

# HOUSING as a FACTOR in SOCIAL EXCLUSION: VENICE Case Study

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December 12th, 2022



**SMARTDEST**  
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**Development and**  
**Preservation through**  
**Technology**

**VENICE**  
**PROJECT**  
**CENTER**

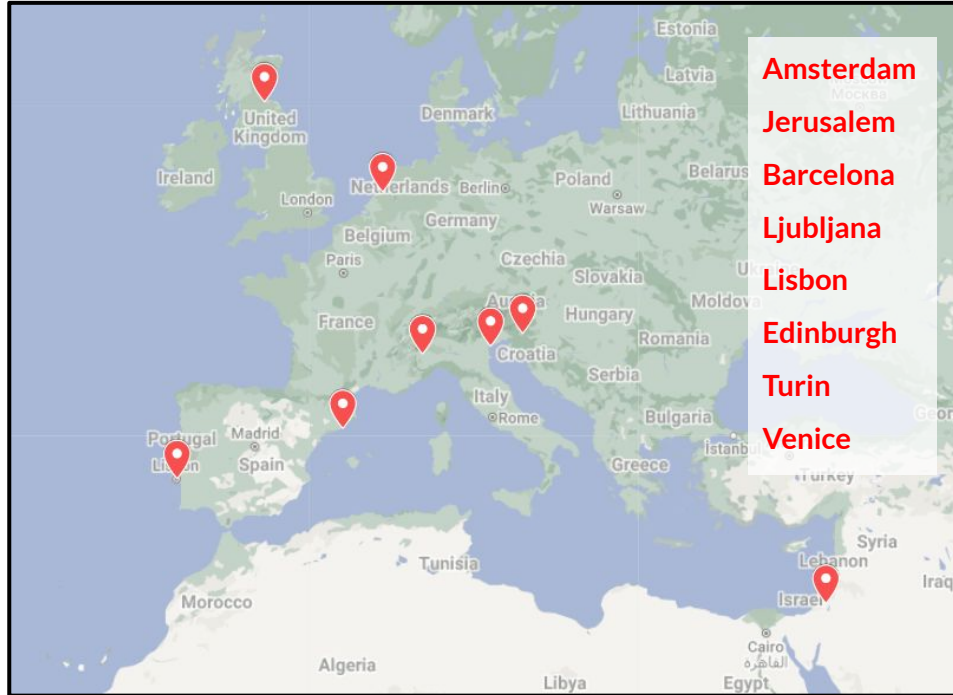


**WPI**



# SmartDest Project (EU-H2020)

SMARTDEST



SMARTDEST



CITIES AS MOBILITY HUBS:  
TACKLING SOCIAL EXCLUSION THROUGH  
'SMART' CITIZEN ENGAGEMENT

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IGOT Instituto de Geografia  
e Ordenamento do Território  
UNIVERSIDADE DE LISBOA



University of  
Strathclyde



SerenDPT

## Exclusion of RESIDENTS

1. Quality and Diversity of **JOBS**
2. Quality and Cost of **HOUSING**
3. Speed and Cost of  
**TRANSPORTATION**






## Exclusion of RESIDENTS

1. Quality and Diversity of JOBS
- 2. Quality and Cost of HOUSING**
3. Speed and Cost of  
TRANSPORTATION

# Housing project goal

A photograph of a narrow Venetian canal. In the center, a small, ornate black metal bridge spans the water. The buildings on either side are multi-story, with various window styles and colors. The water is dark and reflects the surrounding architecture and the sky. A person is visible on the bridge. The overall scene is typical of Venice's unique urban landscape.

**Our goal is to verify and collect new and accurate data on Venetian housing trends and to publish our results in a central and accessible location**

# We aimed to answer 4 main questions

**WHAT ARE THE  
TYPES OF  
HOUSING?**

**HOW MANY  
HOUSES ARE IN  
VENICE?**

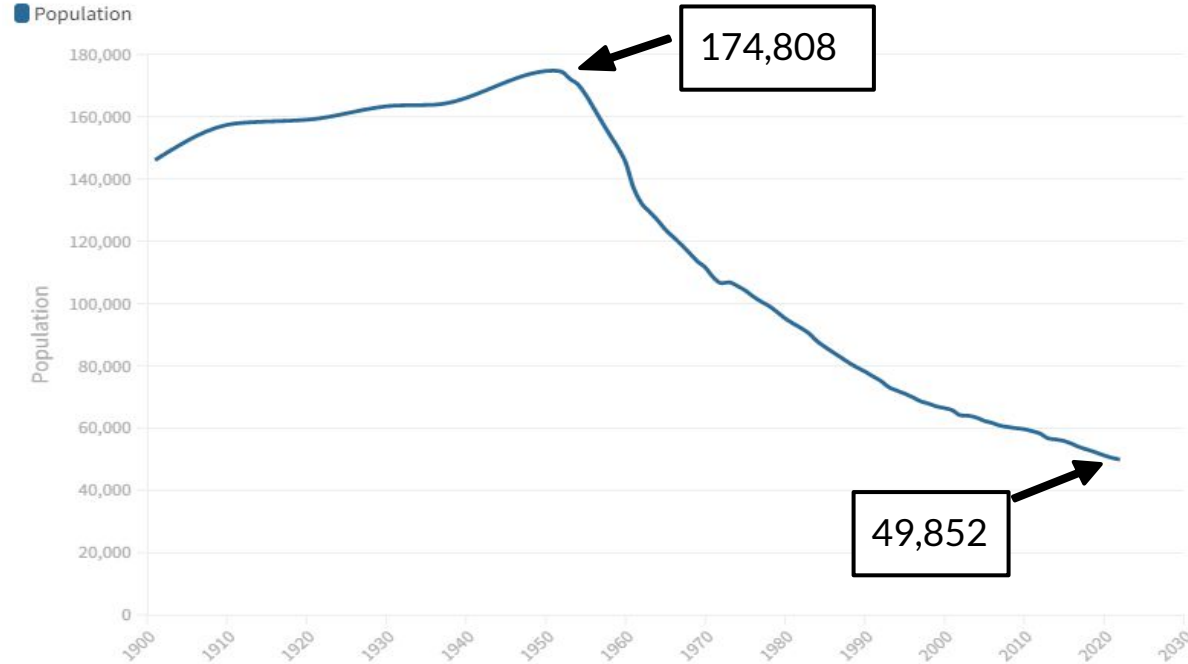
**HOW MUCH IS  
AVAILABLE TO  
RESIDENTS?**

**WHAT IS THEIR  
AFFORDABILITY?**



# Population decrease in Venice

**Venice Historic Center Population Since 1901**



Since the mid 20th century, the population of Venice has **decreased by roughly 125,000** people. The peak of the population was in 1951 when it was 175,000 people, while now in 2022, the population has dropped just below 50,000.

With this major depopulation, people say that there should be a large amount of housing left vacant and available for new people to move into the city, however housing is often blamed for depopulation.

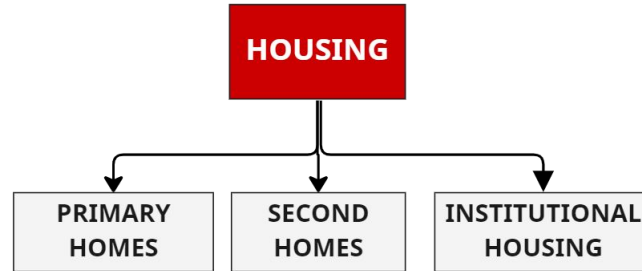
Comune di Venezia

# What are the types of housing in Venice?



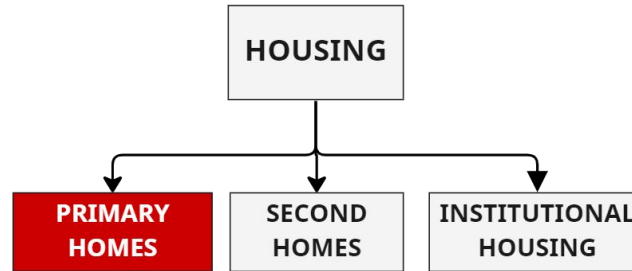


# Venetian Housing Breakdown



All homes in Venice are owned by some individual or an organization. These individuals then can decide what the uses of these properties will be. Many people buy a home and use it as their primary home, while others buy homes as a second home to use as a private vacation home, or a rental property for tourists or long-term residents. There are 3 main categories of housing, listed above. These are: primary homes, second homes, and institutional housing.

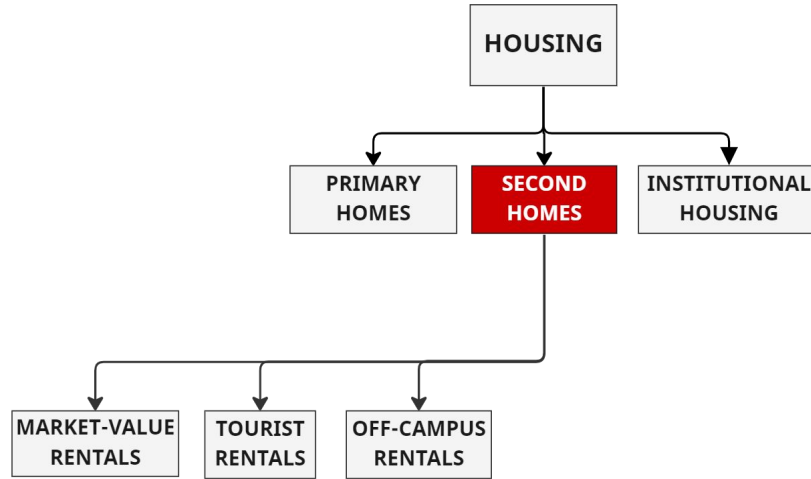
# Primary Homes



The first category is primary homes. These are homes that a resident owns and uses as their main and primary address. These are typically sold at market-value prices by real estate agencies or other individuals. These homes are not typically rented out to visitors or long-term renters.

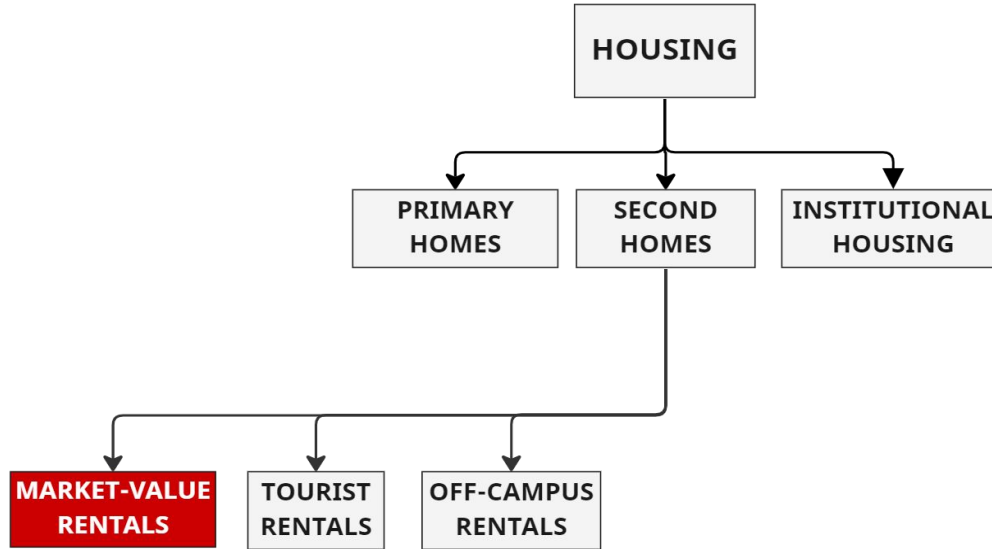
Primary homes are the most common type of home, and can be found in all regions of the city.

