



# Housing in rural areas

A rural perspective on  
urbanisation and ageing



# Colophon

This report presents the most comprehensive analysis of the NBO-associated housing stock in the Nordic Region to date, counting more than three million homes. The study focuses on the presence and role of Nordic housing organisations in the most sparsely populated municipalities in the Region, many of which have experienced a long-term population decline and reduced economic activity in the past decades. The overall question is how the housing organisations can contribute to sustainable rural development and continued prosperity in the most sparsely populated areas of the Nordic countries in times of rapid urbanisation and population ageing.

The project supports the Nordic vision of becoming the world's most sustainable and integrated region by 2030, promoting a green, competitive, and socially sustainable Nordic Region. The Nordic Council of Ministers initiated the project through the Nordic Welfare Centre, a research and knowledge centre addressing some of the grand challenges of maintaining a good quality of life and providing a high level of public health and care services in all areas of the Nordic countries.

NBO Housing Nordic is the association of public, cooperative and non-profit housing organisations in the Nordic Region. Its purpose is to coordinate the common interests of its members, which include eight major public, cooperative, and non-profit housing organisations in the five Nordic countries:

DK: BL – The Danish Federation of Non-Profit Housing Providers

FI: KOVA – The Finnish Affordable Housing Companies' Federation

IS: Félagsbústaðir Social Housing and cooperative building association Búseti

NO: NBBL – the Co-operative Housing Federation of Norway

SE: Public Housing Sweden, HSB, and Riksbyggen

The analysis has been carried out by consulting company Finnsson & Co based on input from the NBO Housing Nordic members and housing organisations across the Nordic Region. The NBO Housing Nordic secretariat and the team behind the project would like to extend their sincere thanks to everyone who contributed to the report.



Nordic Council  
of Ministers



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Editors, NBO Housing Nordic: Liv Jørgensen and Rikke Lønne  
Research and analysis: Finnsson & Co, Páll Tómas Finnsson  
Layout: Finnsson & Co  
Front page photo: Mikael, Adobe Stock  
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# The role of Nordic housing organisations in rural areas

# Introduction

Cooperative, public, and non-profit housing organisations play an essential role in maintaining a balanced housing market in the Nordic countries, providing affordable alternatives to the private market. As housing prices have reached unprecedented heights, their role has become even more critical to ensure a stable supply of quality housing and socially mixed communities and neighbourhoods in the countries. This report looks at the housing organisations' presence and social impact in sparsely populated rural areas of the five Nordic countries: Denmark, Finland, Iceland, Norway, and Sweden.

## **Rural exodus in all five Nordic countries**

The demographic challenges facing rural areas are well known. With the rapid urbanisation, rural communities across the Nordic Region have seen a long-term population decline in the past decades. Many young people move to the larger towns and cities for education or work, and the remaining population gets older.

In most cases, rural depopulation comes with reduced economic activity and fewer jobs, which again might reinforce the negative demographic trends. Another consequence is that it becomes more and more difficult, especially in the most sparsely populated areas, to maintain vital infrastructure and public services, such as schools and kindergartens, health and care services, and public transport.

Lower housing costs and more space are often highlighted as key benefits of rural living, alongside a more relaxed pace of life, a stronger sense of community, and open landscapes. However, while unoccupied housing is a common sight in declining rural communities, there is often a lack of attractive and suitable housing for those considering a move into more rural surroundings. This imbalance poses a major challenge and can be difficult to address. One of the main reasons is that due to the weak housing demand in most rural areas, the cost of building a new home or carrying out major refurbishments will most likely exceed its market value, which significantly restricts residential mobility.

## **How can the housing organisations contribute?**

In the report, we look into the role of Nordic housing organisations in reacting to the changing demographics in rural areas. The situation varies greatly between communities; some have a significant surplus of housing, often in a poor state. Others have succeeded in creating or attracting new businesses or industries and need suitable housing for their new inhabitants. Another critical question concerns the changing age composition in the Nordic societies, notably the increasing need for housing for the older population.

Building new housing and maintaining and renovating the existing housing stock remains the housing organisations' primary function, while part of the solution to revive communities with a large surplus of outdated housing may very well be to demolish and rebuild rather than renovate. Through collaboration with local authorities, the housing organisations can also provide adequate social housing, often as part of larger development projects, or contribute to

the renewal of struggling town centres by mixing residential housing with commercial, cultural, and institutional functions.

An increasingly important task is to provide affordable housing alternatives for older people that wish to move into smaller homes, which at the same time might free up suitable housing for others. The report introduces different ways of achieving this, such as through national framework agreements and by adapting existing housing and improving accessibility. Finally, the Nordic housing organisations are engaged in various initiatives addressing the health and wellbeing of their residents, focusing on, for instance, mental and physical health, education, integration, and labour market participation.

### Further Nordic cooperation

Consulting company Finnsson & Co has carried out the analysis for NBO Housing Nordic, the association of cooperative, public and non-profit housing organisations in the Nordic countries.

The study is financed by Nordic Welfare Centre, an institution under the Nordic Council of Ministers that promotes research into health, wellbeing, and social policies.

The project was initiated as part of the Nordic 2030 Vision, seeking to make the Nordic Region the world's most sustainable and integrated region by 2030.<sup>1</sup> The vision focuses on three strategic areas: A green Nordic region, a competitive Nordic region, and a sustainable Nordic region, all of which are highly relevant to the Nordic housing sector. Fifteen indicators measure progress in each of the three areas.<sup>2</sup>

Moreover, the project results from the recommendations in the report Knowledge that works in practice – Strengthening Nordic cooperation in the social field,<sup>3</sup> commissioned by the Nordic Council of Ministers. The report calls for more Nordic collaboration in the areas of housing and social services. It highlights the need for social housing efforts in municipal and cooperative housing, innovative approaches to housing for the elderly, as well as good housing options for people with disabilities, the socially vulnerable and the homeless. In addition, the report encourages the exchange of experience on how non-market-based solutions can address housing shortages.

*"The Nordic region is geographically large, with many sparsely populated areas. As in many other countries outside the Nordic region, several of these areas*

*are experiencing the migration of people into more urban areas. This presents challenges in terms of maintaining a high level of social services in the more thinly-populated areas."*

### Knowledge sharing within Europe

In a European context, the EU housing Ministers have come together to address the challenges of "providing affordable, sustainable, decent and resilient housing which contributes to the quality of life." In a joint declaration from March 2022,<sup>4</sup> the Ministers encourage knowledge-sharing about policies related to affordability and access to housing, design and planning, renovation, and sustainable, circular, and resilient construction.

According to the declaration, rising housing rents and real estate prices and a lack of affordable housing are common trends in the European Union. The Ministers highlight the housing and construction sectors as key to delivering on the European climate objectives but also acknowledge that increasing the housing market's affordability is dependent on the supply of new or renovated quality housing. One of the areas emphasised in the declaration is the promotion of specific housing policies addressing the challenges in areas with a declining population.



### Definition of sparsely populated areas

Each country chapter includes an introduction to the affordable housing sector, an overview of the demographic development, and an analysis of the housing organisations' presence and impact on the more sparsely populated areas of the Nordic region.

The analysis is based on data on the demographic development in all Nordic municipalities between 2001 and 2021, divided into three age groups: children aged 0-14, the working-age population aged 15-64, and the elderly population aged 65 years or more. The population data comes from the national statistics agencies in the Nordic countries.

The data on the affordable housing stock has been sourced mainly from The National Building Foundation in Denmark, KOVA and its member organisations in Finland, the Housing and Construction Authority in Iceland, and NBBL, its members, and BBL Pivotal in Norway. The data about affordable housing in Sweden was provided by the three Swedish NBO Housing Nordic members, Public Housing Sweden, HSB, and Riksbyggen. Where possible, the statistics on the housing organisations' presence across the Nordic countries is compiled by municipality.

The report operates with three degrees of urbanisation, defined by the OECD and the European Commission. The classification of the Nordic municipalities is based on Nordregio's map of the degree of urbanisation in the Nordic countries in 2018, published at [www.nordmap.se](http://www.nordmap.se).

### Three urbanisation categories

*Cities:* Densely populated municipalities where at least 50 per cent of the population live in an urban centre.

*Towns and suburbs:* Intermediate density areas with less than 50 per cent of their population in urban centres and no more than 50 per cent in rural areas.

*Rural areas:* Thinly populated areas where more than 50 per cent of the population live in rural areas. To better understand the situation in the most sparsely populated regions of the Nordic countries, we often distinguish between municipalities with a population density of over and under 50 people per km<sup>2</sup>.

All maps in the report are interactive. Click the maps to take a closer look at each region or municipality

# In-depth analysis of three million homes in the Nordic Region

# The Nordic Region

In this report, we present the most extensive analysis of the NBO-associated housing stock in the Nordic countries to date. The aim has been to study the role of the Nordic housing organisations in ensuring sustainable rural development and the continued prosperity of sparsely populated communities across the Nordic countries. In 2021, around 7.3 million people lived in the Nordic countries' rural municipalities, corresponding to 26 per cent of the Nordic population of 27.5 million.

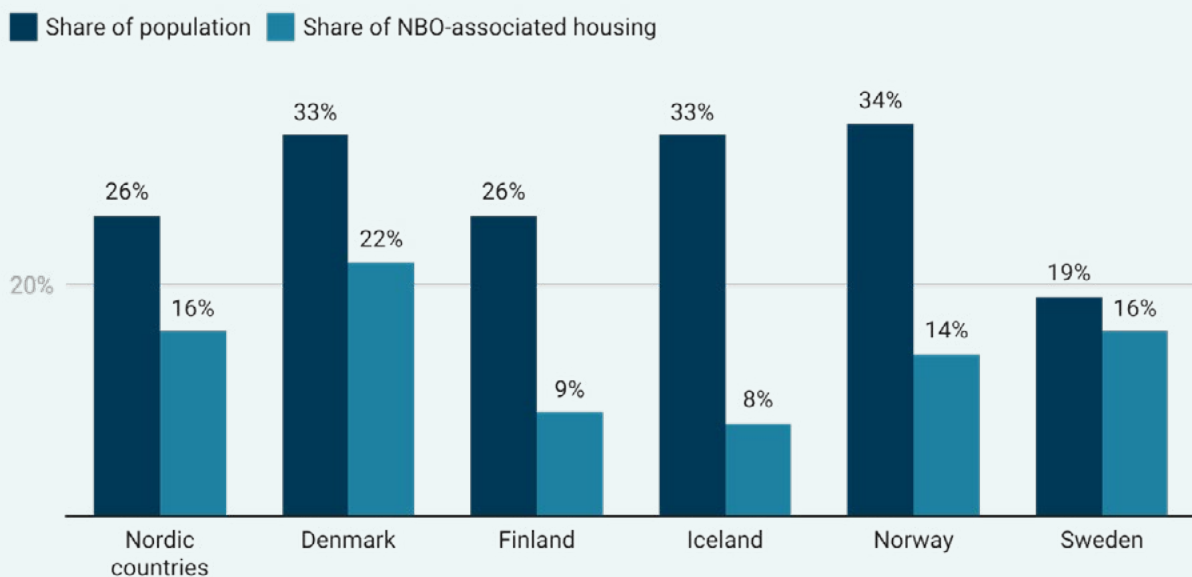
The analysis is based on data provided by the members of NBO Housing Nordic, which include the largest cooperative, public, and non-profit housing organisations in all five countries, combined with data from the Nordic national statistics agencies and other agencies occupied with housing and construction in the Nordic Region.

The housing stock managed by the NBO Housing Nordic member organisations counts more than three million homes. We have studied the geographical distribution of approximately 2.5 million housing units across the municipalities in the five Nor-

dic countries and an additional 370,000 on a regional level, a total of almost 2.9 million housing units.

Around half the housing, just over 1.5 million housing units, is in Sweden. With a population of 10.4 million in 2021, the figure translates into 147 housing units per 1,000 inhabitants, which is the highest in the Nordic Region. The corresponding figures in the other four countries are 110 housing units per 1,000 people in Norway, 101 in Denmark, 55 in Finland, and only around 11 in Iceland.<sup>5</sup> The Nordic average is 110 housing units per 1,000 inhabitants.

## Rural areas Share of NBO-associated housing vs. population share



Includes data on housing compiled by municipality only, approximately 2.5 million housing units

### Large differences between urban and rural areas

The data shows clear differences in the Nordic housing organisations' presence between the municipalities in the three urbanisation categories: cities, towns and suburbs, and rural municipalities. The comparison is enabled by the housing data compiled by municipality, which includes approximately 2.5 million housing units.

The analysis of this portion of the housing stock gives an average of 89 housing units per 1,000 people in the Nordic Region: 118 in the cities, 86 in towns and suburbs, and 54 in rural areas. In other words, there are more than double as many housing units per capita in the Nordic cities than in the rural areas of the Nordic Region.

The difference between the categories is the smallest in Sweden. Here, the national average is 94 housing units per 1,000 people. The cities have 106 such homes per 1,000 inhabitants, compared to 78 in the rural municipalities - a difference of around 30 per cent. In Denmark, there are approximately double as many housing units per capita in the cities as in the rural municipalities.

In Norway and Finland, the gap between the cities and rural areas is even larger. There are approximately 4.5 times as many housing units per capita in the Finnish and Norwegian cities than in the countries' rural areas. The Norwegian cities lead the way on the Nordic level, with more than 200 housing units per 1,000 inhabitants, while

the figure in the rural areas is 44. However, the difference is the most significant in Iceland. Almost 90 per cent of Iceland's not-for-profit housing stock is in the capital area around Reykjavik. Per 1,000 inhabitants, the figures from Iceland translate into 15 housing units in the cities but only 2.7 in the rural areas, or more than five times the difference.

In most Nordic countries, the difference is somewhat larger when comparing the most sparsely populated rural municipalities to the cities. That gap is most evident in Norway, with seven times more non-profit residential dwellings per capita in the cities than in the rural areas with fewer than 50 people per km<sup>2</sup>.

## Rural municipalities Population development 2001-2021

■ Population increase ■ Population decline



Source: The Nordic National Statistics Agencies

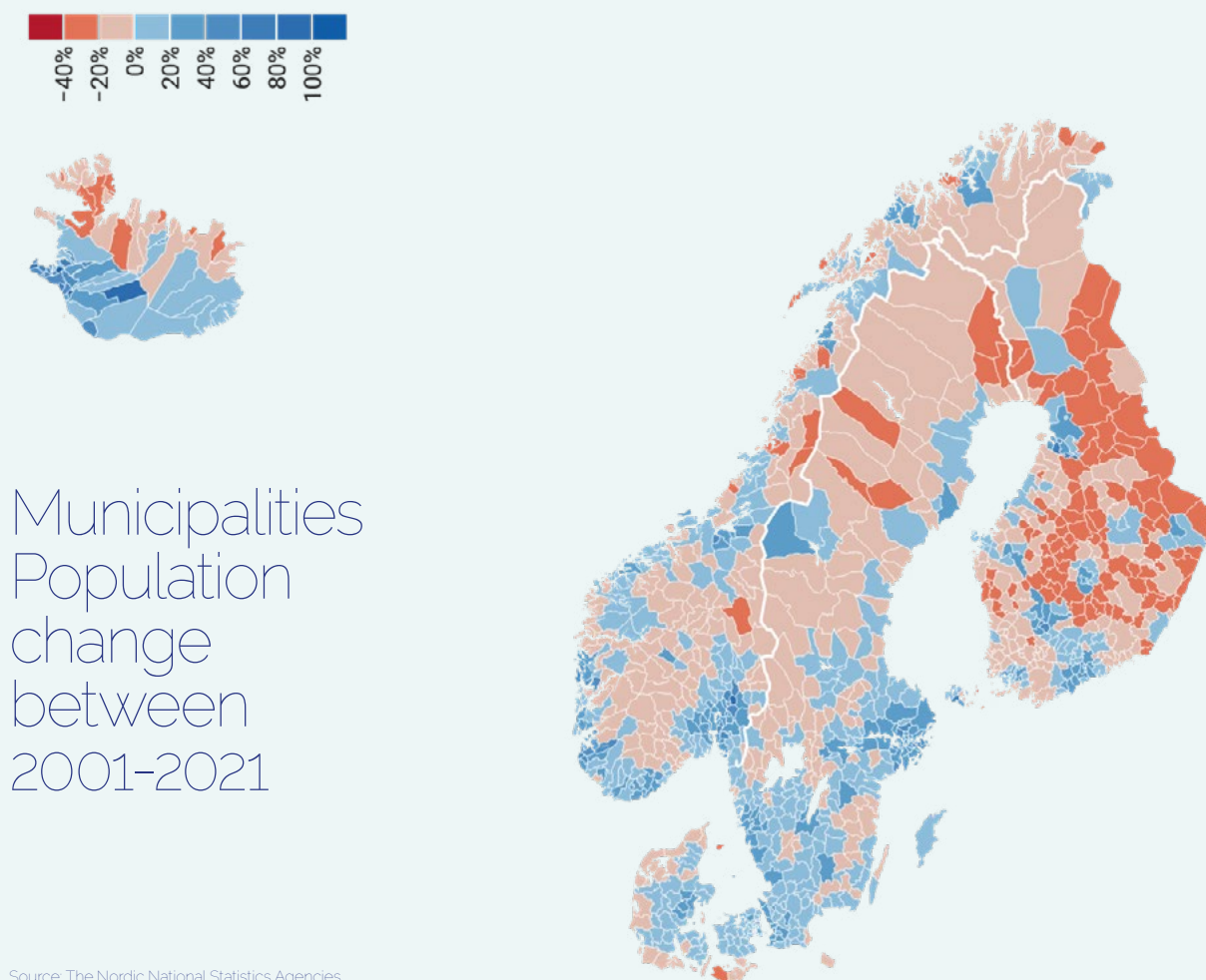


### Population decline in many rural communities with a population density below 50

The population of the Nordic countries grew by approximately 3.4 million people between 2001 and 2021. Their population grew in all three urbanisation categories, although the increase in the rural municipalities was minimal, or only 2.3 per cent.

Finland was the only Nordic country with an overall population decline in the period. The Finnish population declined by 117,000 people, corresponding to a decrease of 7.6 per cent compared to 2001. A closer look at the rural municipalities with less than 50 people per km<sup>2</sup> shows a population decrease of 117,000 people, corresponding to 11.3 per cent.

The rural population in the municipalities with a density below 50 grew in Iceland and Norway. Meanwhile, Denmark saw a decline of 32,000 people in its rural municipalities with a population density below 50, corresponding to 8 per cent. Sweden saw a minor decline of 1,200 people in total in its municipalities with less than 50 people per km<sup>2</sup>.



Source: The Nordic National Statistics Agencies

### Working-age population in sparsest rural municipalities dropped by a quarter of a million

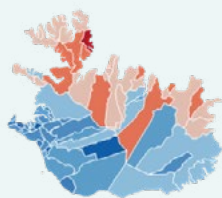
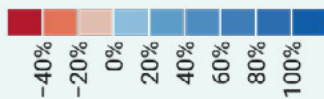
The age-group 15-64 is typically defined as the working-age population in statistical analysis. This important group, from an economic perspective, grew by 1.5 million people in the Nordic countries between 2001 and 2021. However, the population increase was mainly bound to the cities and the towns and suburbs.

The working age population grew by 1.65 million in the two urban categories. At the same time, the group of people aged 15-64 decreased by more than 8 per cent, or around 255,000 people, in the rural municipalities with a population density below 50.

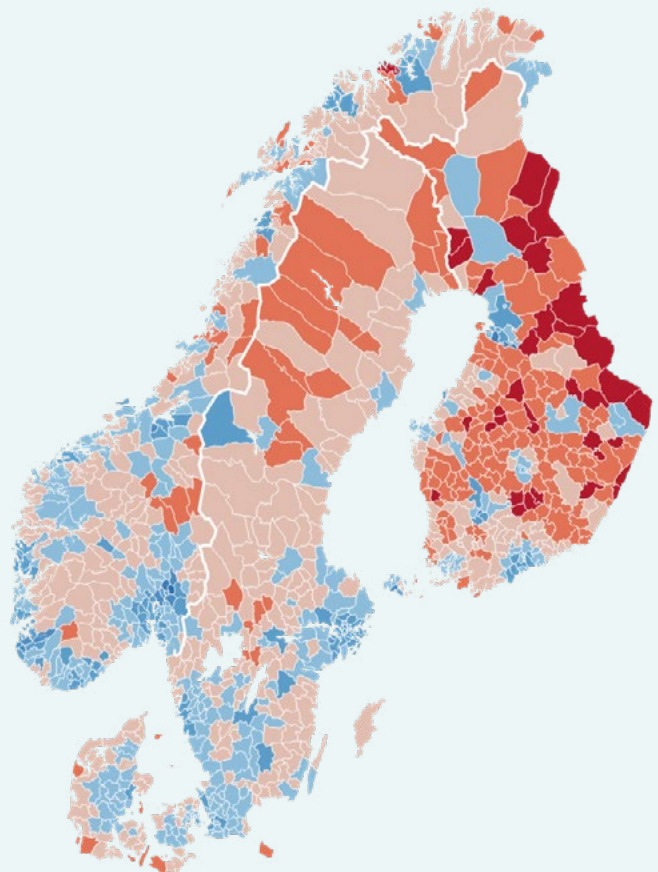
Looking at the individual countries, the working-age population declined in the municipalities with a population density below 50 in Sweden (6%) Denmark (14%), and Finland (22%).

At the same time, the 15-64 age group grew in Iceland and Norway.

Finland was the only Nordic country that saw an overall decline in its working-age population in the period between 2001 and 2021. While the towns and suburbs and Finland's rural areas lost approximately 255,000 working-age individuals, the increase of about 204,000 people in the cities meant that the overall decline was just under 51,000, or 1.5 per cent.



Population  
aged 15-64  
Change  
between  
2001-2021



Source: Nordic Statistics Agencies

### The share of older people increases significantly in all Nordic countries

In all five Nordic countries, the group of people aged 65+ is growing rapidly. In 2021, there were around 5.54 million people aged 65 or more, corresponding almost exactly to the population of Finland.

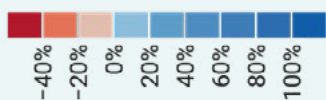
The group of older people has grown by more than 40 per cent in all urbanisation categories on the Nordic level and in four

out of five Nordic countries. The only exception is Sweden, where the oldest age group grew by 36 per cent. The largest relative increase was in Iceland (66%), and Finland (62%). In all the Nordic countries except Finland, the increase was largest in the municipalities in the towns and suburbs category.

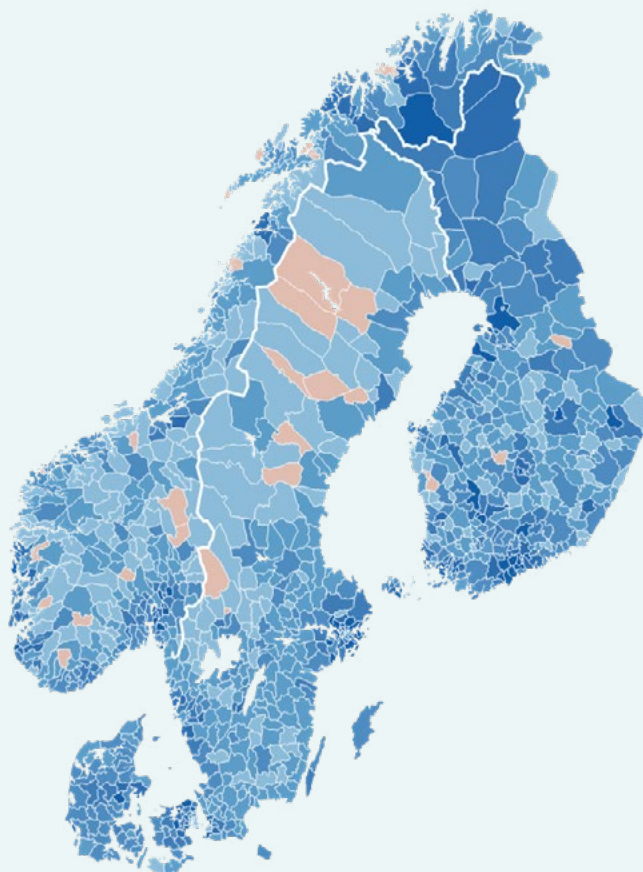
As a result, the old-age dependency ratio has risen considerably all across the Nordic Region. Overall, the balance between the working-age population and

people aged 65 or more shifted from 24 per cent in 2001 to 32 per cent in 2021. That means that for each person aged 65 or more, there are now 3.1 people of working age, compared to 4.2 in 2001.

The balance is the most alarming in the most sparsely populated rural areas, where there are only 2.3 people of working age for each person aged 65 or more. In Finland, the old-age ratio is now above 50 per cent in the most sparsely populated rural areas, meaning that for each person aged 65 or more, there are only 1.9 people of the working age.



Population  
aged 65+  
Change  
between  
2001-2021



Source: Nordic Statistics Agencies

# Denmark

Population: 5.8 million in 2021





# Strong non-profit housing sector all across Denmark

Denmark has a longstanding tradition of a robust non-profit housing sector, with its history tracing back to the 1800s. Today, over one million people, or more than one-sixth of the Danish population, live in affordable rental housing provided by the sector. Non-profit rental housing makes up approximately 20 per cent of the country's housing stock.

The Danish non-profit housing sector consists of 583 non-profit housing organisations, organised within BL - the Danish Federation of non-Profit Housing Providers. In 2021, its member organisations controlled 590,000 housing units across the country. The sector's primary objective is to provide decent and affordable rental housing for people of all ages – youth, families, the growing elderly population, and people with disabilities – no matter their

social and economic status. The sector offers housing in all 98 municipalities in Denmark, and construction of new homes was initiated in all but eight between 2017 and 2021.

The rent in the non-profit housing sector is cost-related and goes exclusively to paying off mortgages and financing maintenance and operations. Therefore, no one profits from the rent. Tenant democracy is a prominent feature, allowing the residents of each housing estate to influence its governance through a tenant board. These local housing estate committees are involved in decisions about everything from budgets and rent levels to major maintenance and refurbishment projects.

Danish municipalities contribute a certain percentage of the construction costs of new non-prof-

it rental housing. In return, they have the right to allocate up to 25 per cent of the housing to local residents in need of a home. In addition to providing affordable rental housing, the housing organisations are also invested in a wide range of community-building initiatives, focusing on the health and wellbeing of the tenants, education, employment, integration, and social cohesion in the neighbourhoods. It is therefore safe to say that the non-profit housing sector plays a significant role in maintaining a high quality of life throughout Danish society.

### **National Building Foundation funds renovations and social efforts**

The National Building Foundation plays a central role in developing the non-profit housing sector in Denmark, not least in areas facing population decline and social challenges. Established by the non-profit housing sector in 1967, the foundation is an independent organisation funded entirely by rent returns from the sector. When mortgages have been paid out, two-thirds of the rent are channelled into the National Building Foundation to be reinvested in the sector.

The National Building Foundation provides expert knowledge on housing development, manages data on the sector, and finances major renovation projects and social efforts, collaborating closely with the housing

organisations and municipalities. The foundation typically funds 75 per cent of the sector's social development programmes, while the municipalities and housing organisations contribute the remaining 25 per cent. In some cases, the foundation also provides operational support to housing organisations facing financial or social challenges.

With the non-profit housing sector's long history and strong presence across the country, maintenance and renovation of the existing housing stock are central to the housing organisations' operations. In recent years, a significant focus has been to reduce the housing stock to adjust to the changing demand and ensure a healthy economy in the housing estates. In some cases, this involves the demolition of entire properties, while others have been restructured and modernised. Between

2017 and 2021, the National Building Foundation allocated DKK 28.8 billion to renovation projects across Denmark<sup>6</sup>

While fully financed by the non-profit housing sector, the National Building Foundation's activities are strictly regulated by law. One of its funds, the New Construction Fund, is the backbone of the current government's plans to construct 22,000 more non-profit housing units over the next fifteen years.<sup>7</sup> Among the key priorities of the policy is to create more sustainable and age-friendly neighbourhoods, towns, and cities, using architecture to promote vibrant, liveable, and socially balanced communities.



This chapter looks at the Danish non-profit housing sector's role in sparsely populated areas. It provides an overview of the demographic development in Denmark in the last two decades, the sector's presence in rural areas, the balance between urban and rural regions, and the social impact of the housing organisations' activities. Finally, we introduce a range of cases aimed at ensuring a balanced economy for housing organisations and tenants in rural municipalities facing long-term population decline.

# Denmark Demographic overview

# Degree of urbanisation Danish municipalities

Cities

19 municipalities

Towns and suburbs

34 municipalities

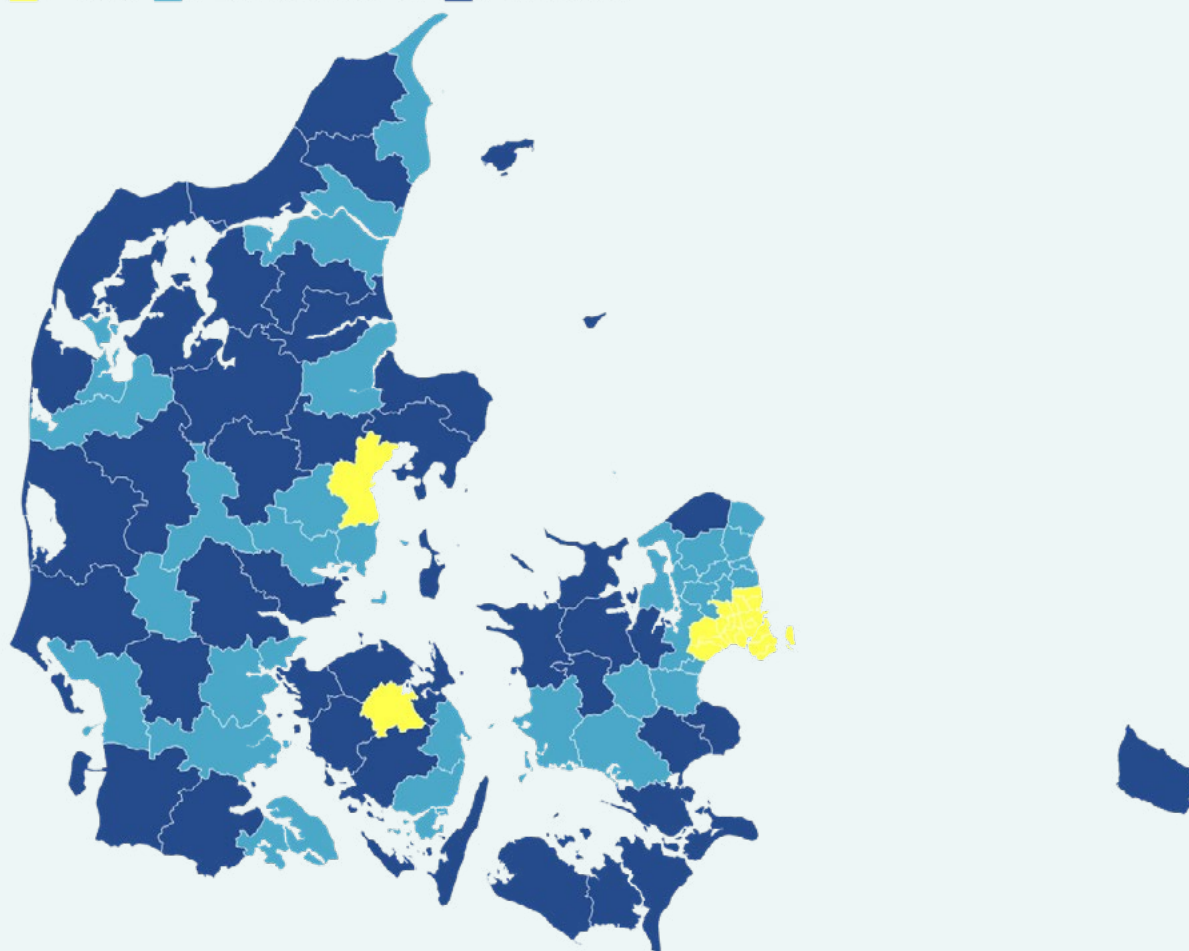
Rural areas

45 municipalities

Rural areas, density <50

12 municipalities

1 - Cities 2 - Towns and suburbs 3 - Rural areas



According to Nordregio's classification at [www.nordmap.se](http://www.nordmap.se). Click the map for an interactive version.

### Population growth in all five regions of Denmark

The population of Denmark was 5,840,045 in 2021, which is an increase of 490,833 since 2001. The country is divided into 98 municipalities and five regions, the most populous of which is the Capital Region, with 1.9 million inhabitants. Second-largest is the Central Denmark Region, which includes Aarhus, the country's second-largest city. Here, the regional population has reached 1.3 million, closely followed by the Region of Southern Denmark with 1.2 million. Finally, the two least populated regions are Region Zealand and the North Denmark Region, with around 840,000 and 590,000 people, respectively.

All five regions have seen a population increase over the last two decades. The two largest regions stand out with a growth of 14.7 and 12.1 per cent between 2001 and 2021, corresponding to 78 per cent of the total population increase in Denmark. Meanwhile, the change in the North Denmark Region was a mere 1.7 per cent.

### Regional overview – population density and urbanisation

The North Denmark Region is the most sparsely populated Danish region, with 74.9 people per km<sup>2</sup>. Nine of the region's eleven municipalities are rural, while Aalborg and Frederikshavn are categorised as urban. In five of the rural municipalities, the density is below 50, including in Denmark's most sparsely populated municipality, Læsø (14.2). The North Denmark Region is the only Danish region without a city municipality.

The density in the Region of Southern Denmark is 99.8 per km<sup>2</sup>. Odense is the only city municipality, and an additional eight are categorised as towns and suburbs. The most thinly populated municipalities are Varde (40.0), Langeland (42.8), and Tønder (28.9).

The Central Denmark Region is represented by Aarhus in the city category. In addition, there are seven towns and suburbs in the region, including Randers and Horsens, with more than 90,000 inhabitants each. The

population density is above 50 in eight municipalities, whereas the most thinly populated are Ringkøbing-Skjern (38.2), Lemvig (38.5), and Samsø (32.4). The population density in the region is 102.3.

Region Zealand has 116.1 inhabitants per km<sup>2</sup>. It consists of 17 municipalities, one of which, Greve, is categorised as a city. Six belong to the towns and suburbs category, and the remaining ten are rural. Lolland is the only municipality in the region with less than 50 people per km<sup>2</sup> (45.7).

Sixteen of the nineteen municipalities in the city category are in the Capital Region, all in close vicinity of Copenhagen. The region is much denser than the other four, with 724.8 people per m<sup>2</sup>. Gribskov (146.6) and Bornholm (67.3) are the only rural municipalities.

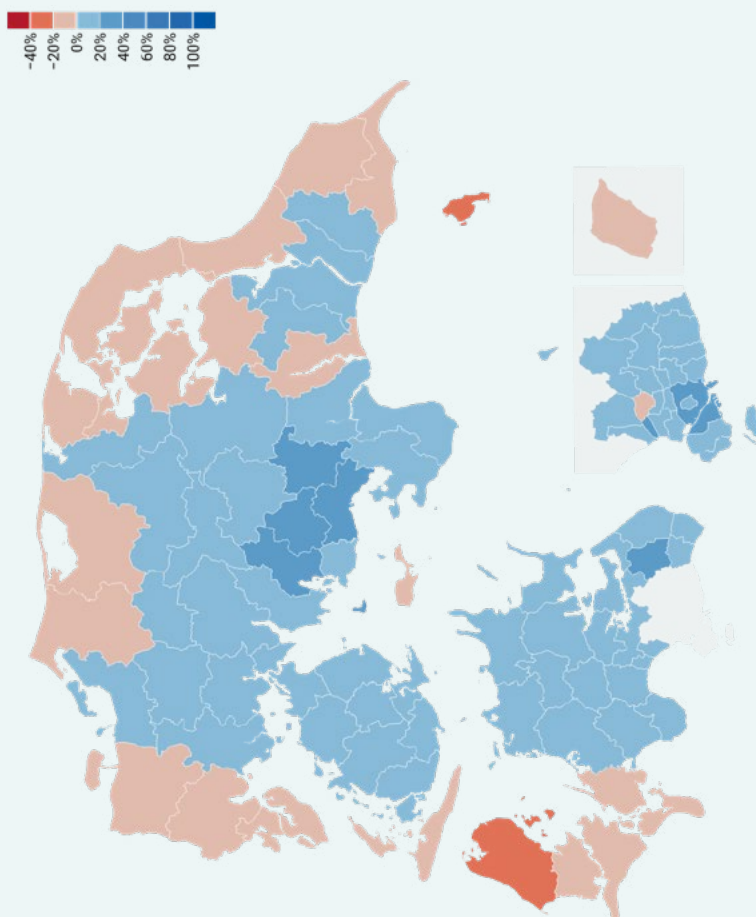


### Population decline in the most sparsely populated areas

While the Danish population grew by almost half a million in the period, the picture was entirely different in the country's rural, least densely populated areas. The population declined in eleven of the twelve rural municipalities with a population density below 50.

The largest relative decrease was in Læsø (22.2%), Lolland (20.4%), Lemvig (17.4%), Tønder (15.5%) and Langeland (15.1%).

In addition, the island community of Ærø, where the population density is 66.5 people per km<sup>2</sup>, saw a decline of 18.5 per cent. Overall, the population in the twelve least densely populated rural municipalities declined by 32,311, or by 8 per cent. Rebild Municipality in Northern Jutland was the only one of the most sparsely populated rural municipalities to register a population increase (9.6%).



Population  
change  
between  
2001-2021

Source: Statistics Denmark

### Shifting balance between the elderly and the working-age population

As in most other European societies, the balance between the working-age population and the elderly is shifting. The 65+ age group has grown in all 98 Danish municipalities, and in some of them, the number of elderly citizens more than doubled between 2001 and 2021.

