Mapping the market: a portfolio approach for informed deliberation of urban development strategies

Hoetjes, P.J.

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6 Deconstruction of the portfolio approach

All generalizations are false, including this one
Mark Twain

6.1 Introduction
This chapter will present different types of evidence to test the hypothesised mechanisms of the portfolio approach. Applied in eight cases, the development of the approach was an iterative process. During the development of the portfolio approach, the emphasis in the research gradually shifted from trying to accurately identify and present neighbourhood positions, towards trying to accommodate a collective learning process with experts and stakeholders. Along with this shift grew the understanding that the evaluation of the approach is more a matter of searching for evidence of learning processes, rather than evaluating the ‘accuracy of the model’.

In the previous chapter, the individual cases were described and analysed as single cases. In this chapter, a cross-case analysis is used to test the two main hypotheses of the portfolio approach. First, the approach is seen as useful for generating knowledge about neighbourhood positions, opportunities and possible intervention strategies. Secondly, it is believed that this can be attributed to the specific combination of content and process that provides the information input and the learning platform. More specifically, it is hypothesised that the portfolio concept (consisting of the matrix, the maps, and the distinction between current position of neighbourhoods and their potential) provides a useful representation of the city’s market dynamics and a good starting point for discussion. These hypotheses are deconstructed to the elements outcome, mechanism, intervention and context. Following the concept of design science discussed in Chapter Four, the aim of the entire research endeavour is to conclude with a number of technological rules about the approach.

Before discussing the hypotheses, I will start by describing the development (or the evolution) of the approach, in order to provide a better understanding of how and why the approach changed, both in conceptual and procedural terms. Consequently, these changes will be related to the evaluation of how the approach performed in the different workshops.

6.2 Evolution of the portfolio concept
The phrases ‘evolution of the portfolio concept’ as well as ‘evolution of the portfolio workshops’, discussed in the following section, could simply refer to a description of how the approach developed. However, the term evolution embodies more than this: it implies that the portfolio approach can be seen as an artefact. Its devel-
Development is similar to processes of mutation, variation, and selection, all taking place in a changing environment. Obviously, the analogy with variation and selection does not nearly go as far as used in biology, where numerous variations over many years are ‘tested’ by what Dawkins (1986) described as a ‘blind watchmaker’. In contrast, different aspects of the portfolio tool were tested and altered only a few limited times. In addition, the approach was consciously adapted, rather than blindly, which is another major difference with the biological mechanism of evolution (see also Koen, 2003).

The aim of this chapter is to find direct and indirect evidence of why the approach did or did not work in the different cases. An evolutionary perspective however also provides a different type of evidence of at least some degree of success. The fact that the approach is still utilised, means that the tool works ‘here and now’, with needed adaptations to accommodate changing circumstances. It also means that sooner or later it will come to an end. The sections that follow discuss the ‘evolution’ of the conceptual and procedural aspects of the approach into the current version.

The first application of the portfolio approach took place in 2003, the most recent in the summer of 2007. The most recent version of the approach is described at the beginning of Chapter Five. In the years in between, the approach cycled through Kolb’s learning cycle a number of times: from hypothesising how the approach might work best; to testing and experiencing it; to observing and reflecting upon it; further towards generating more abstract ideas about the approach; which in turn is used as input again for further hypothesising about how to apply it; and so on. In the course of these cycles, some elements of the approach changed, while other aspects remained the same. Characteristics of the approach have been altered, removed, replaced, or added, in a process that to some extent was guided by trial and error. Changes to the approach were made during the preparation of workshops, during the workshops themselves, while reflecting on them afterwards, and through reconceptualising (parts of) the portfolio concept. As described in Section 4.8, Kolb’s learning cycle did not progress according to its ideal-typical manner.

The evolution involves both procedural aspects about how to organise the workshops, as well as more substantive issues regarding the application of the portfolio concept. Changing the content influences the process and vice versa. In order to better understand its hypothesised mechanism, the section below will describe and analyse the evolution of the approach, both in terms of context and process.

**Initial idea**

The evolution of the approach started with the idea that the city can be seen as a portfolio where decisions about where and how to invest should be based on information about the neighbourhoods’ strategic positions. Neighbourhoods, similarly to other products, go through a life cycle; local governments could utilise or intervene in these cycles. It was decided to identify the neighbourhoods’ positions, inspired by the Growth-share matrix, and to make a distinction between the neighbourhoods’ current ‘performance’, and their potential.

In the first version of the urban portfolio, the performance of neighbourhoods was identified by looking at real estate valuations and whether these fell below or above the city average. The potential, on the other hand, was based on about
ten interviews held with individuals active in the Amsterdam real estate business: investors, brokers, housing associations, and developers. The potential for development was based on spatial characteristics that were mentioned most often in the interviews. For residential use these included social status, the age of the buildings, the amount of open space, and the urban atmosphere of a neighbourhood. For commercial use these included accessibility by car and by public transport, social status, and the presence of other commercial functions. Based on a combined measurement of these characteristics, neighbourhood positions in the portfolio were identified: stars, dogs, cash cows, and question marks (Figure 6.1).

Figure 6.1: The initial version of the portfolio concept

However, a conceptual problem emerged. Since property values obviously correlate with the opportunities in terms of spatial characteristics, the neighbourhoods’ positions on both axes are not independent as they are in the original Growth-share matrix. As expected, in this version of the approach, most neighbourhoods were indeed found along an imaginary diagonal axis (Figure 6.3). I found that the concept deviated too much from the Growth-share matrix, precluding the use of the same names for the four types of neighbourhoods. Hence, instead of stars, cash cows, dogs and question marks, the terms strong, vulnerable, weak, and talented were used respectively. The concept implied the intrinsic idea that in most neighbourhoods, both strong and weak, the prices and the potential were in balance: high values were mostly accompanied by high potential and low values by low potential. Most neighbourhoods thus were found in the weak and strong category, along a diagonal axis. Talented and vulnerable neighbourhoods could then, sooner or later, be expected to shift to a more balanced position. This resulted in a portfolio matrix as depicted in Figure 6.2, which was applied in the first three workshops.
Conceptual problems

Before, during, and after these workshops, other conceptual problems appeared. One of the explicit aims of the organising workshops was to trace these weaknesses, in order to test and improve the tool. One of these weaknesses appeared to be the way opportunities for development were identified, i.e. by measuring the average score on four characteristics neighbourhoods’ potential. Although maps demonstrating opportunities in this manner presented a recognisable picture of Amsterdam, they were not seen as the single right indicators in the workshops; a variety of other characteristics were identified. These included a neighbourhood’s reputation, liveability, and presence of parking space, shops, bars, and others. One option was to add these variables and indicators and to try to combine them in an integral variable for potential. Yet considering the differences between neighbourhoods, it was deemed unlikely that any such combined, measured variable would be able to grasp the complex ways in which (and reasons why) neighbourhoods provide opportunities. This is particularly true as these opportunities are, at least partly, highly subjective. The workshops and interviews already demonstrated how different (types of) actors have different perceptions of different areas in the city and the opportunities they offer.

The static nature of this indicator was a problem of more conceptual nature. The spatial characteristics showed (an approximation of) which areas are considered attractive by private and semi-private investors; these choices highly correlated with current property values. If the two were out of balance, this indicated that a neighbourhood was either talented or vulnerable. Although this makes sense, it does not demonstrate what makes neighbourhoods ‘really’ interesting for investing, i.e. a new or increasing opportunity. A stable neighbourhood with high property values and a good score on the pertinent spatial characteristics is not necessarily attractive
for investment, since most or all of its potential has already been capitalised.

Therefore, it was decided to indicate potential by a dynamic variable, similar to the Growth-share matrix, which proved very difficult. It was challenging enough to construct a combined variable from spatial characteristics, let alone to develop a tool to measure the change in these characteristics. Therefore, similar to the way neighbourhood performance was measured, it was decided to identify potential by value increases, which can be measured regardless of the driving force. Thus, the matrix featured a distinction between ‘potential’ (increase rates) and ‘capitalised potential’ (property values).

**Figure 6.3: Relative market value and development opportunities for residential neighbourhoods in Amsterdam**

With this adaptation, the idea of striking a balance between property valuations and potential disappeared. Although obviously property valuations and their increase are interrelated, this converges only after some time has passed. Only after several years of above average increase rates, property values also shift into another segment. Crucially, values and increase rates are not inherently interdependent: high or low values ‘now’ do not imply a high or low increase ‘now’ or vice versa. As a result, there will be neighbourhoods in all four categories. This conceptual difference, because of the dynamic variable, and the decreased interdependence between ‘x and y’ brought the approach back to the Growth-share matrix. Therefore, the names for the four ideal types of neighbourhoods were changed back to star, cash cow, dog and question mark (Figure 6.4).
In the next workshop, about ‘finding room for 50,000 houses’, the distinction between property valuations and their increase was used. As the comparison of the maps in Figure 6.5 shows, the portfolio map provide a more coherent image of the city. The previous map was more fragmented, which is not by itself a problem but in this case the new map appeared to correspond better with the participants’ ‘tacit’ perceptions of the city.

