

Challenges in housing development in an ever changing environment

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NSBO Conference
29th of may 2018

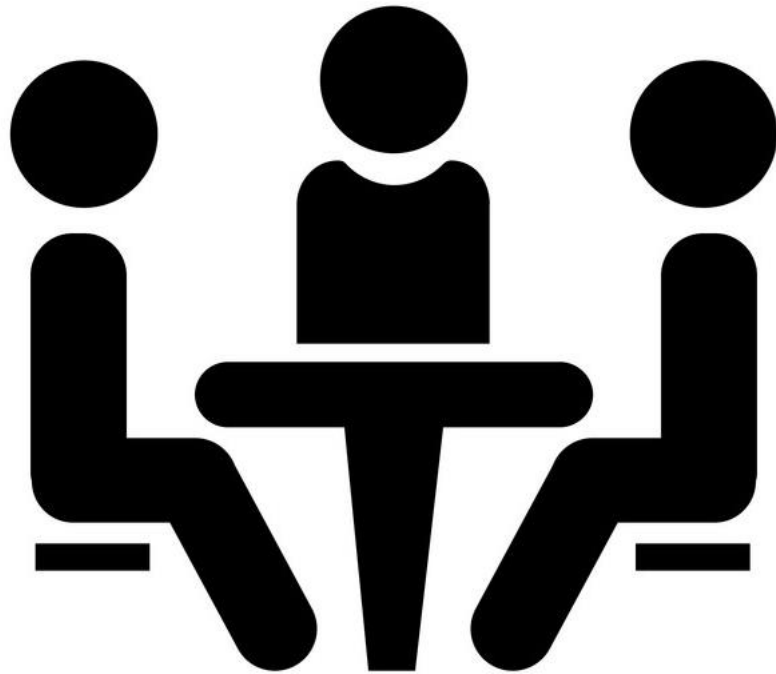
Why are we here today ?



- Student housing
- Nordic perspective
- You are the experts !

I will tell you no new truths !

My viewpoint: housing development viewed from different sides of the table



Architects view

Housing, student housing etc. 1999-2011

Buyer view

Head of development at Búseti housing cooperative
Iceland 2011-2017

Nordic cooperation view

Workshops and project management Nordisk bolig
organisation NBO 2013-2017

Academic view

MSc in strategic management 2015
Construction industry competitiveness

Government view

Leading implementation of national housing
strategy 2017

Government buyer view

Since february 2018 CEO at Icelands equivalent of
Statsbygg / Senaatti / Byggningsstyrelsen

Let's begin: What is the current situation



Head lines in the nordic countries



- Housing crisis in urban areas
- Shortage of housing for lower income groups
- Shortage of affordable student housing
- Similar situation throughout the nordic countries

Why ? All we need is this:

Capital + land + manpower + materials = housing

Parts of the equation an increasing challenge

Capital + land + manpower + materials = housing

X

X

✓

✓

Capital and land: The trend in the Nordic countries



- Increased gap in income ----> struggle for lower income groups
- Increased gap between generations - Young vs. Seniors
- Increased focus on market solutions
- Urbanisation ----> Land shortage in urban areas

The nordic welfare model at a crossroad ?

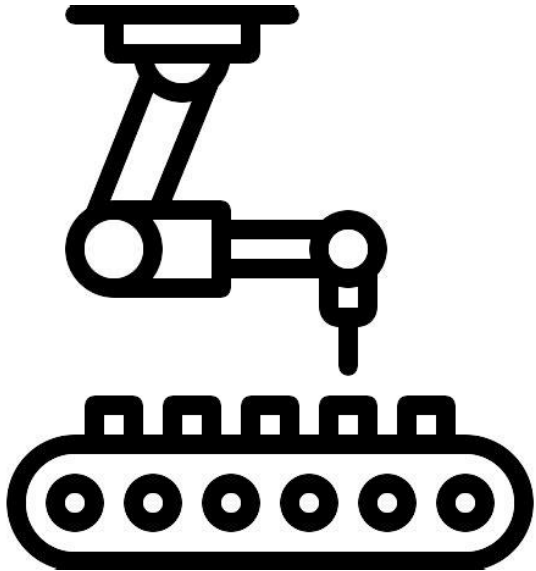


- Do we still provide equal opportunity in the nordic tradition ?
- What are the options for todays students ?
- Is the new key question **Can mom and dad pay ?**

So where do we go from here ?



Last centuries set of rules for meeting surplus demand at a low cost:



- Mass production
- Automisation
- Availability of land – urban sprawl



And it wasn't all bad !



