HOUSING IN DENMARK
DASH IN AALBORG 2023

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An introduction to housing in Denmark

- A broad view of the Danish housing market: sectors, access, distribution

- Why a social housing sector?

- Characteristics of the social housing sector in Denmark

- Development tendencies in the Danish social housing sector

- The Danish approach to the most deprived areas

The Danish housing market: sectors, access, distribution

The Danish housing market

Housing is a key factor in society

- the housing market distribute locations and housing qualities between different groups
- the housing market contributes to the creation of the social 'framework conditions'
- the housing market is extremely complex
- the housing market is a lottery and affects the financial opportunities of individuals to a large extent
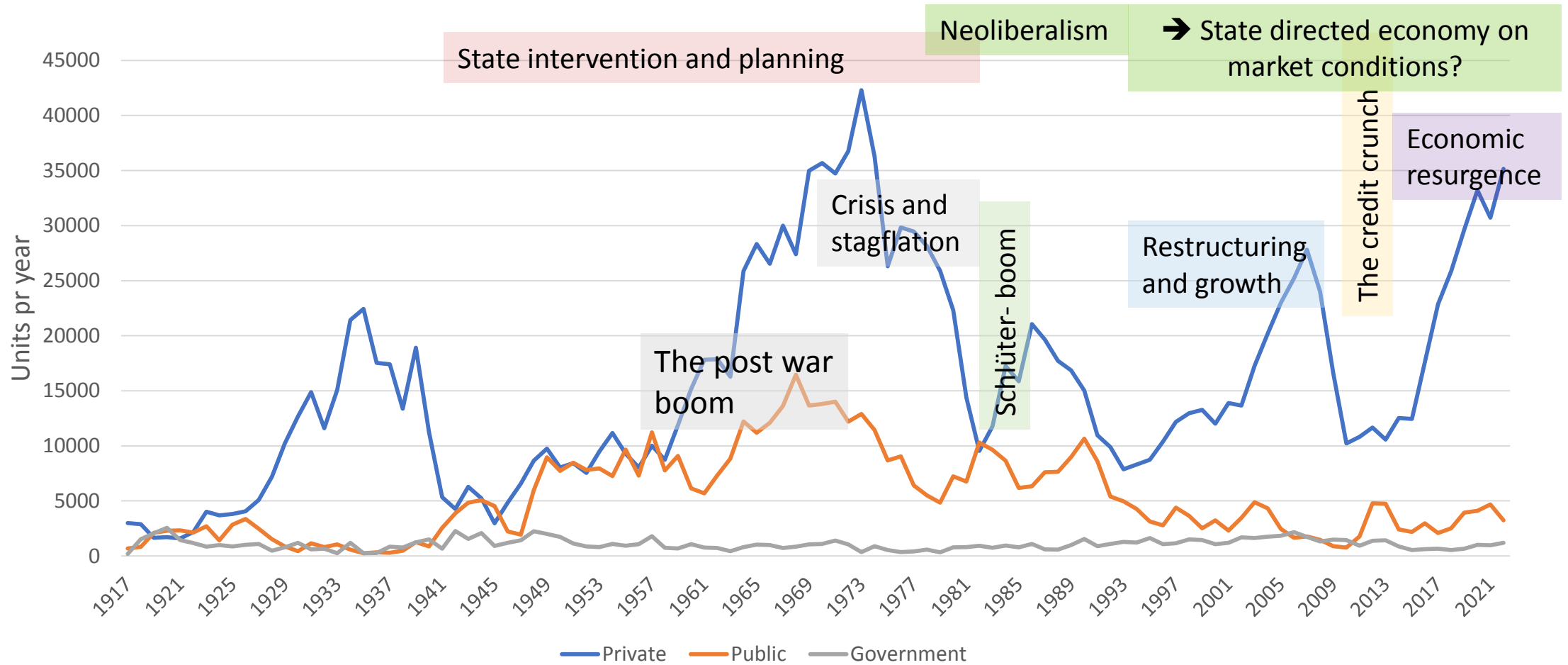
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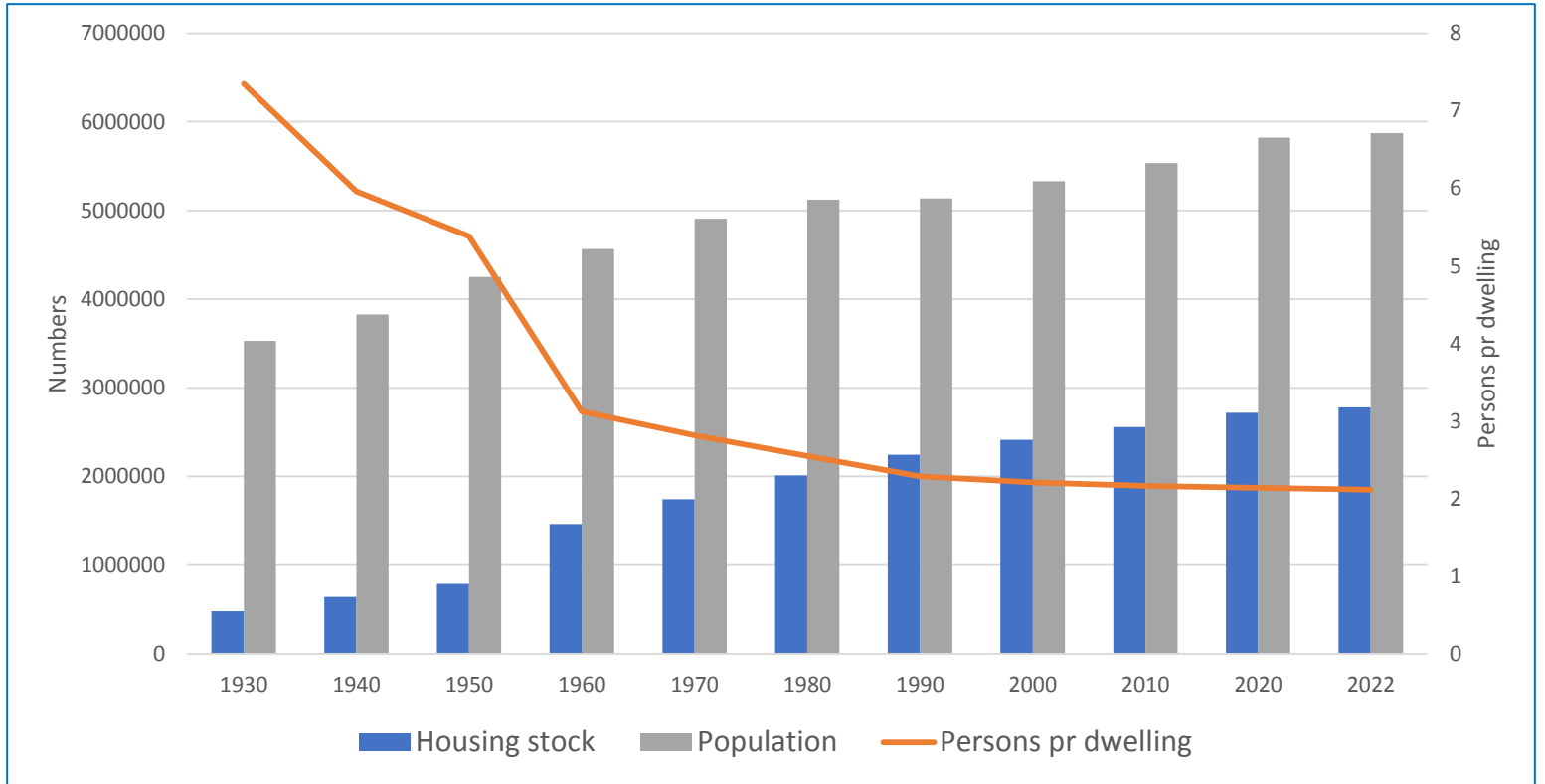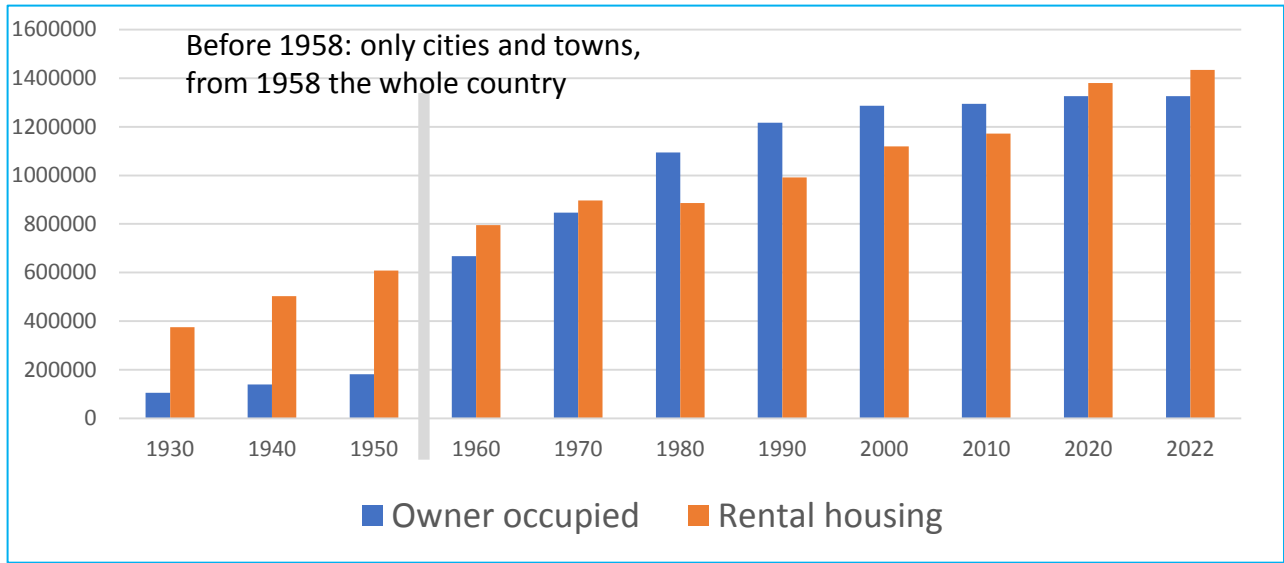
Housing in Denmark

