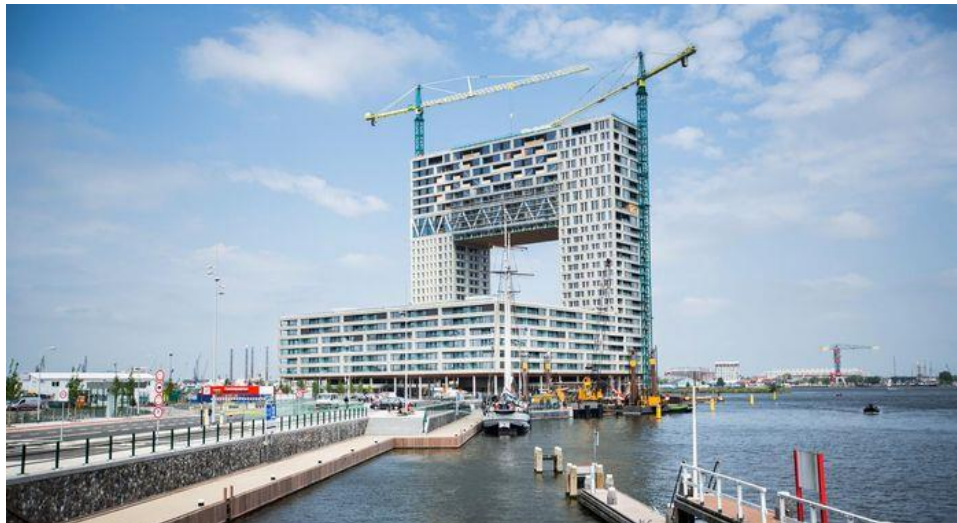


EIGEN
HAND
WONINGEN
ZAKENROUW
STRAAT 1923



Sydney, February 15th, 2024

Housing in Amsterdam & the Netherlands

Swinging back from a Market to a Regulatory Approach

Richard Ronald r.ronald@uva.nl



UNIVERSITEIT VAN AMSTERDAM

20th Century Housing Associations

- *Woningwet* (1901 Housing Law) & *Woningcorporaties* (Housing Associations)
- Public finance for non-profit housing organisations with '*interests in improving social housing*'
- Private associations with clients (e.g. tram driver union) not left-wing movements per se
- From 112 housing associations in 1899 (7746 dwellings) to 1350 (675,000+) by 1920s



Amsterdam, 1909 (v.d. Pek 1909)

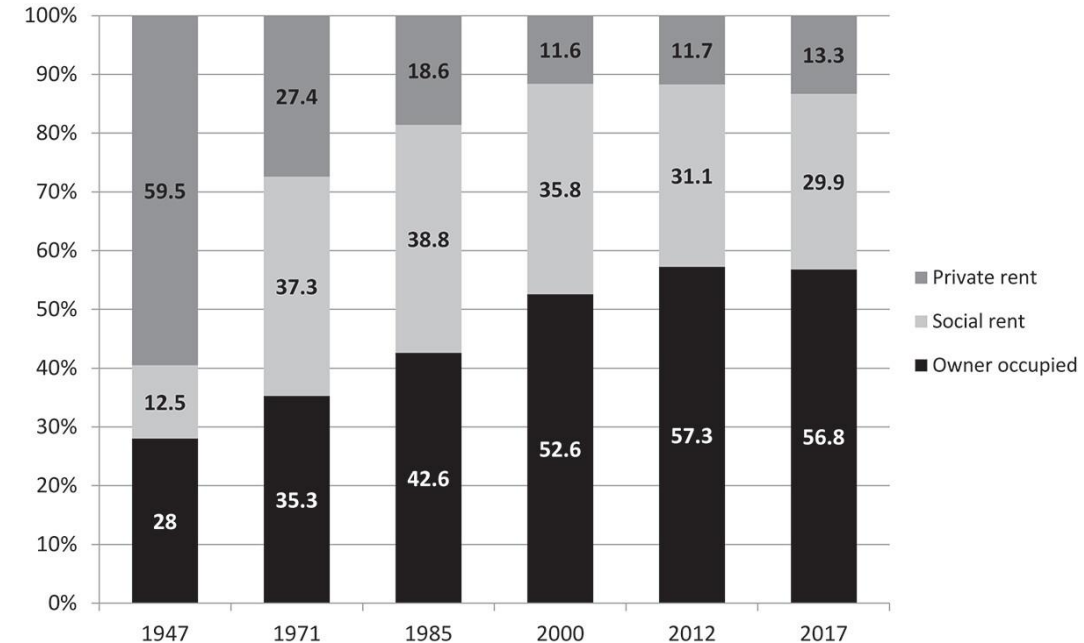
Post War Social Housing

- **Mass housing shortage** required co-ordinated mass home building & urban expansion
- **Woningcorporaties** remain private (in name) but serving State imperatives (not clients)
- **Object subsidies** produce 830,000 new social units 1964-1970 (12% of public spending by late-1970s)
- 1980s sees revival in social housing to sustain housebuilding supported by **demand subsidies**



