



The state role in the housing sector in Hamburg and Havana challenges and successes of the state's claim to control in different political and planning systems

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Abstract

Housing supply is a controversial topic across the globe. In Europe, for example, housing provision is fundamentally characterised by capitalist market economy. However, the intensity of state intervention differs significantly in the respective European countries. Germany is certainly one of the countries in which the state traditionally intervenes considerably in the housing market and attempts to control it through various measures. In addition, the stakeholders in the housing market are very different, and the housing market is highly segmented. In Cuba, as a rather atypical example for Latin America, where the housing market is largely liberalised, the housing market is very strongly regulated by the socialist Cuban state. In this article, we address the topics of housing supply by analysing the institutional framework conditions and the different levels of intervention in the very different systems of Germany and Cuba. In doing so, we find that the objectives at the planning and political levels in these two case studies are quite similar despite the major political and social differences. It has become clear, that there is a gap between the aspiration of the political-administrative planning system and the planning expectations of the citizens in both systems. However, it is also emphasised that the state's claim to intervene in the housing market and the regulations, production and financing conditions are very different. Using Vaus's 'most-different-case approach', we emphasise for the two cities of Hamburg and Havana that although considerable successes have been achieved in both systems in terms of adequate housing provision, but major challenges still exist in both cities. The analysis has also made clear how important it is to combine housing policy demands with the realities of housing industry, real estate markets and urban planning perspectives.

Keywords Housing policy · Housing supply · Governance of housing · Hamburg · Havana

1 Introduction: housing policy in the international debate

In international research on housing policy, the increasingly capitalist market orientation of land price and real estate development is criticised above all in the European context and in Germany (Schönig, 2020; Rödl, 2020). Criticism focuses on the financialization of housing, i.e. the orientation of housing policy towards the capital-oriented market and the entry of international financial companies into the housing market (Aalbers, 2016; Bernt et al., 2017; Jacobs, 2019). In Germany, moreover, a re-scaling of housing policy can be noticed in which the federal level has largely withdrawn from housing funding in recent decades, thus transferring responsibility to the municipal level (Schönig & Vollmer, 2020: 12–13). Additionally, in the debate about adequate housing provision, social inequality with regard to access to suitable housing is above all criticised (Rink et al., 2015). Subsequently, this has led to a demand for a more social housing policy reflecting a stronger assumption of responsibility by the public sector (Rinn, 2018). In the Latin American context, housing policy discussions tend to be dominated by the handling of informal settlements. It is often criticised that existing policies and programmes do not focus on the lowest income groups and remain limited in their effectiveness (Murray & Clapham, 2015). Accordingly, in addition to so-called ‘slum upgrading’, there is also a call for greater funding of the rental housing sector (see Blanco et al., 2014). There are thus generally calls for greater state intervention in the market (see Gómez-Villanueva et al., 2021; Whitaker Ferreira et al., 2020; Basile & Ehlenz, 2020). In contrast, in the Cuban context, the special Cuban housing policy path is usually emphasised positively (Mathey, 2022; Widderich, 1997), but in recent years, housing construction has been more criticized (Morris, 2014).

Other international debates focus on the sociology of housing and emphasize the social practices of housing. These usually address housing as a socio-spatial and social reality, i.e. the social production, distribution and use of housing in the context of social and regional inequality (Eckardt & Meyer, 2021). In this context, the mutual interdependence of housing supply and social structures is often addressed by approaches from housing regime research (De Wilde, 2017; Matznetter & Mund, 2012; Hoekstra, 2010).

In the international debate on how to deal with the topic of housing, many scholars emphasise the necessity of interdisciplinary research approaches (Schönig & Vollmer, 2020). However, a linkage of housing policy demands to housing economics, real estate economics and urban governance perspectives rarely takes place (Atkinson & Jacobs, 2022). Exceptions are the national, German-based studies by BulwienGesa (2023) on the price-increasing effects of social housing models (Baulandmodelle) on the non-subsidised rents and purchase prices or the study by Kholodilin and Kohl (2019), which shows a connection between market-regulating state interventions and an increase in the home-ownership rate in Germany. We want to follow on from this discussion with our comparison of the two cases of Hamburg and Havana.

In Germany in 2021, the federal government reacted to the tight situation in the housing market and attempted to support housing construction more strongly among other things with the so-called Building Land Mobilisation Act (Baulandmobilisierungsgesetz). Various changes to the legal basis are intended to strengthen the possibilities of municipalities to prescribe social housing construction, exercise pre-emption rights, issue building bids and restrict the conversion of rented flats into expensive owner-occupied housing. In addition, a debate is currently taking place that questions the rising of land prices and criticises the strong capitalist market orientation of land prices and real estate development (Schönig, 2020; Rödl, 2020). It is often discussed whether the capitalist housing market

in Germany is able to equalise social inequalities (Voigtländer, 2017) or whether it merely reproduces them structurally (Aalbers & Christophers, 2014; Holm, 2014a). In the debate on a different housing policy, it is proposed, among other things, to strengthen municipal land reserve policies, to involve landowners more in the financing of technical infrastructure and to tax profits from land value increases (Stattbau München, 2017). Other actors present ideas for a 'new non-profit-strategy' in housing construction, which would provide tax relief for non-profit-oriented companies (Spars, 2021: 9). There are also demands that go one step further and call for a detachment of housing from the capitalist logic of exploitation (de-commodification) and a stronger self-determination of tenants (Holm, 2021: 130–131). This also includes requirements to take high rent burdens of over 30% into account when assessing the housing situation in the major cities in demand and to be avoided wherever possible (Rink & Egner, 2020). However, there are also more pragmatic approaches that call for lowering construction costs and removing obstacles to building, mobilising building land, stronger financial support for housing construction, a change in the tax framework, more energy efficiency (and cost savings) and a strengthening of cooperative non-profit housing (Das Bündnis Bezahlbares Wohnen, 2015). There are also calls for more public funds for social housing construction, a massive quantitative expansion and de-bureaucratization of new housing construction, the creation of affordable housing through serial construction methods or the tightening of regulations for rent increases through a rent break or a rent cap (Rink & Egner, 2020:11; Holm, 2014b). At the same time, building communities (Baugemeinschaften) are gaining increasing importance (FHH, 2023) and independently organized communities such as the 'Miethäusersyndikat' organise solidarity-based counter-designs to yield-oriented housing policies (Mietshäuser Syndikat, 2024). Other points being discussed at the federal level are the restriction of so-called share deals and the reduction of land transfer tax. This should limit real estate speculation and facilitate investment in the housing sector.

In comparison, the housing situation in Latin America is struggling under much more difficult economic conditions and is fundamentally characterised by an enormous housing deficit. Of the approximately 600 million inhabitants, around 23% live in informal or precarious settlements (Gilbert, 2001). However, there are considerable differences depending on the economic situation of the respective countries.

