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HOUSING MARKET CHANGE IN AMSTERDAM: SOME TRENDS(1)

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Introduction

In comparison with other large urban environments Amsterdam has paid rather one-sided attention to those households who are dependent on public housing. However, certain population categories with high incomes have shown increasing interest in residing in the big cities. An increasing number of municipal policy makers have become convinced that the long-term future of the city is well-served by increasing the construction of high-income housing.

The exact development of these processes and the extent of the reversal of the housing preferences of those on high incomes is not yet clear.

Analysis of the (possible) trends can only be done under the following conditions:

- both the residents side and the dwelling and housing-environmental side of the processes have to be considered;
- the study has to cover the entire Amsterdam housing-market, because the housing environments within the municipality compete with housing environments in the adjacent municipalities;
- the attitudes of builders and municipalities (i.e. the suppliers) regarding the housing market have to be known.

Based on this, we have formulated three central questions:

- . What is the spatial orientation of residents and individuals and of institutions who want to invest in housing in neighbourhoods in Amsterdam?
- . What relation, in terms of migration, exists between Amsterdam and its surrounding area and, especially, what is the position of Amsterdam in the life paths of individual migrants?
- . What are the attitudes of actors on the supply side of the housing market?

First, the population developments and the developments in the Amsterdam housing-stock during the past decades will be described, both in relation to municipal policy. This will provide a short introduction to the three themes outlined above.

Developments in the Amsterdam housing-market

Towards the end of the sixties and during the beginning of the seventies, Amsterdam was in favour of an overspill policy. Despite building activity in the southeastern part of the city, Amsterdam was not able to supply all its

residents with acceptable housing. The massive housing production in the municipalities surrounding Amsterdam, especially in the growth centres, provided one solution. Amsterdam could 'claim' a part of these dwellings.

Housing production within the municipal boundaries remained relatively modest: in the past 17 years about 72,000 dwellings have been built, of which at least 60,000 fall into the category of public housing (Gemeente Amsterdam, 1988: 195). During the seventies, and particularly towards the end of the seventies, building activity mainly consisted of replacing old building in urban-renewal areas, which meant that the total housing stock, which consisted of 286,000 dwelling as at 1-1-1970, barely increased in the seventies. This changed somewhat during the eighties; on 1-1-1988 the housing stock consisted of 329,000 dwellings. The average number of people per dwelling had decreased during this period from 2.9 to 2.1, and the population had dwindled from 756,000 to 692,000.

The selective migration of middle-class family households (and higher-income groups), taking place since the beginning of the sixties, continued steadily.

At the end of the seventies, a new strategy, consisting of a series of 'compact city' policies, was started. It is generally supported by the following two arguments.

The significant population decline, from 870,000 in 1960 to 717,000 in 1980 (and the post-war low of 676,000 in 1985 has significantly impaired the capacity of services in Amsterdam (Gemeente Amsterdam, 1987: 111). Schools, shops, theatres, hospitals have run into trouble. An increase in the population, especially in middle- and high-income groups, could combat these problems.

The fact that firms have generally remained in the city has also created a considerable traffic problem: of the 321,000 jobs within the municipal boundaries on 1-1-1985, only 56% are occupied by citizens of Amsterdam (Werkgroep Woningbouwbeleid Amsterdam, 1987: 100).

The building of housing for commuters in the city can help to relieve these problems of congestion (Gemeente Amsterdam, 1987: 26).

Both arguments distinctly point in the direction of building housing for those economically tied to the city. This is also supported by the present government emphasis put on retreating in favour of the market sector on which these groups depend.

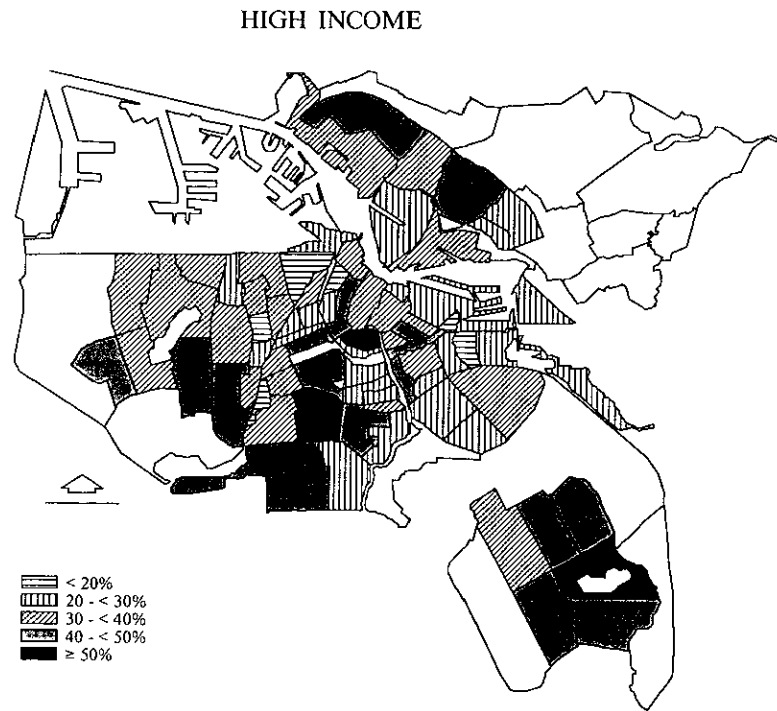
One first has to investigate, however, to what extent residents really want to live in (parts of) Amsterdam.

