



D 4.2: Cross-evaluation in Aalborg

August 23rd, 2023



Background

Housing systems differ across Europe; no two countries have the same way of organising their housing markets. This can mean different forms of tenure, financing and taxation of housing, rules for accessing public supported housing, and so on. A minor part of the housing market is usually presented as 'social housing' although it may be privately owned. In some cases, access is strictly means tested; in others it is open to all. Similarly, ownership housing may be indirectly supported through deductions in income tax for expenditure on mortgage interest and/or home improvements, while any increase in value on sale may be taxable. To sum up, comparisons across the four countries are difficult since similar terms does not mean exactly the same in each context. Consequently, one must be careful when comparing challenges, solutions, and results. Successful interventions in one country cannot always be transferred 1:1 to nearby countries.

A core purpose of DASH is for participants to learn and exchange learning among themselves. Questions they have considered include: Why are certain cities more successful than others when it comes to providing affordable housing? Has local regulation been a key mechanism for provision of affordable housing? Who has access to the affordable parts of the housing stock? And who decides the rules for access? What is meant by 'affordable housing' in practice? Such questions arise as one zooms into the substance of housing at local scale. The expectation is not that DASH will produce a shift in housing systems in the cities or countries involved, but that it will prompt reflection on why things are as they are and possibly what can be done within the applicable framework.

Housing systems (national/regional or local ways of organising the housing market) are often taken for granted, that is, housing markets and housing organisations are rarely questioned. They appear natural and therefore slip under the radar. However, there is nothing natural or logical about the housing market and its layout: it is a social construction that consequently reflects interests and power struggles. The problem is that institutional conditions – which prevent an arrangement of the housing market such that most of the population has access to good, affordable housing – escape attention. Existing conditions are taken for granted and appear immutable. Such a blind spot prevents housing researchers from observing their own system without bias. Therefore, the very idea of this cross-evaluation is to ask researchers, administrators and housing professionals to examine a specific housing market to which they are external: Local actors are often 'blind' as their understanding is shaped through education and experience; here the external evaluators can unhindered see and assess conditions that are hidden from the locally based actors.

Preparation of external cross-evaluation

The prerequisite for a rewarding cross-evaluation is of course a broad knowledge of the housing market and its development in the host country and city, including the purpose and results of various policies. We have sought to provide this prerequisite partly through the dissemination of recent informative analyses, partly through presentations during the workshop in the relevant host city, and partly through an excursion to characteristic examples of housing types, accompanied by discussions with representatives of the municipality and housing associations. WP3's reports on

national and local housing markets, their institutions, financing, regulation and so on were a useful point of departure.

External project participants were therefore asked to prepare in advance of the cross-evaluation workshop, not only by actively studying circulated material, but also by considering their own perspectives on the local housing market and its development.

The Aalborg workshop

The cross-evaluation took place on the 23rd of August 2023 at Skylounge (the meeting facilities of the Himmerland Housing association) between 9 and 11.45am. Around 23 participants attended.



The Danish AAU team, Lene Wiell Nordberg, Rikke Skovgaard Nielsen and Hans Thor Andersen gave a brief summary of the Danish housing market and its current challenges and policies, before the “visiting” participants were asked to comment on the Danish situation in general and the Aalborg situation in particular.

<https://www.dashousing.eu/wp-content/uploads/2023/12/Presentation-1-DASH-Aalborg-2023-AAU-Team.pdf>

The Danish team presented on the development of the Danish social housing sector in the past two decades, problematizing current tendencies in national and local planning for social housing, and pointing to future challenges for the sector.

Aalborg has a higher share of social housing, fewer cooperative dwellings, and less privately-owned housing compared to the country as a whole. Private rental has increased over recent decades, both at national level and in Aalborg municipality.

Aalborg is Denmark's fourth largest city, with a regional concentration of economic activity, culture, education and services. The pressures on its housing market are therefore considerable. The city attracts above all younger people from the wider region, which provides a relatively constant need for housing.

The focus during the cross-evaluation was on the non-profit or social housing sector, municipal housing policy, the cooperation between the municipality and housing associations, and national efforts to avoid rising segregation.

The Danish social housing sector differs in many respects from social housing in other countries: it is a private sector accessible to all, but local government have the right to use up to a quarter of all vacancies for citizens in need. Moreover, rent in the sector is cost based, i.e. tenants must pay the costs of purchasing land, constructing housing units, maintenance, etc. The necessary funds are borrowed on market terms, although the LBF (LandsByggeFonden – a social housing foundation) guarantee loans. Furthermore, each estate/ settlement is a financially independent unit, i.e. a deficit or surplus cannot be transferred from one estate to another. This means that rents in older housing estates are usually cheaper than in newer ones, as the cost of land, building materials and construction tend to increase over time.