Not one single, integrated market – but at least four primary submarkets:

- Private ownership (56 %)
- Private renting (13 %)
- Public or social housing (20 %)
- Cooperative housing (7 %)
- Other (5 %)

Housing construction in Denmark, 1917-2021

Before 1958: only cities and towns, from 1958 the whole country

Owner occupied — Rental housing

Housing stock — Population — Persons pr dwelling

Housing in Denmark 1981-2023
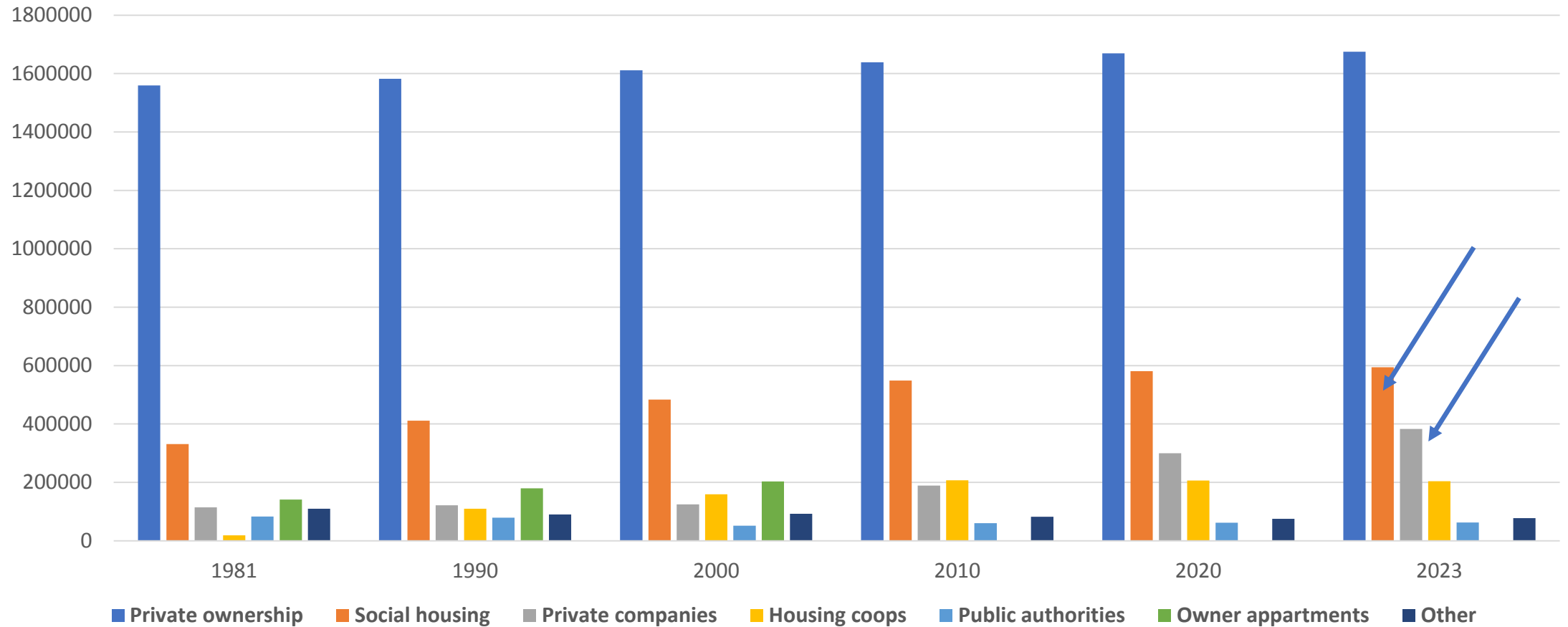
City of Copenhagen: Annual change in housing stock by ownership

