

# New Trends of Economics in Renewal of Old Historic Towns in West Hungary

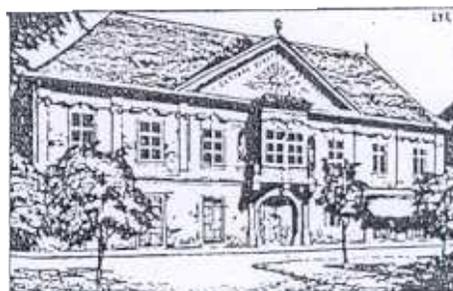
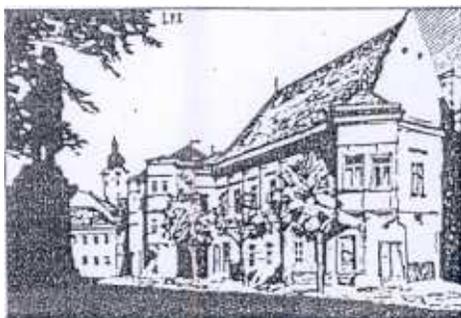
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The earliest settlements of West Hungary are older than thousand years. This region of central Europe was a part Roman Empire. The border (limes) of the empire ran alongshore of the Danube in this very place. The network of important settlements took shape. Roman soldiers, merchants and craftsmen lived in urban houses, or in lovely country villas. The Romans left their homes once and for all in the fourth century AD. settling down newcomers in their houses. Hungarians populated this region at the end of the first thousand years. Although they were averse to closed stone houses, they still took possession of them. In the early Middle Ages the town of Sopron was built within the Roman city walls formed ellipse. The local people developed the one-time quadrate castrum into the historical core of the town. This place has become a royal and episcopal seat

within the walls. Besides, the towns in Gothic style were destroyed by attacks of earthquakes and fires. In the 16-18th centuries, the houses were rebuilt in Renaissance and Baroque style. The "house-owner-ship", having an inner town house was very important and it was in most cases connected to getting the civic rights of the house-owners.

In the 19th century the city walls lost their importance. In Gyor and papa the fortresses had been mostly demolished and houses were built on the same site. In Sapron the back parts of the houses were built in the way of leaning against the walls. At about this time the settlements suddenly grew, the rich families had left mostly the closed city-center and moved into the garden suburbs. From that time on, they have spent very little money for the good maintenance of the inner houses, the buildings got gradually into bad condition.



and the spiritual center of the town since thousand years.

Other towns in West Hungary were early surrounded walls too. The settlements were in danger earlier from western direction, later in the 15-16th centuries from south-east direction of the Turkish Empire. Meanwhile the walls were fortified. The greatest number of suburbs were fallen into ruins and there were a lot of people crowded

During the World War II the historical part of the towns especially suffered a lot of damage. A number of beautiful houses were destroyed. The heaviest damage has been caused in the course of town planning for long years of 1960. At this time lots of people rushed into the towns from the province. Big concrete blocks were built for them. They were usually erected on the outskirts of the city. Unfortunately it

was given place to this block of flats also in the historical inner town. In the town of Győr, there had been demolished a row of 1-2 story buildings characteristic for 19th century, and 10-story tower flats have been built instead of them. These faults were not occurred in the town of Sopron.

Most of the people in the town disapproved of how the old, usual, historical surrounding had disappeared. Lots of people have been forced to settle down in the new residential districts on the outskirts of the city. The claim was voiced not to pull down the old houses, but to repair them and to supply them with 20th century comfort. The resolutions were not up to the people, but to those financing the housing. Financing of the renewal of houses has a "history" in West Hungary. In my opinion, it has an interesting and changing history, with a great deal of lessons. I would like to have a talk with you about it in details.