A longitudinal overview
As the residential property valuations were not up to date and also structurally lower than real life transaction values, it was suggested to start using the latter. Since valuations were only estimated every four years, whereas transaction values were collected every year, the added value of this approach was that a series of portfolio maps could be made. This longitudinal overview offered some advantages. First, the series of data allowed for some corrections to be made in the collected property values. Data may show strange outliers that remain invisible if one looks at just one
Deconstruction of the portfolio approach

Having data available from multiple years makes it easier to find and ‘smooth-out’ such outliers. Second, whereas one portfolio map gives a snapshot of the city for one year, a longitudinal overview provides a much more enriched view of how the portfolio developed over time. It demonstrates the neighbourhood’s historical path to its current position. By itself, this was a significant contribution to understanding and analysing the driving forces behind the neighbourhoods’ paths. This can be concluded also by the observation that displaying the sequence of portfolio maps in the later workshops raised more enthusiasm than the snapshot portfolio map from the earlier workshops. The sequence of portfolio maps can be seen in Appendix IV.

The main disadvantage of using transaction values, however, is the fact that the portfolio maps use only owner-occupied dwellings, which leaves out the rented housing stock. In some of Amsterdam’s neighbourhoods the share of rented housing is close to a hundred percent. In these neighbourhoods, there are almost no real estate transactions; thus, these maps remained blank. With the recent change in measuring property valuations (they are measured more frequently and realistically), valuations have become a useful alternative again and may be used in the future.

The use of transaction values may produce a distorted pattern in some neighbourhoods, due the sale of social housing by housing associations. On average, social housing units are sold at lower prices than other units (Dienst Belastingen Gemeente Amsterdam et al., 2008). One of the reasons for lower prices can be discounts, often offered to current tenants or other buyers, which may bring the price down below ‘market value’. Also, social houses may be sold for less because they are (perceived as) less attractive: social housing often comes in large estates, part of renewal schemes, and buying a former social dwelling house often means living next to social housing which is yet to be sold. In this case, the distorted effect is the result of a different type and quality of housing entering the market in a neighbourhood. The average quality and the average prices may decrease. Whether lower values create a distorted image in the portfolio maps depends on the share of social housing that enters the owner-occupied market in a short period, and the differences in quality (and thus price) between the social housing and the owner-occupied housing stock in a neighborhood.

For this reason, houses sold directly from associations to individuals were excluded from the data. It means that discounts and large-scale sales at one time take little effect in the portfolio maps. Transaction values of these houses only ‘enter’ the data when they are sold for the second time to other individual buyers. By then, there may still be an effect due to the different quality of the property, but I expect this to be marginal; in none of the workshops participants pointed at this effect as a possible explanation for ‘strange’ neighbourhood positions. If it were expected to be relevant for a neighbourhood still, then the effect should be discussed, rather than to try and correct this in the model.

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1 One could also argue that in fact social housing entering the owner-occupied market does not bring about a distortion, but in fact a correction of the measured market value of a neighbourhood.
‘Partial’ portfolio

Part of the evolution of the portfolio approach is the idea of the so-called partial portfolio, illustrating only a part of a city in a separate portfolio. In 2005, DRO organised a small workshop about the city centre in which, combined with some other maps, the portfolio maps. While the portfolio maps show the complete city, in this workshop there was a need to look at the differences between neighbourhoods within the city centre. In the portfolio maps of Amsterdam however, the city centre was almost completely saturated with stars and cash cows.

In order to address this problem, the idea emerged to make a portfolio map of only the city centre. Instead of looking at whether property values and their increase are below or above the city average, we looked at whether they were above or below the average of the city centre. This produced a new, partial portfolio of stars, cash cows, dogs and question marks (Figure 6.6). This ‘partial portfolio’ idea was used in similar workshops for the southern part of the city and for the urban renewal areas in West. Later, these were used in the workshop in Rotterdam about the opportunities in Oud-Zuid, where we also wanted to find the differences within the area, consisting mostly of dogs.

Figure 6.6: Partial portfolio of Amsterdam city centre

One could say that this distinction is artificial, as neighbourhoods do not function in isolated sub markets. Yet a similar argument can be made for the Amsterdam portfolio, the neighbourhoods are obviously not only ‘competing’ just within the city

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2 As I did not attend and co organise this workshop, it is not described in Chapter Five.
limits, but also in a wider area. There are no isolated property markets at any level, only nested markets. In addition, the size of property markets varies for different persons. Many people in Amsterdam for instance look for housing only within the ring road. Others may compare Amsterdam neighbourhoods with others in the region or even further away; the Amsterdam property market is partial or nested, like many other markets. Practically, the municipality can decide only about where to invest within its own jurisdiction, despite the wider range of the property market.

Similarly, the idea of making a partial portfolio for the city centre was geared at gaining more insight into the relative market dynamics within the centre, which forms the portfolio for the local borough. Nonetheless, the maps showing these positions were shown only after the maps of the complete portfolio, and they were always accompanied by the caveat that the positions in these partial should not be taken ‘for granted’, and that the neighbourhoods’ positions in the larger portfolio should always be kept in mind. This duality was confirmed by a participant in Rotterdam Oud-Zuid, who appreciated the idea of zooming in through the ‘Oud-Zuid portfolio’; it offered a refreshing optimistic view, in contrast to the gloominess otherwise associated with the area.

**Commercial portfolio**

In addition to identifying the urban portfolio of neighbourhoods in residential terms, a commercial portfolio was also identified. Similar to the housing market, neighbourhood positions change for offices and business premises as well. In the first three workshops, both the residential and commercial portfolios (not including shops) were demonstrated and discussed.

Like the first version of the residential portfolio, the commercial portfolio was mapped by looking at real estate valuations, set off against the combined variable of four characteristics: (1) accessibility by car, (2) accessibility by public transport, (3) the social status of the neighbourhood, and (4) the presence of businesses. For exactly the same reasons as within the residential portfolio, the indicators for neighbourhood positions were similarly altered. While market value was still measured by real estate valuations, the potential was indicated by their increase rates.

A problem that appeared in the ‘creative/knowledge city workshop’ was the notion that one cannot distinguish one unique property market for offices and another for businesses and industry. Participants commented that within this market, one should make a distinction between office space and business premises, as well as between large and small premises. Based on these comments, four commercial portfolios were identified: (1) offices smaller than 500 m², (2) offices larger than 500 m², (3) business premises smaller than 500 m², and (4) business premises larger than 500 m². Since the subsequent workshop (about finding room for 50,000 housing units) involved the residential portfolio more than offices and businesses, these four commercial portfolios were not applied there. Neither were they relevant for the topics discussed in the following workshops.

Whereas looking at property values for houses provides an up to date overview of the neighbourhood’s position, for offices this is less useful. As commercial real estate is usually in the hands of property investors for a longer period, and with many more houses changing property than offices, it was deemed more interesting to look at the rent values and increase rates. Since these are more volatile, they gen-
erally present a more accurate image of an area’s position (Figure 6.7). Overall however, the office portfolio was used much less, due to the specific topics of the subsequent workshops, which were related more to the housing market.

**Figure 6.7: The office space portfolio**

6.3 **Evolution of the portfolio workshops**

Not only did the portfolio approach change in terms of content, but also how we organised the workshops changed as well, due to additional insights into the best ways to facilitate a collective learning process. Reflecting and theorising on what happened in the workshops, the aim shifted to seeing how such a learning process could be stimulated. With this in mind, some aspects of the workshops were altered or replaced, while others remained the same. These changes are discussed below, presented in the order of the subsequent steps followed in the workshop.

**Introduction**

All workshops started with a discussion of the topic at hand and the presentation of the portfolio maps. This was followed by general or specific questions about the maps, data or the approach. In the first two workshops, which involved single neighbourhoods, the portfolio positions of the concerning areas were hidden from the screen. This allowed the participants to first think about its position by themselves, than to share this view with the group, and then finally to confront the tacit and explicit information with each other. Although this successfully generated discussion, it was seen as suitable only for workshops that focussed on a single
neighbourhood, i.e. the first two workshops. Hence, in the subsequent workshops that focussed on large levels of scale, the portfolio maps were shown directly; the participants did not first give their perceptions.

**Analysis**

In the first four workshops, an inventory was made of influential trends and developments within and outside of the neighbourhood or the city (depending on the scale of the workshop). In the workshops on the neighbourhood level, these trends and developments were distinguished and put in a matrix, depicted in Figure 6.8. This demonstrated the differences between developments within and outside of the concerning neighbourhood and the larger scale interventions. These developments and interventions, which lie outside of one’s control, could then be related to ‘one’s own’ possible interventions within the neighbourhood. This way of analysing was suitable for workshops focussing on a single neighbourhood or area. For workshops that involved a larger level of scale, however, this appeared too abstract to be useful.

**Figure 6.9: Process protocol on city and area level, as developed and used in this research**

<table>
<thead>
<tr>
<th>Within the neighbourhood &amp; autonomous</th>
<th>Interventions within neighbourhood</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mentioned by participants</td>
<td>Given</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Outside of the neighbourhood &amp; autonomous</th>
<th>Interventions outside of neighbourhood</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mentioned by participants</td>
<td>Given</td>
</tr>
</tbody>
</table>

The fifth workshop looked at the driving forces behind neighbourhood change, and this was the first workshop to feature portfolio maps that changed over time. Hence, the driving forces were discussed by successively discussing a number of different areas in Amsterdam, in particular how to explain their changing positions in the portfolio over time. This resulted in a distinction of factors that drive neighbourhood change, an explicit aim of the workshop, which could be then used in the portfolio workbook (Combé, 2007). It seemed that the combination of the changing patterns in the portfolio maps and a discussion of the area generated a more tangible understanding of the neighbourhoods’ progression, instead of the more abstract analysis of trends and developments as depicted in Figure 6.8. These were seen as more relevant when the workshop focused on a single area, rather than (a large part of) the portfolio. Therefore, this analytical approach was subsequently also applied in the last two workshops in Rotterdam.

