

# SWEDEN

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DATE 21-March-2025  
SERIES Social and Public Housing in the EU & UK

## PARTNER ORGANISATIONS



THIS RESEARCH HAS BEEN  
FUNDED BY



An Roinn Tithíochta,  
Rialtais Áitiúil agus Oidhreachta  
Department of Housing,  
Local Government and Heritage

*The views expressed in this paper are those of the authors and they should not be regarded as an official position of the Department of Housing, Local Government, and Heritage.*

**Table 1: Housing in Sweden, by ownership category**

Tenure	# of Dwellings	% of total
Municipal Housing Companies	839,111	16.1
State, municipal, regional authorities	61,653	1.2
Cooperative housing	1,267,868	24.3
Other rental housing	812,793	15.6
Owner-occupiers	2,054,771	39.4
Other / Unknown	175,832	3.4
<b>Total</b>	<b>5,212,028</b>	

Source: Statistics Sweden

Notes: Total number of dwellings in 2023; including vacant dwellings, but excluding 'summer cottages' and homes not designed for permanent habitation. "State, municipal, regional authorities" is not equivalent to 'social' housing. It is rental housing owned by various public agencies.

## Origins and brief historical overview of public housing policy

In Sweden, the term "social" housing is not used, with the term "public" housing being strongly preferred by policymakers and stakeholders. This largely reflects the historically 'universalist' nature of this part of the housing stock, which has always been seen as something that everyone should have the opportunity to benefit from "regardless of income, origin, age and type of household. This was a conscious decision in favour of integration and opposed the poor/rich divide where those who were unsuccessful in the housing market were referred to social housing".<sup>1</sup>

Indeed, the Swedish term for the Municipal Housing Companies (MHCs) that provide public housing is 'Allmännyttan', which approximately translates to 'public good' or 'public utility'. This ambition to be for everyone has had a profound impact on the provision of public housing in Sweden in recent decades. This observation will be discussed in greater detail later in this chapter.

The earliest form of what we might recognise as public housing today emerged in Sweden in the late 1910s,<sup>2</sup> with the precursors to the current Municipal Housing Companies. This, as in the preceding decades, was as a response to rapid industrialisation of the economy, and the related urbanisation of the labour force. This led to a requirement for affordable housing for the urban working class population, the majority of whom lived in slum-like conditions, in part due to insufficient housing supply and a lack of regulation of the private rental market.<sup>3</sup>

While beginning two decades earlier, it was not until the Swedish Social Democratic Party came to power in 1932, for what would turn out to be the beginning of an unbroken period of 44 years leading the country, that public housing and tackling poor housing conditions became top-line political priorities. This led to the conceptualisation of the *Folkhemmet* ('peoples' home') suite of policies. This included a system of tight regulation of the housing market, as well as generous public subsidies to

<sup>1</sup> NBO Housing Nordic (2020). Affordable Housing Models in the Nordic Countries. Copenhagen: NBO Housing Nordic.

<sup>2</sup> Blackwell, B. and Bengtsson, B. (2023). The resilience of social rental housing in the United Kingdom, Sweden and Denmark. How institutions matter, *Housing Studies*, 38:2, 269-289.

<sup>3</sup> Grundström, K., & Molina, I. (2016). From Folkhem to lifestyle housing in Sweden: Segregation and urban form, 1930s–2010s. *International Journal of Housing Policy*, 16(3), 316-336.

support the construction of new homes of all tenures. From this period also emerged a renewed focus and push to support Municipal Housing Companies. Thanks to the comprehensive public policy efforts of this period, *“the state was thus able to largely control housing construction, determining what was built where, and at what cost for the user”*.<sup>4</sup>

So successful was public housing policy in this period that by the mid-1970s Sweden had effectively eliminated unmet need for housing, and drastically improved housing standards for the population. A key part of this was the incredibly ambitious *‘Miljonprogrammet’* (Million Homes Programme) begun in the 1960s. At its peak, the programme saw an astounding 110,000 new homes built in 1974; a year in which the population was just 8.2 million people<sup>5</sup> (i.e., 13.4 new homes per thousand residents).

1974 was also the beginning of a period of ‘liberalisation’ of the Swedish housing market. Removal of strict government controls on rent setting occurred in 1978. This was replaced by a consensus-driven model of local negotiations between landlords and Sweden’s powerful tenants’ unions; a model which survives largely unaltered today. Further incremental liberalisation in the following years saw a reduction in public financial support for new construction.

In 1991, an implicit ban on MHCs selling parts of their stock was lifted.<sup>6</sup> This saw some municipalities push their MHCs to privatise large parts of the local public housing stock. This was usually done at below-market prices,<sup>7</sup> to the benefit of existing tenants. In many cases, entire blocks of municipal housing were sold in one go, with ownership transferred to newly established housing cooperatives.<sup>8</sup> The impact of this privatisation is clear to see, with the cooperative housing sector increasing in relative size from 16.9% of the national housing stock in 1990, to 24.3% in 2023. In contrast, the Municipal Housing Company stock declined from 21.3% to 16.1% over the same period.<sup>9</sup> As well as sales, the decline also reflects less new construction of public housing relative to other tenders.<sup>10</sup>

It is important to state that the privatisations of public housing, usually to the benefit of a growing cooperative sector, was a political decision. In other words, it was motivated by the ideology of local politicians, many of whom wanted to support homeownership; even at the cost of losing the revenues generated from rents paid by households living in the MHC sector. The homes being sold were also typically in good condition, and many were debt free.

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<sup>4</sup> *Ibid.*

<sup>5</sup> Based on Statistics Sweden - <https://www.scb.se/en/finding-statistics/statistics-by-subject-area/population/population-composition/population-statistics/>

<sup>6</sup> It was never technically illegal prior to 1991, but nor was it actively encouraged or promoted by government.

<sup>7</sup> This practice has changed in recent years. It is now no longer considered appropriate to sell public housing at below market prices. There are no special restrictions over the sale of public housing at present. There are no circumstances in which public housing providers are ‘required’ to sell housing, meaning it is entirely up to the MHC involved. For further analysis, see: Housing Europe (2021). *The Sale of Social and Public Housing in Europe*.

<sup>8</sup> For a detailed overview of the setup, financing, and operation of Swedish cooperatives, see: Housing Europe (2023). *Delivering on Housing in Ireland: A European Policy Perspective*.

<sup>9</sup> For further discussion on the sale of public housing in Sweden, see: Housing Europe (2021). *The Sale of Social and Public Housing in Europe*.

<sup>10</sup> Swedish Union of Tenants (2024, September 26). *Allmännyttan hotas medan andrahandsmarknaden växer [Public housing is threatened while the secondary market grows]*. Stockholm: Hyresgästföreningen.

## CASE STUDY / KEY POLICY FEATURE

**Swedish housing cooperatives<sup>11</sup>**

So-called “tenant-ownership” cooperatives have existed in Sweden since the 1920s, enabling households to collectively finance and develop housing schemes—typically multi-family apartment blocks—by pooling their mortgage-eligibility and borrowing capacity.

The Swedish model is based on a ‘mother and daughter’ approach. Large regional Cooperative Associations (the ‘mother’) partner with newly formed local cooperatives (the ‘daughter’) to develop housing projects. The mother oversees technical, legal, and administrative tasks, and crucially, acts as the initial guarantor for development loans taken out by the daughter.

Financing occurs in two phases. First, the daughter cooperative secures a short-term loan for construction, with the ‘collateral’ coming from a guarantee fund managed by the mother. In phase two, as completion nears, individual households obtain mortgages to repay the development loan and to buy shares in the cooperative; which entitles them to live in a home in the new housing development. Around 75% of the cost is financed individually; the remaining 25% is covered by a collective loan<sup>11</sup>, reflecting shared ownership of communal areas, including the building facade.

Both the mother and daughter entities operate on a non-profit basis. Monthly charges paid by residents cover collective loan repayments (i.e., the 25%), building upkeep, and payment into a collective fund to finance future renovations.

Another feature of the Swedish system is the cooperative-backed savings accounts, offering attractive interest rates to help prospective owners save for a 15% downpayment. Allocation of homes is based on a points system—households earn points through membership in national federations like HSB Riskförbund and Riksbyggen. Some families even start memberships for their children to help increase the possibility that they will be able to buy into a local housing cooperative in the future. The model also caters to specific groups, such as young first-time buyers or retirees. Members often have input in the design of their homes, meaning that they are more personalised than the generic build to sell apartments offered by private developers.

Studies show tenant-ownership is generally cheaper than renting in Swedish cities.<sup>12</sup> When leaving, owners may sell their shares in the cooperative, but buyers must be approved by the remaining members, limiting speculation and ensuring homes remain primarily for ordinary households, rather than private investors. While sub-letting can be permitted in some cases, in general tenant-owner cooperative dwellings are not speculative investments, but intended to provide long-term primary residences.

1991 was also the year in which remaining public housing subsidies began to be wound down, while the previously powerful Ministry of Housing (*Bostadsdepartementet*) was abolished. As of 2024, Sweden still does not have a dedicated housing ministry, with housing matters currently falling under the auspices of the ‘Ministry of Rural Affairs and Infrastructure’. In 2011, new legislation concerning the governance and activities of Municipal Housing Companies was introduced, which mandated that

<sup>11</sup> This section is based on: Housing Europe (2023). Delivering on Housing in Ireland: A European Policy Perspective.

<sup>12</sup> Grip, J., and Brinkhagen, A. (2021) Boendekostnader i nyproduktion [Housing costs in new construction]. Stockholm: Prognos Centret. [https://www.mynewsdesk.com/se/hsb\\_riksforbund/documents/rapport-boendekostnader-i-nyproduktion-punkt-pdf-416785](https://www.mynewsdesk.com/se/hsb_riksforbund/documents/rapport-boendekostnader-i-nyproduktion-punkt-pdf-416785)

providers should behave in a ‘business-like’ manner, with an obligation for them to be profit-making.<sup>13</sup> These additional reforms were largely a reaction to legal challenges taken by the Swedish federation representing private landlords, who accused the MHCs of benefitting from indirect public subsidies that they believed were contrary to EU competition law.<sup>14</sup> While MHCs now must generate some ‘profits’, these must be reinvested in public housing, or returned to the municipalities<sup>15</sup> to help fund local services and public investment.

The current situation with regard to housing in Sweden is that after several decades of market liberalisation, and the removal of public financial supports, there is once again a significant unmet need for housing. This was estimated to be at least 175,000 units in 2023.<sup>16</sup> Residential property prices have increased substantially; with nominal prices up 154 percent in 2023 compared to 2005.<sup>17</sup> Policies in favour of homeownership have also left Swedish households potentially vulnerable to economic shocks, with the country having a household mortgage debt to disposable income ratio of 146% in 2023.<sup>18</sup>

### Responsibility for public housing policy

Looking at the delivery of public housing in Sweden today, this is overwhelmingly the responsibility of the country’s Municipal Housing Companies (MHCs). MHCs are primarily established as limited joint-stock companies (*aktiebolag*), with all shares owned by the municipality—or municipalities—in the areas in which they operate.<sup>19</sup> A small number of MHCs are legally established as foundations, though. The vast majority of MHCs are represented at the national level by Public Housing Sweden (PHS); *Sveriges Allmännytta*. It is the national federation for the public housing sector,<sup>20</sup> whose members own around 96 per cent of the municipally-owned housing stock.

