Mapping the market: a portfolio approach for informed deliberation of urban development strategies
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Citation for published version (APA):
Hoetjes, P. J. (2010). Mapping the market: a portfolio approach for informed deliberation of urban development strategies

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Introduction: plans, projects and the portfolio

Don't buy the house, buy the neighbourhood
Russian proverb

1.1 Introduction

For anyone who has ever bought a house this proverb is superfluous advice. Most people do not need to be reminded to take into account the qualities of the neighbourhood, in addition to the amenities of the house. Clearly, apart from considering the quality of the house and the neighbourhood, the return on their investment over time is a central concern. Risk-avoiding buyers will contemplate whether the neighbourhood will maintain its value in the future, whereas risk-takers will seek to make a profitable deal by buying a hidden gem in an undiscovered area. The remarkable value increases of many neighbourhoods and housing markets sometimes makes people wish that they had taken the proverb literally.

One of the starting points for this research is the increasing awareness that also for urban planners the market positions of urban neighbourhoods and value increases are of increasing importance. This book will offer one possible way for generating a better understanding of the changing positions of neighbourhoods and their appeal in the property market. This knowledge is useful or even necessary for effective strategy-making in current urban planning practice. This is clearly the case in Amsterdam, where this research was initiated in cooperation with the City of Amsterdam’s Physical Planning Department (DRO¹). During the course of this research, the City of Rotterdam’s planning department (dS+V²) expressed a similar interest, which indicates the wider interest that Dutch cities have for such insights.

This expressed interest is exemplary for a wider, more fundamental set of questions relevant for planning research. Many city administrations are aware that reality no longer follows the more traditional way of urban planning, in which a comprehensive view of the city or region is the starting point for initiating urban developments. Instead, initiatives for urban projects often emerge at unplanned locations and in unplanned manner, with planners and (local) government in a relatively weak position to steer developments according to the greater design. The awareness that urban planning has lost much of these powers to private and semi-private actors, raises fundamental questions about how and to which extent planning should adapt to these new conditions in order to effectively attain public goals.

One of the ways to contribute to such effectiveness is to increase the knowledge about these new conditions, i.e. knowledge about the dynamics of the

¹ Dienst Ruimtelijke Ordening
² An abbreviation of Dienst Stedenbouw en Volkshuisvesting
property market. This raises other questions which are central to planning research: what constitutes relevant and rigorous knowledge and information and who assigns these values. Equally important is the pressing question of how planners can organise the generation of knowledge which is both rigorous as relevant and how it can be supported by research.

The portfolio approach, an instrument developed in close cooperation with DRO, is central to this research. Based on the idea that the city can be seen as a portfolio of neighbourhoods with different positions in the property market, the portfolio approach literally maps these market positions by looking at property values. Part of the approach is that it invites stakeholders to discuss these patterns, in order to generate a type of knowledge that can contribute to successful action in the field of urban (re)development and drafting of spatial strategies. As the object of this research, the portfolio approach is also the outcome; this research seeks to develop an instrument useful for practitioners, by developing, testing, applying and evaluating this tool.

The expressed need for more insight into the market dynamics is particularly interesting in light of the firm tradition of land use planning in Amsterdam. Local government was largely in control of the where and how of urban development throughout the 20th century. In order to sketch the background of this research, I will start with a short narrative of the relationship between plans and projects in Amsterdam during the past two decades. The case of the Zuidas provides an interesting illustration of some of the struggles in Amsterdam with the new spatial and economical context. The research project of the portfolio approach can be seen as a product of the changing forces in Amsterdam that, although unique in many ways, are exemplary for other cities in the Netherlands and beyond.

1.2 Planned but never realised, realised but never planned – the case of Amsterdam

The Netherlands is known internationally for its firm tradition of comprehensive planning (Faludi and Van der Valk, 1994), with a planning system that supposedly has some teeth in it (Friedmann, 1998). The reputation of Dutch planning is based particularly on its state-led urbanisation. Most of the development and redevelopment after WWII took place at locations designated by local, regional, provincial and national government. The location, types of land use and housing, densities and architecture were all controlled by the state. The neatly planned urbanisation resulted in the lauded preservation of much of the open, agricultural landscape, most notably the Green Heart as a green counterpart to the urban Randstad (Burke, 1966; Van Duinen, 2004). Figure 1.1 depicts the location of the Randstad and its two largest cities, Amsterdam and Rotterdam within the wider, urbanised area of northwestern Europe.

