

A LIFT IS WORTH ITS COST



SHARED COSTS

The quality of the environment has an impact on how people carry out their everyday routines. This Idea Card examines the cost of a lift and the costs of providing services for older persons caused by the lack of a lift.

Housing in Finland

Almost half of Finland's five million inhabitants live in blocks of flats. Large numbers of these flats date from the 1970s and 1980s. Prefabricated building techniques and standardised architecture were typical of this period. Usually, three or even four storey buildings were built without a lift.

The importance of lifts grows as the population gets older. Since 1997 the Housing Fund of Finland has granted assistance covering some 40-50 per cent of the cost of installing a lift in an old building. Installation of lifts is thus increasing, but the number of lifts installed must be increased rapidly if even a reasonable proportion of Finland's 50,000 staircases without a lift are to be fitted with a lift during the coming ten years.

Many factors make it difficult to install lifts in old buildings. The building work is awkward technically, it is difficult for a housing company to reach a decision, the authorities have no uniform view with regard to narrowing of the stairwell, and in addition, a lift is expensive.

A lift is important also to others than only elderly persons. According to some calculations, 10 - 15 per cent of the population has difficulties on stairs, and a lift would make their daily life easier.

The Ministry of the Environment commissioned a study how to install lifts in existing apartment houses ("*Hissi vanhaan kerrostaloon*"). Data from that study have been an important source of information for this card.

There are 48,000 apartment houses in Finland
23,000 of these houses are without a lift.
Buildings three or more storeys high have a total of 50,000 staircases lacking a lift
These buildings have 670,000 residents
The assistance for installing a lift is 40-50% of the cost



"Now that the worst is over, we can think about the quality and the cost of housing."
(Figure: Erat & Luoma. *Lähiöt viihtyisiksi* 1992. National Board of Housing, RAK).





This building has no lift; the assistance of a home helper is needed to run errands. A lift would make independent mobility possible.

Help at home or a lift?

An old people's home is an expensive alternative in care for the elderly; it costs over 25,000 euros a year. The decision that a person moves into an old people's home does not depend merely on the lack of a lift, but is made when other means of caring for the elderly person are insufficient; the decision is always prompted by assorted problems. It is thus difficult to assess how much a lift would postpone an elderly person's placement in an old people's home.

If an elderly person is unable to get up and down staircases but would otherwise be able to cope at home, the municipal home help service provides assistance. Either the old person is helped to get up and down the stairs, or a home helper goes shopping and runs errands. A lift costs about 100,000 euros, while a home helper's visit costs about 33 euros. The client is charged for home help, but a larger share of the cost is paid by the municipality. Today, through the assistance granted for installing a lift, society also pays a large share of the cost of a lift. Which, then, is more advantageous?

Calculation of costs per annum

In order to obtain comparable figures, the cost of installing and operating a lift and the cost of home help services must be converted into costs per annum. For this example, the following values have been used:

Cost of a lift	100,000 euros
Service life of the lift	25 years
Number of homes per lift	12
Interest rate on the loan taken	5%

The cost of installing the lift is "an educated guess"; it has been converted into the cost per annum by using the annuity calculation system. The cost of operating a lift is derived from the study "*Hissi vanhaan kerrostaloon*".

The costs are as follows:	euros
Investment costs per annum	6,850
Operation of the lift per annum	650
Costs of the lift in total per annum	7,500
Cost of the lift per home per annum	625
Cost of the lift per home per month	53

The costs of home help are examined next. The point of departure is a situation where, owing to the lack of a lift, the resident needs home help once a week.

The costs of home help given once a week are as follows:	euros
Cost per visit	33
Annual cost of home help	1,733
Annual cost of home help for four residents	6,900

According to these calculations, a lift costs about as much as weekly home help for four residents. In a building with a predominance of older residents, installation of a lift may thus be a more economical solution than home help services.

Distribution of costs

Aside from examining the costs themselves, it is also important to analyse how the costs are distributed. In the following example, consideration is given to both the residents' economy and the public economy. In the example case, the assistance granted for installing a lift is 50 per cent, when the cost of installation and operation of the lift to the resident is 28 euros per month. Owing to the lack of a lift, the resident receives home help once a week, and pays 4 euros for it, in which case the municipality's share of home help costs is 29 euros. As regards the public

