



Dutch social housing at risk
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The slide features a background image of a large, modern architectural structure with a prominent, conical, lattice-like tower. In the foreground, a wide, paved plaza with a grid pattern is visible, where several people are sitting on the ground. The sky is clear and blue.

Social housing in the Netherlands

- **History**
 - **Private roots**
 - **Independence**
- Figures
- Institutions
- Current issues



The slide includes a photograph of a modern, multi-story brick residential building with a red roof. The building is situated in an urban environment with a paved sidewalk and some greenery in the foreground. The sky is overcast.

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From private initiative to “extension of government”

- Roots in 19th century civil society
- Providing housing for workers, not the most vulnerable
- First state involvement: Housing Act of 1901
- Government influence increased in the 20th century
- Housing associations transformed into semi-public institutions with strong financial and hierarchical ties with the state after WWII

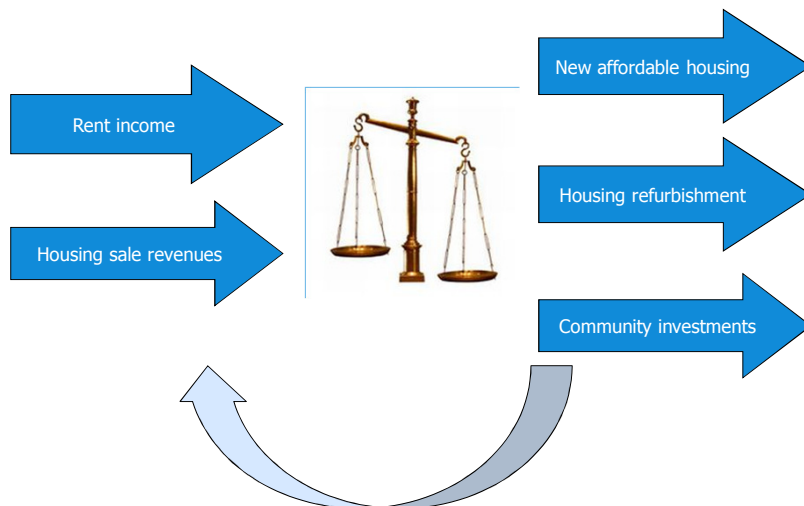
More independence

- Since the 1960s housing associations gradually acquired more freedom and responsibility was created for the social
- Social housing was one of the first policy fields to be decentralised by the state in the 1980s and 1990s
- In 1993 the government cancelled outstanding loans from housing associations in exchange for subsidies
- Housing associations have operational and financial autonomy: private organisations with a public task

Current Governance

- Housing Act
- BBSH (Social Rented Sector Management Order)
 - Internal supervision
 - Local performance agreements
 - Only one ultimate punishment....
- Self regulation
 - Aedes code
 - Social assessments
 - Labels

Revolving Fund Principle



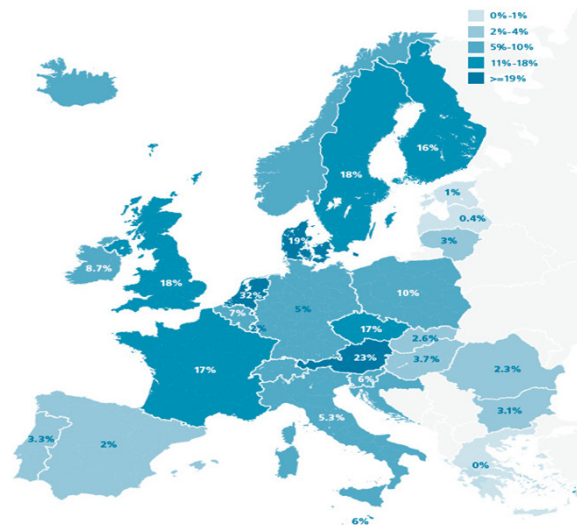
Social housing in the Netherlands

- History
- **Figures**
 - **Stock**
 - **Organisation**
 - **Finance**
 - **Tenants**
- Institutions
- Current issues

