The neo-liberal restructuring of urban housing markets and the housing conditions of low-income households: An international comparison

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Chapter 4: Comparing New York, Amsterdam and Tokyo
Abstract

Market-based reforms have played important parts in restructuring urban housing sectors in recent decades and have increasingly marginalized or excluded lower income groups, especially in the so-called ‘global cities’ where market pressures have been strongest. While accounts of housing policy and market transformations in cities are not uncommon, existing studies demonstrate a strong North-American bias. Moreover, comparative analyses have so far been rare. In this paper, neoliberal transformations in housing practices and conditions are examined in three highly differentiated and contrasting cities from three different continents: New York, Amsterdam and Tokyo. The analysis demonstrates remarkable variegation in the manifestation of neoliberalization of housing as well as considerable path dependency in terms of housing policies, practices and market restructuring. What becomes evident is that both symbolic and de-facto erosion of the ‘right to the city’ for low-income residents, while a relatively ubiquitous outcome of housing marketization, is strongly mediated by local housing practices, structural constraints and policy legacies and regimes.

Key words: housing neo-liberalization, comparative urbanism, housing policy, housing market

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4. Market Based Housing Reforms and the 'Right to the City': The Variegated Experiences of New York, Amsterdam, and Tokyo

4.1. Introduction

Over the last two decades, the accelerated marketization of housing provision and consumption across Western societies has become the subject of wider debate in urban research and, increasingly, the social sciences more broadly (see Aalbers, 2008; Forrest & Murie, 1988; Ronald, 2008; Schwartz & Seabrooke, 2008). More recently, attention has centred on the dysfunctional effects of housing de- and re-regulation for low-income households at the urban scale, highlighting how intensified housing commodification is threatening the poor in their ‘right to the city’ (Harvey, 2008). Moreover, considerations of market-facing housing reforms (e.g. Aalbers & Holm, 2008; Musterd, in press; Hedin et al. 2012), have often overlapped work on state-led gentrification (e.g. Hackworth & Smith, 2001; van Gent, 2013; Wyly et al. 2010) – with the latter often eclipsing the former – to provide evidence of how neoliberalization and housing are related in regard to concrete mechanisms that lie behind the growing exclusion of low-income households from cities.

Despite the marketization of urban housing markets representing a ‘global’ phenomenon (Smith, 2002), explanations of urban housing market transformations, nonetheless, demonstrate a strong North-Atlantic bias. In fact, international comparative accounts of housing marketization have largely been absent (cf. Lees, 2012), especially those that look at, and between, cities beyond the English speaking world, meaning that systematic knowledge of processes of differentiation and impacts of institutional and housing system contexts remain limited.
In addressing this omission, this paper provides a comparative analysis of market-based housing reforms over the last two decades in three explicitly diverse global city contexts where marketization pressures have become particularly pronounced: New York, Amsterdam and Tokyo. Considering these three cases, the specific contribution of the paper is to highlight the role of housing systems and institutional policy contexts in shaping policy changes and market transformations. Against the notion of generally applicable neo-liberal policy and restructuring pathways we present three city contexts with highly differentiated experiences of urban housing market reforms that have affected low-income households in their right to the city. Essentially, New York provides a starting point, not only because of its ‘paradigmatic status’ as a market liberal city (Fainstein, 2001), but also because of the nature of transformations, which were strongly orientated around the de-regulation of the private rental housing sector. Amsterdam, by contrast, is a characteristically social-democratic housing regulation system, and in the mid-1990s more than two-thirds of housing was either rent controlled or owned by social housing associations. Since then, home ownership rates have almost tripled and housing associations have retreated in line with a massive social rental sector restructuring. Finally, Tokyo represents a developed, non-Western context from which to consider the influence of developmentalist state practices and a productivist policy regime. Here, neoliberal influences on policy more broadly have interacted with the housing system to exclude low-income households through the regeneration of the core city and the elimination of low-quality, low-price private rental housing stock.

The paper proceeds from an exploration of housing market reform processes and the implications for low-income urban households, as well as the relevance of our three-city comparison for advancing understanding in housing and urban research. The comparison involves aspects of process tracing and assumes path dependency where material, historical and geographic context ‘matter’ (Bengtsson and Ruonavaara, 2011), but with a focus on outcomes in terms of housing conditions. We then consider the three empirical cases in turn, identifying key policy shifts and drawing upon secondary data sources to illustrate how
differentiated manifestations of market-orientated reform have impacted the prospects and conditions of urban households, to diminish their right to the city.

4.2. Neoliberalization and Urban Housing Market Reforms

Since the 1980s, housing regulation has undergone pronounced changes across the vast majority of developed societies. While transformations have not been exclusively neo-liberal in nature, privatization and marketization of housing policies and practices have dominated in context of a broader neoliberalization of regulatory arrangements (Dodson, 2007; Forrest & Murie, 1988; van Vliet, 1990; Ronald, 2008). Most essentially, governments have attempted to reduce the level of de-commodification in housing sectors, i.e. the degree to which housing access is disconnected from market mechanisms, in order to promote private market provision. This has entailed, in various measures, strategies to demolish or sell-off social rental housing; reduced subsidies for rental housing construction and a switch to targeted household benefits; deregulated rents; and the promotion of (low-cost) homeownership.

