

Incentive to increase new housing construction

In order to increase new construction of rental properties, the Government proposes the introduction of an incentive for new building. This proposal will form part of the Budget Bill for 2016 and is estimated to amount to SEK 3.2 billion per year.

The housing shortage is one of the most important impediments to the growth of new jobs in Sweden. Access to your own home is also one of the most important factors for people to be able to live the lives they want to live. The opportunity for work, studies or to build a family depends upon this.

The rate of housing construction is increasing but is still no higher than before the financial crisis. The shortage of rental properties is particularly great, and conditions for the construction of rental properties have gradually worsened compared with those for small, self-contained houses and tenant-owner apartments. The Government therefore proposes support for new building of rental properties and student housing in municipalities with housing shortages.

“Sweden needs to invest more to be able to get the job done and assure our future competitiveness, and there are few things that are as wise to invest in as for more people to have their own home,” comments Stefan Löfven, Prime Minister.

“There will be more building for people with ordinary incomes, and housing construction will be in a climate-smart way. This is facilitated through this support,” says Åsa Romson, Minister for Climate and the Environment.

The support applies to new building commenced as of today, 25 March 2015, and will be adapted according to the cost situation in various regions. The support will be particularly great for dwelling spaces of up to 35 m² and impose requirements for energy efficiency, reasonable rent and for the apartments to be mediated in an open way.

With this proposed budget framework, support could be given to about 15,000 apartments per year. This investment support is part of the Government's housing package. A further SEK 3.5 billion is being appropriated within the package to support municipalities with increased housing construction, improvements to the efficiency of administrative processing, energy efficiency improvements to homes built under the Millions Homes Programme, city environment agreements and support for the construction of homes for the elderly.