

Ministry of Local Government and Modernisation

Strategy

# **We all need a safe place to call home**

**National strategy for social housing policies (2021-2024)**

## Contents

### **National strategy for social housing policies**

Chapter 1	Introduction	We all need a safe place to call home
Chapter 2	Goal 1	More people shall be in the position to own their home
Chapter 3	Goal 2	Renting shall be a safe alternative
Chapter 4	Goal 3	Social sustainability in housing policies
Chapter 5	Goal 4	Clearer roles, and necessary knowledge and competence

## Preface

Our home is one of our most important assets. At home, we feel safe and can live our lives as we please. What our home looks like, its location and its environs affect all aspects of our lives.

Fortunately, Norwegian housing policies have been fairly successful. In Norway, the majority of the population enjoy a good lifestyle and live in safe, comfortable homes. Home ownership dominates, and as many as eight in ten people are owner-occupiers, which is a higher percentage than in our neighbouring countries. Home ownership is also high among immigrants, and we are one of the countries with the largest proportion of young homeowners. The average age of first-time home buyers is 28 years, and this situation has remained stable over the last decade.

Also, Norway's homeless population is declining. In the four-year period from 2012 to 2016 the number of homeless people was reduced by a third, and in the cities the number fell by as much as 40 per cent – which means that Norway has never seen a smaller homeless population.

Nevertheless, there are still a number of people who need assistance in acquiring a safe and comfortable home for themselves and their families. They tend to find themselves in fairly unstable living arrangements and need to move frequently, which has a negative impact on their children who will need to change schools and their circle of friends. And 3 900 individuals in Norway still remain homeless.

The Government seeks to ensure that everyone has a safe and comfortable place to call home. No-one should be homeless.

This is why we have drawn up this strategy. I hope it will help a larger number of disadvantaged people to acquire a safe and comfortable home, and that at some point we will arrive at our zero vision for homelessness. In addition to this zero vision, the strategy concentrates on two prioritised focus areas: securing suitable housing for children and young people, and ensuring that disabled people are in a position, just like everybody else, to choose where to live and in what type of accommodation. These two groups are particularly vulnerable in the housing market.

Many people will need to play on the same team for our social housing policies to succeed. I am therefore greatly encouraged by the enthusiasm we have encountered while developing this strategy, among private developers, municipalities, government-owned enterprises, academia, and voluntary organisations – and not least among the people we are all seeking to help.

We need all good forces to join in the efforts that are necessary to make sure that everyone receives the assistance they need – so that all can have a safe place to call home!

Nikolai Astrup

*Minister of Local Government and Modernisation*

## **Introduction - We all need a safe place to call home**

It is primarily people's personal responsibility to find a place to live, and most people do so without any form of assistance. Housing policies are therefore largely about providing stimuli to promote well-functioning housing markets through effective planning and building processes. Additionally, our mortgage lending regulations set the debt-to-income ratio for households, and our housing legislation protects the balance between the ownership and rental interests in the housing market.

However, some societal challenges cannot be solved by market forces alone but need government facilitation. The largest challenge to our housing policies is the fact that some households are unable to acquire and retain a suitable home. This is a serious problem for the individual, for society and for future generations.

A home should meet one of our most basic needs, and housing is therefore the fourth pillar of welfare alongside health, education, and work. Our home provides a sense of belonging and physical protection, it gives us an identity and provides an important social arena. Vice-versa, living in poor housing or being homeless will have a negative impact on our quality of life. It makes it more difficult to avail ourselves of welfare services, complete an education and hold down a job. A precarious housing situation will also make integration (in society) more difficult, and the road to crime, substance abuse and mental health problems can be shorter.

Our social housing policy is intended to prevent the development of housing problems. The objective is clear: Everyone should be able to acquire and retain a suitable dwelling. The Government wants those who are unable to obtain this by themselves to receive the help that they need. As far as possible, this assistance should enable people to manage their own lives. No one should have to qualify for receiving assistance or to prove themselves deserving. We all need somewhere to live, and given the right support, we can all have a place to call home.

The UN Sustainable Development Goals were ratified by all member countries in 2015. They form the world's joint action plan to eradicate poverty, reduce inequalities and stop climate change by 2030. The Sustainable Development Goals comprise 17 goals and 169 targets, with social housing being an aim in itself as well as an important tool for meeting several targets. For example, this strategy will help us meet target 11.1, which is to ensure access for all to adequate, secure, and affordable housing. Additionally, the strategy will help us reach sustainable development goal 1, to end poverty; sustainable development goal 3, to ensure healthy lives and promote well-being; and sustainable development goal 10, to reduce inequalities in society. The sustainable development goals must be seen in the context of Norwegian circumstances and Norwegian challenges. This strategy will help us operationalise the sustainable development goals at all levels of public administration.

### **1.1 Those who are disadvantaged in the housing market are a mixed group of people**

Those who are disadvantaged in the housing market are not a specific group in society. The term refers to people and families who struggle to have their housing needs met. We define the disadvantaged in the housing market as people who are unable to acquire or retain a suitable home, and who find themselves in one or more of the following situations:

- have nowhere to live
- are at risk of losing their home
- live in unsuitable housing or living environments

Some find themselves in a difficult situation for a short period of time and need only a little guidance or financial assistance to improve their own housing situation. Others need extensive follow-up and services over a long period of time to be able to manage their housing conditions.

Based on available data on household income, debt and living arrangements, Statistics Norway (SSB) has estimated that 179 000 people were disadvantaged in the housing market in 2019. This is 3.5 percent of the population. The number of disadvantaged people has risen in the recent years, but the growth has subsided.

In Norway, 23 percent of the households live in rented accommodations. However, tenants make up almost half of those who are considered to be disadvantaged in the housing market. Around 60 percent of this group have an immigrant background.

In 2019, there were 78 000 children and young people among the 179 000 who were disadvantaged. Low-income earners who live in cramped rented accommodation are particularly vulnerable. In 2019, 35 000 children and young people found themselves in this situation, which was 1.4 percent fewer than in 2018.

Homeless<sup>1</sup> people have no registered address and are therefore not included in the figures presented by Statistics Norway. Homelessness is regularly recorded in a separate survey and the most recent figures available are from 2016. They show a drop from 6 200 in 2012 to 3 900 in 2016. The decrease was particularly substantial among children; the figure fell from 679 children in 2012 to 229 children in 2016. The results of the next survey will be published in the first half of 2021.

- ✓ Statistics Norway estimates that approximately 179 000 people are disadvantaged in the housing market
- ✓ Of these, 44% are children and young people
- ✓ In the 2016 survey, a total of 3 900 people were found to be homeless

## **1.2 The strategy's goals and prioritised focus areas**

The Government has established the following goals in order to improve efforts in the years ahead:

- More people should be in a position to own their own home (Chap. 2)
- Renting must be a safe alternative (Chap. 3)
- Social sustainability in housing policies (Chap. 4)
- Clearer roles, and necessary knowledge and competence (Chap. 5)

Some groups in society are particularly vulnerable in the housing market. In this strategy period, the Government will make a particular effort to assist those who are homeless or who are at a risk of becoming homeless, children and young people, and persons with disabilities.

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<sup>1</sup> In Norway, homeless people are defined as those who have no home of their own and rely on ad-hoc and temporary offers of accommodation, who temporarily stay with friends, acquaintances or relatives, people who are due for discharge/release from an institution or correctional service within the next two months and have no accommodation to go to, and people who sleep rough. Offers of temporary accommodation can for example include hostels, guesthouses or camping chalets.

## **No-one should be homeless**

Although the number of homeless people has fallen in Norway in recent years, many are still at risk of losing their homes or are homeless. Many of those who are homeless have longstanding and complex problems, and often struggle with substance abuse and mental health issues. It is a challenging task to help this group of individuals into stable, favourable housing situations unless housing and other welfare service providers combine their efforts in helping them.

The zero vision for homelessness needs the support of all those who have a role in preventing and combating homelessness. It is crucial to continue the established collaborative practices across different administrative levels and sectors, and to improve them.

The Government wants to incentivise a wider range of housing options for the homeless. By offering loans and grants to local authorities, we will seek to encourage the trialling of new types of housing arrangements.

