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Public Housing for Whom? Experiences in an Era of Mature Neo-Liberalism: The Netherlands and Amsterdam

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ABSTRACT *Public housing in the Netherlands is rapidly changing. While it used to be an example of how government intervention could successfully contribute to create decent housing for all, and while public housing was seen as the instrument to get rid of inhumane housing conditions, currently the sector is moving into another position. The sector is still large and of high quality, but its function is significantly changing. In this paper, a brief history of Dutch and Amsterdam public housing is presented, as well as an interpretation of the main forces behind its development. These descriptions are seen as essential ingredients for understanding the rise and current decline of the sector. An empirical analysis shows for whom the sector is functioning and what the directions of change are. The sector is not only declining but also residualising. Its position in the housing market is getting weaker, while the sector increasingly functions for lower-level socio-economic categories only.*

KEY WORDS: Housing tenure, social housing, welfare state

1. Introduction

Public housing is an essential and still a substantial sector in the Dutch housing system. As in other European countries, the sector started developing at the end of the nineteenth century when idealists and charity organisations wanted more households to be able to live in a decent house, with adequate facilities, paying an affordable rent. Before that turn, the private rented sector, in which housing conditions were frequently distressing, was the only way out for households who could not afford to buy a house. With the Housing Act of 1901, public housing got anchored in Dutch law. The law's prime objective was to fight the bad health conditions in urban slums. The state started financing municipal and housing association housing.

The most substantial increase in the public housing sector, however, occurred after the establishment of the modern welfare state in Western Europe after the Second World War. Since that time, welfare systems rapidly expanded and some, like the

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Dutch and the Swedish welfare states, even became known as ‘universal’. This development was supported by economic growth. de Swaan (1988) argued that between 1945 and 1974 the Dutch welfare state experienced ‘hyperbolic expansion’, which was reflected not only in the rise of generous benefit and subsidy systems, old-age pension schemes, and easy access to education and health care, but also in the housing market. Housing shortage after the Second World War stimulated state intervention in housing and helped with the rapid expansion of the public housing sector. As a result, the sector became an important pillar of the Dutch welfare system (Schutjens *et al.*, 2002). The state provided so-called object subsidies to enable the construction of good-quality public housing for a large share of Dutch households, and even on locations that normally would be too expensive to build them on. The state also provided individual rent subsidies when households’ incomes would be insufficient to pay for the rent. Rent control and allocation systems rapidly developed as well. By the end of the 1960s, over 35 per cent of all housing was public housing. This shows that from the early beginning, public housing was not restricted to low-income groups. In fact, the early large-scale public housing projects initially did not target the poorest households, but the skilled labour force instead (also see Van Kempen & Priemus, 2002). This resulted in a strong social mix of the public rented sector (Meusen & Van Kempen, 1994; Murie & Musterd, 1996).

State involvement in public housing was, at the start, also expressed by direct governmental (municipal) ownership of public housing, in the form of council housing. In the 1960s and 1970s, around 12 per cent of the total housing stock was council housing. In the years after, this share rapidly decreased, and by 1980, only 6 per cent of all housing was still labelled council housing. The decrease was caused by mergers of municipal (council) housing and housing association and by transforming council housing organisations into housing associations. In the meantime, ‘original’ housing associations continued to grow.

Until approximately 1990, the welfare state showed further expansion. Around that year, however, following the Heerma Memorandum of 1989, more frequent signals can be found showing that the welfare state expansion had reached its maximum level (Nieboer & Gruis, 2011; Van der Heijden, 2002). In the Netherlands, the scientific advisory council for government policy (WRR, 1990) argued that too many people had become too dependent, too passive and too accustomed to being on the receiving end of the system. The system change was also part of a more general effort to decrease government spending. From a macro perspective, it was just an element of a more encompassing transformation of the role of the state. It was expressing a shift from a social welfare oriented regime into the direction of a neo-liberal regime with potential implications comparable with those experienced in the UK before (Forrest & Murie, 1988; Murie, 1997). The restructuring of the welfare state was—once again—reflected in changes in the housing market, especially through a slowly decreasing position of the public sector. This change went hand in hand with rising debates about the new function of public housing. For whom would public housing still be required? To what extent was there a mismatch between the actual tenure structure and the demand structure of the housing market? Are there too many dwellings in the public rented sector and should the sector be reduced? Is there local context variation?

The focus of this paper is on the changing position and changing function of the public rented sector in the Netherlands and in its capital city: three questions are addressed in

Sections 2, 3 and 4, respectively.

- (1) What are the recent changes with regard to the public rented sector in the Netherlands and in Amsterdam?
- (2) What are the macro-societal and political processes that impact(ed) on the position and wider functioning of the public rented sector?
- (3) For whom (at micro-level) is the public rented sector currently functioning and has this changed over the period of neo-liberalisation?

The paper is finished with some conclusions and discussion.

2. Growth and Decline of Housing Sectors

During the first year after the Second World War, all building capacity went into restoring the economic position of the Netherlands. Housing and home ownership were, for a few years, regarded to be of secondary importance. However, due to a rapid population increase (the post-war baby boom), housing shortage soon became a serious problem, as was manifest in tremendous overcrowding; many families were forced to live in one dwelling with another family. The owner-occupied sector could not yet restore the balance, and thus public housing had to be built. As in other European countries that experienced similar developments, massive public housing programmes were developed to solve the housing problems (Van der Heijden, 2002). The objective was not only to build them in large numbers, but also to build them as inexpensive as possible to keep the rents low. This would reduce the call for higher wages and thus support the country's competitive position. These objectives were combined with modernist views on what to build in large numbers and with good quality. As a result of these processes, many cities across Europe, and also in the Netherlands, are now characterised by housing areas that are dominated by medium- or high-rise standardised housing, often in massive and uniform 'modern' structures, built in the 1950s, 1960s and 1970s (Boelhouwer, 2003; Musterd *et al.*, 2009).

