THEORY OF URBANITY AND ITS EFFECT ON HOUSING DEVELOPMENT AND HOUSING

ABSTRACT

Housing policy as important factor of state economy policy is covering relationships between subjects and processes pointing to satisfy needs in area of housing. Housing policy is combination of economical, social, law and technical conjunctions of housing where is directly related to economical status of country. Housing policy and building are developed in European countries differently depending on development and needs of economy. The main goal of building policy in every country is preparing a base for living of every citizen within country. The key criteria of success is possibility to reach flat or house for all citizen levels, because in current stage of society evolution not all people are able to pay costs of new development by themselves. Based on this is rising up the task of setting relationship between subjects. For creating conditions on capital market are necessary to have sufficient financial resources designated for house or flat building, mainly by fiscal policy and creating conditions for effective competition of private companies.
        Keywords: Economy, Banking, Financial Resources, Urbanization,
                Effective Competition, Housing Policy, Urbanity Theory

THEORIE DER URBANISIERUNG UND DESSEN AUSWIRKUNGEN AUF DIE WOHNUNGSPOLITIK UND WOHNEN

ABSTRACT

Wohnungspolitik als wichtiger Faktor der staatlichen Wirtschaft Politik ist für die Beziehungen zwischen Subjekten und Prozesse Hinweis auf Bedürfnisse im Bereich des Gehäuses zu befriedigen. Die Wohnungspolitik ist die Kombination von wirtschaftlichen, sozialen, Recht und technische Konjunktionen des Gehäuses, wo in direktem Zusammenhang mit ökonomischen Status des Landes ist. Wohnungspolitik und Gebäude sind in den europäischen Ländern unterschiedlich, je nach Entwicklung entwickelt und den Bedürfnissen der Wirtschaft. Das Hauptziel der Baupolitik in jedem Land bereitet eine Basis für das Leben jedes einzelnen Bürgers im Land. Die wichtigsten Kriterien für den Erfolg ist die Möglichkeit zu erreichen Wohnung oder ein Haus für alle Bürger sein, da in der aktuellen Phase der gesellschaftlichen Entwicklung nicht alle Menschen sind in der Lage, die Kosten der Neubau von selbst bezahlen. Auf dieser Grundlage erhebt sich die Aufgabe, Beziehungen zwischen Subjekten. Für die Schaffung von Bedingungen am Kapitalmarkt sind notwendig, um ausreichende finanzielle Mittel für Haus oder Wohnung Gebäude bezeichnet, vor allem durch die Fiskalpolitik und die Schaffung von Bedingungen für einen wirksamen Wettbewerb der privaten Unternehmen haben.
        Keywords: Wirtschaft, Bankwesen, Wohnungspolitik,
                Finanzielle Mittel, Einen Wirksamen Wettbewerb

1. INTRODUCTİON (EİNFÜHRUNG)

Housing policy as important factor of state economy policy is covering relationships between subjects and processes related to satisfy requirements in area of housing. Housing policy is combination of economical, social, law and technical conjunctions of housing where is directly related to economical status of country.

Housing policy and housing become more important after World War II. Number of newly developed flats in majority of European countries grows rapidly. The culmination was reached at beginning of 70th last century when post-war production process slowed down and it shown that newly developed houses were not able to be rented respectively to be sold. (as an example could be mentioned Sweden, Denmark, Netherlands, Germany and Switzerland) and with rising number of flats growth number of free flats, which leads to the new routing of housing policy. Change and new goals definition of housing policy were activated strict picture of new blocks of flats and poor quality of work which brings decrease rate of blocks of flats and called definition of new goal post-war housing policy, markedly increase development of terrace and family houses. Housing policy and building are developed in European countries differently depending on economic growth and development.

