



REDUCING  
HOUSING  
INEQUALITIES



## Case Study Working Paper: Gmunden (Austria)

An extract from Deliverable 5.1, '*Case study reports on green transition initiatives and their impact on housing inequalities,*' of the ReHousIn project

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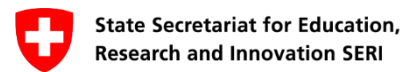
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The ReHousIn project aims to spark innovative policy solutions towards inclusionary and quality housing. To achieve this, it investigates the complex relationship between green transition initiatives and housing inequalities in European urban and rural contexts, and develops innovative policy recommendations for better and context-sensitive integration between environmentally sustainable interventions and socially inclusive housing.

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# 1 Introduction

## 1.1 Gmunden: Challenges of a small town around just (housing and ecological) transition

Gmunden is a municipality (Stadtgemeinde) in the Austrian state of Upper Austria (Oberösterreich), serving as the administrative centre of the political district of the same name. The municipal territory covers roughly 63.5 km<sup>2</sup> and functions as a local gateway to the Salzkammergut region.

As a lakeside town, Gmunden lies about 425m above sea level on the northern shore of Lake Traunsee, where the Traun River flows out of the lake. The municipality is bordered by the Traunstein and other alpine slopes, giving it a pronounced lacustrine–alpine landscape. The city is located in the temperate continental-alpine transition climate zone typical of the northern edge of the Northern Limestone Alps, with moderate to cool summers, ample precipitation, and cold, often snowy winters. The lake's large water mass also exerts a moderating microclimatic effect on local extremes, reducing frost frequency near the shores compared with upland terrain. At the same time, orographic uplift of moist westerly air against adjacent peaks commonly enhances rainfall in the broader catchment. Because of the geological preconditions, the town is affected by regular landslides, with the most recent severe one in 2007, when 55 buildings were evacuated.

With a total population of 13,231, the population number of the core municipality of Gmunden is stagnating (0.9% and 112 inhabitants in the last 10 years) (Statistik Austria 2025). With a modest average overall density of 208/km<sup>2</sup>, the town has a lower density than compact urban centres but a concentrated settlement pattern along the lake shore. Age-structure data indicate an older profile, with approximately 16.3% of the population aged 0–19, 57.8% aged 20–64, and 25.9% aged 65–74. This suggests a significant retired population alongside a dominant working-age cohort (Statistics Austria, 2025). The surrounding areas of Gmunden show strong population growth in the adjacent northern municipalities, but also population decline in the southern municipalities.

Historically, Gmunden was integrated into the Salzkammergut salt economy, and in the modern period, the local economy diversified into manufacturing (notably ceramics), services, and tourism. Apart from the industrial base of ceramics manufacturing and small and medium enterprises, cultural festivals and events (most recently through initiatives such as the European Capital of Culture Salzkammergut 2024) generate additional short-term economic multipliers (WKO 2024). Recently, however, tourism has become less dominant as a financial base. Nevertheless, due to its iconic location, it struggles to cope with the daily impacts of tourism, such as parking and second homes.

In terms of infrastructure, Gmunden, as the district's administrative seat, offers a dense array of public services (district administration, court, clinic, multiple schools, and cultural facilities). It is well connected by regional public transport, including public bus services, the national train network and by a light-rail connection (Traunseetram) that links Gmunden with surrounding municipalities. Local transport, port and pedestrian lakeside infrastructure support tourism and commuter flows, while the *Traunseetram* (operational since 2018 in its current form) is explicitly promoted as a key element of regional mobility.

In terms of housing, about half of the housing stock in the political district of Gmunden consists of single-family homes. But also, apartment ownership (15%), private rentals (20%) and about 10% social housing exist. The densest area of the city is located in the historic centre of the town, also with (heritage-protected) townhouses originating from the Renaissance through the 19<sup>th</sup> century. Because Gmunden is part of the Salzkammergut tourism region, the housing stock includes a large proportion of seasonal or holiday apartments and second-home ownership. The growing share of second homes, with an increasing number of multi-storey and mixed-use residential buildings on the eastern lakeside, accounted for about a quarter of homes in 2024. House prices in the district are increasing and rank third among Upper Austrian districts<sup>1</sup>.

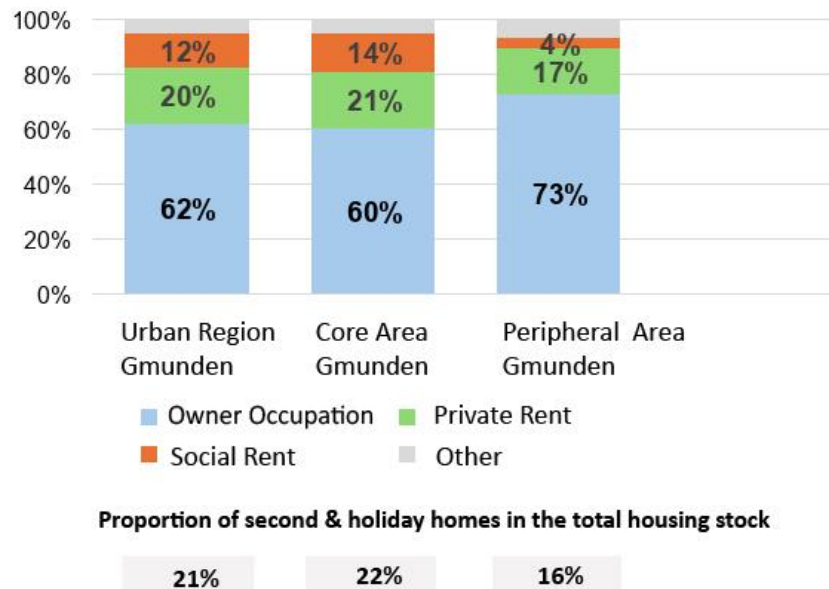
Against this background, recent housing completions in Gmunden show a marked increase in prices, particularly for newly built dwellings. Average prices rose from approximately €5,200 per m<sup>2</sup> for units completed between 2020 and 2022 to around €7,700 per m<sup>2</sup> in 2023, €9,600 per m<sup>2</sup> in 2024, and up to €13,300 per m<sup>2</sup> in 2025. Since the 2010s, local and regional developers have increasingly oriented new housing production towards affluent second-home users and investment-oriented buyers. Housing completions reached a clear peak in 2021, when 288 dwellings were completed, almost four times the average annual output of the preceding decade (around 76 units per year), mainly due to the completion of two large subsidised housing projects. This increase was temporary. In subsequent years, construction activity declined again, with 62 dwellings completed in 2023, and new housing production has since been limited mainly to high-priced, privately financed apartments in premium locations, with only a few exceptions (Matznetter 2024; Statistik Austria 2025). Due to the comparatively high share of second homes, the city council applied for 'reservation municipality' (*Vorbehaltsgemeinde*) status for second homes in March 2023, a designation that would allow limiting the number of holiday and secondary residences. Still, the request was rejected by the state of Upper Austria in 2024. Gmunden's application for designation as a "reservation municipality" was denied because the provincial government found that both the overall ratio of second homes to primary residences and the household-level ratio are lower than in

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<sup>1</sup> <https://immopreise.at/Oberoesterreich/Haus/Eigentum#cl188>

comparable municipalities and remain below the thresholds set out in the Upper Austrian Restricted Areas Regulation (*Oberösterreichische Vorbehaltsgebiete-Verordnung*).

Figure 1. Share of housing market segments in the primary residence stock, including proportion of second & holiday homes in the total housing stock



Politically, Gmunden has been dominated by the conservative People’s Party (ÖVP), which has held the majority of votes in mayoral elections for over 20 years. The current mayor has been in office since 2014. Following the 2021 elections, the ÖVP formed a coalition with the Green Party (Die Grünen) for the first time. In the last regional elections, the ÖVP received 50.68% of the votes, followed by the Green Party with 16.28%, with an increase of 8.72 percentage points compared to the previous election. In comparison, the Social Democrats (SPÖ) gained 13.77% and the right-wing Freedom Party (FPÖ) 10.41% (Amt der Oö. Landesregierung 2021). In addition, Gmunden appointed its first climate coordinator in January 2023. Since then, she has been responsible for coordinating the implementation of the *Climate Strategy Gmunden 2030* and for raising public awareness of climate protection and climate change adaptation (Klimastrategie Gmunden, 2023).

