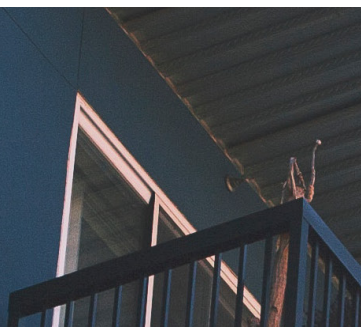


# NORDIC REPORT 2018

A comparative report of the  
student housing markets  
in the Nordic countries





## INTRODUCTION

This is the third edition of the NSBO Nordic Report. The purpose is to show differences and similarities between the student housing markets in the Nordic countries.

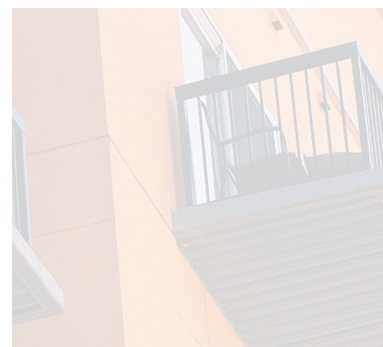
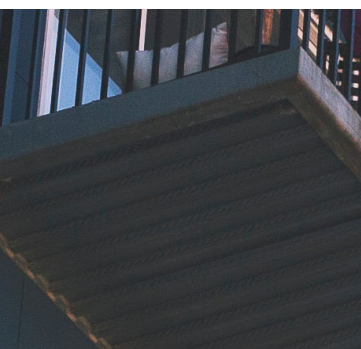
The 2018 report shows that the Nordic student housing markets have common challenges but different premises. A lack of student housing and rising building costs is recognizable in all countries, but conditions such as regulations and subsidies varies a lot.

But despite our differences, there are fundamental similarities in the way we view and operate student housing. And with challenges such as demanding economic premises and a shortage of student housing, there is a lot to gain with further collaboration across the borders.

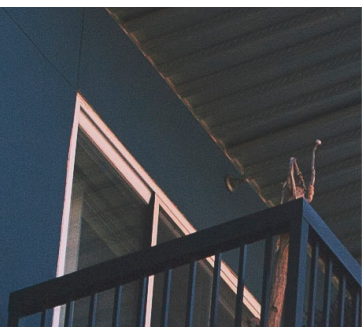
NSBO is the platform to exchange knowledge and bring student housing operators closer together, but we can only do so much. Therefore, we are hopeful for the political initiative taken by Nordic housing ministers earlier this year with the aim to create common Nordic building regulations. And please note: in order to provide a study enhancing living environment and develop our positions as attractive study destinations globally, let's not forget student housing in this process.

We hope this report will benefit the single operator on any of the Nordic student housing markets, as well as highlight possible ways forward for decision-makers.

