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Gentrification in Amsterdam: Assessing the Importance of Context

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ABSTRACT

This paper investigates the income levels and income developments of in-migrating, out-migrating, and sitting households in gentrifying neighbourhoods in Amsterdam over a 10-year period (1999–2008). First, to analyse these data, this paper discusses the impact of institutional and housing market contexts on the residential-mobility patterns of households and subsequently discusses the outcomes of gentrification processes. The general Continental-European context and the specific context of Amsterdam are highlighted in particular. We argue that in highly regulated markets, marginal gentrification can form an important process of neighbourhood upgrading. This contrasts the gentrification stage model. Second, using a unique, individual-level longitudinal dataset, we show that gentrifying neighbourhoods in Amsterdam arguably form cases of marginal gentrification. Recent in-migrants possess incomes that are structurally lower than the incomes of sitting residents. However, in-migrants experience significant incumbent upgrading after moving in, more so than the sitting population. The Amsterdam housing market, dominated by social-rental housing, is key to explaining these mobility patterns. Yet, a gradual liberalisation of the social-rental stock could arguably contribute to more mature forms of gentrification. Copyright © 2014 John Wiley & Sons, Ltd.

INTRODUCTION

Over the past decades, the gentrification literature has been extended conceptually and geographically. New and ample attention has been given to the discussion on what gentrification actually implies (in different contexts), what the drivers of gentrification are, which consequences are related to the process of gentrification, and who benefits and suffers from these consequences (Rérat et al., 2010). This paper contributes to that debate, in particular by assessing the potential impact of the institutional context on residential-mobility dynamics in gentrifying neighbourhoods. Even though gentrification has, in a wide range of contexts, emerged as a popular policy instrument to enhance the attractiveness of disadvantaged neighbourhoods and the competitiveness of cities (Smith, 2002; Uitermark et al., 2007), state involvement can simultaneously contribute to a reduction of negative effects resulting from the process (Van Gent, 2013). Despite a growing interest in the context-dependent dynamics of gentrification (Lees, 2012), interpretations of gentrification (implicitly and explicitly) continue to be dominated by Anglo-Saxon contexts, which reflect specific institutional arrangements.

This paper presents a case study that investigates the residential dynamics of gentrification in a clearly different context, that of the highly regulated Amsterdam housing market. We will explore these context-specific characteristics of residential-mobility processes in gentrifying neighbourhoods using a unique individual-level longitudinal dataset. Gentrification in the Anglo-Saxon context is often explained through the gentrification stage model (Clay, 1979) in which progressively more affluent residents move to these neighbourhoods, redispersing or displacing lower-income residents (Hackworth,
Gentri frequently, the outcomes of gentri-
in to understand how institutional context may
structurally able to move into gentrifying neigh-
bourhoods (Teernstra, 2014), because a signifi-
cant share of social housing remains. These speci-
fic interrelated contextual factors will evidently im-
pact the local dynamics of gentrification as well
as potential effects of the process.

In addition to the detailed analysis of residen-
tial-mobility patterns, we will tentatively dis-
cuss some of the outcomes gentrification may
produce within this context for different types
of residents as well as gentrifying neighbour-
hoods. We do so by engaging with different
forms of displacement (Marcuse, 1986) and some
recent debates in the literature on gentrification
e.g. Slater, 2006; Lees, 2012).

Through a brief review of relevant literature on
gentrification, this paper first establishes how
specific residential-mobility patterns and effects
of gentrification processes may be related and how
institutional contexts can shape these patterns and
effects. The research question we first address is

How can institutional context shape residential-
mobility patterns in gentrifying neighbourhoods
and, thereby, influence the effects of the process?

We will develop a general analytical framework
to understand how institutional context may
influence residential-mobility patterns and, subse-
quently, the outcomes of gentrification processes.
Key differences between the Anglo-Saxon and
Continental-European contexts are central to this
question. We especially focus on gentrification in
the context of Amsterdam to understand its
specific dynamics. Amsterdam arguably forms an
extreme case within Continental Europe because of
its rich tradition of social-rental housing, although
current processes of neoliberalisation weaken this
characteristic (Van Gent, 2013; Musterd, 2014).

In order to place residential-mobility patterns in
a public policy perspective, that is, the regulated
Dutch context, the second aim of this paper is to
examine income developments of in-migrating,
out-migrating, and sitting households in gentri-
fying neighbourhoods in Amsterdam. Using
longitudinal register data, we will calculate the
incomes and income developments of different
residents, answering the second research question:

What are income developments of in-migrating,
out-migrating, and sitting households in gentrify-
ing neighbourhoods in Amsterdam; and to what
extent can these developments be interpreted as a
result of the regulated Dutch context?

We hypothesise that the highly regulated Dutch
housing market will contribute to a more marginal
form of gentrification. Relating this to the first
research question, we will reflect upon the way
local authorities may spur gentrification as well
as mitigate the negative effects resulting from
gentrification by shaping residential-mobility
patterns (cf. Van Weesep, 1994).

The structure of this paper is as follows. First,
we will present an overview of the literature on
gentrification, residential mobility, effects, and the
contextual embeddedness of different theoretical
assumptions in the gentrification literature. Subse-
quently, we will discuss the transferability of these
assumptions to other contexts. Second, we present
data on the socio-economic characteristics of in-
migrating, out-migrating, and sitting households
in gentrifying neighbourhoods in the municipality
of Amsterdam. Third, we will discuss these
empirical findings in relation to the institutional
context and how this shapes the local effects of
gentrification in Amsterdam.