**Ambitions and opportunities**

In the first two workshops, the identification of possible ambitions was an explicit step in the process. Particularly in the case of the first workshop in Holendrecht, the
ambitions were not clear. Disagreement among stakeholders about the preferred future of the area hampered the ongoing planning process. By discussing these different ambitions and elaborating two strategies, it appeared that the disagreement did not need to stand in the way of continuing the planning process. In this case, discussing ambitions was an important step towards the development of strategies.

In the following three workshops (the Chassébuurt, the ‘creative/knowledge’ city, and siting 50,000 dwellings), ‘discussing ambitions’ was again included in the agenda. In two of these workshops, disagreement about possible ambitions was much less of an issue. Rather, differences of opinion about ambitions came to the front when more specific issues were addressed. Discussion revolved around specific questions, such as ‘whether one should aim to attract small-businesses in this street’, or ‘what should be the goal in dog areas at the urban fringe’.

In the next workshop (about finding the driving forces behind neighbourhood change), the step of identifying ambitions was replaced by a more tangible exercise of identifying opportunities. Each participant identified their investment preferences on maps, further clarifying why and under which conditions they would invest in a particular area. Apart from the fact that this fuelled interesting discussions about ambitions, interdependencies and eventually strategies, one of the more procedural advantages was that it resulted in a wider shared view of the diversity among the participants’ ideas, not just the contributions shared during the discussion session. This exercise was repeated in the subsequent workshops in Rotterdam.

Ultimately, the exact protocol of the workshops should be adjusted to the specific topic and level of scale. Whereas in workshops that focus on larger scale issues it seems suitable to discuss opportunities in the portfolio, it is more useful to explicitly address ambitions in cases such as Holendrecht or the Chassébuurt, where ambitions may pose a crucial hurdle.

Strategies
The objective of every workshop was eventually to work towards ideas about effective intervention strategies, based on an improved understanding of the neighbourhoods’ positions and the different actors’ perceptions of their opportunities. The idea of ending the workshop by discussing strategies, regardless of the topic remained unchanged in the subsequent workshops.

Procedural aspects
During the workshops, the importance of some practical procedural aspects emerged. They do not need to be mentioned in greater detail, since most of them are well-known elements necessary for conducting any type of meeting. Nevertheless, it was important to follow some basic guidelines. For example, workshops generally cannot take longer than half a day (a morning or an afternoon). The number of participants should be somewhere between six and twenty. Most importantly, one needs an experienced facilitator to host the workshop. He/she needs to steer discussion, to ask the right questions, and crucially should not be the same person who documents and observes the research objectives.
6 Deconstruction of the portfolio approach

Fitness & appropriateness
The above two sections described the conceptual and procedural changes to the approach. The conclusion is that the current evolved form of the approach is arguably ‘fitter’ than the one applied at the beginning. What remained throughout the research project, however, is the basic idea that neighbourhoods’ positions are identified by looking at their current popularity, set off against their potential for development. The way the urban portfolio is currently mapped is considered an improvement – it is more logical, more accurate, more dynamic, and more tangible for participating experts – thus it can better support the discussion with relevant explicit information. The way the workshops are organised changed to lesser extent. Some changes, particularly with respect to the analysis of the neighbourhood(s) and the discussion of ambitions to opportunities, were considered more suitable for a large scale issue. These procedural changes were deemed necessary for adapting the approach to the concerning scale or to a specific issue. There are two types of adaptations to the approach: those that make the approach ‘fitter’ and those that make it more appropriate for different cases. The more conceptual changes are general improvements that make the approach fitter. The (mostly smaller) changes make the approach more appropriate for certain themes or areas, whether the creative city, the regional portfolio, or the Oud-Zuid area in Rotterdam. The result is a general robust framework consisting of several tested and established elements, which at the same time is sufficiently flexible to adapt to different – but not all – circumstances.

6.4 Deconstructing the CIMO-logic (Context, Intervention, Mechanism, and Outcome)
The following sections will evaluate the portfolio tool, deconstructed into evaluations of the outcome, the intervention and the mechanism, and the influence of context. This is combined into the CIMO-framework introduced by Denyer et al. (2008). The analysis will start with the evaluation of the outcome of the instrument. Particularly the more tangible outcomes can be identified or ‘measured’ more directly than the hypothesised mechanism behind it. Finally, the possible influences of the context are analysed. Evidence for the evaluations comes from observations, surveys, interviews, and documents, which were conducted before, during, and after the workshops. Deconstructing the cases should reveal how and why the approach did or did not result in the desired and hypothesised outcomes. Based on these evaluations, some more general conclusions can be made about the approach.

6.5 Outcome
The application of the portfolio approach in a workshop embodies only a fragment of the various arenas where planning strategies are generated, deliberated, debated, and realised. One should be aware that the majority of decisions are not made in such workshop formats. Moreover, with the workshops being positioned somewhere between practice and experiment, it is questionable whether the workshops

3 Building on Pawson and Tilley (1997)
can be seen as part of ‘practice’ in the first place. For this reason, it is hazardous to attribute the outcomes to the workshop or the portfolio approach. More specifically, the approach and the workshops are not meant to directly lead to plans or policy decisions. The aim is to facilitate a collective learning process, which hopefully contributes to more informed deliberation of planning decisions elsewhere.

Rouwette et al. (2002) distinguished a number of outcomes that apply for the individual, the group, the organisation, and the method. These types of outcomes are discussed here, using a division slightly different from the one proposed by Rouwette et al. For example, while they see ‘commitment’ as an individual outcome, in the portfolio approach this is a (possible) outcome at the group level. More generally, there is an overlap between the outcomes for the individual and outcomes on the level of the group; the difference between the two can be difficult to identify. Here, I will distinguish between outcomes for the group and the individual (communication, language, individual and shared insights, reactions, and behaviour/commitment); outcomes regarding the method (i.e. proposed changes to the portfolio approach); and outcomes with respect to the concerning organisations. In sum, the outcomes discussed in this section are: communication and a shared language among the workshop participants; insight into neighbourhood positions, ambitions, opportunities, possible strategies; insights into the views and perceptions of other stakeholders and the interdependencies between them; changing behaviour and commitments by participants; and outcomes with respect to the method and the organisation.

Communication & shared language

The first requirement for learning is to establish communication between the participants, i.e. to exchange information. It seems plausible to state that communication did take place in all of the cases. The participants generally paid attention to each other’s viewpoints, and commented by contributing their views to the discussion. One of the indicators of such communication and collective learning is the shared language used. Terms and notions such as the ‘city as a portfolio’, ‘neighbourhood life cycles’, ‘oil stain development’, and the typology of neighbourhoods (stars, cash cows, dogs and question marks) were generally picked up by the participants and used repeatedly in the discussions. Some terms were more problematic though, for example, for some of the participants ‘gentrification’ lacked a clear and common definition.

Insights about the positions of neighbourhoods

The surveys asked participants to evaluate the extent to which the patterns showed at the beginning of the workshops were surprising, or whether they confirmed their existing ideas. In all three surveys the respondents were either ‘mostly confirmed’ in their perceptions, or ‘sometimes confirmed, sometimes surprised’. That is, nobody indicated to be ‘completely confirmed’ in their perceptions, nor ‘mostly surprised’ or ‘completely surprised’. Several examples of surprises or confirmations about specific neighbourhoods or patterns were mentioned, for example this account shared by a civil servant from Rotterdam Oud-Zuid:

The oil stain from Kop van Zuid came as no surprise, but I was happy to
see this confirmed in the portfolio. The trust and confirmation of this oil stain development towards [the adjacent neighbourhoods] Bloemhof, Hillesluis, Katendrecht, and the Afrikaanderwijk was surprising though, particularly if related to [the other neighbourhoods] of Charlois where hardly anything was happening. Despite all the efforts there, hardly any increase in property values can be seen.

Looking at all three workshops, there were more surprising conclusions about the patterns in Amsterdam than in Rotterdam. Considering the limited number of respondents this is not a sufficiently large difference to consider. However, with respect to the type of respondents there is an interesting difference. In all three workshops, participants working for municipal agencies indicated to be more ‘surprised’ by the neighbourhood positions than participants working for the private or semi-private sector (Table 1). This difference, although based on a very small number of observations, might be explained by differences in age, position, and (correspondingly) the knowledge and experience of participants. Looking at the participants however, the private and semi-private organisations were not represented by older, more experienced people than those representing municipal agencies. When inviting the participants, they were usually selected for their knowledge of the city. There is another, perhaps more fitting explanation. The representatives of the (semi-) private sector may possess more, or different knowledge than the municipal agencies about the (changing) neighbourhood positions; this can be attributed to structural differences, e.g. in outlook and interests of their organisations.

