



REDUCING
HOUSING
INEQUALITIES



Case Study Working Paper: VESZPRÉM (HUNGARY)

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

ReHousIn Deliverable D5.1

February 2026

Title	Case Study Working Paper: Veszprém (Hungary)
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Cite as	Nóra Teller, Julianna Szabó, Éva Gerőházi. (2026). Case Study Working Paper: Veszprém (Hungary). ReHousIn: Contextualized pathways to Reduce Housing Inequalities in the green and digital transition. https://rehousin.eu/documents/case-study-report-veszprem
Submission date	2026-02-28
Dissemination Level	[Public]
Work package	WP5: Local impacts of the green transition on housing inequalities
Project title	ReHousIn: Contextualized pathways to Reduce Housing Inequalities in the green and digital transition.
Grant Agreement No.	101132540
Coordinator	Metropolitan Research Institute (MRI)

This document has been prepared in the framework of the European project [ReHousIn](#) – “Contextualized pathways to reduce housing inequalities in the green and digital transition”.

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.

This project is co-funded by the European Union. The UCL’s work on this project is funded by UK Research and Innovation (UKRI) under the UK government’s Horizon Europe funding guarantee. The ETH work on this project is funded by the Swiss State Secretariat for Education, Research and Innovation (SERI) under the Swiss government’s Horizon Europe funding guarantee.

Views and opinions expressed are those of the author(s) only and do not necessarily reflect those of the European Union, European Research Executive Agency (REA) and other granting authorities. Neither the European Union nor the granting authorities can be held responsible for them.

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1 Introduction

1.1 City/Town profile, challenges around just (housing and ecological) transition

Veszprém is a historical city in Hungary, located 120 km west from Budapest, and 10 km north from Lake Balaton in a heavily fragmented karst landscape of hills and valleys.

The city was home to one of Hungary's first bishoprics and later became an archiepiscopal center. The Catholic Church, with its historical buildings and ongoing developments, is today once again a key player in the city's urban development.

Until the mid-20th century, the Church significantly hindered industrial growth, and the city was even bypassed by the railway. Veszprém was a sleepy agricultural town with a small urban center and rural neighborhoods.

After World War II and the subsequent nationalizations, a period of forced industrialization began, causing the population to grow from 24,000 in 1941 to 64,000 by 1990. This transformation was accompanied by the construction of a new, modernist city center and housing estates built with industrialized technology (Egyetemváros, Jutasi, Cholnoky, Haszkovó). As a result, today approximately about half of the current population lives in these housing estates. With the shift in historical educational traditions, Veszprém once again became a university city—this time with a focus on heavy industry. Due to increasing motorization, a bypass road was built around the city to relieve traffic congestion in the densely built-up downtown area.

Following the change of regime in 1990, local industry and the academic-university scene fell into crisis, but as the most recent Integrated Urban Development Plan (2021-2027) of the city describes, its economic revitalisation was successful and the transfer for manufacturing and services resulted in a significant increase in business taxes and workplaces. Currently the city is an attractive economic and touristic centre in the proximity of Balaton, and it may be one of the reasons while its **real estate price level is close to that of Budapest**, while income levels are significantly lower causing an affordability gap in the housing market.

Like most medium-sized Hungarian cities, the population began to decline from the 1990s, partly due to a decreasing birth rate and partly because of suburbanization toward the surrounding villages. **However, in recent years the population has stabilized around 55,000 inhabitants.**

The number of housing units in Veszprém is 27,362 (2020), but only 180 of them is owned by the municipality (129 of which is appointed for sale), and 27 is owned by the Malta Charity Organisation. Veszprém is one of the pioneering municipalities, which manages its 180 housing units in the framework of a social rental agency, which is founded by the city and Malta Charity Organisation.

Except for these few units, all housing stock is in private hands, an unknown share of which is rented out to private tenants. In case of multi-family buildings the building is organised either

as a condominium or a cooperative. In all cases the apartments are owned by the private families, but in case of a condominium the common parts are owned proportionally by the individual flat owners, while in a cooperative the common parts are owned by the cooperative. A condominium is always a single building, while a cooperative may consist of several buildings. In each case, the flat owners contribute to the monthly operational and renovation costs of the buildings (labelled as ‘common costs’). In practice, there is not much difference between a condominium and a cooperative, except the fact, that cooperatives were privately owned since their construction having a professional management, while most of the condominiums were created in the privatisation process, thus municipal tenants became new owners. After 30 years of privatisation, this difference is still tangible.

Since the change of regime in 1990, Veszprém has almost continuously had a political leadership aligned with the central government (left-wing until 2006, and Fidesz-led since then). The mayor leading the city since 2010, Gyula Porga, enjoys strong government support, which is reflected in the city's development opportunities.

The city's annual budget is around €106 million per year, of which roughly €18.5–€21 million is for development. To supplement own resources, since Hungary's accession to the European Union, the city has been actively applying for and conducting strategic planning for development projects:

- The first major integrated project was the “Monasteries and gardens” projekt, **the rehabilitation of the central section of the Séd valley** in 2010, with a budget of roughly €3.6 million, of which 80% came from EU funds.
- This was followed by **the downtown rehabilitation** from 2013–2015, with similar funding, for a total of approximately €13.1 million.
- The “Smaragdváros” (Emerald City) project in 2014 involved **the complex rehabilitation of part of the Jutasi út housing estate** with €3.9 million in EU support.

In 2023, the city, in partnership with the region, was awarded the title of **European Capital of Culture**. For this, Veszprém received approximately €185.3 million in support, while the Veszprém Archdiocese received an additional €106 million for the reconstruction of the historical monuments on Castle Hill.

1.2 Green Transition Interventions in Veszprém: Housing estate renovation and the restoration of the the Séd stream

Housing estate renovation

The construction of Jutasi/Haszkovó housing estate began in 1970 on roughly 35 to 60 hectares of agricultural land, driven by the urgent need to house thousands of workers for the nearby ‘chemical quintagon’ industrial sites and the growing military and academic sectors. By the 1980s, the estate had successfully inflated the city's population, eventually housing nearly 30,000 people — roughly one-third of Veszprém's total residents. The construction proceeded in three distinct phases: the first two utilized Győr-produced panels for massive 10-story blocks, while the third phase used locally manufactured VÁÉV panels and introduced more

varied building heights, including four-story structures to mitigate the "oppressive" atmosphere of the concrete monoliths.

The urban layout of Jutasi contains distinctive wide green corridor that exist only because the planned M8 motorway, which was intended to bisect the estate, was eventually elided from national infrastructure plans. These open spaces later facilitated the development of essential services, including schools, a sport center, and the Agóra (a cultural hub formerly known as the HeMO military center). The Jutas ABC became a local icon of modernity, being the first supermarket in the city to introduce shopping carts, which attracted shoppers from across Veszprém.

Socially, the estate has experienced a dramatic shift in prestige and demographics. During its early years, living in Jutasi was considered "sikk" (fashionable), attracting a diverse mix of elite professionals such as doctors, lawyers, and engineers who lacked other modern housing options. Following the regime change, increased mobility allowed wealthier families to migrate to the suburbs or higher-prestige areas like the Cholnoky estate, leading to a more homogeneous 'working-class' resident base in Jutasi. **Today, it often serves as a "stepping stone" for young families and renters**, though residents of unrenovated panels struggle with high energy costs that consume a significant portion of their income.

