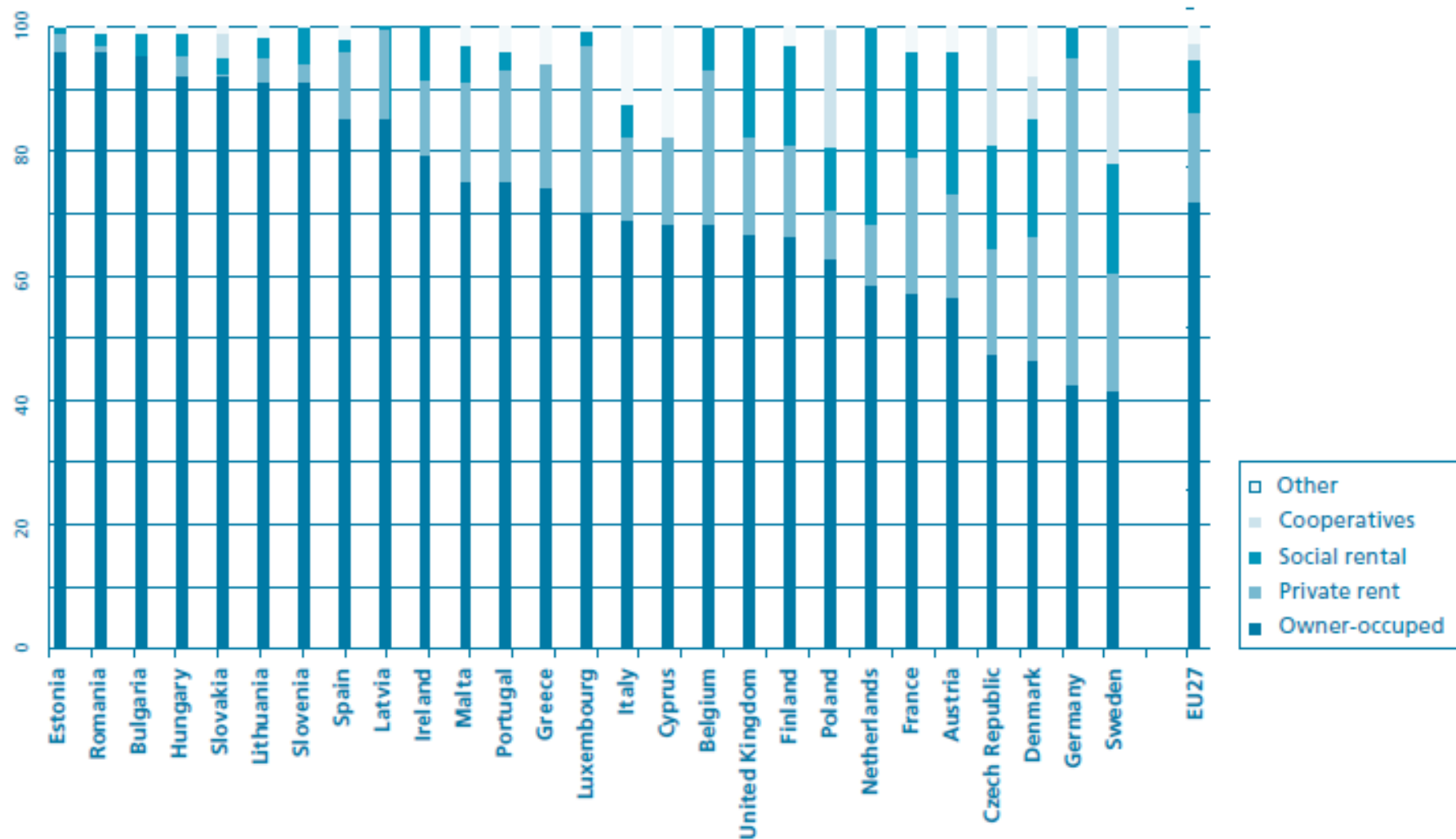




The Dutch Model of Management of Social Rent Housing

Vincent Gruis, Faculty of Architecture, Department of Real Estate & Housing
8-10-2014

CHART 1: TENURE SPLIT IN THE 27 EU MEMBER STATES AS A PERCENTAGE OF THE TOTAL HOUSING STOCK



Source: Housing statistics in the European Union 2010, updated by national correspondents

Dutch housing foundations from an international perspective

(Unique?) characteristics

- Size
- Diversity
- Independence
- Range of (commercial and social) activities

Composition housing stock

Dwelling type	% housing foundations
Single-family	42.4
Apartments < 5 stories	30.3
Apartments > 5 stories	11.4
Rooms etc.	5.8

(2,4 million dwellings)

Source: Aedes

Household income & tenure

Tenure	Income					
	<€20.000	€20.000-€40.000	€40.000-€60.000	€60.000-€80.000	€80.000-€100.000	>€100.000
Owner	167400	693600	835700	762600	545000	828300
Housing foundation	537600	959800	363000	167100	71300	47400
Other rent	136800	230300	154400	99700	60900	88000
TOTAL	841800	1883700	1353100	1029400	677200	963700