## 1.2 Green Transition Interventions in Gmunden

Since adopting the Climate Pact in 2019, the City of Gmunden has implemented a range of measures to mitigate and adapt to climate change, and to promote sustainable urban development. The Climate Pact (Gemeinderat der Stadt Gmunden, 2019), unanimously adopted by the City Council, serves as the basis for the Gmunden Climate Strategy 2030 (Klimastrategie Gmunden, 2023). The strategy was developed through a participatory process between March and July 2022, including eight thematic workshops supported by Klimabündnis Oberösterreich, involving citizens, experts from regional institutions, members of the municipal council and civil servants (Klimastrategie Gmunden, 2023).

For the case study of Gmunden, no single neighbourhood, area, or project was selected for detailed investigation. Instead, the analysis is based on the city’s Climate Strategy released in 2022, complemented by initiatives chosen that address nature-based solutions, urban densification, and building retrofitting across the city. The Climate Strategy 2030 defines four thematic fields with 16 objectives, including CO<sub>2</sub>-neutral energy and climate-friendly land use, spatial planning, and nature. In the energy sector, Gmunden aims to achieve 100% renewable electricity by 2030, primarily through expanding photovoltaic systems. Following the completion of the Solar Cadastre in 2022, a Renewable Energy Community was established to enable local participation in renewable energy generation. Further measures include retrofitting municipal buildings, replacing fossil-based heating systems, and preparing a Municipal Heat Plan that addresses district heating expansion, geothermal potential, and decentralised heating solutions (Klimastrategie Gmunden, 2023).

A small-scale nature-based solution in Gmunden is the sponge city project (Schwammstadt), mandated for implementation in the city’s 2022 climate strategy. On 10 July 2025, the project was inaugurated and is located at Kastanienplatzl (Herakhstraße–Wunderburgstraße), transforming a former asphalted parking area into a green, climate-resilient space. The project applies sponge city principles by retaining rainwater in the soil to support tree growth and reduce sewer system loads. Six climate-resilient trees were planted alongside permeable surfaces and low-maintenance vegetation.

Another relevant initiative is *Altstadt Impuls Gmunden* (Old Town Impulse), an EU-EFRE co-financed pilot project (RMOOE, 2019). It supports the renovation and revitalisation of older or vacant buildings in the historic centre, providing building owners with expert assessments of their properties, guidance on renovation options, and coordination with housing subsidies. The development process began in 2018 and lasted about a year, culminating in two on-site renovation consultation days in October 2019. The project had a total budget of €50,000 and employed software applicable to other municipalities to model rent levels against investment costs (RMOOE, 2019; RMOOE, 2023).

Figure 2: Map of Gmunden with key areas (Source: own elaboration with GIS data, openstreet map)

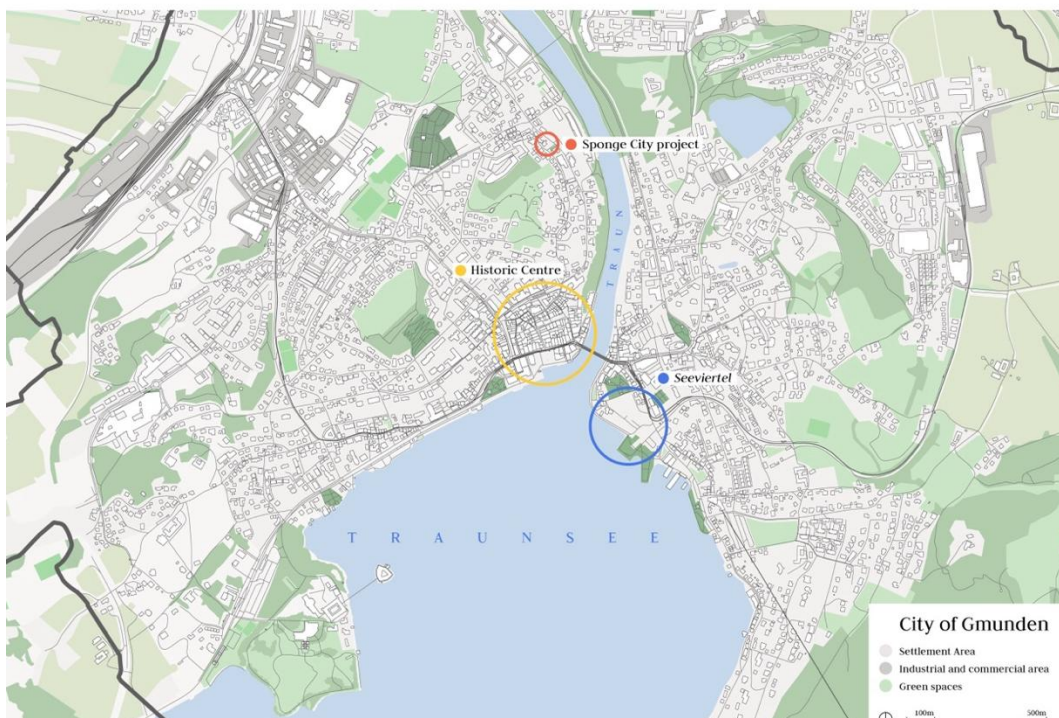


Table 2. Key data on the case study area of Gmunden.

	Climate Strategy 2030	“Altstadt Impuls”
Neighbourhood characteristics	Municipal level	City Centre
Duration	Strategy: 2022-2030 Implementation: September 2022	Strategy: development 2018-2019 Implementation: 2019
Funding	Federal Province of Upper Austria	EU (EFRE programme (2014-2020), Federal Province of Upper Austria
Actor constellation	<i>Klimabündnis</i> (municipal climate protection network), City Council, experts from regional institutions, interested Citizens	Members of the Gmunden city council & surrounding municipalities, representatives from building departments and city administrations
Aims and objectives	Mitigation of the global climate crisis at the local and communal level (retrofit, NBS)	Support and motivate property owners in renovating and revitalising older buildings, providing expert assessments of building conditions and renovation options, using software applicable to other municipalities (retrofit)
Specific physical measures	Implementation of the Sponge City project in 2025	Feasibility studies for retrofitting in 10 key properties; implementation pending
Accompanying housing policy/regulatory measures	-	-
Key social tensions or/and benefits between greening and housing	No tensions towards housing inequality impacts are perceived with a generally positive response towards implementation; however, scepticism about the real climate-mitigating effects and the cost-benefit ratio of intervention	Little awareness about possible effects on affordability and displacement, especially in the rental sector; benefits foreseen for commercial activities in the centre and for owner-occupiers and landlords

## 2 Section 2 - Methods

Qualitative data for this case study were collected through semi-structured interviews conducted between June 2025 and January 2026. A total of eight interviews with ten participants were performed, including those from public administration, public bodies, and civic initiatives. Interviewees included the mayor, the vice-mayor, civil servants from various administrative departments, a regional planner, representatives of limited-profit housing

associations (LPHA) and a tenant organisation, and two members of a civic climate protection initiative.

Sampling of politicians, civil servants, technical staff, and civic initiatives was conducted through desktop research in preparation for the ReHousIn Policy Lab, held in April 2025, and through direct contact via institutional email addresses associated with the respective organisations. Additional participants were recruited through snowball sampling.