Shift from Private Rental to Social Housing

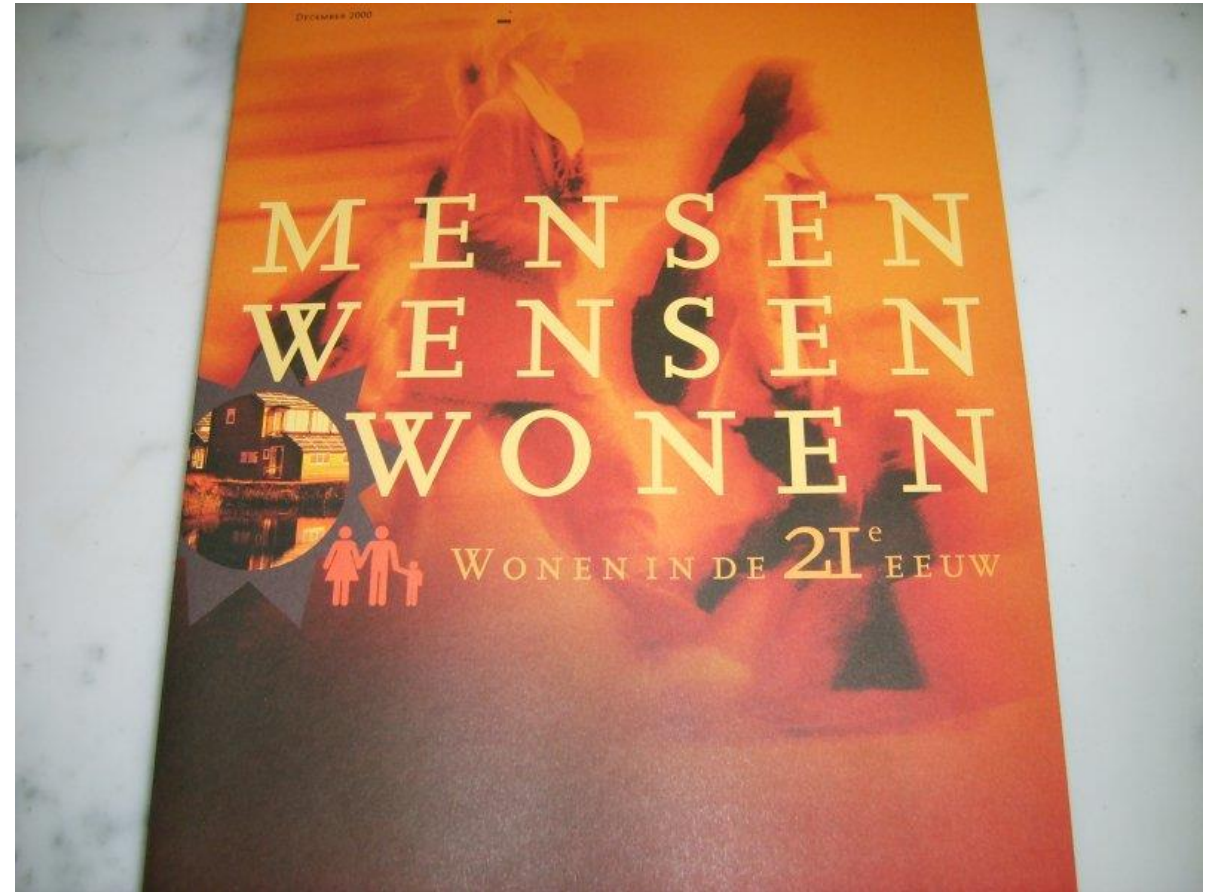
- Driven by advancing of municipal & non-profit housing associations (38.8% of housing by 1985)
- **Private rental housing** bifurcated in 1950s/60s: into **regulated (WWS)** & **free market** sectors
- By 2000 more than 70% of private rental stock subject to **points system** (max rent €750 in 2023)



Tenure composition of Dutch housing stock
1947–2017

Re-alignment towards owner-occupation

- *Nota Volkhuysvesting in de 1990s* (Heerma 1989)
- Return of **faith in the market** & concern with direct **costs of housing**
- New emphasis on deregulation, decentralization and self-sufficiency
- 2000 new vision of homeownership society in nota **Mensen Wensen Wonen**



A Very Peculiar Privatisation

- 1990–1994 social rents raised 5.5 % a year **improving financial capacity** of Associations
- Balancing operations 1995: new infrastructure for social housing (CFV & WSW)
- Associations **'cut loose'** debts cancelled (17 bill), self-finance through **'revolving fund'**
- Woningcorporaties in the 1990s & 2000s: mergers, millions & (mis)management



How to Undermine Social Housing

- End of VROM (Ministry of Housing)
- New limits on allocations: 90% to low income only
- **Landlord Levy**: tax on large scale providers of low-cost rental housing
- Inclusion of House Value (WOZ) in Points System (WWS)
- New Housing Act (2016) facilitates new short-term contracts

