

2006

Report on Building Culture

Recommendations: Chances for Austria's Future

The parliamentary resolution of March 2005 called for concrete measures and recommendations to federal, provincial, and municipal administrations to promote Austrian building culture. Federal policies can primarily stipulate concrete requirements, set nationwide quality standards, and initiate steering measures by offering incentives or support. The necessary impulses can be given in the annual tax equalization negotiations. In addition, active economic and foreign policies can provide the basis for an export and image offensive.

Implementation of a consistent Austrian architectural policy mainly depends on the initiative of provincial governments, involving, in particular, consulting to local mayors, definition of adequate structural engineering guidelines and of quality standards for subsidized housing projects as well as concerted land-use planning at district and provincial levels. For it is at the municipal level where the by far largest public expenditure saving potentials are evident. If implementation of the proposed quality standards, procedures, and guidelines should not be possible in the foreseeable future, expenditure on maintenance and current costs, rapidly increasing as they are already, will so strain provincial and municipal budgets as to leave little scope for new investments, which in turn would mean a severe circumscription of political scope.

However, since building culture is a societal issue, it cannot be delegated to political authorities alone. Hence, in the following, a number of measures are suggested which may be implemented by educational institutions and professional organizations in their respective autonomous spheres.

The Report on Building Culture comprises five chapters, Responsibility, the Public, Sustainability, Economy, and Production; each of them containing numerous measures and recommendations by the authors and ARGE Baukulturreport. In the beginning of each chapter, an abstract entitled "At one glance" summarizes the contents of that chapter.

The following basic recommendations and measures are an attempt to extract from a wide range of suggestions a set of essential requirements for an Austrian architectural policy, correlating these requirements to the stipulations made in the parliamentary resolution:

1 Improvement of legal and fiscal conditions

Basically, almost all recommendations given herein entail legal or fiscal measures of one kind or another. Listed below are a number of important milestones on the way to a national architectural policy:

- **Linking public funding to quality assurance. Building projects that are, directly or indirectly, financed from public funds, or are rented or leased by public institutions should be made to meet mandatory quality standards to assure building culture. Meeting the needs of the population in a useful way takes unreserved commitment to across-the-board quality in public building projects, all the more so in times of public financial resources running increasingly low. This also and particularly applies to public tendering procedures.**
- The legislature will have to use the possibility of making the allocation of public funds in all fields of building dependent on **assured quality management**; this will also have to include corporatized public companies at all levels. The same applies to provinces and municipalities, in particular with regard to subsidized housing projects and special-needs grants to municipalities.

- **Architectural competitions or similar tender procedures** are to be made mandatory for large-scale housing projects. **Cooperative housing associations** are to be obligated to comply with certain requirements pertaining to building culture, such as ecological and energetic, social, and design quality standards as well as quality management (see next point below).
- **Public awarding authorities**, in particular the Republic of Austria and corporatized public companies, have a special responsibility to and for society. They have a model function and must act in the best interest of the citizens. It is recommended to define binding guidelines for development measures and to ensure quality management by:
 - Demand analysis
 - Space-use and function programs
 - Free site selection
 - Planning and architectural competitions
 - Professional organization of procedures
 - Adherence to cost estimates from the project planning stage and consistent controlling throughout the project
- Making special-needs grants to municipalities dependent on assured quality management (see point above)
- Intensified engagement of the federal administration to enforce **national land use planning objectives** by way of revenue equalization and an extension of federal competences in land-use planning matters
- Detailed and binding region development concepts at provincial administration levels
- Stringent **space-planning and organizing models** for small municipalities
- Mandatory assessment by provincial governments of municipal building projects and design measures
- Mandatory consulting by independent experts (**design advisors**) in all design and land-use decisions
- **Subsidized loans** by the **Tourism Bank** are to be linked to the quality of building culture, and an **expert information and consulting network** is to be established for the tourism industry on a long-term basis.
- What is necessary is a **radical simplification of building legislation, regulations, and standards**. According to the Austrian Association of Industrial Building, this would entail cost savings in housing projects of 10–15 percent.
- Some **tax legislation amendments**, notably in the fields of earnings and sales taxation, would provide incentives for crisis-proof real-estate investments and considerably improve the planning and design situation without necessarily leading to any shortfalls in tax revenues. Direct improvements for planners would be flat allowances for liability reserves, lump-sum earnings assessment, tax reliefs on retained profits, taxation of earnings from service exports at half of the marginal tax rate, and a three-to-five year spread of taxable income.