The interviews were conducted in person and recorded with participants' consent using a recording device. In accordance with TU Wien's ethical approval guidance, participants were informed about the project's objectives and data protection regulations. Before audio-recording the interviews, written informed consent was obtained from all interviewees, including a confidentiality clause. The interviews were transcribed in a two-step process. An initial automated transcription was produced using A-train software (Haberl et al. 2023). In a second step, all recordings were manually reviewed and corrected where necessary. Interviews conducted in German were analysed in the original language. For data analysis, the qualitative analysis software MAXQDA was used. For reporting citations, parts of the interviews were translated into English.

Of the eight interviews, three were conducted by more than one researcher from the project team, while five interviews were conducted by a single researcher. All interviews were conducted either in the interviewees' workplaces or in public settings such as restaurants and cafés. The interviews with members of the civic climate initiative also included a short walking tour of the city, during which sites of interest to our research were highlighted. In addition, as most interviews were conducted in Gmunden, they were complemented by individual walking tours of the city and by photographic documentation, either before or after the interviews. As preparation for the interviews, individual background research was conducted for each interviewee, based on their topic and position, including the review of legal documents, reports and studies, planning documents, academic literature, and grey literature.

In addition to the interviews, the study applied complementary qualitative methods tailored to the Gmunden context. These included research walks through Gmunden to document locations referenced by interview partners, such as public green spaces, the historic centre, nature-based solutions (NBS), municipal/LPHA residential buildings, hotel projects, or vacant sites. During these walks, photographic documentation was produced to support the contextual interpretation of the interview findings. Nonetheless, the research is subject to some limitations. Due to the size, Gmunden has a limited number of civil servants and institutions related to green transition policies and housing. In addition, capturing civic perspectives proved challenging, as Gmunden is characterised by a relatively small number of organised civic groups in the field of green transition and (to our knowledge) none in housing. As a result, only a limited number of residents' perspectives could be captured, which does not constitute a representative sample of the affected population.

## 3 Section 3 –Perceptions of Green Initiatives in Case Study Areas: Gmunden

### 3.1 Precedents and implementation

Politicians and civil servants describe the development and implementation of climate-related measures in Gmunden as closely linked to the adoption of formal strategies, the launch of concrete pilot projects, and the funding of externally supported programmes. According to one politician, the City of Gmunden adopted a Climate Pact and a Climate Strategy that anchored key principles, including requirements for municipally led construction projects to use low-carbon energy solutions. For example, the general refurbishment of the city's theatre, with an investment volume of approximately six million euros, is planned to use geothermal energy for heating and cooling instead of fossil-based systems.

The development of the Climate Strategy itself is described as taking place after the 2021 local elections, with political responsibility assigned in 2022 and support provided by *Klimabündnis*. The process included a Climate Council and existing participation formats that had been in place since 2017. One civil servant states that neighbourhood-level projects were prioritised because initiatives originating from the population were considered more straightforward to implement.

Pilot-type activities are also described in the context of building retrofitting. One example is an energy consultancy event organised in cooperation with ÖGUT, held at a single-family house and used as a demonstration project for neighbours. The civil servant reports positive feedback from participants, who benefited from direct advice and a concrete example of retrofit measures (I4).

*"We held a renovation party at a single-family house, where an energy consultant provided full advice. The homeowners benefited from the thermal renovation consultancy, and neighbours could see the house as a demonstration of what retrofit measures are possible, which made it much easier for them to understand where to start."* (Civil servant)

Civil servants refer to the sponge city project as an early implementation step under the Climate Strategy. It is described as a first-of-its-kind project in Gmunden, with implementation dependent on secured funding and intended as a starting point for similar projects across the city. Another civil servant notes that the project was realised at a time when implementation conditions were still favourable and expresses doubt that the same project could be approved under current circumstances. The project was officially opened shortly before the interview, and initial public feedback is described as largely positive, following direct information sent to nearby households and a public opening event.

Finally, the establishment of the *Forum für Klimaschutz in Gmunden* is described by representatives of the civic initiative as originating from an academic project completed in 2024. The forum is characterised as a non-partisan, informal civic initiative without formal organisational status, positioning itself as a continuation of the earlier Climate Council and as

a platform to raise issues and propose additional measures beyond those included in the Climate Strategy.

Apart from the Climate Strategy, the densification of a specific central area in Gmunden, called Seeviertel (former station Seebahnhof and the demolished hotel area), has been debated and contested for years, along with climate-related issues (Environmental Impact Assessment, UVP) and the lack of affordable housing. In interviews, the area – now foreseen as a hotel project with additional apartments and commercial spaces at the lake shore – is referred to as a densification project, with constant objections at various levels, according to a politician, and as a real-estate project facilitating secondary-home use rather than affordable housing. Implementation is still pending: although the renaturalization of the adjacent public lakeshore was completed, the real estate developer is delaying the project.

"Sometimes there are groups, it [the objection] also comes from individuals, so there are very, very many objections. Those who have party status almost always object. With the larger projects, there is always someone objecting. A prime example is the Seeviertel now. I don't know if you are aware of that. [...] There are permanent objections at various levels."  
(Politician)

### 3.2 Participation and governance (procedural)

In the interviews, participation and governance are most frequently discussed in relation to planning and regulatory instruments, funding schemes at different governance levels, and formats for citizen and stakeholder involvement.

#### **Governance: Planning and Regulatory Instruments**

At the municipal level, politicians and civil servants describe zoning plans, including the possibility of appointing replanning areas (*Neuplanungsgebiete*), as key governance tools. These instruments allow the municipality to define parameters such as density, building heights and green space ratios. However, they are not applied across the entire city but mainly in the historic centre and selected sensitive areas. The old town is repeatedly described by a regional planning official and civil servants as a particularly challenging context due to heritage protection regulations, which constrain renovation and decarbonisation measures for building owners.

Several interviews describe regulatory and institutional frameworks as key factors shaping local implementation processes. In particular, zoning regulations, plot ratio limits and heritage protection requirements are repeatedly mentioned as constraining instruments. In the historic centre of Gmunden, civil servants note that implementing building renovations and decarbonisation measures is especially difficult due to monument protection rules and limited spatial flexibility.

Similar challenges are reported for large public buildings. The renovation and decarbonisation of the municipal theatre, for example, are described as strongly shaped by heritage protection

and site-specific constraints, which limit the choice of technical solutions. Climate-friendly alternatives are associated with higher investment costs, while less sustainable options would be easier and cheaper to implement, according to a regional planning official.

Interviews with technical administrative staff highlight existing rental regulations as an instrument for housing security, particularly long-standing, non-terminable tenancy contracts, which shape the possibilities for renovations and upgrades. These contracts limit the ability to raise rents after costly investments, such as heating system upgrades. While operating costs can be passed on to tenants, rent adjustments linked to improved housing standards are often not feasible, constraining the implementation of decarbonisation measures in parts of the existing housing stock.

### **Governance: Funding Schemes**

*"From a policy perspective, the focus is really on renewable heat. Honestly, as a municipality, we feel overwhelmed. Theoretically, we know what needs to be done, but practically, we don't know how to implement it."* (Politician)

A central theme across multiple interviews concerns funding schemes and their accessibility. Civil servants and politicians clearly distinguish between EU-level, federal-level, and provincial-level funding instruments. EU funding programmes are described as difficult to access due to high administrative requirements, complex application procedures, and changing eligibility conditions. Several civil servants note that funding rates and eligible project volumes decreased over time, affecting projects already in preparation. As a result, the balance between administrative effort and financial return is perceived as unfavourable, particularly for smaller-scale municipal or private initiatives, according to a civil servant.

In contrast, provincial-level funding schemes are described as more practical and easier to implement. Provincial subsidies for housing, renovation and energy-related measures are reported to involve lower administrative effort and clearer procedures, and are therefore more frequently used. According to civil servants and a regional planning official, these funding instruments are currently better aligned with municipalities' and project developers' capacities.

Federal-level funding programmes are mentioned less frequently but are generally positioned between EU and provincial schemes in terms of complexity. While they are considered more accessible than EU programmes, civil servants still point to challenges in navigating overlapping responsibilities and eligibility criteria across governance levels.