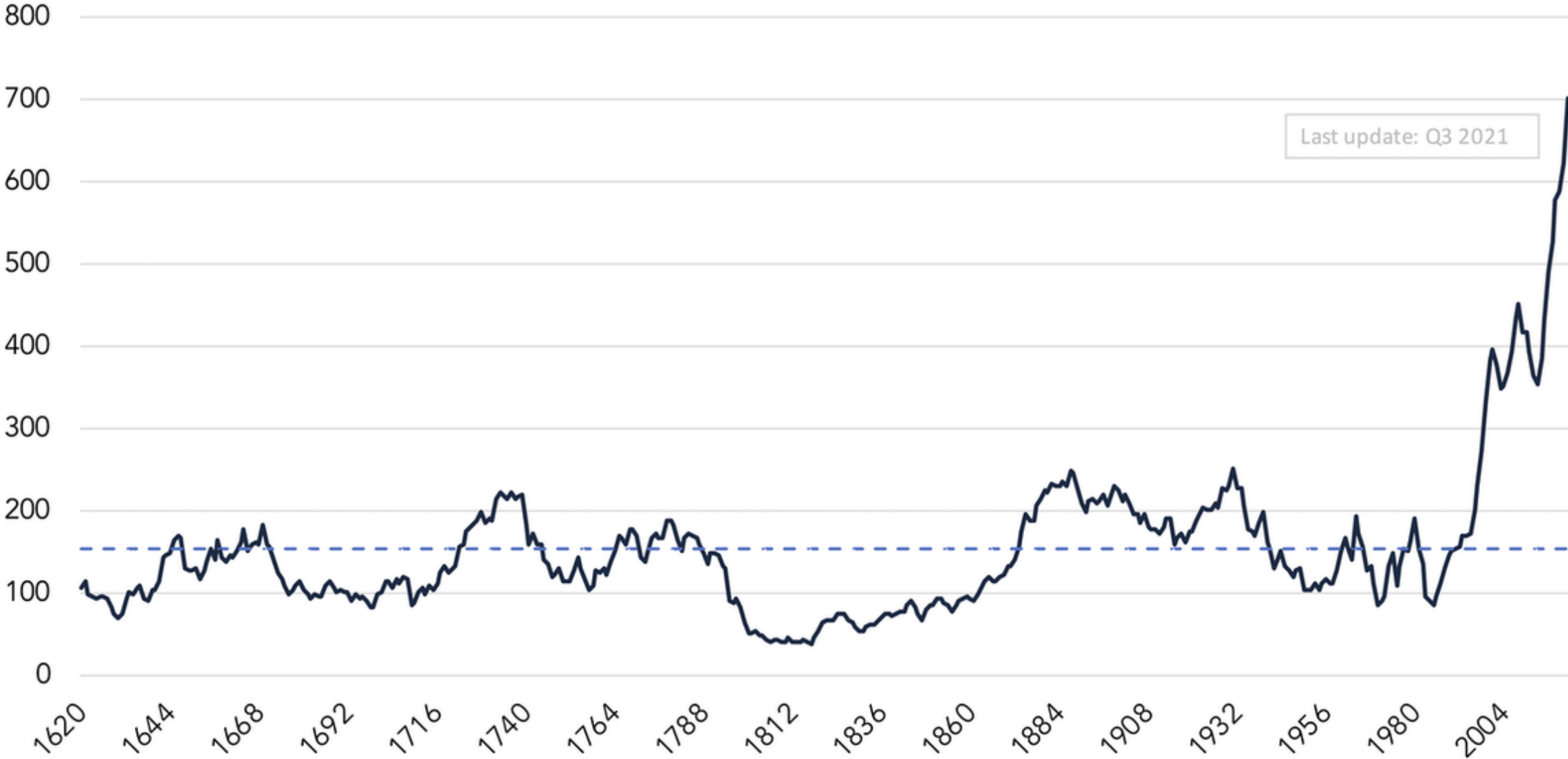


Minister Stef Blok and PM Mark Rutte (since 2010)



Amsterdam

— Amsterdam Real Housing Price Index (1620=100) - - - Average



Last update: Q3 2021

The Gold Observer

Source: P. Eichholtz et al

Netherlands outpaces EU-wide house price growth

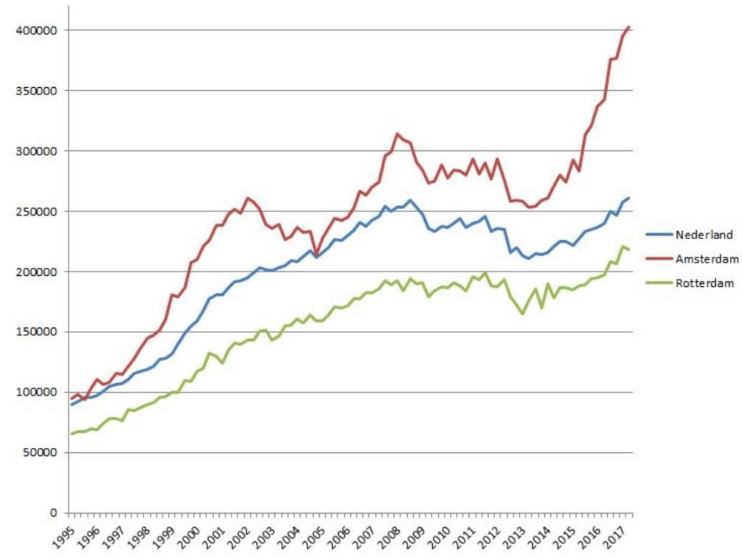
Annual % change (quarterly data)

— Netherlands — EU



Source: Eurostat
© FT

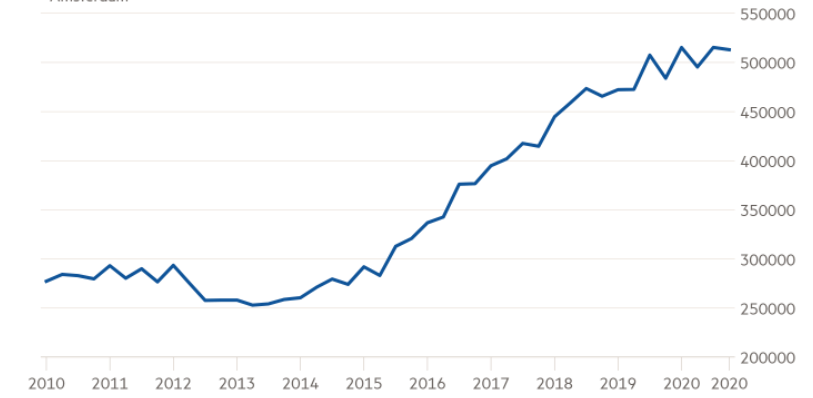
Verkooprijzen bestaande koopwoningen per kwartaal (bron: CBS)