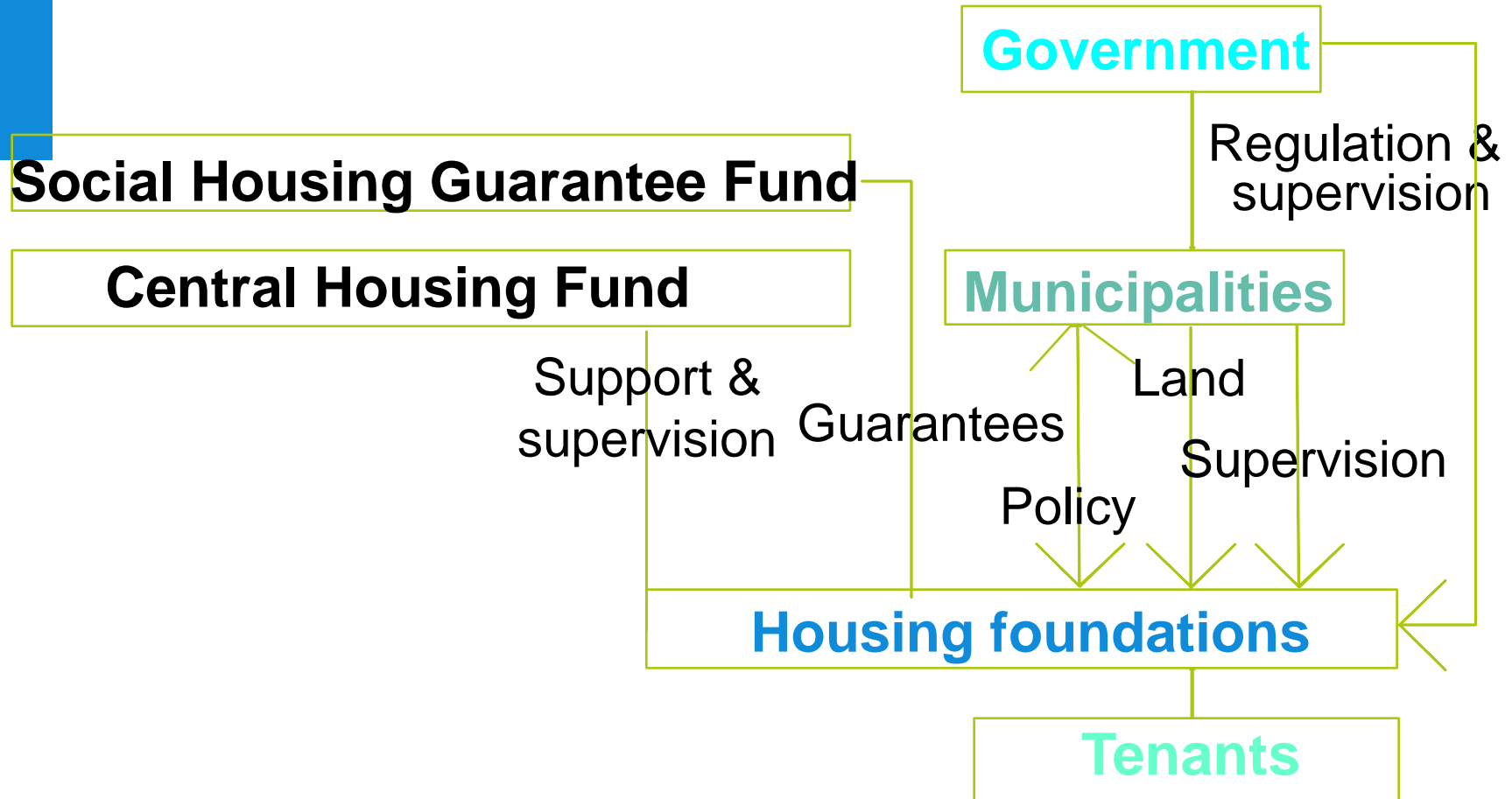
Source: Aedes

Regulatory framework

Social rented sector management decree:

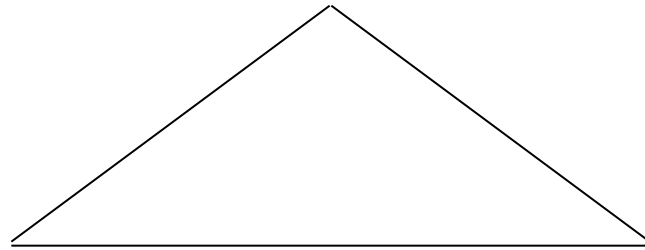
- Quality of housing
- Housing of primary target groups
- Consultancy and participation of tenants
- Financial continuity
- Liveability
- Housing and care

Institutional framework



Financial framework

Solvency



Rental policy

(Des)investment policy

Exploitation

	Per dwelling per year (2012)
Rent	5200
Management costs	-1400
Maintenance	-1300
Interest	<u>-1500</u>
Balance	1000
Net result sales	450
Net result investments	-1400

Source: Central Housing Fund

Unique characteristics, unique opportunities

- Match surplusses with shortages
- Combine market-orientation with social objectives
- Prevent stigmatisation and spatial segregation
- Dampener for economic cycles
- Long-term interests in neighbourhoods
- Financial independence

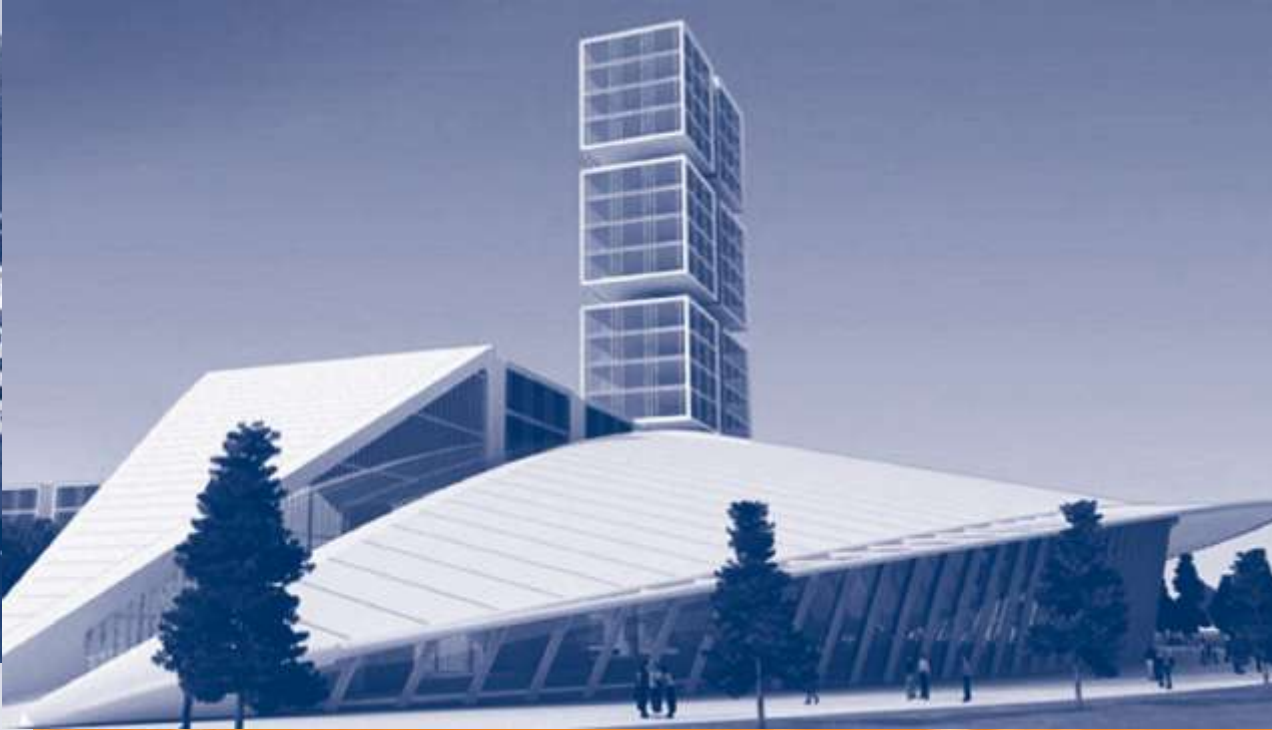
Dutch housing
associations

A model for social housing

André Ouwehand
Gelske van Daalen



Questions about governance, wealth and taxation!



Dutch housing foundations?