THEORY

On the basis of an analysis of gentrification lite-
rature, we investigate how the outcomes of gentri-
fication processes may differ on the basis of the
specific residential-mobility processes at work. We
assess the outcomes on the basis of a brief discus-
sion of the ‘emancipatory-city’ thesis, the role and
extent of social mixing, and different forms of
displacement. Finally, we look at how institutional
contexts can influence residential-mobility pro-
cesses in neighbourhoods of gentrification.

Residential-mobility Patterns

Residential mobility forms a key element of most,
if not all, definitions of gentrification. For exam-
ple, Hackworth (2002: 815) defines gentrification,
in its broadest sense, as the ‘production of space for progressively more affluent users’. The gentrification stage model offers an analytical framework to analyse migration patterns to and from gentrifying neighbourhoods (Clay, 1979). The stage model forms an ideal-typical expression of the gentrification process (Van Criekingen & Decroly, 2003) and assumes that gentrification follows various stages as it progresses. In the earliest stages, mainly pioneering and risk-oblivious residents, often possessing incomes similar to those of the sitting population, move to these neighbourhoods. This is considered a prelude to further gentrification, as these pioneers essentially pave the way for higher-income and risk-averse gentrifiers. These gentrifiers move to the neighbourhood to capitalise on existing rent gaps (Rose, 1996). In the process, they displace or replace longer-term residents as well as pioneering gentrifiers.

It is thus commonly accepted that gentrification is characterised by higher-income residents moving in, although other studies stress the heterogeneity among gentrifiers (Réat et al., 2010). Rose (1996: 153) has challenged the concept of a teleological gentrification stage model, arguing that

‘it is not inevitable […] that all neighbourhoods where a “beachhead” of “first wave gentrifiers” is established will ultimately be caught up in an irreversible dynamic largely driven by major real estate interests and leading to their transformation into homogeneous Yuppie preserves’.

Van Criekingen and Decroly (2003) have argued that marginal gentrification should therefore be considered an independent and structural process that is distinct from the gentrification stage model and of which the outcome need not necessarily be a wealthy neighbourhood. Essentially, marginal gentrification is associated with

‘highly educated but only tenuously employed or modestly earning professionals, […] who sought out niches in inner-city neighbourhoods – as renters in the private or non-profit sectors, or […] as co-owners of modestly priced apartment units’ (Rose, 1996: 134).

Increasing labour market flexibility and an extension of the transitory period towards adulthood before forming a family (Buzar et al., 2005) are seen to contribute to a growing number of marginal gentrifiers (Van Criekingen, 2010). Despite the marginal character of in-migrants, it should be noted that marginal gentrification can result in displacement and exclusionary practices, particularly through steep rental increases in the private rental sector (ibid.).

Marginal gentrification is also associated with the upward socio-economic mobility of residents after they moved into the neighbourhood. This has been referred to, at the neighbourhood level, as incumbent upgrading (Clay, 1979). Using US Census data, McKinnish et al. (2010) found that the in-migrants in gentrifying neighbourhoods generally possess incomes lower than the neighbourhood average, which suggests that neighbourhood gentrification could be closely related to subsequent incumbent upgrading rather than the direct displacement of lower-income residents by wealthier residents. They speculate that ‘the “stayers” in gentrifying neighbourhoods either experience disproportionate income gains or are disproportionately selected from the higher income households within each demographic group’ (McKinnish et al., 2010: 189). Following this notion, gentrifying neighbourhoods can function as an ‘escalator’ for these upwardly mobile households (Butler & Hamnett, 1994). At a later stage, after experiencing incumbent (socio-economic) upgrading, these households expectedly move out to advance their housing career and life course (McKinnish et al., 2010). Millard-Ball (2002) highlights that incumbent upgrading can play a role in gentrification processes, albeit likely a minor one. However, surprisingly little is known about the exact longitudinal dynamics of incumbent processes in the context of gentrification. Figure 1 gives a broad schematic overview of the assumed residential-mobility processes for both stage-model gentrification and marginal gentrification.

An Overview of Potential Outcomes

The ‘escalator function’ of marginally gentrifying neighbourhoods has been linked to emancipatory practices (Caulfield, 1989; Lees, 2000). The emancipatory-city thesis argues that (marginally) gentrifying neighbourhoods offer affordable housing located close to different urban amenities and job opportunities (Rose, 1996). This can help single-person or single-parent households to
overcome time–space constraints and negotiate between work and private life (ibid.). Additionally, in some cases, marginal middle-class professionals deliberately choose low-cost social-rental housing to save money, which would allow them to pursue other life or career goals (Watt, 2005). Moreover, the emancipatory-city thesis highlights how these inner-city neighbourhoods can offer individuals with alternative lifestyles, political outlooks, cultural affiliations, and occupations, giving them the opportunity to liberate themselves from dominant societal structures, such as suburban life, which they experience as constraining (Caulfield, 1989, 619).

Whereas initially, most studies mainly focused on emancipatory benefits to the marginal gentrifiers themselves, more recently, scholars – sometimes critically – link the emancipatory-city thesis to benefits for the long-term population. For example, Davidson (2012: 239) critically stated that ‘[g]entrification’s emancipatory spectre […] emanates largely from the prospect that because people of different social classes are living in the same neighbourhood, this will generate reduced social difference and/or greater levels of understanding/tolerance’.

Simply put, the emancipatory-city thesis has come to be associated with the idea that gentrification, through social mixing, will result in positive outcomes for the long-term sitting population (Slater, 2006).