In Hungary the first registers of the old buildings to be preserved were made in the 19th century. First, these lists only included churches and fortresses and occasionally some aristocratic residences. Easy to understand, they tried to save and to restore the ancient national monuments. To restore some of the former royal palaces and residences, they arranged collections. Sometimes a part of the costs for restorations were completed by the state-budget. Naturally the Churches bore the expenses of the restoration of their own churches and monasteries. In the town of Sopron, the medieval churches have been systematically renewed since the

years of 1850. The work was made by the family of Storno, in the spirit of the "Purism". The bishop of Győr spent a lot of money to restore the cathedral situated on the hill of collegiate (Kaptalan). In the year of 1905, it was rebuilt the Roman style facade of the eastern side of the church, to some extent.

The old houses and not only the city palaces of the citizens naturally were not included in the list of the buildings to be saved at that time. But it did not mean, that the owners did not bother about their houses. The holders wanted to preserve their old houses and beware of the bigger renovations and they made efforts to keep them in their original form. At the very most the ground-floor shops of the houses were altered and modernized. In the west hungarian towns the reduction of the great lack of house-building became more and more a public matter. Since the end of 19th century the aldermen have tried to help the solution of the problem of housing. Building new houses they have got tax allowances. The expensive renovations of the old houses were not supported by the town-council. Inevitable the new housing has been forced, against to rebuild the old houses. Behold, there is a bad practice, with roots having dated back in the small West-Hungarian towns, more than hundred years.

In the thirties, in the town of Sopron, a number of inhabitants suggested that the City-Council should buy and maintain these excellent, old houses, at the cost of the town-budget, which could not be kept in proper condition by their owners. Till the outbreak of the World War II,



they bought only one single house in the street of Zsido (Jewish), but renewing it at public-cost was its turn only later on. By that time the world was changing to a great extent.

In about 1950 the Hungarian state expropriated the houses from their original possessors. It was allowed only the inhabitants of the outskirts to keep their small single-story houses. In paradoxical way the poorest rate of the population has remained house-owner, the families struggling for their existence. It was understandable they spent little on their houses. In this way, more than one of these beautiful and special monuments of the suburb's architecture in Baroque style have got into poor condition.

The Churches have kept the church-building in their possession, as the poor their houses. The reconstruction and renovation of these buildings, seriously damaged during the war, would have been very much timely. All of the fortune of the Churches had been secularized, so thus they lived on the miserabic alms of the congregation. It followed that they have had no money to the restoration for a long time. The state only assured them to get money for the renovations of some of very beautiful churches. Fundamentally in the course of this authentic conservations, it has been taking shape the new modern Hungarian school of restoring ancient monuments. The successful works have made prestige to the Hungarian experts, some of the restored buildings (Sopron Collegiate-hall, Benedictine church) were published abroad too. Living in Hungary, everybody knew, it was "a drop in the ocean". At that time a number of old beautiful churches were out of repairs, in a very bad condition, owing to the lack of money.

But, how did things work out with the nationalized civil-houses, one-time nobleman's palaces? Considering the professional opinions, these buildings have got into better conditions, than they were. Simultaneously with the nationalization, the Hungarian register of ancient monuments has got ready: a number of civic-residences from the

Middle Ages and the Baroque and a part of the works of early historicism have been taken under protection. The state-budget took over the charge of renewing the houses from the private holders. The authenticity of the restoration from historic-monument's point of view has been granted by the exact central regulations. But that was all very well only in the theory. These were the years of the cold war. The considerable part of the national revenue was used up by the expenses of the armaments race. The remaining money was spent on developing of the heavy industry. They only expended a symbolical amount of money on rebuilding the ancient monuments. The old, protected buildings of the inner-towns got into the worst position.

The former house-owners were chased away from their homes and forced back to poor flats. They divided the large flats into small rented properties and the poor families moved into these buildings. They were not interested to keep these houses in a good condition, only to have a shelter above them. By the middle of the 1950's, the lack of the adequate financing caused, that these historic towns were getting into terrible conditions.

In the 1960's the situation slightly improved. The state-budget has promised a small amount of money to finance the conservation process. The financial assistance occurred in the following two ways. One of part of the money came to save the very important national values. Using that money, in the 1960's, in the town of Sopron they discovered the two Roman city-gates and to the medieval sinagogues in the Zsido street. Later in the 1970's, in the town of Győr, it was dug up the one time parish church, on the hill of collegiate church (Kaptalan). All was in vain, because rebuilding only one or two master-pieces was failed to be noticed among the many houses out of repair.