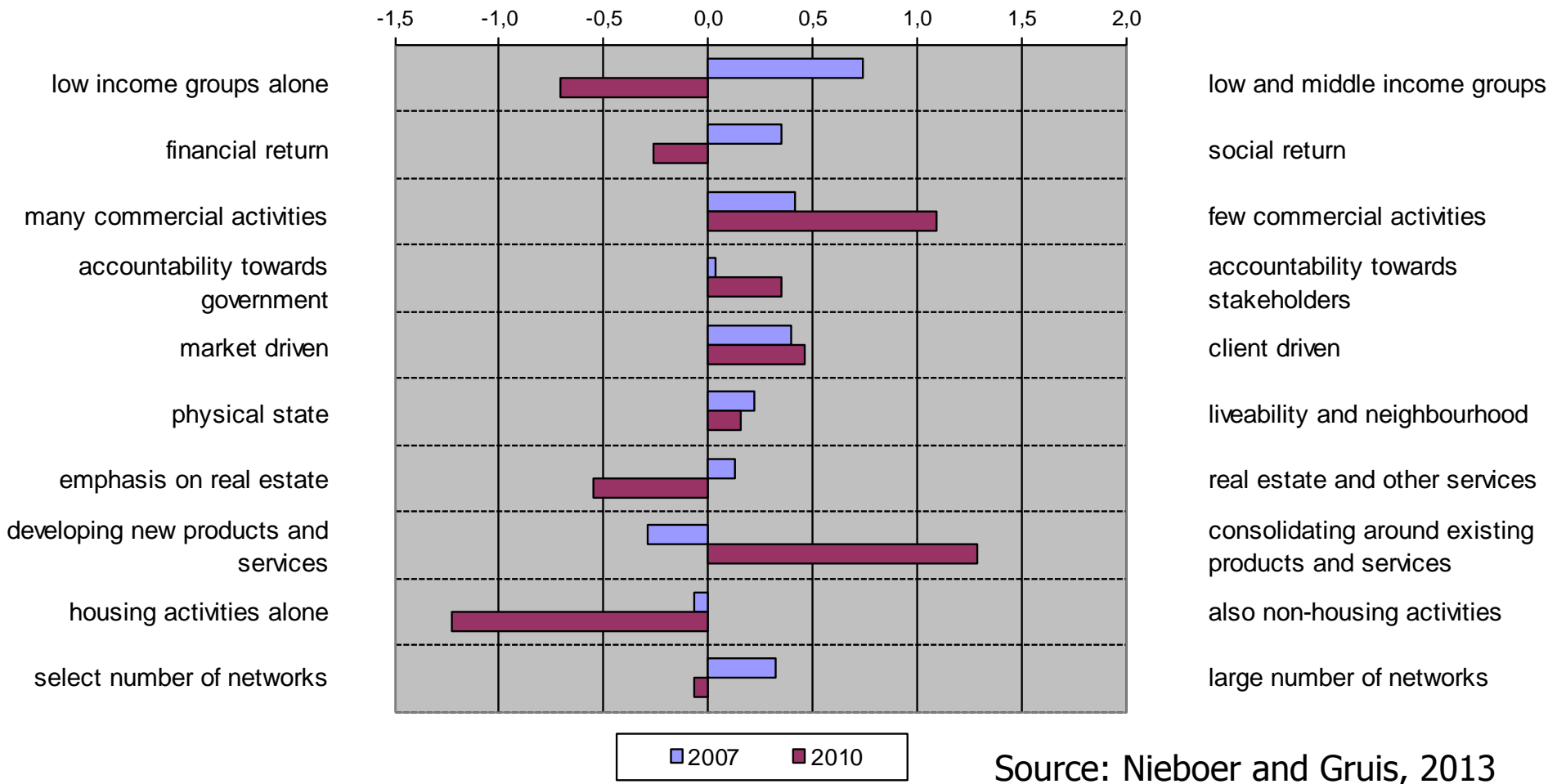


"focussed housing provider"



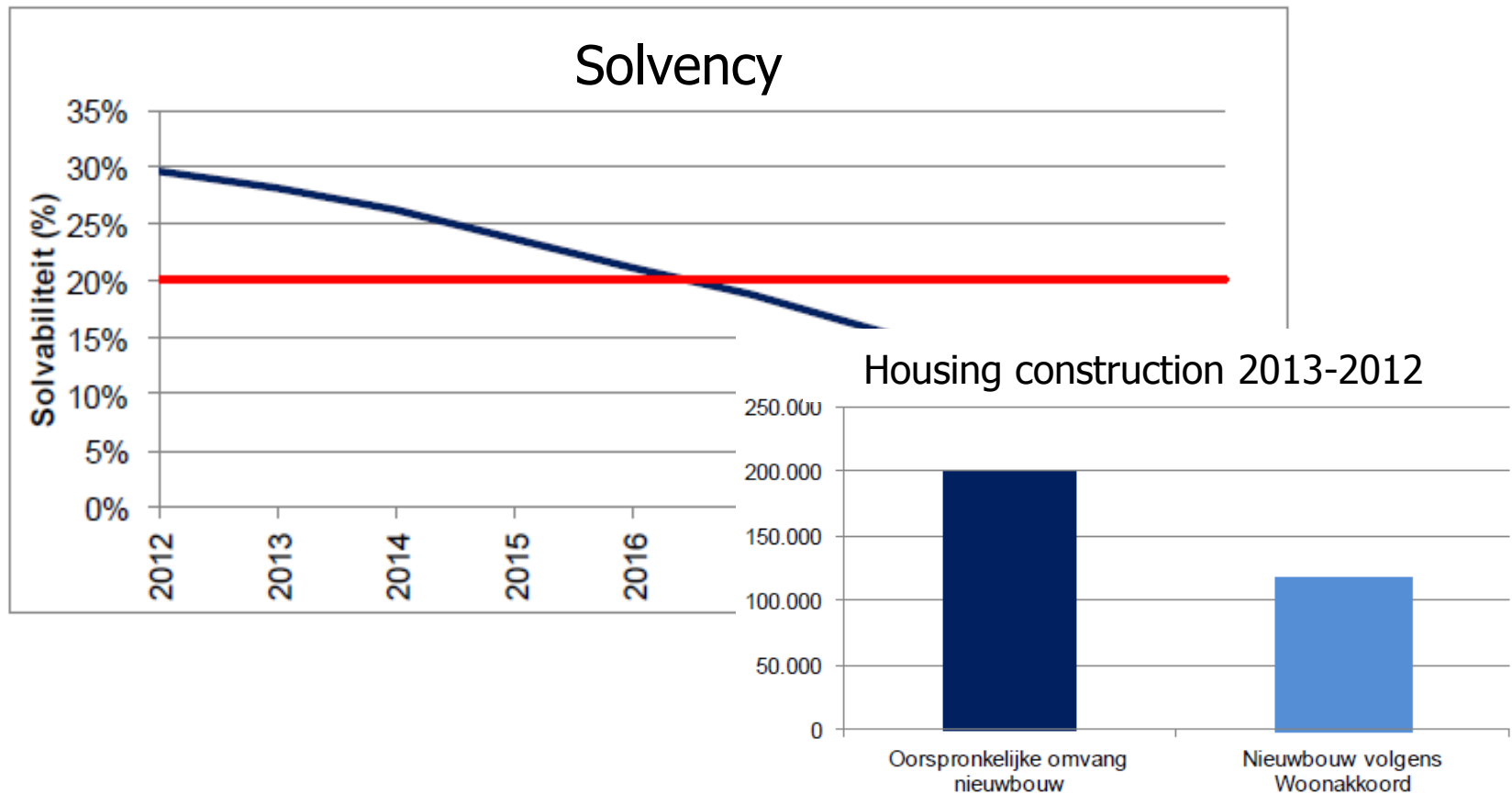
or "broad social enterprise"

