Ten years of housing estate rehabilitation in Budapest

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Abstract

At the turn of the millennium about one third of the inhabitants of Budapest lived at housing estates. Since then this rate has slightly declined because of new constructions. Demographic trends have also contributed to the decrease of the share of population living on housing estates. The rate of ageing is especially high in case of the older housing estates, nevertheless, the share of the families with children has still remained above average. The rehabilitation of large housing estates seems to be the best way to avoid their demographic erosion and social decline. This paper explores the rehabilitation initiatives carried out in Budapest in the last decade, with special attention to their outcomes, and their effects. We also examine whether renovations resulted in some new socio-spatial differentiations at large housing estates.

Keywords: large housing estate, rehabilitation, segregation, Budapest

Introduction

The fall of state-socialism drastically changed the position of large housing estates on the overall housing markets and the social composition of their inhabitants. Housing estates were not at all socially homogeneous even during communism, their prestige varied already in the time of their construction and the change of regime also brought about further differentiation. One of the main factors behind these changes was the privatisation of housing when the share of owner occupied flats increased from 50% to 93% just over a decade, between 1990 and 2001 (Népszámlálás, 2001).

The majority of housing estates became the losers of the housing privatisation. Only the 'elite' housing estates built in the 1980s could keep their

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position on the housing market (Kovács, Z. and Douglas, M. 2004).[2] The high level of comfort was one of the main advantages of panel dwellings before 1990. That very same feature became a disadvantage in the following decade due to the rapid rise of housing costs, especially energy costs (Egedy, T. 2000). After privatisation the new owners living at large housing estates found themselves in a new situation: the value of flats in pre-fabricated houses declined, while the costs of maintenance drastically increased. As a consequence, the lower-status residents of housing estates often became trapped: they could not sell their flats or buy another one of similar quality; thus their housing career ended (Hegedüs, J. and Tosics, I. 1998).

The most problematic part of the rising housing costs is connected with the central heating and the insufficient insulation of the houses (Egedy, T. 2003), thus, rehabilitation programmes were targeted to offer a solution to this problem. Some support encouraging and facilitating the application of energy saving methods became available already in 1997. The first governmental program (called "Panelprogram") was launched in 2001, however, the highest share of the rehabilitation was implemented only after 2004 (Egedy, T. 2006).

One of the main social consequences of the rehabilitation was the improvement of the residential satisfaction of inhabitants (Kovács, Z. and Herpai, T. 2011). The residents of renovated houses were very satisfied with the better insulation, the lower level of noise and the lower costs of heating, besides, the aesthetic view and the higher market value of dwellings were also important aspects. The difference between the satisfaction of residents became significant in the renovated and non-renovated houses but it has not yet affected the residential mobility of dwellers.

Up to now, we have little information about the renovation of large housing estates in Budapest, let alone its physical results and social consequences. This was the motivation of our research project, which aimed to scrutinize this aspect of urban rehabilitation. As the first step, we carried out a survey on large housing estates in Budapest with a focus on their present conditions and possible renovation efforts that have been carried out.

[2] It must be noted that housing estates do not represent the bottom of the Budapest housing market. There are several less prestigious segments of it, namely the most deteriorated 80–100 years old tenement blocks in certain inner-city quarters, the old working class estates in the transition zone and some peripheral neighbourhoods with family houses of low comfort level.

Survey method and classification

The survey of 142 housing estates in Budapest[3] was carried out in summer 2012. The students participating in the survey collected information on the field (and after on the internet) on the main features of the buildings (the number of gates, dwellings, storeys) and the characteristics of recognisable renovations. Renovations of buildings at housing estates were divided into four categories: renovated, painted, other improvements and under renovation. Renovated meant the insulation of the walls of the house that is the most significant investment of all, because it increases the value of the dwellings and decreases the costs of housing for the inhabitants. The painting of a house has only an aesthetic effect. It is typical in the case of older, not pre-fabricated (panel) buildings. Being newly painted might suggest a high level of maintenance, but it does not really change the value of the building. The other improvements included either some kind of partial insulation or the change of windows without an insulation of the walls. There were buildings that were under renovation during the survey. Most of them seemed to be insulated, but we could not estimate it.

The typology of renovation is widely used in the analysis of our survey results. Whenever we examine the composition of renovation types, the percentage values are always calculated on the basis of the number of dwellings in buildings which have gone through certain kinds of renovation.

Dimensions of renovation at housing estates

More than one fifth of the dwelling stock of housing estates has been renovated during the last decade. This is not a low rate, but it is far from the necessary level. The shares of dwellings renovated in one way or another are as follows:

- 13.4% in completely renovated buildings,
- 1.2% in buildings under renovation,
- 3.1% in buildings that were only re-painted,
- 5.1% in (mostly panel) buildings where other improvements also occurred.