The other part of money came from the prescribed expenditure of restoring the dwellings. This money did not get to the office of historic monuments, but to the offices of town councils. In the

1960's, this amount of money was very little. This sum only was enough to fit the dwellings with some modern conveniences or dividing the larger flats with partitions. A good round sum was used for reinforcing the existing building structures. In consequence of leaving of the systematic renovations, more and more floor-structures became dangerous. Exactly these interventions made a loss of value of the inner town dwellings finally. At one time distinguished city-centre has become once for all a "social housing estate" by this time, meeting the demand of the poor population. We are suffering the consequences up to now.

Between 1960 and 1980 they started to build some enormous sc. "satellite" towns in the surroundings of the towns, reducing the housing shortage. Building very big block-houses, constructed from prefabricated concrete elements came very expensive, to say nothing of the costs to build the new needed public services and traffic systems. At this time, renewing the old housing districts, was not financed, there was no chance of developing the historic quarters of the towns.

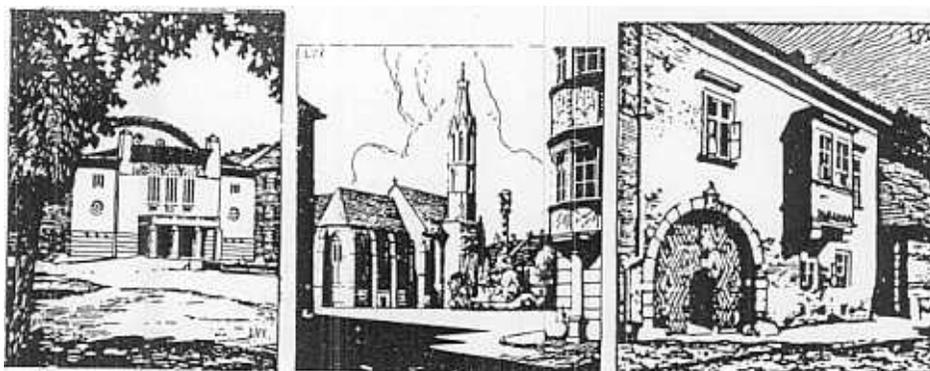
In the 1980-s, the state recognized that the problem was not solved by building new housing estates. It appeared that the property of housing could not be simply left to its fate. In this way, the architectural heritage could not be wasted by a rich country even. In addition you could hear more and more complaints from the people living in the housing estate. It appeared to them that their new surroundings were bleak and dull, the dwellings with comfort could not substitute their abandoned homes of

a special atmosphere, located in the central of town. Then it was decided, they would spend less from the centre budget, to build new block of flats. They would spend the released money on conservation of the old buildings.

There were towns, where the turn came unexpectedly for the adlermen. They could do nothing with money arriving for repairing the old houses. The workmanlike plans of the reconstructions of the saved historic monuments were missing and there were not enough skilled experts who could have done this job well. Some senior leaders of the towns did not believe in spending money to old buildings would pay out.

In West Hungary one believed, the architectural values could be revived. During a short time they have organized some skilful restoration processes. They noticed that more of the towns were not able to spend the amount of money granted for the repairing of dwelling houses. They began to play a sort of game of hazard. During the year they were spending more money than it was allowed by the building-budget. By the end of the year, in this way, the deficit was developed. It was replaced by the collected remaining money of these towns, having been not able to spend the whole money, given for assistance of house-renovations.

The state-owned houses were entrusted to the agencies, having charge of the renovations. Naturally these firms also were owned by the state. On the assignments of the Towns, they spent a significant amount of money from the



state-budget. There was a bright side of this process too. A lot of skilled experts of historic monuments worked with these companies. They prepared their proposals for the whole restorations of a block each. They made some propositions to build in the gaps, having been in the line of the houses, to complete the back wings of the houses and so on. They solved to display the walls of towns, hiding behind the back wings of the houses. When it was possible, they planned shop-passes, cutting through the blocks of houses, for reducing the traffic of the streets. The conservation schools of Győr, Sopron, Pécs have taken shape. The small towns of West Hungary revived during a short time. But this process had some unfavourable sides too. The problem was caused by the financing again.