Shifting priorities housing foundations



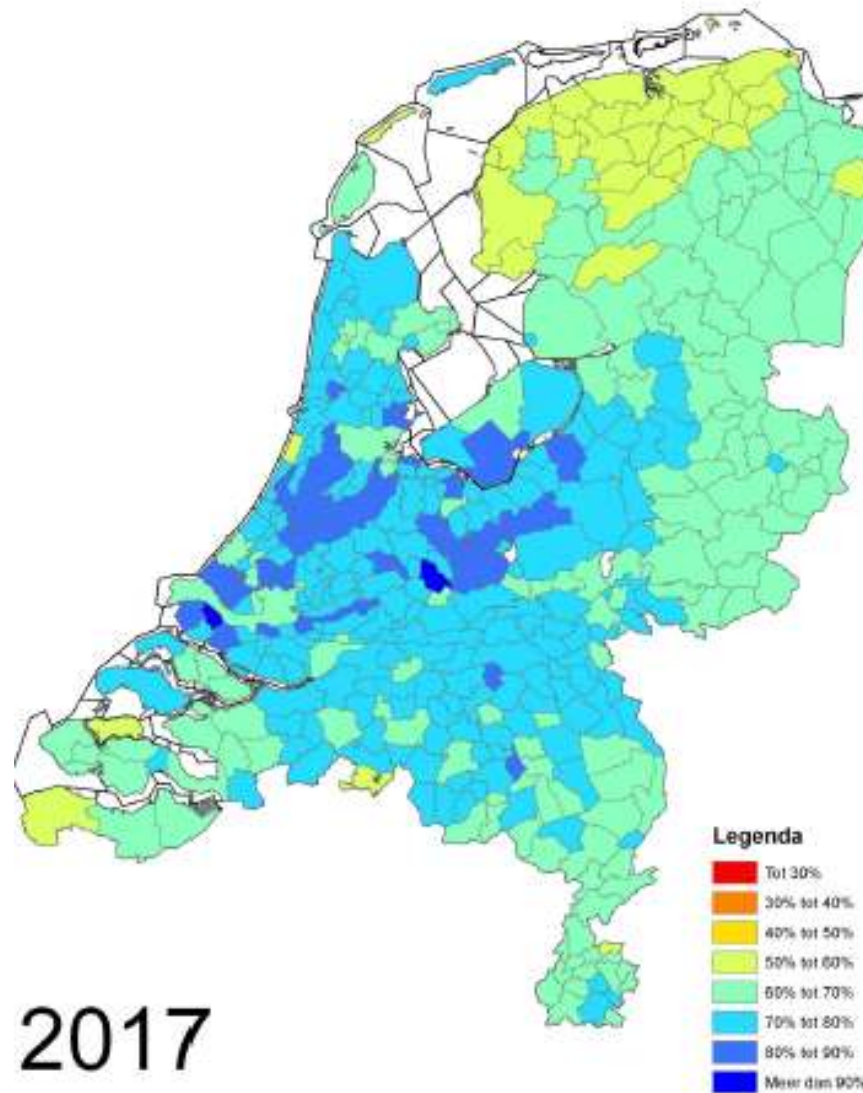
Source: Nieboer and Gruis, 2013

Consequences 'housing agreement' (Ortec Finance BV)



Source: Conijn en Achterveld, 2013

Possibilities to cover landlord levy by rental increase



Source: Atrive, 2013

Increasing affordability risks

HOUSING AFFORDABILITY IN THE EU
Current situation and recent trends

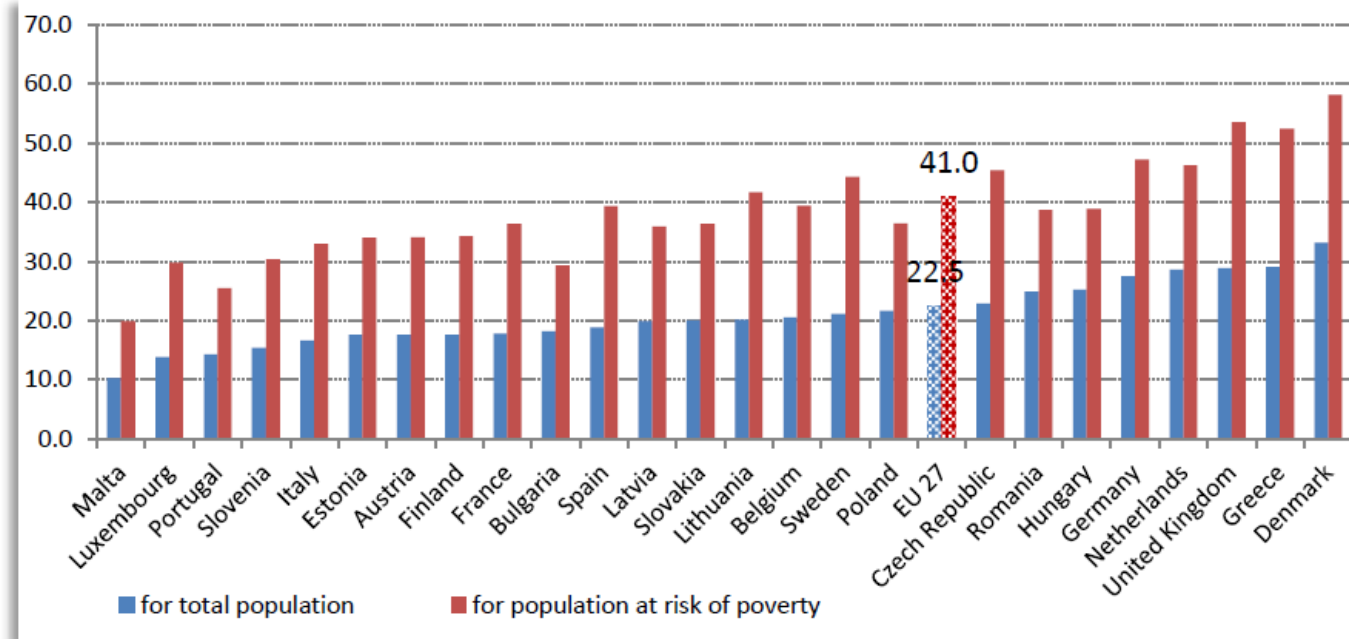
Word Press



CECODHAS Housing Europe's Observatory
RESEARCH BRIEFING
Year 5 / Number 2, January 2022

