

CHAPTER XX

MUNICIPAL HOUSING IN EUROPE

In the previous chapter proposals to relieve the housing problem by regulation on the one hand and taxation on the other have been considered. Reliance on private builders and the law of demand and supply is the American policy. In Europe, and especially in Germany and England, public opinion is coming to realize that private capital has not and will not build enough houses to supply the demand. This has been officially recognized by a number of cities in official statements. To meet this condition municipal and State authorities are building houses in competition with private owners, or loans are being made from public funds at low rates of interest to co-operative associations for this purpose.

Land Speculation and Congestion.

City population, it is stated, grows faster than do the houses for its accommodation. This permits anything to be rented. This, too, keeps up rents at a monopoly price. It maintains urban land values at a high figure, which, in turn, require high rents in order to pay interest on the capitalization. Low rents and better houses, it is claimed, can only be secured by the building of more houses and the opening of the countryside to building. These ends, in turn, can only be secured by improved

methods of transit, by the taxation of vacant land at a higher rate than improvements, or by the building of houses or tenements by public authorities which will compete with the private builders. The purpose of all these measures is to secure more houses and to encourage improvements and competition in house-building.

By far the most substantial contribution yet made to the housing problem is that of the garden city of Great Britain.

The Garden City.

For more than a generation the housing problem has been recognized as the most serious municipal problem in Great Britain. Four fifths of the people live under urban surroundings, of whom a large percentage dwell in inadequate, unsanitary tenements. In the attempt to solve the problem, one remedy after another has been tried. Many laws have been enacted to regulate landlords. Private philanthropy has also erected many model tenements, while a number of cities have razed slum areas and engaged in ambitious housing projects. Within the past few years, however, hope has been enkindled by the garden-city or garden-suburb movement, which has awakened the enthusiasm of officials and reformers not only in Great Britain but on the continent as well.

Letchworth.

The movement began with a book written by Ebenezer Howard, entitled *The Garden City of To-Morrow*, which appeared in 1898. In 1903 a co-operative corporation was organized to carry out

the idea. A site was selected at Letchworth, thirty-four miles to the northwest of London and fifty minutes' ride from the city by train, where 4,000 acres of farming land were purchased at \$200 an acre. The corporation differs from other private corporations in that it limits its dividends to 5 per cent. In consequence there is no incentive to crowd people, to increase rents, or to erect bad houses. The articles of incorporation provide that all earnings in excess of 5 per cent. are to be expended for the benefit of the community, on the building of schools, clubs, playgrounds, the reduction of taxes, etc. In other words, as the land grows in value the increased value is to be enjoyed by all the members of the community rather than by the owners.

The elimination of speculative profits was the first principle of the garden-city enterprise. The second was the building of the new community as a unit much as suburbs are planned in Germany. A large area was laid out at one time by an expert city planner so that it could be done economically and with provision for all the needs of the people. For the same reason a large number of houses are erected at the same time and in harmony with an artistic community scheme, thus permitting the employment of good architects and the reduction of the building costs.

The City a Unit.

Regulations were adopted by the co-operative corporation which compelled the factories to build

along the railway tracks and at some distance from the residence section. The gas, water, and electricity supply was installed when the streets were being built and is under the control of the corporation. Charges are made as low as possible and the use of coal is minimized. The garden city treats these services much as the private builder treats the elevator, pipes, wiring, and plumbing of his house. They are the vital organs of the community.

Manufacturing concerns are attracted to Letchworth by cheap land, which is leased to them on easy terms. They are encouraged to erect one-story buildings, with ample light for their employees. In a few years' time a large number of industries have located in the city, which has grown with great rapidity. When the project was started the population of Letchworth was only 400. In four years' time it had grown to 7,000. A considerable number of people travel back and forth from London each day, while many people have adopted the city as a suburban residence.

The garden city suggests the old English village. The streets are lined with trees and are made as picturesque as possible. Frequent open spaces are provided for rest and play. There are a golf course, half a dozen greens, tennis-courts, and cricket-fields. A central club-house has also been erected.