Looking at the entire country, the number of people aged 65 or more has increased by

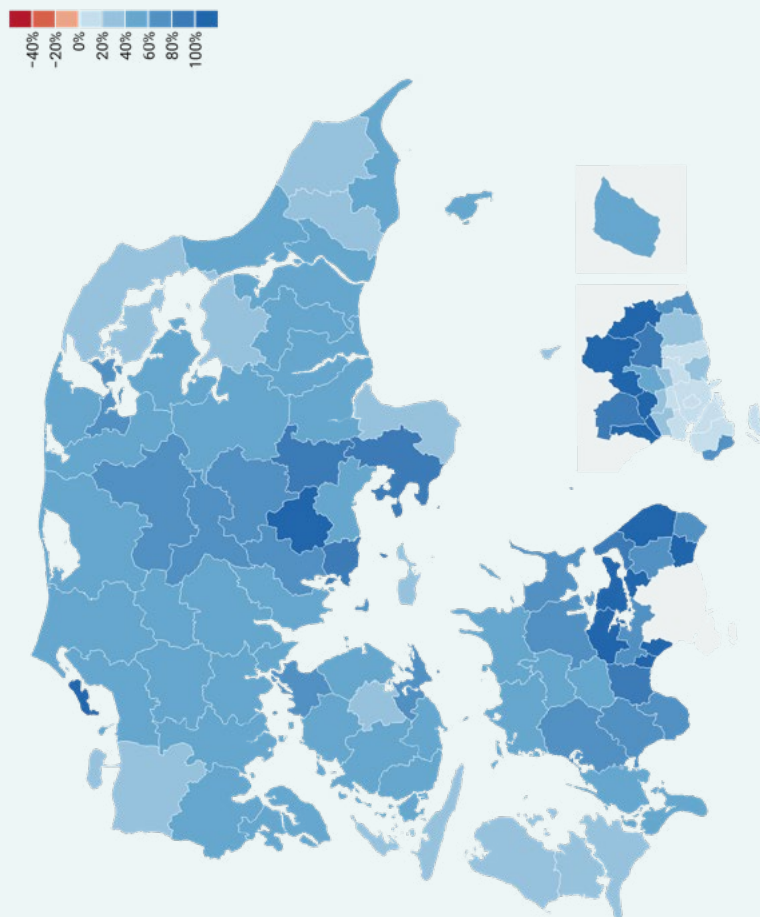
384,444 people or 48.6 per cent. The most significant relative increase was in Region Zealand (63.2%) and the Central Denmark Region (59.6%).

Meanwhile, the working-age population has only grown by 152,118 people. As a result, the old-age dependency ratio in Denmark rose from 22 to 32 per cent, meaning that whereas there were 4.5 working-age individuals per person aged 65 or more in 2001, they were only 3.2 in 2021. In three of the regions, the ratio is below three:

2.8 in the Region of Southern Denmark and the North Denmark Region, and 2.6 in Region Zealand.

The two largest regions accounted for the entire growth in the working-age population between 2001 and 2021. On the other hand, only twelve of Denmark's 45 rural municipalities saw an increase in the 15-64 age group. In the remaining 33, the working-age population has shrunk, in some cases by more than 20 or even 30 per cent.

The working-age population in the most sparsely populated municipalities – with less than 50 people per km<sup>2</sup> – has diminished by 36,666 or 14.4 per cent in only two decades. The old-age dependency ratio is now 2.5 or less in 40 municipalities, 28 of which are rural.



Source: Statistics Denmark

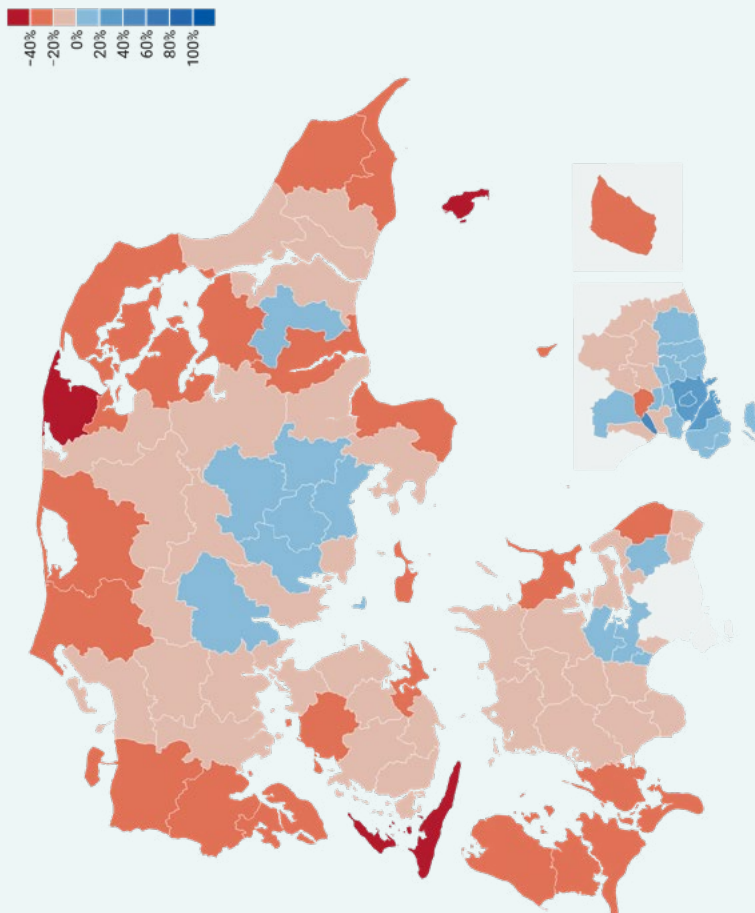
Population  
aged 65+  
Change  
between  
2001-2021

### The trend is likely to continue

A closer look at the youngest age group indicates that the trends described here will continue. There are now fewer children aged 0-14 years in four out of five regions than in 2001, with the largest relative decrease in the North Denmark Region – 16.2 per cent. Region Southern Denmark has seen a reduction of almost 29,000 in the youngest age group or 12.8 per cent.

Three out of four rural municipalities in Denmark had fewer children aged 0-14 in 2021 than in 2001. More than half have seen a decline of over 20 per cent. The situation is the severest in Læsø, which has lost more than half its young population, while Langeland, Ærø and Lemvig have seen a decline of more than 40 per cent. In an additional six rural municipalities, the youth population has decreased by more than 30 per cent.

The decline of the youth population is not only bound to rural municipalities, however, as 27 of the 34 municipalities in the towns and suburbs category have seen a reduction in the age group as well. Compared to 2001, there are now 59,355 fewer children in Denmark's rural areas and 21,661 fewer in its towns and suburbs. Overall, the rural municipalities with less than 50 people per km<sup>2</sup> have lost 21,561 children – a decline of 27.2%.

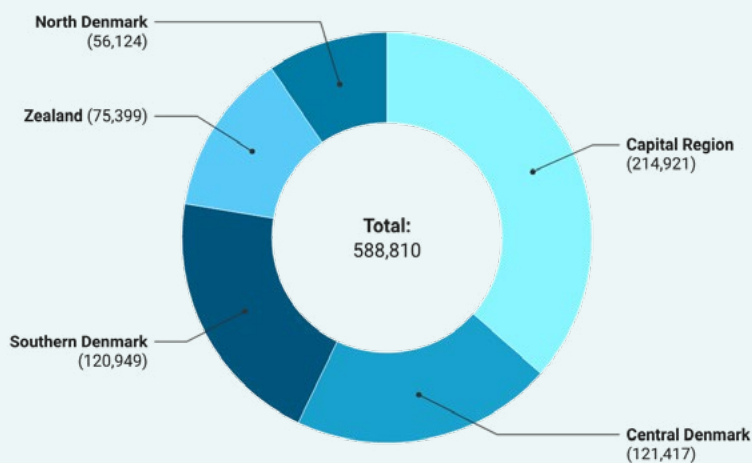


Children  
aged 0-14  
Change  
between  
2001-2021

# Equal distribution of affordable housing between the regions

The Danish non-profit housing organisations play an essential role in providing affordable rental housing to people in all corners of Denmark, no matter their income, education, or background. Moreover, the sector is at the heart of social housing provision in Danish municipalities, which can allocate up to one-fourth of the dwellings to some of their more vulnerable citizens.

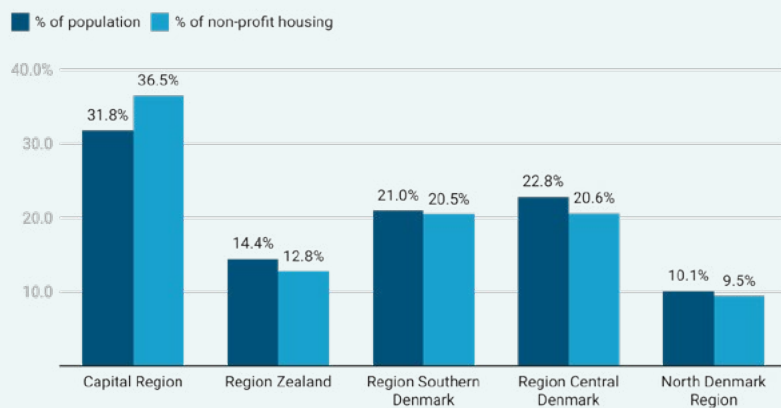
The following pages provide an overview of the non-profit housing sector's presence in Denmark, proportional to the size of the population in the five Danish regions and 98 municipalities, and an overview of the distribution of housing across the three urbanisation categories: Cities, towns and suburbs, and rural areas.



Non-profit housing units in Danish regions

Relative to the population, non-profit rental housing in Denmark is quite evenly distributed across the five regions, although the share is slightly larger in the Capital Region than in the rest of the country. The population of the region makes up 31.8 per cent of Denmark's population, while the share of non-profit rental housing is 36.5 per cent:

These figures translate into 101 non-profit rental housing units per 1,000 inhabitants in Denmark – 116 in the Capital Region and between 90 and 99 in the other four regions.

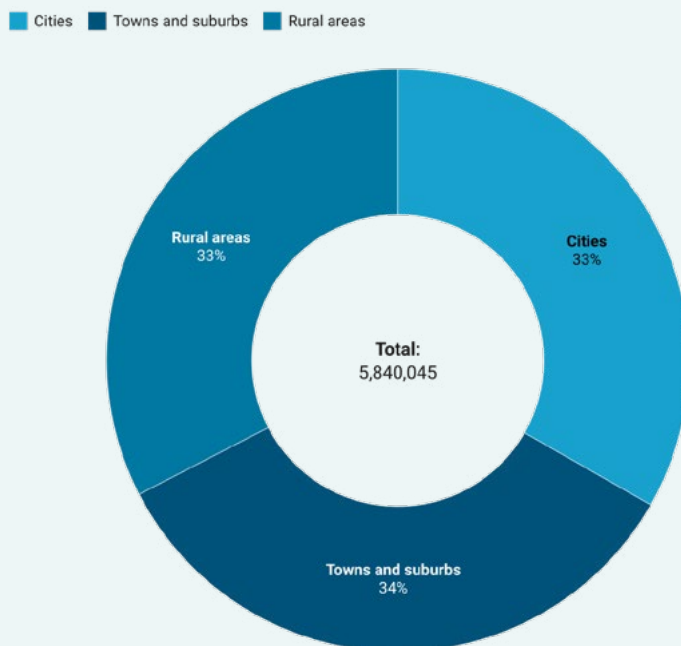


Share of  
non-profit  
housing vs.  
population  
share

### Affordable housing compiled by urbanity and population density

The balance is slightly different when the numbers are compared based on the degree of urbanisation and population density. Applying the three urbanisation categories reveals that approximately one-third of the Danish population lives in city municipalities, one third in towns and suburbs, and one third in rural areas.

The large majority of Denmark's rural population lives in areas with a population density of more than 50 people per km<sup>2</sup>. Of the 1.9 million people living in rural areas, only around 370,000 live in municipalities with a population density below 50.



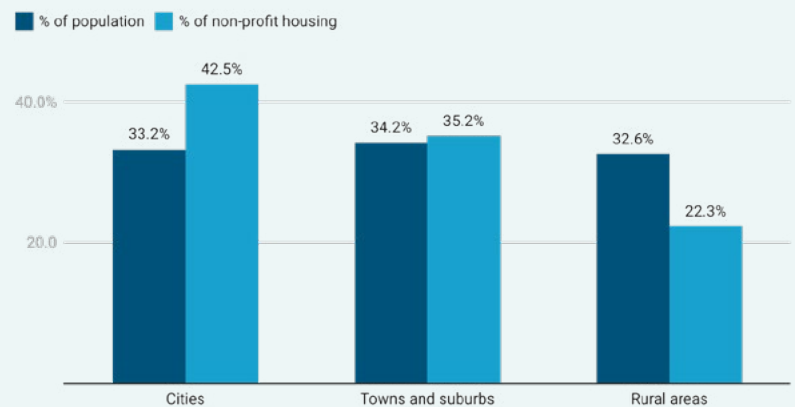
Population  
in 2021 by  
urbanisation

	Housing units	Per 1,000 people
City municipalities	250,472	129
Towns and suburbs	207,361	104
Rural municipalities >50	109,528	71
Rural municipalities <50	21,449	66
<b>In total</b>	<b>588,810</b>	<b>101</b>

Affordable  
housing  
units by  
urbanisation

While the distribution of non-profit rental housing between the regions could indicate a political will to ensure equal access to non-profit rental housing in all parts of the country, a different picture emerges when comparing the urbanisation categories. The average number of affordable rental housing units in the city category is 129 per 1,000 people. That is almost double the number of housing units in the most sparsely populated areas, which have an average of 66 affordable rental homes per 1,000 inhabitants.

The comparison reveals a deficit of almost 61,000 housing units in Denmark's rural areas relative to an equal distribution of housing units per capita. While there may be many valid reasons for this difference, the figure is significant, especially considering that in 2021, the number of affordable rental housing units in rural municipalities was 131,000. The corresponding surplus is 54,695 units in the city municipalities and 6,226 in the towns and suburbs.



Share of housing vs. population share

Affordable housing units		Deficit relative to equal distribution
Rural areas >50	109,528	45,153
Rural areas <50	21,449	15,767
In total	130,977	60,920

Source: Landsbyggefonden



### All rural municipalities are below the national average

While only seven rural municipalities in Denmark have less than 1,000 non-profit rental housing units, none of the 45 rural municipalities is above the national average of 100.8 per 1,000 people. With 117,000 inhabitants, Vejle is Denmark's most populous rural municipality. It also had the most non-profit housing in 2020 among the municipalities in the rural category, 11,070 dwellings corresponding to 95 per 1,000 people.

The rural municipalities that come closest to the national average are Holbæk (99 housing

units per 1,000 people), Aabenraa (98), and Lolland (94.)

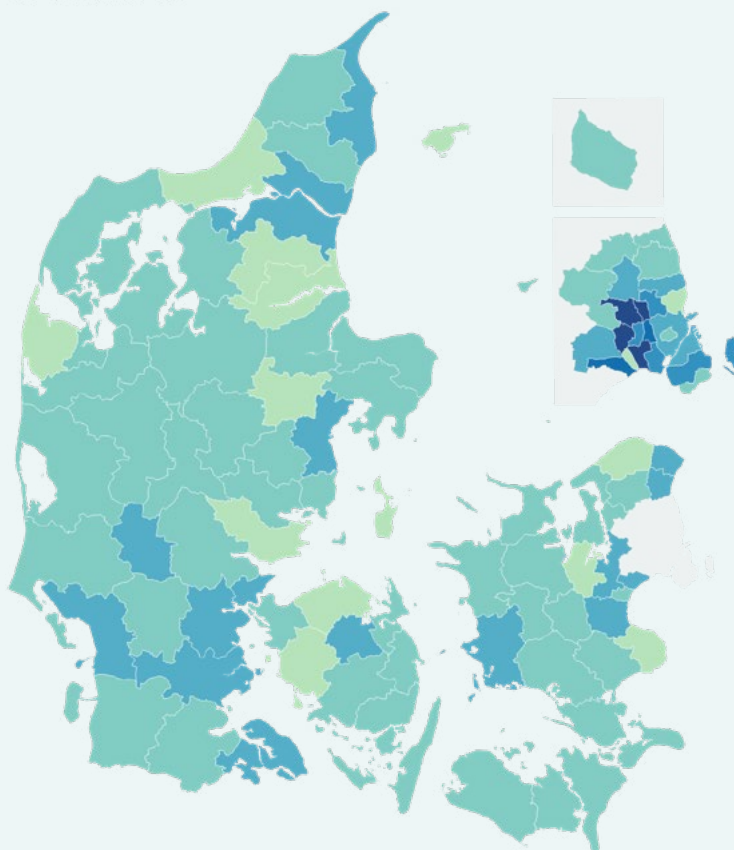
Only six rural municipalities have less than 40 non-profit rental housing units per 1,000 people: Læsø (37), Rebild (36), Gribskov (34), Stevns (32), Lejre (29), and Samsø (28).

### Availability is slightly higher in rural areas

Although the share of unoccupied non-profit housing is somewhat higher in rural areas than in the cities, the overall statistics do not indicate an abundance of empty apartments. By the end of 2021, 0.3 per cent of the affordable rental housing units in

the cities were unoccupied, 0.6 per cent in towns and suburbs, and 0.7 per cent in the rural municipalities. The national average of vacant housing units in the sector was 0.5 per cent.

However, the share of unoccupied dwellings in non-profit housing estates is slightly higher in the municipalities with less than 50 inhabitants per km<sup>2</sup>. In these communities, 232 of the 21,449 housing units were unoccupied, or 1.1 per cent. The same applies to youth apartments, where the availability was 2.2 per cent in rural areas, compared to 1.5 per cent in towns and suburbs and only 0.5 per cent in the city municipalities.



Non-profit  
housing units  
per 1,000  
inhabitants

The rural municipality with the highest share of unoccupied units was Brønderslev, where a massive 5.3 per cent of the 2,399 units were unoccupied, followed by Tønder (2.6%), Hjørring (1.8%), Viborg and Jammerbugt (1.5%) Langeland (1.2%), Aabenraa (1.1%) and Vesthimmerland (1.1). In all other rural municipalities, the share was one per cent or less.

#### Few vacancies for older adults

What catches the eye in the statistics for vacant non-profit rental housing is that only a minimal share of the apartments for older people is unoccupied. By the end of 2021, only 61

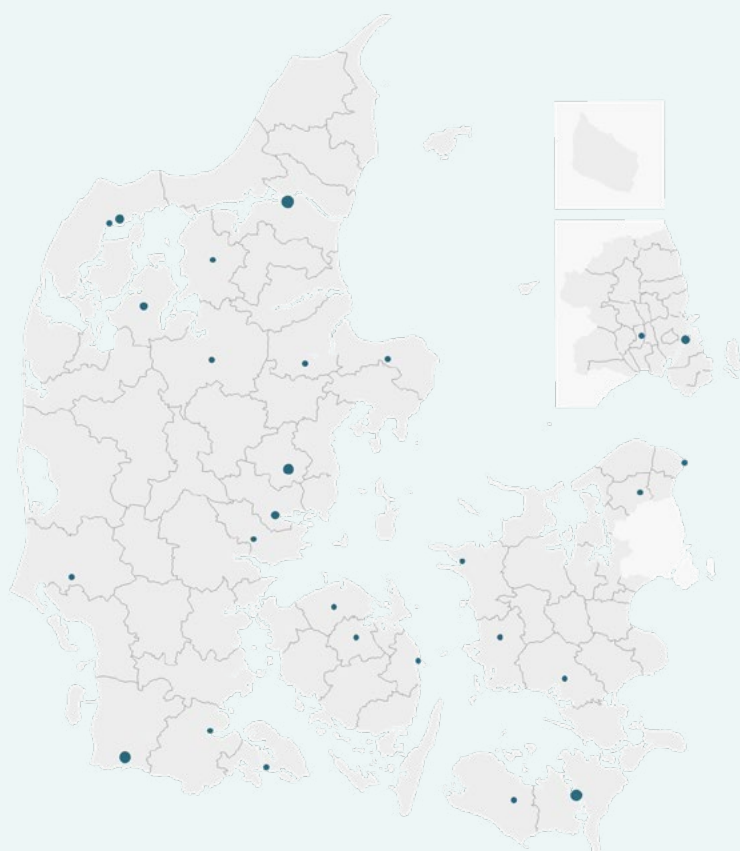
apartments were vacant in the entire country. Around half of these empty apartments were in rural municipalities, while only five apartments were available in the cities.

The explanation is, of course, the rapidly growing elderly population in Denmark. In 2021, there were around 400,000 more people aged 65 or more than in 2001, which is an increase of just about 50 per cent.

The most significant relative increase was in Region Zealand and Region Central Denmark, where the group of older adults grew by 60 and 63 per cent, respectively. In total, there were

around 1.2 million people aged 65 or more in Denmark in 2021, approximately one-fifth of the population.

The map below shows all vacancies in the category of accessible housing for older adults and people with disabilities in Denmark in December 2021. The smallest dots on the map, 19 in total, represent one vacant dwelling in the category, while the largest number of available apartments was in Aalborg (9) and Tønder (7).



Available  
apartments  
for older  
people

# Subsidised construction of new non-profit rental housing

The state and municipalities support the construction of new non-profit rental housing in Denmark. Depending on the apartment type, the municipalities contribute with an interest-free loan of between eight and twelve per cent of the construction costs, two per cent are financed through a tenant contribution, and the remaining 86-90 per cent are financed by mortgages on market terms.

Support from the municipality – percentage of the total construction cost:

- Family apartments under 90 m<sup>2</sup> on average: 8%
- Family apartments – between 90 and 105 m<sup>2</sup>: 10%
- Family apartments – above 105 m<sup>2</sup>: 12%
- Apartments for youth or older adults: 10%

To ensure affordable rents and a stable economy, the state sets a cap on the mortgage interest rates. Currently, the interest rate level for the housing estates is set at 2.8 per cent. The difference between the set

interest rate and the actual interest rates accrues the state. Hence, when interest rates are high, the state will subsidise the housing, but when interest rates are low, as they have been for quite some time, part of the mortgage payment goes to the state.

Moreover, the state provides additional support to establish service areas in non-profit rental housing for the elderly population. The maximum amount for this type of support is DKK 40,000 for each associated senior apartment.

## Construction cost limit for subsidised housing

The legislation governing the sector sets a construction cost limit for non-profit rental housing, depending on the type of project and its geographic location.<sup>8</sup> The objective is to keep rent levels at a minimum, but the cap on construction has been criticised for slowing down the production of new non-profit housing and ultimately resulting in poorer quality housing.

The construction cost limits for family and youth housing are calculated based on a set amount per apartment and an additional amount per m<sup>2</sup> of living space. The limit is highest in the municipalities in the capital area, slightly lower in larger municipalities outside the capital area, and lowest in other municipalities. The reasoning is that construction costs are generally higher in the larger urban areas, notably due to higher land prices.

In 2022, the construction cost limit for an 80 m<sup>2</sup> apartment amounts to DKK 2.13 million in the capital area, 1.85 million in larger municipalities in other parts of the country, and 1.74 million in other municipalities. Compared to the capital area, the maximum construction cost is thus 13 per cent lower in the larger municipalities in other parts of the country and 18 per cent lower in all other municipalities.

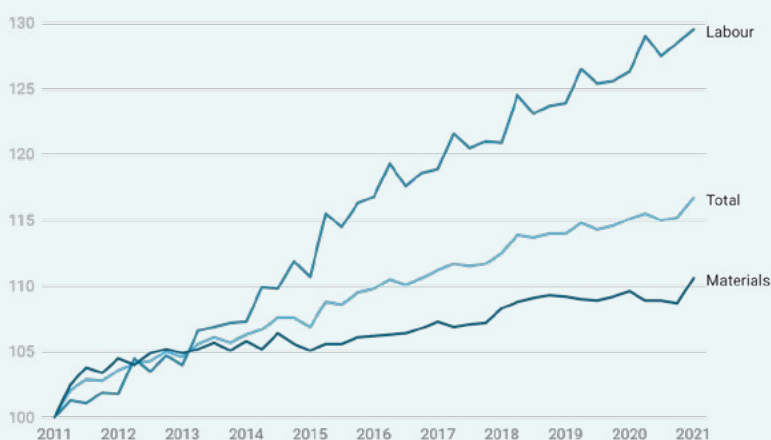
	DKK per apartment	DKK per m <sup>2</sup>
Municipalities in the capital area	376,660	21,930
Larger municipalities outside the capital area	361,180	18,570
Other municipalities	356,020	17,280

The limit for non-profit rental housing for elderly and disabled people is calculated from a certain amount per m<sup>2</sup>, ranging from DKK 25,140 in the rural municipalities to DKK 31,880 in the capital area. Therefore, the maximum construction cost for an 80 m<sup>2</sup> apartment adds up to around DKK 2 million in the rural municipalities and DKK 2.5 million for a similar apartment in the capital area. When building 30 accessible apartments for older adults or disabled people, housing organisations in rural areas thus have DKK 15 million less at their disposal than their colleagues in the capital area.

The construction cost limit has been subject to debate for decades, and the significant rise in construction costs in recent years has caused challenges in completing ongoing projects within the limit. Construction costs in Denmark went up 16 per cent between 2011 and 2021, and in addition, longer delivery times and disruption of global supply chains following the Covid-19 pandemic have added to the difficulties. In some cases, construction projects have become 25 per cent more expensive than planned.

One example is the planned construction of 81 youth and family residences in Vejle Municipality,<sup>9</sup> a rural municipality with 110 people per km<sup>2</sup>. Despite a resounding need for new affordable housing, the project was postponed as it could not be carried out within the limit under the current circumstances. Other projects in both urban and rural areas have been cancelled altogether. Consequently, numerous housing organisations have called for politicians to align the cost limit with this new reality. Furthermore, those operating in rural areas have pointed out the unfairness of the different maximum prices per m<sup>2</sup> between rural and urban regions, as they face the same increases in the cost of construction and materials.

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Construction  
cost  
index  
2011=100

### Gap between urban and rural areas grows bigger

Data about the construction activity in the non-profit housing sector between 2017 and 2021 indicates that the gap between rural and urban areas in Denmark is increasing, also when it comes to the supply of affordable rental housing.

The ratio between cities, towns and suburbs, and rural areas shows that the deficit of new housing relative to the population is the largest in rural areas. The non-profit housing sector initiated construction of 5.3 housing units per 1,000 inhabitants in the city municipalities

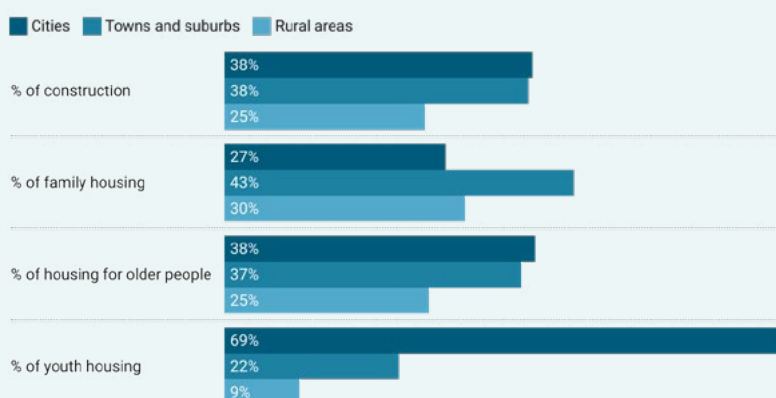
between 2017 and 2021, but 3.3 in rural municipalities with less than 50 inhabitants per km<sup>2</sup>.

While the rural population is 33 per cent of the Danish people, rural municipalities only accounted for 9 per cent of new youth apartments and 25 per cent of new housing units for older adults. However, the share of new family residences was 30 per cent, compared to 43 per cent in the towns and suburbs and 27 in the city municipalities.

Similar patterns are observed when it comes to renovation of housing between 2017 and 2021. Of the DKK 28.8 billion allocated by the National Building

Foundation to renovations and other improvements, approximately DKK 5.8 billion went to non-profit housing estates in rural areas. The amount corresponds to 20 per cent, compared to 35 per cent in the towns and suburbs and 45 per cent in the cities.

Looking at the share of apartments renovated in each urbanisation category, 17.5 per cent of the non-profit housing units in the cities were renovated in the period, compared to 10.9 per cent of the housing in rural areas with a population density below 50.



Degree of  
urbanisation  
Share of  
new  
construction

### Growing need for housing for the elderly population

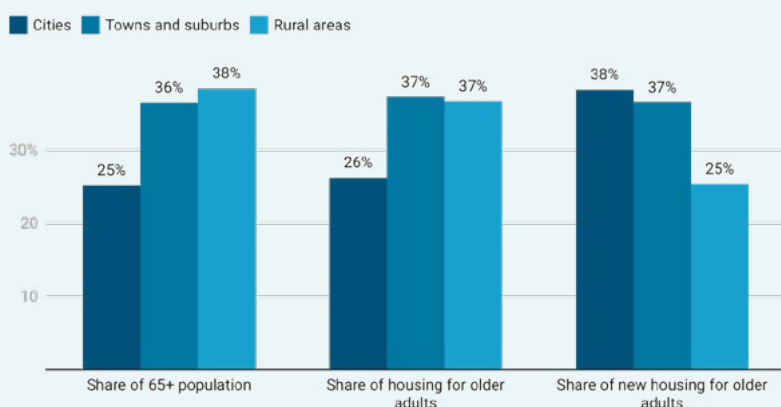
With the rapid ageing of the population, providing enough housing for people aged 65 or more will be one of the central tasks to ensure a socially balanced housing market in the future. However, the construction data from the National Building Foundation shows clear signs that more must be done to meet future demand, not least in rural areas.

Between 2016 and the beginning of 2021, the group of elderly grew by 102,000 people, increasing by around ten per cent in just five years. The data from

the National Building Foundation shows that from 2017 to 2021, the housing organisations in Denmark started the construction of 4,151 apartments for the elderly population.

Comparing the two figures shows that for each new apartment built in the category, the group of people aged 65+ grew by 25 people on average. In Region Zealand, the group of older adults grew by 53 people for each new apartment. It is important to note, however, that in addition to the dwellings in this category, a significant share of new family apartments also meets the housing and accessibility needs of the elderly population.

As the table shows, 38.4 per cent of Denmark's population aged 65 or more lives in the country's rural municipalities but only 25.1 per cent in the cities. The current housing stock for older adults reflects the population size quite accurately, with 36.6 per cent in rural areas and 26.2 in the cities. However, the difference is larger when it comes to new construction; only one-fourth of the affordable housing construction initiated for this growing target group in 2017-2021 was in rural areas.



Degree of  
urbanisation  
Share of  
senior  
housing

### Community programmes in non-profit housing estates

In January 2022, the non-profit housing organisations in Denmark, with support from the National Building Foundation, had ongoing social programmes in 55 housing areas in 38 municipalities, involving about 207,000 tenants.

The overall aims are to ensure the safety and wellbeing of the citizens, empower them to make the most of their opportunities, and strengthen social cohesion in neighbourhoods with non-profit rental housing. Important focus areas include strengthening education and labour market participation, preventing crime among children and adolescents, and ensuring the wellbeing of vulnerable families. All initiatives within the sector's social programmes are knowledge-based, continuously monitoring the long-term effects and value of investing in people and residential areas.

In 2019-2026, the funds are devoted to initiatives within the four following priorities:

- Education and opportunities in life
- Employment
- Crime prevention
- Social cohesion and good citizenship

Furthermore, the foundation supports various initiatives aimed at better operation and management of the housing estates and closer collaboration between the municipalities and the housing organisations.

### Social measures in Lolland municipality

Lolland is one of the communities that has received funding for social initiatives in non-profit rental housing estates. The programme is a collaboration between three housing organisations: Nakskov Almene Boligselskab, Boligforeningen Lolland, and Lejerbo Lolland.

Around 1,200 people live in the housing estates included in the programme, consisting of 666 apartments. The budget is DKK 17.6 million, of which DKK 11 million comes from the National Building Foundation. The programme funds various social initiatives, including social and cultural events and networks in and around the housing estates, strengthening and promoting voluntary work in the neighbourhoods, and providing financial counselling and other support services to vulnerable tenants.

Education and labour market participation are key priorities, with activities such as study and career guidance for local youth, labour market and education activities for adults, and support to parents and children to ensure school readiness and success for the children. Finally, the programme supports a range of physical and social activities for children, mentoring schemes, and child and youth outreach activities with the area's authorities.





# Lolland Adapting capacity to demand

The non-profit housing sector is in a  
good position to start building  
again when demand  
increases

## Lolland Municipality

Population in 2021: 40,539

Population density: 45.7

### Since 2001

- Population decrease of 10,398 – 20 per cent
- 40 per cent fewer children – a decrease of 3,336
- Working-age population down by 28 per cent – 9,083 people
- 20 per cent increase in the 65+ age group – 2,021 people
- Old-age dependency ratio: from 31.8 per cent (3.1) to 53.1 (1.9)

## Rural decline - Lolland ticks all the boxes

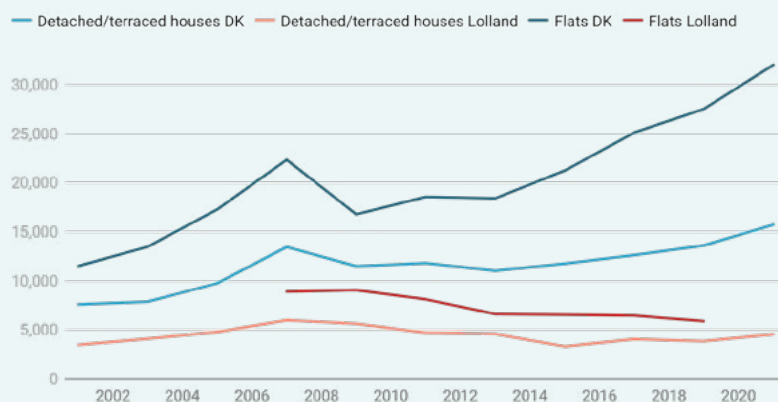
With 45.7 people per km<sup>2</sup>, Lolland Municipality in the southern part of Region Zealand is among Denmark's most sparsely populated municipalities. It has suffered long-term population decline, and since 2001, Lolland has lost a massive one-fifth of its population.

At the same time, the working-age population has shrunk by 28 per cent, and there are almost 40 per cent fewer children aged 0-14 in the municipality than in 2001. Meanwhile, the 65+ population has grown by 20 per cent. Consequently, the old-age dependency ratio has changed drastically. There are now 1.9 working-age individuals per person aged 65 or more – a ratio that poses a major challenge to the provision of public services.

## Changes in the housing market

With an average price of DKK 4,700 per m<sup>2</sup>, Lolland has the lowest housing prices in Denmark. The average in Denmark is DKK 16,533 per m<sup>2</sup>, while the price in the most expensive municipality, Frederiksberg Municipality, is fifteen times higher than in Lolland, or DKK 72,138 per m<sup>2</sup>.<sup>10</sup> As the construction cost per m<sup>2</sup> is likely to be at least DKK 12-15,000, Lolland is one of the municipalities where building costs most likely exceed the properties' market value.

The demographic decline in Lolland has significantly changed the demand for housing. In 2015, the housing stock consisted of 26,000 dwellings.<sup>11</sup> About 3,500 of them, or 14 per cent of the total housing stock, were unoccupied, compared to 2,400 in 2010. At the time, continued depopulation, changes in the



# House prices in Lolland and Denmark

population composition, and shifting housing preferences were only expected to aggravate the situation further.

The two main housing trends are that more people are moving from the west to the east of the municipality and from the countryside into the towns. The two main towns in Lolland are Nakskov, with 12,546 inhabitants in 2021 and Maribo, with 5,734.

#### Lolland Municipality's housing policy

To react to the situation, Lolland Municipality has developed a comprehensive housing strategy to ensure a balanced and economically sustainable private and non-profit housing market, capable of offering modern, healthy, attractive, and well-placed housing options. The aim is to ensure a varied supply of quality housing, attractive

building lots, and a good mix of housing types. Currently, 56 per cent of the population lives in Lolland's main and upland towns, and new housing development will be focused in and around them.

According to the municipality, there is still demand for attractive housing, notably for urban or peri-urban building plots for detached or terraced houses. The Fehmarnbelt Fixed Link that will connect Denmark and Germany is expected to increase demand for housing and building plots in Nakskov and Maribo as well as in the area around the development site, including in Rødby, Rødbyhavn and Holeby. The Fehmarnbelt tunnel is expected to be completed in 2029.

A central aspect of the housing policy is to reduce the housing stock by demolishing housing that is either outdated or in

poor condition, notably in areas where demand is on the decline. Ninety-five per cent of all housing in Lolland was constructed before 1980, compared to 83 per cent overall in Denmark. As a result of the effort, the housing stock had been reduced to 24,170 in 2021. Between 2015 and 2021, empty housing units had also decreased by more than 300 to 3,188, corresponding to 13.2 per cent of the total.

#### Overview of Lolland's affordable housing sector

The non-profit housing sector manages 3,813 housing units in Lolland – 94 per 1,000 inhabitants.

Since 2005, and in the last five years in particular, the non-profit rental housing sector in Lolland has had difficulties attracting and retaining tenants, struggling with challenged housing areas and a poor reputation, especially in multi-dwelling apartment buildings.

A key challenge is that the non-profit housing sector competes with a low-priced private rental market, where landlords do not have the same obligation or interest in regular maintenance and refurbishment. Another issue is that the weak demand on the private housing market makes it difficult for the elderly population to pass

	Housing units	Share of total	Vacant
Youth apartments	55	1.4%	0
Family apartments	3,322	87.1%	35
Elderly apartments	436	11.4%	1

on their larger owner-occupied homes and move into smaller apartments that require less maintenance.

However, the effort to adapt capacity and future-proof the housing market has reduced the rental problems in the sector. As a result, most of the remaining non-profit rental housing is back in shape, and in 2021, only 36 of the sector's 3,813 housing units were unoccupied. Therefore, the non-profit housing sector is in a good position to start building again when demand increases.

### **Lolland's housing organisations play an active role**

Lolland Boligforening is one of the non-profit housing organisations that play an active part in the municipal strategy to adapt the housing stock to the changing circumstances. The effort is important not only to contribute to a healthier and more balanced housing market but also

to ensure a sustainable economy within its housing estates. Maintaining or refurbishing outdated housing is often more expensive than building new, which puts an extra burden on the housing estates' economy and leads to higher rents.

With support from the National Building Foundation, Lolland Boligforening has reduced its housing stock by 59 units in four housing estates. In some cases, an entire housing estate has been demolished, while others have been partially removed or modernised. One example is a non-profit housing estate consisting of 14 terraced houses at Ole Kirks Allé in Nakskov. Designed by local architect Adolph E. Hansen Ørnsholt in the 1940s, the housing estate was threatened by demolition but was instead renovated with respect for the original architecture. As a result, the project was awarded the prize as Denmark's most beautiful non-profit housing

project, and today, there are long waiting lists to live there.