Across governance levels, politicians and civil servants highlight information-related challenges. Funding landscapes are described as fragmented and difficult to navigate, with funding bodies providing unclear or inconsistent information. Civil servants report receiving differing guidance when contacting funding agencies, which creates uncertainty during project planning and application processes. In several interviews with civil servants, the funding schemes were described as complex, requiring capacities for subsidy acquisition and implementation that are often scarce in smaller municipalities.

*“But if individual municipalities have to provide the staff themselves [for subsidy acquisition],... it might be easier for larger cities to assign someone. I mean, it's the same as with my colleague who deals with environmental issues. [...] Rural municipalities with 4,500 inhabitants [...] have a staff of perhaps two or three in the building department. Who is supposed to cover the subsidies there [...]?” (Civil servant)*

Despite these challenges, civil servants observe ongoing revitalisation processes, particularly in the historic centre, including façade renovations, reduced vacancies, and changes in building use. A regional planning official describes these developments as gradual and uneven, and they are partly shaped by the availability and conditions of funding schemes at different levels.

*“The main challenge with funding is how confusing and inconsistent it is. You might call the offices three times and speak to three different people, each giving a different answer. Even with information sheets, detailed questions often lead to contradictory responses. This makes it hard to plan, because you might apply for a certain amount and end up receiving only a fraction of it. On top of that, just finding out what funding is available, even at the EU-level, is difficult, which limits potential applications” (Civil servant)*

One politician noted that several projects are currently emerging in Gmunden where the floor area requirements set by the building committee and design advisory board can be met, making the developments economically feasible and supporting the creation of affordable housing. Politicians and civil servants emphasised, however, that the overall opportunities for such projects remain very limited in the city due to land scarcity and prices.

## Participation

Participation is primarily discussed in relation to the development of the municipal climate strategy. Civil servants, politicians and citizen initiative representatives describe a participatory process involving a climate council, public events, and an established municipal participation model through which citizens could submit ideas. Contributions from these formats are reported to have been incorporated into the climate strategy, as per the citizen initiative.

*“We developed the climate strategy in 2022 with support from the Klimabündnis (Climate Alliance) and broad public participation. We involved our climate council and the municipal participation model, which has been in place since 2017, allowing citizens to submit ideas. All contributions, including those from the council, were incorporated into the strategy, and the process was positively received as a way to involve people actively.” (Politician)*

The municipality's participatory formats are presented as part of its approach to coordinating implementation across different actor groups. Politicians describe stakeholder involvement in neighbourhood-level projects, including exchanges with housing developers, businesses and educational institutions.

*„And I think that's our biggest favourite project at the moment, it's called 'Mitten drin gut leben' [Living well in the middle of it]. And we would like to make each district climate-fit. This year, we started with the first district. The role model is the Viennese climate team: stakeholder process, outreach participation. Now we are just evaluating the ideas that have come. [...] And that's why we have now done this project, because everything that comes from the population is easier to implement.” (Politician)*

Interviewees refer to capacity-related challenges at the municipal level in communicating strategies and implementing participatory measures, particularly in the implementation of renewable heating policies. While strategic objectives are described as clear, translating these goals into concrete measures at the local level is portrayed as demanding. It would require more formats to involve civic stakeholders outside the administration. A lack of a more active approach from the administrative side is argued to stem from limited municipal resources and the complexity of existing policy frameworks. At the same time, citizen initiative representatives lament the lack of resident engagement in climate protection, decarbonization measures, and protests against, e.g., environmentally polluting or harmful measures (e.g., forest clearing).

### 3.3 Perceptions of (in)equity (distributional)

In one interview, the effects of housing regulations on vulnerable groups are described. The interviewee refers to tenants with old, unchangeable rental contracts, including elderly residents, who pay very low rent for large apartments. The interviewee notes that if expensive heating upgrades are implemented, these tenants cannot be charged higher rent, although operating costs may increase. Installing modern central heating could raise the apartment's standard, but the interviewee states that higher reference-value rents (*Richtwertmiete*) cannot be applied in such cases.

Perceived fairness in land use and development is described in another interview in the context of a project on partly sealed, previously used land. The civil servant reports that some residents object to the project because it would place affordable housing directly next to a cemetery, raising concerns about locating lower-income residents there, even though the surrounding area already includes established middle- and higher-income households and offers good access to public transport, schools, shops, and other amenities., despite the area's good access to transport, schools, shops, and other amenities.

Land-use issues, such as the prioritisation of high-end development over affordable housing, are also mentioned in relation to the Seeviertel project, where a member of a civic climate protection initiative noted critically that the zoning of former public land for a real estate project (hotel, apartments, and commerce) rather than affordable housing.

*“The Seeviertel project is presented as a hotel, but it also includes apartments, assisted living, and commercial spaces. A 50-square-meter apartment costs around 500,000 euros, so only very few can afford it. Public land is being used for high-end development instead of affordable housing. The mayor has promised that no more than a quarter of units will become second homes, which reflects the realities of Gmunden.” (Citizen initiative representative)*

Another interview describes site selection for (green) interventions in financially more disadvantaged parts of the city. The deputy mayor explains that projects were initiated in neighbourhoods with lower-income households rather than in wealthier districts, aiming to target areas with established community identities.

One civil servant refers to the implementation of the sponge city principle in Gmunden, citing a lack of strategic coherence in policy implementation. The interviewee describes a small intervention involving 10 trees and 6 parking spaces in a less populated area, contrasting it with the removal of 6,000 square meters of floodplain forest elsewhere to create a hotel parking lot.

### 3.4 Perceptions of political mobilisation

Political mobilisation in Gmunden is described in individual interviews in relation to specific development projects and environmental initiatives. In one interview, formal objections and complaints are reported as a recurring feature of larger development projects. The interviewee states that projects involving formal party status almost always lead to objections and appeals at different administrative levels, especially when it comes to densification. The *Seeviertel* development is cited as an example in which objections are described as occurring continuously (see quote in 3.1).

Public discontent is mentioned in relation to urban densification, second homes, and the construction of high-priced housing. While politicians and civil servants involved state that dissatisfaction is noticeable among parts of the population, it is also noted that this discontent may not constitute a clearly organised movement.

Mobilisation around environmental themes is described in one interview as part of awareness-raising activities. The interviewee refers to climate protection awards, public events, and regular events for schools and the wider public. From these activities, a civil society initiative, the Forum for Climate Protection in Gmunden, is reported to have emerged, consisting of approximately 15 participants.

A member of a citizen climate protection initiative describes activities directed towards the municipality, including organising lectures and events and appealing to the local government to ensure that the Climate Strategy adopted in 2022 is implemented.

*“One element that is close to my heart is not only to arrange lectures, to educate, but to offer participatory formats. There is one so far, and that was a terra-preta workshop. [...] There were almost 30 people, half of them were high school students and the other half were people from civil society, interested people like you and me.”* (Citizen initiative representative)

The interviewee also mentions geothermal energy projects, stating that information on project locations is currently not disclosed due to concerns that disclosure could trigger public protests. The limited transparency regarding the project, as described by the interviewee, is notable.

### 3.5 Socio-ecological impacts/benefits (positive)

Interviewees report that climate-related measures are perceived positively by residents and local communities. One interviewee states that greening measures and the sponge city project are generally viewed positively by both nearby residents and the broader population, rather than being met with scepticism.

*“We only just opened the sponge city last Thursday, so in that sense, it’s still a bit too early to really have major feedback. But what really pleased me was that it rained there, too. And despite that, how many people were there? Fifty, right? And yes, one person came and immediately complained about how much it costs and about our taxpayers’ money, but everyone else was very positive. [...] And a lot of people came, with positive feedback, saying it’s an interesting project, etc. So in principle, I do think that people are interested.” (Politician)*

Regarding green space and environmental upgrades, interviewees from the city administration and the citizen initiative emphasise the perceived value of creating adequate living conditions for trees. One civil servant reflects that earlier urban practices involved excessive sealing and insufficient consideration of tree habitats. In contrast, current measures are understood as addressing these shortcomings by providing appropriate space and conditions for urban greenery. Another administrative staff member reports positive feedback from residents regarding a pilot initiative focused on energy renovation. In this case, neighbours benefited from direct access to energy advice and from seeing a concrete example of renovation measures implemented in a nearby single-family home, which was described as helping to reduce uncertainty about where to begin.

