

## Hyreslägenheter i Stavsjö – Apartments for lease in Stavsjö

Building new apartments in the rural area to inspire young families to come and stay to build community.

### EAFRD-funded projects

**Location:** Stavsjö, Sweden

**Programming period:** 2014–2020

**Priority:** P6 – Social inclusion and local development

**Focus Area:** Local development

**Measures:** M19 – LEADER CLLD

<b>Funding:</b>	Total budget	61 175 (EUR)
	EAFRD	30 587 (EUR)
	National/Regional	10 400 (EUR)
	Other sources	20 188 (EUR)

**Timeframe:** 14/02/2016 – 28/08/2017

**Project promoter:** Kiladalens Utveckling AB

**Email:** [gunnarcasserstedt@hotmail.com](mailto:gunnarcasserstedt@hotmail.com)



Kiladalens Utveckling AB (svb) © All Rights Reserved

### Summary

In Sweden, the general perception is that building affordable, new apartments in rural areas is not financially viable. In the village of Stavsjö, this led to a housing crisis where elderly residents could not move from their large houses into smaller accommodation within their own community. At the same time, younger families could not find larger houses for their needs and were forced to move away. To find a solution to the lack of new and affordable housing, Kiladalen's Development Company developed a model for how apartments can be built for renting in rural communities in Västmanland. The LEADER Local Action Group Sörmlandskusten supported the project to conduct a feasibility study and develop a realistic model and handbook of how to build affordable housing in rural areas. The project has since led to the construction of such housing despite the initial scepticism by the industry.

### Project results

- A transferrable and accessible model for the construction of new apartments in rural communities was developed.

- Following the project, two houses, with four apartments each, were built for rent by a local construction company. All eight apartments, owned by Kiladalens Utveckling AB, were allocated to new tenants with a particular focus on less affluent younger and elderly people.

### Key lessons and recommendations

- This project has shown that it is possible to build new housing in rural areas, even if the construction businesses and relevant public sector officials are sceptical. So far, the apartments seem to be economically viable.

### Context

The village of Stavsjö is located in the municipality of Nyköping, Sweden. For a long time, it suffered from decline with essential services closing down, including the local food store and school. Public transport was rarely available and the building of new housing had ceased in the 1980s. There was a particular lack of smaller accommodation.





Kiladalens Utveckling AB (svb) © All Rights Reserved

Elderly residents could not move from their larger to smaller accommodation if they wanted to remain in their community. This also affected families from moving into or staying in Stavsjö, as they could not find the larger type of housing they needed. Because building new houses in the countryside was generally perceived as unprofitable, most builders and investors refrained from taking action. As a consequence, families steadily moved away from the village.

In 2014, the installation of fibre triggered residents to organise themselves and establish the local development company Kiladalens Utveckling AB (Kiladalens Development Company). This profit-making, shareholding company with 84 shareholders aims to strengthen Stavsjö's rural services and quality of life. Due to its progressive structure, all profits are re-invested into the community.

Since its creation, Kiladalens Development Company has achieved a lot, including the creation of Sweden's first digital food store and a health centre in Stavsjö. Regarding the housing issue, a community survey confirmed that many elderly people were interested in moving to smaller accommodation to better suit their needs. As a result, the company ascertained several parcels of land suitable for the construction of new apartments in 2015.

## Objectives

The LEADER-funded project 'Apartments in Stavsjö' aimed to develop a replicable model for building viable housing for the rental market in a rural community. The objective was to conduct a feasibility study that would inform the development of a model.

The model was to include all relevant information and a detailed description of the actions needed, demonstrating that building housing in a rural area was a viable proposition. The project and model results were to be accessible and transferrable to other communities who wanted to explore and embark on similar construction activities.

## Activities

The project involved numerous meetings between Kiladeens Utvecklingsbolag AB, as project leader, and relevant authorities, building companies and banks. Many of the project implementation activities happened in parallel.

From the outset in 2016, it was important to work jointly with the municipality to change the municipality's physical zoning plan for Stavsjö to achieve a construction permit. This was granted in the spring of 2017 when the zoning plan was changed.

Meetings were also conducted with the national board of housing, building, and planning to obtain investment support. During the last months of 2016, further meetings with different banks to discuss the finances needed for construction followed. It was difficult to get a loan without a creditor, and in spring 2017, the project leaders started to explore the possibilities of the municipality being a creditor. A few months later, this was agreed.

In autumn 2016, the University of Linköping was commissioned to undertake a market research and feasibility study. This research informed the important decision of whether to proceed with building new apartments.

In early 2017, an architect was hired and the project leader started with the procurement of suitable construction companies identifying who was interested in delivering project services and at what cost.

Relevant documentation was captured throughout the project duration to create a handbook on building apartments in rural areas.

## Main results

- A transferrable and accessible model for the construction of new apartments in rural communities was developed.
- A completed handbook for building new apartments in rural communities was created and published, with 1 000 copies printed. The project owner is happy to consult any actors who want to replicate the housing project personally.

- Improved and strengthened relationships were built with the officials of the municipality, county administration board and national board of housing, building and planning.
- New relationships were established with the University of Linköping, local entrepreneurs and service providers.
- Following the LEADER-funded project, a local construction company built two houses, with four apartments each, for rent. All eight apartments, owned by Kiladalens Utveckling AB, were allocated to new tenants, with a particular focus on less affluent younger and elderly people. The plan was to employ a caretaker for both buildings, thereby creating a new job in Stavsjö.

## Key lessons and recommendations

- This project has shown that it is possible to build new housing in rural areas, even if the construction businesses and relevant public sector officials are sceptical. So far, the apartments seem to be economically viable.

### Additional information:

Website of Stavsjö village:

<https://stavsjo.se/>