Amsterdam property prices rose sharply in middle of last decade

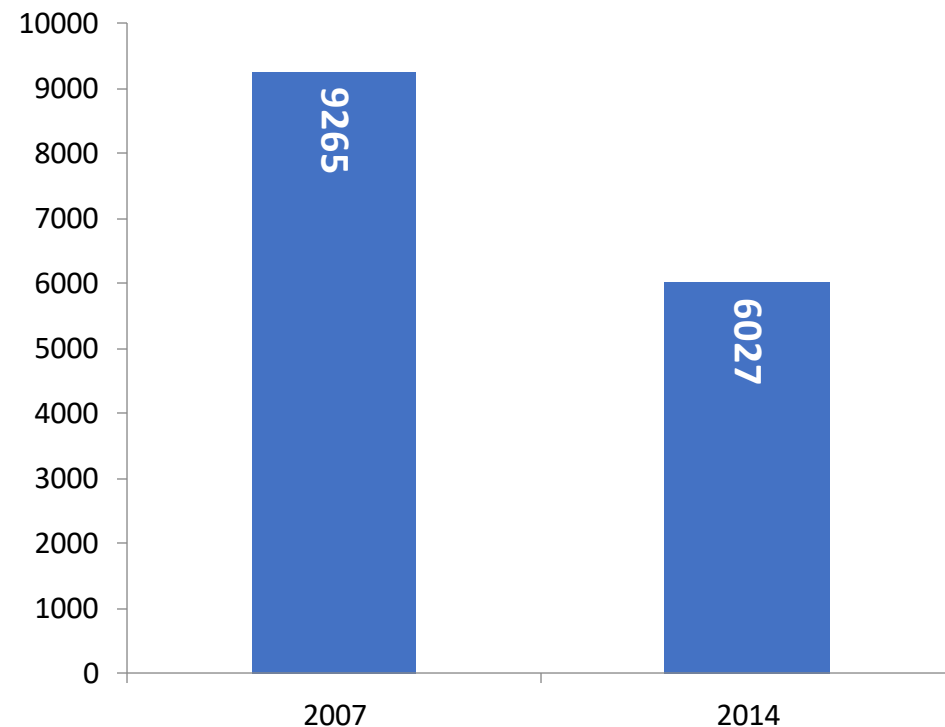
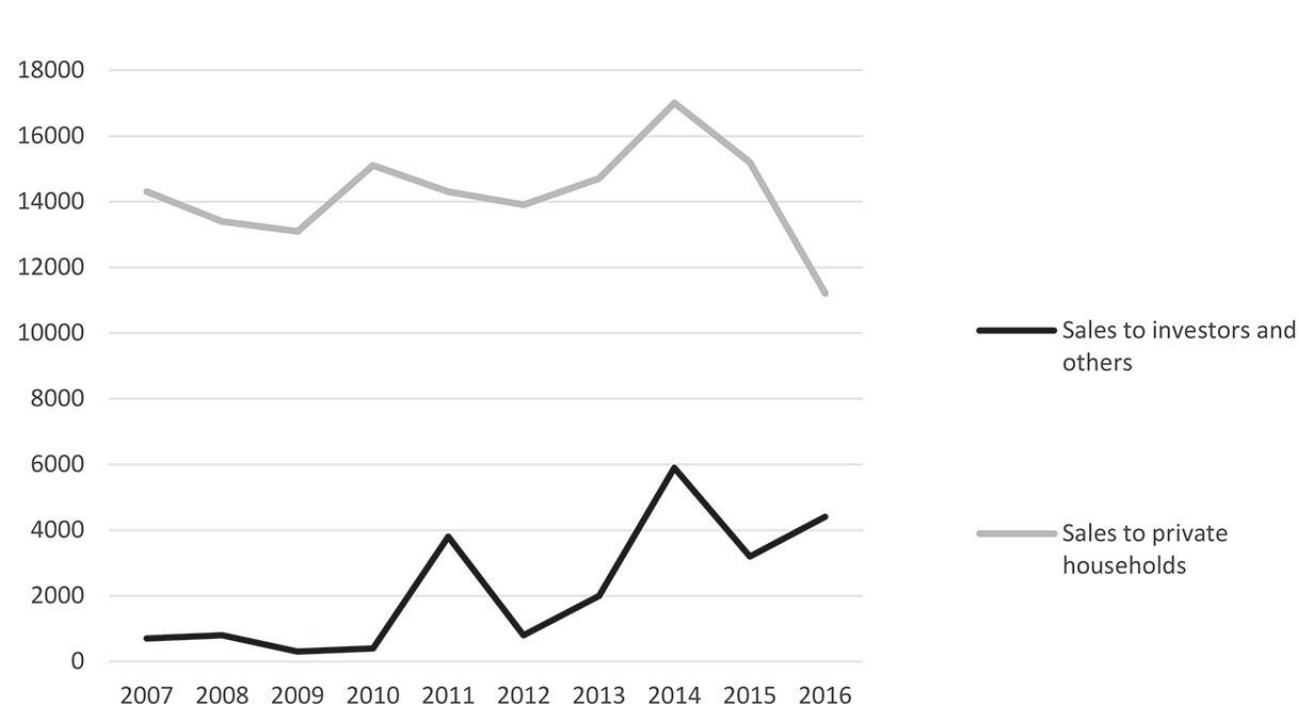
Average purchase price, existing homes (€)