TABLE 1. Developments in housing stock and population in Amsterdam, 1950-1988 (at the beginning of each year given).

year	population	housing stock	average number of persons per dwelling
1950	835,834	228,723	3.65
1960	869,602	256,223	3.39
1970	831,463	286,096	2.91
1980	716,919	301,800	2.38
1986	679,014	322,715	2.10
1987	682,702	326,046	2.09
1988	691,837	329,356	2.10

Source: Gemeente Amsterdam, 1981-1988.

FIGURE 1. The percentage of Amsterdam inhabitants earning a net monthly income of NLG. 2000 (after tax), per neighbourhood, in 1986 and 1987.



Source: Kersloot and Musterd, 1987, 1988.

The spatial orientation of residents and of investment institutions

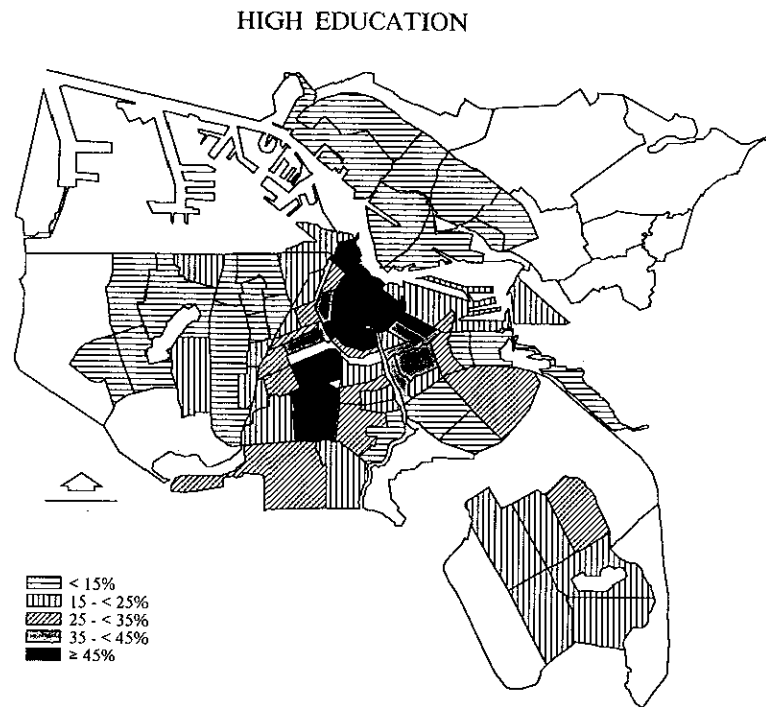
There are several ways to consider the potential of (parts of) Amsterdam to offer housing for specific population categories. Two ways are investigated in the following discussion. The first involves the question of whether the demand side shows signs that could indicate that (parts of) the city are attractive to the somewhat higher social-economic categories and therewith correct the 'one-sided growth' of the past decades. The second involves the question of whether the supply side (as far as planned investments in housing are concerned) shows signs of renewed interest in realising housing in (parts of) the city.

Answers to these questions will give an indication of the magnitude of the, commonly assumed, processes of gentrification and revitalization taking place in Amsterdam, especially in the central parts of the city (e.g. see Cortie and Van der Ven, 1981; Machielse, 1985; Verbaan, 1987; Dijst en Cortie, 1987; Musterd en Westerterp, 1988; Van Erkel et al., 1988).

The orientation of the residents

The most suitable indication of 'gentrification' in a certain neighbourhood is the development of the income level of the residents. Even though we have

FIGURE 2. The percentage of Amsterdam inhabitants which finished a higher education (college, university), per neighbourhood, in 1986 and 1987.



Source: Kersloot and Musterd, 1987, 1988.

access to unique income data (covering almost 6000 respondents, from a representative survey in Amsterdam), the development can only be traced for one year. Before we consider this information we will discuss the spatial distribution of the higher-income categories in Amsterdam. This will indicate whether the potential 'gentrification' areas, like the inner city, are already showing signs of attracting a wealthier population. Figure 1 shows the spatial distribution of those with relatively high incomes (data gathered in 1986 and 1987).