The relationship between gentrification and social mixing is a contested one. It has been argued that social mix is merely a transitory phenomenon of gentrification as a new class of residents gradually replaces the old population. This would ultimately result in overall lower levels of social mix and greater polarisation and segregation (Walks & Maaranen, 2008). Other studies did find that gentrification can contribute to greater levels of social mix over longer periods though (Vigdor, 2002; Freeman, 2009). Regarding marginal gentrification, Walks and Maaranen (2008) also state that social mix can be retained for a longer period but will likely decrease as the process progresses. Yet, even when a structural social mix can be established, the evidence base that this produces positive neighbourhood effects remains limited (Galster et al., 2008). Even when gentrifiers and non-gentrifier residents live in the same neighbourhood, actual contact, or mixing, between these groups tends to remain limited (Davidson, 2012).

Finally, displacement forms a key, but again contested, element of most debates about gentrification. Relevant to our analysis, Marcuse (1986) has distilled four types of displacement (and later recapitulated by Slater, 2009): direct last-resident displacement, direct chain displacement, exclusionary displacement, and displacement pressures. Whereas the first two – albeit at different moments in the gentrification process – refer to displacement as the result of physical or economic processes (e.g. the physical decline of buildings or rent increases, respectively), the latter two refer to indirect processes. Exclusionary displacement comes about when a household voluntarily moves and is replaced by a gentrifier household, for example, because of rent increases. This reduces the available housing stock for other non-gentrifier residents. Displacement pressures are the result of a remaking of the neighbourhood, which is reflected in a changing population base, a different image as well as a changing facility structure that aims at a higher-income clientele. These changes can lead long-term residents to desire moving out of their neighbourhood.

On the one hand, various studies, often focusing on direct displacement, found little to no
evidence that gentrification increases the likelihood of low-income residents to be displaced (Vigdor, 2002; Freeman, 2005). In a similar vein, McKinnish et al. (2010: 192) found little evidence for direct or exclusionary displacement because gentrifying neighbourhoods retained ‘very sizeable fractions of non-white and non-college educated households, and sizeable in-migration of these same demographic groups’, concluding that ‘the stark gentrification-displacement story was not the norm during the 1990s’. Furthermore, Hamnett (2003) has argued that displacement is likely limited as processes of industrial and occupational restructuring have led to a general decline in the number of working-class households. On the other hand, various studies focus on the occurrence of multiple forms of displacement within single neighbourhoods (e.g. Slater, 2006; Davidson & Lees, 2010). In the case of marginal gentrification, as mentioned earlier, steep rental increases can contribute to direct displacement and forms of exclusionary displacement (Van Criekingen, 2010).

This overview highlights the importance of taking into account marginal gentrification and the specific residential-mobility patterns associated with it, when assessing the outcomes of gentrification. Even though the process can lead to displacement practices, other studies link marginal gentrification to the structural in-migration of lower-income residents (both upwardly mobile and non-gentrifier), an enduring social mix, and a rejection of the inevitable transformation to a wealthy neighbourhood. The following section will emphasise the possible role of the institutional and housing market context in producing marginal forms of gentrification.

The Importance of Context

With the emergence of an expanding geography of gentrification (Lees, 2012), research on gentrification has become ever more sensitive to local context and has most recently expanded to contexts including China and the Global South (e.g. Atkinson & Bridge, 2005; Harris, 2008). Despite the importance of these contextual specifics, the general understanding of gentrification remains rooted in experiences deriving from Anglo-Saxon contexts. The Anglo-Saxon contexts are predominantly characterised by state regimes with liberal attitudes towards the housing market. Much of these contexts can be labelled as liberal and ‘commodified’ (Esping-Andersen, 1990), which implies, among other things, that social security mainly has to be obtained through the market, not via the state. Furthermore, the investment of private capital in housing and neighbourhoods plays a central role. On the other hand, most Continental-European countries are characterised by a more corporatist and social-democratic welfare state, interventionist governments through urban and housing policies, and, in various countries, the presence of ‘decommodified’ housing (Van Kempen & Murie, 2009). Already, in the late 1980s, these institutional differences triggered a research conference that specifically addressed the following question: is there a specific European gentrification, or should we just talk about ‘gentrification in Europe’ (Musterd & Van Weesep, 1991)? Even though it was argued that important differences between the Anglo-Saxon and European contexts exist, researchers such as Smith and Clark stressed that the basic ideas regarding gentrification theory, rent-gap and value-gap theory, remained valid in each of these contexts (Clark, 1991; Smith, 1991). In addition, most of these countries at present see a shift towards a more commodified housing market (Atkinson & Bridge, 2005; Musterd, 2014). Previous studies have shown the role that different tenure types, tenure changes, and housing policies can play in gentrification processes (Shaw, 2005; Andersson & Turner, 2014; Boterman & Van Gent, 2014).

The decommodified character of social-welfare contexts, such as the Dutch context, can substantially influence the form and progress of gentrification in various ways. We are particularly interested in how these contexts can foster forms of ‘marginal gentrification’, generally associated with contexts with a large private-rental sector (Van Criekingen, 2010). Gentrification processes in European contexts are influenced by the strong state intervention — among other things — rent control, property protection, tenure division, and land ownership (Lees, 1994). Van Weesep (1994) has argued local regulation cannot prevent gentrification but can exert influence on the progress of the process and where it takes place. Moreover, local institutions can prevent the exclusion of socially weaker residents from gentrifying neighbourhoods. In countries such as the Netherlands, gentrifying neighbourhoods are generally composed of not only a private housing stock that pushes gentrification but also a social-rental stock that maintains the ‘old’ low-income population of the neighbourhood.
who might have experienced increasing incomes. This contributes to policy attempts to ‘retain a level of social integration in gentrifying neighbourhoods’ (Van Weesep, 1994: 80). This also implies that both socially stronger and weaker households may obtain certain dwellings in gentrifying neighbourhoods. These households can profit from rising values of their property (if they bought; Hamnett, 2003; Newman & Wyly, 2006) or suffer from it (if they rented), because gentrification will push up rent levels. Even though state regulation will generally prohibit the direct displacement of low-income residents, longer-term residents might feel displacement pressures because of a changing neighbourhood image and service environment. This context also offers upwardly mobile households the opportunity to make a start in gentrifying areas. For example, in the Dutch context, housing associations provide not only social-rental dwellings (for which long waiting lists and income caps exist) but also middle-segment private-rental or relatively affordable owner-occupied dwellings. Indeed, the sale of social-rental dwellings brings comparatively affordable dwellings onto the owner-occupied market (Aalbers, 2004). These dwellings are often situated in gentrifying neighbourhoods.