It is also important to ensure that accommodation is available when prisoners are released, or patients are discharged from institutions. New digital systems for the municipal housing sector are intended to safeguard these service user transitions in a better way than what is currently the case. The system must be adapted to and follow up on the individual's situation and life event, and not the other way around.

The Government will monitor homelessness more closely in the years ahead. An annual survey of the local and national situation will provide a better basis for identifying the effects of municipal initiatives, capture changes, and help to raise awareness of issues related to homelessness.

## **Children and young people must have access to good housing**

The negative impacts of poor living arrangements are particularly significant for children and young people. Frequent house moves can lead to rootlessness and a faltering sense of belonging, and it makes it more difficult to build and retain a social network at school and through leisure activities. Poor-quality living arrangements can lead to health problems, poor performance at school and a poor employment record later in life.

In 2019, children and young people accounted for 44 percent of those who were disadvantaged in the housing market. Many of these children live in families with consistently low incomes. According to Statistics Norway, approximately 111 000 children grew up in families with consistently low incomes in 2018. More than half of these children were from an immigrant background.

- Statistics Norway (SSB): [Income and wealth statistics for households \(ssb.no\)](https://www.ssb.no/en/income-and-wealth-statistics-for-households)

Simultaneously, renting shall be a safe alternative for those who do not wish to or cannot own their own home. The Government will therefore encourage the provision of more rented accommodation for families with children through grants offered by the Norwegian State Housing Bank. The Government continues to propose an increase in the housing allowance benefit and will also consider whether to extend the minimum term of tenancy agreements with the aim of increasing the stability of people's housing situations.

Initiatives that benefit children and young people are rooted in the Government's partnership strategy for children and young people in low-income families.

## **Persons with disabilities must have the opportunity to choose where and how they want to live, on an equal basis with others**

According to Article 19 of the UN Convention on the Rights of Persons with Disabilities (CRPD), the states parties have a duty to ensure that 'persons with disabilities have the opportunity to choose their place of residence and where and with whom they live on an equal basis with others, and are not obliged to live in a particular living arrangement'.

- See the UNs pages: [OHCHR | Committee on the Rights of Persons with Disabilities, Resources | Disability Strategy | United Nations](#)

Persons with disabilities make up a mixed group of people with different challenges and needs. Accessibility and universal design are requirements set out in the [Norwegian building regulations](#) to ensure that new homes and buildings are accessible to all, irrespective of any impairment. Additionally, the Norwegian State Housing Bank offers mortgage loans for lifetime homes and grants for lifts, and this also helps to make homes universally accessible.

The Government recognises that special efforts are required to ensure that people with disabilities receive appropriate assistance. Disability is an umbrella term for various diagnoses and conditions associated with cognitive, linguistic, and social difficulties. The Equal Rights Committee found that disabled persons encounter particular challenges on the housing market and that in real terms, they experience few options with respect to choosing their place of residence, who they want to live with and what sort of accommodation they prefer. The home ownership rate is around 10 percent.

The low home ownership rate is less than satisfactory, particularly when being a homeowner is an expressed wish among many of the people in question. The disabled often have a stable if low income, often based on benefits. Disabled people are on this background considered to be safe mortgage holders, however, people with disabilities often have little or no capital for a deposit when looking to buy a home. The majority of disabled people are therefore in the target group for start-up loans.

The Government will seek to learn more about the effects that central and local government instruments can have on this group and intends to survey how their housing situation has developed over the course of the last decade.

A freedom to choose and an opportunity to take control of your own life are core societal values. This is clearly expressed from service user and interest organisations, and the values have a central role in [the European Convention on Human Rights](#) which has been ratified by Norway.

These efforts also support the Government's anti-discrimination reform.

### **1.3 On the right track**

After almost 20 years of national strategies and initiatives, good collaborative arenas have been developed and established for the work with social housing. Roles and responsibilities have become clearer, and housing has become better integrated with other services across sectors and levels of administration. We now have acquired more knowledge about what works.

The national strategy titled [Housing for Welfare \(2014–2020\)](#) was launched in 2014.<sup>2</sup> The goals of the strategy were:

- Everyone should have a good place to live
- Everyone with a need for services, will receive assistance in managing their living arrangement
- Public efforts shall be comprehensive and effective

One important strategy objective was to ensure better collaboration at all administrative levels, in order to ensure a more comprehensive offer of services for the individual. For example, inadequate coordination meant that on release, prisoners had no accommodation to go to after serving their sentence; homeless people remained for a long time in temporary accommodations; and children and young people remained in unsuitable dwellings and within poor living environments.

The first evaluation of Housing for Welfare (2014–2020) shows improvements in several areas. Although it is difficult to demonstrate decisively that the strategy influenced the results, we do see that families with children now receive more assistance than they previously did. The housing situation has improved for people with substance abuse problems and mental health issues. The trend is also positive with respect to work undertaken by local authorities. Today, efforts are better anchored at the managerial level and many local authorities have improved their competence. Collaborative practices between different municipal units and specialist areas are also better developed. The large municipalities report a more positive development than what the smaller municipalities does.

In the time ahead, our efforts will build on experience, structures and knowledge developed under Housing for Welfare (2014–2020). We will strengthen and further develop the measures that have proven to be effective.

#### **1.4 Solutions depend on joint efforts**

**Local municipal authorities** carry the main responsibility for assisting the disadvantaged in the housing market. The municipalities have gained an increasingly important role in the social housing efforts. In recent years, several funding schemes have been incorporated into the unrestricted funds allocated to local municipal authorities. This gives them greater room to manoeuvre when they seek to meet the needs of individual service users and enables the municipalities to prioritise based on local circumstances. Several municipalities have developed more user-oriented and effective organisations, and the learning from these is steadily expanding. Local municipal responsibilities shall be visible, and the state shall aid through legislative and regulatory framework, funding schemes and specialist support.

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<sup>2</sup> The ministries responsible for the strategy were the Ministry of Labour and Social Affairs, the Ministry of Children and Families, the Ministry of Health and Care Services, the Ministry of Justice and Public Security, the Ministry of Education and Research and the Ministry of Local Government and Modernisation. At central government level the work was carried out by the Norwegian Labour and Welfare Administration, the Directorate for Children, Youth and Family Affairs, the Directorate of Integration and Diversity, the Directorate of Health, the Norwegian State Housing Bank and the Directorate of Correctional Services. The Norwegian State Housing Bank co-ordinated the work on the strategy undertaken by the various directorates, and the county governors co-ordinated all regional efforts.



Local municipal authorities also play an important role in facilitating for better functioning housing markets. Throughout the country, they shall contribute to the development of attractive local communities where people can thrive.

**The Norwegian State Housing Bank** shall contribute in preventing that people become disadvantaged in the housing market and helps the disadvantaged to acquire and retain suitable homes. This is largely achieved by supporting municipal endeavours through financial and professional assistance to the local authorities. The Norwegian State Housing Bank manages benefit schemes, such as the housing allowance, and awards start-up loans as well as other types of loan and grants for rented accommodation. New digital solutions have made these schemes more user friendly by involving fewer forms and reducing the processing times. Additionally, The Norwegian State Housing Bank has been given a more prominent nationwide knowledge generating role. Improved access to data provides better insight into the causes of housing problems. It also helps us to learn more about the size and composition of vulnerable groups in the housing market. These are important insights that will assist us in designing targeted initiatives and measures. The Norwegian State Housing Bank has an important role to play as advisor to local authorities, and the bank will also promote initiatives that drive innovation, digitalisation, and the piloting of new solutions.

At the time when the national Housing for Welfare strategy (2014-2020) was launched, the **social welfare directorates** were managing just over 20 funding schemes that were associated with municipal social housing efforts in various ways. Nine of these funding schemes have now either been incorporated within the municipal framework or they have been merged with other schemes. At a regional level, the **county governor's** co-ordinating role has been strengthened, and regional fora have been set up to ensure that local authorities can engage with better-aligned central government bodies. The county governor will be permanently assigned to the job of co-ordinating social housing efforts with other welfare services. The aim is to achieve a better coordinated approach to the dialogue between central government and local municipal authorities to ensure that different strategies and action plans are better aligned and provide a more comprehensive approach to the individual's specific life situation.