[3] The list of housing estates involved in the survey was based on a paper of BVTV (1987) and a study of Iván, L. (1996), but we had to complete it with some smaller housing estates ignored by those authors. As a rule, every estate appears as a single item in the database even if it was built during several phases. The only exceptions are Csepel city centre and Káposztásmegyer, because the two parts of those housing estates were not constructed at the same time and they are also spatially separated. The number of dwellings in the housing estates included in our database is 295,000. That figure is not far from the one mentioned in the cited papers.

Since the rehabilitation of housing estates began after the last population and housing census in 2001, we have only indirect information about its social consequences.[4] Therefore, we have to rely on research materials when trying to explore the connection between renovation and social status. Csizmady, A. (2008) ranked the 30 largest housing estates of Budapest by their social milieu and the housing prices and she classified them into three (low, middle and high status) categories. Using that ranking,[5] it can be assessed whether the occurrence and the intensity of renovation are different among housing estates dominated by distinct social groups *(Table 1)*. The share of dwellings located in buildings completely renovated, painted or under renovation seems to be almost independent from the prestige of housing estates; only the share of 'other improvements' is much higher in the low-status housing estates as compared to the more prestigious ones.

Table 1. Intensity of renovation by the social-status of housing estates, in %

Social status	Proportion of dwellings in renovated buildings	Renovated	Painted	Under renovation	Other improvements
Low	27.6	15.2	0.4	3.0	9.1
Medium	19.0	15.9	0.7	0.6	1.8
High	20.1	14.5	0.0	0.5	5.1

However, within the status groups there are big differences. In the high-status group we can find only one housing estate (Őrmező on the Buda side) where more than 80% of the dwellings were renovated. At the same time the most popular "elite" housing estates are hardly renovated. In the low-status group we can find housing estates with poor reputation but with certain renovations because the inhabitants who cannot otherwise finance the full-rehabilitation usually try to renovate their houses in other, cheaper ways (e.g. through insulation of some parts of the buildings).

In the 1990s several research projects (Iván, L. 1996; Csizmady, A. 1998; Egedy, T. 2000) focusing on housing estates identified some common factors which are related to the status of housing estates. Those are the size, the age, the morphology of housing estates and the developer who financed the construction. Taking into consideration the aforementioned factors the large housing estates with panel buildings built in the 1970s by the local councils have the lowest status while the smaller, old, non-panel estates and the panel estates built in the 1980s mostly by private investors (condominiums, ministries,

[4] In fact, the year of the very last census was 2011 but its detailed data have not become available by the time of our survey.

[5] From those 30 housing estates, 7 are now changing their categories, thus, we have decided to restrict our analysis to the remaining 23.

institution) are considered to be in better position. Since it is most likely that the very same features of the housing estates also have an influence on the rehabilitation activities, it is worth taking a closer look at our data in this context.

The impact of the size of housing estates is neither unequivocal nor significant *(Table 2)*. The share of complete renovation at large estates is a bit higher than in the smaller ones, but the difference is rather narrow. By contrast, there are substantial differences within the different size-groups.[6] From among the thirteen large housing estates (above 5,000 dwellings), five have a high share of renovation (above 25%) whereas four are hardly renovated (below 5%).

Table 2. Intensity of renovation by the size of housing estates, in %

Size of housing estates (number of dwellings)	Proportion of dwellings in renovated buildings	Renovated	Painted	Under renovation	Other improvements
below 500	25.7	13.2	8.5	0.9	3.0
500–1,499	21.7	11.4	5.9	0.0	4.3
1,500–4,999	20.7	11.9	3.4	0.6	4.7
5,000–9,999	24.1	14.5	3.8	0.5	5.3
above 10,000	24.5	15.4	0.0	3.0	6.1

The age of housing estates is also an important factor. First, housing factories started to produce pre-fabricated panels in 1967, so estates built prior that were made of traditional building materials. (It is especially important because the governmental fund for rehabilitation is available only for the pre-fabricated buildings). Secondly, the difference between the time of construction of the oldest and the youngest panel houses is also more than 20 years.

Although the technology was largely the same during the whole period, its application developed and became more sophisticated over time. The technical problems were typical for estates built in the 1970s, then in the 1980s the quality of buildings improved. In fact, the renovation rate is lower on housing estates built during the 1980s than on those that were constructed between 1965 and 1979. It seems that the first generation of panel buildings needed renovation the most.

[6] The finding is somewhat surprising in the light of the former research results. As Csizmady, A. (2003) pointed out, the size of housing estates correlated to their status: most of the large housing estates have population with lower status, a few ones have middle class profile. Lower status people are obviously less able to cover the costs of renovations, thus one can expect a relatively low renovation rate in larger housing estates. The unexpectedly high rate of renovation on such estates is probably a consequence of the ongoing state (and EU) supported rehabilitation programmes.

