

STRATEGIC APPROACHES TO VACANT HOUSES IN DENMARK

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Vacant single-family houses in Denmark: A problem with increasing attention

- Context: Single-family houses in peripheral towns
- Side-effect of population loss and shrinking cities
- Vacant housing a problem in itself (makes the area less attractive, creates unsafety, more crime, results in falling house prices etc.) - not just a symptom
- National agenda on removing vacant housing (Village Renewal Pool)
- Managing vacant houses: A new discipline for municipalities
- In total 6.000-10.000 vacant SFH suited for demolition (of a total population of app. 1 mill. SFH)



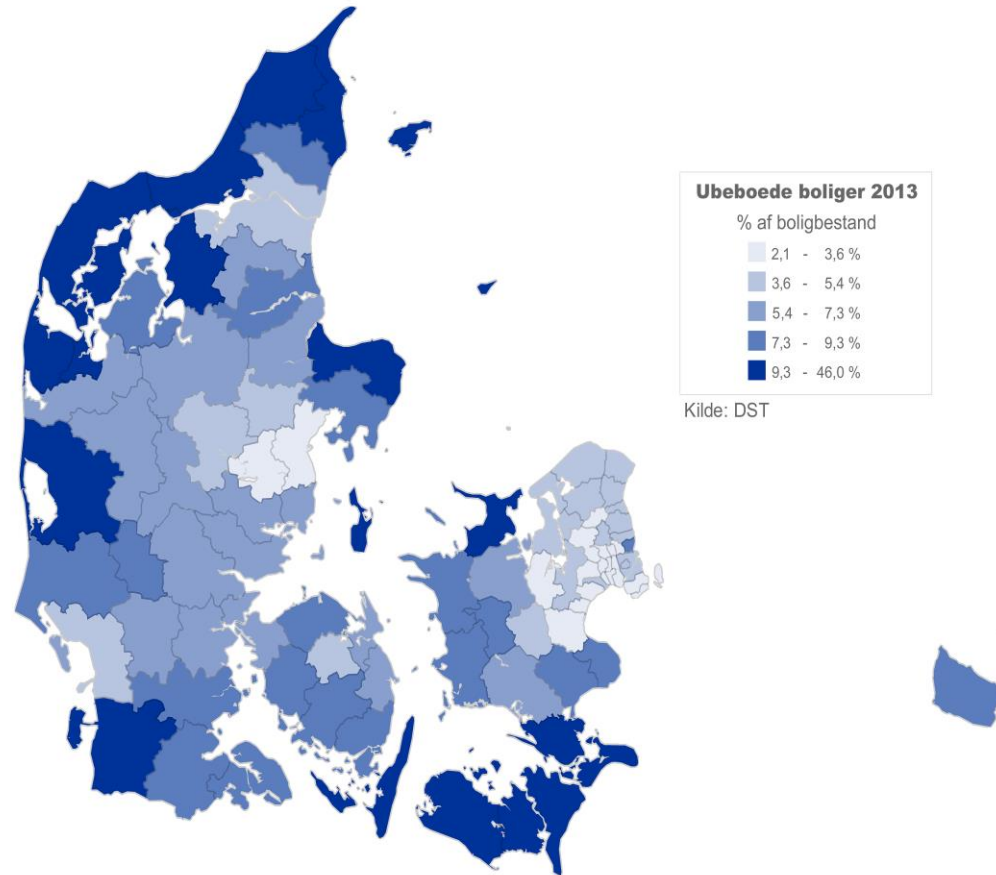
Housing vacancy in different types of housing (august 2017)

No. of dwellings	Occupied	Vacant	Total	% vacancy
Single family houses	1.163.656	55.862	1.219.518	4,6%
Row- and double houses	396.618	19.540	416.158	4,7%
Multi-storey buildings	1.032.016	67.018	1.099.034	6,1%
Dormitories	33.277	5.929	39.206	15,1%
Residential institutions	4.883	0	4.883	0,0%
Other	10.692	4.101	14.793	27,7%
Total		152.450	2.793.592	5,5%