According to the plans, an additional 200 rental apartments will be decommissioned in the coming years to create a long-term balance in the housing market. However, reducing the housing stock is not without complications. One of the main issues is that the properties are often highly mortgaged, making the objective difficult to achieve. Importantly, the process of demolition also has a major impact on the residents, who must move out of their homes and be rehoused in other estates, either temporarily or permanently.

### **Margrethehusene – bright and spacious rental housing**

Margrethehusene in Maribo is an excellent example of a successful reduction of the housing stock, leading to a healthier economy in the housing estate and better quality of life for the tenants. Previously, the estate consisted of 111 flats, which have been transformed into 37 top-modern low-energy terraced houses.

With only one entrance road, the housing estate was somewhat isolated from the rest of Maribo. It faced a range of social issues related to a relatively high share of disadvantaged residents, and in addition, many of the apartments were worn-down and in need of costly renovations. As a result, the housing organisation, Lolland almennyttige Boligselskab, had difficulties attracting new tenants and ensuring a good social mix in the neighbourhood.

Today, each of the bright and spacious terraced houses is accessible to all and has its own garden and covered terrace. Designed by Friis Andersen Architects, the houses were built on the footprint of the four old apartment buildings in the area.

When completed, Margrethehusene achieved a DGNB Gold Certification for their social and environmental sustainability. The area is now more connected and open to its surroundings, and residents can reach the local school and kindergarten via new pedestrian and bicycle paths. Finally, the town of Maribo offers a broad range of sport, leisure, and cultural activities, all daily amenities, and beautiful natural areas.

The rent levels in Margrethehusene were decided upon based on the capital costs, the cost of construction and maintenance, and a comparison of rent levels in similar housing

estates enabled by the National Building Foundation's twin tool. The tool allows for benchmarking of housing organisations and housing estates in Denmark based on a range of housing characteristics and socio-economic data.

The municipality typically has the right to refer tenants to one-fourth of the apartments, but in some instances, special rules apply to housing that is being rented out for the first time. In this case, Lolland almennyttige Boligselskab and Lolland municipality operated with a flexible waiting list, where, for example, people in employment or residents who had just sold their house elsewhere were given priority.

This way, they succeeded in creating a well-functioning and socially mixed neighbourhood, also providing new housing options for Maribo's older population.



Photo: Domus Arkitekter



# Nordborg Downscaling in northern Als

Vital to ensure good quality  
housing and attractive  
neighbourhoods for the  
residents

## Sønderborg Municipality

Population in 2021: 73,831

Population density: 148.7

### Since 2001:

- Population decline of 1643 or 2 per cent
- 21 per cent fewer children – a reduction of 3,059
- A drop of 4,906 in the working-age population – 10 per cent
- The 65+ population grew by 6,322 – 52 per cent
- Old-age dependency ratio went from 25 per cent (4.1) to 42 per cent (2.4)

### Proud industrial history

While Sønderborg Municipality belongs to the towns and suburbs category, important parts of it are rural and face similar challenges as other rural areas in Denmark. Here, we look at the housing situation in Nordborg, a town of 6,000 people in Northern Als, where the non-profit rental housing stock has been reduced by more than 800 units in the last 10-15 years. The area also gives an interesting historical perspective on the Danish non-profit rental housing sector.

The two main towns in the island of Als in Southern Jutland are Sønderborg, with 27,702 people, and Nordborg, around 30 kilometres further north. The island is home to some of Denmark's largest companies, including global technology providers Danfoss and Linak. Combined, the two companies employ more than 4,000 people in the local area.

The history of non-profit rental housing in Als is closely linked to Danfoss' activities. A large share of the housing stock was built in relation to the company's rise in the 1950s and 1960s. Danfoss and the local authorities had an ambition of constructing one non-profit housing unit per day to accommodate the growing workforce in the company's factories. Most of the units were in multi-dwelling buildings without elevators, which is not considered optimal today.

### Reduction of more than 800 housing units

Meanwhile, the number of manufacturing jobs in the area has declined. Some have been replaced by technology, while others have been outsourced to other countries. Consequently, the population decreased, and a larger share of the apartments became unoccupied. The remaining tenants were getting older, and most younger residents lived there only temporarily. Finally, the demand outside the centre of Nordborg was mainly for the more spacious single-family detached or terraced houses.

As a result, more than 800 housing units have been demolished in Nordborg, including 11 apartment blocks at Th. Brorsens Vej. Due to the many vacancies in the area, the housing organisation, Danbo, had missed out on a rental income of DKK 13 million in a period of five years.<sup>12</sup> The area's 336 apartments have now been replaced by 62 one-storey terraced houses also suitable for older residents. The apartment sizes vary between 64 and 100 m<sup>2</sup>.

These drastic interventions have had the desired effect. The share of vacant apartments in the social housing sector has been brought down to around 100 housing units, or 1.1 per cent, although 75 of the apartments have remained vacant for more than three months. The municipality is now planning to expand the rental housing stock again, partly due to the development of a new holiday resort, the Northern Als Resort, which is expected to create up to 300 new jobs in the area. In addition, the municipality has adopted a master plan that includes a general upgrade of the area's public realm, making it more attractive and liveable. The planning work has been conducted in close cooperation with the non-profit housing sector.

### Nordborg has turned the tide

In the case of local housing organisation NAB Bolig in Nordborg, 34 of its 730 housing units, or five per cent, were vacant in 2015. The demographic trends have hit Nordborg harder than its neighbouring town, Sønderborg, and the population in northern Als is projected to decline further in the next decade, or by 10 per cent by 2034.<sup>13</sup> Together with Kuben Management, NAB Bolig analysed the situation in all its housing estates and developed a strategic plan to react to this unsustainable situation.

The strategy included plans to demolish some of the older non-profit housing properties in Nordborg if necessary. It also contained ideas of removing the upper floor of a range of two-storey houses and combining smaller apartments to make them more spacious. These are among the most efficient approaches to reducing the housing stock and ensuring good quality housing and attractive neighbourhoods for the remaining residents.

However, before the plans were carried out, the organisation managed to bring the share of empty housing down to 2-4 per cent, which was the level deemed acceptable by its board. Furthermore, a key objective was to merge some of the smaller housing estates to enhance the all-important tenant democracy. The smallest estates consist of 17 and 33 apartments,

making it difficult to establish the local tenant committees.

One of the main challenges in Nordborg is to provide enough accessible apartments for the elderly population. Therefore, a key focus is to develop more single-level housing units suitable for older people and people with disabilities. An example of such a project is the renovation and energy-optimisation of 54 flats in Nordborg, where 20 of them were made fully accessible. Following the refurbishment, all the apartments have been rented out.

A prerequisite of attracting new residents and maintaining the supply of quality affordable housing is to have the proper public service infrastructure in place. That includes everything from consulting a doctor or going to the hospital to sending your children to kindergarten

and school. Due to the declining number of children, several schools in Nordborg have closed, but in some cases, local residents have taken the initiative to establish independent schools instead.

Furthermore, the opportunities of remote work are being highlighted as an advantage, especially with the widespread use of digital meeting technologies during the pandemic. The rise in remote work is particularly interesting from a rural perspective, as it enables people to live outside the larger cities and work from a distance, at least part-time. According to NAB Bolig, establishing the necessary infrastructure to work effectively from home should be an integrated part of the municipality's strategies for the future.



Photo: Arkitekterne Blaavand & Hansson

# Tønder Common approach to future housing challenges

Ensuring sufficient  
provision of housing for  
the growing population  
of elderly

## Tønder Municipality

Population in 2021: 37,050

Population density: 28.9

### Since 2001:

- Population decrease of 6,790 people – 15.5 per cent
- 37 per cent fewer children – a decrease of 3,225
- The working-age population has decreased by 5,861 – or by 21 per cent
- An increase of 2,296 people in the age group 65+ – 32 per cent
- Old-age dependency ratio: From 25.6 (3.9) in 2001 to 42.9 (2.3) in 2021

## Sparsely populated municipality in the south

With 28.9 people per km<sup>2</sup>, Tønder in southern Jutland is Denmark's second-most sparsely populated municipality. Over the last two decades, the population has shrunk by almost 7,000 people, or by 15.5 per cent, to just over 37,000. Around 7,600 of the municipality's inhabitants live in the main town of the same name.

The demographic development in Tønder has followed similar patterns as Lolland, with a 36.5 per cent decrease in the group of 0-14 year-olds between 2001 and 2021 and a 21 per cent decline in the working-age population. In contrast, the population aged 65 or more has grown by more than 30 per cent. That means that for each elderly in Tønder Municipality, there are now 2.3 people of working age.

## More attractive and modern housing units

In 2021, there were 2,426 non-profit rental housing units in Tønder Municipality, which adds up to 65.5 units per 1,000 inhabitants. The figure is well below the national average of 100.8 but corresponds quite accurately with the average of non-profit rental housing per capita in the most sparsely populated rural areas.

Most of the rental units were family homes, 87.2 per cent, while 11.9 per cent were dwellings for elderly or disabled people. Despite the growing group of elderly in Tønder, no new apartments were built in this category between 2017-2021. The construction activity in the period consisted of 42 youth apartments and 31 family units, a total of 73 homes.

Tønder has had a relatively high share of vacancies in the non-profit housing sector. Sixty-two of the units, or 2.6 per cent, were unoccupied in 2021, and two-thirds of the vacant apartments had been so for more than three months. For comparison, the national average of unoccupied non-profit rental housing is 0.5 per cent. Moreover, apartment prices in the area were going down, further underlining the need to reduce the housing stock and ensure that the housing types available in the non-profit housing sector matched the demand.



### **Joint forces to adapt the housing stock**

On the initiative of the National Building Foundation, Tønder Andelsboligforening and Tønder Boligselskab came together to develop a joint development plan for a local neighbourhood in Tønder, Nørremarksvej, where both organisations offered housing. The housing plan addressed the future of around 300 apartments, motivated mainly by the demographic change and the prospect of extensive and costly renovations.

Together with the National Building Foundation, the two housing organisations laid out an overall development plan based on a comprehensive analysis of the housing stock, economic and social aspects, the competitive landscape, and the expectations regarding future housing needs and housing

demand. One key objective will be to ensure sufficient provision of housing for the growing population of elderly. In an attempt to attract more affluent households to the area, the plan focused on increasing the supply of dense, low-rise residential housing and apartment buildings with elevators.

As part of the overall plan, Tønder Andelsboligforening demolished 22 housing units constructed in the 1940s, where almost half the apartments had been unoccupied. In addition, Tønder Boligselskab demolished 30 flats in a three-storey apartment building in the neighbourhood and replaced them with ten new 70-100 m<sup>2</sup> terraced houses, thus reducing the number of housing units by 20. In a neighbouring property, 30 apartments were transformed into 24 fully accessible apartments and three larger

apartments without an elevator. Finally, a third residential building was renovated and brought up to date.

The tenant committees in all the affected housing estates approved the demolition projects, as renovating the properties would have increased their rents considerably. All tenants were rehoused during the construction period. Both within the housing organisations and the municipality, the transformation of the Nørremarksvej area is considered a great success. Further strategy work is now taking place, involving all the non-profit housing organisations and estates in Tønder. This work aims to further strengthen the non-profit housing sector, address what can be done to attract more people to the area and ensure that the local housing market is ready to meet future demand.

# Finland

Population: 5.5 million in 2021



# Affordable housing from the Arctic Lapland to metropolitan Helsinki

KOVA – the Finnish Affordable Housing Companies' Federation is the Finnish umbrella association for non-profit rental and right-of-occupancy housing organisations. Established in 2013, KOVA has 113 members, including municipally-owned housing organisations and other non-profit housing companies. Its members own and manage about 80 per cent of all state-subsidised rental dwellings in Finland and approximately 85 per cent of the country's right-of-occupancy housing.<sup>14</sup>

According to Statistics Finland, approximately 953,000 of the 2,8 million Finnish households in 2020 lived in rental housing, including 304,000 in rental housing subsidised by the state. 49,000 households lived in right-of-occupancy homes, whereas the number of households in owner-occupied housing was 1,7 million. Rental housing is a popular tenure among young people. By the end of 2020, 61 per cent of the population under 40 rented their homes.<sup>15</sup>

In 2020, KOVA's members managed around 303,000 housing units across Finland. The KOVA-associated housing stock consisted of almost 42,000 right-of-occupancy homes and 261,000 rental units, including housing for youth, older adults, disabled people, and other groups with special housing needs. The special housing category accounted

for just under 31,000 housing units, of which approximately 57.4 per cent were accessible housing for the older population and people with disabilities, 15.3 per cent youth apartments, and 27.3 per cent were intended for other groups, notably homeless people. This report presents the first statistical overview of the special housing managed by KOVA members.

### **State subsidies ensure a stable supply of affordable housing**

The Finnish state provides a range of subsidies to enable the construction, renovation, and purchase of affordable rental housing, right-of-occupancy housing, and housing for groups with special needs. The subsidies are managed by ARA, the Housing Finance and Development Centre of Finland. Often referred to as the housing fund of Finland, ARA has subsidised the construction of about every third of Finland's three million apartments.<sup>16</sup>

When it comes to rental housing, ARA provides a state guarantee for interest subsidy loans of up to 90-95 per cent of the building costs, including the cost of the plot, and a maximum of 80 per cent in the case of acquisitions. The support is reserved for municipal housing organisations as well as other organisations and companies that fulfil certain conditions. The state guarantee requires that the

housing is used as rental housing for a minimum of 40 years and that tenants are selected based on their social and financial situation and the urgency of their housing need.

In addition, ARA provides loans of 85 per cent of the total price for the construction of right-of-occupancy housing. Each resident pays an initial fee corresponding to 15 per cent of the apartment's total price and a monthly fee, similar to rent, to cover all expenses. In Finland, right-of-occupancy housing is allocated based on a queue system managed by the municipal housing authorities. There are no income limits but all applicants under 55 years old are subject to asset eligibility limitations. For example, an applicant is not considered eligible if they own a similar apartment in the same area or have enough assets to finance at least 50 per cent of the market price of such an apartment. The same also applies to those who have sufficient means to renovate their own home and bring it up to similar standard as the right-of-occupancy apartment they are applying for.<sup>17</sup>

ARA also grants direct subsidies to improve the housing conditions of groups with special housing needs. In addition to students, older adults and disabled people, these groups include homeless people, refugees, and people dealing with mem-

ory loss, mental health issues or substance use problems. The maximum state subsidies for this type of housing vary depending on the needs of each group, ranging from 15-50 per cent of the approved investment costs.<sup>18</sup>

### Steep rise in construction costs between 2021 and 2022

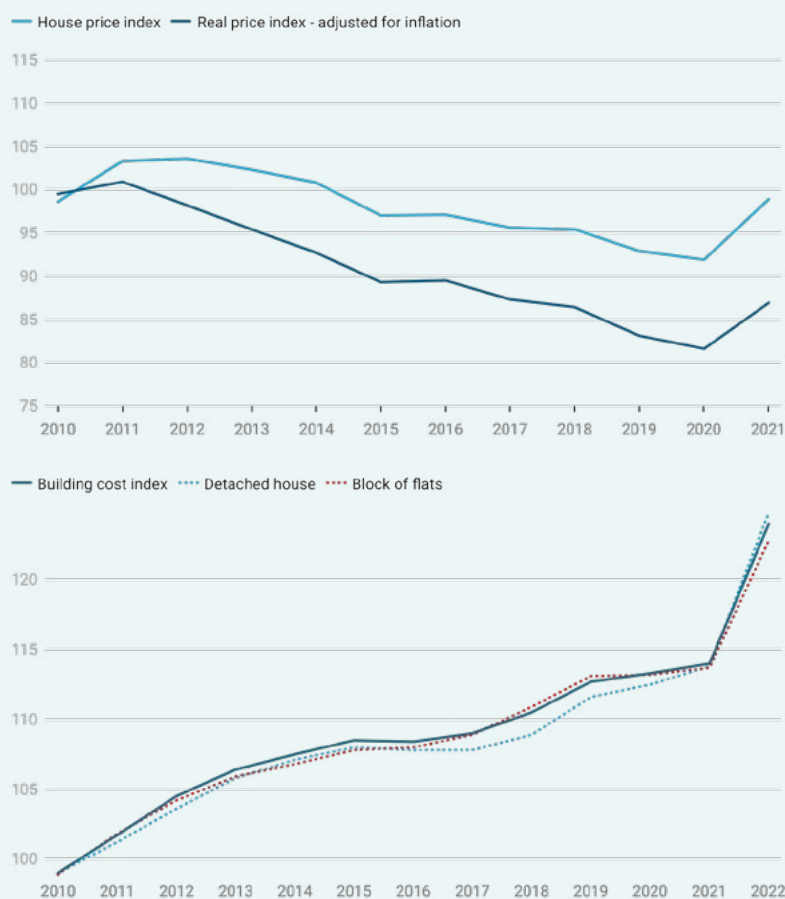
The house price development in Finland has been somewhat atypical in a Nordic context. Prices have increased in the larger cities, but overall, when adjusted for inflation, house prices in Finland have actually decreased slightly since 2010. The graph below shows the

nominal price development of existing single-family houses compared to the inflation-adjusted real price index.

Prices in many of the more remote regions of Finland have dropped, illustrated below by the real price development of existing dwellings in housing companies in Greater Helsinki, Finland as a whole, and the country's northernmost region, Lapland. In most cases, when buying an apartment in Finland, people do not acquire the apartment itself but rather obtain shares in a housing cooperative that owns the building. The graph below describes the real price development of flats and

terraced housing within these cooperatives.

Construction costs have also increased less in Finland than in the neighbouring countries in the past decades, but that might be about to change. According to Statistics Finland's building cost index, construction costs increased by 9.1 per cent between 2012 and 2021. Between 2021 and 2022, however, the rise in construction costs was almost the same as in the ten years before that – 8.8 per cent.



Source: Statistics Finland

Single  
family  
houses  
2010=100

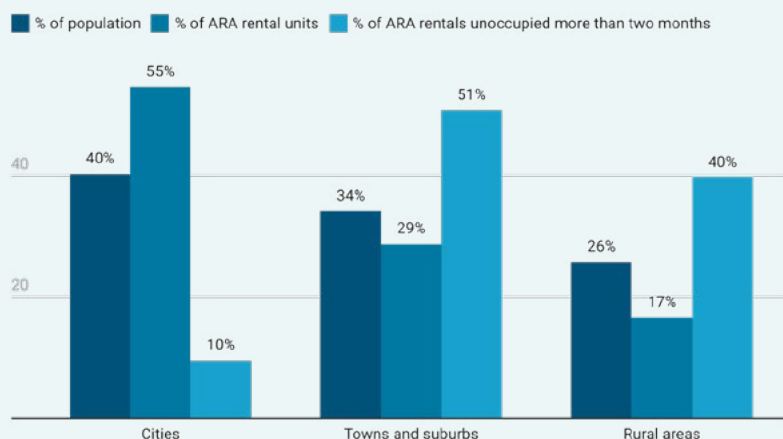
Building  
cost index  
2010=100

### Focus on adapting the property stock in areas with shrinking populations

By the end of 2020, there were around 250,000 state-subsidised rental units in Finland, also referred to as ARA rental housing.<sup>19</sup> The cities accounted for 136,000 units, and an additional 72,000 were in Finland's towns and suburbs. The remaining 42,000 ARA rental housing units were in Finland's rural municipalities.

At the beginning of 2021, approximately 9,300 ARA rental housing units had been unoccupied for more than two months, which is the highest level ever recorded.<sup>20</sup> In total, there were 900 unoccupied ARA rental units in the cities, 4,700 in the towns and suburbs, and 3,700 in the rural municipalities. The number of unoccupied dwellings increased by 910 in the two urban categories between 2020 and 2021. At the same time, there were 220 fewer unoccupied ARA rental units in the rural areas, partly due to the demolition of outdated housing.

ARA also plays a key role in monitoring the Finnish housing market and publishes an annual ARA index, which describes the balance between rental housing supply and demand in Finnish municipalities. According to the index, no municipalities faced a severe shortage of rental housing in 2021, while there was a moderate lack of such housing in 11 municipalities. The market was balanced in 50 municipalities, whereas 91 had a moderate oversupply, and 109 were dealing with a significant excess of rental housing.<sup>21</sup> In 2021, these municipalities had on average 6,300 inhabitants and 235 state-subsidised rental units.



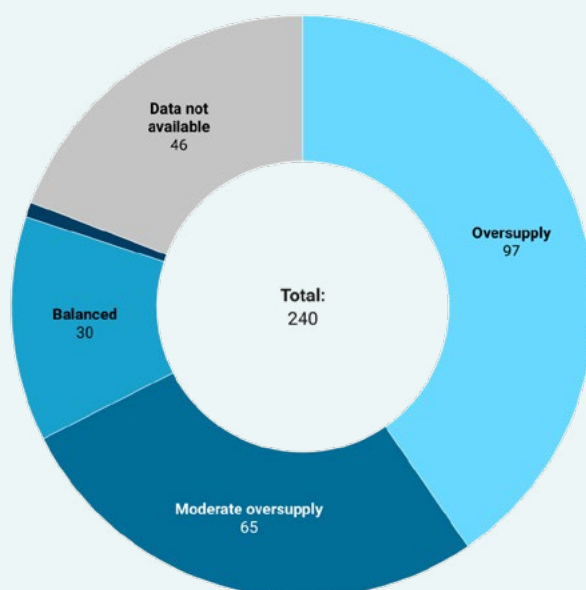
ARA rental housing units relative to population

Of the 109 municipalities with a significant excess of rental housing, 97 were rural municipalities, and 69 of them had a population of less than 6,000. There was a moderate oversupply in 65 rural municipalities and a balance between supply and demand in 30. According to the ARA index, only two rural municipalities had a slight undersupply of rental housing.<sup>22</sup>

As part of its housing policy, the Finnish Government has emphasised supporting municipalities with a shrinking population in adapting their housing stock to the reduced demand. Another objective is to enable housing organisations to renovate their existing housing stock to meet the needs of the ageing population.<sup>23</sup>

In addition to the subsidies for new construction, ARA supports renovation projects to improve accessibility in the homes of disabled people and people aged 65 or more. The support is available to households whose income and assets do not exceed certain thresholds. The maximum support is usually 50 per cent of the approved renovation costs but can, in some cases, be increased to 70 per cent. Similar support of up to 45 per cent of renovation costs is available for projects to ensure accessibility in multi-dwelling residential buildings, such as by installing ramps or lifts. Finally, ARA offers subsidies of up to 70 per cent for the demolition of financially unsustainable rental apartment buildings.

■ Oversupply ■ Moderate oversupply ■ Balanced ■ Moderate undersupply ■ Data not available



ARA Index  
Rural  
municipalities  
Balance  
between  
supply and  
demand

Source: ARA





# Finland Demographic overview

# Degree of urbanisation Finnish municipalities

Cities

10 municipalities

Towns and suburbs

59 municipalities

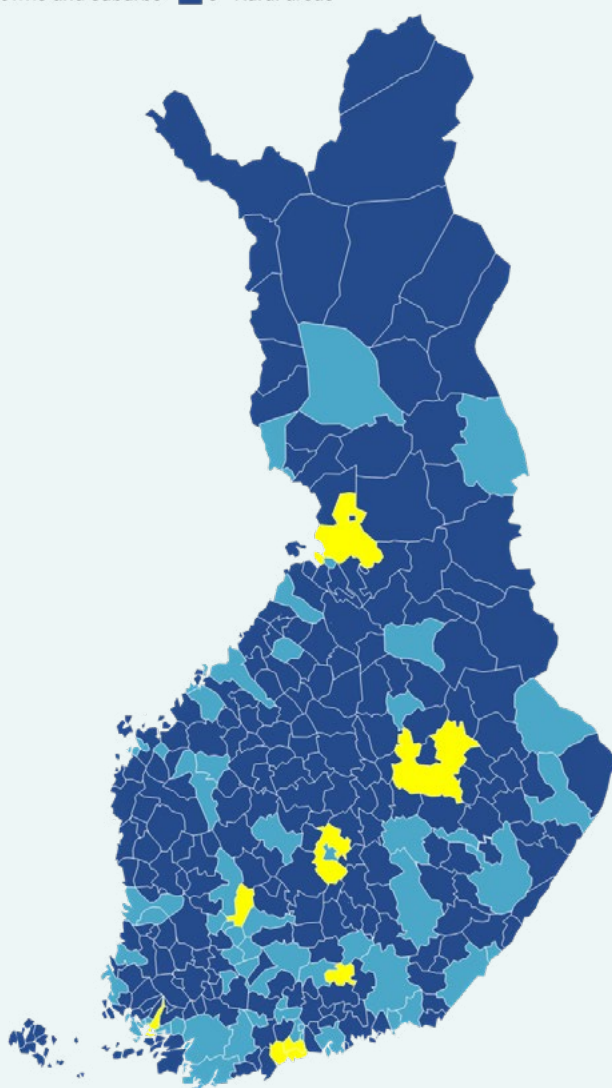
Rural areas

240 municipalities

Rural areas, density <50

231 municipalities

1 - Cities 2 - Towns and suburbs 3 - Rural areas



According to Nordregio's classification at [www.nordmap.se](http://www.nordmap.se). Click the map for an interactive version.

With 5,533,793 people in 2021, the population of Finland was slightly larger than the population of Norway and slightly smaller than the Danish population. Finland consists of 19 regions, including the autonomous region of Åland off the country's southwest coast. Finland has 309 municipalities, of which around half have a population of less than 6,000.<sup>24</sup>

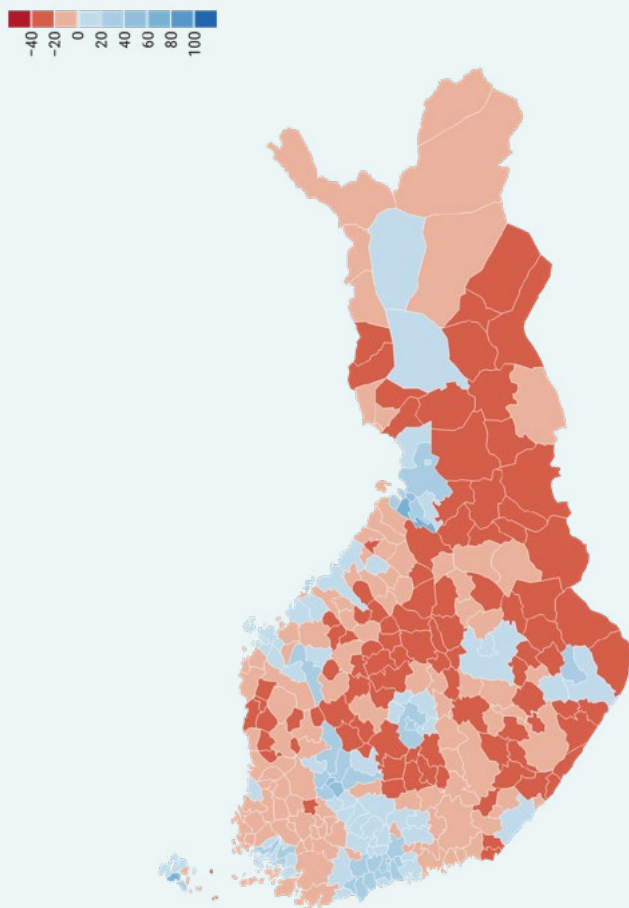
There are nine cities with a population of more than 100,000 people in Finland, the largest being the capital city of Helsinki, with 656,920 inhabitants in 2021,

and Espoo, just west of Helsinki, with 292,796. In addition to the nine, Kauniainen, an enclave within the city of Espoo with a population of 10,000, belongs to the city category.

The densest city areas are centred around Helsinki in the Uusimaa region in southwest Finland. The two northernmost cities are also the most sparsely populated: Kuopio in North Savo with 120,000 inhabitants and a population density of 37 and the city of Oulu in North Ostrobothnia with a population of 207,000. Here, the density is 70 people per km<sup>2</sup>.

### Distinct demographic challenges

While the urbanisation trends are quite apparent across the entire Nordic Region, the rural exodus is more clearly observable in Finland than in the other Nordic countries. Overall, the Finnish population grew by 352,678 between 2001 and 2021. The population in the Finnish cities increased by around 402,000 inhabitants, whereas the most sparsely populated areas experienced a decline of 154,000 people.



Population  
change  
between  
2001-2021

Source: Statistics Finland

Among the 231 rural municipalities with a population density of 50 or less, the population grew in only 42. The combined population increase in these municipalities was 38,000 people, but at the same time, the number of inhabitants in the remaining 189 declined by 192,000.

The population density is also below 50 in 31 of the 59 municipalities in the towns and suburbs category. The population decreased in 18 of these municipalities, with the largest relative decline of almost 30 per cent in Lieksa in North Karelia. Overall,

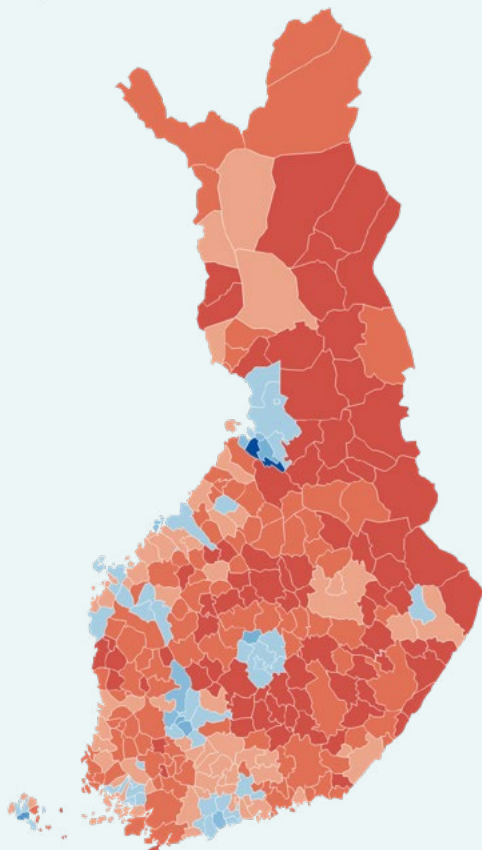
the population declined in ten of the country's eighteen regions, with the most significant relative decrease in Kainuu (16.4%) and South Savo (15.0%).

#### Decline among youth and working-age population

Finland is the only Nordic country that saw a decline in both its youth population, aged 0-14, and the working-age population, aged 15-64. In 2021, there were 75,472 fewer children than in 2001, a decline of 8.1 per cent. At the same time, the working-age population decreased

by 1.5 per cent or 50,590 people. A closer look at the two age groups reveals some rather concerning signs for the future, not least for rural Finland.

Apart from the Uusimaa region, the group of children aged 0-14 increased slightly in only two Finnish regions, Pirkanmaa (2.7%) and Aaland (3.8). Uusimaa's youth population grew by 7.5 per cent, but in all the remaining 16 regions, the size of the 0-14 age group has declined. The greatest relative decline was in South Savo and Kainuu, both losing more than one-third of their youth population. Six additional regions saw a drop of more than 20 per cent: Kymenlaakso (28%), North Karelia (28%), Lapland (26%), South Karelia (25%), North Savo (22%), and Satakunta (22%).



## Population aged 0-14 Change between 2001-2021

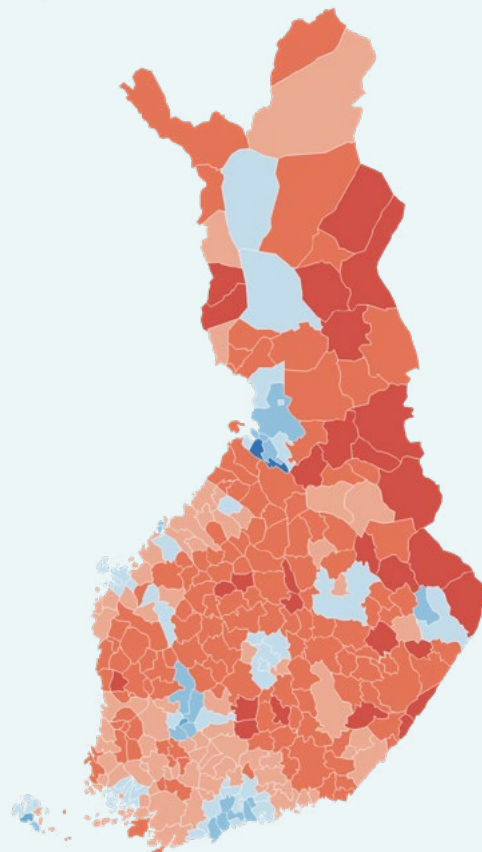
Looking at the rural municipalities with a population density of 50 or less, 207 of 231 municipalities saw a decline in the youngest age group. In 41 of them, the group of children was more than halved in the period, and an additional 98 saw a decline of more than 30 per cent in the youngest age group. The overall decline in the most sparsely populated rural municipalities was approximately 63,000 or 22 per cent. The youth population also went down by 39,000 individuals in the towns and suburbs category, around 12 per cent, but grew by just over eight per cent in the cities.

### Working-age population shrinks in rural areas

Although the decline among the working-age population was smaller than in the youngest age group, the trends were in many ways similar. This essential group, from an economic perspective, grew in only four regions, Uusimaa (15%), Aaland (8.7%), Pirkanmaa (7.9%) and North Ostrobothnia (2.9%). Kainuu, on the other hand, stood for the most significant relative decline, 27.5 per cent, followed by South Savo (26.6%), Kymenlaakso (19.9%), and Satakunta (18.4%).

The group of people aged 15-64 grew in only 25 of Finland's 231 municipalities with a population density below 50. Hyrynsalmi in Kainuu, with a population of 8,000 in 2021, saw a decline of 1,100 children, around 50 per cent. In addition, the working-age population shrunk by between 30 and 50 per cent in 101 municipalities.

So, while the overall decline of the working-age population in Finland was only 1.5 per cent, the situation is far more severe in the most sparsely populated rural municipalities. Here, the working-age population declined by almost 190,000 people or



Working-age  
population  
15-64 years  
Change  
between  
2001-2021

Source: Statistics Finland

22 per cent between 2001 and 2021. The municipalities in the towns and suburbs category saw a decline of 81,000, corresponding to 7 per cent.

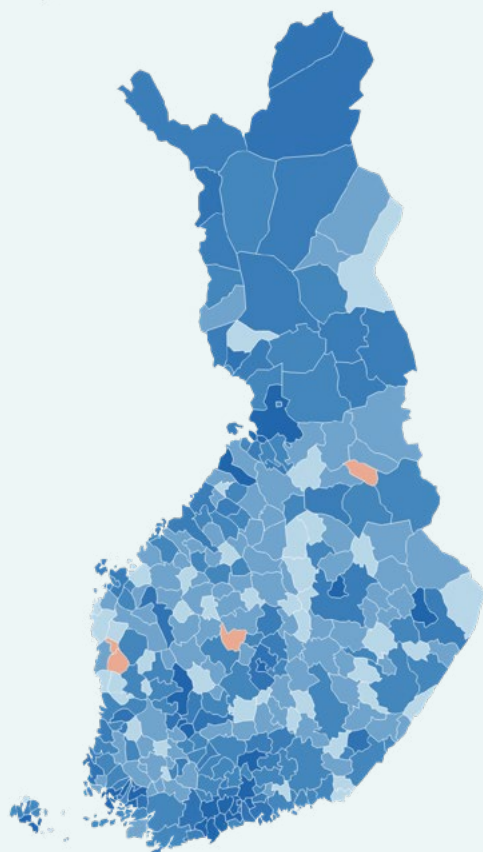
The main increase was in the cities, where the working-age population grew by 204,000. Interestingly, the group of 15-64 year-olds also grew by 14 per cent, around 15,000 people, in the rural municipalities with more than 50 people per km<sup>2</sup>.

### Rapid rise in the old-age dependency ratio

The trend in the oldest age group is the exact opposite. Four municipalities, all rural, saw a decline of between 1.9 and 11.4 per cent in the group of people aged 65 or more, covering a total decline of fewer than 150 people. Everywhere else, the group of older adults has grown, and in several municipalities, it has more than doubled. That is

the case in 11 rural municipalities, 12 towns and suburbs, and three of ten city municipalities.

Between 2001 and 2021, the group of people aged 65+ grew by 478,740, 61.6 per cent, bringing the age group to 1,25 million or 23 per cent of the population. The increase was largest in the urban categories, 74 per cent in the cities and 69 in the towns and suburbs. The rural municipalities saw an increase of 44 per cent.



Population  
aged 65+  
Change  
between  
2001-2021

Hence, Finland's old-age dependency ratio has risen significantly during the last two decades – from 22.4 per cent in 2001 to 36.8 in 2022. In other words, there were 4.5 people of the working-age per person aged 65 or more in Finland in 2001. In 2021, the number had dropped to 2.7. The ratio is over 50 per cent in the regions of South Savo and Kainuu, meaning that there are less than two people aged 15-64 per person aged 65+. The old-age dependency ratio is between 40 and 50 per cent in ten other regions.



Finnish  
Regions  
Old-age  
dependency  
ratio

Source: Statistics Finland





KOVA  
members  
manage over  
300,000  
housing units

KOVA's 113 member organisations owned and managed 230,739 rental apartments and 41,558 right-of-occupancy homes in 2020. The figures amount to 41.7 rental housing units for every 1,000 inhabitants and 7.5 right-of-occupancy apartments. In addition, the Finnish affordable housing organisations disposed of 30,517 housing units for groups with special housing needs. When all three categories are combined, the number of affordable housing units managed by KOVA's members is 54.7 per 1,000 people in Finland.

The housing category for groups with special housing needs includes 17,528 accessible homes for older people and people with disabilities, 4,661 youth apartments, and 8,328 dwellings for other groups. These groups include homeless people and people dealing with mental issues, substance addiction or memory loss, for instance. The supply of accessible homes for older adults and people with disabilities corresponds to 3.2 apartments per 1,000 inhabitants, whereas the total supply of housing for groups with special housing needs is 5.5 per 1,000 people.

### **Presence in one-third of Finland's rural municipalities**

The KOVA-associated housing organisations have a strong presence in the nine largest cities, but only a minimal number of housing units in the tenth city municipality, Kauniainen. Here, there were 6.8 housing units managed by KOVA members per 1,000 people, whereas the other city municipalities ranged between 62.9 in Oulu, Finland's northernmost city, and 104.5 in Helsinki. In addition, KOVA members offered housing in all but three Finnish towns and suburbs. The only exceptions were Maarianhamina in Åland and the municipalities of Pietarsaari and Pedersöre in Ostrobothnia.

