

South Africa is short of 2.6 million homes: Vienna's approach to social housing offers useful lessons

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South Africa faces a housing backlog of at least 2.6 million units, for more than [12 million people](#). The state supply of new, subsidised housing has declined over the past decade and the government's [housing policy](#) is shifting.

It sees the private sector as becoming the main [provider](#) of “affordable housing”. The market, [according](#) to the Banking Association of South Africa, is households earning up to R34,400 gross per month (US\$2,111). Yet most residents in South African cities earn far [less than that](#). (The national median household income in 2023 was R7,980 or US\$490.) Much more affordable accommodation is therefore needed.

We are housing and urban scholars based in [South African](#) and [Austrian](#) universities, who have conducted extensive research on how housing ideology, policies and practices shape urbanisation.

In this article we draw on research we have done on social rental housing in [South African](#) cities and in [Vienna](#), Austria. We don't suggest the policies should be the same. After all, these are very different places. But a side-by-side look can be useful.

Vienna is often considered the capital of social housing. About [43% of the Viennese housing stock](#) is state-subsidised rental housing, including municipal-owned flats and apartments run by limited-profit housing associations.

South African cities have seen a massive roll-out of state-sponsored, low-density ownership housing, but the housing backlog and informality continue to grow. Delivery of subsidised rental housing and higher-density, mixed-income apartments has remained slow.

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We believe at least three aspects of Vienna's social housing policy have potential for South African cities:

- sustained political commitment – policies, laws and regulations backed up by adequate financial and institutional investments
- a pro-active and [market-shaping state](#)
- making social housing part of the urban fabric and the public consciousness.

Sustained political commitment

Vienna's large social housing stock is the result of a century of political commitment and investment in housing as a human right, recognising its powerful role in improving workers' welfare and building integrated cities.

For the city, housing was never just a revenue-generating asset. Dating back to the [Red Vienna period \(1919–1934\)](#), interrupted by [Austro-fascism](#) and the [Nazi regime](#), the social democratic

city government has made housing central to its urban welfare politics. Especially subsidised rental housing.

Housing projects were considered part of social infrastructure, together with public facilities (clinics, transport, education), outdoor spaces, social amenities (creches, laundries, libraries), art, and employment opportunities.

Colloquially called “people’s palaces”, social housing apartment blocks symbolised the political promise of providing high-quality living to working-class people.

The city planted subsidised rental in all areas to promote social mixing.

Proactive and market-shaping state

Translating this political commitment into results required a capable and active state. It demanded a government that shaped land and property markets to maximise public value.

Vienna has taken an active role in social housing delivery, whether as a direct provider, regulator or collaborator. And, unlike many other cities in Europe, it [never sold off its own municipal housing stock](#) in the late 20th century.

The city currently manages over [220,000 rental apartments](#), accommodating a quarter of the total urban population. This makes Vienna the [largest public landlord](#) of social housing in Europe. After a period of non-expansion, it decided a decade ago to [resume investment](#) in rental stock.

A key element of its policy is the use of private capital and third sector (neither state nor profit-driven) organisations to promote the delivery of affordable rental accommodation. So-called limited-profit housing associations – private, cooperative, or non-profit entities – provide apartments at cost-based, regulated prices.

These organisations plan, develop and manage social housing accommodation and are bound to the Austrian Limited-Profit Housing Act. This law says any surpluses must be reinvested in building new rental housing.

Regulation includes rental caps, indefinite-term contracts and quality assurance requirements.

The city’s [Fund for Housing Construction and Urban Renewal](#) is a professional property management company, governed by a trust chaired by the city council. It buys, manages and releases land for state-subsidised housing construction and subsidises urban renewal projects. Active land management and a social housing zoning law allow affordable land to be designated for state-subsidised housing.

Working closely with city departments, especially planning and infrastructure, the entity acquires, prepares and releases land for social housing.

Another vital role is organising developers’ competitions, which function as a quality assurance mechanism. Interdisciplinary juries assess competing proposals according to four criteria: economy, architecture, ecology and social sustainability. Development rights are then awarded to the highest-quality project consortium.

Financing is a mix of federal and regional subsidies, loans, and earmarked contributions. For example the housing subsidy levy is a payroll-based contribution shared equally between employers and employees.

Social fabric of social housing

Social housing in Vienna is central to the overall housing system rather than a safety net for the poorest. Income thresholds are set to include large parts of the population and support social mixing.

Barriers for newcomers are still in place: they must live in the city for two years before they can access municipal housing. But renting remains a secure form of tenure that is widely accepted by the population.

Quality sustains this broad-based appeal. Social housing offers attractive, well-designed living environments.

This process draws on a deep pool of expertise, within the municipal administration and among non-profit housing providers, planners, academics and independent advisors.

Social housing is spread across Vienna rather than pushed to the periphery. People from different backgrounds live side by side.

Reflections for South Africa

Vienna's experience provides a useful point of reference for reflecting on how social housing delivery could work in South Africa's cities.

Firstly, social rental housing should be understood as an urban and economic policy. Its benefits go far beyond providing shelter, as it can make the city a more egalitarian, inclusive and productive space. It can improve workers' welfare, reduce poverty, and promote socio-economic mobility.

As such, it deserves greater political commitment and resources from all spheres of government.

Secondly, getting results requires the state to actively shape property and land markets for public value. The City of Vienna has never just focused on enabling private-sector development. It shows what municipalities can achieve when they strategically use their assets, regulatory powers and resources to get public value from private investments.

Third is the importance of embedding social housing into a city's social fabric.

The key is to appreciate social rental housing as shared wealth. Not to idealise individual property ownership. The public has to understand the benefits of well-located, higher-density, subsidised rental accommodation.

It also requires tapping into the technical, financial, organisational and other expertise across sectors and spaces in South Africa. Residents, housing justice movements and civil society organisations all have something to offer.

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- [Vienna](#)
- [Social Housing Initiative](#)

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