Informal and precarious neighbourhoods in Latin America are characterised by housing being built without permits on public or private land. The housing situation and possibilities for rehabilitation and neighbourhood development of these informal settlements are often part of the international debate on social housing provision in the global South (Basile & Ehlenz, 2020; Gómez-Villanueva et al., 2021; Whitaker Ferreira et al., 2020). Accordingly, the improvement of the access of the population to housing also determines the political debates in the respective countries. Housing policies and programmes that are frequently implemented are social housing programmes, legalisation of informal settlements, public–private alliances for the provision of land and the funding of rental housing (Hardoy et al., 1993). Most of the countries in Latin America are characterised by strong urban–rural contrasts. Many inhabitants leave the small rural towns without economic prospects and migrate to the large metropolises in search of a halfway lucrative job. Conversely, it is precisely the poorer sections of the population that are encouraged to occupy uncultivated land without technical infrastructure and to use it (initially illegally) for housing construction (Gilbert, 2001). Because of the cost of housing, most residents in Latin America need access to mortgages or other forms of long-term credit to buy a house. However, unlike in the European or North American context, many countries in Latin America have not succeeded in developing a viable system for formal real estate financing, including

microfinance (Gilbert, 2001). With the exception of Cuba (UN-Habitat, 2018), there is a broad consensus in Latin-American countries that it is not possible to solve the housing problem with public funds alone, and that the involvement of the private sector is of great importance (Jacobo & Kholodilin, 2022; Mayo, 1999).

Until 1959, the housing situation in Cuba was also characterized by these characteristics typical of Latin America. With the revolution, however, the government radically changed the housing market. Since then housing policy in Cuba is characterised by two features, which were anchored in the ‘Ley General de la Vivienda’ (Housing Act) (1989). Firstly, the right of all citizens to housing is enshrined; secondly, housing is considered as a utilised property, not a commercial good. At the same time, strong regional planning was established that prevented influx into the big cities. Although this system has been reformed and liberalised in various stages since the 1990s, the basic character of the housing market has been retained.

With the two very different cases (De Vaus, 2008) of Hamburg (Germany) and Havana (Cuba), we describe different ways in which the two cities attempt to address the ‘housing question’. Our comparison is a qualitative study that focuses on the changes in governance processes in the two countries and cities over the past 30 years. Using the most-different-system design, we want to observe largely similar phenomena from two case studies in order to identify typifying lines of action and development paths. We are aware that it is almost impossible to record and compare all framework conditions. This results in a certain “selection bias”, but we justify this by referring back to the relevant factors of our object of investigation.

Our claim is to also include the relative diversity approach from Robinson’s (2022) ‘comparative gesture’ in the consideration. In doing so, we deliberately want to compare two cities from different political, social and planning contexts in order to be able to approach the topic of *housing* through generalisations (Robinson, 2011). In this context, we also see our contribution as part of a post colonialization of knowledge production (Chakrabarty, 2000; Connell, 2007) and move away from Eurocentric perspectives. Our aim is also, at least in some parts, to expand the analytical scope of theoretical and housing policy perspectives. We attempt to achieve this by analysing, on the one hand, how the public sector intervenes to a considerable extent in the capitalist housing market in Germany and formulates the goal of providing the population with adequate housing. On the other hand, we explain how the socialist state in Cuba handles the issue of housing, with the aim of freeing the housing market from the capitalist logic of exploitation and preventing speculation with housing as a commodity. However, market-based mechanisms have been introduced on the Cuban housing market in recent years.

Our qualitative approach design for this study means, that we are less interested in comparing quantitative development or success figures from these countries, which can be classified very differently in economic terms, but rather in focusing on development paths and the processes and actor constellations of housing supply, financing and production. Our aim is not to evaluate measures as positive or negative. Rather, we want to emphasise the importance of the different stakeholders, ownership structures and financing systems. For this reason, we present the different framework conditions as well as the regulatory approaches, planning interventions and effects of the market in both systems and reflect on these approaches in the context of current urban governance and housing policy debates. The guiding question is:

How and with what means does the public sector intervene in housing provision and what consequences has this for urban development and urban planning on the ground?

Our approach is to examine the apparent contrasts in housing policy between a largely capitalist or market-based case (Hamburg) and a largely state-regulated, socialist case (Havana). In the course of analysing the two cases, it has become clear that both systems have similar demands on housing provision, but that they attempt to solve them in different ways. Surprisingly, the apparent opposites of state regulation versus liberalism are moving towards each other, although the framework conditions in terms of rights of disposal, ownership structures and economic performance could not be more different. With this comparison, we want to contribute to further opening up the national and international debates on housing policy and to discuss state intervention in the market in a value-free manner.

Thus, the contribution concentrates on three overarching issues that play a decisive role in the supply of housing:

- Firstly, the legal framework that define the character of housing, name the actors in housing supply and determine the funding possibilities.
- Secondly, how housing is financed and subsidised will be addressed.
- Finally, the actors and processes in the production and construction of housing will be examined.

The aim of the research project is therefore to analyse and understand the patterns of urban transformation with focus of housing, the governance approaches and their modes of action in politically, socially and economically different systems and to place them in the international context of urban governance debates and planning theory discussions. The research approach is based on the following two overarching research topics: First, the interplay between the governance claim of the respective political-administrative planning system and the governance expectation of the actors and the citizens concerned will be highlighted. Second, the significance of overarching guiding principles, strategies and important actors as well as uncoordinated, emergent development processes for urban transformation in the respective context will be examined. As a result, the aim is not so much to derive globally valid transformation patterns, but rather to identify typifying lines of action and development paths of these two contrasting cases in order to contribute to a general understanding of urban transformation processes.

We selected Hamburg and Havana as case studies, because in both contexts, the political-administrative level has the aspiration to intervene in urban development processes, to support certain developments and to restrict others. In addition, civil society, tradespeople and individual state institutions also expect the political-administrative planning level to intervene in urban development processes through planning and to initiate and control transformation processes. Cuba is a special case in this respect, particularly in the Latin American context. Many Latin American countries tend to be characterised by a very low intensity of intervention by the political-administrative planning apparatus in urban and spatial planning, which can be seen, among other things, in the strong urban–rural contrasts (compared to Cuba) and the importance of informal residential areas (which hardly exist in Cuba) (Reis & Dias da Silva, 2013; Coulomb & Scheingart, 2006). In an inner-European comparison, Germany is also characterised by relatively strong interventions in urban development processes in the area of urban renewal and neighbourhood development (Czischke & van Bortel, 2018; Vila-Vázquez & Petsimeris, 2023; Watt, 2022).

In this context we continue discussions on appropriate housing policy and governance strategies for housing provision, such as those taken up by Leetmaa and Bernt (2023) for Western European and Eastern European post-socialist countries (Czischke & van Bortel, 2018; Marin et al., 2023) and supplement them with a discussion of the *special case* of

Havana, which is neither socialist nor neoliberal and cannot be assigned to the dialectic between Global North and Global South. However, the focus in Havana is less on the great importance of self-help (Zapata Campos et al., 2022), but rather on the question of how the Cuban state is trying to solve the housing issue through state intervention.

For this article, the central documents on housing supply and policy in Hamburg and Havana were examined and evaluated in the context of the very different socio-economic and political framework conditions. The analyses are also based on interviews and observations conducted by researchers from both cities. The following chapters first describe the general legal framework for the two case studies, explain the importance of the various stakeholders and analyse state intervention in the housing sector. Building on this, the financing and production conditions and finally the interventions of the various players in the housing market are analysed. The article ends with a reflection on the case study analysis, in which the topics addressed in the introduction are taken up and the results interpreted.