Several authors challenged this idea of the Netherlands as a planner’s paradise. According to Hajer and Zonneveld (2000), a closer look reveals that much of the reputation of the Dutch planning system is based on the ‘input’ of planning: in

3 For more thorough studies on the evolution of urban planning in Amsterdam see e.g. Wallagh (1994), Jolles et al. (2003) and Healey (2007).
particular the number of planning professionals from various kinds of planning institutions and the many planning documents that they produce for different layers of government. Assessment of the outcome of this planning system does not reveal an idyllic paradise. Bontje (2003) argues that in fact only the policy of ‘concentrated deconcentration’ from the 1960s to the 1980s was relatively successful in realising urbanisation according to the overall policy goals. More recent urbanisation followed the idea of urban containment, but proved problematic in terms of providing the required number of new houses (Korthals Altes, 2006), as well as in terms of meeting (increasingly suburban) consumer demand (Bontje, 2003).

**Figure 1.1: Amsterdam and Rotterdam as part of the urbanised Randstad in the Netherlands**

![Amsterdam and Rotterdam as part of the urbanised Randstad in the Netherlands](image)

*Source: adapted from Nota Ruimte (Ministerie van Vrom, 2006)*

In addition to the reputation of the Dutch planning system, a more important notion is that in the past decades international trends have been creating a new socio-economic, political and spatial context for planning (e.g. Hajer and Zonneveld, 2000; Albrechts and Mandelbaum, 2005). In spatial terms, it has resulted in polycentric cities and regions, which are at the forefront of the international urban landscape (e.g. Sassen, 1991; Castells, 1996). Private organisations, big and small, now have an increasing spatial range for doing and locating business, while on the other hand cities, regional and national governments have difficulties to keep up with the increasing scale of socio-economic activities (Brenner, 2004; Healey, 2007; Salet and Thornley, 2007). In addition, in the past decades the capacity of governments to achieve public goals generally decreased, primarily due to tax and budget cuts but also due to processes of liberalisation and privatisation (e.g. Brenner and Theodore, 2000a). Together, this put an increasing practical and moral strain on public sector agencies to be more cost-efficient.
This has huge implications for urban planning. As the activities and investments of individuals and organisations are becoming less territorially bound, and also amidst the decrease in financial means, achieving public goals in urban planning is increasingly becoming dependent on private means. Planning in the Netherlands is no exception to this rule. As a result, the dependency of local governments on outside investments increasingly replaces local-central government relations (Kreukels and Spit 1989; Korthals Altes, 2002; Louw et al., 2003). Since the private sector may have a different perspective when looking for investment opportunities in the city, this has serious consequences for local governments. As a result, some areas where local government would like to see investment may not follow the investment interests of the private sector, which is actually a frequent conflict.

Amsterdam facing the new context
This key problem of disjoint interests is apparent in Amsterdam. Too often, Amsterdam’s Physical Planning Department produced plans that by the time they entered the implementation phase, turned out to be not what developers, investors or housing associations were thinking of developing. In other cases, plans were made for areas that were simply not ‘ready’ for development. This is not to say that the planners and policy-makers in Amsterdam have no idea about what makes areas attractive for private investment, or which areas are ‘heating up’. Neither does it mean that the city of Amsterdam was generally unsuccessful in implementing policies and attaining goals in terms of planning. The opposite is true. Amsterdam is usually portrayed as a city that effectively combines economic competitiveness with a relatively large degree of social equity, for which urban planning often takes some credits. In spatial terms, the city is generally appreciated for its liveability, a vibrant city centre, the relative heterogeneity of neighbourhoods, tolerance and diversity (Soja, 1992; Fainstein, 1997; Terhorst et al., 2003).

