



# The Norwegian State Housing Bank

NORWAY

FUNDING

Since its foundation in 1946, the Norwegian State Housing Bank has been the central government agency to implement housing policy and support local governmental units financially and practically with regards to housing policy. While the Housing Bank's main task was initially to support the reconstruction after WWII and ensure supply of housing, the main priority is now to support people facing difficulties to access secure and sustainable housing. It is part of the cross-party political belief in Norway, that every citizen should own their own home.

Real estate prices as well as rents have increased significantly in the past few years; the real estate development was not able to keep up with rapid population growth, and the housing market has become increasingly tight. Consequently, disadvantaged groups such as low-income households, students, immigrants and broadly 4.000 rough-sleepers face difficulties to access adequate and secure housing.

In order to improve housing conditions for these groups, the Norwegian State Housing Bank provides a wide array of instruments, meant to complement the private capital and real estate markets.

## The Norwegian State Housing Bank's Instruments

The Housing Bank operates through regional offices in close collaboration with municipalities, other regional welfare agencies and the construction industry. The different municipalities are the first line service providers, essentially intermediating the Housing Bank's various support instruments. The emphasis is on not supply-side measures, but on the demand side, as to help vulnerable citizens to obtain and sustain housing.

	Housing Allowance	Housing Grant	Start-Up Loan	Basic Loan
Objective	Support affordable housing through partial coverage of housing expenses	Support individuals to obtain and sustain adequate homes	Support individuals to obtain and sustain adequate homes	Promote sustainable projects through loans for construction of new homes or renewal
Eligibility and Conditions	People with low income, except students, depending on income	Economically disadvantages households; Below market-rate	Economically disadvantages households; Below market-rate	Sustainable and forward-thinking real estate projects; Below market-rate
Beneficiaries; Budget (2016)	± 140.000 allowances; EUR 305 million	± 1.500 households; EUR 39 million	± 7.000 households; EUR 694 million	± 8.000 housing units; EUR 813 million

## Relation to National Housing Policy

In its role, the Norwegian State Housing Bank is the core executing government agency for public policies regarding housing. The bank reports to the Ministry of Local Government and Modernisation. Its funds are allocated from the national budget to the Housing Bank in order to implement the various loan and grant programmes, as well as housing allowance schemes. As such, the Housing Bank's efforts are potentially subject to diverging party political steering, however, housing policies are widely agreed upon across different parties and provide a common denominator.

## Implications of the Housing Bank's Intervention

The key achievement of the Housing Bank has been the increase of the supply of quality housing for those most in need through the provision of grants and loans. Together, these programmes have supported almost twenty percent of all housing starts in 2016. These measures supported a stable supply of housing, while also providing incentives to invest in sustainable, forward-thinking real estate development. Furthermore, through strong partnerships with the municipalities, the bank is encouraging the integration of social housing provisions in regional policies, fostering a more efficient use of resources at the local level.

**Obstacles faced** - As the loans are not regulated by law, encouraging municipalities to use them poses a major challenge, especially for start-up loans. Moreover, the sharp increase of real estate prices in recent years limits the effectiveness of loan programmes. Working with the municipalities is yet another challenge, as they vary significantly in structure, management and housing policy know-how.

**Key to success** - Finding a balanced combination of financial instruments and the dissemination of knowledge has been a key to the success of the Housing Bank's efforts: The Housing Bank provides municipalities and other partners with advice and examples of best practices, as well as facilitating collaboration. Furthermore, by cooperating with national welfare agencies and different departments (e.g. health, security, education), the bank aligns and synthesizes different financial and non-financial policies, giving municipalities the best possible support on social and affordable housing.

Overall, the Norwegian State Housing Bank's approach shows how to successfully apply public funds to provide social and affordable housing as well as to promote forward-thinking, sustainable real estate development. This is essential to the successful implementation of Norway's housing policies. In fact, many international agencies are approaching the Bank to understand whether the various instruments can be translated to different market contexts throughout Europe.

## More information

For more information about the Norwegian State Housing Bank, please visit their website [husbanken.no](http://husbanken.no) or get in touch with the EVPA Policy Team.

## Contact

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