**Table 6.1: Answers to the question: ‘Did the maps confirm your perceptions of the relative positions and developments of neighbourhoods in the city, or did they surprise you?’ (Results combined from three surveys and grouped by types of stakeholders)**

<table>
<thead>
<tr>
<th>Respondents representing:</th>
<th>Municipality</th>
<th>Housing association</th>
<th>Private developer</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very surprising</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Mostly surprising</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Sometimes confirming, sometimes surprising</td>
<td>7</td>
<td>1</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td>Mostly confirming</td>
<td>3</td>
<td>6</td>
<td>3</td>
<td>12</td>
</tr>
<tr>
<td>Merely confirming</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Don’t know / no opinion</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>10</td>
<td>7</td>
<td>4</td>
<td>21</td>
</tr>
</tbody>
</table>

Insights about influential trends, driving forces, ambitions and opportunities
The portfolio maps by themselves do not offer an explanation for why neighbourhoods have a certain position. Usually, introduction of the portfolio maps would automatically trigger discussion about the reasons behind these positions, which in turn allowed for the assumptions of the participants concerning the driving forces
to be contested by the viewpoints of other participants. In the workshops that focused on a single neighbourhood, this led to a shared inventory of influential aspects, such as the importance of location, of nearby facilities, architecture and many other aspects (as shown in Figure 6.8). More importantly, this created ideas and insights about how neighbourhoods may be improved and where in the city interesting potential can be unleashed. In the first city-scale workshops, also these types of aspects were collected, while in the latest three workshops, the driving forces were discussed according to individual neighbourhood, thereby linking directly the neighbourhood’s position to a discussion of the reason behind this position. The outcomes in this respect are far too many to illustrate here and are further addressed more extensively in Chapter Seven.

*Insights about possible strategies*

Strategies were discussed in all workshops (save the Chassébuurt one), but in different manner, according to the subject and the scale of the workshop. In workshops that concerned only one area, such as Holendrecht, the strategies discussed were relatively specific; for instance, one question was where and how to redevelop a shopping centre. The higher the level of scale the workshops the more abstract the strategies became.

The focus lies in the learning process. Particularly in workshops that dealt with the entire city, the discussion of potential strategies generally did not lead to tangible commitments and actions. For some workshops this may be related to a lack of urgency, but some of the participants remarked that despite the informative value of the workshop, they would need more detailed information and deliberation before developing actual strategies. However, this does not make the discussion less relevant, as witnessed by a private developer:

> This is very relevant for determining the strategy for an area. With the [portfolio] method you can, one the hand, think broadly thinking of creative solutions, but also learn from other experiences and apply these. (Private developer’s response in survey following the Rotterdam Oud-Zuid workshop)

She continues:

> It is difficult to change common thoughts about strategies for the city and its neighbourhoods. We can and we have to change the approach particularly in the ‘dogs’, the problematic neighbourhoods. More attention should be paid to regaining the confidence in neighbourhoods as good living environments, as well as how and under which conditions this can be done. (Ibid.)

For other participants, however, the added value appeared to be not so much new insights about new strategies on a portfolio level. Rather, the portfolio way of thinking was new.
Insights about the perceptions and attitudes of other types of actors

The extent to which people were surprised by the perceptions and attitudes of other types of stakeholders varied in each workshop. In the Amsterdam workshop on analysing the driving forces for neighbourhood change, respondents from both the private, semi-private and municipal agencies all observed that generally everyone acted according to expectation: private developers from a commercial viewpoint, the housing associations from a wider perspective and the civil servants acted with public interest in mind. The Rotterdam workshop in Oud-Zuid demonstrated that this does not necessarily have to be the case. Here, civil servants expressed their surprise about the unexpected difference in attitudes at the table. For example, some of the housing associations were considered uncharacteristically passive, in contrast to the proactive approach of a private developer, whom they felt they could do business with:

‘[I was surprised to see] the progressive, proactive attitude of the commercial actor versus the very cautious attitude of the housing associations’ (Civil servant’s response in survey following the Rotterdam Oud-Zuid workshop).

In the other Rotterdam workshop, there was some surprise about the municipality’s attitude about the subject of gentrification. A respondent working for a housing association was bothered by the high ambitions of the municipality concerning this subject, which in his view lacked a proper definition. A private developer was surprised by the municipality’s laissez-faire attitude towards realising these ambitions.

It is difficult to explain exactly why one workshop raises so much surprise about the attitudes of the other participants, while others do not. It may be related to the extent to which people in the workshops are already familiar with the subject, the area under discussion, and particular the frequency with which they discuss these topics with each other. In the Rotterdam workshops, looking at opportunities instead of problems (both within Oud-Zuid and in terms of gentrification) appears to be a relatively new way of looking at the city (as mentioned in the surveys). Looking for opportunities in the Amsterdam area, on the other hand, appeared to be a bit more common occupation, and the participants were more familiar with each others’ attitudes. This may be related to an overall difference between the two cities: the heated housing market in Amsterdam generates more opportunities than the relaxed Rotterdam market. At the same time, however, the differences may be more contingent: they might also be attributed to differences between the individual’s personal viewpoints of the city, or their organisations.

Behaviour/ Commitment

To what extent were the new insights translated into more tangible results? This is difficult to pinpoint. First, the main objective of the workshops was educational. Facilitating a collective learning process does improve the chances of taking (collective) action or changing behaviour, but whether this actually happens depends on many additional factors (e.g. Pawson and Tilley, 1997). Second, the (changing) behaviour and actions of people are extremely complex and are therefore not easily demonstrated as simple outcomes of a workshop. Participants may say they will take action and then do not take any action, or vice versa. Participants may change their
behaviour but maintain the belief that nothing has changed, or vice versa. Participants may not take action or change their behaviour immediately, but act differently in a later project. And participants in the workshops may commit themselves to something where they have no real authority. In some of the cases, there were some indicators that the participants are committed to do something with the lessons learned, while in other there was no noticeable commitment.

It appeared that the first two workshops in Holendrecht produced a change in the attitude of participants towards the problem and towards each other. In the months before the workshop, several stakeholders had indicated that they were considering leaving the project. But at the end of the second workshop, the participants committed to continue cooperation, by developing a strategic framework with the existing stakeholders, which eventually led to a set of design requirements. This seems to be one of the most tangible results of the workshops.

There are other examples of participants expressing willingness to do something with the insights gained. In Rotterdam Oud-Zuid, one of the conclusions was the need for the municipality to communicate more clearly its intentions regarding future investments, as well as the importance of good schools for neighbourhood revitalisation. More than six months after the workshop, municipal participants still indicated these as important lessons: ‘the municipality has to be clear and make decisions on time about large scale interventions (e.g. in infrastructure), because otherwise private actors will not invest. If there is no clarity there is no investment’.

The workshop on gentrification in Rotterdam concluded with the participants’ expressed wish to continue discussing the issue with the group. However, due to several reasons, in particular the lack of a clear ‘problem owner’, this has yet to take place. A private developer already warned against this outcome; based on his experience too often nothing is done with otherwise very interesting findings.

Observations in the other workshops indicate that there were some learning effects, in terms of understanding the neighbourhoods’ positions, ambitions, possible strategies, as well as understanding the other participants’ ideas about these topics. The learning effects could have subsequently influenced the participants’ behaviour elsewhere. There is however little or no hard evidence that these supposed learning effects were followed by actions or altered behaviour.

‘Institutionalisation’ of the approach
In addition to outcomes at the level of the individual or the group, it is interesting to look at the outcomes with respect to the organisation and the method itself (Rouwette et al., 2002). Does the portfolio approach change the organisations that use it? It is unlikely that this is the case. Although during its development, the portfolio idea did catch the attention of an increasing number of people in the Amsterdam Planning Department (DRO), it would be a gross overestimate of the approach to say that it actually changed the organisation. The same holds true for Rotterdam.

With respect to the method, however, one can say that to a certain extent the approach has been institutionalised. Based on the evolution of the approach in Amsterdam, the university and the planning department developed a workbook featuring the latest version of the approach. It explains how data are collected and processed, and it further explains how the portfolio maps are made. More importantly, it explains when and how one could decide to use the instrument and how to
organise a workshop.

In addition, the latest adaptation of the approach – which is still in progress as of writing and does not make part of this research – was the development of portfolio maps which show much more detail than the maps using neighbourhoods as units; the new maps can show the differences within neighbourhoods. This allows one to identify the market dynamics within neighbourhoods in much more detail (see Appendix III).

6.6 Intervention & mechanism

What were the mechanisms that produced the outcomes identified above? This will be discussed by looking at assumptions and hypotheses about the workings of the approach.