From the 1960s onwards, new housing construction in the owner-occupied sector also has helped to reduce the pressure. In fact, that sector has turned out to be the only housing sector with sustained growth from the Second World War onwards, even until today (Figure 1). However, unlike the experience in England, where already between 1981 and 1991 the increase of the owner-occupied sector coincided with a decrease in both the private rented stock (in England further down from 11 to 9 per cent) and the public rented stock (in England down from 32 to 23 per cent; Department of Communities and Local Government, 2009), the Dutch public rented sector continued to grow until the second half of the 1980s (Elsinga & Wassenberg, 2007). Public housing in the Netherlands already had reached a high level of 37 per cent in 1971, then dropped to 32 per cent in 1980 and rose again to almost 39 per cent in 1985, when it became stable until 1990. From then onwards, neo-liberalism spread like wildfire. Some two decades after many other Western European countries embraced neo-liberalism, at the beginning of the 1990s the Netherlands also shifted gears. Consequently, the public housing sector steadily declined. In the meantime, the share of private rented housing in the Netherlands continued to drop, from 60 per cent in 1947 to less than 10 per cent in 2010 (Figure 1).

However, the development for the Netherlands as a whole was not uniformly spread across the country. Especially in larger cities, public housing played a more prominent role

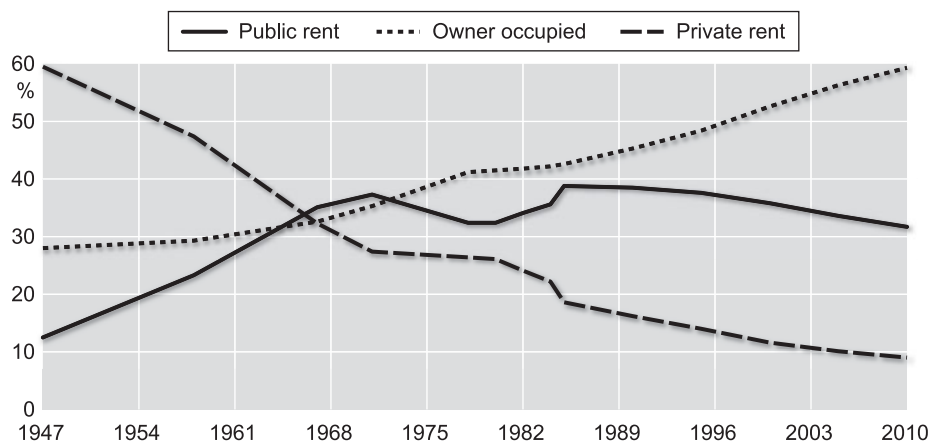


Figure 1. Public rented sector as a percentage of the total housing stock 1947–2010. Sources: Statistics Netherlands: Centraal Bureau voor de Statistiek 1951, 1958, 1983; Woningbehoefteonderzoek 1964, 1967, 1977/1978; Statline; Van der Cammen & De Klerk 2003.

than in smaller towns and in the rural parts of the country, and also for a longer period of time (see Schutjens *et al.*, 2002). In Greater Amsterdam and in the municipality of Amsterdam, the increase in public housing even went on until 1995 (Figure 2). At that time, Amsterdam's public housing share was 55 per cent of the total stock. Only recently, the share dropped under 50 per cent, while especially owner-occupied housing increased (Figure 3). The rapid increase in owner-occupied housing has partly been caused by tenure conversion from rent to ownership. In short, privatisation and other neo-liberalisation impacts that started in the Netherlands around 1990 were followed with a slight delay in Amsterdam and other urban regions, but undeniably transformations are heading in the same direction.

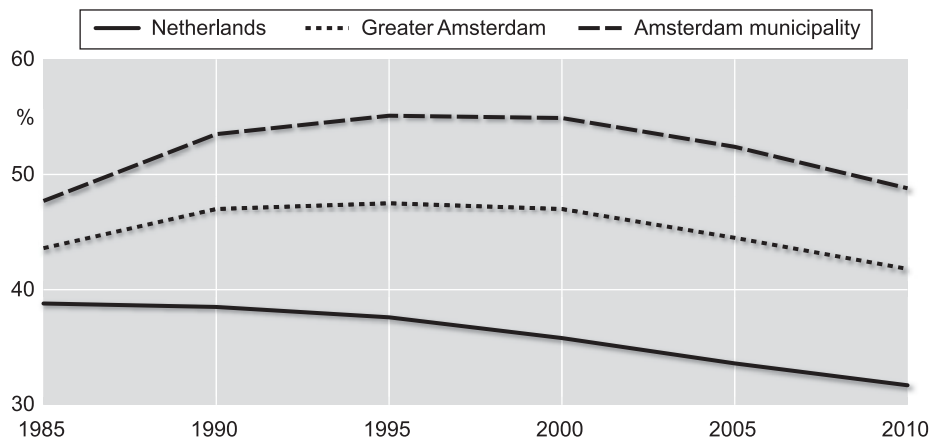


Figure 2. Public rented sector as a percentage of the total housing stock 1985–2010, at various levels. Source: Rijksoverheid (2011).

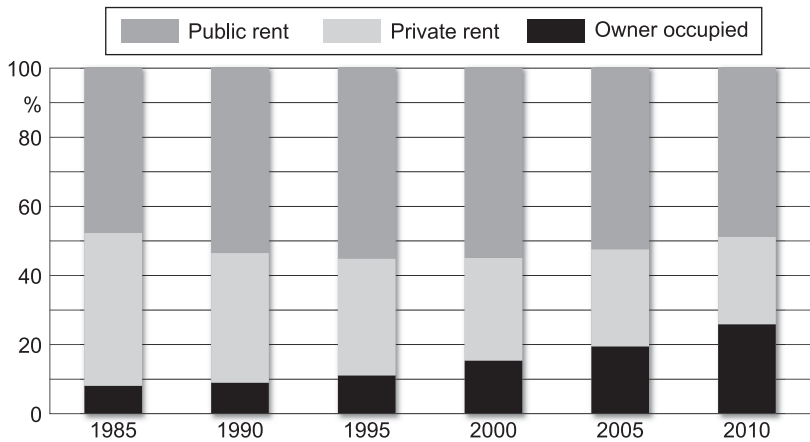


Figure 3. Tenure change in the municipality of Amsterdam, 1985–2010.