Access to social housing is open to all regardless of income; households with low income (students, pensioners and others) may be eligible for rent subsidies. To obtain a housing unit in the sector, one must become a member by signing up on the waiting list. Access then depends on one's position on the waiting list. While rent level in the social sector depends on costs, the sector has a strong competitive position in larger cities, e.g. Aalborg, as it can offer affordable housing at rent below market level. However, the sector is less competitive in less economically dynamic regions, and particularly in rural districts, where market-based rents are often lower than rents in the social sector. The sector has an overrepresentation of elderly people, people on low incomes, early retirement pensioners, the unemployed, people of non-Western origin, people with low levels of education, and single households.

The housing market in Aalborg is less pressurised than that of the two largest cities (Copenhagen and Aarhus). One consequence of this is that more people on lower incomes can afford to become homeowners. There is a longstanding collaboration between the housing associations and the municipality; together they plan and implement substantial improvements to social housing in need of revitalisation. Aalborg East is a good example.

While a housing shortage was a dominant issue up to the end of the 20th century, and both national and local governments did their best to boost construction of more housing, current efforts aim at urban renewal and the renovation of older buildings. In particular, since the sector faces issues related to social and ethnic segregation, since 2020, Aalborg Municipality has prioritised social diversity, targeting families with children and seniors.

The workshop discussion

After this brief introduction to the workshop, the participants raised several issues: The level of rents and its regulation, the standard of maintenance, tenants' democracy, the close cooperation between city administration and housing associations, and in particular the policies introduced by the national government to counteract segregation, including its so-called "parallel society legislation" (see Kromhaut &

Skovgaard Nielsen, 2023). The latter was discussed and strongly criticized as this policy was considered perverse: a growing share of non-Danes in a given estate triggers harsh action from central government such as a ban on non-Danish citizens, the unemployed (or those not in education), and low-income households being allocated vacant dwellings. Flexible renting has promoted households with stable employment and incomes over others. This has particularly affected households with immigrant backgrounds as well as vulnerable groups (the long-term unemployed, early retired, abusers, etc.). DASH participants found this means of avoiding segregation and the formation of social and ethnic vulnerable neighbourhoods to be discriminatory, excessive and unnecessary given the conditions of the social housing estates.

Several participants mentioned the high maintenance standard of social housing estates; they were impressed by the comprehensive and thorough neighbourhood improvements initiated by both the municipality and the responsible housing companies. Similarly, the broad investment in social infrastructure – such as tenants' clubs; a house serving as a place for leisure activities, meetings, and do-it-yourself workshops; and especially the location of a health and social service units within housing estates – appeared to be a very positive factor. A key question was the financing of the thorough improvements, which is largely done through the LBF. This is a fund made up of contributions from tenants' rents after their estate's mortgage is paid off. Rather than stopping paying rent, tenant payments go to the LBF foundation. Over time this foundation accumulates an enormous amount of capital, and its funds can be used to renovate and improve the existing housing stock. This enables major improvements of housing and its surroundings without serious rent increases.

Moreover, the governance of the social housing sector was discussed; as it is organised into private, non-profit associations, the sector is based on tenants' democracy, i.e. tenants elect representatives to the board of each housing association. Tenants' representatives form the majority of the board; thus, any decision of a social housing company requires support from its own tenants.

Finally, the close partnership between the local government and housing associations operating in vulnerable districts was considered a very positive factor. Departments of planning & housing, social affairs, educational, culture and leisure, and finance are all engaged. This well-orchestrated collaboration manages to accomplish major, broad and deep transformations in selected neighbourhoods, which has kept the social housing estates attractive to a broad swathe of the population. The importance of joined-up working as well as financial support from the LBF was noted to be a major positive factor in the social housing sector's improvement. Moreover, the sector strives to invite non-tenants from nearby neighbourhoods to take part in social and environmental improvements. Thus, the local health house, social clubs and other facilities are part of a strategy to both improve the living conditions of more vulnerable groups and integrate them into wider society.

Further reading:

Rikke Skovgaard Nielsen, Lene Wiell Nordberg and Hans Thor Andersen (2023): Taking the Social out of Social Housing? Recent Developments, Current Tendencies, and Future Challenges to the Danish Social Housing Model. Nordic Journal of Housing Research. 6, 2, pp. 136-151.

Lilius, J. & Nielsen, R. S., (2024): Alive and Kicking? Resident Democracy in Nordic Social Housing: The Cases of Denmark and Finland. Nordic Journal of Housing Research. 7, 1, pp. 50-63.

Kromhout, S. & Skovgaard Nielsen, R. (2023): Imposed from above or applied for from below: comparing Dutch and Danish social mix strategies in deprived neighbourhoods.

<https://doi.org/10.1080/19491247.2023.2282235>

Project acronym: DASH
Grant agreement no: 101086488



**Funded by
the European Union**

Funded by the European Union. Views and opinions expressed are however those of the authors only and do not necessarily reflect those of the European Union or the European Research Executive Agency. Neither the European Union nor the granting authority can be held responsible for them.