# Second Homes



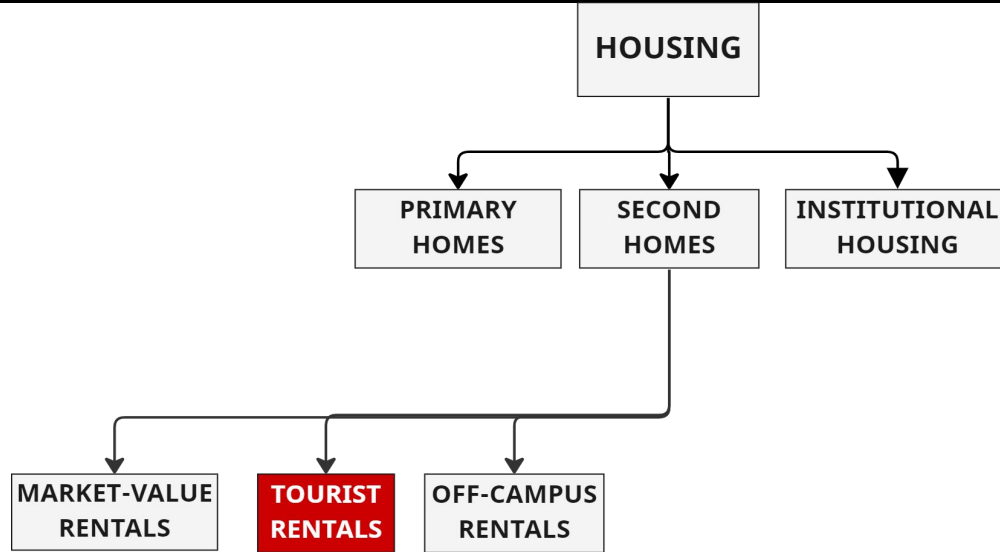
Second homes are other homes owned by someone that are not listed as an individual's primary home. The owner could be a resident of the city, or be from somewhere else in Italy, or another part of the world. These homeowners are able to rent these out as long-term rentals to residents or as short-term rentals to tourists, or they could keep the home as a private vacation home in the city. There are many of these that can be found throughout the city as well.





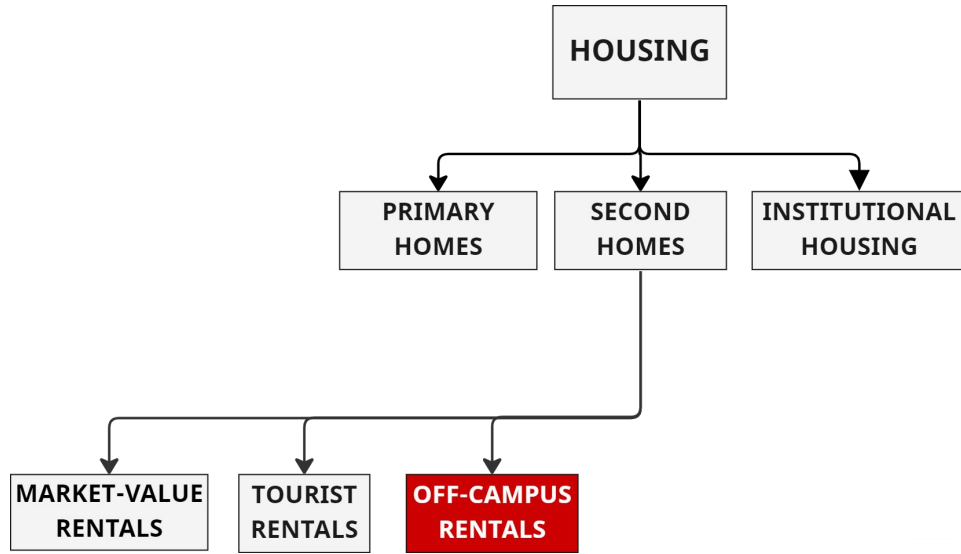
Market-value rentals are homes that are rented out long-term to residents of the city at a market-value price. Market-value prices are prices that are determined by the housing market at the time. Market prices tend to fluctuate over time. When a second home owner chooses to rent out this property to a long-term resident, there are rental agreements and legal contracts that are acknowledged and filed, as well as laws protecting these long-term renters.

# Tourist Rentals



The majority of the total number of second homes are listed as short-term tourist rentals. Tourist rentals are homes that are rented out to visitors of the city for short periods of time. These are typically only rented out for a few nights at a time. These short-term rentals are rented out by homeowners on websites such as AirBNB or Vrbo.

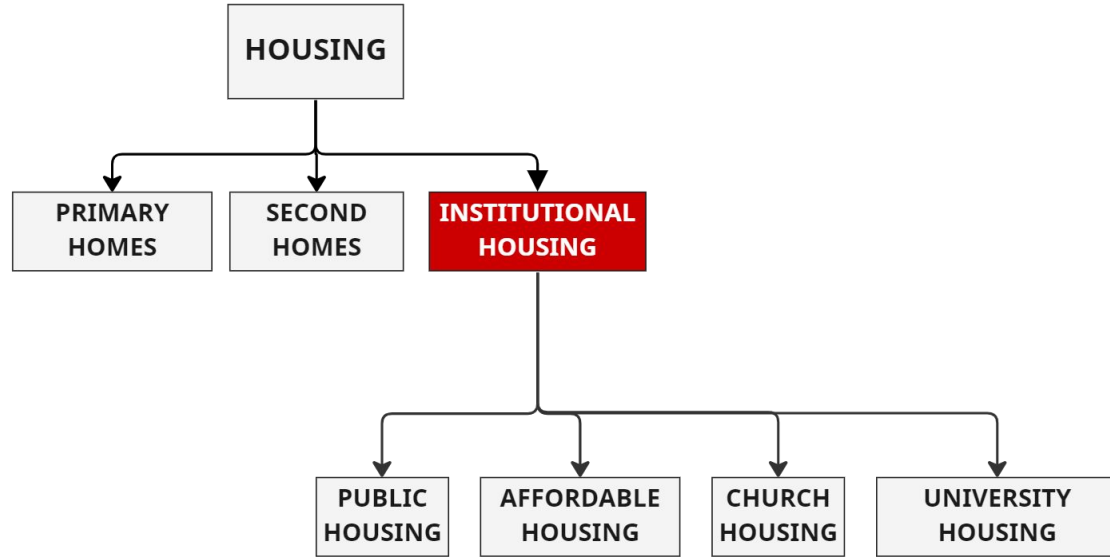
# Off-Campus Rentals



The last section of second home rental housing are off-campus rentals. Off-campus rentals are homes that are rented by students at the local universities. These are homes that are privately owned by people, not one of the universities. It is very common for students who want to live near the university to rent privately rather than rent through the university, as there are not many housing options made available by the universities.

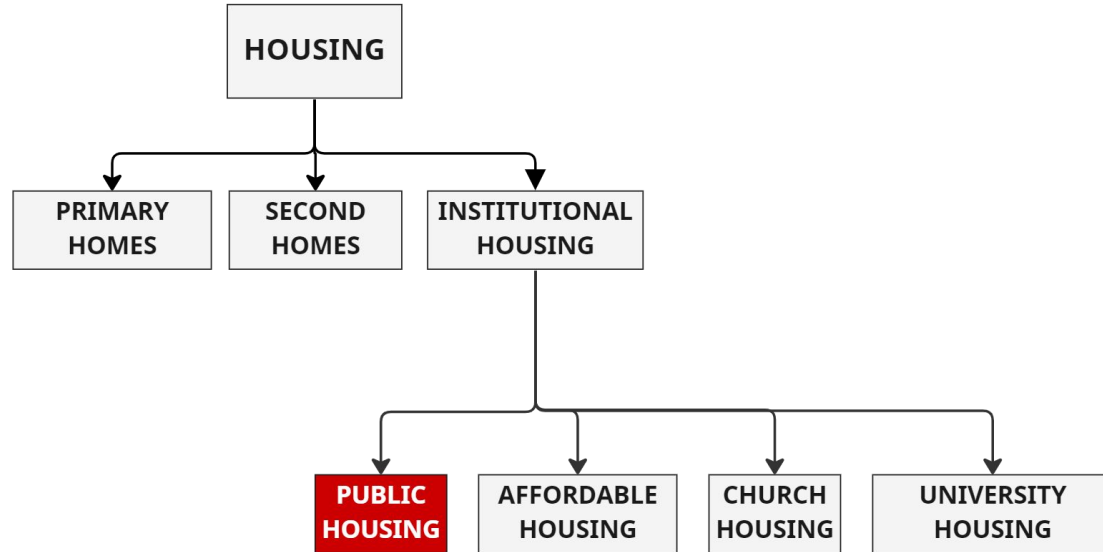


# Institutional Housing



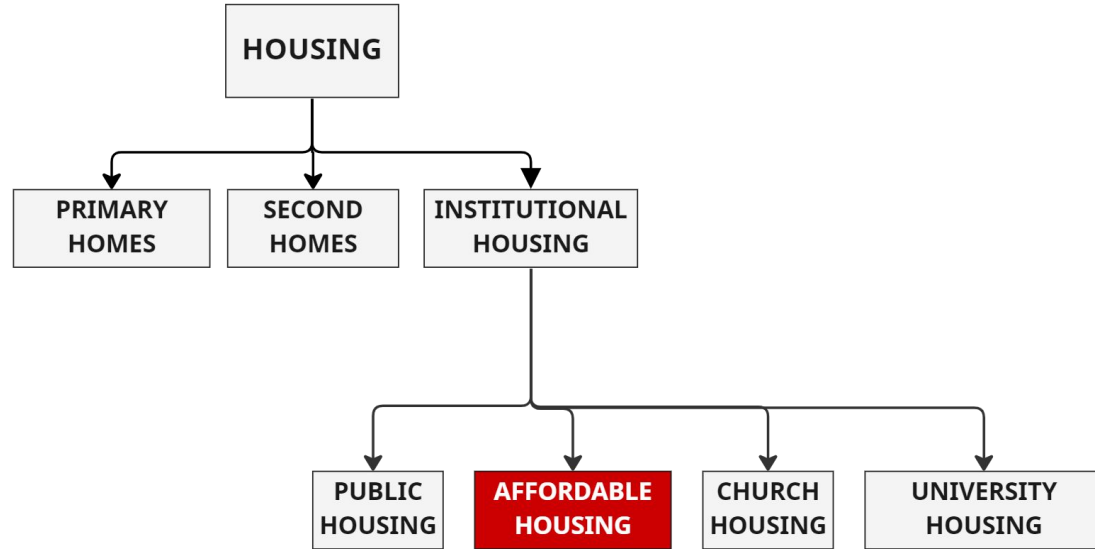
The last main category of housing is institutional housing. Institutional housing are homes that are owned by larger entities. These entities consist of the city, universities, public housing authorities, and even the Catholic Church. These managing entities control the properties and decide who is eligible to rent their homes.

