



Annual Report 2009

Everyone should have access to adequate
and secure housing

Short version

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In 2009 The national prize for combating homelessness was awarded for the fifth time. The Housing Bank has produced an anniversary brochure discussing its first five years. Several of the pictures in the annual report are taken from the brochure.

The Church City Mission of Drammen was awarded the 2009 National Prize for Fighting Homelessness, based on its FRI programme. FRI offers network-building, work and housing for released prisoners. So far over 50 released prisoners have received help with the difficult transition from being in prison to having a permanent home.

The cover picture of this annual report shows happy award-winners from the FRI-project.

The Housing Bank in 2009

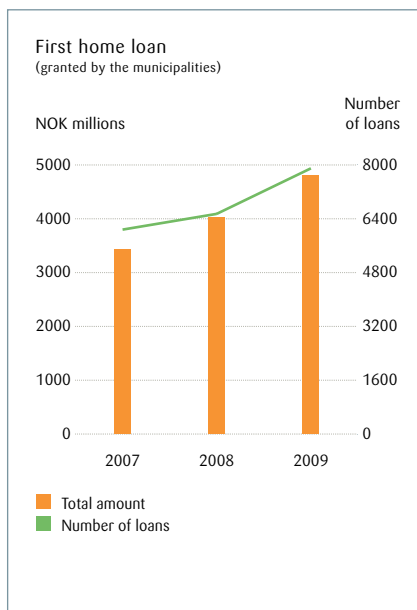
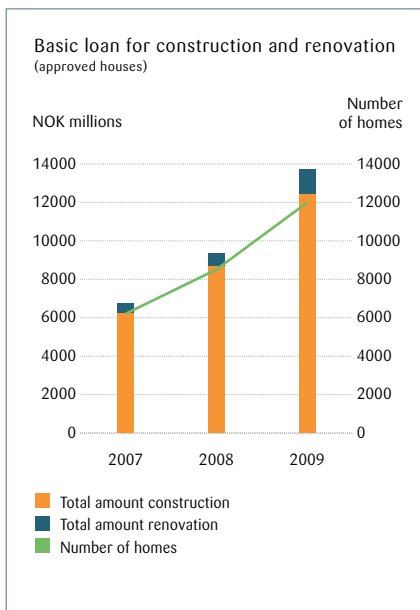
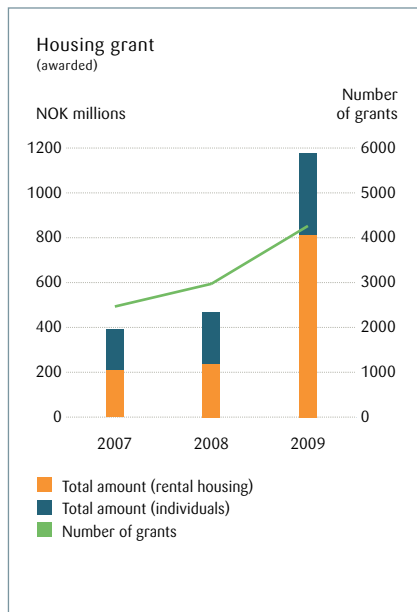
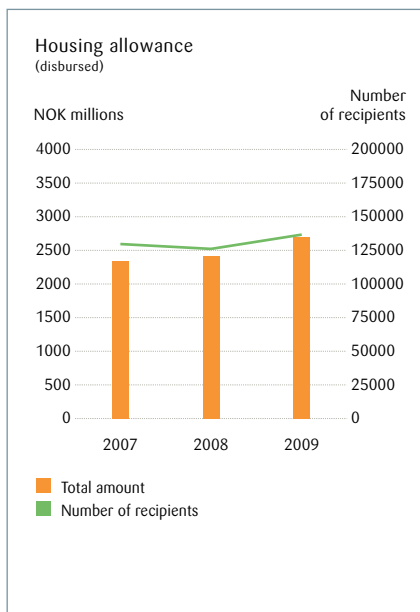
Introduction and summary

The government's primary aim in its housing policy is to provide everyone with adequate and secure housing. The Housing Bank is the agency responsible for achieving this, in collaboration with the municipalities. Housing is a basic need, which people need access to in

order to enjoy a decent standard of living. There are still some people in society who are unable to obtain, or hold onto, a home of their own. This is the Housing Bank's core task. When we succeed in helping vulnerable groups to obtain homes of their own, substantial welfare gains are created.

This annual report shows the importance of the Housing Bank in the welfare sector, and sets out the particular challenges we faced in 2009 due to the government's stimulus package creating unusually high levels of activity. The Housing Bank has managed to adapt to the changes and follow the resolutions made by the government, while creating significant activity, especially in the social housing segment, but also through traditional loans to finance home construction and improvement.

The graphs below show the use of our most important tools and summarize some of the increased activity in 2009.



This is what we remember from 2009

The credit crunch, amendments to the budget, an expanded housing allowance programme and grants for a record number of new rental homes. A lot happened in social housing in 2009.



Substantial activity in social housing in 2009. The Housing Bank's instruments meant much for many!

January: The need for first home loans increases as private banks implement increasingly restrictive lending policies. Municipalities request more money than they have in previous years. The government stimulus package increases the Housing Bank's flexibility.

February: Asplan Viak publishes an evaluation of the Housing Bank's grants for research and development, which concludes that the grants catalyze initiatives within social housing and housing quality which would not have been prioritized otherwise.

March: Several of the regional offices of the Housing Bank hold conferences on the subject of first home loans in collaboration with The Norwegian Association of Local and Regional Authorities (KS).

Mayors and planners meet in Steinkjer to review and gain inspiration for the last year of the programme BLEST, which aims to achieve physical results, increase commitment and create social meeting places.

April: The Housing Bank introduces monthly electronic newsletters; the first one is issued in April.

May: NIBR (Norwegian Institute for Urban and Regional Research) presents data suggesting that the number of homeless people

in Norway is 6 100, an increase of 600 in three years. "Lower than expected, the municipalities are working systematically," says managing director Geir Barvik.

The Housing Bank holds an international UN conference on homelessness in Europe. The conference challenges the UN's body for economic cooperation in Europe - UNECE - to formulate a strategy on combating homelessness.