*“That means the owners benefited because they received a full energy consultation, and the neighbourhood benefited because this house was simply used as a showcase model—showing what can be done and how things can be implemented. And we actually got very positive feedback from the local residents, because I think they’re also very overwhelmed by the whole issue, basically asking themselves: where do we even start?” (Civil servant)*

Positive social effects are also mentioned in relation to housing refurbishment. One interviewee notes that although renovated dwellings may become more expensive, they also reach a higher building standard. Improvements explicitly mentioned include the elimination of shared corridor toilets and an overall upgrade in housing quality, both of which are associated with better living conditions for residents.

In terms of densification, limited-profit housing providers (LPHA) discuss the usually negatively framed densification goals: higher-density proposals face initial resistance but are later accepted—often with calls for even more height. The LPHA representative urges “courage” in spatial planning to permit positive development rather than preempt it. According to him, densifying existing centres leverages established infrastructure (roads, sewers, water, energy), which is typically sufficient, yielding minimal marginal public costs and expanding the tax base. Added residents sustain schools, healthcare, local retail, and services through increased demand. Centre-focused growth also shortens travel distances, enhancing accessibility.

*“And in many cases, I experience the topic of densification like this—you can quote me on that—that at first there is extreme criticism when you plan to build higher somewhere. Then, when it is finished, there is the handover ceremony, and people stand there and say: Well, I could have tolerated one more storey.”* (Social housing provider)

### 3.6 Socio-ecological impacts/harms (negative)

Interviewees describe only vaguely the socio-ecological impacts of renovation, redevelopment, and climate-related measures in Gmunden, particularly regarding housing costs and affordability. One interviewee from the city administration states that renovated dwellings would likely become more expensive, emphasising that this is a personal assumption rather than a confirmed outcome. Another civil servant similarly expects rent increases following renovation, but characterises them as moderate.

*“It will cost more, of course. But then you also have to think in a different category, because at the moment some flats really do still have a toilet in the corridor. And that won’t be the case anymore afterwards.”* (Civil servant)

*“These [rents in the current municipal housing] are very low; they will rise, but to a manageable extent. So the key term is affordable housing, or social housing.”* (Civil servant)

Concerns are raised that costs associated with energy-efficient refurbishment may be passed on to tenants. One civil servant notes that property owners may transfer renovation costs directly to rents, even if such cost transfers are not always formally permitted. In the context of limited-profit housing, rising land prices are identified as an essential factor influencing rent levels. Although limited-profit housing providers are legally restricted from generating profit, land costs are reflected in rents, which may appear high without housing subsidies but can be significantly reduced with housing allowances.

Civil servants also express critical views on the cost and implementation of climate-related urban measures. For example, additional requirements such as green infrastructure or reduced building density are described as potentially affecting development calculations and operating costs.

Housing affordability and accessibility are specifically discussed as broader concerns. One interviewee describes Gmunden as a city where access to housing is perceived as increasingly difficult, particularly for people without inherited property or high incomes. At the same time, it is noted that in municipal housing refurbishments, phased renovation approaches are used to enable residents to remain in place, and no clear evidence of displacement is reported.

*"Affordable housing is a major issue in Gmunden—I'd almost say a problem. Honestly, it's very scarce here. Gmunden is certainly one of the municipalities in Austria with the highest land prices, especially along the eastern lake shore, where they are exorbitantly high. To be honest, controlling property prices is beyond our sphere of influence. Unfortunately, that's something we just have to accept, and it will likely always be the case in Gmunden."* (Politician)

### 3.7 Tensions and power dynamics between stakeholders/actors

Across the interviews, tensions and power dynamics are primarily described in relation to housing development, climate-related infrastructure projects, funding arrangements, and institutional responsibilities across governance levels. These tensions are reported to arise both between different actor groups and within political and administrative structures.

A recurring theme concerns the trade-off between affordable housing and spatial or environmental considerations. Interviewees such as civil servants and social housing providers describe that affordable or subsidised housing projects often require higher density or greater building height to be economically viable. At the same time, such projects tend to encounter resistance from local residents when they are perceived as too large, too dense, or incompatible with the townscape. These conflicts are described by politicians as placing political decision-makers in a balancing role between social objectives, urban design concerns, and public acceptance.

*"We really focus on building volume, but that's always controversial. For example, there's a project where the Evangelical Church owns the land, and it only makes sense financially to build five storeys. This sparks intense political debates and strong public opposition. There's a general wish in politics to allow more volume and height, but in practice, every time you propose higher buildings, conflicts arise. That's the problem."* (Politician)

While a politician answers the question of governance and equity issue in terms of access to land and the right to densify as something where all actors (private developers and social housing providers) should be treated equally, one social housing provider considers a predominance of market-rate development in the past 15 years in Gmunden, which has contributed to escalating housing prices. Framing this as a governance and equity issue, the social housing provider contends that if the legislator had intended strict equal treatment, it would not have devolved planning discretion to municipalities implying that social housing should have more benefits in terms of density and land access.

*"If the legislator had said that everyone should be treated equally, then they wouldn't have granted municipalities any discretionary powers."* (Social housing provider)

Financial pressures emerge as another central source of tension. Interviewees from the city administration and local government report that municipal budgets are under significant strain, while at the same time additional responsibilities—particularly in relation to climate and energy policy—are assigned without corresponding financial resources. Funding schemes from higher governance levels are described as decisive for project implementation, yet also as uncertain

and competitive. Several civil servants and politicians refer to cases in which planned projects could not be realised after funding frameworks were reduced or eligibility criteria changed.

Tensions are also reported regarding institutional coordination across governance levels. Interviewees describe the governance landscape as fragmented, with overlapping responsibilities between the EU, federal and provincial authorities. Communication with funding bodies is portrayed as inconsistent, and civil servants and regional planning officials report receiving differing information depending on the contact point. This is described as creating uncertainty during planning and application processes.

*“So it’s a relatively complex system that, from the outside, should be transparent for applicants. That means you don’t necessarily really know what’s going on in detail, but with all this support and guidance, it’s meant to be accessible to everyone. And of course, from an Upper Austrian perspective, EU funding should also be drawn down accordingly. But it does come with its challenges to make everything fit together, and one is naturally always bound by funding rates and other framework conditions.”* (Regional planning official)

At the local political level, disagreements between parties and actors are explicitly mentioned. While some interviewees describe strong cooperation between certain political parties and a shared focus on ecological building standards, others point to conflicts within the municipal council that hinder unified decision-making. In some cases, interviewees associate these internal disagreements with perceived disadvantages in negotiations with higher-level authorities.

Interactions with private developers and housing providers are described as another area of tension. Interviewees report that private developers often pursue higher-density, profit-oriented projects, while the municipality seeks to limit building volumes.

*“The lake poses a challenge in Gmunden—once people see it, mostly private developers want to build. They focus on high-priced condominiums and naturally push for much higher density than we allow.”* (Civil servant)

In several cases, cooperation with private actors is described as formally positive but substantively limited, with few concrete outcomes following initial discussions.

*“When I first sounded things out, I went to one [housing developer]. He received me, and it was a pleasant conversation for about an hour; he smiled a lot, expressed his interest and said yes, yes—but in the end, nothing concrete came of it. Goodbye.”* (Civil servant)

Finally, interviewees from both the city administration and civic initiatives also refer to tensions between policy objectives and public perceptions. Measures such as green infrastructure or the sponge city project are described as not always well understood by residents, particularly in a town perceived as already green and climatically advantaged. In some interviews, citizen participation instruments are defined as leading to frustration when formal participation processes do not affect decisions that have already been taken.