On average 43% of the households in Amsterdam neighbourhoods have a monthly household income above NLG. 2000,- (after tax) (Werkgroep Woningbouwbeleid Amsterdam, 1987). The neighbourhoods with the highest proportions of high-income groups consist of the main canals, the south-west 'corridor' running from the city centre, and a number of newly-built neighbourhoods. The first two are the traditional high-status areas, the latter neighbourhoods house a lot of young households. Research has shown that especially young-households often have double incomes. This can have a considerable effect on the income level in these areas.

The lowest percentage of high-income households is found in the 19th century neighbourhoods. Renewal in these neighbourhoods has not induced

changes in the socio-economic structure. The many young people living here apparently do not belong to the double income category as they do in many other housing environments. Moreover, average incomes here are lower, because of the relative abundance of traditional households (with one breadwinner) and immigrant households generally belonging to the poorer socio-economic categories. The unemployment level is also highest in the 19th century neighbourhoods.

Apart from the main canals, the average income level in inner-city neighbourhoods is not exceptionally high.

We will try to show that the inner city, in particular, has real potential for 'gentrification' in almost its entire area. First, we must realize that, especially in these neighbourhoods, there is a certain duality in the population composition (Musterd and Kersloot, 1988). A high percentage of unemployment coincides with a high percentage of high-income households (the average income is of course pulled down by those unemployed). However, the education qualifications of those in the inner city are extremely high (see Figure 2). Apparently, a large proportion of the unemployed are also highly educated (with a college or university training). This group may stay in inner-city neighbourhoods, if two conditions are met:

1. They will have to find steady employment within the Amsterdam urban region and decide not to raise a family. There are many indications that highly-educated households, once they have children, leave the inner city (Dijst and Cortie, 1987).
2. There has to be constructed bigger and more luxurious apartments. Even many two-person households move out of the inner-city because they cannot find an apartment of sufficient quality (Van Erkel et al., 1988).

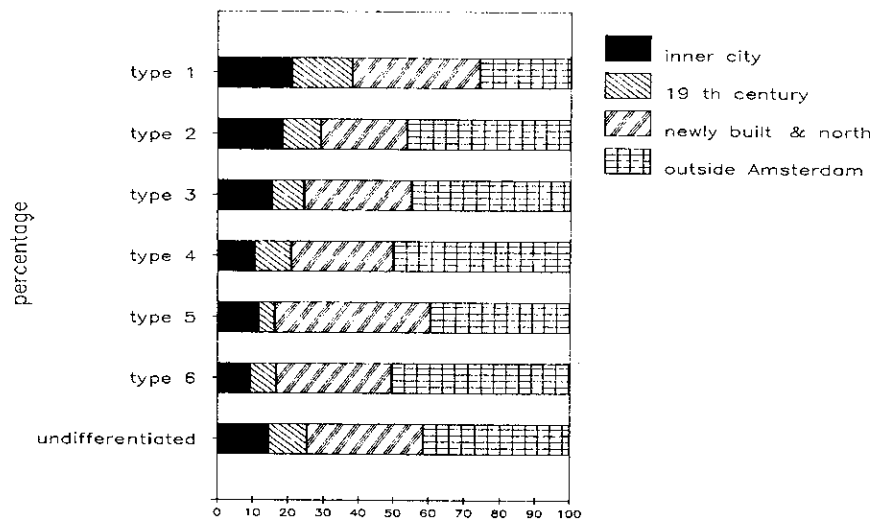
Currently, however, the future of the inner city is just as dependent on the presence of the highly educated as it is on the presence of high-income groups.

Secondly, several inner-city neighbourhoods show a rise in the level of average incomes there (although we must bear in mind that the development was only measured during one year). In the northern 'Jordaan' and the 'central old city' a significant increase in the number of households with a high income was registered. Only one neighbourhood (Nieuwmarktbuurt) showed a significant decrease in average income levels (probably as a result of the recently-built public housing).

The environmental orientation of residents who are on the point of moving to a new home, can give us a clearer indication of the future development of city areas. Does this information indicate that high status areas are highly favoured? And if so, for which particular household categories?