Private ownership ⸺ Private rental ⸺ Cooperative housing ⸺ Public housing

Change in housing stock
Percentage 2010-2023

-9.8 - 2.7
2.7 - 6.0
6.0 - 8.5
8.5 - 11.8
11.8 - 20.9

Share of social housing
Percentage 2023

	4.4 - 10.1
	10.1 - 14.5
	14.5 - 17.1
	17.1 - 25.3
	25.3 - 60.4
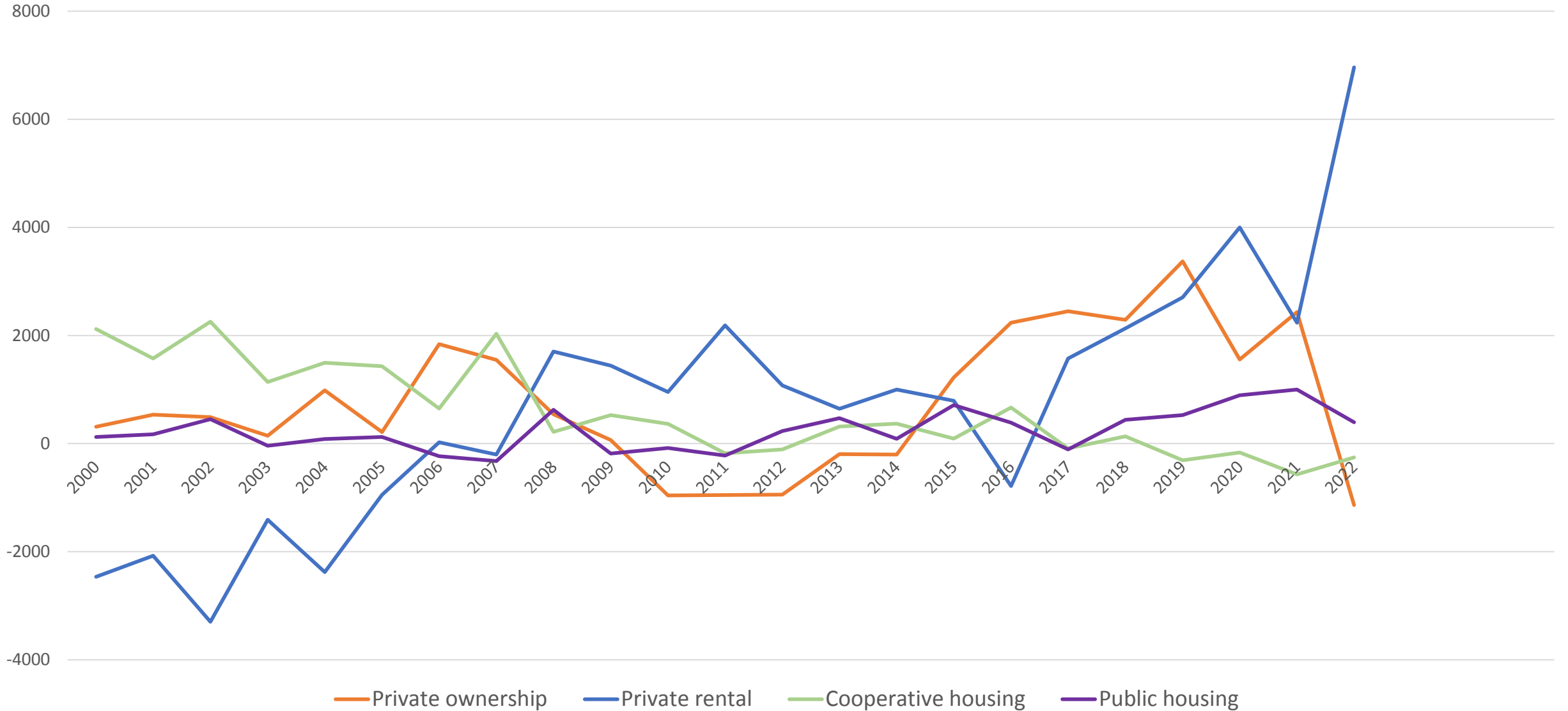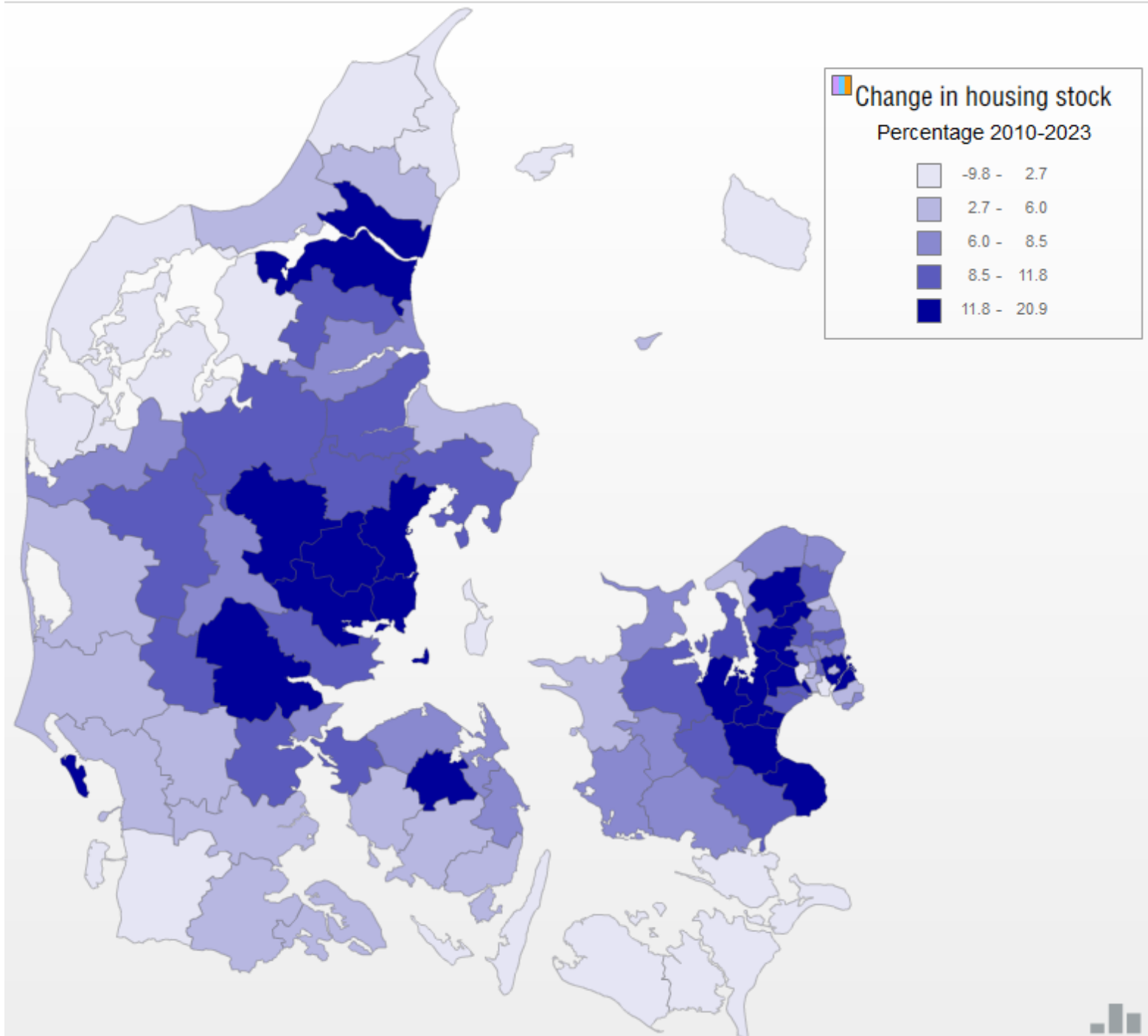