NORDIC REPORT 2015

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

NSBO

The association for Nordic student housing companies

TABLE OF CONTENT

INTRODUCTION

In 2012 the first Nordic Report was published, showing differences and similarities between the student housing markets in the Nordic countries. The report was a good start for further understanding of our neighbouring countries and a base for a developed cooperation.

This year we continue the work with an updated version. In this report we present the fundamental premises of the different student housing markets, but also highlight significant changes since the last report.

The meaning of NSBO is to exchange information and experiences between the Nordic countries and we hope this Nordic report will be just as informative and useful as the last one.

NSBO Secretariat
Gothenburg, Sweden
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READ THE TABLES

2015 facts		
Country	Students	Difference
Denmark	200 000	-15 000
Finland	260 000	-50 000

Shows the difference from Nordic Report 2012, in percentage units or quantity.

STUDENTS

The number of students varies a lot over the Nordic countries. Sweden has the most with over 400 000 students, while Iceland has the least with just short of 20 000 students. The differences are naturally due to variations in the overall population. For example Sweden has a considerable amount more students than Finland, but as part of the overall population the countries are almost even. And despite the low number, Iceland stands out as the country with the most students in comparison with the population with 6,2 per cent.

DEVELOPMENT

Since the last report Norway and Denmark has increased their student population the most. Iceland as well has increased the number of students, while the Sweden and Finland have experienced a negative development in number of college and university students. Especially Finland has decreased their number of students with almost sixteen per cent since 2012, which also shows in part of population where the difference is minus 1,1 percentage points.

ELIGIBLE STUDENTS

In Denmark, Sweden and Finland all students who have graduated secondary school/high school are eligible for student housing. This includes vocational educations. In Sweden even high schools students are able to acquire student housing, even though it is rare.

Table 1
Number and percentage of college/university students

Country	Students	Difference	Part of population	Difference
Denmark	275 000	+60 000	4,8%	+0,9%
Finland	260 000	-50 000	4,7%	-1,1%
Iceland	19 865	+865	6,2%	+0,2%
Norway	255 000	+25 000	5,0%	+0,8%
Sweden	405 992	-27 548	4,1%	-0,5%

Table 2
Population in the Nordic countries

Country	Population
Denmark	5 678 348
Finland	5 489 097
Iceland	321 857
Norway	5 109 056
Sweden	9 816 666

INTERNATIONAL STUDENTS

With a constantly increasing globalization in general and in the field of education specifically, it is interesting to follow the development of international students in the Nordic countries. Denmark stands out with 35 000 international students, which is almost thirteen per cent of the total student population. Sweden as well has a lot of international students, but in comparison with all students it falls short since the international group only constitutes eight per cent.

DEVELOPMENT

Along with Denmark, Norway has also increased their number of international students since 2012. For Norway it seems a natural development since the overall number of students has increased remarkably the last couple of years.

Sweden and Finland is to be found on the other side, with a decreased number of international students. For Sweden the cause is most certainly the introduction of tuition fees for students outside of EU/Schengen.

TUITION FEES

All of the countries except Norway have some sort of tuition fee for international students. Sweden and Denmark applies a fee for students from countries outside of EU/Schengen, while Finland applies it to all international students. The fee differs. In Denmark it is about €1 000 and in Sweden it can vary from €4 000 to €7 000 per semester. The University of Iceland applies a registration fee of €254, but the privately owned University of Reykjavík applies tuition fees of €1 450 to €3 300 per semester.

Table 3
International students and part of overall student population

Country	International students	Difference	Part of student population	Difference
Denmark	35 000	+10 000	12,7%	+1,1%
Finland	20 000	-5 800	7,7%	-0,6%
Iceland	1 500	+500	7,6%	+2,3%
Norway	21 985	+6 017	8,6%	+0,8%
Sweden	32 564	-9 436	8,0%	-1,7%

STUDENT HOUSING

When it comes to student housing it is measured in units and not beds, which is common in other parts of the student housing world. 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 splitting the available student housing on the number students Denmark and Sweden comes out on top. Norway and Iceland present the lowest share, with student housing for 13,5 per cent and 14,3 per cent of the students. In the case of Norway the large addition of students has not fully been matched by new production of student housing, even though the stock has increased with ten per cent in three years.

DEVELOPMENT

All of the Nordic countries have increased their amount of student housing units, even though the student population has decreased in many countries.

TYPE OF ACCOMMODATION

In Denmark and Finland shared accommodations, like student rooms or bigger apartments, is still the most common type of housing. But the category is strongly challenged by studio apartments, which are increasing for every year. In Sweden and Iceland the small studio apartments are already the most common type of student housing.

Table 4
Number of units

Country	Units	Difference
Denmark	55 000	+5 000
Finland	40 000	+5 000
Iceland	2 850	+150
Norway	34 800	+3 271
Sweden	88 000	+5 000

Table 5
Percentage of units per student

Country	Units/students	Difference
Denmark	20,0%	-3,3%
Finland	15,4%	+ 4,1%
Iceland	14,3%	+0,1%
Norway	13,6%	-1,8%
Sweden	21,7%	+2,6%

ORGANIZATIONS

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

DENMARK

In Denmark there are around ten private organizations that are specialized in student accommodation, which owns around twenty per cent of the Danish student accommodations. There are also around 200 other organizations that offer social housing to students as well as other groups.

FINLAND

The Finnish Student Housing Federation, SOA, consists of nineteen members that are both private and municipality owned student housing companies. Together the members of SOA represent around 90 per cent of the Finnish student housing market.

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 different private companies. There are also some organizations owned by the smaller universities that provide housing to their respective students.