Next to mitigating gentrification, state involvement is increasingly associated with promoting gentrification as a generalised public policy instrument. Social-rental housing is residualised in many contexts, as housing associations increasingly have to operate on a business-like basis (and thus benefit from selling the most attractive share of their stock), and homeownership is cast as the preferable tenure form (Andersson & Turner, 2014). Early on, the potential of gentrification, as a form of housing policy, to facilitate the economic restructuring of cities was emphasised for the Dutch context (Van Weesep, 1994). State involvement can facilitate a third wave of gentrification, which has in recent years been identified in a wide range of urban and national contexts (Smith, 2002), including the Dutch (Van Gent, 2013). It has even been argued that regulated housing markets form particularly suitable landscapes for the promotion of state-led gentrification, as it allows for the smooth instalment of gentrification policies (Uitermark et al., 2007). Here, gentrification is promoted as a means to enhance the social mix of neighbourhoods as well as to increase neighbourhood liveability by dispersing disadvantaged households and re-establishing social control (Uitermark, 2003). These elements of state-led gentrification have been criticised using the revanchist-city thesis, which highlights how urban policies are increasingly exclusive and aim to remake the city into a safe place for middle-class residents and private capital by removing undesirable elements and people (Smith, 1996). In the Netherlands, apart from Amsterdam, Rotterdam also received attention related to policies of state-led gentrification, aimed at making disadvantaged neighbourhoods more liveable and at re-establishing social order and control (Uitermark et al., 2007; Aalbers, 2011). Yet, gentrification differs between Amsterdam and Rotterdam, as the process in Rotterdam is more limited and more closely related to large-scale state-led renewal or new-build development projects, compared with that in Amsterdam (Uitermark et al., 2007; Doucet et al., 2011). Higher demand for housing, in addition to supportive public policies, makes gentrification more widespread in Amsterdam, especially in centrally located neighbourhoods with a relatively large ‘pre-war’ housing stock.

Gentrification in Amsterdam: The Institutional and Housing Market Context

Amsterdam arguably forms an extreme case within Continental Europe because of the city’s strong social-welfare history and the large share of social-rental housing. Still, already in the 1970s, inner-city neighbourhoods in Amsterdam, such as De Jordaan, started to experience spontaneous gentrification, and local authorities quickly embraced the process as a ’lifebuoy’ for the inner city (Musterd & Van De Ven, 1991), although Dutch cities never quite experienced suburbanisation to the same extent as American cities and managed to retain a base of middle-class households. After a period of substantial social-housing provision, the late 1980s saw a recommodification of urban housing policies (Uitermark, 2009). During the 1980s and 1990s, gentrification progressed in Amsterdam, not in the least because of national and local policies. For example, the ‘compact-city’ policy reduced the ability for households to suburbanise and stimulated (new-build) gentrification by promoting densification and brownfield redevelopment (Terhorst & Van De Ven, 1997). Van Gent (2013) applies a historical institutionalist
approach to explain in detail how third-wave gentrification took shape in Amsterdam since the 1990s through shifts in local policies, which argue that there is a need to reduce the amount of social housing. Policies promoting homeownership have resulted in a gradual decrease of the social-rental stock (Aalbers, 2004), although it still represents almost half of the city’s total housing stock (47% in 2012).

How does this institutional context influence the pursuit and progression of gentrification processes? First, the large state influence allows local authorities to explicitly promote gentrification as a positive policy instrument (Van Gent, 2013) because housing market liberalisation can be explicitly employed to facilitate gentrification. The sale of social-rental housing in the Amsterdam context is embedded in local policies and ‘sale agreements’ in which housing associations and the local authorities cooperate. Aims to enhance social mixing and neighbourhood liveability and safety produce a strong discourse that justifies gentrification and are generally backed by popular support, which is reinforced by the increasingly negative view many policymakers and politicians have of social-rental housing (Musterd, 2014). Furthermore, the large social-housing stock is cast, by policymakers, as disproportionally excluding middle-income and high-income groups from the city (Uitermark, 2009). Second, at the same time, previously imposed regulations related to the social-welfare regime contribute to a minimisation of the negative effects of gentrification (Van Gent, 2013). Low-income residents are protected against steep rental increases, and those residents that are displaced, for example, following renovation or demolition of their social-rental home, are compensated with an urgency status, giving them priority for a social-rental dwelling. Housing associations were found to circumvent these regulations though, by using temporary contracts in which tenant rights are limited (Sakizlioğlu & Uitermark, 2014).

The Amsterdam housing market context is characterised by high and increasing demand pressures. Middle-class families prolong their stay in the inner city, and the number of young students and (recent) graduates moving to the city continues to grow (Boterman et al., 2013). In a commodified housing market, this would likely imply that predominantly households with high incomes would be able to move into popular neighbourhoods, resulting in quickly maturing gentrification processes. In general, however, neighbourhoods in Amsterdam are mixed in terms of tenure structures. We expect that specific institutional arrangements enable marginal households to continue to move into gentrifying and already-gentrified neighbourhoods, even when these neighbourhoods at large have already passed the initial pioneering phase of gentrification. A renewed policy interest in providing relatively affordable middle-segment private-rental housing, frequently via housing associations, may offer opportunities especially to those who can be considered ‘marginal gentrifiers’.