2 Fundamentals and challenges of housing provision in Germany

Housing provision in Germany has traditionally been characterised by the interplay of free market forces and state intervention. Since the end of the Second World War, at the latest, housing policy in Germany and Hamburg has been characterised by an alternation between state regulation and financial support for the various submarkets and actors, depending on the respective economic framework conditions and political constellations. Over decades, this has resulted in a widely ramified system of federal, state and municipal intervention in the housing market, which ties up considerable public funds (Jenkins, 2019).

The debate about a socially acceptable, affordable and at the same time financeable housing supply is therefore not new in Germany. Even before the COVID-19 pandemic, there were controversial discussions about an adequate housing policy due to cost increases in construction and the sharp rise in land and housing prices. The increasing attractiveness of large cities is considered to be the trigger for the housing shortage, especially in metropolises, large cities and university cities, which have experienced substantial immigration in recent years due to very dynamic growth and inner-city residential areas upgrading interventions. In addition, there are various refugee movements that have their focus primarily on large cities (BBSR, 2017; *ibid.* 2011a). Access to an adequate housing situation has deteriorated considerably, especially for households with below-average incomes, newcomers, single parents (Rink et al., 2020) and people with a migration background (Breckner et al., 2013). The tense situation in the housing market in recent years has made it increasingly difficult for average earners to find adequate housing.

2.1 General conditions, actors and financing models in Germany

The housing market in Germany is characterised by different housing submarkets and their actors, which have been and are being promoted and restricted in the past and present. In the debate on adequate housing provision, it is therefore important to take this segmentation into account. This also includes the realisation that the housing market in Germany is initially characterised primarily by the huge existing housing stock (approx. 43.4 million dwellings in 2022), which grows annually by significantly less than 1%. This growth is also very unevenly distributed spatially, i.e. it is mainly concentrated in the growing

metropolises and large cities (Destatis, 2023). The challenges in the supply of housing therefore vary greatly from region to region, are shaped by different actors and relate to a large extent to the handling of the existing stock.

A look back at German history shows that the state has intervened in the housing market, sometimes considerably, depending on the need and the political majority. When the housing shortage in Germany was particularly severe after the end of World War II the conservative¹ federal government introduced the ‘Compulsory Housing Management Act’ in 1949. Among other things, this included a de facto ban on terminations for existing tenants, set the rent level by the state and regulated the allocation of privately-owned residential property to those seeking housing (Eigner, 2014). However, since no new housing could be created with this law, the focus of housing policy was at the same time to provide housing quickly and cheaply. In 1950, therefore, the first Housing Act was enacted, which aimed to promote the construction of housing for the broad strata of the population (social housing) (Heitel et al., 2011). Building on this, the second Housing Act in 1956 aimed to create ownership for broad sections of the population and represented the transition to ownership funding (Wegner, 1987). Another line of funding was and still is the construction of rental housing for the broad strata of the population. In addition to this ‘object funding’, housing allowances have always been paid in Germany to the particularly needy via ‘subject funding’, with which the recipients can pay their rent (Heitel et al., 2011) (Fig. 1).

The two housing laws benefited numerous non-profit housing companies, which were able to build flats and social housing on this legal basis (Kuhnert & Leps, 2017). The housing non-profit law itself was introduced in Germany in its principles already in the nineteenth century and granted non-profit housing enterprises (GWU²) extensive tax benefits and exemptions. In addition, GWUs were granted privileges such as low-interest/interest-free capital loans, fixed-term interest or expense subsidies, fee exemptions and reductions for notarial acts. A housing company was considered non-profit, among other things, if it refrained from profit maximisation, reinvested generated surpluses in new construction (building obligation) and focused on providing for the needy (business circle restriction) (Kuhnert & Leps, 2017: 33). This type of non-profit status for housing companies and the associated privileges applied in Germany until their abolition with the 1990 Tax Reform Act. The aim of the abolition was to relieve taxpayers and at the same time reduce subsidies that were no longer considered necessary (Kuhnert & Leps, 2017). With the change in the law, however, around 1,800 non-profit housing associations lost their tax privileges. As a result of this abolition of non-profit housing, many housing stocks, including many social housing units, have been transferred from public welfare organisations to private housing companies and stock corporations and are now offered at market rents.

In the past, social housing was closely linked to non-profit housing in Germany. Social housing is understood to mean that the federal government and the federal states provide subsidies for the owners, which are granted in the form of construction and investment subsidies, loans with interest and repayment concessions and/or expenditure subsidies for financing the housing. In return, the owners undertake to rent the flats to low-income households at favourable conditions for a fixed period (commitment period usually between 10 and 30 years). After the commitment period expires, the landlord can adjust the rent level to the normal market rent level, subject to certain legal regulations. In recent years, however, the time-limited commitment periods have led to the fact that numerous social

¹ CDU, Christlich demokratische Union Deutschlands—Christian Democratic Union of Germany.

² Non-profit housing enterprises – Gemeinnützige Wohnungsunternehmen (GWU).

	Social housing	Apartments for rent	Home ownership	Subject requirement	Type of receivable	
1950 - 1960	1950_ I. Housing Act 1956_ II. Housing Act		Since 1949_ fiscal claim II. Housing law: ownership requirement defined as a goal 1952_ Housing Promotion Act		quantitative [stock]	direct and indirect object demand
1960 - 1970	1965_ Housing Expansion Act incl. reduction of forestry funds 1967_ Second demand path introduced for all types of housing		1965_ Housing Modification Act: demand for home ownership	1965_ Introduction of the housing allowance		
1970 - 1980	1981_ Act to reduce misallocation of subsidies 1983_ Special funds as part of an economic stimulus program 1989_ Third demand path	Beginning of the 70s_ builders' models 80s_ increase of declining balance depreciation	1970_ Employee savings allowance introduced			
1990 - 2000	1990_ Abolition of the common use of housing		1995_ Home ownership subsidy introduced			
2000 - 2010	2002_ Housing Promotion Act lost II. WoBauG abolished 2006_ Social housing claim passes to the states	1991-1997_ Law on the use of special depreciation allowances for new buildings 2006_ Degressive depreciation abolished for newly built rental apartments	1999_ Employee savings allowance for building savings contracts 2006_ Homeownership subsidy abolished 2008_ Homeowner's pension law "Wohn-Riester"	2005_ Assumption of accommodation costs with ALG II	Subject request	
	since 2002_ Urban Redevelopment East since 2004_ Urban Redevelopment West					
	FiW requirement for existing buildings_ modernization + housing for the elderly KfW requirement for new construction_ energy-saving and passive houses					

Fig. 1 Schematic illustration of housing subsidies. *Source* Heitel et al., 2011: 14

housing units have fallen out of the so-called social commitments, i.e. the stock of social housing in Germany has fallen from 2.9 million flats in 1990 to currently just over one million flats (DGB, 2019). In order to be able to live in social housing, recipients need a housing entitlement certificate, which is linked to certain income limits.

In order to stimulate housing production in Germany in rental housing apart from social housing, there have been various indirect subsidies in Germany since the 1970s. Similar to social housing, various tax saving opportunities are also granted here. This applies both to the construction of new dwellings and to the support of modernisation and refurbishment through various subsidies and tax-saving schemes. Although rents in the free rental market are basically determined by supply and demand, tenant protection in Germany is assured, i.e. the rental market is quite heavily regulated (German Civil Code (§§ 556–558 BGB), Economic Offences Act (§ 5 WiStG)). According to this, the rental amount for first-time leases must be based on the local comparative rent (which is calculated separately) and may not exceed it by more than 20%. In addition, since 2015 the so-called rent cap has

applied to new leases in areas with a so-called tight housing market, where the new contract rent may not exceed the comparable rent by more than 10% and may be increased by a maximum of 20% respectively 15% within 3 years. There are also possibilities for the landlord to stipulate additional rent increases in the contract with the tenant when the contract is concluded, for example by means of a 'graduated rent' or an 'index-linked rent'.