Our analysis builds on a recent stream of inquiry that has focused empirically on the effects of neoliberal housing policies on urban housing markets. Such studies have taken different starting points. A number of authors have highlighted the reconfiguration of urban social rental sectors (Aalbers & Holm, 2008; Hackworth, 2003). Meanwhile, gentrification studies, specifically in North-American cities, have related the expansion of neighbourhood transformations and inner-city investment to market-facing changes in housing regulation (Wyly & Hammel, 2004; Lees & Ley, 2008)

A couple of studies have gone one step further, detailing the linkages between market-based reforms, market restructuring and housing outcomes. These studies have shown how market-based reforms not only
led to structural reconfigurations of urban housing markets, but also make them more exclusive, threatening poor households in their ‘right to the city’ (see for example Wyly et al 2010; Wyly and DeFillipis, 2010). This is achieved in numerous ways, including the reduction in social or protected rental housing, leading to affordability problems for poorer households, or through shifts from project-based to demand-side subsidies, which make it more difficult for poor households to find affordable housing in central city locations. Similarly, shifts towards owner occupied housing stimulate speculative activity, which also undermine the availability and affordability of rental housing.

Understanding, however, has largely been based on North American cases, leading to a somewhat one-sided view of housing marketization processes and their outcomes for social inequality in cities. Research from elsewhere has, nonetheless, begun to indicate the multifaceted features of housing marketization and what it represents in terms of the right to the city for lower-income households. Studies by Hedin et al.(2012) on the ramifications of the restructuring of Sweden’s housing system (see also Christophers, 2013), or by Aalbers and Holm (2008) on the privatisation of social housing in Berlin and Amsterdam point to how context matters a great deal for both reform trajectories and effects (see also Lundqvist, 1992 or Murie et al. 2005). Such studies also point to the crucial role of broader institutional contexts for understanding housing transformations and the impact of reform.

4.3. Three Urban Housing Market Contexts

Many theories of neoliberalization assume patterns of convergence around a distinct form of urbanism. Indeed, Leitner et al (2007:4), identify that a compelling assumption has been that advances in neoliberal discourses, policies, and subjectivities has shaped a ‘neoliberal urbanism‘ characterised by entrepreneurial forms of urban governance, an elevated role for private sector interests in urban projects, and, importantly for this paper, an entrepreneurial and self-regulated approach to urban dwellers and dwellings. However, as Brenner et al. (2009)
highlight, market-based transformations and related forms of exclusion, while becoming increasingly ubiquitous processes, are embedded in, and premised upon, pre-existing institutional structures, making reforms highly contingent on local economic, political and cultural circumstances and leading to variegated pathways in different places.

On this basis, the remainder of this paper contrasts the experiences of housing market reform in New York, Amsterdam and Tokyo, respectively, in order to highlight the role of context in understanding the effects of housing marketization. Insight into three specific city contexts raises questions about the representative nature of the cases. New York, the ‘paradigmatic city’ in the debate certainly has an exceptional status in the US when it comes to the functioning of the housing market. Greater regulatory efforts to de-commodify housing, but also greater market pressures have clearly distinguished the city’s market from the rest of the country. Amsterdam, one could argue, represents an extreme case of the wider Dutch social-democratic housing systems in which it is embedded. National interventions into housing have historically become more pronounced in the city, not least because of the city’s specific economic and demographic structure. Tokyo, finally, represents an archetypal East-Asian developmental-productivist regime regarding the structure and functioning of the housing market.

For Leitner et al (2007) neoliberalization translates onto the urban terrain through the conduits of urban regulation and social welfare regimes. Neoliberal urban regulation typically privileges property ownership and ownership rights, and promotes urban restructuring through de- or reregulation. Social welfare regimes under neoliberal pressures are usually transformed by the withdrawal of rights to, and subsidies for subsidized goods (such public housing provision) exacerbating spatial manifestations of social inequality. Considerations of these conduits provide contexts for our evaluation of housing marketization pathways.
Table 1: Housing market characteristics New York City, Amsterdam and Tokyo City

<table>
<thead>
<tr>
<th></th>
<th>Population</th>
<th>Total housing stock</th>
<th>Home ownership</th>
<th>Private rental housing</th>
<th>Social / public rental housing</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>United States</strong></td>
<td>308.7 ml</td>
<td>130.4 ml</td>
<td>67.8%</td>
<td>31.7%</td>
<td>0.3%</td>
</tr>
<tr>
<td><strong>New York City</strong></td>
<td>8.35 ml</td>
<td>3.10 ml</td>
<td>32.9%</td>
<td>61.1%</td>
<td>5.9%</td>
</tr>
<tr>
<td><strong>Netherlands</strong></td>
<td>16.6 ml</td>
<td>7.04 ml</td>
<td>56.0%</td>
<td>9%</td>
<td>35.0%</td>
</tr>
<tr>
<td><strong>Amsterdam</strong></td>
<td>0.75 ml</td>
<td>0.39 ml</td>
<td>28.8%</td>
<td>21.8%</td>
<td>49.4%</td>
</tr>
<tr>
<td><strong>Japan</strong></td>
<td>126.6 ml</td>
<td>57.6 ml</td>
<td>61.1%</td>
<td>26.9%</td>
<td>*8.9%</td>
</tr>
<tr>
<td><strong>Tokyo City</strong></td>
<td>8.9 ml</td>
<td>5.95 ml</td>
<td>47.7%</td>
<td>39.7%</td>
<td>*12.6%</td>
</tr>
</tbody>
</table>

Sources: US / New York: Census Bureau (all numbers from 2008); NL: CBS (various years); Amsterdam: CBS, O&S (2009); Tokyo Statistical Yearbook (various years), Building Centre of Japan (2013) *Public rental and company supplied rental housing for employees x Includes units under various federal, state and local subsidy programs y Includes units under federal subsidy programs (e.g. Section-8), Mitchell-Lama rental, rent-controlled, rent-stabilized, Article 4 /5, HUD regulated and ‘in rem’ units z Includes private rental housing under rent regulation.

