

Large-Scale Landlords as Welfare Actors and Social Housing Providers in Milan

By Giuliana Costa – Politecnico di Milano, Department of Architecture and Urban Studies
Giuliana.costa@polimi.it

Abstract

Milan is classified as a “high tension” municipality concerning housing. Like other Italian cities, it is subject to specific national and regional policy interventions, such as tax benefits for landlords that agree to rent at prices lower than market ones or to postpone/suspend the eviction of tenants. For more than two decades, affordability problems in the housing sector have been disregarded by the local administration. In the past ten years, prices have continued to increase with a pause only in 2008-2009, which was very limited if compared with other cities and trends in international housing markets. Housing issues have entered the public agenda because of the severe tensions in the market. Whilst the centre-right local governments (1997/2011) intervened in development to attract the affluent to the inner city, broader areas of the already-settled population – low and medium-income households – have been made more vulnerable by the lack of affordable housing.

Here I present the findings of a research (part of a largest study) that is being conducted in Milan by a multidisciplinary group on the transformations of the local affordable rental market, analysing which kinds of planning, economic and social formulas are being used to cope with new housing needs, characterized by temporality (expressed by mobile groups) and economic vulnerability (due mainly to the economic crisis and to the functioning of the labour market).

The focus of the article is on the role performed by large-scale landlords in the rental market of the city. These landlords are defined by owning at least 100 residential units within the Municipal border and are very diverse, from socio-assistance old institutions, to banks, foundations, private families and entrepreneurial groups, cooperatives, real estate funds and so on. They are represented by organizations that were (in the past) obliged by regulations to invest in real estate to protect their wealth (for example pensions funds) or are different agencies that own large numbers of dwellings because of other processes like donations or functional investment to finance core activities (in the health or social assistance sectors). These large-scale landlords (be they private for profit or no profit or public ones) traditionally produced good housing occasions to citizens or to specific groups by letting at modest costs and so doing, performing as welfare actors in the poorly publicly funded Milanese (and Italian in general) housing sector. Our hypothesis is that even if they are more and more market oriented because they use their real estate stock to maximise revenues to finance core activities -and so doing losing their capacity to rent at considerable low prices- they still maintain a role in the local housing market as a “social security cushion”. Dilemmas in these trade-off between being social renters and being efficient social entrepreneurs are in place as we shall illustrate and discuss, but these actors are in any case fundamental in a context that nowadays is very poor in terms of resources dedicated to social housing.

The research which first findings are presented here is very innovative in methods and contents, as large real estates have not been studied as “welfare actors” since the last century. It tries to fill

the gap in Italian housing studies and paves the way to further research on large-scale landlords and their strategies in Milan and in other cities.