In the modern era, Jutasi remains an integral but challenged part of Veszprém. While real estate prices in the city have risen to levels comparable to Budapest, the estate's technical progress has been slow, with **only an estimated 10% of the panel stock fully modernized**. The modernisation included the insulation of the building envelop, the change of windows and doors and the upgrade of the district heating system inside the buildings. Despite the hurdles, a strong sense of local patriotism and 'Jutasi identity' has emerged among long-term residents. Recent efforts, including public space rehabilitations and projects linked to the European Capital of Culture programme, have aimed to 'breathe new life' into the district, acknowledging its permanent place in the city's social and architectural fabric. The prefab retrofits from 2001 till 2009 were of moderate scale in Veszprém compared to other main cities of Hungary, despite the fact, that 1/3 of the costs were covered by the state, 1/3 by the local municipality and 1/3 had to be covered by the owners that may have benefitted also from interest rate subsidised renovation loans and housing savings schemes. The high subsidy level returned once in April 2015, and later on only private savings and loan programs for owners, condominiums and cooperatives were available for retrofits. Available EU funds aimed at social rehabilitation (launched in 2013 and completed in 2015) were capturing four buildings in total in the housing estate, mainly resulting in insulation of the facades of buildings.

Reconstruction of the Séd stream bank

One of the most impactful interventions in the city was the renewal of the downtown section of the Séd Valley in 2010. The Séd stream winds through a deep gorge directly beneath the Castle Hill in the morphologically fragmented city center. The valley historically contained numerous ruined ecclesiastical monuments (Gothic convent, Jesuit church, ruins of the Bishop's retreat). In the 1960s, new recreational functions were established in the valley (amusement park, miniature railway, fish pond); however, over the decades, the financing and operation of these ceased, the infrastructure deteriorated, and the valley's utilization steadily declined.

The objective of the 'Monasteries and Gardens' programme (supported by Operational Programme of Central-Transdanubia) was to **reverse this process through the renewal of the monuments and green spaces, and the introduction of new functions along the existing promenade**. Compromises were necessary during implementation, which unfortunately often came at the expense of infrastructure and ecological considerations. (The renovation of the Viaduct and the water management project, which would have enabled the ecological enhancement of the stream, were omitted.) Key outcomes of the rehabilitation project included the renewal of the monuments, which led to the creation of new cultural and hospitality venues, as well as the establishment of three playgrounds. As the riverbank is directly operated by state authorities, more attractive green developments were implemented in the form of public parks besides the stream by the municipality. As a result of the programme, the Séd Valley has returned to the mental map of both tourists and locals, becoming one of the most important city-level recreational sites.

	Jutasi/Housing estate renovation	Restoration of the Séd stream bank
Neighbourhood characteristics (general social type, economic activities, density, etc.)	Jutasi comprises app. a third of Veszprém's population (18-20,000 people in 9,000 flats). The estate is a prefab that was constructed between 1970-1980, in a few phases, and includes condos and cooperatives.	A deep river valley in the city center, directly below the castle. The streets on the rising sides of the valley feature traditional small-town and more recent family house-style buildings.
Duration	State/municipal subsidy programme for energy efficient renovation in 2001-2009 and 2015. Social rehabilitation in 2013-2015, small-scale interventions since then	Rehabilitation programme in three waves: 2010, 2013-2015, 2023-2025
Funding	State, EU and local funding, private resources and loan products	80% from EU funds (Territorial Operational Programmes)
Actor constellation	State - municipality - owners (condos and cooperatives)	Municipality led, small enterprises contributed
Aims and objectives	Energy efficiency retrofits of buildings and upgrading of green areas	Renewal of the recreational functions of the banks of Séd stream, with a minor focus on ecologic change (refreshment of plants and creation of public parks)
Specific physical measures	Insulation of the envelop, change of windows and doors, upgrade of central heating system	Renewal of the green spaces and built heritage elements, creation of new functions
Accompanying housing policy/regulatory measures	-	-
Key social tensions or/and benefits between greening and housing	Increasing housing quality, modest and selective house price increase, cost inequalities generated by individual metering, no renovation or displacement	Positively affects the value of properties in directly connected streets. Creates new touristic functions and conversions from residential to business.

Table 1. Key data on case study areas of Veszprém.

2 Methods

The present case study report is based on a mixed-methods research design. Background information, including contextual data, was collected through desk research focusing mostly on local strategic and programming documents. Stakeholders' perceptions were explored through a series of semi-structured interviews.

In total, 9 interviews were conducted in Veszprém between July and September 2025, involving 14 participants in the two case study topics. The interviewees were selected to reflect the diversity of local stakeholders as well as different phases of the interventions; for example, experts, housing managers with professional experience dating back 20–25 years were also included. A special attention was given to discover the relevance of the European Cultural Capital project in shaping the local economic trends and green space interventions.

Given that the tradition of establishing and maintaining civic movements is relatively weak in Hungary, representatives of residential communities were primarily included among the interviewees in the form of condominium and cooperative management to incorporate the view of the local residents. Green interventions were captured mostly by municipal experts and a housing developer.

The qualitative interviews we conducted for assessing the stakeholders' perceptions on green initiatives were organised in several stages. The interviewees' recruitment built on two methods: snowballing and recruitment through the first policy lab that was held in Budapest and where a few Veszprém based participants expressed further interest to share their insights. Moreover, key stakeholders were recruited through targeted invitations, e.g. through information on their previous works from literature or the website on the implementation of previous strategic developments of the city.

Both the energy efficient renovation of the prefabricated housing stock and the revitalisation of the Séd river bank started 15-20 years ago. Thus it was not feasible to capture all narrative shifts or the perspectives of the numerous actors involved through only 14 interviewees. Instead, the research focused on stakeholders with sustained and comprehensive involvement in the projects, enabling the representation of a broad range of perceptions as well as their evolution over time. Nevertheless, we have to admit that one of the key stakeholders (the municipal expert working on the Panel programmes in the 2000s) was not possible to include into the research due to a physical accident.

All interviews were conducted in person and were complemented by site visits and in-field observations. Interviewees received explanations on how their personal data would be handled and approval was gained for quotations and audio-recordings. The approval was audio-recorded as well. The recordings were transcribed using Alrite software and subsequently reviewed and corrected by a native speaker. The coding process followed the guidelines developed by UAB and was based on interview transcripts imported into MAXQDA software¹.

¹ Language editing and translation of quotes was facilitated by GeminiAI and ChatGPT.

3 Stakeholders' Perceptions of Green Initiatives in Case Study Areas: housing estate renovation

3.1 Precedents and implementation

According to the housing cooperative managers, historically, the newer phases of Jutasi were of an improved quality, still, there was a clear need to address many deficiencies, especially regarding the heating system, thus, the funding that came after 2001 was well placed to address the retrofit needs. Beyond the energy efficiency needs, Jutasi's common areas - although large and green - also needed care and investments.

The same stakeholders reported that the implementation of **building level retrofits was often planned step-by-steck** to tackle the financial hardship that such investments would cause to residents. For example, not all facades of the buildings were insulated in all cases, only the northern ones to reduce the cool north wind's impact on the temperatures in the dwellings. In other cases, only select components of the district heating run systems were renewed. Such interventions are therefore only partially effective in terms of reducing energy consumption.