Yet despite the generally favourable position of Amsterdam, all of these virtues are continuously put to the test. Like any government, Amsterdam faces the ‘meta-challenge’ of finding and maintaining a proper balance between competitiveness and cohesion, while facing the various challenges of attracting private investment and creative entrepreneurs, upholding environmental standards, fighting segregation and poverty and stimulating the production of new housing. These challenges have to be addressed in a growing number of different political and economic arenas, ranging from improving living standards with local residents in neighbourhoods, attracting private investors operating at the regional and (inter)national level and competing and cooperating with surrounding municipalities and other layers of government about e.g. large infrastructure projects.

So what was once a great social welfare city in a leading European social democratic state found itself in a new resource context and with a changing socio-cultural base and governance landscape. (Healey, 2007, p. 58)

As noted by Healey (2007) in her research on urban strategy-making in Amsterdam, this makes urban planning much more complicated than thirty or fifty years ago, when the where and the how of urban projects mostly followed comprehensive plans, which were supported by funding from national government.
Three generations of structure planning

Amsterdam has a history of producing spatial plans that embody a comprehensive vision of the structure of the city and the manner of incorporating future developments in this structure. The 1935 General Expansion Plan (AUP) laid the base for developments in the rest of the 20th century. To this day, it provides an important reference for debates on renewal and new expansion plans. The city’s characteristic hand-shaped demarcation central to this plan is still clearly recognisable, and so far the city has successfully retained the generally appreciated physical distinction between the city and the open space surrounding it. Residential functions, offices and commercial functions are mostly located where they were planned.

Figure 1.2: Four consequent structure plans, formatted more or less uniformly (the red colour indicates a focus on further urbanisation in existing or new urban areas)

After a long time of producing only thematic plans for either housing or offices, a second generation of plans emerged. In 1985, the first comprehensive spatial structure plan since 1935 was drafted (Gemeente Amsterdam, 1985). In contrast to the AUP, the general emphasis was not on expansion but on urban development chiefly within the city, based on a philosophy of urban containment. The plan provided the general substantive concept for the subsequent structure plans of 1991 (Gemeente Amsterdam, 1991) and 1996 (Gemeente Amsterdam, 1996). In fact, both are in effect adaptations of the 1985 plan, meaning that they were the product of the same planning paradigm. All three of these plans honour the demarcations of the city,
designed in the 1935 plan. The clearly dominant paradigm is the idea of the compact city, which is in particular a monocentric city. In a time when many economic functions were fleeing the city centre for the periphery, policies were mainly focussed on retaining the economic health of the centre. This resulted in policies and plans aimed at stimulating office development in the city centre, while limiting large scale office development at the urban fringes (Ploeger, 2004).

Since the structure plan itself was not an instrument meant for direct implementation, in 1989 the municipality introduced the Programme for Spatial Investments (from hereon referred to as PRI). The programme was meant to ‘provide a realistic and inspiring vision of public plans and thereby gain regional business’ confidence in particular, inviting them to cooperate with local government in investing in the city’ (Smit, 1998, p. 126). The PRI is seen as an elaboration of the structure plan and when another instrument, a ‘progress report’ [Voortgangsrappportage] is added, the result is a three-stepped planning system which, according to Wallagh (1998), is quite successful. The general directions of the structure plan are evaluated in the progress report, which in turn are translated into projects in the PRI. However, this system did not last for very long. Halfway during the 1990s, there was a shift towards a more project-oriented planning in Amsterdam, where projects appear to be the purpose of planning rather than a means to achieve wider goals: ‘the power shifted to the projects, while structure planning is struggling to keep up’ (Ibid., p. 150, translated by the author).

### Centre versus periphery and the Zuidas

A comparison of the four structure plans of 1985, 1991, 1996 and 2003 (Figure 1.2) with the implemented projects demonstrates that there was a growing tension between plans and projects already at the end of the 1980s. The most notable discrepancies between the structure plan and the projects involve sites outside of the centre, particularly along the ring road. Not surprisingly, accessibility by car and public transport, as well as their high visibility, make these sites highly attractive as office locations. However, the municipality views large-scale development of these sites as a threat to the economic vitality of the city centre. Therefore, the structure plans of 1985 and 1991 speak only of limited development at the periphery. Although they fully acknowledge the potential of these peripheral locations, they opt for a limited and strictly public-led development, a policy de facto initiated in 1980. Whereas the city centre, the IJ-bank in particular, is given much room for commercial development (while respecting its historical heritage), the plan for the sites along the ring road is to develop them into small, specialised economic clusters: one for clothing, others for back office functions, telecommunication as well as trade and congress facilities. They are specifically not to compete with employment in the city centre. This placed a lot of stress on the Zuidas, which was labelled a location for financial trade and congress facilities (Figure 1.3 outlines its location in Amsterdam).