As for the rural category, the situation is more diverse. In 2020, the organisations within KOVA had a presence in around one-third or 78 of Finland's 240 rural municipalities.

The member organisations managed housing in eight of the nine rural municipalities with a population density of more than 50. Two of them were above

the national average of 54.7 housing units per 1,000 inhabitants: Kirkkonummi in Uusimaa (58.8) and Siilinjärvi in North Savo (55.4). At the other end of the spectrum, we find the two municipalities without KOVA-associated housing, Kaskinen in Ostrobothnia and Rusko in Southwest Finland, and then Masku in Southwest Finland (5.4) and Harjavalta in Satakunta (11.9).

In the rural communities with a population density of less than 50, the KOVA member organisations offer housing in 70 of the 231 municipalities. In 21 of Finland's most sparsely populated municipalities, the number of housing units per 1,000 people is below ten, while fifteen municipalities are above the national average. The largest amount of housing relative to the population is in Veteli in Central Ostrobothnia (86.1 housing units per 1,000 inhabitants) and Kiuruvesi in North Savo (84.5).

KOVA is represented in all of Finland's regions except for Åland. However, in several of them, the housing is mainly located within the urban areas. In Kymenlaak-


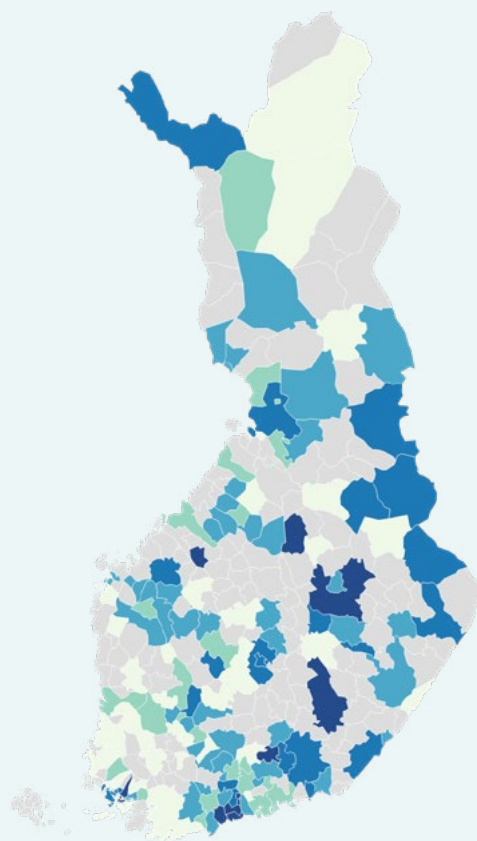
so and South Savo, none of the KOVA-associated housing is in rural municipalities, and in South Karelia and Ostrobothnia, the presence was limited to one rural municipality in each region. For example, while there were 3,894 KOVA-associated affordable housing units in Ostrobothnia, only three were in rural municipalities. The remaining 3,891 were in Vaasa, the region's largest town, with a population of 67,500. In the densest region, Uusimaa, on the other hand, the organisations were represented in 11 of 13 rural municipalities.

### Significant differences between urban and rural areas

With regard to all three affordable housing categories in Finland, rental housing, right-of-occupancy homes, and housing for groups with special needs, there is a significant difference between the three urbanisation categories.

In 2020, there were 141,028 rental apartments in the city municipalities, equalling 63.4 housing units per 1,000 inhabitants, while there were 22,166 rental units in the rural municipalities. Relative to Finland's rural population, that corresponds to 15.6 housing units per 1,000 people – four times less than in the cities

Housing units per 1,000 people

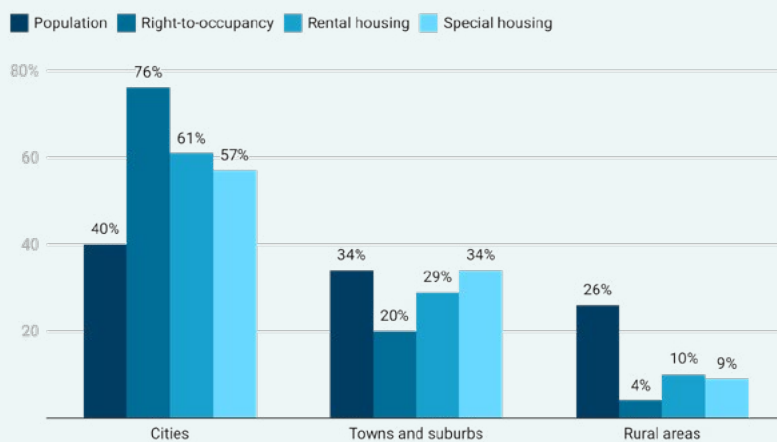



Source: KOVA

KOVA  
member  
housing  
2020

and less than half the average in the towns and suburbs category, 35.7.

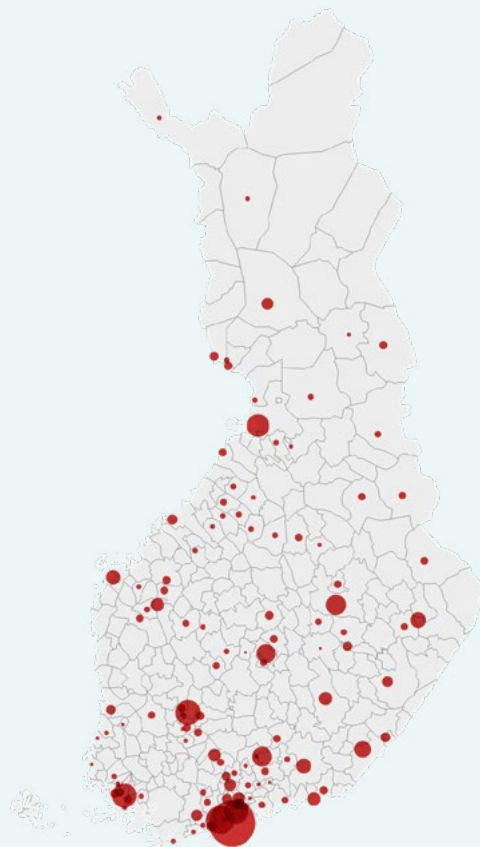
In 2020, the housing organisations within KOVA offered rental housing in 58 of Finland's rural municipalities. Three had more than 1,000 rental units, Nurmi-järvi (1,751) and Kirkkonummi in Uusimaa (1,541), and Äänekoski (1,096) in Central Finland. The number of rental housing units was above the national average of KOVA-associated rental housing, 41.7 housing units per 1,000 people, in 20 rural municipalities.



Share of  
housing  
relative to  
population  
share

The map below provides an overview of all KOVA-associated rental housing in Finland.

Not surprisingly, the Uusimaa region accounts for the largest share of KOVA-associated rental housing in both absolute and relative terms. With 98,139 rental apartments, there were 57.6 rental units per 1,000 inhabitants in the region. Four regions had just under 50 rental units per 1,000 people: South Karelia (49.6), Kymenlaakso (48.9), Päijät-Häme (47.3), and North Savo (47.0). Apart from Åland, Satakunta had the fewest rental units among all Finnish regions, 1,326 in total, corresponding to 6.2 per 1,000 inhabitants.



Source: KOVA

KOVA  
Housing  
stock 2020  
Rental  
housing

### Most of the right-of-occupancy housing is in urban areas

There is a clear correlation between population density and the number of right-of-occupancy housing units in the different areas of Finland. Of 41,558 right-of-occupancy units, 31,584 were in the ten city municipalities and 8,230 in the towns and suburbs. Hence, the two urban categories accounted for 39,814 of the right-of-occupancy apartments or 96 per cent of the total.

A closer look at the data for the towns and suburbs shows that while the population of the least densely populated municipali-

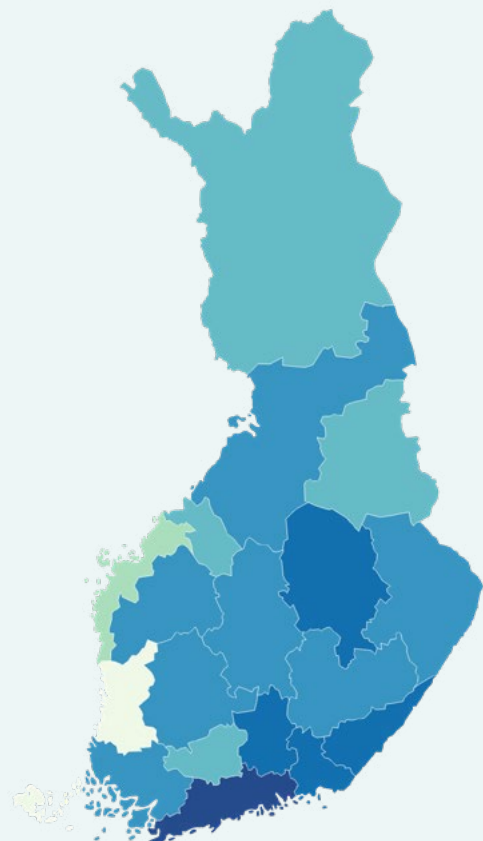
ties in the category was slightly larger than in the more densely populated, the number of right-of-occupancy apartments was significantly smaller. The municipalities with a population density of less than 50 accounted for around 1,900 right-of-occupancy apartments, 1.9 per 1,000 people, while the housing stock in the municipalities with more than 50 people per km<sup>2</sup> counted 6,400 right-of-occupancy units, 7.0 per 1,000 inhabitants.

There is also a significant difference between the rural municipalities with the highest and the lowest population densities. Of the 1,744 right-of-occupan-

cy housing units in rural areas, 1,625 were distributed across six municipalities with a population density of more than 50. The remaining 119 housing units in the category were in Laukaa in Central Finland (81), Hämeenkyrö in Pirkanmaa (16), Hattula in Kanta-Häme (12), and Mäntsälä in Uusimaa (10). Overall, the average number of right-of-occupancy housing units in rural areas with a population density of less than 50 was only 0.1 per 1,000 people.

The rural municipalities with the highest number of right-of-occupancy apartments, on the other hand, were Kirkkonummi in Uusimaa, with 658 (16.4 per 1,000), Lieto in Southwest Finland, with 251 (12.5), and Siilinjärvi in North Savo, with 242 housing units (11.4).

Housing units per 1,000 people



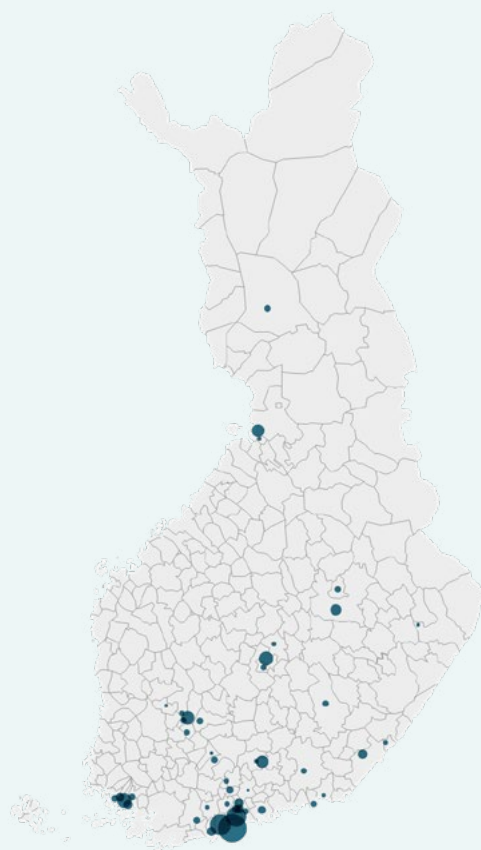
Source: KOVA

KOVA  
Housing stock  
Rental  
housing per  
1,000 people

### Right-of-occupancy mainly in the south and central parts of Finland

Only four municipalities north of the city of Kuopio in North Savonia have right-of-occupancy housing. Siilinjärvi, just north of the city, has 242 right-of-occupancy apartments, and Oulu and neighbouring Kempele in North Ostrobothnia have 1,657 in total. The northernmost municipality with right-of-occupancy housing and the only one in Lapland is Rovaniemi, which in 2020 had 315 right-of-occupancy units.

In addition to Åland, five regions were without KOVA-associated right-of-occupancy housing. Four of those are on Finland's southeast coast, Satakunta, South Ostrobothnia, Ostrobothnia, and Central Ostrobothnia, and then there is Kainuu on the east coast. In addition, North Karelia, which borders Kainuu to the south, had 30 right-of-occupancy apartments, corresponding to 0.2 per 1,000 inhabitants.



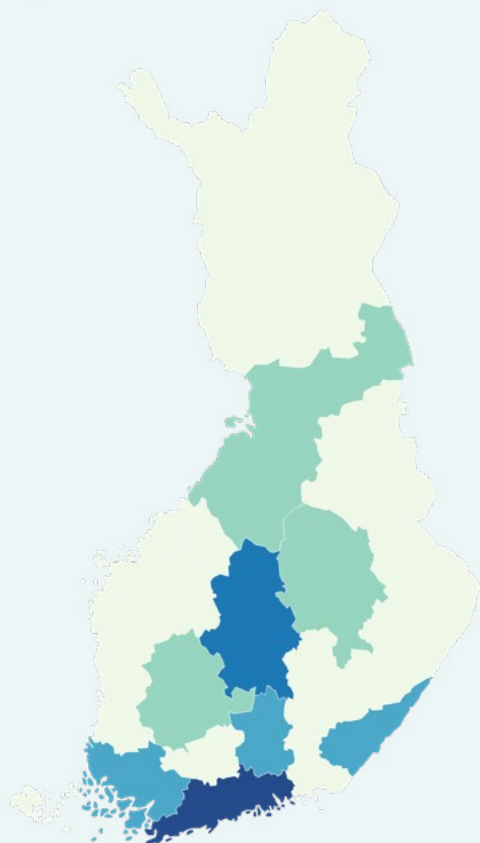
Source: KOVA

KOVA  
Housing  
stock 2020  
Right-of-  
occupancy



The regions with the largest right-of-occupancy housing stock were Uusimaa with 25,159 units, Southwest Finland at 4,198, Pirkanmaa at 2,752, and Central Finland at 2,468. Relative to the population, Uusimaa had the most housing units per capita, 14.8 per 1,000 inhabitants, followed by Central Finland (9.1), Southwest Finland (8.7), and Päijät Häme (7.7). These four regions were the only ones that exceeded the national average of 7.5 right-of-occupancy units per 1,000 inhabitants.

Housing units per 1,000 people

Source: KOVA

KOVA  
Housing  
stock  
Right-of-  
occupancy  
per 1,000

# New data on KOVA housing for groups with special needs

Almost nine out of ten  
accessible homes for older adults  
and disabled people in Finland are in  
the two urban  
categories

For the first time, the KOVA member organisations have provided an overview of their housing stock for groups with special housing needs. In this report, the data is compiled by municipality into three main categories: youth apartments, housing for older adults and people with disabilities, and other special housing, which covers housing for homeless people and people dealing with mental illnesses, addiction issues, and memory problems.

### Youth housing

From a rural perspective, the conclusions regarding the youth housing category can be drawn rather quickly. In short, the KOVA member organisations reported a total of 4,661 youth housing units: 2,012 in the cities, 2,393 in the towns and suburbs, and 256 in the rural municipalities.

Of the 256 youth apartments, 228 were in four rural municipalities in Uusimaa, all with a population density above 50: Nurmijärvi (107), Kirkkonummi (61), Vihti (36), and Sipoo (24). The remaining 28 were in Orimattila in Päijät-Häme, a municipality of 16,000 people with a population density of 20.2.

As concerns the most sparsely populated towns and suburbs, the majority of the youth housing is in the municipality of Mikkeli in South Savo, home to one of four campuses of South-Eastern Finland University of Applied Sciences. With 53,000 people, Mikkeli had 1,133 youth apartments in 2020, the highest number of youth housing units in Finland. In comparison, there were 1,036 youth apartments in the capital city, Helsinki.

In addition, six other towns and suburbs with a population density below 50 had a total of 283 youth housing units: Joensuu in North Karelia (93), Lappeenranta in South Karelia (54), Karkkila in Uusimaa (45), Heinola in Päijät-Häme (31), Hollola in Päijät-Häme (30), and Seinäjoki in South Ostrobothnia (30).

### Housing for older adults and people with disabilities

The distribution of housing for older adults and people with disabilities is more evenly spread across the country. The KOVA member organisations owned and managed 17,528 housing units in this category in 2020, of which 9,473 were in the cities,

5,917 in the towns and suburbs, and 2,138 in the rural municipalities.

Per 1,000 inhabitants, these figures translate into 4.3 housing units per 1,000 people in the cities, 3.1 in the municipalities in the towns and suburbs category, and 1.5 in the rural areas. Hence, per capita, there are almost three times as many housing units for older adults and people with disabilities in the cities as in the rural municipalities and twice as many in the towns and suburbs.

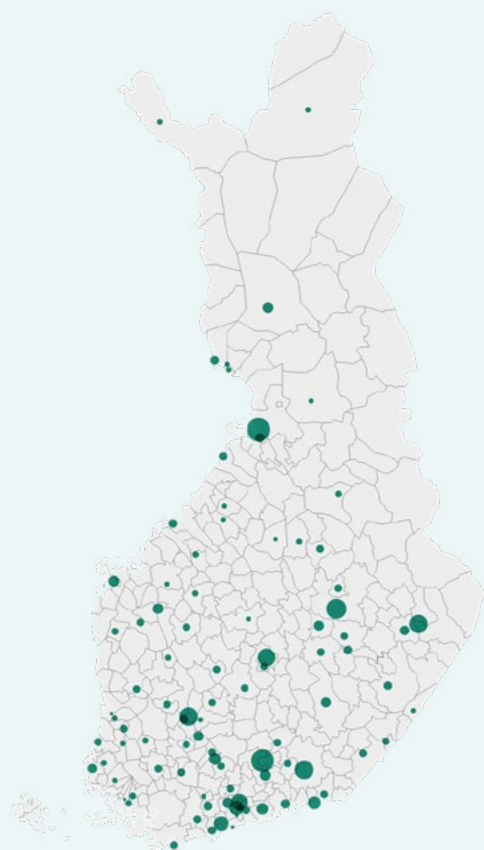
Among the rural municipalities that catch the eye are Enontekiö in Lapland, Finland's second most sparsely populated municipality. With a land area of 7,952 km<sup>2</sup> and a population of 1,808, the population density in the municipality is 0.2. Enontekiö has 21 housing units for older adults and people with disabilities, corresponding to 11.6 housing units per 1,000 people, which is more than three times the national average of 3.2.

Other rural municipalities with a similar number of apartments for older people and people with disabilities per capita are Veteli in Central Ostrobothnia (10.8 per 1,000 people), and Orimattila (10.0) and Iitti (10.1), both in Päijät-Häme. The two rural municipalities with the largest housing stock in this category, per capita, are Suonenjoki in North Savo with 129 housing units (18.6) and Kihniö in Pirkanmaa with 30 (16.5).

In 2020, the KOVA member organisations managed special housing for older adults and people with disabilities in 41 of Finland's 240 rural municipalities and 22 of the 31 towns and suburbs with a population density below 50. In the rural category, the number of apartments varies between six in Pyhäjärvi in North Ostrobothnia (population 5,033) and 160 in Orimattila in Päijät-Häme (population 15,882). Three additional rural

municipalities have more than 100 special housing units for older people and people with disabilities: Nurmijärvi in Uusima (150), Suonenjoki in North Savo (129), and Liperi in North Karelia (105).

Almost nine out of ten accessible homes for older adults and disabled people are in the municipalities in the two urban categories. In four regions, Kymenlaakso, South Savo, Ostro-



Source: KOVA

## KOVA Housing for older adults and people with disabilities

bothnia, and Kainuu, the entire housing stock in the category is in the regions' urban municipalities. In ten Finnish regions, the share is between 81 and 97 per cent.

The only four regions where more than one-fourth of the accessible homes in the category is in rural municipalities are North Savo (25%), Central Ostrobothnia (28%), Kanta-Häme (31%), and, as the only region with more such housing in rural than urban areas, South Ostrobothnia. Here, 214 of the 353 housing units in the category, 61 per cent, are in the region's rural municipalities.

### **Housing for other groups with special housing needs**

The third category of housing for groups with special housing needs comprised 8,328 apartments in total, of which 5,683 were in the cities, 2,177 in the towns and suburbs, and 368 in the rural municipalities.

As with the other types of housing for groups with special needs, there is a clear difference between the supply per capita in the three urbanisation categories. In the cities, there were 2.6 housing units in this category per 1,000 people, 1.4 in the towns and suburbs, and 0.3 in the rural areas.

The explanation mainly lies in the relatively large concentration of homeless people in the cities, towns, and suburbs. Since 2008, Finland has operated with the so-called Housing First strategy to reduce homelessness, bringing the number of homeless people down from 20,000 in the 1980s to around 4,300 in 2021. Finland is the only country in Europe in which the number of homeless people is on the decline.<sup>25</sup>

Housing First is based on the fundamental premise that having a place to live is a human right and that housing provision should, therefore, be the first support measure for homeless

people. Rather than having to demonstrate their social capability, for instance by finding a job or abstaining from substance use, the homeless person is given a dwelling that serves as the base that enables them to address their personal issues. Some are able to manage the apartments themselves, while others may need various types of support measures and assistance from social workers.

The main provider of such housing in Finland is the Y-Foundation, Y-Säätiö, which accounts for approximately 5,300 of the 8,300 apartments in the category, or 63 per cent. The Y-Foundation is responsible for 5,200

of the 8,000 housing units in the two urban categories, and most of those have been built or purchased to reduce homelessness.

Housing in this category is found in 14 rural municipalities, and one of them accounts for more than half of the 368 apartments. This is the municipality of Siilinjärvi in North Savo, which with 191 apartments has 9.0 units per 1,000 inhabitants. It is followed by Iitti in Päijät-Häme with 44 apartments - 6.6 per 1,000 people. Of the most sparsely populated communities in Finland, Pudasjärvi in North Ostrobothnia has the largest portion of special housing for other groups, 24 apartments,

which corresponds to 3.1 per 1,000 people. The remaining 11 municipalities all have between 0.2 and 2.6 housing units in the category per 1,000 inhabitants.

# Iceland

Population: 370,000 in 2021





# The birth of a non-profit housing system in Iceland

As a reaction to a shortage of residential housing, and affordable housing in particular, the Icelandic Parliament, Alþingi, passed a new Law on General Housing in 2016.<sup>26</sup> This recent legislation enables the state and municipalities to support the construction and acquisition of public and affordable housing across the country. One specific aim is to stimulate the establishment of non-profit housing organisations.

The primary objective of the legislation is to improve the availability of good-quality housing for people under certain income and asset limits by increasing the supply of affordable rental housing. A reasonable rent-to-income ratio is an important principle; the general rule is that the rent should not exceed 25 per cent of the household's income.

With the new legislation, the state and municipalities can subsidise affordable housing for various groups, including students and youth, older adults, people with disabilities, and individuals facing difficulties accessing suitable housing due

to social or financial reasons.

The Icelandic Housing and Construction Authority (HMS) manages the funding scheme, which has already made its mark on the Icelandic housing market. The general supply of affordable rental housing has increased, and in addition, the system has succeeded in stimulating new housing development in some of Iceland's most sparsely populated areas. One example is the construction of new student housing in Flateyri in the Westfjords, the first new housing in the village in 25 years.

### **Most Icelanders own their homes**

With Iceland's strong focus on home ownership, the rental market has often been described as marginal or insufficient. In 2021, around 73 per cent of Icelanders owned their own homes, while only 13 per cent lived in rental housing. During the pandemic, the share of people living in rental housing declined while availability increased, mainly due to the drastically reduced demand from tourists for short term rentals.<sup>27</sup>

Iceland's first affordable housing was called Verkamannabústaðir, or workers' housing. This housing scheme was initially established by the labour movement and workers' unions in the 1930s to provide affordable rental and ownership options for low-income earners. The workers' housing system developed throughout the next 70 years, later complemented by rental properties owned by the municipalities and non-profit housing associations. In 1998, there were just over 11,000 social housing units in Iceland.<sup>28</sup> However, in 1999, in a much-criticised move, the Icelandic government brought the affordable housing system to a close.

Since then, the only real alternatives to homeownership and private rentals have been cooperative housing and municipal rental housing. One of the two Icelandic members of NBO Housing Nordic is Reykjavík Social Housing, Félagsbústaðir, which rents out about 3,000 municipal social housing units in Reykjavík.<sup>29</sup> The other is Búseti, a cooperative building association that manages about 1,000 cooperative apartments, mainly in

the capital area.<sup>30</sup> In addition, its rental section, Búseti Leigufélag, has 226 rental apartments.

There are also examples of co-operative housing associations that operate outside the capital area. These include Búmenn, a non-profit organisation providing housing for the population aged 50 or more in various locations, and Búfesti, which offers cooperative housing in Akureyri and Húsavík in northern Iceland. Furthermore, several interest organisations have built housing for the groups they represent, such as the older population and people with disabilities.

### **Contributions of 30 per cent or more**

Within Iceland's new affordable housing scheme, subsidies are available mainly to municipalities and non-profit housing organisations. Contributions from the state and municipalities are calculated based on the cost of constructing or acquiring housing, including the following:

- Construction costs, building plot price and capital costs during the construction.
- Property price and other costs related to purchasing housing, including necessary improvements before it can be rented out.

Support from the state amounts to 18 per cent of the construction or acquisition costs. An additional four per cent can be allocated to municipal housing projects or housing for students or people with disabilities. Further regional support is available for housing developments in areas with a shortage of rental housing or where construction costs exceed house prices.

State support is conditioned upon a similar contribution from the municipality, amounting to 12 per cent of the cost. Whereas the state funding always consists of direct payments, support from the municipality can either be in the form of a direct contribution, a building plot, or a reduction or cancellation of municipal fees. In addition,

the municipality can contribute with existing buildings that can be converted into affordable housing.

In areas where construction costs exceed house market prices, individuals, non-profit housing organisations and municipalities are also eligible for rural loans under particular conditions. The aim is to stimulate the construction and general availability of affordable housing and establish an efficient and balanced rental housing market in rural areas.

All non-profit housing organisations are subject to approval from the Ministry of Social Affairs and must fulfil certain conditions concerning financing, organisational structure, and management. Each housing organisation must have an Executive Board and a Board of Representatives, of which at least one-third should be tenant representatives if possible. Moreover, the organisations are required to establish a fund to cover regular repair and maintenance costs.

### **Eligibility based on income and assets**

In 2022, the income limit for tenants in affordable non-profit rental housing in Iceland is around ISK 7 million in annual taxable income for individuals and ISK 9.8 million for couples. For each child under 20 years, the household's income limit increases by ISK 1,7 million. The total net assets limit is ISK 7.5 million.

The Minister of Social Affairs issues regulations to guide the allocation of support, including a minimum number of dwellings, apartment criteria, cost and price limits, and principles for rent-setting. The Minister also sets out further specifications for HMS' allocation of regional contributions, including maximum amounts, a minimum number of apartments, restrictions on dividends, and rules regarding change of ownership.

### **Need for 35,000 new apartments in the next ten years**

A working group appointed by the Icelandic National Economic Council recently delivered its conclusions regarding the need for new housing construction in Iceland. With representatives from HMS, four ministries, the Icelandic Association of Local Authorities, and labour market and industry organisations, the working group calls for a significant increase in housing supply. According to its estimates, around 35,000 new homes need to be supplied in Iceland in the next ten years, of which 35 per cent, or 12,250 housing units, should be affordable. Ensuring stability in the housing market would require 4,000 new housing units annually in 2023-2027 and 3,000 per year in 2028-2032. The average new housing supply between 2001 and 2021 was just over 2,000 housing units per year.

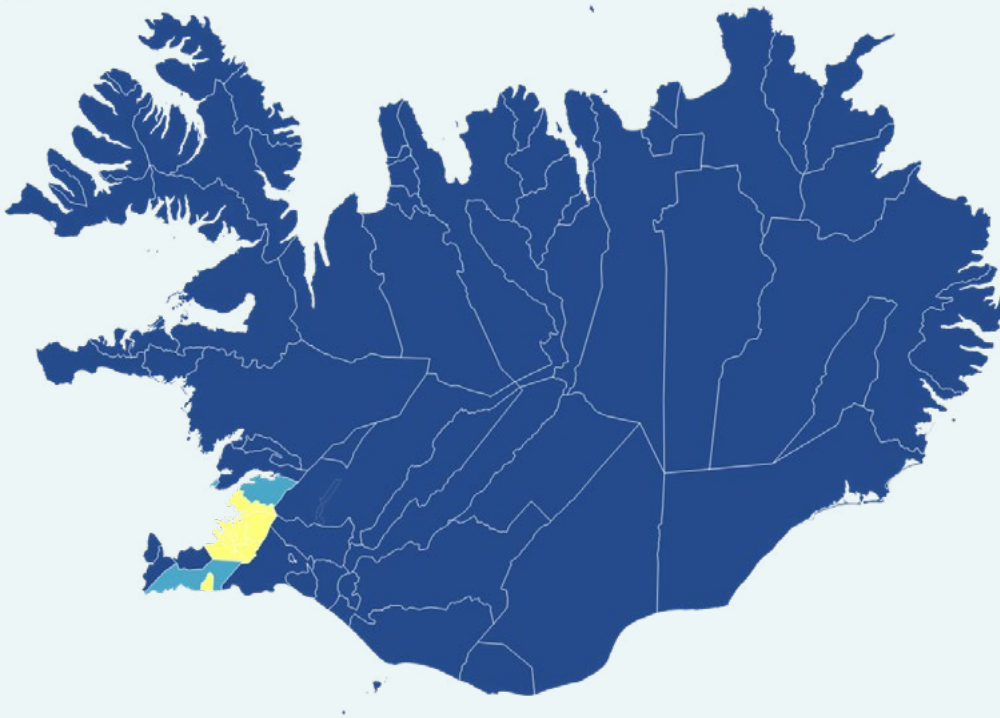
The working group emphasises the importance of further developing Iceland's non-profit housing system. Among its recommendations is to strengthen the presence of non-profit housing organisations in the rental market, ensure long-term funding of the affordable housing scheme, and increase predictability in the allocation of support. Furthermore, the group suggests a thorough evaluation of the current system and legislation, looking into issues such as housing quality, income and asset limits, and the potential to encourage sustainable housing development and create socially balanced neighbourhoods.

# Iceland Demographic overview

# Degree of urbanisation Icelandic municipalities

Cities	6 municipalities
Towns and suburbs	3 municipalities
Rural areas	60 municipalities
Rural areas, density <50	54 municipalities

1 - Cities 2 - Towns and suburbs 3 - Rural areas



According to Nordregio's classification at [www.nordmap.se](http://www.nordmap.se).<sup>31</sup>

### **Fifty-five municipalities with a population density below ten**

With its 103,000 km<sup>2</sup>, Iceland is the most sparsely populated Nordic country and, in fact, one of the most sparsely populated in Europe. Between 2001 and 2021, the population grew by 85,431 to 368,792, of which around two-thirds, or 236,528 people, lived in the Capital Region. The population density in Iceland is 3.6 people per km<sup>2</sup>.

Iceland has eight regions: Höfuðborgarsvæðið, Suðurnes, Vesturland, Norðurland vestra, Norðurland eystra, Austurland and Suðurland. The regions serve no administrative purpose but are frequently used as geographic entities to report statistics. There are now 69 municipalities – 160 fewer than in 1950. Only eleven have a population density of more than 100 people per km<sup>2</sup>, and in three addition-

al municipalities, the density is between 40 and 70 inhabitants per km<sup>2</sup>. In the remaining 55, the population density is below ten.

### **Significant population increase in the Capital Region**

The Capital Region, Höfuðborgarsvæðið, consists of seven municipalities, including five of the country's eight largest: Reykjavík, Kópavogur, Hafnarfjörður, Garðabær and Mosfellsbær, and then Seltjarnarnes and Kjósarhreppur. Seltjarnarnes is by far the most densely populated community in Iceland, with 2,358 inhabitants per km<sup>2</sup>, whereas the density is 67.7 in Mosfellsbær and only 0.9 in Kjósarhreppur.

All seven municipalities have seen a significant population increase in the last two decades. Between 2001 and 2021, the number of inhabitants in Rey-

kjavík grew by 21,718 or 19.5 per cent. The population of Mosfellsbær more than doubled (106%), and four other municipalities in the area have seen a growth of more than 50 per cent: Garðabær (84%), Kjósarhreppur (66%), Kópavogur (62%) and Hafnarfjörður (51%). In total, the region's population grew by 61,101 or 34.8 per cent.

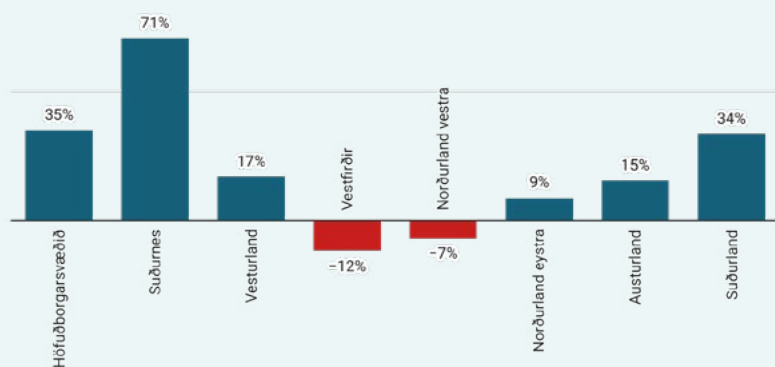
Only three municipalities outside the capital area have a population of more than 10,000 people: Reykjanesbær in Suðurnes (19,676), Akureyri in Norðurland eystra (19,219), and Árborg in Suðurland (10,452). All the municipalities in the two urban categories are located within a one-hour drive from Reykjavík.



### Population decline in two of eight regions

The most remarkable population growth outside the capital region has occurred in the neighbouring Suðurnes. Here, the population grew by 11,663 people from 2001 to 2021 or more than 70 per cent, mainly driven by the increase in tourism. Also, in Suðurland, southeast of Reykjavík, the population has increased by one-third, from 23,493 to 31,388 inhabitants.

Two regions have seen a population decline in the period. In Vestfirðir, the population has decreased by 951, 12 per cent, while the drop in the adjacent region Norðurland vestra was 560 people or 7 per cent. The remaining three regions outside the Capital Area have seen moderate growth of between 8.5 and 17 per cent during the last two decades.



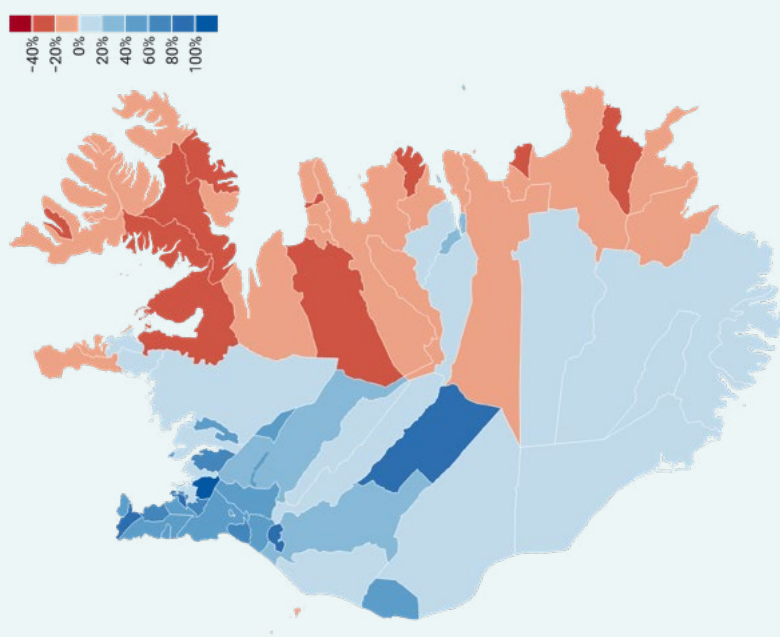
Population  
Change  
between  
2001-2021

### Shrinking population in many rural municipalities

The population has declined in 30 municipalities, all of them rural. Ten of these rural communities have seen their population drop between 20 and 30 per cent, including Árneshreppur (30%), Tálknafjarðarhreppur (27%), Húnavatnshreppur (26.8%), and Tjörneshreppur (24.3%). Fjallabyggð, Dalabyggð, Strandabyggð, and Reykhólahreppur have all seen a population decline of 24.1 per cent.

The municipalities with the most significant absolute decline were Fjallabyggð (624), Ísafjarðarbær (430), and Norðurþing (303). Overall, however, the population in Iceland's rural municipalities increased by 20 per cent between 2001 and 2021, which is the largest rural increase in the Nordic region.

The population grew in 39 municipalities in the period, and eighteen of them saw an increase of more than 50 per cent. The most significant relative population growth was in Mosfellsbær (106%), Ásahreppur (87%), Garðabær (84%), and Reykjanesbær (81%).



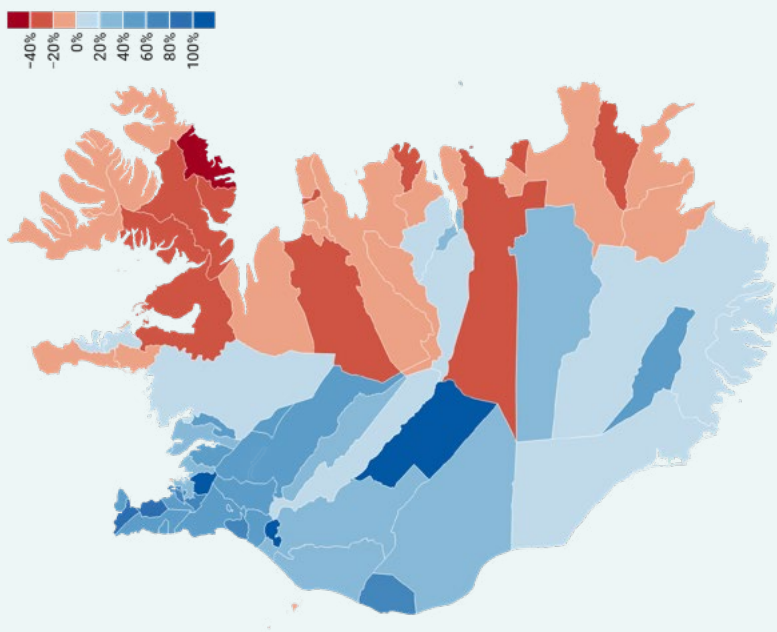
Population  
Change  
between  
2001-2021

Source: Hagstofa Íslands

Iceland's working-age population grew by one-third, or by 60,735 people. The workforce has doubled or almost doubled in size in Mosfellsbær, Reykjanesbær and Sveitarfélagið Vogar, all located within an hour's drive from Reykjavík. Despite this overall growth, 31 municipalities, all rural except one, have seen a decline in their working-age population. In some, the reduction has been considerable, including in Árneshreppur (54%), Reykhólahreppur (29%), Fjalabyggð (26%), and Dalabyggð (24%).