June: The Norwegian Government's National Award for Good Building and Environmental Design is awarded to the Stavanger branch of the Norwegian Trekking Association and the architects Helen & Hard for the mountain lodge Preikestolen Fjellstove.

July: The housing allowance scheme is expanded to include more groups. As a general rule, anyone with a low income and high living expenses becomes eligible to receive funding. "Housing allowances are an important tool for combating homelessness," says Geir Barvik.

August: The Housing Bank finances several housing projects that would otherwise not have been completed due to the restrictive lending policies of private banks. The result is more homes of the desired standard in terms of accessibility,

eco-friendliness and energy efficiency. The projects include PEAB's Zitty in Drammen.

September: The government increases the maximum amount available for loans by another two billion NOK. Demand has more than doubled for both basic loans and first home loans.

October: The municipalities of Bærum, Lørenskog, Lillehammer and Hamar become the first participants in the Regional Office East's social housing development programme.

November: The Housing Bank's Executive Board visits Groruddalen. Meanwhile, the last joint meeting with all of the Housing Bank's regional boards is held as a new law for the Housing Bank comes into force on 1 January 2010.

December: The Church City Mission in Drammen and FRI, a housing and networking offer for released prisoners, receive the Norwegian government's award for organisations working with the homeless.

The Executive Board concludes its year by writing an opinion piece in Kommunal rapport ("The Municipal Report"), where it strongly encourages the government to focus more on combating homelessness, especially among the young.



The Housing Bank focuses on the areas with the greatest challenges

Exceptional financial circumstances led to increased governmental funding and substantial activity in social housing throughout Norway in 2009. When funding is eventually reduced, future efforts have to be targeted at the areas facing the greatest challenges.

In housing politics, 2009 was a highly unusual year. Large increases in the funding for the Housing Bank's loan and grant programmes were integral aspects of the government's stimulus package to counteract the consequences of the international financial crisis. The government's housing allowance scheme was significantly expanded, allowing a larger number of people with low incomes relative to their living expenses to have their rent subsidised.

It did not take long for the results to be seen. The number of households receiving housing allowance in December 2009 was 13 400 higher than in December of the previous year. During the course of the year, municipalities received funding for more rented housing than ever before. The Housing Bank awarded grants for the construction of almost twice as many rooms in nursing homes and residential care homes as it did in 2008. Municipalities granted first home loans to a significantly higher number of first-time buyers and disadvantaged people, and loan applications were approved by the Housing Bank for the construction of 5 400 housing units, almost 50 percent more than in the previous year.

Norwegian municipalities deserve credit for promptly accepting the challenge given to them by the government, and rapidly developing new projects. The employees of the Housing Bank also handled the extraordinary increase in activity very well. The fact that we managed to end 2009 without a long queue of applications proves how good the Housing Bank is at

readjusting, and that it is an organization capable of responding to new challenges professionally and with great drive. In cooperation with the municipalities, we achieved results that are going to greatly benefit many disadvantaged people in the years to come.

Despite the good results of 2009, we cannot afford to rest on our laurels. In the coming years, Norwegian society faces some difficult housing challenges. For instance, the percentage of older citizens will dramatically increase in the coming decades, while at the same time large groups of young adults will enter the housing market. There are still many homeless people living in temporary homes. Immigration to Norway is high, and for refugees, especially, the government plays a major role with regards to housing. Population pressure in the major cities and surrounding areas is high. This is also where the differences in living conditions are biggest and the challenges in terms of social housing are greatest.

For the Housing Bank, these challenges indicate that in the coming years, when the funding limits for the social housing programmes return to normal levels, our efforts must focus on the areas where the challenges are greatest. This is why we will purposefully and systematically challenge selected municipalities, and help to formulate extensive housing policies for the disadvantaged in the housing market, adapted to the municipalities that are willing to make this a priority. In the fall of 2009, the first deals were struck between the Housing Bank and the municipalities of Bærum, Hamar, Lillehammer and Lørenskog. Going forward, development pro-

grammes in the field of social housing will be implemented in all of the regions where this is relevant, and deals with further municipalities are being agreed.

“A successful social housing policy allows big savings in other areas of welfare, both for the state and municipality.”

The Housing Bank must contribute to documenting and imparting this fact. For social housing policy to be effective, it is important for municipalities to realize that providing all of the municipality's citizens with adequate and secure housing is a long-term project. It is important to consolidate and develop our understanding of challenges and possible solutions, and it is necessary for financial investments to be made. In addition, collaborations between government agencies and public administrative bodies must be established. With knowledge and government funding in the form of research and development grants and housing benefits as its tools, the Housing Bank has the task of helping municipalities to see and realise the welfare gains and potential savings achievable through a systematic focus on a social housing policy. In focusing on this, the municipality can offer more help to the people who need financial support to remain in a home, and in the long term, the municipality will save money on their already hard-pressed welfare budgets.

Geir Barvik
Managing Director

Goals, strategies and means

The vision of Norwegian housing policy is for everyone to have adequate and secure housing. Until the 1990s, the main focus of housing policy was on supplying housing, whereas now it has become a key element of wider welfare policy. A good place to live is essential to a meaningful life, just like other basic welfare needs.

In conjunction with the preparation of the national budget, each year the government sets out the goals of its housing policy. The Housing Bank is the most important tool in implementing the government's housing policy. With its core values of openness, versatility and collaboration as starting points, the Housing Bank shall facilitate the achievement of the goals of the housing policy, through cooperation with municipalities, and other relevant players.

Goals

In 2009, the main housing policy goals were:

1. Ensure a properly functioning housing market

2. Improve access to the housing market for the disadvantaged
3. Ensure a good, efficient construction process
4. Provide more eco-friendly and universally designed homes and buildings in attractive areas
5. Efficient and user-friendly administration

Combating poverty was one of the government's main focuses in 2009, and consequently, the Housing Bank's attention was primarily on preventing and fighting poverty and homelessness.

Strategies

The Housing Bank has developed a strategic platform that shows how the Housing Bank best can work in a targeted and efficient way to achieve the goals set out in the government's housing policy.

The Housing Bank is reliant on the cooperation of municipalities, government agencies, special interest organizations, research communities and the construction industry to achieve results. The Housing Bank is primarily a second-line service provider, while the municipalities and construction industry are the frontline service providers for individuals.