In 1991, in response to growing pressure on the periphery, the municipality decided to develop these areas more actively. However, the Zuidas, which bore the brunt of the pressure for office development, was still to remain only a secondary centre for trade and finance, because large scale development would undermine the office programme for the restructuring of the waterfront in the centre (Ploeger, 2004; Wallagh, 1994). The persistence to focus on development at the IJ-banks in-
Instead of the much more popular Zuidas can be seen as an example of a lack of market-conscious planning. From a spatial point of view, and looking at best practices from other countries, Amsterdam seemed like the perfect city for economic waterfront development. Yet the attractiveness of the Zuidas for office development was sure to spoil these ambitions. Ultimately, only after one of the largest Dutch banks threatened to leave Amsterdam altogether was the Zuidas slowly opened up for development (while the ambitions for the centre were reviewed). Nevertheless the 1991 plan clearly shows the municipality was still struggling:

At this moment there is no need to change the land use of the sports grounds south of the ring road, apart from the planned location of the headquarters of the ABN/AMRO. (Gemeente Amsterdam, 1991, p. 112, translated by the author)

At the same time, the pressure on the area increased:

Before any decision on further developments can be made, an integral study into the whole area around the southern ring road has to be made (Ibid., p. 113, translated by the author).

Figure 1.3: Amsterdam with some of the areas and sites mentioned

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4 Even though the initial plans for the IJ-banks included a public-private partnership
In 1993, the municipality finally and fully embraced the Zuidas as the new CBD, planned and designed to be the financial centre for international offices and national headquarters (Salet and Majoor, 2005). Former alderman Stadig (2005) speaks of a ‘surrender to the market’. It is around this time that the secondary centres are (not entirely voluntarily) no longer seen as threats to the compact city idea, although still within the same hierarchy of centre versus periphery. The idea that peripheral locations should become single-use commercial areas was abandoned already in 1991, but only became official with the structure plan of 1996. Still, the municipal view of these areas remains somewhat ambiguous, as they are, according to the plan, ‘perfectly suitable for educational, health and office functions that cannot be accommodated in the centre’ (Gemeente Amsterdam, 1996, p. 70, translated by the author).

The shift of focus towards a polycentric city is not only the result of the ‘surrender’ to pressures from the market, but it is also related to a growing reassurance in the 1990s that development of peripheral locations does not pose a threat to the economic viability of the centre, as was always feared. While the attractiveness of the centre for constructing larger offices did in fact diminish, this was more than compensated by the centre’s increasing popularity with smaller businesses of all kinds of creative industries and tourism (see for instance Kloosterman, 2004) and, moreover, by its increasing popularity as a residential area.

The structure plan of 2003 marks what can be seen as the third generation of structure planning, which ‘officially’ replaces the compact city paradigm with that of the polycentric city. The concept of ‘urbanity’ takes a central position in this plan, in which nodes along the ring road do not have a secondary status any longer, nor are they seen as threats to the city centre (Bertolini and Salet, 2003). Instead, they are now considered of urban or regional importance, equal or almost equal to the city centre.

A shifting interdependency

It has taken the municipality quite some time to come to grips with the polycentric city and the market pressure as a driving force behind it. In retrospect, it appears that the structure plans of 1985 and 1991 largely corresponded with national and local planning goals. In 1985, most of the attention and resources were focussed on urban renewal (by that time already in full swing) of the pre-war neighbourhoods; this corresponded to national policies for renewal and was supported by accompanying funds from central government. Most of the residential projects in Amsterdam directly follow from the structure plans of 1985 and 1991. However, during the late 1980s and beginning of the 1990s the pressure from the private sector increased. The municipality started to lose its grip on development and struggled with market pressures, particularly for office development. The case of the IJ-bank versus the Zuidas is a clear illustration of this planning dilemma.