Assumption: the need for a communicative and structured process

The importance of communication in planning has been the dominant topic in much planning research of the past two decades. Often it is accompanied by the normative idea that one of the main tasks for planners is to facilitate communication between the relevant stakeholders. Whether this communicative turn has become part and parcel of planning practice and whether one can speak of an actual communicative paradigm (Healey, 1996; Innes, 1995) remains object of debate (e.g. Huxley and Yiftachel, 2000). Considering the aim of contributing to an informed deliberation of a shared future for the city and its neighbourhoods, effective communication is a crucial and intrinsic ingredient. During the initial development of the portfolio approach it was clear that the portfolio concept by itself, i.e. the identification of the neighbourhoods’ strategic positions in the city, could never generate sufficient knowledge for informed investment strategies. It is explicitly not meant to provide ‘the rigorous truth about the market dynamics’ and eliminate the discussion. On the contrary, in order to generate rich knowledge, the approach clearly needs some kind of forum where the portfolio analysis can be contested and discussed. Apart from the abundant literature arguing for open, communicative planning processes, this hypothesis was also confirmed in all the workshops, as indicated by some of the respondents’ comments in the surveys. When asked about what they regarded as most positive in the workshops, some of the participants mentioned this aspect:

The emergence of dialogue and the mutual understanding among the actors, and the discovery of mutual interests in certain developments (private developer, Amsterdam);

To think and share knowledge together (private developer, Amsterdam);

The informal sharing of knowledge and thoughts among the different actors (civil servant, Amsterdam);

The open and substantive discussion (housing association representative, Amsterdam);
To hear the different opinions of the present stakeholders (civil servant, Amsterdam);

The exchange between the various actors (civil servant, Rotterdam);

The involvement, the enthusiasm and the participant’s willingness to take action (private developer, Rotterdam);

The positive energy – the belief that we can do it if we work together (civil servant, Amsterdam).

It may seem obvious that communication took place during the workshops; however, there are several ways to impede communication, most notably when Habermas’ requirements for the ‘ideal speech situation’ are not met. People may be (partially) excluded from discussion, the viewpoints of some may overpower the viewpoints of others, and there may be hidden agendas that keep participants from openly sharing their attitudes. As argued by authors such as Tewdwr-Jones and Allmendinger (1998), these requirements are virtually never met.

In the workshops, differences of power and possibly hidden agendas most likely influenced the participants to some degree; I certainly cannot assume that they always revealed their true beliefs or intentions. Chances of such communicative distortions seem to increase when workshops involve discussions about tangible actions and investments by specific actors. When more direct interests are at stake, the chances of strategic behaviour in the discussions increase, for example, in order to preserve a competitive advantage, actors may prefer to conceal some of their plans. Giving away ‘undiscovered treasures’ in workshops like these might be seen as poor strategy, especially if the participant had not yet acquired the land.

However, this did not seem to impede meaningful communication in the workshops; rather the opposite. That is, the development and developers of an area can actually gain if actors make their intentions public instead of keeping their cards close to their chest. Schön (1983) demonstrated how strategic behaviour (withholding negative information, testing assumptions not publicly but privately, and seeking unilateral control over the other) in the end can work against the actors’ own interests. In fact, one of the main assumptions behind the value of the portfolio approach is the perceived benefits of making explicit the interdependencies between the different actors. The positive participant testimonies above, clearly confirm the value of generating an open, informal atmosphere during the discussions. Thus, a sense of trust and the feeling that one can freely speak one’s mind is an important element.

The presumed openness of the discussions also meant that some critical or politically incorrect things could be said. In the case of the Chassébuurt for instance, a private developer stated how the presence of a mosque made one side of a block significantly less appealing than another side. In another workshop in Amsterdam, a

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4 In short: (1) everyone should be equally able to participate in discussion; (2) differences in role, status or power should not constrain dialogue; and (3) everyone should have a genuine motivation to reach consensus about the truth of arguments and validity of norms.
private developer mentioned the negative influence of high concentration of public housing, making areas less interesting for investment. Both examples provided information that some city officials were not pleased to hear, but that was nevertheless useful. In a Rotterdam workshop, there were also some critical remarks made about the lack of effort put into schools and other services by the city. Again, a private developer complained how this threatened her investments in the area. What is important about this kind of openness is that it allows, at least to a certain degree, insights into other actors’ perspectives, perceptions and intentions.

**Figure 6.9:** Process protocol on city and area level, as developed and used in this research

<table>
<thead>
<tr>
<th>Visualisation</th>
<th>Explicit information</th>
<th>Steps in workshop</th>
<th>Tacit input</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maps &amp; charts</td>
<td>Maps &amp; charts</td>
<td>State of the portfolio</td>
<td>Fine-tuning by experts &amp; stakeholders</td>
</tr>
<tr>
<td>Expected and current and developments that can be visualised: demographic trends, accessibility, etc.</td>
<td>Archetypes of possible trends and developments of possible influence</td>
<td>Analysis &amp; Expectations</td>
<td>Driving forces behind position &amp; expected developments and their influence on the city / the area.</td>
</tr>
<tr>
<td>Archetypes City: e.g. priority to weak / strong / decaying areas / investment efficiency, etc. Area: current vs. new inhabitants, short vs. long-term ambitions, etc.</td>
<td>Archetypes</td>
<td>Ambitions / Opportunities</td>
<td>City: participants indicate where they see opportunities for investment Area: issues, priorities and dilemmas in the area</td>
</tr>
<tr>
<td>Archetypes City: e.g. optimal ‘cash flow’, ‘oil stain developments’, etc. Area: seizing opportunities for renewal / improve in current form / let area ‘degenerate’ / deregulation, etc.</td>
<td>Archetypes</td>
<td>Strategies</td>
<td>Suitable strategies &amp; interventions</td>
</tr>
</tbody>
</table>

In addition to the assumption about the need for communication by open dialogue, it is presumed that the application of the portfolio approach in workshops requires a certain logical structure and organisation. In general, the workshops aimed at finding feasible intervention strategies, based on a shared analysis of an area’s position, a problem or a theme. They were organised and structured accordingly, essentially in a four step protocol, in order to assure that some steps deemed necessary did occur (Figure 6.9).
The aim of the protocol is to generate a collective, structured mental model of what is going on in a city or a neighbourhood, based on the integration of information available at the table. Using the protocol is believed to contribute more to achieving this goal than is possible during a ‘normal’ meeting. That is, whereas the latter would be structured by an agenda, the protocol above is made up of a hierarchical structure that allows for knowledge and information to accumulate (hopefully in a logical way).

Following this schedule largely assured that the intended discussions would take place. The participants in the most part agreed with this format, silently or explicitly. Still, in the workshop on finding driving forces behind neighbourhood positions, there were some who felt that the discussion should have been more structured. Others felt that there should have been more flexibility. In any case, if a workshop is meant to produce ideas about possible strategies, then the format depicted above (or a variation of it) has to be followed. This became clear very clear already during the first workshops of the project.

In the case of Holendrecht, there was no time left to discuss strategies, because of a time consuming session on analysing trends and developments in the area. Based on the insights gained in these steps, participants expressed the need to proceed by discussing possible strategies. Therefore, a second workshop could be organised to discuss these strategies. The second case, i.e. the workshop in the Chassébuurt, featured the same problem of time constraints; however, there was no opportunity for organising a second workshop there. The result was that any interesting findings and discussions in the workshop remain fragmented; they were not crystallised in a concluding consensus about how to proceed in terms of possible actions.

Assumption: the need for insight into market dynamics
Chapter Two discussed the changing relationship between the public and the private sector, as part of the new context for planning. The need for information about market dynamics can be derived from this literature. However, application of the portfolio approach itself has added to this evidence of the need for such information. First, there is the simple fact that providing this kind of insight was the main question posed by the Amsterdam Physical Planning Department in the research project. This may sound like a circular line of reasoning. Even so, the observation that a tool does indeed provide an answer to the question posed by the client can be seen as a simple indication that a tool is effective. As obvious as this may sound, Chapter Four showed that many planning support systems do not meet this criterion. There is an expressed need for gathering and presenting more information about the market dynamics, both in practice as well as in the literature. A second indicator comes from the workshops. It is the observation that, while various questions and sometimes critical remarks were made about the maps and the data (which data were used and how they were used), the suggestion that property values were not a relevant type of information was never made.

The surveys support this expressed need for insight into the market dynamics. In all three of the last workshops, the municipal respondents were more surprised by the portfolio patterns than private and semi-private respondents (see Table 6.1). The (semi-)private actors often remarked that they, in contrast to civil ser-
vants, already use this kind of information about property values. It seems that this approach may hold a higher added value for the public sector, providing information about property values, the way they change, and market dynamics in general.

The need to know more about market dynamics not only speaks from the expressed participant interest in the portfolio maps, but also the clients’ (DRO and DS+V) wish to invite a number of private and semi-private stakeholders to the workshops. Hearing the viewpoints of participants working for (semi-)private parties was considered valuable information for the municipal officials (as well as vice versa). In most of the workshops however, there were more municipal officials than participants representing private (particularly) and semi-private agencies. It often proved too difficult to bring together a more balanced group, even despite the expressed wish for more diversity by the participants.

This is related to the fact that insight into real estate dynamics does not only come from the portfolio maps. As discussed above, a better understanding of the dynamics in the city is attained by confronting ‘objective’ information with the knowledge of participants: in the analysis of the portfolio, its opportunities and strategies. The added value of these discussions is twofold. Representatives of the municipality learned more about the rationales for investments of private investors. After the workshops, civil servants would often return to the lessons learned there. Furthermore, it also generated an understanding of the possible investments or interventions the public sector could or should do in order to trigger private investments (one of the key public sector goals). Interestingly, this could also reveal information about which (kind of) public interventions would not stimulate private investments.