The Housing Bank can only succeed if municipalities succeed. The municipalities are the most important clients, users and partners of the Housing Bank. Work on making municipalities better at running an efficient and goal-oriented housing policy is designed to ensure that the municipality accepts and takes ownership of its social housing challenges.

“The Housing Bank can only succeed if the municipalities succeed.”

Development programmes in the field of social housing are binding partnerships that involve several sectors both at a central government and municipal level. The goal is for municipalities to have comprehensive and locally rooted social housing policies based on their own needs.



Housing for children and young people are one of the main challenges for The Housing Bank.



Financial tools

The Housing Bank possesses a number of financial tools to help it achieve goals and create welfare gains.

Housing allowances

Designed to help households with low incomes and difficulties managing their living expenses. New rules introduced in 2009 mean that the scheme now covers everyone over the age of 18. The scheme is administered by the Housing Bank, while the municipalities act as executive officers and interact with individual applicants. 136 000 households received housing allowances in 2009, 14 500 of which were first time recipients. On average, recipients were awarded NOK 2 180 a month.

First home loans (start-up loans)

Designed to help the economically disadvantaged to obtain homes, improve their homes, or contribute to them keeping their homes. Individuals who do not qualify for loans from private banks or lack capital may apply for first home loans. The municipality borrows funds from the Housing Bank and manages the loans to local residents itself. NOK 4.8 billion was lent and almost 7 900 first home loans were granted in 2009.

Housing grants for individuals

Designed to secure housing for disadvantaged groups in the housing market. The grant is for the purchase of a home, or for the improvement or adaptation of a dwelling that is already in the recipient's possession. Housing grants are given only when absolutely required. The grant is awarded by the municipality. In 2009, NOK 365 million was given to help secure housing and NOK 56 million for adaptations. The overall budget was NOK 421 million.

Housing grants for rental housing

Used to fund the construction or purchase of rental homes for low-income households. Housing initiatives for the homeless have top priority amongst applications. Furthermore, housing initiatives for the young or the disadvantaged combined with social welfare services also have high priority. This is also the case for homes for refugees. The grant is awarded by the Housing Bank. NOK 813 million was awarded in housing grants for 2 441 rental homes in 2009. In addition, the Housing Bank has awarded NOK 25 million towards planning, surveys and the installation of lifts.

Grants for research and development

Designed to raise the level of expertise in housing and construction policy. Grants are mainly awarded to research and evaluation projects, development projects, pilot projects and awareness-raising initiatives. Initiatives related to social housing work in the municipalities have top priority. However, development of knowledge and awareness-raising initiatives concerning universal design, environmental standards and building design can also be awarded grants. From a budget of NOK 93 million, 280 projects received grants.

Grants for housing, urban and neighbourhood development

Awarded to initiatives aiming to improve living conditions and the environment in challenged urban areas. For the period of 2007-2010, the government has formed a partnership with the City of Oslo concerning an action programme for the Groruddalen valley, and the whole grant is set aside for this programme. NOK 43 million awarded in 2009, to a total of 50 projects.

Basic loans

Used to promote universal design and environmental standards in new and existing dwellings, as well as for financing homes for the disadvantaged and families setting up home for the first time, and for securing the necessary housing supply in the districts. Applications for basic loans are made directly to the Housing Bank. In 2009, basic loans were awarded for the construction of 5 400 housing units and the improvement of 4 300 units.

Investment grants for residential care homes and nursing homes

Provided for construction, purchases, reconstruction and improvements. The grants create incentives for municipalities to renew and increase nursing home places and sheltered housing for individuals who require access to 24-hour health and social care services, regardless of age, diagnosis or handicap. 2 000 places received grants in 2009.

Other political areas

The Housing Bank also administers tools in other political areas: nursing home loans, student accommodation grants and interest subsidies for educational institutions, swimming facilities and church buildings.

The organization of the Housing Bank

The organization of the Housing Bank is based on being as close to our users as possible

The organisational structure of the Housing Bank and the delegation of authority is based on the principle that those closest to the users are in the best position to offer solutions.

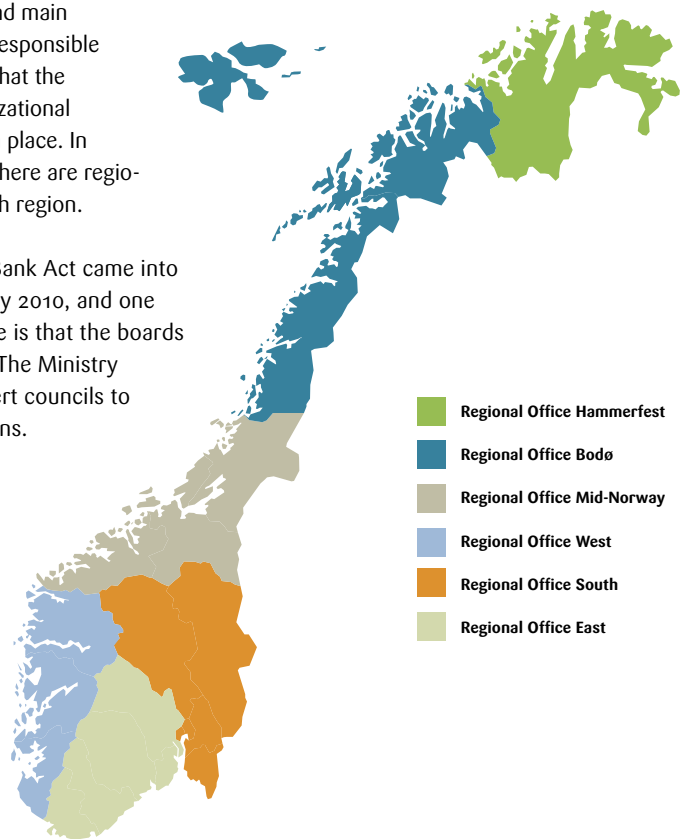
Solutions have to be based on local knowledge and local networks. It is the co-ordination between the municipalities that produces results, and the regional offices have all formed close relationships with the municipalities in their regions. All financial tools are delegated to the regional offices in order to maximise welfare gains. In addition to executing housing policy, the offices have gained extensive specialist knowledge and competence in certain areas.