NORWAY

In Norway the vast majority of student housing organizations are the 25 different student welfare organizations that are connected to each of the Norwegian universities, so called Studentsamskipnad. Student housing is one of the organizations' missions alongside others. The main focus for the organizations is 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 housing market in Norway.

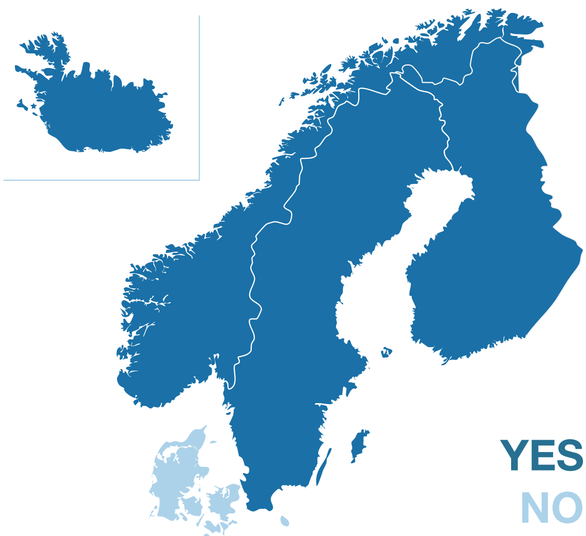
SWEDEN

Of Sweden's around 200 student housing organizations, the most common type is the municipality owned companies that offers accommodation for students as well as others. Around 95 per cent of all units are owned by 70 - 80 organisations. The largest organizations in Sweden are however student owned foundations. The universities in Sweden cannot own their own student housing; they have to rent from other organizations and sublet, which they mainly do to international students. There are also private companies that all together own around twenty per cent of the student housing in Sweden.

MARKET CONDITIONS

The student housing market in the Nordic Countries seems to be in a slightly critical situation. In all countries but Denmark there is an overall lack of student housing. In this chapter current and future conditions and challenges for the different countries are presented.

Is there a lack of student accommodation?



SUBSIDIES

Sweden and Iceland stands out among the Nordic countries regarding the lack of governmental involvement in the student housing market. However, from 2016 the Swedish government has announced that there will be subsidies to promote construction of student housing. The exact design of the subsidy is not yet known, but according to the proposal developers will most likely receive a set sum per square meter. On condition that the size and the rent of the unit is below a certain level.

To stimulate construction of new student housing in Finland the Finnish government guarantees subsidised loans. The government also finance ten per cent of the investment cost for new and reconstructed student housing. In Denmark the state and municipality support construction of new student housing with an interest-free loan that does not have to be paid back for 50 years. This covers fourteen per cent of the total cost, the rest has to be acquired from the normal capital market. The support continues with different kinds of rent and loan support from the government and municipality.

Is there governmental financing for construction of student accommodations?		
	Denmark	Yes
	Finland	Yes
	Iceland	No
	Norway	Yes
	Sweden	No

In Norway the government decides each year on how many student housing units it will co-finance. For 2015 the number is 2 000 units. The student housing organisations 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 for one unit has to be less than €60 000 – €70 000, the exact figure differs between different parts of the country. In the areas where the limit is €70 000 per unit, the governmental funding is €25 000 - €30 000 per unit, which differs in relation to the production cost limit.

REGULATIONS

When it comes to construction, there are special regulations concerning student accommodation in Norway, Sweden, Denmark and Iceland. In Iceland there is a special chapter in the general regulations regarding the size of different parts of the accommodation, such as the 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 compared to regular apartments, which make sixteen square meters the theoretical minimum size of a unit.

In Denmark the special regulations are connected to the Social Housing Act that gives student housing economic support for construction. The economic support comes with set limits for size, building costs and rents for student housing built by social housing companies.

ACCESSIBILITY

The rules surrounding accessibility for disabled people differ between the Nordic countries. While Norway and Iceland have the same system where only a percentage of new student housing have to be accessible, Finland and Sweden shares a system where all new units have to be accessible. Denmark has the most liberal system and requires only a visiting standard.

How many per cent of the student housing need to be accessible? *(for living, not visitors)*		
	Denmark	0%
	Finland	100%
	Iceland	5%
	Norway	20%
	Sweden	100%

Only five per cent of student housing units in Iceland need to be accessible for wheelchair users. In Norway, the quota of accessible units is twenty per cent. The other eighty per cent needs to be accessible for visitors. In practice these special regulations in Norway and Iceland applies to the accessibility of the bathrooms.

PRESENT AND FUTURE CHALLENGES

The major challenges for the Nordic student housing markets differ between the countries, but are probably quite similar and universal over time. For Denmark the most important issue is the major lack of student housing in Copenhagen caused by urbanisation, while the smaller cities have a balance or even a surplus of student housing. The same situation appears in Finland where the Helsinki area has the most urgent lack of student housing. The high rents on the private market also intensify the demand for student housing.

The shortage of student housing in Sweden is more widely spread than just in the major metropolitan areas. The most prominent obstacle in Sweden for more student housing is the inefficient planning process, which includes difficulties to find attractive and suitable land to build on. Together with high building costs that lead to difficulties in producing a product students can afford, it creates a very low production rate of student housing, even though there is a great demand and shortage. The ambition to improve the conditions is high among several operators on the Swedish market. The government's respond is to introduce subsidies, but the design and actual impact is still unclear and has so far been widely criticised.

Finding land to build on is difficult in Iceland as well, where the municipality normally provides suitable land. The lack of student housing in Iceland is much due to a slow building pace, which in itself is due to a slow planning process. There are also challenges in getting assurances from the government to provide loans from the Housing Financing Fund to the developers. There is an awareness of the problem, but the bureaucracy is heavy and prevents new projects and further development.

In Finland there has been a shift in governments, which always leads to the question of what the policies of the new government will be. The Finnish market will just have to wait and see.