

PRESSRELEASE FROM SABO

Positive proposal for the public housing companies of the future

The Swedish Government presented its ministerial memorandum today about the future conditions being faced by public housing bodies, entitled "Public/municipal limited housing companies – considerations and proposals".

- "The Government's proposed new conditions for public housing companies make it possible to combine a businesslike approach with active social responsibility. We are very pleased," says Kurt Eliasson, Managing Director of SABO, the Swedish Association of Municipal Housing Companies.

The Government's special commissioner, Michaël Koch, presented in his report entitled "The EU, public housing bodies and rent levels" (SOU 2008:38) two alternatives for public housing bodies: profit-maximizing undertakings or cost-price driven undertakings. These have now been rejected by the Government, which considers that active social responsibility can be combined with good business practice and a businesslike perspective. "This is what we have recommended all along," says Kurt Eliasson.

The memorandum does not touch upon areas relating to the setting of rents, but according to details provided by the Ministry of Finance, proposals contained in the future government bill will be in line with the joint proposal of SABO and the Swedish Union of Tenants. This means that rent levels will continue to be determined by means of negotiations and private property owners becoming a full-scale negotiating party. Public housing bodies will no longer set the standard for rents; instead, should disputes arise, comparisons are to be made with negotiated rents regardless of landlord. Market rents will also not be realised.

"We welcome this and will in our three-party collaboration with the Swedish Union of Tenants and the Swedish Property Federation strive to set rents that are more in line with tenants' appraisals of the apartments' varying utility value," says Kurt Eliasson.

There is good potential for this proposal receiving strong support:

"The Government has listened to the proposed compromise jointly presented last spring by SABO and the Swedish Union of Tenants. This should mean good potential for gaining broad support for the proposal, which gives all housing companies good opportunities to develop the tenancy situation," says Kurt Eliasson.

SABO will now examine the proposal in detail and subsequently submit its consultation response.