### 3.8 Innovative governance mechanisms

In Gmunden, ecological construction is a central priority to municipal bodies and advisory boards, such as the design review board, which guide planning decisions and ensure green building practices are implemented. Decision-support tools allow municipalities to assess building conditions, investment potential, and renovation needs using publicly available data and site inspections. These tools have been integrated into regional funding programmes, enabling more efficient and informed planning across multiple municipalities.

*“And what you mentioned, that tool—of course, the state of Upper Austria also received it as the funding body. It was presented via the regional management organisation here in Gmunden–Vöcklabruck, and they then essentially took it on board as a building block of this new funding programme, because it allows a rapid assessment of potential investment costs.”*  
(Civil servant)

The municipality also uses innovative property instruments to secure affordable housing. For example, architectural competitions and land rights transfers ensure that subsidised rental units are built to modern standards. In contrast, allocation rights remain with the municipality to prioritise social housing (even though they are often not used to the full extent, as discussed in section 3.7). Ground leases for private or church-owned land similarly maintain affordability while promoting sustainable construction.

Community engagement initiatives, such as renovation events with on-site energy advisory, serve as demonstration projects that both support individual homeowners and build broader awareness of sustainable retrofitting.

*“We organised a refurbishment party once, together with ÖGUT, and there was an energy consultant on site. However, this wasn’t for apartment buildings, but for single-family houses, where the party took place directly at a single-family home. That house was also used as a showcase property for the energy consultant.”* (Politician)

### 3.9 Tourism and market pressures

Several interviewees, from politicians to civil servants to citizen initiatives, describe housing affordability in Gmunden as a significant challenge, closely linked to high land and property prices. One member of a citizen initiative notes that affordable housing is scarce and that Gmunden is frequently cited as one of the municipalities with the highest land prices in Austria, particularly along the eastern lakeshore. High demand is attributed to the city’s landscape and recreational qualities, which are described as unlikely to support downward price development.

From a planning perspective, interviewees report intense development pressure near the lake, where private developers, rather than limited-profit housing providers, predominantly build high-priced owner-occupied dwellings and seek higher densities than permitted. Rising land values are illustrated through examples of long-term price increases and the replacement of

older single-family houses with multi-storey residential buildings, maximising land use in areas with limited remaining building plots. Some interviewees explicitly describe these dynamics as land speculation or “concrete gold,” noting that dwellings may remain vacant because leaving them unused is financially attractive.

*“I find that relatively difficult, especially in our region, because we’re also affected by what you really have to call speculation — land speculation, “concrete gold”. I already compare us to Kitzbühel. Maybe not quite yet, but it’s heading in that direction, because a lot of it isn’t actually lived in.” (Politician)*

As a result of these pressures, politicians and civil servants note that residents are increasingly relocating to neighbouring municipalities due to high housing costs in Gmunden. Another politician holds that access to housing in the city is mainly limited to people with inherited property or high incomes.

*“Here in the city, you can basically only get by if you inherit or are wealthy.” (Politician)*

Most interviewees also address the role of second homes in the local housing market. One politician states that around 18% of dwellings are registered as second homes and describes this share as manageable and economically beneficial, particularly for local businesses such as gastronomy and retail. Similar figures are mentioned elsewhere, with a regional planner noting that second homes are often associated with retirement or leisure use. At the same time, other politicians and civil servants see the number of secondary homes as too high and demand measures to prevent further development in this direction.

At the same time, concerns are raised that newly built, high-priced apartments are likely to be used as second homes and are largely unaffordable for residents. Planning instruments aimed at limiting second homes—such as allowing them only in specific floors of new developments—are described, alongside acknowledgements that such regulations can be circumvented. The increase in demand linked to lifestyle changes, including remote work and extended stays in Gmunden, is reported to be contributing to rising rents rather than to immediate displacement.

*“I think the demand for second homes, especially amplified by the pandemic and home office trend, is putting pressure on the housing market. People are doing a kind of ‘summer retreat 4.0’ — working from Gmunden in the summer. This doesn’t necessarily reduce affordable housing or force locals to move, but the high demand from wealthy urban residents has already pushed up rents in town.” (Civil servant)*

### 3.10 Gaps in Perceptions Between Civic Groups and Public Agencies

In terms of gaps between different stakeholders, the perceptions in interviews varied mainly by solutions or implementation approaches rather than by the actual issues, such as a lack of affordable housing or the necessity of decarbonisation.

Densification as a climate-related strategy reveals pronounced contestation rooted in misperceptions of decision-making power and regulatory control. Residents of Gmunden attribute a high degree of discretionary authority to local political actors, believing that density-related outcomes result from individual political will rather than formal planning and approval frameworks. Public authorities, by contrast, describe densification as tightly constrained by legal procedures, zoning regulations and multi-level approval processes that limit room for manoeuvre. This mismatch extends to temporal perceptions: residents frequently interpret lengthy planning timelines as deliberate political delay, while authorities frame them as an inevitable consequence of procedural complexity.

*"The term 'first-instance building authority' is completely misunderstood—unfortunately. An authority has certain guidelines, and they sign off on them, which, of course, is the main problem. But the sense of being able to decide freely as a mayor — for example, saying 'four floors here, two floors there'—is something the public already expects." (Politician)*

Additionally, interviews suggest a gap in perception between civic groups or residents and public authorities regarding what constitutes appropriate and meaningful climate mitigation measures. While public authorities mentioned (and partially promoted) concept-driven approaches such as the sponge city, other members of citizen initiatives noted the lack of such measures for site-specific conditions, existing ecological assets, and everyday needs. Ecological planning ideas such as greening or climate-adaptation concepts were not rejected per se, but questioned in terms of relevance, priority and practical benefit for the local context. This divergence reflected different interpretations of implementation: authorities emphasised symbolic or strategic projects, while the civic climate group demanded more tangible improvements aligned with the city's environmental reality.

*"I think the sponge city project is a flash in the pan or not well thought out, because it's not really relevant for this location. The whole concept hasn't really reached people — it's just a headline. Politicians know about it, but it doesn't resonate with the public. And in a city surrounded by greenery and forest, by a lake, it's questionable whether this principle even needs to be applied. So, sponge city, yes, it's nice, but there are more important ways to spend the money". (Citizen initiative representative)*

## 4 Section 4 – Critical Analysis: Gmunden

Small towns in Austria face structural difficulties within the federal system, as extensive responsibilities in land-use planning and local implementation are combined with limited fiscal autonomy, fragmented competences across governance levels, and strong dependence on provincial and national regulatory frameworks and subsidy schemes. This section provides a critical analysis of the town of Gmunden by examining how the different green transition typologies (densification, retrofit, and NBS) intersect with local housing dynamics and governance constraints. It situates densification, retrofitting, and nature-based solutions within a context shaped by land scarcity, tourism pressure and limited municipal capacity. Rather than treating green transitions as uniform processes, the section highlights their uneven

implementation and the partial detachment of governance from housing policies geared towards affordability. In doing so, it foregrounds the structural tensions between ecological ambitions, market-driven development, and housing affordability in a small, tourism-oriented town.

## 4.1 Differentiated Green Transition Dynamics and Housing Implications in Gmunden

### Hard densification through a non-intervention

Densification emerges as the most contested spatial dynamic in Gmunden, yet interviewees do not perceive it as a deliberate green transition strategy. Instead, densification is widely understood as an outcome of structural land scarcity, high landscape amenity, and sustained real estate demand for high-end housing, particularly in prime lakeside locations. While in Austria, it is essential to highlight the urgent need for more effective policies such as brownfield development, land mobilisation strategies, higher land taxes, and urban agreements to achieve sustainable land use (Getzner & Kadi, 2019). Gmunden is already struggling with land scarcity, which is driving densification measures. Hard densification predominantly takes the form of replacing lower-density residential structures with multi-storey apartment buildings, often oriented towards affluent buyers, investors or second-home users. This process is closely intertwined with tourism and lifestyle-related pressures, reinforcing the perception that land is increasingly allocated to non-local or non-permanent residents. Policy approaches to restrict secondary homes, such as requesting the title of ‘reserved municipality’ (*Vorbehaltsgemeinde*), were rejected by the state of Upper Austria in 2024.