“Back then, when these panel buildings were constructed, they carried with them several elements that have since become obsolete or are no longer usable as intended—primarily mechanical systems, which cause serious problems—but the thermal properties of the structural elements and the windows no longer meet today's requirements either. Therefore, we were looking for solutions for their modernization. [...] We started primarily with mechanical renovations because they were mostly single-pipe systems without bypass sections. [...] With the money received and the corresponding co-payment, we were only able to insulate three facades. The apartment owners were not willing to commit to it. In reality, they didn't have to pay anything... they weren't even willing to contribute a single penny so that the insulation of the southern facade could be completed.” - cooperative manager about a building participating in the EU financed social rehabilitation programme, that provided nearly 100% subsidy

3.2 Participation and governance

Given that a third of the population of Veszprém lives in Jutasi, it was clear that in the process of the large investments connected with the “Cultural Capital of Europe” project also some bits should be dedicated to the housing estate. This was an important moment when the strategic planning team - as reported by them - had to create a local goal and support the community in the neighbourhood to think of a project element, especially in regard to public space. Mobilisation of the local community was not easy - **there was no tradition of bottom-up planning at all**, and articulating and addressing various needs was also a new process in Veszprém.

“It was about functions that included playgrounds, what emerged were small benches, essentially determining which public space functions should appear in the housing estate.

Yes, and then money was set aside for Táborállás Park, meaning larger investments, and there was also money set aside specifically for deciding where the benches should be placed. This ensured it wouldn't just be VKSZ [Veszprém Public Utility Service] dictating that because a bench was here before, it must stay here, because it turned out that elderly ladies were constantly complaining about young people drinking, reveling at dawn, and smoking there. By placing the bench 20 meters away, it made no difference to the youth where they sat, but they no longer disturbed anyone. These are the kinds of conversations that took place; it was a facilitated process to ensure information reached the right people.

Naturally, this received a mixed reception because the funding was designated for these small interventions, yet issues like the lack of parking spaces—the big things that were not goals of the development itself and for which there was no budget—continually came up.

Regarding those large public spaces, such as the one by the district heating center, that was not an EKF [European Capital of Culture] project; however, it was always on the radar, so whenever there was money for playground renovation, some was always allocated there as well.” - strategic planning team member of Cultural Capital programme

The small-scale greening investment, that turned out essentially a jogger's circle with some new pavement sections, and a few benches were created in this framework, along with some programs in the local community center Agóra.

The energy efficiency retrofits are characterized by a completely different structure, that is, the **participation in any of the schemes depends on two stakeholders: the owners' community and the housing manager (either of the condominium or of the cooperative)**, who can pitch on the available program funding or financial schemes. (It is important to note, that practically all residential units in the city are privately owned. There is no official information however, which share of them are rented out in the private market.)

According to the cooperative manager active in Jutasi, the owners' communities are rather passive, and often their priorities may be elsewhere than around investments into more climate resilient dwellings, with which one can obviously sympathize with when it comes to deficiencies of the general building structure. This is then reflected in the common decisions made regarding the energy efficiency investments (or the lack thereof).

“...We had an elevator that was out for 2-3 weeks, unfortunately due to a part. I went out there to hold a residents' meeting. It was tough. So there, when the resident feels it on their own skin—how they take out the trash, how they take out their small dog, when they can't walk. That arrogance and aggressiveness from someone who has a sick wife or sick husband and needs to go for blood work, needs to go to chemo, needs to go somewhere—people really lose it there. It was very difficult to communicate with a resident who was kind before but couldn't go down for chemotherapy afterward. So, for me at the moment, the

most important thing is that the elevators run. I can feel this myself. Therefore, I think that whether we insulate [the building] or not, in high-rise buildings, the elevator is the cardinal issue." - cooperative manager

Moreover, as presented by the interviewees, some technical barriers also halt the planning and engagement with energy retrofits by the residents: as long as metering of heating is not resolved, which is the case in most buildings, the interest to participate in retrofits is reduced. All such decisions must be made by the owner's community, and getting the majority of votes.

The **municipality's role was unfortunately very limited in the retrofits**, although the state run program also created interest in Veszprém between 2001-2009. The so-called Warmth of Home retrofit program that had only one call in April 2015 – and that boosted participation in Budapest but also in smaller cities - was practically the most considerable resource across the country, but remained very limited in Veszprém. According to the former building authority officer (and current strategic planner) of the city, and also confirmed by housing cooperative managers, who reported that approximately 10% of the value of the investment could have been co-funded by the municipality.

"During my time at the municipality, I was also responsible for smaller projects, which I also mentioned over the phone; this is the Otthon Melege Program [Warmth of Homes Programme], which is also a state resource, but it was a small amount of funding. So, the total budget here was 20 million HUF, which was distributed among the residential communities. [...] In the Otthon Melege Program housing cooperatives and condominiums applied for energy modernization, so that is also a green policy, if you will. It included insulation and window replacements. [...]"

Every housing cooperative had savings, usually Fundamenta-based [housing savings accounts], and they were looking for supplements to those [alongside the Otthon Melege Program], and that is how the municipality was able to contribute a minimal amount, a few million HUF." former building authority officer

3.3 (In)equity (distributional)

More recent housing market dynamics seem to be generated outside of the city (Veszprém is easily accessible by car even from the capital city), e.g. when homes are purchased without the intention to live in the city and then put on the private rental market, contributing to a housing price increase. However, most of the sitting tenants' concerns remain to be resolved within the existing decision making bodies of the condominiums and cooperatives (in which e.g. private tenants are not represented at all).

Regarding the Jutasi housing estates' retrofits, not only at the levels of hardship caused by demanded co-financing of the investments, but also in terms of the outcomes (gains) by the residents, condominium managers report an important caveat that had to be bridged: **The installation of individual heat meters, without proper insulation** did not create a more equal access to equitable housing quality and more comfort, by making it possible to control

for one's consumption, on the contrary, it **created much more expenses for those who lived on edges of the houses** and were physically more exposed to lower temperatures simply by having a comparably larger facade around them.

“[In Germany], if it is one of these edge apartments with poor thermal properties, it might cost half or a third as much as a well-situated apartment. Thus, this difference manifests in the apartment price. Well, [in Veszprém] here it is more of a tension between people because there were really extreme cases with heating where hundreds of thousands of forints had to be paid. With the amendment of the district heating regulation, they managed to modify the government decree to establish an upper limit. No one can pay for consumption more than two and a half times the average consumption. The rest was then redistributed among the others. So, we aren't actually talking about an exact meter, but a cost allocator, which establishes a relative ratio.” - cooperative manager

Another distributional concern shared by most of the cooperative and condominium managers is that elderly owners tend not to support infrastructure upgrading. In addition, even after 30 years since privatisation, it is a common concern of housing managers, that people do not care much about the common spaces but they concentrate rather on their own units.