*NSBO Secretariat  
Gothenburg, Sweden  
December 2018*

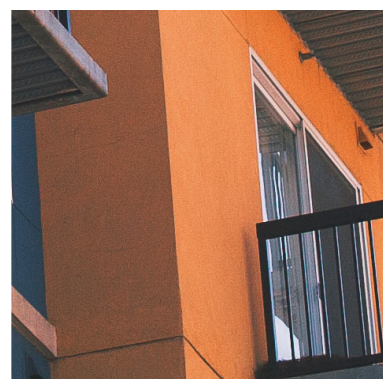
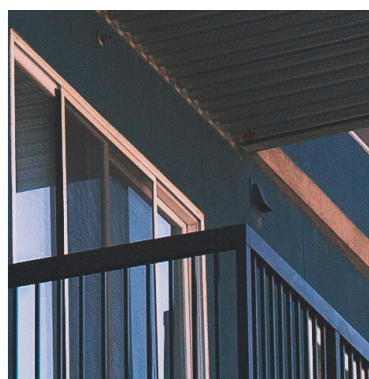
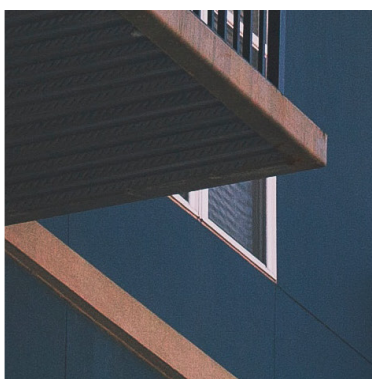
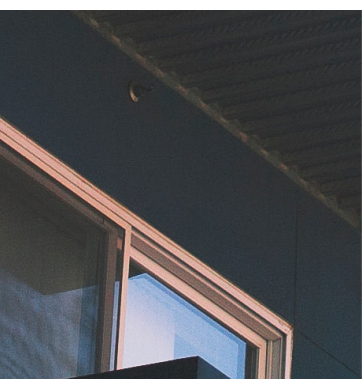
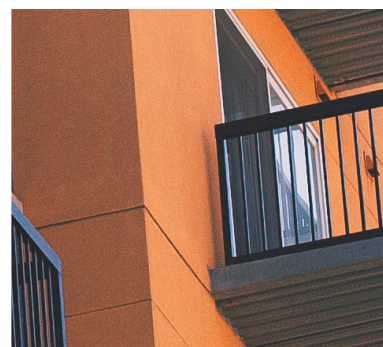
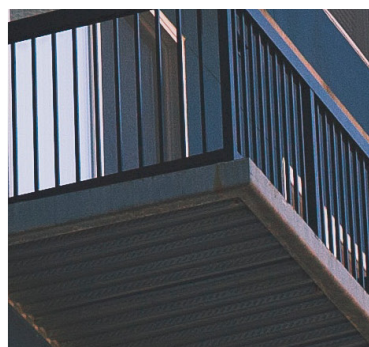
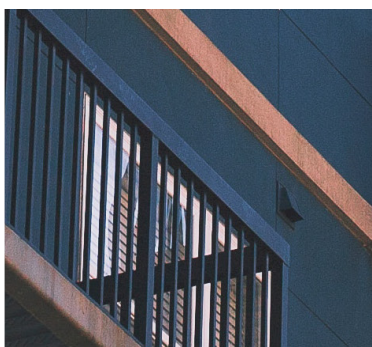
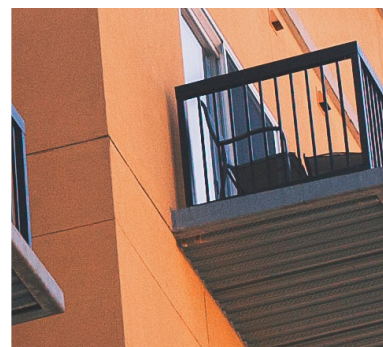
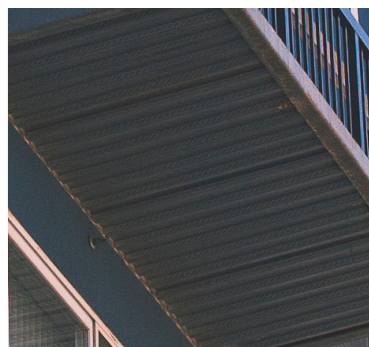
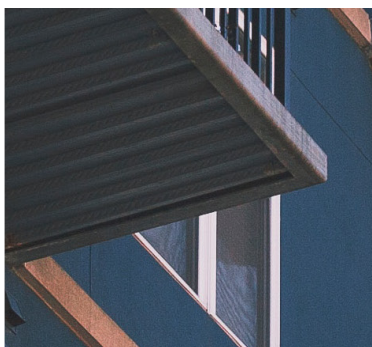
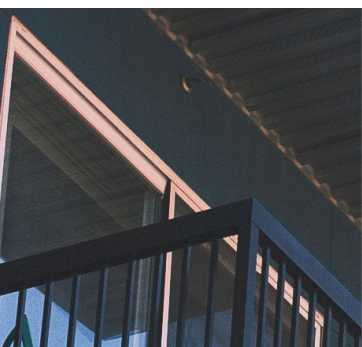
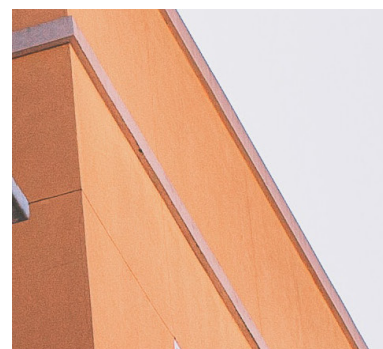
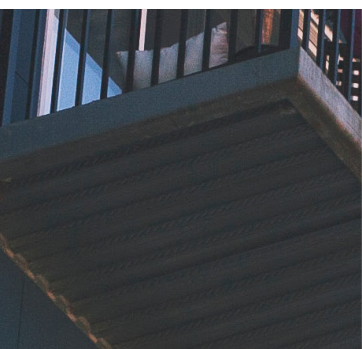
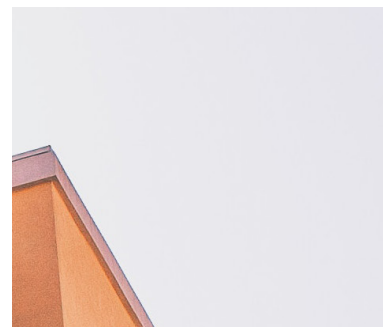