Unlike in most other countries, it is generally agreed that public housing providers in Sweden do not benefit from direct state financial supports, special subsidies, or other favourable treatment from government (i.e., with regard to taxation). At the same time, rents between the public rental sector and the private rental sector do not differ significantly in most parts of the country. This is because rents are in all cases based on collective bargaining negotiations between landlords (including MHCs) and the tenants’ union, with ‘utility’ value being the key determining factor.<sup>21</sup> By utility value it is meant that the rent should be related to the characteristics of the home; i.e., size, quality, location, and amenities.

There is no specific formula that is used to determine the utility value, offering a contrast to the model used in the Netherlands. Thus, there is a lot of importance placed on the negotiating skills of the local tenants’ union to find a fair rent for the renter households they represent. Rents are renegotiated annually.

<sup>13</sup> The Public Municipal Housing Companies Act (Allbolagen): [https://www.riksdagen.se/sv/dokument-och-lagar/dokument/svensk-forfattningssamling/lag-2010879-om-allmannyttiga-kommunala\\_sfs-2010-879/](https://www.riksdagen.se/sv/dokument-och-lagar/dokument/svensk-forfattningssamling/lag-2010879-om-allmannyttiga-kommunala_sfs-2010-879/)

<sup>14</sup> For an overview of this, see: Elsinga, M., & Lind, H. (2013). The effect of EU-legislation on rental systems in Sweden and the Netherlands. *Housing Studies*, 28(7), 960-970.

<sup>15</sup> The maximum amount for value transfers is 3.15 percent of contributed capital, but not more than half of the company’s profit. See: <https://www.boverket.se/sv/samhallsplanering/bostadsmarknad/vardeoverforing/>

<sup>16</sup> See : <https://www.boverket.se/sv/samhallsplanering/bostadsmarknad/bostadsmarknaden/behov-av-bostadsbyggande/>

<sup>17</sup> Based on Eurostat [prc\_hpi\_a]

<sup>18</sup> Huvibor (2024, October 22). Rän-teavdraget rusar i kostnad [The interest deduction is rapidly increasing in cost]. <https://hurvibor.se/avdrag-bidrag/ranteavdrag/>

<sup>19</sup> In many cases, each municipality will have its own Housing Company to provide public housing. However, in smaller or less populous municipalities, this may not be feasible. Thus, some MHCs can also be collectively owned by a number of municipalities working together to establish one MHC with sufficient scale to be economically viable.

<sup>20</sup> See : <https://www.sverigesallmannytta.se/in-english/public-housing-in-sweden/>

<sup>21</sup> NBO Housing Nordic (2020). *Affordable Housing Models in the Nordic Countries*. Copenhagen: NBO Housing Nordic.

**Table 2: Average annual rent per square metre; in EUR<sup>22</sup>**

	Median rent	Average rent
<b>Private and other owners</b>	130	131
<b>Municipal Housing Companies</b>	114	118
<b>All rental housing</b>	120	125

Source: Statistics Sweden

Notes: Data for 2024. Based on exchange rate of 1 SEK = 0.09 EUR

Therefore, as noted by national experts: “social housing—defined as subsidised housing targeting low-income households—does not technically exist in Sweden”.<sup>23</sup> Even if the MHCs do provide housing for a large number of low-income households<sup>24</sup> they are not strictly akin to “social” housing providers as we understand them in other parts of Europe. It should be noted that public support for maintaining this universalist model of public housing is overwhelming, with the latest survey conducted by the national tenant’s union showing 90 per cent support from the general public for the *status quo*.<sup>25</sup>

As already mentioned, since 2011 MHCs have been legally required to behave in a business-like manner, and to also be profit-making. Public housing providers must always act in line with what is best for the MHC over the long term, which is called the principle of long-term profitability.<sup>26</sup> However, within the same 2011 legislation it also states that MHCs must be of “public benefit”. Thus, there is some ‘balancing’ that needs to be done by the MHCs between two possibly conflicting objectives. In practice, though, lower-income households are supported to access the public housing system via housing allowances or special ‘social contracts’ with municipalities. These are explained in further detail later in the chapter.

It has been argued by many experts,<sup>27</sup> and it is something that is also accepted by Public Housing Sweden,<sup>28</sup> that in reality MHCs can (and do) in practice de-prioritise market returns, and instead consider social objectives over achieving the highest possible financial return at any given moment. Such apparent flexibility does help to bring Swedish public housing back closer to a generally understandable concept of social or affordable housing, where providers are not interested only in maximising returns, but where some conceptualisation of ‘social benefits’ or tenant welfare plays an important role. That being said, the average ‘net operating profit’<sup>29</sup> per square metre let in the MHC stock in 2023 was SEK 479 (€42).<sup>30</sup>

With regard to the broader idea of public housing policy, Sweden has established the ‘National Board of Housing, Building and Planning’ (*Boverket*), which, in the absence of a dedicated housing ministry, functions as the national housing agency and sectoral supervisory authority for the country. It is

<sup>22</sup> According to PHS, the average rent charged by one of its members in 2023 was SEK 1,265 per square meter per year; or €110. For an apartment of 64 square meters, the average apartment size in the public housing stock in Sweden, this corresponds to SEK 6,747 per month. In Euro terms, the average monthly rent would therefore be around €587, or €7,044 per year.

<sup>23</sup> Lind, H. (2017). The Swedish housing market from a low income perspective. *Critical Housing Analysis*, 4(1), 150.

<sup>24</sup> Grander, M. (2017). New public housing: a selective model disguised as universal? Implications of the market adaptation of Swedish public housing. *International Journal of Housing Policy*, 17(3), 335-352.

<sup>25</sup> <https://www.hyresgastforeningen.se/bostadsfakta/rapporter/hyresgasterna-2022/>

<sup>26</sup> Alexander Edelsvärd, A. and Elg, L. (2023). *Finansiering av kommunala bostadsbolag* [Financing of municipal housing companies]. Stockholm: KTH Royal Institute of Technology.

<sup>27</sup> For example: Lind, H. & Lundström, S. (2011). *Hur ett affärsmässigt bostadsbolag agerar* [The behaviour of a commercial housing company]. Stockholm: Department of Real Estate and Construction, KTH Stockholm.

<sup>28</sup> PHS (2011, November 4). *Så agerar ett affärsmässigt bostadsföretag* [This is how a commercial housing company acts], online article. Stockholm: Sveriges Allmännyttan.

<sup>29</sup> Defined as rental income and other income linked to the rental less recorded operating and maintenance costs as well as property tax/fee and land lease fees

<sup>30</sup> PHS (2024). *Ekonomisk statistik 2023* [Economic statistics 2023]. Stockholm: Sveriges Allmännyttan.

empowered to set out building regulations and standards, and to develop guidelines for the construction sector. It also produces research, with the intention of supporting the development of informed policy in the area of housing. This includes regularly updated forecasts on the need for additional housing in Sweden. Boverket's most recent review of needs, from January 2025,<sup>31</sup> indicates that 52,300 homes are required annually out to 2033. This estimate includes the need to eliminate an already present unmet need for housing of at least 175,000 homes in 2023. However, Boverket expected just 25,000 new dwelling completions in 2024, followed by 30,000 in 2025.<sup>32</sup>

As in most other countries in the EU, much of the responsibility for the development and implementation of public housing policy in Sweden lies with the local municipalities. From a national legislative perspective, the primary role and obligations of municipalities are based on three principle acts:

Legislative Act	Main Provisions	Municipal Obligations
<b>Housing Provision Act (2020)</b> (Bostadsförsörjningslagen)	<ul style="list-style-type: none"> <li>○ To ensure municipalities actively plan for housing that meets the needs of their population.</li> <li>○ Requires municipalities to assess current and future housing needs, particularly for groups with special needs or vulnerabilities (e.g., elderly, low-income families).</li> <li>○ Mandates inclusion of housing policies in municipal comprehensive plans.</li> <li>○ Does not impose direct responsibility for providing housing but encourages strategic planning.</li> </ul>	<ul style="list-style-type: none"> <li>○ Prepare and implement housing plans that consider accessibility, affordability, and sustainability.</li> <li>○ Identify and include the housing needs of disadvantaged groups (e.g., disabled, elderly, and economically vulnerable individuals).</li> <li>○ Ensure that development aligns with broader municipal and regional objectives; but is not legally required to construct or finance housing directly</li> </ul>
<b>Social Services Act (2021)</b> (Socialtjänstlagen)	<ul style="list-style-type: none"> <li>○ Designed to guarantee a reasonable standard of living for all residents.</li> <li>○ Focuses on supporting individuals facing social challenges, such as homelessness, mental illness, or addiction.</li> <li>○ Includes provisions for housing assistance to support rehabilitation and integration into society.</li> <li>○ Specifies that elderly and disabled individuals must have access to suitable housing arrangements tailored to their needs</li> </ul>	<ul style="list-style-type: none"> <li>○ Provide individualised assistance to ensure residents maintain a reasonable standard of living.</li> <li>○ Arrange specialised housing services for the elderly, disabled, and others requiring tailored support.</li> <li>○ Offer additional temporary housing assistance in cases of urgent need (e.g., for those experiencing homelessness).</li> <li>○ Ensure that assistance reflects local priorities and resources, allowing for variations across municipalities</li> </ul>
<b>Settlement Act (2016)</b> (Bosättningslagen)	<ul style="list-style-type: none"> <li>○ Enacted in 2016 to manage the settlement of refugees and newly arrived immigrants across municipalities.</li> <li>○ Introduces a state-administered allocation system to distribute housing responsibilities equitably among municipalities.</li> <li>○ Requires municipalities to provide housing and integration services,</li> </ul>	<ul style="list-style-type: none"> <li>○ Accept and accommodate refugees assigned to the municipality under the national fair distribution program.</li> <li>○ Collaborate with government agencies, such as the Swedish Migration Agency, to facilitate integration.</li> <li>○ Provide access to municipal housing or temporary solutions</li> </ul>

<sup>31</sup> See : <https://www.boverket.se/sv/samhallsplanering/bostadsmarknad/bostadsmarknaden/behov-av-bostadsbyggande/behov-2024/>

<sup>32</sup> See : <https://www.boverket.se/sv/samhallsplanering/bostadsmarknad/bostadsmarknaden/byggprognos/>

including language training and job assistance.	and ensure refugees receive basic support services.
○ Aims to reduce the concentration of immigrant populations in specific urban areas	○ Adapt integration measures to local capacities, including access to education and healthcare

Notes: Based on analysis by Housing Europe

Of course, local governments also have significant influence over public housing policy via the Municipal Housing Companies that they own. In this regard, municipal elections can have a profound impact on the direction and priorities of Sweden's MHCs; the Boards of Management of which are nominated by the local policymakers. For example, privatisation trends around public housing in Sweden have not been uniform in recent decades. Researchers have pointed to the fact that more 'left-leaning' municipal Governments have tended to retain public housing, while others have been more inclined to try and privatise the homes.<sup>33</sup> In addition, there is some evidence that depending on the political orientation of the municipal Government, low-income households can find it easier or comparatively more difficult to access public housing; with some political groups asking MHCs to be more 'selective' when allocating homes.<sup>34</sup>

Due to a lack of affordable housing options in many parts of Sweden, especially in the larger metropolitan areas, municipalities have had to work to find alternative arrangements to accommodate vulnerable households; as is required by the aforementioned legislation. This has largely consisted of co-opting the resources of landlords—both private and MHCs—in their areas. In practice, this means that municipalities will sign "municipal social contracts" (MSCs) with these housing providers.