Yet, little is known about how gentrification progresses when the in-migrants are indeed marginal for a longer period – as opposed to the relatively brief pioneering phase of stage-model gentrification. We also know little about the extent to which low-income in-migrants actually experience upward social mobility. Previous research suggests the general importance of incumbent upgrading in both upgrading and downgrading neighbourhoods in different Dutch cities (Teernstra, 2014). Still, the questions of how these residential-mobility processes specifically function in different types of gentrifying neighbourhoods and what outcomes this produces, for example, regarding out-migrants, remain – are they socially and spatially excluded, or are they socially strong households themselves?

DATA AND METHODOLOGY

To address the second research question (What are income developments of in-migrating, out-migrating, and sitting households in gentrifying neighbourhoods in Amsterdam; and to what extent can these developments be interpreted as a result of the regulated Dutch context?), we first use longitudinal data from the Social Statistics Database of Statistics Netherlands, which includes data on the entire registered population of the Netherlands for the periods 1999 and 2008. This paper uses data based on all individuals in Amsterdam, which has a population of about 790,000 inhabitants. Gentrification is measured through examining income data. Taking income (rather than for example real-estate values) as indicator for gentrification allows for a close monitoring of the way in which different strands of the population contribute to gentrification. ‘Standardised net income per household’ is used as indicator, as it corrects for differences in
household size and composition. This makes comparison between neighbourhoods possible. Data on the neighbourhood level are obtained through aggregating individual data. This paper follows the national classification of neighbourhoods (Statistics Netherlands, 2010).

Neighbourhoods are defined as gentrifying on the basis of increases in neighbourhood income levels, relative to citywide increases. A neighbourhood is defined as gentrifying when the growth of the neighbourhood income is more than half a standard deviation above the growth of the mean city income between 1999 and 2008. Furthermore, we distinguished three types of gentrifying neighbourhoods (Fig. 2): (1) neighbourhoods with an initially low socio-economic status, which had an income level of more than half a standard deviation (€2092) below the citywide income level (€14,302) in 1999; (2) neighbourhoods with an initially average socio-economic status, which had an average income level between half a standard deviation below and above the citywide income level; and (3) neighbourhoods with an initially high socio-economic status, which had an average income level of more than half a standard deviation above the citywide income level. Those gentrifying neighbourhoods with a low socio-economic status can be considered as examples of – initial – marginal gentrification, whereas those gentrifying neighbourhoods with a high socio-economic status can be considered examples of mature gentrification.

This study examines individual income developments of in-migrants, out-migrants, and non-migrants of gentrifying neighbourhoods and relates these income developments to the average neighbourhood income development. For each year, incomes of all in-migrants, out-migrants, and non-migrants are calculated and aggregated to the neighbourhood level. For those out-migrants that moved out at any point during a certain year, for example, 1999, we give their (average) income prior to out-migration on 1 January of that year (e.g. 1999). For in-migrants, we depict their income on 1 January of the year post-in-migration. For example, for households that moved in anywhere during 1999, we give their income on 1 January 2000. As a consequence, and because of data availability, the depicted period differs for out-migrants and in-migrants (1999–2007 and 2000–2008, respectively). Yet, the residential mobility itself, that is, in-migration or out-migration, is studied for the same period.

Furthermore, we longitudinally assess how the income levels of in-migrants in gentrifying neighbourhoods – the potential (marginal) gentrifiers – develop over time as long as they remain in the same neighbourhood. Finally, this analysis takes a detailed look at the income development of out-migrating households for the years before moving out. The income data of these groups will provide insight into the question whether Amsterdam’s gentrification produces different forms of displacement or, alternatively, functions as an escalator.

Figure 2. Gentrifying neighbourhoods in Amsterdam (1999–2008).
EXPLORING GENTRIFICATION AND RESIDENTIAL-MOBILITY PATTERNS IN AMSTERDAM

Figure 3 shows average income levels of in-migrating, out-migrating, and non-moving (sitting) households for each year between 1999 and 2008, respectively gentrifying neighbourhoods with a low, average, and high socio-economic status. The income levels are for each year relative to the average neighbourhood income level. The composition of in-migrating, out-migrating, and non-migrating households varies each year. For example, households moving in in 2007 are different households than households moving in in 2008, as in-migrants in 2007 become non-migrants or out-migrants in 2008 (see Teernstra, 2014).

Figure 3a shows that the relative income level of in-migrating households has decreased over the 1999–2008 period for all three neighbourhood types. For gentrifying neighbourhoods with a low socio-economic status, in-migrants’ relative income decreased from 93% to 85% between 2000 and 2008. So, despite the fact that these neighbourhoods show signs of gentrification, they continue to be accessible to relatively low-income households. The incomes of in-migrants even dropped compared with the neighbourhood average. For neighbourhoods with an average and high socio-economic status, similar patterns are observed: relative income levels declined from 94% to 84% and from 101% to 74%, respectively, between 2000 and 2008. It is worth mentioning that the actual income levels of in-migrants in neighbourhoods with an average or high socio-economic status are above income levels of in-migrants in neighbourhoods with a low socio-economic status. However, as we will show later, in-migrants experience significant income gains in the years after in-migration. Thereby, in-migrants do not contribute to the gentrification process with their income level when moving in but primarily with their future income development.

