

**An introduction to the Swedish Association
of Public Housing Companies (SABO)**

SABO and Public Housing in Sweden



Sweden's recipe for public housing

Many people lived in crowded and very poor housing in Sweden during the 1930s. Pressure grew for society to assume greater responsibility and a Public Housing Inquiry was appointed. The birth rate hit an all-time high in 1945 with the end of the war. Construction of housing had been at a standstill for some time, and there was now an acute housing shortage.

A decision on Government borrowing taken by the Riksdag (Swedish Parliament) provided opportunities for municipalities to build good housing for everyone through the public housing companies owned by each municipality. The buildings erected were light and spacious, with playgrounds and green open spaces. These were followed by day nurseries, libraries and housing for older people, which were integrated into and created lively urban environments. Sweden was unique within Europe, as the public housing we built not only included social housing for the less fortunate members of society, but also increased the quality of life for everyone.

The Swedish public housing model was born.

Twenty years later it was time for the Government to intervene once again. Sweden was experiencing another acute shortage of housing and through Government funding just over a million homes were built across the country over a period of just ten years – primarily apartment blocks but also many areas of terraced housing. This effort, referred to as the 'Million Homes Programme', not only eased the housing situation but also improved the standard of housing. In addition to providing high-quality buildings, the programme also introduced tenants the possibility of co-determination, offered leisure activities for children, created safe environments, provided assistance for jobs, combated homelessness, developed new technologies to save energy and also promoted integration. The public housing companies became the municipalities' – and indeed Sweden's – tool to overcome challenges extending well beyond the function of housing supply.

Swedish public housing companies

- Account for almost 20 % of Sweden's housing stock – half the rental sector.
- Over 300 companies, found in virtually all municipalities.
- Owned by the municipality.
- Managed as limited companies.
- Universal, open to everyone – not social housing.

Public housing in Sweden

More than 3 of 9.5 million Swedes live in rental housing. Over half live in public housing, that is to say municipally owned rental housing. This is an obvious choice for many. It provides freedom in everyday life, good service, predictable accommodation expenses and an opportunity to exert an influence on your own housing.

However, there are also challenges. The Million Homes Programme is now facing the need of extensive improvement work. There is an urgent need to invest in energy efficiency improvements. Exclusion exists in many residential areas and needs to be combated. There is a shortage of housing and at the same time it is more difficult than ever to build at a cost that ordinary people can afford. Meanwhile, legislation means that the public housing companies have to combine their social responsibility with a business-like approach.

This has promoted the emergence of strong companies with experience, knowledge and commitment ready to provide value for inhabitants, while serving their municipalities, and offering good housing for everyone, regardless of income, background, age and family situation. These companies are able to drive forward the development of areas and help to promote secure and sustainable residential areas, either independently or in collaboration with others. At the same time, they represent a long-term and competitive stakeholder in their local and regional market, promoting growth in their municipality and region.

Public housing is as important for Sweden in the 21st century as it was when it was created.

What is SABO?

- SABO is an industry and interest organisation for public housing companies in Sweden.
- SABO offers support and service to its members through information, competence and the exchange of experience.
- SABO also works to provide good operational conditions for its member companies and the positive development of rental property.
- SABO's work concerns housing policy although it is not affiliated to any political party. The board is politically appointed by the Congress and reflects the overall political majority of the municipalities where the member companies are located.



SABO - an industry and interest organisation

SABO was established at around the same time as the birth of the public housing sector. The organisation was formed at a meeting of the municipally owned Bostadsbolaget i Göteborg (Gothenburg Housing Company). This was in 1950, and a handful of public housing companies have been involved since the very first day. Today, over sixty years later, almost 300 companies are members of SABO.

There are member companies of varying size throughout Sweden. They operate in their own local markets and their conditions differ quite significantly. However, there are more similarities than differences and there is a great feeling of solidarity between the companies.