# Public Housing



The first type of institution housing is public housing. Public housing are homes that are rented out to residents with a lower income. These are rented at lower costs and are managed by housing authorities that are typically funded by the government. In order to qualify for public housing, the maximum household income cannot exceed €20,755. Some of the major entities that control public housing in Venice include Comune, ERP, ATER, IPAV (IRE), and IVE.

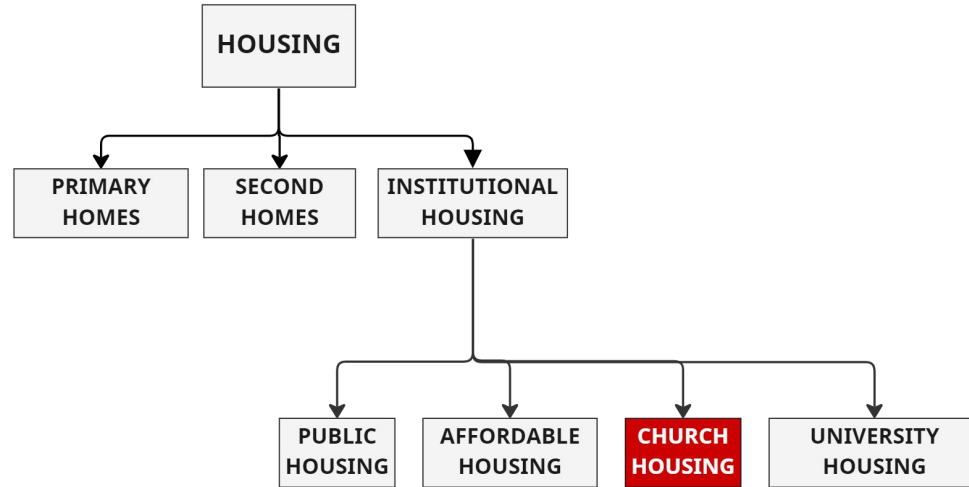
# Affordable Housing



The next type of institutional housing is affordable housing. Affordable housing is housing that is meant for residents not able to compete with the current housing market rates, and cannot afford to buy a home at a current market price. These homes are typically available to be purchased, however they are created and controlled by agencies similar to public housing. The most prominent affordable housing authority in the city is ATER.

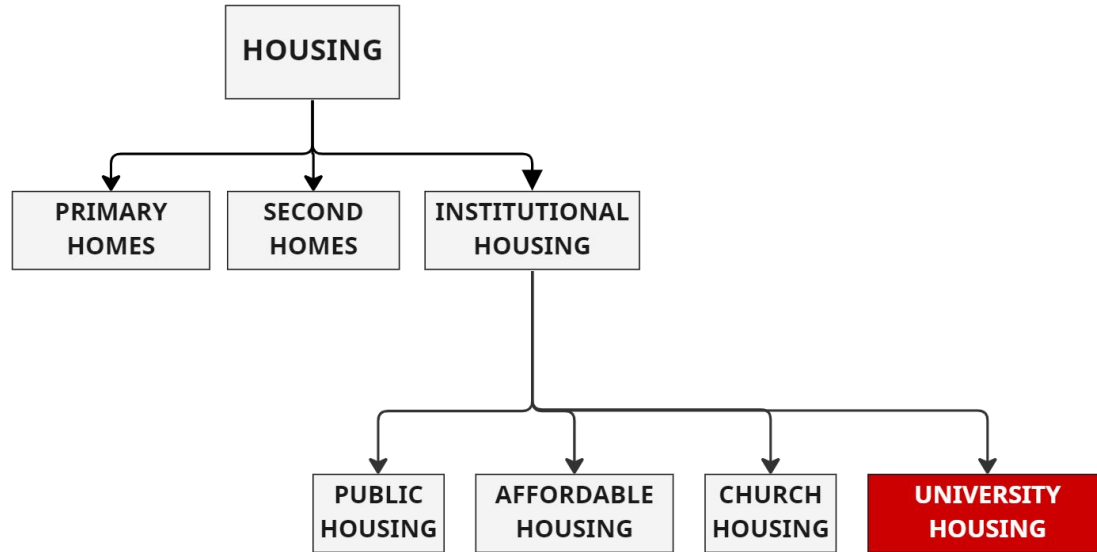


# Church Owned Housing



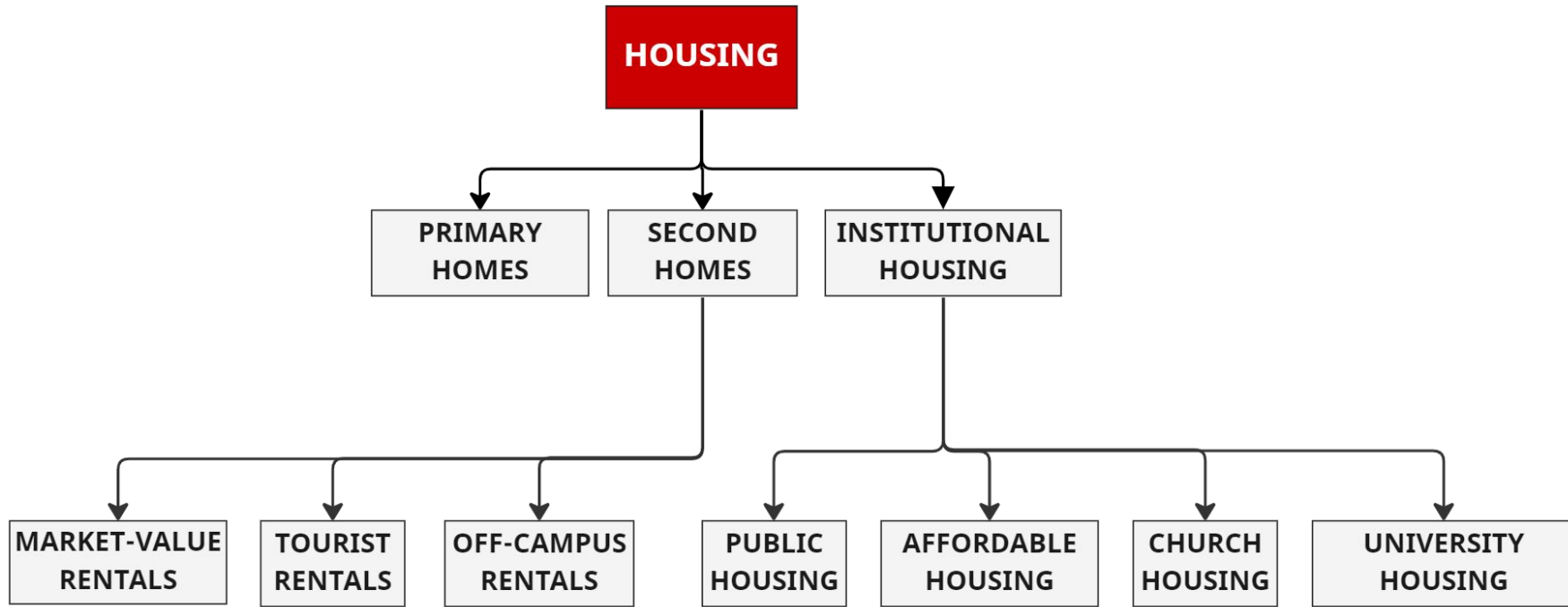
The third type of institutional housing is church-owned housing. Church-owned housing are homes throughout the city that are owned by the Catholic Church or other church related organizations. These homes are managed by the governing body of the Catholic Church, which is the Curia. They are typically rented out to individuals in need, as well as tourists, visitors attending church retreats, and anyone else who qualifies based on their needs and requirements.

# University Owned Housing



The last type of institutional housing is university-owned housing. University-owned homes are dorm-style living facilities for students attending universities in Venice. This is a popular option for students trying to save as money, because it is generally a cheaper option than renting an off-campus home. These dormitories are owned by the universities located in Venice. These are the Università Ca' Foscari and IUAV.

# Total housing types flowchart

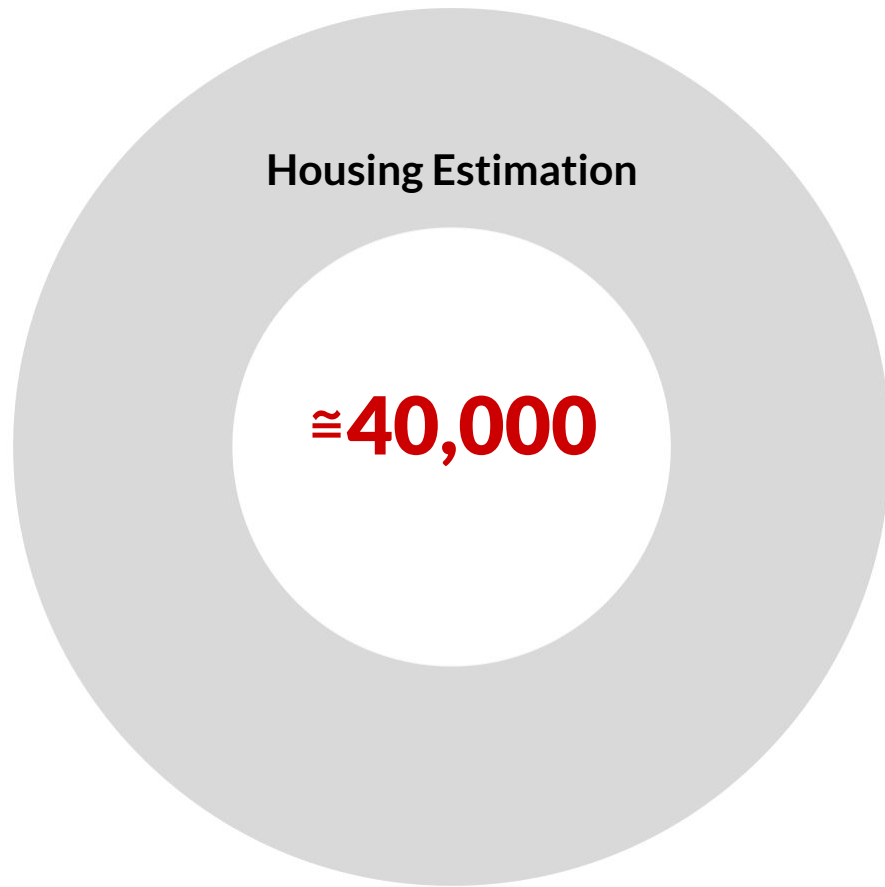


This flowchart shows the entire housing breakdown and what sections and types of housing that will be covered in this report.