Organization

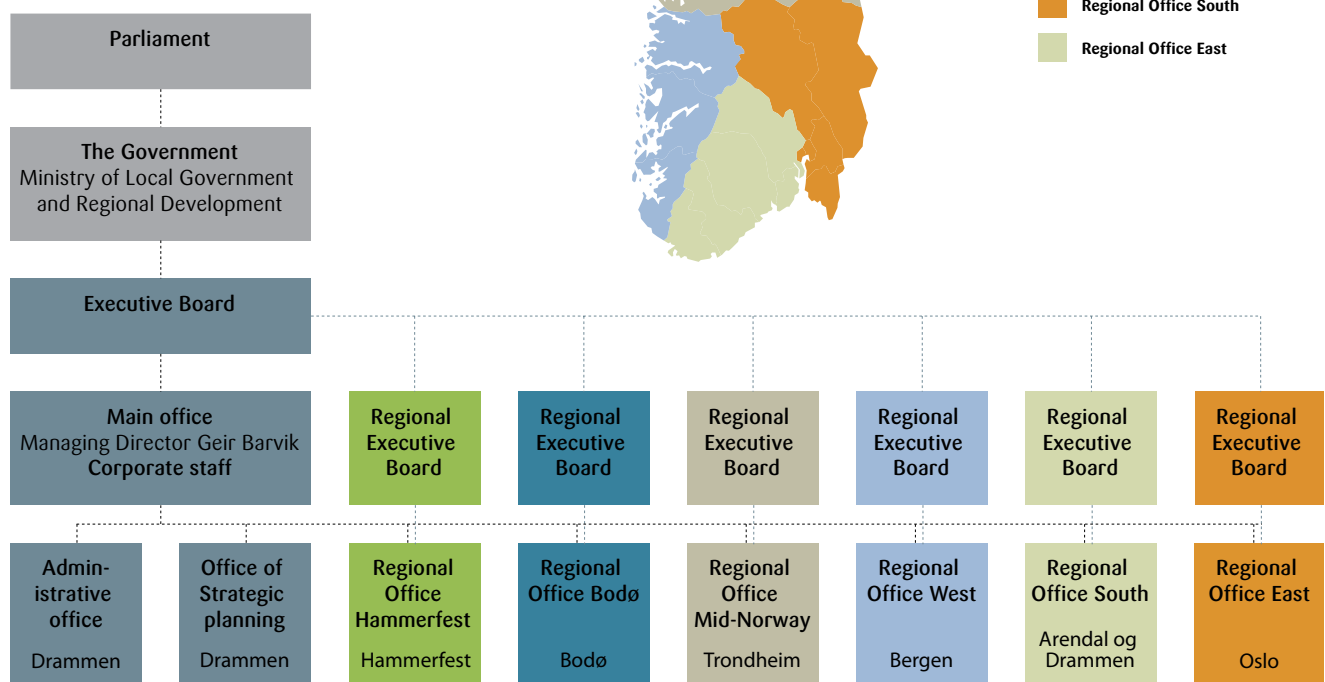
The Housing Bank reports to the Ministry of Local Government and Regional Development. The Bank's highest ranking body is the Executive Board, which has 5 politically appointed members. The Executive Board

decides the Housing Bank's strategic plans and main priorities and is responsible for making sure that the necessary organizational documents are in place. In addition to this, there are regional boards in each region.

A new Housing Bank Act came into force on 1 January 2010, and one important change is that the boards were abolished. The Ministry can appoint expert councils to support operations.

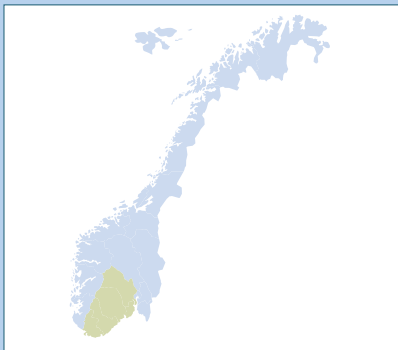


- Regional Office Hammerfest
- Regional Office Bodø
- Regional Office Mid-Norway
- Regional Office West
- Regional Office South
- Regional Office East



Regional Office South

The Regional Office South has its main office in Arendal, as well as offices in Drammen. Together the offices have 30 employees.



The FRI project teaches released prisoners about going straight, creates networks and meets the convicts even before their release. The project Framtid for meg ("A Future for Me") in Drammen prison brings together prison



Blakstad College has 330 pupils (16-19 years old). In the first year 60 pupils will learn how to build passive houses.

staff with the welfare officers in local and central government to ensure that ex-prisoners have a home to go to when they are released. A similar project in Sem prison focuses on working with the welfare authorities to ensure that convicted criminals do not lose their homes during their time in prison. 23 prisoners have participated in the project "A Future for Me" in Drammen.



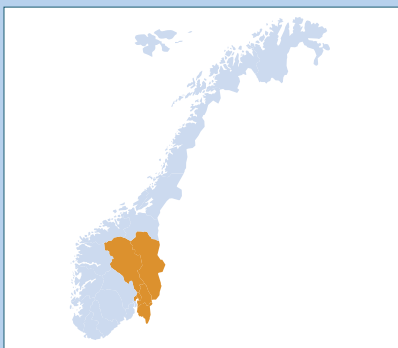
Four small houses are to be built in Froland Municipality. The front house will be ready in June 2010. Sketch: Architect Bengt G. Michalsen.

Threefold benefits of the Blakstad model

- In this project, Blakstad sixth-form college is constructing passive houses for the disadvantaged in the municipality. This combines social housing, environmental design and energy efficiency, universal design and skills development all in a single project. "A rare combination that I hope will create ripple effects," says regional director Rune Robertsen.

Regional Office East

The regional office is situated in Vika, Oslo and has 54 employees.



"The most important thing we did in 2009 was launching the 'Social housing development programme'", says the director of the Regional Office East, Guri Berge. The project focuses on the



municipalities with the greatest challenges in social housing, and it is a binding partnership between the Housing Bank and the participating municipalities.