The rest of our analysis concerns changes in housing policies and regulations with a focus on transformations in tenure sectors and relationships between them. Housing policies play a critical role in structuring market tenure mix, shaping what sort of housing is available, entry criteria, and, to varying degrees, at which price and to whom. While policies have a key influence on housing conditions (cf. Barlow & Duncan, 1994), transformations do not directly translate into housing outcomes. These also hinge on factors such as income developments, demographic changes, shifting housing preferences, etc. An anchor point
for our analysis is that from changes in institutional and tenure frameworks, housing outcomes can be approached. Also of interest is the way policy transformations combine in each context to exclude lower-income households from central cities. According to Gerring (2007), comparative studies facilitate context-specific understandings, although comparison itself is a contentious methodological notion. In this paper we aim for a mid-range comparative analysis (see Kemeny and Lowe 1998), which on the one hand seeks to avoid unstructured juxtapositioning of different national (and in this case, city) cases, and on the other, data-driven variable-oriented comparisons that can disguise or over-elaborate meaningful trends and divergences. Certainly, more fine-grained studies on each aspect of housing and urban transformation are available for all three cities individually. Our aim, however, is not to add another layer of detailed empirical analysis, but rather to consolidate existing data and analyses in order to illuminate the role of context in shaping reform pathways. Our analysis has, moreover, a largely chronological nature that tries to understand historical processes, assuming considerable path dependency in each city where material, historical and geographic context matter (Bengtsson and Ruonavaara, 2010). The restructuring of tenure sectors, furthermore forms a specific lens for understanding processes of transformation and exclusion.

In our reference to the ‘right to the city’ we follow Harvey’s (2008) interpretation of this Lefebvrian notion. For Harvey, the right to access and decide about the future of the city is, subsequent to the accelerating commodification of urban space, increasingly falling into the hands of a small financial elite, who use urban development as a source for profit extraction, while pushing out and excluding those with limited resources. The right to the city is both a cry about this intensified dominance of the private market in shaping urban space, and a demand to actively challenge and contest it. There is a growing body of work that focuses specifically on housing, and processes of commodification, and relates them to debates about the right to the city. For the present analysis, we also deem it a useful framework in two ways. For one, our argument is that neo-liberal state transformations are an important driving force in the commodification of urban housing markets and are central to
understanding the exclusion of the poor in the context of expanding private market influence. At the same time, recognition of the protective measures that have more successfully shielded low-income households from market forces in the past, we would argue, also open up possibilities to think about, and organize for, alternative ways to regulate urban housing markets in order to reach more equal and just cities. The context-specific differences in the institutional set-up of housing markets and related changes to them that we demonstrate also point to the politically constructed nature of urban housing markets and the possibilities to actively challenge and contest them.

4.4. New York

Without doubt, New York has featured most prominently in debates on neoliberal urbanism and real estate-induced transformations of global cities (see Fainstein, 2001; Smith, 2002). Weak central state structures have traditionally combined with fiscal localism, facilitating the development of local growth coalitions that have driven intense urban development. New York housing construction and real estate consequently adopted a central position in the urban political economy, simultaneously satisfying objectives of local leaders and global real estate investment. At the same time, housing market intensity has stimulated socio-spatial polarization and exacerbated housing conditions for the poor (Mollenkopf & Castells, 1990).

In the post-war period in particular, a number of de-commodification policies were implemented in New York’s housing market. While going farther than in most other U.S. cities, these policies have, however, not been part of a coherent de-commodification strategy that has sought to systematically disconnect housing access from market mechanisms. Rather, interventions were characterized by ad-hoc measures to alleviate the most severe housing problems resulting from volatile housing market conditions (Braconi, 1999). Historically then, housing policies have reflected both growth oriented objectives and social policy concerns, in ‘a marriage of machine politics and progressive visions of reform’ (Wyly et
al. 2010: 2606), with the latter, however, never fundamentally challenging the former.

While de-commodification attempts occurred well before the 1950s (i.e. the 1901 tenement law and the first low-income housing projects in 1937), it wasn’t until after World-War-Two that policy frameworks extended their influence on market structures. De-commodification was achieved, primarily, through private rental market regulation, seeking to mitigate affordability pressures without substantially curtailing real-estate growth (Harloe et al. 1991). Specific interventions typically comprised a number of federal, state and local programs, resulting in an overly complex and fragmented tenure structure, reflecting the lack of a comprehensive regulatory strategy.

The neoliberal re-orientation of housing policies was initiated in the 1970s, when federal urban development and housing funds were cutback. After New York declared bankruptcy in 1975, the promotion of the city as an attractive investment place became a greater political priority (see Harvey, 2005), undermining social policy objectives and, especially since 1990, reshaping the housing sector (Angotti, 2008). In the following section we consider the different tenures in New York’s housing market and how they were transformed in the course of marketization endeavours.