Source: Rijksoverheid (2011).

3. Macro Societal and Political Processes that Impact on the Position and Functioning of Public Housing

For the understanding of what currently happens in the Dutch public housing sector and what this implies for those who were and are living in that sector, it is most relevant to have a closer look at the historical pathway the sector followed, not just in the Netherlands, but also elsewhere. The Anglo-Saxon experience seems to be of special importance, as neo-liberalisation and what this means for public housing got manifest in that context way before it got momentum in the Netherlands. The changes that occurred over the past 60 years, and in particular over the past 20 years, may initially have been regarded expressions of the fact that the Netherlands had become a wealthy nation. Part of the population were able to buy their own house and the part that was not able to do that was assisted in finding decent and modern housing of good quality in the rapidly expanding public housing stock. However, somewhere in the second half of the 1980s, voices echoed some of the ideas that were ventilated before by Margaret Thatcher. A strong call for reduction of the welfare state and therefore also a reduction of state intervention in public housing could be heard (Schutjens *et al.*, 2002). Remarkably, subsequent governments did not discuss the public interventions favouring the owner-occupied sector (Boelhouwer, 2002). As Haffner (2002) showed, even with the tax reform in 1990 (and also later in 2001), the treatment of the owner-occupied sector did not change. Mortgage rents remained entirely deductible and real estate tax rose only slightly. This type of public intervention continued to stimulate the home ownership sector and thus fitted the regime shift into a stronger and eventually mature neo-liberal model. It also shows that moving into a neo-liberal direction does not necessarily coincide with a diminishing role of the state.

Around 1990, the public housing sector got under siege. The first sign was a looser connection between housing associations and the state. The two actors used to be firmly linked to each other by subsidies and capital lending activities. However, from the 1990s onwards, housing associations have been brought in a position where they have to function more independently from the state, albeit still controlled by the state with respect to their social and not-for-profit objectives. They have to finance their own associations and keep a

balance between investments and returns on investments, while safeguarding their social motives. This has resulted in more entrepreneurial attitudes adopted by housing associations (Van der Veer & Schuiling, 2005). At the same time, the national government has stimulated a 'Right-to-Sell' policy. Unlike in the UK, however, many Dutch housing associations were reluctant to sell their best housing. Actually, they were in a position to behave like that because the Dutch housing market experienced an almost continuous upward value development over a 30-year period, with house price increasing well above the inflation rate, until the most recent financial and economic crisis. The capital gains on the housing association's properties served as the financial basis for a continuation of housing association's policies. Many of them continued to build new public housing without feeling a need for selling the best part of the stock. Sometimes, they were and are supported by (social democratic) local authorities; especially when these authorities own the land to be built upon they have the power to force developers to develop in partnership with housing associations and to assure the construction of a specified minimum percentage of public housing in new construction plans. Until 2013, the municipality of Amsterdam applied the rule that, in each new residential development plan, at least 30 per cent of the newly built stock should be in the public rented sector. However, the financial and housing crisis after 2008 implies that not all housing associations can afford a continuation of the business model they have used for decades. Some are now making losses and are not able to sell parts of the moderately valued stock with financial gains. Several housing associations decided to postpone new developments or to refrain from developing any new housing. Those who intend to continue may have to sell part of their most valuable stock to be able to survive. In the meantime, the state's rent control policies allow for higher rent levels in public housing that is located in parts of the cities that are in high demand; moreover, the vast majority of households with incomes above a certain level (currently €34 000) have no access to public housing anymore. In the meantime, the state continues its support of the owner-occupied sector. These policies contribute to a further decline in the position of the public housing sector in the Netherlands. This will result in a relative and absolute increase of poorer households in the public sector, with increasing social spatial segregation as a result. These processes seem to parallel British experiences of some three decades ago, when changes in the public sector resulted in marginalisation, residualisation and segregation (see Hamnett, 1984; Murie, 1983). Further elaboration on changing positions and trajectories of housing associations in the Netherlands can be found in Gruis & Nieboer (2006), Priemus (2001), Priemus (2010), Priemus & Gruis (2011) and Ronald & Doling (2012).

A general force behind efforts to reduce the public housing sector is the unbalance between demand for and supply of public housing. However, the demand for public housing is in fact defined by the state: households have to be part of the 'target group', which is defined in terms of yearly taxable income (varying per year, for single- or multi-person households and for under and above 65 years of age; in 2009 ranging from €19 800 to €27 075). The government has calculated that in 2011, the size of the target group was 1.9 million households. As the size of the public housing sector is 2.4 million dwellings (Kamerbrief Woonvisie, 2011), this is an argument for the government to install a Right-to-Buy policy and to stimulate housing associations to shift part of their stock into the private market, for example, by selling to institutional investors (Priemus, 2004) or by raising the rents above the so-called liberalisation boundary, which brings them in the unregulated, private, sector.