- Often great plan design
- Mass production + Short lead time ---> affordable
- Available to the masses ----> equality



- Homogeneity
- Lacking visual qualities
- Lacking social stimulus/identity

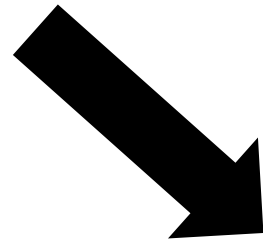
The challenge since the 90's

21st century: There is a new set of rules

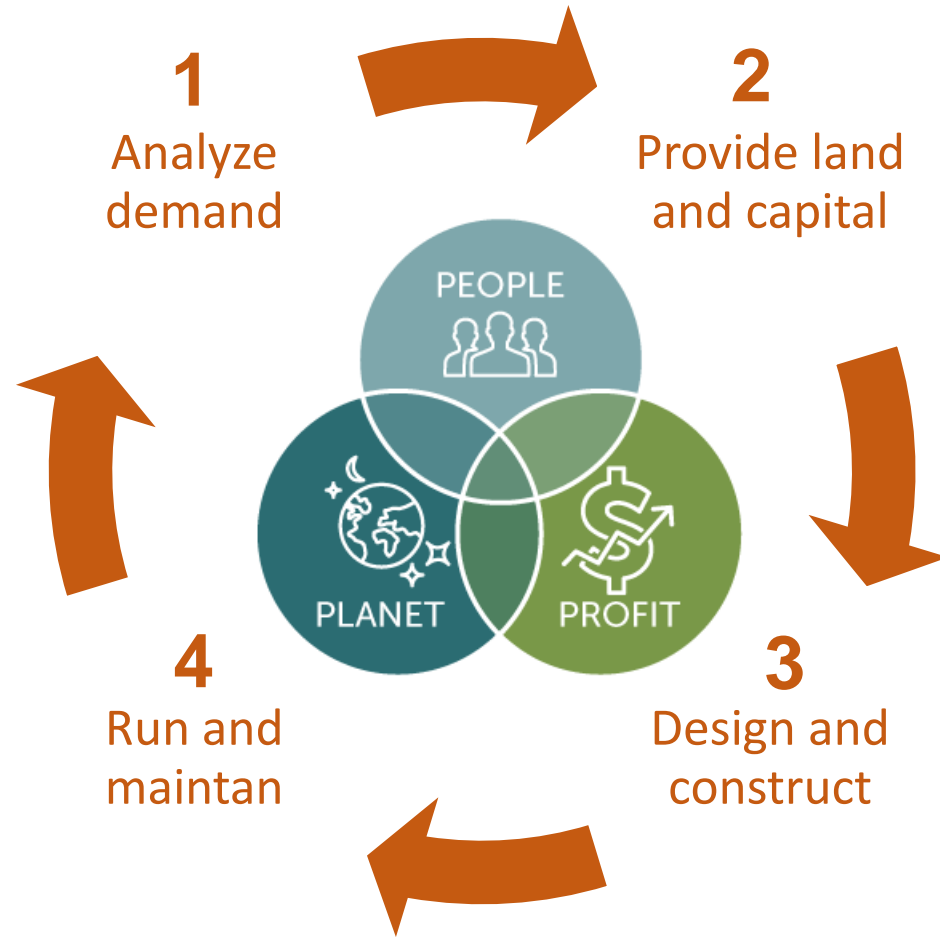


Sustainability

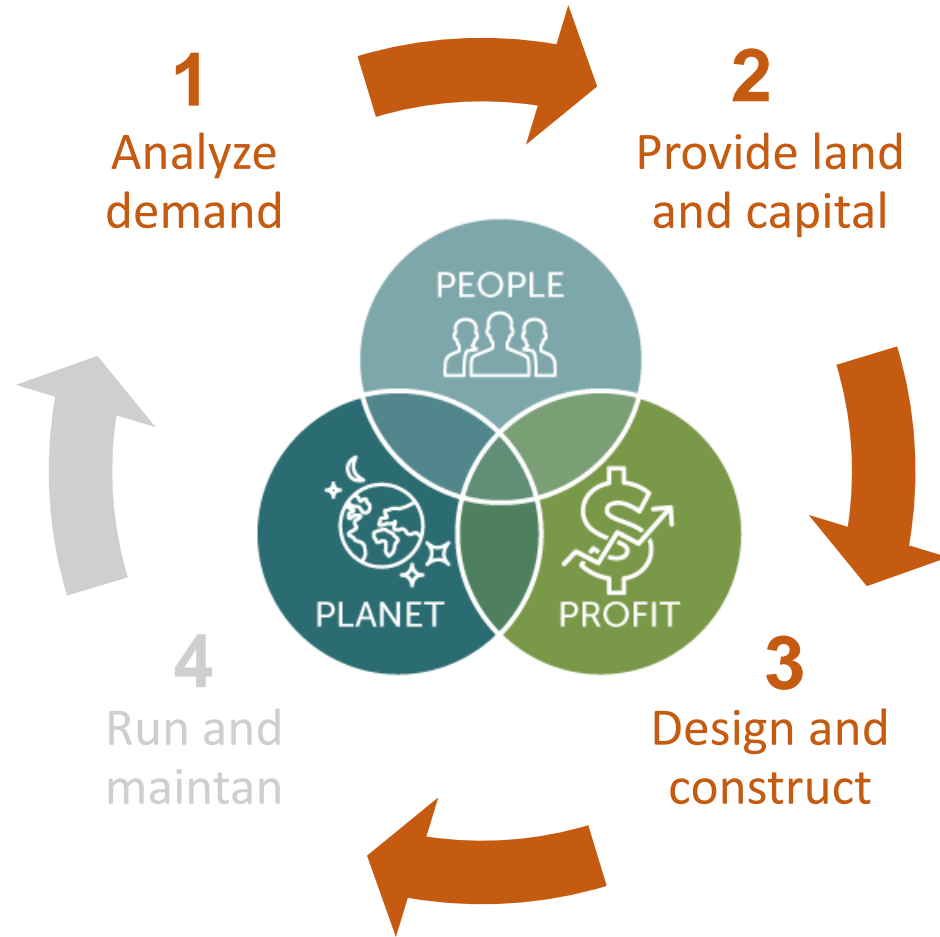
The new kid in town



Impacts every step in the housing process



My main focus today: The development angle



STEP 1: ANALYZE DEMAND



The general trend



- Changing demographics – increased demand for smaller units
- Job market change: Shorter time in each job
- International job market ---> Increased migration
- Increased tourism – AirBnb effect on housing market