As an industry and interest organisation for these companies, we want to provide concrete benefits for both the companies and their employees and the elected representatives working on the boards of these member companies. As an industry organisation we provide daily support and service, for instance in the form of relevant sector information on our website and in the form of reports, guidelines and handbooks. We offer training adapted to the sector, arrange conferences focused on the challenges faced by the sector and also set up networks and arrange meetings for the exchange of experience. Every year our activities bring together over 6,000 people. This makes us one of the most important meeting places for the sector. At the same time we are available to our members on a daily basis to provide advice and suggestions.

As an interest organisation our long-term ambition is to provide good operational conditions for our member companies and the positive development of rental property. Our work concerns housing policy, but we are not affiliated to any political party. We seek to create alliances and cooperate where this benefits our members. We take our responsibility to represent members seriously, whether we are engaged in discussions or negotiations with representatives of the Government and the Riksdag or the sector in general.

The public housing sector plays an important role in Sweden. An industry and interest organisation like SABO can also make a valuable contribution to society through its work to promote the public housing sector.





Rent setting in Sweden

Rents for rental 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, etc.

Collective negotiations are normally conducted once a year. Sometimes the parties do not reach an agreement. If the landlord is a public 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.

SABO's member companies

- *SABO had 294 member companies in 2012, which jointly manage 729,000 apartments.*
- *SABO companies are found throughout Sweden and vary in size, with everything from 72 to 26,000 apartments.*
- *The total dwelling space for SABO companies is 46.7 million square metres.*
- *Total non-residential floor space amounts to 7.9 million square metres.*
- *Overall turnover was approximately SEK 50 billion in 2011.*
- *The overall balance sheet (excluding surplus values) was over 245 billion in 2011.*

SABO's concept programme

The purpose of the concept programme is to provide inspiration for the work of public housing companies in relation to long-term goals and strategies. The programme is based on the idea that public housing companies can provide benefit at three levels: at a municipal and regional level; residential area level; and tenant and individual level.

The concept programme is also based on five areas of focus:

- *Growth for municipalities and regions*
- *Integration through diversity and freedom of choice*