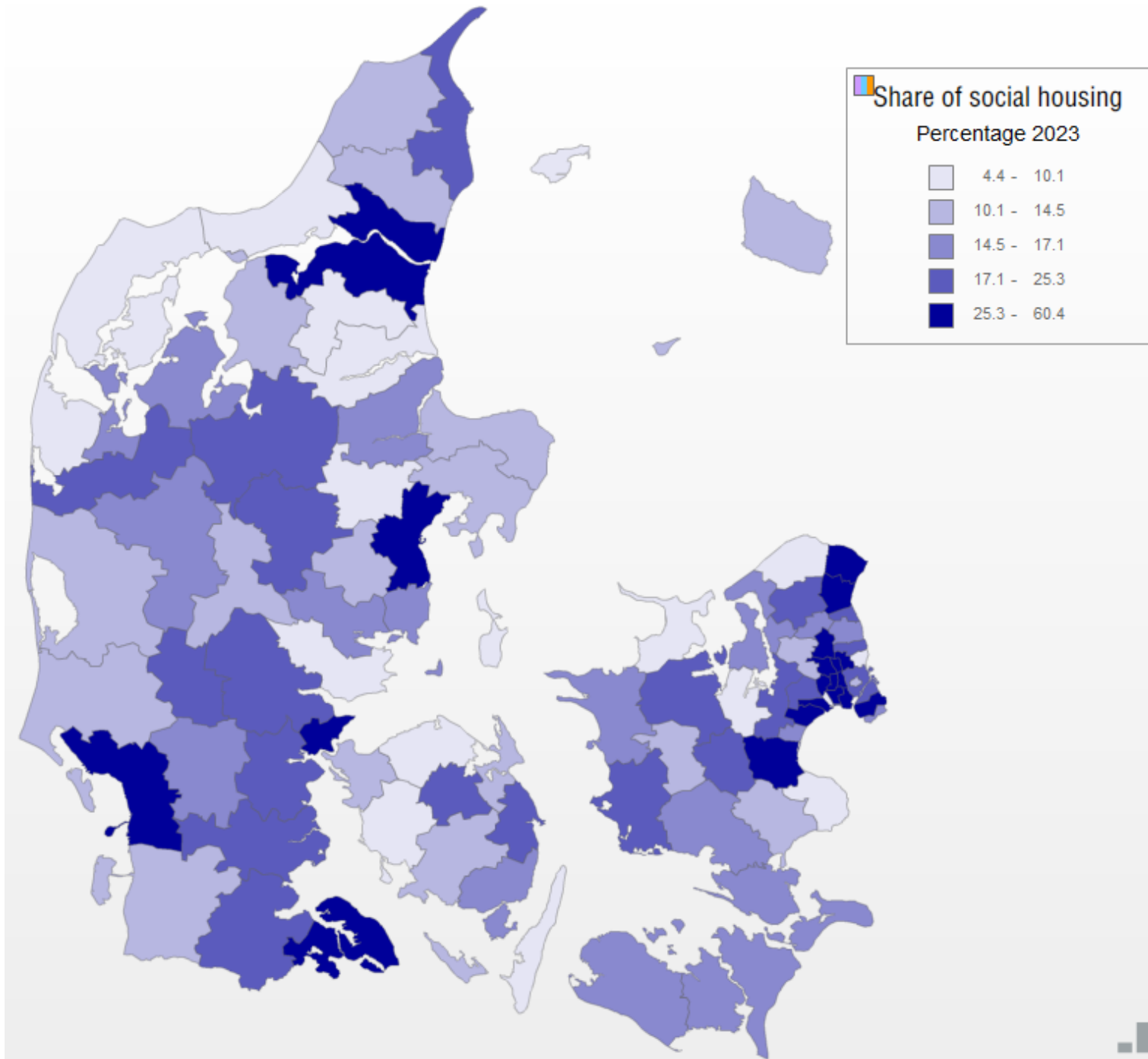
Do we need more housing? Leave it to the market?
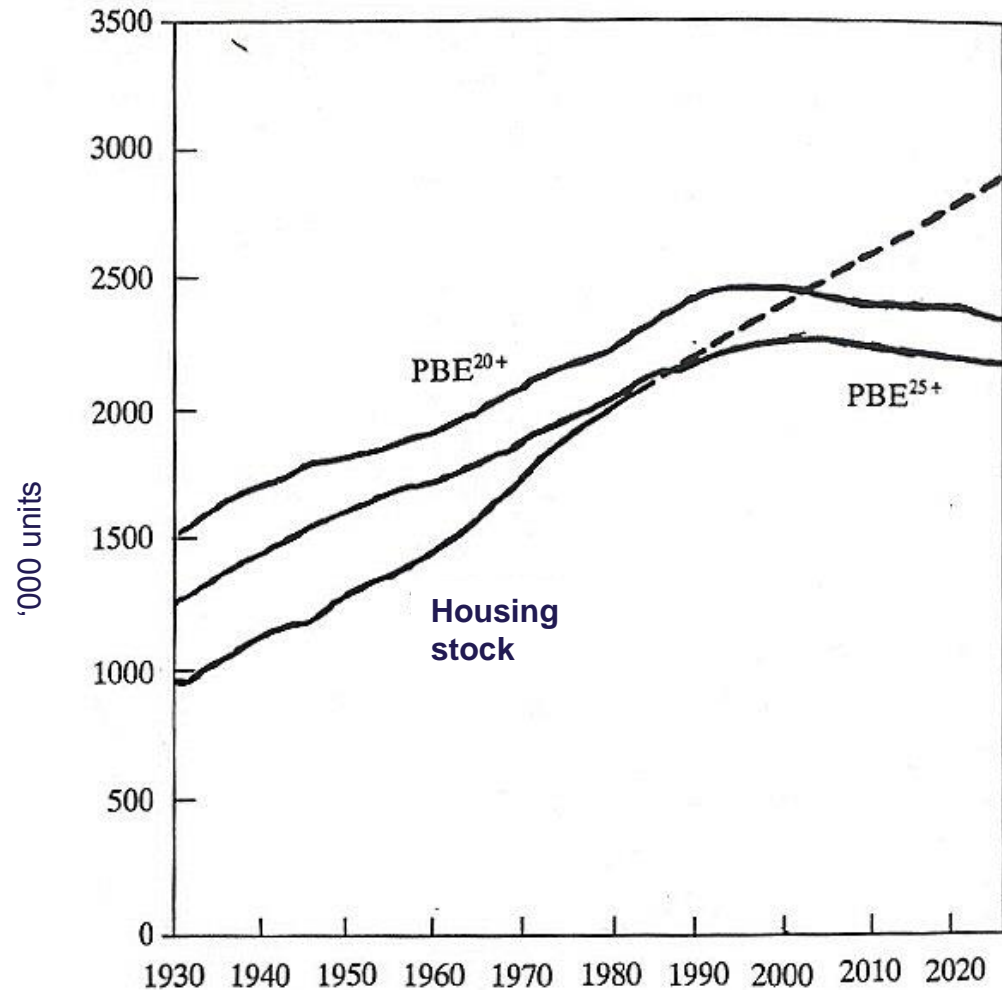
- A government commission examined status in the mid1980s.

