



NORDIC REPORT 2012

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

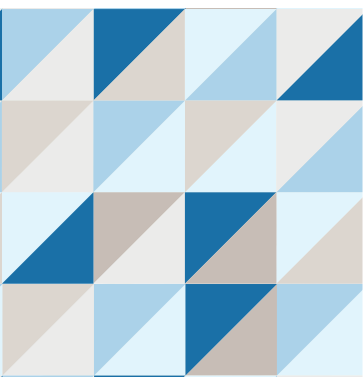
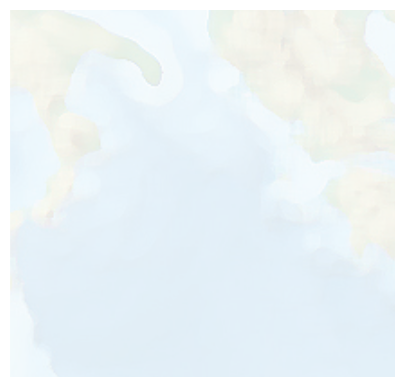
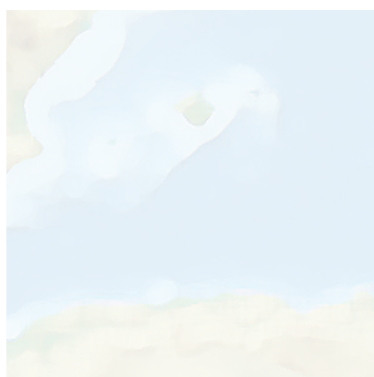
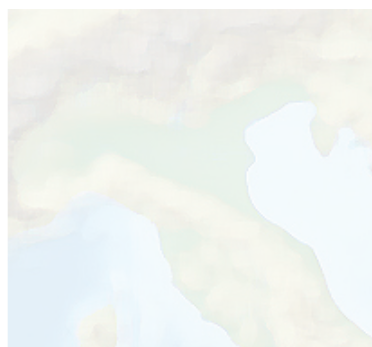
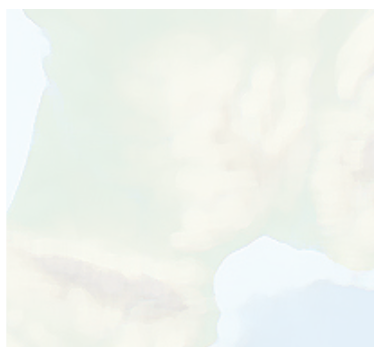




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INTRODUCTION

In November 2011 the board of NSBO, decided to conduct a comparative study of the student accommodation markets in the Nordic countries. The Swedish board members were given the task to conduct the study practically.

The purpose of the study was to collect information on how the fundamental aspects of the student accommodation market differ between the Nordic countries. Basic information regarding number of students and accommodation, different types of accommodation, governmental support, etc. has not been available and presented in a comparative way before. Hopefully, this study can be the first step towards other, more thorough, studies regarding more specific areas of the Nordic student accommodation markets. One of NSBO:s main purposes as an organization is the exchange of experiences between the countries, which this study hopefully can support.

STUDENTS

The number of university and college students differs widely between the countries. While Sweden has the most students with 433 540, Iceland has the least students with 19 000, which is natural due to the size of the overall population. But seen in comparison with the overall population, Iceland has the highest number of students of the Nordic countries.

Student housing is mainly reserved for students at university level, which probably are the easiest group of students to compare between the countries. Therefore are students at other educational levels than university

not in focus for this report, although there are other educational levels that also qualifies the students to apply for student housing. In Iceland and Norway you have to be a student at a university/college to qualify for student housing, but in the other countries there are a larger variety of students living in the student accommodations. Denmark has the most welcoming system where students at all educational levels have access to student housing while Finland and Sweden allow students at upper secondary school (Finland) and vocational schools (Finland and in most cases in Sweden) in addition to students at university level.

