

Analysing Regional Inequalities in Construction Costs – A Vienna and Munich Case Study

Aim of the Study

This study aims to analyse, if and to which extent there are systematic regional inequalities between the cities of Vienna and Munich with regard to the regional level of construction costs.

Research approach and methods

Adjusted listings of Construction Cost Norms (DIN 276 and ÖNORM 1801) were developed from which a sound comparison of regionally different listed cost groups can be derived from. Also, a group of 12 prices of different construction products and services were selected to form a list of “price representatives” that were used to evaluate and compare the level of “prices per unit” of different housing projects in Vienna and Munich.

In the second section of this study, quantitative data from secondary statistical material, e.g. data collected by the federal State Offices for Statistics and Data Processing in Vienna and Munich, were used to analyse some of the standard hypotheses in regional costs inequalities, i.e. hypotheses with regard to regional value added tax (VAT) levels, regional inflation rates in construction prices, regional planning regulations (car parking regulations) or public housing funding and public contract awarding.

This study is based on both quantitative and qualitative methods of social sciences research. Case studies were drawn from recent Vienna and Munich housing development projects, from where quantitative data on construction cost groups (according to DIN 276 or ÖNORM 1801) and on prices of some selected construction products and services (“price representatives”) were collected. Also, In-Depth-Interviews with representatives of housing companies were carried out to analyse different cost-effective strategies and measures in the field of low-priced housing developments and to evaluate different forms of public contract awarding in Vienna and Munich.

Results

The study’s results can be used as a sound theoretical foundation to investigate systematic inequalities in construction costs between Austria and Germany. Also, the results provide information to further discuss strategies of low-priced and cost-effective housing development. The analysis of case study data points out, in which areas some significant differences in construction products and services prices between Vienna and Munich can be determined.