— Amsterdam



Sources: Statistics Netherlands, Kadaster
© FT

Fall in Social Rental Output & Selling of Stock



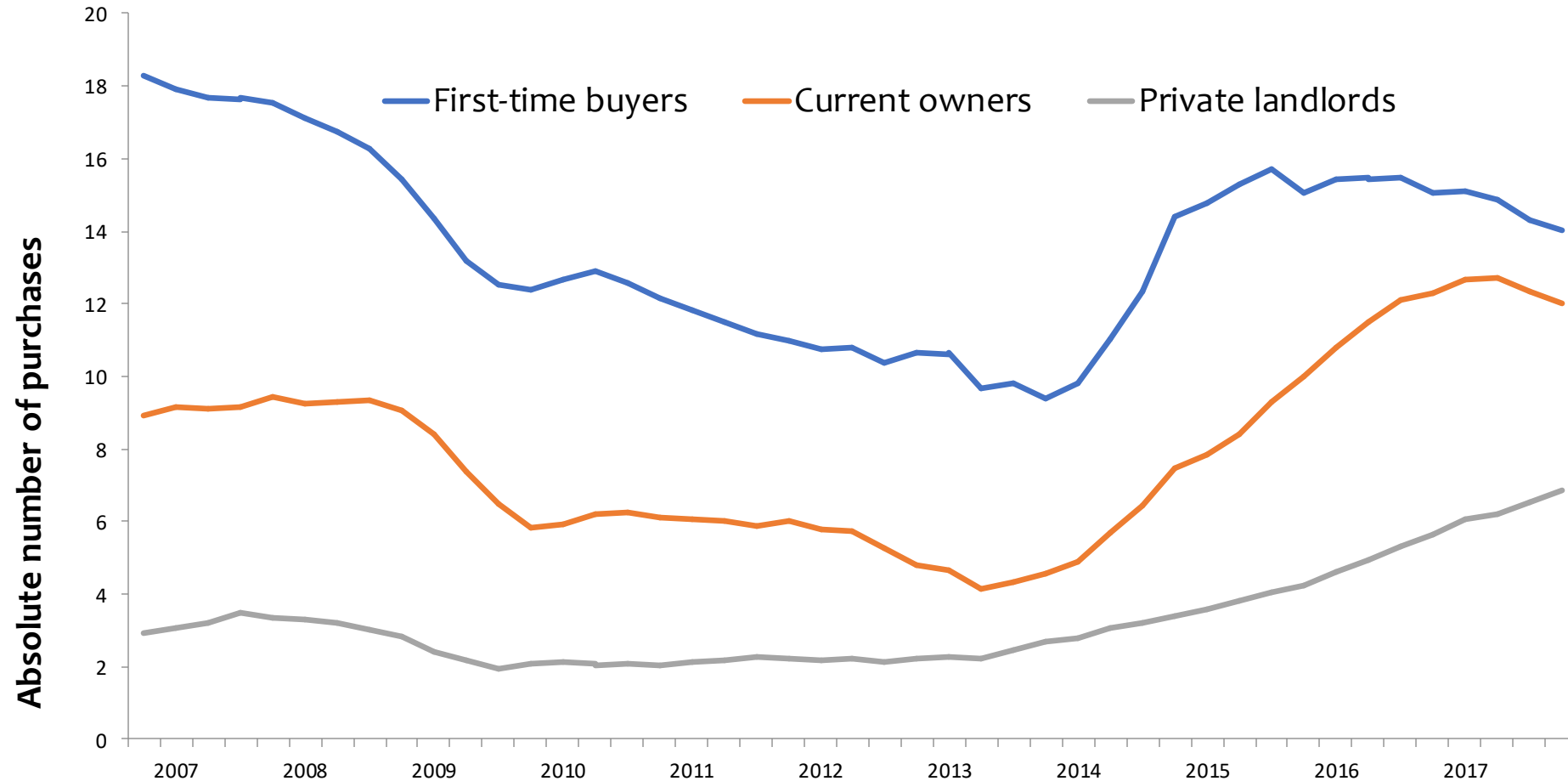
Aedes.nl data

New social allocations in
Amsterdam

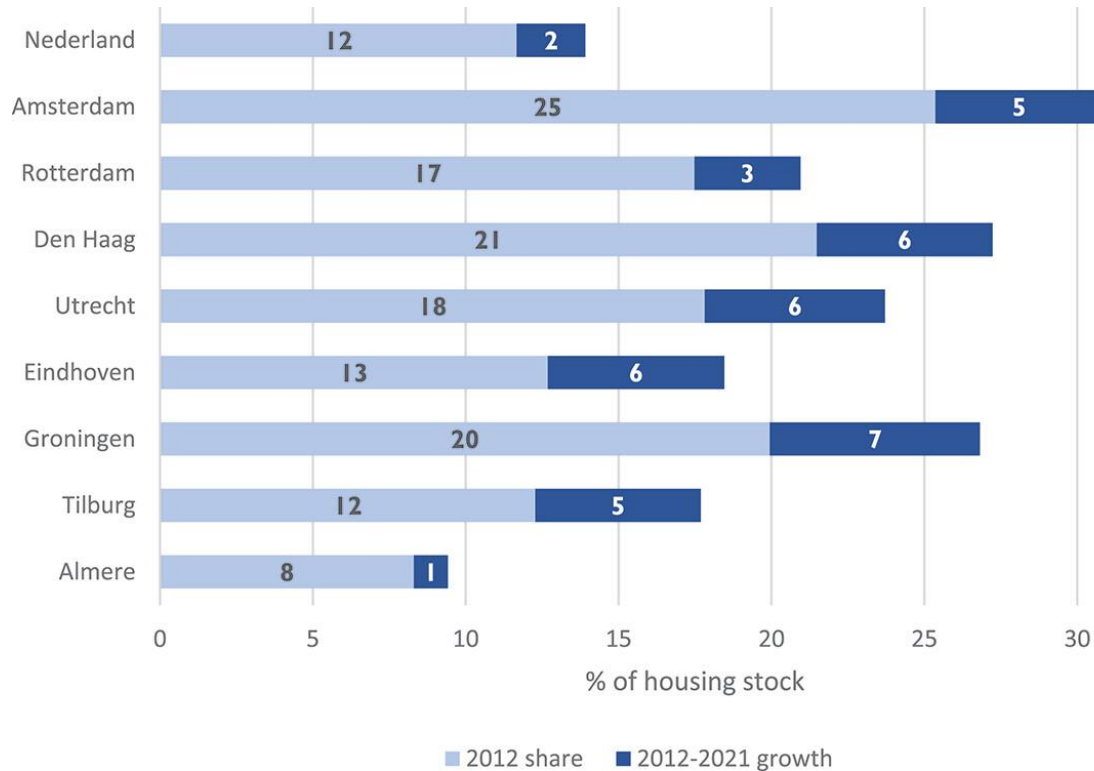
Amsterdam Tenure Restructuring 2003-2021 (WiA)

	2003	2007	2011	2015	2017	2019	2021
Owner occupied	21,3	27	30,2	30,6	32,5	30,8	28,8
Housing assoc - rent regulated	54,2	49,8	45,9	42,9	39,5	37,6	37,1
Housing assoc - rent liberalized	0,7	0,8	1,4	2,7	3,6	3,1	3,6
Housing association total	54,9	50,6	47,3	45,6	43,1	40,7	40,6
Private rent - rent regulated	19,6	17,5	15,5	14,5	13,2	13,1	11,3
Private rent - rent liberalized	4,2	4,8	7,1	9,4	11,2	15,4	19,3
Private rent total	23,8	22,3	22,6	23,9	24,4	28,5	30,5
PRS units			91,600				137,400