*Table 1
Number and percentage of students in the Nordic countries*

Country	Number of students	Population	Part of population	Percentage of 30-34 year olds with HE degree
Sweden	433 540	9 415 570	4,6 %	42,0
Finland	310 000	5 375 276	5,8 %	45,7
Norway	204 727	4 920 305	4,2 %	46,2
Denmark	215 000	5 560 628	3,9 %	46,3
Iceland	19 000	318 452	6,0 %	38,3

INTERNATIONAL STUDENTS

The number of international students in the Nordic countries also varies widely between the countries. In absolute figures Sweden has the highest number of international students while Iceland has the lowest. For the autumn semester 2011 Sweden introduced a tuition fee for international students outside EU/EEA, which significantly lowered the number of international students. Unfortunately there are no comparable figures yet on the number of international students after the fee was introduced in Sweden. But the number of students from outside EU/EEA that was registered at a university, and had paid their fee for the autumn semester 2011, indicated that the number of international students will decrease with around 15 000 students to approximately 27 000 international students. After Denmark introduced tuition fees for international students the trend over time has been a lower number of students from outside EU/EEA and a higher number of students from within EU/

EEA which might be the case also for Sweden after the initial drop of international students.

If we look at the number of international students as a percentage of the total student population, it shows that Denmark has the most international students. Meanwhile, Iceland is the country with the lowest number of international students. There is no general tuition fee for international students in Norway, Iceland and Finland, but the number of international students is lower compared to the other Nordic countries. Denmark and Sweden are the only countries with a general fee for international students, while Iceland has an annual registration fee. The size of the fee differs, in Denmark 6 500-13 900 EUR/semester and in Sweden 3 750-30 000 EUR/semester, depending on the type of education. The registration fee on Iceland is 277 EUR/year.

*Table 2
Number and percentage of international students in the Nordic countries*

Country	International students	Students	Part of total student population
Denmark	25 000	215 000	11,6 %
Finland	25 800	310 000	8,3 %
Iceland	1000	19 000	5,3 %
Norway	15 968	204 727	7,8 %
Sweden	42 0002	433 540	9,7 %

² The figures refer to the number of international students before the tuition fee was introduced.

STUDENT HOUSING / MARKET CONDITIONS

The number of student accommodations varies between the countries in the same way the students do. Even if Sweden has the most accommodations, Denmark has the most accommodations in proportion to the number of students in the country. As the table below shows there is student accommodation for 23 per cent of the students.

In Finland, Iceland and Sweden, the number of accommodations however, does not equal the number of students living in them since one accommodation can be meant for two or more students. Note that it is still possible that there is more than one student living in an accommodation that is really meant for one student. If we look at the number of students the accommodations are meant for, the proportion of accommodations per student changes a bit.

The proportion in Finland, Iceland and Sweden increases a bit and Iceland stands out as the country with the most accommodations per student. Since it is not just university and college students but also students at other educational levels that live in the student accommodations in Denmark, Sweden and Finland there might be a lower proportion of the accommodations per student than stated in the table on the next page.

Denmark is the only Nordic country where there is an overall balance between supply and demand for student accommodation. In all of the other countries there is a lack of accommodation on a national level. In Finland

the lack of accommodation is mainly in the Helsinki area and other growing cities. In other part of the country there are areas with a good situation and balance on the market. The situation in Finland is similar to the one in Sweden and Norway where the lack of accommodation is concentrated to the larger metropolitan areas and where the largest universities are located. In smaller cities, generally there is a balance between supply and demand.

The lack of student accommodation in Sweden is due to high construction prices and difficulties related to finding locations for construction and the process concerning planning and zoning. The troubles of finding good location for construction are also an issue in Iceland. During the economic boom there was too much focus on private buildings and the need for student accommodation were neglected by officials.

The types of accommodation available differ between the countries. In Finland there are only apartments in different sizes available. Denmark, Iceland, Sweden and Norway offer studios, two bedroom apartments and dormitories (rooms that share a common kitchen and in some cases shared bathroom). In Iceland and Sweden there are also larger apartments with three bedrooms or more.

A studio is the most common accommodation in all of the countries.

Table 3

Number and percentage of student housing units in the Nordic countries

Country	Number of units	Number of students	Proportion units/students
Denmark	50 000	215 000	23,3 %
Finland	35 000	310 000	11,3 %
Iceland	2 700	19 000	14,2 %
Norway	31 529	204 727	15,4 %
Sweden	83 000	433 540	19,1 %

Table 4

Number and percentage of students living in student housing units in the Nordic countries

Country	Number of students living in student housing	Number of students	Proportion units/students
Denmark	50 000	215 000	23,3 %
Finland	62 000	310 000	20,0 %
Iceland	5 300	19 000	27,9 %
Norway	31 529	204 727	15,4 %
Sweden	100 000	433 540	23,1 %

ORGANIZATIONS

The different organizations that own and provide student accommodations varies widely between the countries. Of Sweden's around 200 student accommodation organizations, the most common is municipality owned companies that offers accommodation for students as well as others. The largest organizations in Sweden are however student owned foundations. The universities in Sweden cannot own their own accommodations, they have to rent from other organizations and sublet the accommodations to mainly international students. There are also private companies that all together own around 20 percent of accommodations in Sweden.