# What is the current housing stock?



# Initially we estimated there are about 40,000 homes



## DETERMINING THE ESTIMATE

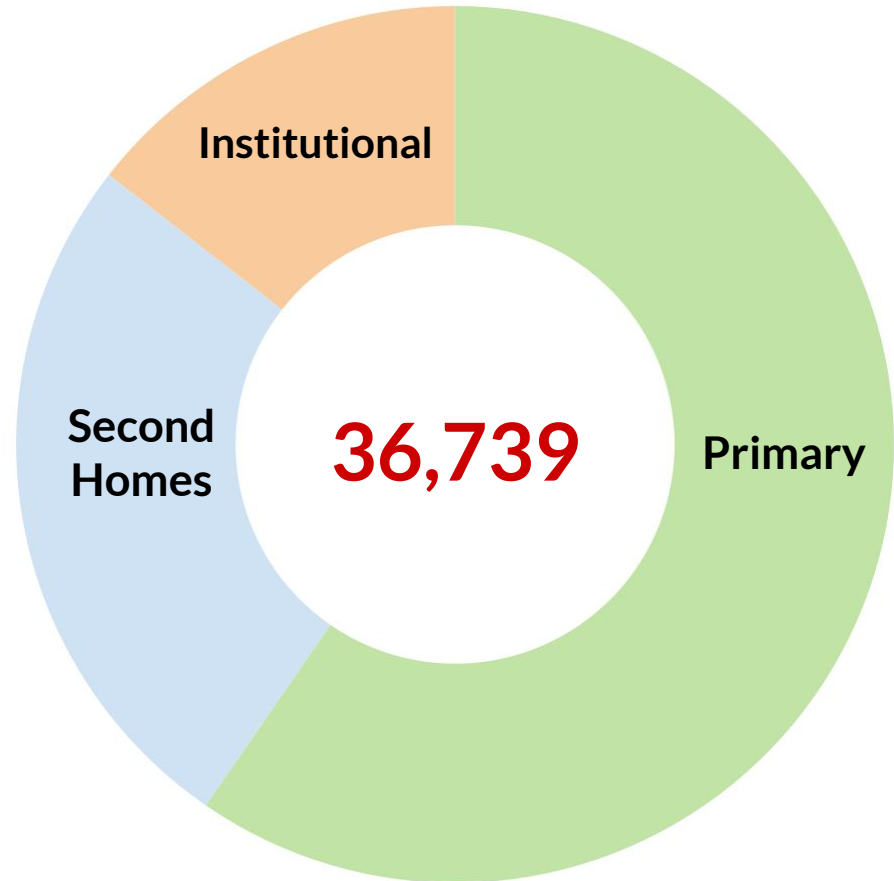
This total housing estimation was based on the current population of 49,852 and median household size of 1.8, as well as housing for non-residents who are visiting the city.

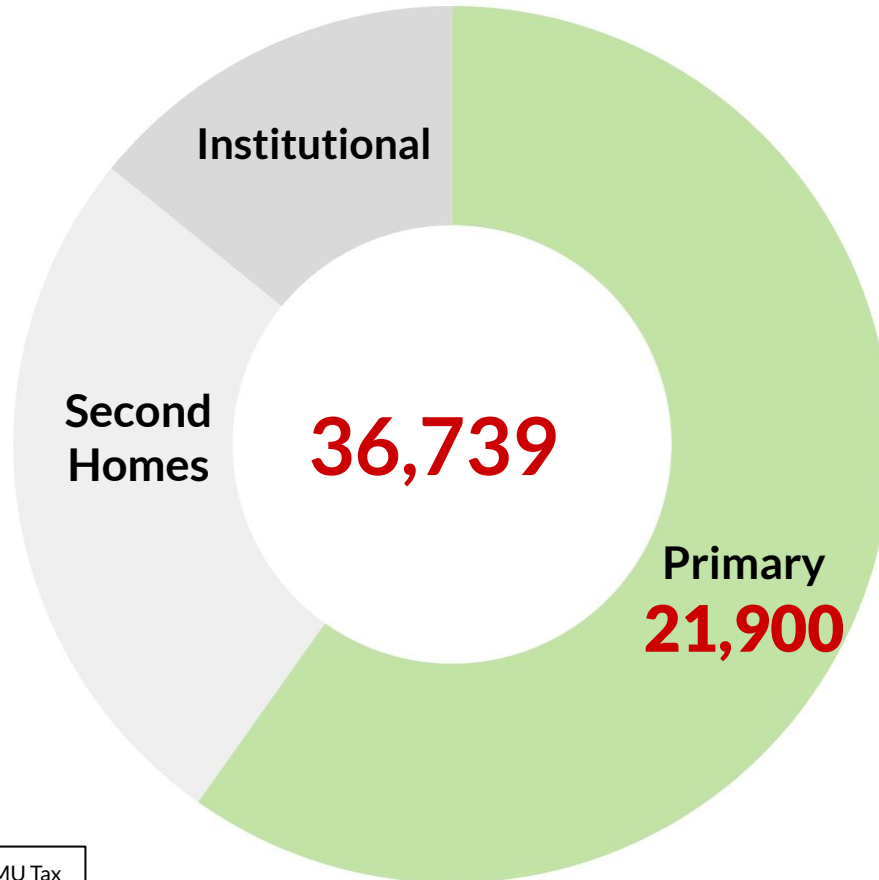


# We calculated the total housing stock as the sum of the 3 main housing categories

## TOTAL ACCOUNTED PROPERTIES

This total housing estimation was based on what was found and able to be accounted for. The total accounted properties is **36,739** homes.





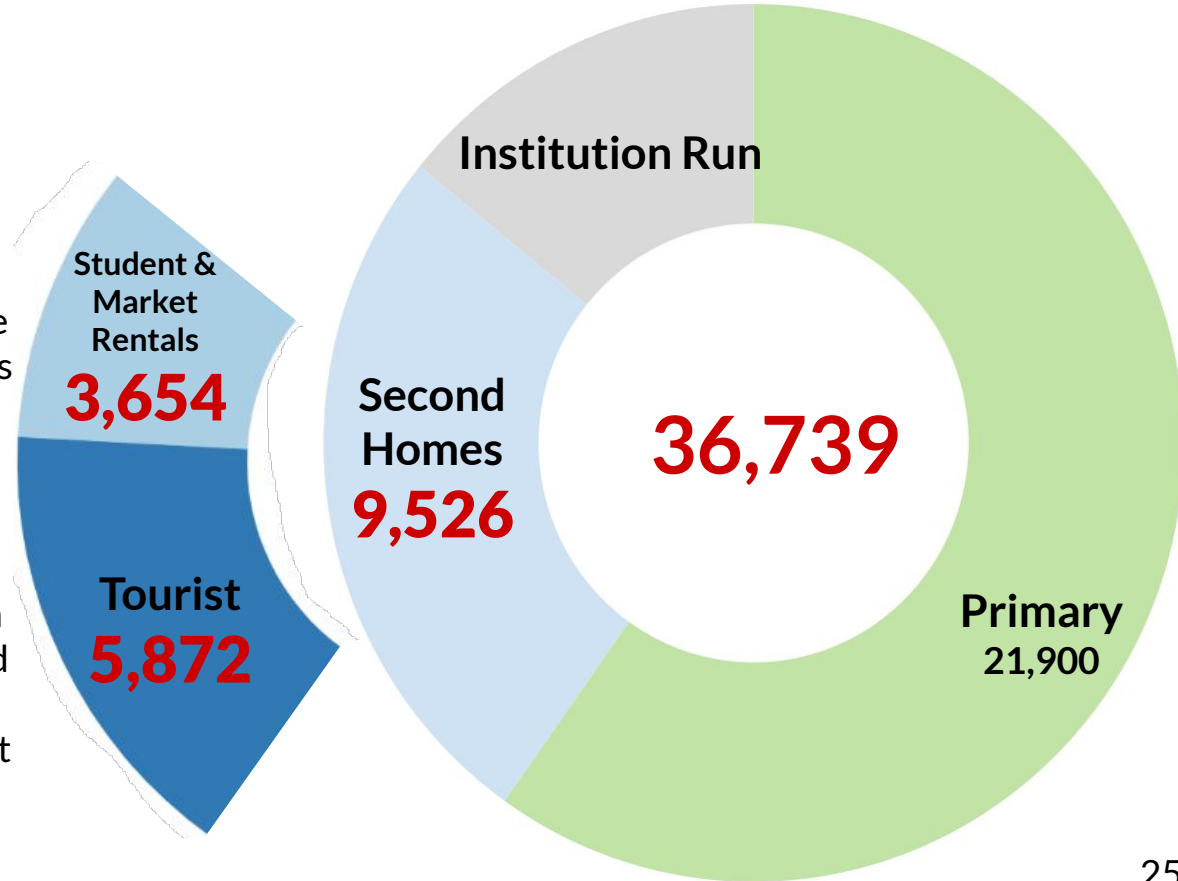
## DETERMINING STOCK OF PRIMARY HOMES

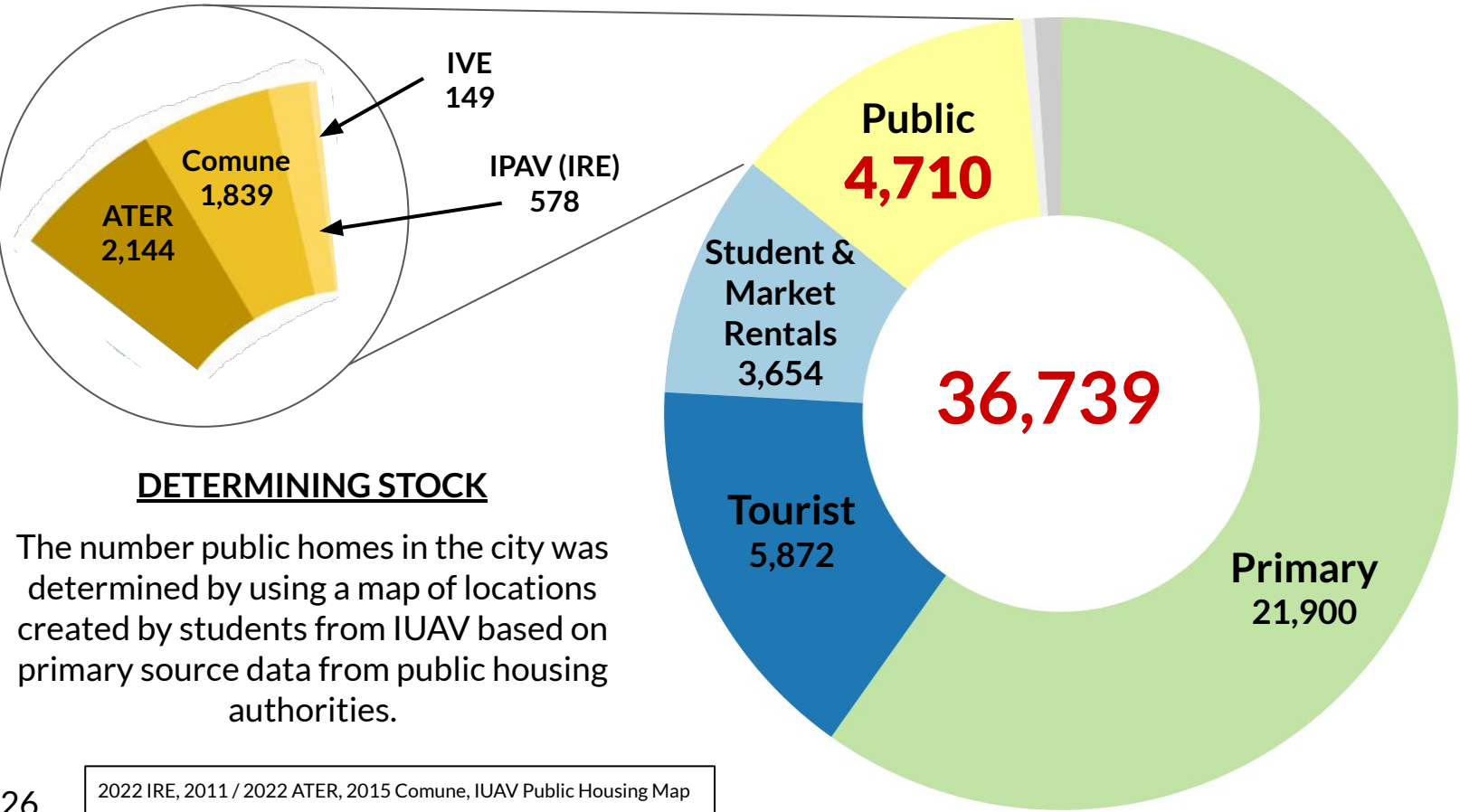
This number of primary homes was determined by analyzing the 2016 IMU tax data, which is the property tax that all homeowners in Venice pay. The tax rate differs between primary homes and second homes.