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## STUDENT POPULATION

The number of full-time students varies a lot in the Nordic countries. Sweden has the most with almost 300 000 students, while Iceland has the least with 20 000 students. Due to lack of adequate statistics, the Icelandic and Norwegian student number also include half-time students. In Norway 221 000 students are enrolled in a full-time study programme, indicating that the other 43 000 students to some extent might be half-time students.

The differences are of course due to variations in the overall population. In relation to the population the student segment is quite even over the Nordic countries, especially considering that the Norwegian and Icelandic numbers also include half-time students.

### INTERNATIONAL STUDENTS

With a constantly increasing globalization it is interesting to follow the development of international students in the Nordic countries. The greatest number of international students can be found in Sweden, but as part of the full-

time student population Finland has the highest amount of international students. Iceland has the least overall, but Denmark and Norway has the lowest percentage.

### TUITION FEES

Tuition fees for students outside the EU/EEA is common for Sweden, Denmark and Finland. In Sweden the average fee for full-time studies is €12 000/academic year. In Finland it varies between €10 000 - €25 000 and in Denmark between €6 000 - €16 000. In Iceland the students at public universities only pay a registration fee of €530, while the private universities can have both a registration fee and a tuition fee, depending on the university. Reykjavík University for example, only charges a tuition fee between €1 700 to €7 450 depending on the studies. Norway has no tuition fee at their public universities, the only fee is a small registration fee of €100. Private institutions in Norway charge tuition fees for their degree programs, but the fees are usually significantly lower than those of comparable studies in most other countries.

#### Full-time students and part of population

Country	Full-time students	Part of population
Denmark	260 000	4,5 %
Finland	222 000	4 %
Iceland	20 000*	6 %
Norway	264 000*	5 %
Sweden	294 000	3 %

\* Includes half-time students

#### International students and part of full-time student population

Country	International students	Part of student population
Denmark	22 000	8,5 %
Finland	30 000	13,5 %
Iceland	2 000	10 %
Norway	23 000	8,7 %
Sweden	36 000	12 %



# STUDENT HOUSING

*When it comes to student housing, in this report it is measured in units and not beds. A unit is equal to one apartment or one student room.*

Sweden and Iceland are as usual, due to the size of their populations, in the top and bottom when it comes to quantity. When distributing the available student housing on the number of full-time students, Denmark and Sweden comes out on top while Iceland has the lowest share with student housing for only nine per cent of their students.