Another pillar of housing provision in Germany is the funding of home ownership. Like social housing, the funding of owner-occupied housing has a long tradition in Germany, although ownership rates are rather low by international standards at around 50% (Eurostat, 2021). Similar to rental housing, the funding of owner-occupied housing takes the form of tax concessions. The first legal basis here was also the Second Housing Act of 1956. In 1970, the so-called employee savings allowance was also introduced, through which the employee is granted discounted financial investments by the employer for the (later) purchase of real estate (Bausparvertrag) (Heitel et al., 2011: 14). In addition, the homeowner's allowance (Eigenheimzulage) introduced in 1995 included additional state payments towards the purchase price. However, it was repeatedly criticised by urban planners for indirectly supporting suburbanisation, urban sprawl and additional traffic generation (Egner, 2014: 4). It was finally abolished in 2006, although it was reintroduced in 2018 (until 2021) in a slightly different form as 'Baukindergeld'. For most people, buying their own house is also seen as a retirement provision, since after paying off the mortgage interest—unlike renting—there are no further costs in old age (Heitel et al., 2011: 9). In order to improve the housing situation in large cities, many experts are therefore calling for greater attention to be paid to the funding of home ownership (Depenheuer et al., 2020).

A special feature of the ownership form is the housing cooperatives, which, in a certain way, combine approaches of social housing and housing for the common good with ownership formation. The cooperatives emerged as an instrument of self-help primarily from the workers' movement (Kühnert & Leps, 2017) and came into being in Germany at the end of the nineteenth century on the basis of the Cooperatives Act 1889 (Genossenschaftsgesetz). Accordingly, housing cooperatives are societies with a non-closed number of members and are only obliged to these members. The members of a cooperative acquire shares in that same cooperative, and these shares earn interest for deposit protection. Since cooperatives are not profit-oriented, the rents that the cooperatives pay for the flats are much lower than the 'market rent level'. Membership in a cooperative is not linked to income limits, so the rent-reducing effect of housing cooperatives reaches all strata of the population.

Another large real estate player in many cities and municipalities is the municipal housing companies, which often offer flats at relatively low rents. However, in the course of the liberalisation of the housing market and the tight state budget situation, many municipalities sold their housing stock to private housing companies between the 1990s and the 2000s. This has since been criticized from many sides because the municipalities have lost considerable influence on the rental housing market (Klus, 2020; Schnig & Volmer, 2020).

Another key actor in the housing market is the private housing companies, which build, sell or rent flats as property owners, project developers or investors. These companies usually have a larger housing stock and are basically profit-oriented. They are repeatedly criticized for charging very high rents for their flats or for refurbishing housing stock at great expense and renting it out again at very high prices after the old tenants have moved out. However, there are also numerous private real estate companies with medium-sized, often regionally limited property portfolios that act as fair landlords keep a good relationship with their tenants (BBSR, 2011). In addition, since the liberalization of the 1990s and especially since the global financial crisis of 2008/2009, fund companies have increasingly entered the German market. The interest of this group of owners lies primarily in

profit maximization through the purchase and sale of flats, through the development of new housing construction projects and through rental income. The reason for the great interest of foreign investors was the uncertain and low returns from the equity business since the financial crisis in 2008. In addition, there was ‘cheap money’ for investments in the last few years (until the beginning of 2021) due to the loose interest rate policy of the central banks and savings deposits or government bonds, which were previously safe options for conservative investors, but hardly paid any interest at all. However, a large part of the investments in the German real estate market is also made by pension funds, sovereign wealth funds, insurance companies or even non-profit organizations that want to invest their money safely (Tschammler & Fehrenbacher, 2019).

Independent of the submarkets described in Fig. 2, there are numerous subsidies for individual properties in Germany, both for new construction and for the renovation of residential buildings. In particular, subsidies are provided for renovation measures that contribute to the energy efficiency of the houses, such as thermal insulation and new climate-friendly heating systems. The subsidy shares vary greatly but are generally between 10 and 30% of the total costs.

2.2 Construction costs of the housing sector in Germany

In most cases, the provision of housing and the funding of different forms of housing are aimed at improving financing conditions. Currently, the housing market in Germany’s large cities is extremely tight due to the growing number of (single) households and the strong influx. Flat rents and purchase prices have therefore risen very sharply simply due to these mechanisms of supply and demand. One of the consequences of this is that land prices in the big cities have also risen very sharply in recent years. In large cities such as Hamburg, land prices now account for around 20% of the value of real estate.

In addition, the costs of new construction have also risen very sharply in recent years and have an impact on housing prices. In the last 20 years, construction costs have increased by up to 117% (ARGE, 2022: 6), which is significantly higher than general inflation. For the year 2022 (2nd quarter), average construction costs of around 4000 euros per m² of living space are given for cities such as Hamburg. If land costs are added, at least around 5000 euros per m² of living space must be calculated for new construction in large cities (ibid.: 8). In addition, the turnaround in interest rates in 2022 has led to an enormous increase in financing costs for the construction and purchase of real estate. Real estate purchases in

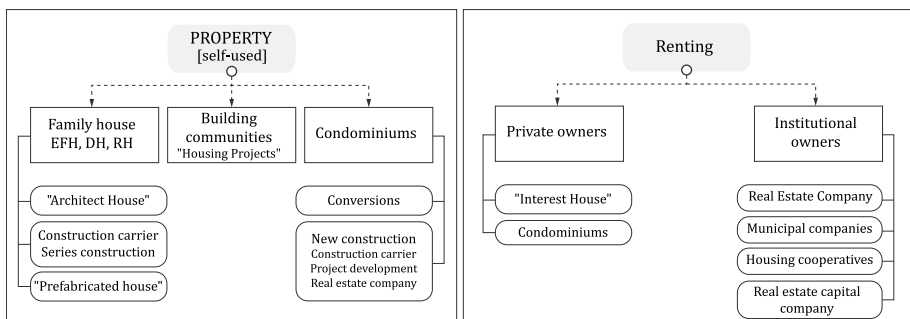


Fig. 2 Housing submarkets in Germany. *Source* Own compilation

Germany are usually financed with 70 to 80% of the total costs through real estate loans. If interest rates rise from 1 to 4%, as is currently the case, financing real estate will become extremely difficult for both small property owners and institutional investors. The private construction industry, therefore, states that in rental housing construction in large cities such as Hamburg, rental costs for standard flats are now being calculated at up to 20 euros per m² in order to be able to refinance the high construction costs at all. As a result of this development, housing production in Germany has declined massively in recent months. The target set by the federal government of building 400,000 new flats per year nationwide could not be achieved. According to current figures, only about 295,000 flats were built in 2022. Even lower figures are forecast for 2023.