Allowing office development along the ring road, particularly the policy change regarding the Zuidas, can be seen as a sign of municipal awareness of the new context. In fact, office development at the periphery generated substantial resources for the municipality by issuing land in leaseholds. The resources were used

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5 Amsterdam has a tradition of ‘active land policy’. By issuing land in leaseholds, the municipality gains land rents. Profits are deposited in a special revolving fund (Vereeningsfonds),
to finance residential projects (social housing and investments in public space) elsewhere in the city. Thus it seems that market-conscious planning was needed only in terms of office development, which allowed the municipality to retain much of its control over residential projects. Nevertheless, this practice of financing housing through revenues from office development has come under increasing pressures. First, the economic recession at the end of the century led to serious cutbacks in office developments. Land revenues started to dry out, which in turn threatened the feasibility of expensive residential projects. As a result, already scheduled projects had to be screened for possible adaptations that would make them more feasible. Another implication was that the municipality yielded more influence and financial responsibilities to other actors, particularly housing associations (this is related to the changing role of housing associations in the Netherlands after their privatisation [though not full deregulation] in 1995). The more structural implication was the municipality’s change of strategy around 2006, asserting that from that moment forward residential projects should be largely self-sustainable (Haan, 2006; Ontwikkelingsbedrijf Gemeente Amsterdam, 2006).

With both housing and offices now more dependent on the market, the main observed shift is the change in the dependency relationships. Looking at the way the municipality makes choices about where and how to develop in the city, three main sources of investment that determine these urban developments emerge. First, they are the direct results of local government’s own policy goals and ambitions to invest in some parts of the city. Second, these choices are to a certain degree steered by central state policies that set policy frameworks for more general issues, problems and opportunities (along with the accompanying investments funds). The third, increasingly influential force is the private sector and in particular its interest (or lack of interest) to invest in certain parts of the city. This means that, in spite of the still high financial dependency of municipalities on central funding in the Netherlands, the private sector increasingly seems to take over the role of central government, i.e. using funding to determine where and how urban developments take place.

Towards the portfolio approach

The changing relationship between plans and projects in Amsterdam, strongly related to the changing relationship between the public and the private sector, demonstrates that in order to reach public goals one has to take market dynamics into account (a lesson sometimes learned the hard way). If urban (re)development increasingly depends more on private and semi-private investments, then this raises the need for local government to be informed which parts of the city these (semi-) private actors are interested investing in and why. The development of property values is of particular interest. Not only do property values indicate the neighbourhoods’ positions within the city, which is one of the key aspects of the portfolio approach,

which are then used to finance other, less profitable projects. For further details about active land policies in the Netherlands see Needham, 2002).

6 In turn, to a significant degree national policies are fuelled by (lobbying) cities (e.g. Healey, 2007).
but (increasing) property values are also, in different direct and indirect manners, an important source of income for local governments to finance public goals.

Neither the tension between plans and projects (Buchmüller et al., 2000; Healey and Williams, 1993) nor the challenge to reconcile public goals with private ambitions is unique to Amsterdam. Most of the Western European and American cities currently face this challenge (Savitch and Kantor, 2002; Newman and Thornley, 2004). Hence, knowing which parts of a city are interesting for private actors, as well as understanding their underlying motives, is crucial information for planners. It allows local government to anticipate rising interest in those areas, but it also gives an indication which parts of the city strongly rely on public and semi-public investments. These are the insights that should increase the chances of choosing successful planning strategies. In the terms of John Friedmann (1987), this type of knowledge can improve the chances of taking successful action. A better understanding of the opportunities for development should contribute to devising more sophisticated planning strategies. It should help to inform and stimulate the deliberation of interventions in the city: In which parts of the city can or should local government intervene, considering that it has to be selective with its investments? When and how should it intervene? With whom? What kinds of interventions are needed to improve an area or to trigger other actors to join? Where do interventions have the largest impact? With the limited resources of local governments, there is a need to be effective and efficient with respect to the implemented investments and the interventions.