Hypothesis: the combination of process and information
More specific than the assumptions discussed above are the hypotheses about why the portfolio approach works the way it does, i.e. the way it combines process and content in order to stimulate the process of collective learning. Chapter Three and Chapter Four extensively discussed the need to connect different types of knowledge and information. In particular, they stressed the importance of generating more experiential forms of knowledge and information, as part of the literature on communicative planning approaches. In Chapter Three it was argued that often explicit and tacit forms of knowledge remain separated. Processes often appear to be driven by either the ambition to be democratic and inclusive or by a more technocratic approach that focuses on hard data and models. A pressing challenge is to find ways to organise the meeting of these two types of knowledge (Owens et al., 2004). The hypothesis of the portfolio approach is that informed deliberation requires the integration of different types of knowledge, which in turn requires the combination of process and content.

The workshops clearly demonstrated that explicit and tacit knowledge are complimentary, both in workshops where the two types of knowledge were available and those where this was not the case. As mentioned earlier, there was no doubt that the explicit information provided by the portfolio maps and data by itself would be sufficient for achieving the objective of better deliberated strategies. It was also clearly demonstrated that tacit knowledge alone is simply insufficient. A municipal official’s response to the survey in the last workshop in Rotterdam illustrates
this point:

[In the workshop] we had facts about which neighbourhoods are developing well or less well, which is now based on opinions. It generates insights and provides basis for discussion about where to intervene or give a push.

This notion became particularly manifest during the workshop on the dynamics of the regional residential portfolio. Despite the lack of data and despite the fact that the workshop was deemed interesting and relevant, a lot of time was spent on ‘guessing’ property values and their rates of increase. As a result, discussions the regional ambitions and portfolio strategies could not be supported by any explicit information. The participants explicitly indicated the lack of data and maps as a regrettable impediment for well-substantiated analysis and discussion. In terms of research, however, this workshop was a very useful – yet unplanned – ‘negative case’; it explicitly demonstrated the need for explicit information.

**Quality, credibility and transparency of the information**

The mere presence of both types of information is not enough; integration also depends on their credibility. Because both explicit and tacit information are always correct or incorrect to a certain extent, both were contested during the workshops: one participants’ tacit knowledge was confronted by that of the others, as well as by the explicit information of the portfolio maps. The explicit information in turn was contested by the participants’ experiential knowledge. Showing the portfolio maps generated informative or critical questions about the data behind the maps, the assumptions, and the limitations: about how the maps were made and the data that were used. Particularly when the maps showed patterns or positions that did not directly correspond to the participants’ perceptions, the maps and the data on property values were contested. The surprisingly weak position of neighbourhoods in Buitenveldert in Amsterdam is an example of this conflict. Before uncovering the reason for this peculiar position of the area, participants had to be convinced that this was not due to incorrect data. Only then were they willing to challenge their own perceptions. Participants thus appeared to assess the value of the information presented and this seemed to have an influence on the role of the portfolio maps in the following discussions. If one suspected serious limitations, or if one did not ‘trust’ the data, the maps and the portfolio idea would serve ‘only’ as an interesting or useful conceptual framework for discussion. This was the case in the workshop on gentrification in Rotterdam. Here, the portfolio positions of neighbourhoods themselves were not so much contested; instead, the complaints were levelled at the overly coarse level of scale of the presented information. By showing that large scale gentrification had not taken place, the maps were valuable for setting the stage; however, they could not exactly pinpoint where small scale gentrification occurred. In the case of the regional portfolio workshop, the complete lack of good – in this case any – explicit information was even more problematic. In cases when the data would be considered reliable and useful, the portfolio approach could be used not only as a conceptual framework, but also the substantive patterns themselves could be used as ‘evidence’ and reference for discussion. This was the case in most of the other workshops, where the portfolio maps were continually used as refer-
ence of evidence during the discussions. When for instance the neighbourhoods in Rotterdam Oud-Zuid were discussed one by one, this was continuously related to and supported by the ‘film’ demonstrating the sequential portfolio positions.

During the development of the portfolio approach, the maps were altered several times, by using different variables and different data (see Section 6.2). Questions and discussions about these in the workshops changed accordingly. In the first workshops, participants asked mostly conceptual questions. After changing the variables, this shifted towards questions regarding the data on property valuations, which were contested for not being sufficiently accurate and up-to-date. Hence, valuations were replaced by transaction values. This also allowed them to map neighbourhood positions for longer periods, instead of just a snapshot for one year: an improvement of the explicit information input, which allowed for neighbourhood positions to be analysed more thoroughly. Visualising a longitudinal pattern resulted in more enthusiastic reactions than a single portfolio map. Furthermore, an improved insight into the changing patterns over longer periods of time contributed to discussions about what generates neighbourhood change.

There was substantial variety in the workshops: some offered explicit information while some did not; some offered lower quality explicit information than others; and the explicit information was accepted and used with varying extent by the participants. The conclusion is that a meaningful integration of tacit and explicit information appeared to be possible only (1) if both were present and (2) if the quality of both was largely accepted by the participants (after being assessed and contested if necessary). If the explicit information was deemed unreliable, then the discussion continued based on tacit information only. Since the workshops were attended by knowledgeable and experienced professionals, the opposite situation did not occur, i.e. discussion based on explicit information alone.

The specific need for the portfolio approach

Chapter Four illustrated that, following Rittel and Webber (1973), it is not possible to positively confirm hypotheses about the portfolio approach by using a crucial test. Instead, one should test the plausibility of the hypotheses. After confirming a plausible hypothesis, then the next question concerns the added value of the portfolio approach. One might argue that the same kind of learning processes, shared knowledge, and strategic discussions can be generated by analysing and presenting market dynamics in a different way. It is safe to say that to a large extent this is possible: the portfolio approach is not the single instrument to generate these types of strategic discussions.

There are, however, some characteristics of the portfolio approach that seem to give the approach an added value in the type of workshops described. First, there is the portfolio idea itself, which stimulates or compels a strategic way of thinking at the urban scale, in the same way that a business portfolio provides an overview of the company’s products. Reduced to one (series of) image(s), the state of affairs is presented both in terms of current property values and their increase rates. Particularly the availability of data on property values for longer periods, which allowed for longitudinal picture of the urban portfolio, proved an asset.

The portfolio approach was used as a discussion tool for intervention strategies. This particularly applied to the workshops that focussed at city scale or a
large part of the city. It is certainly possible to imagine other tools or approaches that can stimulate similar discussions about changing neighbourhoods, opportunities and strategies. In the surveys about on the portfolio concept without exception, the respondents assessed the portfolio idea as a useful approach and the portfolio matrix as a logical conceptual model. This pattern is reinforced by other specific comments in the surveys, such as the following:

The value of the tool was empirically proven: we had a good discussion (civil servant, Amsterdam);

Especially insight into the dynamics of more years gives a nice image (civil servant, Amsterdam);

The model makes you think in certain way (civil servant, Amsterdam);

Yes, [the approach] raised discussion about where we are spending our money (civil servant, Amsterdam);

It provides an image of the potential of locations and urban developments (private developer, Amsterdam);

It demonstrates differences between areas, based on which one can look at what is going on in there and what is the preferred further development (civil servant, Rotterdam);

It questions the effectiveness of the [currently used strategy of stimulating a] gentrification process (housing association representative, Rotterdam);

It focuses on the determinants of long term developments of property values (private developer, Rotterdam);

There is insight into the changes over time. And you can draw conclusions if you put these data next to other available data (housing association representative, Rotterdam).

One may conclude that when workshops are focussed on the complete city or a large part of it the portfolio approach is a suitable approach, because it offers just that: a portfolio approach.

On a lower level of a single or select few neighbourhoods, the portfolio maps provided useful information about the concerning neighbourhood’s position, which was then followed by discussion about the neighbourhood itself, rather than a discussion about the portfolio. In these cases, it appears that rather than the portfolio concept (the maps and matrix), it is the structured workshop supported with substantive, explicit information that contributed to generating a fruitful discussion. The structure of the substantive discussion, from analysis to ambitions to strategies, seems to contribute to the result, but it should be noted that another type of workshop or meeting might have produced a similar result. In other words, in this case
the portfolio approach may be seen as a sufficient but not necessary instrument.

6.7 Context

Several contextual aspects that influence the outcome can be distinguished. Some of these relate to more general, institutional matters of context for the portfolio approach, whereas others are more intertwined with the mechanism of the approach itself.

Place

One of the possible contextual factors that can influence the effectiveness of the mechanism is place. Initially, the approach was developed for identifying the urban portfolio of Amsterdam. After a number of workshops, the extent to which this was bounded to the city of Amsterdam could be examined by applying the approach elsewhere. One workshop in the Amsterdam region and two in the city of Rotterdam demonstrated that other cities (or regions, or other areas at different scales) may benefit from the approach as well. Although the lack of data in the regional workshop impeded a well-informed discussion, the idea of a regional portfolio was received with enthusiasm. In both cities there is a clear need for more insight into the dynamics of the property market. As noted earlier, the civil servants were more surprised with the portfolio maps than private and semi-private participants.

Due to differences in economic positions and particularly in their housing markets, Rotterdam may be a little more eager to stimulate private investment, urban development and gentrification. The pressure on the Amsterdam housing market always brings up the discussion of how to retain sufficient affordable housing. It seems that discussions in Rotterdam mostly revolve around where and how to step on the gas pedal, while in Amsterdam considerations on where and how to use the brakes are also frequent. Their differences aside, both cities fundamentally want to create attractive and diverse neighbourhoods, and stimulate urban development. Both feel the need to include the private sector, or at least insight in its rationales, and both therefore feel the need to know about the opportunities for development of different areas and neighbourhoods in the city. Differences in their spatial structures and their housing markets do not seem to alter this notion.