The kind and style of houses that may be erected is controlled as is the distance houses must be set back from the street and the amount of land that

may be covered by them. This insures harmonious architecture and a uniform street alignment. Overcrowding is prevented by this means, so that there can be no slums in Letchworth, for the maximum number of houses is limited to 12 to the acre. In the old industrial cities there are 30, 40, and even 50 houses to the acre. Round about the town proper 2,500 acres of land were laid off for truck-gardening, for the raising of poultry, fruit, and vegetables. This serves to keep down the cost of living. This is a revival of the practice, universal among German towns in the Middle Ages, of owning common lands for all the people, to be used by them for the gathering of fuel, for pasturage and agriculture.

Houses for working men rent for from \$4.64 to \$10 a month. Each cottage is detached or semi-detached and is surrounded by a garden. Each, too, is provided with plumbing and other modern conveniences. All this is possible owing to the low cost of the land in the first place and the building by wholesale in the second.

Extension of the Idea—the Garden Suburb.

The Letchworth experiment was so successful that nearly seventy other projects are being carried out in Great Britain. Port Sunlight, near Liverpool, and Bournville, near Birmingham, are proprietary model villages erected by manufacturers in order to get their workmen out into the country under more healthful conditions. Birmingham is planning a garden suburb of 3,700 acres, while

Manchester offered prizes for the best development of a large outlying area upon which cottages can be built to rent from \$7.50 to \$10.00 a month. Similar suburban projects are being planned in the neighborhood of Liverpool, Bristol, and Hull, while a dozen private and semi-public undertakings are being promoted near other large cities. Some of these enterprises are private, others are co-operative.

Hampstead.

The leading garden suburb, as distinguished from the independent, self-contained city, is Hampstead. It is less than a half-hour by train from the centre of London. The Hampstead garden suburb was begun in 1905 by the acquisition of 243 acres of land. The original cost of the land was \$2,200 an acre. The village was planned for from 10,000 to 12,000 people. Since that time the area has been enlarged.

Hampstead is a home for persons of moderate means, for clerks and skilled working men. Houses rent as low as \$8 a month.

Along with the co-operative planning of the land has gone a co-operative building society movement called the tenants' co-operative. Shares of stock are sold to tenants, who pay for their houses in instalments in the form of monthly rent. Instead, however, of owning individual houses, occupants own an undivided interest in the corporation, which owns a large number of houses. By this arrangement owners can sell their stock but not their houses. Working men are ordinarily deterred from

becoming home owners by reason of the uncertainty of employment. By this method, however, they can invest in the corporation and still have their individual home.

Co-operative building and ownership enables the corporation to employ the best of architects and at the same time to so control the property as to insure harmony as well as variety in architecture. Through the ownership of a group of houses the individual is prevented from letting his house go to decay; he cannot use it for improper purposes or build an apartment, a stable, or factory which injures the neighborhood. All the owners are insured against this sort of hazard. Co-operative building, too, enables the community to take advantage of economies in building.

The houses rent at a price sufficient to yield 5 per cent. on their cost, any surplus earned by the corporation being returned to the tenants as a rebate on their rent. These profits are credited on the tenants' stock subscription until it is paid up.

Effect on Health.

The effect of the garden city on health and efficiency is remarkable. Statistical comparisons have been made of old industrial towns and the new garden suburbs. It has been found that the average height of Port Sunlight school children of fourteen years of age was 60.7 inches, while those of the public schools of Liverpool ranged from 55.2 to 61.7 inches. The weight of children of the same age was 105 pounds in Port Sunlight and from 71.1 to 94.5

pounds in the public schools of Liverpool. Statistics also show that the death-rate is greatly reduced. For a period of six years it ran as low as 7.5 per 1,000 in Bournville, while in the near-by city of Birmingham it was 17.9 per 1,000. The mortality rate in Wales in 1907 was 15.4 per 1,000, while in Letchworth it was 5.2. The infantile mortality rate in the large cities ranges from 107.9 per 1,000 to 157.8, while in the garden city of Letchworth it fell to 31.7.

The garden city is a demonstration of the fact that the city can be made beautiful and healthy and be distributed over a wide area. It also demonstrates that the housing problem can be solved by intelligent community action and indicates a means by which man can be reunited with the land from which he has been separated for a generation by inadequate means of transportation and the high urban land values which belated transit facilities have created.

Housing in Germany.