**The voluntary sector and not-for-profit organisations** play an important role as providers of housing and welfare services for the disadvantaged in the housing market. User organisations are an important mouthpiece for service users and their interests. The Government will facilitate further cooperation with these actors in the time ahead.

**Private developers** have in recent years taken on an even more important role by generally providing more housing for rent, and by specifically providing more rented housing aimed at the disadvantaged in the housing market. Some of these projects are run in close partnership with local authorities. Private developers, among them several cooperative housing associations, have been keen contributors to the consultation rounds held for this strategy. Good examples of collaborative models involving local authorities and developers will be developed into scalable methods for wider use.

## **1.5 Consequences of the Covid-19 pandemic**

The seriousness of the Covid-19 pandemic became evident in Norway on the 12<sup>th</sup> of March 2020 (following a governmental press conference that outlined the situation and findings at the time). Kindergartens, schools, and educational institutions were closed down. Education for children and young people was moved online, and school children and students participated in the courses from

home. Additionally, as many people as possible were requested to work from their homes. The homes took on a new and extended role, as a joint arena for childcare, schooling, work, and leisure.

Home schooling is more demanding if many people live in cramped conditions in a small flat. For children and young people from poor living conditions, attending kindergarten, school or leisure activities can represent a daily 'breathing space'.

During the first phase of the pandemic, many low-threshold services, such as drop-in centres and leisure activities, were closed for shorter or longer periods of time. This lockdown meant that people with substance abuse problems and mental health issues were isolated in their homes. Experience tells us that good social housing measures combined with other welfare initiatives, are important to promote the sense of independence in the individual. This prepares citizens to care for their own needs, without depending on assistance.

For many households the Covid-19 pandemic caused acute financial difficulties, with many being laid off from work. To assist low-income households that had high housing costs, the Storting (the Norwegian Parliament) decided to increase the housing allowance allocation by NOK 500 million for the period from April to October 2020.

The Storting also decided to increase the Norwegian State Housing Bank's loan facility for 2020 by NOK 5 billion. Mortgage holders with The Norwegian State Housing Bank were offered repayment deferrals for up to six months.

The pandemic still causes challenges. The Government is monitoring the situation and considers the need for further measures on an ongoing basis.

## **GOAL 1 More people shall be in the position to own their home**

The Government wants to give more people an opportunity to own their home as this provides financial security. Such financial security is often passed down from generation to generation. However, the fact that such a large proportion of Norway's population are homeowners means that wealth is more widely distributed. The chances of enjoying stable, secure living arrangements are greater for those who own their home than for those who rent.

There is considerable potential for home ownership among the population. Many disadvantaged people will be able to own their home based on the income they receive from regular benefit payments and other sources of support. We often see that monthly mortgage repayments are lower than the rent payable under a tenancy agreement. The Government will therefore continue to prioritise start-up loans in the years ahead and encourage more public and private tenancy-to-ownership models and other home-buying models for those who may be able to buy their own home given a little extra assistance and time.

### **Government policies:**

- Prioritising start-up loans as a tool to help more people move from tenancy to ownership
- Prioritising start-up loans for families with children
- Assisting more people with disabilities to move from tenancy to ownership
- Setting up a private developers' network for sharing experiences of home-buying models, tenancy-to-ownership models and models for working in partnership with the municipalities
- Targeting the help-to-buy savings scheme for young people (BSU) towards first-time home buyers

### **Box 2.1 Feedback to the Ministry of Local Government and Modernisation**

Many municipalities would like to have a greater number of tenancy-to-ownership models available for them. Private actors also want to offer purchasing models and tenancy-to-ownership models that make it simpler to set up a home. Cooperative housing associations and other private actors, as well as local authorities, have explained that high house prices combined with strict deposit-to-mortgage ratio rules makes it harder for many to buy their own home. Start-up loans are highlighted as an important and functional instrument which enables many people to live comfortably in a safe environment. It is also highlighted that the start-up scheme should be extended to include even more target groups.

### **2.1 Prioritising start-up loans as a tool to help more people move from tenancy to home ownership**

It is particularly demanding for low-income households to obtain the deposit they need to buy a home. According to figures presented by Statistics Norway, 39 percent of low-income households were homeowners in 2003.<sup>3</sup> In the period up to 2019, this proportion fell to 29 percent. The proportion of homeowners among people who are paid above the low-income threshold has remained stable at just over 80 percent throughout the same period.

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<sup>3</sup> Low income: household income below 60 per cent of the national median income (EU60)

The Government is of the opinion that the start-up loan scheme is our most important instrument for helping households that live on permanently low incomes to buy their own home. In the period 2013 to 2019, approximately 50 000 households were awarded a start-up loan. Of these, approximately 32 400 households changed from tenancy to ownership. The demand for start-up loans has increased in the recent years and for 2021 the Government therefore proposes a budget allocation of NOK 20 billion to this lending facility. Start-up lending is the Norwegian State Housing Bank's highest priority, and we estimate that in 2021 start-up loans to the approximate value of NOK 13 billion will be granted to disadvantaged households.

## **2.2 Prioritising start-up loans for families with children**

Many children in low-income households find themselves in living arrangements of a poorer standard than others. They experience more frequent house moves than other children, they tend to live in more cramped conditions than other children, and their home is less likely to be owned by their own family. Research shows that growing up in rented accommodation can impact negatively on children and young people because it can lead to instability, cramped living arrangements, detrimental living environments and a low standard of housing. Several studies also show a link between living arrangements, health, and social inequality.

Families with children are a prioritised target group for the start-up loans. In 2019, 57 percent of all start-up loans were awarded to families with children. This means that start-up lending made it possible for 4 140 families with children to become homeowners. The Government will continue to prioritise families with children under the start-up loan scheme.

## **2.3 Assisting more people with disabilities to go from tenancy to home ownership**

Many persons with disabilities that are affected by an impaired mobility, receive a stable if low income, and they are considered to be safe mortgage holders. Yet at the same time, when this group of people are looking to buy a home, they tend to have accumulated little or no funds for a deposit. A greater proportion of start-up loans will be awarded to persons with disabilities to help them buy a home.

By providing investment grants and VAT rebates, the Government has enabled local municipal authorities to fund housing with 24-hour home care services. The grants can cover 50–60 percent of building costs. By organising this style of accommodation under a cooperative housing association, persons with disabilities can buy their own home through the cooperative housing association that has borrowed the financing from the Norwegian State Housing Bank. The result is that individual residents can access home ownership at a reasonable cost.

*'Many young people with disabilities continue to live at home with their parents for far too long. We want an opportunity to choose where we live, what type of accommodation we live in and who we live with. Just like everybody else.'*

- Young and disabled

For some, moving out of the parental home and into their own place can feel precarious. It is therefore important to know that trial-periods can be arranged. This can take the form of an initial short-term tenancy agreement, or an initial tenancy can later be converted into ownership of the

same dwelling. The Norwegian State Housing Bank will be working in partnership with one or more municipalities to consider new tenancy-to-ownership models for persons with disabilities.

#### **2.4 Setting up a private developers' network for sharing experiences of home buying models, tenancy-to-ownership models, and models for working in partnership with local authorities**

In recent years, we have seen the emergence of several tenancy-to-ownership initiatives and various home buying models devised by private developers. These initiatives are generally targeted at the so-called middle band, i.e. households that currently do not qualify for an ordinary mortgage loan but that will be able to buy a home after a period of saving.

No comprehensive description of these models exists, and they have yet to be evaluated. By sharing experiences and assessments, we will be able to learn more about what is needed to set up various tenancy-to-ownership models, and which models are best suited for which target groups and which housing markets.

Working in partnership with private and public actors the Government will describe, further develop, evaluate, and share experiences of such initiatives with a view to up-scaling them. The Ministry of Local Government and Modernisation will therefore be setting up a private developers' network for tenancy-to-ownership initiatives and home buying models to assist first-time buyers in entering the housing market.