Also, other arguments are being used for reducing the number of dwellings in the public housing sector. Some processes in and around the public housing sector actually were not a consequence of neo-liberal policies, but were assisting a move into the direction of those kinds of policies. First, the rapid increase of public housing in the era of housing shortage shortly after the Second World War had resulted in a fairly standardised 'Fordist' type of production of massive public housing estates. As welcome as that was when people were in utter need of housing, only a few decades after they were built these housing complexes turned into areas known for collecting problems in different spheres: economic problems of unemployment and inactivity, social problems such as racial tensions, and environmental problems related to open spaces and the quality of the buildings (Dekker & Van Kempen, 2004). However, problems with post-war public housing estates in the Netherlands could only to a limited extent be ascribed to construction problems (such as concrete disease). What likely did play a role in the change of position is that society at large entered a new—post-Fordist—era. That era is characterised by flexible production, differentiation and 'distinction'. A growing share of households has become able to distinguish themselves from others by more distinctive consumer behaviour regarding all sorts of goods (clothing, cars, holidays, furniture and so on, including housing). The trend to distinction does not match the presence of a huge stock of uniform public housing, but newly built housing does match the new and more differentiated demand for housing. This put pressure on the post-war public housing stock (in fact, it will put pressure on all large-scale homogeneous housing stock). As a result, large sections of post-war public housing dropped in terms of their position in the housing market. By implication, the share of households with a weaker position in the housing market (unemployed, people with lower income, ex-prisoners, divorced people and single mothers) saw their share increase in exactly this sector. This implied relative marginalisation of the sector, and because of the spatial concentration of many of the public housing estates, of certain neighbourhoods in the city (Ronald, 2013). We should keep in mind, however, that the housing situation from the perspective of the households who gained access to these public housing estates was often not bad. At the beginning of the twentieth century, these households likely would have been housed in overcrowded badly maintained and substandard private rented dwellings and be forced to live in unhealthy conditions, while currently they live in well-equipped good-quality and affordable housing. Nevertheless, these changes resulted in an increasingly bad image of public housing. To many policy-makers and politicians, but also to many in the wider 'public housing' became equal to 'bad housing'. This became very clear when a few years ago, the then Minister of Housing used the share of public rented housing in a neighbourhood as one of the criteria to prioritise selected neighbourhoods for urban restructuring (Van Gent *et al.*, 2009). In reality, the quality of the public rented stock in the Netherlands is—as said—very high and restructuring on criteria of the quality of the stock is not necessary (Van der Schaar, 2006). Clearly, the Minister contributed to the—incorrect—stigmatisation of public housing.

Yet, even though some marginalisation and stigmatisation of the sector resulted from these housing market processes, the sector does not seem to be residualised completely, that is, the sector is not the domain of the very weakest households only. Stephens *et al.* (2003) calculated that in Great Britain in 1977/1978, the income level of households in the public sector was 49.6 per cent of average income; in the Netherlands this was 72.2 per cent, so much closer to the mean. The reason why Dutch public rented housing did not residualise so far likely is related to the relative good quality, and to the substantial size of the public

housing sector. Still over 30 per cent of the entire stock is public housing, while as said, in large cities, such as Amsterdam, still approximately 50 per cent is public housing. Because Dutch households are not strongly polarised in socio-economic terms—the differences in terms of affluence between households in adjacent income deciles is not very big—a large share of households living in the public rented sector still is ‘middle-class’. As long as the sector is large and not too concentrated, residualisation of the public housing sector will be subdued. In Dutch cities, authorities succeeded, to some extent, in avoiding the development of very clear segregated segments, as can be shown with recent data of the spatial distribution of public housing in the city of Amsterdam (Figure 4).

Nevertheless, the current tendency continues to be in the direction of residualisation. This is partly driven by reinvigorated neo-liberal political forces that further reduce the public housing sector. That policy is assisted by the European Commission (EC; Gruis & Priemus, 2008; Priemus & Dieleman, 2002). The EC has declared that Dutch government should re-arrange housing allocation policies in such a way that at least 90 per cent of the public housing stock will be allocated to households with a maximum income of (currently) around €34 000 per year. The limit has been set to ensure a level playing field for private developers and other agencies in the market. This measure can clearly be seen as introducing a sharper means-tested type of allocation of housing, which is the typical type of intervention in neo-liberal welfare states (Esping-Andersen, 1990). When the sector has been diminished to a minimum level, public housing will become the sector of last resort, where households will be housed when they have no alternative. Clear examples of the outcome of such policies can be seen in the USA, where poverty neighbourhoods severely contrast with affluent residential communities. Although it will be difficult to implement the new EC-enforced policy in the Dutch context, because of

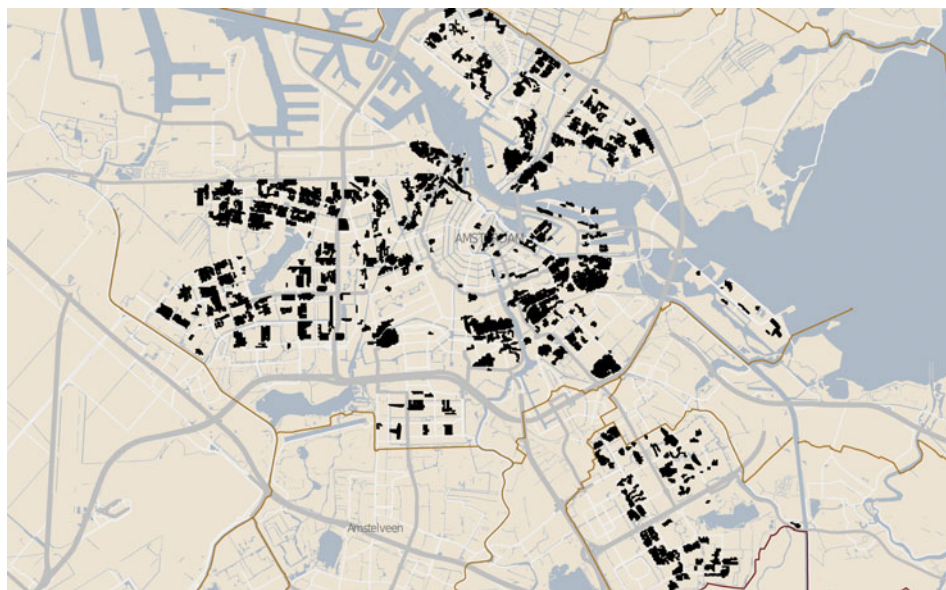


Figure 4. Concentrations of public housing in Amsterdam; only concentrations of at least 80 per cent public housing; only concentrations of 50 dwellings or more, 2011. *Source:* Mapped by Author, City Monitor Amsterdam (Municipality and University of Amsterdam).

huge differences between regions in terms of demand–supply balances (implementation would create too much vacancies), the sympathy that was expressed for this measure by the responsible Minister of the Interior of the Dutch government shows its objectives: to reduce the public housing sector by selling part of it to its renters and by bringing part of it in the private rented sector (Kamerbrief Woonvisie, 2011).

