

# BOLIGØKONOMISK VIDENCENTER



## **The necessity of flexibility - ULI June 20 2019**

Curt Liliegreen, Knowledge Centre for Housing Economics [www.bvc.dk](http://www.bvc.dk)

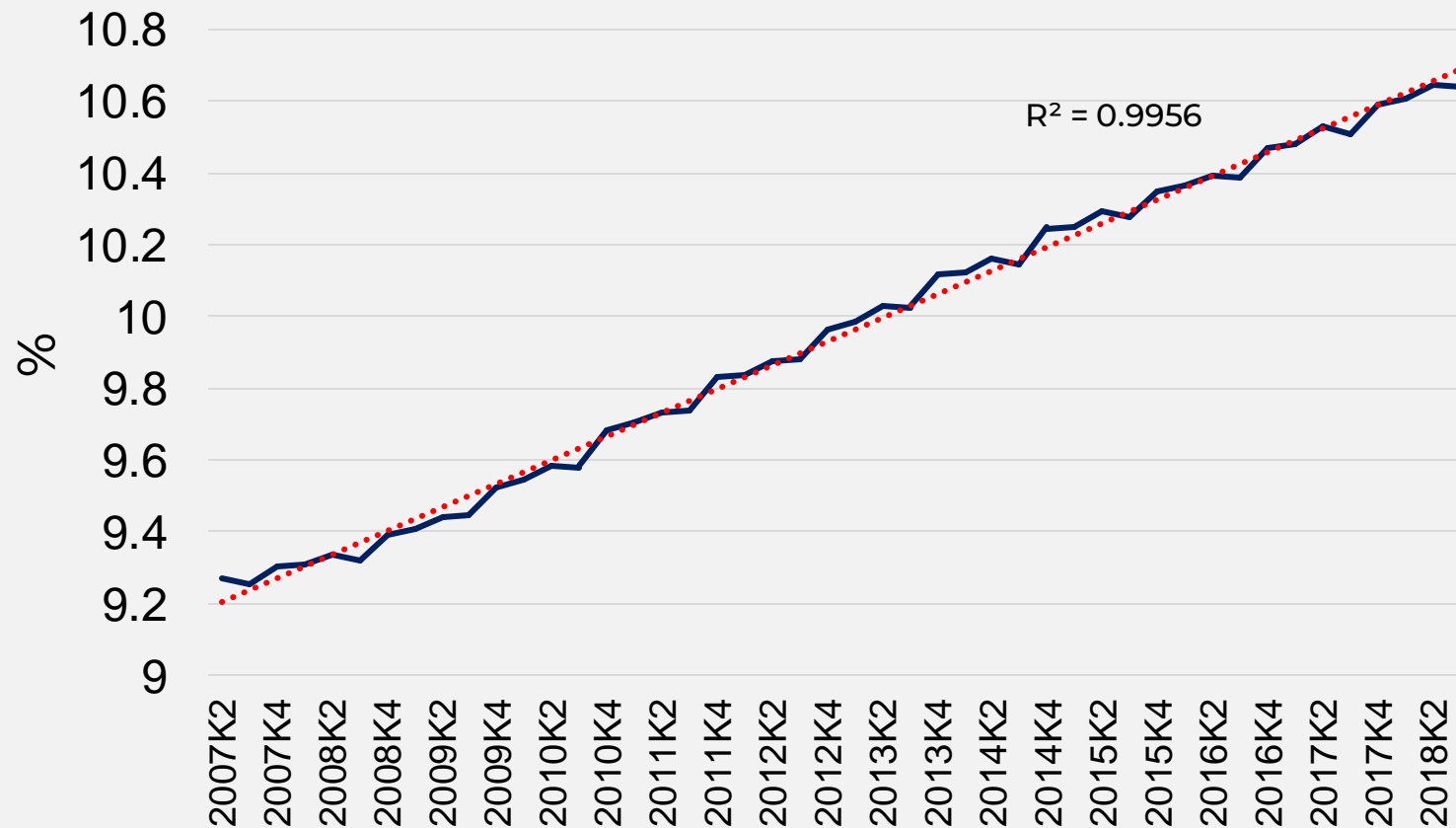