In the above-mentioned survey (Kersloot and Musterd, 1987) Amsterdam citizens of over 18 years old were asked whether they had definite plans to move within the coming year. If they had these plans they were asked which neighbourhood or area they were thinking of moving to. These areas were divided into four (central city, old south/east/west, new neighbourhoods/north and outside Amsterdam). More than 41% of those intending to move hoped to find housing outside the city. One third favoured recent residential environments, which only leaves 25% in favour of the old-city areas (even though 37% of the Amsterdam population live in the inner city or in 19th century neighbourhoods). Figure 3 shows that the household types (distinguished according to size, age, income, and number of children) differ in their choice between the various environments. Generally, the lower-income categories, especially those households without children, prefer the

FIGURE 3. Environmental orientation of various types of households expressing an intention to move.



type 1: 1 or 2 persons, <35 yrs, no children, low income
 type 2: 1 or 2 persons, <35 yrs, no children, high income
 type 3: 1 or 2 persons, >35 yrs, no children, low income
 type 4: 1 or 2 persons, >35 yrs, no children, high income
 type 5: 2 or 3 adults, with children, low income
 type 6: 2 or 3 adults, with children, high income

inner city. Of all categories, young people appear to be most often attracted to this part of the city.

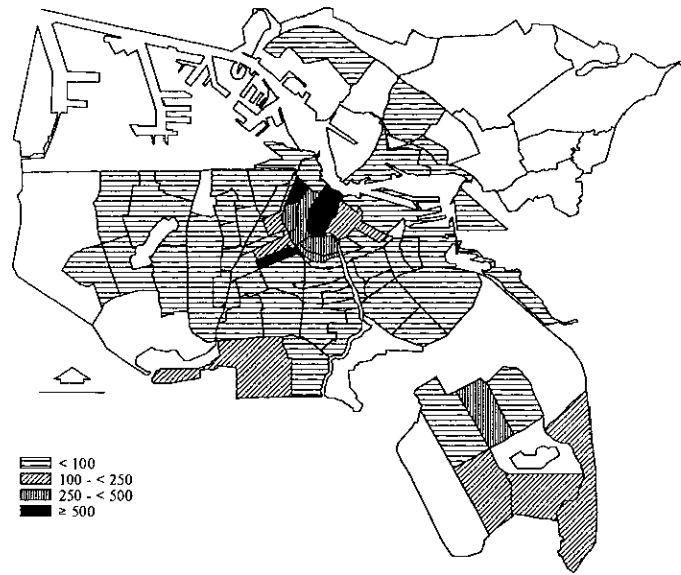
Considering the relationship with income, it is clear that young people with high incomes often favour the inner city. There is an underrepresentation of other types of households with high incomes. These are primarily in search of housing outside Amsterdam. Households with children as well as low income frequently turn to the Amsterdam expansion areas for housing. The 19th century neighbourhoods are relatively attractive for one- and two-person households with low incomes. Families with children and 'older' young people avoid this area.

Therefore, the inner city is especially in demand by young, one- and two-person households, including those with a relatively high income; of the somewhat older one- and two-person households only the lower-income categories are relatively overrepresented in the group of people looking for inner-city housing.

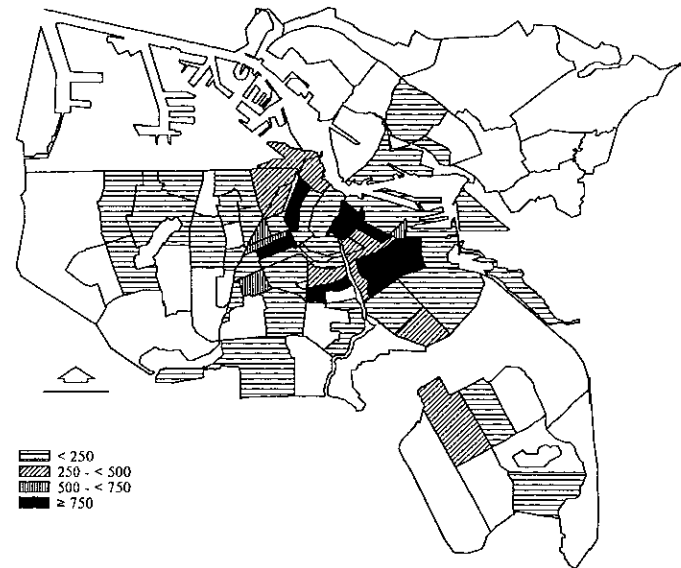
Environmental orientation is strongly related to the resident's opinion about the development of his or her neighbourhood. Only 20% of the households with plans to move and with positive opinions about past and future neighbourhood development wanted to leave the city. Of those with plans to move and a negative opinion, 52% want to leave the city. In this respect, households with children have the highest score. Irrespective of income,

FIGURE 4. Building sum per hectare (x NLG. 1,000,--) 1983-1986.

a. PRIVATE APPLICATIONS



b. NON-PRIVATE APPLICATIONS



Source: Musterd and Westerterp, 1988.

63% of the households with children and with negative opinions about the development in their neighbourhood want to leave Amsterdam.

The orientation of the various 'consumer' categories can be studied more extensively by looking at the actual mobility. This will be discussed below.