It defines four types (models) of housing policy mainly according traditions and different tasks of state in economy. First type is taken as social – democratic based on public solidarity providing of social services. It supports the same access of all citizens to housing and intervenes to flat market. This type of housing policy is used by Scandinavian countries. Second type is based on corporative conception of social state which came form work activity of citizens but understood to social differentiation of citizens. It is used in France, Netherlands and Austria. Third type is based on liberal understanding of public social services – it is focused to individual activity. State is taken care about such group of citizens who are in need shortage and are no table to solve situation alone. Focus is to addressed support. It is used in Great Britain. Fourth type of housing policy leaves accuracy about housing to person. It is used in Greece, Portugal and in Slovakia.

The main goal of building policy in every country is preparing a base for living of every citizen within country. European Community agreement get to European Union no specific rights in housing area, high number of EC policies (mainly in social policy, area of environment, energy, transportation or arrangements of common market) has direct or in-direct impact to housing in different EU member states. Key criteria of success is possibility to reach flat or house for all citizen levels, because in current stage of society evolution not all people are able to pay costs of new development by themselves. Also we can based on this a task of setting relationship between subjects is rising up. Setting conditions on capital market are necessary to have sufficient financial resources designated for house or flat building, mainly by fiscal policy and setting conditions for effective competition of private companies.

2. RESEARCH SIGNIFICANCE (FORSCHUNG BEDEUTUNG)

The aim of this article is to state the scientific analysis of housing types and prices of housing ownership in the Slovak Republic. The research analyzes the development of ownership housing prices depending on the distance from the housing and economic center. It is interesting to watch how many times exceeds the price of ownership housing household income, what is theamount of average household income and average prices of apartments or occupied housing, as well

as fact, over what period the household is able to obtain an owner-occupied housing. Time savings for home ownership housing provision is extended, when in 2004 it was 9.5 years in 2009 was already 15.5 years.

3. HOUSİNG (WOHNEN)

Housing is one of key factors in fight against social elimination and unemployment, thanks to it are our cities, suburbans and country regions more comfortable living and working areas. Housing supports conformity between societies and in work area allows reaching of suistainable development goals.

Reside mean based on sociology point of view to live in society, has feeling of confidence and security becomes from membership of commonwealth. Housing could be taken from wider perspective of urban attractivity in context of its growth potential and employment potential. Nowadays we can see differentiation of society according social groups, proffesions and education level. Such differentiation has influence to quality of housing and therefore to quality living as well. Housing is realiztion set of personal activities in house and living area (Labaj, 1993).

European carta about housing, agreed April 26th 2006 by working group European parliament URBAN-Logement working group, define housing as a „base part of living, as main social right based on european social model and as a part of personal dignity". In such context is important to define factors influencing to housing with goals to realize „social responsible" policy and allow access to housing for all. It is necessary to find solution of segregation problems and problems of getho creation, find answers to social-economy challenges with habitants ageing and arrange housing to wider perspective of suistainable city development.

Social-economy meaning of housing after fulfillment of its basic function lays in creation of prerequisites for human potential development, creativity and human activity. Housing is realized in living area, which has its social part (social groups of habitants and its relationships), material (flats and special infrastructure) and natural part.

3.1. Housing as Specific Estate
(Wohnung als Spezifische Immobilien)

Housing is estate with specific feature, long term life cycle, which is different from the rest of consumer estates and based on this feature is housing market split to marketplace of existent flats and marketplace of newly developed flats. Both marketplaces are closely connected there for the deformations on one are very rapidly transformed to another. By this reason is not possible to regulate these marketplaces separately. Flat marketplaces on owners and users rights split out to private flats (privately owned), rented flat marketplace, with another split to private rented flats, public rented flats and condominium marketplaces.