“At least what I see is that when people don't live in their own detached house, they have this attitude: 'this is fine, I live here, but I'm in the apartment, and I'll buy an air conditioner for myself, I'll put up wallpaper, I'll paint, or whatever,' and that's it. So somehow it doesn't register for them that we have a common responsibility. The building's insulation can fail just the same, the electricity needs to be replaced just the same, 'but that's still not mine, and I won't spend on it. I don't want to deal with this, and I won't give money for it,' not to mention many saying, 'I'm not going to pay you guys more money.' 'Man, you're not paying me, you're paying yourself, it's just not in your account, but...' So, this is the mindset. I think the age factor adds to this, where there are many elderly people who say, 'It's good enough for me as it is!' - housing manager

Condominiums and cooperatives in Veszprém do not get any technical assistance in preparing for the renovation works. Thus the fact whether a building community is able to benefit from state or local funds (when subsidy schemes occur), or whether they are able to take a joint loan with a subsidized interest content strongly depends on the capabilities of the housing managers and the devotedness of the building community. For example as housing managers indicated, the buildings that are insulated in the edge of the housing estate were distributed to former military employees that are more disciplined in their decisions. Also buildings belonging to cooperatives have higher chances to be renovated as cooperatives are more professional housing managers than private companies that manage individual condominiums.

3.4 Political mobilization

In Jutasi, the representation of the housing estate's interest in general - e.g. benefiting from the Cultural Capital developments - as reported by the former strategic manager of the large scale project, was normally provided by the local political representative. Otherwise, no political

mobilisation or further participation of the local residents was achieved in Veszprém in general from the mid-2000s till nowadays.

"Honestly, I think back in 2008 when this was implemented, and preparations started in 2006, I don't think the term 'social participation' even existed in Hungary. I remember when we went to hold these forums, the attitude was: 'Let's have a forum, no one will show up anyway.' Simply put, this methodology didn't exist yet. I'm only saying this because I don't have factual knowledge on the matter, but I would be surprised if this had been a consciously structured process, simply because there was no culture for it in Hungary back then, and even less so in the countryside." - former manager of the Cultural Capital project

As regards the retrofits, no interviewee mentioned any political movement around any issue to promote more equal access to funds for the energy efficiency investments. Rather, the cooperative managers have to proactively build up the community's interest in any upgrading investments, and also e.g. to share the responsibility for fixing the common areas' issues. As reported, people seem to be reluctant to deal with issues that go beyond their very private interests.

"The biggest problem is, as Péter also mentioned, that while a resident is willing to spend money on their own apartment, they don't want to spend on the stairwell if a step is broken. In such cases, I usually tell the owner that I want what's best for them, and when they ask what that is, I say: there would be an opportunity to move into a detached house. Because many people have the attitude that they just shut their own front door and expect the community to deal with everything else." - condominium manager

3.5 Socio-ecological impacts/benefits (positive)

The energy efficiency retrofits and investments in the public areas in a prefab housing estate *per se* have ecological benefits to the residents: such investments improve living conditions, comfort levels of the dwellings, improved quality of the recreational functions within the neighbourhood.

"And of course, energy savings can be measured in an exact way here regarding heating. We are talking about district-heated apartments. We had buildings where, on average, a 20-25% saving could be expected after the heating modernization; this is a building-level saving." - housing manager

Such savings are not necessarily visible in the energy bills, partly as in case of individual metering, flats with less favourable locations inside the buildings have to consume over the average, and partly due to the fact, that most of the district heating expenditure consists of fix costs and only the smaller part is a variable cost, from which energy savings can be materialised.

Jutasi was always perceived as a housing estate with large and good quality green areas, used for leisure activities as reported by the representative of the urban development company. **Thus, the latest improvements of green spaces connected to the Cultural**

Capital programme contributed to a higher comfort level, but it may not have an impact on real estate prices.

In Jutasi, as reported by our interviewees, a more relevant factor for real estate price value would be rather whether the building went through a large scale insulation (of which there are only rather few in the housing estate), as reported by the cooperative managers.

"I just wanted to add that precisely because of those past disputes over who pays how much and how, I'm not sure whether having a cost allocator installed is an advantage or a disadvantage when someone chooses an apartment. I don't think that's what determines the decision; rather, it's about which building is insulated and which is not. I'm certain there's a difference in value there. As for whether there's a cost allocator or not, I'm not sure that the units in our Damjanich building are worth less. It adds something, but I don't think it's a decisive factor, so people don't decide based on that. Instead, they look at the renovation quality of the apartment itself, the appearance of the stairwell, the common costs, and the building's overall condition. I assume anyone who does a bit of research takes these factors into account. Controllability is certainly an advantage, but I don't think it's such a massive one that we could quantify it like that in forints." - cooperative manager

3.6 Socio-ecological impacts (negative)

Whereas retrofits should on the long run theoretically reduce the housing/energy costs, the up-front expenses are often perceived as high and non-lucrative. As condominium managers perceive, a relatively nominal increase of the common costs (that includes also the shared costs of the retrofits) may create objections, but it was not the case when high subsidy levels were available in the 2000s. (80-90% subsidy at the end of the day results in affordable own-contributions.) However, **due to the lack of any further subsidy schemes, these large prefabs are unlikely to engage in larger scale projects.**

"I have been here for three years, and in my experience, in 2-3 cases we held written votes... it is very difficult; in fact, so far it has been a failure for me to get the residents to agree to an increase in the common cost by 5-10 or 10-odd thousand forints. [...] I think the residential community that lived here, say, 20 years ago, was a much more conscientious generation... The retiree says that it's all the same to them now, they don't want this on top of their pension anymore. So, the mindset has changed." (condominium manager)

Generally, however, **non-payments are not perceived to be linked with retrofits committed to by the owners, but to generally lower payment disciplines.** Housing managers emphasize that elderly people are harder to involve into renovation but when it happens they are the best payers. On the other hand, those families that fall in arrears with general utility costs are the ones who may have problems with financing the renovation. But as managers reported, these are only a few exceptional cases.

As reported, around the transition, the state owned stock of Jutasi was privatised and many households sold their dwellings. This contributed to a change in the composition of the

residents. With the time, Jutasi’s position within the urban fabric of Veszprém became a kind of entry point for inward migration, and often the housing estate serves as a temporary housing solution for younger families in (at Veszprém price levels still cheaper) private rentals. However, in case landlords pass on the shared costs of such investments to the tenants by increasing the rent levels, some private tenants may face housing cost overburden.

A further issue that was raised by the cooperative managers was linked to housing quality outcomes of the retrofits. Although improved warmth and comfort should contribute to better living conditions, residents are reported to be slow in adjusting and learning how to maintain the air quality within the refurbished buildings, causing mould problems.

“Well, we tell everyone that when you 'wrap up' a house [insulate it], you simply have to channel out the internal humidity. [...] There were regulations in the grant applications that vents or trickle vents must be installed in the windows. But that is not really a good thing because people usually block them so that the heat doesn't go out, and so that drafts don't come in or the wind doesn't blow in. Often it is so sealed off—the apartment door is replaced for perfect thermal insulation, there is no air movement through it at all, and with the windows too, there is a vacuum in the apartment. If they would just open the window a little bit, a draft would start immediately, and then it would ventilate. [...] Not for a long time; just open it, and then close it after two minutes. [...] Those who learn it don't come back [to complain], but generally, people are not quick learners. [They think] 'Why should I save money if I'm letting the heat out?' Because they always complain that it's leaking instead—that is what they complain about.” - cooperative manager

3.7 Tensions and power dynamics between stakeholders/actors

In Jutasi, there are four key stakeholders that are needed for the energy efficiency retrofits or green investments: the municipality (which also dedicated some funding to the condos/cooperatives in the early 2000s for upgrading), the condominium/cooperative managers, the owners (represented by the managers), and the actual project implementing businesses.