Follow me on LinkedIn



# Urbanization – and increasing housing demand

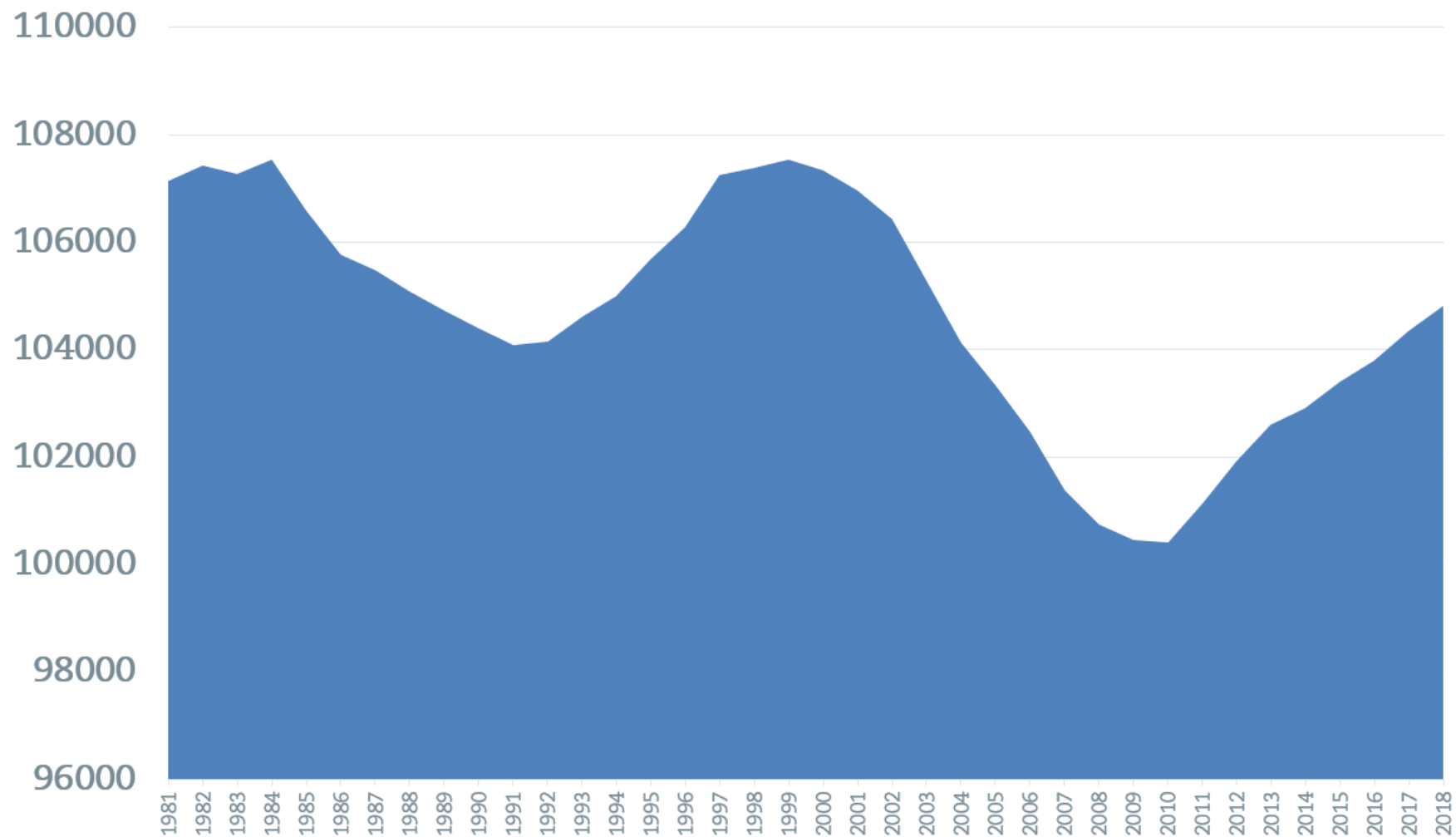
## Copenhagen Municipality – share of total Danish population

www.statistikbanken.dk, tabel FOLK1A m.fl.