---> challenges in analyzing both current situation and long term demand

Our current measurement tools weren't built for this reality

Iceland



- Massive growth in number of tourists in the last years
- 565.000 in 2011
- 2.224.000 in 2017
- Icelanders are 350.000 !!!
- Increased number of foreign workers
- A dramatic shift in the nature of housing demand

Current data analyses age, gender and listed home but not much more.....

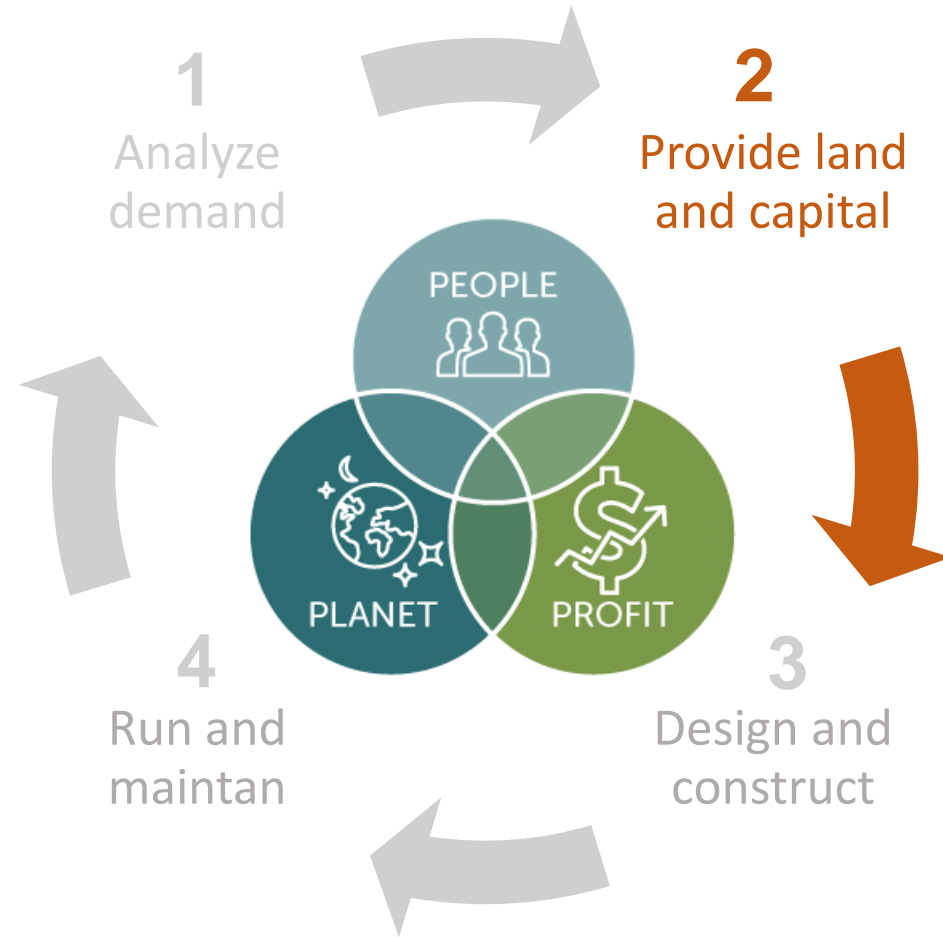
Student housing in Iceland



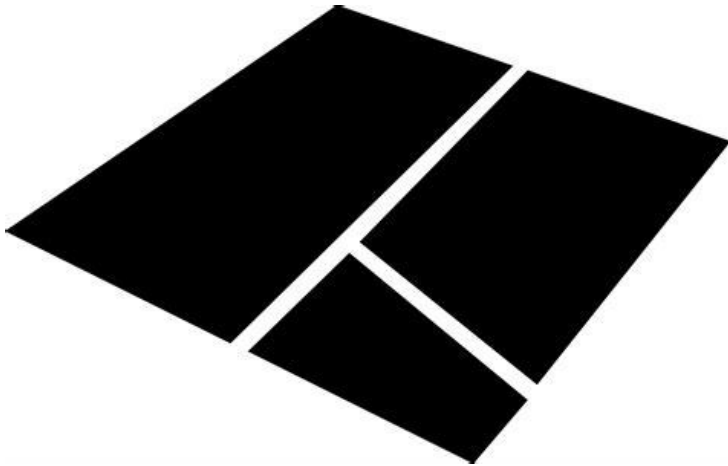
- Strategy for student housing up to each municipality
- No cohesive strategy - left up to chance
- Pioneers like FS are keeping things going
- Housing banks new analysis unit good news !