2.3 Ownership structures and housing strategy in Hamburg

In 2020, the ownership rate in Hamburg in the housing stock was only around 23%, which is typical for large cities. On the other hand, this means that the housing stock in Hamburg is very strongly characterised by rented flats. A special feature in Hamburg is that around 15% of the housing stock is owned by the state-owned Hamburg housing association SAGA and the housing cooperatives also account for a very large share of around 15%. Experts assume that these two large housing stocks have a fundamentally dampening effect on the development of rents in Hamburg (Trautvetter & Knechtel, 2023). In addition, even in a national comparison with Berlin, Hamburg accounts for a very small proportion of the relatively large group of private property owners, with financial market-oriented owners holding around 5%. In Berlin, for example, the proportion is around 17% (ibid.: 6).

Despite the high new construction figures of Hamburg's housing strategy (see next Chapter), Hamburg has also not succeeded in significantly increasing the proportion of social housing. On the contrary, the stock of social housing has even declined significantly in recent years due to the simultaneous expiry of social housing commitments. In 2011 Hamburg still had a stock of social housing of around 108,000, by 2020 the stock had fallen to around 90,000 flats (Bürgerschaft der Freien & Hansestadt Hamburg, 2021: 4). This contrasts with around 500,000 households that are generally entitled to live in social housing according to the legally prescribed income limits (Hamburger Wohnraumförderungsgesetz).

2.4 Hamburg's funding and housing strategy

Hamburg has been confronted with rising rents and property prices since the beginning of the 2000s. To counteract these trends, the newly elected SPD government in 2011 decided to stimulate the housing market in Hamburg. The Senate of the City of Hamburg therefore decided in 2011 to agree on the "Contract for Hamburg—New Housing Construction" with the city's district administrations and the "Alliance for Housing in Hamburg" with the housing industry associations and the municipal housing company SAGA. The aim of these alliances was to support and accelerate housing construction in Hamburg in order to build at least 6,000 new flats annually. Until then, the volume of new construction was around 3,500 flats per year.

For this purpose, a position of "housing coordinator" was established on the part of the city administration to coordinate the planning processes. At the same time, the Hamburg boroughs committed themselves to setting up borough-level housing construction programmes, with the help of which the approval processes were to be accelerated. In

addition, concrete targets for the construction and approval of housing at the district level were agreed upon. Furthermore, it was agreed on a one-third mix for new housing projects, which includes that at least 1/3 of new housing should be social housing; another 1/3 should be not subsidised rental housing and 1/3 owner-occupied housing (FHH, 2011).

In the next legislative period, starting in 2015, this alliance was continued (FHH 2016), and the agreed target figures were once again increased to 10,000 approved flats. In addition, the city of Hamburg has committed itself to no longer allocating municipal land for housing construction according to the highest price, but in a so-called concept procedure, in which, above all, social and/or ecological components should be given priority in the allocation process. In addition, the city of Hamburg aims to push ahead with strategic land management, i.e., to buy more land in a conscious and controlling manner in order to exert more influence on development and housing construction (FHH, 2016). These agreements remained in place in the 22nd legislature from 2021 and were further developed (FHH, 2021). As a new aspect, it was agreed, among other things, that urban land should increasingly be granted in leasehold, i.e. that buyers only acquire the rights of use (over 100 years) over the land, pay rent for it, and the land remains in the possession of the city. The city of Hamburg hoped that this would curb land speculation and give it greater influence over the use of the land. Another new aspect was that an additional 4,000 flats were to be subsidised, which were to be rented as so-called “Hamburg flats” (Hamburg-Wohnungen) in serial construction with a target new contract rent of 8 euros (which is a comparatively very low price).

The goal of this alliance to significantly increase Hamburg’s housing stock in the short to medium term has undoubtedly been achieved. New housing construction could be significantly increased to over 11,000 by 2020 (Statistisches Amt für Hamburg & Schleswig–Holstein, 2021: 5; *ibid.* 2021: 6).

In addition to stimulating new housing construction, the city of Hamburg has established social preservation statutes (Milieuschutz) for a large part of inner-city residential areas in accordance with § 172 BauGB (Building Code). In these areas, the conversion of rented flats into owner-occupied flats and the (luxury) refurbishment of flats can be prohibited by the authorities. This is intended to counteract the displacement of the socially weaker population. Hamburg’s fundamentally socially oriented strategy of housing funding is also documented by the fact that Hamburg has also set up special funding programmes for housing cooperatives and building communities. Building communities are associations of private individuals who plan and build housing together for their own use (FHH, 2023).

Despite Hamburg’s successful strategy to boost new construction, however, it has not been possible to slow or stop the rise in rents and purchase prices. In 2022, the average purchase price for owner-occupied flats was around €6900 per m² (Gutachterausschuss für Grundstückswerte in Hamburg, 2022). Rents (offered rents) for new contracts in Hamburg also continued to rise to an average of € 11.90 per m² by the end of 2022.

Currently the interest rate turnaround and the energy crisis have led to considerable price increases for the construction and renovation of the housing stock. As a result, many building projects have been postponed and the number of completions has fallen sharply. Hamburg will not be able to achieve the specified new construction figures in the future. Against this background, Hamburg has announced that it will once again adjust the funding guidelines for new housing construction and the construction of social housing, but it is not yet possible to judge whether this will be successful. A promising strategy for satisfactorily solving the housing problem in Germany and Hamburg under these conditions does not seem to have been found yet.

3 Fundamentals and challenges of housing provision in Cuba

In Cuba, the revolutionary government has completely restructured the liberal and capitalist housing market since 1959. Since then, the state has played a decisive role in the regulation, production and financing of housing construction. This went hand in hand with the aim of freeing the housing market from the capitalist logic of exploitation, that means trade and the production of housing was severely restricted.

On this basis and a powerful regional planning Cuba has succeeded in eliminating the strong urban–rural contrasts that are otherwise still common in Latin America, minimising the problem of informal housing and massively increasing the ownership rate of housing through various mechanisms. The basic features of this system remained until the collapse of the socialist Eastern bloc and the severe economic crisis in the "Special period in peacetime". Since then various components of the housing provision were reformed and liberalised. Nevertheless, key elements of the Cuban housing model and the state's claim to provide adequate housing for vulnerable population groups have remained (Mathey, 2022).

3.1 General conditions, actors and financing models in Cuba

In 1959 in Cuba the proportion of informal, self-help housing was around 53% (Mathey, 1993), and around 47% of the dwellings were in poor condition (Widderich, 1997). The housing market was largely determined by the "free" market and characterised by a very strong influx into the capital Havana; the state share in housing construction was only 1.2% (Huwer et al., 1984). The socialist government wanted to eliminate this situation and radically changed the housing market. This included.

- The radical transformation of the property and land system,
- The introduction of institutional and integrated spatial, regional and urban planning,
- The development and implementation of housing plans and projects that were to be made accessible to all strata of the population.

In addition, a series of changes in housing policy were introduced and the foundations of the revolutionary housing policy were laid with the "Urban Reform Law" in 1960. The rent for a flat was not determined according to market economy indicators such as location, size and amenities, but was oriented towards the income of the residents and limited to 10% of the household income. This was also of great importance because at that time about three quarters of the households in Cuba lived for rent (Aehnelt, 1991). Rent-free housing was introduced for substandard housing.