Housing inequalities associated with densification are already felt and expected to intensify. Interviewees consistently describe a perception of unfair land distribution and growing resistance, primarily where new developments are associated with luxury housing or secondary residences rather than local housing needs.

*“On both sides of the lake shore, where there are villa districts. It’s zoned for that, and at the moment, there’s a villa there. When people die, it’s sold and then densified. (...) One plot after another. And it’s really being exploited to the maximum there. I find that relatively difficult, especially in our region, because we are also subject to what you have to call speculation, land speculation, concrete gold.”* (Civil servant)

At the same time, densification reveals a structural paradox in local housing policy: while higher density is a precondition for the construction of social or subsidised housing projects (e.g. by limited-profit housing associations), these same projects encounter strong opposition due to concerns about building height, volume and perceived overdevelopment. Politicians and civil servants repeatedly emphasise their limited room for manoeuvre, citing zoning regulations, legal appeal procedures, and market-driven land prices that constrain municipal intervention. As a result, densification reinforces existing inequalities by favouring capital-intensive development while leaving little scope for expanding affordable or decommodified housing, despite political recognition of the problem.

## Site-specific retrofit solutions in Gmunden's historic centre

In contrast to densification, retrofitting and decarbonisation of the existing housing stock are clearly framed by interviewees as core green transition measures and a possible option for decreasing housing costs. In general, in Austria, publicly funded financial tools that operate through market mechanisms by incentivising private investment in renovation and heating system upgrades are complemented by information-based tools. While monetary incentives remain the dominant policy instrument—channelled through national and housing subsidies of the federal states—the governance structure in Austria remains fragmented. Regulatory mandates are limited, and implementation is hindered by ownership structures and administrative challenges, especially in the condominium and rental sectors. As a result, retrofitting remains a strategically ambitious yet structurally constrained policy field in Austria, as evidenced in cities such as Gmunden. For Gmunden, the planned retrofitting and decarbonization interventions were site-specific and spatially concentrated, with a strong focus on the historic city centre through the subsidised project “*Altstadt Impuls*”. In this area, retrofitting is characterised by complex ownership structures, including a mix of owner-occupiers, private landlords, vacant properties, and secondary homes that were inherited by family members who are no longer residents. Heritage protection requirements compound this complexity, rigid building codes and fragmented subsidy schemes, which collectively raise financial and administrative barriers to renovation.

*“I believe that this pressure [on low-income groups] is already increasing, and the public sector must ensure that social or affordable housing can be built, let's say on the outskirts or perhaps 500 metres away, rather than directly in the city centre.” (Civil servant)*

Potential distributional effects of retrofitting are acknowledged, but not perceived as an immediate or acute driver of housing inequality. Low-income homeowners and small private landlords are described as struggling with the costs and uncertainties of meeting new energy-efficiency standards, which could deepen spatial inequalities in the longer term. At the same time, owners of secondary homes in the historic centre are frequently described as lacking motivation to invest in renovation, reflecting weaker social embeddedness and limited everyday use of the buildings. However, interviews reveal little concern about displacement or rent increases linked to retrofitting at present, even though the pressure on low-income groups in the city centre in terms of affordability is acknowledged.

Besides this, retrofitting is primarily framed as a tool to counteract vacancy, physical deterioration, and functional decline in the city centre. Concerns focus less on affordability and more on demographic and economic stagnation, including declining commercial activity and shrinking school enrolments. In this sense, the effects of retrofitting in terms of possible displacement of tenants are responded to with solutions of social housing provision (with two projects being planned in close vicinity), even though retrofitting long-term affordability impacts remain largely unreflected and unexamined.

## Networked nature-based solutions disconnected from local settings.

While federal ministries and federal states in Austria shape the strategic direction and provide (limited) support (e.g., through the Biodiversity Fund), municipalities are central to land-use

decisions and the implementation of initiatives. They, however, essentially need to stem investments within existing budgets, which are tight in smaller municipalities such as Gmunden, restricting the institutionalisation of NBS across Austria. Nature-based solutions in Gmunden encompass renaturalisation (lake-shore at Seeviertel) and resilience-oriented public space interventions (sponge city) with an emphasis on climate adaptation. However, interviewees highlight a substantial mismatch between generic NBS concepts and local conditions, with already existing natural green-blue infrastructure in the form of the lake and forests. The sponge city project, frequently cited in interviews, is perceived by several actors as a symbolic, small-scale intervention derived from dense urban contexts characterised by heat stress and extensive soil sealing. In a town surrounded by forests, mountains and a large lake, such measures are questioned on relevance, priority and cost-effectiveness grounds.

*"Exactly, the sponge city. That's always the first thing that comes to mind in Gmunden when we talk about greening. (...) On the subject of sponge city and extensive greening, I mean, you can see for yourselves outside, we are actually quite green outside, with trees and so on. Whether such a sponge city makes sense for Gmunden – I doubt it."* (Civil servant)

Moreover, NBS implementation is described as inconsistent and sometimes contradictory. Examples include promoting small greening projects alongside large-scale tree removal, or the renaturalisation of public lakeshore areas that simultaneously enable high-density real estate development elsewhere, such as in the *Seeviertel* area. These trade-offs fuel scepticism and reinforce perceptions that NBS function more as visible showcases than as integrated, networked systems addressing local socio-ecological challenges. About housing inequalities, NBS are not directly associated with displacement or affordability pressures. Instead, their indirect role lies in how environmental upgrades can be selectively mobilised to legitimise high-value development, potentially reinforcing spatial inequalities without delivering broadly shared benefits.

## 4.2 Key critical points defining housing justice/inequalities in the case in conversation with local/national context and histories

The case of Gmunden demonstrates marked differences in the dynamics generated by distinct green transition typologies. Densification operates largely outside the framing of climate mitigation, driven by land scarcity and market pressures rather than ecological objectives, and it is the typology most clearly associated with existing and future housing inequalities. By contrast, retrofitting and decarbonisation are widely recognised as necessary components of the green transition. Still, they are slowed by regulatory complexity, limited public funding, and unresolved landlord–tenant dilemmas that exceed municipal competencies. Nature-based solutions occupy an ambiguous position: while aligned in principle with climate adaptation goals, they are often perceived as insufficiently tailored to the local context and risk remaining symbolic.

In terms of national-local governance tensions, far-reaching competences in land zoning (and therefore also connected to densification) for municipalities stand in sharp contrast to

unresolved housing regulations on a national level (tenancy law, etc.) as well as housing policy assigned to the federal states (budgets assigned, regulations and quality frameworks for social housing construction, etc.). In addition to the complexity of responsibilities and limitations in municipal governance, coupled with a complex subsidy landscape, budgetary constraints are aggravating the ability to implement green transitions as a comprehensive measure (and not just a small-scale intervention) in coherence with an affordable housing strategy.

Taken together, housing inequalities in Gmunden are more difficult to grasp through the sole lenses of the three typologies than through how specific intervention types intersect with local market pressures, governance constraints, and geographical conditions. The case highlights the importance of distinguishing between typologies of green transition when assessing their distributive implications in small, tourism-oriented towns, and opening the spectrum of typologies towards interrelations rather than viewing uniform socio-spatial effects.

### **4.3 Rural Governance Under Pressure: Housing, Tourism and the Limits of Local Action**

Across the different intervention typologies discussed in the preceding sections, housing-related stress in Gmunden is primarily shaped by external market pressures rather than by green transition measures themselves. The dominant stressors are tourism, second-home ownership, and intensified real estate investment over the past few years, which have reinforced demand for high-end housing and contributed to rising land and property prices. These dynamics intersect unevenly with green policies, often amplifying existing inequalities rather than generating new ones.