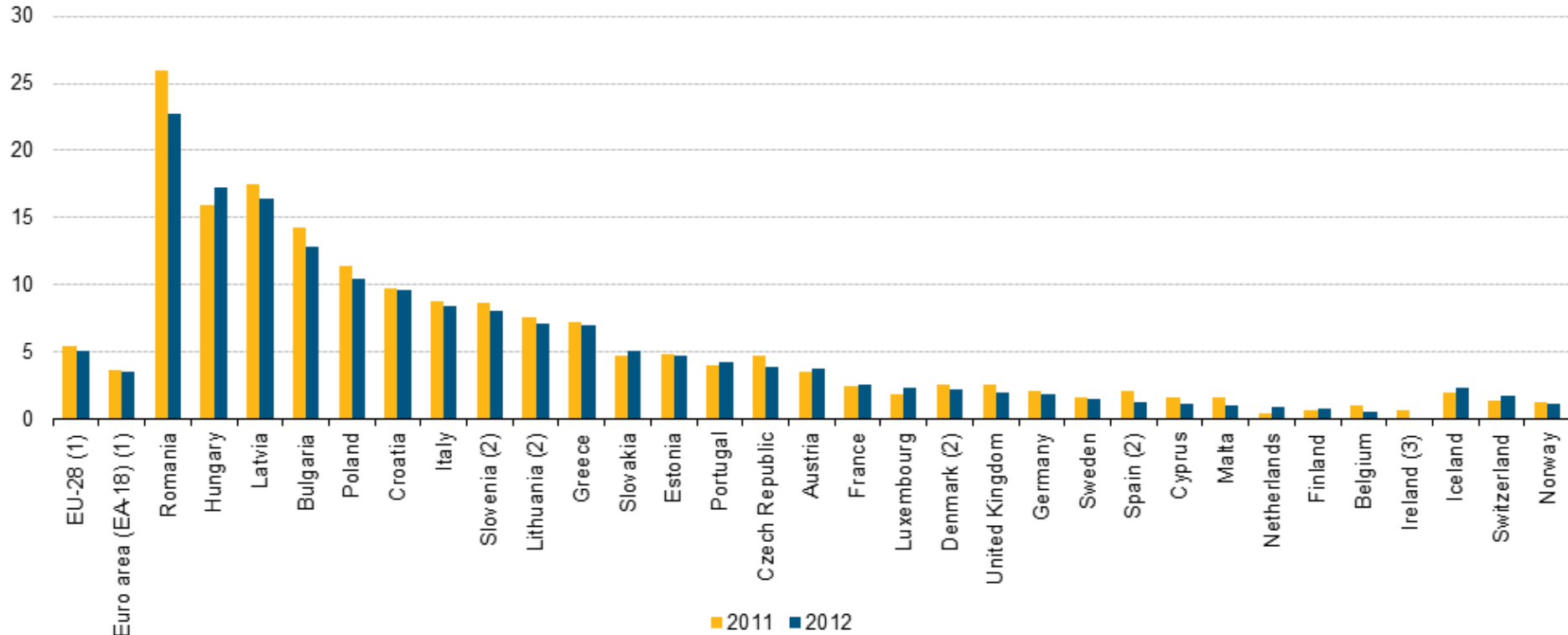
<http://www.housingeurope.eu/publications/research-briefing/>

Chart 1: Share of housing costs as a percentage of disposable income in the EU 27 by poverty status (2010)



Source: SILC [ilc_mdcd01]. Data not available for Ireland

Quality is relatively less of a problem



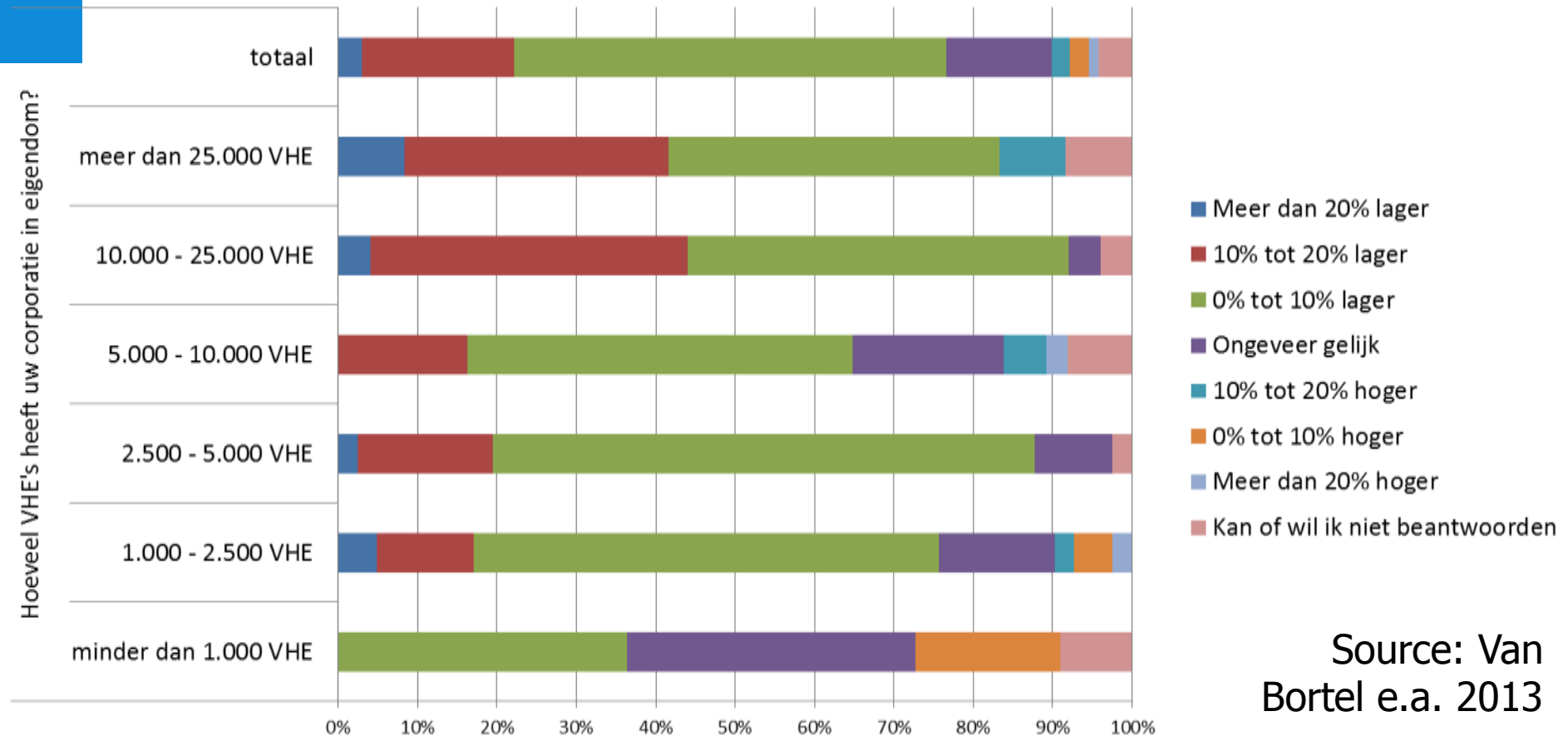
(1) 2012: estimate.