#### Slower ageing than in neighbouring countries

The population of Iceland is ageing somewhat slower than in the other Nordic countries. The elderly population has grown in all but five municipalities, but in those five, the decline was only between one and nine individuals. The largest relative decline was in Skagabyggð, where a drop of only four people adds up to 21.2 per cent. Overall, the population aged 65+ grew by 21,568 or 65.9 per cent between 2001 and 2021.



Population  
aged 15-64  
Change  
between  
2001-2021

Six of the eight regions now have fewer children aged 0-14 years than in 2001. Norðurland eystra has seen a 16 per cent decline in the number of children, and Vesturland six per cent. In the two regions with population decline, the group of children has decreased by 34.8 per cent in Vestfirðir and 25.8 in Norðurland vestra. Furthermore, Vestfirðir saw a drop of 11% in the working-age population and Norðurland vestra 9 per cent.

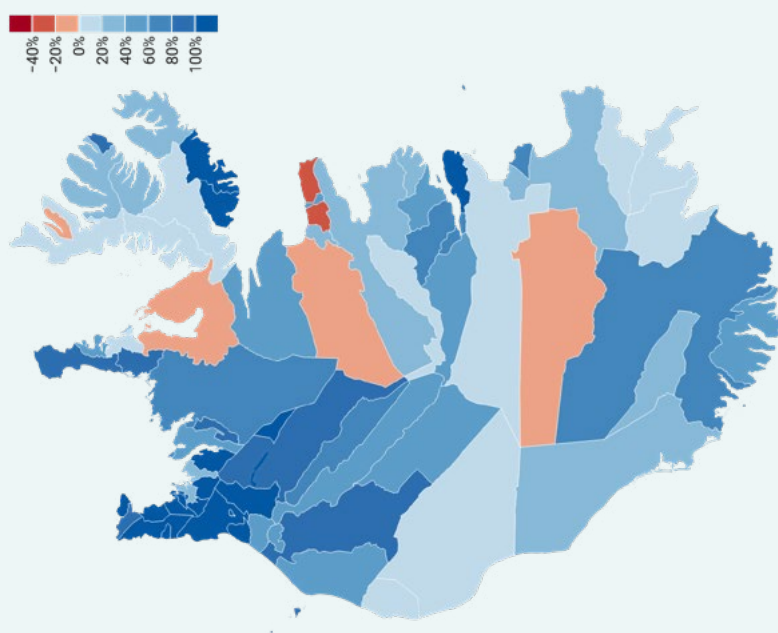
On the other hand, the group of people aged 65+ has grown in all eight regions. The most moderate growth is actually in Vestfirðir and Norðurland vestra, just above 33 per cent, while

the largest relative increase is in Suðurnes (105%) and Suðurland (92%).

The old-age dependency ratio has increased from 18 to 22 per cent in the last two decades. In 2001, there were 5.6 individuals aged 15-64 for each person aged 65 or more. In 2021, the figure was 4.5. It is worth noting that the retirement age in Iceland is 67.

Despite the increase mentioned above, the old-age dependency ratio is still the lowest in Suðurnes, with 6.3 people of working age per person aged 65 or more, and the Capital Region with 4.7. In five regions, the ratio

is 25-26 per cent, which translates into around four working-age individuals per person aged 65+. In Norðurland vestra, where the ratio is the highest, the balance went from 21 to 30 per cent or 3.3 individuals.



Population  
aged 65+  
Change  
between  
2001-2021

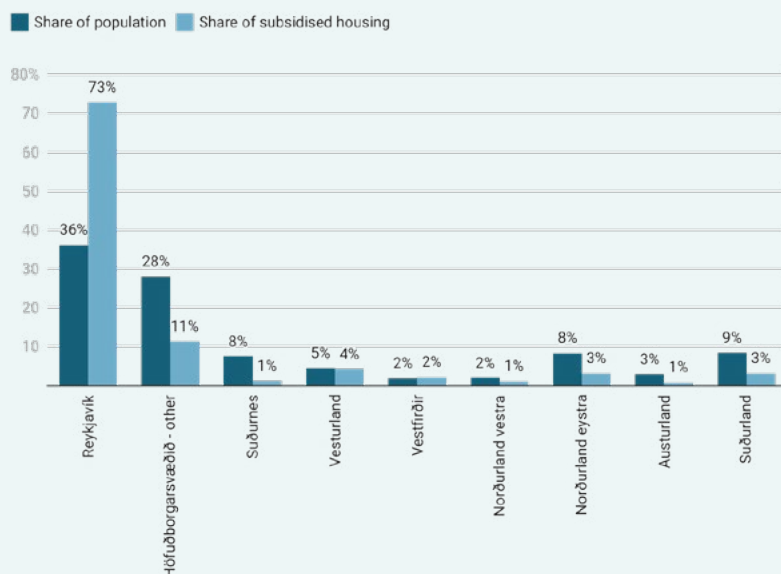
Source: Hagstofa Íslands

# 2,900 subsidised housing units in 2016-2021

HMS allocated support for the construction or purchase of 2,900 affordable rental homes between 2016-2021. The large majority of them, 2,442 housing units, were in the Capital Region, while 458 were in the other seven regions.

The data shows that relative to the population, there is a large overweight of subsidised housing units in the capital city of Reykjavík. The city quickly

embraced the concept and made a significant number of building plots available to non-profit housing organisations already in 2016. While Reykjavík's population is 36 per cent of the Icelandic population, it accounts for 73 per cent of the subsidised affordable housing units. The remaining municipalities in the capital region account for 28 per cent of the population but only 11 per cent of the subsidised housing.



Share of subsidised housing vs. share of population

The figures correspond to 15.9 housing units per 1,000 inhabitants in Reykjavík and 3.9 in the other municipalities in the capital area, whereas the national average is 7.9. With 8.7 housing units per 1,000 inhabitants, Vestfirðir is the only area outside the capital region where the share of subsidised housing exceeds the size of the population.

Housing units per 1,000 people

2	4	6	8	10
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Regions  
Subsidised  
housing  
units per  
1,000

Source: HMS

### Rural areas are missing out

Between 2016 and 2021, HMS has supported projects to develop the affordable housing stock in 34 of Iceland's 69 municipalities. The total support amounts to ISK 1,8 billion. Seventy-three per cent, or ISK 13.2 billion, went to development projects in Reykjavík, and an additional 11.5 per cent to the other municipalities in the capital region.

Furthermore, two of the three municipalities in the towns and suburbs category received support. HMS granted ISK 600 million to projects in Akranes, 3 per cent of the total amount, while Grindavík accounted for

0.3 per cent. In total, however, only 11 per cent of the support went to developing the affordable rental housing stock in the country's rural municipalities, which are home to 33 per cent of the population.

Provided that the support was distributed equally according to population size, Reykjavík would have received less than half of its support, or ISK 6,710 million less than it did, while the rural areas would have been granted ISK 3,853 million more to develop their housing stock. Three regions, Suðurnes, Norðurland eystra, and Suðurland, have received more than ISK 1,000 million less than their population would suggest.

Looking at the municipalities, the largest deficit is in Kópavogur, Iceland's second-largest municipality, which, relative to an equal distribution of the funds, has missed out on ISK 1,411 million in contributions from HMS. The shortfall was ISK 897 million in Reykjanesbær, 629 million in Garðabær, and 611 million in Akureyri.

	Population	Housing units	Per 1,000
Höfuðborgarsvæðið	236,528	2,442	10.3
Suðurnes	28,195	39	1.4
Vesturland	16,710	124	7.4
Vestfirðir	7,108	62	8.7
Norðurland vestra	7,400	31	4.2
Norðurland eystra	30,613	90	2.9
Austurland	10,850	22	2.0
Suðurland	31,388	90	2.9
	<b>368,792</b>	<b>2,900</b>	<b>7.9</b>

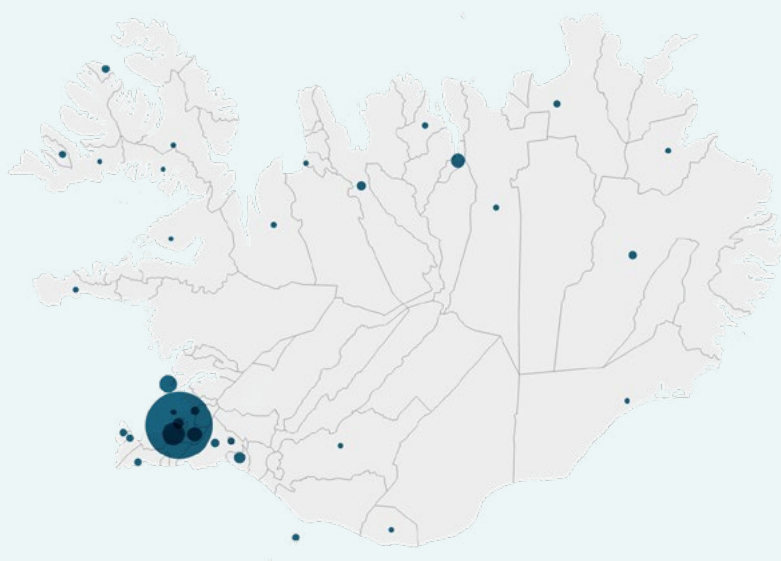
Regions  
Subsidised  
housing  
units

### 330 subsidised housing units in rural areas

Between 2016 and 2021, HMS supported the construction or purchase of 330 dwellings in 26 of Iceland's 60 rural municipalities. Just over one-third, or 117 homes, are in the three largest municipalities outside the capital region, Reykjanesbær (11), Akureyri (67) and Árborg (39). Interestingly, in all three, subsidised housing units per 1,000 inhabitants are still well below the national average of 7.9. Akureyri received support for 3.5 housing units per 1,000 people and Árborg for 3.7 per 1,000 inhabitants. In Reykjanesbær, the most rapidly growing municipali-

ty outside the capital region, the figure was 0.14 housing units per 1,000 people.

Only five rural municipalities are above the national average: Tálknafjarðarhreppur (44.8), Bolungarvíkurkaupstaður (14.6), Reykhólahreppur (12.7), Vopnafjarðarhreppur (9.2), and Strandabyggð (9.2). The combined number of subsidised dwellings in these five municipalities is 39.



HMS  
supported  
housing  
2016–2021

Source: HMS



### Leigufélagið Bríet – non-profit rental housing organisation

One of the instruments that have been established to strengthen the affordable rental housing market in Iceland is Leigufélagið Bríet, a non-profit rental housing organisation owned by HMS. Its role is to encourage new housing development in Icelandic municipalities, focusing mainly on rural areas. When entering a development project, Leigufélagið Bríet commits to buying a certain share of the residential units that are being built and renting them out in collaboration with the municipality or the project entrepreneur. The organisation's involve-

ment is generally initiated by the local authorities, based on a thorough analysis of the housing needs in each municipality.

Moreover, Leigufélagið Bríet offers to take over property owned by the municipalities in exchange for an ownership share in the organisation. This approach helps the municipalities ensure a well-functioning and efficient rental market. By the end of 2021, Leigufélagið Bríet owned 189 residential units in 38 municipalities, here divided between the eight regions:

	Housing units	Percentage of total
Höfuðborgarsvæðið	30	16%
Suðurnes	56	30%
Vesturland	26	14%
Vestfirðir	12	6%
Norðurland vestra	3	2%
Norðurland eystra	13	7%
Austurland	19	10%
Suðurland	30	16%
	<b>189</b>	<b>100%</b>

Leigufélagið  
Bríet  
Rental  
Housing

Source: Leigufélagið Bríet

Bjarg  
íbúðafélag  
breathes new  
life into the  
rental market

Key objective to increase  
presence in rural  
communities around the  
country

Bjarg íbúðafélag is a non-profit housing foundation established shortly after the new legislation on general housing was put in place in 2016. The housing foundation has provided a fresh boost to the rental housing market, especially in Reykjavík, by adding around 600 affordable long-term rental units to the market.

Bjarg was established by two of the largest labour organisations in Iceland, BSRB, the federation of state and municipal employees, and ASÍ, the Icelandic confederation of labour. BSRB has around 23,000 members employed in the public sector, while about two-thirds of the organised labour in Iceland, approximately 133,000 people, are members of trade unions affiliated to ASÍ.

### **Residents must be active in the labour market**

Bjarg builds and rents out apartments for low-income families and individuals who are active in the labour market. In addition to the income and asset levels defined by the legislation, all applicants must be full members of one of the unions within either BSRB or ASÍ. They must also have been employed for 16 of the 24 months prior to applying.

Early on, the City of Reykjavík committed to providing Bjarg with building plots for 1,000 apartments, and the first homes were completed and handed over to tenants in June 2019. Since then, Bjarg has grown exponentially. At the beginning of

2020, its assets were worth ISK 12,750 million but had increased to approximately ISK 30,500 million by the end of 2021.

By the end of 2021, Bjarg controlled 522 rental apartments while it had built more than 600. The explanation is that in all projects in Reykjavík, for instance, Félagsbústaðir, a city-owned company that oversees the construction and operation of social housing, buys 20 per cent of the apartments. In other cases, Bjarg has sold or rented some of the housing to the municipalities, which again rent them out to their social clients. In addition to the 600 apartments, around 300 apartments are currently under construction and design, and 450 are in the planning phase.



Photo: Bjarg íbúðafélag

Bjarg operates by the same principles as the non-profit housing sector in Denmark, emphasising an active tenant democracy and setting aside funding for future maintenance and renovation projects. Rent levels are based on construction, operations, and maintenance costs and are significantly lower than rents in the private rental market. In 2021, Bjarg refinanced its loans and was subsequently able to lower the rent for a significant share of its tenants even further, by 10-14 per cent depending on the location. The rent reduction was unprecedented in the Icelandic rental market, putting pressure on other landlords and housing organisations to follow suit.

#### Activities outside the capital region

With regards to the municipalities outside Reykjavík, by the end of 2021, Bjarg had completed 33 apartments in Akranes, 31 in Akureyri, 14 in Selfoss, and 12 in Þorlákshöfn. Except for Akureyri, all these municipalities are in close vicinity of Reykjavík. In addition, fourteen flats were under construction in Þorlákshöfn, not far from the capital city. Finally, 24 apartments were in the planning phase in Akranes, 10 in Grindavík, 10 in Hveragerði, and 11 in Sandgerði.

Bjarg íbúðafélag has an explicit goal of increasing its presence

in rural communities around the country. However, the business case for rural areas has been difficult, especially as rent and house prices have been too low, which led to an unsustainable economy for new housing projects. However, this has changed for the better in recent years, not least because of HMS' regional support for the so-called cold areas with limited construction activity and a mismatch between construction costs and market prices. Bjarg is currently in dialogue with municipalities in all eight regions to strengthen its presence in Iceland's rural and sparsely populated areas.

	Finalised	Under construction	Planning phase
Akranes	33		24
Akureyri	31		
Garðabær		22	
Grindavík			10
Hafnarfjörður		148	
Hveragerði			10
Reykjavík	432	181	210
Sandgerði			11
Selfoss	14	14	
Þorlákshöfn	12		
	<b>522</b>	<b>365</b>	<b>265</b>

Bjarg  
íbúðafélag  
Housing units  
in 2021

# Non-profit property rental company for people with disabilities

A flexibility that makes it possible  
for tenants to move between  
different properties,  
regardless of  
location

A characteristic feature of the Icelandic housing market is that various interest organisations, such as national organisations for disabled people, the elderly population, students, etc., are crucial in ensuring sufficient and suitable housing for their members.

One of these organisations is the Icelandic Disability Alliance. OBI fights for the rights of people with disabilities in Iceland, and some of its key objectives are to enable people to work, live an independent life, and have an accessible home and good living conditions.

#### **First housing was built in the 1960s**

Since the 1960s, OBI and its independent non-profit housing company, Brynja Property Rentals, have built and operated housing for people with disabilities.

The first development project was the construction of 250 residency units in three apartment buildings in Hátún 10 in Reykjavík. Since then, the organisation has constructed and bought housing all across Iceland with an emphasis on allowing disabled people to live independently and be included in their communities.

Today, the number of housing units is 860, most of which are in the Reykjavík area. Some of the smaller flats in the Hátún cluster built in the late sixties have been renovated and joined into bigger units that better live up to modern living standards. As a result, the number of apartments in the organisation's initial apartment buildings has been reduced from 250 to 170.

In 2011, the provision of public services to people with disabilities was transferred from the

state to the local authorities in Iceland. Since then, the municipalities have been responsible for developing suitable housing for people with disabilities. However, Brynja is considered an essential supplement to the public provision of accessible housing.

Brynja aims to add around 50-70 apartments to its housing portfolio annually to bring down the long waiting lists for housing for people with disabilities. By the end of 2021, around 300 individuals were waiting for an accessible apartment in the capital area and an additional 34 in the rest of the country.

The company recently entered into an agreement with cooperative housing organisation Búseti to include a number of Brynja-owned and operated housing units in all of Búseti's development projects. Apart from increasing the housing supply for people with disabilities, the main purpose of the cooperation is to contribute to more socially mixed and inclusive neighbourhoods.



### Sixteen per cent of the housing is outside the capital area

Brynja currently has 141 housing units outside the capital area, including 45 in Akureyri, 24 in Árborg Municipality, 17 in Akranes, and 16 in Múlaþing. Its primary focus outside the capital region is to further develop its housing stock in Múlaþing in east Iceland, Akureyri in the northeast, and Akranes, Selfoss and Reykjanesbær in the capital area's neighbouring regions.

An important benefit of the housing provided by Brynja is that it enables people to move between different areas of the country, something which can

be difficult for those relying on municipal housing. Brynja considers the ability to decide where to live as a fundamental human right. Therefore, the housing organisation has made it possible for its tenants to move between its different properties, regardless of location. As an example, this flexibility enables older people with disabilities to relocate with their families if their children decide to move to a different municipality.

In 2016-2019, Brynja built or acquired 99 housing units with contributions from HMS and the municipalities. Forty-five of these units were outside the capital region: Akureyri (15),

Akranes (13), Reykjanesbær (11), Múlaþing (4), and Árborg (2). This indicates that the new grant system has succeeded in improving the supply of affordable housing outside the capital area. In just three years, Brynja constructed or acquired around one-third of its current housing stock outside the capital region.

The total cost of the projects between 2016 and 2019 was ISK 3,300 million, whereas the support from the state amounted to ISK 635.5 million. In addition, the municipalities contributed 12 per cent of the total project costs, or around ISK 397.2 million. In 2021, Brynja invested in 34 new apartments in the Reykjavik area and is currently planning to add 16 new properties outside the capital area in 2022.

Municipality	Region	Housing units
Reykjanesbær	Suðurnes	27
Akranes	Vesturland	17
Borgarbyggð	Vesturland	13
Bolungarvík	Vestfirðir	2
Ísafjarðarbær	Vestfirðir	5
Reykholahreppur	Vestfirðir	1
Akureyri	Norðurland eystra	45
Fjallabyggð	Norðurland eystra	1
Norðurþing	Norðurland eystra	3
Fjarðarbyggð	Austurland	1
Múlaþing	Austurland	16
Hornafjörður	Suðurland	2
Hveragerði	Suðurland	1
Sveitarfélagið Árborg	Suðurland	24
Vestmannaeyjar	Suðurland	5

163

Source: BRYNJA leigufélag

BRYNJA  
leigufélag  
Accessible  
non-profit  
rental housing  
outside the  
capital area

# First new housing in Flateyri in 25 years

The school has provided what many rural areas crave: more young people and families who contribute to a vibrant and liveable community

## Ísafjarðarbær Municipality

Population in 2021: 3,794

Population density: 1.6

### Since 2001:

- Population decrease of 430 – 10 per cent
- 35 per cent fewer children – a decrease of 367
- The working-age population has decreased by 230 – or by 9 per cent
- An increase of 167 people in the age group 65+ – corresponding to 37 per cent
- Old-age dependency ratio: From 16.8 per cent (5.9) in 2001 to 25.1 (4.0) in 2021.

Flateyri is a small community in the municipality of Ísafjarðarbær in Vestfirðir. The population grew from 278 to 328 between 2001 and 2007 but then declined to 177 by 2018. Today, around 200 people live in Flateyri.

Overall, Ísafjarðarbær has seen a population decrease of just over ten per cent, with the most significant decline in the youngest age group. Since 2001, the population aged 0-14 years has declined by more than one-third, and the working-age population by 8.5 per cent. In a Nordic comparison, the old-age dependency ratio is relatively low but has changed quite a lot in the last twenty years – from 5.9 working-age individuals per person aged 65+ in 2001 to 4.0 in 2021.

## Flateyri Folk High School attracts young people to the Westfjords

Flateyri Folk High School opened its doors for the first time in 2018 and is now in its fourth school year. The school has been a great success but is currently in a situation where the lack of housing in Flateyri hampers its expansion.

The school currently offers two courses, which are firmly embedded in the local community and the stunning surroundings of Flateyri and the Westfjords. One is called The ocean, mountains, and you, which includes mountaineering, ice climbing, surfing, kayaking, and first aid classes. The other is Ideas, the world, and you, which is a creative course offering insights into filmmaking, documentaries, visual design, and soundscapes.



Photo: Yrki Architects

Since the beginning, the number of students has increased every year. The school now has 32 students and aims to reach 40 within the next year. Furthermore, there are plans to establish an international study course focusing on life in the Arctic, sustainability, and outdoor living, which will accommodate an additional twenty students.

#### **New student housing enables expansion**

What is holding back on the school's expansion is the situation in the local housing market. Apart from its dormitory, the school has already rented most, if not all, available rental housing in the small community for its students and teachers, but that barely covers its current housing need.

To solve this critical situation, Flateyri Folk High School applied for funding to build three residential buildings with a total of 26 student dwellings in the village. HMS granted the school support to build two linked houses by Flateyri's main

street, Hafnarstræti, containing 14 housing units for students. What is remarkable is that the student housing is the first new construction in Flateyri since 1997.

The project has a total budget of ISK 240 million. The funding from HMS amounts to ISK 134 million, including a special contribution to encourage the construction of affordable housing in areas with limited construction activity. In addition, Ísafjarðarbær Municipality provided the building plot for the two houses.

Designed by Yrki Architects, the elements for the student housing have been prefabricated and sailed to Flateyri to minimise construction time and costs. If everything goes to plan, the new housing will be completed by August 2022, in time for the next school year. However, when this first stage is finished, the school is determined to build at least 12 more student dwellings in Flateyri in the coming years.

#### **Positive effect on the entire community**

Flateyri Folk High School has profoundly impacted the local community, attracting new and younger residents to Flateyri. Many students have taken an affection to the village and stayed there after finishing their studies, some even settling permanently, working, buying homes, and sending their children to the local kindergarten and school.

In other words, the school has provided what many rural areas crave: more young people and families who contribute to a vibrant and liveable community. However, the lack of suitable housing is also illustrative of the challenges facing rural communities that succeed in attracting new people, for instance by creating jobs or new education options. As in Flateyri, public support may be required to ensure a balanced housing market in these communities.

# Norway

Population: 5.4 million in 2021



# Providing alternatives to individual home ownership



Norway has the Nordic countries' highest rate of homeownership. In 2021, 82 per cent of the Norwegian population owned their own home, 71 per cent through individual ownership and 11 per cent through co-operative housing. The remaining 18 per cent of Norwegians live in rental housing.<sup>32</sup>

The high homeownership rate has been considered to play an essential part in social and economic sustainability in Norway, being the primary source of wealth to the Norwegian population. Research shows that housing wealth is more equally distributed in the country than other types of wealth.<sup>33</sup> However,

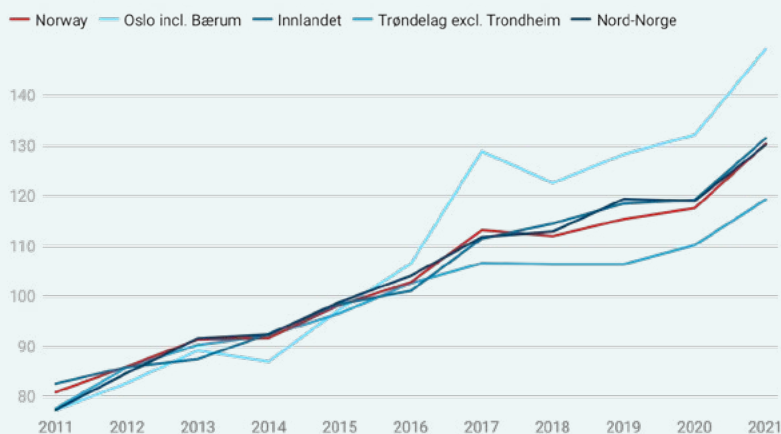
as in the other Nordic countries, there are concerns that this is changing with the rapidly rising house prices and construction costs.

In 2021, around 340,000 of the 2.5 million Norwegian households lived in cooperative housing. The share is largest in the region of Oslo, almost one-third of all households, followed by Vestfold og Telemark (14%), Vestland (13%) and Trøndelag (13%). The proportion is smallest in Agder and Møre og Romsdal, around 7 per cent.

Most of the cooperative housing is organised within the Co-operative Housing Federation of

Norway (NBBL), which is the Norwegian member of NBO Housing Nordic. NBBL represents the interests of 41 cooperative housing organisations, called boligbyggelag, which by the end of 2021 had 1.2 million members. The vision of the co-operative housing movement in Norway is to enable its members to acquire a decent home in a sustainable living environment.<sup>34</sup>

In 2021, NBBL's member organisations managed 594,000 housing units.<sup>35</sup> Around 272,000 of them were in affiliated housing coops, which are coops established by the housing organisations themselves. The remaining 322,000 were in non-affiliated housing coops, condominiums, rental housing, and other types of housing across the country.



Source: Statistics Norway

# House Price Index

2015=100

### More challenging to enter the Norwegian housing market

As the rising house prices in Norway make it difficult for medium- and low-income earners to enter the market, NBBL and its member organisations have emphasised the need to increase the supply of new housing. In 2021, the cooperative housing prices increased by 7 per cent, and over the past two years, the increase was 16.3 per cent.<sup>36</sup>

NBBL's member organisations provide newly built homes for its members in two ways, through construction or by providing priority access through agreements with other housing developers. In 2020, NBBL's member organisations started the construction of 2,799 new housing units and provided access to an additional 1,099 through agreements with others.<sup>37</sup> Hence, the total number of construction starts with NBBL involvement amounted to 3,989 homes in 2020.

About 2,400 housing units were completed during the year, which corresponds to eight per cent of the 29,600 residential housing units completed in Norway in 2020.<sup>38</sup> A significant share of the new dwellings, some of which were developed together with the municipalities, qualifies as affordable housing. In 2021, 18 of the 41 housing organisations were involved in construction starts of 5,423 new residential housing units, a figure corresponding to 21 per cent of all new homes in Norway in that year.<sup>39</sup>

### Leie til eie – From rent to ownership

In recent years, NBBL has also advocated a change in the Norwegian tax legislation, allowing for up to 30 per cent of the apartments in each housing cooperative to be sold through various types of rent-to-ownership schemes. The objective is to make it easier for buyers, especially first-time home buyers, to save up for a deposit enabling them to enter the housing market. When buying a home in Norway, people must be able

to put down a payment of 15 per cent of the house price to be eligible for a mortgage.

Many cooperative housing organisations already offer home buyers the option of renting before buying, typically for three to six years, where a portion of the rent and any price increases of up to 15 per cent go toward reducing the down payment for the apartment. The purchase price is determined at the beginning of the lease. These rent-to-ownership schemes are typically a collaboration between the housing organisation, the municipality, and the Norwegian State Housing Bank, Husbanken.

In other cases, homebuyers are offered a reduction on selected apartments, provided that the housing organisation is given pre-emptive right to buy the apartment back when it is sold again. The approach can make a significant difference for the buyer, as a discount of ten per cent can reduce the down payment by up to 40 per cent.

For example, when buying an apartment for NOK 3.7 million through Boligbyggelaget Midt, the down payment is reduced from NOK 1.1 million to NOK 700,000, bringing the total sales price down to NOK 3.3 million.<sup>40</sup> A third variant is partial ownership, where the buyer purchases a minimum of 50 per cent of their home and pays rent for the rest, with the option of increasing the ownership share at any given time.

#### **State Housing Bank steps in where the market falls short**

The Norwegian State Housing Bank plays an essential role in implementing affordable and social housing policy in Norway. This state agency provides various types of loans and grants to achieve the Norwegian vision of ensuring adequate and secure housing for all.

Together with the municipalities, the Housing Bank's primary focus in rural areas is to support individuals with special needs and those who have financial difficulties entering the housing market. The municipalities have access to loans and grants to establish rental housing for disadvantaged citizens, support for testing new and innovative housing models, and investment grants to increase the supply of nursing and care homes.

Ensuring more suitable housing for the growing older population is one of NBBL's key priorities.<sup>41</sup> The previous Norwegian government launched a trial scheme that allowed the State Housing Bank's investment grants for nursing and care homes to fund sheltered housing in rural and sparsely populated municipalities, including cooperative housing for older people. NBBL has called for the trial scheme to be

made permanent. Furthermore, it has encouraged increased support for renovation and new construction of senior housing and better access to grants to establish elevators in multi-dwelling apartment buildings.

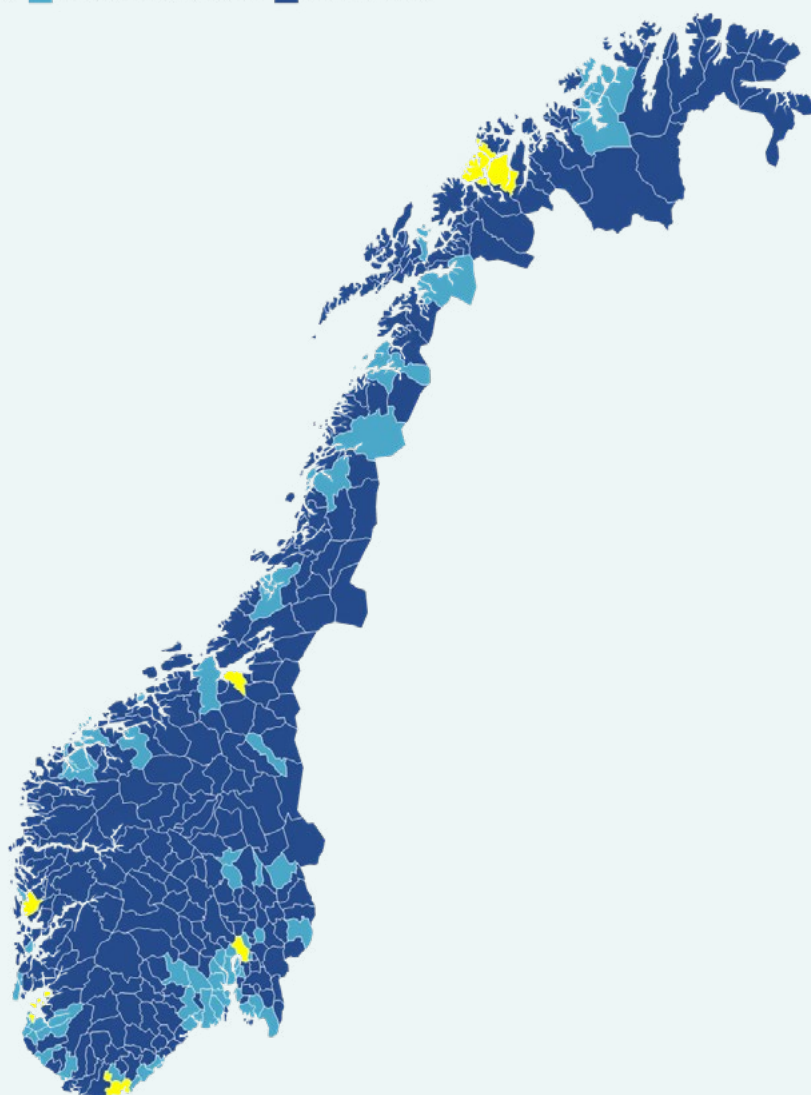
The current Norwegian government aims to expand the Housing Bank's role in society.<sup>42</sup> One of the objectives is to strengthen its support for rural and thinly populated areas and renew efforts to stimulate the development of a varied housing supply in municipalities with insecure housing markets. The government intends to launch new support schemes for housing development in rural areas and improve the municipalities' possibilities to build housing in collaboration with the cooperative housing organisations.

# Norway Demographic overview

# Degree of urbanisation Norwegian municipalities

Cities	6 municipalities
Towns and suburbs	64 municipalities
Rural areas	286 municipalities
Rural areas, density <50	266 municipalities

1 - Cities 2 - Towns and suburbs 3 - Rural areas



According to Nordregio's classification at [www.nordmap.se](http://www.nordmap.se).

# One-third of Norwegians live in rural municipalities

NBO HOUSING NORDIC  
NORWAY

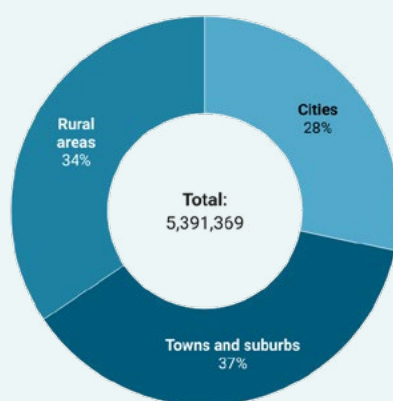
In 2021, the population of Norway was 5,391,369. Just over one-third, or 34 per cent, lived in rural municipalities, 37 per cent in towns and suburbs, and 28 per cent in the six cities. Norway's rural municipalities cover an area of 273,350 km<sup>2</sup>, and the rural population density is seven people per km<sup>2</sup>. Overall, Norway has 16.6 people per km<sup>2</sup>.

Norway is commonly divided into five regions: Northern Norway, Trøndelag, Western Norway, Southern Norway, and Eastern Norway. Since 2020, the country has had 11 administrative counties, fylker, and no less than 356 municipalities.

Northern Norway consists of Troms and Finnmark and Nordland, the two most thinly populated counties in Norway. With 77,095 inhabitants, Tromsø is the region's only city, while Bodø, with 52,560 inhabitants, is the largest town in Nordland. Including Bodø, there are nine municipalities in the towns and suburbs category in the two counties. The remaining seventy are rural, and 59 of them have a population density below 10.

South of Nordland, in Trøndelag, Trondheim is the largest city, with 207,595 inhabitants. Trøndelag has two additional urban municipalities, Namsos and Orkland, while more than half the

■ Cities ■ Towns and suburbs ■ Rural areas



Population  
share by  
urbanisation  
category

Source: Statistics Norway

population in the remaining 36 municipalities lives in rural areas. Except for Malvik, the population density in all of Trøndelag's rural municipalities is below 50.

Three counties make up the region of Western Norway: Møre and Romsdal, Vestland, and Rogaland. Here, the two city municipalities are Bergen in the county of Vestland, Norway's second-largest city with 285,601 inhabitants, and Stavanger in Rogaland, with a population of 144,147. There are 72 rural municipalities in the three counties, and only eight have a density of more than 50 people per km<sup>2</sup>.

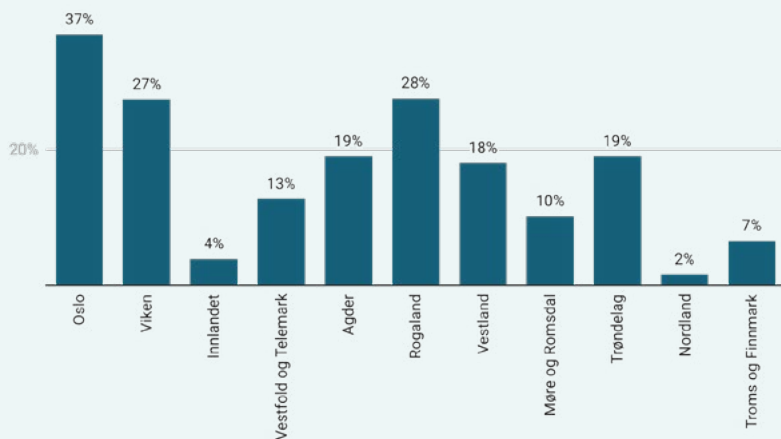
Agder is the only county in Southern Norway. Here, around 36 per cent of the population, or 112,588 people, live in the region's only city, Kristiansand. Just over one-third live in the county's five municipalities in the towns and suburbs category, while the remaining 30 per cent live in the 19 rural municipalities in this southernmost part of the country.

Finally, Eastern Norway is home to Norway's capital city, Oslo, which also constitutes a county, and the counties of Viken, Vestfold and Telemark, and Innlandet. Together, the four counties account for half the Norwegian population. Viken is Norway's

most populous, with 1,252,384 people, while Oslo, with 697,010 inhabitants, is the densest at 1535 people per km<sup>2</sup>. Oslo is the region's only city. In addition, there are 30 municipalities in the towns and suburbs category in Eastern Norway and 90 rural municipalities, 79 of which have a population density of less than 50.

#### Population growth in all regions and urbanisation categories – but also rural decline

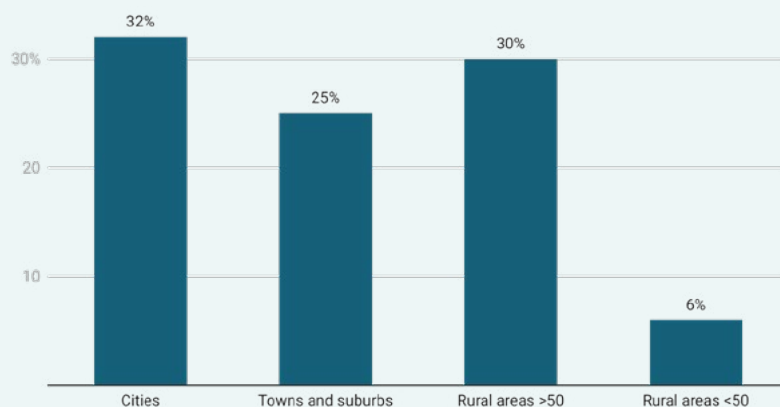
Since 2001, the population in all eleven counties has grown, while many rural municipalities saw their population decline between 2001 and 2021. Not surprisingly, the most significant growth was in the county of Oslo, but the population also grew by more than a quarter in Rogaland and Viken.