The orientation of individuals and institutions investing in housing

During the years 1983-1986 1360 applications for (re)building permits, intended for housing or a combination of housing and commercial purposes, (for a much larger number of housing units) were received by the Amsterdam Department for Building and Housing Inspection. Applications involving the expenditure of less than NLG. 3,000 were not considered in our analysis. Two third of the applications were for rebuilding; one third for new buildings. The information about the applications can be considered as an indication of the building activity in certain areas of the city. The annual number of applications varied little during these four years.

Figures 4a en 4b show the location and magnitude of the intended building activity. The average sum per hectare involved in the applications has been mapped for private (4a) and non-private (4b) applicants.

In general, we can note that the markets for these two groups of applications do not overlap.

Private building activities tend to concentrate on 'virgin' ground or in central parts of the city. Most notable are the activities in the inner city, especially in the 'central old city', the 'Jordaan' and along the main canals.

The non-private institutions (municipalities and housing associations) concentrate their activities in the 19th century belt, but are also well represented in certain inner-city neighbourhoods. In these latter neighbourhoods, private initiatives are being carried out alongside non-private initiatives.

Very little building activity has taken place in areas west of the inner city, whether they were 19th century neighbourhoods or areas built between 1920 and 1940. The maintenance level in these areas is also very low. In nine areas in this part of the city 25 tot 45% of the residents consider the dwellings to be in a bad condition (survey-data). Other authors have also noted that these areas require intensive urban-renewal (e.g. Dekker, et al., 1986). These neighbourhoods primarily contain public housing. Under present urban-renewal policies the municipality and the housing associations are responsible for improvement. However, they have not got round to this yet, possibly due to other priorities in the older 19th century neighbourhoods elsewhere in the city.

Based on the information above, which indicates a certain confidence in the inner city (primarily because this is the area where private investors have chosen to run their risks), and a demand from young high-income households, a reduction of the 'one-sided' growth can be expected.

Migration patterns between Amsterdam and the surrounding area

The literature frequently emphasises that changes in the social position of persons and households form the primary motivations to move. People change their home location most often during the period when they are changing from family member to single individual, when they choose a partner and start a family etc. During this period people start studying, start work, change jobs and change their recreational activities. After the age of thirty, the number of changes decreases. But even then, people marry, get divorced, change jobs or become successful in their careers.

In this section we will describe the migration relationship between Am-

sterdam and its environment, by type of life path. Before we deal with this, some attention will be paid to the influence of different areas of origin, as far as migration is concerned, on further life-paths of individuals involved (Buys, 1988).

Type 1 Immigrants from abroad come to Amsterdam for political or economic reasons. Many of them are in an uncertain position and have little chance of obtaining a steady position in the labour market within 5 or 10 years. They tend to remain dependent on the public-housing stock and therefore form an increasing share of the Amsterdam population (Table 2). The influx of these settlers is not influenced by new building activity, but by the political and economic conditions in their home countries.

Dutch settlers should be divided into a category of settlers from within the region, i.e. the labour- and housing-market area with a radius of about 25 km. from the city, and a category of settlers from the rest of The Netherlands.

Type 2 Of those coming in from the rest of The Netherlands many only stay in Amsterdam for a few years. After that they leave again for other parts of The Netherlands. The housing market plays no part in this process.

Some of the settlers from outside Amsterdam come to the city for a different reason, either to obtain employment, or for the subculture and the relatively tolerant atmosphere which characterize Amsterdam.

Some of them become very attached to Amsterdam and remain linked to the city for a longer period of time, either because of a job or because they continue using various services in the city. If the only link with the city is employment, the housing market does play an important role when these households decide whether or not to move out of the city to the surrounding region.

Type 3 Settlers from the surrounding region are quite similar to settlers from the rest of The Netherlands. In contrast to those of type 2, people embarking on a study or job in Amsterdam can decide, depending on the housing-market situation, not to move into the city. If they want to live independently, Amsterdam offers more possibilities in comparison with other urban municipalities.

From this we can conclude that only settlers of type 3 and some of type 2 are important in evaluating the housing-market position of Amsterdam. Two questions can now be asked:

To what extent can Amsterdam improve its position within the city region?

Hasnot this position already been improved during the past few years?

At first glance, the answer to the latter question appears to be affirmative. However, a number of research results call for extreme caution in this aspect. The fact that the population of Amsterdam is no longer declining is partly due to a significant increase in the number of foreign immigrants and a decrease in the number of people moving out (Gemeente Amsterdam, 1981-1988).