A factor when analyzing students and student housing in Nordic countries is the fact that one unit can contain several beds, i.e. several students. This implies a hidden statistic for all countries, and perhaps especially for Finland. The estimated number of students living in the 47 000 units are over 70 000, which indicates a higher share of students (31%) living in student accommodation than stated in the table below.

## DEVELOPMENT

All of the Nordic countries have increased their amount of student housing units since 2015, except Iceland. Denmark has increased their number of units by more than a quarter.

## ELIGIBLE STUDENTS

Student housing is available in all countries for studies on higher education levels, i.e., university, vocational education or post graduate studies. In Finland there is also housing for high school students as long as their studies entitle them to student benefits.

## TYPE OF ACCOMMODATION

Studio apartments is now the most common type of student accommodation in Sweden and Iceland. In Finland and Denmark studios and different types of shared accommodation are equally common. Since the Nordic Report 2015 Denmark and Finland has both seen an increase in the studio segment, since shared accommodation at that time was the single most common type.

### Number of student housing units

Country	Units	Increase since 2015
Denmark	70 000	27 % / 15 000
Finland	47 000	18 % / 7 000
Iceland	2 200	- 23% / -650
Norway	38 500*	11 % / 3 700
Sweden	90 000	8 % / 7 400

\* Does not include student housing on the private market

### Percentage of student housing units in relation to full-time students

Country	Units/students
Denmark	27 %
Finland	21%
Iceland	9 %
Norway	15 %
Sweden	31 %



# STUDENT HOUSING ORGANIZATIONS

The different organizations that own and provide student housing varies between the countries. Below the structure of each country is presented individually.

## DENMARK

In Denmark there are six social-housing companies that specialize in student accommodation. There are also around 200 other organizations that offer social housing to students as well as other groups.

## FINLAND

Almost all of the Finnish student housing is owned or operated by non-profit organizations, such as public companies, foundations and student unions. The Finnish Student Housing Federation, SOA, consists of twenty-two student housing companies, which together represent around 95 per cent of the Finnish student housing market. In addition to these there are several smaller companies, each operating around a few dozen units.

## ICELAND

The four major student housing organizations in Iceland have different ownership. The three largest organizations, Icelandic Student Service, BN Student Housing and The Student Services in Akureyri are non-profit organizations, whilst the fourth is owned by a constellation of University of Iceland and private companies. There are also some organizations owned by the smaller universities that provide housing to their students.

## NORWAY

In Norway the vast majority of student housing organizations are the 14 studentsamskipnader connected to each of the Norwegian universities. Student housing is one of the organizations' missions alongside others. The main focus for the organizations is the students well-being during their time at the university. There are also private companies and foundations, but they represent a very small part of the student housing market in Norway.

## SWEDEN

In Sweden, 90 per cent of all student housing is owned by approximately 70 organizations. In addition to these there are several other smaller operators all over the country. The most common type is the public company, which operates both student housing and regular rented housing. The three largest organizations in Sweden are however non-profit foundations specialized in student housing. The private companies are still a small part of the market, but are growing faster for each year.

## MARKET REPORT

The student housing market in the Nordic countries is in a difficult situation. All countries state that there is a lack of student housing. Another common trend which impacts several countries is higher building costs.

### DENMARK

The market in Denmark is in many places balanced, but the Copenhagen and Aarhus areas are suffering from a lack of student housing. The estimated need of student housing in just Copenhagen is 8 400 units and local authorities predict the lack to continue for at least four years. The Copenhagen situation is very much related to the overall urbanization, which has led to higher rents and construction costs. The current market has therefore attracted more private investors, changing the dynamics of the local student housing market.