A MSC involves a municipality supporting a low-income or vulnerable household to access rental housing, by acting as a 'guarantor' or 'intermediary' on behalf of the household. The municipality is required to guarantee that the property will be well maintained, and that rent will be paid on time and in full. This can include the municipality ensuring that the rent is paid using its own budget (i.e., in the event that the tenant does not keep up with the rent), and covering maintenance costs. MSCs are typically in the form of 'passage' contracts (*genomgångskontrakt*) or 'transfer' contracts (*övergångskontrakt*)<sup>35</sup>.

- A **'passage' contract** is used as a short-term stop-gap measure, and is not intended to become a permanent arrangement. It does, however, offer the tenant the opportunity to demonstrate their ability to manage a property, and thus garner a positive reference from the landlord. Such references are usually required when renting a property in Sweden, and not being able to produce one harms a household's chances of finding a home to rent;
- A **'transfer' contract** does offer a path to a long-term stable renting situation. If a tenant household is able to show that they can honour the terms of their contract during a sort of 'probationary period' (6 months – 2 years; depending on the municipality), then the contract can be 'normalised', and the tenant can rent on the same terms as any other non-municipally supported household.<sup>36</sup>

Going beyond helping to support households to access rental housing through passage or transfer contracts, some Swedish municipalities have also entered into leasing arrangements with landlords; including their own MHCs. These homes are then offered to vulnerable households who otherwise

<sup>33</sup> Grundström, K., & Molina, I. (2016). From Folkhem to lifestyle housing in Sweden: Segregation and urban form, 1930s–2010s. *International Journal of Housing Policy*, 16(3), 316-336.

<sup>34</sup> Grander, M. (2017). New public housing: A selective model disguised as universal? Implications of the market adaptation of Swedish public housing. *International Journal of Housing Policy*, 17(3), 335-352.

<sup>35</sup> Granath Hansson, A. (2021). Housing the vulnerable: Municipal strategies in the Swedish housing regime. *European Journal of Homelessness*, 15(2), 13-36.

<sup>36</sup> *Ibid.*

cannot access adequate housing by themselves. This is particularly the case for newly arrived migrants, which must be accommodated under the aforementioned Settlement Act (2016). There were roughly 14,200 homes provided on a municipal leasing basis—to households of various types and backgrounds—at the start of 2024.<sup>37</sup>

It should be noted that once they have received a public registration number, migrants (including those seeking asylum) can also join the queue to access public housing. However, homes provided under the 2016 legislation are often quicker to access, given that the standard queue-based waiting time to access public housing can be several years in many locations.

It may of course seem unusual to policymakers from many other parts of Europe that municipal governments in Sweden are effectively leasing assets from themselves, entering into special arrangements to use the homes of Municipal Housing Companies to house vulnerable groups. However, such arrangements are deemed to be necessary in order to maintain the universalist approach to public housing, whilst still finding some way of meeting the demand for housing from groups that need government support, and fulfilling requirements placed on the municipalities by national legislation.

However, even this approach can face difficulties. For example, a number of municipalities have been accused of so-called “social dumping”. This involves a municipality aiding or encouraging those in need of housing supports to find housing in a different municipality, thus removing the original municipality’s obligation to help to support them. An independent review conducted in 2020 confirmed the existence of such “dumping” practices in some municipalities.<sup>38</sup>

For households who do not need additional support in finding housing and signing a rental contract, but who may have difficulties in covering their rent through their own income, the Swedish state also provides some housing-related income supports. The most common of these is the ‘*bostadsbidrag*’, which is a housing allowance. It is administered by the Swedish social insurance agency *Försäkringskassan*.

The allowance is aimed at two main population cohorts; families with children and ‘young’ adults (i.e., those aged 18-28).<sup>39</sup> Supporting the independence of young people is important in Swedish society, and despite ongoing challenges around housing supply and affordability, the average age at which a Swedish person leaves the family home was just 21.8 in 2023, the second lowest in the EU,<sup>40</sup> and significantly below the average of 26.3 years.

Regardless of which target cohort an applicant finds themselves in, eligibility for the housing allowance is based on the income and composition of the household (e.g., earned income limit of 86,720 SEK (€7,608) for single-person households, or 103,720 SEK (€9,098) for couples in 2024).<sup>41</sup> Additionally, there are certain ‘caps’ on what the state considers to be an acceptable apartment size and rental cost.<sup>42</sup> For example, for young adults, the allowance only covers apartments up to 60m<sup>2</sup> in size. The allowance is for costs that exceed 1,800 SEK per month (€158), with a maximum allowance of 1,300

<sup>37</sup> Boverket (2024, May 16). Open data - Housing Authority’s housing market survey 2024. Accessed at: <https://www.boverket.se/sv/om-boverket/publicerat-av-boverket/oppna-data/bostadsmarknadsenkaten/>

<sup>38</sup> Statskontonet (2020, November 16). Aktiv medverkan till bosättning i annan kommun – En kartläggning [Active participation in settling in another municipality - A survey]. Stockholm: The State Office.

<sup>39</sup> For more details, see : <https://www.forsakringskassan.se/privatperson/arbetssokande/bostadsbidrag>

<sup>40</sup> Source: Eurostat [yth\_demo\_030]

<sup>41</sup> European Commission (2024). Your social security rights in Sweden.

<sup>42</sup> The state sets arbitrary size and rent price limits. Homes that are offered above these levels are not eligible for rental supports. This is similar to the Dutch model.

SEK per month (€114). A separate, but similar, housing allowance scheme, the ‘*Bostadstillägg*’, is administered by the Pension Agency (‘*Pensionsmyndighetens*’),<sup>43</sup> and is aimed at older residents.

The aforementioned housing allowances are in addition to the more general system of ‘financial support’ (*ekonomiskt bistånd*) offered by the state to low-income households who struggle to make ends meet and afford basic necessities.<sup>44</sup> In addition, tenants who face the threat of eviction from their home can contact their local tenants’ union, which is supported at the national level by the influential Swedish Union of Tenants (*Hyresgästföreningen*).

## The financing of public housing

**Table 3: Typical financing structure for new social housing developments**

Type of funding	% of total	General comments
Private loan/financing	Undefined	<ul style="list-style-type: none"> <li>The private loan typically can be in one of three forms, or some blended combination of them:               <ol style="list-style-type: none"> <li>A loan from a private credit institution</li> <li>A loan from a private credit institution (with a municipal guarantee)</li> <li>A direct debt issuance (i.e., a bond) by a public housing provider</li> </ol> </li> <li>Loans can be offered on either a short-term fixed- or variable-rate basis, depending on the preferences of the borrower</li> </ul>
Own equity	Undefined	<ul style="list-style-type: none"> <li>MHCs are obliged under normal circumstances to generate operating surpluses</li> <li>At least half of these surpluses should be retained to build up a local sinking fund; which should include investment in new construction</li> </ul>

*Notes: Based on discussions with experts from the MHC sector, it is clear that there is a very large variance in the structure of financing for capital investment. As such, it is not possible to define a ‘typical’ breakdown between ‘Private loan/financing’ and ‘Own equity’.*

Looking at the delivery of a ‘typical’ new Municipal Housing Company project, given that there are no longer any direct public subsidies or favourable loans available to the sector, the overwhelming majority of the financing required comes from private sources. However, there are three primary types of private financing that are used. These may be used individually or ‘blended’, i.e., some combination of two or more types.

The first option is for a MHC to simply access financing via a private credit institution, making use of a low risk profile and a portfolio of unencumbered assets as collateral to garner a favourable interest rate. This is typically handled via one of Sweden’s commercial mortgage banks. It is important to note the strong equity ratios of most of Sweden’s MHCs. According to analysis by PHS, the average equity ratio of its members in 2023 was 33 percent; based on the ‘book value’ of assets.<sup>45</sup> However, the adjusted equity ratio was 70 percent (i.e., based on market values of properties), showing that overall outstanding debts and liabilities of the Companies is low relative to assets. This helps to support favourable borrowing conditions.

Another option is to take a loan, but with the benefit of a guarantee from the municipality that owns the MHC. This means that while the ordinary servicing of the loans is the responsibility of the public

<sup>43</sup> See : <https://www.pensionsmyndigheten.se/for-pensionarer/ekonomiskt-stod/sa-fungerar-bostadstillagg>

<sup>44</sup> See : <https://www.socialstyrelsen.se/kunskapsstod-och-regler/omraden/ekonomiskt-bistand/>

<sup>45</sup> PHS (2024). Ekonomisk statistik 2023 [Economic statistics 2023]. Stockholm: Sveriges Allmännytt.

housing provider, in the event that it is unable to do so, the municipality must step in to repay the loan.<sup>46</sup> The MHC must pay a fee to the municipality in return for this guarantee; which in 2023 was on average 0.41 percent of the loan principal.<sup>47</sup> Payment for the guarantee is necessary in order to avoid the possibility that private housing providers will claim that the MHCs unfairly benefit from public financial support.

However, if we pull back the veil on this ‘private’ financing with a public guarantee, we find a system that is somewhat reminiscent of the model outlined in the Finnish country chapter. In practice all of the nominally private loans are in fact provided by a single publicly controlled credit institution, called *Kommuninvest*.

Established in 1986, it provides affordable loans to Sweden’s municipalities and regional governments. As these territories can raise revenues through increasing taxes to cover the cost of servicing their debts, they are considered to have the lowest possible risk weighting, which in turn has helped Kommuninvest maintain a AAA credit rating. The lender borrows on domestic and international capital markets, taking advantage of its very strong creditworthiness. It then lends funds to its members (e.g., the municipalities) at the lowest possible interest rates. In recent years, private lending to MHCs has become more dominated by Kommuninvest, as commercial mortgage banks are not able to compete in terms of the conditions and structure of loans.<sup>48</sup>

While MHCs can borrow directly from Kommuninvest (with a mandatory municipal guarantee), it is also possible that a municipality will take a loan from Kommuninvest, and then lend it on to its MHC. In this way, the municipality acts as a financial intermediary. In such cases, this may be because the municipality also requires financing for other local capital investment, and it chooses to use its own resources to build up a portfolio of funding, before lending it on or allocating it in smaller tranches. Not so much used in the past, this municipal intermediation is increasing in popularity given the more favourable lending terms offered to municipalities than its MHCs,<sup>49</sup> due to the former’s tax-based revenue raising powers. A fee is paid by the MHC to the municipality for such intermediation. Generally speaking, it is the larger municipalities that use this form of intermediation, given the time and resources required.

One final financing option is for a public housing provider to issue its own debt (i.e., a bond). However, in practice this is only possible for the largest and most resource-rich housing companies in Sweden. This is because those who issue bonds in Sweden are tightly monitored and regulated by the Swedish Central Bank. This leads to a requirement for a detailed and rigorous reporting structure, which can be resource (i.e., labour) intensive for the MHCs. It is, therefore, not seen as being efficient for medium- or smaller-sized public housing providers to issue bonds directly, especially not given the favourable terms already offered by Kommuninvest—which is itself an institution that takes the responsibility to issue debt on capital markets in order to generate the financing required to develop new public housing.<sup>50</sup> Thus, most MHCs effectively prefer to pass this responsibility on to Kommuninvest, and pay a small ‘outsourcing fee’ in return.