- The figure shows the potential housing demand

- Any need for public support for more units?

Why a social housing sector?

The public/ social/ non-profit sector

- The housing stock has grown – we now have a unit for each second citizen.
- Quality is generally good, redundant units are rare
- The overall wealth of the population is quite high
  - ➤ So why do we need a social sector?

- Inequality, different stages in the life course: Some are highly educated, live in stable families, have well paid jobs, are healthy etc. – others the opposite!
- The social sector provides well maintained accommodation at an affordable price
- Early retired, single parents, long-term unemployed, immigrants are – among others – over-represented in the social sector
- Regional change!

Characteristics of the social housing sector in Denmark

Characteristics of the social housing sector in Denmark: purpose

§ 5 b: The purpose of the social housing organisations of Denmark is to provide suitable housing for everyone with a need for housing at a reasonable rent as well as to give the residents the opportunity to influence their own housing situation.

- Good, suitable housing

- Reasonable rent

- Assistance to those who need it in gaining housing

- Influence through resident democracy

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Characteristics of the social housing sector in Denmark: target group

- 20% of the housing stock, houses 17% of the population
- Not actually a social housing sector – rather a non-profit sector
  - Housing for everyone, regardless of financial situation
  - Access through waiting list – no means-testing
- Original purpose of the sector: to house a broad section of the Danish population – but the middle class left for the suburbs
- In practice less for the middle class, more for working class and deprived residents, elderly and disable people, students – but new housing types to broaden the scope
- Provides housing for those who cannot gain housing themselves – thus a social purpose
- Flexible and combined renting as tools to steer the resident composition – easier access for e.g. people in employment

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Characteristics of the social housing sector in Denmark: financing

- Land and construction costs:
  - 10% from the municipality = the right to offer every fourth available unit to citizens in need, e.g. people leaving the psychiatric system
  - 2% by tenant's deposits
  - 88% borrowed at market conditions, although with state guarantee

- Stable model: has survived social, economic, political changes – still delivering affordable housing

- Attempts to privatise the sector or sell off individual units
  - Have thus far mainly failed
  - Resistance from tenants, housing associations and municipalities – would force municipalities to find other ways to accommodate citizens in housing need
  - New attempts with the parallel society legislation…

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Characteristics of the social housing sector in Denmark: financing

The National Building Fund

- When loans are paid off, surplus rent ends up in the National Building Fund
  - 1/3 to local disposition fund: for various minor initiatives in the local housing area
- Used for large-scale physical and social regeneration projects
  - Physical masterplans
  - Housing-social masterplans
- Solidary fund – goes to those who need it the most
- Financed by the residents, regulated by law
  - Every fourth year: a housing agreement passed in parliament determines the use of the funds
  - Can be used by politicians to keep construction industry afloat during crisis…
  - Whose money is it?

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Characteristics of the social housing sector in Denmark: a dual sector

- In the major cities:
  - A strong competing position
  - Attractive housing at a price considerably below market value
  - Long waiting lists
  - Tool for increasing the share of affordable housing, 25% social housing in new-build n'hoods
    - Arguments focused on keyworkers
- In rural areas
  - Low demand
  - Private landlords forced to accept a rent often lower than the costs of construction and operating the dwellings – not possible for social housing (rent is cost-based)
  - Empty dwellings, harming the economy of the housing department
  - Concentration of social problems

Development tendencies in the Danish social housing sector

Development tendencies in the Danish social housing sector I

An increased attention on attracting affluent residents

- Policy aim to increase the social mix

- Concrete tools:
  - From 25% to 100% municipal allocation in selected municipalities
  - Increased use of flexible and combined letting

- More options for those who already have options; less options for those who already have limited options
  - Where will the most deprived go?

- A more complex and less transparent allocation process

- An ambivalence in the sector?

Development tendencies in the Danish social housing sector II

Decreased focus on social regeneration, increased focus on physical regeneration

- Housing-social masterplans: social regeneration
    - Specific foci determined by the Parliament's housing agreement
    - E.g. employment, parental competences, crime and safety
    - 75% financed by NBF and 25% by the municipality or other actors
    - A neighbourhood secretariat and a range of initiatives
    - Increasingly tried and tested initiatives; similar but locally adapted
- Decrease in financial means: from approx. 240 to 140 mio. DKK per year
- Official argument: the municipalities have the responsibility for social initiatives, not the housing organisations
- But the place-based approach of the housing-social masterplans works!

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Development tendencies in the Danish social housing sector III

Threats to the resident democracy

- Residents have the majority at all levels of the governance structure
- "the most far-reaching in relation to participatory democracy and the level of decision-making assigned to residents" (Hansen & Langergaard 2017)
- Approving department budget; making decisions on physical maintenance; social integration; house rules; safeguarding the residents' interests; the right to delegate assignments to resident groups
- A participatory democracy and a general resident involvement in the n'hoods everyday affairs and life
- Threats:
  - A new steering model for the housing-social masterplans – residents feel left out
  - The parallel society legislation's development plan – the resident do not dare say to say no…
  - Affect the deprived areas – but also a sign of and an accelerator of a budding discussion about the extent of the resident democracy

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The Danish approach to the most deprived areas

Parallel society Act (2018)

"One Denmark without Parallel Societies – No Ghettos by 2030"

- Residential composition measures : crime, income, level of education, non-Western nationalities and proportion of employment (over 1.000 residents)

- Purpose: Reducing social family housing and introducing new housing types and ownership = a more balanced socio-economic composition and attract more resourceful citizens.

- Target: from (often) 100% social family housing to 40% before 2030

- Tools: demolitions, sale, rebranding (from family to senior or youth housing) or construction of new homes.

- Monitoring of the resident composition annually. If the areas do not change sufficiently by 2030, the government will take over the administration.