In the towns of West Hungary, the results of the intensive rebuilding process turned visible soon. The restorations were made concentrating only one building block each, as far as it was possible. The configurations of the ground-plans of the dwellings were solved up to date and supplied with remote controlled central-heating. The streets and the yards got paving, as to conform to the surroundings. It became possible to clear up the history of the houses, from the surplus of the money too. Wonderful wall paintings came into sight from beneath of the poorish coat of plaster and they found the original carved renaissance wooden-ceiling above the plaster-work. The medieval aperture-frames, stone-frames of the doors, Gothic styled windows became visible.

Meanwhile the number of the shops have increased on the ground-floors of the houses again, especially when it had been allowed to open small shops for private people, besides the big state owned stores. The inner town became more attractive and picturesque again, a lot of people were meditating to move back. This process has been quite spontaneous. The richer people called on the poor owners of the small single-story houses and they persuaded them to sell their tottering houses. In exchange, they

offered dwellings with full comfort in the housing estates. One part of the new owners did not want to renew these old, nice houses, because these ones were not included in the list of the saved historic remains and therefore they had let them pull down. To say exactly, it has payed to demolish the houses, because the state had not granted credits for the restorations, in spite of high rate of interest yet. But long-term credits were given under very good conditions to build new houses. The destruction of a number of beautiful Baroque and Classicistic houses was mainly caused by the inefficient view of financing.

The costs, which were spent on the renovation of the historic buildings (in paper terms) were allocated exclusively and strictly for public housing. The way how to invest in that sums were controlled by rigid and bureaucratic regulations.

One of the most rigorous stipulations was the ban of eliminating flats. The one- or two-roomed dwelling – unworthy of the town centre – have been reproduced of course already well equipped, provided with all modern conveniences. If the tenant happened to be lucky, so his/her decently furnished sitting room became to be covered by a Renaissance wooden ceiling and the access to the narrow shower – bath was through a 15th century pointed arch.

Because shops on ground-floor became increasingly sought after, some means were found to wind up the dark and musty ground-floor flats. As a substitute for them new apartments had to be formed in the lofts. The rows of the dormer-windows altered unfavourably the appearance of the Baroque houses having large roofs. Due to the conversion the rent of the shops became many times higher, and as an insult to the injury the State recovered the whole expenditure of the restoration from the tenants.

The entrepreneurs were often deterred from investing capital in real estates of not their own. Nevertheless there were buildings, where the third part of the restoration expenses were payed off by renters of the shops.

About 1990 the world has changed again, the state budget financed from foreign loans collapsed and also Hungary began returning to the market economy. The State sold the factories and the commercial facilities, whereas the houses haven't been refunded to their owners. Instead, a compensation was given for them. It remained government property the ancient Mithras Sanctuary, the Esterhazy Palace in Fertod, the town walls, one of two burgher houses of outstanding value (etc.). These monuments are forbidden to be sold, money for their preservation should be obtained from the state budget in the future too. But, for the time being, the restoration works seem to be far beyond the financial power of the state.

the flats were mostly private properties. By now the local government has entered into possession of every one of them too.

On the one hand, the aldermen can continue to let out the flat and on the other hand they are entitled to sell the old houses. The old problem harks back with greater seriousness. Namely, in the most beautiful Baroque and Neo-classical palaces located in the most expensive district of the town there are scanty social flats. According to this also the tenants are poverty-stricken, so the rents can be raised only step by step. The house rents can provide a coverage not enough even for the usual maintenance. From where could be obtained money for the historical research of the houses and