These developments can be explained to a considerable extent by the strongly-fluctuating building activity in Amsterdam, along with a severely decreasing and shifting housing production in the city region (Table 3, and Jobse and Musterd, 1989)

The number of people moving into Amsterdam from the New Towns North, (growth centres) remain high in 1985 and 1986, while it decreased

TABLE 2. In- and out-migration by origin and destination for Amsterdam, 1981-1986 (x 1000 people).

	abroad			interregional			intraregional		
	in	out	net	in	out	net	in	out	net
1981	9.1	5.0	4.1	10.2	10.1	0.1	9.0	23.6	-14.6
1982	8.0	5.6	2.4	11.0	9.6	1.4	10.1	24.6	-14.5
1983	7.4	5.0	2.4	10.7	8.4	2.3	10.6	24.2	-13.6
1984	7.9	4.5	3.4	12.9	8.5	4.4	12.6	20.1	-7.5
1985	10.2	4.3	5.9	13.0	8.6	4.4	11.5	16.7	-5.1
1986	12.3	4.9	7.4						

Source: Gemeente Amsterdam, 1981-1988.

from the South and the surrounding municipalities. Migration from Amsterdam to the North declined considerably from 16,500 (1983) to 9,800 (1985), while to the South the decline was only from 4,600 (1983) to 4,400 (1985). In short, when housing production in the growth centres declines and Amsterdam housing production is high, the departure from Amsterdam to the growth centres decreases. Under such circumstances, a decrease in the number of migrants from Amsterdam, i.e. a 'staying put in the city', is far more probable than an increasing influx from the growth centres, i.e. a 'back to the city' movement.

Life paths and residential environments. That such a population movement is not easily accomplished can be explained by the housing and residential requirements at each different stage of the life-path. The actual settlement behaviour can be presented as follows (Figure 5).

The diagram is incomplete because not all possible life-paths are represented. For example, not all independent young people start a family. It gives also no indication of the age at which these changes take place, nor of the proportion of people for which these changes occur. The movement

TABLE 3. Increase in the housing stock within the city region of Amsterdam; percentage of total increase in a year, 1981-1987.

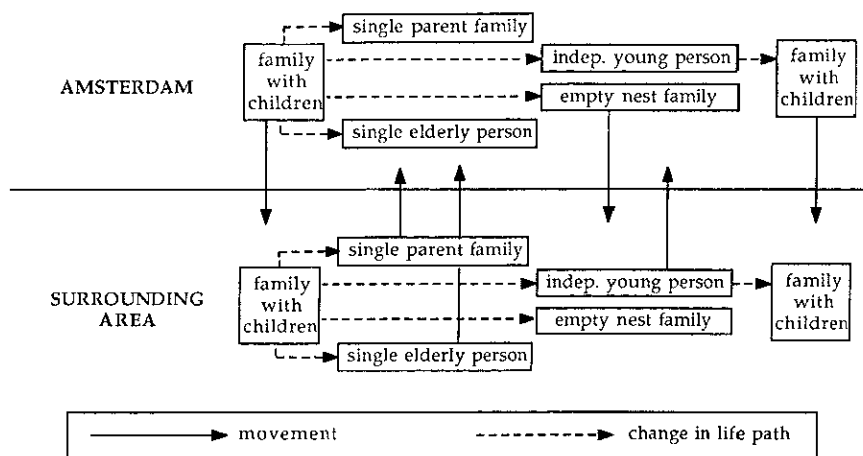
	Amsterdam	New Towns North(1)	The rest of North-Holland	New Towns South(2)	North-Holland and Zuid-Flevoland	
1981	5.3	23.3	41.9	29.5	100%	18266
1982	13.1	23.9	40.1	22.9	100%	21683
1983	16.2	23.8	42.3	17.7	100%	21875
1984	32.3	14.1	34.9	18.7	100%	24954
1985	20.9	13.8	49.8	15.5	100%	18633
1986	16.6	12.1	52.6	18.7	100%	17153
1987	22.5	9.2	47.6	20.7	100%	20585

(1) Alkmaar, Hoorn, Purmerend

(2) Zuidelijk Flevoland

Source: Centraal Bureau voor de Statistiek, 1982-1988, Table 6.6.

FIGURE 5. Life-path and residential environment.



arrows indicate the predominant direction, but here too, large fluctuations in the proportion of people actually moving in that category can occur quite suddenly. Of course the financial situation of those concerned plays an important role, but particularly important are the considerable changes in the size of the categories. For example, there are fewer families with children and fewer independent young people, and, due to ageing, more households in the 'empty nest' stage.

Within the context of the general developments as sketched above, we will now examine Amsterdam's competitive options in the regional housing market, using the housing preferences of persons/households in a particular life-path stage.

Independent young people. A number of recent studies by the Institute of Social Geography of the University of Amsterdam have shown that Amsterdam does not have a magic attraction for all young people in the region (Beaujon and Wöltgens, 1984; Werkgroep Lokaal en Regionaal Woningmarkt-onderzoek, 1986; Perreé, 1985; Janssen, 1987; Dijst, 1986).