Population  
change  
between  
2001-2021

Five counties saw a population growth of between ten and twenty per cent: Agder, Trøndelag, Vestland, Vestfold and Telemark, and Møre and Romsdal. The smallest relative increase was in Troms and Finnmark, Innlandet, and Nordland.

The population also increased in all three urbanisation categories,<sup>43</sup> although considerable differences exist between them. The six Norwegian cities grew by a total of 366,533 inhabitants, corresponding to 32 per cent, while the increase in the towns and suburbs category was 396,991, or 25 per cent. Rural municipalities with a population density of over 50 also saw a gain of 30 per cent or 94,442 people. In contrast, the growth in the most sparsely populated rural municipalities, with a density below 50, was only 6 per cent.



Urbanisation  
categories  
Population  
change  
2001-2021

Source: Statistics Norway



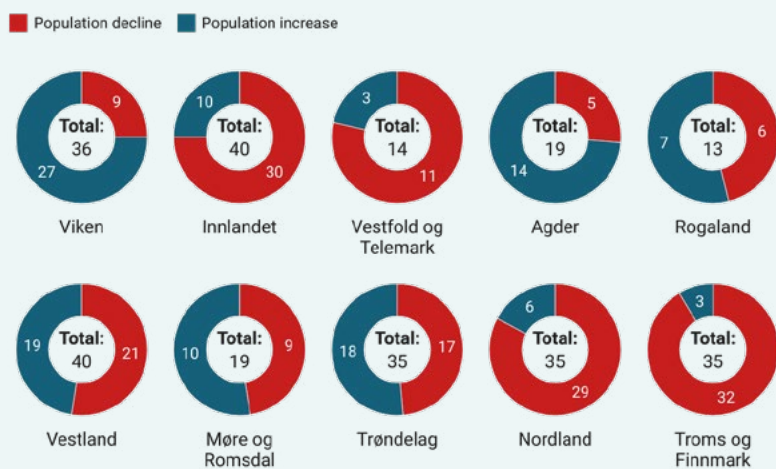
Overall, the rural population in Norway grew by 11 per cent, which is the second-largest rural population growth in the Nordics, exceeded only by Iceland with around 20 per cent.

### Decline in three out of four of the 200 most sparsely populated municipalities

While the figures regarding the demographic development in the eleven counties generally paint a positive picture, a closer look at the most rural municipalities reveals that Norway is facing many of the same rural population issues as the other Nordic countries. For example, the population declined in more

than three out of four of Norway's 200 most sparsely populated municipalities between 2001 and 2021.

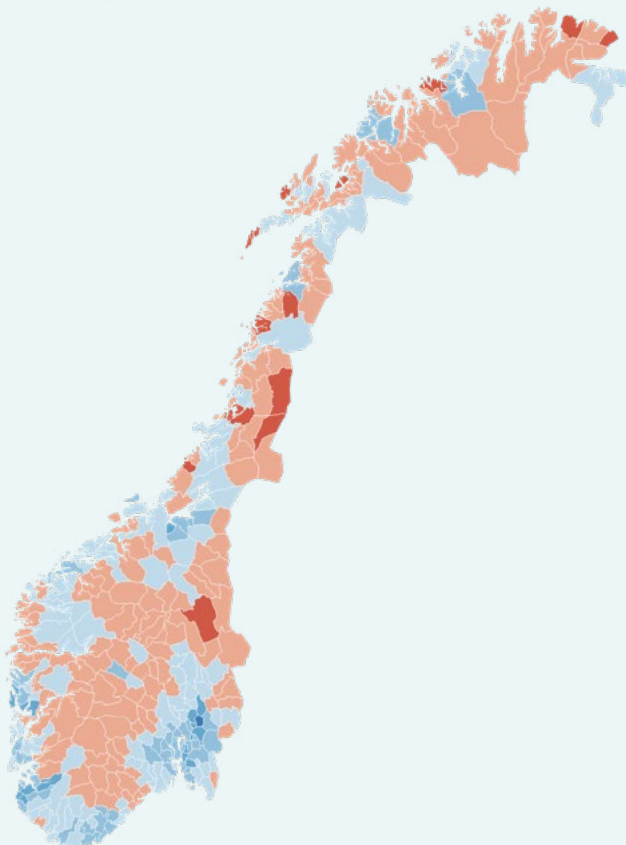
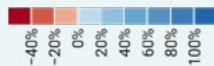
Looking at the individual counties, the population declined in 32 of the 35 rural municipalities in Troms and Finnmark, with only nominal growth in the remaining three, and 29 of 35 in the neighbouring Nordland. In twelve rural municipalities in Northern Norway, the population has dropped by more than 20 per cent. In Innlandet, the population decreased in three out of every four rural municipalities, and the same was the case in eleven of Vestfold and Telemark's fourteen rural communities.



## Rural municipalities Population development 2001-2021

In Trøndelag, Rogaland, Vestland, and Møre and Romsdal, approximately half the rural municipalities have seen a population increase, and in quite a few of them, the population growth has exceeded 25 per cent. The relative increase was more than 40 per cent in Skaun in Trøndelag and Bjørnefjorden in Vestland, and 36 per cent in Hå in Rogaland. The largest relative decline was in Fedje in Vestland (24%) and Røyrvik (22%) in Trøndelag.

In Agder and Viken, the situation is entirely different. In both counties, three out of four rural municipalities have seen population growth. Ten of the rural municipalities in Viken have seen an increase of more than 30 per cent and of up to 59 per cent in Nannestad. The decline in the remaining one-fourth of the municipalities has also been smaller than in the other counties; the largest relative decline was in Valle (20%) and Bygland (15%).



## Population Change between 2001-2021

Source: Statistics Norway

### Shrinking working-age population in the sparsest areas

More concerning signs emerge from the data about the development in the three different age groups: children aged 0-14 years, the working-age population aged 15-64 years, and the population aged 65 or more.

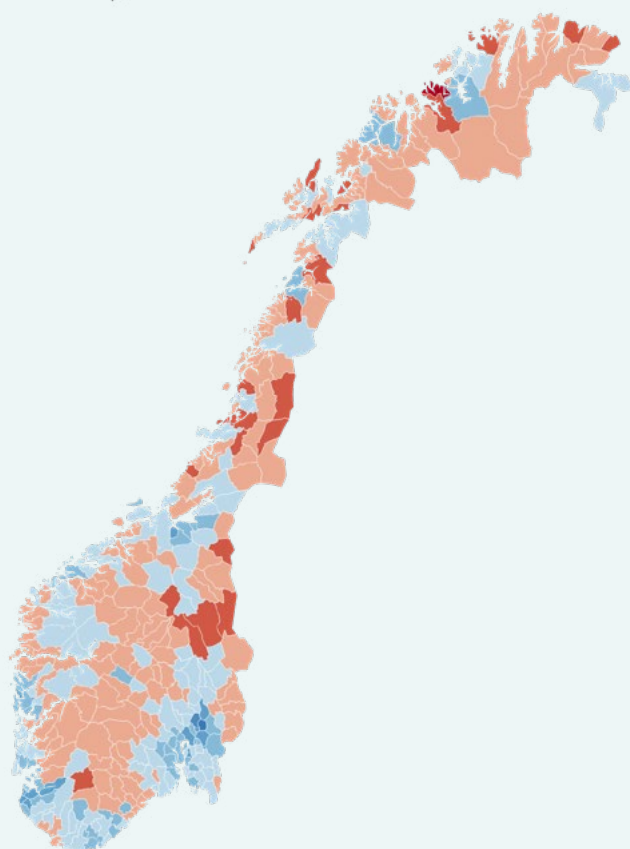
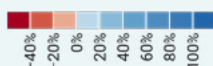
At 1.55,<sup>44</sup> the birth rate in Norway is the second-lowest in the Nordic countries. The population aged 0-14 has declined in 242 of Norway's 286 rural municipalities, including in all rural municipalities in Troms and Finnmark and Vestfold and Telemark, all but one in Nordland and Innlandet, and all but two in Møre

and Romsdal. The county of Troms and Finnmark has lost 19 per cent of its population aged 0-14. In 94 rural municipalities, the decline was more than 30 per cent, and nine have seen the youngest age group drop by more than half. In total, the group of children in rural areas with a population density below 50 shrunk by 12 per cent between 2001 and 2021.

Overall, the working-age population has grown in all eleven counties and three urbanisation categories. However, a closer look reveals that the working-age population has decreased in three out of four of the 200 least densely populated

municipalities. Twenty-seven rural municipalities have lost one-fifth or more of their working-age population, sixteen of which are in Northern Norway. Meanwhile, the working-age population grew by more than 25 per cent in 21 rural municipalities, including 11 in the county of Viken.

The group of people aged 15-64, typically active in the labour market, grew by 36 per cent in Norway's six cities, 20 per cent in the towns and suburbs category, and 27 per cent in rural areas with a population density above 50. In the least dense municipalities, however, the increase was a mere 3.5 per cent.



Population  
aged 15-64  
Change  
between  
2001-2021

Source: Statistics Norway

### Massive growth in the group of people aged 65 or more

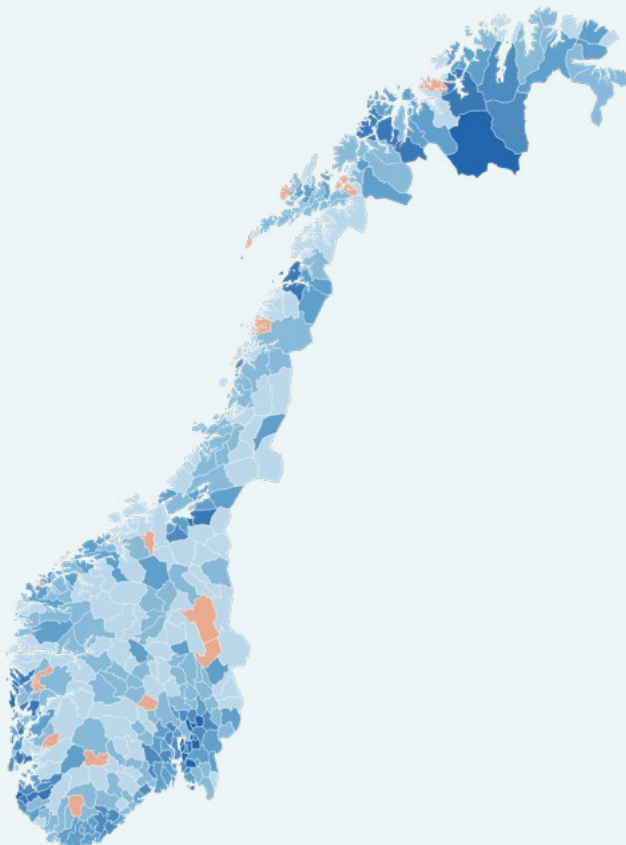
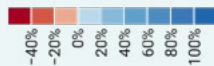
At the same time, the group of people aged 65 or more has grown considerably all over Norway. In 2021, the oldest age group counted approximately 966,000 people, which is an increase of 287,000 since 2001, or 42 per cent. Oslo saw the most moderate growth, 21 per cent, followed by Innlandet at 27 per cent. Five counties have seen an increase of more than 50 per cent, with Viken taking the top spot with 59 per cent.

The population aged 65 or more grew the most in Norway's towns and suburbs. The age group grew by one-third in the six cities, 57 per cent in towns and suburbs, and 40 per cent in the rural category.

In absolute numbers, the increase of people aged 65+ exceeded the growth in the working-age population in Nordland, Innlandet, Troms and Finnmark, and Møre and Romsdal. The same applies to Vestfold and Telemark, although the difference was marginal. The most extensive shift was in Nordland,

where the working-age population grew by 1,207, while the 65+ age group grew by 17,704.

The old-age dependency in Innlandet went from 29 to 37 per cent between 2001 and 2021 – the highest in Norway. That means that there are 2.7 people of working age for each older adult. The ratio in Nordland changed from 4.0 to 2.9, Møre and Romsdal landed at 3.1, and Troms and Finnmark at 3.4. The average for the whole country was 28 per cent in 2021, or 3.6 people of working age for each individual aged 65 or more.



Population  
aged 65+  
Change  
between  
2001-2021

Source: Statistics Norway

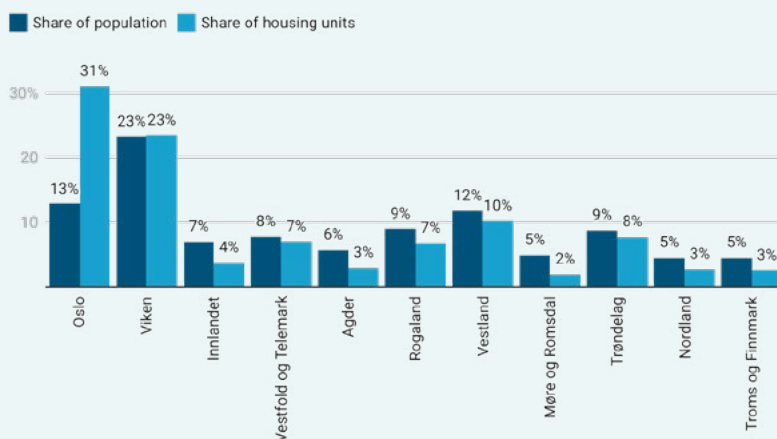
# Seven times the difference between the cities and the sparsest rural areas

In 2020, the cooperative housing organisations in Norway managed around 592,500 housing units, including 23,400 dwellings for the older population.<sup>45</sup> Approximately one-third of the housing units, or 184,500, is in Oslo, and 23 per cent, 138,500, are in Viken. In the remaining nine counties, the share was between 2 per cent in Møre and Romsdal and 10 per cent in Vestland.

Relative to the size of the population, the share of housing units was by far the largest in Oslo. The housing market in the capital city differs from the rest of the country in several ways. Housing is naturally more ex-

pensive, and a somewhat larger share of the population lives in cooperative or rental housing. In 2021, 32 per cent of Oslo's population lived in cooperative housing or condominiums, and 31 per cent rented their homes.

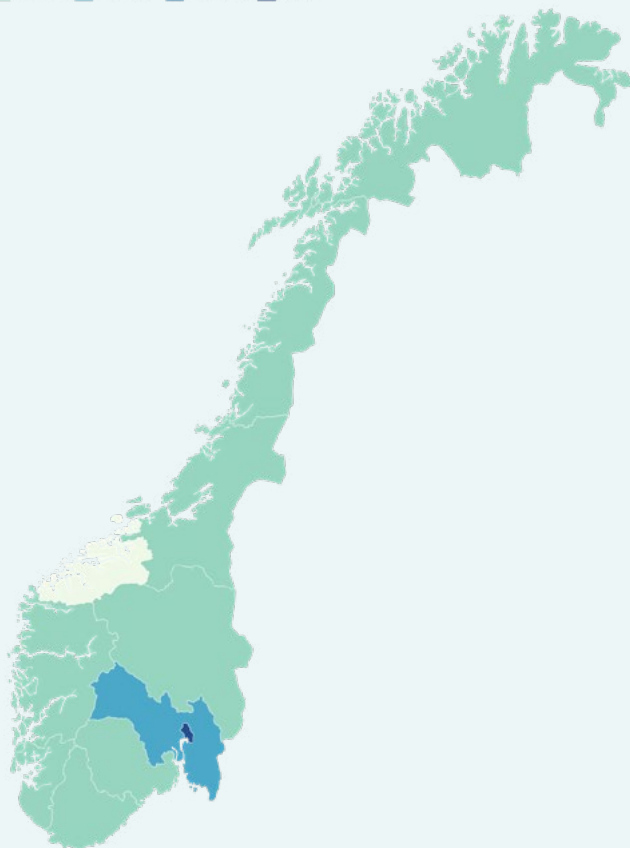
The population of Oslo is 13 per cent of the Norwegian people, whereas the city's proportion of the housing managed by the housing organisations was 31 per cent. The share was almost proportional with the population in Viken, whereas many of the more rural counties had considerably fewer apartments than their population would suggest.



Regions  
Share of  
housing vs.  
population  
share

In 2020, the housing units managed by the Norwegian affordable housing organisations amounted to 265 units per 1,000 inhabitants in Oslo and 111 in Viken. Møre and Romsdal was the only county with less than 50 housing units per 1,000 inhabitants, while the remaining eight counties all had between 50 and 100 housing units per 1,000 people.

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Regions  
Housing units  
per 1,000  
people

Source: BBL pivotal

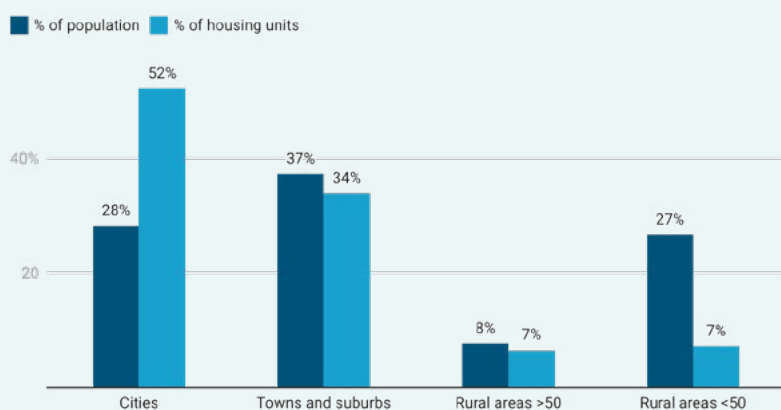
### Major differences between urban and rural areas

Looking at the degree of urbanisation confirms the rather considerable overweight of homes managed by the housing organisations in the two urban categories. In 2020, 310,000 of the 592,500 housing units were in the six Norwegian municipalities in the city category: Oslo, Bergen, Trondheim, Stavanger, Kristiansand, and Tromsø.

Meanwhile, the towns and suburbs accounted for 201,000 housing units. And while the rural population of Norway counts 1,85 million people, 34 per cent of the Norwegian population, only 14 per cent of the housing units are in Norway's rural municipalities.

The difference is even more substantial in the most sparsely populated rural municipalities, those with a population den-

sity of less than 50. More than one-fourth of the Norwegian population, or 27 per cent, lives in these areas, whereas they only account for 7 per cent of the affordable housing units.



Urbanisation categories  
Share of population vs. share of housing

The data translates into 204 housing units for every 1,000 city-dwellers, 100 units per 1,000 people in Norway's towns and suburbs, and 93 in the rural municipalities with more than 50 people per km<sup>2</sup>. In contrast, there are only 30 housing units per 1,000 people in the least dense rural municipalities. Hence, there are nearly seven times as many housing units per capita in the cities as in the most sparsely populated rural municipalities.

Another interesting fact is that the Norwegian housing organisations currently have no presence in 90 of the 286 rural municipalities in Norway. These are mostly smaller communities; in 79 of them, the population is below 3,000. Nineteen are in Troms and Finnmark, 14 in Innlandet, 13 in Nordland, 12 in Vestland, and 10 in Agder.

Conversely, there are several rural municipalities where the number of housing units is higher than the national average of 110 per 1,000 inhabitants.

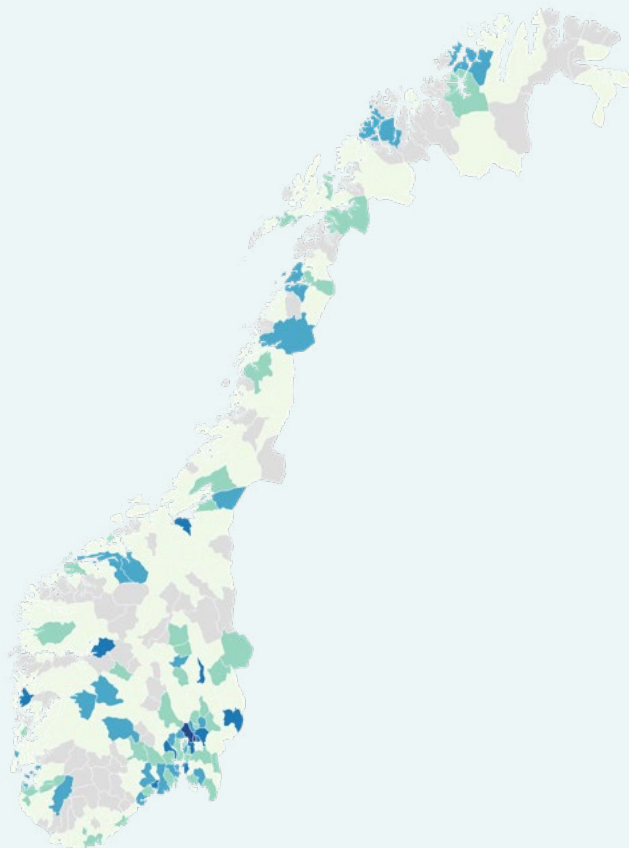
Municipality	County	Population density	Housing units per 1,000 people
Rælingen	Viken	>100	177
Lillestrøm	Viken	>100	175
Årdal	Vestland	<10	153
Nordre Follo	Viken	>100	151
Sunndal	Møre and Romsdal	<10	144
Eidfjord	Vestland	<10	131
Sirdal	Agder	<10	127
Verdal	Trøndelag	<10	121
Kragerø	Vestfold and Telemark	<50	118

Rural municipalities above the national average

Source: BBL Pivotal



None of the rural municipalities in the three most sparsely populated regions, Troms and Finnmark, Nordland, and Innlandet, are above the national average. The highest number of housing units per 1,000 inhabitants in each of the three counties is in Sør-Varanger in Troms and Finnmark (36), Vågan in Nordland (63), and Trysil in Innlandet (70).



Affordable  
housing units  
per 1,000  
people

# 45,400 additional homes between 2016 and 2020

NBO HOUSING NORDIC  
NORWAY

NBBL has 41 member organisations. The largest is OBOS, which accounted for more than 255,000 of the 592,500 housing units managed by the Norwegian housing organisations in 2020. In addition to the NBBL members, the overall figure includes data on Asker and Bærum Boligbyggelag, the largest cooperative housing organisation outside NBBL.

According to NBBL's yearly statistics, OBOS managed approximately 245,500 housing units in 2016. However, as we only have access to geographically compiled data on OBOS' housing portfolio in 2020, the analysis below looks mainly at

the changes in the portfolio of the remaining 40 NBBL members and Asker and Bærum Boligbyggelag. In 2020, they were responsible for around 337,000 housing units, or 57 per cent of the total.

In 2016, these organisations managed 301,564 homes,<sup>46</sup> meaning that they added 35,669 to their housing portfolio between 2016 and 2020. When OBOS' portfolio is included, the total number of housing units in 2016 was 547,081. Hence, the housing stock managed by the Norwegian housing organisations increased by 45,384 housing units in the period.



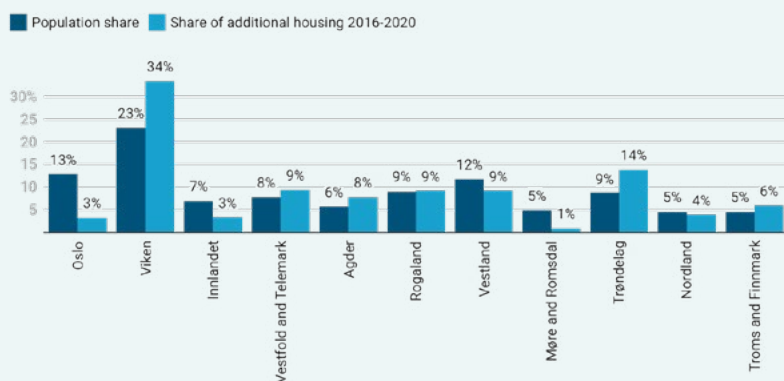
Chart: Finnsson & Co • Source: NBBL, BBL Pivotal, OBOS • Created with Datawrapper

## Changes in the housing portfolio in Norway 2016-2020

NBBL's yearly statistics show that its 41 member organisations, OBOS included, initiated the construction of 14,829 housing units between 2016 and 2020 and conveyed an additional 5,661 homes built by other housing developers to their members. Around 15,000 homes were completed in the same period, adding up to an annual average of about 3,000. Furthermore, the member organisations have added new customers and taken over the management of existing properties and housing cooperatives.

### Significant increase in Viken and Trøndelag

Only a small share of the housing units added to the portfolio of the Norwegian housing organisations between 2016 and 2020 is in Oslo. The main explanation is OBOS's strong market position in the city, where it has over 150,000 housing units. Without the data from OBOS, most of the increase in Oslo's housing stock is thus not visible in the graph.



Regions  
Share of  
additional  
housing vs.  
population  
share

Source: NBBL, BBL Pivotal. Excluding OBOS.

The story is quite different in Viken, the most populous county with 1,25 million inhabitants. Here, NBBL's member organisations and Asker and Bærum Boligbyggelag have added 11,954 housing units, corresponding to one-third of the overall increase in Norway and approximately ten housing units per 1,000 people. Looking at the distribution between rural and urban areas, 4,855 of the new homes were in Viken's rural municipalities,

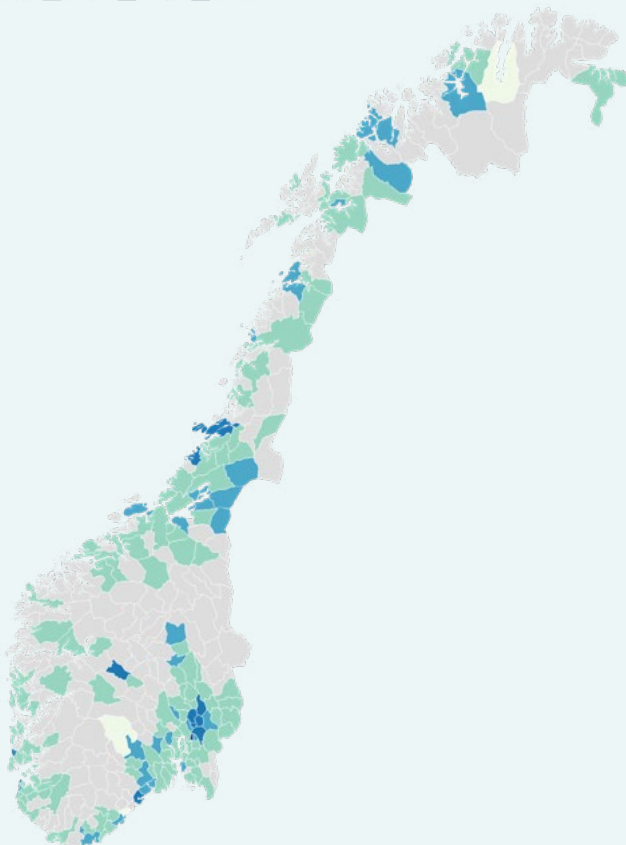
including 1,519 in places with a population density below 50.

The most significant increase in Norway's rural municipalities was in Lillestrøm (1,864 housing units), Eidsvoll (572) Nannestad (413), and Indre Østfold (351), all in the county of Viken. The largest increase outside Viken was in Verdal in Trøndelag (284) and Kragerø in Vestfold and Telemark (255). The largest increase per 1,000 people was in Nan-

nestad (28), Hemsedal in Viken (26), Eidsvoll (22), and Flatanger in Trøndelag (22).

In four rural municipalities, the housing stock reduced in numbers during the period: Tvedestrand, (-7 housing units), Hjartdal (-2) and Tinn (-13), and Porsanger (-6).

<0 0-10 10-20 20-30 30-40



Change  
in housing  
stock per  
1,000 people  
between  
2016-2020

Source: BBL Pivotal, NBBL

The housing organisations strengthened their presence considerably in Trøndelag with 4,928 additional housing units, corresponding to ten homes per 1,000 inhabitants, and over 3,000 in Vestfold and Telemark, Vestland, and Rogaland. The smallest increase was in Møre and Romsdal, with only 291 new residential units, or one new unit per 1,000 people. In Innlandet, the increase was three new homes for every 1,000 inhabitants.

County	Additional housing	Per 1,000 people
Oslo	1,131	1.6
Viken	11,954	9.5
Innlandet	1,188	3.2
Vestfold and Telemark	3,354	8.0
Agder	2,774	9.0
Rogaland	3,276	6.8
Vestland	3,288	5.1
Møre and Romsdal	291	1.1
Trøndelag	4,928	10.5
Nordland	1,376	5.7
Troms and Finnmark	2,109	8.7
	<b>35,669</b>	<b>6.6</b>

Counties  
Change in  
housing stock  
between  
2016–2020

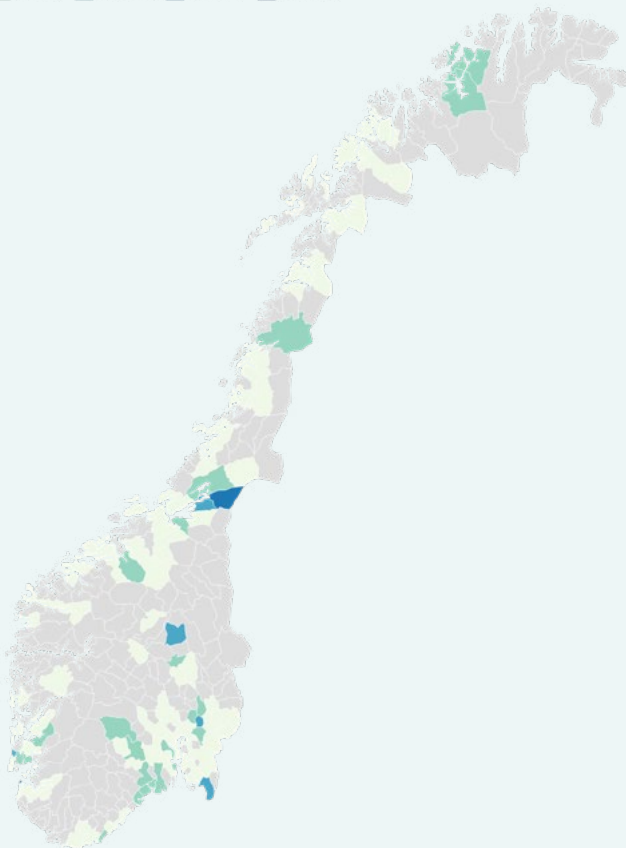
The distribution between the urban and rural municipalities shows that the difference between them is increasing. Between 2016 and 2020, the additional 10,750 housing units in the cities correspond to 7 per 1,000 people. The increase was eight new homes per 1,000 people in the towns and suburbs as well as in rural municipalities with more than 50 people per km<sup>2</sup>. Meanwhile, the housing stock grew by 5,551 housing units, only four homes per 1,000 people, in the more sparsely populated rural municipalities.

### Housing for the older population

The Norwegian housing organisations also offer housing options designated for the growing proportion of older people. In 2020, the number of housing units intended for the oldest population segment was 22,712, or just under four per cent of the dwellings managed by the organisations. For perspective, the population aged 65 or more constitutes 18 per cent of the Norwegian people and grew by 287,000 from 2001 to 2021.

The largest number of housing units for the older population was in Viken, with 6,629 dwellings, Trøndelag at 4,435, and Vestfold and Telemark with 3,411. These three counties also lead the way in relative terms, with 51 housing units for every 1,000 individuals aged 65 or more in Trøndelag, 39 in Vestfold and Telemark, and 30 in Viken.

0-50 50-100 100-150 150-200 200-250



Housing for  
older people  
per 1,000  
people aged  
65+

Source: BBL Pivotal, NBBL

Regarding the distribution between the three urbanisation categories, a significant share of the housing units for the older population in Norway is in the towns and suburbs. The municipalities in this category accounted for 11,292 housing units for the older population, approximately half of the total, corresponding to 31 per 1,000 individuals aged 65 or more. The rural municipalities with a population density of above 50 come next, with 29 units per 1,000 people aged 65 or more. The most sparsely populated rural municipalities had 25 senior dwellings per 1,000 people in this growing target group.

Compared to 2016, there were 4,785 more residential units for older people in 2021. The most significant increase was in Viken, 1,876 housing units, and in Trøndelag, with 1,061 additional dwellings. Relative to the oldest age group, the increase was largest in the county of Trøndelag, with 12 new housing units per 1,000 individuals aged 65+. During the same period, the group of people aged 65 or more grew by more than 25,000 individuals or by 24 people for each new housing unit in the category.

# The Evenes-model Housing for a new military airbase



Accessibility for  
people of all abilities  
at any stage of life

## Evenes Municipality

Population in 2021: 1,324

Population density: 5.2

### Since 2001:

- Population decline of 180 - 12 per cent
- 30 per cent fewer children – a reduction of 72
- The working-age population has shrunk by 21 per cent – 203 people
- The 65+ population grew by 95 individuals – 30 per cent
- Old-age dependency ratio went from 33.3 per cent to 55.2 per cent

Evenes Municipality in Nordland is one of the many rural communities that has faced long-term population decline, and the past two decades have seen very little activity in the housing market. However, a new and strategically important role for the local airbase, drawing an investment up to NOK 8 billion,<sup>47</sup> has turned things around.

Since January 2022, the Evenes Air Force Base has been home to the Norwegian NATO Quick Reaction Alert force. Two F-35 fighter jets are on constant standby, ready to take off within 15 minutes to protect Norwegian and NATO airspace. When finished, the airbase will have the capacity to accommodate up to fifteen F-35 jets and will also be the main base for eight top-modern P-8 Poseidon maritime surveillance aircraft. By 2025, there will be up to 500 employees and 300 conscripts at the base.<sup>48</sup>

The construction of the airbase and the impending population growth has already had a positive effect on the housing market in Evenes and the surrounding areas. House prices are starting to rise, some of the housing stock has been renovated, and there has been a push to upgrade the area's public spaces and infrastructure. Compared to the last two decades, this is a significant change for the better.

## Mixing municipal and cooperative housing

One of the initiatives to meet the growing need for housing is the so-called Evenes-model, which at the same time increases supply of cooperative housing and rental apartments for the municipality. The approach is a public-private partnership, where a private developer or a housing organisation commits to building and managing a number of apartments that the municipality can allocate to its citizens.

The ownership is in the hands of the private partner, which covers all costs related to the property, including construction, operations, and maintenance. In return, the private partner is allowed to build a certain number of apartments that can be sold on the market and gets access to financing on favourable terms through the Norwegian State Housing Bank. The financing is conditioned upon a long-term lease with the municipality, during which the local authority holds the nomination rights for the apartments.

In the case of Evenes, the apartments are managed by OMT Boligbyggelag. The project consists of ten rental apartments and five cooperative apartments, built under the universal design concept, meaning that they are accessible to people of all abilities and at any stage of life. To facilitate the development, Evenes Municipality provided a cut-price plot of land for the project.

The total cost for the ten apartments intended for the municipality was NOK 30 million, or NOK 3 million per unit. Thirty per cent of the cost was financed with a grant from the Norwegian State Housing Bank, aimed at stimulating housing construction in Norway's many remote and rural districts. The remaining amount was financed by a long-term mortgage loan through the State Housing Bank.

All ten rental apartments have been rented out, and the five cooperative housing units were sold within a short period. Each buyer paid a deposit of 30 per cent of the apartment price,

while the remaining 70 per cent was financed with a 30-year mortgage from the State Housing Bank. Several of the buyers are older people looking for smaller housing that better suits their needs and requires less maintenance than their previous home, thus freeing up property elsewhere in the community. As a sign of the changing times in Evenes, all the freed-up property was sold almost immediately as well.

#### **Green industries in the north**

In addition to the growth in Evenes, Aker Horizons has selected Narvik, not far from Evenes, as the location for its new green industrial development hub. Here, the company will explore large-scale hydrogen and green steel production. Recently, Aker Horizons invested

in the newly established Narvik Battery AS, which has plans of developing battery production at the Hergot site in Narvik.<sup>49</sup>

In order to realise its plans in Narvik, Aker's investment could potentially reach NOK 50 billion,<sup>50</sup> and the increased industrial activity is expected to create between 1,500 and 2,000 jobs by 2024. Furthermore, clean-tech company TECO 2030 has launched plans to produce hydrogen fuel cells for shipping in Narvik, creating an estimated 500 additional jobs.<sup>51</sup>

After a long period of population decline, it is therefore safe to say that there are interesting times ahead in Narvik and Evenes, not least when it comes to ensuring that the housing supply in the area meets the increased demand.



Photo: OMT Boligbyggelag

Energy  
transition  
creates jobs  
in Nordland –  
and a need for  
new housing

Need for sufficient capacity  
in the municipal planning department  
and faster planning and site plan  
approvals

## Rana Municipality

Population in 2021: 26,803

Population density: 5.8

### Since 2001:

- Population increase of 805 people, or 3 per cent
- 20 per cent fewer children – a reduction of 1,031
- Two per cent increase in the working-age population – 318 people
- The 65+ population grew by 1,518 – 40 per cent
- Old-age dependency ratio went from 23.6 to 32.3 per cent

Twenty-five of the Norwegian municipalities categorised as towns and suburbs have a population density of fewer than 50 people per km<sup>2</sup>, and in ten of them, the density is below 10. One of these municipalities is Rana in Nordland. With a population of 26,803, it covers an area of 4,460 km<sup>2</sup>, equivalent to a population density of 6 people per km<sup>2</sup>.

In 2020, 84 per cent of the population lived in the municipality's towns and urban areas, including around 18,900 in Mo i Rana. While Rana's population has grown slightly in the last two decades, population prognoses project it to decline to 25,500 by 2030 and 24,800 by 2050.<sup>52</sup> However, new industrial development in the area might change that.

### 3,000 new jobs and a population increase of 5,000 people

The decarbonisation of energy and transport calls for a massively increased supply of battery cells. In 2019, Norwegian start-up company FREYR AS announced its intention to develop a low-carbon battery facility in Mo i Rana, combined with a 600 MW onshore wind park.<sup>53</sup> The company recently started construction of the first production line, a so-called customer qualification plant, which is scheduled to start operations in 2022. The facility in Rana will have a production capacity of 35 GWh by 2025.