Based on real estate type we can split flat marketplace to partial marketplace flats and to villa marketplace, marketplace of flats in residential houses and marketplace of flats in apartments and lodging houses. As is mentioned there is not a single flat marketplace, but it is system of local (partial) marketplaces with relative independence. Center of local housing marketplace is town or community which has determining status in regional hierarchy. Meaning of local housing marketplace is determined by existent residential buildings, level of social infrastructure, communication accessibility, number of job opportunities for inhabitants. Demand

and offer on housing marketplace underlie to the same regularity in majority of countries (Jankovichova, 2003). To reach balance in housing marketplace or to be close as possible to it, there are consumed finance resources in state to housing development, since demand of accommodation is higher then offer based on competitiveness. (Demand is increased by competition which leads to the higher volume of flat development. If there is no competition the costs are increased and offer of housing is not so elastic as demand to related).

The main factor influencing of housing marketplace is price. The cost of accommodation is not depending only on effectiveness of development, but also on the elasticity which development react to demand of accommodation, as well as that houses and flats are differenced by size of habitable area, outside look, age, quality of used materials as of quality of associated areas (garage, basin, garden, gym etc.). The price of housing is then automatically influenced by quality of surrounding area, social structure of inhabitants, quality of public areas, streets, walkways and also by time of traveling to the work, school, healthcare and culture. Housing, unlike to other estates, represents cumulative demand of housing services which are related to housing. Such housing services are coming from diversity of housing characteristics. Housing is not only manor which brings profit to potential or actual users. It is necessary to identify its basic attributes (e.g. number of rooms, quality of area, availability), based on which we can create list of demand curves on individual housing services. Price of housing, by heterogeneity, stated as one price (one number), but vector of individual housing service prices, based on housing itself.

On the side of demand we can see demand of ownership housing (usage and investment). Decision of household to step in on ownership housing market or to rental housing is based in majority on investment expectations of households. If valorization of real estate growing in time (means growth of market prices) more then other possible investments and valorization growing faster then interest rate of loaned capital (e.g. mortgage), then is certain of household will prefer ownership housing more then rental one. As well as is mentioned the demand of ownership housing on housing market is affected by situation of financial markets, mostly by level of interest rate. Consumer try to any market maximize their advantage but threshold gain of usage every other item of concrete manor descend. Let's assume that benefit is measurable in money items, and then threshold gain curve is identical with individual demand curve by specific manor of specific consumer. Consumer is in balance when its threshold gain manor of next item is equal to price of manor.

In analysis of housing as heterogeneous manor we must calculate with fact of rational thinking consumer with tendency to maximize of advantage is facing by his decision with number of comparisons of threshold manors and prices of particular housing attributes. Consumer then maximizes its manor when threshold manor of any particular housing attribute is equal to its price.

In figure 1, curve $p\ D_k$ shown, by which monetary units is increasing housing price, if increased offer of attribute by one unit. In such case is decreasing because it's showing rule of decreasing marginal utility. Curves W_i and W_j shows curves of consumer marginal utility threshold i and j for specific value of housing attribute D_k. Such curves have decreasing shape because it shows rules of decreasing marginal utility. Consumer i then maximize its advantage in so value of characteristic q_i and price p_i. Consumer j maximizes its advantage in value q_j and price p_j. Every rational investor (household) knows,

that crown used today is not the crown used tomorrow. It mean when household will decide do not obtain expensive ownership accommodation and saved capital will use e.g. for investment to shares, then tomorrow they can use crown plus some cents as yield.

Household is deciding if put money to bank deposit account with given yearly interest rate and nested capital will sum up or will invest money to housing. Investment manner of households is affected by age of potential buyer (young households has no big estate and its savings is quite low). Investment manner is more visible in middle age. At the time of old age comes to usage of accumulated estate.

Side by side to the commodity market are flat and housing construction participating in market economy on two others markets – capital market and workforce market. On capital market are working banks, saving banks and insurance companies by offer of lodging loans to buy flat or to build it up and on other hand by keeping of private savings and state subventions. Companies, public sector and government are affecting request for work by creation of jobs.

