

From redevelopment to urban policy

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1. The history of urban development in Denmark

The purpose of public funded urban development in Denmark has mainly been to increase the quality of properties and housing areas with a serious lack of basic installations or open spaces.

The urban development effort should be seen in relation to the long-standing priority of ensuring proper and healthy housing conditions for the population.

1.1 Background

Already in the past century, Danish health legislation sanctioned the demolition of unhealthy housing. The first actual legislation in the area was the Danish Redevelopment Act of 1939.

The redevelopment effort did not reach a considerable scale until 1969. New redevelopment acts were introduced in 1959 and 1969. One of the key elements of the 1969 act was to increase the financial framework and thus redevelopment activities.

The shared objective of the redevelopment acts was to ensure that housing had a basic health standard. The redevelopment act meant that a lot of housing was demolished because of their poor quality and/or inexpedient location in relation to the need for open spaces, etc.

As the worst housing was demolished, etc., focus shifted from the health standard of the housing to greater awareness of the lack of installations, e.g. own toilet and bath, the low maintenance level and a qualitative effort in relation to open spaces located in the vicinity.

The key objective of the 1982 Urban Development Act was to ensure restoration and update existing properties and housing areas. In fact, the shift from redevelopment to urban development means that owners and tenants become much more involved in the individual project and that the expenses are mainly financed by raising loans. The shift should also be seen as a result of the fact that the demolition of large housing blocks and the subsequent new development threatened or eradicated existing good, local environments supporting cohesion (network).

In connection with the renovation or demolition of housing, provisions are in place to ensure rehousing or replacement housing. This is done at the request of the municipalities.

1.2 New legislation from 1997 on urban development

The objective of the 1997 Urban Development Act is to create well-functioning urban areas and improve general living conditions through an all-encompassing effort aimed at housing, buildings, open spaces, social housing and local conditions.

The focus of the urban development effort has thus shifted from the health standard of housing to the contemporary standard of housing and to countering the low level of maintenance. Today, the effort to alleviate lacking installations and the low level of maintenance is supplemented by efforts aimed at social housing conditions.

In other words, the basis of the current urban development effort is for it to have a wider scope as an instrument in an overall urban policy. Urban development should no longer simply be a question of the technical housing standard but also of the more general living conditions of the residents in the areas affected.

2. Housing in Denmark

Housing standards in Denmark are generally high, and we have many dwellings. Denmark has a total of 2.7 million dwellings for a population of 5.4 million, meaning an average of 2.0 persons per dwelling. The dwellings are relatively large - the average area being 113 m², meaning an average 55 m² per person. The dwellings are generally of a high quality, e.g. 98% of the dwellings have their own toilet, 94% have their own bath and 98% have central heating.

Half of all housing in Denmark is owner-occupied dwellings, while the other half is composed of rental dwellings and private cooperative housing. The number of rental dwellings totals around 1 million and breaks down into 545,000 social-housing dwellings and 465,000 private rental dwellings.

2.1 Improvement of lacking installations and urban development

Table 1 below shows the number of dwellings without installations, i.e. dwellings without one or more of the installations central heating, toilet and bath, between 1995 and 2004. Furthermore, the table shows the annual drop in the number of dwellings without installations and an estimate of the percentage drop caused by public urban development efforts.

Table 1 Reduction in the number of dwellings in Denmark without toilet, bath and/or central heating and the share of the reduction resulting from public-authority urban development efforts.

	Number of dwellings without installations on 1 January	Reduction in the number of dwellings without installations during the year	Reduction caused by urban development	Share of reduction caused by urban development
1995	252,100	10,000	2,500	25 pct.
1996	242,100	13,200	2,400	18 pct.
1997	229,000	10,400	2,200	21 pct.
1998	218,500	10,500	1,300	12 pct.
1999	208,100	10,500	900	8 pct.
2000	197,600	9,100	1,100	12 pct.
2001	188,400	10,000	600	6 pct.
2002	178,400	7,500	900	12 pct.
2003	170,900	8,100	900	11 pct.
2004	162,800	7,200	300	4 pct.

Source: Dwelling counts and calculations based on extracts from the BOSSINF-BYF and BFO&BFU systems by Statistics Denmark.

The most recent figures for dwellings without installations are from 1 January 2006. This figure has dropped to 155,000 dwellings.

The table shows that during 1995 the number of dwellings without installations dropped by 10,000 and that 25% of this reduction was caused by public urban development. The share of the drop caused by urban development varies significantly as it goes from 25% in 1995 to a mere 4% in 2004.