Hopefully we will see further improvement.....

STEP 2: PROVIDE LAND AND CAPITAL

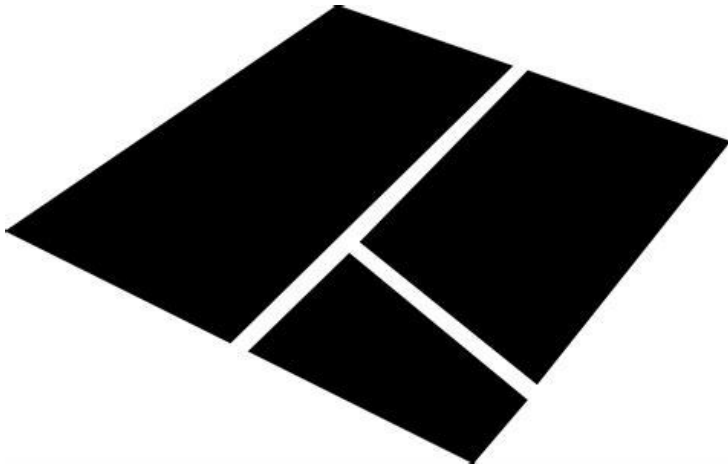


Land – the current situation



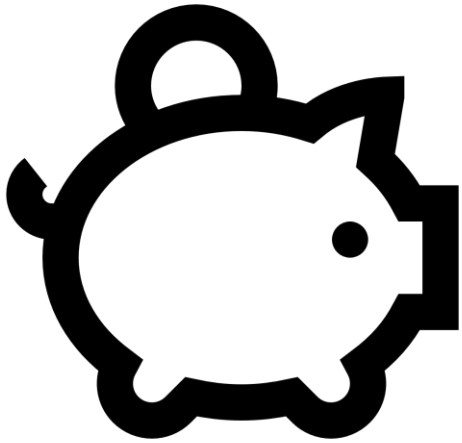
- Scarcity of land in urban areas
- Higher cost of land raises prices of each unit
- Students not a „sexy“ target group for profit driven companies
- Affordable land for student housing depends on the will of municipalities
- Long term plans vs. Political stability ?
- International laws on market and competition can hinder government and municipalities even if the will is there

Iceland



- Availability of land for student housing is dependant on the political view in each municipality
- No central rules or cohesive strategy
- Reykjavik doing well but the neighbouring communities doing next to nothing
- Need to adress some key changes in laws as stimulus for municipalities

Capital



- Situation in nordic countries varies surprisingly much
- But Iceland is a separate act of it's own !
- Small currency that fluctuates
- High interest rates
- The good news is new funding „Almene boliger“
- Funded by state and municipality
- A few actors starting but dependant on political will

STEP 3: DESIGN AND CONSTRUCT



This is where the magic happens.....

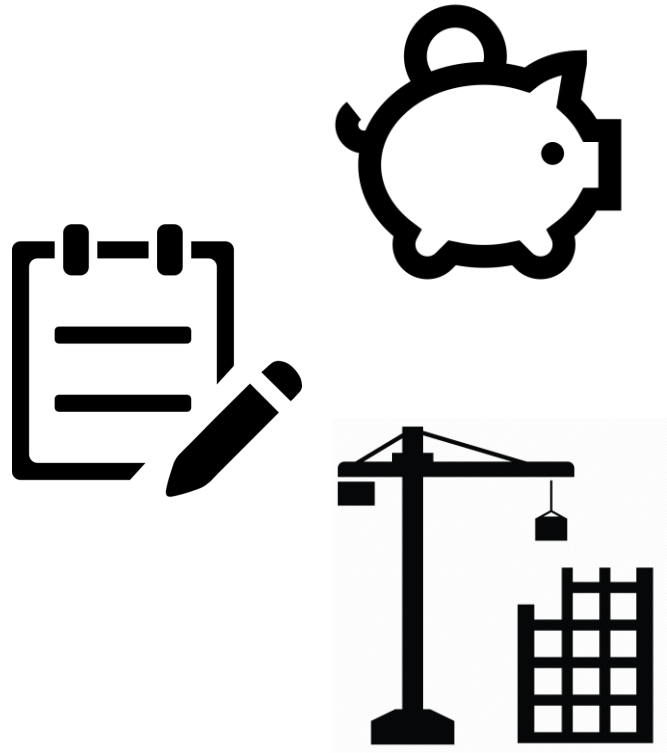


- The chance to meet all three parts of the sustainability model
- A pleasant and stimulating place to call home
- A construction method and total design that fosters a low environmental imprint (materials, process and way of life)
- And how can we plan this so the final cost is reasonable for young people going out into the world ?



