

# Urban land ownership and the housing question in Germany: Insights from Catholic social ethics

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As one measure to combat the housing affordability crisis, land policy is once again receiving more attention. However, it is little known that Catholic social ethicists in Germany were also heavily involved in urban land policy debates between 1950 and 1980. Along the lines of Catholic property ethics, they criticised that land law at the time was too strongly geared towards the interests of private owners and too little towards the common good. They considered this to be particularly problematic as they ascribed a strong social character to land ownership, which was hardly taken into account by land law and therefore led to unjustified privileges for landowners. In order to create a balance between the individual character and the social character of land ownership, they suggested, among other things, to tax land more heavily, to strengthen the public sector as a property owner and to improve spatial planning measures. The renaissance of land policy and the example of the city of Ulm, which successfully pursues an active land policy, testify to the topicality of the Catholic social ethicists' position on urban land policy. However, a crucial deficit of this position is that it does not take into account ecological requirements of land use.

**Intradisciplinary and/or interdisciplinary implications:** This article combines insights from economics and Catholic social ethics. It is aimed at academics from economics, theology or housing studies as well as anyone from politics and civil society who is concerned with the 'housing question'.

**Keywords:** housing; property; urban land; land policy; social ethics; economic ethics.

## Introduction<sup>1</sup>

In order to combat the sharp rise in real estate prices in recent years, increasingly more actors from social sciences, politics and civil society are now turning their focus to land property and land policy measures. Certainly, rising public interest in land policy is nothing new. Calls for reforming land ownership structures, land use regulations or land markets have been expressed frequently throughout history. Among the most well-known examples for this are the international land reform movements of the late 19th and early 20th centuries (Diefenbacher 2022). Based on the seminal works of the American economist Henry George (1839–1897), many land reformers have argued that private land property (more precisely the right of land owners to dispose of their property almost without restriction and to generate unearned income, so-called 'ground rents', by leasing their property or by speculating on land value gains) would stand in the way of not only solving the 'housing question' but even social progress and the fight against poverty. They therefore campaigned for land reform measures ranging from a comprehensive taxation of ground rents (such as Henry George's call for land value taxation as a 'single tax') to a full socialisation of land (Dreier 1968:44–53).

Compared to these land reform movements, it is, however, less well known that ecclesial actors such as church institutions, ministers or theologians were often involved in disputes over land reforms too. In many regions of the world, Christian actors played decisive roles in both agrarian land reform movements (see, for instance, Whelan 2020 for the case of El Salvador<sup>2</sup>) and urban land policy disputes (see, for instance, Archbishop of Canterbury's Commission on Urban Priority Areas 1985). However, in this article, I focus on influential urban land policy positions of Catholic social ethicists in post-war Germany. Although German Catholic social ethicists had already been involved in land policy earlier, for example during the Weimar Republic (see, for instance,

1.This article builds on passages from Degan (2021), in which I focus on Oswald von Nell-Breuning's position on land policy.

2.See also the articles of the special issue on 'Church and Land' of the journal *Studia Historiae Ecclesiasticae* 2(46) published in 2020 for the churches' role in land reforms in various African regions.

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Hagedorn 2018:310–336), an intensive socio-ethical debate on the impact of land policy on housing took place between the early 1950s and the late 1970s when the reconstruction of destroyed cities and the liberalisation of rental housing and land markets shaped the German ‘housing questions’ of the time.<sup>3</sup> During this phase, the social ethicists used Catholic property ethics as a basis to explain how more affordable housing could be created through land law regulations. Although their writings on land policy are hardly read today, I believe that they still provide fruitful insights and practical guidance in how to tackle contemporary ‘housing questions’.

Thus, I shall firstly examine why land is a crucial factor for the lack of affordable housing in the city. Secondly, I discuss Catholic social-ethical positions to land policy by briefly outlining the core components of Catholic property ethics before I present the land policy proposals of the social ethicists in Germany. Thirdly, I ask whether these suggestions are still relevant today. The article closes with a brief conclusion.