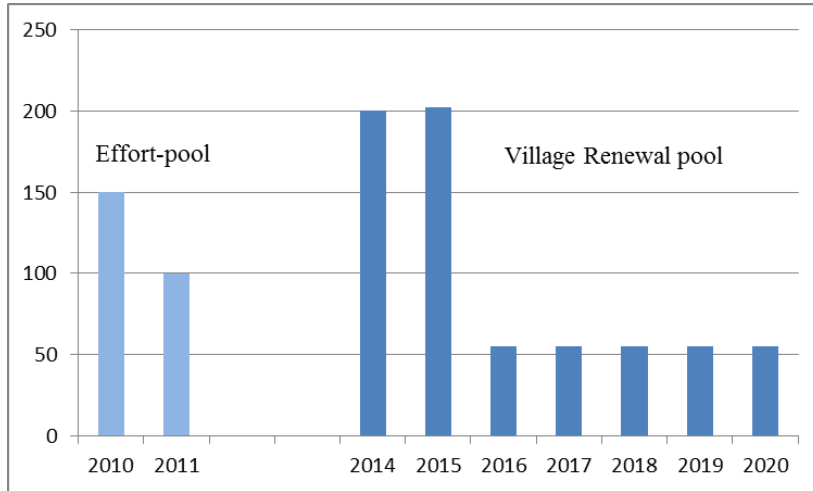
NB: This is not the same as "real" and long-term vacancy, which is typically smaller (< 1% on a national level, but with large regional differences)



Housing vacancy is located in peripheral regions

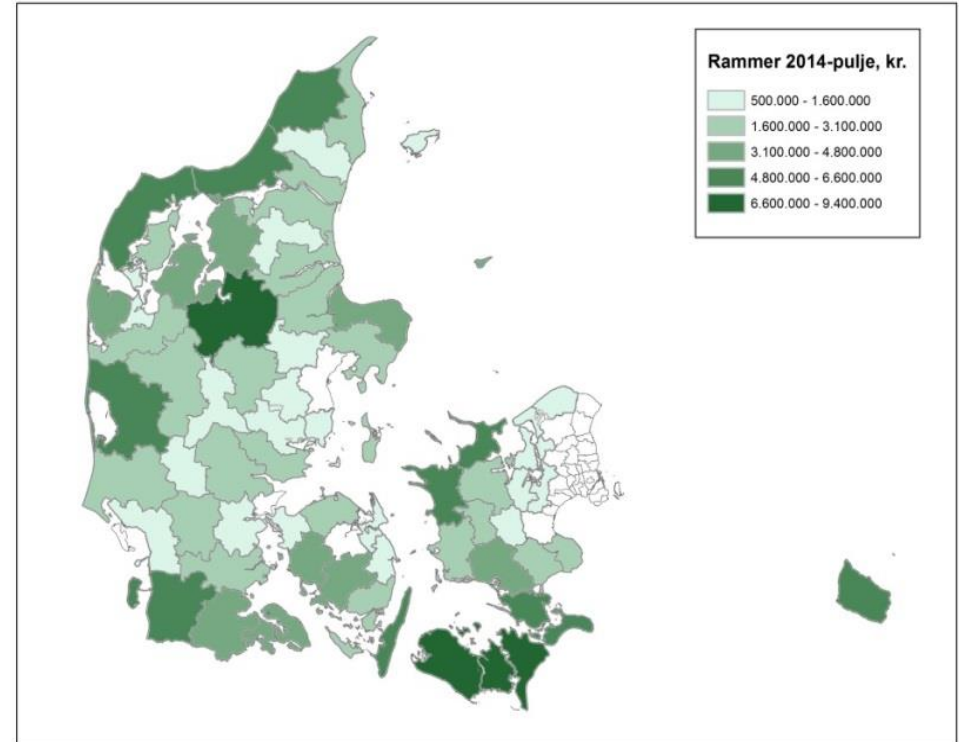


National programs for vacant buildings



Evaluation of VR pool in 2016:

- 66 municipalities access to pool
- 60% national refund, to be used in towns < 3.000 inhabitants and in the open land
- Used for demolition, renovation, aquisition etc.



International research on vacancy and shrinkage

- Vacant houses is part of the shrinking cities agenda (Schetke & Haase, 2008; Couch & Cocks, 2013)
- New tools and practices needed: Not possible to use the planning tools from a growth paradigm in a Shrinking cities context
- Managing vacant houses, removal and “subtraction” of buildings is a new discipline (Easterling, 2014)
- Shrinking cities research dominated by urban context (Rust Belt, Eastern Germany, Industrial regions etc.) - less studies on peripheral regions and smaller towns
- Benefits of- and alternatives to removal of vacant houses? (Han, 2014; Huuhka, 2016) Demolition has little effect as a stand-alone policy (Bernt, 2009; Hacksworth, 2016)



Experiences from blight removal programs (US)

Federal program, "Hardest Hit Fund" in Detroit: Multi-faceted interventions in areas with moderate vacancies. 4,2% increase of property values for single family houses closer than 1500 meters to intervention.

