 36/1917, dated January 31, 1917, on protection of tenants in Vienna, Vienna New town and the surrounding area, Saint Hippolyta and the surrounding area, in Linz, Urfahr, in Styria, Graz, Maribor, Ljubljana (police district) and in Plzeň, paragraph 1, p. 100.

⁷³ *Ibidem*, part XVI, All-Ministries Regulation No. 34/1917, dated January 26, 1917, on protection of tenants, Article 1, Sections 8–9, pp. 94–95.

regulations required that municipalities with a population of at least 20 thousand in the Census from 1910 establish rent offices regulating the value of rent. The decree was intended to be valid until December 31, 1918.⁷⁴

Two new ministerial decrees were enacted in the following year. Decree No. 21/1918 ř. z., on protection of tenants, which now also applied government protection to sub-tenants in its Section 2b and its jurisdiction also applied to all municipalities, on the contrary to previous regulations.⁷⁵ Another regulation, No. 114/1918, was enacted at the end of March. Its scope applied mainly to municipalities suffering or at the risk of suffering a shortage of flats, which was to be evaluated by the provincial political authority, together with the provincial committee for municipalities and districts. This regulation implemented the option of determining areas of a non-residential character as residential, under the condition that they met specific technical and hygienic rules, which was to be supervised by authorised bodies.⁷⁶ This regulation also restricted the owner's options of arbitrarily modifying the flats; according to articles 2–5 residential rooms could only be converted into non-residential and multiple flats could only be merged into a single flat in important cases, particularly in “public interest” in the first case and in order to assure joint management of several households in the second case. Before the Building Office could issue a building permit all plans had to be approved by a political authority of the first instance.⁷⁷

Transleithania experienced similar problems to Cisleithania. The first legal standard reacting to the appearance of wartime suffering on the housing market was issued here in 1916 and this concerned Regulation No. 3787/1916, on prohibition of increasing rent for flats and giving notice to tenants. This decree set the maximum rent for Bu-

⁷⁴ Ibidem, Section 12 and Article II, pp. 95, 97.

⁷⁵ Ibidem, part XII, Regulation by the Minister of Law and Minister of Social Care in accord with the involved Ministers No. 21/1918, dated January 20, 1918, on protection of tenants, Sections 2b and 22, pp. 95, 98–99.

⁷⁶ Ibidem, part LIV, Regulation by the Minister of Social Care in accord with the Minister of Internal Affairs and Law No. 114/1918, dated March 28, 1918, on housing management measures, Article 1 and Section 1, pp. 279–280.

⁷⁷ Ibidem, part II, Section 2–5, p. 280. For offences committed by violation of this legal standard a fine of 5,000 K could be imposed on the offender (a) or the offender could be imprisoned for a period of six weeks. Ibidem, part III, Section 8, p. 281.

dapest (5 thousand K), towns with a population of over 20 thousand (3 thousand K) and for small towns (2.5 thousand K) in relation to lease agreements concluded between 1 February 1914 and 1 November 1916. The second important provision concerned prohibition of owners from giving notice on the agreement. This prohibition did not apply to situations when the tenant failed to pay the rent to the owner, or if the owner himself needed somewhere to live. It is interesting that fixed-term lease agreements were transformed into unlimited agreements after they expired. This regulation did not apply to sub-tenants.⁷⁸

The regulation was amended the following year by Regulation No. 590/1917. This legislation increased the options owners of flats had when giving notice to tenants, whereas the tenant was given the option of appealing to a lease committee (*lakbérleti bizottság*), a newly established institution, which was also regulated by additional legal regulations. It was also this committee's task to deal with the housing situation of people returning from the war.⁷⁹ Ministerial Regulation No. 4180/1917, on lease of flats, resulted in some relaxation of the currently very restrictive situation because it permitted a 10% increase in rent for medium-size flats with the consent of the housing committee. The term "medium-size flat" was precisely specified in the act. In Budapest this was a flat for which the annual rent was 1,500 to 5,000 K, in municipalities with a population of over 20,000 this concerned flats with an annual rent of between 1,000 and 3,500 K and in municipalities with a population of less than 20,000 this applied to flats with an annual rent of 700 to 2,500 K. The regulation enabled an even more marked increase in rent for larger flats. On the other hand, the regulation made it more difficult to give notice to short-term tenants as a result of delayed payment of rent, if part of the rent was paid within the specified deadline.⁸⁰ Gruber considered these acts very ineffective in relation to Slovakia.⁸¹

⁷⁸ Hungarian legislation from 1916, 1917, in: *Právny obzor*, 1, 1917, 1, p. 10.

⁷⁹ *Ibidem*, pp. 10–12.

⁸⁰ Regulation by the Hungarian Ministries No. 4180/1917 M. E. on lease of flats, in: *Právny obzor*, 1, 1917, 2–3, pp. 44–45.

⁸¹ GRUBER, p. 66.

Conclusion

The government's intervention in the residential property market in Cisleithania was very delayed compared to West European states. The first truly relevant housing policy action was taken by the government in the 1890s and concerned an act that was intended to stimulate construction of residential housing for the poorest inhabitants by means of tax relief, in order to help resolve the difficult situation on the market, which was dominated by overcrowded and unsanitary flats. However, due to the strictly set limits, the act failed to meet expectations. In some areas of the monarchy the housing conditions very gradually improved, as the Censuses from 1900 and 1910 demonstrated, but in many places the situation did not change much or even became worse over time (for example in Plzeň).

In the new century the government's activities on the housing market were expanded further, initially by an act from 1902, which expanded upon the preceding legal regulations and determined who fell within the low-income category and what the government-supported flats should look like. The act from 1907 established a fund whose accumulated funds were intended for providing loans with a favourable interest rate for constructing housing for government employees. The Housing Management Fund was established in 1910, also thanks to the successful lobbying activities of interested groups. This act did not apply to just government employees, but also to other recipients. The fund provided selected builders with indirect assistance in the form of a guarantee for a loan for the building, up to a specific value of the construction costs. The fund's money could also be used to offer direct loan assistance.

The First World War initially brought relief to the housing market, because many people left to fight in the war on the front, but because there was no one left to build new flats and there was also no suitable building material, a housing crisis of unprecedented dimensions soon occurred. The government endeavoured to counter this by enacting various significantly restrictive laws preventing owners of flats from arbitrarily changing the rent or modifying the actual flats. Similar measures were also accepted by the Transleithanian government during the war. The housing policy framework established by the Danubian Federation was also subsequently assumed by the new Czechoslovak Republic.