## Land as a bottleneck for more urban housing

In many cities around the globe, urban housing is becoming increasingly scarce and expensive. Particularly since 2010, prices for home ownership as well as rent prices have soared in many dynamically growing metropolitan areas and vibrant university cities, making it increasingly difficult for households to find affordable housing in the city. Moreover, there is no end to this trend in sight as experts expect a further surge in global housing prices (Gründler et al. 2023:19–22).

In recent years, the lack of affordable urban housing has also become one of the most pressing social questions in Germany. Although in comparison with other countries, the German housing market has generally been less volatile in recent decades – most notably because of prudential mortgage lending standards and a largely functional and comprehensive rental market (Voigtländer 2014) – prices for housing have soared in many German cities since 2010s. The Deutsche Bundesbank’s (2024) real estate price indices show that in the seven largest German cities, average rental prices for newly offered apartments rose by just under 80% between 2010 and 2023. Purchase prices even went up by about 150%. In comparison, the consumer price index, the most common indicator of average price development, only recorded an increase of 32%<sup>4</sup> during the same period. Consequentially, low and even middle-income households increasingly struggle to find urban housing adequate to their needs.<sup>5</sup> However, the new ‘housing question’, which is posed by these price surges, is not limited to the availability of urban

<sup>3</sup>Although Protestant social ethicists also dealt with land policy then, I will limit myself here to the Catholic positions. For a concise overview of Catholic and Protestant positions on housing and land policy in Germany, see Degan et al. (2021).

<sup>4</sup>Own calculation (rebasings) based on data from the Federal Statistical Office of Germany (2024).

<sup>5</sup>This adequacy (relative to household characteristics such as household size or income) does not only include affordability but also dwelling size, distance to local amenities and employment opportunities, secured and non-hazardous living conditions (Degan et al. 2024:106f.).

housing. Rather, it is also about widening economic (Baldenius, Kohl & Schularick 2020) and socio-spatial inequalities (Kronauer 2022:191–194) as well as ecological concerns (Vollmer & Michel 2020).

A variety of factors are fuelling these developments in Germany (see, for instance, Degan 2022). These include the ongoing trend towards urbanisation as well as other demographic developments such as the individualisation and ageing of the general population. The latter lead not only to a greater consumption of living space per capita but further raise the demand for individual housing units. Moreover, the economic environment in the 2010s – rising incomes and low interest rates in particular – encouraged many wealthy individuals and institutional investors to acquire urban real estate, causing prices to rise even further. Political decisions too have had a decisive influence on the housing sector. For instance, in the decades preceding the current boom in real estate, public housing policy was increasingly downgraded in favour of more unregulated housing markets. Concretely, in the 2000s, the public sector withdrew from constructing social housing and sold many of its properties to private actors, depriving itself of opportunities to exert a formative influence on the housing markets, especially in times of housing crises. Furthermore, various resource bottlenecks such as the shortage of public funds, building materials and skilled workers hinder the construction of new housing. Even though these and other factors are of great importance for the current ‘housing question’ in Germany, I will now focus on land as a vital scarcity.

As already mentioned, a decisive factor for the shortage of affordable urban housing around the world is the ongoing trend towards urbanisation. According to the United Nations (2019:xix), the share of people who lived in urban areas rose from 30% in 1950 to more than half of the world’s population in 2018. By 2050, this share is expected to exceed two thirds.

Among the many amenities that attract people to the cities are the availability of (well-paid) jobs and educational institutions, a variety of leisure-time possibilities, the cultural diversity or simply just the ‘vibe’ of a certain city. Because of these and other factors, internal migrants, such as young people moving from rural to urban areas within a country, as well as international migrants, who usually find better arrival conditions (such as the connection to a familiar community) there, are drawn to the cities. However, with more people flocking into a city, more urban space is needed not just for housing but also for the expansion of infrastructure and a wide variety of facilities needed to maintain public life. In dynamically growing areas, the available spaces on which new housing can then be created becomes increasingly scarce and expensive.