The municipality’s role was visible in the small-scale investment into the public areas in Jutasi in the 2020s, linked to the Cultural Capital project, where mobilisation of residents was not easy (see previous sections) to co-design the local project components for which there was a limited budget. The proactivity of owners to make use of the retrofit program run/co-funded by the municipality in the 2000s and in 2015 was also limited as reported by the managers (see above) - and also the total available budget for that was limited. The businesses that would be capable of implementing large-scale projects are also becoming more and more expensive as construction materials and construction services are becoming expensive, as reported by the managers. In this framework the energy efficient upgrading and retrofit of homes seems to be a challenge that is taken up by the condo managers, who need to persuade owners - especially pensioners and landlords - to be on board and take part in the projects.

"Construction costs and the construction price index have jumped to such an extent that we cannot currently... Or rather, I think that in the current economic situation, it is very difficult to persuade this retiree group, as well as those I mentioned—the 'stepping-stone'

owners or those renting out their apartments—to agree to a 10,000-forint increase. Either my communication is very weak—I’ve already wondered how they could be convinced—or it’s just the situation. We are still trying to push the idea that this represents value for them, that they can sell it more easily, or that the grandchild will inherit more. We try to present all kinds of information at these partial general meetings. So far, over the past three years, I haven’t been successful in convincing the residents.” - cooperative manager

As reported by the condominium managers in Jutasi, a key tension within the buildings is associated with tensions among the owners. There is an uncontrolled presence of private micro-landlords who rent out the dwellings for income generation (not specifically for tourists but rather for students or families) and are genuinely not interested in any refurbishments at the condominium or cooperative level. Tenants typically cannot influence owners’ decisions, and many would just stay for short periods in the housing estate before moving on to higher prestige areas in Veszprém.

“I have it out for rent, I don’t give a s*it that it’s a rental, yes. Because the tenant is fine in this too, it doesn’t need modernizing. So that inner motivation is missing—that sense of ownership that this stairwell is also mine, and the roof is mine too. And that’s why I think it’s very difficult to get the message across that you have to spend on this too, and you should think about this too, because there’s a feeling that I’m not doing it for myself, it’s just not like that. So, this is how I can summarize it.” - condominium manager

In addition, the stakeholders identify a growing generational divide that paralyzes decision-making. Older residents often refuse retrofits, stating "it’s good enough for me as it is," while younger ‘stepping-stone’ owners refuse to invest in a property they plan to leave within five years.

3.8 Innovative governance mechanisms

The general setting where the retrofit projects can be implemented is defined by law: condominiums and cooperatives have to organise an assembly of the owners and the owners need to vote to organise any investment and share the costs. In Jutasi, according to the interviewees, no particular facilitation was there by either stakeholder to enhance the commitment or improve the information levels of the owners. The municipality’s small scale incentives were important, but not the primary driver for the investments.

3.9 Tourism and market pressures

Veszprém in general is the largest town in the proximity of lake Balaton, which explains the relatively high housing prices in the city. However, Veszprém is more attractive for cultural tourism than the Balaton-centered recreational tourism, which was also at the core of the Cultural Capital project implementation.

The high pressure on the Veszprém housing market is reported by our interviewees to be linked with the presence of university students who create considerable demand, also in Jutasi

housing estate. But at the same time Jutasi is still the most affordable housing market segment in Veszprém.

"But otherwise, they said at the beginning that the fluctuation is relatively high because it's a sort of entry-level location. So if you come here as a university student or a starting employee, then on one hand, while rental prices are very high there too, they are even higher everywhere else. So, that is what you can afford. And I think it's like this now, meaning eventually everyone—you don't want to stay in a housing estate. Some do, some don't want to leave, but it's one of those things where [you want to move] closer to the city center, to a better location, somewhere larger, whatever; there are spatial limitations, after all, so there are no giant panel apartments like that. The size of the family grows, or their income potential grows and changes, then of course, [they move] on." - former manager of the Cultural Capital project

3.10 Gaps in Stakeholder Perceptions

Regarding the renovation process in Jutasi housing estate, there are a few friction points among the stakeholders' perceptions.

The municipality (through the lens of the urban development expert and the current leader of the strategic planning division) expressed that former attention to the Jutasi developments and the funding that the municipality could make available have vanished. Moreover, what was achievable within the Cultural Capital framework was tangible, but also limited (as expressed by the former lead of the Cultural Capital Programme).

While the municipality celebrates the good quality of the Jutasi estate's green spaces, managers highlight that these "giant spaces" are somewhat neglected by city maintenance services.

4 Stakeholders' Perceptions of Green Initiatives in Case Study Areas: restoration of the Séd stream

4.1 Green strategies and implementation

Despite the fact that Veszprém possesses numerous development strategies, ecological and climate objectives were not emphasized until the adoption of the 2024 Green Space Strategy. Furthermore, the few conceptual goals that sporadically appeared were never linked to specific projects or locations. The renewal of green spaces remained a secondary political priority for the city. One of our interviewees expressed a lack of 'green' motivation in the city's development:

"My general experience - whether it's the Séd stream area or anywhere else - is that ecological design was almost never the starting point. If the design team, or an intermediary like Veszprém 2030 (the project management company), happened to have enough budget and the will for it, then these aspects were squeezed in as an afterthought. I'm not saying

they didn't pay any attention to it, but usually, other priorities just swallowed it up. To be honest, I haven't seen a single development in Veszprém where this was the actual starting point or where it appeared as a strictly defined design principle." - former manager of the Cultural Capital Programme

Large-scale revitalizations occurred only when mandated by the eligibility criteria of available grant applications. Consequently, the reconstruction of certain green areas in the Jutasi út housing estate took place within the framework of a complex residential rehabilitation project (2014), while the renewal of downtown parks and gardens alongside the Séd stream was carried out under the 'Monasteries and gardens' in 2010 and the 'Green City' program (2023), in conjunction with the European Capital of Culture initiative.

4.2 Participation and governance

The implementation of the restoration programme (in 2010 and later on as part of the Cultural Capital programme) was executed by a specific programme management organisation, the municipally owned Veszprém 2030 urban development company. It aimed to introduce new participatory methods (and some of those methods were also required by the support programmes themselves). **After a while these participatory processes were embedded into the general urban development processes irrespective of the founding source.**

"This whole thing started with a strategic plan back in 2015. ...We're talking about a seven-and-a-half-hectare area right in the city center that's home to several major cultural institutions, like the University of Pannonia, the Laczkó Dezső Museum, the Petőfi Theater, and the County Hall. The city commissioned a full design team to create a development plan for it. This team started a dialogue with local businesses and residents, and the result of all that back-and-forth was a concrete strategic plan - and I mean a real plan with drawings, showing exactly where the parking garage should go or where the green spaces should be." - representative of the urban development company

During the Cultural Capital Programme the city employed a large staff of professionals, some specifically trained for participation of the inhabitants in the event series.

"We launched architectural design competitions for the development of the St. Nicholas area. Once the competitions were over and the plans were on the table, we opened things up to the public. We held forums, design presentations, and talks with the architects. This was where we gathered feedback from the neighborhood and the city. After synthesizing what the architects and the community thought, we moved forward and wrote a concrete brief: That's when we handed out the contracts for the actual technical plans.