In addition to private loans/financing, new public housing projects are partly funded through the own equity of MHCs. This is derived from any surpluses they may generate over time, including revenues raised from the sale of assets. It is important to remember that public housing providers are required

<sup>46</sup> For an overview of the guarantee system, see: Kommuninvest (2021). *Borgensavgift för kommunala bostadsföretag* [Guarantee fee for municipal housing companies]. Stockholm: Kommuninvest

<sup>47</sup> PHS (2024). *Ekonomisk statistik 2023* [Economic statistics 2023]. Stockholm: Sveriges Allmännytt.

<sup>48</sup> Alexander Edelsvärd, A. and Elg, L. (2023). *Finansiering av kommunala bostadsbolag* [Financing of municipal housing companies]. Stockholm: KTH Royal Institute of Technology.

<sup>49</sup> *Ibid.*

<sup>50</sup> *Ibid.*

to behave in a business-type manner, meaning they should not make losses. However, unlike in the private sector, any surpluses are either required to be reinvested back into the MHC or returned to the local municipality to fund services.

The transfer of funds between MHCs and municipalities is tightly regulated by the ‘Law on publicly owned municipal housing companies (2010);<sup>51</sup> in sections 3§-6§. Section 3§ states that the transfer of funds during a financial year may not exceed an amount corresponding to the interest on the share capital that the municipality or municipalities have contributed to the company at the end of the previous financial year. In this case, the interest shall consist of the average government borrowing rate during the previous financial year plus one percentage point. Transfers during a financial year may not exceed an amount corresponding to half of the MHC’s profit for the previous financial year. Thus, there is a profit sharing, where at least half must be retained by the MHC to build up a local reserve for reinvestment; including basic maintenance and upkeep of the public housing stock. This funding also helps to pay for renovation of public housing, with Kommuninvest also supporting such projects. Post-renovations, homes should have a higher utility value, and thus loans can be, in theory at least, repaid via higher rents charged to public tenants.<sup>52</sup>

While the government does not currently provide direct subsidies for construction to MHCs, it is important to note that in the period 2017-2022 there was a temporary support programme in place to subsidise the construction of new ‘affordable’ apartments, as well as residences for students. While this scheme was open to all housing providers in Sweden, the MHCs were the primary beneficiaries. In 2022, the year in which the scheme was ended, 60 per cent of new public housing that was built had benefitted from the subsidy.<sup>53</sup>

To gain the subsidy new construction projects had to guarantee that annual rents for tenants would be below certain regional thresholds. For example, this was around SEK 1,450 per square metre (c.€137) in Stockholm.<sup>54</sup> Independent analysis of the subsidy scheme estimates that around 60 per cent of the construction projects that benefitted would otherwise not have been delivered,<sup>55</sup> meaning it was vital in development of many new homes. The fact that the subsidies were available to all types of housing provider, even if the MHCs disproportionately benefitted, meant that there was no perceived conflict with EU competition law.

### Other public financial supports for housing

Zooming out, given that no direct financial supports are available to Municipal Housing Companies, at least not anymore, to what sorts of housing-related activities does Sweden dedicate public financing? This is not an easy question to answer. This is because the state does not have a single centralised budget for housing policies. Instead, funding is spread across various levels of government and public agencies. This makes it difficult to find a single, comprehensive figure representing the total annual expenditure on housing.

Sweden has a long history of using public funds to support homeownership. This is seen through various measures, but the most notable is the very generous system of Mortgage Interest Relief (MIR), or ‘*ränteavdraget*’. MIR is based on both the borrowers’ debt and their current interest rate, with

<sup>51</sup> Lag (2010:879) om allmännyttiga kommunala bostadsaktiebolag.

<sup>52</sup> Please note that, as of the end of 2024, there are currently no national or locally mandated targets in terms of renovations of public housing. However, the implications of the recently adopted amendments to the EU Energy Performance of Buildings Directive [2024/1275] may soon force government to try and adopt such targets.

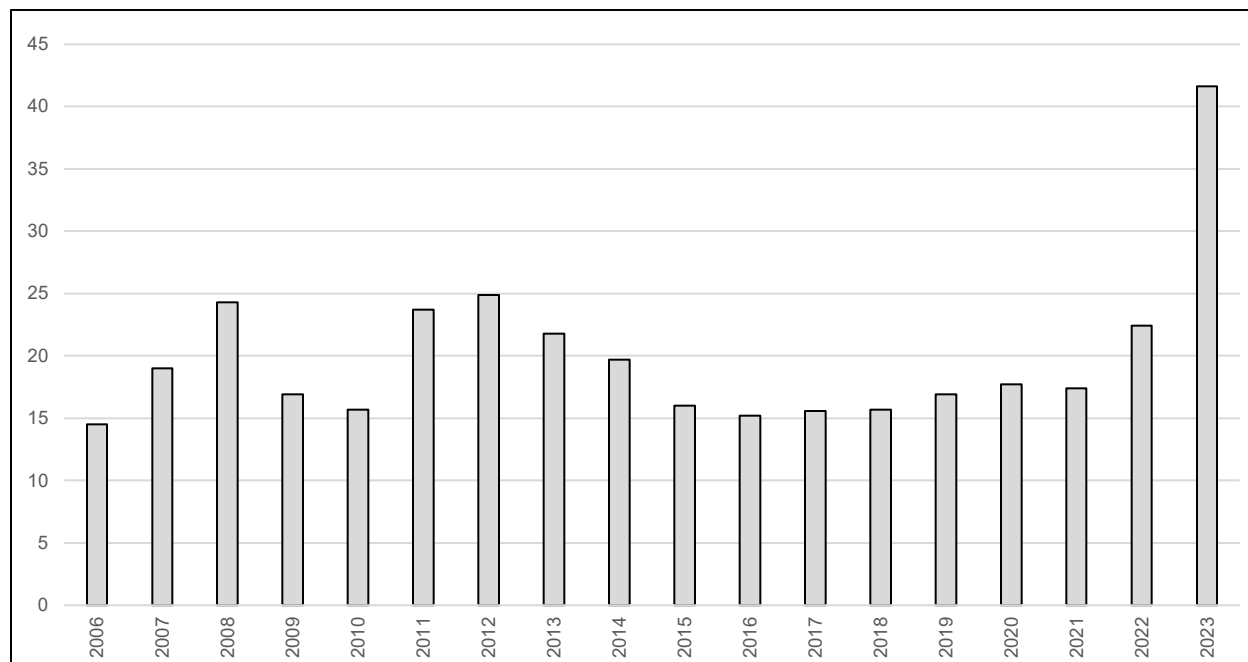
<sup>53</sup> See: Huvibor (2024, June 5). Fler än 65 600 hyresrätter har fått stöd [More than 65,600 tenements have received support]. <https://huvibor.se/avdrag-bidrag/investeringsstod/>

<sup>54</sup> For additional details on the subsidy scheme, see: <https://www.boverket.se/sv/bidrag--garantier/stod-for-hyresbostader-och-bostader-for-studerande/>

<sup>55</sup> See: <https://www.hyresgastforeningen.se/bostadsfakta/rapporter/investeringsstodets-effekter/>

variable rate or short-term fixed rate mortgages being common in Sweden. The current system means that it is possible to deduct 30 per cent of the interest costs up to SEK 100,000 (c.€9,090) per year per person.<sup>56</sup> Interest costs over SEK 100,000 are deductible at 21 per cent. If the mortgage is held by multiple people (e.g., a couple), it is possible to make deductions according to these rules on a per person basis.

**Figure 1: Cost of MIR in Sweden, in Billions of SEK**



Source: Huvibor

Given that housing in Sweden is expensive, and that there is a pro-ownership culture, Swedes are now amongst the most mortgage-indebted households in Europe. Indeed, outstanding mortgages stood at 146% of household disposable income in 2023.<sup>57</sup> Overall, the current MIR policy cost the Swedish government SEK 42 billion in 2023, or roughly €3.65 billion. This was in no small part due to the increase in mortgage rates, as the Swedish Central Bank tried to combat high inflationary pressures.

Another important housing policy support in Sweden is the so-called ‘Rotavdraget’ tax relief, which supports home improvements and renovations. Owners can apply for a reduction of up to 30 per cent on eligible costs (was previously 50 per cent), including both materials and labour.<sup>58</sup> In 2024, the maximum deduction allowed per person was SEK 75,000 (around €6,580). The deduction cost the state around SEK 10.8 billion in 2023, or approximately €940 million.

<sup>56</sup> Interest deductions have existed in several different forms. Until 1981, the right to interest deduction was unlimited. During the 1980s, the interest deduction was then gradually limited as a rule, to a tax value of a maximum of 50 per cent. In 1991, the reduction was lowered to the 30 per cent rate of today. See: Huvibor (2024, October 22). Rånteavdraget rusar i kostnad [The interest deduction is rapidly increasing in cost]. <https://huvibor.se/avdrag-bidrag/ranteavdrag/>

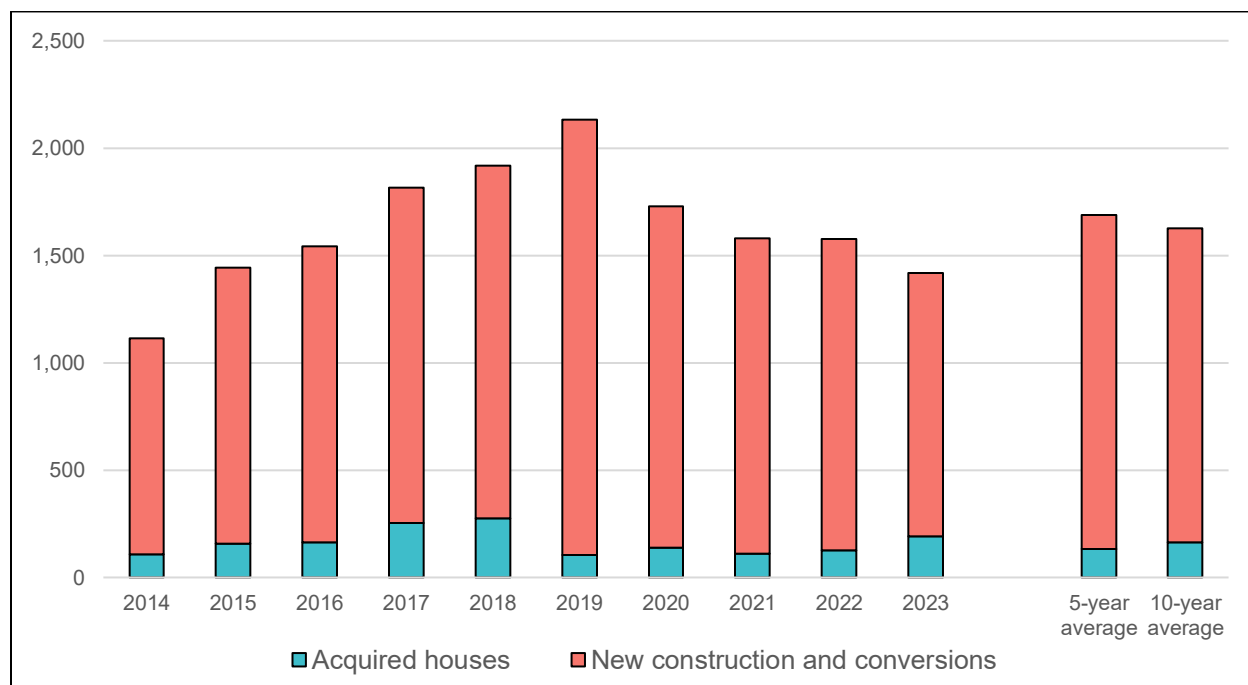
<sup>57</sup> Huvibor (2024, October 22). Rånteavdraget rusar i kostnad [The interest deduction is rapidly increasing in cost]. <https://huvibor.se/avdrag-bidrag/ranteavdrag/>