The large majority of young people, especially those with no more than a secondary education, want to stay in their own familiar surroundings. These youngsters also start making preparations for a family life at quite an early age. Whether they can actually carry out these plans depends on the local housing market. This is not a problem in growth centres like Purmerend. In suburban environments like Uithoorn and Abcoude, the situation is completely different. While saving in order to buy a dwelling, they have to find temporary accommodation in Amsterdam or in neighbouring municipalities, but they also have to maintain their existing social contacts. The people who do move to Amsterdam generally want to continue their education and are not (yet) ready to lead a 'settled' life. There are also many young people living in Amsterdam who do not feel the least bit inclined to throw themselves into the 'sparkling city life'. Their behaviour is similar to young people in the suburbs. They have to travel to the inner city or other

employment centres for their study or work, and they spend most of their spare time in or around the home.

The above comments lead to the conclusion that some of the young people who move to Amsterdam will leave the capital again once they have completed their study, or when a dwelling has become available in their area of origin. They have strong social ties to the area of origin. The availability of comfortable single-family dwellings in Amsterdam will have little effect on this, in contrast to the non-availability of housing in the area of origin. A considerable proportion of the young people born and raised in Amsterdam, and of the suburban 'deviants', seem to be prepared, at this stage, to remain in Amsterdam for a longer period of time if they are offered a suitable dwelling and residential environment.

Families. Recent research into the residential environment preferences of families shows similar results to older studies (Provinciale Planologische Dienst Noord-Holland, 1987; Buys and Henstra, 1987; Dijkstra en Cortie, 1987).

Families prefer low-rise buildings in low-density areas. The more urban the residential environment gets, the less they are interested. Several thousands of households with employment in Amsterdam and living elsewhere would like to move into the city. The majority of them consist of two bread-winners who (together) have a high income, and for whom traffic congestions seems to play an important role. As the desired residential environments hardly occur in the existing Amsterdam neighbourhoods, the only way in which these demands can be met is by building new dwellings, especially in the private sector. This could also encourage some of the families and childless couples living and working in Amsterdam to stay in the city. However, important motives for leaving the city also appear to be related to the urban environment rather than the dwelling itself (Buys and Henstra, 1987). Some of the motives mentioned were: 'high proportion of foreigners' (16%), 'no longer wanting to live in a large city' (15%), and 'crime' (9%).

The question is whether these motives are also valid for urban-fringe environments within the municipality of Amsterdam.

Other types of household. Very little research has been carried out on the housing preferences of those in their thirties and forties who have not (yet) formed a family, or who, after having had a family, are single again, with or without children. The choices of single-parent families are especially limited due to their financial circumstances. There are indications that those who have not (yet) formed a family generally fall into three categories. There are those who will still form a family. They appear less tied to the city. There are others whose entire life-path will be either clearly non-urban or urban. The last category will not think of leaving the central parts of the city (e.g. Oud Zuid), as long as they have high-quality housing and preferably a garden (Vijgen and Van Engelsdorp Gastelaars, 1986: 85-93). However, there is also a third group with a more 'home-oriented' life-style, preferring tranquility and an attractive landscape, with no wishes to start a family (Dijkstra and Cortie, 1987: 108). The size of these categories is not clear.

The empty nest stage. The residential environment preferences of this rapidly growing category have hardly been investigated. In other countries (USA, France, West Germany) retired people often move to areas with a more attractive landscape and climate, but in our country this only occurs on a limited scale (Vergoossen, 1983). There are no indications of a massive exodus to the South, not even after the removal of restrictions between EG

member states. Another possibility is the return of ex-Amsterdam citizens who moved to the surrounding area because it was 'better for the children'. However, the general tendency to move to Amsterdam declines rapidly with age. 40% of those willing to move would only do so if a single-family home was available (Werkgroep Regionaal en Lokaal Woningmarktonderzoek in Noord-Holland, 1986: 31 and 41). On the other hand, many older, childless households wish to leave Amsterdam. Apparently, these people anticipate their coming retirement and do not mind commuting to Amsterdam for a few more years (Buys and Henstra, 1987: 40).

Finally, it is quite remarkable that the visitors to the many cultural services in the high-status area of Amsterdam (inner city and Zuid) do not seem to be attracted to the idea of living in this area. Is there no specific housing available for this category, or does the attitude of the various parties in the market have anything to do with it? We deal with this question in the next section.

Attitudes of market parties towards housing in Amsterdam

In order to get some impression of the ideas of the market parties about the more expensive segments of the Amsterdam housing market, consisting of rental housing costing more than NLG. 700,- per month and (premium) purchase housing, we spoke to three large investors, three project developers (of whom two were large) and three building firms. Questions were asked about the demand potential, with the local authorities, the locations preferred and the bottlenecks perceived.