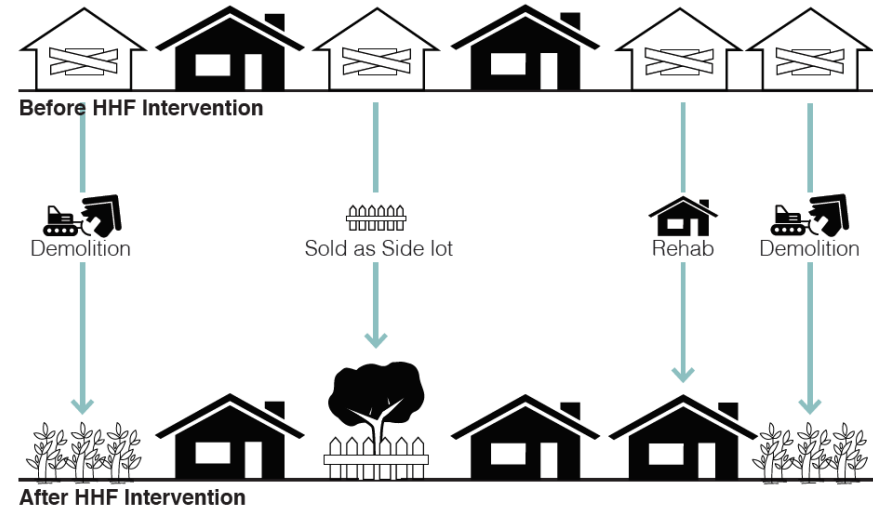
Fort Wayne (Downs, 2009): Small and varied effects from demolishing vacant properties

Buffalo (Yin & Silverman, 2015): Demolition program, but no net reduction of vacant properties