(2) 2012: break in series.

(3) 2012: not available.

Source: Eurostat (online data code: ilc_mdho06a)

Operation costs end 2014 versus end 2012



Source: Van Bortel e.a. 2013

Views on not-for-profit housing

Unitary, large sector	Residual, small sector
Match surplusses with shortages	Economic efficiencies
Combine market-orientation with social objectives	Avoidance of (implicit) rent subsidies
Dampener for economic cycles	No over-stimulation of housing production and consumption
Prevent stigmatisation and spatial segregation	Level playing field
Long-term interests in neighbourhoods	Empowerment, through restricted state involvement
Financial independence	Owner-occupation as merit good
Fits better with welfare state?	Fits better with neo-liberal trend?

European Competition Policy and National Housing Policies: International Implications of the Dutch Case

VINCENT GRUIS* & HUGO PRIEMUS**

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(Received March 2006; revised October 2007)

ABSTRACT This contribution explores the relationship between housing policy, which is the responsibility of national governments, and competition policy, including the decision on the legitimacy of state support, which is the responsibility of the European Commission (EC). The paper paints a general picture of EU policy on competition and state support and describes the Dutch social housing system. Attention then turns to the recent intervention by the European Commission in the governance of Dutch social housing and it is asked whether the factors that prompted the intervention exist in other EU member states as well. The analysis shows that this is indeed the case. It is concluded that the intervention of the EC in the Netherlands could become a precedent for other European countries, particularly for those countries that opt against a residualised social rental sector and for a competitive role of social housing providers on the housing market.

KEY WORDS: European competition policy, social housing, housing associations, level playing field, the Netherlands

Introduction

The influence of EU policies on housing has been a topic of a modest number of studies (e.g. Chapman & Murie, 1996; Doling, 2006; Priemus *et al.*, 1993). In an early study on the effects of EMU and political unification on national housing policy Priemus *et al.* (1993) mention European competition policy, arguing that it could indirectly influence housing policies in the member states. Chapman & Murie (1996) argue that changes in EU policy have made the EU more important for the housing sector and that many EU activities have an impact on housing in a variety of ways. Within their review of the interaction between European policies and housing activity, Chapman & Murie refer in particular to the Social Action Programme for 1995–97 (CEC, 1995), in which poverty

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ISSN 0267-3037 Print/1466-1810 Online/08030485-21 © 2008 Taylor & Francis
DOI: 10.1080/02673030802030030

Policy Review Social Housing and Illegal State Aid: The Agreement between European Commission and Dutch Government

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ABSTRACT The size of the Dutch social housing sector, with a 32 per cent share of the housing stock, has prompted concerns over the 'level playing field' of competition between social and commercial housing providers. In 2007, this concern culminated in a complaint from the Dutch Association of Institutional Investors (IVBN) to the European Commission, with particular reference to the distorting effects of state aid to housing associations. In December 2009 the European Commission published its decision about the conditions for state aid to Dutch housing associations. The Commission agrees with the proposal of the Dutch government that housing associations allocate at least 90 per cent of their social rental dwellings to households with an income of less than EUR 33,000, if they want to remain eligible for state aid for these activities. Furthermore, housing associations may invest in real estate for public purposes. With its decision, the Commission ends a long period of uncertainty and contributes to creating a level playing field on the Dutch housing market. Nevertheless, the Commission's decision also hampers policies to increase tenure diversification and social mix in Dutch neighbourhoods.

KEY WORDS: Housing associations, social housing, state aid, European Commission, the Netherlands