The role of land being a bottleneck for the creation of additional housing can also be illustrated by the latest land price surges, which, in Germany, even exceed those of rent and house prices. For example, data from Frankfurt am Main show that after decades of stagnation, land prices in Frankfurt shot up in

the mid-2010s (Gutachterausschuss für Immobilienwerte für den Bereich der Stadt Frankfurt am Main 2022:35). Between 2010 and 2021, the average price for building land for single-family houses rose up by 124%, while the average price of building land for apartment buildings skyrocketed by a whopping 266%. Additionally, land prices in urban areas outpace those in rural areas. According to the Federal Statistical Office of Germany (2021), a square meter of building land in German towns with fewer than 2000 inhabitants cost on average 71 Euros in 2020. In cities with more than 500000 inhabitants, the average price was 17 times higher with 1213 Euros per square meter.

Now, these figures are noteworthy not only because they are an indicator for the scarcity of land but also because land values have an impact on housing prices. In their analysis of long-term house price developments in eight major industrial nations, Knoll, Schularick and Steger (2017:348) calculate that '84 percent of the rise in house prices during 1950 to 2012 can be attributed to rising land prices'. Within the big cities, where land is scarce and expensive, privately financed construction then only pays off if housing is created in the high-price segment. Therefore, one alternative strategy to create more affordable housing is to build new homes in the outskirts or in the surrounding areas of large cities. This, however, would not necessarily bring land prices down and would lead to ecologically problematic urban sprawl (Löhr 2023:31–32). As new homes are built outside of the city, more land needs to be sealed, the urban infrastructure has to be expanded and the volume of traffic between the suburbs or outskirts and the city increases. Instead, others call for measures of urban consolidation, that is, to close vacant lots and extend existing buildings to create more housing within a city. Although this strategy would be ecologically preferable, it would require landowners to develop or modernise the existing structures, which would in the end not create more affordable housing for low income households (Löhr 2023:33–34). Moreover, the hope that new construction in the high-price segment would lead to more housing units being vacated in the low-price segment does not materialise in attractive cities with a large influx of people (BBSR 2020). Thus, especially in the dynamically growing cities, the construction of new buildings alone is not a sufficient strategy for more affordable housing.

This is the context in which ownership structures of urban real estate is now increasingly attracting public attention. In recent years, for example, an initiative in Germany that called for the socialisation of buildings of large housing corporations in Berlin has gained broad support (Würmann 2021). If the owners of these properties were not profit-oriented private companies but the public sector, then the initiative claims that the apartments could be offered at lower rents. At the same time, however, this radical demand is also highly controversial, as it would not create any new living space but would require high compensation payments from the public sector to the current owners. Nevertheless, it is worth looking at land ownership and land property regimes to combat the current 'housing question'. One approach to this, which I will

now present, can be found in the statements of German Catholic social ethicists. During the Bonn Republic, some social ethicists turned their attention to land ownership and presented their idea of a common good-oriented land policy as a crucial part of the solution to the 'housing question'.

## Catholic social-ethical positions on land policy

From the end of the Second World War until the 1980s, housing was one of the central socio-political topics in Germany. Initially, the aim was to pool all forces to rebuild the destroyed cities and to provide the population with housing. In the 1960s, when the post-war shortage of housing seemed largely resolved, the political emphasis shifted towards the gradual liberalisation of the rental and the land markets. However, as rental prices rose because of population growth and land prices soared after the liberalisation, voices calling for a reform of rental and land use regulations grew louder (Führer 2016:47–77).

This is the context in which a variety of ecclesiastical actors became further involved in the housing and land policy debates. In the following, however, I will focus on the most influential land policy position taken by German Catholic social ethicists at this time. Specifically, I will turn to the writings of Wilhelm Dreier (1928–1993), Edgar Nawroth (1912–2010) and Oswald von Nell-Breuning (1890–1991), who, on the basis of Catholic property ethics, spoke out in favour of a land property regime oriented towards the common good. In line with Catholic social teachings, their interest in land policy initially stems from the advocacy of a broad distribution of property. As they recognised the promotion of the detached single-family home as an ideal measure for private wealth creation (as well as for family and social stability), they looked with concern at the rise in land prices, which made it significantly more difficult for many families to purchase a building plot for their homestead. Moreover, they also considered the enrichment of a few landowners through increases in land value to be unjust (Nell-Breuning 1970a:3). However, before I go into the actual land policy measures with which they wanted to react to these developments, I will briefly outline the basic components of Catholic property ethics that are pivotal for their land policy suggestions.<sup>6</sup>

### Catholic property ethics

Catholic property ethics is a particularly influential doctrine of (natural law based) Catholic social teaching. Its fundamental principle is the 'common destination of earthly goods', which was laid down by Thomas Aquinas and taken up by Pope Leo XIII in the first papal social encyclical *Rerum novarum* (RN) from 1891. For Leo (1891), this common destination signifies that 'God has given the earth for the use and enjoyment of the whole human race' (RN 8). Not just selected individuals, but all humans therefore have the (natural) right to use 'the earth and its fruits' (RN 7), they need to live a dignified life.