PROFIT: The economic factor

Profit: The economic factor



- Rising cost of new housing is an increasing problem across the Nordic countries
- Increased segmentation in the construction value chain with a higher number of actors and less transparency
- The last decades: Increased regulations, slower permit process and increased restrictions across the area
- Intense public debate on how far to go: environment, fire code, universal design etc.
- Iceland at a stand still – new regulation since 2013
- Some improvements since but more needed

Increased demand + rising cost of land + costly increase in regulation standard = MISSION IMPOSSIBLE ?

One of the solutions might be increased alignment in nordic building regulations



- Small market area in each country (Iceland miniscule !)
- Building regulations unique in each country
- Lagging behind in internationalisation
- Historical and cultural reasons
- We are losing out on scale possibilities in solutions
- Huge future potential for increased alignment !
- Win win for the citizens and industry

Nordisk bolig organisation NBO pilot project 2016



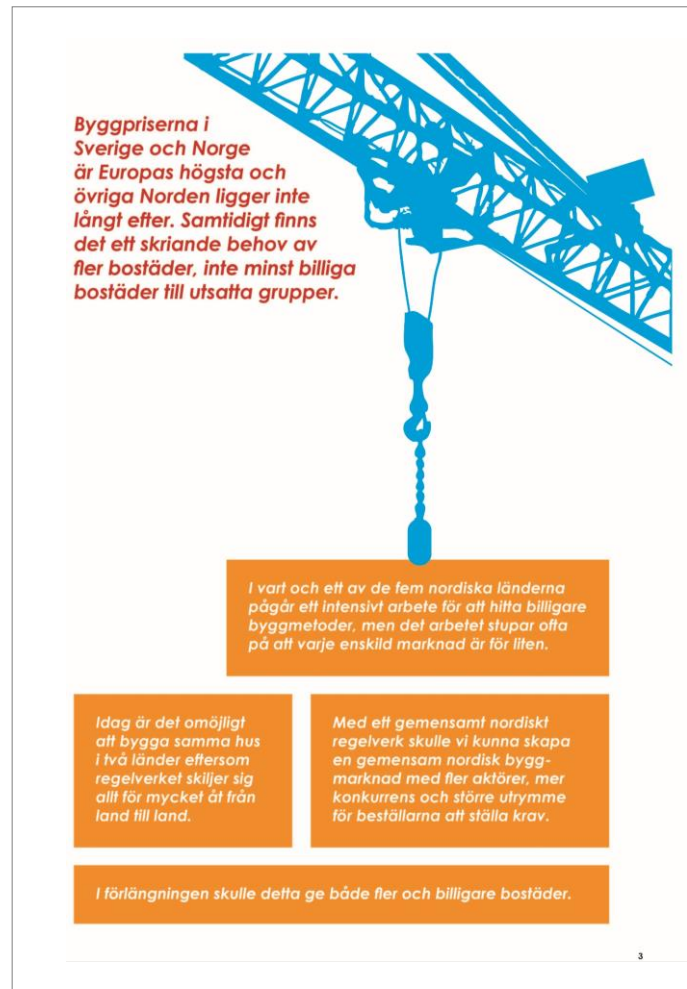
- Same challenges across NBO's member countries with rising prices of new housing units
- **The aim of the project:** To shed light the potential in increased construction market alignment across the Nordic countries
- Two projects – danish and swedish
- Analysed on the basis of regulation in each country
- Could the houses be built in the other nordic countries ?
- What are the obstacles and possibilities ?

The projects and workshop



- Almen bolig + - Denmark
- SABO's Kombo hus - Sweden
- Local experts layout, structure, technical, fire, sound etc.
- Analysis of each project
- Workshop in Copenhagen
- Experience from actors trying solutions across Scandinavia
- IKEA – BoKlok
- Skanska
- Obos & NCC Design quattro

Main findings



- Neither of the standard houses can be built in the other countries
- Actors from the industry report walls stopping new solutions across the nordic market
- Sometimes even varying demands between municipalities within the same country
- Current situation hinders competition and uniting market areas
- Nordic governments encouraged to adress this as a united front
- **Quick solve in the mean time:** A standard project in one country be allowed in others ?

Report presented to Nordisk ministerrad and all Nordic governments in late 2016



PLANET: The environmental factor

The situation in the Nordic countries



- We are still in the start phase of implementing environmental thought in the design process
- As often the focus in the beginning is on the needed tools
- Again unique solutions in each country !
- Interesting differences between the market influence of environmental solutions in different countries
- In Iceland environmental certification is almost only done in government projects
- In comparison environmental labels have become common in Holland
- Time, cost and paperwork often a challenge in selling the methodology

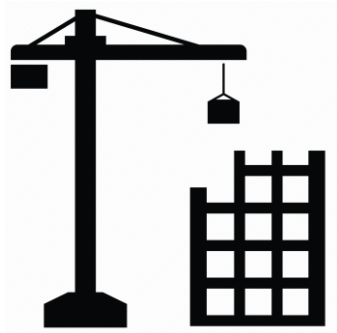
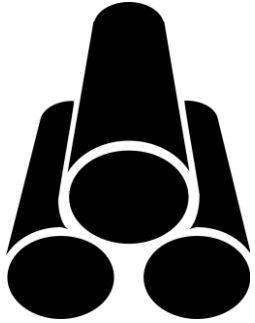
Iceland and the environmental factor in built environment



- We are on our way but have a long way to go
- Iceland lagging behind the Nordic countries
- Geothermal energy ---> good excuse.....!
- High aspirations from the current government
- Aiming higher than the Paris agreement
- The effect remains to be seen in the coming months and years

But common sense can get us far.....