A related issue that contributes to undermining the position of public housing is the unbalance, in parts of the sector, between the rent level of public housing and the income of those who are residing in the sector. This is called the skewness (Dutch:scheefheid) problem. Dutch law so far could only use an income check when households applied for a dwelling in the public housing sector. However, when the income of a household would rise after it gained access to public housing, the household might become defined as not belonging to the target group for public housing anymore. These households, however, were neither charged extra rents nor forced to leave the dwelling. In tight markets, also when public housing of good quality had been built on high-quality locations (enabled by large subsidies), many households decided not to leave their public rented dwelling, even when their income would become substantially higher. This became a serious problem, because the dwellings were originally meant for households who were in need of some assistance and who could not obtain a decent dwelling for a fair price in other segments of the housing market. This problem became even worse because apart from the so-called under-spending skewness (households paying low rents for good-quality housing, while having a relatively high income and not belonging to the target group anymore), there is also over-spending skewness (households belonging to the target group who pay much more than they should on the basis of their income because they cannot enter the sector).

In Figures 5 and 6, the state and development of skewness are shown for the Netherlands and Amsterdam, respectively (derived from large-scale housing survey data, also see Section 4). Clearly, skewness was a serious problem in the Netherlands, but especially in the larger cities, as is illustrated with the Amsterdam figures. Targeted interventions over the past decade resulted in a significant change, but the skewness did not fully disappear.

In an effort to further reduce the skewness, the government recently stated that households with a relatively high income (€43 000 in 2011) who are living in the public housing sector may be charged an extra 5 per cent rent increase on top of the generally

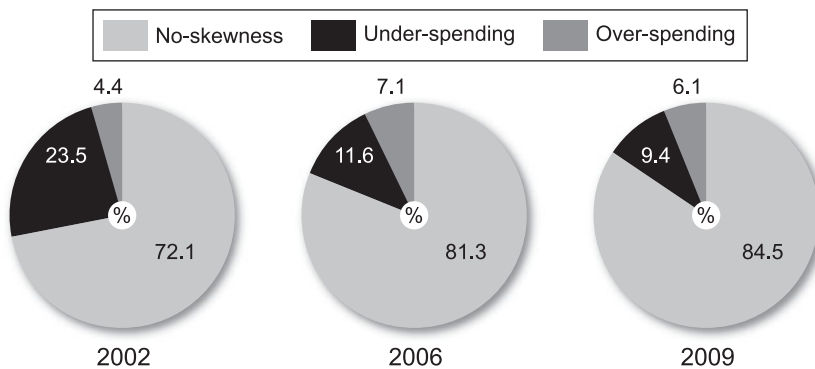


Figure 5. Skewness in the public housing sector, the Netherlands. Sources: Woningbehoefteonderzoek 2002; WoningOnderzoek Nederland 2006, 2009.

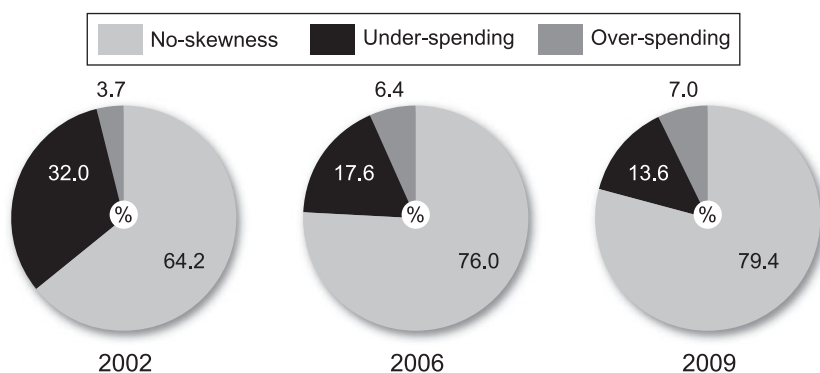


Figure 6. Skewness in the public housing sector, Amsterdam. Sources: Woningbehoefteonderzoek 2002; WoningOnderzoek Nederland 2006, 2009.

agreed increase that is partly based on inflation. Renters of well-located public housing may also be charged higher rents.

Finally, another related issue regards illegal subletting of public rented dwellings. Although it is unknown how big this issue really is, estimates of housing associations and researchers involved in conquering these illegal activities say that in the largest cities between 10 and 20 per cent of the entire stock of public housing may be illegally sublet (Ferwerda *et al.*, 2007). Major—illegal—profits can be made when the public rented dwelling is located in a city or neighbourhood where the demand for housing is very high, and examples are known that some households charge until five times the rent they pay themselves, when subletting.

In summary, the position of the public housing sector is under threat; neo-liberalisation and measures aimed at discouraging higher-income households to stay in the sector, as well as efforts to reduce illegal activity in the sector, help to reduce the sector and more uniquely target the lowest socio-economic strata of the population for public housing. This not only has social advantages, but also has some risks of residualisation and stigmatisation.