So then housing is manor of long term usage become not only commodity but long term investment of housing and mostly in case of ownership housing. The price of ownership housing can be too high so to reach it household's needs to obtain long term mature real-estate credit. Ownership housing is so relatively most expensive consumer item. „Based on study of World bank, average price of flat in USA, France and Great Britain in beginning of 90th last century reached level of two to three time of average yearly income. Opposite to this in Czech republic it was more then ten times, in Hungary eleven times and in Poland twelve times more then average yearly income". (Císař, Rektořík, 1999). Take to consideration mentioned household's tries to invest to such housing where assume growth of future price will be equal to costs of obtaining. Then households where target is not to reach advantage (e.g. to buy flat and resell it or rent it afterward), are on housing market in two face role, as investor as well as consumer.
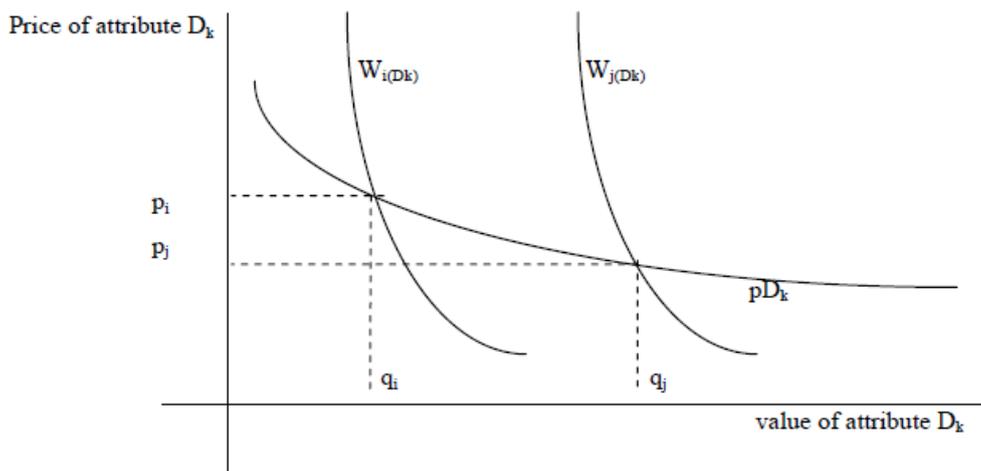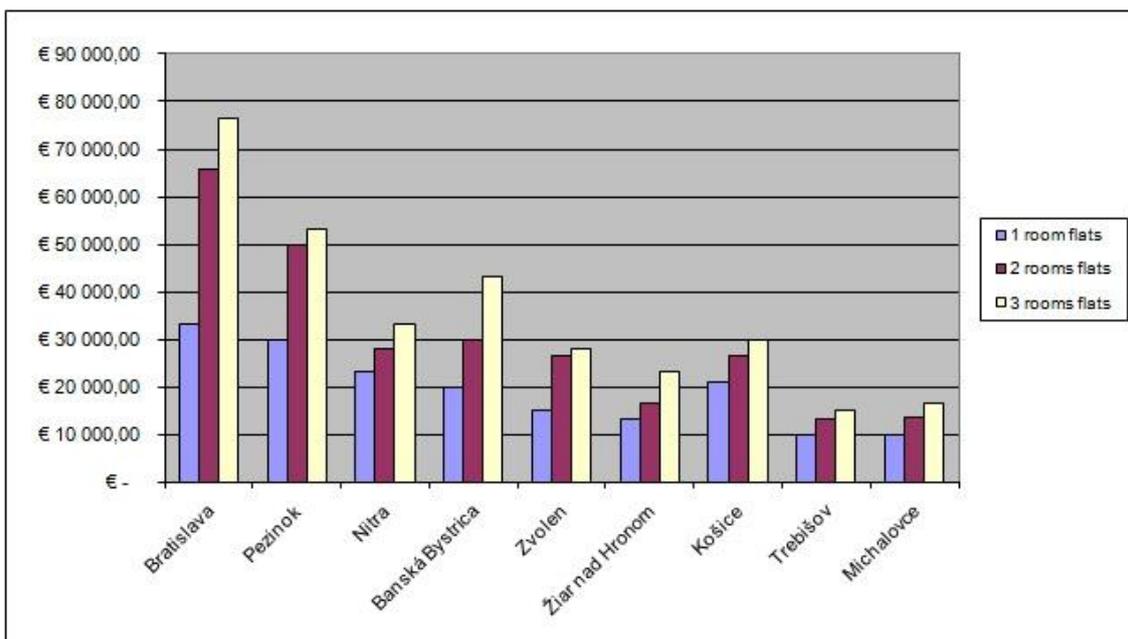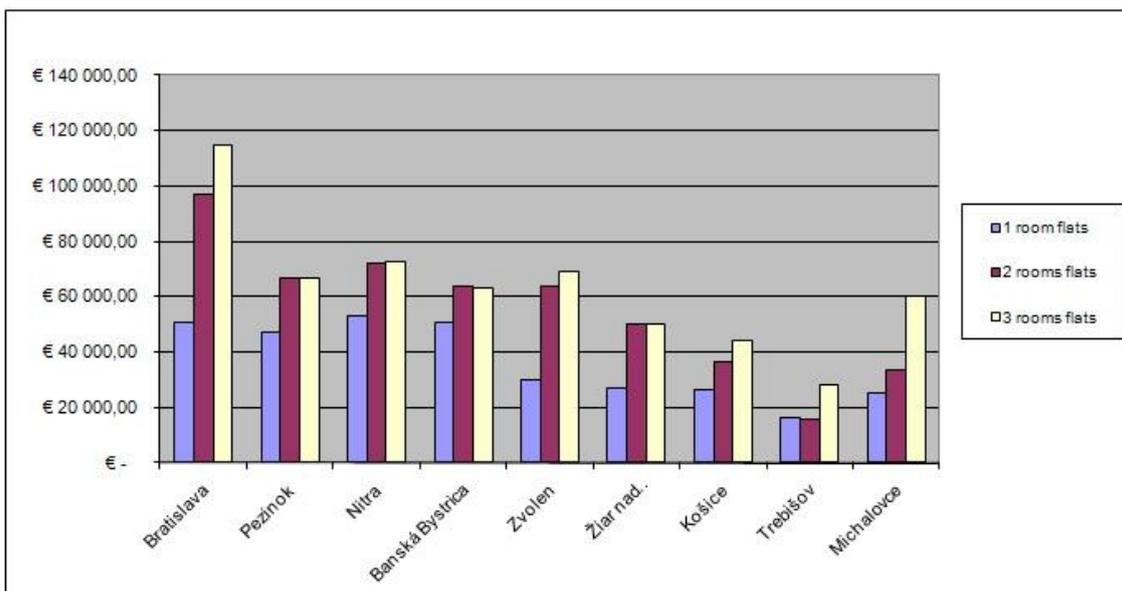