#### **2.5 Targeting the help-to-buy savings scheme for young people (BSU) towards first-time home buyers**

The help-to-buy savings scheme for young people (BSU) entitles those who are under 34 years of age to accumulate tax-deductible savings on a BSU account. Up to 20 percent of the savings are tax deductible. In 2020, the maximum annual savings amount under this scheme was NOK 25 000. This means that individuals can have their annual tax bill reduced by up to NOK 5 000. It is possible to save up to a total of NOK 300 000 (plus interest) under the scheme. The savings must be used to buy a home or to pay off a mortgage.

The tax deduction facility increases the return after tax, which makes the scheme an attractive proposition. However, we cannot tell whether this results in increased total savings, because the scheme can also be fulfilled by transferring funds from other types of savings' accounts.

The help-to-buy savings scheme is intended to put young people in a better position to buy their first home. However, take-up figures for the scheme shows that approximately one third of the tax deductions benefit individuals who already own a property. The current rules are therefore not sufficiently aimed at the purpose.

The Government's Budget for 2021 proposes a targeting of the help-to-buy savings scheme for young people by ensuring that tax deductions can no longer be claimed by individuals who already own a property. We also propose an increase in the maximum annual savings amount from NOK 25 000 to NOK 27 500. This will make it possible to save larger amounts over a shorter period of time, thereby making it easier to benefit from the maximum savings amount under the scheme.

## GOAL 2 Renting shall be a safe alternative

Most people in Norway own the house they live in. For those who neither can nor want to buy their own home, renting shall be a viable and safe alternative.

According to Statistics Norway, the total number of tenants was approximately 940 000 in 2019. The rental market is thus an important part of the housing market.

In many ways, the rental market is working well. It is a flexible market where dwellings can be quickly added or removed, as and when required. For example, this was demonstrated during the refugee crisis in 2015, when many households chose to offer parts of their homes as rental.

Nevertheless, tenants generally live in poorer quality housing than owner-occupiers. Their living arrangements are more cramped, and their homes are more often affected by damp and rot. They experience to a greater degree that their living environment is of a poor standard. Many tenants also feel that their housing situation is unstable because they are on a short-term contract.

*'Renting should be a straightforward choice. We need to get rid of the stigma.'*

- Tenant

### Government policies:

- Expanding the jurisdiction of the Rent Disputes Tribunal to include the whole country
- Considering whether to increase the existing minimum term for tenancy agreements
- Increasing the housing allowance payable to families with children and other low-income earners with high housing costs
- Setting up a panel of experts to propose how to improve and simplify the housing allowance benefit scheme
- Promoting good living environments through service user participation
- Improving the offer of housing and welfare services for people with substance abuse problems and mental health issues (ROP)
- Surveying homelessness at more frequent intervals
- Developing digital solutions for the use in applying for, allocating and managing municipal housing
- Increasing lending from the Norwegian State Housing Bank to private developers of housing for the rental market
- Considering whether to give local authorities the power to dissolve existing municipal housing foundations
- Obtaining more knowledge to better understand the rental market

#### Box 3.1 Input to the Ministry of Local Government and Modernisation

The challenges encountered in the private rental market were said to include high rent, low-quality housing, inadequately accessible dwellings and living environments, and unpredictable tenancy arrangements. The same challenges were highlighted in the municipal rental market. Several consultees voiced a wish for the Rent Disputes Tribunal's jurisdiction to be expanded to include the whole country. An increase of the minimum term of tenancy agreements, as stipulated in the Tenancy Act, was also called for.

### **3.1 Expanding the jurisdiction of the Rent Disputes Tribunal to include the whole country**

The Norwegian Tenancy Act seeks to balance the rights and obligations of landlords and tenants. Nevertheless, disputes arise in tenancy arrangements. Disagreements may concern the condition of the flat or the payment of rent and deposits.

The Tenants Association and several municipalities have voiced a wish for the Rent Disputes Tribunal (HTU) to be able to hear cases from all over the country. The tribunal is a conflict resolution body that settles disputes between tenants and landlords out of court. The tribunal offers the parties a swift, reasonable, and competently handled processing of their dispute. Today, the tribunal hears cases that originate in the counties of Oslo and Trøndelag as well as certain municipalities in the counties of Viken and Vestland. Additionally, any consumer who rents a home in Norway, can lodge a complaint with the Rent Disputes Tribunal if their landlord is a commercial operator.

The Government wants to help make the rental market work better and strengthen the protection afforded by the law to tenants and landlords, irrespective of where in Norway they live. In the budget, the Government therefore proposes to expand the jurisdiction of the Rent Disputes Tribunal in autumn 2021, to enable the tribunal to hear cases from anywhere in the country. The Rent Disputes Tribunal will also be developing new digital solutions that will improve the service user experience and increase the efficiency of its proceedings.

### **3.2 Considering whether to increase the minimum term of tenancy agreements**

The Ministry of Local Government and Modernisation has received feedback concerning the Norwegian Tenancy Act's provisions for a minimum contract period for tenancies. Consultation responses request an increase of the current minimum term (period of rental), or the introduction of a standard non-fixed term tenancy contract.

The Government wants rented housing to be a safe alternative to home ownership. One argument in favour of increasing the minimum term of tenancy agreements is that this will improve stability among vulnerable households. This will safeguard better living arrangements for children and young people when growing up, whether the tenancy is with a municipal or private landlord. On the other hand, a longer minimum term may have the effect of making landlords more selective in their choice of tenants. If so, this may adversely affect families that already struggle to find suitable rented accommodation. There is also a risk that landlords will stop offering tenancies if they find the rules to be too strict.

The Ministry of Local Government and Modernisation has commissioned a research project that will give us a better decision-making basis when considering whether the minimum term should be extended. In 2021, the Government will consider whether to introduce changes in this respect.

### **3.3 Increasing the housing allowance for families with children and other low-income earners with high housing costs**

The relationship between household income and housing costs is important for the ability to acquire and retain a suitable home. Housing allowance payments are intended to secure suitable accommodation for low-income earners with high housing costs.

Most owner-occupiers have found that over time, their home has increased in value so that the net worth of their assets has risen. Tenants have not taken part in this development. For many tenants, housing costs make up a larger proportion of their income than for owner-occupiers. Figures obtained by the Ministry of Local Government and Modernisation from Statistics Norway show that in 2019, 56 percent of tenants lived in a household where housing costs were a heavy financial burden.<sup>4</sup> For owner-occupiers, this proportion was 16 percent.

The housing allowance is an important benefit for many people on low incomes with high housing costs. Today, 9 in 10 housing allowance claimants live in rented accommodation.

- ✓ **56% OF TENANTS live in households where housing costs are a heavy financial burden**
- ✓ **16% OF OWNER-OCCUPIERS live in households where housing costs are a heavy financial burden**

### **Box 3.2 Housing allowance**

The housing allowance is intended to secure suitable dwellings for low-income households with high housing costs. This is a rigorously means-tested benefit.

Approximately 80 000–90 000 households claim housing allowance every month. The average monthly housing allowance payment is a little over NOK 3 000 and claimants' average taxable household income is NOK 11 000–12 000 per month. Around 30 percent are families with children.

In 2020, an allocation of NOK 3.4 billion was earmarked for housing allowance payments following an extraordinary increase of NOK 500 million introduced in connection with the coronavirus pandemic.

The Government has introduced several improvements to the housing allowance scheme in the recent years.

The maximum income that entitles households to claim a housing allowance, has been increased several times for multi-member households. This has reduced the housing costs of 22 000 claimants, most of whom are families with children.

From 2017, the proof of total household income, on which the calculation of housing allowance entitlement is based, was changed from tax certificates from one or two of the previous years, to an up-to-date current payroll information submitted by employers to the Norwegian Tax Administration. This means that the housing allowance is better adjusted to the applicants' true financial situation. While this change has resulted in fewer claimants, it has also resulted in fewer demands for payments to be returned.

The price indexing model was changed in 2017 to ensure that the true value of the housing allowance would be maintained year-on-year.

As from 2017, children's income no longer forms a part of the total household income that is assessed under the housing allowance scheme.

An option to apply online for housing allowance was introduced in 2014. In 2019, 68 per cent of all housing allowance applications were submitted digitally.