4. For Whom is Public Housing?

This brings us to the question who the current residents of public housing actually are? Did the decrease in public housing, and the recent targeting of mainly lower-income households and households who are on benefits already result in a more specific and homogeneous tenant profile compared to the prior situation before neo-liberalisation matured?

In an effort to answer these questions, we analysed data from the Housing Survey Netherlands (WoON, Ministry of Housing). This is a national-level representative sample of individuals of 18 years and older, in which a large range of issues related to housing is addressed. Here, I start with presenting data for 2009, but similar surveys are available for earlier years (before WoON, the survey was called WBO—the Housing Demand Survey). The number of responses in the WoON 2009 survey is 78 071. The data are regarded reliable for regional- and national-level analyses, but oversampling in some cities (among them Amsterdam, with 3229 responses) also allows for some analyses to be carried out reliably at that level. As the debate merely focuses on the position of public rent relative to owner-occupied housing, and as the private rented sector is very small, the following

analysis just focuses on the position of public rent relative to owner-occupied housing. Here, we present logistic regression results in which the probability of living in a public rented dwelling relative to living in owner-occupied accommodation has been calculated for a range of independent variables that represent the socio-economic position of the household, the demographic and household characteristics and the cultural background. In [Table 1](#), the results are shown for the Netherlands and Amsterdam.

It is evident that there is a clear association showing that the probability of living in public rented housing is much higher for those with a low income or a low level of education or when a household is dependent on benefits or has no income (compared to households with high income, a high level of education and those who have paid work). [Table 1](#) also shows that, for the model for the Netherlands, all non-native Dutch categories have a higher probability of living in the public rented sector instead of in owner-occupied housing, relative to the ‘native’ population. There are interesting differences, though. Households from Moroccan origin clearly are more likely to be housed in public rented housing than Turkish or other non-western immigrants. This may be related to a culture of renting which is more common in Morocco, while a culture of buying is more common in countries like Turkey.

From the model for the Netherlands, we also learn that the public rented sector also typically has an important function for single-person households and for single-parent households. The latter have a more than three times higher chance of living in the public housing sector (rather than owning a dwelling), compared with couples with children. However, the public rented sector also appears to have a function for couples without children, who also have a significantly higher probability of living there than couples with children. All age categories have a higher probability of living in the public housing sector when compared to the 35–44-year-olds.

These findings may not be a surprise for those who are used to public housing as a residual sector; however, for the Netherlands, this was not the usual situation (also see below). Perhaps, this is not even the current common reality for the city of Amsterdam either, because the city is still known for its large public housing stock. Although a comparison between the coefficient patterns for the Netherlands and Amsterdam reveal much similarity, also some differences can be observed. These differences are, however, not in the direction we expected. First, the probability for those within the two lowest levels of education residing in public rented housing is much higher in Amsterdam than in the Netherlands. Also the very high coefficient for ‘below modal income’ is remarkable. Both observations suggest that in 2009 public housing in Amsterdam—even stronger than for the Netherlands as a whole—especially serves those who are most in need of it from a socio-economic perspective. A second observation, however, shows that probability figures for Amsterdam households from different backgrounds do not differ very much from ‘native’ Dutch households. Although background still seems to play some role in the access to public housing in Amsterdam, possibly because of different positions on waiting lists, the differences with ‘natives’ are, in Amsterdam, much more limited compared to the Netherlands as a whole.

A slightly more detailed analysis of the relationship between the income level of the household and the tenure and price level of the dwellings may provide further insight. Results are shown in [Figure 7](#) (the Netherlands) and [Figure 8](#) (Amsterdam).

In these graphs, a distinction is made between living in a dwelling below or above the so-called liberalisation limit, and between rent and ownership. The liberalisation limit is

Table 1. Logistic regression of households in public rent relative to owner occupation, the Netherlands and Amsterdam 2009

	The Netherlands			Amsterdam				
	B	SE	Exp(B)	B	SE	Exp(B)		
<i>Public rent; ref owner occupied</i>								
Intercept	-3.835	0.068		-2.568	0.264			
Below modal income	2.593	0.067	13.372	2.847	0.265	17.236		
1–1.5 times modal	1.802	0.065	6.064	2.03	0.255	7.614		
1.5–2 times modal	1.330	0.066	3.780	1.454	0.257	4.281		
2–3 times modal	0.896	0.068	2.449	1.114	0.257	3.048		
<i>> 3 times modal (ref)</i>								
Elementary education	1.494	0.042	4.457	2.255	0.316	9.533		
Vocational training	1.164	0.034	3.203	2.407	0.305	11.102		
Advanced elementary education	0.775	0.034	2.170	0.808	0.187	2.242		
Higher sec. and pre-university education	0.430	0.028	1.537	0.632	0.128	1.882		
Other	0.679	0.214	1.971	0.696	0.699	2.005	ns	
<i>Higher vocational and university (ref)</i>								
Morocco	2.473	0.104	11.854	1.230	0.319	3.420		
Turkey	1.138	0.071	3.121	0.744	0.338	2.104	**	
Antilles/Aruba	1.623	0.116	5.066	0.532	0.397	1.702	ns	
Surinam	0.885	0.065	2.423	0.597	0.200	1.816		
Southern Europe	0.481	0.153	1.617	-1.368	0.556	0.255	**	
Other 'non-western'	1.271	0.068	3.564	0.902	0.252	2.465		
Other 'western'	0.384	0.036	1.468	0.254	0.167	1.290	ns	
<i>'Native' (ref)</i>								
Single person household	0.836	0.034	2.306	0.177	0.176	1.194	ns	
Couple	0.252	0.033	1.287	-0.005	0.174	0.995	ns	
Single-parent household	1.284	0.046	3.610	1.013	0.246	2.754		
Non-family household	0.981	0.081	2.666	0.815	0.411	2.258	**	
<i>Couple plus children (ref)</i>								
18–24	0.939	0.065	2.558	0.236	0.336	1.266	ns	
25–34	0.276	0.037	1.318	-0.007	0.173	0.993	ns	
45–54	0.294	0.035	1.342	0.275	0.165	1.316	ns	
55–64	0.140	0.039	1.150	0.480	0.189	1.615	**	
65–74	0.332	0.052	1.394	0.312	0.301	1.367	ns	
75 plus	0.620	0.056	1.859	0.889	0.353	2.432	**	
<i>35–44 (ref)</i>								
Old age pension	-0.065	0.041	0.937	ns	-0.096	0.275	0.908	ns
Other benefit/no income	1.057	0.042	2.878		0.722	0.235	2.059	
<i>Paid work (ref)</i>								

Notes: All significant at the 0.01 level except when marked. ns, Not significant.