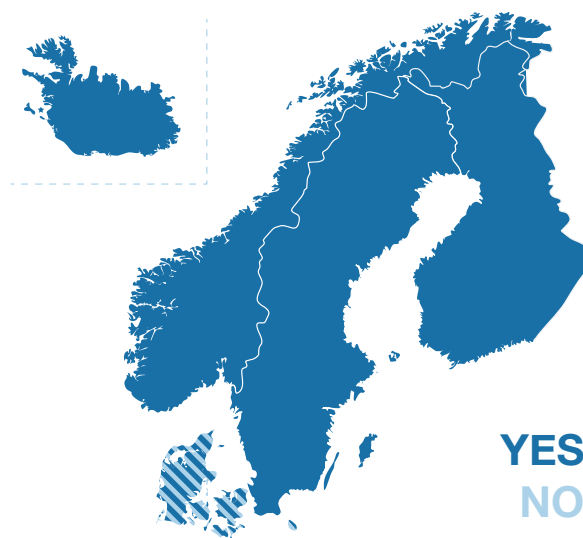
### FINLAND

In Finland the situation varies between different areas, the larger cities experience a general lack of student housing while the smaller cities have a more balanced market. Despite the high demand for affordable housing, student housing companies in Finland have vacancies. The reason is partly the changing cities, where the geographical preferences of students have changed alongside the development of the city. A challenge for the Finnish student housing operators is therefore to convert old student housing to better fit current demands. Additional competition has also arisen from other operators which now build smaller apartments in a larger extent. They are not student accommodations in itself but developed with that target group in mind.

### ICELAND

The economic upswing in Iceland has created high construction costs making it difficult for operators to build affordable housing for students. At the moment there are only two operators managing to build student housing in Reykjavik, and they have not been able to add the sufficient number of units. In addition, the large tourism has put many of the smaller housing options on the tourism market, making them too expensive for students. In order to meet these changing conditions, new student housing in Iceland is smaller than previously and in a wider extent shared accommodation.

## Is there a lack of student accommodation?



### NORWAY

Also Norway experiences a lack of student housing, but the situation varies depending on the local Student-samskipnad and the private market. The association of student unions in Norway (Norsk studentorganisasjon) states in their annual report that the current need is an additional 14 400 student housing units. Since 2015 there has been a positive development in the number of student housing, but at the same time the students have also increased. Therefore, the ratio has not changed in the last couple of years despite the high development of new student housing.

### SWEDEN

The situation in Sweden is similar to the other Nordic countries. In the 2018 annual report from the Swedish student housing federation (Studentbostadsföretagen) 12 out of 33 cities report a lack of student housing. The reason for the shortage is partly difficulties on the general housing market, which affects student housing. But also the fact that while production of student housing declined to record low levels in the beginning of the decade, the number of students increase to record high-levels. However, in the past couple of years the production of new housing has increased, improving the market in several parts of the country.

## SUBSIDIES

All the Nordic countries subsidize student housing in one way or another. In Finland the government guarantees subsidized loans for up to 95 per cent of the construction or renovation cost. They also finance ten per cent of the investment cost for new and reconstructed student housing. Both these subsidies are only available for non-profit organizations and requires the rent to be based on actual upkeep and capital costs, rather than market prices. Also in Iceland, the government and municipalities offer loans for construction of student housing, up to 30 per cent of the construction cost.

Is there governmental financing for construction of student housing.	Denmark	Yes
	Finland	Yes
	Iceland	Yes
	Norway	Yes
	Sweden	Yes

The Danish student housing companies can also utilize a subsidy for which the main purpose is to keep the rent levels low. It requires a set limit for building costs and rents, as well as the developer being a social housing company.

In Norway the government co-finances a fixed number of student housing units each year. To acquire the subsidy, the building cost frame for each unit cannot exceed a certain level. In 2018 €78,3 million was marked for 2 200 student housing units.

The Swedish government introduced a similar system in 2015, where developers can apply for subsidies for units below 35 square meters. The subsidy is a set amount per square meter and comes with required maximum levels of both rent and energy usage. In 2018 the rent levels were adjusted to a slightly higher level in order to increase the usage of the subsidy.

## BUILDING REGULATIONS

When it comes to building regulations, there are special regulations for student housing in all the Nordic countries. Building regulations are a vast area and here it is only described briefly.