## DETERMINING STOCK

This number of second homes was determined by using the IMU property tax, similarly to finding primary homes, because the tax rate on a second home is higher than a primary home.

Then, with the 9,526 second homes accounted for, there were 5,872 listed short-term rentals on Inside AirBNB which left the remaining 3,654 second homes to be used as market-value rentals or student rentals.



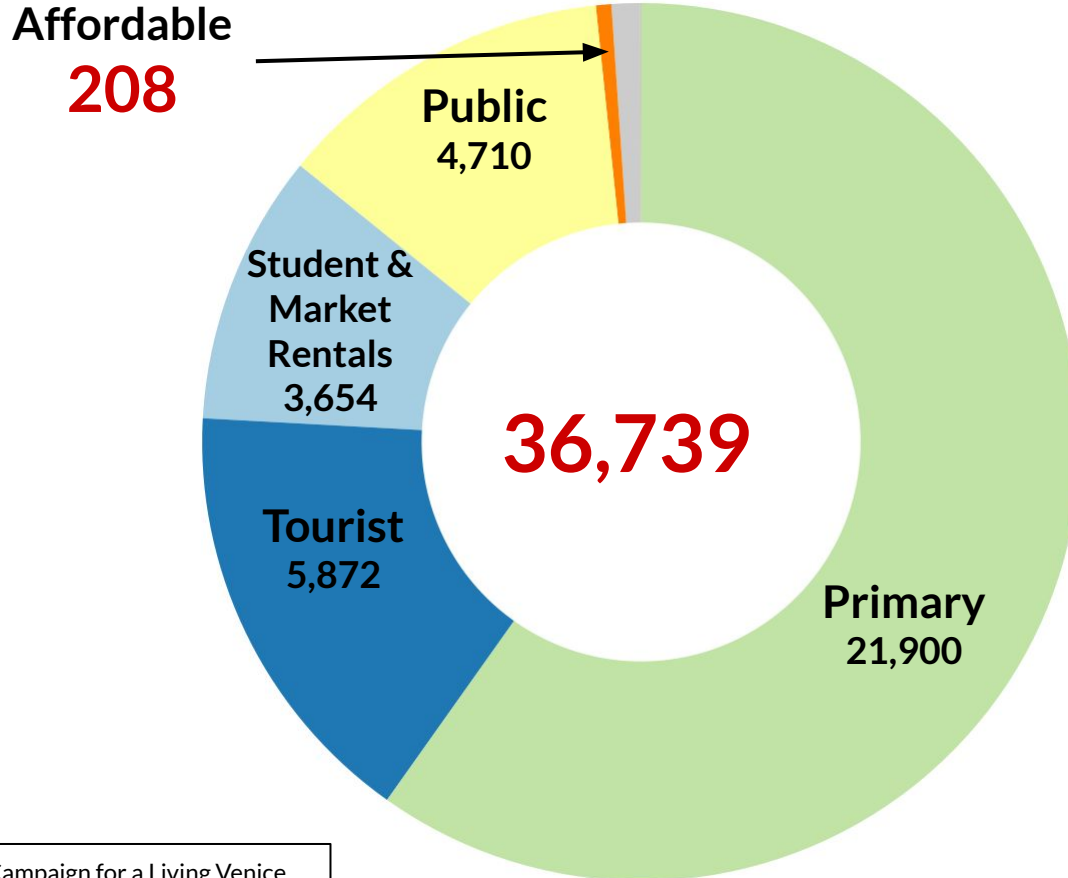


## DETERMINING STOCK

The number public homes in the city was determined by using a map of locations created by students from IUAV based on primary source data from public housing authorities.

2022 IRE, 2011 / 2022 ATER, 2015 Comune, IUAV Public Housing Map

# Affordable Housing

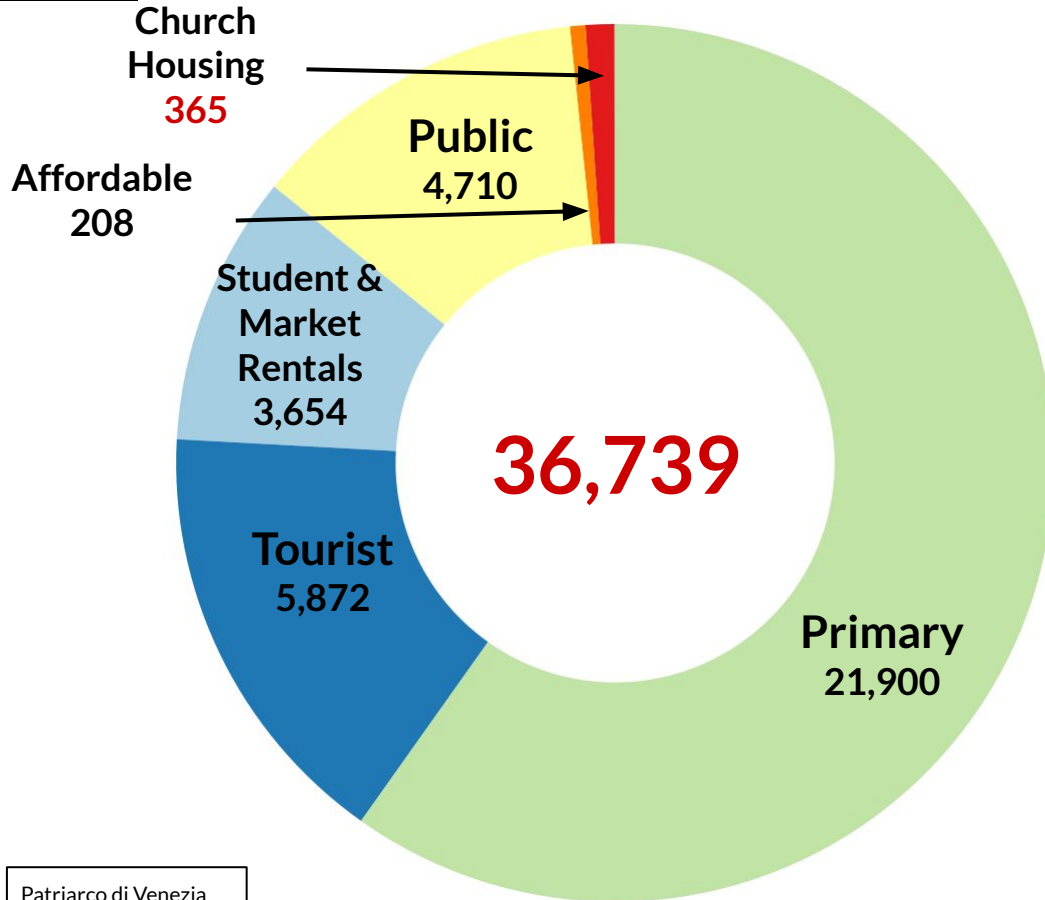


## DETERMINING STOCK

The number of affordable homes were determined from a graph created by OCIO using reports created by ATER that showed that only 208 affordable homes were in Venice even though in 2011 there were 1,008 affordable homes approved and funded for ATER.



# Church Housing

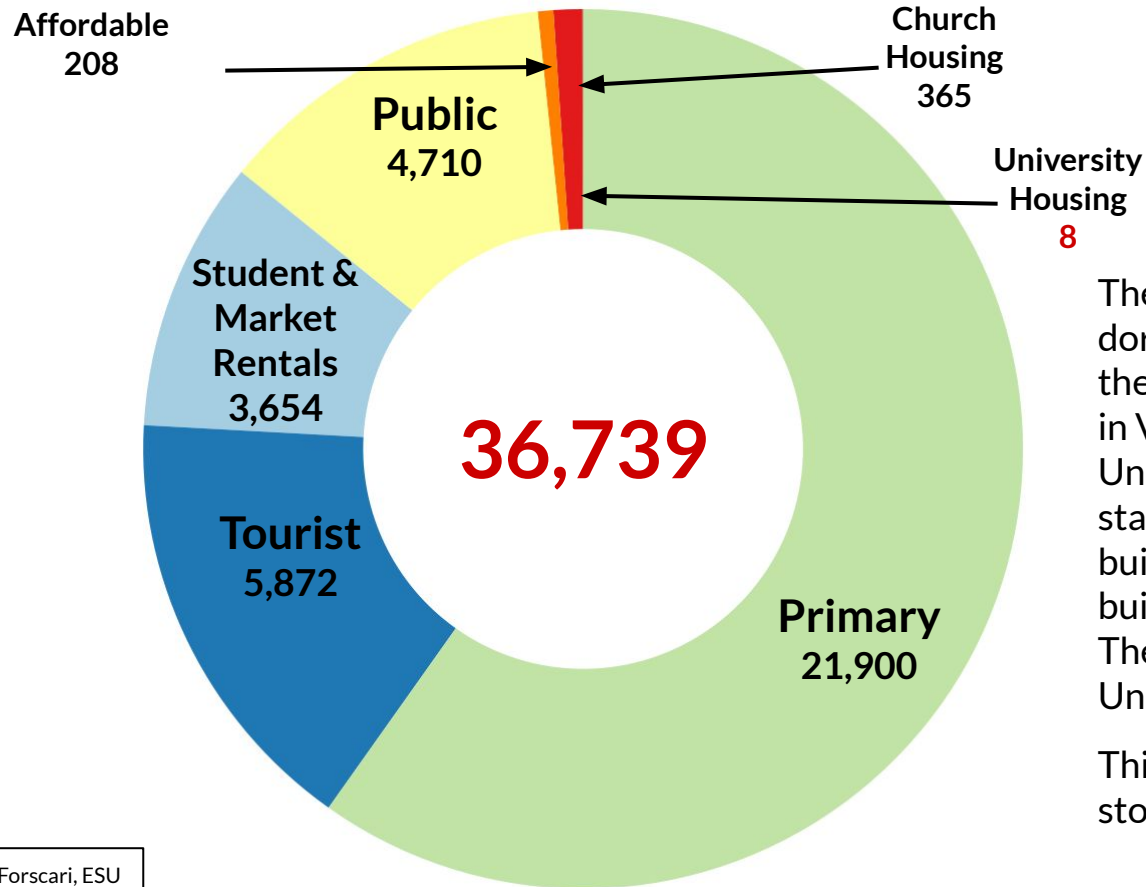


## DETERMINING STOCK

The number of church-owned homes was determined by using the Patriarcato di Venezia website to find the locations and various uses of church homes.