Indirectly effective improvements would be the reintroduction of the investment allowance, tax-deductibility of planning fees as special expenses for investors and developers, allowances for liability reserves for builders, accelerated depreciation of subsidized buildings and buildings under the Austrian Residential Tenancy Act, an increase of the allowable depreciation to 2 %, and deferred taxation of lessors' earnings surplus up to ten years.

2 Incorporation of the principle of building culture at all political levels

It is the responsibility of political decision-makers to address architectural policy not as an elitist matter, but as a cross-sectional issue that is of immediate concern to the entire population as architectural policy relates to economic prosperity, quality of life, innovation, citizen participation, and democratization.

- It is recommended to lay down **declarations of architectural policy** at federal, provincial, and municipal government levels, and also to incorporate these in all laws pertaining to architecture, urban, regional, and landscape planning, infrastructure, engineering, social and ecological sustainability, and the treatment of existing buildings. These declarations should also embody a strict **division between planning and execution of construction projects** so as to avoid conflicts of interests, as well as a political **statement of principles about the objective of social sustainability in building** in Austria.
- What is needed is a political commitment to building culture as well as the nomination of a responsible person in charge of an inter-ministry architectural policy in the federal government.
- To support national architectural policy-making at the federal government level, the establishment of an independent **Advisory Board for Building Culture** is recommended to evaluate the progress made in architectural policy and to submit proposals for strategies to be pursued and measures to be taken. This board could also coopt the existing **Competence Network for Building Culture** with representatives of education and information institutions as well as of professional organizations.
- As a coordinating body at the federal administration level, the establishment of an **inter-ministry board** for building culture is suggested, which could also appoint, coordinate, and educate persons in charge of building culture in different branches of the administration and in corporatized public companies.
- Aside from the federal level, installation or promotion of a **network of well-connected institutions at local levels** is suggested. These could be centrally organized, but act locally and in independence of local administrations.
- Mandatory consulting by external and independent experts, or boards of experts (**design advisors**) in all decisions relating to land-use, urban and architectural planning and project realization at provincial and municipal levels should be provided for.
- Public funding should be made dependent on compliance with **quality standards** in all fields (see also point 1).
- One essential contribution to the success of public building projects – which also include underground engineering, road and transportation construction, and landscape planning – is structured and professionally accompanied **citizen participation** from the beginning of the planning stage and in dependence of the project scale and the sensitivity of the location.
- **Gender competence** building is needed in the construction-related sections of the administration. Quality management in publicly funded projects must also include gender criteria and **barrier-free building**.
- The full utilization of the existing broad expertise on building culture necessitates intensified cooperation between the administration, professional organizations, and specialized educational institutions as well as an interplay of research, planning, and practice, the balancing of interests involved, and relations on equal terms, in particular with municipalities.

- **Continual evaluation** of steering and promotive measures and the continuous further development of strategic architectural policy programs by commissioning a **biennial Austrian Report on Building Culture**.

3 Improvement of the productive conditions of building culture

The high share that the construction industry has in the total national economy (11.7 %) and in the gross national product (7 %) calls for increased international orientation. Exportation of planning services should be made a focus of foreign trade policy, since, according to experts, service exports entail seven times their worth in exports of goods.

In order to give small and medium-sized planning enterprises, as are typical of Austria (76 %), better access to international markets, increased consulting and financial support are needed. At the moment, industry-specific support programs are lacking in Austria.

- Exportation of planning and construction services should be made a focus of foreign-trade and economic policies, as, for example, is the case with exportation of construction services in France.
- In order to give small and medium-sized planning enterprises better access to international markets, the establishment of an **architectural and building culture export agency** is suggested, which should be sufficiently endowed so as to be able to facilitate, by adequate measures, the positioning of Austrian building-culture services in international markets. In addition, more networking and industry cluster formation will be necessary on the part of planners.
- **Profession-specific promotion tools** for the architectural sector are still lacking. A first step in that direction could be the inclusion of architecture in the federal creative-economy promotion programs. Small, or young and start-up architectural offices should be especially targeted thorough professionalization incentives and adequate tendering conditions.
- **Access to the profession** and conferment of the job title of "Architect" for graduates from architecture schools should be adjusted to EU standards.
- In order to promote excellent education, the state should expressly articulate the public interest in a high standard of building culture by making **service-level agreements with educational and research institutions**.
- Fair conditions with an **adequate allocation of resources** are to be established between art universities, universities of technology, general universities and universities applied sciences. An adequate crediting and evaluation system should be established, or reinforced, in higher education.
- Advanced education on the job for architects and planners needs to be massively extended. This could be effected through tax incentives. Advanced education could be offered by, or be assigned to, institutions of the professional organizations.
- High quality standards in the construction industry
- High educational standards for architects and planners also in planning-and-construction-related fields, as, for example, specification of technical services, construction-site supervision, monitoring, etc.
- Specialization of energetic, economic, and communicative skills