4.4.1. Market-based housing reforms

One result of the historically more far-reaching intervention in New York compared to other places in the U.S. is the relatively small homeownership sector. Whereas around two-thirds of housing is owner-occupied nationally, in New York, only one-in-three households are homeowners. Particular to the city is a substantial number of housing cooperatives, accounting for almost 200,000 units, complementing a more conventional owner-occupied sector (Schill & Scafidi, 1999). New York homeowners primarily belong to upper-middle and higher-income groups, particularly in the cooperative sector (Furman Center, 2008; Census Bureau, 2013).
Efforts to promote homeownership – especially for low-income and minority households – regained impetus in the 1990s at all levels of government (Saegert, 2009). Combined with a boom in luxury condominium construction and an expansion of the cooperative segment, homeownership increased from 29% to 33% of New York housing between 1993 and 2008 (Census Bureau). Entering the sector, however, has become increasingly difficult, particularly in light of booming house prices since the turn of the century. Indeed, the price index increased 50% between 2002 and 2006 alone (Furman Center, 2009:10). Consequently, low-income households still constitute a marginal group in the sector (Census Bureau, 2013).

One component of the large rental stock in New York is public rental housing, largely funded by the federal government. In 2008, it comprised 184,000 units, an equivalent to 6% of all dwellings, more than three times the national average. While their small size, remote location and poor quality have led to the stigmatization of public rental units in most U.S. cities, in New York, the sector has traditionally been larger, spread more widely over the city and has also traditionally housed a small share of middle-income households. Meanwhile, supply has never been close to meeting demand with waiting lists often exceeding 150,000 households (Thompson, 1999).

Since the 1980s, federal funding for public housing has dried up and the federal government has promoted the reduction of the sector through targeted demolition, most centrally through the HOPE VI program (Goetz, 2003). Strikingly, in contrast to many other cities, in New York, public housing remained stable and even grew by 4,000 units in the 1990s and 2000s (Census Bureau, 2013). New York’s qualitatively better public housing stock has remained largely unaffected by HOPE VI, due in part to successful tenant protest against the program (Hackworth, 2007).

Private renting, at around 62% of all dwellings, constitutes the largest housing sector in New York. It consists of a myriad of different sub-tenures, but with a clear bifurcation between unregulated and regulated parts, with the former roughly making up one-third and the latter two-
thirds of the segment (Census Bureau, 2013)\textsuperscript{21}. Important features of the regulated stock are (Federal) Section-8 and (State) Mitchell-Lama units, which derive from low-interest loan programs for private developers. The largest share - dating back to State Laws from the 1940s – are rent-regulated units (980,000 in 2008). Overall, rents are considerably lower in regulated rentals and house many low-income households unable to find housing in the public rental sector.

Over the last two decades, this part of the market has become central to neo-liberalization endeavours. One factor has been a reduction in funding for federal and state programs (specifically Section-8 and Mitchell-Lama) (DeFillipis & Wyly, 2008). Federal funds in particular, have been in decline since the 1980s as part of a broader shift from project-based subsidies to tenant-based assistance (especially Housing Choice Vouchers). A second significant change has occurred to rent regulation. Under pressure from the real estate lobby, New York State relaxed the law in the 1990s (further to liberalization in the 1970s), making it easier for landlords to raise rents. A threshold above which rents would automatically be deregulated (‘luxury decontrol’) was also introduced (McKee, 2008). Amidst booming house prices in the 2000s many landlords have seized the opportunity to take units out of regulation, with more than 100,000 dwellings falling out the rent protected sector (Census Bureau, 2013; see also Bach & Waters, 2007).

We can identify key policy shifts in New York’s market particularly with regard to the private rental market. Homeownership promotion and public housing demolition constituted a central policy concern in the wider neo-liberalization of the US housing system. In New York, their relevance has been dwarfed by the reduction in funding for federal and state subsidy programs for private rental housing and the relaxation of rent control in the segment. These measures have become drivers of market restructuring.

How has this affected poor households in their housing situation? Generally, despite historically greater efforts (compared to other U.S.

\textsuperscript{21} In 2008; this includes units under HUD regulation, Article 4 / 5, rent stabilized pre and post-1947, Mitchell-Lama rental, rent controlled, and in the ‘in rem’ program.
cities) to provide housing for those excluded by private housing prices, New York has never successfully resolved its housing shortages and quality deficits (Wolkoff, 1990). Low-income households have always struggled to find decent and affordable accommodation amidst a highly competitive market dominated by private capital, high demand and scarcity of space. Nonetheless, the regulated rental stock, particularly in the public and private rental sectors, did a great deal in dampening housing problems and mitigating pressures in the post-war period, and enabled at least some of the poor to inhabit housing in the (inner) city (Wyly et al. 2010). This has become more difficult over the last two decades. While neo-liberalization has not been a coherent strategy and – following in the tradition of the city’s somewhat chaotic approach – commodification measures have in parts overlapped with new de-commodification attempts, overall, policies have reflected less socio-economically redistributive concerns. The subsequent erosion in inexpensive units, particularly in the private rental market, has driven gentrification and affordability problems, intensifying housing barriers to low income people.