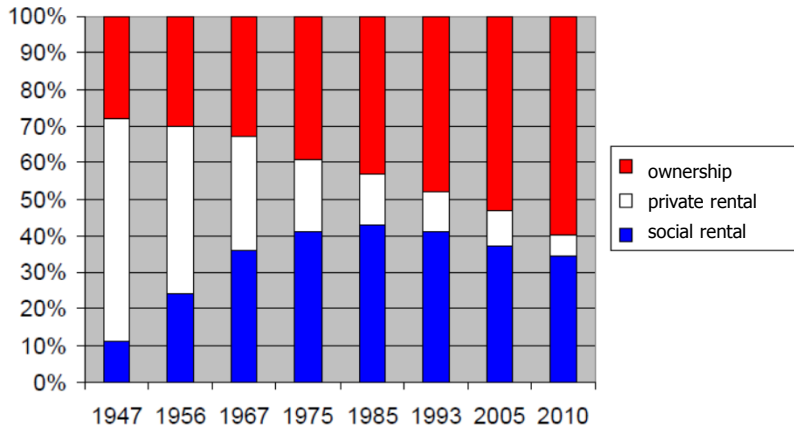


Social rental housing in the EU27, Cecodhas, 2012

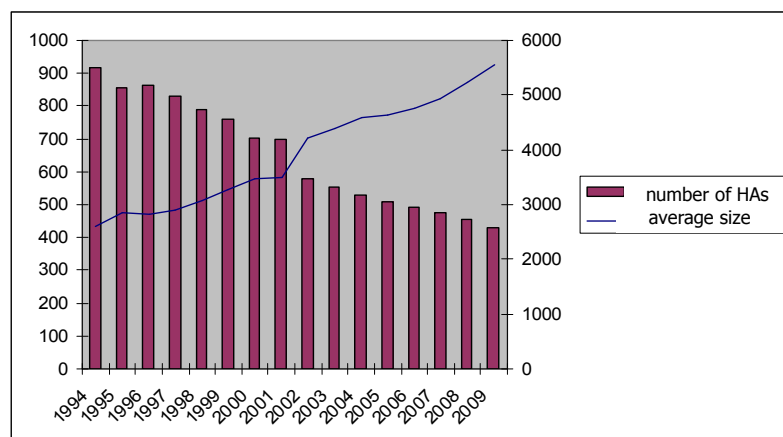
- Largest in NL, followed by AT and DK.
- UK, FR, SW and FI also have a large social/public housing sector
- On the contrary, no rental social housing in EL, very small share in CEE as well as PT, ES



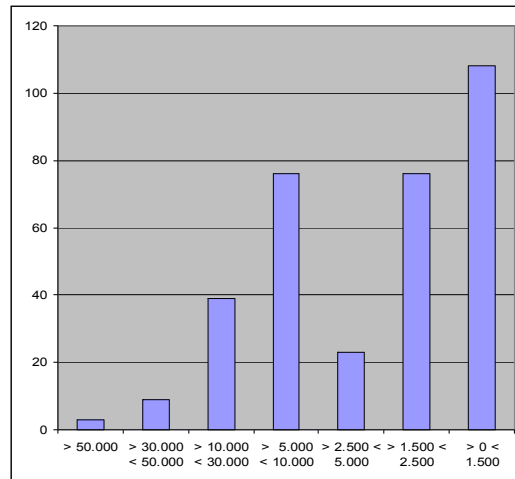
Development of housing tenures



Mergers led to fewer but larger housing associations (HAs)



Dutch housing associations by size



Finance: **key figures (2011)**

- Number of social properties: **2,4 million** (32% of the housing stock)
- Number of housing associations: **389**
- Numbers of staff employed: **25.000** in total
- Mean rent level: **€ 428** monthly
- Yearly housing production: **35.000 dwellings** (rent and sale)
- Equity: **€ 34 billion**
- Balance total: **€ 123 billion**

Source: CFV 2009

Social housing tenants

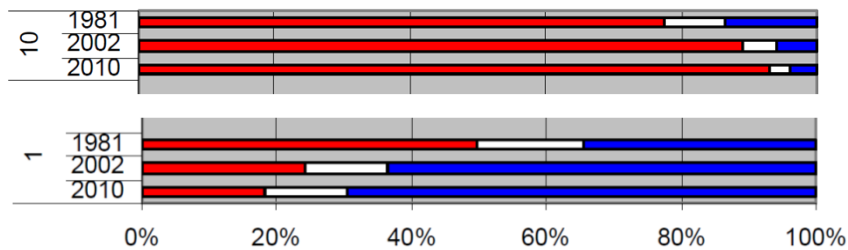
Differences between social housing and other tenures, 2009 (2002)

| | Social renting | Whole stock |
|----------------------------------|----------------|-------------|
| Average size of household | 1,9 (1,9) | 2,3 (2,3) |
| % single | 50 (47) | 33 (32) |
| % over 65 | 31 (29) | 25 (22) |
| % working | 49 (48) | 66 (65) |
| % two job households | 36 (28) | 56 (45) |
| % on benefit | 19 (21) | 9 (11) |
| In the two lowest income deciles | 40 (35) | 20 (20) |
| % non Dutch | 28 (34) | 19 (25) |