6. For an in-depth description of Catholic property ethics, see Spieß (2004), who provides a comprehensive introduction and analysis, or Whelan (2020:85–139), who applies this property ethics to land ownership and land reform movements.

Accordingly, all human-made institutions, which regulate the allocation of and the rights of use over these goods, must comply with the common destination. This, then, also applies to property law. Therefore, any property regime can be a legitimate institution to regulate the right of use as long as it is in conformity with the principle of common destination. However, if a specific property regime should come into conflict or even run counter to this principle, then it must either be reformed or even replaced by a different system. In the words of the Pastoral Constitution of the Second Vatican Council *Gaudium et spes*:

‘Whatever the forms of property may be, as adapted to the legitimate institutions of peoples, according to diverse and changeable circumstances, attention must always be paid to this universal destination of earthly goods.’ (GS 69).

The ‘twofold character of ownership’ (*Quadragesimo anno* [QA] 45) further specifies Catholic property ethics. In the second social encyclical *Quadragesimo anno* from 1931, Pope Pius XI explains that ownership has both an individual and a social character (QA 45–49).<sup>7</sup> While the former implies that, for the individual, ownership over goods serves their life and development opportunities (including those of the individual’s loved ones), the latter portends that private ownership comes with the ethical obligation to employ property in such a way that it serves the common good, that is the living conditions and development opportunities of all people, too. When using one’s property, the owner, thus, ‘must consider in this matter not only their own advantage but also the common good’ (QA 49). Yet, this social character does not only address the individual but also public authorities. Thus, it is for the policymakers to, what is permitted and what is not permitted to owners in the use of their property’ (QA 49). In doing so, however, attention should be paid to ensure that one character is not overemphasised at the expense of the other. Thereby, ‘twin rocks of shipwrecks’ (QA 46) should be avoided, namely the emergence of individualism through focussing mainly on the individual character of ownership and of collectivism through excessively strengthening the social character.

However, as Matthew Philipp Whelan (2020:124–126) points out, the relationship between these two characters often caused confusion. For instance, contrary to some interpretations, the social character is not an external element, which is added as counterweight to the individual character. Rather, Nell-Breuning, who was the leading ‘ghost writer’ (Hagedorn 2018:374) of *Quadragesimo anno*, underlines in his commentary to this encyclical that both characters are ‘equally essential’<sup>8</sup> (Nell-Breuning 1932:66) to ownership. However, how both (natural law) characters are expressed in practice is dependent on the existing regulations of human-made institutions such as property law. According to Nell-Breuning (1932:67), it is therefore the task of the legislator to prevent a one-sided emphasis on the one or the disregard of

7.This twofold character corresponds to the Thomistic distinction between possession and use of goods, which Pope Leo XIII takes up in *Rerum novarum* (Nell-Breuning 1932:66; Whelan 2020:123).

8.Own translation. In the original: ‘[...] gleich wesentlich [...]’.

the other character and ‘to establish the right balance in the connection between the two’<sup>9</sup> (Nell-Breuning 1932:67) in order to realise the common destination of earthly goods. However, it is not specified what exactly this ‘right balance’ should look like. While the legislator must avoid a major imbalance and adhere to the necessary requirements of the common good (Nell-Breuning 1932:76), *Quadragesimo anno* does not speak of a rigid balance of any kind that disregards the need to adapt property law regulations to specific circumstances and requirements. On the contrary, Nell-Breuning (1932:67) argues that the encyclical ‘leaves enough leeway for a partial shift in the balance, which may indeed shift more towards the individual and more towards the social side of ownership’.<sup>10</sup>

Later encyclicals and other church documents certainly took up these principles of Catholic property ethics and developed them further in certain areas (Whelan 2020:126–139). However, because these developments do not play a decisive role for the following land policy positions of the social ethicists in Germany, I will not go into further detail here. What should be kept in mind, as Pope John Paul II in *Laborem exercens* (LE) puts it, is that Catholic property ethics does not understand the right to private property ‘as absolute and untouchable. On the contrary, it has always understood this right within the broader context of the right common to all to use the goods of the whole of creation: the right to private property is subordinated to the right to common use, to the fact that goods are meant for everyone’ (LE 14).