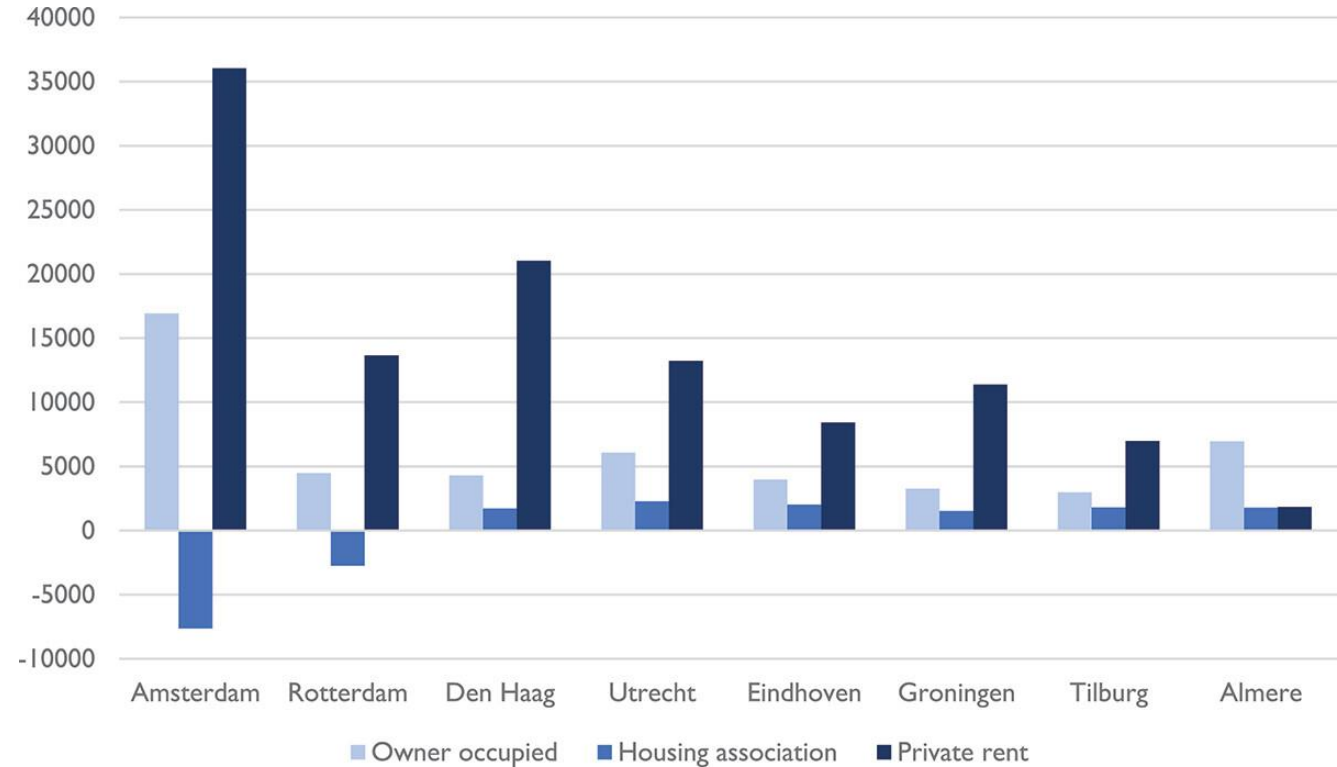
Absolute Number of Home purchases (Cities)



Rapid Growth in Private Rental Housing Stock



Private-rental housing as share of total stock

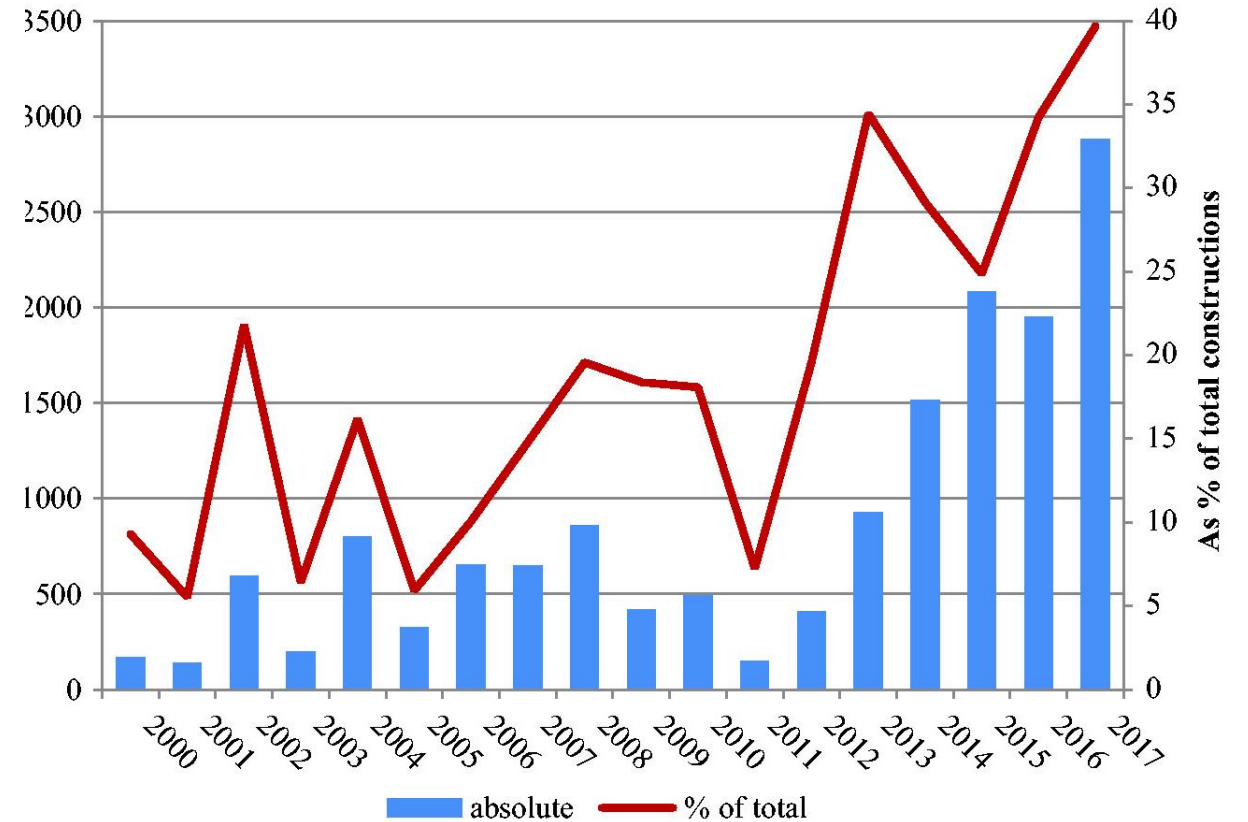


Absolute (net) housing-stock change 2012-2021

(Hochstenbach, 2023; CBS Statline)

Growth in New Build PRS & Non-regulated Lets

- Between 2012 and 2021 PRS stock increased from 12% to 14% of total Dutch housing
- However, total housing stock grew 646,000 with PRS net growth of 254,000 units (39%)
- In major cities (big-4) the share of liberalized rental units grew from 30% to 59%
- Drivers 1. urban new-build; 2. conversion of owner-occu units; 3. 'churn' of stock out of points system