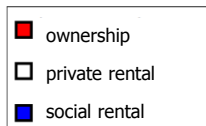
Bron: WBO, 2002, WoON 2009

Poorest households: more dependent on social housing

- Highest income decile

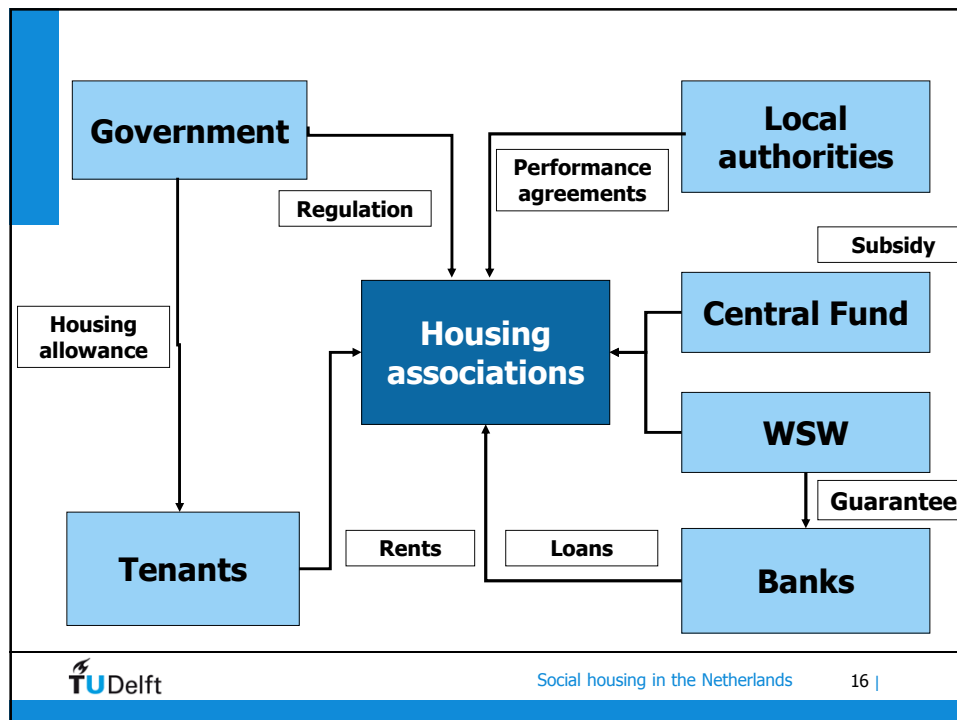


- Lowest income decile



Social housing in the Netherlands

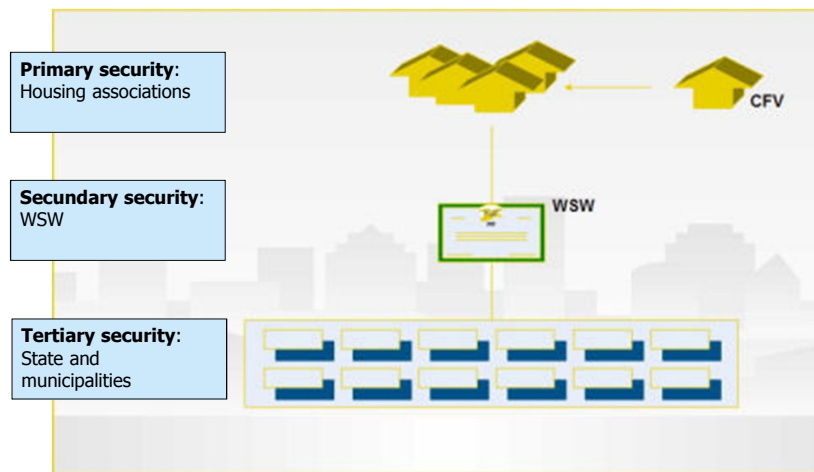
- History
- Figures
- **Institutions**
 - **Actors**
 - **WSW**
 - **CFV**
- Current issues



The Guarantee Fund for Social Housing (WSW)

- WSW was set up in the 1980s, initially to guarantee loans for housing improvement later for all housing loans.
- The guarantee fund is backed by the government.
- WSW has a **triple A** credit rating.
- This fund enables HA nonprofits to guarantee their capital market loans therefore access to the capital market and a low interest rate are assured.
- Combined, these 'checks and balances' provide a robust safety net for housing associations.

WSW Guaranty Structure



The Central Housing Fund (CFV)

- Government agency which supervises the financial viability of housing associations
- Can order remedial actions from housing associations if they run into financial difficulties.
- Provides additional financial support to housing associations while they implement remedial actions.