But it's important to note that it didn't end there. We kept iterating on the designs with the community - the people we managed to pull in and who were active in the brainstorming. We kept them informed and constantly asked for feedback. When the final plans were ready, we presented them; when the construction tenders were closed, we reached out again to say, 'We're done, the diggers are coming.' Even during construction, we organized site visits". - representative of the urban development company

However, in the time of the first wave of Séd-revitalisation, this participatory approach has not yet gained ground in green space planning, a situation exacerbated by the tight deadlines imposed by EU funding and public procurement systems. As a result, **participatory processes were limited to statutory requirements**. According to the designer of the Séd Valley project, there was minimal interest in the public consultations; only a few entrepreneurs seeking to develop hotels, restaurants or cafés in the valley attended consistently, while the affected local population remained inactive.

4.3 (In)equity (distributional)

Séd Valley had a specific status before the change of the regime in 1989. **The surrounding streets in its outer parts were characterised by hardly-accessible neglected residential areas**, while its central part was considered as a marginalised area inhabited by municipal tenants of Roma origin.

Based on the personal lived experiences of our interviewees, the Séd Valley was perceived as a scaring area by the local population until the 1990s, primarily due to concerns regarding public safety. Following the relocations of the local municipal tenant population (most of them of Roma origin) in the 1990s, the valley's image underwent a gradual transformation within the residents' mental maps, leading to the progressive return of the urban middle class to the area. Initially, due to the lack of infrastructure and the presence of extensive green spaces, the space was predominantly used by adolescents, couples, and dog owners.

"When I first moved here, my friends from Veszprém all told me that when they were growing up, that area was where the teenagers would go to hide out—you know, the boys and girls and whatever. But otherwise, people would sometimes set their dogs on them because it was full of these private allotments and stuff, like a real 'wild west' area... so they were just like, 'we don't go down to the valley'. - former manager of the Cultural Capital Programme

"Back in the 80s, the saying was that the bottom of Dózsaváros, near the Séd stream, was full of Roma settlements. There were shacks, crumbling houses, and loud parties - people felt they took away from the charm of the area. This was officially noted in the 80s, a program was launched in the 90s, and by the end of that decade, the lower part of Dózsaváros and the Séd area had been 'cleared out.' It was surprising to me because, as a kid, I avoided going there, but then later I started hearing that everyone was gone. And when I actually went there - true enough, there was nobody left. It was dead quiet. It turns out everyone had moved to Szentkirályszabadja (neighbouring settlement). They didn't really have a choice; it wasn't a matter of whether they were welcomed or not, they were basically 'relocated' there. " - real estate developer

As the quotations illustrate, the neighbourhoods by the Séd stream started to change already in the 1980s and 1990s as a result of intense urban development processes, like the improvement of public transportation, investments in the Zoo that is located besides the Séd, and the forced displacement of Roma families from the downtown area mostly to neighbouring settlements. Still, by the time, the EU/state financed rehabilitation of the Séd bank has started in 2010 the area was on people's mental map, but rather as an overgrown green area where couples in love went to be hidden.

Following the revitalization program after 2010, the demographic of urban users expanded significantly, with the emergence of families with children and attendees of cultural events, etc. In alignment with the development objectives, the park has also evolved into a tourist attraction; consequently, the valley is now frequented by a substantial number of external visitors alongside the local population.

4.4 Political mobilization

The renewal of green spaces met with general public approval and even enthusiasm. However, noise from events held at the venues created in the Séd Valley triggered resistance from local residents, who initiated litigation against the municipality.

“They renovated the area, and then obviously, everyone wanted to organize everything there. Small concerts, big concerts, this meetup, that meetup... you’ve got VeszprémFest there, of course. People started using it for more than just dog walking - the city, the entrepreneurs, you name it. ... It wasn't really a consideration that, hey, people actually live there. I don't think they even had an official association or anything, I think the residents just teamed up. They sued the city, saying, 'Look, we live here, it's supposed to be a quiet green area,' and so on.

It ended in a settlement, I think. I don't recall it reaching a final verdict, but there was a lawsuit and they reached an agreement in the meantime. And then it was capped - like, only one amplified event per month. Even when we organized something, we started by calling the CEO of 'Monasteries and Gardens' right away, like, 'Hey, listen, we want to do this. First, is the space free? Second, start softening up the residents, asking them how they feel about it.

And actually, we managed to bring events there that drew a lot of people, but they were like, for example, we had this 'Long Table Picnic,' which is this big community thing - bring food, eat together - and they said, 'Wow, this is great, come on in, because this is exactly what it should be used for.' Not for gated, paid concerts or some 'party-party' music blasting through the mic, but for community building. But this was all happening while we were bidding for the EKF (ECoC). I remember them saying, 'Fine, you can plan projects, but just keep in mind that people live there, and there's a contract or an agreement between the city and the residents'. - former manager of the Cultural Capital Programme

The conflict ended in a juridical decision that restricted the organisation of events; this was partly why a suitable area for such functions was later established on the site of a former furniture factory during the Cultural Capital year.

4.5 Socio-ecological impacts/benefits (positive)

In line with typical Hungarian practice, the renewal of green spaces was driven not by an increase in ecological value, but by the installation of new recreational functions, the reconstruction and construction of built elements, paving, parking lots, lighting, and the placement of public furniture. According to our interview with the designer, ecological

interventions were precisely what were omitted during the implementation in the Séd Valley. The Séd stream receives the entire city's stormwater; prior to the regime change, it caused flooding, leading to works in the 1980s to accelerate its runoff. According to our interview with the designer of the park, the original renewal plans for the valley would have restored a more natural riverbed morphology, but this was cut from the budget. The former vice-major also mentioned this in her article presenting the history and results of the project, and emphasizing the functional gains the project has brought in.

"The most contentious issue concerned the construction of a reservoir on the section of the Séd river along the eastern slope of Csatár Hill—enabling water level regulation—and the establishment of a dam on the Aranyos Valley section of the Séd. While a controllable water level would have been a primary benefit, the complexity of the design, the difficulties inherent in the permitting process, and the magnitude of the required financial resources necessitated a more restricted spatial delimitation of the project area. The renewed parks of the Séd Valley, which were considered a rarity at the time, received significant publicity and acclaim in both local and national media, becoming not only city-wide recreational destinations but also tourist attractions". - former vice mayor

The downtown friction of the Séd Valley has no directly adjacent residential area that the renovation could impact.

The revitalization of the Séd Valley clearly increased the value of surrounding real estate, though perceptions of this process varied among interviewees. Until the regime change, the streets at the valley floor were characterized by low prestige due to poor accessibility, lack of public transport, and generally aging population and especially an emerging slum in certain municipal buildings. In the 1990s, the municipality liquidated social housing in the area's most dilapidated buildings (e.g. Jókai Mór St.) and relocated the residents mostly to neighbouring villages, which facilitated the neighborhood's transformation. The street has since gained significant value, supported by further public investments related to the Cultural Capital Programme, such as the renewal of the Ruttner House and institutions around Ranolder János Square. **However, in many cases, this renewal led to the disappearance of residential functions.** A similar, but private-market-driven transformation characterized properties directly connected to the park, which had low value and often consisted of abandoned, ruined buildings prior to the renewal. Real estate appreciation was most spectacular here; however, **the renovated buildings primarily became hotels and hospitality venues rather than residential units.**

Opinions were divided regarding the detached-housing streets connected to the Séd Valley (primarily Veszprémvölgyi and Fenyves streets). One interviewee claimed Veszprémvölgyi Street is now the most expensive street in the city. However, our field survey supports the view of another interviewee, who argued that **residential prestige and price are proportional to the view (specifically the view of the Castle) rather than a direct connection to renovated green spaces.** This is reflected in the high-prestige Kertalja and Pajta streets, which are undergoing transformation and appreciation. Conversely, the lower section of Veszprémvölgyi Street features middle-class, and occasionally quite modest, housing from the 1970s and 80s, which is being renewed sporadically to accommodate new tourism-related businesses. As the street ascends, the proportion of new or renovated buildings increases noticeably. The wealthy

villa constructions of the post-millennium era are actually found at the upper end of the street and the connected Próder Ferenc Street. The same pattern is to follow in Buhim and Fenyves streets, which have become significantly more expensive according to one interviewee. In Buhim Street and the lower half of Fenyves Street, where the development directly connects to the renewed section of the Séd Valley, the renewal of properties and functions is only sporadically perceptible. On the ascending section of Fenyves Street—which was only affected by point-like Cultural Capital developments—we observed increasingly larger, newer, and more expensive detached houses.

