

Congrès 2025 - Bordeaux



*Note :*  
*Public Housing*  
*Sweden*



57<sup>e</sup> Congrès des  
et **Directrices**  
**Directeurs**

d' **Oph**  
Offices Publics de l'Habitat

# Public Housing Sweden

## Who we are:

*Public Housing Sweden is the organisation of municipally owned housing companies and long-term private housing companies that contribute to the public interest in Sweden. We represent more than 990 000 apartments and over 320 companies in Sweden.*

Most of our member housing companies are owned by a municipality, but private owned companies that are long term owners of rental properties and take social, economic and ecological responsibility, can become associated members.

Public Housing Sweden offers support and service to its members through information, competence and the exchange of experience. We also work to provide good operational conditions for our member companies and the positive development of rental property.

We work with housing policy although it is not affiliated with any political party. The board is politically appointed and reflects the overall political majority of our member companies.

## Public housing in Sweden

The primary task of a public housing company is to contribute to housing provision in the municipality and this includes meeting various housing needs. It is about both providing a varied range of housing of good quality that can attract different tenants and about offering accommodation to people with special needs or who for various reasons have a weak position in the housing market. This is done in “business-like” manner, with a demand to make a profit (without maximizing it) according to a special law from 2011 for the public housing in Sweden.

Public housing companies in Sweden benefit society on three levels:

**For tenants:** provides good rental housing for everyone - regardless of income, origin, age and household type – at a reasonable cost, with possibility to influence and choose living conditions.

**District and residential area:** works as an engine in the development of the area and thereby contributes together with other actors for welfare in the form of lively neighborhoods and stable and safe residential areas.

**Municipal and regional level:** The public housing company is a long-term and competitive actor in the housing market which builds and manages rental housing and

thereby contributes to growth in the municipality and the region without distorting the market (due to the law on Public housing and the requirement for “business-like” manner and profit).

Even though the organisation and public housing were created 75 years ago, it is as important today as ever. The municipalities in Sweden have the housing provision responsibility and having your own housing company is a very useful tool.

The challenges of today might be slightly different from post-world war Sweden, but the tool of a public housing company can be just as useful today in order to respond to today’s challenges of lack of housing, segregation, the need for housing for the elderly, the housing surplus in municipalities with a declining population and consequences of climate change.

## **Short history**

### **"Good housing for everyone"**

The non-profit housing companies in Sweden began to be formed in the 1930s, to reduce the housing shortage and raise the housing standard, but it was only after 1945 that the modern housing policy took shape. Good housing for all, was the slogan. The solution was public housing.

- They wanted a stable public actor that created housing for the large masses. Therefore, the public housing companies received more favorable loan terms than the private ones. They were also given a normative role for the rent setting. The public housing had to negotiate first. The result then became a benchmark for private hosts' rental rates as well.

The public housing played a big role, not least during the construction of the million-dollar programs. Its share of the housing stock in Sweden also increased steadily, right up to 1990. Then its share began to decline.

### **"Business-like requirements"**

In the 1990s, the role of Public housing also changed. Political decisions meant that the public housing companies lost their financial advantages and received the same financing conditions as other actors. The demands on business ethics and to be more “business-like” have since increased, step by step.

In 2011, a new law entered into force. According to it, the public housing companies must be run according to commercial principles, with a profit requirement. At the same time, the public housing’s role as a benchmark in rent negotiations ended.

- This has made the role of public housing more flexible but perhaps less clear. It must exist on the same terms as private housing companies. At the same time, it has a social responsibility, written into the legislation. It is generally formulated, but still important.

## **Construction**

The municipal companies have continually produced housing over the years and, alongside private stakeholders, have constructed housing for all markets.

There is significant pressure within the Swedish housing market. Much of Sweden is facing a housing shortage, primarily in its metropolitan regions.

The level of additional new homes has been very low, while population growth has been high and, according to forecasts, this will continue.

Sweden's construction market suffers from very high prices, prices that from the mid-1990s have increased significantly more than general cost levels for society. Building a multi-dwelling building currently costs almost two and a half times more than it did in the mid-1990s, while other price trends were just over 30 per cent for the corresponding period.

According to statistics from Eurostat, construction prices in Sweden are the highest in the EU. It is approximately 70 per cent more expensive to build housing here than the European average. Only Norway and Switzerland have higher construction prices in Europe.

## Rent setting in Sweden

Rents for residential apartments in Sweden are normally determined through negotiations between landlord and tenant representatives. There is no role in these proceedings for public stakeholders, such as the central government and the municipalities. The negotiation system is supplemented by national consumer protection for private tenants.

The negotiations are conducted between two local parties; the landlord and a tenant organisation, usually affiliated to the Swedish Union of Tenants. This system has advantages for both. Individual tenants negotiating on their own would be in a weak position. For the landlord this is an effective way of handling rent increases for a large number of tenants.

Negotiations generally have two points of departure: the utility value of the apartments and changes to the cost of building and managing the housing. The utility value is based on how tenants generally value various characteristics such as the nature of the apartment, benefits, location, environment, quality of property management et cetera.

Collective negotiations are normally conducted once a year. Sometimes the parties do not reach an agreement. If the landlord is a public municipal housing company the dispute is then referred to the Rental Market Committee for mediation or ultimately a decision on the amount of the rent increase.

## Energy Efficiency and district heating

The preconditions for energy efficiency improvements in Sweden's multi-dwelling buildings differ from many other countries. The heating of apartments in multi-dwelling buildings has for many years been dominated using a joint heating system with water as a medium for the building (District heating).

Ninety-eight percent of all apartments are supplied by pipe systems with radiators as heaters. One pipe trunk can supply several apartments with heating and one apartment can be supplied by several pipe trunks. **The rent for apartments in Sweden includes heating.** No shared incentive exists, but the property owner can take

appropriate measures to reduce energy use. This may, for instance, involve supplementary insulation in the attic, insulation of the facade, change of windows, introduction of heat recovery and trimming of the heating system. Such measures do not only improve the building itself but also increase indoor comfort for the tenants.

From a European perspective Sweden has a cold climate with well-insulated climate shells that envelope buildings but no insulation between apartments. Swedish municipal public housing companies try to maintain the same temperature in all apartments in their property stock to minimise energy use. The residents themselves cannot adjust the temperature, which is controlled centrally in the building. There is normally a guaranteed temperature of 20 to 21°C in apartments.

The inclusion of heating in rents means that there is no energy poverty in Swedish apartments. As a consequence of these circumstances, we have concluded in Sweden that it is not cost effective to install individual metering and billing for heating, but that this would increase energy use instead and have a considerable negative impact on energy efficiency improvements among Public Housing Sweden's member companies. We explain this further in the following reports.

## **Suggestions on how to make housing more accessible for more people in Sweden (within the national context)**

- **The state** needs to update, increase and index the housing allowance and make it possible to provide advance notification of the size of the allowance. The grant also needs to be supplemented with a national rent guarantee.
- **The municipalities** need to work actively with prioritizing (in the “housing queue”), reservations, social contracts and/or Housing first and, after aid assessment, provide support for reasonable housing costs. They also need to cooperate with the landlords to prevent evictions.
- **Landlords** need to set reasonable access requirements (income levels for example), hand over apartments to a housing agency or similar municipal function and offer the municipality apartments for social purposes. They also need to act quickly towards the tenant if the rent is not paid to avoid eviction.