Social housing in the Netherlands

- History
- Figures
- Institutions
- **Current issues**
 - **Eu-legislation**
 - **New tenures**
 - **Reputation**
 - **Rutte II**



Dutch Social Housing and the EU

- According to EU state aid given to Dutch housing associations is in violation of the rules of the unitary European market.
- Stricter division needed **between Services of General Economic Interest (SGEI)** and non-SGEI



New regulation 2011: more targeting

- At least 90% of all vacant homes need to be allocated to households with an annual income below € 34,000.
- The remaining 10% can be allocated to higher income households if they encounter difficulties in finding adequate housing.
- In addition, state support is only allowed to develop affordable rental housing and real-estate intended for Beyond bricks and mortar or to improve neighbourhood facilities, such as primary and secondary schools and neighbourhood hubs.

Dutch Social Housing and the EU

SGEI

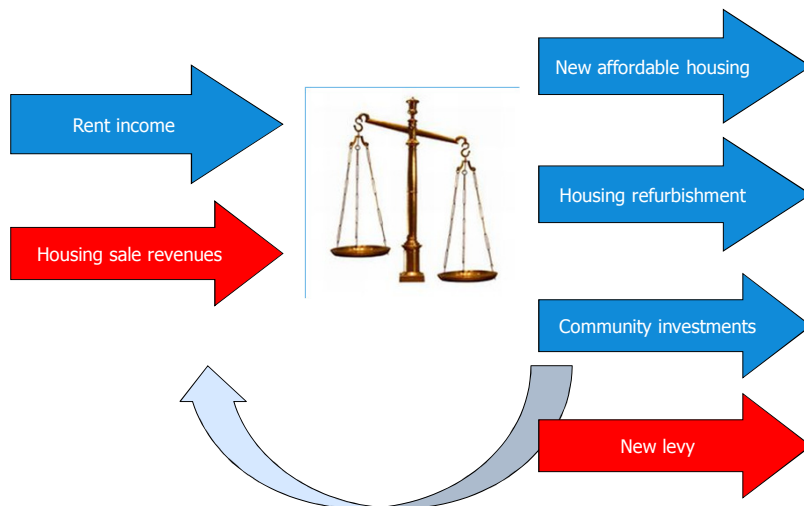
- Rental housing with rents below 666 Euros a month
- Public purpose buildings

Non SGEI

- Private rental housing with a rent higher than 666 Euros monthly
- Homes for outright ownership
- Commercial real-estate (offices, rental)

No WSW guaranteed loans for non-SGEI activities

Revolving Fund Principle



Sales and intermediate tenures

| | 2007 | 2008 | 2009 | 2010 |
|------------------------------|---------|---------|---------|---------|
| Number of sales | 14.300 | 13.400 | 13.100 | 15.100 |
| House price | 141.000 | 147.000 | 140.000 | 142.000 |
| * Share intermediate tenures | 13% | 19% | 29% | 31% |

Source: Centraal Fonds 2011

An example (1.000's Euro)



| | buying | selling |
|--|--------|-------------------------|
| Value of the dwelling | 200 | 230 |
| Price paid | 150 | |
| Increase due to investment of the owners | | 10 |
| House price increase | | 20 |
| Price received by seller | | 170 (150 + 10 + 0,5*20) |

An example (1.000's Euro)





| | buying | selling |
|--|--------|-------------------------|
| Value of the dwelling | 200 | 180 |
| Price paid | 150 | |
| Increase due to investment of the owners | | 10 |
| House price increase | | -20 |
| Price received by seller | | 150 (150 + 10 - 0,5*20) |

Koopgarant as instrument in asset management

- An instrument to create mixed neighbourhoods
- The dwellings are tied to the housing association
- The risk of deteriorated neighbourhoods is a risk for housing associations:
 - They guarantee to buy back the dwelling
 - They share the loss
 - They end up with a dwelling in a deteriorated neighbourhood
 - Instrument for vulnerable neighbourhoods

Reputation



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New government

- Increase new tax to 2 billion a year in 2017
- Local government should steer housing associations
- Change rent setting system: no more points, max 4,5% of the value (property tax)
- Rent increase:
 - Inflation+1,5%, < 34.000
 - Inflation+2,5%, 34-43.000
 - Inflation + 6,5%, > 43.000
- Limit task to building, letting and maintaining social rental dwellings

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Lessons

- Dutch social rental system failed:
 - Supervision not strong enough
 - Self-regulation did not work
- Future:
 - Too much focus on affordability
 - But: housing associations are important for quality and energy efficiency of dwellings and quality of neighbourhoods
 - The agenda of social enterprises of EC
 - Challenge to find good governance

Questions?