4.6 Socio-ecological impacts/harms (negative)

Interviewees perceived no disadvantages related to the green space renewals; they considered the disruptive noise of events to be negligible or a resolved issue following Cultural Capital developments. This perception was aided by the fact that groups displaced from the renewing areas (occurring prior to the renewal) found housing outside the area, or even outside the city, in Szentkirályszabadja. Nevertheless, **indirect references were made in the interviews suggesting that the original residents also had left the area due to its increased value.**

"Imagine it like this: there's a small family home, a 'Kádár-cube' (*typical 1960s socialist-era square house*) —maybe inherited from the original owner—but the person living there doesn't have the means to upgrade it; they just can't afford it. Then someone else comes along who *does* have the money, and they buy it at a price the owner can't refuse. At that moment, you see this shift in social classes, or I'm not sure how to put it. Basically, the original owner moves out to the outskirts or the suburbs, and the new owner moves in. They tear it down, rebuild, renovate, landscape the garden, and so on. They end up creating an environment that's on a completely different level." - representative of the urban development company

4.7 Tensions and power dynamics between stakeholders/actors

During the reconstruction of the Séd Valley, the municipality effectively integrated the interests of property owners. The only significant challenge arose from a change in the ownership of the 'Püspökkert' (Bishop's Garden) during the process. Ultimately, however, an agreement was reached regarding a utilization plan that aligned with the project's functional concept.

"There was a budget of about 200 million forints (approx. 526,000 EUR) to fix up the old bishop's garden and the surrounding greenery. It was church property back then, but it changed hands by the time the work was finishing up. The investor who bought it from the Catholic Church went ahead with the renovation under the same conditions. And honestly, it's still open to everyone today - it's not fenced off. He manages it and keeps it tidy, but we still walk there, relax, and lie out on the grass just the same. Most people walking through probably don't even realize they're on private property". - former vice-mayor

In general, the relationship between the city’s political leadership and the national government is strong, as indicated by the scale of financial government support for the Cultural Capital Programme. Consequently, the government’s role in Cultural Capital developments has intensified, occasionally at the expense of the city’s planning autonomy. The Catholic Church is a similarly powerful development actor, due to its extensive local real estate holdings and significantly increased development funds since 2012. **These two powerful actors often define the city’s development directions from the outside.** Their priorities primarily include enhancing national prestige, renewing the historical fabric, and boosting tourism. Ecological considerations and housing are not among their objectives.

4.8 Innovative governance mechanisms

Alternative governance techniques, such as volunteer programs, appeared first in Veszprém in connection with the Cultural Capital event organisation. However, this did not alter the highly centralized, voluntaristic decision-making processes of state, church, and municipal developments.

4.9 Tourism and market pressures

Given the steep slopes of the Séd Valley, the fragmented parcel structure, and the predominantly rural and small-town character of the built environment, **our interviewees associated only few new construction projects with the revitalization of the valley.** Furthermore, professional real estate market actors played no role in these developments:

“I’d say the impact of these developments can be measured in hundreds of meters. So, if we’re looking at the Séd riverbed, I’d say that within 300 to 500 meters of it, the change is really tangible. The standard of entire neighborhoods has gone up, and you can see it in how people buy old houses, renovate them, add extensions, and modernize them for today’s needs before moving in. This isn’t about investment property; it’s specifically private individuals who have the financial means to take the plunge. We don’t really see big market players here who develop just to sell or work based on some algorithm; that’s just not the case here”. - representative of the urban development company

Several interviewees noted that the expected appreciation and subsequent development of a hilltop site in the western entrance of Séd into the city, that was designated for construction in the local spatial plans, failed to materialize. This outcome was contrary to expectations, as the area has long been designated for development, offering panoramic views and a natural green setting. Furthermore, many of the larger parcels in this area are currently held by institutional and economic actors.

A significant number of new accommodations and hospitality units opened in Veszprém, especially in the Séd Valley, for the Cultural Capital year. In 2023, the number of guest nights increased by approximately 20%, though it is doubtful whether this level can be sustained. According to interviewees, tourism businesses are already feeling a decrease in visitor numbers as the Cultural Capital year is over. Due to shifting strategies, it is expected that some

of these accommodations and properties will return to the residential housing market, either temporarily or permanently.

4.10 Gaps in Perceptions Between Civic Groups and Public Agencies

Similarly to other Hungarian cases, there is generally a lack of thematic civil society organizations associated with urban development in Veszprém. While civic engagement does emerge in relation to specific issues or initiatives, these communities are generally characterized by a lack of longevity, typically disbanding once the immediate objective is addressed. Thus the view of the residents is hardly expressed among the interviewees.

5 Critical Analysis: Veszprém

5.1 The role of green policies in influencing social transformation in Veszprém

Green policies, implemented through energy retrofitting programs and the introduction of nature-based solutions along the Séd stream, **have had a limited impact on shaping the local housing market and social structures in Veszprém. One reason for this lies in the restricted scope of these interventions; another is that other public policies and urban development measures appear to have exerted a more substantial influence.**

Regarding the city's socio-spatial composition, the replacement of municipal tenants—predominantly of Roma origin—from downtown areas between the late 1980s and 2004 played a decisive role in the revaluation of these neighbourhoods, transforming them into high-prestige residential areas with exceptionally favourable locations. In contrast, energy-efficient renovations in the Jutasi housing estate resulted in a far more modest shift in social status. The Jutasi estate continues to be perceived as a low-prestige, 'entry-level' residential area characterised by high residential turnover. Today, the municipality identifies the high cost of housing in Veszprém as a key factor driving local residents toward suburban locations, while the Jutasi estate remains a stagnant zone in which, according to urban development experts, only approximately 10% of the housing stock has been modernised and due to the lack of state and local subsidies further major renovations are not foreseen.

