



**Austrian Federation of Limited-Profit Housing Associations – Audit Federation
Österreichischer Verband gemeinnütziger Bauvereinigungen – Revisionsverband**

THE FEDERATION

Mission Statement

The Federation has two functions:

- Representation of interest of their members
- Auditing of their members

The members are limited-profit housing co-operatives (2011: 99) as well as limited-profit housing companies (2011: 92). Their common mission is “provision of affordable housing”.

The mission of the Federation is

- the improvement of the legal framework of their members’ activities
- conduct of the compulsory auditing of members
- provision of professional advice and assistance
- provision of information and analysis on economic and social developments

There is no exclusive umbrella organization for housing co-operatives, limited-profit housing is assembled in one single organizational body for both housing co-operatives and housing companies.

Areas of Expertise

According to the members’ mission and the function of the organization the most important areas of expertise are

- housing construction in the technical, organizational and financial aspects
- housing management of own housing and that of third parties (municipalities)
- (energetic) renovation
- urban renewal
- social, economic and legal framework of housing construction

Current Programs and Location

As for the Austrian Federation of Limited-Profit Housing Associations the area of activities are restricted by law there are no activities abroad besides

- the co-operation in International Organizations: ICA, ICA-Housing, CECODHAS
- voluntary advice to similar organizations abroad; especial in the new EU-member countries

The most important current issues concern the

- financing of affordable housing via public funds
- the improvement of the legal and financial framework for the creation of own funds of limited-profit providers
- the legal framework concerning the EU-Building-Directive
- EU-legislation regarding competition (public subsidies) and financing (BASEL III)
- EU-legislation concerning energetic matters for buildings (energy efficiency)

HISTORY, HOUSING POLICIES AND INSTITUTIONAL FRAMEWORK

History

The organization has been founded in the year 1946; but there have been similar organizations being active since the year 1916. The foundation of the oldest still active co-operative goes back to the year 1895 when co-operative housing started its development; the foundation of the oldest still active capital society goes back to the year 1907. In the history of the organization(s) the political, social and economic developments is represented also including the war periods, the last years of the Austrian-Hungarian monarchy as well as the fascists and democratic states.

In the beginning limited-profit housing had been dominated by co-operatives; limited-profit companies gained importance subsequently.

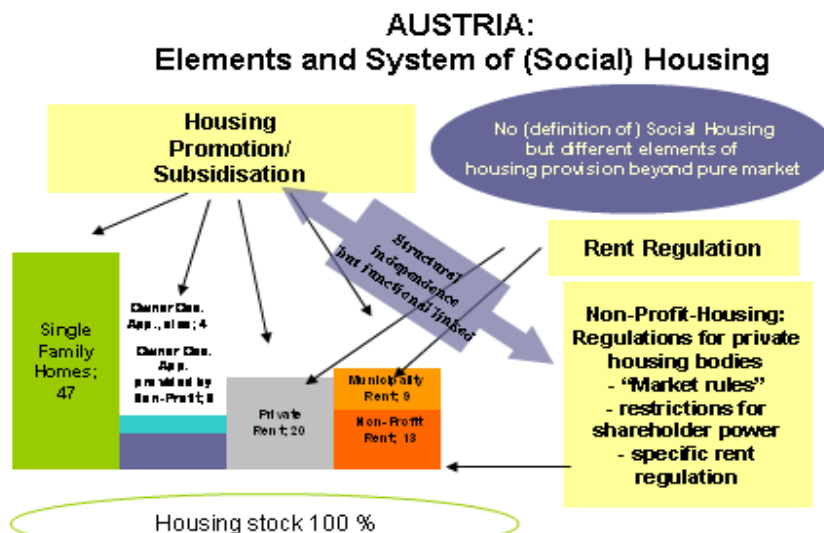
The main historical roots of the non-profit or limited-profit housing organizations are:

- co-operative housing
- company housing (housing provision by business bodies for their workers and employees)
- privatized public housing

While until the year 1938 the membership in the respective umbrella organizations had been voluntarily it then became compulsory which is based on the recognition of the organizations' function as legal and thus compulsory audition board.

Description of housing policy in Austria

There is a very complex system of housing policy. Besides the legal instruments such as security of tenure and rent control, the public promotion of housing and the organizational instrument of limited-profit housing are of major importance for housing in Austria. There is neither a definition nor a unique system of "social housing", but there are elements in housing beyond market as well as beyond state.



The limited-Profit Housing system might be regarded as a third sector within the housing system.

Legal framework - General

The legal basis for co-operatives in general is the **Co-operative Act** (Gesetz über Erwerbs- und Wirtschaftsgenossenschaften; GenG 1873). Recently, of particular significance within the European Union is the statute of the European Co-operative, the Societas Cooperativa European– SCE which is since 2006 part of the legal system in Austria (GenRÄG 2006).

For the special case of limited-profit housing the legal base is the **Limited Profit Housing Act** (Wohnungsgemeinnützigkeitgesetz; WGG 1940/1979) which has historical roots in legal acts of the years 1910 – 1912.

The special audit system is enacted via the **Act of Co-operatives' Audit** (Genossenschaftsrevisionsgesetz; GenRevG 1907/1997) which is also the base for auditing limited profit housing companies.

The general legal framework for rental contracts is defined in the **Rental Act** (Mietrechtsgesetz; MRG 1922/1982); regulations for owner occupation in condominiums are subject of the **Owner Occupation Act** (Wohnungseigentumsgesetz; WEG 1948/2002).

The **housing promotion system** is subject of legislation of the federal provinces – so there are 9 acts of housing promotion.

Legal Framework – Limited-Profit-Housing

The activities of limited-profit housing co-operatives and companies are governed by regulatory principles laid down in the Limited Profit Housing Act. These principles are:

- **Cost-Effectiveness.** With respect to the cost of constructing and administering dwellings, the prices charged by a limited-profit housing association are fixed at a level “neither higher nor lower” than necessary.
- **Appropriation of assets.** The assets of a limited-profit housing association are tied-up to be appropriated for the purpose of housing (new construction, renovation and refurbishment).
- **Limitation of profits**
Profits are basically accepted but limited – via limits for rent and charges and income on shares.
- **The sphere of business activities is limited.**
- Limited-Profit Housing bodies and their activities require **government approval** and are subject to **government surveillance** and control.

STATISTICS

Currently (end of 2010) the Austrian Federation of Limited-Profit Housing represents:

	Co-operatives	Companies	Total
Organizations	99	94	193
Co-operative members in 1.000	461	--	461
Rental Housing Units in 1.000	255	293	549
= share of total rental housing stock	15 %	16 %	31 %
Owner Occupation Units in 1.000	113	133	246
= share of total owner occupation housing stock	21 %	25 %	46 %
Housing units total in 1.000	368	427	795
= share of total housing stock	8 %	10 %	18 %
= share of total housing stock, multi-family-housing	15 %	18 %	33 %
New construction 2006 – 2010 average housing units per year	6.530	8.570	15.100
Investments into repairs and improvement 2010, Mio Euro	270	320	590
Balance total 2010, Mio Euro	17.717	21.470	39.187
Employees	4.300	4.460	8.760

Details of organization

The Federation itself is constituted as an association. There is the general assembly to take the most important decision; the members also are represented by the board of delegates. The organization is represented by a board of directors and controlled by a supervisory board. The business is conducted by the office with 60 employees of whom 40 are engaged in the auditing.

Office Locations and Contact Information

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