



S01 Cities & Finance: How does finance change the logic of urban production in a sustainable way?

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Replacement or refurbishment? Transformation of the historic housing stock (Gründerzeit) in Vienna and Budapest.

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Abstract

The founder's period, or the *Gründerzeit* (GHS) has been a period of historical significance in Vienna and Budapest, both formerly part of the Austro-Hungarian Monarchy. The area of both metropolises grew due to city expansions beyond the Medieval walls, accompanied by river regulation (Vadas, 2005a; Vadas 2005b), and other large-scale infrastructure projects (Csendes, 2005a; Csendes, 2005b; Hárs et. al., 2016), as well as residential development (Körner, 2010; Psenner, 2023). This resulted in a building stock with many comparable features, such as the Historicism architectural style, the organization in blocks with perimeter construction and inner courtyards, placed in regular grid street structures and many other aspects (Melinz & Zimmermann, 1966; Lélek, 2019; Psenner, 2023). The historical buildings stock is still represented in both cities, shaping their urban landscapes both in a physical form (Vienna 20%, Budapest 16% built before 1919) and as representation of cultural values (Hárs et. al., 2016; Peer & Psenner, 2024). However, recent socio-political processes originating from

different political systems and regimes of the 20th century have affected these buildings. In Budapest, the process of privatisation has become a strong driving force behind transformation after the system change in 1989 and led to a high proportion of private and low proportion of municipal dwelling ownership (Cséfalvay & Rohn, 1992; Lichtenberger 1994). Although the ownership structure has also been changing in Vienna, it resulted from the circumstances given by legal instruments in a welfare state (Lichtenberger, 1990). The legal conversion (*“Parifizierung”*) of tenement buildings shifted individual or shared building ownership to the ownership of dwellings and the proportional shares of common areas according to federal state-wide regulations¹. As local and international financial institutions started to see investment opportunities in this historical housing after the year 2000, their intervention through commodification have started to shape this historical building stock in favourable locations, either by demolition and new construction, or by rooftop extension and renovation (Musil et. al., 2021). In our research project TransHerit, one of the scopes of the research is to investigate and compare how financialization processes, housing regulation and preservation, as well as market dynamic of GHS in Vienna and Budapest have transformed the tangible preservation of this historic housing stock. In the scope of this session, we would like to present our preliminary findings, and shed light on what this could mean in term of heritage regime.

Keywords

Gründerzeit historic housing stock, urban regimes, transformation, preservation, Vienna, Budapest

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¹ Bundesgesetz über das Wohnungseigentum (Wohnungseigentumsgesetz 2002 – WEG 2002)

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