<sup>58</sup> See: <https://www.skatteverket.se/privat/fastigheterochbostad/rotarbeteochrutarbete/safungerarrotavdraget.4.5947400c11f47f7f9dd80004014.html>

Returning to the topic of housing allowances, given that the income and rental thresholds used to determine eligibility have not been updated in many year—in most cases since 1996—each year general inflation means fewer and fewer households are eligible for the support. At the same time, even for those who are eligible, allowances do not manage to keep up with rent price increases. This means that in 2023, the allowances for families and young people cost the state just SEK 3.6 billion (€313 million).<sup>59</sup> However, it is important to note that Sweden still runs an effective welfare state, and housing allowances are but one of a number of state provided income supports. As such, even if the housing allowances are insufficient to help cover a possible rental affordability gap, other supports are also available.<sup>60</sup>

Taken together, MIR (€3.65 billion), Rotavdraget (€940 million), and housing allowances (€313 million)—which collectively represent the majority of public supports for housing—amounted to around €4.9 billion in spending in 2023. If we also add to this the aforementioned investment subsidies from affordable apartments and student housing that were approved prior to the ending of the scheme in 2022, but only built in 2023, then we must include an additional SEK 4.3 billion (€374 million).<sup>61</sup> This would bring the total for 2023 up to around €5.27 billion.

**Figure 2: Annual investment in new dwellings of MHCs in Sweden, in Mln EUR**



Source: Housing Europe calculations, based on data from PHS and average SEK/EUR exchange rate information from the European Central Bank

Notes: Figures are converted to EUR from SEK, and are in nominal terms

Completely separate to this (i.e., outside of any discussion on the use of public money) we can also consider the investments of the publicly-owned Municipal Housing Companies. In terms of investment in adding additional dwellings to the public housing stock, around SEK 17.9 billion (€1.68 billion) has

<sup>59</sup> Huvibor (2024, August 5). Bostadsbidraget har urholkats [Housing allowance has been eroded]. <https://hurvibor.se/avdrag-bidrag/ranteavdrag/>

<sup>60</sup> For a comprehensive overview of the welfare supports available in Sweden, see: European Commission (2025). Your social security rights in Sweden. Available at: <https://ec.europa.eu/social/BlobServlet?docId=13776>

<sup>61</sup> See: Huvibor (2024, June 5). Fler än 65 600 hyresrätter har fått stöd [More than 65,600 tenements have received support]. <https://hurvibor.se/avdrag-bidrag/investeringsstod/>

been spent on average during each of the last five years (2019-2023).<sup>62</sup> This represents spending on construction of new homes, the purchase of homes for use as public housing (both turn-key and existing properties), as well as net ‘conversions’ (i.e., the net gain from modifying the size or number of dwellings in an existing MHC building).

What we notice is that while the acquisition of properties does feature in the activities of the MHCs in Sweden, the five year average annual investment of €134 million, is only a fraction of the roughly €1.6 billion average spend on new construction and conversions. It should also be noted that the majority of public housing development in Sweden consists of apartments, rather than single-occupancy ‘family’ housing.

### Accessing the Municipal Housing Stock

As already outlined, public housing in Sweden is intended to be open to anyone, regardless of factors such as income. As such, homes are allocated based on a queueing system. It is the responsibility of each MHC to manage allocations within their stock. However, in many parts of the country, it can take several years to move to the top of the queue. It should be noted, though, that waiting times are typically shorter for households to access newly produced public housing, versus the existing part of the stock (i.e., re-letting).

As it is difficult to build new public housing in many parts of the country, often due to high land prices or a simple scarcity of land,<sup>63</sup> new dwellings are less likely to be in the more ‘desirable’ areas, such as city centres. This means some prospective public tenants prefer to wait for an allocation in their preferred local area, and hence why queueing times can be longer for accessing homes in the existing public stock. It is also possible for public tenants to ‘swap’ their home for a dwelling in another public housing complex, even if it is owned by a different MHC, provided that both tenants and housing companies involved agree to the swap. As such, there are ways to avoid having to queue again if a public tenant wants to relocate.

**Table 4: Comparison of queue times in existing MHC stock**

	1 year or less	2-5 years	Over 5 years
<b>Big Cities</b>	0	1	5
<b>Close to big city</b>	6	4	18
<b>Medium sized cities</b>	18	42	12
<b>Small towns and rural areas</b>	47	30	9

Source: Public Housing Sweden, figures for 2022

Notes: Average queue time to access the existing stock divided into three intervals, based on a questionnaire. The table shows the number of respondent housing companies in each interval and municipal group.

In addition, given the need for providers to make some profits, and the fact that housing allowances in Sweden are not particularly comprehensive or generous, it has been noted that MHCs increasingly have to ‘vet’ applicants, in order for them to be satisfied to a reasonable degree that households will be able to cover their rent, and not end up in arrears.<sup>64</sup> This is a clear impact of aforementioned legislative reforms of 2011; i.e., the obligations for MHCs to behave in a more business-like manner.

<sup>62</sup> This is based on *ad hoc* data provided to the author’s by Public Housing Sweden.

<sup>63</sup> According to Public Housing Sweden, land prices for residential construction have increased by over 300 percent on average across Sweden during the past 20 years. See: PHS (2023). *Allmännyttan & bostadsbyggandet i fokus: Markens pris* [Public housing & housing construction – In focus: The price of land]. Stockholm: Sveriges Allmännyttan.

<sup>64</sup> Grander, M. (2017). New public housing: A selective model disguised as universal? Implications of the market adaptation of Swedish public housing. *International Journal of Housing Policy*, 17(3), 335-352.

As already alluded to, for more vulnerable households who either need more urgent access to public housing (i.e., cannot wait in the queue), or who would struggle to convince a housing provider of their ability to support themselves financially, local municipalities can step in either to offer a guarantee on behalf of a tenant, or even to enter into a form of ‘leasing’ arrangement, whereupon it effectively sublets a home to a household it needs to accommodate. Therefore, very vulnerable households are still accommodated and prioritised in many cases, but this is handled through a series of parallel arrangements, rather than by prioritisation in the allocation criteria of the publicly-owned MHCs.

It is also important to note that, as income is not a factor with regard to access to public housing in Sweden, changes in a household’s financial means after a tenancy is taken up do not have an impact on the rent that is expected to be paid (i.e., they do not have to pay a ‘top-up’ or a surcharge). As already outlined, public housing in Sweden uses a negotiated, or collective bargaining (*kollektiv förhandling*), utility-based model (*bruksvärdessystemet*) for setting rents. This means that MHCs and local tenants’ unions come to an agreed position on acceptable prices, based on certain characteristics of the home; such as location, size, and quality.<sup>65</sup>

#### CASE STUDY / KEY POLICY FEATURE

##### **The Swedish Union of Tenants**

Originally formed in the late 1910s, Sweden’s national tenants’ union (*Hyresgästföreningen*) was institutionalised in the welfare state apparatus after the Second World War. The union sets up tenant associations across the country, negotiates rents on behalf of tenants from both the MHC and private sectors, provides legal advice and services, and lobbies on issues of relevance to tenants (e.g., providing inputs into legislative consultations).<sup>66</sup>

Since 1968, national legislation has mandated the “use value” method of rent setting, based on negotiations between landlords and the Union.<sup>67</sup> Such negotiations are mandatory on an annual basis.

The Union currently negotiates rent on behalf of around 3 million tenants and works to find agreed positions with landlords on ‘fair’ annual rent increases.<sup>68</sup> The members of the Union elect representatives to four organisational levels to work on their behalf:<sup>69</sup>

- (i) residential area (also called “local chapters”; of which there were 1,438 in 2016);
- (ii) district level (152 chapters in 2016);
- (iii) regional level (9 chapters in 2016);
- (iv) national level.

Amongst the many reasons for such an approach is the idea that a landlord should not be able to earn more money from evicting a tenant and finding someone who is willing to pay a higher rent. In other words, ‘willingness to pay’ is not taken into consideration, and landlords are instead ‘rewarded’ for

<sup>65</sup> Public Housing Sweden has developed a clear and concise overview of this process:

<https://www.sverigesallmannnytta.se/hyressattning-som-fungerar/>

<sup>66</sup> Baheru, H. (2017). Swedish Legislation of Residential Tenancies: An Interaction between Collective Bargaining and Mandatory Regulation. Stockholm : Stockholm Centre for Commercial Law (Stockholm University).

<sup>67</sup> The 1968 legislation was Bill No. 91 of 1968. It can be viewed at: [https://www.riksdagen.se/sv/dokument-och-lagar/dokument/proposition/kungl.-majts-proposition-nr-91-ar-1968\\_et3091b1/html/](https://www.riksdagen.se/sv/dokument-och-lagar/dokument/proposition/kungl.-majts-proposition-nr-91-ar-1968_et3091b1/html/)