In many cases the special regulations are connected to size. In Finland the student housing regulations allows the minimum size for student housing to be 16 sq. m, which is lower than regular housing (20 sq. m.). In Sweden different functions, such as eating and studying, can be combined making smaller units possible. The regulations in Sweden is related to the size of the accommodation (max 35 sq. m.) rather than it being categorized as student housing. In Denmark the special regulations are linked to the subsidies, which demands the accommodation to be a maximum of 50 sq. m. including common areas.

Finland and Iceland have lower requirements for parking spaces than regular housing, and even though it is not established in the regulations, the case is often the same in Sweden. Sweden also allows higher noise levels outside the apartment.

How many per cent of the student housing need to be fully accessible? (for residents, not visitors)	Denmark	100%
	Finland	5%
	Iceland	5%
	Norway	20%
	Sweden	100%

Iceland, Finland and Norway have lower requirements for wheel chair accessibility in student housing compared to regular housing. Finland and Iceland require five per cent of new student housing to be accessible, while the Norwegian requirement is 20 per cent. In Finland, who recently lowered the standard from 100 per cent, accessible bathrooms still have to be available for visitors on each floor. Sweden and Denmark have no difference between student housing and regular housing, demanding all new student housing to be fully wheel chair accessible.



## CURRENT CHALLENGES

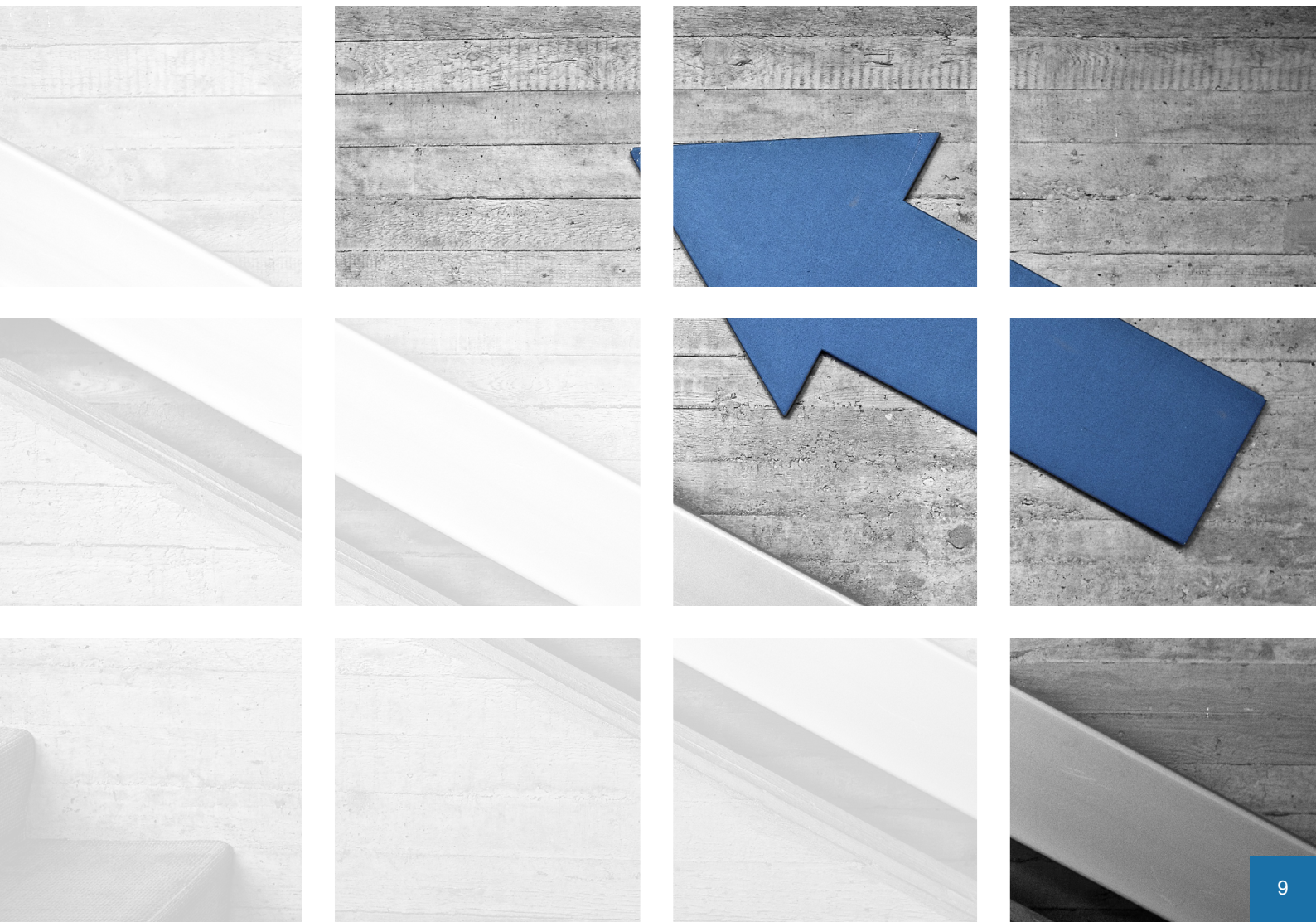
The major challenges for the Nordic student housing markets differ between the countries, but in some instances there are similarities. For all the Nordic countries a lack of student accommodations is a major challenge. Denmark and Iceland especially emphasize that the current market situation increases the high-rent sector, while student and other low-income groups find it harder to access affordable accommodation.