4.5. Amsterdam

Amsterdam provides a significantly different context for neo-liberal urban transformations compared to the market liberal New York case. While in New York today a little more than one-third of all units are shielded from market forces in some way, in Amsterdam it is about 61%. The city’s development historically has been deeply regulated and firmly embedded in a comprehensive welfare state, in which housing regulation played a significant role. Large-scale intervention was driven not solely by social-democratic pressures to improve universal housing standards (which had gained support with growing housing scarcity and high birth-rates after the war), but also part of Keynesian economic policy, whereby inexpensive housing allowed for low wages and greater international competitiveness (Dieleman, 1994).
Although the beginnings of Dutch housing de-commodification date back to the early 20th century, policies were consolidated after World-War-Two. Construction became focused on social rental housing provided by non-profit associations, with the sector expanding from 23% in 1960 to 38% of all housing nationally in 1985 (Boelhouwer & Priemus, 1990: 115). This was accompanied on one side by growing direct subsidies, which rose sixfold between 1970 and 1987 (ibid. 110), and on the other by a strict and comprehensive rent regulation law, which also ensured de-commodification in parts of the private rental market. The de-coupling of housing from market forces went particularly far in the big cities, especially Amsterdam (Musterd, in press). Here, a large social rental sector was complemented by a system of strict land-use planning and public land ownership, which dampened socio-spatial division and housing costs to comparatively low levels (Musterd & Ostendorf, 1998).

Since the 1990s, however, as part of a broader restructuring of the Dutch welfare state, housing regulation has become subject to marketization. Political and policy discourses increasingly claimed that the continued de-commodified provision of housing (beyond post-war shortages) constrained choice and put unsustainable financial burdens on the state (Dieleman, 1994). This has more recently been coupled with a specific concern with utilizing housing reforms to promote urban competitiveness through state-led gentrification, particularly in Amsterdam (van Gent, 2013).

### 4.5.1. Market-based housing reforms

Whereas the social rental sector in Amsterdam was the smallest part of the market in the 1950s with an 18% share, by 1995 it had grown to 58% (O&S, 2010). Significant growth occurred during the 1980s, with economic recession forcing private developers to retreat and construction therefore shifting almost entirely to non-profit associations. In social housing, rents are regulated, largely in terms of quality, and dwellings allocated based on waiting lists. Access has historically been granted to both low and middle-income households.
With neo-liberal principles in the ascendency since the 1990s, the long-term objective has become to substantially shrink the stock. It is no longer considered a sector for middle-income groups, and is increasingly being reconstituted as safety-net for those unable to afford market housing (see Priemus, 1995). This approach has also been promoted by the European Union and since 2008, EC legislation on competition has forced housing associations to target social housing more closely to economically vulnerable households (Priemus & Gruis, 2011). In Amsterdam the sector has declined substantially, from 58% in 1995 to 48% in 2012 (O+S, 2010). Parliamentary rent adaptation and stock upgrading have also pushed up rents in the sector, with the monthly median increasing from €310 to €389 between 1995 and 2009 (corrected for inflation; O&S, 2010). Together with stock shrinkage this has significantly reduced the inexpensive housing supply in the city.

An important element in the reduction of social housing has been the sale of units to tenants. Whereas sales initially lagged behind agreed plans (see Aalbers, 2004), they took off in the early-2000s and between 1998 and 2012, 19,227 dwellings were transferred from housing associations to private owners (Amsterdamse Federatie van Woningcorporaties, 2013). This has contributed to the rise of homeownership in the city.

Homeownership has historically been a marginal sector in Amsterdam. This began to change, however, since the 1990s. While attempts were made to expand the stock through the 1970s and 1980s already, after 1990 the promotion of homeownership was intensified and national subsidies for the construction of rental housing were virtually terminated as of 1995. Meanwhile, large tax incentives for homebuyers were retained, mortgage-lending practices were relaxed, interest rates fell and housing associations were encouraged to sell off social housing. All of which contributed to the expansion of the tenure (Aalbers, 2004; Ronald and Dol, 2011). In Amsterdam, both homeownership rates and housing

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22 Housing associations in Amsterdam are still obliged to provide 30% of new construction in the social housing sector – a target which they have also in large parts realized in recent years. However, still, today about 60% of construction takes place in the homeownership sector, which means that the social rental sector, in relative terms, is gradually shrinking.
prices increased almost threefold between 1990 and 2010 (O&S). While the purchase of a former social rental unit enabled some lower-income households to get access to the expanding sector, overall, the sharp price increases have pushed homeownership farther out of reach for most of these households. Moreover, many middle-income households, who were expected to move out of social housing, have also struggled to purchase a home.

*Private renting* has been in decline in Amsterdam since the 1950s. Whereas back then it was the city’s majority sector, in 1985 it accounted for 44% of housing and in 2009 had shrunk further to 21.8% (O&S, 2010). This followed a lack of political support and few financial incentives for landlords. In most of the units (about 69.5% in 2013) rules similar to social rental housing apply (absolute rent limits, tenants partly allocated by the municipality), which makes the sector relevant for lower-income households. There is a less strictly regulated part, which is newer and of higher quality, where there is no absolute rent limit (although rent increases for sitting tenants are controlled). In both parts of the private sector, tenants have very secure rights of tenure, which has also disincentivised investors. Strikingly, plans to expand the private rental sector vis-à-vis social housing have, until very recently, not been part of marketization strategies. Continuing in a longer-term trend, private renting has remained largely unfavourable to investors and the stock has shrunk further since the 1990s (O&S, 2010). As with social housing, renovation and parliamentary rent adaptations led to sharp rent increases, which has contributed to the overall reduction in inexpensive units in the city.