4 Measures to promote ecological, economic and social sustainability

- Improvement of the energy balance by introduction of increased energy efficiency requirements through public subsidization and legal standardization.
- It is suggested to reform the existing **housing subsidization** system toward a more encompassing building culture advancement program with special regard to sustainability (saving of energy and material resources), location (massive reduction of land use, consolidation), building rehabilitation, consolidation, and higher design quality. This should apply also and in particular to private homes and be effected through both modified building requirements and consulting offers. Funds available for house-building subsidies are to be expanded and earmarked for this purpose, with the main emphasis of federal subsidization placed on saving of energy and material resources and quality design.
- Moreover, **energy consumption** in existing buildings is to be markedly reduced with a special attention to regional renewable resources in consistent implementation of national and international guidelines.
- A **drastic cutback on land use** (currently 22.5 hectares per day) through targeted steering measures in accordance with the Austrian sustainability strategy.
- Toothless land-use legislation is a central problem in Austria. A thorough **amendment of land-use planning laws**, stipulating also the “social obligation” of property as in Germany, is needed to enable ecologically and economically sustainable development planning.
- The federal administration has to take over **regulatory land-use planning responsibility**; in parallel, **regional development planning** must be strengthened; revenue equalization and economic development promotion have to be reformed so as to sustain development planning objectives.
- Restraining **traffic development policies** as a steering tool of land-use development.

5 Measures to build public awareness of the significance of contemporary architecture and building culture

- Architecture communication has to be substantially improved in the education system (at schools and universities, in particular in architectural and teacher training). The basis for this could be a yet-to-be-established **Academy of Architecture Communication**.
- Specific **architecture communication institutions** and **networking between them** should be more supported. Institutions such as **Houses of Architecture** should work to make potential building clients aware of their responsibility for building culture. To do so, they need additional financial support.
- **Innovation advancement by a planning and construction research initiative**, which could engage universities, applied-science universities, and the industry as well as the Austrian Competence Network for Building Culture (see point 2 above).

6 Measures for the promotion of competition culture by federal and other public awarding authorities as well as by private developers of public buildings

One essential parameter of building culture is fair quality-oriented and transparent construction tendering procedures.

- **Adequacy and true costing of planning procedures**, division, or at least equal treatment, of planning and execution of construction projects; prioritizing of architectural competitions or competition-like tendering procedures for creative services (as against negotiation procedures and

direct dealing) should be incorporated in the Federal Procurement Act, as well as the commitment to competition for quality and strict observance of the best-bidder principle in tendering for creative services.

- **Research promotion** by more **unrestricted tendering procedures and architectural competitions**, which also involves adequate preparation and post-processing, appointment of expert jurors, funding, and public discussion.

Beyond these recommendations, a large number of further suggestions and measures were proposed by the experts contributing. The issues at stake were put in a wider perspective, and an outline was given of the enormous chances and potentials of a committed architectural policy, which is characterized by high communication requirements. Hence the 2006 Report on Building Culture is to be seen as basis for a broad national discussion and as a kickoff to a national and regional dialog on building culture. In order to make full use of the expertise compiled herein, and hence to justify the taxpayer's investment, it will be necessary to communicate the contents and results of the 2006 Report on Building Culture to decision-makers at different levels. We therefore suggest to re-edit the findings summarized here in a target-group-oriented and easily communicable form and to bring them to the attention of a wider public through public relations work as well as discussion and information events. Whether it is at the governmental or ministry level, in parliament, or at regional levels, as, for example, provincial building authorities or mayors – the 2006 Austrian Report on Building Culture ought to be discussed on a national and public basis, as building culture concerns us all. This requires professional preparation and an adequate budget. It is matter of the political will to make this happen.

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