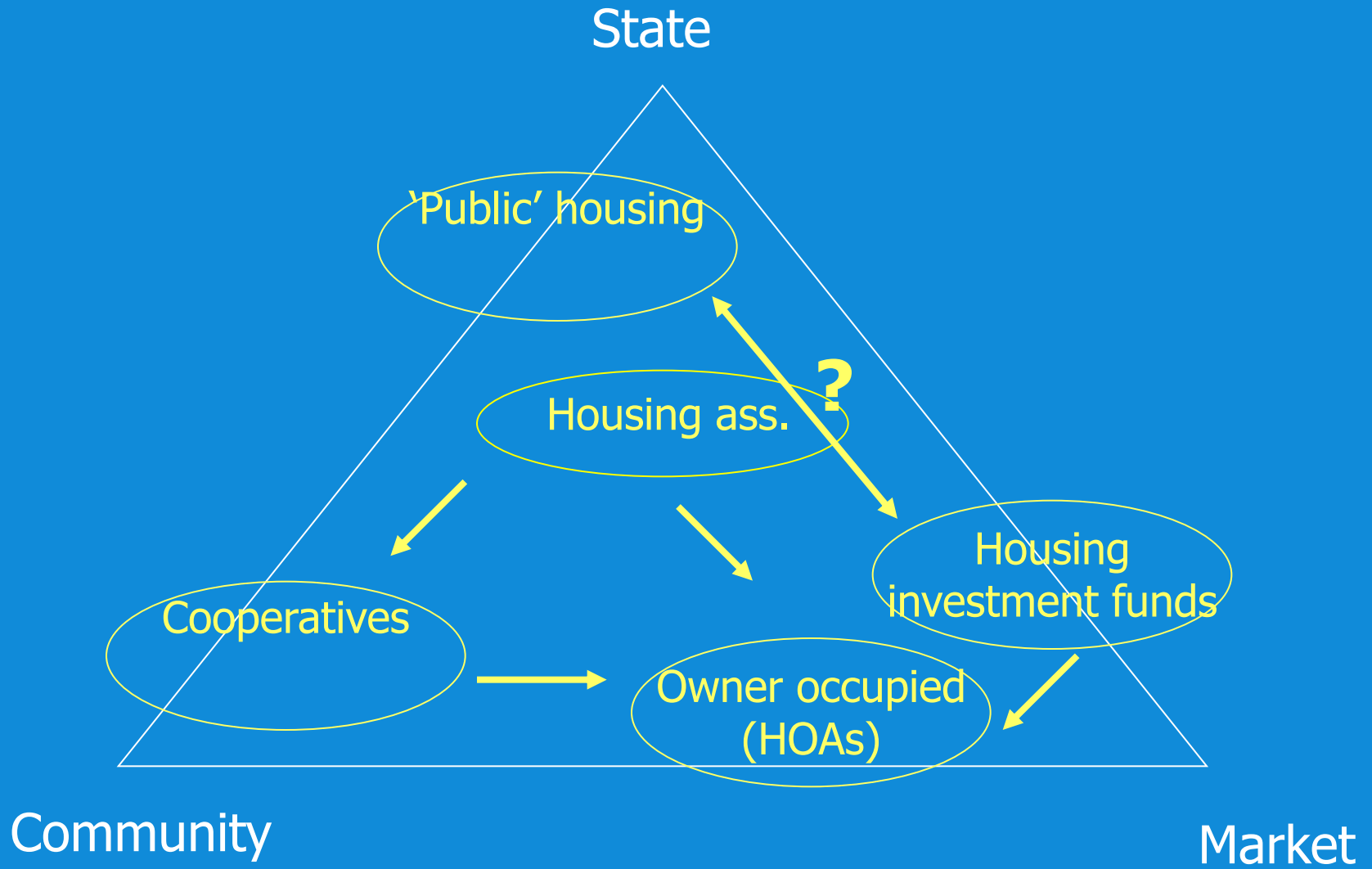
Introduction

The Dutch social housing sector is a special case within the European Union (EU). No other EU country has a housing stock with a share of 32 per cent social housing. The size and diversity of the Dutch social housing stock constitutes a point of concern for the level playing field between social and commercial housing providers. This has led the Dutch Association of Institutional Investors (IVBN) to file a complaint to the European Commission (EC) on 16 April 2007 with particular reference to distorting effects of state aid to housing associations (Priemus, 2008). Earlier, in

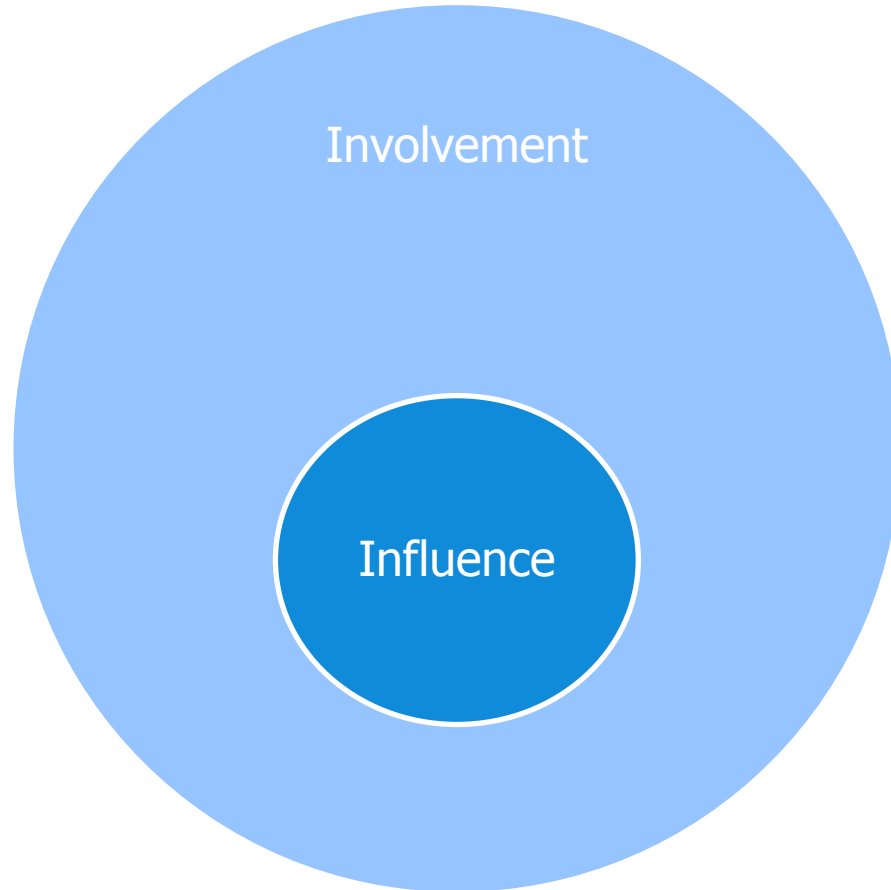
Correspondence Address: Hugo Priemus, OTB, Jaffalaan 9, 2628 BX Delft. Email: h.priemus@tudelft.nl

ISSN 1461-6718 Print/1473-3269 Online 11/010089-16 © 2011 Taylor & Francis
DOI: 10.1080/14616718.2011.548588