With the high degree of de-commodification in the decades following World-War-Two, Amsterdam became fairly successful in providing decent housing conditions for low-income households. In fact, for some, the quality of, and access to housing made Amsterdam – in the words of Fainstein (2005) – a prime example of a ‘just city’. The social rental sector in particular offered, by international standards, a high volume of good quality low rent housing that, through spatial spread, also played an important role in mitigating segregation (Fainstein, 2005). Although the basic framework of social housing survived the 1980s, neo-liberalization
has, ever since, been in the ascendancy. As regards key policy changes, the reconstitution of social housing as a safety net and the termination of direct state funding for provision of the sector have been central to neoliberalization. They have combined with roll-out programs for tenure conversion and measures to promote homeownership. In the very latest housing policy revisions, a ‘landlord-levy’ has been proposed in which social and private landlords are encouraged to increase rents for middle income tenants in price controlled units, with increased revenues being taxed to offset lost government revenue derived from reductions in transaction taxes for home-buyers. Reforms have led to a profound restructuring of Amsterdam’s stock, with a larger share of units under direct market influence and a sharp decline in inexpensive units. In this context, exclusionary displacement and reduced accessibility to the shrinking regulated housing supply have increasingly emerged as key problems for low-income households, especially younger ones seeking to establish a home in Amsterdam.

4.6. Tokyo

In recent years, debates on neoliberal urban transformations have been subverted by the rise of non-western forms of urbanism. Tokyo in particular has provided challenges to North-Atlantic assumptions, representing for Waley a ‘counter-paradigmatic city’ that remains under-theorized in terms of mainstream conceptual lenses (2013:43). Tokyo’s arrival as a global city was shaped by a ‘developmental state’ focused on planned industrial and economic growth, and sustained by strong political alliances between political, bureaucratic and economic elites (see Johnson 1982). This distinguished Tokyo from market centred, capital driven urban formation characteristic of other global-cities (Hill and Kim, 2000). Land use was mixed and housing policies promoted individual and small-to-medium scale housing development. Along with the growing sense of middle-classness and ostensible socio-cultural homogeneity, Tokyo was thus considered immune from the patterns of segregation found in cities in the Western world (see Lützeler, 2008).
Housing policy took on a particular role within the developmental state and while on the one hand construction featured in economic growth orientated objectives, on the other, it fulfilled demands of a ‘productivist’ welfare regime in which public policies support economic productive households, rather than extending social rights to de-commodified welfare goods (Holliday and Wilding, 2003). Developmentalism and productivism thus gave housing a particular salience as a good supported by public policy, but provided in commodified forms that sustained the welfare capacity of self-reliant family households.

In the 1990s and 2000s Japan suffered from a sustained economic downturn in which property prices dropped more than a third in value between 1992 and 2002 and interest rates fell to historic lows (zero rates). In context of continued economic stagnation, Japan shifted towards a ‘post-developmental state’ in which neoliberal rhetoric and policies are more clearly evident (Fujita, 2011). Along with the changing nature of developmentalism, the urban housing sector has become increasingly marketized with more intensive and larger scale development practices (Hirayama, 2005).

4.6.1. Market-based housing reforms

Key mechanisms for housing and urban transformation were originally established in line with developmental objectives in the early-1950s, with the inauguration of a comprehensive national housing policy framework in which the state played a central role. Despite the role of public agencies, owner-occupied housing production dominated post-war urban rebuilding. Home ownership was driven by subsidised (long-term fixed-interest) housing loans provided by the Government Housing Loan Corporation (GHLC), as well as Japan’s ‘enterprise society’ in which lifelong employment and welfare provided by employers – including support for home purchase – constituted welfare pillars (Sato, 2007). A third element was the hegemonic ‘standard family model’ that promoted a fixed housing career culminating in detached home ownership, which enhanced the welfare capacity of the family and sustained intergenerational transfers (Ronald and Alexy, 2011, Hinokidani, 2007).
Home ownership rates boomed in the 1950s and 1960s accounting for around 62% of urban housing by the 1980s up from 26% in 1941 (Hayakawa, 1990).

The downturn in the owner-occupied housing market in the early 1990s initially led to an increase in public money being injected into GHLC loans in a bid to pump-prime the market (see Oizumi, 2007). However, from the mid-1990s onward the government began to retreat from a market-regulating role and demolish the post-war housing pillars. Regulated mortgage interest rates were liberalized and then, from the early-2000s, the government set about dismantling the market of GHLC loans. In 2007, such lending stopped entirely and the GHLC was transformed into the Japan Housing Finance Agency and tasked with sustaining a secondary mortgage market in which Mortgage Backed Securities derived from private lending are circulated. During the same period, labour laws were relaxed (specifically in 1999 and 2003) undermining lifelong employment contracts. Essentially, the benefits of ‘enterprise society’ were not extended to the next generation of Japanese employees, among whom secure work and prospects of wage increases evaporated (Genda, 2001). This combination of housing policy restructuring and labour market deregulation has pulled the rug from under many households, contributing to a decline in housing affordability. Although prices have not significantly increased, it has become increasingly harder for lower-income, and especially younger households, to meet housing costs in Tokyo.

Next to homeownership, public rental housing output was also a dimension of post-war housing policy. Publicly Operated Housing (POH) supplied by local authorities since 1951 has been the main form of social rental housing. By 2007 there were 176,560 units in Tokyo’s 23 central wards. Public housing essentially provided a stopgap for low-income families, assuming that as household economic conditions improved so

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23 Tokyo operates on a number of scales: 1) Tokyo City made up of 23 special wards with 8.9 million people; 2) Greater Tokyo (the prefectural administrative district of Tokyo-To) with 13.0 million inhabitants (23 wards, 26 cities, 5 towns and 8 villages); 3) Tokyo Metropolitan Area (including Yokohama, Chiba and surrounding cities) is the most inclusive categorisation of Tokyo with 31.7 million inhabitants.
would move into private housing. This transition was enforced from 1959 onwards, and since 1970 eligibility has been steadily reduced to socially marginal households (Hirayama, 2005, 2010). Stricter access restrictions have been accompanied by declining construction activity in the sector.