These are highly strategic considerations and they resemble the kind of considerations discussed in the theory and practice of strategic portfolio planning in corporate business. That is, one has to have insight into the relative positions and the potential of different parts of the city in order to develop realistically implementable strategies. It is therefore hypothesised that it is useful to look at the city as a portfolio of neighbourhoods, which is the basic substantive idea of this research and is further elaborated in Chapter Two. In this urban portfolio, some neighbourhoods are doing better than others, some are rapidly upgrading, while others are slowly declining and others have a stable position. The relative positions of neighbourhoods should indicate to which extent they are appealing for private and semi-private stakeholders.

The next question concerns the type of research suitable for achieving this objective. Rather than only providing an ‘answer’ in terms of illustrating the market dynamics in Amsterdam (i.e. where the opportunities for development are located or how private investors look at parts of the city) the aim of this research is to develop a way for the Physical Planning Department to find such answers by itself. This means that the central aim of this research is to develop, understand and evaluate a concept or instrument which can provide substantive information about the market dynamics in terms of the changing positions of urban neighbourhoods. The knowledge and information generated should inform and stimulate the deliberation of planning strategies.

Crucially this should lead to a research product which will be useful for practitioners, in this case Amsterdam’s Physical Planning Department. At the same time, the challenge for urban planning in Amsterdam is illustrative of the wider urban planning challenge faced by many cities. Therefore, understanding how the
portfolio approach works in Amsterdam should add to the more general understanding of how to apply instruments, such as the portfolio approach, and support urban planning elsewhere. As will be discussed in Chapter Four, the usefulness of instruments that aim to support planning is by no means self-evident. It is strongly believed that one of the reasons for this is that the development of such instrument often takes place by doing research for practitioners, whereas doing research with practitioners should receive more attention (Balducci and Bertolini, 2007). Chapter Four will discuss the methodological implications of this.

1.3 Central research question and the organisation of the book

The central aim of the research is to develop an instrument that stimulates and contributes to the informed deliberation on planning strategies and interventions. The aim of this research project is not easily rephrased as a descriptive, explanatory or predictive research question. For instance, it is not the central aim of the research to predict the variables behind neighbourhood positions and capture these in a model. The subject matter is too messy and context-laden for this and it is believed that any tool, model, or instrument would fail to capture these complexities. More importantly, highly sophisticated attempts to do so have had limited success in providing practitioners with useful support in daily practice (Lee, 1973; Brail and Klosterman, 2001). Neither does this research aim at understanding or assessing current, previous, or possible planning strategies, actions and interventions and the extent to which they are based on the portfolio approach. Decision-making is a fragmented process with many different actors, agendas, motives, which is further subdivided in many sub-decisions and based on various kinds of knowledge (e.g. Cohen et al., 1972; Teisman, 2000). To study these processes in relation to the portfolio approach is beyond the scope of this research (and difficult at best).

The fundamental research goal is much more related to the instrument itself. Since the aim of this research is to develop an instrument useful in practice, it requires a different type of research object and a different type of research question. In contrast to a social or physical phenomenon, the instrument itself is the object of research (Simon, 1969). And in contrast to trying to understand a social or physical phenomenon, the research objective is to evaluate the instrument designed by the researcher (Van Aken, 2004; 2005). In other words, this research will focus on testing whether the instrument works and on explaining this outcome. Thus, the research is based on two central questions:

1. To which extent is the portfolio approach a useful approach for generating knowledge about positions of urban neighbourhoods in the property market, their opportunities and possible intervention strategies?

2. Why and how does the portfolio approach (not) succeed in generating knowledge about positions of urban neighbourhoods in the property market, their opportunities and possible intervention strategies?

Crucially, this research will not follow an experimental sequence, starting with instrument development, continuing with testing and finally finishing with evaluation.
Instead, evaluation takes place during the application in practice, so that the functioning of the approach can be observed. This provided the opportunity to further adapt and improve the instrument during its application. Following Kolb and Fry (1975), the research process is considered a learning process in the sense that there is a continuing cycle from hypothesising and applying, towards observation and reflection, I will return to this matter and the methodological implications in Chapter Four.