The Finnish Student Housing Federation, SOA, consists of 21 members that are private, municipalities, universities and private foundations. Together the members of SOA represent around 90 percent of the Finnish student accommodation market.

In Denmark there are five private organizations that are specialized in student accommodation which owns around 20 percent of the Danish student accommodations. There are also around 200 other organizations that offer social housing to students as well as other groups.

In Norway the vast majority of student accommodation organizations are the student welfare organizations that are connected to each of the Norwegian universities. Accommodation for students is one of the organizations missions among other. The main focus for the organizations are the wellbeing of students during their time at the university. There are also other organizations such as private companies and foundations, but they represent a very small part of the total student accommodations in Norway.

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

CONSTRUCTION

Sweden and Iceland stands out among the Nordic countries regarding governmental involvement in the student accommodation market. In Finland the government offers interest rate subsidies for student accommodation companies to stimulate construction of new accommodations. Guarantees, or grants, are also provided to promote construction. In Denmark the state and municipality finance up to half of the construction costs when building new accommodation for students. Once decided what and where to build, the government guarantees loans and helps finance up to 50 percent of the capital cost.

In Norway the government has decided to finance the construction of 1 000 student accommodations per year. The student accommodation organizations apply for funding to the ministry of education, which then distributes the funds to different parts of the country. To be able to acquire funding, the production cost has to be less than 600 – 700 000, the exact figure differ between different parts of the country. If the limit is 700 000 NOK per unit, the governmental funding is 250 000 NOK per unit, which differs in relation to the production cost limit.

When it comes to construction, there are special regulations concerning student accommodation in Norway, Sweden and Iceland. In Iceland there is a special chapter in the regulations regarding the size of different parts of the accommodation such as bathroom and storage,

which is not applicable for regular accommodation.

The regulations are similar in Sweden. When building student accommodation, the kitchen and rooms can be smaller than in regular apartments. If the kitchen for instance, is built smaller due to the student accommodation rules, there has to be a compensation for the small kitchen in a common part of the building. This means that if a building consists of studios with smaller kitchen, there has to be at least one full scale kitchen somewhere in the building that all the tenants can use. How many or how large these common kitchens and other areas have to be is not regulated. The special regulations in Norway regard the accessibility of the bathroom in the accommodation. In general every new accommodation in Norway has to be accessible for persons in wheelchairs. There is an exception when building student accommodations, where only 20 percent of the bathrooms in the accommodations have to be accessible for persons with wheelchair. The rest of the building as well as the accommodation has to be accessible for wheelchair.

The rules surrounding accessibility for disabled persons differ between the Nordic countries. While Norway and Iceland has the same system where a percentage of the accommodations have to be accessible, Finland, Sweden and Denmark have the same system where all the accommodations has to be accessible.

SUMMARY

The study points out some areas where there are more differences and similarities than others. The topic for further studies in the field should probably be within some of the areas listed below.

Differences

Tuition fees exist in Sweden and Denmark but not in the other Nordic countries. The size of the fee varies between 3 750-30 000 EUR/semester depending on the type of education.

Governmental support for construction of new accommodations exists in Denmark, Norway and Finland but not in Iceland and Sweden.

There are certain rules regarding construction of student accommodation compared to regular accommodation in Sweden, Iceland and Norway. In Iceland and Norway not all of the accommodations have to be 100 percent accessible with wheelchair.

The type of organizations that provide student accommodation varies widely between the countries. There are nonprofit organizations, universities, private companies, municipalities, social housing companies etc. that provide accommodation.

Similarities

The number of students living in the accommodations are at the same level in all the countries, between 20-27 percent. Except Norway where it's a bit lower.

The type of accommodations provided is also the same in all the countries where the studio is the most common type of accommodation.

There is a lack of accommodations in some parts of all the countries, except Denmark. Mainly in the larger metropolitan areas.

The organizations providing accommodation also differ within the countries where there is a variety of different organizations involved in the student accommodation market.