From the 1950s onwards, the government has also contributed to urban housing supply through the Japanese Housing Corporation (JHC) (from 1955)\textsuperscript{24}, which in 2004 became the Urban Renaissance Agency (UR). The JHC was established to supply housing for both sale and rent (but mostly the latter) for working people affected by urban housing shortage. In the early-2000s the UR began to diminish its housing provision role to focus on management of the stock (around 420,000 in the Tokyo Metropolitan Area in 2012). Moreover, the agency established an ambition to reduce the total stock by 50,000 units by 2018, with the long-term objective of an overall 30% reduction by 2048. At the same time, UR has continued to be active in the redevelopment of targeted areas, especially in Tokyo.

Based on the Law on Special Measures for Urban Renaissance (2002) the state has promoted private finance initiatives for the construction of middle-income housing, intending to support inner-city repopulation and increase the competitiveness of Tokyo city centre. Much of the new housing constructed in central Tokyo with the support of the UR has ended up being for the luxury market. Furthermore, redevelopment has only taken into account property owners rights, ignoring those of renters who are effectively displaced from upgraded neighbourhoods (Hohn, 2000).

*Company provided rental housing* has also been a component of Tokyo housing. In the 1960s employers became increasingly active in supplying workers with rental units – often as a means of rendering younger workers to centres of production – and more than 7% of urban housing was made up of company units by the 1980s (Wiltshire, 2003). However, as pressures to, and capacity for providing company welfare receded during the post-bubble economic downturn, swathes of company housing

\textsuperscript{24} From the 1980s, the agency had been known as the Housing and Urban Development Corporation.
and land was sold off. In central Tokyo the proportion of company housing had fallen from 5.0% in 1998 to 3.6% by 2008.

*Private renting* has been central to urban housing, especially for lower-income people, and is the largest sector in the Tokyo city wards. One of the outstanding features of this sector is the small dwelling size. As of 2003, 73.2% of rental units in Tokyo were smaller (floor-area) than 49 m² and 40.9% were 29 m² or less (Ronald and Hirayama, 2009). There is a wide diversity in terms of quality, location and type of landlord, the latter including a lot of small-scale amateur landlords. Since the 1990s, this sector has also been restructured. The argument has been that small-scale family investment in private letting was too low-profit, which hindered landlord investment in the stock and held back more professional investors from entering the market (Hirayama, 2010). As the sector has become more professionalized and city centre redevelopment has intensified, the available supply of low-cost rental housing has declined, in particular the stock of multi-household wooden units. While these have been considered substandard, they have nonetheless provided for a large sector for low-income households. Between 1988 and 2008, the stock dropped from 19.6% to 9.1% of units in Tokyo. Additionally, diminished security of tenure (with the revision of tenancy laws in 2000) has, in principle, made it easier for landlords in private renting to calculate profits and increase rents through the turnover of new contracts and tenants (Seko and Sumita, 2007). It has also shaped a divide between those on old or new leases: with younger tenants typically on the latter and more vulnerable to market shifts. Meanwhile, the housing stock has been intensively modernised, further undermining the availability of low-rent units. It is also important to note that housing allowance has not been pursued within Japanese housing policy, meaning that most poor urban tenants rely on the market of cheap private rental housing.

To conclude, in the post-war era, Tokyo became a global city with a relatively high home ownership rate, supported by a large price variegated private rental sector and small employer-provided and public housing segment. Embedded in a broader shift towards a ‘post-developmental’ state, since the 1990s Japanese housing regulation has increasingly become marketized, with reforms aimed at reshaping a more
urban driven economy. The policy focus on housing consumption has gradually given way to private-led redevelopment of Tokyo, where subsidies are centred on large-scale redevelopment projects. Meanwhile, the public housing finance system for individual households has been dismantled, funding for new public rental housing development withdrawn and regulations protecting private renters eased. Housing policy changes have also interacted with a neo-liberalization of labour policies and a hollowing out of the ‘enterprise society’ model more broadly to increasingly undermine the capacity for more marginal households to live in the city, especially the more central districts.

4.7. Discussion and Concluding Remarks

This paper has provided an analysis that addresses three highly differentiated and contrasting cities (on three continents), that demonstrate remarkable variegation in housing market changes that have combined to increasingly exclude poorer households from urban centres. Three distinctive patterns of exclusion and the way in which transformations in the housing market have undermined the right to the city for the low income and poor can be considered in the case of each city.

In New York, private rental market restructuring has specifically undermined the supply of inexpensive housing, fuelling affordability problems and pushing displacement. Meanwhile, housing vouchers have offered no meaningful alternative. They have not only been insufficient in supply, with 224,000 New Yorker households on the waiting list in the mid-2000s (Rose et al., 2004: 12), but have also pushed recipients farther away from the inner city, where many regulated units were lost (DeFillipis & Wyly, 2008). In 2008, 43% of all rental households were reported to be suffering from a housing affordability problem, while 25% encountered severe problems (Census Bureau).\(^{25}\) For low-income households the situation is particularly tense. Among the poorest fifth of rental households in the city, the median rent-income ratio in 2008

\(^{25}\) Defined as paying more than 30 % respectively 50 % of income on rent.
amounted to 78.1% (ibid.). The number of displaced households now exceeds 10,000 reported cases p.a., which excludes those that leave without official notice (Wyly et al. 2010). While there is still a stock of de-commodified units available and the city continues attempts to mitigate severe housing problems, the overall result of market-based reforms of the last two decades has clearly been to further transform the city into “one vast gated community for the rich” (Harvey, 2008: 38).