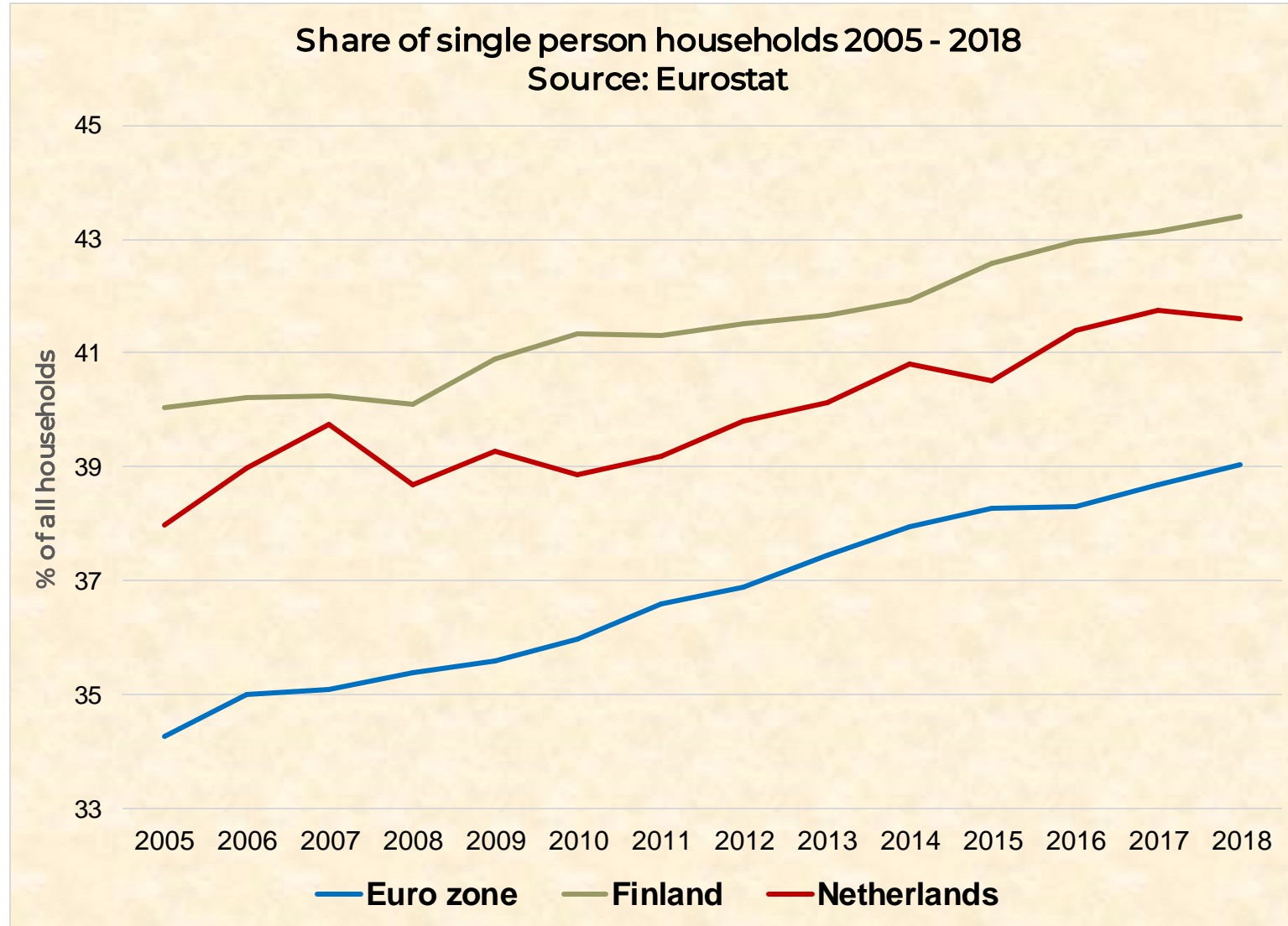


## Inhabited 1 bedroom apartments in Copenhagen Municipality 1981- 2018

Source: [www.statistikbanken.dk](http://www.statistikbanken.dk), [table BOL52](#), [BOL522](#) og [BOL103](#)



# Demand is shifting away from detached housing over to apartments - The way we live is changing



## Using the planning act - you can compare with the UK Town and country Planning Act Section 106

Possible for the municipality to demand that up to 25% of new residential construction in a new development area should be social housing (passed by Parliament 26.02 2015)

Social Democrats suggesting this should be made 33% - combined with a fund for financing the extra cost of the land in the cities

The 2015 law change has been slow to work

Social housing in Denmark is not publicly owned – but subsidized by the municipality with 10% upfront cash – a loan without interest and repayment for up to 50 years – and by the state with a subsidy to cover the annual yield exceeding 2,8% for a period of 30 years

The rent in newly constructed social housing lies around 1.200 kroner /sq. meter annually. In the old private rented housing stock the average rent is 850 kr/sq. meter.

Besides the subsidies you have housing allowances depending on income, rent and age.

## Temporary housing – student housing in containers

Planning act § 19 – gives the municipality the right to give dispensation from a local plan for up to 10 years - this change targets interim construction in the form of containers as student housing (Passed by parliament June 1st 2017)



# Planning and market forces battling it out – necessary with further tools? Residential construction in Copenhagen 1980-2017

Notice the low activity up to 2005 – source Copenhagen municipality