The Ministero dell'Economia e delle Finanze also had listed the number of homes owned by the church based on the tax code used for church-owned properties.

# University Housing



## DETERMINING STOCK

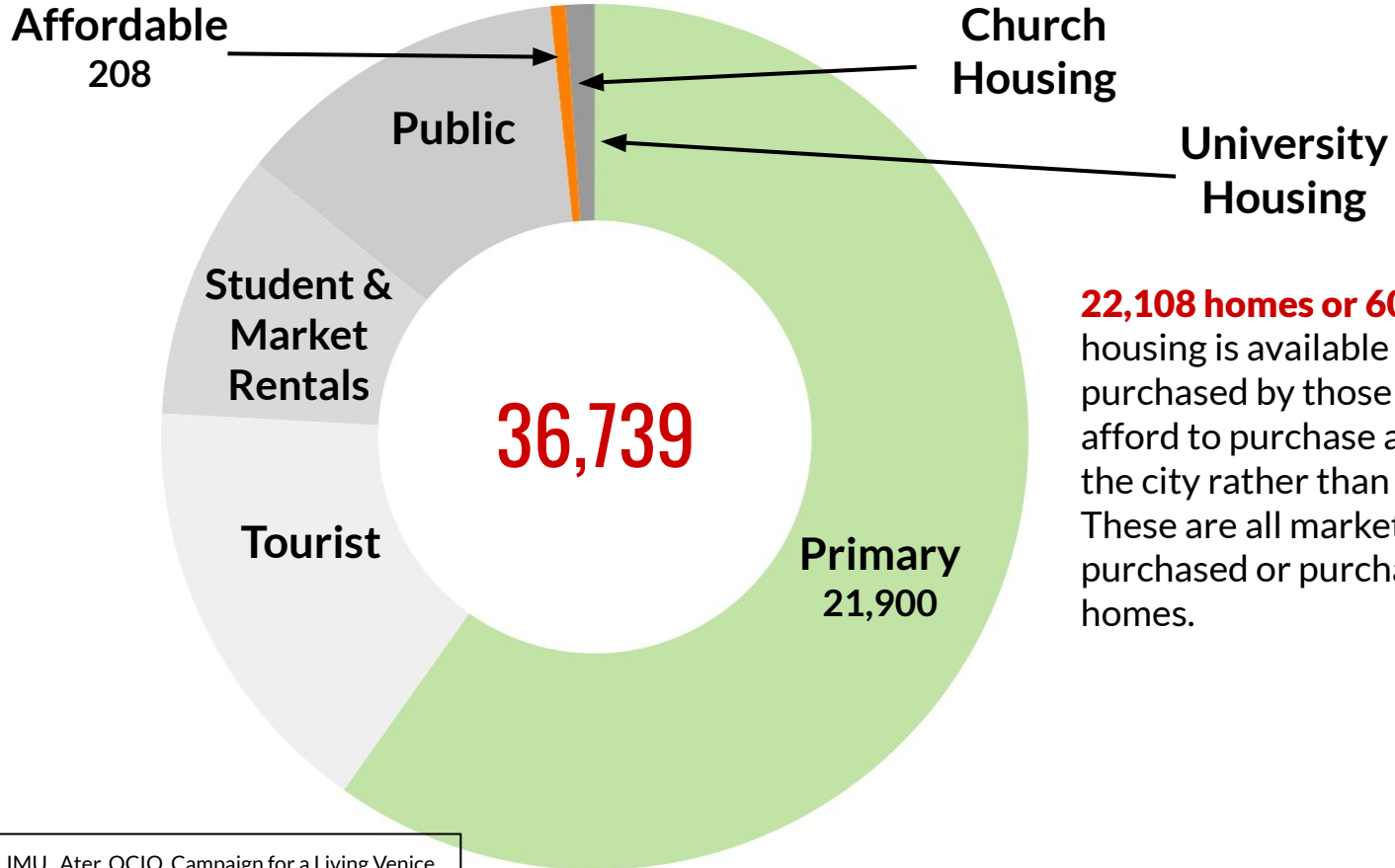
The number of university-owned dormitory facilities was found on the websites for the universities in Venice. Mainly from the Università Ca'Foscari where it stated that there are 8 dorm buildings, and across these buildings there are 1,185 beds. These are for students attending Università Ca'Foscari.

This makes up the total housing stock breakdown in Venice.

# What housing is available to residents?



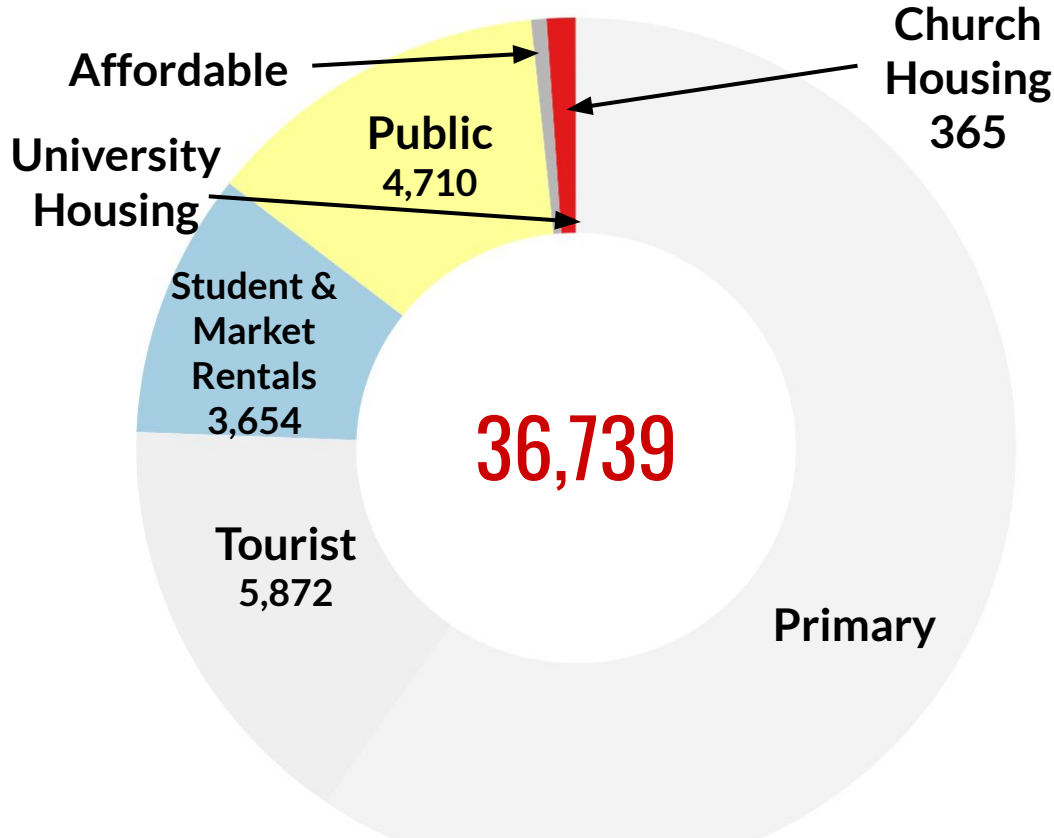
# There are 22,108 homes are owned by residents



**22,108 homes or 60%** of housing is available to be purchased by those who can afford to purchase a home in the city rather than rent. These are all market value purchased or purchasable homes.



# There are 8,364 rentals available to residents

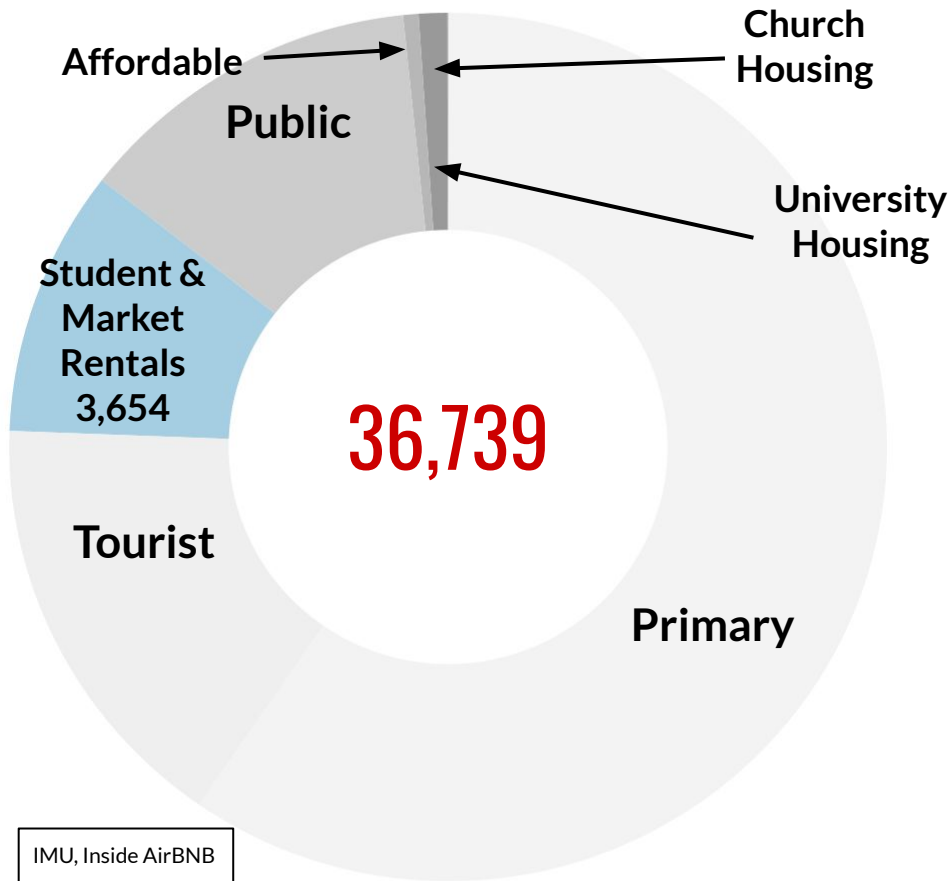


There are currently a total of 8,364 homes available to rent. 3,654 are market value and student rentals, 4,710 are public, and 365 are church-owned. These homes are all currently being used as rental properties in the city, however not all of these are available to every resident.

The public housing options are only available for those making less than €20,755 per year. The church-owned have their own requirements that the renter must meet. Anyone who doesn't fit into these categories is only able to rent market-value rentals.