## Land and its social character

On the basis of this property ethic, Catholic social ethicists agreed that the land property regime in post-war Germany did not adequately incorporate the social character of land ownership. The Jesuit Oswald von Nell-Breuning found this individualistic focus of land policy to be particularly problematic, as he considered the social character of land to be more pronounced than for other goods. For him, this is because of the social interconnectedness [*Sozialverflochtenheit*] of land, the social boundedness [*Sozialgebundenheit*] of its use and the social obligation [*Sozialpflichtigkeit*] of the land owner (Nell-Breuning 1970b:9).

The *social interconnectedness of land* expresses that the importance attached to a piece of building land depends on its surroundings. This is easily understood by looking at the relationship between the location and the market value of building land. Location is for Nell-Breuning (1970b):

[N]ot an inherent quality of the plot of land, but the epitome of the external relations in which it stands to the other plots of land surrounding it [...] and to the installations and works erected on it by men; from its surroundings the plot of land receives its

9.Own translation. In the original: ‘[...] die rechte Gleichgewichtslage in der Verbindung beider herzustellen’.

10.Own translation. In the original: ‘[...] ist Spielraum genug gelassen für eine teilweise Verlagerung der Gewichte, die in der Tat bald mehr nach der individuellen, bald mehr nach der sozialen Seite des Eigentums hin sich verschieben können’.

location, just as it in turn also co-determines the location of the plots of land surrounding it. (p. 8)<sup>11</sup>

As the location is decisive for the market value of a property, the quality of a property's relations then determines the price (or the ground rents) the land owner can demand for her property. Not unlike Henry George and the land reformers, Nell-Breuning therefore criticises a land property regime, which treats land predominantly as an isolated object and is blind to the social interconnectedness of land. Simply by virtue of their ownership, land owners retain all ground rents and value gains of their property, even though they did not (or at most barely) create them themselves.

The *social boundedness of land use* has a normative direction. To start, Nell-Breuning notes that land as a natural resource is not only indispensable for human existence and development but also non-reproducible. Because of these properties, he claims that the decision over how scarce land should be used needs to be bounded more closely to the needs of the general public. Or in Nell-Breuning's (1958) words:

The circumstance that land is simultaneously indispensable and non-reproducible forbids its use to be left equally to the discretion of individuals and to the incalculable free play of economic forces, but rather compels to assert the interests of the general public much more emphatically than with goods which are dispensable or arbitrarily multipliable or even both at the same time. (col. 84)<sup>12</sup>

Both the social interconnectedness and the social boundedness of land then lead to what Nell-Breuning calls the *social obligation of the land owner*. Through one's ownership over land, the individual landowner thus has the ethical duty to use her property as far as possible for the benefit of the common good. At the same time, it is the legislator's responsibility to 'positivise the pre-positive social bond of land' (1972a:82),<sup>13</sup> that is to set legal boundaries for the private owner's usage of land. Thus, instead of trusting that the owner will voluntarily fulfil her obligation, it is the state's responsibility to legally shape the rights and duties of private land property (Nell-Breuning 1969:143).

## Catholic policy suggestions

Nell-Breuning and his peers were in agreement that the land law of the time was too individualistic, as it did not adequately incorporate the strong social character of land. As Edgar Nawroth (1975:3) explains, the core problem here is that, legally, real property is largely treaded in the same way as

11. Own translation. In the original: '[...] keine dem Grundstück innewohnende Eigenschaft, sondern der Inbegriff der Außenbeziehungen, in denen es zu den es umgebenden anderen Grundstücken [...] und zu den von den Menschen darauf errichteten Anlagen und Werken steht; von seiner Umgebung empfängt das Grundstück seine Lage, wie es auch seinerseits die Lage der es umgebenden Grundstücke mitbestimmt'.