Area-specific characteristics play a central role in shaping these outcomes and strongly condition how green transition measures and housing dynamics unfold in Gmunden, also revealing structural vulnerabilities. As a small municipality in a predominantly rural and alpine-lacustrine setting, Gmunden operates with limited administrative, financial, and strategic capacity. Despite its status as a district capital, the local public authority remains structurally weak vis-à-vis market forces, relying heavily on higher-level regulatory frameworks and external funding streams. This limited capacity constrains the municipality's ability to proactively shape housing and land-use outcomes. It reinforces a reactive mode of governance, particularly in the face of sustained real estate pressure. Historical development as a tourism-oriented town further entrenches this imbalance, as landscape amenity continues to attract external demand that systematically outweighs local housing needs. At the same time, the municipality lacks effective instruments to counteract speculative development or second-home expansion.

These challenges are compounded by a complex and fragmented funding landscape that disproportionately affects small and rural municipalities. Interviews highlight that EU-level funding schemes are often administratively burdensome and poorly aligned with local capacities, while shifting eligibility criteria and reduced funding rates undermine planning security. Although provincial funding instruments are perceived as more accessible, navigating the overall subsidy landscape requires substantial administrative effort, exceeding the staffing resources of small municipal administrations. This dependence on external funding not only

slows implementation of retrofitting and climate measures but also reinforces uneven development, as projects advance primarily where funding conditions temporarily align, rather than where social or housing needs are most pressing. The complex subsidy landscape is aggravated by the fact that the climate policy landscape in Austria relies heavily on “soft” instruments, such as voluntary measures, market-based tools, and advisory services, rather than effective legislative policies and binding planning instruments (Brad et al., 2025).

The local actor constellation reflects and reproduces these constraints. Long-term political dominance by a conservative party has translated into a comparatively liberal approach to housing regulation, prioritising negotiation with private developers over restrictive intervention, even as housing affordability has become an acknowledged concern. Efforts to support social housing through limited-profit providers exist but remain structurally marginal due to land scarcity, high prices and resistance to the densities required for economic feasibility. The coalition with the Green Party has expanded the focus on climate policy, particularly through the implementation of the Climate Strategy and the introduction of nature-based solutions, such as sponge cities and participatory events on biodiversity. However, this ecological agenda operates primarily alongside, rather than in integration with, housing policy, limiting its capacity to address distributional effects. Civil society involvement is somewhat limited: the active initiative interviewed describes their engagement as exhausting and challenging to sustain, given the absence of continuous participatory structures and the predominance of one-off consultation formats that offer limited influence over strategic decisions.

The case of Gmunden illustrates how green transition initiatives unfold in a small Austrian town where housing shortages are primarily driven by tourism, second-home demand, and real estate investment rather than by climate policy itself. A central problem perception concerns what is being built and for whom: new construction is primarily oriented toward high-end housing and secondary residences, while affordable and socially oriented housing remains structurally marginal despite political acknowledgement of local need. Governance of this development is fragmented and constrained, with local authorities operating within tight regulatory frameworks, limited administrative capacity, and strong market dominance that curtails effective municipal steering. As a result, green transition measures tend to coexist with, rather than counteract, housing inequalities, raising critical questions about who ultimately benefits from both urban development and climate action in a rural-touristic context.

## 5 Appendix 1 – Glossary

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## 5.2 Terms and Concepts

### **Environmental Impact Assessment**

*(Umweltverträglichkeitsprüfung, UVP)*

The Environmental Impact Assessment in Austria is a legally mandated procedure that evaluates the significant environmental effects of major projects before approval. It systematically assesses impacts on people, nature, climate, landscape, and cultural assets and ensures public participation and transparency. The UVP serves to integrate environmental protection into planning and decision-making at an early stage.

### **LPHA**

*(Limited-profit housing association)*

are nonprofit-oriented housing providers in Austria that develop and manage affordable housing under strict cost, rent, and profit regulations set by law (Limited-Profit Housing Act).

### **Klimabündnis Oberösterreich**

*(Climate Alliance Upper Austria)*

It is a regional climate protection network in Upper Austria that supports municipalities, schools, and organisations in implementing climate action measures.

### **Klimastrategie Gmunden 2030**

*(Climate Strategy Gmunden 2030)*

is a strategy developed through a participatory process between March and July 2022 in Gmunden (Upper Austria), including eight thematic workshops supported by Klimabündnis Oberösterreich, involving citizens, experts from regional institutions, members of the municipal council, *and civil servants*.

### **ÖGUT**

*(Österreichische Gesellschaft für Umwelt und Technik)*

is an independent, non-profit organisation whose agency lies in promoting sustainable development by acting as a bridge between policy, science, business, and civil society. The agency is financed through a diversified, project-based funding structure that combines public-sector contracts with European Union program funding. Additional revenues arise from commissioned studies, program management, and advisory services, supplemented by membership fees and contributions.

### **Reference Value Rent**

*(Richtwertmiete)*

is a legally regulated rent system in Austria that applies to specific residential properties, primarily older buildings constructed before 1945 and subject to the Austrian Tenancy Act (Mietrechtsgesetz). It sets a standardised base rent per square meter, defined at the federal state level, which may be adjusted through legally specified supplements or deductions based on the apartment's features, condition, and location. The purpose of the

Richtwertmiete is to ensure affordability, transparency, and tenant protection while allowing limited, rule-based differentiation in rent levels.

**Reserved Municipality**  
(*Vorbehaltsgemeinde*)

A municipality designated under the Land Transactions Act in which the acquisition of real estate for use as a second or holiday home is subject to restrictions. It is a spatial planning and land-use policy tool designed to protect residential housing for the local population. In such municipalities, the establishment of new holiday homes generally requires official approval. It is permitted only under narrowly defined exceptions (e.g., long-standing holiday use or transfers between close relatives).

**Replanning Area**  
(*Neuplanungsgebiet*)

A temporarily designated area established by the municipal ordinance under the spatial planning legislation of the respective Austrian federal state, when a zoning plan is to be adopted or amended. It serves to safeguard the intended future planning framework by permitting only building projects that are compatible with both the existing legal situation and the proposed new plan. The replanning area expires upon the entry into force of the new plan or after a maximum period of two years, with limited possibilities for extension.

**Renewable energy community**  
(*Energiegemeinschaft*)

is a local group of citizens, businesses, or authorities that jointly produce, manage, and share renewable energy for collective environmental, social, and economic benefit.

**Sponge City Project**  
(*Schwammstadt Konzept*)

It is an urban planning approach that uses natural and engineered systems to absorb, store, and reuse rainwater, reducing flooding and improving water sustainability.

**Solar cadastre**  
(*Solarkadaster*)

A digital map or database that shows the solar energy potential of buildings or land, helping identify suitable locations for solar installations.

## 6 Appendix 2 – Key interview data and transcripts

#	Position of Interviewee	Sector/company	Date of interview	Media
1	Mayor / Politician	Public Administration	24.06.2025	In person
2	Civil servant	Public Administration	24.06.2025	In person
3	Regional Planner	Public Body	15.07.2025	In person
4	Vice-Mayor / Politician	Public Administration	15.07.2025	In person
5	Civil servant	Public Administration	15.07.2025	In person
6	Citizen initiative representative	Citizen Initiative	05.11.2025	In person
7	Citizen initiative representative	Citizen Initiative	05.11.2025	In person
8	Employee of Tenants Association	Civic/ Housing	19.01.2026	In person
9	Employee of LPHA	Housing Provider	23.01.2026	In person
10	Director of LPHA	Housing	29.01.2026	In person

## 7 Appendix 3 – Visuals

Map of Gmunden with focus areas



Photos of the historic city centre (Source: Judith M. Lehner):



Photo of retrofits and thermal renewal in the city (Source: Michael Friesenecker):



Photo of social housing stock (Source: Judith M. Lehner):



Photo of densification through high-end apartments with lake-view (Source: Judith M. Lehner):