Consulting company Menon Economics has analysed the potential economic impact of the production on Rana Municipality and the county of Nordland.<sup>54</sup> It estimates that FREYR's activities will result in 2,550 new jobs in the private sector in Rana and around 400 in the public sector. According to Menon, most of the jobs will be filled by people moving to the municipality, many of them bringing their families with them. The analysis suggests that this will lead to a population increase of around 5,000 people, requiring between 1,800 and 2,150 new homes by 2030.

In 2021, the total number of housing units in Rana was 12,300, which is an increase of 1,150 since 2007, or 77 new housing units per year. However, according to the report, meeting the projected increase in housing demand would require 200-240 new housing units per year from 2022 to 2030. In other words, if everything goes to plan, the pace of home construction in the municipality would need to be increased significantly.

### **Difficult to respond to the shift in demand**

Housing organisation MOBO Helgeland Boligbyggelag manages 3,175 housing units in Rana Municipality, including around 340 apartments for the elderly. The latest addition to its housing stock is 80 apartments that were finalised in 2018. According to MOBO, the housing and construction industry in Rana is cooperating closely to prepare for the coming years in the best way possible, including by identifying and purchasing suitable sites for residential developments. However, the room for manoeuvre is limited.

The reason is that the qualification plant currently under construction requires only a small workforce. Meanwhile, the housing sector must brace itself for a sudden increase in demand once a decision has been made to proceed with full-scale production. That decision is likely to be taken in 2022, but until that happens, lenders will be reluctant to finance the necessary housing development.

The next issue is the time it takes the housing industry to react to the new scenario. After finding the right building plot and designing the project, the housing organisations must obtain the necessary planning permissions from the municipality. This process typically takes more than a year to complete before the construction phase can begin.

### **Better incentives to bridge the gap**

Experience from similar industrial activities in Skellefteå in Sweden, where Northvolt is developing its first large-scale battery factory, shows that the housing supply constantly lags behind, and as a result, various temporary housing solutions must be brought into play. House prices rise fast due to the shortage of properties, which makes it more difficult to get started in the housing market, not least for the population aged 20-40 years. A large share of the employees needed in Rana in the coming years belongs to this age group.

Ultimately, the lack of housing supply can make it difficult for the new industries to attract and retain the qualified staff they need. Therefore, one of the key issues to facilitate new housing developments in Rana is to ensure sufficient capacity in the municipal planning department and speed up planning and site plan approvals. Moreover, the housing organisations call for better incentives and support schemes to enable them to bridge the housing gap in these situations, including from the Norwegian State Housing Bank.

Another issue is the lack of available rental housing. As mentioned before, Norway has a high level of homeownership, and most of the rental housing in Rana is municipal social housing. Skilled international workers arriving in Rana to set up the factories or work in the battery manufacturing industry will thus have difficulties finding suitable rentals. Also here, the Norwegian State Housing Bank plays an essential role as one of the few financial institutions that provide low-interest funding for rental housing construction.

# Sweden

Population: 10.4 million in 2021



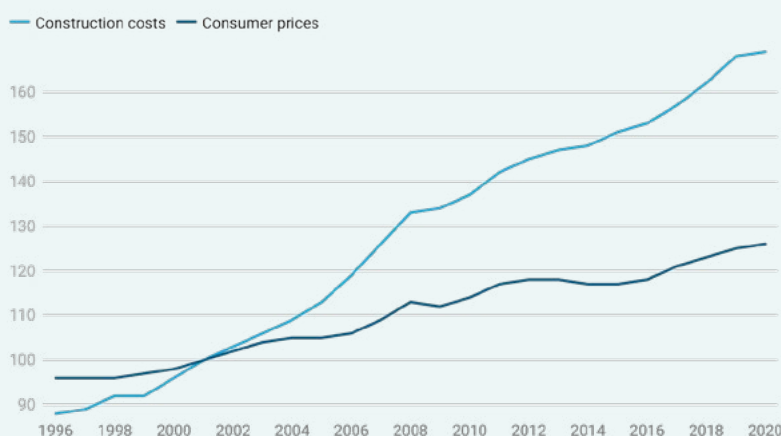


# Several different options for affordable housing

The affordable housing sector in Sweden has played an essential role in reacting to acute housing shortages at different times in Swedish history and developing quality modern homes for all, regardless of socio-economic background. In 2020, around three million people, more than one-fourth of the Swedish population, lived in housing managed by HSB, Riksbyggen, and Public Housing Sweden – Sveriges Allmännytt. These are the three Swedish NBO Housing Nordic members.

The number of Swedish households was just under 4.8 million in 2020.<sup>55</sup> Around 40 per cent of them lived in individually owned housing and 21 per cent in owner-occupied apartments in co-operative housing associations. The share of households living in rental dwellings was 30 per cent, and an additional 3.3 per cent resided in special housing, including housing for students, older people, and people with disabilities.

Housing shortages are still a highly relevant issue in Sweden. This is especially the case in cities and metropolitan areas, with high population growth, long waiting lists for rentals, and rising construction costs hampering construction activity. Between 1996 and 2020, construction costs in Sweden increased by almost 50 per cent relative to consumer prices, compared to around 19 per cent in Denmark and 9 per cent in Finland.<sup>56</sup>



Construction  
cost index  
2001=100

Source: Statistics Sweden re-indexed to 100 in 2001.

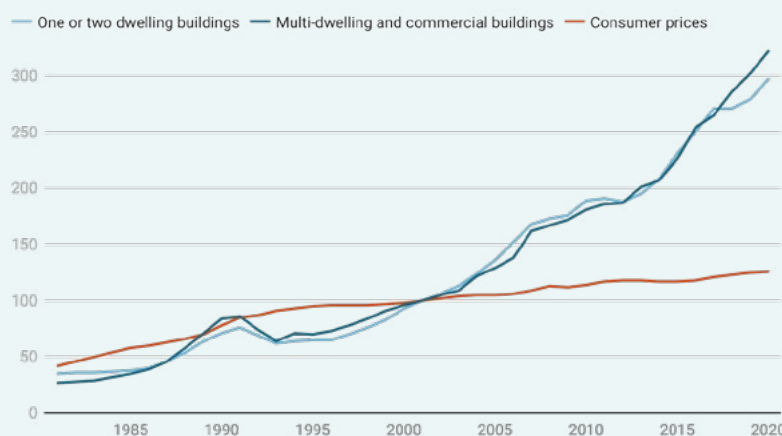
And the price increases continue. According to Statistics Sweden, construction costs increased by 7 per cent between December 2020 and December 2021, and material prices by 17 per cent. Prices for timber and reinforcing steel went up by 76 and 59 per cent.<sup>57</sup>

In 2021, 207 of the 290 Swedish municipalities, or more than 70 per cent, reported an undersupply of housing. Meanwhile, only 17 reported a housing surplus, all with less than 25,000 inhabitants and a population decline in the previous year.<sup>58</sup> According to Boverket, there is a need for 60,000 new homes per year until 2030 to accommodate the

population increase and compensate for the low levels of residential housing construction in recent decades. Between 2000 and 2016, Sweden had the least new housing per capita of the Nordic countries and the lowest ratio of new housing to population growth.<sup>59</sup>

The three leading housing associations in Sweden operate on different terms. The work of Public Housing Sweden is focused solely on providing quality, affordable rental housing, while the portfolio managed by Riksbyggen consists of two-thirds of cooperative housing and one-third rental housing. HSB mainly deals in cooperative

housing, although with some rentals, primarily to enable younger members to bridge the gap before investing in a cooperative apartment of their own. A key objective for HSB and Riksbyggen is to lower the entry bar to the housing market. Like in the other Nordic countries, the residential housing market in Sweden has seen a significant rise in house prices, especially since the late 1990s.



House price  
index  
2001=100

Source: SCB – Statistics Sweden, re-indexed to 100 in 2001.

### **Strictly regulated rental market**

A distinctive feature of the Swedish housing market is the strict regulation of the rental sector. Rent levels are decided in negotiations between property owners and tenant associations based on the utility value of the apartments and changes to the cost of building and managing them.<sup>60</sup> In most cases, the tenant associations that participate in the collective negotiation process, often likened to the Nordic labour market negotiations, are affiliated with the Swedish Union of Tenants. The Union's ambition is to ensure that rents do not exceed 25 per cent of disposable income or increase faster than consumer prices.<sup>61</sup>

New construction is exempt from the rent-setting principles for the first fifteen years and can thus be rented out on market terms. However, many landlords still choose to negotiate a so-called presumption rent for newly built housing with the tenants' union, a possibility introduced in 2006 to increase the supply of new rental housing. The presumption rent is set based on the property construction costs rather than the apartments' utility value.

### **Sweden's housing associations prepare for the future**

All three NBO Housing Nordic members have developed plans and initiatives to deal with the housing shortages across the country and adapt the housing stock to supply where demand is on the decline. Furthermore, they have launched a range of initiatives to react to the increased urbanisation and changing age composition in Swedish society. All three are highly involved in processes to ensure more sustainable housing construction and urban development for the future.

Here, we look into some of these solutions, including national framework agreements for new residential construction in remote and rural communities, the development of attractive alternative housing options for older people, often in cooperation with the municipalities, and sheltered housing with shared facilities and the possibility of providing health and care services for the residents. We start with a short introduction of the three organisations, followed by an overview of the demographic development in Sweden between 2001 and 2021, and then an analysis of the housing organisations' presence and activities around the country and across the three urbanisation categories.

### **Sveriges Allmännyttas – essential provider of high-quality affordable rental housing**

Public Housing Sweden, Sveriges Allmännyttas, is the interest organisation for municipally and privately owned public housing companies. Formed in 1950, the organisation represents over 300 companies managing over 945,000 affordable rental apartments.<sup>62</sup> More than three million people live in rental housing in Sweden, and over half of them live in public housing owned and managed by the municipalities. In total, the public housing sector accounts for more than 20 per cent of Sweden's housing stock.

Public Housing Sweden's key objective is to provide quality affordable homes to people of all backgrounds incomes. The association and its members have played an important role in establishing the renowned Swedish welfare society. For example, they were among the key actors within the Swedish Million Homes Programme, where one million affordable homes were built in one decade, between 1965 and 1974, to react to the acute housing shortage at the time.

According to Public Housing Sweden, its role has not become less important, with the significant housing shortages in Sweden's cities and growing regions and the increasing segregation and divide between urban and rural areas.<sup>63</sup> In the coming years, the main challenges include reacting to the demographic shifts between urban and rural areas and the growing need for housing and care services for older people.

### **HSB – Cooperative housing for more than a million people**

HSB is Sweden's largest co-operative housing association, owned by its 674,000 members, which currently provides a home to around one million people.<sup>64</sup> Founded in 1923, HSB's objective is to develop, build and manage high-quality housing and attractive living environments for its members. In addition to the national umbrella organisation, HSB Riksförbund, there were 26 regional HSB associations in Sweden in 2021.<sup>65</sup>

In 2020, HSB managed over 345,000 cooperative housing units and 25,600 rental units.<sup>66</sup> HSB members are given priority for cooperative and rental housing based on points earned in its home saving scheme, HSB Bospar.<sup>67</sup> In 2021, the number of home savers was more than 120,000.

To lower the bar for young adults to get into the housing market, HSB has launched a co-ownership concept, HSB Dela, for home savers aged 18 to 29.<sup>68</sup> HSB purchases 50 per cent of a member's new home and enters into a ten-year co-ownership agreement. This arrangement means that young home savers only have to pay half the cash payment of 15 per cent required to get a mortgage in Sweden and instead pay a monthly fee to HSB. The members can choose to sell their apartment at any time, and after five years, they can apply to buy HSB's ownership share. They must either fully own the apartment within ten years or put it up for sale.

HSB places a strong emphasis on sustainability, and in 2021, 86 per cent of its new construction was environmentally certified. In addition, the organisation has set itself the goal to achieve climate neutrality throughout its entire value chain by 2040.<sup>69</sup> HSB's Living Lab plays an essential role in exploring the housing of the future.<sup>70</sup> The lab consists of 29 apartments with 40 permanent residents, combined with research, office, and conference facilities. Here, the researchers test various technical and architectural innovations over a period of ten years, focusing on social, economic, and environmental sustainability.

### **Riksbyggen – 200,000 cooperative housing units and 100,000 rentals**

The third NBO Housing Nordic member is Riksbyggen, a co-operative housing organisation that aims to create attractive and sustainable housing for all. Over half a million people live in dwellings managed by the organisation.<sup>71</sup> Riksbyggen was established in 1940 by the Swedish building workers unions as a reaction to the housing shortage and high unemployment rates among construction workers. Today, it is involved in all aspects of housing development, property management and residential services.

In 2020, Riksbyggen managed more than 200,000 cooperative housing units, organised within 4,300 housing associations and cooperatives, and 100,000 rental units.<sup>72</sup> Also here, members get priority through the organisation's savings association, Riksbyggen Priority.

Riksbyggen is dedicated to increasing its construction activities to react to the housing shortages in Sweden. The association has emphasised the importance of addressing the shortage of youth housing, as 67 of the 290 Swedish municipalities face a severe lack of affordable housing for their young people.<sup>73</sup> Riksbyggen defines

acute youth housing shortage as a situation where more than half the population aged 18-35 is not capable of acquiring a one-room apartment in their municipality. Twenty-nine of the municipalities in question are outside Stockholm and Västra Götaland counties, and all counties apart from Västernorrland are represented in the statistic. As a reaction, Riksbyggen introduced the concept of Hyrköp, where young people are able to rent an apartment with the option of buying it within five years, which considerably reduces the initial down payments.

Furthermore, Riksbyggen offers two different housing options aimed specifically at the older population.<sup>74</sup> One is cooperative tenancies for older people, which has gained traction in recent years as the population aged 65 or more has grown. Secondly, Riksbyggen has established a subsidiary called Bonum, which builds and manages cooperative housing reserved for people above the age of 55. The accommodation is designed with the needs of the target group in mind and features various shared facilities and services.

# Sweden Demographic overview



# Degree of urbanisation Swedish municipalities

Cities

24 municipalities

Towns and suburbs

120 municipalities

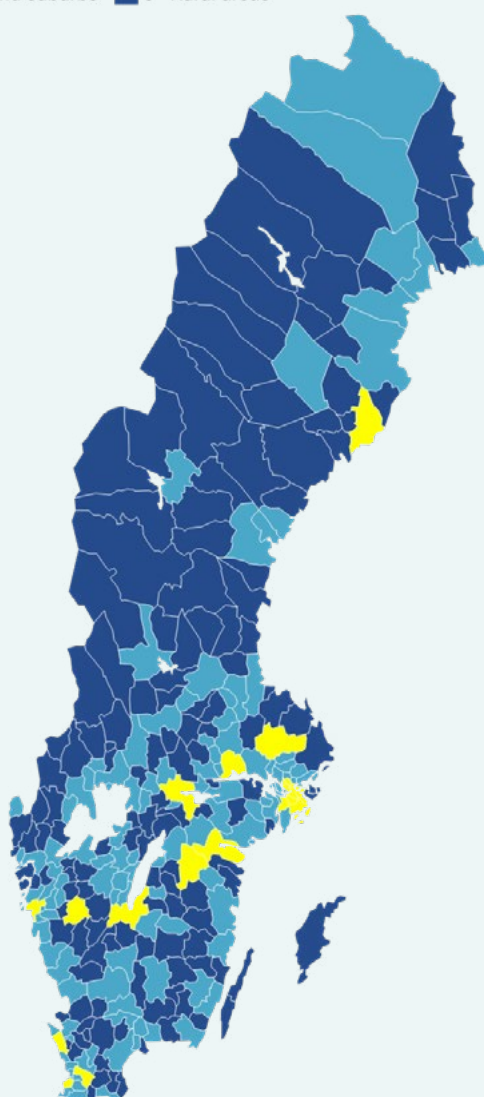
Rural areas

146 municipalities

Rural areas, density <50

135 municipalities

1 - Cities 2 - Towns and suburbs 3 - Rural areas



According to Nordregio's classification at [www.nordmap.se](http://www.nordmap.se)

### Over ten million people, 21 counties and 290 municipalities

The population of Sweden passed the ten million mark in 2017. Three years later, in 2020, it had reached 10,4, which is an increase of 1,5 million since 2001. With a land area of 407,000 km<sup>2</sup>, the population density in the country is 25.5 people per km<sup>2</sup>.

Historically, Sweden has been divided into 25 geographical provinces, called *landskap*, in large part defined by their shared history, culture, and dialects.

The provinces were grouped into three main regions of Sweden: Norrland in the north, Svealand in central Sweden, and Götaland in the south.

Today, Sweden is divided into 21 counties and 290 municipalities. In 2021, three counties had a population of more than one

million people and are thus defined as metropolitan areas. The county of Skåne in the southwest, with Malmö, Helsingborg, and Lund as the largest cities, had 1.4 million people, Västra Götaland, home to Göteborg, Sweden's second-largest city, had 1.7 million, and the capital county of Stockholm was the most populous with 2.4 million. The three least populated counties were Jämtland and Blekinge, with less than 200,000 people, and Gotland, which had the smallest population, 60,124 inhabitants.

Fifteen of the counties have a population density of fewer than 50 people per km<sup>2</sup>, and in the three northernmost, the concentration is below 10: Norrbotten (2.6), Jämtland (2.7), and Västerbotten (5.0). Norrbotten is one of only two counties that saw a slight overall population decline between 2001 and 2021,

the other being Västernorrlands län, where the population density is 11.3. However, the decrease in the two counties was minimal, or 2.6 and 1.0 per cent, respectively. Together with Gävleborgs län, the four counties constitute the Norrland region in Northern Sweden.

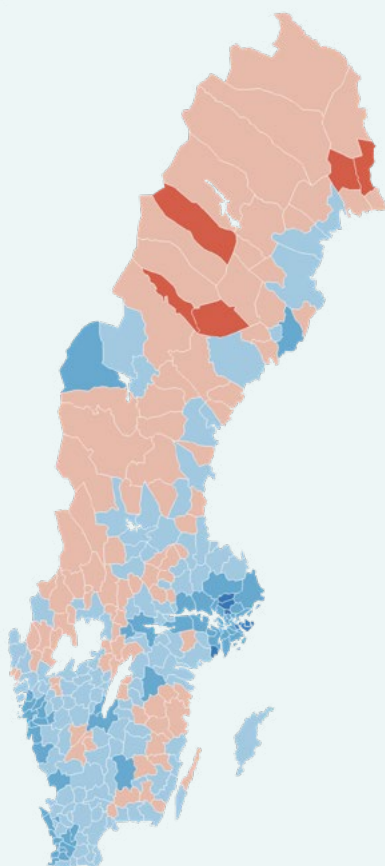
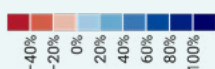
Most of Sweden's city municipalities are located on a relatively narrow geographic belt across the country, from Göteborg in the west to Stockholm and Uppsala in the east. The only city municipality in Northern Sweden is Umeå in Västerbotten, with 130,224 people.

### Decline in the most thinly populated municipalities

Like in Norway, despite the overall population growth, many of Sweden's most sparsely populated rural communities have seen a population decline during the past two decades. The general trend is that the more thinly populated the community, the larger the decline.

Between 2001 and 2021, the population grew in only five of Sweden's 50 most sparsely populated rural municipalities. The decline was between 10 and 20 per cent in 23 of the municipal-

ities and more than twenty per cent in six. Overall, however, the population in rural municipalities with less than 50 inhabitants per km<sup>2</sup> declined by only 1,228 people – a mere 0.1 per cent. During the same period, the population grew by 22 per cent in rural municipalities with a population density above 50, 15 per cent in Sweden's towns and suburbs, and 28 per cent in the cities.



Population  
change  
between  
2001-2021

While the two youngest age groups declined in several Swedish towns and suburbs, the rural municipalities were the only urbanisation category that saw an overall drop in the group of children and among the working-age population. In fact, the municipalities with a population density of below 50 accounted for the entire overall decline.

Between 2001 and 2021, the group of children aged 0-14 grew by 207,000 individuals, whereas the most thinly populated rural communities saw

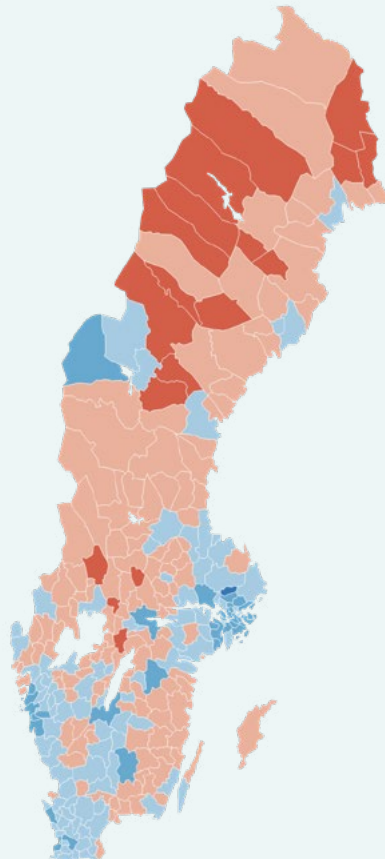
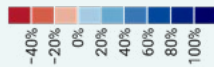
a decline of 33,000 or 10 per cent. The trend is similar when it comes to the working-age population, although the relative decrease was somewhat smaller. Sweden's working-age population grew by 732,000 in the period but shrunk by 62,500, 6 per cent, in the rural areas with a population density below 50.

#### Decline in three in four rural municipalities

The working-age population declined in 113 of the 146 municipalities in the rural category or in three in four rural municipali-

ties. The ratio was slightly better in the sparsest municipalities in the towns and suburbs category, where 40 of the 59 municipalities with a population density below 50 saw a decline in the age group.

The figures were almost identical for the youngest age group, 0-14 years, although the decline did not necessarily occur in the same municipalities. The number of children dropped in 113 rural municipalities and 38 of the lowest density towns and suburbs.



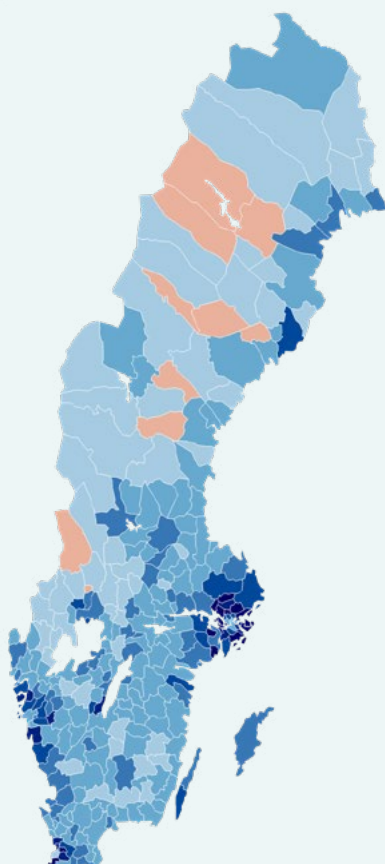
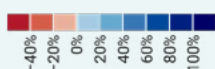
Working-age  
population  
15-64  
Change  
between  
2001-2021

### Over half a million more people aged 65+

Between 2001 and 2021, the group of people aged 65 or more grew in almost all Swedish municipalities. Overall, it counted 557,000 more people in 2021 than in 2001, and in only ten Swedish municipalities, there are now fewer elderly than two decades ago. All ten are rural municipalities with less than 50 people per km<sup>2</sup>.

The old-age dependency ratio for the whole country was 32.4 per cent in 2021, meaning that there were just over three people aged 15-64 for each person aged 65 or more. In 2001, the ratio was 26.8 per cent, or 3.7 people of the working age per older person. The ratio is lowest in the counties of Stockholm (24.5% - 4.1) and Uppsala (29.3% - 3.4), which are the only two counties with a ratio below 30 per cent.

Eight counties have a ratio of more than 40 per cent, meaning that there are 2.5 or fewer people of working age per person aged 65 or more. This is the case in Gotland (44.6%), Kalmar (43.5%), Dalarna (42.7%), Västernorrland (41.3%), Gävleborg (41.0%), Norrbotten (40.6%), Värmland (40.6%), and Blekinge (40.5%).



Population  
aged 65+  
Change  
between  
2001-2021

# Public Housing Sweden Affordable rental housing

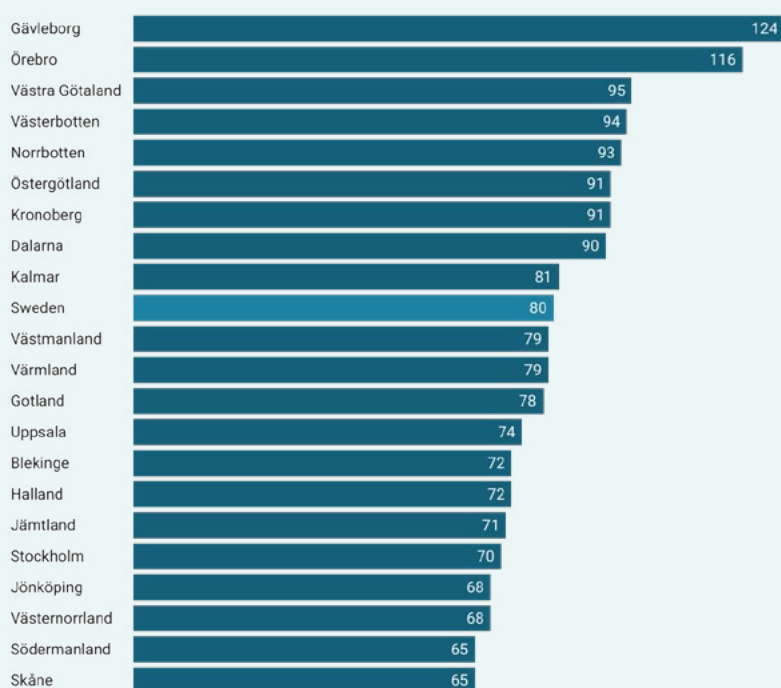
Representing mostly municipal housing organisations in all parts of Sweden and a number of private housing companies that meet certain conditions, Public Housing Sweden is the country's largest provider of affordable rental housing.

In 2020, the municipal housing organisations within Public Housing Sweden managed 833,414 apartments in 274 of Sweden's 290 municipalities, corresponding to 80 housing units per 1,000 inhabitants. In addition, the housing stock managed by the associated private sector members counted 83,427 rental units, bringing the total to around 917,000 hous-

ing units. The analysis in this chapter focuses on the housing stock managed by the municipally-owned members of Public Housing Sweden.

Around half the rental housing managed by the municipal housing organisations within Public Housing Sweden is located in the country's three metropolitan areas: 20 per cent in the county of Stockholm, 20 per cent in Västra Götaland, including Göteborg, Sweden's second-largest city, and 11 per cent in Skåne, where we find the third-largest city, Malmö.

However, with 95 rental units per 1,000 people, Västra Götaland is the only one of the three counties with more public housing per capita than the national average. In fact, Skåne is one of two counties with the fewest public housing units in Sweden per capita, 65 per 1,000 inhabitants, equalled only by the county of Södermanland. The Swedish county with the most public housing units per capita is Gävleborg in northern Sweden, with 124 housing units per 1000 inhabitants, followed by Örebro at 116. The remaining counties all have between 65 and 95 units per 1,000 inhabitants.

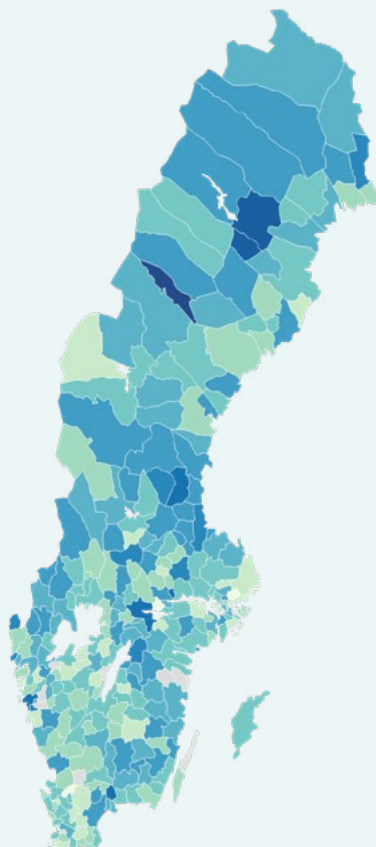


Source: Public Housing Sweden

Counties  
Public  
housing  
per 1,000  
people

Looking at the distribution between the three urbanisation categories shows that, on average, the cities have a somewhat larger number of affordable public housing units per capita than the municipalities in the two other categories. With just over 383,000 rental units, the city municipalities have an average of 90 per 1,000 inhabitants, while the figure is 75 in the towns and suburbs category. The average in the rural municipalities is slightly lower – 71 housing units per 1,000 people.

NBO HOUSING NORDIC  
SWEDEN



Public  
Housing  
Sweden  
Housing units  
per 1,000  
people

Source: Public Housing Sweden



The municipalities of Norrtälje in the county of Stockholm and Gotland are the largest rural municipalities in Sweden measured by population. With 4,681 public housing units in 2020, Gotland had the largest affordable rental housing stock among Sweden's rural municipalities, followed by Huddiksvall in Gävleborg with 4,433. Forty-nine rural municipalities had more than 1,000 public housing units, and 14 exceeded 2,000.

Relative to the size of the population, however, Gotland is below the national average of 80 public housing units. The municipalities with the largest number of housing units per capita are all in Norrland: the municipality of Dorotea had 188 units per 1,000 people, Arvidsjau 163, and Malå 160.

Public Housing Sweden was represented in all but four municipalities in the rural category in 2020: Grästorp in Västra Götaland, Markaryd in Kronoberg, Borgholm in Kalmar, and Valdemarsvik in Östergötland – all with less than 11,000 inhabitants.

### **9,000 new housing units per year**

Between 2016 and 2020, the municipal housing organisations within Public Housing Sweden started construction of just under 45,000 residential housing units or an average of 9,000 per year. Around 22,000 of the apartments were in the 24 city municipalities, including 5,800 in Stockholm, 2,500 in Göteborg, and 3,600 in Malmö. New construction in the towns and suburbs municipalities amounted to around 17,000 residential units, leaving 5,800 units in the mu-

nicipalities in the rural category. Relative to the population, Public Housing Sweden members constructed five apartments per 1,000 people in the cities, four in the towns and suburbs, and three in rural areas.

With 290 new housing units, Gotland had the highest new construction activity among the rural municipalities, corresponding to 7 new housing units per 1,000 inhabitants. Relative to the population, however, Karlsborg in Västra Götaland stood out with 135 new public housing units, or 19 per 1,000 inhabitants. Three municipalities in the northern part of the country also rate high when it comes to new construction: Malå (16 public housing units per 1,000 people), Vindeln (14), and Väddö (12), all in Västerbotten county.

### **A total increase of over 14,000 public housing units**

Apart from the construction activities, the member organisations acquired 3,900 housing units, sold around 33,000, and demolished just over 1,500. The housing organisations sold 16,000 residential units in the towns and suburbs, corresponding to 3.9 units per 1,000 inhabitants, and around 6,000, or 2.9 per 1,000 people, in the rural municipalities.

All things considered, the municipal Public Housing Sweden member organisations increased their housing stock by 14,413 housing units between 2016 and 2020. The housing stock grew in all three urbanisation categories, cities, towns and suburbs,

and rural areas. Nevertheless, several counties and municipalities have seen a decline in public housing units, including 31 rural municipalities.

As mentioned above, Gotland had the highest level of construction activity of all rural municipalities, but due to the sale of 1,848 apartments, the number of residential units managed by Public Housing Sweden members dropped by 1,588, or by 26.4 housing units per 1,000 inhabitants. It is important to note that the housing sold by the municipal housing organisations rarely disappear from the rental market, as it is usually taken over by private rental companies. The purpose of selling is in most cases to reduce the need for external financing when

building new public housing in the municipality.

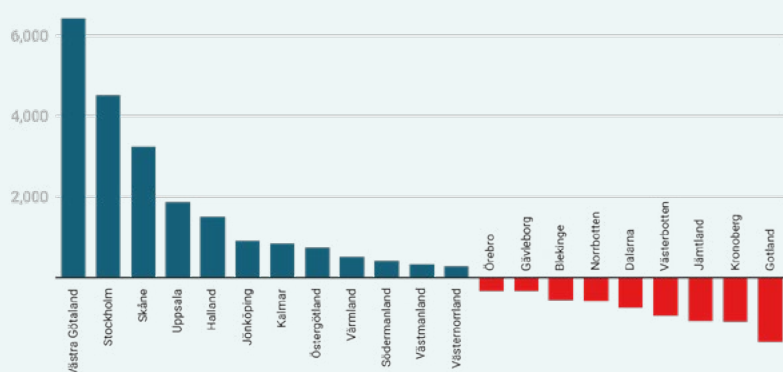
Other examples of municipalities where the public housing stock was reduced in the period include Ronneby in Blekinge, with 21.7 fewer public housing units per 1,000 people in 2020, Bjuv in Skåne (-18.4), Hallsberg in Örebro (-15.8), and Skurup in Skåne (-15.5). The largest increase of public housing relative to population size was in Karlsborg in Västra Götaland, which with 135 new housing units and no sales or demolition added 19.4 units per 1,000 people. Not far behind were Vindeln and Vännes in Västerbotten and Torsby in Värmland, with between 16.2 and 17.5 new housing units per 1,000 inhabitants.

## Housing stock development per county

In 2020, Public Housing Sweden's municipal members managed 2,649 fewer housing units in Norrland than in 2016. The county of Västernorrland was the only one in the Norrland region with an increase in public housing or 280 more than in 2016. The most significant reduction in Norrland was in the county of Jämtland, where 1,776 housing units were sold and 25 demolished. Meanwhile, the member organisations added 726 units to their housing portfolio through construction and acquisitions, meaning that the number of public housing units went down by 1,075.

Other regions that saw a decline in the number of public housing units were the counties of Gotland (-1,588), Kronoberg (-1,095), Dalarna (-753), Blekinge (-550), and Örebro (-331). Apart from the three metropolitan areas, the largest expansion of the public housing stock was in the counties of Uppsala (1,868) and Halland (1,514).

Overall, Public Housing Sweden strengthened its presence in all three urbanisation categories between 2001 and 2021. The relative increase in the housing stock was by far the largest in the cities, with 2.8 additional housing units per 1,000 inhabitants, while it was 0.4 in the towns and suburbs and 0.3 in the rural municipalities.



Public  
Housing  
Sweden  
Change  
in housing  
stock  
2016-2020

## Housing for older people

The municipal members of Public Housing Sweden play a vital role in the provision of housing for older people in Sweden. Here, the overall aim is to enable older adults to live as independently as possible, move around on their own in their housing estate and local area, and stay socially active, which is essential to their health and wellbeing. Moreover, Public Housing Sweden emphasises that people should be able to remain in their homes as their need for support and care gradually increases, and finally move into other types of apartments or care facilities for older adults.

When it comes to housing for older people in Sweden, there are several options with varying degrees of support and caregiving assistance. The municipalities allocate various types of

special accommodation based on an assessment of the level of care needed by each individual, including nursing and care homes, with round-the-clock care services, short-term care facilities, and sheltered housing that requires a prior needs assessment.

For those who can live independently or only need limited assistance, the municipal housing organisations offer housing in two categories: senior housing, with some shared facilities and social activities, and staffed sheltered housing for those who are not entirely comfortable living alone. Also here, there are shared facilities, social activities, and the possibility of dining together, and in addition, the sheltered housing's support staff provides a range of services to the residents.

In the analysis below, we concentrate on the two latter categories, senior housing (seniorboende) and sheltered housing (trygghetsboende). These two types of housing are generally available for people over a certain age limit and are not conditioned upon a prior needs assessment or referral from the municipality. The analysis is based on data from Boverket for 2021,<sup>75</sup> which provides more detailed information than previous data sets.

In 2022, there were 19,800 senior apartments in Sweden and 10,700 in sheltered housing, adding up to 30,500 housing units. That adds up to around 15 housing units per 1,000 inhabitants aged 65+. In 2021, the population aged 65 or more counted approximately 2.1 million out of Sweden's population of 10.4 million.

### Most senior and sheltered housing per capita in Västernorrland and Örebro counties

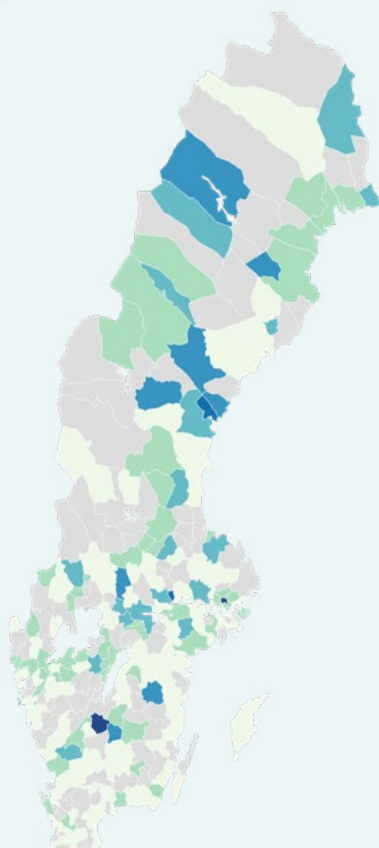
The distribution of housing for older people between the three urbanisation categories was relatively even, with the most housing per capita in the towns and suburbs and with more housing per capita in the rural areas than in the cities. The average number of dwellings for older people was 17 per 1,000 people in the towns and suburbs, compared to 12 housing units in the cities and 14 in the rural areas. With 15,200 housing units, the municipalities in the towns and suburbs category accounted for half the housing of this type in 2021.

The two most populous counties in Sweden, Stockholm and Västra Götaland, had the largest number of senior and sheltered housing units, 5,700 and 5,000 housing units, respectively, corresponding almost exactly to the national average. In contrast, the county of Skåne had significantly fewer housing units per capita. With 2,000 dwellings, Skåne had 7.4 housing units per 1,000 inhabitants or approximately half the national average.

Two counties stand out when it comes to the number of housing units in this housing category for older people, Västernorrland, with 40 housing units per 1,000 inhabitants and the county of Örebro, with 37. In six counties,

the number of dwellings is below ten per 1,000 people aged 65 or more: Värmland (9), Blekinge (8.9), Gotland (7.6), Skåne (7.4), Kalmar (5.4), and finally Kronoberg, which had the least housing units per 1,000 inhabitants aged 65 or more (4.7).