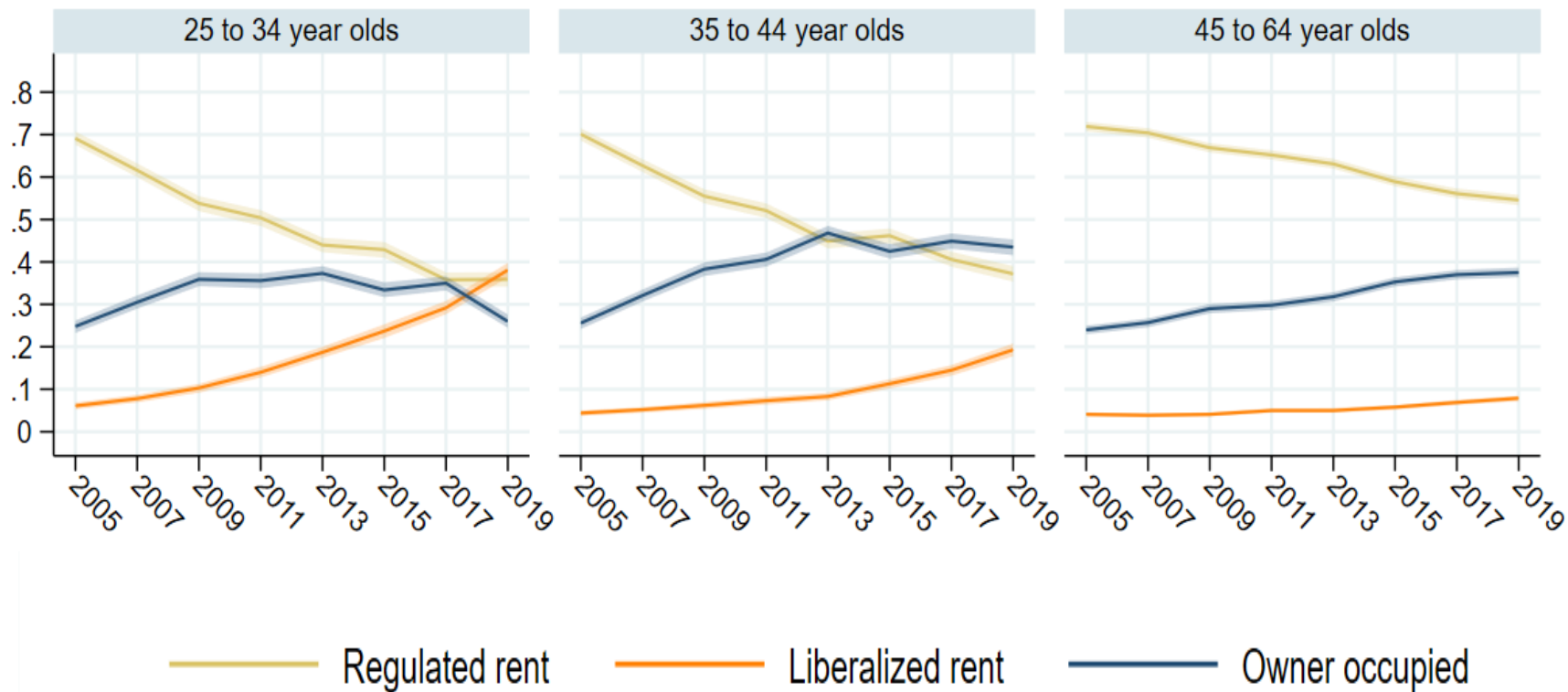


Rent-liberalized housing constructions per year in Amsterdam

Amsterdam's Changing Tenure/Income Composition

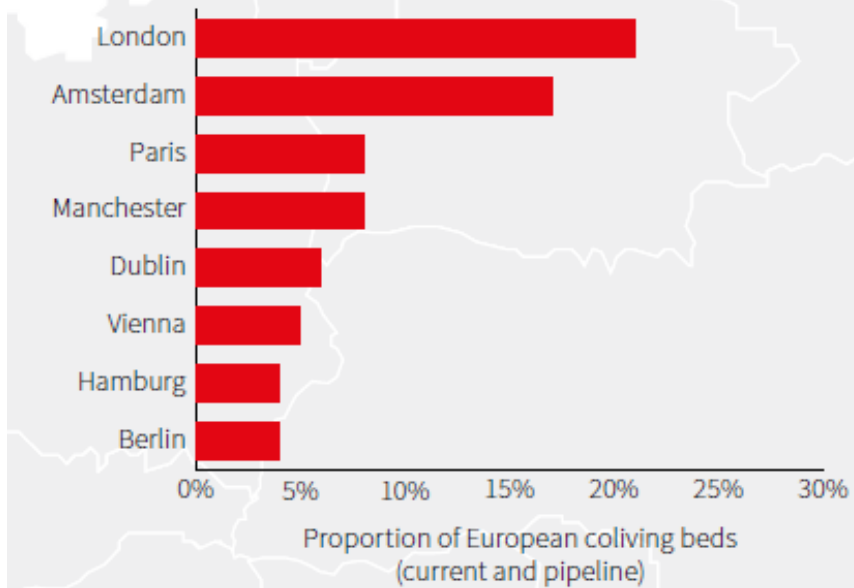
		2007	2013	2019	2007-2019
Tenure Structure	Regulated rent	69%	58%	51%	-18%
	Liberalized rent	5	9	17	+11
	Owner occupied	26	33	32	+6
Income of young adults (25-34 y-o)	Low income	53	43	34	-19
	Middle income	30	30	26	-4
	High income	17	27	40	+23

Tenure distribution by age (2005-2019)



Emerging Co-living Market

Largest coliving markets by city



Source: JLL

(JLL 2019)



Housing Protests in 1972 and 2021



New Politics/Policies in Dutch Housing

- **New Housing Minister** (Ministry?) & building target of **900,000 homes** by 2030
- Measures taken on Liberalised Housing Market
 - Purchase tax on second properties (from 2% to 8% in 2021)
 - *Zelfwoonplicht* (new buyers required to occupy)
 - End of Jubelton (100,000 tax free gift for children)
 - End of Landlord levy (on social providers)
- **Social units:** reduce sales and build more (local authorities required to include 30% social in development plans)
- **Stimulate and regulate middle income** housing



Minister Hugo de Jong (since January 2022)

Re-regulating ‘Middenhuur’ (mid-rent sector)

- Extend (WWS) points sytem (July 2024?) from 142 to 187: **new middle rent** of €1123 p.m.
- Around 4.1% of units fall into new sector (CBRE 2023)
- Extra points for high **energy label** & extra **outside space** (landlords required to check eligablity)
- Will smaller free sector reduce supply & **push-up prices?** (owners selling or being regulated; builders reluctant to build smaller units?)