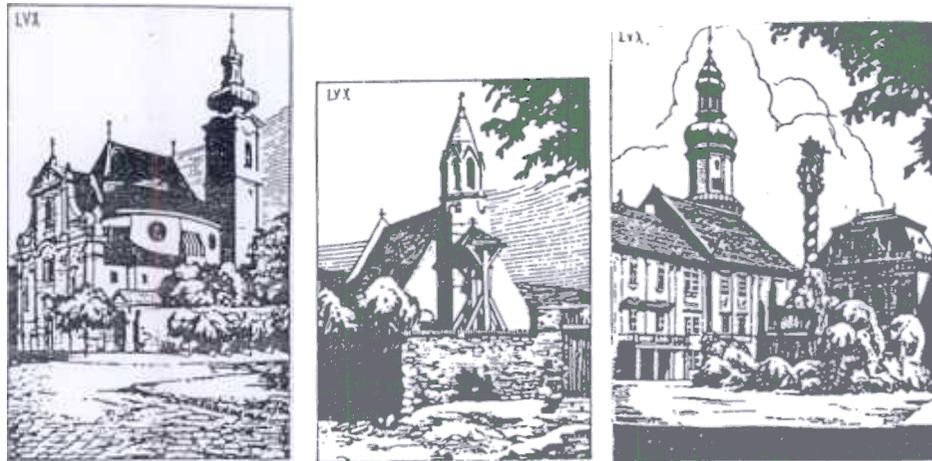
However those who have become the real proprietors of the State-owned houses are the local governments. So the municipal offices have become one of the richest house-owners. But, this situation has been causing them only a great deal of anxiety so far. This immense and unexpected "heritage" hasn't been any good to them.

However it should be mentioned that as early as in the 19th century several towns had considerable real estates at their disposal. In the town of Győr the nicest luxury flats were built by the authorities of the town and the county. Based on social considerations the municipality was the biggest shareholder of joint-stock companies organized to build lodgings for workmen. In Győr, in the 1930-s low rent dwellings were built by hundreds of so called "municipal blocks of flats". But,

for the restoration and reconstruction of the old architectural details?

I had already mentioned, the houses can be sold, but to whom? In principle they ought to be sold to the residents. But, they would never be able to pay out the real value of a flat in the centre of the town. Even if the local government would settle a low price, this sum of money could be payed off by them only within 10 to 20 years in form of instalment paying. These sums should be allocated for renovation of houses remained in the ownership of the town. The money encashed would be ridiculously insufficient for this purpose.

Thus, the town must part with its most worthy historical treasures on the free market. But alienation of the property incorporated in buildings can be very hazardous, because on the one hand it



allows the town only a single income, instead of providing continuous returns; and on the other hand, who is to assure that the money received for the sale would be really spent on authentic and good quality renovations of the existing houses. This won't be so, unless the alderment pass a law and comply with it.

But the purchase of an old house doesn't seem a good deal for the entrepreneur either. They shrink back from the rigid stipulations related to the renovation of historical buildings. Besides, the town tries to get out an awful lot of money for houses which are sometimes desperately in need of immediate repair! The really big trouble is caused again by the tenants of the welfare flats. The housing authorities can't evict them, so before selling the house they must be provided with suitable apartments given in exchange. Nowadays this procedure is likely to be managed only when the town charges also the substitute-flats to pricing. Thus, despite all attraction of the West-Hungarian small towns it is beyond one's imagination how to put up old buildings for sale at such high prices.

Surprisingly, there are still entrepreneurs showing interest in the matter. One of them offered to assist elaborating a financial model for solving these questions. Of course, they are also up to make profit on the sale. This might be the reason, why not even one old burgher house could find a new owner. On the other hand, there is a fact that has gradually come into sight that the revitalization of old districts has been ceased and the condition of the houses already restored has been worsening again.

Thus, the reintroducing of the market economy has caused rather a setback, than an improvement in the plight of the architectural treasure in small towns so far. Nevertheless the aldermen are trying, what they could do. For example, they commission architects to give proposals, how to renovate properly and to make use of old houses without demaging their historical and architectural values. But the very essence of the thing remains the same henceforward: whether it is possible to find adequate models, how to finance the restoration works.



You might help us with your ideas, recommendations too, on the basis of your experience in the field market economy. Maybe we can find just collectively the proper solutions.

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