The regional offices have approached this task in different ways. What they all have in common is that they have based

their work on a systematic overview of the municipalities with the greatest challenges.

The Grouddalen initiative

- Cooperation between the government and the City of Oslo to improve the environment and living conditions in Grouddalen.
- The part of the initiative that includes housing, urban and neighbourhood development is led by the Housing Bank. The goal is to strengthen local identity and to promote efficient development patterns, well-designed local centres and commercial areas, attractive residential areas with efficient outdoor areas and a good standard of housing and buildings.
- So far, the Housing Bank has contributed to the implementation of approximately 100 different projects.

Regional Office West

The regional office is situated in Bergen and has 44 employees.



Universal design standards

The Regional Office West is in charge of universal design at the Housing Bank. Their awareness-raising programme on universal design has been an important initiative on this subject.

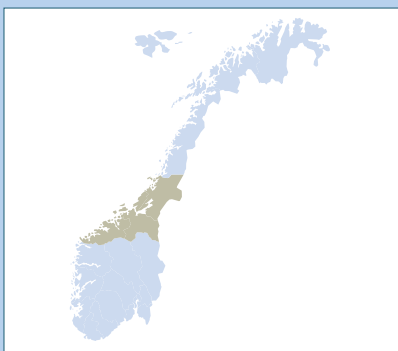
The programme, carried out with the National Office of Building Technology and Administration, aimed to inform the public about high quality universal designs for homes and outdoor areas. The western regional office has also met with the other regional offices to share experiences. It has focused on integrating universal design into social housing projects.



A stair-free Norway is unrealistic, but fewer stairs and more ramps is a step in the right direction.

Regional Office Mid-Norway

The regional office is situated in Trondheim and has 38 employees



The Regional Office Mid-Norway is in charge of research and development at the Housing Bank, as well as of energy efficiency and green design. The Housing Bank plays a key role in the implementation of the government's environmental action plan, focusing on reducing the energy needs of Norwegian homes.

Environmental programme

From the government's environmental action plan to the Housing Bank's environmental programme

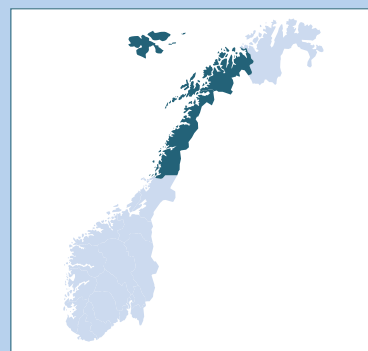
Means and tools

The main tools and means are collaboration agreements with government agencies, memorandums of understanding with key players in the construction industry, grants for research and development into sustainable housing and construction quality, grants for condition surveys and basic loans. Projects with high ambitions in terms of green design, energy efficiency and universal design will be prioritized by the Housing Bank when granting basic loans.



Regional Office Bodø

The regional office has 33 employees and is situated in Bodø.



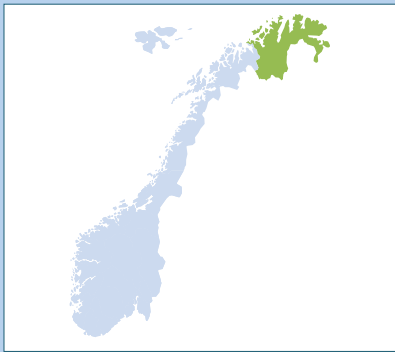
The regional director in Bodø, Mona Liss Paulsen, described 2009 as a social housing marathon for the regional office, so she bought track-suits for all of her staff. One of the results was that twice as many new rental homes were created as the original target.

Regional work

The regional work of the Housing Bank in Bodø aimed to increase municipal decision makers' expertise in the field of social housing and to inform them of the tools that exist in the field.

Regional Office Hammerfest

The regional office is situated in Hammerfest and has 21 employees.



The Housing Bank's Director of Administration Mabel Johansen with locals on the new footballground in Murmansk.

The office has particular responsibilities in the fields of: local development (small areas), climate-adapted homes, the National Award for Good Building and Environmental Design (secretariat) and the Housing Bank's work in northern Norway. The office is also responsible for administering the residual claims of the Housing Bank after repossessions.

Collaboration across borders

A brand new local leisure facility is located on a hilltop in Murmansk. On a normal Sunday, children play football on the artificial turf pitch financed by Norwegian businesses in the city. The project was led by the Hammerfest regional office.



The Norwegian Government's National Award for Good Building and Environmental Design 2009 - Preikestolen mountain lodge

"Preikestolen mountain lodge wins the Norwegian Government's 2009 National Award for Good Building and Environmental Design because of the way in which its outstanding design brings together timber architecture, environmental design and sensitivity to its local context" (jury's verdict).

The Housing Bank was the secretariat for the jury appointed by the Ministry of Local Government and Regional Development. Regional Office Hammerfest has acted as the secretariat since 2009.

The Housing Bank's main objectives

Increased housing for the disadvantaged

In cooperation with the municipalities, the Housing Bank has prioritized efforts directed at the most disadvantaged groups in the housing market. Helping people to settle into their own homes is crucial for their wellbeing, as well as playing an important role in the fight against poverty.

Further preventing and combating poverty

Survey of the homeless

Commissioned by the Housing Bank, NIBR did a survey of the homeless in 2008 (NIBR-report 2009:17). The number of homeless people in Norway rose from 5 500 in 2005 to 6 100 in 2008, but there is reason to believe that without the increased focus and efforts of the Housing Bank and welfare agencies, the numbers would have been much higher. The four largest cities have the highest rates of homelessness, but the number of homeless people per 1000 residents has decreased and is much lower than in any other major city in the Nordic countries.

Cooperation and initiatives that take into account local factors are often highlighted as criteria for success in the work against homelessness. The long-term work with the problem of homelessness in the municipalities has gradually contributed to a growing awareness and understanding of the problems several departments of the welfare agencies are facing.

The Housing Bank's work on behalf of young people

Over the course of the last year, the Housing Bank ran a programme designed to find the best ways of locating young people in need of a home and support. Future efforts will be shaped by feedback from young people, and studies of successful projects. The vital importance of access to decent housing in terms of participation in society is confirmed by the young.

