

# Summary

During the last forty years the Norwegian state's housing policy underwent large changes. Housing markets were liberalized, brick and mortar subsidies were phased out, and a general policy aimed at all members of society was replaced with policies directed at marginalized groups. At the same time the state continued the postwar policy of subsidizing homeowners through generous tax-deductions and low rates of property and housing taxation. This report attempts to document and analyse these shifts and continuities in the Norwegian state's housing policy from 1970 to the present time.

The main purpose of the report is to provide a work of reference for journalists, scholars, bureaucrats and members of the general public looking to enhance their knowledge of Norwegian housing policy. In addition, it is meant as a contribution to the scholarly literature on housing policy and the general development of Norwegian politics in the last decades. The report is based on a rich variety of primary sources, as well as the works of scholars who previously have taken an interest in the development of Norwegian housing policy.

In *chapter 1* the main empirical and theoretical foundations of the report are outlined. The chapter also contains a brief overview of the changes in the Norwegian state's housing policy from 1970 to 2010. It is claimed that even though the changes in policy were immense, particularly during the last twenty years, the state did not withdraw completely from the housing sector. The state continued to regulate and intervene in housing markets, albeit in a more cautious manner, it is argued. Furthermore, it is argued that the deregulation of housing markets and reduction of subsidies was not the result of a coordinated, neo-liberal masterplan, but rather the product of many different drivers of change. The reduction of general brick and mortar subsidies and the turn towards selective, targeted subsidies is described as the result of a cross-party consensus and cooperation among political elites (see chapter 3). Political elites also played a prominent role when it came to abolishing rent control in the privat rental sector (see chapter 6). On the

other hand, market forces and the desire of homeowners to sell to the highest bidder, is judged as the most significant driver of change behind the deregulation of the cooperative sector (see chapter 6). Finally, the interest and strategies of landlords and housing investors is deemed the major cause behind the conversion of private rented properties and the legalization of freehold flats during the 1970s and 80s (see chapter 6).

Four perspectives on the development of Norwegian housing policy in the years of liberalization are presented and discussed in *chapter 2: the fall of housing policy, the triumph of freedom and the market, social democratic pragmatism and the triumph of capital*. The aim of the chapter is to stimulate interest and reflection on the development of Norwegian housing policy. It is meant as an introduction to the empirical chapters 3, 4, 5, 6 and 7.

The reduction of general brick and mortar subsidies and the turn towards selective and targeted instruments of state support is documented and analysed in *chapter 3*. The chapter emphasizes that this was a slow and gradual process. *Chapter 4* is devoted to the rise of the “modern system» of housing allowances from the late 1960s onwards. A central conclusion in the chapter is that housing allowance increasingly was viewed as an instrument in the state’s strategy to combat poverty from the late 1990s.

The political history of housing taxation from the early 1970s to the present time is documented and discussed in *chapter 5*. Central to the chapter is the housing taxation committee’s proposal from the early 1970s. The negative reactions towards this proposal contributed to the shelving of social democratic plans to increase the tax burden on homeowners.

*Chapter 6, Market and regulation*, documents the state’s attempts to regulate and deregulate the main tenures of the Norwegian housing sector from 1970 to 2010. Thus, the chapter contains separate sections devoted to owner-occupied-, cooperative- and rental housing. An important line of argument in the chapter is that the ideological conflicts between left and right concerning homeownership and the regulation of the housing market in the 1970s, gave way to political consensus during the 1990s and 2000s. Today all main political parties accept the right of individuals to sell their homes at prices determined by the market. This was by no means the case in

the 1970s, when the Labour government toyed with the idea to greatly expand the state's power over the transactions in the housing market.

In the final chapter (*chapter 7*) an interpretation of the development of Norwegian housing policy from the mid-1990s is presented. The policy changes over the last fifteen years are summarized by way of the following headlines:

- A concern for the challenges of distinct sections of society (youth, the elderly, the poor, immigrants, homeless people).
- The state as an enabler for well functioning housing markets
- From general subsidies to targeted housing policy measures
- The State's Housing Bank: From housing bank to an instrument in the state's welfare and housing policy directed at the poorest and/or most marginalized households.
- The municipalities: From an enabler of housing construction for the general public to an overriding concern for disadvantaged groups.
- Housing policy, a part of welfare policy and the state's strategy for preventing and combating poverty.

The chapter concludes that the political differences in the field of housing policy between the governments of left and right have been quite small over the last fifteen years. Despite rhetorical differences, all governments have given priority to selective housing policy instruments aimed at the poorest households.