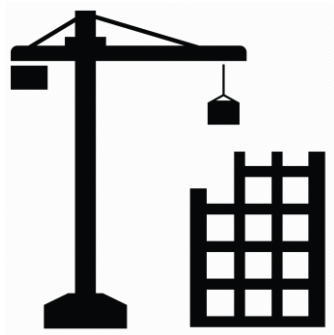
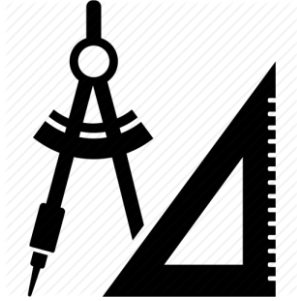
The basics:



DESIGN SOLUTIONS AND MATERIALS

- Choose the right materials based on lifecycle
- Use as little of them as possible
- Lose as little material as possible in the process
- Use as little energy as possible in the process

The basics



DESIGN OF USER INTERFACE

- Create a design that promotes the lowest possible environmental imprint
- Energy use and maintenance
- Effective use of area: excess m2 hardly environmental !
- Social factor: How does the design promote and enable environmentally conscious living ?
- Choice of transport, garbage disposal, daily use and reuse of equipment etc.

We can learn a lot just from looking back a few decades !



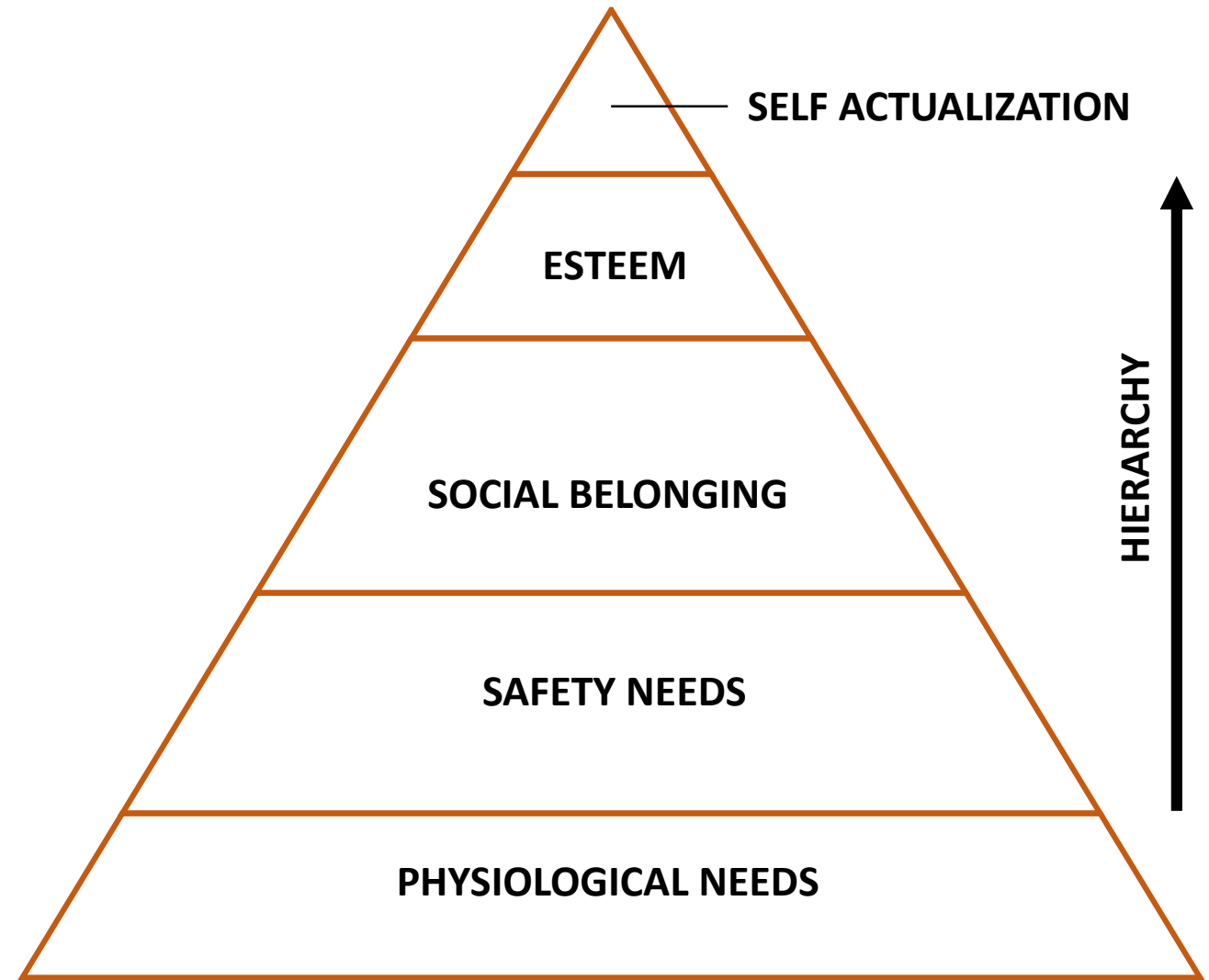
PEOPLE: The social factor

Student housing from a social perspective



- Student housing is the setting where one learns to make a home
- A key period for molding ones personality and how one lives !
- A type of school 😊
- The design has a tremendous impact on daily life and mental wellbeing