The housing law "General Housing Law" (1989) forms the basis of housing policy in Cuba. As mentioned above, it establishes the right of citizens to housing and defines housing as a utilised property and not as a commercial good. The law is thus explicitly directed against land speculation and the free sale of dwellings; at the same time, it stipulates that each person may only own one main dwelling and, in addition, one holiday home. Furthermore, the housing law specifies the actors responsible for the production of housing, these are the socialist state through its state-owned enterprises, so-called microbrigades (in which workers from state institutions collaborate in the construction of their own workers' housing and are released from work for this purpose), peasant cooperatives and self-help construction.

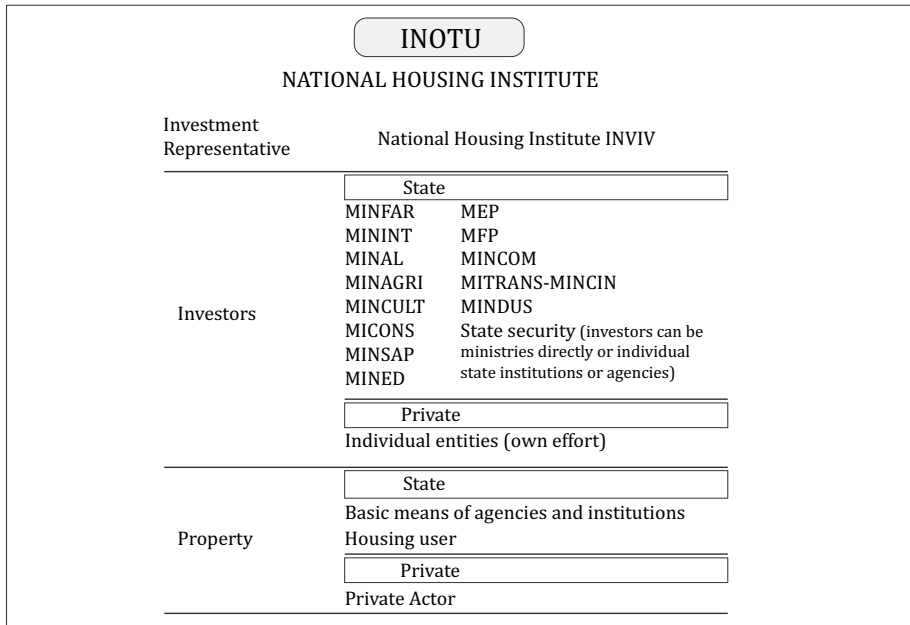


Fig. 3 Actors in the housing investment process. *Source* Own elaboration

Access to adequate housing was also to be achieved by transferring ownership of their homes (in various purchase and financing models) to the vast majority of the population (Mathey, 2022). In this understanding, the housing market in Cuba was severely restricted and virtually did not exist until 2011. This meant that until further liberalisation steps in 2011, housing could officially only be traded with the state according to fixed prices. Only since 2011 has it been officially possible to buy and sell flats. Until 1984, changing flats was only possible through a flat exchange. Since 1984 it has also been possible to let flats in Cuba (Hamberg, 1990). The "Housing Law" of 1984 also stipulates the construction of so-called social housing. Unlike in Germany, however, the term "social housing" is not associated with subsidised financing and reduced rent payments, but with the transfer of usufructuary rights (i.e. a lifelong right to live) to the residents. In Cuba, land and real estate are always separate, i.e. when a property is bought or sold, only the building is sold, the land remains in the possession of the Cuban state (Fig. 3).

The government's first measures at the beginning of the 1960s were also characterised by regional policy objectives, which were intended to reduce the influx into the largest cities, especially Havana. In 1958, Havana accounted for around 21% of the Cuban population (Segre et al., 1997: 116). This development of metropolization was largely halted in the following period (basically until today). Currently, Havana's population share is 19.3% of the population of the island (ONEI,³ 2022). The goals of regional policy were primarily to reduce socio-economic and spatial disparities, among other things by changing the regional economic structure and promoting regional integration. This was linked to a relative neglect of the capital, which is still visible today in the bad building stock.

³ National Bureau of Statistics and Information.

In Cuba, housing construction is largely carried out by the state. When "allocating" housing, the state prioritises according to the respective "housing demand" of the respective families and/or persons. Since 1959, a total of more than 2.5 million homes have been built in Cuba (UN-Habitat, 2014). In order to improve the housing situation, especially in rural regions, more than 40,000 dwellings were built in a total of 214 rural municipalities by 1970 on the basis of a new housing construction programme. This housing programme was launched by the Ministry of Construction and implemented with different standardised housing types (Mathey, 2022: 6). For the period 1960–1984, the share of state housing production in Cuba was between 30 and 50% of total production, the highest in the Americas at that time. The periods of intensive construction activity were 1959 to 1961 (Repartos Pastorita: large housing estates with prefabricated components based on the Soviet model), 1971 to 1976 (construction of housing by microbrigadas), 1980 to 1986 (construction of housing from industrialised production) and 1987–1990 (housing construction by social microbrigadas). With the collapse of economic relations with the former Eastern Bloc countries, housing production also collapsed significantly with the "Período especial en tiempos de Paz" (Special Period in Times of Peace) at the beginning of the 1990s. It was not until the end of the 1990s that housing production recovered, with the private sector assuming more or less the same importance as state housing production. However, from 2003/2004 onwards, the production of housing units through new construction in the private and state sectors again declined significantly. The year 2006 then saw the third strong wave of housing production with 110,000 houses completed.

However, the unsatisfactory housing situation was also recognised as a problem by the official side, which is why, with the start of the process of "updating the economic model" in 2011, the liberalisation of the housing sector became a focal point of the reforms, along with many other measures that were primarily intended to strengthen small private enterprises and boost economic development in the country. Since 2011, for example, the law has stipulated that the procedures for transferring housing (exchange, donation and sale) should be more flexible, i.e. not via sales prices set by the authorities, but via more or less capitalist market prices.

Another change promoted by the "updating of the economic model" was the participation of the non-state sector in housing production and rehabilitation, which until 2011 had to be done exclusively through the actors defined in the Housing Act. Building on this, it was decided in 2012 to introduce cooperatives on a trial basis in non-agricultural sectors such as the production of building materials and services. It was also established that people with a lack of ability to pay could apply for state subsidies to finance construction work on their houses. However, one major problem remained, namely the acquisition of building materials, which are still not available on the market in the required quantities despite state subsidies. The reason for this is that the financing of the housing construction programme and thus the provision of building materials is exclusively dependent on the state budget, i.e. there is no privately organised production of building materials. In the following years, attempts were made to improve the economic situation of the population through further liberalisation, in particular by further strengthening the private sector, including the possibility of founding privately managed medium-sized companies (Mipymes), which can operate largely independently with up to 100 employees, similar to the Ltd. (Limited Company) in Great Britain.

Currently, the housing deficit in Cuba is estimated at around 900,000 homes, which is made up of the need for new buildings and necessary renovations. Therefore, a national programme was launched in 2019 with the aim of rectifying the poor housing situation in about 10 years. To fulfil this plan, the private sector is to be more involved in housing

construction (around 60%). For Havana, where the housing problems are the greatest, the share of work done by the private sector is still to be 40%. Other measures aim to increase the use of locally produced materials and the conversion of buildings that have not been used in recent years. However, the difficult overall economic situation, the Covid-19 pandemic and organisational problems have meant that the interim goals set have not yet been achieved (Fig. 4).

Despite the liberalisations described above, essential elements of the socialist housing model have remained. Worth mentioning are above all.