12. Own translation. In the original: 'Der Umstand, daß der Boden gleichzeitig unentbehrlich und unvermehrbar ist, verbietet es, seine Nutzung in gleicher Weise dem Gutdünken der einzelnen und dem unübersehbaren freien Spiel wirtschaftlicher Kräfte zu überantworten, nötigt vielmehr dazu, die Interessen der Allgemeinheit sehr viel nachdrücklicher zur Geltung zu bringen als bei Gütern, die entbehrlich oder beliebig vermehrbar oder gar beides zugleich sind'.

13. Own translation. In the original: '[...] vorpositive Sozialgebundenheit des Bodens zu positivieren [...]'].

property over movable goods. Thus, land law would fail to adequately consider that the social dimensions of land are more pronounced than those of other goods, even though land ownership has been gradually regulated since the liberalisation of the land markets in the 19th century (for instance, through the introduction of spatial planning regulations). For Nawroth (1975:6), the result of this are unjustified privileges of land proprietors, who can not only benefit from socially created value gains but also influence or block public planning decisions simply by virtue of their property rights. Similarly, Nell-Breuning (1972b:22) deplores warped incentives in tax and planning law, which would, on the one hand, encourage landowners to withhold underused or undeveloped properties from development in the expectation of further price increases and, on the other hand, increase demand based on such speculative considerations. The consequence of this is rising land and housing prices. This disregard for the common good in land property and planning law becomes particularly problematic in densely populated areas where land is increasingly scarce and expensive but urgently needed for development (Dreier 1968:18, 110).

However, the social ethicists did not want this critique of individualistic land law to be understood as a fundamental critique of the economic and political order (Nawroth 1969a:26). Unlike more radical reform movements calling for a comprehensive system change and in line with *Quadragesimo anno's* notion of the 'twofold character of ownership', they rejected claims for a complete socialisation of land (Nawroth 1975) as well as the liberal notion that unregulated land markets would automatically lead to an efficient allocation of properties (Dreier 1968:105; Kerber 1972:14–15). They also did not seek to get rid of land markets but to make land markets more functional by ridding land law from its overly rigid focus on the individual character of ownership (Nell-Breuning 1970a:17). Hence, they spoke out for targeted land policy interventions that were intended to push back this excessive individualistic focus in favour of the common good. Therefore, to give the common good greater expression in land law, the three social ethicists proposed a variety of different land policy measures that differed in detail and prioritisation, but all directly or indirectly impact the ownership structure of land or the rights and obligations of private landowners. Their suggestions can be roughly divided into three groups: the regulation of land markets, the public sector as a landowner and planning law.

In order to *make land markets more functional* – that is, to shape the market according to its actual purpose of meeting the needs of all members of society – the social ethicists sought to make it more difficult for private owners to retain unused or underused land in anticipation of rising land prices (Nell-Breuning 1972b:5). One of the measures with which Nell-Breuning intended to achieve this goal is the ongoing taxation of land value gains. This, he believed, would not only restrain private owners from completely retaining the socially generated value increases but also put more pressure on owners to put their land to use. In addition, he suggested that

private land value gains caused by re-zoning (for instance, when the local planning authority rededicates agricultural land to building land) should be siphoned off fully by the public sector, just as the public already compensates private owners for zoning losses (Nell-Breuning 1972a:84). Similarly, Wilhelm Dreier (1968:153–158) also tried to impede the restraint of necessarily needed land, for instance, by taxing undeveloped plots (although he was otherwise more reluctant with regard to a comprehensive taxation of land) or – as an ultima ratio – expropriate those owners who vehemently oppose the requirements of the common good. To increase the supply, Dreier calls on the public sector to create more market transparency and, where possible and needed, designate more building land. In addition, Dreier suggests to publicly support and fund market players that contribute to the goal of a widespread distribution of private residential property, namely housing cooperatives and private households, who are willing to build their own home. All these measures are aimed at making the private skimming of land values and the profit-driven retention of land less attractive, which should then increase the supply of land and lead to less sharp increases in land and housing prices in the medium- and long-term.