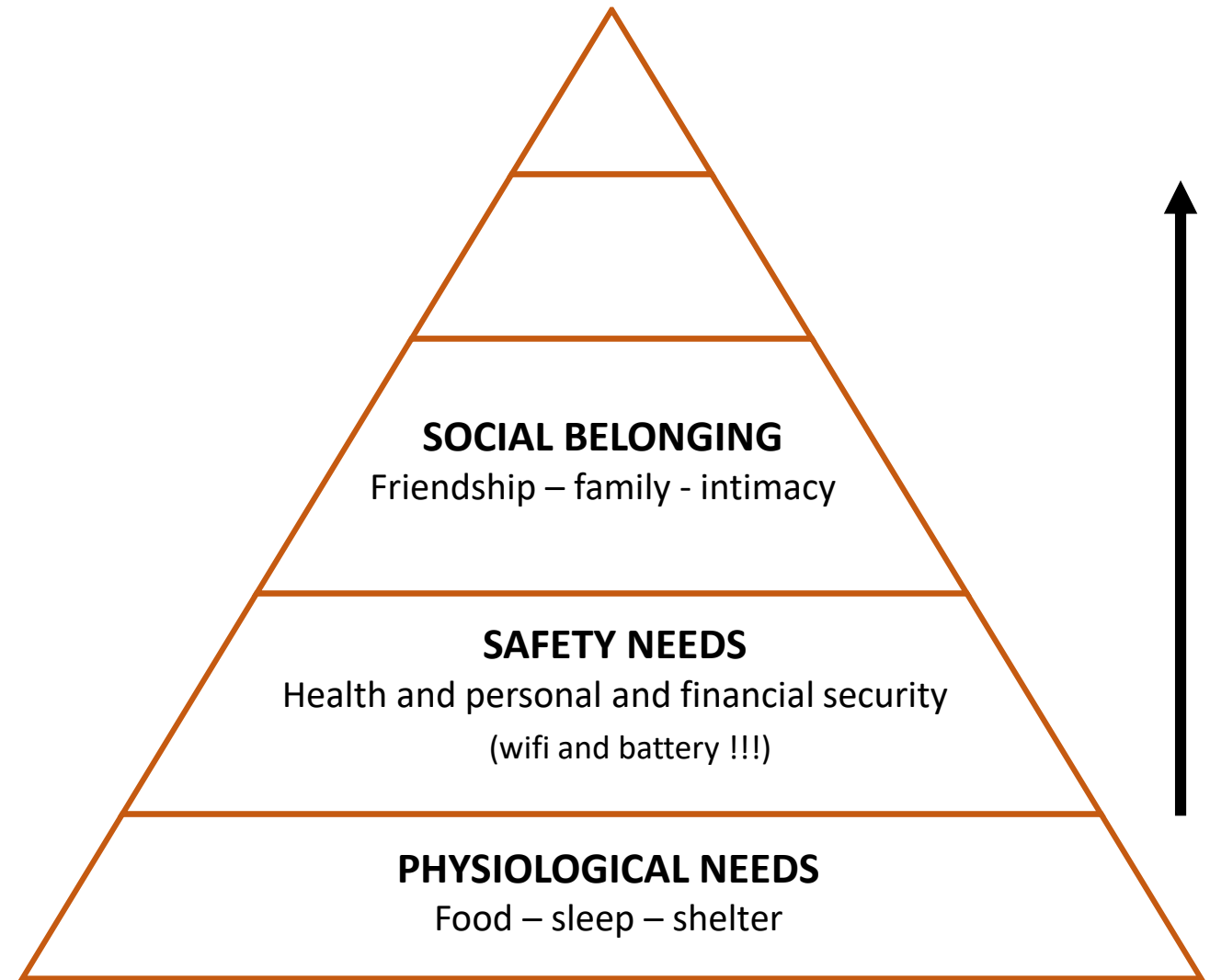
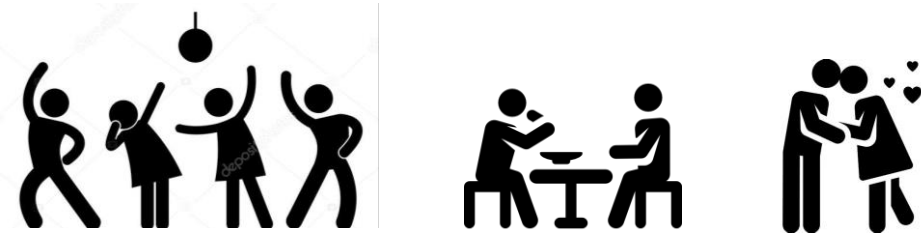
Maslows hierarchy of needs as a barometer for student housing ?