- *Enterprise with social responsibility*

- *Housing with quality of life*

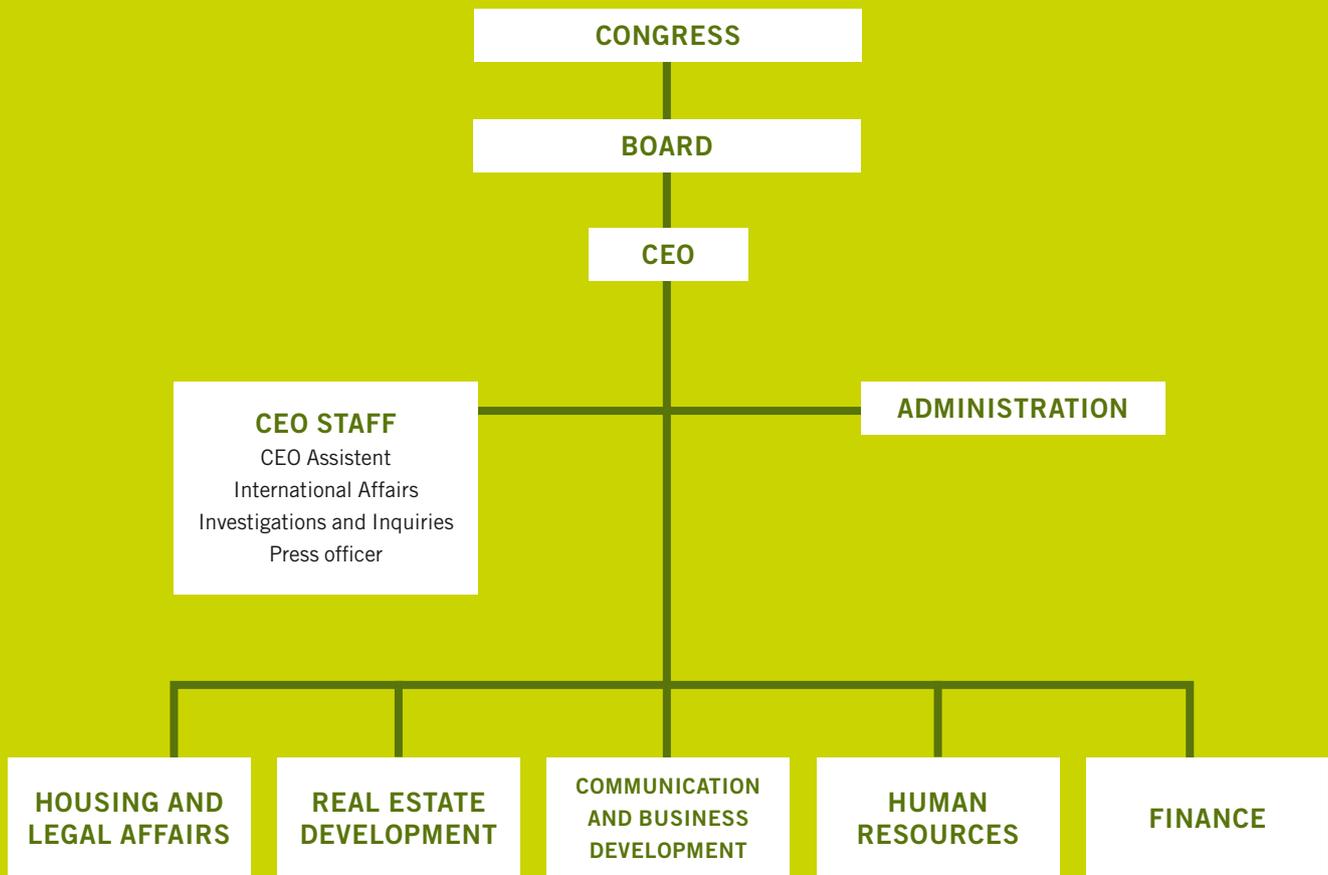
- *Sustainable development*

Although all of these areas are important for all public housing companies, the challenges within each area may differ significantly for the various companies, not least because there are public housing companies throughout Sweden and that they vary in size.



SABO focuses on the activities of its members

SABO's organisation takes the form of a line organisation, with a CEO Staff Office, five sections focussing on the activities of member companies and one responsible for SABO's own administration. Each section is responsible for staff, budget and the functions of its own area as regards representing interests, advisory services, training, development, consultancy services, etc.



Centred in Stockholm, network across Europe and its heart with its members

SABO has been based at Drottninggatan 29 in Stockholm since 2011. We hold many of our training courses and meetings here. Just over forty employees and experts work here in an organisation that focusses on the daily challenges of our member companies concerning property development, economic and financial issues, the supply of skills, housing issues and law and also communication and business development.

We perform around half of our activities elsewhere in Sweden, often in collaboration with one or more of our member companies. For example, this may relate to company-based training in tenancy law, a network meeting for communicators or a regional conference for elected representatives.

Most of SABO's work involves municipal rental property and the housing issue in Sweden. We actively cooperate with all of the important housing organisations in Sweden and cooperate with, for example, the Swedish Union of Tenants and the Swedish Property Federation. We work together to create a secure rental market and for the positive development of rental housing. However, development in our sector is not restricted to the borders of Sweden. For this reason we are actively working both to promote the exchange of experience through the Nordic housing organisation (NBO Housing Nordic) and also, through CECODHAS Housing Europe, to promote and protect our interests in respect of EU regulations.



www.nbo.nu



www.housingeurope.eu

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JOHN CHRIS

JOHN CHRIS





Public housing in the future

Some wise words can be found in the legislation for public housing companies that entered into force on 1 January 2011; for example, that the overall public function of a public housing company is to promote the supply of housing within the municipality. This public function also includes social responsibility; this may involve ethical, environmental and social responsibility. This coincides with both the original objective of public housing and the way in which our member companies currently work. Public housing companies are needed so that everyone, regardless of age, background and income, can live in a good and affordable home – today and in the future.



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