Source: WoningOnderzoek Nederland 2009.

**Significant at 0.05 level.

set every year (€631.73 per month in 2009) and refers to the monthly rent that distinguishes between regulated and unregulated housing. Dwellings with rents above the limit are regarded to belong to the unregulated private sector domain;¹ dwellings below the limit may be regulated. What is shown is that also in the Netherlands still a lot of households with high incomes reside in a dwelling below this limit, and vice versa, that

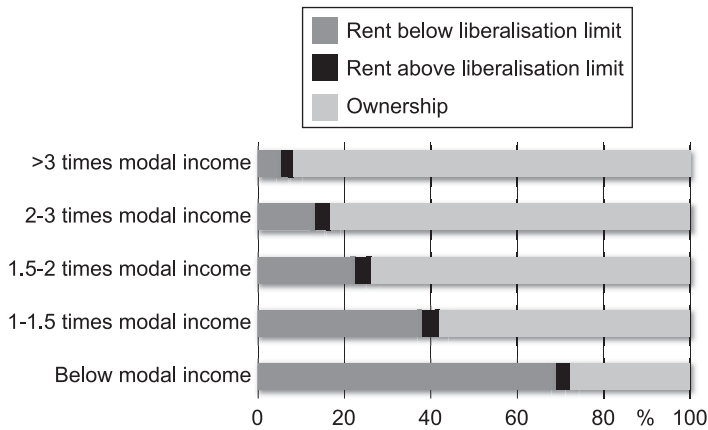


Figure 7. Relation between household income and tenure type (see text for explanation of liberalisation limit), the Netherlands, 2009. *Source:* WoningOnderzoek Nederland 2009.

a lot of low-income households are living in dwellings with rents above that limit. However, in Amsterdam, two interesting findings can be shown. First, a substantial share of households with higher incomes is living in inexpensive regulated rental accommodation below the liberalisation limit: 16 per cent of households with an income at least three times above modal income, and 36 per cent of households with incomes that are two to three times above modal income. Secondly, in Amsterdam, a much higher percentage of the lowest income categories is living in public rented accommodation below the liberalisation limit, when compared with the Netherlands as a whole. Once again, this situation is likely because still a very large share of the total housing stock in Amsterdam belongs to the regulated sector, even though that share is rapidly declining. In 2009, the share was 65 per cent; Van der Veer & Schuiling (2005) reported that less than a decade ago, approximately 75 per cent of the stock was regulated, or, as they say, part of the ‘pseudo-market’.

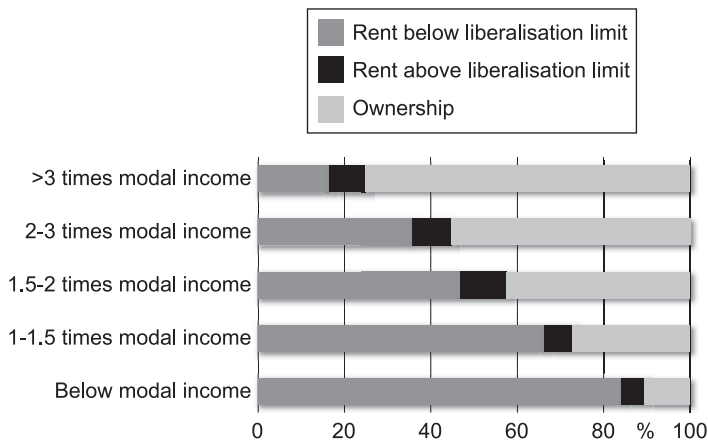


Figure 8. Relation between household income and tenure type (see text for explanation of liberalisation limit), Amsterdam, 2009. *Source:* WoningOnderzoek Nederland 2009.

In short, in 2009, households with low income, low levels of education, ‘non-native’ background, those dependent on benefits, or with no income, as well as all households of a type other than couple with children, and that do not belong to the 35–44 year age category, have a higher probability of living in public rented housing instead of in owner-occupied situations compared with households with high levels of income and education, those with a job, ‘natives’, couples with children and the 35–44 age category. At the same time, the public housing sector also still accommodates substantial numbers of households with a clearly stronger socio-economic position.

The question now rises to what extent this 2009 situation differs from earlier situations? The answer to this question cannot easily be given as housing demand surveys of different years are insufficiently similar to compare them exactly the way we would want. However, we have seen already that ‘skewness’ levels significantly decreased over the years and some other relevant comparisons between 1989 and 2009 can be added. This is the most interesting period, as 1989 was the year in which neo-liberal policy gained momentum and after that year the Netherlands in fact experienced a period that was continuously characterised by neo-liberal policies. In [Table 2](#), we present the position of public housing in the Netherlands and in Amsterdam for 1989 and 2009. Significant changes have occurred. Of those who were living in the public rented sector in the Netherlands in 1989, only 63 per cent had a below-median income and thus 37 per cent had a fairly high (above median) income; in 2009, the presence of below-median income households had, however, risen to 80 per cent. In Amsterdam, there was also a rise, albeit slightly more moderate than for the country as a whole (from 67 to 78). As an aside, because the public rented sector is shrinking, not all below-median income households could be housed by that sector anymore. Therefore, we also see that the below-median income households share in home ownership was rising, in the Netherlands from 29 to 35 per cent; in Amsterdam from 28 to 39 per cent. This shows that lower-income households increasingly also have to rely upon the ownership sector, especially in Amsterdam, where the housing market is particularly tight.