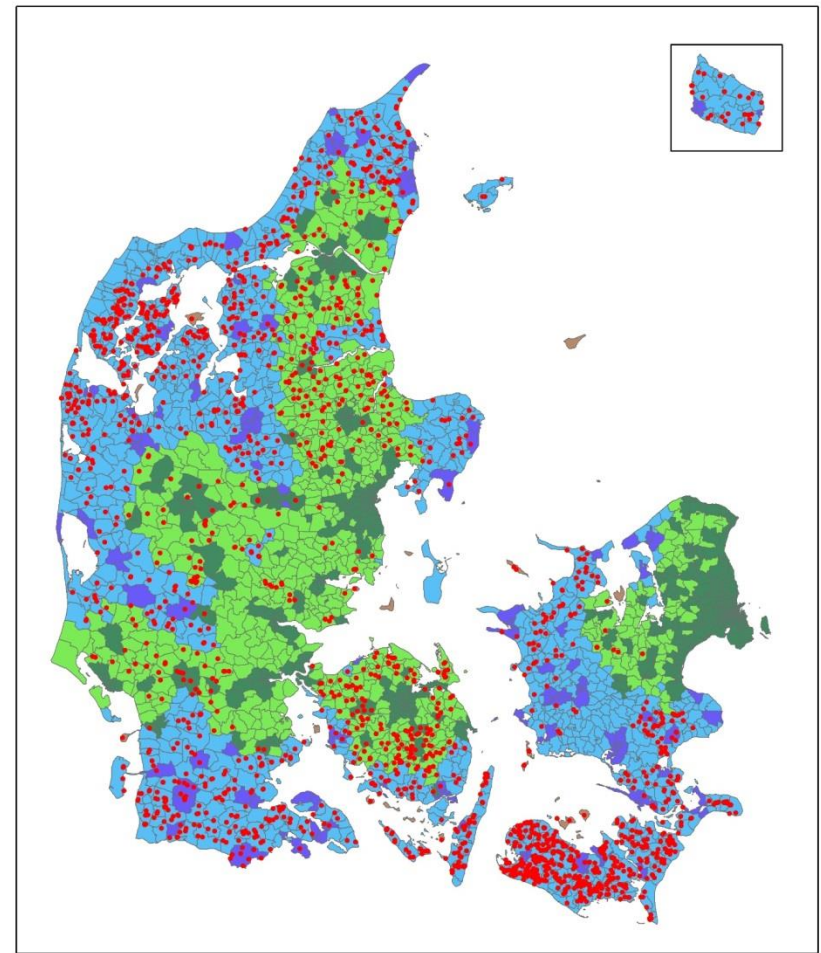
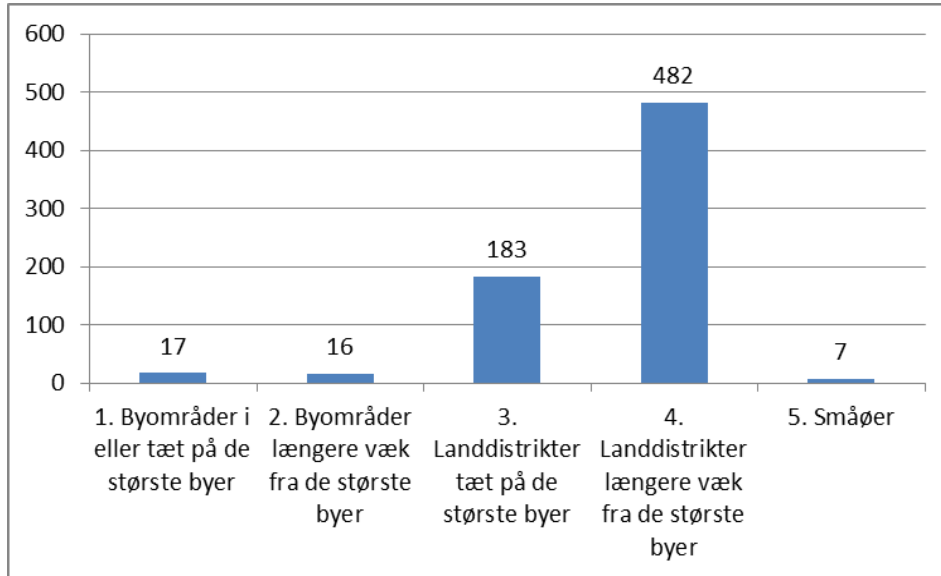
Other studies: More efficient to prevent vacant properties from emerging, rather than removing vacant buildings (Weaver, 2013; Morckel, 2013).

Impacts of Blight Removal:

- 1 COMMUNITY SAFETY**
Blighted structures are more than a visual blemish, they present an immediate and serious threat to resident safety.
- 2 STABILIZE HOME VALUES**
Blighted properties have a significant negative effect on property values. Removing them can help reverse that damage.
- 3 REDUCE FORECLOSURES**
Demolition investments in communities have been shown to reduce foreclosure rates.



Demolitions of SFH (2.154 houses) under the VR pool 2013-2017 (red dots), distributed on different categories of parishes



Sognetypologi

- 1. Byområder i eller tæt på de største byer (442)
- 2. Byområder længere væk fra de største byer (135)
- 3. Landdistrikter tæt på de største byer (645)
- 4. Landdistrikter længere væk fra de største byer (897)
- 5. Småøer (19)
- 6. Christiansø (0)



Problems?

Municipal level:

- Attracts distressed citizens with high welfare costs and puts pressure on the municipal budget.
- Lowers house prices in the municipality as a whole, makes it difficult for owners to obtain loans for improvements and retrofitting.

Local level:

- Negative impact on local community
- Neighbour houses more difficult to sell
- Attracts crime, creates unsecurity

Individual level:

- Empty housing might turn into dwellings of poor quality => poor health for residents, energy poverty etc.



SFH in poor condition,
located in small village,
Lolland Municipality.

Officially vacant and
condemned, but
apparently being rented
to family with low
resources.

Owner bought the
house before financial
crisis (30.000€), value
is close to 0 today,
renting it to get some
income.

Several problems for
neighbours who want
is removed, but too
expensive to buy for
the municipality.



