

Affordable Housing in Attractive Heritage Towns: The Mikulov Case

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Mikulov is one of South Moravia's most culturally significant towns, shaped by centuries of intellectual life, trade and diplomacy. Its strategic position between Vienna and Brno made it a vital crossroads linking Central and Eastern Europe, a role reflected in its layered architectural heritage and enduring cultural identity. Although the Second World War, post-war population shifts and communist collectivisation interrupted this trajectory, the town has steadily revived since 1989. Today, its economy is anchored in winemaking, tourism, services and light industry, with extensive vineyards, historic monuments and the nearby Pálava UNESCO biosphere continuing to define its character.

Yet behind this cultural vitality lies a demographic profile far less stable than the town's historic façade suggests. Mikulov, home to roughly 7,600 residents, has maintained almost the same population size for more than 150 years, but the structure of that population has shifted markedly. According to the city's analytical studyⁱ, the town now records more deaths than births in most years, with overall growth sustained mainly by newcomers. The average age has risen from 37 to 43, the share of seniors has doubled, and the number of economically active residents has declined by about a quarter. Migration data also show fluctuating movements among people aged 20–34, highlighting the challenge of attracting and retaining young households.

These demographic pressures unfold within a landscape of remarkable beauty, where architecture and topography are inseparable. The limestone silhouette of the Pálava hills, vineyards encircling the town, and a historical fabric rooted in centuries of Central European exchange create a setting of exceptional character. With 29 hotel beds per 100 residents and nearly 278,000 annual visitors, Mikulov ranks among the country's most visited destinations. But this picturesque quality — the very reason outsiders admire it — also intensifies pressure on the housing market. Tourism serves as both a cultural asset and a structural burden: it supports local businesses yet drives demand for short-term rentals, investment properties and second homes in a town constrained by limited space and strict conservation rules.

Housing affordability is now one of Mikulov's defining challenges. Over the past decade, more than 550 new flats have been completed, a remarkable figure for a town of its size. Yet prices have climbed steadily. Ownership costs have reached €4,200/m², comparable to major Czech cities, and market rents of €10–13/m² are out of reach for many households. Investor demand for holiday apartments and short-term stays further distorts the market, making it increasingly difficult for long-term residents to secure stable homes. OECD analysisⁱⁱ shows that these pressures — rising incomes, tourism intensity and the scarcity of social housing — are driving

affordability problems across Czechia, but their impact is felt most acutely in small heritage towns where development is naturally limited.

As deputy mayor, I see this imbalance every day. Mikulov is vibrant, admired and full of life, yet many of the people who sustain that life — teachers, nurses, hospitality workers, young families — struggle to remain in the community they serve. The question is no longer whether the housing system is under strain, but how to guide it toward long-term stability without compromising the architectural and cultural character that defines the town.

One of Mikulov's strengths is also its greatest challenge: the town owns more than 380 municipal flats, most of them in historically protected buildings. These units provide crucial housing for local residents, but maintaining them is increasingly costly. Renovating heritage buildings requires specialised materials, careful craftsmanship and meticulous coordination with conservation authorities. Municipal rents of €3–5/m² keep these homes accessible, yet they cover only a fraction of actual maintenance and energy costs. At the same time, demographic ageing is increasing demand for barrier-free, energy-efficient and downsized housing — typologies that traditional buildings rarely offer without significant intervention.

This tension — between conservation, livability and affordability — defines the “Mikulov paradox.” The town becomes more attractive each year, yet the people who keep it functioning find it harder to secure long-term housing. Heritage, tourism and the housing market push in different directions, creating a complex design and policy challenge.

What Must Change? Four Directions for a Sustainable Housing System

1. Modernise planning and permitting

For heritage towns, the permitting process is where architectural ambition often collides with bureaucratic reality. Delays increase costs, discourage high-quality projects and make it harder for municipalities to respond to changing housing needs. Faster, more predictable approvals — supported by clear conservation guidelines — would allow architects and developers to work with confidence while still protecting the town's architectural integrity.

2. Strengthen municipal capacity and financing

Maintaining an ageing, heritage-rich housing stock requires long-term investment and technical expertise. Municipalities need better financial tools: revised tax-revenue allocations, predictable state support and a coherent national framework for affordable housing. Such tools would allow towns like Mikulov to use their land assets strategically, plan multi-year renovation programmes and support innovative housing typologies.

3. Regulate tourism-driven pressure

Tourism is essential to Mikulov's economy, but without balanced regulation it can hollow out the housing market.

- Short-term rentals must be managed so they do not replace long-term homes. Registration systems, caps and zoning tools can protect the residential function of the historic centre.
- Speculative investment must not destabilise the community. Contributions to local infrastructure, transparent development rules and design standards can ensure private investment aligns with public goals rather than displacing residents.

4. Learn from international models

Vienna demonstrates what is possible when long-term public investment meets strong architectural standards. Its mixed-model housing system — combining municipal, cooperative and private rental units — supports social diversity and architectural quality. Even small towns benefit from adopting aspects of this approach, whether through cost-based rents, long-term leases, cooperative models or public-private partnerships.

Conclusion: Designing a Living Town

Affordability is not merely a financial concept. It is the ability to offer homes that are healthy, dignified, sustainable and harmonious with their surroundings. When towns build cheaply, they often pay for it later — through higher operating costs, degraded public space and a weakened sense of community. In Mikulov, this balance is especially delicate. Renovating heritage buildings is inherently expensive, and building new homes to modern energy standards requires meaningful upfront investment. These challenges demand collaboration: architects, conservationists, economists and energy specialists must work together to craft solutions that respect both history and contemporary needs.

The lesson from Vienna, and from many European cities, is clear: quality and affordability can coexist. With thoughtful design, long-term financing and strategic planning, it is possible to create homes that are both architecturally grounded and socially inclusive.

Housing is more than an economic asset — it is the foundation of community stability, cultural continuity and urban vitality. If Mikulov is to remain a living town rather than a picturesque backdrop for visitors, securing affordable, well-designed homes for its residents is essential.

As deputy mayor, my message is simple: to keep Mikulov authentic and vibrant for the next 150 years, we must build an economically sustainable and socially accessible housing system. Affordable housing is not a construction project — it is a long-term commitment to our culture, our landscape and the cohesion of our community.

ⁱ https://www.mikulov.cz/data/content_files/530/1-mikulov-analyticka-cast.pdf

ⁱⁱ https://www.oecd.org/en/publications/housing-reforms-in-czechia-and-poland_4988c473-en.html