- The separation of land and building
- The strong restriction of property ownership and
- The focus on state housing production.

3.2 Construction costs of housing construction in Cuba

Since the state production of housing in Cuba is not speculative in nature and the state charges the "legal purchase price" when awarding it to the "beneficiaries", the state as a housing producer is left with only small profit margins. A similar system exists for the costs of construction services in the state sector, which are regulated by a state construction pricing system (PRECONS⁴). The flats that are built through the state institutions are financed centrally from the housing budget. They are usually handed over to the future residents as property at a legally fixed price. This is also associated with the granting of the perpetual right of use over the land on which the house has been built. Depending on the construction system, the state subsidises between 76 and 80% of the total cost of building a new house and only receives between 18 and 25% back later through the repayment of the loan, which then flows back into the state budget. The costs of maintaining and refurbishing buildings are even subsidised by the state between 80 and 100%. There is also financing support from the state for private individuals who build their house in self-help. This usually relates to the partial financing of the building material and/or the granting of low-interest loans.

The high subsidisation of state housing requires enormous financial resources. Therefore, the minimum cost recovery means, that state housing construction cannot refinance itself. This in turn leads to the fact that the planned production figures and refurbishments can only be partially implemented. Due to the difficult economic situation in Cuba, it has therefore not yet been possible to improve the housing situation fundamentally. Another problem is the increasing intensity of hurricanes, which have contributed to a further deterioration in the condition of many homes. Hurricane Irma alone damaged a total of more than 122,000 homes in Cuba in 2017. Due to limited resources, the elimination of storm damage repeatedly leads to a shift in priorities, so that even planned renovations of flats that were not damaged at all by the hurricanes had to be pushed back further.

3.3 Ownership structures and housing strategy in Havana

In Havana, a total of 310,000 housing units were completed between 1959 and 1990, of which 32% were state-produced and 68% self-help (Segre et al., 1997: 139). Housing

⁴ Construction Pricing System Instruction.

	Property	Housing leased	Basic means
1950 - 1960	<p>1959_ Law 86</p> <p>[Created the National Savings and Housing Institute INAV].</p> <p>1960_ Urban Reform Law</p> <p>[transfer of rental housing in property to its corresponding inhabitants].</p>		
1970 - 1990	<p>1984_ General Housing Law [Law 48].</p> <p>[Authorization of transfer of ownership to usufructuaries and occupants of housing]</p> <p>[Prohibition of the sale and purchase of housing]</p>		
	1988_ General Housing Law [Law 65].		
	[the state retains the right to ownership of the property].	[with guarantees that ensure families]	[delivered by state institutions to workers over 15 years of age]
	<p>New players in housing construction</p> <p>Self-effort of the population</p> <p>Microbrigades</p> <p>Companies, cooperatives</p>		
	New economic actors / Approval of economic activity within housing.		
2000 - 2010	<p>2008_ Resolution 71 of the National Housing Institute</p> <p>[legalizes housing linked to agencies arriving at the established legal term].</p>		
2010 - 2020	2011_ Modifications to housing policy		
	<p>[legalizes exchanges, counter-sales and donations without the administrative participation of the property].</p> <p>[allows the transfer of home ownership by owners who intend to leave the country permanently]</p>		[basic means linked for more than 20 years have been eliminated]
	2012_ Law 113 [the housing sector in Cuba is structured].		
	<p>_The right to inheritance of dwellings is reestablished, regardless of whether they are free of occupants.</p> <p>_Bank credits are approved to carry out constructive actions to natural persons.</p> <p>_Transfer of ownership of housing allocated by the State or basic cells built with subsidies.</p>		

Fig. 4 Schematic illustration of housing subsidies. *Source* Own compilation

production itself was oriented towards the models typical of the 1960s and 1970s, as they were also implemented in Europe (González Couret, 2009), in Cuba more along the lines of the corresponding Soviet models (Mathey, 2022). In Havana, the phase of concentration on industrial prefabrication for entire urban expansion areas can be seen most clearly in the Alamar district, where around 100,000 residents live today.

Housing production in Cuba has been characterised by strong fluctuations in recent decades, which must be seen in connection with the economic performance of the Cuban state. Of the approximately 3.8 million homes in Cuba, around 88% are owned personally by the residents. Rental housing accounts for only around 2.6% of the total stock, 2.4% is social housing (usufruct), ownership is unclear for around 3% of the housing, and the remaining 4% is state-owned housing that is occupied under different conditions. Around 39% of homes throughout Cuba are in average or poor condition, of which around 850 homes are in a "critical" condition, i.e. in real danger of collapse. Most of these "critical" buildings are located in Havana (UN-Habitat, 2018).

The liberalisations of recent years were also associated with large waves of dismissals from the state sector, which in turn led to an increase in internal migration to Havana and the emergence of informal housing estates, which were virtually non-existent until the 1990s. This in turn has led to typical problems of informal neighbourhoods, such as the lack of technical infrastructure (electricity and water) and social services (UN-Habitat, 2021). The official housing deficit for Havana is just under around 185,000 homes. The city administration has defined a total of 82 particularly precarious and 69 so-called vulnerable neighbourhoods for Havana, which are supported with special funding programmes. Around 20,000 flats are located in these areas (POTU,⁵ 2014).

Although housing production has been further liberalised in Havana in recent years, the production of building materials has so far remained the exclusive responsibility of the state. Only with the establishment of Mipymes in 2021 was the construction sector further liberalised. Since then, private companies have also been allowed to produce and sell building materials. However, the effects of these new opportunities have hardly been felt so far due to the COVID 19 pandemic. In addition, the US trade embargo severely restricts the financing and trade of these companies.

At the local level of Havana, the scope for influencing the volume of investment is very limited, with the notable exception of the state-owned 'Oficina del Historiador de La Habana', which operates in the historic centre of Havana and is granted a relatively large degree of autonomy and economic power due to the great urban-historical, cultural and economic importance of the historic centre. At present, however, there is also a political will to push ahead with the strengthening of institutions at the local level in other areas as well and to expand local scope. With further decentralisation, there is also the hope of using more flexible technologies in terms of design and budget, which should also be reflected in the quality of housing construction, especially in Havana.

The liberalisation of the housing market has led to the development of a housing market in Havana that is largely based on capitalist principles. With the money from the sale of flats (which has only been possible since 2011), savings can be built up, among other things, which make it possible to invest in different areas as a self-employed person. But Cubans are also aware of the negative effects of the relatively new real estate market: One major criticism is certainly the now high cost of buying property compared to the average

⁵ Urban Planning and Development Plan.

Cuban income. In the absence of a mortgage market, buying a house is only possible for those who have sold another house, receive remittances from family members abroad or, as rare exceptions, have managed to accumulate savings of their own.

The purchase and sale of housing in Havana rose steadily at least until 2018. However, as a result of the tightening of the US economic embargo under US President Trump, sales have declined again (García Vázquez, 2018). Unlike the housing prices in new state housing construction, the market prices for the free sale of residential property in Cuba also depend strongly on the location; thus, considerable price differences can be observed between Havana and the rest of the country as well as within Havana and depending on the type of construction, similar to countries with a capitalist housing market. In the municipalities of Arroyo Naranjo, Cotorro or Guanabacoa, for example, average prices per square metre are between US\$ 150 and US\$ 200, while in attractive locations such as Havana Vieja, Playa or Plaza de la Revolución, average prices range from over US\$ 650 to US\$ 1,100 (Marcondes Miglioni, 2022).