Figure 3b demonstrates that the relative incomes of households moving out of gentrifying neighbourhoods with a low socio-economic status were first significantly above the neighbourhood average (reaching up to 9% in 2001) but have dropped to 3% below the neighbourhood average in 2008. This may indicate that these neighbourhoods have become better able to retain a higher-income population. Similar patterns can be found in neighbourhoods with an average socio-economic status: here, the income levels of out-migrants dropped from 5% above (in 1999) to 8% below (in 2007) the neighbourhood average. This can, of course, be associated with ensuing gentrification processes on the basis of which these neighbourhoods have initially been selected. Still, as income levels of out-migrants are still above those of in-migrants, no quantitative indication of significant geographic displacement can be found. This does not take away the fact that displacement pressures might exist and lower-income residents might increasingly be ‘locked up’ in their current housing situation, lacking the ability to move when they would want to. Moreover, for high-status neighbourhoods, the incomes of out-migrants in 2007 were 18% below the neighbourhood average. This suggests that forms of (direct) displacement might exist on the basis of financial resources, although the relative incomes of in-migrants are even lower (26% below average in 2007). Again, these results indicate that displacement practices are not primarily driven by a high-income population moving into these high-status neighbourhoods.

Throughout all years and for all neighbourhood types, we found that income levels of sitting households are highest (Fig. 3c). As the average stay of households who moved into the neighbourhoods before 1999 is unknown, it is impossible to distinguish between long-term and short-term sitting households. Nevertheless, Figure 3 does indicate that households who remained in the neighbourhoods have the strongest economic position. Moreover, the income level of sitting residents relative to the neighbourhood income, which is composed of the weighted average incomes of both new entrants and sitting residents, has gradually become higher – on top of the neighbourhoods’ general positive income development. For example, for neighbourhoods with an initial low socio-economic status, the income of sitting residents rose from 1% above the neighbourhood income level in 2000 to 2% in 2007. Thus, as the income gap between sitting households and in-migrants continues to grow in favour of sitting residents, the potential for socio-economic displacement seemingly decreases. Furthermore, despite the fact that the neighbourhoods become progressively more affluent, population redisplacement or displacement does not appear to be the direct driver of this process. Rather, increasing incomes of sitting residents primarily contribute to rising
average income levels and related gentrification processes. Thus, incumbent upgrading comes to the fore as an important process in explaining neighbourhood change.

These data indicate that gentrification processes in Amsterdam do not provide direct evidence of direct displacement, exclusionary displacement practices, or decreasing levels of social mix. To be able to distil possible beneficial effects, we are also interested in the extent to which sitting residents experience social upgrading during their stay in these gentrifying neighbourhoods. Consequently,
we assess their income developments to obtain a broad overview of potential beneficial effects. Emancipatory outcomes arguably originate when low-income residents – in-migrating as well as sitting residents – experience above-average income gains. Recent in-migrants might belong to the group of marginal gentrifiers, which means that they have relatively few resources at the point of entrance into the neighbourhood but may possess the ability and forms of capital – other than economic – to quickly improve their initial socio-economic position after entry into the neighbourhood. Aggregate processes of incumbent upgrading taking place within neighbourhoods can still have negative repercussions when only recent in-migrants experience subsequent upward mobility and long-term sitting residents are lagging behind. 

Figure 4 provides the income development of households that moved into the gentrifying neighbourhoods in 2000, but only with respect to those households that still lived in the neighbourhood in 2008. Figure 4 makes clear that in all three neighbourhood categories, in-migrating households experienced strong increases in income in the years after moving into the neighbourhood. In-migrants in gentrifying neighbourhoods with a low socio-economic status experienced the strongest increase in income: between 2000 and 2008, their incomes increased 27% faster than their neighbourhood’s increase in income. In gentrifying neighbourhoods with an average and high socio-economic status, in-migrants also experienced substantial income gains: between 2000 and 2008, their incomes increased, respectively, 23% and 13% faster than their neighbourhood’s increase in income. In other words, these findings show that for all neighbourhoods, in-migrating residents disproportionally manage to improve their socio-economic position when compared with the total neighbourhood’s development. This potentially relates to the extent to which different groups of residents are able to benefit from and contribute to neighbourhood change, for example, marginal gentrifiers quickly capitalising on their other forms of capital. Figure 4 also shows that after the first year, incomes of recent in-migrants already show a relative increase of around 10% for all three neighbourhood categories, which indicates these residents are marginal gentrifiers that are quickly able to capitalise on their upwardly mobile position. From Figure 4, it can be concluded that processes of gentrification are matched by an improving socio-economic status of sitting households who are able to remain in the neighbourhood. It should be emphasised that it concerns recent in-migrating households, who experience significant income gains. So, in-migrants do not contribute to the gentrification process with their income level when moving in but primarily with their future income development.

Whereas Figure 4 depicted the income developments of sitting residents that moved in in 2000, Figure 5 shows the relative income development of households that already lived in the neighbourhood in 1999 and ultimately moved out in 2007. This group arguably forms an approximation of longer-term, non-gentrifier residents. Their income development more or less matches the income development of their

Figure 4. Income development of households who moved into gentrifying neighbourhoods in 2000. The figure shows the relative income development of in-migrants, relative to the neighbourhood income development (which is 100). The formula is (income of in-migrants in category X in year Y / income of in-migrants in category X in 2000) / (neighbourhood income level in category X in year Y / neighbourhood income in category X in 2000). X means the categories low, average, and high socio-economic status, and Y means the years 2000–2008.
neighbourhood between 1999 and 2007 (Fig. 5). Particularly, in gentrifying neighbourhoods with an average and high socio-economic status, the income development of out-migrants is somewhat lagging behind the income development of their neighbourhood. However, in the case of marginally gentrifying neighbourhoods, it holds true that long-term residents experienced above-average income increases before ultimately moving out. Hence, these data do not provide evidence of these residents being economically marginalised and subsequently displaced. Still, it should be noted that for this group, income developments are smaller than for the sitting residents that moved in in 2000. This suggests a distinction between low-income marginal gentrifier residents moving in and longer-term non-gentrifier residents.