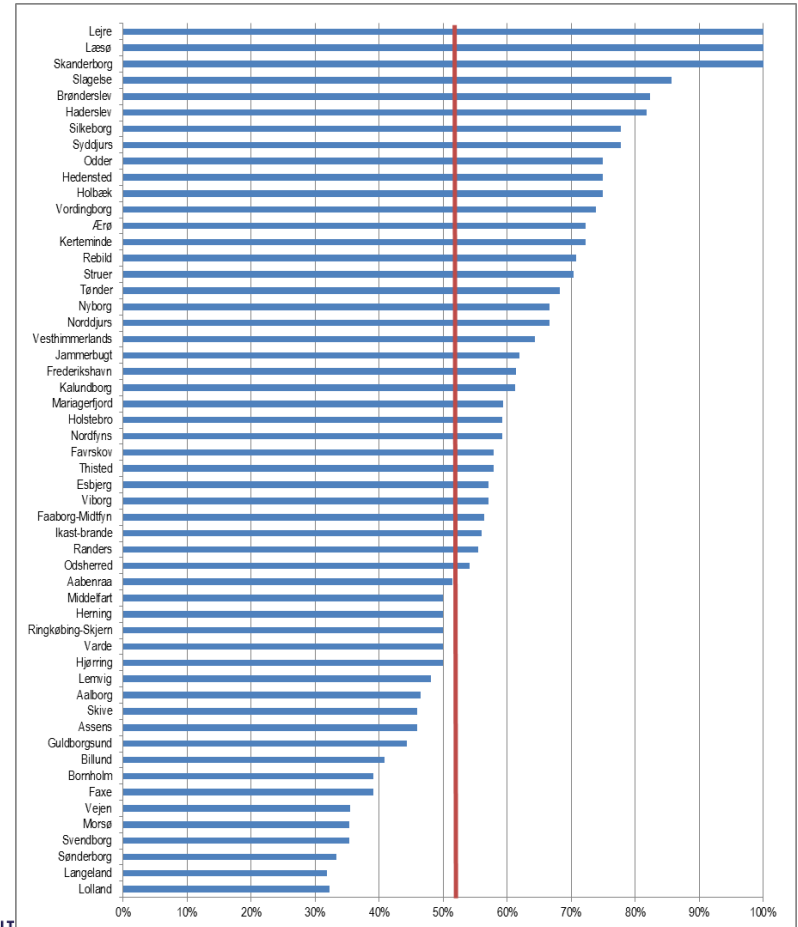
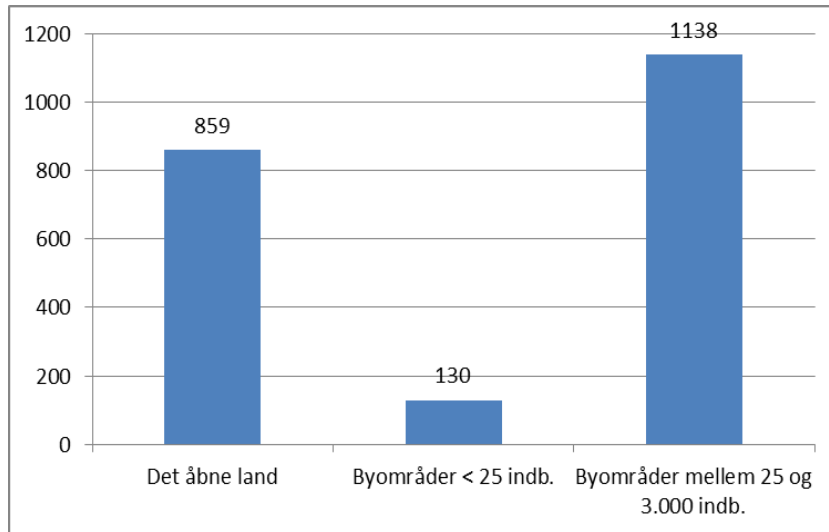
Solutions / strategies using the village renewal pool

- "Preventive demolitions", removing vacant houses to prevent them from turning into "speculative" renting
- Remove all surplus housing to keep up housing prices in the municipality
- Initiatives in selected villages



Strategic focus: Open land or villages

Share of demolitions located in areas with 25-3.000 inhbt. (national average 53%)