Ten rural municipalities have more than 50 housing units per 1,000 inhabitants aged 65 or more. With 326 housing units for older people and around 2900 people aged 65 or more, Vaggeryd in the county of Jämtland has 113 dwellings per 1,000 older individuals. Sweden's most sparsely populated municipality, Arjeplog, takes second place among all rural municipalities in Sweden, with 60 senior apartments for an older population of 800 people, corresponding to 76 housing units per 1,000 people in the oldest age group.



Source: Boverket

Housing  
for older  
people  
per 1,000  
inhabitants  
aged 65+

# Kombohus Enabling new construction in sparsely populated areas

Framework agreements ensure  
economy of scale also in  
rural areas

Public Housing Sweden works systematically to improve the conditions for affordable housing construction across the country. Its members are constructing new housing in most of the 207 municipalities that reported a lack of housing and in several of the municipalities with a housing surplus, in many of which there is still a demand for new housing. Since 2010, Public Housing Sweden's member organisations have accounted for around ten per cent of the annual residential housing construction in Sweden, compared to 15 per cent in the early 1990s.<sup>76</sup>

One of the strengths of Public Housing Sweden is that with its size, the organisation is able to stimulate affordable housing construction not only in the larger cities but also in small and remote communities, for which the rising construction costs

make it difficult to build new housing. Between 2000 and 2019, the cost of building rental accommodation increased by 123 per cent, while construction costs in cooperative housing projects by 160 per cent.<sup>77</sup> Public Housing Sweden's Kombohus concept and the associated national framework agreements play an increasingly important role in the effort to spur new construction in remote and sparsely populated rural areas.

#### **Kombohus – a concept of framework procurement and industrial construction**

Public Housing Sweden launched the Kombohus concept in 2010 as a reaction to the high housing prices and the lack of new housing supply, especially in remote and rural areas of Sweden. The aim was to put pressure on the rapidly rising construction costs and enable members that had

not been able to build new housing for 15-20 years to expand their housing portfolios again. The two key components are national framework agreements that simplify procurement and an increased focus on industrial building processes.

The concept received a warm welcome already from the start. Prior to the launch, the member organisations predicted that they would be able to add between 300 and 500 new rental units to their housing stock under the first framework agreement. As it turned out, however, 3,000 new and energy-efficient Kombohus apartments had been built when the contract ended by the end of 2014.

The pace of construction further increased following the European refugee crisis in 2015, during which municipalities across Sweden received more than



160,000 asylum seekers. In April 2020, around 9,500 Kombohus housing units had been completed or ordered in 113 municipalities. A survey among the municipalities showed that more than 1,200 of these housing units could not have been built if not for the Kombohus concept.

According to an evaluation by consulting company Tyréns in 2020, Kombohus housing was around 20 per cent cheaper to build than the market price and took, on average, about five months shorter to complete than other Public Housing Sweden construction projects.<sup>78</sup> Furthermore, the analysis estimates that an additional ten per cent could be saved if Public Housing Sweden was exempt from the Swedish public procurement legislation (LOU).

### **Different agreements for different purposes**

Public Housing Sweden has negotiated several framework agreements for different types of Kombohus housing, from small one-family houses to multi-dwelling buildings of up to eight floors and even entire neighbourhoods.

The first framework agreement set out the terms and conditions for the construction of Kombohus Bas, two-to-four-storey apartment buildings with four to six flats on each floor. Based on the success of this initial agreement, further options were later added, including Kombohus Plus, which allowed for the construction of multi-dwelling buildings of up to eight storeys, with increased flexibility of apartment types and sizes, and Kombohus City, combining residential housing and offices.

In addition, Public Housing Sweden has entered into similar agreements for building small, detached housing and terraced and semi-detached housing on one or two floors. One is the Kombohus Småhus agreement, which runs until the end of 2022. The agreement ensures that the price is the same no matter where in Sweden the housing is built. During the first two years, 2018 and 2019, prices were fixed but have since been regularly adjusted to reflect the changes to the consumer price index.

### **New concepts with in-built flexibility**

The most recent agreements are Kombohus Lamell and Kombohus Punkt. The main principles are still the same, whereas the flexibility is much larger than previously.

The contracts make way for up to 25,000 new low-energy housing units by 2026. Both agreements allow the member organisations to combine various building elements and shape the buildings according to their needs. The housing organisations can decide upon everything from the form and height of the building to the mixture of apartment types and sizes. In addition, they can choose between a selection of materials, colours, and designs, for example for the façade and roof. The new generation of Kombohus housing consists of five different options delivered by three companies:

#### **Kombohus Lamell**

Kombohus Bo Lamell: Flexible multi-dwelling buildings, two-five floors with the possibility of combining different apartment types and sizes. The apartments vary between one and

four rooms and a kitchen. The housing is designed for durability and low maintenance, and there are multiple material alternatives for the façade, roof, and balconies. The company behind Kombohus Bo Lamell, JSB Construction, has built around 4,000 Kombohus housing units since 2011.

Kombohus Tetris Lamell: A flexible building concept that uses locally produced timber frames and facades, which considerably reduces CO2 emissions. A variety of apartment types can be combined to ensure that the building fits the particular site and meets the housing organisation's requirements regarding design and apartment distribution. Strong emphasis on creating bright and attractive apartments and pleasant entrance areas. The houses are produced by Lindbäcks, a company from Norrland in northern Sweden.

Kombohus Lamell Unihouse: Pre-fabricated modular wooden housing, produced in Poland. The buildings are between two and six floors, with a varied choice of materials for the roof and façade. The housing comes in two different versions, one with windows on all sides and balconies facing two directions, and the other without windows on the two gables, facilitating smooth integration with other buildings. Kombohus Lamell Unihouse has the lowest energy consumption and the shortest delivery time of the Kombohus options. Since 2009, Unihouse has built residential buildings with around 3,000 flats in Europe.

#### **Kombohus Punkt**

Kombohus Bo Punkt: High degree of flexibility concerning apartment types and floor plans, colours, facade materials, roof types and balcony solutions.

The buildings can be up to eight stories high and are built from environmentally certified concrete, which minimises the need for maintenance and performs well with regards to fire resistance, sound isolation and energy efficiency. Furthermore, most technical installations are vertical, meaning that the residential housing components can easily be modified without removing or replacing any of the main building installations.

Kombohus Tetris Punkt: Produced by the same industrial method and design philosophy as Tetris Lamell, Kombohus Tetris Punkt is a sustainable alternative that uses timber

from the forests in Norrland.

The timber housing modules are manufactured in Lindbäck's production facility in Piteå, which reduces the waste of resources and ensures the highest possible quality. The building system is based on industrially produced modules made from sustainable forestry. All modules are delivered complete with floors, walls, ceilings and fixed furniture, and can be assembled on site.



Photo: Lindbäck's

# BIS Boden Supporting immigrants in entering the labour market

Labour market participation facilitates  
better integration

## Boden Municipality

Population in 2021: 28,016

Population density: 7.0

- Population decline of 619 or 2.2 per cent
- 18 per cent fewer children – a reduction of 942
- A decline of 1,477 in the working-age population – 10 per cent
- The 65+ population grew by 1,800 people – 34 per cent
- Old-age dependency ratio went from 29 per cent (3.5) to 42 per cent (2.4)

The Nordic affordable housing organisations are involved in various types of social initiatives, aiming to reduce inequality and segregation, for instance by providing language and educational support to immigrants and preparing them for the job market. In Sweden, the unprecedented influx of refugees and migrants in 2015 accentuated the need for such initiatives in local communities across the country.

In early 2018, Public Housing Sweden launched four innovation labs with SEK 4.8 million support from the Swedish innovation agency Vinnova. The idea was to explore some of the ways in which Swedish housing organisations could contribute to positive community development and counteract segregation. Vinnova and the Swedish Government defined the four key focus areas for the project: reducing long-term unemploy-

ment, improving school outcomes, strengthening community services, and reducing crime.

Bodenbo was the driving force behind one of the four innovation labs, BIS-Boden. Bodenbo is a public housing organisation in Boden Municipality in Norrbotten in northern Sweden, which manages around 2,000 residential housing units. Some of the public housing estates in the municipality had faced challenges with segregation, unemployment, and social exclusion, and Bodenbo wanted to address these issues proactively. Other partners included Boden Municipality, educational organisation SV (Studieförbundet Vuxenskolan), the Swedish Church, and the Swedish Red Cross.

During the two-year project, BIS provided facilities, courses, and various activities to support the residents, whether long-

term tenants or newly-arrived immigrants, in accessing the local labour market. The aim was to empower the participants to become economically self-sufficient. BIS provided language training, social studies and computer courses, and guidance on the asylum process. No less importantly, BIS provided the possibility of meeting others in the same situation and exchanging experiences.

#### **Close cooperation with local businesses**

Ten asylum seekers were invited to participate in the process, which started with thorough interviews providing details about their situation and competencies. BIS's labour market approach was based on helping each individual identify their strengths and competencies and use them to enter the job market. During the process,

the innovation lab benefitted greatly from the experiences from Portalen, a similar project in Norrköping.

One key focus was to help the newly-arrived immigrants in finding and applying for jobs, and in doing so, facilitating their integration into society. Here, BIS teamed up with more than 50 local businesses and organisations to ensure a good match between the participants and the needs of the local labour market. Creating this meeting place produced excellent results – nine out of ten participants had found a job or started studying when the programme ended in 2019. Furthermore, evaluations of the BIS-Boden innovation lab indicated that the participants had established more contact with the local population and gained a stronger belief in their future life and job situation in Boden.

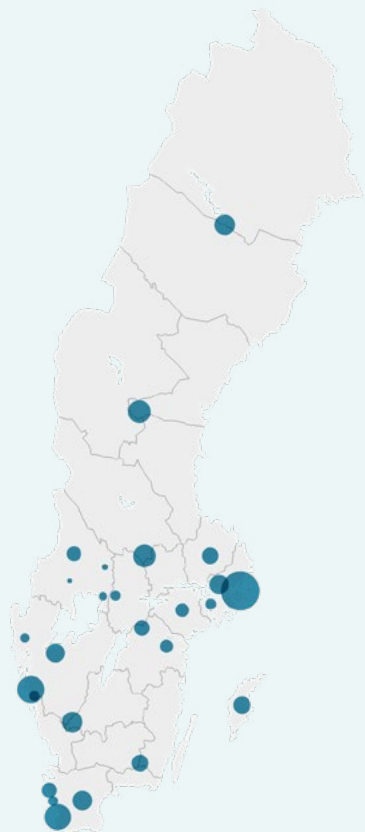
# HSB Regional Associations Cooperative housing across Sweden



In 2020, HSB's 26 Regional Associations<sup>79</sup> managed 345,185 flats in HSB housing cooperatives and 25,583 rental housing units in Sweden. The data available on HSB's cooperative and rental housing stock is compiled by regional association and not by municipality. Therefore, a detailed analysis of HSB's presence in Sweden's most sparsely populated municipalities is not possible.

Seventeen of the regional associations operate within one county only, allowing for some comparison on county level, while others are present in up to three counties. For example, HSB Norr manages all HSB-associated housing in Norrbotten and Västerbotten, and HSB Södra Norrland is the only regional association operating in the counties of Gävleborg,

Jämtland, and Västernorrland. In the analysis below, we have grouped the county data in cases where a regional HSB association operates in more than one county or where there is an overlap between two or more regional associations.



## HSB Regional Associations Cooperative housing units 2020

Locations are indicative. For further information on each association's area of operation, please visit [www.hsb.se](http://www.hsb.se)  
Source: HSB

The map above provides an overview of HSB's cooperative housing in Sweden. In addition to the number of cooperative apartments managed by each regional association, the interactive version lists the municipalities and counties in which they operate, based on information provided on the HSB website. Also, we look into the number of rental units across Sweden and HSB's construction activities between 2017 and 2020.

### A fairly balanced geographical distribution

As mentioned above, HSB Norr and HSB Södra Norrland cover the entire Norrland region as the only two regional HSB associations in the area. HSB Norr manages 17,740 cooperative housing units in Norrbotten and Västerbotten, and HSB Södra Norrland has 21,823 cooperative apartments across three coun-

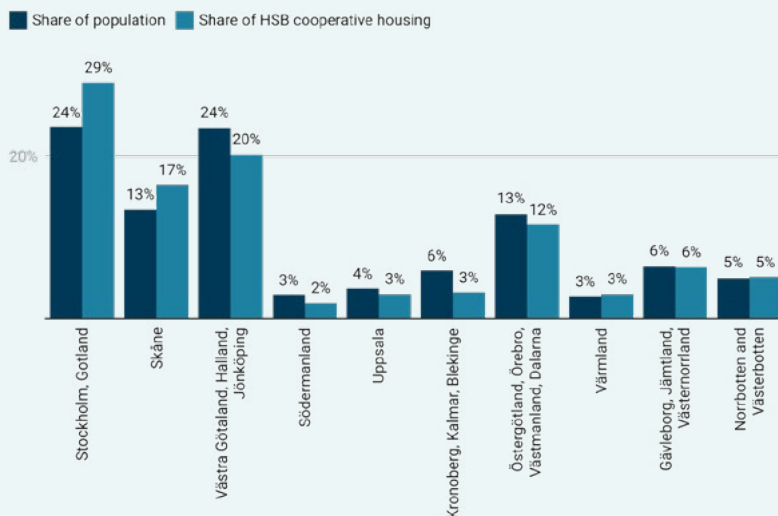
ties: Gävleborg, Jämtland, and Västernorrland. These figures add up to around 40,000 housing units in Norrland, around 11 per cent of the total.

Alongside Värmland, the areas covered by the two associations are the most sparsely populated in Sweden and also had the smallest population growth between 2001 and 2021. Grouped together, the population of Gävleborg, Jämtland, and Västernorrland increased by 1.1 per cent. The combined population of Norrbotten and Västerbotten grew by 2.1 per cent, and in Värmland, the increase was 2.9. For comparison, the Swedish population grew by 27 per cent between 2001 and 2021.

The three areas were also the only ones in Sweden that saw a decline in the youngest age group, aged 0-14 years, with the most significant reduction,

8.9 per cent, in Norrbotten and Västerbotten. Altogether, the working-age population in the six counties mentioned above shrunk by almost 33,000 people, while the group of people aged 65+ grew by 73,000.

In general, the geographical distribution of HSB's cooperative housing is relatively proportional to the population size in the different areas. The national average is 33 cooperative housing units per 1,000 inhabitants. In the six counties mentioned above, grouped together as described, the average is between 33 and 37 per 1,000 people. The only two areas with a noticeable overweight of HSB cooperative apartments relative to the population are the counties of Skåne and Stockholm, the latter here grouped with Gotland.



Source: HSB Riksförbund

HSB co-  
operative  
housing  
Share of  
housing vs.  
population

With 10,917 cooperative apartments and a combined population of around 607,000, Kalmar, Kronoberg, and Blekinge counties had the smallest relative share of HSB-associated cooperative housing – 18 units per 1,000 people. The three counties saw a population growth of 8 per cent between 2001 and 2021. The main contrast to the areas mentioned above is that the group of children grew by 4.5 per cent in the three counties and the working-age population by 1.8 per cent.

Counties	Population	People per km2	HSB cooperative housing	HSB per 1,000
Stockholm, Gotland	2,452,114	254	100,458	41.0
Skåne	1,389,336	127	56,853	40.9
Västra Götaland, Halland, Jönköping	2,436,201	61	69,837	28.7
Södermanland	299,401	49	6,717	22.4
Uppsala	388,394	47	10,473	27.0
Kronoberg, Kalmar, Blekinge	607,329	27	10,917	18.0
Östergötland, Örebro, Västmanland, Dalarna	1,337,618	26	39,923	29.8
Värmland	282,885	16	10,444	36.9
Gävleborg, Jämtland, Västernorrland	663,211	7	21,823	32.9
Norrbottnen Västerbotten	522,806	3	17,740	33.9
	<b>10,379,295</b>	<b>25</b>	<b>345,185</b>	<b>33.3</b>

Source: HSB Riksförbund

Counties  
HSB  
cooperative  
housing  
units

### 4,600 new housing units in four years

Between 2017 and 2020, HSB initiated the construction of 4,627 housing units. Just over half the new construction was in the three most populous counties: Stockholm, Västra Götaland, and Skåne, and almost 2,000 of those were in city municipalities. The cities in the three regions include Sweden's largest: Stockholm, Göteborg and Malmö. HSB strives to ensure that all new construction meets the requirements of the Swedish sustainability certification scheme Miljöbyggnad Silver.

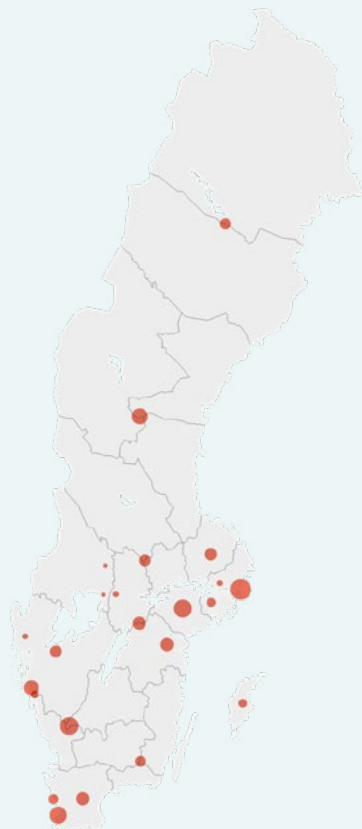
Relative to the population, Sweden's least populated county, Gotland, took the lead in new construction with 117 apartments. With around 60,000 inhabitants, this corresponds to 1.9 new housing units per 1,000 inhabitants or almost five times the national average of 0.4. The runner-up was the county of Södermanland, southwest of Stockholm, with 1.2 new housing units per 1,000 people.

The county of Västerbotten is also high on the list with 1.1 new housing units per 1,000 people, although the overwhelming majority of these apartments was in Norrland's only city municipality, Umeå, with a population

of 130,000. Other counties with above-average construction rates include Östergötland, Kronoberg, and Blekinge, all with 0.7 construction starts per 1,000 inhabitants, and Skåne with 0.6.

### Young people are given priority for rental housing

In 2020, the total number of HSB rental units was 25,583 or an average of 2.5 units per 1,000 inhabitants in Sweden. Around 14,400 are in the county groupings that include Sweden's three metropolitan areas.



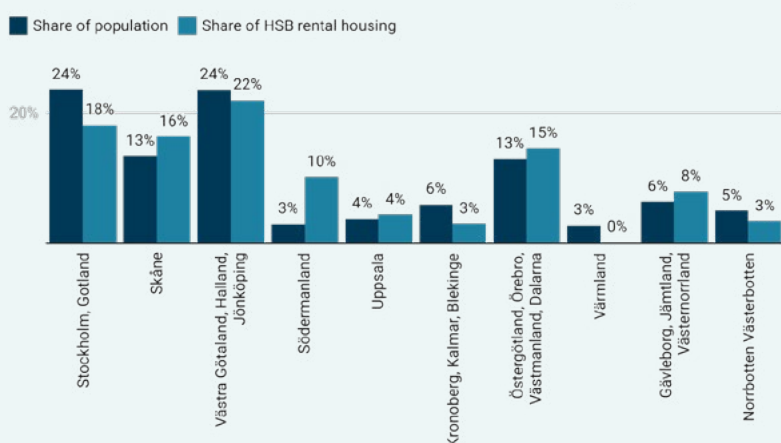
HSB  
Regional  
Associations  
Rental  
housing  
units  
2020

Locations are indicative. For further information on each association's area of operation, please visit [www.hsb.se](http://www.hsb.se)  
Source: HSB Riksförbund

HSB's rental housing is primarily intended to enable members to get their first apartment within the HSB system before investing in a cooperative apartment. As with the cooperative housing units, the rental apartments are allocated based on the HSB housing savings scheme, prioritising the members with the most points saved. In some regional associations, young people aged 18-29 years are given priority for the smaller, one and two-room rental flats.

Together, the five counties in Norrland accounted for 2,876 rental units, or 2.4 per 1,000 inhabitants, which is not far from the national average. The distribution between the two regional associations is not as balanced, however, with 2,010 rental units in the counties of Gävleborg, Jämtland, and Västernorrland, and 866 in Norrbotten and Västerbotten. That corresponds to 3.0 and 1.7 rental units per 1,000 people, respectively.

As with the cooperative housing, Kronoberg, Kalmar, and Blekinge had relatively few rental housing units compared to the other county groupings, or 1.3 per 1,000 people. Apart from that, two areas stand out. With 75 rental units, Värmland accounted for only 0.1 per cent of the total rental housing stock, corresponding to 0.3 housing units per 1,000 inhabitants. At the other end of the spectrum, we find Södermanland, which borders the county of Stockholm. With 2,616 HSB rental units, Södermanland had a significantly larger number of rental apartments per capita than any other county – 8.7 per 1,000 people.



## Counties Share of HSB rental housing

# Riksbygggen Cooperative housing and new housing options for older people

The housing stock managed by Riksbyggen in Sweden in 2020 counted over 300,000 residential units, including more than 200,000 cooperative apartments and over 100,000 rentals. Around two-thirds of the cooperative housing belongs to Riksbyggen-associated housing cooperatives, while the organisation manages the remaining one-third for others.

The analysis in this chapter focuses on the approximately 139,000 Riksbyggen-associated cooperative housing units. The figure includes 134,240 homes in member-owned housing cooperatives and 1,740 cooperative Bonum apartments for people aged 55+. In addition, we look into the geographical distribution of approximately 3,300 cooperative rental units aimed at the elderly population.

### **Urban areas account for nine in ten of Riksbyggen's cooperative housing units**

Of the 134,240 housing within the Riksbyggen-associated housing cooperatives, 48 per cent were in the city municipalities and another 43 in Sweden's towns and suburbs. The remaining nine per cent were in rural municipalities, while the rural population of almost two million makes up more than 19 per cent of the Swedish population. The figures are equivalent to 15 housing units per 1,000 inhabitants in the cities, 14 in the towns and suburbs, and 6 in the rural municipalities.

With almost 3,000 housing units, Gotland stands out with the most Riksbyggen-associated cooperative housing among all Swedish rural municipalities. Relative to the island's population, the figure corresponds to 49.6 cooperative housing units per 1,000 inhabitants. That is eight times the average in rural municipalities.

At 40.4, Boxholm in Östergötland, with around 5,400 people, is the only other rural municipality with more than 40 housing units per 1,000 inhabitants. An additional three are above 30: Götene (33), Töreboda (33), and Klippan (31); the first two in Västra Götaland and the third in Skåne. In absolute numbers, Gotland has more than four times as many cooperative apartments as the next in line of the rural municipalities, Mjölby in Östergötland, with just over 700.

Naturally, Gotland also leads the way on the county level. Five counties have between 20 and 30 of Riksbyggen's cooperative housing units per 1,000 inhabitants: Västerbotten, Jämtland, Kalmar, Västmanland, and Östergötland. With more than 32,000 Riksbyggen-associated cooperative homes, Västra Götaland boasts the highest absolute number, followed by around 22,000 in Skåne, corresponding to 18.5 and 15.7 per 1,000 people. The remaining thirteen counties are below the national average of 13 housing

units per 1,000 inhabitants. Värmland and Stockholm counties have the fewest housing units relative to the population – 4.6 and 5.2 per 1,000 people.

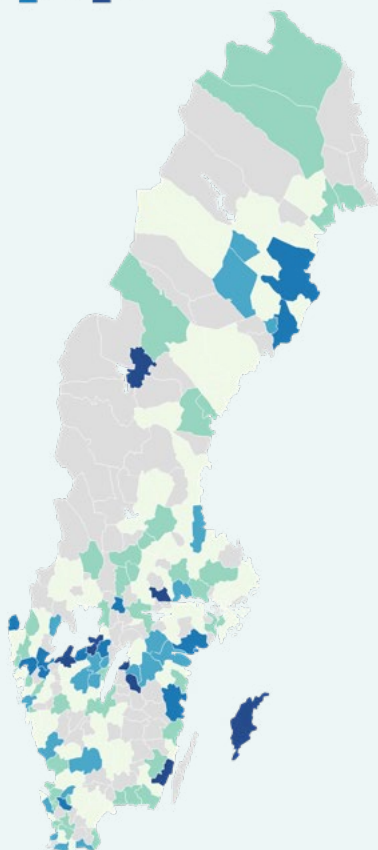
### Riksbyggen increases ongoing construction

In 2020, Riksbyggen's ongoing construction projects counted 4,092 housing units, including 1,852 cooperative apartments, 463 cooperative housing units for seniors built by Riksbyggen subsidiary Bonum, 450 cooperative tenancy apartments, and

1,263 rental units. Its ambition is to raise the ongoing construction levels from 4,000 to 5,000 housing units by 2025.

Riksbyggen started construction of 1,459 housing units in 2020, including 689 tenant-owned cooperative apartments, 317 cooperative tenancy units, and 409 rental housing units. The remaining 44 were owner-occupied detached houses.

0-10 10-20 20-30 30-40 40-50



Source: Riksbyggen

Riksbyggen  
cooperative  
housing per  
1,000 people



# Housing options for the growing older population

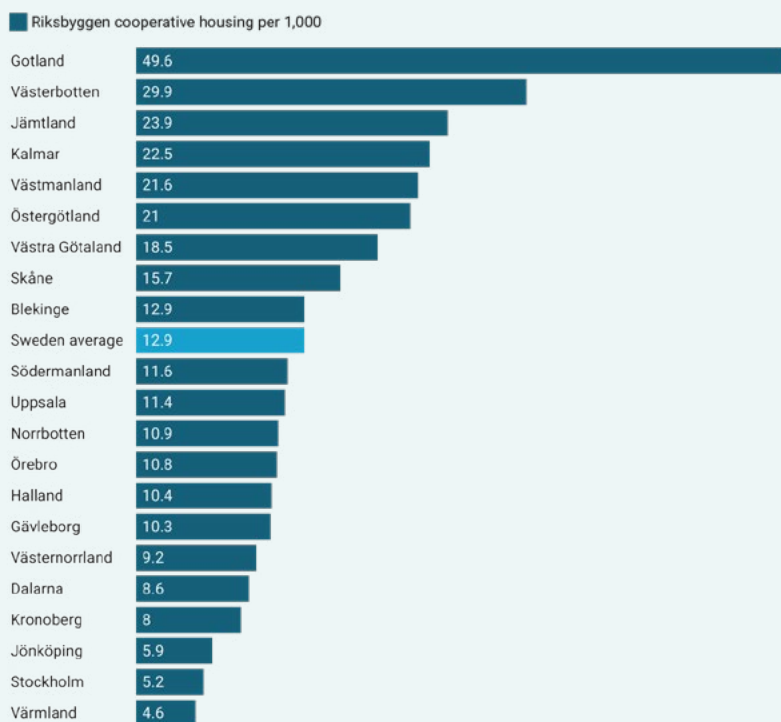
Over one fifth, or 913 of the apartments under construction in 2020, were aimed at the older population, built either as Bonum cooperative apartments or cooperative tenancies specifically for older adults – Kooperativ hyresrätt för äldre in Swedish.

Riksbyggen introduced the concept of cooperative tenancy for older adults around thirty years ago. While available to any municipality interested, the idea is

particularly beneficial for smaller communities with difficulties building suitable housing and care facilities for their oldest citizens, not least those living with mobility impairments.

Two-thirds of Riksbyggen's cooperative tenancies for older people are rooms or apartments in care and nursing homes for those dependent on constant care and assistance from caregivers. The remaining one-third is sheltered housing for people

who are able to live on their own but might need occasional help or support. The apartments enable older adults to move into something smaller and live a good life in their own home and community for longer, all while freeing up larger properties for families. For the municipalities, the main benefit is that the cooperative tenancies enable them to live up to their obligation of providing suitable housing for people of all ages.



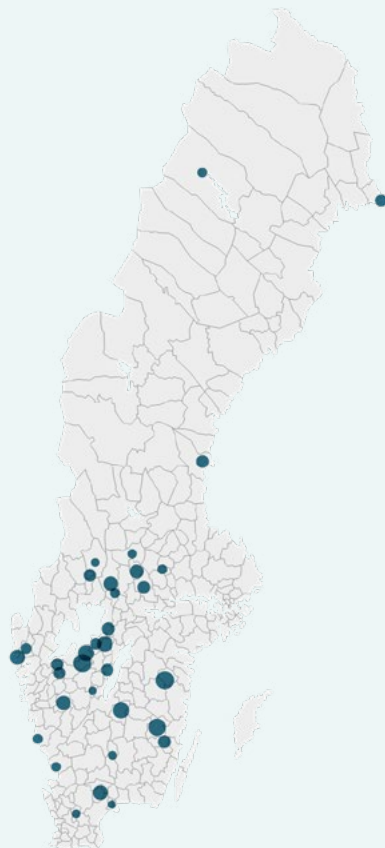
Counties  
Riksbyggen  
cooperative  
housing per  
1,000 people

### Cooperative tenancies for the older population are gaining traction

Riksbyggen has established co-operative tenancy associations of this kind together with 36 municipalities in twelve counties. The concept was initially rolled out in southwestern Sweden but has since spread across the country, including to Hudiksvall in Gävleborg and Arjeplog and Haparanda in Norrbotten. Out of 3,300 cooperative rental units, 2,550 are in care- and nursing facilities and 750 are sheltered housing.

The partner municipalities have a population of between 2,718 in Arjeplog and 113,714 in Borås in Västra Götaland. Borås is the only city municipality in which the concept has been launched. The quantity of cooperative tenancies for older people ranges from 24 sheltered housing apartments in Berg Municipality, currently under construction, to 223 care and nursing units in Åtvidaberg. Skara Municipality has the largest number of sheltered housing units of all Swedish municipalities or 74 out of Skara's 222 cooperative tenancies.

Relative to the population and the group of people aged 65 or more, the rural municipalities of Munkfors in Värmland and Ljusnarsberg in Örebro lead the way with the highest number of cooperative tenancies for older people. Munkfors has 98 housing units in this category, corresponding to 26 per 1,000 people and an impressive 93 co-operative rental units per 1,000 inhabitants aged 65 or more. Ljusnarsberg is not far behind, with 27 units per 1,000 people and 86 housing units per 1,000 people aged 65+.



Source: Riksbyggen

Riksbyggen  
Cooperative  
tenancies for  
older people

Other municipalities with a high number of housing units relative to the target group are Gullspång in Västra Götaland, with 66 per 1,000 people aged 65+, Töreboda in Västra Götaland (65), Högsby in Kalmar (64) and Arjeplog in Norrbotten (61).

Comparing the counties shows that with 1,330 dwellings, Västra Götaland has almost four times as many cooperative rental units for the older population as the runner-up, Värmland, which has 350. However, as Västra Götaland's population is six times larger, Värmland has more cooperative tenancies per capita. Relative to the group of people aged 65 or more, Värmland has 5.1 cooperative rental units per 1,000 individuals, the highest of all counties, followed by Kalmar (4.9) and Västra Götaland (3.9).

### Two concepts addressing different needs

Contrary to most other housing types, the rural municipalities account for the largest share of cooperative rental housing units for the older population. The cities only account for a minimal proportion, or 134 of the 3,300 dwellings, while more than four in ten are in the municipalities in the towns and suburbs category. With 1,717 housing units, just over half of the total, rural municipalities with a population density of less than 50 benefit most from the cooperative tenancies, with 2.8 homes per 1,000 people aged 65+.

The corresponding figures for Riksbyggen's other main offering for the oldest age group, Bonum cooperative housing, are quite different. The largest share of Bonum housing units relative to the population is in the cities. Here, there are 1.5 housing units per 1,000 inhabitants aged 65 or more, compared to 0.6 in the towns and suburbs and 0.2 in the rural municipalities. Interestingly, all of Bonum's 119 cooperative housing units in the rural category are in municipalities with more than 50 inhabitants per km<sup>2</sup>: 66 in Båstad in Skåne and 53 in Värmdö in the county of Stockholm.



Photo: Riksbyggen

# Endnotes

Nordic Council of Ministers: [Our Vision 2030](#)  
 Nordic Council of Ministers: [Nordic indicators for Our Vision 2030](#)  
 Nordic Council of Ministers: [Knowledge that works in practice](#) by Árni Páll Árnason  
 Not including municipal social housing built or acquired without support through the 2016 housing subsidies scheme  
 EU Ministers responsible for housing: [Declaration of the Ministers, Nice, 8 March 2022](#)  
 According to data from the National Building Foundation  
 Regeringen: [Tættere på II – Sundhed, uddannelse og lokal udvikling](#)  
 Bolig og Planstyrelsen – Maksimumsbeløb for støttet boligbyggeri pr. 1. januar 2022  
 Fagbladet Boligen: [Akut behov for hjælp: 73 procent af planlagt alment nybyggeri aflyst eller sat i stå](#)  
 Videncentret Bolius  
 Statistics Denmark. Detached houses and farmhouses, terraced, linked or semi-detached houses, apartments in multi-dwelling residential buildings.  
 JyskeVestkysten: [Boligblokke falder hurtigere end ventet](#)  
 Sønderborg – Befolkningsprognose 2021-2034  
 KOVA website: [KOVA in brief](#)  
 Statistics Finland: [Dwellings and housing conditions](#)  
 ARA website: [Housing finance](#)  
 City of Helsinki: [Who is eligible for a right-of-occupancy apartment?](#)  
 ARA: [Investment subsidies for special-needs groups](#)  
 Excluding housing for groups with special housing needs.  
 ARA: [Bostadsmarkandsöversikt 1/2021: hyresbostäder](#)  
 ARA: [Bostadsmarkandsöversikt 1/2021: hyresbostäder](#)  
 Due to lack of data, the ARA index could not be calculated for 46 rural municipalities.  
 Marin's Government – Government Programme: [3.1.1 Housing policy](#)  
 Kuntaliitto – Association of Finnish Municipalities: [Finnish municipalities and regions](#)  
 Y-Foundation: [Housing First in Finland](#)  
 Alþingi: [Lög um almennar íbúðir - L. 52/2016](#)  
 HMS: [Staðan á leigumarkaði 2021](#)  
 Rannsóknarnefnd Alþingis um Íbúðalánasjóð: [Meginlínur í þróun íslenska húsnæðislanakerfisins](#)  
 71% general public housing, 14% for people with disabilities, 13% for the elderly population, and 2% for homeless people - [Félagsbústaðir hf. – Ársreikningur 2020](#)  
 Búseti: [Allar íbúðir Búseta](#)  
 Skorradalshreppur is here defined as a rural municipality  
 Statistics Norway, [Boforhold, registerbasert](#)  
 Statistics Norway: [Formueslikheten øker](#)  
 NBBL website: [About NBBL](#)  
 NBBL: [Boligstatistikk 2021](#)  
 NBBL: [Boligstatistikk 2021](#)  
 NBBL: [Ársstatistikk 2020](#)  
 Statistics Norway: [Fakta om bolig](#)  
 NBBL: [Boligstatistikk 2021](#)  
 Boligbyggelaget Midt: [Hjølpin](#)  
 NBBL: [Boligpolitisk program 2021-2025](#)  
 Regjeringen Støre, [Hurdalsplattformen](#)  
 Excluding 53,003 people in the category Divided municipalities and unknown in 2001  
 Statistics Norway - [Births](#)  
 The analysis is based on data from BBL Pivotal, NBBL, and the cooperative housing organisations.  
 It incorporates information on the 41 members of NBBL, and Asker and Bærum Boligbyggelag.  
 Due to slight variations in definitions and reporting methods, there are some differences between the data.  
 According to data from BBL Pivotal and the NBBL member organisations  
 NRK: [Evenes kan bli fem milliarder dyrere enn planlagt](#)  
 Forsvaret: [F-35 på skarp beredskap ut fra Evenes flystasjon](#)  
 Aker Horizons: [Aker Horizons Establishes Green Industrial Hub in Northern Norway](#)  
 NRK: [Række om Narvik-planer: Må sannsynligvis investere mer enn 50 milliarder](#)  
 FuelCellsWork: [TECO 2030 to set up giga-factory for production of hydrogen-based fuel cells in Narvik, Norway](#)  
 Statistics Norway, [Facts about the municipalities – Rana \(Nordland – Nordlândia\)](#)  
 Electrive: [Battery making startup Freyr plans belt of Gigafactories](#)  
 Menon Economics – [Ringvirkninger og samfunns effekter av FREYRs etablering i Mo i Rana](#)  
 Statistics Sweden: [Boende i Sverige](#) – Households by housing type and region, 2020  
 Nordic Economic Policy Review 2021 – Nordic Housing Markets and Policies:  
[Housing prices, construction costs and competition in the construction sector – A Swedish perspective](#)  
 Sweden Statistics: [Bygkostnaderna har ökat med 7,0 procent på ett år](#)  
 Boverket: [Läget på bostadsmarknaden i riket](#)

59	Boverket: <a href="#">Bostadsmarkaderna i Norden 2000-2016</a>
60	Public Housing Sweden: <a href="#">Rent setting in Sweden</a>
61	Swedish Tenants Union: <a href="#">Hyresförhandling</a>
62	Public Housing Sweden: <a href="#">About Public Housing Sweden</a>
63	Public Housing Sweden: Allmännyttan mot år 2030 – ett idéprogram
64	HSB Riksförbund: <a href="#">Inblick – Års- och hållbarhetsredovisning 2021</a>
65	Since February 2022, the number of regional associations is 25
66	According to data provided by HSB Riksförbund
67	HSB Riksförbund: <a href="#">Spara till ditt nya hem med HSB Bospar</a>
68	HSB Riksförbund: <a href="#">Varför HSB Dela</a>
69	HSB Riksförbund: <a href="#">Inblick – Års- och hållbarhetsredovisning 2021</a>
70	HSB Riksförbund: <a href="#">HSB Living Lab</a>
71	Riksborgen: <a href="#">Års- och hållbarhetsredovisning 2020</a>
72	Riksborgen: <a href="#">Fakta om Riksborgen</a>
73	Riksborgen: <a href="#">Års- och hållbarhetsredovisning 2020</a>
74	Riksborgen: <a href="#">Att bygga för äldre är att bygga för framtiden</a>
75	Boverket: <a href="#">Boverkets bostadsmarknadsenkät 2022 - Äldre</a>
76	Public Housing Sweden: Allmännyttan och bostadsbyggandet - Marknadsrapport
77	Public Housing Sweden: Allmännyttan och bostadsbyggandet - Marknadsrapport
78	Tyréns for Public Housing Sweden: <a href="#">Tio år med Allmännyttans Kombohuse – Fördjupad analys</a>
79	From 2022, the number of HSB Regional Associations is 25



NBO Housing Nordic  
Nordic Council of Ministers  
Nordic Welfare Centre