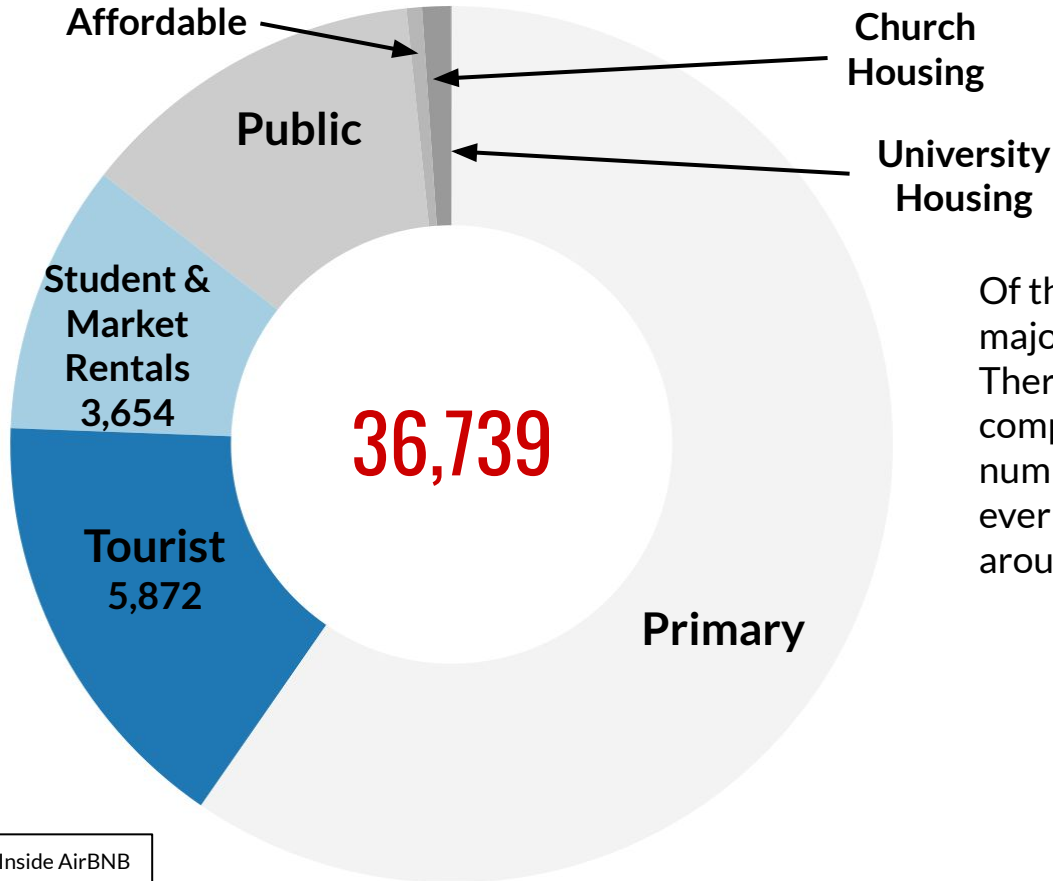
# There are 3,654 rentable homes for middle income Venetians



In the city, there are 3,654 student and market-value rentals. These are available for anyone making over €20,755 per year, because they would not be eligible for public housing options. These are the only options available for people making more than what the minimum salary required for public housing is. This would make it hard for people who are making just over the maximum salary required for public housing because the market-valued rental homes may still not be affordable for them.

IMU, Inside AirBNB

# There's more could be more rental properties

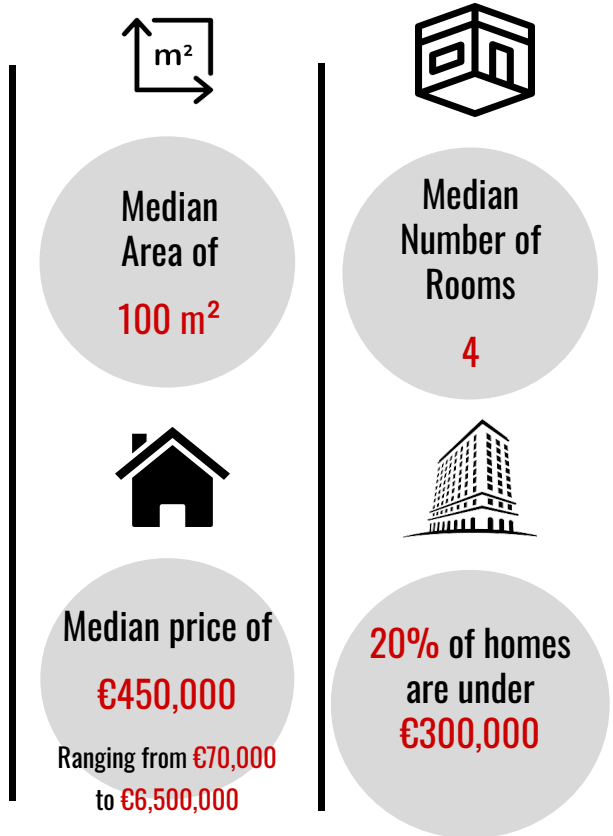


Of the total 9,526 second homes, the majority are Airbnb short-term rentals. There are far more Airbnb's in the city compared to long-term rentals. This number has been increasing over time, ever since the rise of short-term rentals around 2000.

# Is housing affordable for Venetians?



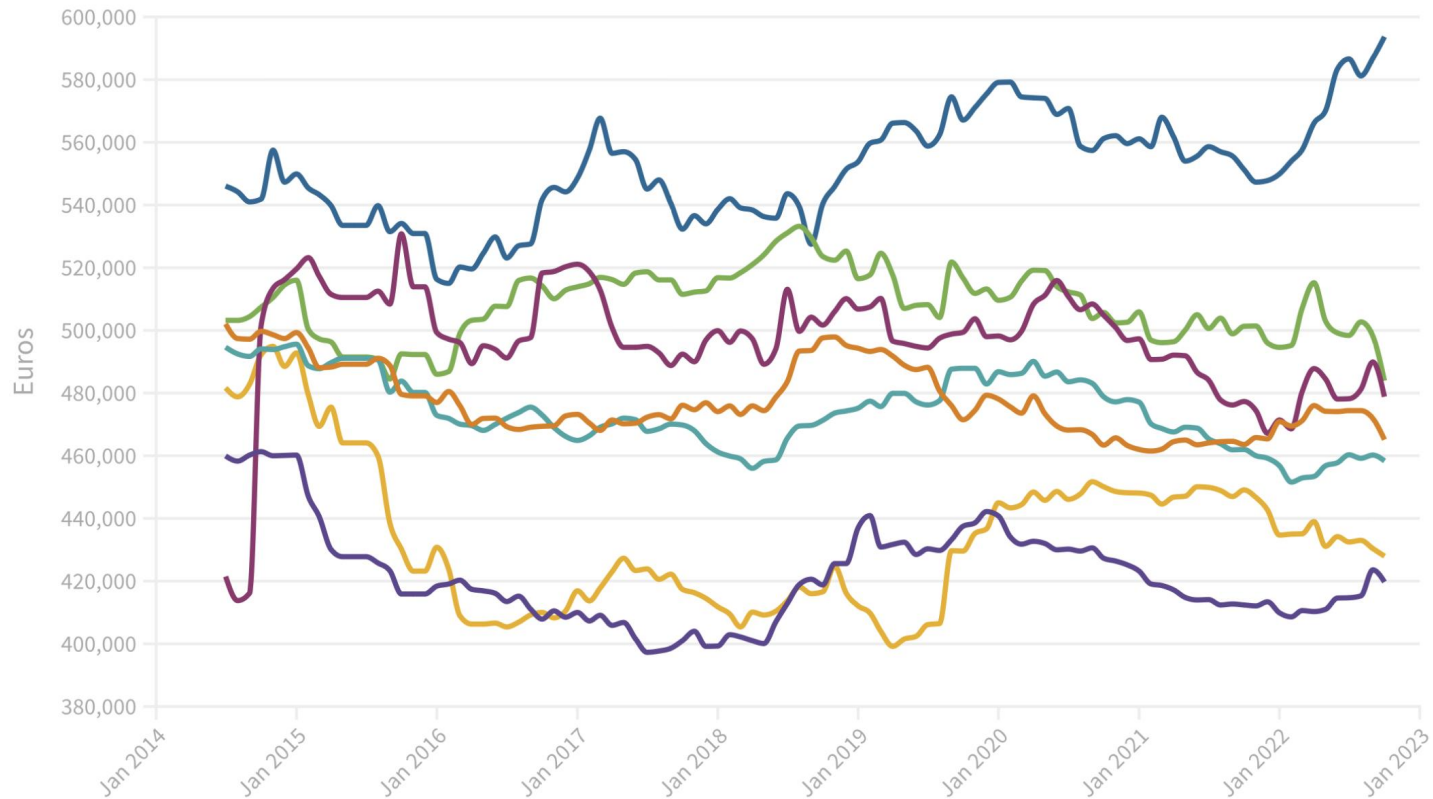
# Homes for sale in Venice



The median price of a home listed for purchase on Immobiliare.it in the historic center of Venice was €450,000. The median apartment size was 100m<sup>2</sup> and the median number of rooms was 4. These are not the number of bedrooms, this is only the number of livable rooms, therefore this could be a kitchen, dining area, and two bedrooms, or any other combination of room types. Only 20% of the homes listed are priced below €300,000.

# Average Sale Price of a 100 m<sup>2</sup> Home Over Last 8 Years

San Marco, Rialto Giudecca Dorsoduro, Santa Marta San Polo, Santa Croce Santi Apostoli, San Canciano  
Santa Maria Formosa Giardini della Biennale, Sant'Elena



Source: [Immobiliare](#), [Get the Data](#), Elaborato da WPI VPC Housing Team



## MEDIAN SINGLE INCOME IS €28,000

With this being the median income, this means the average Venetian makes **€2,333 per month**. It is a common rule that you should not spend more than  $\frac{1}{3}$  of your total salary on housing. This means that a home for a single income household should not cost more than **€778** per month. This price doubles, to **€1,556**, when the rule is applied to a dual income household. Keep in mind that these exact prices are based on individuals who are making only the average salary. The price could increase or decrease based on income.

## SINGLE INCOME

Maximum price affordable: **€168,750**

This is the maximum house price that can be afforded by an individual making the median salary of €28,000. Assuming they can pay the **€33,750** down payment which is 20% of the total house cost, and the remainder will be the mortgage payment. Of the total 1529 listings on Immobiliare.it from November 22nd, 2022, we found that there were only 32 listings below this price. These were the cheapest listings on Immobiliare.it.



Immobiliare.it

## DUAL INCOME

Max price affordable: **€337,500**

This is the maximum house price that can be afforded by a dual income household making the median salary of €28,000 each. Assuming they can pay the **€67,500** down payment which is 20% of the total house cost, and the remainder will be the mortgage payment. Of the total 1529 listings on Immobiliare.it from November 22nd, 2022, we found that there were only 420 listings below this price. These were including the 32 listings affordable for single average income on Immobiliare.it. Despite there being a larger number of these affordable for-sale homes, many of these are far too small to house families, which is what most dual income households would be.