4 Reflection on both cases

When we highlighted the issue of housing and the role of the state to provide housing within our research project, it quickly became evident that the housing policy goals in both cases are fundamentally very similar, but the strategies are very different.

The examination of housing policy and the control approaches in the two very different systems shows that the question of state or market or planning demands and planning expectations cannot be answered unambiguously in both systems. Both political and planning contexts contain different elements of state intervention and market economy or capitalist logics of utilisation at different levels. They both formulate the claim to provide adequate housing for the population. Society's expectations of the state are correspondingly strong. The two examples from Hamburg and Havana show that the intensity of state intervention in housing provision is volatile and changes depending on political priorities, economic development dynamics and public pressure, even within the respective systems.

Starting from a very liberal housing policy in Hamburg in the 1990s, the public sector has increasingly intervened in the market in Hamburg (and Germany) in recent years. In a certain way, the policy takes up the criticism of the financialization of housing markets formulated from housing research (Aalbers, 2016; Bernt et al., 2017; Jacobs, 2019). Whether this is sufficient in its current form remains to be seen. However, despite the traditional strong roles of the cooperatives and the state housing association in Hamburg, the entire system remains capitalist in principle. Nevertheless, we disagree with the criticism that the housing supply system in Hamburg (and Germany) is in general a neoliberal system (Rinn, 2018; Rossi & Vanolo, 2015; Streeck, 2011). Rather, we argue that Germany has (long) been in a post-neoliberal phase (Springer, 2015; Vogelpohl & Buchholz, 2017), or that the distinction here cannot be made sharply. We showed that the financialisation of the housing market is largely limited to one sub-market (namely the capital and insurance companies); other framework conditions apply to the majority of the Hamburg housing market. On the other hand, in Cuba and Havana we find a socialist system in which the state traditionally determines the essential components of housing provision itself and the private sector (apart from self-construction) has a negligible share in housing production. With the necessary liberalisation steps at the beginning of the 1990s, the private sector in Havana has become increasingly important, up to the liberalisations of 2011 and 2021,

with which market-economy processes and private companies are granted a much greater role in the rehabilitation and new construction of housing. Nevertheless, the Cuban state is keen to maintain the positive aspects of the previous system (little informality, housing as a basic right).

The different intensity of intervention of the two systems is also determined by the property ownership. At the same time, this reflects the different priorities set in the past. Hamburg is traditionally a tenant city, with around half of the city's housing being rented. However, the high proportion of cooperatives has just as much of a dampening effect on the average rent level as the high share of the city-owned housing company SAGA. Nevertheless, the dependence on the private real estate sector remains high. In Havana, rent-to-own and other state subsidies have led to 88% of the housing being owned by the residents. By separating land from the buildings and by still regulating the sale of buildings, the city retains a considerable control function. However, property owners in Havana suffer from the shortage of materials and most of their families have economic limitations, which make it impossible for them to assume the execution of new construction or maintenance of a building (UN-Habitat, 2014), so they generally continue to rely on state subsidies for renovations.

In view of the housing shortage, attempts have been made in both systems to boost housing production. In Hamburg, this has been very successful in recent years due to the favourable economic framework data and financing possibilities, but this has not been able to slow down the increase in rents. In the meantime, with the current turnaround in interest rates and the rise in construction costs, the upswing in housing production in Hamburg has come to a clear end. Despite the state's claim to provide affordable housing, the previous concepts in Hamburg seem to have reached their limits and present the city-state with almost insurmountable tasks. In Hamburg and Germany, the debate about socially acceptable housing provision is mostly centred on the rental housing segment, although experts are in no doubt that even social housing construction will not be able to solve the housing problem in tight markets in the long term due to the time-limited commitment periods. In order to improve the financing conditions for residential construction, Hamburg recently improved the subsidy conditions for the real estate industry (i.e. significantly reduced interest rates for property loans and enabled new depreciation options). At the same time, old urban development ideas from the 1970s are being revived at a national level with the proposal to build new neighbourhoods on greenfield sites, which are met with great disapproval by experts for various reasons (segregation, land sealing, traffic generation, etc.).

In Havana, a number of housing policy instruments were implemented that have been repeatedly discussed in Germany and Hamburg in recent decades. In the case of Havana, the severe restrictions on property ownership and property trading should be emphasised. Above all, the property ownership quota has contributed to the fact that social segregation and social inequality have not yet been able to develop in the same way as in capitalist housing markets. On the other hand, the inadequacies of the system have also become clear in Havana due to the lack of flexibility. The strong migration to Havana has led to the emergence of many informal houses in recent years with the problems typical of Latin America. With the current challenges the strong focus on ownership and subsidisation of housing construction and renovation is reaching its limits. In Havana, the system of housing production in all sectors suffers from the difficult economic framework conditions, which make it difficult for both the state and the private sector to push ahead with housing construction and rehabilitation. Nevertheless, Havana has achieved astonishing successes by heavily subsidising housing construction, but this has on the other hand also led to insufficient refinancing of expenditures. This, in turn,

contributes to the failure to reduce the high backlog in renovation and new housing construction. Therefore, it has not been possible to achieve the figures expected to alleviate the housing market situation in Havana either, and it is currently not foreseeable how this situation could be changed or whether this can be achieved in the near future.

It has thus become clear that the functionality of the two very different systems in terms of financing and housing production is also very much dependent on the framework conditions. In both Hamburg and Havana, fundamental paradigms that have long characterized the national housing system are currently being questioned and have been questioned in the recent past. It has become clear that there appears to be no ideal solution for organizing housing in a socially acceptable way. Rather, it is necessary to react flexibly to the changing framework conditions and to constantly readjust the set screws depending on the challenges and to be fundamentally open to new management approaches. It can be seen that both sides act extremely pragmatically within their system.

The contrast between a market-based model in Germany and a socialist model that fundamentally excludes private-sector elements has now been overcome. However, the aspiration to solve the housing problem remains on both sides. But the process and stakeholder analyses also show that it is difficult for both case study cities to break out of established structures and fundamentally question outdated regulatory systems. In addition, the qualitative path analyses make it clear that the evaluation of measures or decisions taken can only be carried out in the context of the overall social and economic situation and in the respective regional context (Europe and Latin America) (Robinson, 2011).

It has become clear that there is a gap between the governance aspiration of the respective political-administrative planning system and the governance expectations of the affected actors and citizens in both systems. In this article, we have used a largely qualitative research design to approach the topic of housing provision primarily through the components of ownership, financing and housing production. In our view, there is a need for further research to focus even more on the social conditions and possibilities of securing housing supply and to place a stronger emphasis on the implementation processes on the ground. It would be interesting to highlight which cultural and social factors are of particular importance in the provision of housing. This could also consider how residents deal with the strategies and guiding principles of the respective political-administrative system and how they deal with the opportunities that the respective system gives them. The comparison of these two most-different-cases has also made it clear how important it is to combine housing policy demands with housing industry, real estate challenges and urban planning perspectives (Atkinson & Jacobs, 2022). It has become clear that one of the major challenges in housing construction is not only the regulation of rental housing, but that the debates on financing and ownership models (in both systems) should also be given much greater focus (Leetmaa & Bernt, 2023; Czychke & van Bortel, 2018; Marin et al., 2023).

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