Table 2 shows the number of dwellings which had central heating installed in connection with urban development. Similar figures are shown for toilet and bath. The figures are calculated on the basis of the statistical information reported by the local authorities to the administrative IT systems.

Table 2 Installation of toilet, bath and central heating in connection with public urban development between 1995 and 2005 in dwellings which did not already have these installations.

	Installation of central heating	Installation of toilet	Installation of bath
Year of completion	<i>number of dwellings</i>		
1995	1,610	590	2,230
1996	1,440	300	2,080
1997	1,350	490	1,960
1998	560	330	1,160
1999	550	210	690
2000	320	220	1,050
2001	190	250	540
2002	320	290	800
2003	120	470	870
2004	0	120	270
2005	190	220	550

Source: Calculations based on extracts from the BOSSINF-BYF and BFO&BFU systems.

2.2 Sub-standard dwellings in Danish peripheral regions

A recently completed study on "Sub-standard dwellings in Danish peripheral regions" shows that Danish municipalities are having troubles with dwellings with a very low housing quality. The dwellings are primarily located on open land and in villages, but in some cases also in small provincial towns.

The poor housing stock causes problems for the municipalities in several areas. The areas attract residents on social assistance and their appearance may have a negative impact on the general attractiveness of the areas to potential new residents.

The study estimates that there are approximately 10,000 sub-standard/empty dwellings spread in the peripheral regions. The majority of the sub-standard dwellings are single-family homes in the form of owner-occupied dwellings or rented owner-occupied dwellings. The problems can be characterised as follows:

- Scary, dilapidated, empty houses or houses where the site around them are filled with waste and rubbish
- The standard of the houses, e.g. installations, lacking insulation or damp
- Influx of disadvantaged groups in poor housing in the local communities.

As a follow-up to the study, the Ministry of Social Affairs will cooperate with other ministries to publish an inter-ministerial guideline on development of villages in peripheral regional areas. The guideline will deal with the various possibilities and requirements in current legislation as well as possibilities of obtaining funds in the area of housing and buildings in villages and rural districts. Furthermore, legislative amendments in the area will also be considered.

2.2.1 Urban development funds and legislative regulation

The funds earmarked for urban development are allocated in the Finance Act annually. The funds are allocated to the municipalities wanting to provide funding to urban development projects. Distribution between municipalities is based on objective criteria reflecting the local authorities' need for housing development. The municipalities taking advantage of the funds must contribute a similar amount. The urban development funds cannot be used for development of social housing buildings. Establishment of social housing is regulated by relatively detailed legislation, providing for the maintenance, etc., of the dwellings.

2.2.2 Funding for urban renewal

The publicly-funding urban renewal is paid for by the government, municipalities and the private sector (owners and residents). The distribution of funds between these parties varies from year to year and from one municipality to another, but it is required on an annual basis to adhere to a total investment budget – referred to as “urban renewal funds”. The trend in urban renewal funds since 1970 was as follows:

1970	DKK	40 million	(5,3 million EUR)
1975	DKK	77 million	(10,3 million EUR)
1980	DKK	347 million	(46,3 million EUR)
1985	DKK	864 million	(115,2 million EUR)
1990	DKK	2,000 million	(266,7 million EUR)
1995	DKK	2,800 million	(373,3 million EUR)
2000	DKK	2.250 million	(300,0 million EUR)

The state budget for 2005 was 209,9 million DKK (28 million EUR) which means that the total investment for urban renewal will be more than double that amount.

3. Comments and questions

The French model gives rise to interesting considerations. Seen from a Danish perspective, the model seems a bit overwhelming. Considering that Denmark is a small country with few citizens, the myriad levels involved seem staggering. In this respect, it should be mentioned that Denmark implemented a local-government reform in 2006, downsizing the number of municipalities to 98.

In Denmark, new development and rebuilding are subjected to high standards to get clearance to build and rebuild. This legislation means that new development and rebuilding must meet established quality standards. This is viewed as a manner of preventing sub-standard housing.

There can be no doubt that if central government starts providing funding, private owners will want to join a private-public cooperation to prevent poor housing.

The main reason why the French model would not be considered directly in Denmark is the size of the country, the number of citizens and the fact that Denmark has already been working to enhance housing standards for many years.

However, regardless of the size of the problem or different administrative systems, it is important to keep focusing on the housing area so that it develops in sync with general developments in welfare and changes in population composition (in terms of age, ethnicity and culture). You may say that it is an ongoing process.