While the social ethicists agreed that a full socialisation of land would not be a desirable option, they still attached great importance to the *public sector as a landowner*. They explained that if particularly the municipality has certain reserves of land, it can increase the supply of land in phases of rising land prices and thus curb price increases (Dreier 1968:163; Nell-Breuning 1970a:36). Moreover, municipalities can directly determine what is to be built on their own land and can thus respond to local needs. For instance, they could use heritable building rights (i.e., leaseholds) to make plots available to socially disadvantaged groups, for which it would otherwise not be possible to acquire building land (Dreier 1968:164). Then, the land formally remains in the property of the municipality, while the tenants temporarily hold the right to use and develop said land. While such a public land banking policy would enable the municipality to directly respond to local needs, many municipalities will not be able to implement it, as they simply do not hold sufficient land reserves or financial resources to purchase land at the price demanded by the owner. Therefore, Dreier (1968:164) prompts higher public authorities (state and federal government) to support the municipalities, for instance, by equipping them with a right of first refusal, with which the municipality can purchase land for sale at market values, and a right to repurchase, with which the municipality can buy back a previously sold property.

Lastly, the social ethicists turn to *spatial planning* as a land policy toolset to foster the social character of land ownership. Broadly speaking, spatial planning determines how land owners can and should use their plots. Thus, whether a plot of land is available for housing construction, for commercial purposes or for public infrastructure requirements, is specified by local planning authorities. As this shapes human living space and consequently influences the realities of many people's lives, Edgar Nawroth (1969a:32) considers

spatial planning to be a concrete policy for the common good. To do this justice, spatial planning should not be carried out randomly but should be oriented towards existing and expected requirements of communal and regional life. Thus, both Nawroth and Dreier emphasise that this should not simply be left to the respective municipality. Instead, they call for an integrated approach that involves the local population in planning decisions, that is coordinated with other social and economic policy measures and that is not only guided by technical considerations but informed by social science research (Dreier 1968:167–175; Nawroth 1969b:77–88). Furthermore, because of increasing mobility requirements, Dreier (1968:184) suggests the introduction of regional planning authorities whose focus also extends beyond municipal boundaries. They should then serve as a link between the municipal planning level and the higher instances at state and federal levels.

## The continuing relevance of land policy suggestions

Now, could these proposals from the Catholic social ethicists of the early Bonn Republic also be a solution to the current 'housing question'? Initially, it is interesting to note that against the backdrop of rising real estate prices and housing affordability problems, land policy has once again become the subject of political debates in Germany. This is illustrated by the fact that, today, not only politicians and academics are paying more attention to land policy but also that several newly formed civil society initiatives advocate a more social land law (e.g., Initiative Bodenrecht 2017).

But how do the Catholic positions fit into these contemporary debates? In fact, they are surprisingly topical. Many present-day experts agree that a land policy pursued more actively by the public sector is a key component in solving the current 'housing question' (e.g., Adrian et al. 2021; Initiative Bodenrecht 2017; Löhr 2023; Kalkuhl, Hagedorn & Edenhofer 2018). A more thorough taxation of land to mobilise developable land and curtail price increases, greater involvement of the public sector as a landowner or more accurate and integrated spatial planning measures are just as much part of the conversations today as they were half a century ago. This not only underlines the continuing relevance of the Catholic positions presented here but also shows that land policy in Germany has been neglected in recent decades. However, these positions need to be updated with regard to ecological requirements of land use for the common good. More recent writings in the corpus of Catholic social teachings, notably the document *Towards a Better Distribution of Land* from the Pontifical Council for Justice and Peace (1997), do bring together land ownership with ecological issues, but mostly with regard to agricultural land use. On the part of (Catholic) social ethics, there is therefore a need for a dedicated reflection on the ecological problems of urban land ownership. For instance, further land sealing, which prevents land to serve as a carbon sink, and the expansion of urban sprawl, which leads to more traffic and a

higher use of resources, should be kept to a minimum. Thus, instead of prioritising the construction of detached single-family homes, as the social ethicists did, legislators and spatial planners should prioritise socio-ecological measures such as a re-densification of urban spaces and the renovation of already existing but vacant buildings.