To ensure stable initiatives, help with settling into long-term accommodation must be viewed together with education, vocational training, work, spare-time activities, health and housing follow-up.

Greater expertise on social housing in municipalities

The Housing Bank helps to strengthen expertise on social housing in municipalities by sharing information and knowledge in several ways. This involves using traditional financial tools that help the disadvantaged to set up in their own homes and initiatives that teach individuals how to cope with living in their own homes.

We will also take our experiences of the strategy: "The Pathway to a Permanent Home" with us in future efforts. Special attention is also given to those who are released from prison. The FRI project that won the award for an outstanding project to combat homelessness in 2009 is a good example of an initiative that was successful at housing released prisoners.

The goal-oriented work of the Housing Bank and its cooperation with the Norwegian Correctional Services has resulted in a decrease in the number of released prisoners having to stay in temporary housing. The number of people currently living in temporary homes has also decreased.

Focus on the municipalities with the biggest social housing challenges

To improve the access of disadvantaged groups to the housing market, the Housing Bank's strategy has been to concentrate its efforts at the municipalities experiencing the biggest challenges in terms of social housing. Through transferring expertise and financial resources (grants for research and development, housing grants, housing allowances and first home loans), the Housing Bank aims to aid these municipalities.

Increased social housing activities in the municipalities

The efforts directed at the municipalities led to an increase in the use of the Housing Bank's financial tools. Reports from municipalities indicate an increase in the use of first home loans throughout



Just a few of the homeless are rough sleepers. We have not reached everybody yet.

2009. Unlike the previous year, when only NOK 4.0 billion was spent, the total funding limit of NOK 4.8 billion was spent in 2009. The partnership between the Housing Bank and municipalities generated an increase in spending. The agreement between the Housing Bank and the municipality of Drammen is one example. Its main emphasis is on social housing. The value of first home loans provided by Drammen municipality increased by NOK 20 million a result of the agreement.

Rental homes

A total of 2 441 rental homes were financed with housing grants in 2009. This is about 500 less than the target, but it is still a 150 percent increase over 2008. Also, the total funding allowance of NOK 813 million was spent.

Housing allowances

To make it financially possible for disadvantaged groups to set up in their own homes, and/or keep an adequate

home, housing allowances are essential. The new housing allowance scheme was launched according to plan on 1 July, and the Housing Bank has led an extensive information campaign directed at municipal case workers. 14 500 new households have received housing allowances since the amendments to the regulations. The new recipients are in some cases single parents and families with children, but mainly relatively young single men.

A properly functioning housing market

A properly functioning housing market will help to achieve the government's goal of everyone having safe and adequate housing, and facilitate the construction of a sufficient number of good, sustainable homes at the lowest possible cost. The main tools used by the government to facilitate a functioning housing market are laws and regulations, organization, knowledge-sharing and communication and access to mortgage and construction financing.

Increased efforts to improve our understanding of the housing market

To increase our understanding of what is happening in the housing market at all times, and on the Housing Bank's achievement of its goals, several projects have been started concentrating on two main subject areas: improving the available data and improving housing analyses and indicators. Better statistics and data will result in better indicators and analyses of the housing market and of the achievement of housing policy goals, where the Housing Bank has placed a particular emphasis on the challenges in social housing.

Less construction, but slower growth in construction costs

Unrelated to the severe reduction in home building, house prices rose in 2009. In theory, slower growth in construction costs should lead to an increase in home building. The construction of 19 700 dwellings was started in 2009, which was 23 percent fewer than the previous year. Over the last 15 years, house prices in Norway have risen considerably more than they have in other European countries. There are several good

reasons for investing in housing, such as the tax deductibility of mortgage interest and low taxation of dwellings. Measured by the construction cost index, actual construction costs went up by just 2 percent during 2009, or roughly the same rate as the retail price index. In comparison, the construction costs rose by 5,7 percent in 2008.

The Housing Bank reduces the effect of the financial crisis

Even fewer new homes would probably have been built if the government had not

taken necessary measures to reduce the effects of the financial crisis, including using the Housing Bank. In the spring of 2009, the Housing Bank's overall lending limit was raised from NOK 12 to 14 billion, as part of the government's stimulus package to counteract the consequences of the financial crisis. The financial crisis and the downturn in the housing market led to a larger proportion of housing demand being directed at the Housing Bank. By the end of 2009, available funding for loans had increased further, from NOK 14 to 16



billion, with the Housing Bank taking on an even more important role in the housing market and in the government's counter-cyclical policy.

The Housing Bank finances home improvements in municipalities struggling with population decline due to migration

One goal for the Housing Bank is to finance improvements to existing housing stock in municipalities with high migration rates, as an alternative to new construction. The Housing Bank's regional offices have

highlighted this problem. In region west, financing for the purchase and improvement of rental homes has been given to both Bømlo and Florø municipalities.

In region Mid-Norway the Housing Bank has mapped the municipalities with high migration outflows. This information is then used when informing municipalities, brokers and banks about the Housing Bank's schemes.

In northern Norway, the available tools have been used actively in different ways.

Regional Office Bodø has given more loans for the improvement of rental homes and for the adaptation of existing detached homes in small municipalities.

In region Hammerfest, municipalities with high migration rates are increasingly using the first home loan actively for purchases/improvements. As it is almost impossible to receive funding from private banks, municipalities often have to fully finance these projects themselves.

Green housing and universal design

The Housing Bank shall be a driving force in efforts to realise the national environmental goals in the housing sector. This involves reducing energy requirements, changing energy consumption, stimulating environmental improvements and promoting universal design.

Basic construction loans are for sustainable housing projects

Environmental quality is one of the most important conditions for receiving basic construction loans. This entails reducing energy consumption and the use of hazardous materials in building materials, as well as reducing the amount of building waste and increasing the reuse of building materials.

The figures from 2009 show that nearly 60 percent of all new homes approved for basic construction loans had at least one environmental quality. Almost all of these had implemented energy efficiency measures. For the homes constructed with basic construction loans, energy savings of 40 percent or more were most common. Many dwellings meet several of

the environmental criteria while they also meet universal design standards.

Grants for research and development awarded to environmental and energy-saving projects

In 2009, a total of 19 environmental and energy-saving projects received grants for research and development. In total they were awarded NOK 6 million.