Yet the different lay-outs and patterns did seem to moderately influence the discussions. The relatively simple pattern in Amsterdam, featuring gradually decreasing property values from the centre outwards and the oil stain development in the same direction was generally known by the participants. Particularly the exceptions to the perceived patterns, such as Buitenveldert, did generate interest and were discussed. The more fragmented pattern in Rotterdam appeared to be less ‘self-evident’ than its Amsterdam counterpart.

If the conclusion is that the approach works in Amsterdam and Rotterdam, can it be expected it to work in other cities as well? As discussed in Chapter Two, the majority of cities in the post-industrial economy face the challenge of ‘doing more with less’: simultaneously attracting private investment, striving for diverse and liveable neighbourhoods, retaining sufficient affordable housing, proving a proper level of public services, and other challenges. Mapping the urban portfolio and contributing to the deliberation of urban planning strategies, could be also useful in
other Dutch and foreign cities. One should make such statements with caution; the extent to which this is the case highly depends on the kind of relationship between the public and the private sector and the roles they play in urban developments. This reserve note, in most cases there is a clear relationship of interdependence: the government needs the market and vice versa. In order to see whether the portfolio approach can be useful in other cases, particularly for other countries with other institutional contexts and planning systems, it would have to be further tested.

Who is the client and who takes the initiative?

It makes a difference for whom the workshop is actually organised, which is related to who takes the initiative to organise a workshop. A distinction can be made between DRO, as the client and initiator of the portfolio project, and the ‘individual’ clients (i.e. participants) for each workshop. The influence of the client and initiator can be assessed best by looking at how this differs for different workshops.

The first four workshops were primarily organised to develop and test the portfolio approach; the planning department and university together searched for a theme or area. The contacts made in Holendrecht, the Chassébuurt and the Bureau Woningbouwregie, all resulted in workshops. Some initiatives for workshops in other areas faced a lack of time, urgency or local enthusiasm; therefore, no workshops were organised in these locations. In the later workshops (i.e. the ‘regional portfolio’ workshop, the workshop co-organised with ING Real Estate, and the two workshops in Rotterdam) the initiative lay more with the people associated with the concerning area or project. That is, the workshop was more like a co-production, instead of the planning department and the university organising a workshop with stakeholders ‘for’, e.g. the Chassébuurt. This had a positive effect on the enthusiasm during the workshop, and the commitment of the participants, particularly those co-organising the workshop. The case of Holendrecht, however, was somewhat of an exception. Although the workshop was initiated in a relatively top-down manner, the workshop occurred at just the right time. It may also demonstrate the need for an external, mediating agent, in this case the university acting together with the planning department, to (re)activate substantive discussion.

Problem, scale and timing

Related to the role of the client and initiative is the role of the problem or issue for discussion. The portfolio idea initially was developed based on the need for more insight into the market dynamics of the city. In most of the workshops, this issue returned in different ways and as such formed the trigger for applying the portfolio approach. More specifically, the workshop on neighbourhood level started with the notion that some kind of development was planned or preferred, but without a clear strategy or clear ideas about which actions to take or which actors to involve. In this case, the portfolio workshop can provide a structured framework for discussion, based on the strategic position of a neighbourhood as a starting point.

On a larger scale, the idea of the city as a portfolio, workshops involved more actual ‘portfolio discussions’ about where to find opportunities, where to invest, and how to invest in a certain area, site or neighbourhood. Notwithstanding the use of the approach at the neighbourhood level, one can therefore say that principally the portfolio idea is more appropriate for levels of scale beyond the
neighbourhood: one or more boroughs, the city, or the region. It informs and
stimulates discussion about where to intervene and invest in the city, considering the
challenge for local governments to be more selective. At these levels, it is a tool that
can help making investment choices between different neighbourhoods or areas (similar
to the Growth-share matrix that inspired it).

Another important point is the timing. A wide discussion on how or where
to invest is useful mostly if there is still a lot of uncertainty about the ‘what, when,
how, and who’ of possible developments, i.e. before a (detailed) plan is prepared.
This is the preferred stage of intervention, when different actors have a lot to learn
about each other’s viewpoints, interests, and the mutual interdependencies. There
has to be a certain amount of room left to make plans or to manoeuvre. This was
usually the case if the initiative and topic for a workshop was proposed by the con-
cerning stakeholders themselves. However, the initiative of the Polderweggebied5
workshop did not succeed because it was a ‘top-down’ initiative by the planning
department and university and because the ‘how’ of the redevelopment project was
already more crystallised.

**Urgency**
Urgency is an important factor determining whether a portfolio workshop can lead
to a collective learning process and also whether a workshop can or should be or-
ganised in the first place (see also Roberts, 1978). Apart from a lack of time, the lack
of urgency appears to be one of the main reasons why some intended workshops
were not organised. It is probably also why the intended follow up of the workshop
in the Chassébuurt did not take place. The element of urgency is therefore con-
nected with the above mentioned aspects of initiative and timing. If the initiative for
a workshop emerges in a bottom-up way, it usually indicates a sense of urgency;
however, if a workshop is organised primarily through a top-down initiative, it is less
certain that the portfolio approach is the right tool at the right time.

**Integration with existing project**
It appears that the chances of collective learning increase when the portfolio ap-
proach and the workshop are part of some sort of existing project for an area or
topic, with an already engaged group of stakeholders: it makes the workshops more
relevant for the participants. At the same time, the Holendrecht case seems to dem-
onstrate that a workshop taking place outside of the regular project meetings – yet
with largely the same people – can also be beneficial. It can stimulate people to
think out of the business-as-usual-box. As the Holendrecht workshop was no ‘offi-
cial’ meeting, participants felt there was more room for open, substantive di-
scussion, in contrast to more procedural discussions. In the end, it seems that one needs
to find a proper distance from the existing project: neither completely integrating
nor completely disconnecting from it.

**6.8 The learning mechanism**
Based on reflections on the approach, by looking at the single cases as well as by

5 The Polderweggebied is a redevelopment area in the east of Amsterdam.
comparing them, a CIMO-logic (context, intervention, mechanism, and outcome) for the portfolio approach can be constructed. That is, one can conceptualise how in a certain context the intervention can trigger a mechanism of learning, which in turn will result in various possible outcomes.

Chapter Three discussed the Nonaka and Takeuchi’s SECI-model (socialisation, externalisation, combination, internalisation), featuring the ‘spiral of organisational knowledge creation’. In Figure 6.10, the spiral is depicted in different manner, along epistemological and ontological dimensions.

**Figure 6.10: Knowledge generation along epistemological and ontological dimensions**

![Knowledge Generation Diagram](source: Nonaka, 1994)

An important characteristic of the scheme is the integration and confrontation of tacit and explicit knowledge. The SECI-model and particularly the spiral of organisational knowledge creation are a useful synthetic conceptual mechanism for describing the learning processes that are intended to take place in and after the portfolio workshops. Figure 6.11 depicts a conceptualisation of this learning mechanism, based on Nonaka (1994, p. 20). Similar to the original scheme, knowledge is distinguished in epistemological terms, i.e. explicit and tacit knowledge, and in ontological terms. However there are differences with Nonaka’s model, where the learning process spreads and ‘increases in scale’: from the individual to the group, the organisation and beyond. On the other hand, the learning mechanism of the portfolio approach is set within a group of participants in one workshop. The emphasis in the workshops is on bringing together explicit and tacit information and knowledge. In the workshops, the portfolio maps (and possibly other codified information) are the explicit information input, whereas the participants bring in their practical, experiential knowledge. Through a process of externalisation, participants share their experiences and perceptions with others:

the externalisation mode is triggered by successive rounds of meaningful
‘dialogue’. In this dialogue, the sophisticated use of ‘metaphors’ can be used to enable team members to articulate their own perspectives, and thereby reveal hidden tacit knowledge that is otherwise hard to communicate. (Nonaka, 1994, p. 20)

Figure 6.11: The mechanism of knowledge integration of the portfolio approach within a workshop (inspired by and adapted from Nonaka, 1994)

‘The sum of the individuals’ intentions and ideas fuse and become integrated with the group’s mental world’ (Nonaka et al., 2000, p. 13). The information present, i.e. the maps and the participants’ knowledge, is then contested and confronted back
and forth during the discussion. Through combination this process produces a new, shared knowledge base. By exchanging, confronting and combining tacit and explicit information, i.e. moving in epistemological terms, progress can be made in ontological terms. In the portfolio workshops, this process takes place a number of times, working from analysis towards strategies. Discussion is fuelled not only by the tacit and explicit knowledge that existed prior to the workshop, but also by the findings and knowledge created in the previous discussion. The shared analysis should help formulate ambitions, which in turn should contribute to the generation of strategic alternatives. At each subsequent step, the amount of knowledge accumulates. In the end, this newly created knowledge should increase the chances of better informed deliberation planning strategies.