Nevertheless, the example of the city of Ulm shows that some of the social ethicists' proposals are not only feasible, but can also be a practical strategy for more affordable housing (Oelmaier 2023). To begin, the municipality of Ulm, which has been pursuing an active land policy for over a century now, directly owns a large share of land within the municipal boundaries. In addition, it only grants third parties the right to build on a plot of land, if it owns the land itself. This allows the city to decide directly who it sells its properties to and for what social purposes. As the city also has a repurchase right that allows it to acquire previously sold land at the original price, it not only keeps land prices low but also makes land speculation less attractive. Furthermore, Ulm does not limit its planning activities within the city limits, but also coordinates with other municipalities at a regional level. As a result, Ulm has managed to keep both real estate prices and rents well below those of comparable cities. For cities that have not been pursuing such a land banking policy for decades, this strategy is of course almost impossible to pursue. Therefore, some experts propose the establishment of public land funds financed by the federal and state governments to help municipalities to build up land reserves (Löhr 2023:47).

Moreover, a rereading of the works of Dreier, Nawroth or Nell-Breuning is not only worthwhile because of their policy recommendations. Contrary to some of today's claims, Catholic property ethics shows that neither an abolition nor a rigorous defence of private property in real estate is needed to address the 'housing question'. Instead, Catholic property ethics points out that the institution of property is not rigid and unchangeable but can and should be actively shaped by the legislator. In this way, property can be understood as a bundle of rights and duties, which policymakers must tailor not only to the interests of the private owners themselves but also to those of the general public.<sup>14</sup> Moreover, the social ethicists point out that attention should be paid not only to the private ownership of land but also to public or cooperative ownership structures. This is also very topical, as similar ideas can be found in contemporary housing studies, in which adjustments to private and public ownership as well as the potential of communal forms of land and home ownership (such as housing cooperatives, community land trusts or housing commons) are being discussed (e.g., Davy 2020; Hölzl & Nuissl 2022; Kohn 2016).

## Conclusion

In the first post-war decades in Germany, Catholic social ethicists such as Wilhelm Dreier, Edgar Nawroth and Oswald von Nell-Breuning turned to urban land policy in order to find answers to rising housing affordability issues.

<sup>14</sup>. However, one aspect that is no longer up to date is the natural law argumentation of Catholic property ethics. It violates Hume's law, namely that a normative conclusion cannot be derived from descriptive statements alone (Emunds 1993).

Based on Catholic property ethics, they found that land law did not do the significant social dimensions of land property justice. However, instead of speaking out against private ownership of land, they sought to use land policy measures to align the use of land property with the needs of both private owners and the common good. This ethical foundation as well as their concrete policy proposals with which the social ethicists aimed at reducing unjustified privileges of landowners, making land markets more functional and strengthening the role of the public sector as a land owner and a spatial planner, are still relevant today. Nevertheless, an update is needed that also meets ecological requirements of urban land use.

Examples from Germany, such as that of the city of Ulm, show that these land policy measures can certainly be a strategy for more affordable housing in the city. However, the focus on Germany chosen in this paper is certainly not intended to suggest that urban land policy is only a German issue. On the contrary, experiences from other countries underline the general potential of land policy (Lawson & Ruonavaara 2020). Moreover, church institutions, which in many countries hold large areas of land and unused buildings, must also be measured against their own standards and should thus participate in the provision of affordable housing.

Nevertheless, it should be noted that there is no single recipe for a just land policy, nor is land policy the sole remedy for the 'housing question'. As Catholic property ethics also demands for the organisation of property law, land policy should be flexible enough to adapt to local circumstances. Moreover, land policy is only one component for the creation of more affordable housing. A sustainable solution to the 'housing question' thus requires measures that go beyond land. Still, the social ethicists quite rightly emphasised the enormous potential that lies dormant in a more active land policy.

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### Ethical considerations

This article does not contain any studies involving human participants performed by the author.

## Data availability

The data that support the finding of this study are publicly available from the Federal Statistical Office in Germany. The consumer price index (Verbraucherpreisindex) was used to calculate the change in consumer prices (see Statistisches Bundesamt Deutschland – GENESIS-Online: Code 61111-0001 [destatis.de]).

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