When looking at the age distribution in the public rented sector, we can show an evident shift over the two decades we researched, from a sector that also served younger households, towards a sector that predominantly serves older households. Especially, those below the age of 35 currently seem to have less access to the public rented sector, both in the Netherlands and in Amsterdam. As increasingly also the homeownership market has become difficult to access, this is a population category that may experience serious housing problems. The private rented sector that formerly partly functioned as a place for starters and those with very low incomes has shrunk too much to be able to offer sufficient alternative opportunities for these households.

In terms of household types, we see an increasing presence of singles—likely most of them older—in the public rented sector. In the Netherlands, couples with children saw their share drop from 42 to 18 per cent in just two decades. In Amsterdam, the drop was from 34 to 19 per cent.

5. Conclusions and Discussion

In this paper, the dynamic changes in the tenure structure in Dutch and Amsterdam housing have been reviewed, with a special focus on the public rented sector. It has been shown that the public rented sector is under pressure and is shrinking. In the Netherlands,

Table 2. For whom is public housing; share of households in public rented housing in the Netherlands and Amsterdam, by income, age and household type, 1989 and 2009

		The Netherlands				Amsterdam			
		1989		2009		1989		2009	
		<i>n</i>	%	<i>n</i>	%	<i>n</i>	%	<i>n</i>	%
Net household income	Below median	10 999	63	18 589	80	700	67	1245	78
	Above median	6539	37	4777	20	348	33	346	22
	Total	17 538	100	23 366	100	1048	100	1591	100
Age respondent	– 24 years	1458	8	1017	4	70	7	60	4
	25–34 years	3983	23	3093	13	287	27	208	13
	35–44 years	3237	18	3451	15	201	19	300	19
	45–54 years	2505	14	4008	17	123	12	318	20
	55–64 years	2684	15	4299	18	149	14	266	17
	65–74 years	2361	13	3918	17	139	13	202	13
	75–years and older	1437	8	3580	15	92	9	237	15
	Total	17 665	100	23 366	100	1061	100	1591	100
Type of household	Single	3816	22	10 589	52	352	33	777	58
	Couple	6247	36	6145	30	326	31	308	23
	Couple + children	7370	42	3584	18	365	34	249	19
	Total	17 433	100	20 318	100	1061	100	1334	100

Sources: Woningbehoefteonderzoek 1989 and WoningOnderzoek Nederland 2009.

this process started off around 1990; in Amsterdam, this occurred slightly later, around 1995. Several macro- and micro-level reasons for this process have been formulated. Although it has been found that, in the Netherlands, the public housing sector is still relatively large and still has a very important function for a wide array of households, not just for the marginal households, the sector is, nevertheless, under threat. The re-invigorated neo-liberal political climate in the Netherlands, in Europe and beyond, pushes the public rented sector into a more marginal direction. Authorities, especially national-level authorities, stress that the sector is too large relative to the demand for it; they also notice that individual households should take more responsibility for themselves and not rely on support of public bodies, if possible. Arguments for reducing the sector also refer to a better functioning of the housing market when demand and supply are better matched. Dutch government seeks to obtain that objective by the promotion of homeownership. Whereas former governments already introduced the ‘Right-to-Sell’ public housing, recent governments aim at a ‘Right-to-Buy’. Together with financial pressures, this will result in greater numbers of sales of public rented dwellings, and a reduction of investment in new public housing. In the current ‘Housing Vision’ (Kamerbrief Woonvisie, 2011) and the Government Agreement, the government states that public housing should be reserved for those who have no alternative and for low-income households only. The explicit objective is not only to reduce, but in fact to reserve the sector to those who belong to the lowest socio-economic classes.

However, there are signals that intervention in the public housing stock is warranted and supported by more than just neo-liberal motives. When there is a large oversupply of inexpensive public housing, there may be good arguments to reduce the sector. Skewness and illegal subletting problems are serious issues, not just for neo-liberals but also for social democrats. There is wide support for creating a balanced match between household

incomes, quality of housing and rents paid. There also is a widely shared view that intervention is even more required when households are abusing their public rented housing contract through subletting their dwellings illegally, while making profits with not-for-profit housing. Such practices also contribute to a negative image of the public housing sector, whereas in fact it is not the sector, but just the household that is to be blamed.

However, authorities might do well to rethink why, more than a 100 years ago, public rented housing was introduced in the first place. It was introduced because of market failures in liberal circumstances. Awful housing conditions in the private rented sector that have been described frequently were the basis for movements towards public housing. Its quantitative expansion helped to avoid a stigmatisation of those who had to rely upon the sector. In the Netherlands, the sector is still of significant size. Because of that, many households, also sections of the middle class, are housed in the sector. This creates urban conditions with less separation and less clear cleavages between social classes. Consequently, the socio-spatial structures in cities (still) have softer edges. Segregation is somewhat subdued. Of course, the sector has to avoid negative skewness and abuse of public money. However, the benefits of a substantial public housing sector that provides decent housing for the poor, but also for others, that helps to avoid the development of spatially fragmented social classes, rising segregation and the development of no-go areas, are likely to outweigh the costs to be made to maintain the sector. New policy in support of public housing seems the more required as the shrinking private rented sector hardly offers any alternative anymore for those who must rent. To avoid unwanted housing conditions, comparable to those encountered at the end of the nineteenth century, state and urban leaders would do wise to re-think the future function of public housing.

Note

- ¹ Rental dwellings with rents below the liberalisation limit are frequently owned by housing associations, but part of the regulated stock is owned by private persons or institutions as well.

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