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<sup>4</sup> Statistics Norway defines households where housing costs are a heavy financial burden as 'households with housing costs that exceed 25 per cent of their disposable income'.



The Government continues to prioritise the housing allowance benefit in 2021 and proposes to raise the housing cost ceiling for all households. These measures will mean that single-person households can claim up to an extra NOK 4 000 in housing allowance per year, and that families with children and other larger households can be awarded up to an extra NOK 2 500 per year. This increase will benefit 42 000 single-person households and 19 000 larger households that currently claim housing allowance under the scheme, while a further 1 700 new claimants can be added. The Government also proposes equal treatment of both parents in the cases of shared residence for children, and a reduction of the minimum payment threshold to NOK 50.

### **3.4 Setting up a panel of experts to propose how to improve and simplify the housing allowance benefit scheme**

The Government's housing allowance benefit is an important welfare scheme that affects many people. The scheme has seen a number of changes in the past 10–15 years, and a thorough assessment is now required to determine the extent to which its aims have been achieved. A fundamental question is whether the housing allowance is reaching its goal of ensuring that low-income households with high housing costs have suitable housing. We also need greater knowledge about the intended and unintended effects of the scheme.

The Government will therefore set up a panel of experts to assess the scheme's goal achievement. The panel will also assess how the housing allowance operates in conjunction with other government instruments such as social security benefits, municipal housing allowance schemes and municipal housing. The panel of experts has also been asked to propose how the scheme can be organised in the future. It is vital that any reorganisation meets the objective of accurate targeting and user-friendliness, and that it is efficient and facilitated for a secure management.

### **3.5 Promoting good living environments through service user participation**

The living environment affects quality of life and wellbeing in several ways. Good neighbourly relationships and access to outdoor areas creates a sense of belonging and a platform for social relationships. Noise, crime, and poor maintenance result in a feeling of insecurity. A good living environment may be decisive for breaking free from negative life patterns. Statistics Norway has documented that tenants more often have problems with a poor living environment than owner-occupiers. (The specific data here are only available in Norwegian, but some related numbers are available here: [Housing conditions, survey on living conditions \(ssb.no\)](https://ssb.no/tema/boforhold) )

Several development projects have been initiated to strengthen tenants' interests and create safer living conditions in municipal housing, see points 3.2 and 3.8. In addition, the Norwegian Association of Municipal Engineers (NKF) has developed a template for specified standards for municipal housing in cooperation with the Norwegian State Housing Bank and others.

Service user participation is crucial for a good living environment. Together with researchers at Oslo Metropolitan University and VID Specialized University, the Tenancy Organisation (LBF) has developed a housing and living standards index for municipal housing (*Boindeks, – only available in Norwegian*). The methodology involves tenants as co-researchers.

Improving the living environment and boosting service user participation require cooperation between the state, the municipal sector, private landlords, researchers, and private developers, and not least the tenants themselves. The Ministry of Local Government and Modernisation and the

Norwegian State Housing Bank will instigate cooperation with different actors to continue to develop tools and knowledge.

### **3.6 Improving the offer of housing for people with substance abuse problems and mental health issues**

In recent years, the municipalities have assumed greater responsibility for the follow-up of people with substance abuse problems and mental health issues. A number of those live at home and receive services there rather than in an institution. In most municipalities, this applies to a relatively small number of people, but the local authorities find this work extremely challenging.

Those experiencing serious substance abuse problems and mental health issues are often at risk of becoming homeless, and compared to other homeless people, they more often find themselves experiencing housing difficulties on a recurring basis. According to the Norwegian Institute for Urban and Regional Research (NIBR), 80 percent of the homeless with substance abuse problems and mental health issues had been homeless for a long time. Almost one in three lived in temporary accommodation, and the main reasons for their homelessness were evictions and loss of a dwelling due to disorderly conduct and damage caused to the property.

At the last census, every fifth homeless person had been released from prison or discharged from an institution. When patients are discharged from interdisciplinary substance abuse treatment, a good cooperation between the specialist health services and the municipality is essential to ensure the provision of satisfactory housing and services to the individuals involved.

#### **Box 3.3 What are the opinions of those who experience the problems?**

Service user organisations point out that substance abusers are not a homogenous group and that they must be treated as individuals. Some will never become drug-free while others are undergoing treatment or have recently become drug-free. They highlight the need to be able to participate more and have greater influence on their own situation.

Many local authorities say that they lack the kind of housing that is suitable for the target group. This involves the supply of land for residential housing, consideration for neighbours and the practical organisation of service provision. Some people also need specially designed housing.

The larger municipalities find it difficult to know how to act when people who need help no longer want to receive service provision in their own homes and are reluctant to allow municipal employees into their homes. Municipal services are based on voluntary arrangements, and staff cannot enter people's homes without permission.

[Housing for welfare \(2014 – 2020\)](#) and Norway's action plan for the alcohol and drugs field, for the period 2016 – 2020 (In Norwegian titled: 'Opptappingsplanen på rusfeltet (2016 – 2020)' – this document is not available in English) prioritised better housing and services for those with substance abuse problems and mental health issues. With the help of grants from the Norwegian State Housing Bank, these efforts have, since 2016, resulted in the provision of 928 new dwellings for those with substance abuse problems and mental health issues. Furthermore, the total number of full-time equivalent jobs in the field of substance abuse and mental health increased by 23 per cent in the period between 2015 and 2019.

Fresh approaches are needed:

- **A greater number of suitable homes:** Use grants for rented accommodation to initiate pilot schemes and innovative methods of developing a more suitable and varied range of housing.
- **Greater diversity in the range of housing and services:** Pilot, evaluate and disseminate new housing and service models suited for the target group.
- **Clarify the legal framework:** Clarify the legal framework for service agreements in housing that is not authorised as an institution.

### 3.7 Surveying homelessness at more frequent intervals

Homelessness is surveyed every four years in Norway, and in 2020 (in the week beginning on the 23<sup>rd</sup> of November), a questionnaire-based survey was carried out for the seventh time. The results of the survey will be available in the first half of 2021.

The survey provides a cross-section of homelessness in the year in question. It is well adapted to describing the characteristics of the homeless and the national development over time. However, it contributes limited data at the local authority level apart from for municipal groups. The method requires considerable resources.

The Government wishes to supplement the four-yearly surveys with more frequent studies of the situation of homeless people in Norway. In the future, new digital solutions for municipal rented accommodation will be used to generate data on homelessness. Until these solutions are in place, the Norwegian State Housing Bank will prepare an annual report based on existing sources, to estimate the number of homeless people and analyse developments.

### 3.8 Developing digital solutions for applying for, allocating and managing municipal housing

The municipalities have approximately 109 000 dwellings at their disposal. In recent decades, these have to a growing extent been earmarked for the disadvantaged in the housing market, while assisted living facilities also form a considerable proportion of this portfolio.

Input from the local authorities shows that currently there are few well-functioning systems for applying for, allocating and managing municipal rental properties. Applications for housing are often based on paper files. Many municipalities have no suitable case processing tools, and there is little or no integration between the systems used in social housing processing. Nor is there a good national overview of who lives in municipal housing. As a result, a series of people who need municipal housing must undergo a process that is far from user friendly. Case processing is often time-consuming and complicated.

A poor overview of the municipal housing stock means that dwellings remain empty, leading to lost rental income. It also weakens the municipalities' chances of allocating housing tailored to the specific needs of individual residents. According to [Statistics Norway's Municipality-State-Reporting \(KOSTRA\)](#), the number of unoccupied dwellings increased by over 1200 dwellings between 2017 and 2019, to approximately 9200 dwellings.

The Government has initiated a municipality-state project to develop new digital solutions for applying for, allocating and managing municipal rental housing. This is being developed in close cooperation with service users. The Government budget for 2020 allocated a total of NOK 30 million

to the Norwegian State Housing Bank as funding for new solutions, and the Government has proposed a similar allocation for 2021.

### **3.9 Increasing lending from the Norwegian State Housing Bank to private developers of rental properties**

Many people need a rental property for a short period of their lives. This particularly applies to students, in connection with relationship break-ups or during short periods of unemployment. However, a number of people continue to stay in rented accommodation involuntarily for a prolonged period of time and may have difficulty finding suitable accommodation.