DISCUSSION: THE ROLE OF THE INSTITUTIONAL AND HOUSING MARKET CONTEXT

The empirical data provide an answer to the first part of the second research question, what are income developments of in-migrating, out-migrating, and sitting households in gentrifying neighbourhoods in Amsterdam? The data indicate that incumbent upgrading processes are most important in explaining gentrification processes in Amsterdam (cf. Teemstra, 2014). By comparing Figures 4 and 5, it is shown that these processes of incumbent upgrading are complex and not evenly distributed among neighbourhood residents; more recent in-migrants are quickly able to improve their socio-economic position. This suggests patterns of selective migration where in-migrants, albeit having low incomes, are predominantly upwardly mobile households and might be termed marginal gentrifiers. Sitting residents were also shown to experience some incumbent upgrading though and structurally possess income levels above the neighbourhood average. This puts into perspective the extent to which these households might be subject to direct displacement or displacement pressures (Marcuse, 1986). The longer-term residents that did move out (Fig. 5) also experienced income gains, which were more or less matched by average income increases in these neighbourhoods. As a whole, these data do not provide evidence for direct (chain) displacement because out-migrating residents structurally possess higher incomes than in-migrating residents.

To turn to the second part of the research question, to what extent can these specific patterns be interpreted as a result of the regulated Dutch context? Table 1 shows the tenure structure of the different types of gentrifying neighbourhoods in comparison with Amsterdam. It also shows how the tenure structure of these neighbourhoods has changed over the studied period (1999–2008). In gentrifying neighbourhoods with a low and average initial socio-economic status, the social-rental sector structurally forms a large portion of these neighbourhoods’ housing stock. In this stock, rents are comparably low, and renters are protected. Arguably, this stock prevents complete neighbourhood gentrification and ensures social mixing. These factors could result in forms of structural marginal gentrification. Over the studied period, the share of social-rental dwellings in these neighbourhoods did gradually decrease though, which indicates that limited exclusionary displacement could take place. In addition, low residential-mobility rates in the
social-rental sector, coupled with housing market liberalisation, have in recent years resulted in decreases in the allocation of social housing to new tenants (Uitermark, 2009). Furthermore, a substantial portion of the social-rental stock is occupied by higher-income residents who have remained in their social dwelling for a longer period, with their income rising (Musterd, 2014). This, in practice, contributes to a decreasing accessibility of the available social-rental stock for low-income residents, due to higher-income residents retaining their social-rental dwelling. High demand for housing, and subsequent relatively high housing prices, contributes to this issue, because it enhances the attractiveness for higher-income households to remain in their social-rental dwellings. High demand for housing, and subsequent relatively high housing prices, contributes to this issue, because it enhances the attractiveness for higher-income households to remain in their social-rental dwellings. This can also be considered a form of exclusionary displacement, because it reduces the stock available to lower-income households.

Even though the Amsterdam housing market is highly regulated and the private-rental sector comparatively small, the gentrifying neighbourhoods to some extent adhere to the conceptualisation of marginal gentrification predominantly playing out in the private-rental sector (Rose, 1996; Van Criekingen, 2010), because the three neighbourhood types boast above-average shares of this sector. Indeed, a recent study has shown that the private-rental sector plays an important role in accommodating recently graduated young adults on the Amsterdam housing market (Boterman et al., 2013). Particularly, in gentrifying neighbourhoods with an already high socio-economic status, the private-rental sector is comparatively large. This provides a tentative explanation for the structural in-migration of relatively low-income (marginal gentrifier) households, even in neighbourhoods that have arguably already progressed further than the pioneering phase. As the share of private-rental housing has steadily decreased over the study period and the studied neighbourhoods have become more expensive, it is to be expected that the function of these gentrifying neighbourhoods as an emancipatory space or escalator for these upwardly mobile households has also decreased. Furthermore, higher levels of owner-occupation can potentially slow down gentrification processes, because these dwellings show lower turnover rates than private-rental dwellings (Shaw, 2005).

In Amsterdam as a whole, but even more so in the gentrifying neighbourhoods, the owner-occupied sector has substantively grown over the studied period. This is a clear expression of local and national regulations that continuously promote homeownership and facilitate state-led gentrification (Uitermark et al., 2007; Van Gent, 2013). Particularly, in those gentrifying neighbourhoods with a low and average initial socio-economic status, the addition of owner-occupied dwellings might have benefited relatively low-income, potentially upwardly mobile households when they bought these dwellings (cf. Newman & Wyly, 2006). Initially, low real-estate values might have enabled lower-income residents to buy these newly added owner-occupied dwellings. Still, as real-estate values have risen in these neighbourhoods over the studied period (and have proven to be comparatively resistant to the following financial crisis), the addition of owner-occupied dwellings in the long run is likely to contribute to more exclusionary displacement and decreasing opportunities for upwardly mobile households to settle in these neighbourhoods. Indeed, it was found that tenure conversions in gentrifying neighbourhoods in Amsterdam contribute to the inflow of higher-income residents (Boterman & Van Gent, 2014).