# Based on their salary ...

## \$28,000 SINGLE INCOME

Max Monthly Payment: €778

Interest rate: 3.36%

Loan period: 20 Years

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Maximum Mortgage: €135,000

20% down payment: +€33,750

Max Home Price: €168,750

## DUAL INCOME (x 2)

Max Home Price: €337,500

## Dual Income

For dual income households making the average salary, there were 420 possible homes in their price range of €337,500. Of these 420 properties, the average size was 3 rooms, and only 1 bathroom. The average size was 65m<sup>2</sup>, which is far too small for a family to be living it. Many appeared to need some sort of renovation as many of the properties are outdated or dilapidated. They must also be able to pay the 20% down payment of €67,500, which would be difficult for a couple making only the average salary.

## Median Priced Home



The minimum salary that would be required to purchase this home is €74,000 per year. This is compared to the single resident average salary of €28,000 and even a dual income household making the average income of €56,000. This shows that homes in the city may not be affordable for most residents. Despite them not being affordable, there are plenty of homes for sale that are available.

# Homes available to rent in Venice



Median rent of

**€1,275**

Ranging from **€600**  
to **€6,500**



Median Area of

**75 m<sup>2</sup>**



Median Number  
of Rooms

**3**



**30%** of homes

are under

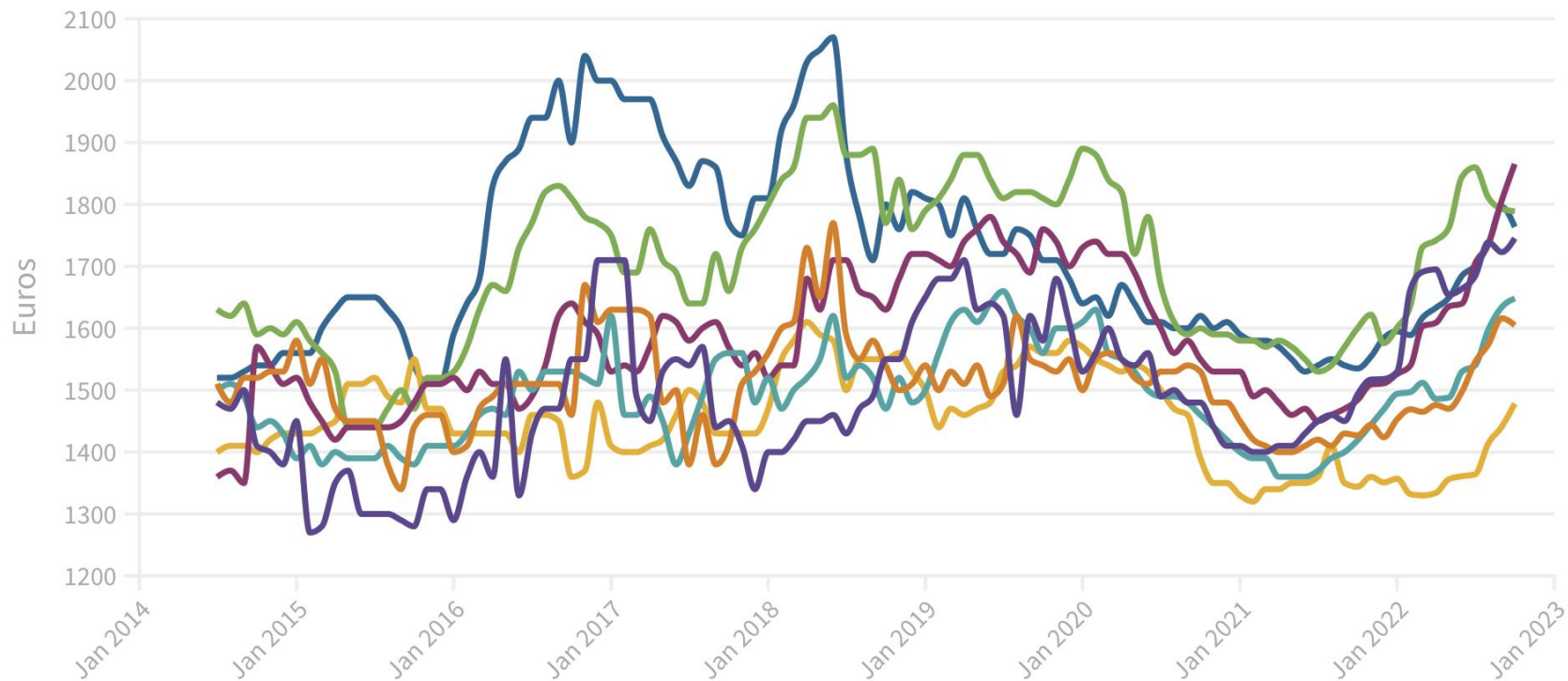
**€1,000**

The median price of a home listed for rent on Immobiliare.it in the historic center of Venice was €1,275. The median apartment size was 75m<sup>2</sup> and the median number of rooms was 3. These are not the number of bedrooms, this is only the number of livable rooms, therefore this could be a kitchen, dining area, and two bedrooms, or any other combination of room types. Only 30% of the homes listed are priced below €1,000 per month. The leaves very few homes affordable for single income households where the resident makes only the average salary.



## Average Monthly Rent Price of a 100 m<sup>2</sup> Home Over Last 8 Years

San Marco, Rialto Giudecca Dorsoduro, Santa Marta San Polo, Santa Croce Santi Apostoli, San Canciano Santa Maria Formosa  
Giardini della Biennale, Sant'Elena



Source: [Immobiliare](#), [Get the Data](#) • Elaborato da WPI VPC Housing Team

# There is not a large number of homes available that are affordable

## SINGLE INCOME

Max Rent: €778

This is the maximum rental price that can be afforded by an individual making the median salary of €28,000. Of the total 124 listings on Immobiliare.it from November 22nd, 2022, we found that there were only 12 listings below this price. These were the cheapest listings on Immobiliare.it.

12

listings

## DUAL INCOME

Max Rent: €1,556

This is the maximum rental price that can be afforded by an individual making the median salary of €28,000. Of the total 124 listings on Immobiliare.it from November 22nd, 2022, we found that there were found 78 listings below this price. These were not necessarily large enough for families either.

78

listings

\*Out of 124 rentals listed from November 22 and may need some form of renovation



Median nightly  
AirBNB price of

**€166**

A **€46** increase  
from 2016

If an AirBNB makes **€166**  
**per night** and is rented out  
**19 nights** out of the month,  
they are able to make

**€3,154**

Compared to median renting price of

**€1,275**

**= €1,879 extra a month  
renting as B&B**

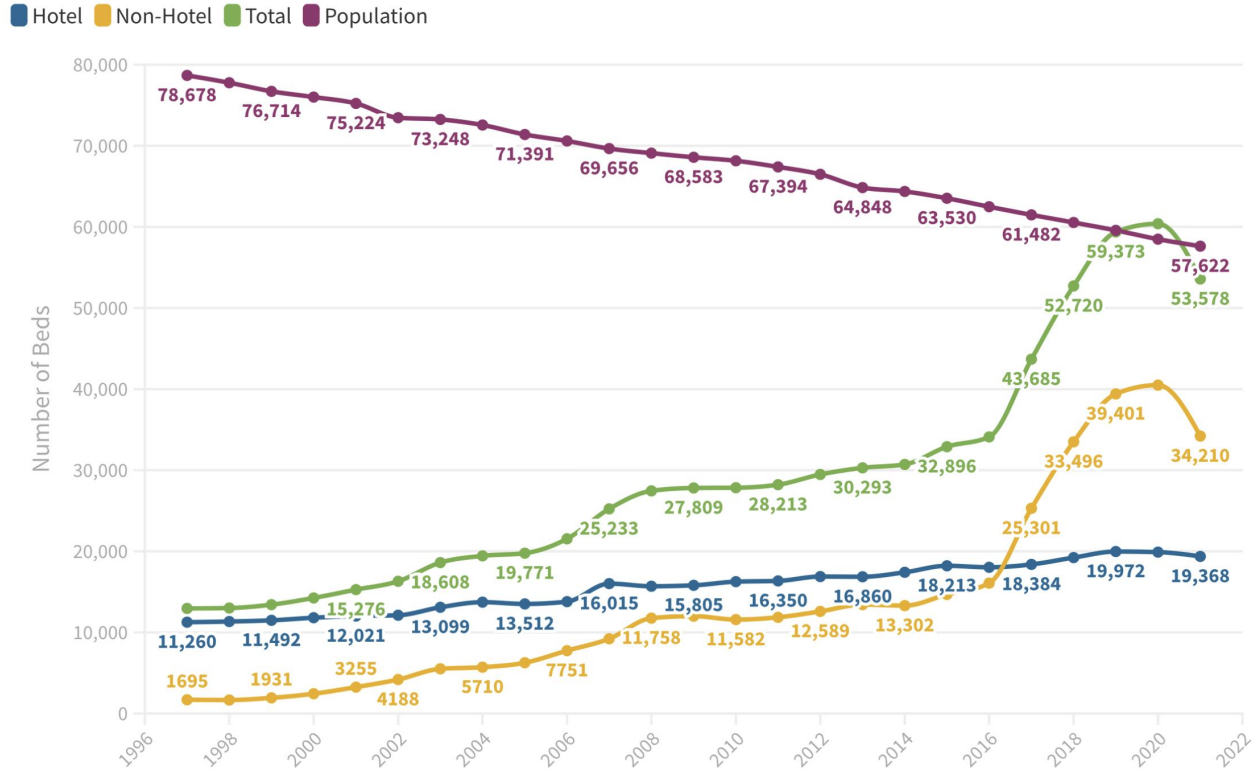
\*Based on September  
2022 Inside AirBNB Data

# What are potential policies to help Venetian residents?



# NON-HOTELS ARE ON THE RISE

## Hotel vs Non-Hotel Bed Trends from 1997 to 2021



Source: OCIO



## Second Home Owner Revenue

### Renting to a resident

Median of  
**€15,300**  
income a year

The median income of a second home owner renting to a long-term resident at the median rent price of €1,275 is **€15,300**.

### 120 Day Max Available

The median income of a second home owner renting short-term to tourists would be **€19,920** per year if they rented for only the 120 days, as proposed in a new restriction being discussed by the city.

Median of  
**€19,920**  
income a year

This means that an Airbnb short-term rental property can generate more revenue than a property being rented to a long-term resident. This is based on the 120 day per year limit being proposed by the city to put restrictions on Airbnbs.



Our first suggestion to help bring back more homes for local residents rather than tourists is to consider only allowing residents of the city to rent out a second home. This would disincentivize people who are not from Venice from buying homes in the city to rent out on Airbnb or similar rental websites. A follow up suggestion would be to only allow one rental property per second homeowner. This would limit the number of overnight tourists to the city and may even entice some people to return to live in the city.

A second suggestion would be to find a way to help support residents with down payments on purchased homes. This will incentivise purchasing a home and may help to bring more people back into the city as the homes will be more affordable for those making lower incomes.



## Housing

### Venice Project Center REPOSITORIES



SCAN ME



At the peak of its population in 1951, Venice housed roughly **174,808** people. It currently houses **49,852 people in 2022**, and that number is getting smaller every day. With a population drop of about **125,000**, it would be expected for there to be plenty of available housing left over for more people to purchase to move into the city, however more people aren't moving in.

This **significant population decrease** since the last century can be attributed to a number of different factors, one of which is **housing availability** and **affordability** in the city.