Figure 1. Equity of usage of particular housing attributes
(Schaubild 1. Equity gebrauch von bestimmten attributen gehäuse)

Demand price of housing to the place is shown in Graph 1 and 2. Average price of flats in Slovak republic in year 2008 and 2009. Data pointing to the fact of highest price of housing are in Bratislava district, then Nitra district, Banska Bystrica and Košice districts. Comparing of prices in graphs we can see nearly doubled year to year growth.

Graph 1. Average price of flats in Slovak Republic in 2008
(Schaubild 1. Durchschnittspreis der wohnungen in der Slowakischen
Republik im jahr 2008)

Graph 2. Average prices of flats in Slovak Republic in 2009
(Schaubild 2. Durchschnittliche preise der wohnungen in der
Slowakischen Republik im jahr 2009)

4. URBANİTY THEORİES İN HOUSING AREA
(URBANİTÄT ZWEİ THEORİEN İM GEHÄUSE)

Connection of housing to the concrete place in area is its important characteristic. Housing is not possible to move in space as in other manor and is closely connected with exact place in earth. Therefore is household deciding about buying, choosing between quality of services connected with housing on exact place and accessibility schools for children, work, medical care, cultural centers etc. Price of housing close to the center of employment is higher then the same

quality and age on higher distance. Analysis of linkage housing price to its location in space is covered by Economy of regional planning. Authors are Park, Burgess and MacKenzie, who in their theory proving that „just price of lands laying in some rings around the center of residency is determining factor of usage for living and other usage and consecutively affect structure of urban occupancy for particular levels of population. So when prices of lands are given by competition of different population social level city is growing in round way that every new zone is step by step occupied by higher income inhabitants who are able to propose higher price.“ [Lux, 2002, s. 24]

4.1. Alonso'S Model of Household Localization
(Alonso Modell der Lage der Wohnung)

Behavior of households on housing market as with manor engrained in space is described by some of representatives of space planning economy on number of models. The most known is Alonso's model created in 1964 (called access-space trade-off model). William Alonso based his model on Thünen's model and applied his methodology to city lands market and got analogical space structures. He studied price of lands based on its dependency on location. Expected maximization of profit by buying of land, because in its price is land itself and its distance from city center included, what is difference between city and country-side structures. Household closer to city center has lower costs for traveling and current consumption, but on other hand must accept higher price of land. W. Alonso came out as well as von Thünen from concept of position annuity and assumed that principle of annuity creation is the same as in agricultural production. But household in its localization is solving problem how big land to buy and in which distance from center and decision is limited by household income. By W. Alonso household has three types of costs, for land, for traveling and for other current consumption. Assumed that costs of traveling are growing based on distance from center, family has constant costs for current consumption and rent for square meter of land is going down with increased distance to center to keep balance between income and expense of household.
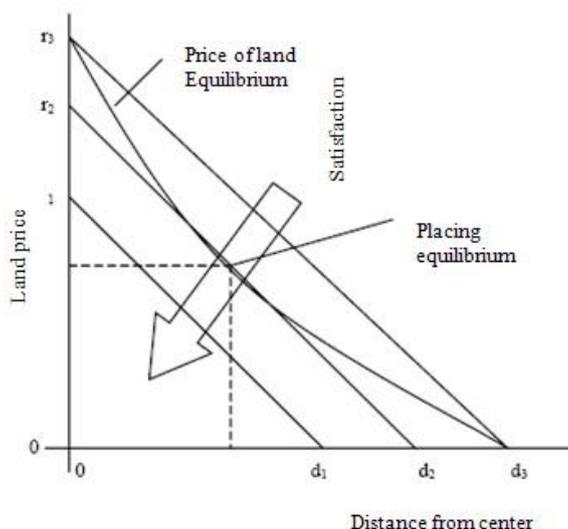

Figure 2. Alonso model of housing localization
(Bild 2. Alonso modell des gehäuses lokalisierung)

Household is trying to maximize profit in range of its incomes. After count out expenses for traveling and current consumption there

stay amount which can be used for buying or renting of land. For every household we can create so called „bid rent curve", it is rent or price for square meter, which is household able to pay in defined distance from center when keeping constant level of own benefit.
Bid rent curve depends on distance to center, is descending, and usually has non-linear character as position annuity. At beginning has rapid slope, which becomes more flat, price of lands by distance from city center is decreasing slowly.