I developed the portfolio approach in Amsterdam and applied it in six local cases. Considering the cooperation with the Physical Planning Department and the number of cases, Amsterdam is clearly the main locus of this research. The demonstrated interest for the portfolio approach by planners working for the Rotterdam planning department also provided impetus to test the approach there. This allowed for analysis of the extent to which the approach is limited to the Amsterdam context, or whether it could be useful and applicable in Rotterdam as well, i.e. another large Dutch city. Hence, two workshops were organised in Rotterdam, as ‘mirrors’ to the findings in Amsterdam.

Organisation of the book
The introduction illustrated the need for providing more insight into the market dynamics of urban neighbourhoods, as expressed by the Amsterdam Physical Planning Department. It also illustrated the changing relationship between spatial plans and urban projects in Amsterdam, the local background of this research, which was the inspiration for the portfolio approach.

Chapter Two will cover the structural changes of the wider, national and international background. Technological, socio-economic and political developments have changed the landscape for planning in both spatial as institutional ways; and this chapter will discuss the implications of this development on strategic spatial planning. Subsequently, drawing on business literature, I will introduce the portfolio approach and will show how this tool, which originate in strategic planning in business, can be translated to the world of urban planning.

One of the things that become clear in Chapter Two is that, particularly in light of the complexities of modern day planning, strategic planning tools cannot provide strategies by themselves. Chapter Three will look more closely at the types of knowledge and information that such tools can provide. This is related to the changing epistemological treatment of knowledge and information in planning, as well as to the issue of rationality. It should improve the understanding of the type of information the portfolio approach provides and particularly the way it can contribute to generating shared knowledge among stakeholders.

This stated research goal, to develop the portfolio approach as an instrument useful in practice, raises methodological questions that will be addressed in Chapter Four. How can one safeguard the scientific rigour of research aimed at developing practical instruments, such as the portfolio approach? It is a question closely related to the dilemma of scientific rigour versus practical relevance. This

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Rotterdam is actually quite different from Amsterdam, in its urban and regional economy, the different spatial structure, a more ‘relaxed’ housing market and possibly other important differences in its institutional setting.
Chapter will make the argument that in order to meet both of these standards one should apply a research approach less commonly used in social science, i.e. the design science approach (Van Aken, 2004; 2005). The main implication is that the portfolio approach is tested in practical cases, as well as evaluated on why and how it performs in generating the intended results in different situations.

The application of the portfolio approach in these different situations will be described in Chapter Five. The approach was applied in eight cases: five cases in the city of Amsterdam, one case in the Amsterdam Region and two cases in Rotterdam. These are workshops (featuring local planners, private developers, housing associations and other professionals) where the portfolio approach was used as a way to stimulate discussion about specific practical issues, e.g. how to develop a certain neighbourhood, or where to find opportunities for gentrification. The case descriptions consist of the author’s observations, interpretations and reflections, in some cases also interviews and questionnaires are utilised to capture how the portfolio approach was applied, how it was received by the participants, and how and why it raised certain discussions and outcomes.

Chapter Six consists of a cross-case analysis that, distilling from the single case analyses from the previous chapter, will provide more insight into the mechanism of why and how the approach may be expected to be effective, in which contexts and which outcomes may generally be expected. Following the approach of design science, this synthesis will be consequently rephrased in a prescriptive form (i.e. a technological rule), which will suggest the appropriate use of the portfolio approach.

Although the central aim of this research is to develop and evaluate the portfolio approach, testing and applying the portfolio approach produced much more than approach relevant findings. The workshops generated some interesting substantive insights as well: the changing positions of urban neighbourhoods, the driving forces behind these changes, opportunities for development and possible strategies. Similar to Chapter Six, Chapter Seven will provide a synthesis of the substantive patterns that could be distilled from the workshops, i.e. a reflexive interpretation of the various participants’ shared (or individual) insights, beliefs and perceptions.

In Chapter Eight, I will return to the research questions above and discuss the plausibility of the claims about the portfolio approach. This is also where the wider implications of the research findings will be discussed in terms of market-conscious urban planning, strategic planning, knowledge generation and the possibilities for further research efforts.

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8 As illustrated in this research, gentrification in the Netherlands usually does not generate the negative associations, particularly regarding displacement, to the extent it does in much international literature on the subject. This may be related to the notion that many processes of neighbourhood upgrading are (erroneously) referred to as gentrification.
Mapping the Market