The Norwegian rental market consists primarily of private owners who let part of their own dwelling or an additional dwelling they have at their disposal. Often these are not permanent rental properties but properties that the landlord can put on the market and remove at will.

An increase in the provision of rental properties, with a number under the management of commercial landlords, may help to put in place a better functioning rental market. It can also ease the pressure on the rental market and promote more stable tenancies.

The Government will increase the Norwegian State Housing Bank's facility to provide more loans for private rental properties.

#### **Box 3.4 Rental property projects with municipal right of disposal**

The Norwegian State Housing Bank provides loans for rented accommodation for the disadvantaged. One of the models receiving loan funding is private rental properties with a municipal right of disposal.

In a rental property project with a municipal right of disposal, all the dwellings must be for rent. The municipality has the right of disposal for all the dwellings in the project but only a percentage of them (up to 40 per cent) is earmarked for disadvantaged people in the housing market. The remaining dwellings can be let on the open housing market with a minimum five-year tenancy agreement. If the municipality does not avail itself of its right of disposal when dwellings fall vacant, the owner/property manager/landlord can let out the dwelling on the open housing market.

A municipal right of disposal promotes the provision of new, ordinary rented accommodation. In addition, it may mean that housing for the disadvantaged is dispersed to areas where there is little municipal housing.

In 2019, NOK 1.2 billion of the Norwegian State Housing Bank's loan facility was allocated to funding rented accommodation for the disadvantaged. Almost NOK 1 billion of this went to rental property projects with a municipal right of disposal. This financed 381 rental properties, of which 156 are dwellings to which the municipality has a right of disposal.

### **3.10 Considering whether to give local authorities the power to dissolve existing municipal housing foundations**

There are currently 123 municipal housing foundations with one municipality as the sole founder. Many of these were established in the 1980s and 1990s. During that period, the Norwegian State Housing Bank gave financial support for hiving off the management of housing for the disadvantaged

in foundations. These support schemes no longer exist. The legislation on foundations is also stricter today than what was the case when these foundations were set up. Pursuant to the Foundations Act of 2001, there must be a clear division between the founder and the foundation, and the foundation is not permitted to distribute assets to the founder.

This has largely meant that housing foundations no longer have the place in municipal housing policies that was intended when they were established. In many cases, municipal housing foundations result in dual administration, extra bureaucracy, and therefore poorer goal achievement than what was expected at the time they were established.

A number of the local authorities wish to transfer the housing in question back to the municipality. The Government is therefore consulting on whether to include a provision in the Foundations Act on the dissolution of the foundations. This would allow capital assets to be returned to the municipality to be managed by the municipality itself.

The legal registration of the transfer of the title from the foundation to the municipality currently involves stamp duty. To ensure that stamp duty does not prevent municipalities dissolving municipal foundations, the Government budget for 2021 proposes to introduce a temporary exemption for stamp duty in the case of transfer of property belonging to municipal housing foundations back to the local authority concerned. The implementation of this exemption presupposes that the EFTA Surveillance Authority (ESA) has assessed its compliance with EEA law.

### **3.11 Acquiring a better understanding of the rental market**

More knowledge is needed about the rental market. This applies to rent development, living conditions for tenants and other aspects. These assessments are also highlighted in a report prepared by the Tenant Association commissioned by the Ministry of Local Government and Modernisation.

#### **Rent statistics**

Statistics Norway is the only source of statistics on nationwide rent levels in Norway and these are published in the [Rental Market Survey](#). This survey is carried out annually and examines different segments of the rental market. The data material does not distinguish between new and older tenancy agreements. The average figures are not directly comparable year on year, and figures for the development in rents are therefore not precise.

Real Estate Norway produces index figures for the rent developments in the four largest cities of Norway. The statistics are based on data from several professional landlords and are produced every quarter. 'Boligbygg' (Municipal Social Housing, Oslo) produces rent statistics for Oslo (in cooperation with Opinion) and these statistics are published every quarter.

In the future, the Ministry of Local Government and Modernisation and the Norwegian State Housing Bank will prioritise cooperation with Statistics Norway and other actors who help to ensure improved statistics about the rental market.

#### **Discrimination in the housing market**

To be able to review activities that can diminish discrimination in the housing market, we need more knowledge about the extent of discrimination. The Ministry of Local Government and Modernisation

will take steps to ensure that discrimination of various groups on the housing market is surveyed in more detail.

### **GOAL 3 Social sustainability in housing policies**

Social sustainability shall be a fundamental premise for housing construction and area development in accordance with environmental and economic sustainability. Local authorities facilitate attractive and accessible residential areas for the population as a whole by means of planning processes. Social housing policies must therefore be viewed in association with broader housing policies locally, regionally, and nationally.

By including housing and welfare at all stages of the planning, the municipality can make provision for housing for all in a good living environment, safe accommodation in owner-occupied or rented property, and stable living arrangements that promote welfare and participation.

Societal trends such as urbanisation, increasing disparities in the population and a growing number of elderly people make it even more important to plan for housing for all in the years ahead.

#### **Government policies:**

- Assessing whether municipalities need more room to manoeuvre and more tools to be able to include social housing considerations in urban planning
- Promoting an increase in suitable housing for the elderly
- Offering to fund housing in rural districts

#### **4.1 Assessing whether municipalities need more room to manoeuvre and more tools to be able to include social housing considerations in urban planning**

House prices often increase in and around central hubs. Land for residential housing may be costly and it is expensive to prepare plots for building. Elevated house prices in high demand areas make it difficult for low-income groups and families with children to settle down in these areas. In the large cities, there is a concentration of poor living conditions in some districts. This is unfortunate for those who wish to live in a central area and has a negative impact on the goal of achieving socially sustainable urban development that accommodates all socioeconomic groups of the population.

*'We can't have a plan A to cover the housing needs of the population and a plan B for the housing needs of the disadvantaged. The housing needs of everyone must be included in plan A.'*

- Municipal employee in Haugesund

The municipality's role as a planning and zoning authority is crucial for maintaining socially sustainable urban development. It is better for society and the individual to be proactive in countering problems in the housing market than to fix them later. Many municipalities are fully aware of their responsibility to promote active societal development. Today they have a better overview of the housing needs of their inhabitants, and the participation from private developers and inhabitants is increasing.

The input from municipalities, private developers and researchers shows that municipalities want a larger set of tools to safeguard the social dimensions of housing construction and area development.

Some proposals lean in the direction of price regulation. The Government is of the opinion that we should show caution when it comes to permitting more regulation of the housing market. Experiences from other countries show that it is possible to offer affordable housing by means of regulation, but this comes at a price. There is also a danger that government regulations may supplant private investment. The Government's policy for a greater number of affordable dwellings will still be to promote a well-functioning housing market through efficient planning and building processes, and to promote sustainable regulation of economic policy. To ensure that low-income households have access to the housing market, the Government will develop housing allowances and start-up loans to ensure that housing schemes are even better targeted and more predictable (see chap. 2 and 3).

However, the Ministry of Local Government and Modernisation will consider whether local authorities should have a larger room to manoeuvre to influence the distribution of rental and owner-occupied properties. Families with children are particularly vulnerable and need both a good living environment and the opportunity to live in the same neighbourhood over time. The municipal right of disposal funded by loans from the Norwegian State Housing Bank is an important instrument in providing more rental properties in safe living environments. The Ministry will analyse whether allowing municipalities to regulate the allocation of new housing might be a good supplement. In addition, the Ministry will consider whether municipalities should be permitted to impose requirements that a percentage of new housing should be offered via models that are established in alternative ways." The Ministry will involve private developers, researchers and municipalities in the work.

#### **Box 4.1 Area investment**

Area investment is an intervention for improving the environment, living arrangements and conditions in a geographically delimited urban area with major challenges in terms of living conditions.

Presently, the state has formed agreements of cooperation with the municipalities of Oslo, Drammen, Stavanger, and Bergen on investments in selected areas.

Area investment involves improving the local living environment. The Norwegian State Housing Bank gives grants for municipal efforts targeting selected areas in Oslo, Bergen, and Trondheim. The grants must be used for physical measures that improve the quality of buildings and outdoor areas, and for the development of new living environment measures, housing concepts and the like that improve an area physically and socially. The grants can also be awarded to knowledge-, information- and competence measures.