Besides model of household localization, Alonso designed city structure model (Fig. No. 2), which is traction and not reflect possible impact to accommodation as well as expenses for relocation. Critics of Alonso's theory regards important conditions hard to quantify in usage function – fresh air, quit, prestige, neighbors, family relations, tradition. There are worldwide cities which confirm his theory.
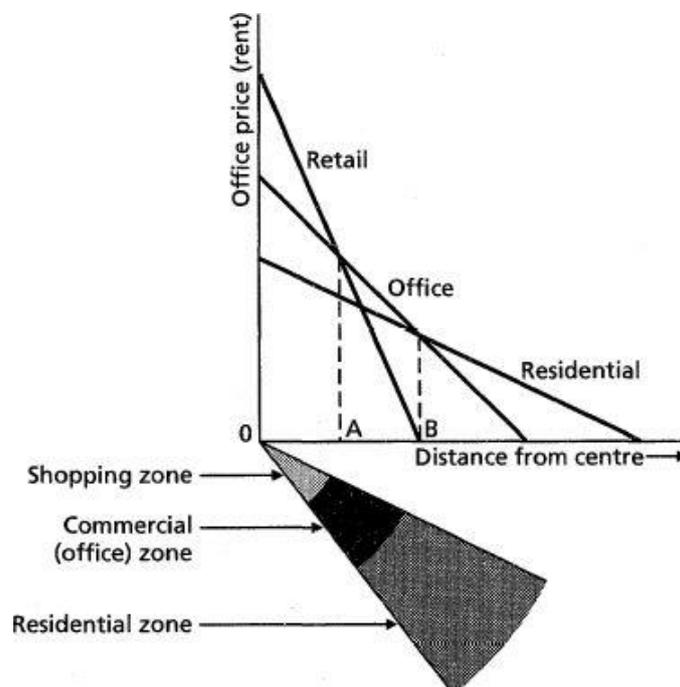

Figure 3. Alonso model city structure
(Bild 3. Alonso Modell stadtstruktur)

To figure out dependency of flat to distance of economy center, take as example price of three rooms flat in different areas of Slovakia.

Figure 4. Dependency flat price on economy center distance
(Bild 4. Dependency Pauschalpreis für wirtschaft achsabstand)
Source: own picture

Average price of three rooms flat is by higher distance to economy center of Slovakia decreased. Exceptions are cities as Nitra and Žilina, which are in higher distance to economy center, but in region are economy centers. Price of flat in selected cities, related to the fact if city is center of region or not, is higher, with exception city of Pezinok, which is not regional center nor economical and has near the same price as center of region. Here is confirmed theory that even city is not economy center, its distance to real economy center match to price.

4.2. Burgess Theory Concentric Zones Hoyt Theory of Wedge or Radial Sector (Burgess Theorıe Konzentrischen Zonen Hoyt Theorıe Von Wedge Oder Radial Sector)

Theory of concentric zones by usage of city lands in half of 20-ies based on study of historical development of Chicago city during last decade of 19. Century designed Ernest Burgess (1925). The Concentric ring model also known as the Burgess model was the first to explain distribution of social groups within urban areas. Based on Chicago, it was created by sociologist Ernest Burgess in 1925. This concentric ring model depicts urban land use in concentric rings: the Central Business District (or CBD) was in the middle of the model, and the city expanded in rings with different land uses. It contrasts with the Homer Hoyt's sector model and the multiple nuclei model. The zones identified are: The center was the CBD, The transition zone of mixed residential and commercial uses, Low-class residential homes (Inner Suburbs), in later decades called inner city, Better quality middle-class homes (Outer Suburbs), Commuters zone. Burgess observed that there was a correlation between the distance from the CBD and the wealth of the inhabited area; richer families tended to live further away from the CBD. As the city grew, Burgess also observed that the

CBD would cause it to expand outwards; this in turn forced the other rings to expand outwards as well. The model is more detailed than the traditional down-mid-uptown divide by which downtown is the CBD, uptown the affluent residential outer ring, and midtown in between.