**Figure 6.12:** The ‘CIMO-logic’ of the portfolio approach placed in a wider context of learning processes in practice
The learning process and planning practice

The workshops are neither the (single) platform where decisions about planning strategies are made, nor the core location of all learning and knowledge creation, both individual and collective. In terms of the SECI-model, the workshops are a place for externalising the participants’ tacit knowledge, and for combining their tacit knowledge with the presented explicit knowledge.

The learning process continues elsewhere by means of internalisation of the combined knowledge in daily practice. It means that combined knowledge is put into practice, given practical meaning, but it is also reshaped again by practice. Schön (1983) named this ‘learning by doing’. It is also where knowledge is transferred through socialisation, thought shared experiences in practice. In workshops, such as the ones described here, or in other groups and discussions, knowledge can be externalised again.

Figure 6.12 demonstrates how the portfolio approach can be part of a wider learning process. Ultimately, different types of learning – both within and outside of the portfolio workshops – contribute to better informed deliberation of planning strategies. Hence it is important to connect the learning process in the workshops to the projects and daily practice outside of the workshops.

In the end, it remains difficult to actually demonstrate the mechanism of learning that take place in the portfolio approach, both in the ‘smaller’ and ‘wider’ mechanism. This difficulty in demonstrating that learning effects lead to altered behaviour and/or action is related not only to the difficulty of simply demonstrating this effect. The practical transfer of learning into action or change itself is also very difficult. Although the individuals who take part in a workshop may in fact be learning, they may often not be the ones who make the decisions, at least not by themselves. Others, who did not take part in the learning experience, will have to be involved, and they will have to be convinced that a certain change or action is necessary. This means that the participants have to try and transfer the lessons learned to their colleagues, a manager, or an alderman. But even if he/she is interested, telling someone else what has been learned at a workshop or reading the minutes is not the same as experiencing the group learning process (Vennix et al. [1996] clearly demonstrated this problem). Verbalising the knowledge gained cannot recreate the distinct way in which knowledge and information were communicated during the process, how insights were gained, nor the atmosphere and energy that are so important to the learning process. To disseminate and link the knowledge to possible action may take time, and it may require others to experience the learning process directly.

Another explanation for the absence of change or action is that change or action may not (yet) be the necessary or useful outcome. It is only an assumption that learning should in fact be followed by action, or a change of behaviour. A valuable outcome of a learning process may in fact be that things are fine the way they are, i.e. the status quo. The current long term strategies generated by a planning department may fit well with what comes out of a portfolio workshop. Save a few exceptions, this was the dominant perception in the case of the Amsterdam workshop on finding driving forces behind neighbourhood change. In the Chassébuurt, insights into the changing positions of the area did not seem to require a radical change in planning practices.
**Context**

An important element, not included in the scheme but omnipresent within and outside of the mechanism from the beginning and throughout the whole process, is the context. One can make a distinction between the wider (institutional) context and the context at the micro-level. The first are general conditions situated mostly outside of the mechanism, such as the planning system and the type of relationship between the public and private sector. They set the stage and largely determine the extent to which the portfolio approach can be useful in a specific environment. The other, smaller-scale aspects exercise more influence within the intended ‘learning mechanism’ itself, such as the level of uncertainty about an area’s position. They are believed to influence the chances that – if application is the case – the portfolio approach is successful at generating a collective learning process.

**Wider contextual influencing conditions:**
- A city (or urban region) is a part of a larger economic playing field, where local governments (perceive to) have less control over urban (re)developments in general; and
- A public sector organisation feels that the ‘where, how, and who’ of urban (re)development is increasingly influenced by the (semi) private sector.

**More specific and important aspects for successful application of the approach:**
- A public sector organisation feeling the need for insight into the dynamics of neighbourhoods and the property market;
- There is a certain urgent challenge at hand (i.e. [re]development of an area, a neighbourhood, some issue at the urban or regional level) that can be characterised as a portfolio challenge to some extent; and
- There is (still) relatively high uncertainty about how to deal with this issue or area.

If the portfolio approach is indeed applied, then the following aspects appear to be important:
- Those involved with this issue take the initiative for applying the portfolio approach; and
- The portfolio approach is connected to an existing project about this issue.

**6.9 Technological rules**

Even though there is a basic understanding about how (through a mechanism of collective learning), the portfolio approach can still greatly contribute to the deliberation of planning strategies; to quote Van Aken (2004, p. 220), ‘understanding a problem is only halfway to solving it’. Although nothing may be as practical as a good theory (Lewin, 1945), in design science such a theory needs to be accompanied by a useful heuristic, something like a technological rule, i.e. ‘if you want to achieve Y in situation Z, then perform something like action X’ (Van Aken, 2005, p. 23). The translation of the CIMO-logic of the portfolio approach into a technological rule is described below.
To start with the outcome – \( Y \) – there are several things to be achieved. The ‘ultimate’ objective of the approach is to work towards more effective and efficient planning strategies that can contribute to achieving goals as defined by the stakeholders, such as a healthier and wealthier city in general or the development of a certain part of the city. Effective and efficient planning strategies require a shared understanding of the how and the why of urban dynamics, of the location of opportunities, and of the manner in which different stakeholders look at all of these issues. Consequently, such understanding requires a process of (collective) learning among various stakeholders. The portfolio approach thus aims at generating this learning process.

Learning takes place in different ways, in different places throughout the daily work of practitioners. It is a matter of socialising, externalising, combining, and internalising knowledge. The portfolio approach is concerned only with a small part of these learning processes, i.e. it aims to accommodate the externalisation of tacit knowledge and combine this with explicit knowledge and information. Ideally, the integrated and externalised knowledge will find its way to the wider mechanism of learning in daily practice. However, this lies outside of the CIMO approach (compare Figure 6.11 and Figure 6.12). Therefore, \( Y \) can essentially be defined as a collective learning process that can contribute to the informed deliberation of planning strategies for the city and urban neighbourhoods.

\( X \)

\( X \) is the intervention deemed useful for attaining this learning process. In terms of technological rules, there is a difference between ‘\( X \)’ and ‘something like \( X \)’. That is, \( X \) is the specific intervention undertaken in a specific case, and is always slightly different to suit the specificity of different cases. ‘Something like \( X \)’ however is what remains the same in every instance. Application of the portfolio approach should thus be seen as ‘something like \( X \)’ and essentially consists of the following:

- Identifying the neighbourhoods’ positions in the property market for a longer period of time, by looking at of property values and their increase, and mapping these according to the identification of four ideal typical neighbourhoods: stars, cash cows, dogs, and question marks; if one is concerned with only a part of a city, identifying the relative positions in a ‘partial portfolio’ is an option;
- Preparing and organising a (series of) workshop(s) – connected but not fully integrated with an existing theme or project – with experts and stakeholders representing a mix of different public and private actors, in order to discuss the dynamics of the urban portfolio;
- In the workshop, subsequently analysing the positions, patterns and driving forces of neighbourhoods in the portfolio, discussing possible ambitions and/or opportunities for certain areas, and concluding with discussions on possible strategies;
- Before the workshop, thinking about how to use the possible outcomes of the workshop, in particular the shared knowledge gained and the energy generated, in order to achieve progress in the project at hand or in other initiatives.
- After the workshop, thinking (potentially together with the participants) about how to translate or combine the generated knowledge with other types of
knowledge and about how to diffuse it to other actors and how to relate it to other processes (see Figure 6.12).

As suggested above, the portfolio approach is not the appropriate approach for facilitating the deliberation of planning strategies. Neither X nor ‘something like X’ is the ultimate answer. There are alternative ways and approaches to address the same or similar issues: other maps showing the same information, similar maps showing market dynamics differently, or workshops organised in a different way. So in terms of technical rules, if the current portfolio approach is ‘something like X’ then other approaches might be characterised as ‘something like something like X’.

Z
As discussed before, the context of situation Z consists of aspects that determine the general environment of the approach, making it less or more appropriate to apply the approach. On the other hand, Z indicates matters of context that influence the chances of success, i.e. a collective learning process. Put together, Z can be characterised as a situation where
- A city (or urban region) is part of a post-industrial economy, where local governments see themselves as exercising less control over urban (re)developments;
- A public organisation feels that the ‘where, how, and who’ of urban (re)development are increasingly influenced by the (semi) private sector;
- An organisation feels the need for obtaining insight into the dynamics of neighbourhoods and the property market;
- There is a certain urgent challenge at hand, for example the (re)development of an area, a neighbourhood, or some other issue at the urban or regional level that can be characterised as a portfolio challenge to some extent;
- There is (still) a relatively high share of uncertainty about how to deal with this issue or area;
- Practitioners involved take the initiative to apply the portfolio approach;
- The portfolio approach is connected to an existing project about this issue.

These matters of context cannot be separated from X. Like X and ‘something like X’, Z should be distinguished from ‘a situation something like Z’, which relates to the extent to which the approach can be generalised. If X is performed in situation Z, then ‘something like X’ should be performed in ‘a situation something like Z’. To conclude then, combining X, Y, and Z results into a technological rule that, in concise form, looks like this:

If you want to achieve a collective learning process that can contribute to the informed deliberation of planning strategies for the city and its neighbourhoods (Y), with an urgent urban development challenge at hand, with relatively high uncertainty about market dynamics in general and uncertainty about the who, what, and how of intervention (Z), then apply something similar to the portfolio approach (X).