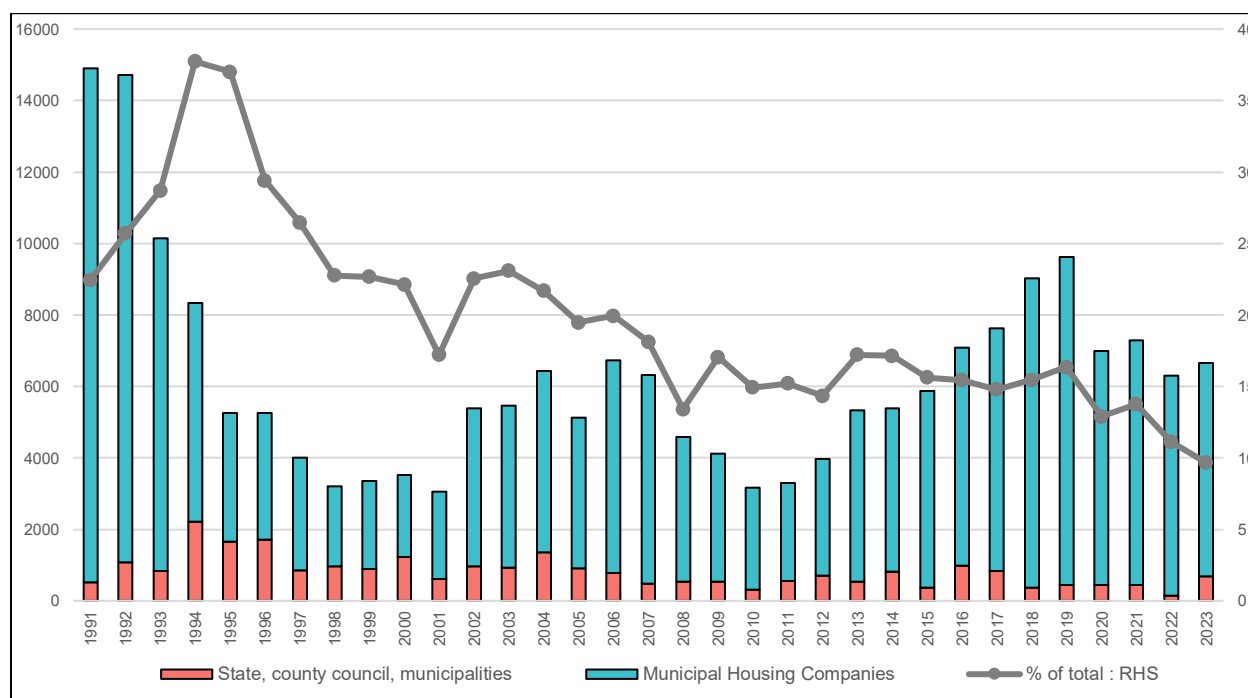
<sup>68</sup> Ösgård, A. (2023). Class Compromises in an Uncompromising Political Economy: Rent-setting and The Swedish Tenants’ Union. Urban Matters. Available at: <https://urbanmattersjournal.com/class-compromises-in-an-uncompromising-political-economy-rent-setting-and-the-swedish-tenants-union/>

<sup>69</sup> Baheru, H. (2017). Swedish Legislation of Residential Tenancies: An Interaction between Collective Bargaining and Mandatory Regulation. Stockholm : Stockholm Centre for Commercial Law (Stockholm University).

offering higher-quality homes. Thus, the utility-value approach should, in theory at least, help to avoid a situation where supply-side issues cause rents to rise unsustainably.

Prior to the annual negotiations, a given Municipal Housing Company will present to the local Tenants' Union a document in which it must outline in detail its projects for new construction and renovations of the existing stock, and the national and local conditions that affect the company's finances (e.g., labour costs, interest rates, tax rates, etc.). It must also set out the rent increase that it wants to request. This is standard practice across all of Sweden. It is typical that negotiations, once they officially start, take no more than three months to conclude.<sup>70</sup> If for some reason an agreement cannot be found, then the matter is handed over to the independent Rental Markets Committee, or *Hyresmarknadskommittén* (HMK).<sup>71</sup> In the first instance, the HMK will try to act as a mediator to find an agreement. If no agreement is forthcoming, then it has the power to set the rent increase, based on its own assessment of the objective facts presented by both sides.

**Figure 3: New construction of public housing & 'state' owned housing**



Source: Statistics Sweden

Notes: Figures include 'conversions'. A conversion refers to the net of dwellings added and removed through conversion or changes in usages of existing buildings. In 2023, about 71 per cent of all conversions in Sweden were achieved via converting formerly non-residential buildings into residential dwellings.

Development of new public housing in Sweden has gone through periods of peaks and troughs. For example, there was a clear impact of the liberalising reforms in 1991 and the unwinding of public financial supports for new construction. In the last five years, new additions by MHCs (including net conversions) have been around 6,900 units per year. Meantime, 'state' housing actors have provided an average of 435 units per year. This compares to a total average across all parts of the residential construction sector of 58,300. However, as already noted, there are many sharp headwinds facing the construction sector in Sweden, and Boverket expects just 25,000 new homes (in total) to have been delivered in Sweden in 2024, followed by 30,000 in 2025.

<sup>70</sup> See: <https://hyressattning.sverigesallmannnytta.se/>

<sup>71</sup> See: <https://hyresmarknadskommitten.se/om/>

While exact estimates are not available, given the removal of public supports for new affordable (i.e., with rent caps) construction, public housing providers should see a similar decline in output over the medium-term. Indeed, in a recent report, Public Housing Sweden stated: “Building new homes is more expensive than ever. High construction prices, high inflation and high interest rates are leading to a collapse in housing construction”.<sup>72</sup>

It is important at this point to provide some clarity on the ‘state’ owned housing in Sweden. As mentioned above, an annual average of 435 additional homes in this category have been added during the last five years, contributing to an overall stock of 62,000 such dwellings. While a precise breakdown is not currently available, this seems to consist of the housing stock of a number of state-owned housing companies and public agencies. However, it is also true that a number of primarily small or isolated municipalities provide public housing directly, rather than through a Municipal Housing Company. However, these homes should be provided on the same basis as those provided by MHCs; i.e. with utility-based rents. Finally, there are also around 9,000 homes that are directly provided by the social services departments of municipalities. More information on these is provided later in the chapter, but some of these should be accounted for in the 62,000 figure.

The first of the noteworthy state-owned companies is *Statens Bostadsomvandling AB* (Sbo). This is a company that was established to provide housing for older people, especially in areas of Sweden with “weak housing markets”.<sup>73</sup> Sbo is owned by central government, facilitating it to operate throughout the country. Rather than building new homes, Sbo primarily works to purchase and convert existing properties. Indeed, *Bostadsomvandling* can be roughly translated as ‘residential conversion’.<sup>74</sup> If we look at the breakdown of new delivery of homes under the ‘state’ owned category, in 2022/23 there were 841 homes provided as a result of ‘conversions’ of existing properties, compared to only 98 brand new dwellings.

Another state-owned company of relevance is *Akademiska Hus* (AH).<sup>75</sup> It is a real-estate company focused on developing and managing properties primarily for higher education institutions. While its primary mission is not housing, the company plays a role in developing accommodation for students and faculty as part of its broader mandate to promote access to higher education.

### The need for additional public housing

In the most recent analysis of Public Housing Sweden “the public housing sector would need to build up to 6,700 more homes a year by 2030 to fulfil its share of the housing need calculated by [Boverket]”.<sup>76</sup> At present, it is only foreseen to build around 2,000 new public housing units per year in the 2024-2027 period, versus an estimated need of 8,700 additional public units. It should be noted, however, that these estimates are based on the analysis of Public Housing Sweden, and do not represent an official Government target or benchmark. Thus, not delivering 8,700 new homes per year cannot be equated to a ‘failure’ to deliver on Government policy on housing.

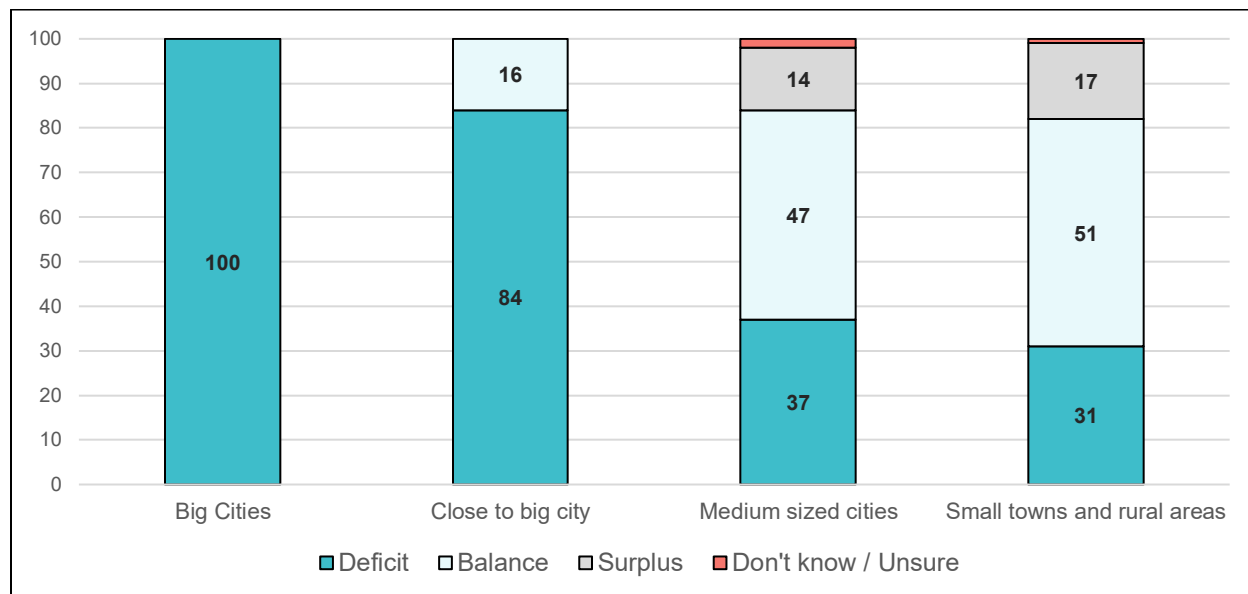
<sup>72</sup> Quote translated from Swedish by the authors. See: Public Housing Sweden (2024). *Går byggandet i takt med efterfrågan? [Is construction moving in step with demand?]*. Stockholm: Sveriges Allmännytt.

<sup>73</sup> See : <https://sbo.se/sbo/om-sbo>

<sup>74</sup> In addition, since 2021, Sbo has also taken over ownership of *Vasallen AB*, and now operates it as a subsidiary. *Vasallen* was charged with taking over and converting former military barracks and similar sites.

<sup>75</sup> See : <https://www.akademiskahus.se/en/>

<sup>76</sup> Public Housing Sweden (2024). *Går byggandet i takt med efterfrågan? [Is construction moving in step with demand?]*. Stockholm: Sveriges Allmännytt.

**Figure 4: Assessment of MHCs of availability of public housing in their area, by location**

Source: Public Housing Sweden

Note: Figures are for 2023. Figures are in percentage terms. For example, 100 percent of MHCs in big cities feel that there is a current deficit in the supply of public housing. In medium sized cities, just 37 percent feel there is a deficit, versus 47 percent who feel supply and demand are broadly in balance.

Based on its annual survey of members, PHS also notes that there are large territorial differences in terms of the supply and demand for public housing. In 2023, 100 per cent of MHCs located in the largest cities in Sweden (e.g., Stockholm, Gothenburg, Malmö) felt there was an unmet demand for public housing in their area. In contrast, in small towns and rural areas, around one-in-five providers noted that there was now a surplus of public housing. In urban parts of the country, there is a particular need for housing for younger people and students. While in smaller towns and rural parts of the country, there is a particular need for different forms of housing for older residents.

Public Housing Sweden has put forward a number of suggestions on possible ways to help MHCs to overcome constraints on new supply.<sup>77</sup> Firstly, at present public housing providers in Sweden are obliged to apply EU rules on public procurement. It is the assessment of the public housing companies that this can add significant time and costs to projects. This is primarily because of the time it takes to manage the procurement process. In addition, the awarding of contracts is frequently challenged by unsuccessful bidders, adding delays and possible legal costs that must be borne by the housing providers. Thus, finding a structure for MHCs that could see them avoid the application of procurement rules is requested.

Secondly, PHS has also requested a review of the existing Value Added Tax (VAT) regime. It notes that: “The introduction of a 6% VAT rate on rents for housing and premises could reduce the costs of a construction project by 20%, by allowing the housing developer to deduct the cost of input VAT. This would create room to build more, while keeping rents down in new construction”.