Housing conditions in Germany are nearly if not fully as bad as they are in Great Britain. In Berlin nearly one third of the people live in dwellings in which each room contains five or more persons, while 80 per cent. of the working people in the larger towns are said to live in cellars, attics, and tenements unsuited to the maintenance of a proper family life. Official investigations declare that out of every 1,000 persons the following number live in dwellings consisting of only one or two rooms:

in Berlin, 731; in Breslau, 742; in Dresden, 688; in Hamburg, 523; in Hanover, 679; in Königsberg, 760; in Magdeburg, 726; in Mannheim, 610; in Munich, 524. From this it is apparent that the German city is confronted with a housing problem far more serious than our own.

Germany is attacking the problem with courage and intelligence. Many experiments are being made by cities, states, and co-operative associations in working out the problem. Frequent conferences are held; the interior department lends encouragement to the cities, while the funds of the municipal savings-banks and the state insurance funds are loaned at low rates of interest for the erection of model tenements.

The Policies Adopted.

Three general housing policies are being followed. They are:

(1) The opening up of suburban territory planned by experts so as to prevent the reappearance of tenement conditions;

(2) The building of model houses by the city or by co-operative associations; and

(3) The removal or reduction of taxes on workmen's houses to encourage their building and the taxation of vacant land at a higher rate than improved land to force it into use. In addition, the means of transit, which are commonly owned by the cities, have been extended into the outlying districts for the purpose of distributing population out into the country.

Suburban Planning.

(1) *Planning the Residence Districts.*—The planning of the city so as to prevent the recurrence of bad housing conditions by limiting the height of buildings and the area that may be built upon has been described in another chapter.

In the new suburban districts streets are arranged so as to give the maximum of sunlight in the living-rooms. Plumbing and sanitary arrangements are also carefully supervised. The plans also provide for small parks and open spaces within easy walking distance of almost every one. Whenever a suburban district is opened up for building, transportation facilities are usually provided. When Frankfort laid out a new industrial section it built a rapid suburban railway line in order that the workmen might live in the distant villages. The city also laid out a park and playground as an integral part of the housing programme.

In this way German cities control the land; they insure that it will not be too intensively used, that the houses will be the proper height, that provision will be made for gardens in the front and rear and for proper play spaces in advance of building. In this respect the German city is in advance of any cities in the world. But proper planning and adequate transportation facilities only partially solve the housing problem. They do not provide more houses, and municipal officials in Germany frankly announce that private capital cannot be relied upon to solve the problem.

Municipal Housing.

(2) *Municipal and Co-operative Housing.*—Working-men's homes are sometimes built by the municipality, but more frequently by co-operative associations to which money is loaned by the city or the state from the insurance funds at a low rate of interest. State authorities frequently provide houses for their employees, while many private corporations have erected model suburbs, of which those in Essen, belonging to the Frederick Krupp Company, are the most widely known.

The co-operative associations are organized by business men who supply a portion of the capital, but tenants are compelled to subscribe for a small sum when they become occupants. About 10 per cent. of the capital is secured in this way, the other nine tenths is loaned by the state. The premiums from the sick, accident, and old-age insurance funds have accumulated great reserves, of which, up to 1910, \$76,000,000 had been loaned, at an average rate of interest of from $2\frac{1}{2}$ to $4\frac{1}{2}$ per cent.

There is scarcely a large city in Germany in which model tenements or suburban developments are not being promoted in this way. The problem is still far from a solution, but a beginning has been made as it has in England, a beginning that suggests a solution.

Ulm.

The city of Ulm, in south Germany, with a population of 56,000 inhabitants, has carried through the most ambitious housing programme of any city

in Germany. Nearly 5,000 acres of land are owned by the city, a portion of which is being used for working-men's homes built by the city, the state, and co-operative societies. The houses are of the detached or semi-detached cottage type, and are two and sometimes three stories in height, with apartments which rent at from \$35 to \$67 a year. Cottages are sold on the instalment plan, the monthly rent being sufficient to cover interest and provide a sinking-fund which retires the cost of the house at the end of a long term of years. In order to prevent speculation the city reserves the right to veto any sale made by the owner and to regulate the rental charges to sub-tenants. In addition to the municipal houses, the kingdom of Würtemberg has erected houses for its employees, while co-operative societies have constructed a large number of other houses.

Berlin.

In Berlin more than 10,000 working-men's apartments are owned by co-operative societies. One company has an investment of over \$2,000,000 with over 5,000 members, of whom 3,500 are workmen and 1,300 are clerks. It owns 958 dwellings in a dozen great structures.