<table>
<thead>
<tr>
<th>Neighbourhood gentrification type</th>
<th>1999 (by tenure type)</th>
<th>2008 (by tenure type)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Owner occupied</td>
<td>Social rent</td>
</tr>
<tr>
<td>Low socio-economic status</td>
<td>7</td>
<td>50</td>
</tr>
<tr>
<td>Average socio-economic status</td>
<td>14</td>
<td>40</td>
</tr>
<tr>
<td>High socio-economic status</td>
<td>21</td>
<td>11</td>
</tr>
<tr>
<td>Total Amsterdam</td>
<td>14</td>
<td>54</td>
</tr>
</tbody>
</table>

See Figure 2 for the defined neighbourhoods; the period 1999–2008 has been chosen to match the residential-mobility data. Source: Research and Statistics Amsterdam.
It can thus be argued that these public policies stimulate gentrification through promoting homeownership and, by doing so, contribute to increasingly exclusive forms of gentrification and urban landscapes (Atkinson & Bridge, 2005). However, older institutional arrangements ensure the presence of a relatively large social-rental stock that is highly regulated and specifically serves lower-income residents (Van Gent, 2013). This is a crucial difference with most other Continental-European contexts where the social-rental sector is generally smaller. As state-led gentrification progresses, it might become increasingly exclusive and work towards more displacement and less opportunities for upward mobility. This is reflected in declining relative income levels of out-migrating residents from the defined gentrifying neighbourhoods (Fig. 3b). Still, through an analysis of the aggregate income levels of in-migrating and out-migrating residents, we found no clear evidence of the structural displacement or exclusion of low-income residents; they remain present among both the neighbourhoods’ residents and in-migrants.

Marginal gentrifiers might even be the first to be excluded, as they generally possess not only limited financial resources but also low waiting times for social housing. However, we did find evidence that the low-income residents moving into these neighbourhoods are predominantly upwardly mobile households, rather than structurally low-income residents. Other studies have highlighted how middle-class gentrifier households also use other resources (e.g. social capital and cultural capital) to overcome constraints and acquire housing (Boterman, 2012). It could therefore still hold true that gentrification in the studied neighbourhoods increasingly excludes structurally disadvantaged households, effectively making the process appear ‘softer’ than it actually is (Van Criekingen, 2010). Unfortunately, the Social Statistics Database does not yet include data on sociocultural indicators such as education levels, which makes it difficult to discern households on the basis of different class orientations. Finally, one should be aware of the fact that individual cases of exclusion or displacement might exist but do not show up in the presented aggregate data.

CONCLUSION

This paper aimed to gain more insight on the complexity of different residential-mobility patterns in gentrifying neighbourhoods in the highly regulated institutional and housing market context of Amsterdam. It has stressed the importance of taking into account the processes of marginal gentrification also within these contexts (cf. Van Criekingen & Decroly, 2003). Through an analysis of relevant literature, we developed a framework to understand how state regulation and involvement may impact the residential-mobility patterns related to gentrification and, subsequently, the outcomes of gentrification processes (Van Weesep, 1994). We argue that state regulation including renters’ protection, the provision of social-rental housing, and ensuring fine-grained tenure mix leads to the formation of processes of structural marginal gentrification rather than a form of gentrification following the progressing stage model (Clay, 1979).

The empirical section of this paper has shown that the highly regulated Dutch context has led to relatively soft outcomes of gentrification that can be related to the residential-mobility patterns taking place (and is facilitated by the institutional and housing market context). First, we have established that structural marginal gentrification does occur in the Dutch context. This contrasts the general idea that marginal gentrification primarily occurs in the private-rental sector (Rose, 1996; Van Criekingen, 2010). This paper has shown that even in gentrifying neighbourhoods, lower-income residents remain able to move into the neighbourhood for a longer period. Marginal gentrification and high levels of socio-economic mix therefore do not appear to necessarily be a temporary prelude to more mature forms of gentrification (e.g. Davidson, 2012). Instead, they appear relatively structural in the regulated Dutch context, although gradual shifts in neighbourhoods’ socio-economic composition do still occur. Second, the income levels of in-migrating and out-migrating residents do not provide evidence of direct economic displacement from these gentrifying neighbourhoods. Surprisingly, we even established that out-migrants possess higher incomes than in-migrants. Exclusionary displacement remains limited as low-income households are continuously able to move into gentrifying neighbourhoods. Yet, some evidence of exclusionary displacement does exist because in-migrating households are often upwardly mobile households. Moreover, a gradual restructuring of the housing
market incorporating more owner-occupied housing will expectedly give more room for more mature forms of gentrification. Third, this paper has stressed the importance of taking into account incumbent social upgrading, as it was found to be the main driver behind income change in the gentrifying neighbourhoods. Even though longer-term sitting residents also experienced incumbent upgrading during their stay in the neighbourhood, which was more or less equal to the average income development of these neighbourhoods, the extent to which households experience incumbent upgrading seems to be unequally distributed and skewed towards more recent in-migrants.

This paper has linked exploratory evidence of residential-mobility patterns and neighbourhood gentrification to the institutional and housing market context of Amsterdam. Further research needs to develop the analytical framework that has been presented to understand the dynamics of specific housing market contexts in greater detail. More context-sensitive studies and comparative work needs to be carried out to understand how institutional and housing contexts can stimulate or constrain certain households to move to gentrifying neighbourhoods. Different strains of comparative studies can be formulated as a fruitful avenue for further research. First, a cross-country comparison of cities can analyse differences between different housing and institutional contexts. Berlin and Brussels represent, for example, national contexts where the private-rental sector is more dominant. Second, comparisons of different types of cities within single countries are also relevant. Amsterdam and Rotterdam, for example, represent cities with different economic structures and different levels of housing demand. Detailed qualitative studies can give more insight into the question of who these upwardly mobile households are and at what point in their life course they move to and from these gentrifying neighbourhoods.

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NOTE

(1) Data are not shown because of space limitations.

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