Currently in Sweden rent for housing and premises is exempt from VAT. That means housing developers cannot deduct the VAT they pay on goods and services used during construction (like materials, labour, and consultancy). This VAT—normally 25% in Sweden—is therefore a cost to them,

<sup>77</sup> Public Housing Sweden (2024). Går byggandet i takt med efterfrågan? [Is construction moving in step with demand?]. Stockholm: Sveriges Allmännyttan.

and it gets baked into the total cost of the project. Higher costs for developers usually lead to lower levels of construction, and also higher rents for public tenants in the homes that are built.

Public Housing Sweden, therefore, proposes that a reduced 6% VAT rate be applied to rents, with the goal being a structural shift in how VAT is handled during housing construction. If rent becomes taxable (even at just 6%), then public housing developers can deduct input VAT; reducing costs by an average of 20%. In 2022, the European Union adopted Council Directive (EU) 2022/542,<sup>78</sup> which amended the VAT Directive (2006/112/EC) to provide Member States with greater flexibility in applying reduced VAT rates. This is what opens up the opportunity for Sweden, and indeed other Member States, to lower construction costs for public housing providers via input VAT measures.

Finally, PHS is also seeking public support to industrialise and simplify the construction process. This would include introducing some form of 'pre-approval' of standardised houses and building systems. In doing so, more actors will embrace industrial processes. The result will be higher quality housing, fewer defects, and lower climate impact.

It should be noted that MHCs have already made some progress on this front in recent years, via the so-called '*Kombohus*' model. This involves using a procurement framework agreement to deliver standardised public housing, using industrialised methods. This has been successful in lowering construction costs. These lower costs also meant that it was "possible for the Municipal Housing Companies to build in places where the local 'ability to pay' was not strong enough to cope with ordinary construction and rental levels",<sup>79</sup> meaning the *Kombohus* approach increased the viability of projects. However, the general lack of flexibility of the approach, as the result of being based on a procurement framework agreement, can mean that if architects or engineers from the local municipalities ask for changes to submitted plans, then projects may not be able to go ahead and an ordinary procurement process will have to be launched.

### Oversight and integration with social policy

Oversight of the Municipal Housing Companies lies primarily with the municipalities in which they operate. Given that the Boards of Management of the MHCs are appointed by the municipalities, such oversight is easy to facilitate. In addition, Boverket is legally required to monitor the broader developments in the public stock.<sup>80</sup> One output of this is an annual review of the sector, the '*Uppföljning allmännyttan*' (Monitor of the Public Housing Sector). The review includes things like an overview of the evolution of the public stock, as well as two or three other thematic reviews.

In terms of social policy, as already mentioned, MHCs in Sweden are not directly comparable to a common conceptualisation of 'social' housing in most other parts of Europe. This is because they should provide housing for everyone, and not only the most vulnerable in society. Indeed, given their obligation to behave in a business-like manner, and also not make losses, there were some cases in the not-too-distant past where MHCs had to become more selective when allocating housing, to avoid the possibility that many of their tenants were unable to pay their rent, which could jeopardise their ability to repay debts and overall stability.

Research published in 2017 found that the overwhelming majority of MHCs required a rent-to-income ratio of between 3 and 4; i.e., that income should be at least three or four times higher than the public

<sup>78</sup> Available at : <https://eur-lex.europa.eu/eli/dir/2022/542/oj/eng>

<sup>79</sup> PHS (2020). Tio år med Allmännyttans Kombohus [Ten years of the public housing Kombohus concept]. Stockholm: Public Housing Sweden.

<sup>80</sup> Based on a 2011 legal ordinance [Förordning (2011:1159) om allmännyttiga kommunala bostadsaktiebolag]: [https://www.riksdagen.se/sv/dokument-och-lagar/dokument/svensk-forfattningssamling/forordning-20111159-om-allmannyttiga-kommunala\\_sfs-2011-1159/](https://www.riksdagen.se/sv/dokument-och-lagar/dokument/svensk-forfattningssamling/forordning-20111159-om-allmannyttiga-kommunala_sfs-2011-1159/)

rent.<sup>81</sup> However, in recent years this practice of ‘filtering’ prospective public tenants has all but come to an end, and there are very few MHCs in Sweden today who still apply some sort of minimum income criteria. According to PHS this has not led to any clear adverse outcomes for the financial situation of MHCs.<sup>82</sup>

Therefore, the main way in which MHCs are used to achieve social objectives like the need to cater for the most vulnerable is via entering into leasing-type arrangements with municipalities, and also agreeing to offer housing on a ‘mediated’ basis, where the municipality agrees to act as a guarantor for the tenant household. This is often referred to as the “secondary market” for public housing. In this way, vulnerable households can still be housed in the public housing stock, though not on an identical basis as other tenants; with the municipality playing the role of an intermediary. Interestingly, this is not a new policy, and a secondary market for rental housing has existing in some form since the 1960s.<sup>83</sup>

Sweden is a country that has struggled with the segregation of parts of its population. For example, as a result of the post-1991 privatisations, many MHCs have privatised the relatively more desirable parts of their stock, which has seen them largely converted to housing cooperatives.<sup>84</sup> The result is that a number of MHCs have found themselves with a remaining stock of homes that is in suburban or peri-urban areas, outside of larger cities. Given the aforementioned over-representation of lower income households in the public housing stock, especially relative to owner-occupier households, there are cases of lower-income households becoming segregated. This can in turn lead to various undesirable socio-economic issues. Unlike in some other countries, there are no strict requirements for MHCs to work to ‘un-segregate’ certain communities, as planning and local housing strategies are a matter for the municipalities.

However, given their legal requirement to provide a ‘public benefit’, many MHCs have in recent times tried to combat segregation, and also promote urban regeneration at the same time. One well-known example of this is the transformation and regeneration of the Gårdsten district in north-eastern Gothenburg.

#### CASE STUDY / KEY POLICY FEATURE

##### Urban regeneration in Gårdsten

Gårdsten’s original 2,200 housing units were built to house low-income workers from the city.<sup>85</sup> However, over time economic problems gave way to social problems. Crime rates were high, as was unemployment. As a result, residents started to leave Gårdsten. However, in 1997 a new municipal housing company was founded; *Gårdstensbostäder*.<sup>86</sup> Its role was to take over

<sup>81</sup> It should be noted that many MHCs did not consider ‘housing allowances’ as being income, for the purposes of working out the rent-to-income ratio. See: Grander, M. (2017). New public housing: A selective model disguised as universal? Implications of the market adaptation of Swedish public housing. *International Journal of Housing Policy*, 17(3), 335-352.

<sup>82</sup> Based on an interview with a representative from PHS; February 2025.

<sup>83</sup> Boverket (2024, June 17). Kommunernas särskilda boendelösningar [The municipalities’ special housing solutions]. Accessed at: <https://www.boverket.se/sv/samhallsplanering/bostadsmarknad/olika-grupper/hemlosa/kommunernas-boendelosningar/>

<sup>84</sup> Lind, H. (2014) Social Housing in Sweden. In *Social Housing in Europe*, edited by Kathleen Scanlon, Christine Whitehead, and Melissa Fernández Arrigoitia, 91–102. Chichester, UK: John Wiley & Sons, Ltd

<sup>85</sup> The contents of this case study are adapted from: Housing Europe (2023). Tools to deal with vacant housing, Vol. 7 of the series ‘Housing in the post-2020 EU’.

<sup>86</sup> <https://gardstensbostader.se/>

the management of Gårdsten, though at this time 800 of the original 2,200 dwellings were vacant and attracting new residents was simply not possible.

Gårdstensbostäder's main function, therefore, was to reverse the decline of the district, tackle vacancy, and bring in new investment and residents. Its 'terms of reference' for its work "included adopting a long-term approach to sustainability in three dimensions: social, ecological and financial, with an emphasis on social sustainability for the entire district".<sup>87</sup> In addition, a key aspect of how Gårdstensbostäder would function was that its offices were located directly in Gårdsten, in order "to facilitate real influence from and engagement with tenants, increase safety, and design measures to create jobs".

In terms of its ecological objectives, a number of investments were taken to increase the environmental sustainability of the area and change public perceptions. This included shifting away from fossil fuels, including by installing 780 MWh of solar PV. At the same time, an emblematic wind turbine was installed on a local hill, in cooperation with a local energy company. Other measures included moving home appliances, such as washing machines, to district heating, and partial renovation of homes; e.g., replacing old windows. Overall, residents saw their energy bills decline, and their disposable incomes rise.

In terms of the social dimension, one of the first actions taken was to establish bus routes that linked Gårdsten to Gothenburg, a service that was previously lacking. In addition, there was an emphasis on using renovations as an opportunity to offer apprenticeships to residents, and provide them with new employment opportunities. Between 1998 and 2006, more than 870 new locally based jobs were created, and new training courses were developed.<sup>88</sup> In addition, a majority of Gårdstensbostäder board members are public housing tenants. This reinforces the participation of local residents in the regeneration of their district.

When the district renovation was being developed, tenants were involved in all stages of planning. New recreational facilities for residents were added. In addition, a new commercial square was developed, by modifying existing buildings. New shops have opened, including a large supermarket. Initially no new shops wanted to open in Gårdsten, so Gårdstensbostäder took the decision to set up its own independent shop, which provided a proof of viability, and which then inspired others to invest in the area.

These new businesses have helped to continue the improvement in the labour market, with local residents gaining new employment opportunities. Gårdstensbostäder has also taken the unusual step of establishing its own employment agency to help tenants.<sup>89</sup>

In terms of vacant housing, not only has Gårdstensbostäder gone from an initial position of about one-third of its stock being vacant to being able to fill those units, but new homes have had to be built in order to cater for new residents who have been attracted to the area. This includes new public housing units, but also cooperative housing, and private condominiums. Further construction is on-going.<sup>90</sup>

<sup>87</sup> See: <https://smartcitysweden.com/best-practice/114/gardsten-turning-a-troubled-district-into-a-sustainable-model/>

<sup>88</sup> Van Hal, A., & Femenia, P. (2009). Sustainable housing transformation: The housing association as a change agent for environmental innovation & social regeneration-two case studies. In *Proceedings of ENHR Conference, Prague*.

<sup>89</sup> Larsson, I., & Seglert, T. (2011). HOPE VI and Gårdsten: Regeneration of Distressed Neighborhoods in Washington DC and Gothenburg. KTH Stockholm.

<sup>90</sup> See: <https://gardstensbostader.se/om-oss/visionen/gardsten-2025/>

The model developed in Gårdsten has been a success. Analysis shows that the public investment in the area has actually been ‘profitable’ from a combined economic and social impact perspective.<sup>91</sup> This reflects increases in wealth, lower crime rates, higher levels of employment, decreased use of public resources, and dispersion effects. Indeed, in 2020 the Gothenburg metropolitan Government announced an investment of SEK 11 billion (around €1 billion) for strategies and acts enabling the same type of district renovation in six similar areas in decline.<sup>92</sup>

Sweden’s MHCs, there are also around 62,000 homes directly owned (*direktägda bostäder*) by the state and various public companies. The function and purpose of some of these homes is outlined in the Social Services Act (2001), the ‘*Socialtjänstlagen*’.<sup>93</sup> According to the legislation, these homes are required to meet housing needs of parts of the population with special needs with regard to housing. This includes variously the elderly, children needing protected housing, and those with certain forms of disability or medical care needs. In more recent times, the homes have also been required to meet local targets for housing migrants; i.e., under the aforementioned *Settlement Act (2016)*. People who have been the victims of domestic violence—both adults and children—should also be accommodated by the municipalities, if necessary, in special “sheltered housing”.<sup>94</sup>

For those experiencing homelessness, and who have other needs related to addiction or mental health, Sweden has a Housing First model, known locally as ‘*Bostad Först*’.<sup>95</sup> As in other countries, the basic idea is that people with complex problems who are homeless should first get their own home and then be offered continued individual support adapted to their own goals and needs. This is part of Sweden’s first ‘National Homelessness Strategy’,<sup>96</sup> which covers the period 2022-2026.