Another common challenge in all the Nordic countries is the growing problem with students' mental health and how to find solutions to prevent and treat this. Nordic student housing operators are still trying different ways to handle it. A closer collaboration between the countries as well as inspiration from European and international student housing is an important way forward.

In Finland, changes in students' housing benefits have had an impact on their housing preferences. Due to increased benefits, students are even more keen to

choose studios over shared accommodation and navigate towards higher quality housing alternatives. Simultaneously, many universities are restructuring their campuses, which also affects housing demand. Closing campuses in smaller towns have contrary effect on local student housing demand and shifts in campuses in bigger cities can create some less optimal locations. Therefore, student housing operators are working to restructure their housing supply alongside increasing overall capacity.

As stated before, the building regulations as well as subsidies for Swedish student housing is based on size of the housing, rather than purpose. Student housing is therefore often bundled up with other types of accommodation. For the Swedish providers the challenge forward is to distinguish student housing in different types of legislation and regulations. This applies to regulations regarding both letting and developing student housing.



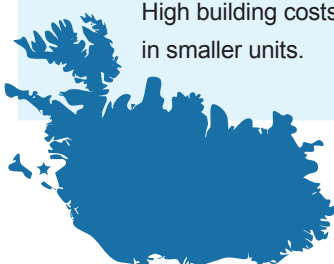
# NORDIC STUDENT HOUSING TRENDS 2018

## ICELAND

Growing need for social responsibility from housing companies.

Increasing construction of new student accommodation.