In difference to Alonso is Burgess theory based on fact, that city is growing from the center out, represents situation in given timeframe of society as well as from actual stage of city development and classified city to five large-scaled zones. First zone was trade center - central trading zone - center of municipal activity and main node of municipal transport infrastructures, second, preliminary zone – generally industrial area with residential areas. Third zone was created by working class flats – it was zone of factories and working class houses, settled mainly by working class population living in older houses and in areas which was located in disadvantageous areas. Fourth zone was created by residences of mid class – residential area – was created by newer and bigger residences for mid-class and Fifth zone was entrance zone – outside area of blocks of flats, in this area dominate higher quality residences for top-class. Homer Hoyt (Homer Hoyt's Sector Theory (1939)) designed theory of wedge or radial sector based on usage of city lands. Non-directly it's related to location of factories.
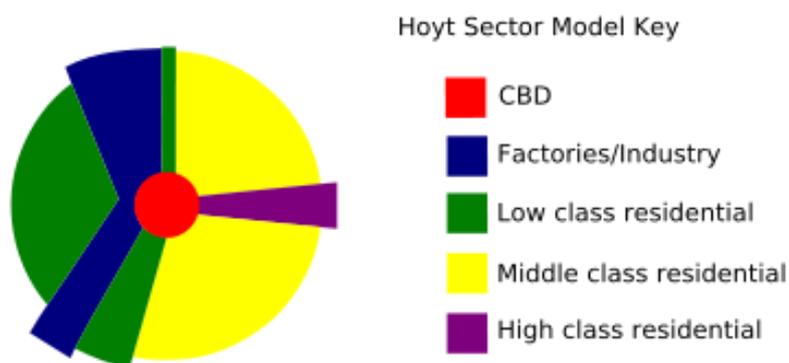

Figure 5. Hoyt sector model
(Bild 5. Hoyt sector model)

Model describes tendency of segregation of different socio-economy groups based on its decisions about localizing of residence. Hoyt's model by some degree copying Burgess model concentrically zones. However Hoyt brings wedge sectors of dominant usage of city lands on few years' observation price tendencies in individual wards. In city development is repeated situation, when rich order leaves residences after few years and searching for top quality residences out of city center by high speed roads, so housing and job was affected by fact of its fast connection. Confirmation of stated theories is, as well, level of urbanization. In next table 1, we show data about urbanization level based on regions. High level of urbanization is in Bratislava region, where to 1 km^2 belongs 292, 9 inhabitants. Cause of it is good economy development and comparing to other regions of Slovakia, mostly enough job opportunities.

Table 1. Base data about Slovakia Regions
(Tabelle 1. Base daten über die Slowakei Regionen)

Regions SR NUTS 3	Area (km2)	Habitants till 31.12. 2005	Number of habitants per km2	Number of urban		Urbanization level (%)
				Summ	Only cities	
Bratislavský kraj	2 052	601 132	292,9	73	7	83,36
Trnavský kraj	4 147	553 198	133,4	251	16	49,57
Trenčiansky kraj	4 502	601 392	133,6	276	18	57,36
Nitriansky kraj	6 344	709 350	111,8	354	15	47,47
Žilinský kraj	6 801	694 129	102,1	315	18	50,84
Banskobystrický kraj	9 455	658 368	69,6	516	24	53,97
Prešovský kraj	8 981	796 745	88,7	666	23	49,25
Košický kraj	6 752	770 508	114,1	440	17	56,27

Note: Level of urbanization is described by ratio of number of inhabitants living in cities to overall number of inhabitants of region (level of urbanization in SR is 55,7%). Highest level of urbanization was in 2005 in Bratislava region, 83,36 %.

5. CONCLUSION (SCHLUSSFOLGERUNG)
Housing is one of basic needs of people. Goal of this article is to bring closer housing policy problematic demand on environment to development of housing construction. Situation in area of housing policy and housing construction in Slovak republic is specific by its problems in relation to housing procurement. Flats which are under construction are in higher quality level but are not achievable for wide range of population. Relationship of housing to exact place in space is its important characteristic. Housing is not possible to move in space as it is possible in other goods, it's very closely related to place in Earth and has characteristic of fixed asset. That is why household is deciding to buy house or flat and is choosing between qualities of services related to accommodation in certain location as well as availability of school for children, appointment, medical care, cultural centers and price of housing. IT is obvious that price of housing close to the center is higher then price of other in the same quality and age in wider area.

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