Demand potential. All those interviewed felt that, in potential, there was a very large demand for the slightly more expensive to very expensive housing. This belief was based on personal contact with the market, by researching the question, on reports in the professional literature, but apparently not on research about changes in demand supplied by the municipal and provincial authorities. This last point is illustrated by the statement made by a director of a large estate agency: "What we need is a good study of the housing preferences of the tens of thousands of commuters who travel to Amsterdam every day" (De Volkskrant, 18-2-1988), while a few months earlier the municipality had just published an extensive report about this subject (Buys and Henstra, 1987).

The investors believe this demand will continue in the next ten to twenty years.

Co-operation with the municipal authorities. In general there is a hopeful attitude towards the policies of the Mayor and Aldermen of the city. The impression exists that the increased interest of the market sector and the market parties is not only inspired by the retreat of (central) government, but that there is a conviction that the city will profit from this. The way in which Amsterdam presents itself in the IJ-embankment project, for example, is often given as an example of the changing attitudes of the Mayor and Aldermen and to illustrate the fact that there is a certain mutual understanding about future developments.

Public-private co-operation for certain projects in which the risks are borne by the municipality, is generally not one of the possibilities considered. A business relationship between the municipal authorities and the market parties is considered far more important.

Location preference. The inner city up to the Singel canal, the IJ-embank-

ments, Amsterdam Zuid (Buitenveldert), the Middelveldsche Akerpolder and Sloten (in between Amsterdam West and Amsterdam Zuid, have been identified as potential locations for housing. There is much less interest, under present circumstances, in Amsterdam Noord, West, Zuidoost and the urban-renewal areas. These preferences are in line with the pattern of recent private investments (Figure 4).

Bottle-necks. To achieve a better understanding between private initiative and the municipality, more is needed than an alert court of Mayor and Aldermen. The attitudes of the municipal council, the municipal executive, and the citizens will also have to change accordingly.

Furthermore, there is no central department where firms can go to with their questions concerning building and development projects. The creation of project groups can solve this problem on the condition that the composition of these groups remains relatively stable. It is not easy for firms to evaluate the internal relations between the municipal departments of housing, rehousing, physical planning, and the estate development corporation. The powerful position of the department of housing, especially during the time when public housing production was dominant, was criticized by some builders for the one-sidedness of the building programme and for the detrimental effect on building prices which, due to fierce competition, are sometimes even lower than the costs.

There is also strong criticism of the multi-candidate approach, or the competition method, now often employed by the authorities: for projects in the development phase, the authorities approach various project developers, receive plans without paying for them, and use fuzzy criteria in deciding if and to whom they will finally give the order.

The governors of the city are not easy to reach, they are protected by assistants, public relations officers and chief municipal employees. There is hope that this situation will change for the better after the further installation of the sub-councils (now 6, growing to 16 in a few years time). However, this does not imply that opinions of the sub-councils are all favourable.

The opinions of the firms consulted vary from reserved to sceptical. The firms fear that, for very large projects, they will have to negotiate with both the sub-councils and the central city council, thereby creating a new layer of government and consultation. Nevertheless, generally speaking, there is moderate optimism about the possibilities offered by Amsterdam to private initiative, now and in the next few years, in the more expensive segments of the housing market. Amsterdam has potential, but the possibilities could be exploited more successfully.

General conclusions

The information given above has shown that the Amsterdam housing market is under considerable pressure and that there is a great deal of interest in the inner city and the new expansion locations. The composition of the group of interested households is very diverse, consisting of various income-categories and different types of households, particularly those without children.

The strong influx of young people, responsible for the overrepresentation of one- and two-person households, should receive further attention. As long as these households remain small, they can be housed within the inner city and 19th century neighbourhoods. In a later (family) stage the housing preferences of these households will change. In the past, Amsterdam has not

succeeded in retaining the higher-income households of this type. Considering the continuous selective out-migration from Amsterdam during the past years it would be wise to try to stop the further outflux of middle- and high-income groups, especially the growing category of households not raising families.

Those who are economically tied to Amsterdam should be especially encouraged to choose a home in the city, in order to combat the steady growth of commuter traffic in the city region.

Furthermore, more effort should be made to meet the requirements of those with economic ties, but who presently live outside the city, especially those with a strong preference for the urban environment. However, expectations about the size of this category should not be too high. There are no signs of a clear 'back to the city' movement; therefore, the policy efforts would be better directed towards retaining the present population and the immigrants. Market parties, such as builders, investors, and project developers, are convinced of the city's potential. Considerable areas within the housing locations discussed, especially in the inner city and the expansion areas, could be completely developed by private initiative for the middle- and higher-income categories.

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