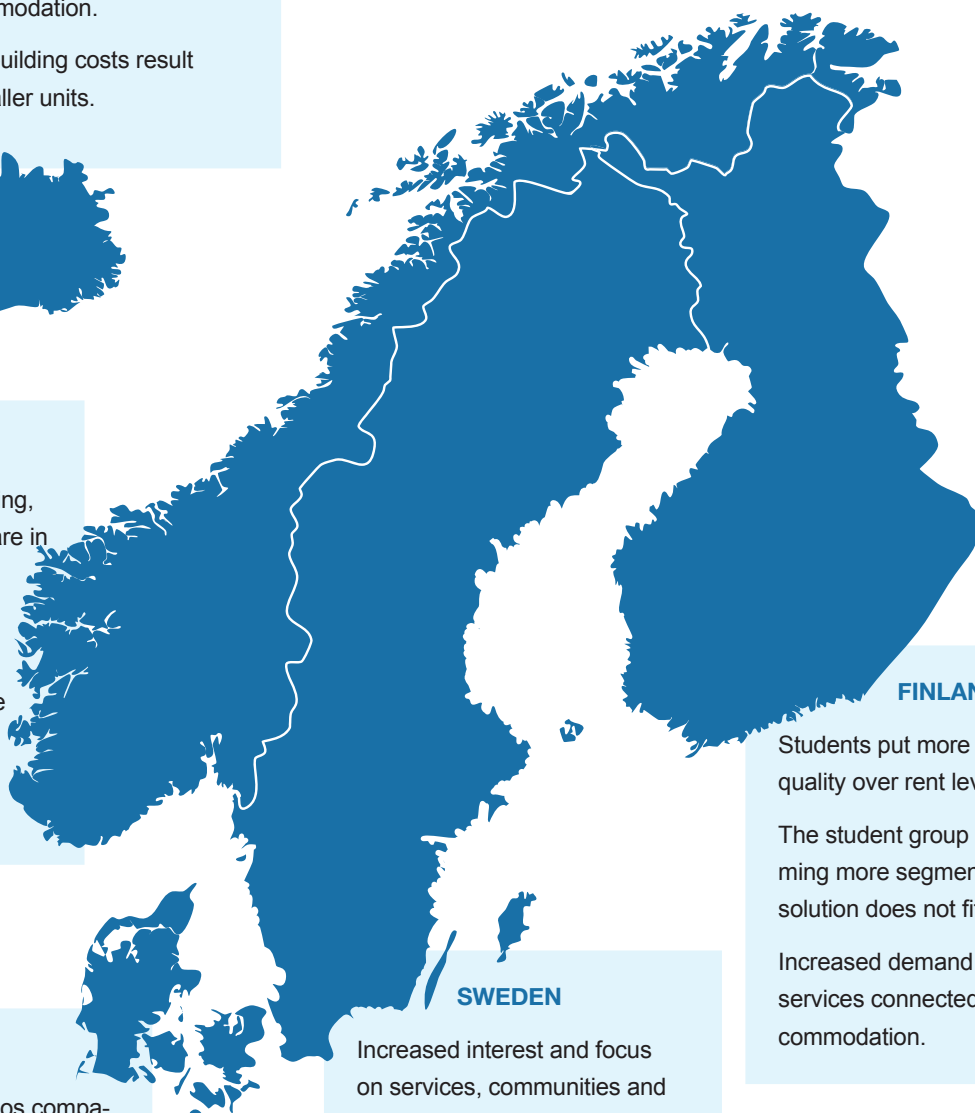
High building costs result in smaller units.



## NORWAY

Despite a lack of student housing, less students than previously are in line for student housing.

Norwegian politicians prioritize student housing. In 2018 the government increased both the subsidy and the cost frame - the opposition wants to allocate even more money.



## FINLAND

Students put more value on quality over rent levels.

The student group is becoming more segmented - one solution does not fit all.

Increased demand for different services connected to the accommodation.

## DENMARK

Higher demand for studios compared to shared accommodation.

Increased willingness to pay higher rents in financially good times.

More private providers in the Copenhagen area investing in studios and short-term investments.

## SWEDEN

Increased interest and focus on services, communities and co-living.

More private operators increasing their share of the student housing market.

A more balanced market as an effect of the past years addition of new student housing





## SOURCES

In all the Nordic countries except Norway, representatives for the national student housing operators have contributed with information about their respective market. From Norway a number of organizations have contributed. We have also taken information about current market conditions from The Class of 2020.

- *Finland: SOA*
- *Denmark: Kollegiekontorer*
- *Iceland: Icelandic Student Services*
- *Norway: Database for statistikk om høgre utdanning, Norsk studentorganisasjon, Regjeringen.no*
- *Sweden: Studentbostadsföretagen*
- *The Class of 2020 Annual Trend Report*

## ABOUT NSBO

NSBO is a non-profit platform for student housing in the Nordic countries. The purpose is to exchange information and experiences between the Nordic countries and together develop the student housing markets.

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