Area investments are anchored in a letter of intent and represents a cost-sharing partnership among up to seven different ministries and municipalities. The Ministry of Local Government and Modernisation coordinates the central government area investments.

The Government has appointed a panel of experts to assess the situation in Norway and to analyse the reasons for why some areas experience challenges. The panel will also propose measures to promote safe and comfortable living arrangements, favourable conditions for childhood and adolescence and good premises for integration. The report will be presented in the autumn of 2020.

## 4.2 Promoting an increase in suitable housing for the elderly

[Statistics Norway's main national population projection estimates that the number of people aged 70 or more will increase from 670 000 today to approximately 1.4 million in 2060.](#) This means that one in five people will be above the age of 70 in 2060, compared to one in eight today. The large percentage of elderly people will primarily impact the most sparsely populated regions of Norway. To ensure sustainable services, provision must be made for more elderly people to stay at home longer.

Future care services will increasingly focus on coping, follow-up, and services in the home. This development requires specific housing standards, and provisions must be made for age-friendly housing policies. In sparsely populated areas with a high percentage of elderly people and a low rate of housing construction, the lack of suitable housing for the elderly is a particular challenge. A report by the Norwegian Social Research Institute NOVA showed that a low rate of housing construction, a lack of suitable dwellings locally, considerable price differences between second-hand and new dwellings, and an unwillingness to take up a high mortgage in old age may prevent elderly people from making a strategic choice of housing. Access to existing housing is also a challenge and the experiences of the Co-operative Housing Federation of Norway (NBBL) and reports from the SINTEF Foundation and NOVA demonstrate that lifts and access without steps/stairs are key measures in increasing the accessibility of blocks of flats and low-rise buildings.

The Government acknowledges that several measures are required to meet this societal challenge and will, in the years ahead, adopt different approaches to promote diversified choices of housing suitable for elderly people:

- In 2019, the Norwegian State Housing Bank and the Centre of Competence on Rural Development started up a three-year cooperation project on the development of age-friendly housing in rural districts. The project will identify barriers to the building of such housing in rural districts, review the development of new measures and help to realise specific housing projects. The cooperation is a follow-up to the quality reform 'A full life – all your life'.
- Like the rest of the population, elderly people are responsible for acquiring and maintaining safe and comfortable housing. Nevertheless, some people may need more information. The council for an age-friendly Norway will carry out a campaign for the planning of old age that will include the adaptation of people's homes. A survey of the housing advice provided by local authorities will be conducted in 2021.
- There is a need for a greater range of accommodation and housing solutions for the elderly. These may vary from shared housing with social meeting places, housing co-located with other services or housing with follow-up services that are not quite full-time care homes. Assisted housing may constitute a link between current housing solutions for elderly people and care services. The Government is assessing a separate scheme for assisted housing and will initiate a pilot scheme with combined student housing and 24-hour care home places.
- Planning requirements will be introduced for investment grants awarded to provide 24-hour care home places. This is to encourage municipalities to carry out comprehensive needs assessments in relation to housing and services provision, including ordinary housing, easily managed senior housing units and daytime activity provision as well as 24-hour care home places.
- The Government will initiate efforts to assess the interplay between housing solutions and health and care services for the elderly.



- The Norwegian State Housing Bank's loans facilitate the provision of more rental properties suitable for the disadvantaged. Private actors can receive loans for rental property projects in which a percentage of the housing units is earmarked for disadvantaged people in the housing market. The Ministry of Local Government and Modernisation will promote greater use of the municipal right of disposal specifically targeted to benefit elderly people.
- The Norwegian State Housing Bank also provides loans for lifetime housing. The loan is intended to promote the building of better-quality housing than what would otherwise have been the case, thereby ensuring that the housing sector to a greater degree caters for the needs of an ageing population. By allowing the disabled to live in their own homes, lead an active life and be self-reliant, lifetime housing enables more people to stay at home for a prolonged period of time.
- The Norwegian State Housing Bank's grant for lifts is awarded for planning work and retrofitting of lifts in older properties with at least three floors. When prioritising applications, the Norwegian State Housing Bank emphasises, among other things, the number of flats that will have access to the lift and the possibility of adapting the flats for the disabled. The Government is considering how the grant can be targeted towards properties that accommodate many elderly people.

#### **Box 4.2 Age-friendly local communities**

As part of the national programme for an age-friendly Norway, which forms part of the campaign 'A full life – all your life', the Norwegian Association of Local and Regional Authorities (KS) in partnership with municipalities and collaborating organisations prepared a [handbook and a road map on age-friendly local communities](#). In partnership with SINTEF, the National Association of Norwegian Architects has prepared a handbook on age-friendly area development.

The handbooks describe the challenges facing municipalities and which aspects they must consider when planning and making provision for elderly people to live at home as long as they want to. The road map provides detailed and concrete descriptions of work processes.

#### **4.3 Offering to fund housing in rural districts**

A low rate of housing construction in rural districts means there is little renewal of the existing housing stock. Access to suitable dwellings may be a crucial factor in terms of whether people settle in, or continue to live at, a particular location. A limited and non-diverse range of housing may hinder the recruitment of labour in rural districts.

One of the aims of the Norwegian State Housing Bank's loan schemes is to support housing construction in the rural districts. The extent to which private banks finance the construction of new dwellings in rural areas varies. This market is primarily covered by local savings banks and to a lesser degree by commercial banks. The Norwegian State Housing Bank can waive the loan-to-asset value ratio requirement in areas where private banks only finance a limited number of the new-builds. This is because the market prices for second-hand dwellings in rural districts are often lower than the building costs.

Local authorities can also waive the requirement that recipients of start-up loans must have long-term financing problems if the housing situation hampers the development of the local business sector.

The municipalities have a special responsibility for social housing measures, but they are also an actor in the housing policy process in a wider sense. Municipalities must be able to identify links between social housing measures and the ordinary supply of housing, as well as links between policy instruments and collaborations across sector boundaries. This will promote a more flexible and varied range of housing in rural districts.

The Ministry of Local Government and Modernisation will request The Norwegian State Housing Bank to ensure that the possibility of taking rural policies into account in lending becomes more widely known, and strengthen the knowledge about how the scheme works.

The Centre of Competence on Rural Development also strives to enhance the municipalities' ability to develop attractive local communities with strong growth, and housing and living environments is one of the centre's specialist areas.

## **GOAL 4 Clearer roles, and necessary knowledge and competence**

The local authorities have the main responsibility for helping the disadvantaged in the housing market. They must also pave the way for local housing policies that have room for everyone. The Government proposes to clarify this responsibility in a new social housing Act.

Meanwhile, we are aware that this is a complex area with considerable local variations. The municipalities have chosen different methods of organising the work, and good solutions often require extensive cooperation within the municipality.

The Norwegian State Housing Bank is an important government instrument in supporting the work of the municipalities, and a trustworthy partner for many local authorities. The Norwegian State Housing Bank shall provide financial support and expert advice, drive new pilot schemes and an increased use of innovation, and promote digital solutions.

### **Government policies**

- Proposing a new social housing Act that clarifies the municipalities' responsibilities
- Strengthening the coordinating role of the county governor and the specialist social housing environment
- Developing a competence plan to benefit all municipalities
- Developing a larger number of digital solutions
- Focusing on long-term research on housing and welfare
- Obtaining more knowledge about the housing situation for the disabled
- Setting up a national service user council for social housing policies

### **5.1 Proposing a new social housing Act that clarifies the municipalities' responsibilities**

Housing is important for all. The Government's Granavolden political platform states that the Government will boost social housing efforts. Moreover, it emphasises that secure and favourable living conditions are important in combatting poverty.

The goal of ensuring secure and favourable living conditions is anchored in several international conventions, the most central of which is the UN International Covenant on Economic, Social and Cultural Rights. The state has responsibility for complying with international commitments laid down in the conventions that Norway has ratified but may transfer all or parts of the responsibility for fulfilling these commitments to the local authorities.