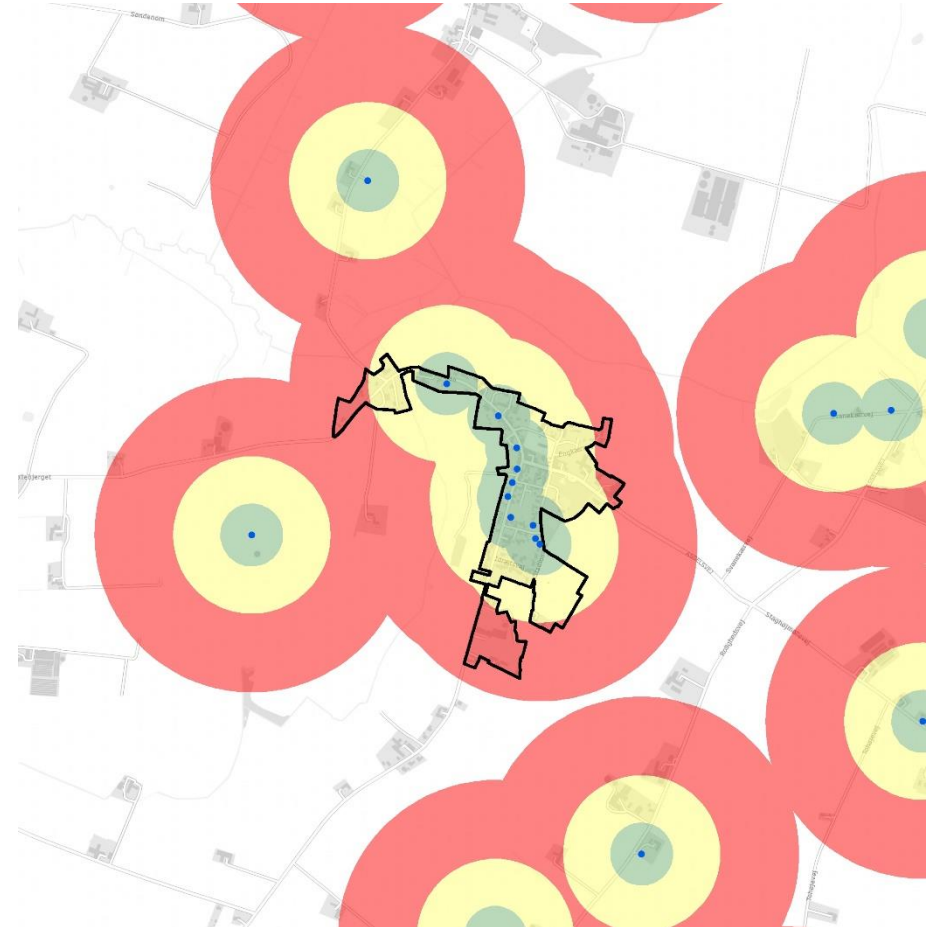
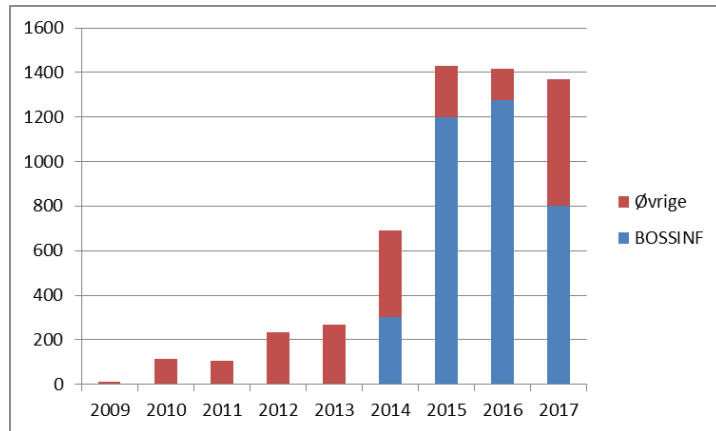


Analysis of possible effects from removing vacant SFH

4 zones from demolished SFH:

- 0-100 meters
- 100-250 meters
- 250-500 meters
- > 500 meters (baseline)

For all zones: Comparing sales prices from 2010-2012 to 2015-2017



Summing up

- Demolition of vacant SFH seen as extremely important by municipalities with a high share of vacant SFH
- Difficult to detect changes in terms of increasing sales prices in neighbour properties – but the demolitions take place in areas of recession. How would sales prices have looked without demolitions of vacant buildings? Are we using the right baseline? (buildings located further away, in same type of areas)
- Different outcomes of different strategies?
- Realistic to expect changes with this limited effort?
- Effects on municipal housing market due to removal of the surplus housing: How to measure?
- Effects on "social costs" in municipalities: How to measure?



Thanks for listening

Questions?