Each of these apartment blocks is a community in itself, in which the tenant has the privacy of a home but with many services included in his rent. The apartment-house frequently occupies a whole city block. The tenements are from four to five stories high, but a large part of the lot is left free

for a playground. Sometimes the apartments stand back from the street to permit of a garden-plot in front. More often they are built close to the street line, with the unbuilt area in the centre. Some are like the figure "8," with an inner courtyard of substantial dimensions as a playground for children, with gymnastic apparatus, sand piles, and other equipment. The other enclosed court is reserved for adults. There is free water in each flat and public baths for those who do not have them in their own apartment. There is a free kindergarten conducted by a teacher employed by the corporation. Here the children are left by the mother when she goes out to her work. Each house also contains a well-chosen circulating and reading library. On the ground floor is a restaurant with a smoking and lounging club for the men. In the basement there is a co-operative bakery as well as a public wash and drying establishment, while those who desire to do so may buy their fuel in common from a co-operative society. All these privileges are included in the rent.

Co-operative Ownership.

In order to become a tenant one must be a part owner. A small sum is deposited as a first instalment upon the stock, which investment draws 4 per cent. interest and can be withdrawn at any time on six months' notice.

Each house is administered separately, partly by the tenants and partly by the societies which erect the apartments. The tenants select a house-master,

who collects the rents, supervises the premises, and represents the tenants before the board of directors.

Rents range from \$50 a year upward. Of the 958 apartments of one of the Berlin building societies, 223 rent at from \$50 to \$75 a year, or from \$1 to \$1.50 a week; 114 apartments rent at from \$75 to \$87 a year; 164 rent at from \$90 to \$100 a year; while the remainder range as high as \$225 a year.

Even the smallest apartment has light, a closet, and kitchenette. The rooms are of a comfortable size and are thoroughly sanitary. Where possible, balconies are provided and the tenants are encouraged to beautify the fronts with window-boxes. The façades of these apartments suggest a flower garden rather than the tenements with which we are familiar in New York.

The English garden-suburb idea is also being developed. The first of these experiments was Hellerau, located just outside of the city of Dresden. Three hundred and forty-five acres of land were purchased by a private individual and planned as a suburban residence for clerks, working men, and artists. The suburb was started in 1909 and by 1911 300 cottages had been erected which were immediately occupied. The cottages rent at from \$62 to \$152 a year. Each cottage has a garden about it and all the modern conveniences. The smallest cottages contain four rooms. In order to become a member of the society the tenant must become a stockholder in the co-operative association and pay for his stock in monthly instalments

in lieu of rent. All of the houses are built by the co-operative society, which is aided by the insurance funds of the state.

Similar garden suburbs have since been planned by a number of other cities.

(3) *Taxation*.—City authorities also promote working-men's homes by partial or complete exemption from taxation. Vacant land is frequently taxed at twice the rate of improved land, for the purpose of discouraging speculation. By such exemptions a premium is placed on house-building, while land speculation is discouraged. In addition to this the *Wertzuwachssteuer*, described elsewhere, for the taxation of the unearned increment of urban land values, still further penalizes land speculation and forces land into use. It tends to break up estates and brings suburban land into the market. The Lloyd George budget in England in 1909 for the taxation of the increase in land values has the same effect.

Summary.

European countries, and especially Great Britain and Germany, have abandoned exclusive reliance upon private capital and are attacking the housing problem by the construction of municipal houses, the promotion of garden suburbs, and the public ownership of the transportation agencies. The most distinguished achievement in this line is the garden city of Great Britain, which has made great progress during the last ten years. Germany, on the other hand, where the housing problem is as bad as it is in Great Britain, has entered on the policy of encouraging working-men's homes by loaning public

money at low rates of interest to co-operative building societies, which erect model tenements within the cities or garden suburbs on the outskirts. Every large city has its co-operative building society, and thousands of working-men's apartments have been erected by this means. In addition, through the ownership of the means of transportation and the planning of suburban areas, the German city is extending its boundaries and is regulating the type of house construction so that bad housing conditions will not be repeated. Taxation is also used for the purpose of discouraging land speculation and the encouragement of house-building. European countries are coming to rely upon the state rather than on private initiative for the solution of this problem. Housing is treated as a public rather than as an exclusive private utility.