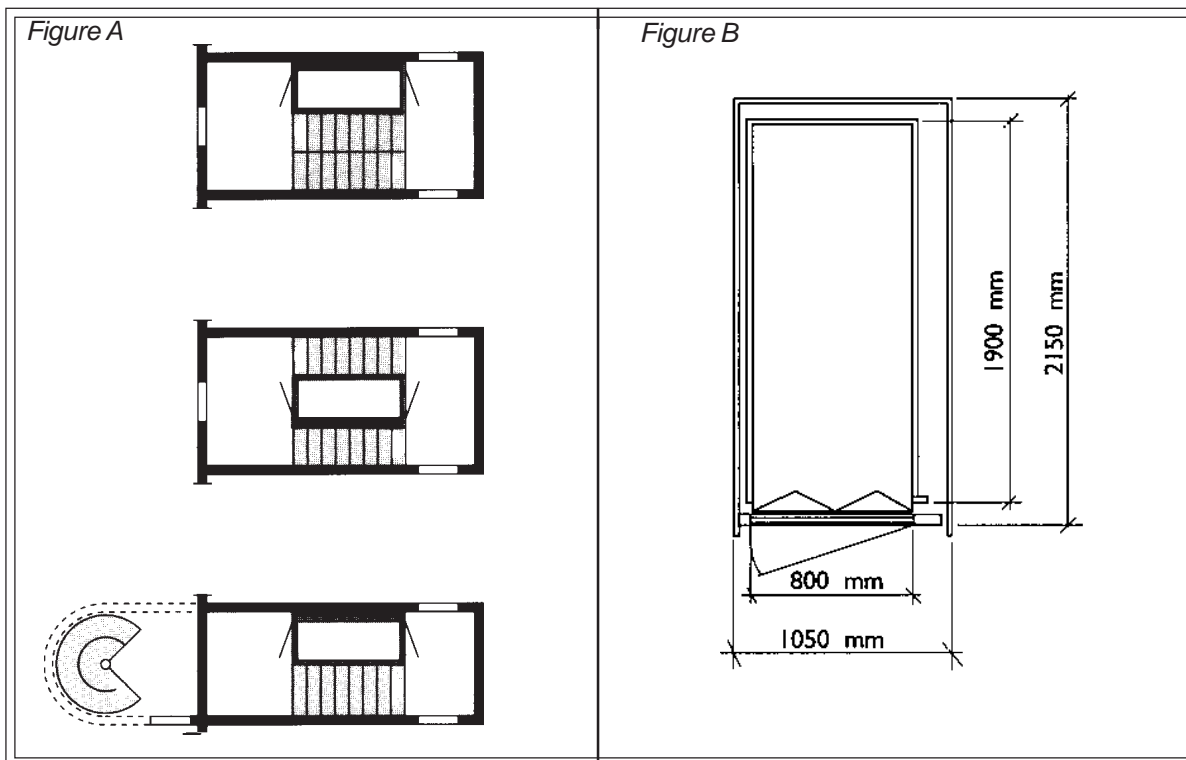


Figure A: A lift can be installed in a two-sided stairwell either in the middle of the stair flight or to one side of the stairs. Other solutions would be to build a new stairwell outside the frame of the building, or to place the lift outside the frame. Figure B: The measures of a narrow lift.

economy, we take into account both the cost of home help services to the municipality and the assistance for installing the lift granted by the government; in the end, the taxpayer pays both of these.

The resident's costs per month	euros
The lift	28
Home help	17

The lift is more expensive, but the difference in monetary terms is very small.

In the situation described above, the monthly costs to the public economy are:

	euros
The assistance for the lift, per home in the block of flats	25
Home help once a week, at 29 euros per week	117

The assistance for the lift amounts to less than a quarter of the costs of a home helper's visits. In the light of these calculations, all parties benefit from the installation of a lift.

A lift as an investment

According to the study "Hissi vanhaan kerrostaloon", a lift increases the value of a flat by about

2%. In a new building, the cost of a lift is about the same 2%. In other words, a lift is considered to be as valuable as it actually costs; it is not valued as a comfort factor making it easier to get around. Installing a lift in an existing building costs about twice as much as in a new building. If assistance is received for about half of the cost of installing a lift, to the property owner a lift is a factor increasing the value of the property rather than an investment in housing comfort. However, a lift is not a luxury; it is a reasonably priced technical aid.

Quality and cost

Analysis of costs should never overlook examination of quality issues. With reason it can be said that the alternative of installing a lift is always better from the perspective of quality. The resident may lose the home helper's visits, but gains free mobility and is independent.

This review has dealt with the issue of a lift solely with regard to services for the elderly. A lift is an important aid to all people who have difficulty in getting around; small children, their parents and any of us with bags and parcels to carry. Two-thirds of Finns live in resident-owned housing. The keys to promoting accessibility in the environment are in the hands of this large majority.



(Drawing by Tapani Kauppinen.)

The municipality pays in the end

The above considerations show that it would pay for municipalities to install lifts in the rental housing they own. Sometimes it is difficult to get long-term, reliable residents if the blocks of flats are in poor condition. In such cases, it is worth while to improve the quality of housing, for instance by installing lifts.

Savings in the municipality's economy are not achieved by minimising the costs of any individual sector if this results in additional expenses elsewhere. In municipalities, the technical sector and the social welfare and health sector are linked to each other in this way. The economy should be

seen from the perspective of the whole municipality, not within the setting of any particular sector. Making economic comparisons calls for co-operation, for no sector knows enough about the operations and costs of other sectors.

Since the municipality bears responsibility for the welfare of older persons and for their coping with the activities of daily life, these should be ensured as economically as possible. The cost of installing a lift therefore should not be seen merely as a technical cost of construction. The analysis should also include the benefits and savings resulting from installation of the lift.