It is estimated that around 9,000 homes are directly owned by municipalities,<sup>97</sup> in many cases acting as a ‘compliment’ to the MHC provided homes. Thus, if municipalities find that there are issues in housing people through the secondary housing market, it may prefer to have a small stock of directly owned homes too. Of the 9,000 municipally owned homes, around 60 per cent are used to house people who cannot be accommodated through the secondary-market. This can include people with addiction or mental health issues, who may struggle with the upkeep of a home, and thus may not adapt easily to a ‘conventional’ rental housing environment.

<sup>91</sup> Lind, H., & Lundström, S. (2008). Affären Gårdsten. *Div of Building and Real Estate Economics, KTH-Royal Institute of Technology*.

<sup>92</sup> Eriksson, C. (2021). Att bygga bort mörka hörn: En fallstudie om åtgärder vid förändringsarbetet i Gårdsten, Göteborg.

<sup>93</sup> See : [https://www.riksdagen.se/sv/dokument-och-lagar/dokument/svensk-forfattningssamling/socialtjanstlag-2001453\\_sfs-2001-453/](https://www.riksdagen.se/sv/dokument-och-lagar/dokument/svensk-forfattningssamling/socialtjanstlag-2001453_sfs-2001-453/)

<sup>94</sup> Kunskapsguiden (2023, November 16). Kommunens och socialtjänstens ansvar för boende [The responsibility of the municipality and social services for accommodation]. Accessed at: <https://kunskapsguiden.se/omraden-och-teman/ekonomiskt-bistand/hemloshet/kommunens-och-socialtjanstens-ansvar-for-boendeinsatser/>

<sup>95</sup> Kunskapsguiden (2023, March 23). Modellen Bostad först [Housing First model]. Accessed at: <https://kunskapsguiden.se/omraden-och-teman/ekonomiskt-bistand/hemloshet/modellen-bostad-forst/>

<sup>96</sup> See : <https://www.feantsa.org/public/user/epoch/National-Strategies/Homelessness-Strategy-Sweden-Original2024.pdf>

<sup>97</sup> Boverket (2024, May 16). Åtgärder för att motverka hemlöshet [Measures to combat homelessness]. Accessed at: <https://www.boverket.se/sv/samhallsplanering/bostadsmarknad/olika-grupper/hemlosa/atgarder-for-att-motverka-hemloshet/>

### Additional local context and current situation with regard to public housing policy

It is important to note that a public enquiry on how to “create the conditions for a socially sustainable housing supply”, a sort of independent ‘housing commission’, published its final review and recommendations in March 2022.<sup>98</sup> These are currently being taken under consideration by the Government, though as of the end of 2024, it had not yet officially outlined if or how any recommendations will be taken on board.

From the point of view of Public Housing Sweden—and the Municipal Housing Companies it represents—it welcomed a number of proposed reforms. These include:

- develop official new national and local targets for housing supply;
- a requirement for national and local governments to produce official action plans on housing supply after they come to office (e.g., after an election), which should be built on a consensus-driven approach based on broad agreement with relevant sectoral stakeholders;
- the establishment of a new national ‘Council for Socially Sustainable Housing Supply’, which will bring together stakeholders from the sector to share best practices and better identify issues in the sector;
- allowing for some ‘priority’ allocations of public housing in limited situations (e.g., to promote downsizing by older people);<sup>99</sup>
- nationalise the rental guarantee system to offer more options to tenants, and avoid the kinds of social dumping scenarios outlined earlier in this chapter;
- allow MHCs to operate on the same terms as private rental companies, by amending legislation that places onerous public procurement requirements on them. There have been issues with rival construction companies in Sweden cynically using challenges to the awarding of contracts by MHCs to carry out ‘discovery’ of the business practices of their competitors, both slowing down new delivery and possibly impeding innovation;
- government and its agencies should produce new guidelines on how municipalities should support better housing outcomes through an active land management policy, and review existing legislation around the transfers of public lands;

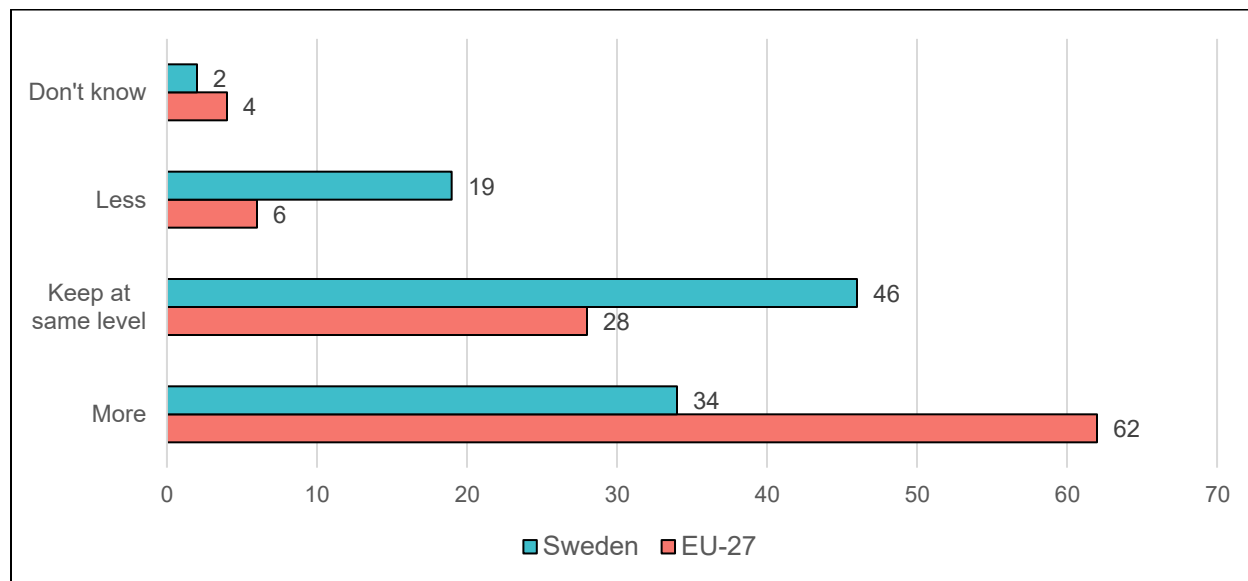
The report of the Commission includes a number of detailed proposals for reform, and runs to around 700 pages. However, it is not yet clear what concrete action it may lead to in terms of reforms to the Swedish housing system.

In terms of the national ‘mood’ on public housing policy, as already discussed, despite some apparent issues with the existing public provision of housing in Sweden—most notably about the access to housing for the broad cohort of low-income households that a ‘traditional’ social housing system would tend to cater for via priority allocations or income-based eligibility criteria—support for the current MHC system in Sweden is high. Indeed, in its most recent survey, the national Union of Tenants noted 90 per cent support for the *status quo*.<sup>100</sup>

<sup>98</sup> See : <https://www.regeringen.se/rattsliga-dokument/statens-offentliga-utredningar/2022/03/sou-202214/>

<sup>99</sup> At present, any downsizing schemes are purely *ad hoc*, as there is no national framework or policy to support this practice; i.e., via explicit guidance on priority allocations for down-sizers. For an example of an existing scheme, see: <https://www.sverigesallmannytta.se/vad-vi-gor/bostaden-vill-gynna-flyttkedjor/>

<sup>100</sup> <https://www.hyresgastforeningen.se/bostadsfakta/rapporter/hyresgasterna-2022/>

**Figure 5: Support for greater public investment in housing supports**

Source: Eurobarometer – ‘Fairness, Inequality and Inter-Generational Mobility’, February 2023

Notes: Question. ‘Thinking about the taxes and social security contributions you might have to pay, would you like to see the Swedish government spend less, spend the same, or spend more in each of the following areas? - Housing (e.g. social housing services, housing benefit, housing development)’

At the same time, according to recent pan-European polling, support in Sweden for increased public investment in “social housing services, housing benefit, and housing development” is far below the EU average; with only around one-third of Swedes in favour of additional public spending, compared to two-thirds of adults across the whole EU.

In terms of public housing, the sector faces a number of headwinds. As has been noted in numerous reports by PHS, the cost of providing public rental housing and the rents paid by tenants have not kept pace with each other in recent years; especially since 2021.<sup>101</sup> This has led to a quarter of Municipal Housing Companies making a loss in 2023, something which is not supposed to happen under law.<sup>102</sup> In addition, the “high level of interest and the increased construction costs also make new production and renovations unprofitable, which has led to a sharp reduction in the pace of construction” by the MHCs.

In terms of the broader thrust of public housing policy, based on the information available from the current Government—which took office in September 2022—the main pillar of the current housing strategy is to focus additional resources on promoting access to owner-occupier housing. For example, in a recently published strategy document the Government stated that in reaction to the issues currently facing the housing sector, it “intends to develop reforms that will enable more people to own their homes”.<sup>103</sup> In the same document, it also rebuffs recent criticism from the European Commission regarding the high levels of indebtedness of Swedish households, noting that it is important to maintain current tax reliefs to support potential homeowners. The document also outlines a number of proposed

<sup>101</sup> PHS (2024). Ekonomisk statistik 2023 [Economic statistics 2023]. Stockholm: Sveriges Allmännyttta.

<sup>102</sup> In practice, losses in an individual year can be tolerated, provided there are clear mitigating circumstances (e.g., a sudden spike in interest rates, or costs), they are not seen as being the start of a long-term trend, and the long-term viability of the MHC is not in question.

<sup>103</sup> Prime Minister’s Office (2023). Sweden’s National Reform Programme 2023. Stockholm: Office of the Prime Minister of the Kingdom of Sweden. Accessed at: <https://www.government.se/reports/2023/08/swedens-national-reform-programme-2023/>

reforms to the current planning system. No mention is made of boosting the delivery of homes by Municipal Housing Companies.

In addition, in a speech by the Prime Minister in September 2024, he reiterated the need to reform the planning system. He also re-emphasised the support for owner-occupiers, including the appointment of a special 'Commissioner for Owner-occupied Housing'.<sup>104</sup> Again, no mention was made of supporting public housing as part of the solution to the ongoing housing challenges. The next parliamentary elections are due in Sweden in September 2026.

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<sup>104</sup> Prime Minister's Office (2024, September 10). Statement of Government Policy - Prime Minister Ulf Kristersson, the Riksdag, 10 September 2024. Available at: <https://www.government.se/speeches/2024/09/statement-of-government-policy-2024/>