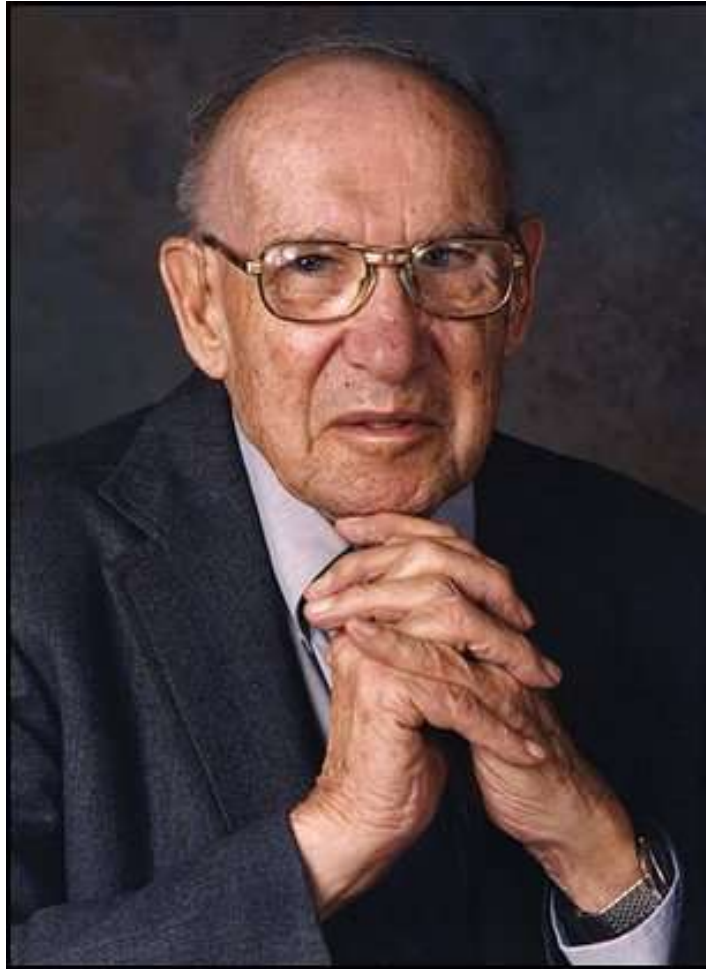
Possible developments



Dilemma's



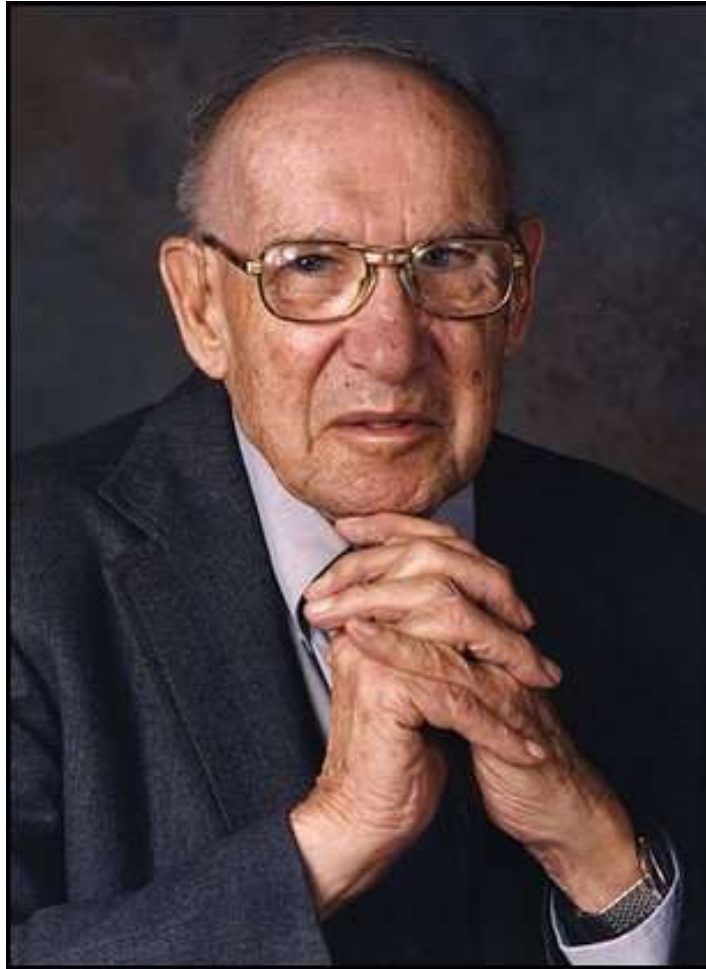
Functioning organisations?



Organisations derive their legitimacy from their function for society and
Their capacity to perform depends on their specialisation

Source: Peter Drucker, 2003, A Functioning Society

Functioning organisations?



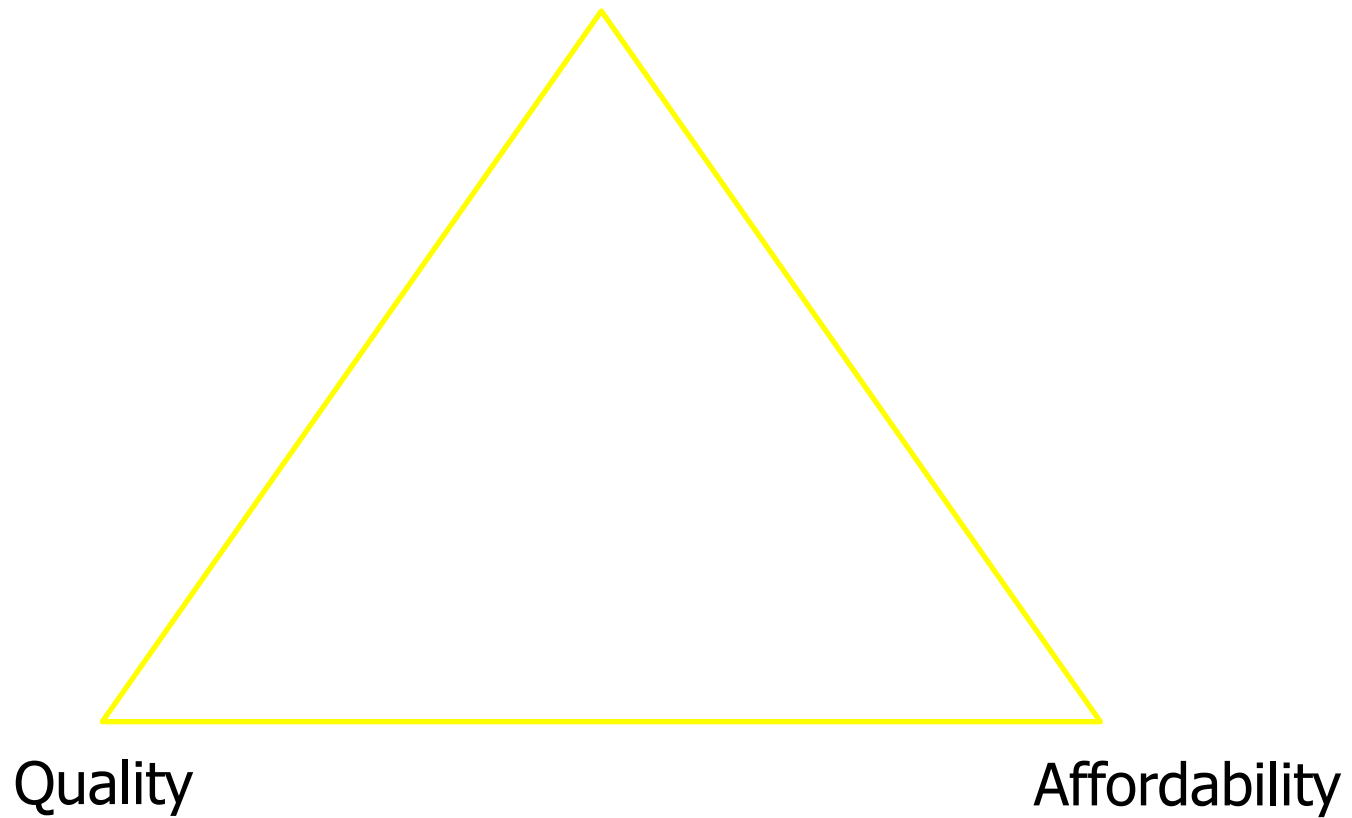
Organisations have become more and more the bearers of social values... They cannot justify themselves exclusively on the basis of their contribution to that one specific area

Setting priorities



Search for that one aspect which requires optimisation and strive for reasonably satisfying results for all other aspects

Availability



Lessons

- Guarantee structure
- 'Revolving' fund (household mix, value capturing)
- (Mental) ownership

If you cannot be a star in heaven
be a light in your home