Buurt:	NDSM-terrein, complex Lincoln
Woonopp.	46 m2
WOZ per m2	€ 5.500
WOZ woning	€ 253.000

Punten	Waardering verschillende energielabels				
	A	A+	A++	A+++	A++++
Opp.Vertrekken	46	46	46	46	46
Energieprestatie	36	43	48	53	58
Keuken	8	8	8	8	8
Sanitair	12	12	12	12	12
Buitenruimte	2	2	2	2	2
Verwarming	11	11	11	11	11
Subtotaal	115	122	127	132	137
WOZ-punten	55	55	55	55	55
Max punten	170	177	182	187	192

Reversal on Short-term Rental Contracts

- 2016 Housing Act made 2-year contracts possible (& removes rent protection): Specific impact on young people & recent movers
- Law contested and reversed in 2023
- Special conditions required for short-term lets: *diplomatenclausule* & *leegstandwet*
- **Individual rooms** can be let for max 5 years



Pieter Grinwis (ChristenUnie) en Henk Nijboer (PvdA) en minister Hugo de Jonge (CDA)

Tide turning against landlords

Nieuws

Enorme huurverlaging voor kamerhuurders van pand Keizersgracht: van 1905 naar 95 euro per maand

Twee kamerhuurders van een gedeeld pand aan de Keizersgracht hebben met succes hun huur met honderden euro's verlaagd via een uitspraak van de Huurcommissie. De kamers hadden huurprijzen van 1950 en 1200 euro; voorlopig betalen ze slechts 95 en 93 euro.

Het Parool 19 januari 2024, 12:15



BEELD ANP

New Tax Regime for Landlords

- Landlords taxed in either Box 1. (income) or Box 3. (assets), assuming lower return (leegwaardratio) on housing
- Leegwaardratio increased 67% to 95% (2023/2024): assumed return on a rented property up from 4.5% to 6.7%
- Can no longer deduct the mortgaged part of the home from tax calculation
- 10.4% Purchase tax on second Property (2023)



Reflections

As homeownership is promoted through reducing social rent and expanding credit, house prices are inflated by the increasing stock of mortgage debt, leading to ever-higher price-to-income ratios. This eventually is self-defeating, leading to a surge in PRS and a decline in homeownership rates (Aalbers et al 2021, p542)

... policies promoting private rental growth in Amsterdam can be conceptualized as ... **regulated marketization**... market mechanisms are increasingly central in supplying and allocating housing [but] are not being simply unleashed... but are given more leeway when... they are in line with state ambitions... and are also matched by new regulations (Hochstenbach & Ronald 2020, p142)



The unraveling of Amsterdam's unitary rental system

Robbin Jan Van Duijne¹ · Richard Ronald^{1,2}

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Abstract The Netherlands has traditionally been considered an iconic 'unitary' rental housing market in which social and private sectors directly compete. More recently however, this unitary market has been undermined by changes in the status of housing associations, the privatization of social housing stock and the promotion of home ownership. It has subsequently been suggested that the Netherlands is drifting toward a 'dualist' system in which social and private sectors are critically unequal. This paper takes on this claim, providing, on the one hand, palpable evidence of the waning influence of the unitary housing system in the Netherlands and, on the other, a deeper examination of processes of dualisation as well as the outcomes. We focus on Amsterdam, where housing privatization has been most intense. We specifically draw on a geospatial analysis of changing tenure distributions at the neighbourhood level as well as a household analysis of the shifting profile of tenants and home owners to show how the unitary rental market, which helped establish Amsterdam as an iconic 'just city', has been unraveling. We demonstrate the relevance of the unitary/dualist model to understanding contemporary urban processes, especially those featuring social and economic polarization.

Keywords Private renting · Social renting · Unitary rental market · Social and economic polarization · Dualisation



Regular articles



The unlikely revival of private renting in Amsterdam: Re-regulating a regulated housing market

Cody Hochstenbach¹ and Richard Ronald²

Abstract

Over the last decade, private rental sectors have been in rapid ascendance across developed societies, especially in economically liberal, English-speaking contexts. The Netherlands, and Amsterdam in particular, has also more recently experienced the reversal of a century-long decline in private renting. More unusually, the expansion of private renting in Amsterdam has been explicitly promoted by the municipal and national government, and in cooperation with social housing providers, in response to decreasing accessibility to, and affordability of, social rental and owner-occupied housing. This paper explores how and why this state-initiated revival has come about, highlighting how new growth in rent-liberalized private renting is a partial outcome of the restructuring of the urban housing market around owner occupation since the 1990s. More critically, our analysis asserts that restructuring of Amsterdam's housing stock can be conceptualized as *regulated marketization*. Market forces are not being simply unleashed, but given more leeway in some regards and matched by new regulations. We also demonstrate various tensions present in this process of regulated marketization; between national and local politics, between existing housing and new construction, and between policies implemented in different time periods.

Keywords

Buy-to-let, housing policy, housing liberalization, neoliberalization, private rent

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OPEN ACCESS

Rental sector liberalization and the housing outcomes for young urban adults

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ABSTRACT

Young adults increasingly rely on precarious and costly rental housing, particularly in major cities and liberalized housing markets. Amsterdam has a more regulated housing system, but increasing market-liberal logic in policy-making has led to considerable loosening of rent regulations in the last decade. One outcome has been the significant growth, and transformation, of liberalized rental housing. Drawing on city of Amsterdam survey data from 2005 to 2019, our analysis considers how recent policy and housing market shifts have generated and shaped housing inequalities for young adults. Where private rental growth was stimulated to fill the middle segment, our findings reveal that it has largely catered to affluent young adults. Households with less resources struggle to gain access, and pay more when they do. Our findings demonstrate that this variation of 'generation rent' is not simply an outcome of market-liberal agendas, but is also shaped on a city-scale, partly through rental market restructuring.

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KEYWORDS

Housing; young adults;
inequality