Universal design is for everyone

Increase the number of universally designed buildings and dwellings

The Housing Bank shall contribute to an increase in the number of universally designed homes, buildings and residential areas. This goal will be achieved by means of financial and legal tools, as well as through a greater focus on awareness-raising and increasing the level of expertise of key players and consumers in general.

New dwellings in particular meet universal design standards; in fact, fully three quarters of new homes do. For renovations of existing dwellings, the proportion falls to 1 out of 6.

New action plan for universal design

The government has given the Housing

Bank and the National Office of Building Technology and Administration the task of carrying out a new awareness-raising programme concerning universal design directed at municipalities, counties, the construction and property industries as well as home owners. This work is linked to the government's policy to ensure decent living conditions for everyone, and the initiative is defined in an action plan for universal design and increased accessibility – "Norway universally designed by 2025".

**FutureBuilt 2009 – 2018
Drammen municipality**

Drammen municipality received a grant to create a development programme for an exhibition on urban spaces and homes. The programme shall ensure that property developers, planners, the people who deal with planning applications and other stakeholders receive the necessary training in modern and climate-friendly building techniques.



KLIMAEFFEKTIV
ARKITEKTUR
OG BYUTVIKLING
OSLO—DRAMMEN

Efficient and user-friendly administration

The Housing Bank shall be an attractive workplace with committed and competent employees in a working environment where openness, collaboration and diversity are core values.

The Housing Bank prioritizes ways and methods of working that bring both the housing policy of the government and the Housing Bank's strategic platform to the fore.

Personnel

The Housing Bank has 365 employees. 217 are women (61 percent) and 139 are men (39 percent). The average age is 49.2.

Wages

Over the last few years, the Housing Bank has tried to even out wage differentials between men and women. In local salary negotiations, women have received more of the pot than a pro rata distribution would imply. For the same positions there are only small wage differentials.

Initiatives to promote gender equality

The Housing Bank is in a satisfying position on the issue of gender equality. The management consists of approximately 60 percent women. We will build on this positive situation by drawing up a new wage and recruitment policy, and with plans for professional development.

Employees from ethnic minorities

The Housing Bank participated in a project

with moderate quotas for immigrants from non-western backgrounds. The Housing Bank has chosen to build on this by increasing the number of managers and employees from ethnic minorities after the end of the project period.

Health, safety and the environment

In 2009, sickness absence was 6.5 percent for women and 4.4 percent for men, giving a combined figure of 5.6 percent. Sickness absence has fallen by 0.5 percentage point since 2008, despite the outbreaks of swine flu. All offices have established forums where managers and employees can discuss issues relating to health, the working environment, safety and the main collective agreement.

Green Housing Bank

The Housing Bank wishes to be perceived as a green agency, both externally and internally. The Hammerfest office and the Housing Bank in Drammen are certified under the Norwegian Eco-Lighthouse environmental certification scheme. An environmental policy to reduce travel, increase recycling and improve energy efficiency measures has been drawn up. The Housing Bank started using video-conference equipment at every regional office in 2008, and this has reduced travel for meetings and training events in both 2008 and 2009.



Low absence due to sickness for these sportsmen from the Housing Bank in Drammen.

The Housing Bank –efficient administration

A centre of knowledge and expertise

One of the Housing Bank's most important tasks is to establish itself as an attractive and progressive centre of knowledge and expertise. To strengthen and develop this role, much work has been done in several key areas. One focus area is developing an online portal for sharing knowledge.

The Internet - our most important communication channel

The Housing Bank's website is the most important channel for efficiently communicating the expertise and knowledge that it would be inefficient for municipalities or building industry representatives to develop themselves.

The grant for research and development

In 2009, Asplan Viak presented the report: Evaluering av Husbankens kompetanse-tilskudd ("Evaluation of the Housing Bank's grant for research and development"). The report confirms that the grant plays an important role in the development of the national housing policy.

Research and development

The Housing Bank adopted a new research and development strategy in January 2009. The strategy envisages a more thematic approach to housing research in the context of living conditions and welfare. The strategic institute programme (SIP) on the social dimensions of housing policy in a dynamic perspective led by NOVA (Norwegian Social Research), is a four-year programme, due to end in 2011. A total of 16 research programmes in the field of social housing are currently active. In 2009, several reports from the project were published. Some of them have an English summary which can be found on housingbank.no

To improve housing and welfare research, extensive work was done in 2009 to develop a new multi-year programme on the subject.

Communicating knowledge and expertise

Spreading knowledge, facilitating experience sharing, building expertise and training others in the use of our schemes constituted a large proportion of the Housing Bank's activities. In 2009 we held 812 seminars, conferences, forums, information meetings, training sessions and courses, etc. with a combined total of approximately 18 500 participants.

housingbank.no becomes a knowledge-sharing portal

The Housing Bank shall be a centre of expertise for municipalities, other administrations, organizations and the construction industry in the effort to ensure good, environmentally friendly and accessible homes for everyone. The internet shall be our most important communication channel. This is why the Housing Bank wishes to make the website housingbank.no a knowledge-sharing portal.

The portal will contain information packages in all areas where the Housing Bank has housing policy tasks. Work on social housing is our core task, but the portal will also play an important role in spreading knowledge about eco-friendly homes and accessibility for everyone (universal design).

In addition, it will contain information packages on the subjects of residential care

homes, nursing homes, nursery schools, building design, local development, area boosts and climate-adapted design.

Users will not only be recipients, but also important contributors to the knowledge base of the portal by sharing experiences, giving feedback, providing information on successful projects and through similar types of collaboration.



Better and more efficient reporting

To improve statistics and the underlying data available, the Housing Bank has in 2009 been working closely with Statistics Norway (SSB) to increase the amount of data that is shared. Joint data will allow different housing analyses and contribute to the development of indicators about the disadvantaged in the housing market.

Bokart is a mapping system that provides information about the housing market in municipalities. In 2009, efforts have been

made to improve this tool. 100 municipalities are currently using Bokart.

Support for education in housing subjects

With the cooperation of the Housing Bank, a further education course on social housing has been introduced at university colleges throughout the country. Council workers, voluntary organizations and other agencies with responsibilities for social housing can apply for funding from the Housing Bank's regional offices so that

they can attend the course. 84 such grants were given in 2009.