The local authorities have been given a few statutory tasks in the social housing area through the provisions of the Social Welfare Act, the Act relating to Municipal Health and Care Services, and housing allowance legislation. However, the legal basis is considerably weaker than in other welfare areas such as schools, education, and labour. The actual duties of the municipality in this area are not visible enough, neither for the public authorities nor the service users.

The Government therefore wishes to prepare for consultation on a new Act that will clarify municipal responsibility in the social housing area. Clearer regulations may help to ensure that a greater number of disadvantaged people will receive the necessary help. The proposal will also promote more equitable service provision in the municipalities, so that inhabitants can expect to receive a fairly similar level of assistance, regardless of which municipality they live in.

The draft legislation will mainly entail a clarification of the responsibilities that the municipalities already have for social housing efforts. However, in some areas, the proposal will also extend the municipalities' responsibilities. This applies to their responsibility for social housing planning, specific case processing requirements, complaints, and inspection. The proposal will not give an individual right to housing but will make it clear that the municipalities are obliged to give individually adapted assistance to disadvantaged people in the housing market. The municipalities will continue to exercise considerable freedom in determining their measures and priorities. The draft legislation is intended to serve as a framework statute that will still ensure this. The municipalities' freedom of choices in finding good, well-adapted solutions for the individual will also be safeguarded.

## **5.2 Strengthening the coordinating role of the county governor and the specialist social housing environment**

Collaboration was established across sectors and administrative levels through the national Housing for Welfare strategy (2014-2020). The Ministry has given the county governor a stronger coordinating role in ensuring that housing and welfare services are seen in connection with one another, from the governmental side. Nevertheless, local authorities and the state still face challenges in terms of collaboration and coordination between various specialist areas and government agencies.

The Government will strengthen the coordinating role of the county governor in the years ahead. We will carry out pilot schemes in two of The Norwegian State Housing Bank's regional areas where we will merge public sector efforts. During these pilot schemes, The Norwegian State Housing Bank's guidance tasks and resources vis-à-vis the municipalities will be transferred to the county governor. The aim is to create a unified and stronger professional environment in which housing to a larger extent is viewed in connection with specialist areas such as health, social welfare, substance abuse, child protection and working life. The pilot scheme will be evaluated.

## **5.3 Developing a competence plan for social housing efforts**

The local authorities have the main responsibility for helping the disadvantaged in the housing market. Several government grants have been transferred to the remit of the municipalities, giving them greater room to manoeuvre in meeting the needs of the individual service user and agreeing on priorities that are based on local conditions. At the same time, several municipalities request a broader opportunity to develop their competence in the social housing area.

The Government wants to put in place a competence plan that will cover all local authorities, and that can be adapted to the challenges of the individual municipality. The Norwegian State Housing Bank will develop the competence plan in 2021, in consultation with the municipal sector, other public enterprises, education institutions and service user representatives.

In Housing for Welfare (2014-2020), municipalities and government agencies based their work on six success factors for good social housing:

- Ownership
- Overall strategy
- Organisation and coordination
- Financial resources

- Expertise
- User participation

The competence plan will be based on these success factors. Digital training programmes such as [Veiviseren.no](#) (only available in Norwegian), the social housing monitor and a needs report will be continued and improved.

For more complex issues, for example ensuring interdisciplinary services and taking social housing factors into account in planning issues, The Norwegian State Housing Bank will use the municipal learning network. The Ministry of Local Government and Modernisation will also assess the need to clarify the importance of housing as a welfare pillar in various programmes of education.

#### 5.4 Developing a larger number of digital solutions

Digitalisation offers considerable potential to improve social housing services. In recent years, the Government has prioritised several digitalisation projects that will increase goal achievement in this area. In addition to developing digital systems for applying for, allocating and managing municipal housing, see chap. 3.7, the following solutions have been developed:

- **Social housing monitor** – The Norwegian State Housing Bank has developed a [social housing monitor](#) (only available in Norwegian) that gives municipalities an overview of their social housing situation. The digital monitor is available for everyone to use and contains indicators for social housing priority areas; children and young people, the homeless, elderly people and those with disabilities. It allows for comparison of indicators between municipalities and also an opportunity to compare with the average numbers for Norway. The figures will provide a basis for analyses and interventions. The monitor will assist local authorities in making better, evidence-based decisions in their housing and planning work.
- **Needs report** – The Norwegian State Housing Bank has developed a digital needs report allowing local authorities to report their needs for grants and start-up loans. This solution gives The Norwegian State Housing Bank an overview of the municipalities' overall needs and can ensure faster and more predictable processing of applications.
- **Veiviseren.no** – The website is a digital toolbox guiding municipalities and other actors 'step-by-step'. It contains an overview of financial instruments, laws, and regulations. It also offers digital courses, access to checklists, templates, and tools, and provides examples drawn from municipalities and other actors. The solution was devised as part of the work on the national Housing for Welfare strategy (2014-2020). The Norwegian State Housing Bank, the Norwegian Labour and Welfare Administration, the Norwegian Directorate for Children, Youth and Family Affairs, the Norwegian Directorate of Health, the Directorate of Immigration and Diversity, and the Directorate for Correctional Services have a shared responsibility for updating and maintaining this.

The Ministry of Local Government and the Norwegian State Housing Bank will continue to develop these solutions.

*'We have a strong focus on digitalisation in the social housing efforts. We must succeed in simplifying daily life for the service users and in creating more efficient solutions for the local authorities.'*

- Kommunale Boligadministrasjoners Landsråd (KBL) (Norwegian national council for municipal housing management)

## **5.5 Focusing on long-term research on housing and welfare**

In recent years, the Government has seen a need for more long-term research that places housing issues in the context of welfare. The Ministry of Local Government and Modernisation has prioritised four focus areas in recent years and will continue to do so:

- Housing as a part of welfare
- Social sustainability in planning
- The impact of social housing measures and initiatives
- Knowledge about vulnerable people in the housing market generally and in the rental market in particular.

A few extensive research projects have been conducted in the field, but more targeted research is required on the links between housing and other types of welfare provision. The Ministry will announce a major project or programme to promote long-term research in social housing policies.

Work on the strategy saw a need arise for a permanent point of contact between the research environments and public administration in relation to knowledge development. This involves a need to exchange new knowledge, information on completed and ongoing projects and the dissemination of results. The Ministry will therefore invite relevant researchers to attend an annual forum on topics of relevance to social housing policies.

## **5.6 Obtaining more knowledge about the housing situation for the disabled**

To allow disabled people to choose where and how they wish to live, more knowledge is needed about how they live today, how they want to live and how the state and municipal interventions currently meet their needs. The evidence base is not satisfying and needs to be updated. Meanwhile we know that this group faces major challenges in terms of freedom of choice and co-determination regarding where and how they want to live, and municipalities deal with these challenges in different ways.

Disabled people have varying wishes and needs. Therefore, it is essential to ensure good training and knowledge about all factors linked to their housing situation. Training must be given to the disabled, their parents and other helpers, and to professionals in the municipality.

The Norwegian State Housing Bank plays a key role in advising municipalities in this field. Together with service user organisations and local authorities, The Norwegian State Housing Bank will develop and update guiding material, including Veiviseren.no. In 2021, a survey will be conducted of the municipalities' housing advice, and local authorities will be invited to develop good models for housing advice that other municipalities also can use. The housing advice will cover several groups.

Together with service user organisations and municipalities, The Norwegian State Housing Bank will undertake a new national survey of key aspects of the living situation for the disabled. This work will be carried out in 2021. Moreover, The Norwegian State Housing Bank will examine the possibility of carrying out ongoing surveys so that the impact of the measures can be continually measured.

## **5.7 Setting up a national service user council for social housing policies**

Experience gained from Housing for Welfare (2014-2020), feed-back from service user representatives and various surveys shows that the public authorities, far too little involve services users in issues related to them. Feed-back from both service users and municipalities indicate that it is challenging to find models for genuine participation.

In the work on this strategy, the Ministry of Local Government and Modernisation has had several meetings with service users. The latter often possess key knowledge that is not passed on. During the strategy period, the Ministry will therefore invite service user representatives to take part in a service user committee where issues relevant to policy formation are discussed.