There is also a significant difference between the first and the second half of the 1980s. In the first part of the decade mainly large, "traditional" housing estates were built, while during the last phase smaller-scale elite housing estates became dominant. In the latter group there is less need for complete renovation and the weight of 'other improvements' is greater (it means usually the change of windows). It is not surprising that re-painting is outstandingly very frequent way of renovation in the old "pre-panel" (mainly brick) housing estates.

As emphasized in the literature the location of the estates is one of their most important characteristics. It is not only connected with their status (Csizmady, A. 2008), but also with the actual level of their renovation. The housing estates which are embedded in villa quarters are tend to be more renovated *(Table 3)*. They are not elite housing estates, but typically small ones (below 500 dwellings) and most of them do not differ from their surroundings. Many of them were built before 1970, but even those constructed during the panel period were of better quality than the large housing estates.

Table 3. Intensity of renovation by the location of housing estates, in %

Location of housing estate	Proportion of dwellings in renovated buildings	Reno-vated	Painted	Under reno-vation	Other impro-vements
Villa quarters	17.1	14.0	2.9	0.2	0.0
Inner quarters	9.2	2.3	1.5	0.5	4.8
Transition zone	31.5	17.7	5.7	0.6	7.4
Outer districts	17.5	11.0	1.2	1.8	3.6

The prestige of housing estates in the inner quarters or adjacent to them are varies, there are both high-status and low-status housing estates among them. Interestingly enough, the renovation of centrally located housing estates proceeds in opposite way compared to the renovation of old tenement houses. In the case of latter ones, the higher status quarters were renovated first (Kovács, Z. *et al.* 2013), whereas in the case of housing estates of inner quarters the status does not correlate with the level of renovation.

The differences within a housing estate are not as sharp as in the inner city quarters where the heterogeneity of buildings is much stronger. In spite of the homogeneous dwelling stock of housing estates, the differences created by the status of the first dwellers remained untouched in the 1990s (Csizmady, A. 1998).

Due to the lack of data about processes of 2000s, we have only some impressions about the modification of social composition of inhabitants at the level of buildings. On the basis of our knowledge related to the housing market boom in the late 1990s (Farkas, J. *et al.* 2004), we assume that population change accelerated on the housing estates. According to real estate analysts

two characteristics of the housing estate buildings may have an influence on their position at the housing market. First, the demand towards panel dwellings depends on the size of the buildings. Low-rise buildings (below five storeys) and houses with a relatively low number of dwellings are more appreciated than the high-rise ones, where generally lower-status people reside, often late with the payment of service charges.

The other factor influencing the market position is whether the building is renovated or not. The dwellings in renovated houses can be sold at higher prices and within shorter time, however, the increase of prices does not (or rarely) cover the costs of the renovation.[7] Our data indicate that the rate of renovation is higher in bigger buildings[8] than in the smaller ones. It also suggests that renovation can be a strategy of flat owners in larger houses to improve (or at least to stabilise) their positions on the housing market. In fact, it is generally the only possible strategy since panel buildings are mono-functional (i.e. residential) unlike the old inner city tenement blocks which can be converted into offices. Within the group of housing estates, renovation can lessen the differences between the smaller (non-renovated) and the renovated larger houses. If rehabilitation programmes were cancelled for a longer period, a new cleavage would emerge between the renovated and non-renovated larger buildings.

Conclusions

The rehabilitation of housing estates in Budapest started about 10 years after the construction of the last panel buildings. Since then only a small part of the blocks has been renovated, nevertheless, some differences among the housing estates and their perception have already emerged. The rate of renovation is relatively high in some low status large housing estates built in the 1970's. The renovation is likely to be an instrument that could be used to prevent the declining status and position of such housing estates on the housing market. Achieving that aim could be further enhanced by the renovation efforts of residents.

Completely renovated housing estates are hardly found in Budapest, while there is a great number of them without any renovation. If the government supported rehabilitation support was cancelled for a longer period, the large non-renovated housing estates would be in a desperate situation, because they are not be able to compete with either the smaller estates with good location or the renovated larger ones on the housing market.

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[7] ingatlanhirek.hu/hir/Atlagban-35-szazalekkal-olcsobbak-a-panelek/41740/ downloaded at 01.10.2012., ingatlanmagazin.com/ingatlanpiac/mennyire-konnyu-ma-eladni-egy-panellakast-es-miert-erdemes-vasarolni/ downloaded at 01.10.2012.

[8] The categories "buildings above 200 dwellings" consist of almost exclusively high-rise (10–15 storey) buildings.

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