In several cities—some in close proximity to Veszprém, such as Ajka or Várpalota—municipal leadership placed energy-efficient retrofitting of the residential stock high on the political agenda. Veszprém did not belong to this group, although its achievements would still be considered satisfactory by the standards of many other Hungarian cities and Budapest districts. At present, renovated (at least insulated) buildings are clearly visible within housing estates: they appear in relatively high density in more prestigious areas such as the Cholnoky housing estate, and in much lower density in less popular areas like Jutasi. **Nevertheless, the overall visual impact of these renovations remains sporadic rather than transformative.**

With regard to the role of the Séd stream reconstruction in urban development, it can be stated that it has had a tangible impact, though not primarily on adjacent residential areas as the stream is loosely connected mostly to the back of family houses. **Instead, its main effect has been as a tourist attraction.** While the area already attracted visitors following the initial reconstruction phase in the 2010s, its popularity increased significantly after subsequent renovation waves associated with the European Capital of Culture events in 2023. Although the area remains popular among local residents, the continuous reconstruction and functional enrichment stretching from the city's western boundary toward the downtown area—culminating in a prominent public garden in the city centre—has transformed it into a major tourist destination.

The factor putting a stronger influence on the local housing market stems from Veszprém's distinctive topographical characteristics. Elite residential areas embedded within the historic urban fabric are defined not by direct proximity to green spaces, but by visual qualities, most notably views of the Castle. Consequently, green space interventions carried out in the valley areas do not substantially alter the spatial distribution of elite residential neighbourhoods.

5.2 The role of green policies in influencing housing inequalities in Veszprém

Energy retrofitting

Energy retrofitting has had a limited impact on housing inequalities in Veszprém, at least in the way in which it was implemented in the Jutasi housing estate.

Energy-efficient interventions initially imposed only moderate financial burdens on homeowners due to the high level of public subsidies available during the 2000s, when the state covered one-third of investment costs and the local municipality contributed an additional one-third. By 2015, the subsidy level declined to 50%, although in specific cases—such as social rehabilitation projects—it reached as high as 90%. Residents' own contributions were typically financed through interest-rate-subsidised commercial loans and housing savings schemes (Bausparkasse), which were available until 2018. **Under these arrangements, the financial burden was relatively low.** According to housing managers, even low-income households were generally able to afford the costs; the interventions did not result in debt accumulation, and relatively comprehensive renovations could be carried out.

This favourable financing environment has changed in recent years for several reasons. Public subsidies for the renovation of multi-family buildings have practically disappeared. In addition, the period of economic growth that characterised the 2010s has ended, making it more difficult for households to cover even everyday expenses. At the same time, construction costs have increased sharply, rendering upfront investment costs unaffordable for many residents. Hungary also experienced one of the highest inflation rates in Europe during the 2020s, which further undermined affordability, even in the case of subsidised loans with variable interest rates.

As a result, **condominium and cooperative managers now operate at the intersection of resident apathy and financial stagnation.** They report that the era of large-scale panel

renovation programmes has effectively come to an end: without substantial state or municipal subsidies, comprehensive retrofits—such as full thermal insulation—are unfeasible, as residents are unwilling or unable to finance the required costs themselves. In this context, managers increasingly describe their role as resembling that of “psychologists” rather than technical experts, as they struggle to persuade retirees and investment-oriented owners to accept even modest increases in common charges for essential maintenance tasks, such as elevator repairs or pipe replacements. In the Jutasi estate, large-scale energy retrofits would therefore not be feasible without renewed financial support.

A pronounced tension exists between the pursuit of visible “green” upgrades and the urgent need for basic mechanical repairs. Condominium managers question the rationale of investing hundreds of millions of forints in insulation when elevators and sewage systems—often 40 to 50 years old—are nearing failure. These buildings are described as technical “time bombs,” in which even fundamental electrical upgrades must take precedence over energy-saving interventions to prevent serious safety risks such as fires.

Although energy-efficient interventions did not significantly affect housing affordability due to high subsidy levels, one specific measure generated considerable debate: **the installation of individual heat consumption meters on radiators.** Housing managers generally reported energy savings of 10–20% on building level as a result of this measure; however, **these savings were unevenly distributed.** Apartments in less favourable positions within the buildings—such as those located on corners, above basements, below roofs, or adjacent to vacant units—often faced higher district heating costs than before the intervention. This redistribution of costs carried the potential to contribute to energy poverty. Over time, however, initial conflicts appear to have subsided as residents became accustomed to individual metering and as mandatory cost-sharing formulas were applied. These regulations require that at least 30–50% of heating costs be allocated based on apartment size rather than consumption alone.

From January 2027 onwards, the installation of individual metering systems will become mandatory for all multi-family residential buildings, unless deemed financially or technically unfeasible. This regulation may give rise to further disputes in the future.

Another technical side effect of building insulation and window replacement has been the emergence of mould problems in cases where residents failed to ventilate adequately. Addressing this issue required behavioural change, specifically the regular airing of apartments.

With regard to green gentrification, the Jutasi case does not support this hypothesis. Interviewees expressed differing views on whether energy-efficient interventions affected property values in the area; however, **there was broad agreement that the housing estate continues to be regarded as low-prestige, and that substantial windfall gains have rarely materialised.**

Séd stream reconstruction

The reconstruction of the Séd stream also appears to have had a limited impact on housing inequalities. One reason is that, due to its central location, only a small number of

residential areas are directly adjacent to the renewed green spaces; consequently, these areas do not significantly affect overall housing market accessibility. Nonetheless, the appreciation of properties located immediately next to the Séd is perceptible both through field observations and in interviews with local residents. Despite this, residential turnover remains slow, largely due to the dominance of private ownership.

Major green space renewal projects in Veszprém—similarly to those in other Hungarian small and medium-sized cities—primarily target parks and green areas with a city-wide catchment area. In response to public demand, **these interventions prioritise functional enhancement over ecological restoration**. As a result, public use has increased and overall perceptions of these projects are positive. However, the increased pedestrian traffic generated by reconstruction and functional diversification has already created tensions with nearby residents and does not necessarily translate into improved residential quality of life.

What can be observed more clearly is **the repositioning of the Séd area from a primarily natural space to a touristic destination**. This transformation has encouraged the development of tourism-oriented services—such as hotels, cafés, and restaurants—either through the conversion of former residential buildings or the construction of new facilities. Consequently, the revaluation of the Séd Valley has had a stronger impact on commercial activities than on local households.

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7 Appendix 1 – Key interview data

#	Position of Interviewee	Sector/company	Date of interview	Form of interview
1	Head of company	Urban rehabilitation company	19 June 2025 and 1 July 2025	Online and in-person
2	Renovation expert	Urban rehabilitation company	1 July 2025	in-person
3	Former vice-mayor	Municipality of Veszprém	1 July 2025	in-person
4	Housing expert	Local social rental agency	8 September 2025	in-person
5	Former manager of the Cultural Capital project	Urban rehabilitation company	8 September 2025	in-person
6	Head of NGO	NGO on cultural heritage of the city	8 September 2025	in-person
7	Head of company	Housing development company	8 September 2025	in-person
8	Former and current heads of the cooperative	Housing cooperative	8 September 2025	in-person
9	Five housing managers	Property management companies	25 September 2025	in-person

8 Appendix 2 – Visuals



Picture 1. Insulated panel building in Jutasi/Haszkovó housing estate (by Éva Gerőházi)



Picture 2. Buildings without major renovation in Jutasi/Haszkovó estate (by Éva Gerőházi)



Picture 3. Upgraded green area in Jutasi/Haszkovó housing estate (by Éva Gerőházi)



Picture 4. Séd stream as a nature-based object (by Éva Gerőházi)



Picture 5. Playground by the Séd (by Éva Gerőházi)



Picture 6. Public park besides the Séd with the view to the castle hill (by Éva Gerőházi)