Internal measures

Good organization of its resources shall support the role of the Housing Bank in Norwegian welfare policy. Because it is the highest prioritized task of the Housing Bank, all regional offices have extensive expertise on social housing, while some offices have gained specialist knowledge and expertise in additional areas.

Efficient loan administration

The extensive focus on social housing requires modernisation and greater efficiency in the administration of loans. This requires expertise in both economic and legal issues.

The Housing Bank tries to find solutions to ensure that clients with troubled finances keep their homes. Responses are tailored to the individual client. This is done to help reduce the number of evictions, and thereby prevent an increase in the number of homeless people.

Interest rate trends

The Norwegian parliament has decided that interest rates on loans provided by government-backed banks shall be determined by the markets. The international financial crisis led to a rise in interest rates in 2008 that continued through the beginning of 2009. During 2009, interest rates sank. The floating interest rate was 6.3 percent in the first quarter and 2.3 percent in the fourth quarter.

Defaults and losses

Low interest and unemployment rates contributed to a decrease in the number of loans in default, from 904 in 2008, to 775 in 2009.

At the Housing Bank, a loss is recognised when a property is sold at a price that is lower than the total outstanding debt. Gross losses in 2009 were NOK 16.6 million, compared to NOK 12.7 million in 2008.

The total net loss was NOK 13.6 million, after NOK 3 million in recoveries on pre-



The employees of the Housing Bank have both Norwegian and immigrant backgrounds.

viously impaired loans, which remains at a stable, low level, approximately 0.01 percent of total assets over the last 3 years.

The Housing Bank was seldom contacted by housing co-operatives with severe payment difficulties in 2009.

Customer service and electronic services

The Housing Bank recognizes the importance of efficient interaction with clients

during the loan servicing phase. On our website, individual borrowers can receive information about the status of their loan and make certain alterations to the loan.

The Housing Bank offers direct debits and e-invoices. The number of direct debits is a little over 15 000, and the number of e-invoice agreements is approximately 8 500.

Efficient IT development

Use of new information technology will substantially change how tasks are solved in the future. We are constantly becoming more efficient at managing our relationships with our clients, and going forward, Internet-based interaction with clients will be the standard.

IT is strategically important for the Housing Bank to achieve its goals within its core task: social housing. There is an emphasis on secure and stable operation with high accessibility for internal and external users.

An IT action plan for the period 2009-2011 was developed with roots in the Housing Bank's own strategic platform and in the goal of having a common IT architecture in the public sector.



Other political areas

Our efforts to create safe and adequate homes and residential areas involve several political areas, such as student accommodation, nursery schools, schools, nursing homes and churches.



The Government's Stimulus Package resulted in several projects of school-renovation.

The government stimulus package to counteract the impact of the international financial crisis resulted in record investment in the rehabilitation of schools and churches, but also in the development of new nursing homes, residential care homes and student accommodation projects. A total of NOK 2.7 billion was invested in school buildings and swimming facilities and approximately NOK 1 billion went to new nursing homes and residential care homes.

There were no available funds for school buildings and swimming facilities in 2008. In 2009 the investment limit was set to NOK 3 billions. The funding available for investment grants for residential care homes and nursing homes rose by 85 percent between 2008 and 2009.

Key figures

Grants awarded by the Housing Bank	2009		2008		2007	
	NOK millions	Number	NOK millions	Number	NOK millions	Number
Total	7 413		6 369		5 076	
Housing allowances	2 701.6	136 000 households	2 420.9	126 100 households	2 336.0	129 700 households
Housing grants - first-time buyers	364.8	1 822 homes	325.5	1 412 homes	333.1	1 448 homes
Housing grants - rental housing	812.8	2 441 homes	231.0	977 homes	185.0	884 homes
Housing grants - adaptation of homes	56.1	2 799 households	85.0	2 509 households	86.3	2 988 households
Compensation grants for residential care homes and nursing homes.	1 462.0	42 035 units	1 701.7	41 596 units	1 405.5	40 503 boenheter
Interest subsidies for educational institutions	628.0	193 projects	761.7	0 projects	524.0	61 projects
Interest subsidies for church buildings	23.4	172 projects	23.4	0 projects	11.4	96 projects
Grants for research and development	93.3	280 projects	92.5	328 projects	81.0	393 projects
Housing, urban and local development grants	43.0	50 projects	43.0	42 projects	43.0	22 projects
Grants for regional development	6.0		9.0		4.0	
Investment grants for care homes	926.2	1 985 units	499.4	1 140 units		
Student accommodation grants	295.8	1 591 homes	175.8	780 homes	66.8	333 homes

Loans, pledges/approvals	2009		2008		2007	
	NOK millions	Number	NOK millions	Number	NOK millions	Number
Total	15 957		12 374		11 043	
Loans for new housing etc.						
Basic construction loans/construction loans	7 698	5 413 homes	5 457	3 551 homes	5 099	4 192 homes
Loans for nursery schools	1 553	5 470 places	2 117	7 935 places	1 743	7 593 places
Loans for home purchases and home improvements						
Start-up loans	4 832	7 893 households	3 833	6 493 households	3 534	5 955 households
Basic renovation loans	1 306	4 349 homes	728	3 466 homes	527	2 021 homes
Basic loans for buying rental properties	568	469 homes	239	247 homes	140	155 homes
Loan limit	16 000		13 000		13 000	

Homes with basic loan	2009	2008	2007
Expenses/financing			
Average loan per home (NOK)	1 630 900	1 715 100	1 484 200
Average living area	84	94	83
Average building costs per m2 (NOK)	21 000	19 100	19 550
Building cost index for all homes (2000=100)	143.2	139.9	132.4
Average costs per home (NOK)			
Price of land	238 400	228 700	197 100
Building costs	1 765 300	1 792 500	1 622 900
Project costs	2 155 500	2 162 100	1 958 500
Housing Bank loans as a percentage of project costs	75.7	79.3	75.8
Environmental qualities and universal design 1)			
Energy-efficiency, number of homes	6 145	4 126	2 926
Universal design, number of homes	6 180	3 485	3 269

1) In homes approved for basic loans for construction and improvement.



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