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Evaluation (2020-2030)

- Parallel society Act = "Social experiment" with no evidence therefore the National Fund initiated a 10-year evaluation

- The evaluation focus on the 15 residential areas that were defined as 'hard ghettos' in 2019 (now called transformation areas)

- An interdisciplinary research team (BUILD) conduct the evaluation using both qualitative and quantitative methods

- Research questions:

  - **What physical transformations are carried out?**

  - **How do the physical transformations change the social**

    life in the residential areas?

  - **How do they affect residential areas**

    connections with the surrounding city?

  - **How do the physical transformations affect the reputation – internal and external?**

Architectural analysis

Qualitative interviews with civil society

Analysis of housing prices

Interviews with residents

Surveys

Interviews with professionals

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15 cases (DK)

- Bispehaven, Aarhus
- Gadehavegård, Høje-Taastrup
- Gellerupparken, Aarhus
- Mjølnerparken, København
- Tingbjerg, Brønshøj
- Taastrupgaard, Høje-Taastrup
- Vollsmose, Odense

- Agervang, Holbæk
- Finlandsparken, Vejle
- Motalavej, Korsør
- Munkebo, Kolding
- Ringparken, Slagelse
- Skovvejen/parken, Kolding
- Stengårdsvej, Esbjerg
- Sundparken, Horsens

Strategic transformation

- A development plan (cooperation between municipalities and social housing organizations) with a specific reduction proposal required.

- The legal requirement often supplemented with a more urban strategy:

  - Break down the enclave (urban integration)
  - Change from traffic separation to traffic integration (new roads inside the area)
  - Add new functions and attractions (invite outsiders in)
  - Increase density (more urban than suburban)
  - Promote new housing typologies (better social mix)
  - Revitalize the recreational areas

- Consequences: Often major transformations and an area with a new identity with smaller share of social housing. Many current (vulnerable) residents are forced to move.

2021

2030

From the winning proposal for the Gadehavegaard (Arkitema)

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2007 · 2019 · 2022 · 2030

Almene boliger
Nybyggeri

From Gellerup, Aarhus

Aalborg Universitet

2019

2022

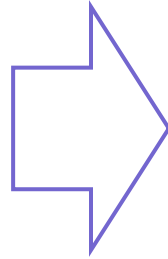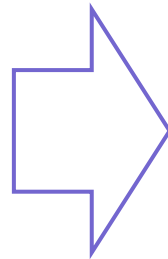Gellerup, Aarhus

Inside and outside perspective

- <u>From outside:</u> The urban strategic efforts are typically approached with a helicopter view focusing on opening the area towards the neighbourhood and changing its character to attract new residents.

- <u>From inside:</u> The residents view their residential area differently – from below to inside their home. Residents are more interested in a new kitchen or renovation of their bathroom - and just staying in their home and the area.

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Reputation and stigma

- From inside: Many residents spontaneously mention the negative reputation of their residential area as the biggest challenge. Many feel that the media exaggerate and focus on negative stories.

- From inside: The stigma has personal consequences: it is experienced as a hindrance in terms of jobs and insurance, and many tell of negative reactions in social contexts and when acquaintances do not dare to visit them. Someone avoids the name of the residential area from the outside.

- From outside: The physical changes, in particular, seem to affect outsiders' perception of the area positively.

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Plans opposed by neighbours

From outside:

- The urban strategic efforts on linking the deprived area together with surrounding areas to create one neighbourhood are met with opposition from the neighbouring areas (them and us)

- There are significant physical signs outside residents oppose it in several areas, e.g., wire fences and signs.

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Views on transformation

From inside:

- Residents are often confused or don't know about the transformation plans. Feels uncertainty that they or their family and friends will have to move.

- Some see the plans for demolition and rehousing as an opportunity to move on. This applies especially to resourceful residents

- Many residents welcome the idea of a more equal distribution between residents with a Danish and Non-Western background. However, there is widespread frustration with the way it is carried out with demolition and forced eviction.

- Some have lack faith that it can succeed at all in attracting other groups of residents to their area.

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Suggestions for further reading

BL – Danish Federation of Non-Profit Housing Providers: How to house http://www.e-pages.dk/bl/293/

BL – Danish Federation of Non-Profit Housing Providers: https://bl.dk/danish-federation-of-non-profit-housing-providers/

Skovgaard Nielsen, R. & C.D. Haagerup (2017): The Danish social housing sector: recent changes and future challenges. Critical Housing Analysis, 4(1), 142-149. https://www.housing-critical.com/home-page-1/the-danish-social-housing-sector-recent-changes

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Stender, M., & Mechlenborg, M. (2022). The Perforated welfare space: Negotiating ghetto-stigma in media, architecture, and everyday life. Architecture and Culture, 10(1), 174-193. https://doi.org/10.1080/20507828.2021.2016253

Kjeldsen, L., & Stender, M. (2022). Bringing social sustainability into the mix: Framing planning dilemmas in mixed-tenure regeneration. Building Research and Information, 50(7), 709-721. https://doi.org/10.1080/09613218.2022.2081120

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