

crease in building expenses. The rent, however, went on soaring for some time yet, till it reached a level which made the construction of new dwellings completely economic, and this again has resulted in extensive building activity. As, however, the population of Reykjavík has increased enormously since the outbreak of the war (it numbered 13000 in 1913; 26000 in 1929) it will probably be long before the housing shortage there vanishes from the order of the day.

As the housing shortage increased, the economic utilization of accommodation became more and more imperative. Even outhouses and cellars, which had never been intended for human habitation, were changed into places of residence. All these dwellings were more or less unfit to live in, and the same may be said of some of the houses which were run up at the top of the market. For this reason an act was passed by Althingi in 1929, forbidding the utilization of cellars for human habitation in all towns and villages of 100 inhabitants and upwards, unless they come up to a certain prescribed standard (e. g. the floor must not be more than 1 m. below the surface of the ground; all the rooms must face sunward; between a street and the rooms facing it there must be a garden three metres broad at least; the rooms must not be damp). The cellars lived in when the act became operative may for the present be allowed as dwellings, though not fulfilling the above requirements. But every year the worst of these dwellings are gradually to be weeded out and closed until they have all been abolished in the course of the next 20 years.

To promote building operations in towns and villages, another act was passed in 1929, dealing with the housing of the working classes. Under this act building funds are to be established in such towns and villages as suffer most acutely from the housing shortage. Every fund so established enjoys an annual State subsidy of 1 króna per every individual and an equal grant from the respective municipality or parish fund. These funds are permitted to raise loans guaranteed by the State and the respective municipality or parish funds. The building funds then grant loans to building associations on cooperative principles, for the purpose of constructing dwellings for their members. The loans which are granted on 1. mortgage of the dwellings, may under special circumstances amount to 85% of their value, and are redeemable in 42 years (amortisation and interest 6 per cent.).