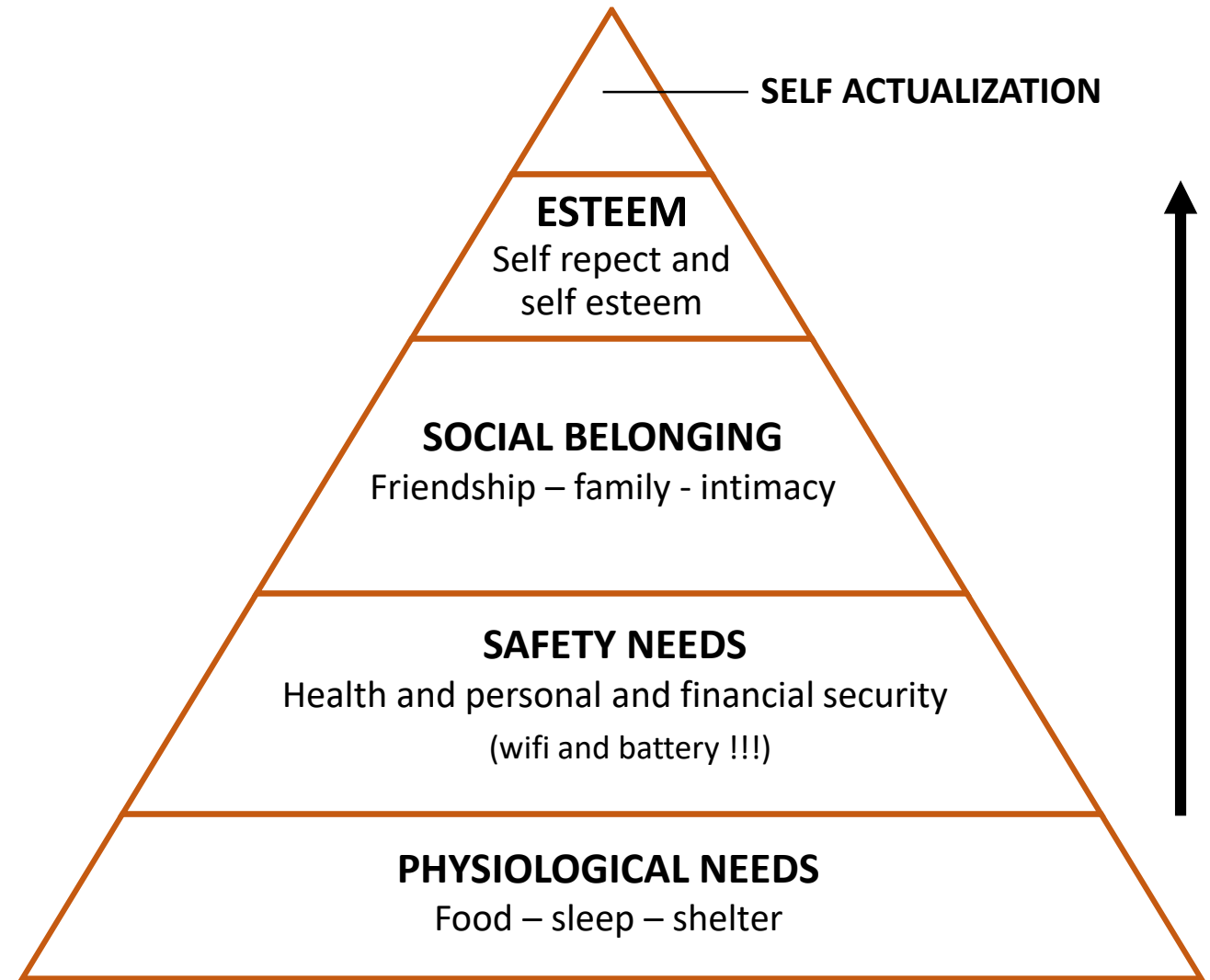
Regulation standard



The social dimension - community



Reaching ones potential



Today's conference is an important statement



Full potential

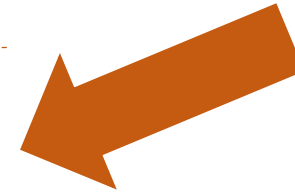


The social dimension



Regulation standard

You are here !



Watching FS strategy in regards to building community in the last years has been an inspiration



Go NSBO !

And finally.....

NSBO members have a unique view



- In a segmented industry of housing production you are in a unique position of touching all phases of the housing cycle
- You are in fact a link between the students using the houses, those who design and build them and those who maintain them.
- The life cycle view of your business encompasses all parts of the triple helix

A rare holistic view that few have !

Use your experience in a proactive manner



- Use every chance to listen to the users and implement their suggestions in the next housing projects and improving older ones
- Use your experience of maintenance to teach the industry what works in maintenance and what doesn't
- If there is one thing that the fragmented construction industry need to day it is holistic FEEDBACK !
- And last but not least use NSBO as an active voice in public debate on the future of student housing in the nordic countries !

You are an important voice !

I wish you good luck on the important trip you are on here today



THANK YOU