In Amsterdam access to all urban neighbourhoods was, until recently, a realistic proposition for nearly all income categories. However, with the decline in social rental and lower-end private rental housing, and the growth of expensive homeownership units, increasing proportions of city housing, especially in more desirable areas in more central locations and with better access to facilities, are no longer with the reach of low- or even middle-income households. Since 2000, rent and house price increases in Amsterdam have decoupled from national trends and accelerated well beyond advances in income and inflation, although a fairly effective allowance system has dampened negative affordability effects for very low-income renters.

Even though restrictive tenant protection has remained intact and has reduced direct displacement pressures (van Gent, 2013), as less low-cost units are available, and because existing tenants are particularly reluctant to vacate (even as household income improves), accessibility has emerged as a key problem. Average waiting list times for a two-bedroom social rental apartment have increased from two to eight years since the 1980s (Uitermark, 2009). While the remnants of the socialised post-war housing system still offer protection for those who already live in the city, reforms have clearly curtailed the poor’s right to the city. Also, while in the past more drastic plans for marketization have not been realized in the context of a regulatory landscape dominated by non-profit housing corporations, socially orientated housing practices and public regulation, the consensus around comprehensive intervention has been evaporating and there is now strong pressure from national and local governments for
further reforms (van der Veer & Schuiling, 2013). This will most likely result in greater housing problems for the poor in years to come. A key factor has been the diminished legitimacy and role of housing corporations in Amsterdam, which have since the 1980s supplied most new housing in the city.

In Tokyo, the most important housing market factor has been that new apartment building has, subject to a more explicitly neo-liberal state manifesto, become particularly concentrated in Tokyo, and especially in the most central wards. This has effectively pushed up the price of available housing there more than anywhere else. Crucially, redevelopment on pre-existing residential districts has often been difficult due to the highly fragmented nature of property rights (Sonobe 2001). In this context, displacement of poorer residents from redeveloped districts has been limited, or at least Western style gentrification has been absent (Lützeler, 2008). Upgrading of urban districts since 1990s can therefore be better regarded as a special case of ‘new build’ gentrification (Davidson and Lees, 2005), with the intensified elimination of older – especially wooden – stock undermining low cost rental housing supply for the poor.

Through a combination of shifts in prices and the income structure, Japanese housing has become less affordable overall, but especially in Tokyo. Younger households who have not been as advantaged as their predecessors by government housing market regulation, or had comparable access to secure or better paid employment, have been specifically affected (Hirayama, 2010). According to a Ministry White Paper (MLIT, 2012) between 1989 and 2009, the proportion of disposable income spent on mortgage repayments in Japan grew from 10.7% to 16.9%. This was particularly pronounced for people in their 30s, with an increase from 13.2% to 19.8%. Over the same period, the percentage of disposable income spent on rent for single males under the age of 40 increased from 12.4% to 19.9%, and for single females it increased from 19.0% to 24.7%. It is important to realise then that neo-

26 Reforms include a rule that location is given greater influence in rent setting in the social sector on top of the introduction of a landlord levy (van der Veer & Schuiling, 2013).
liberalisation of the labour market since the 1990s (and deregulation of employment contracts in particular) have combined with market orientated housing reforms to marginalise or exclude low-income urban residents.

In trying to understand the importance of market institutional and housing system contexts to the manifestations of urban transformations that affect who can live where, these three cities provide particular insights. Moreover, by contrasting them comparatively we instantly recognise how western based models, especially those focused on US- (or even English-) cities in isolation, do not do justice to the complexity and diversity on neoliberal reforms and how they play out in a particular place over a specific period. Table 2 provides a framework from which to begin to more systematically address the comparative differences between these three urban cases. What is particularly of note are the combinations of elements and the links between urban and social welfare regimes and policy and reform practices, as well as the diverse constitution and roles of different tenures in each context. Indeed, housing tenure sectors are particularly contingent. Dutch social rental sectors provide a high standard of housing, contain diverse households by types and have a wide distribution. Even in the most desirable neighbourhoods of Amsterdam can be found concentrations of social rental units that make up a minimum of 20 to 30% of stock. Meanwhile, Tokyo public housing is usually of a liveable standard and is complemented by a small company rental housing stock that serves largely white-collar tenants. Social sectors in both cities thus contrast to New York public housing. Similarly, owner-occupied and private rental sectors represent quite different types and qualities of housing in all three cities.
Table 2: Housing marketization pathways and their contextual embeddedness in New York, Amsterdam and Tokyo

<table>
<thead>
<tr>
<th></th>
<th>Historic housing policy approach</th>
<th>Market-based reforms</th>
<th>Implications for the ‘Right to the City’</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>New York</strong></td>
<td>Market housing provision with redistributive ad-hoc measures, reflecting unresolved political conflict between growth and redistribution orientated objectives in the housing market</td>
<td>Fragmented and somewhat chaotic shift, featuring, most importantly, de-regulation of various private rental protection programs</td>
<td>Accelerating displacement and housing problems of the poor in light of erosion of existing 'islands of affordability' through loss in inexpensive private rental units</td>
</tr>
<tr>
<td></td>
<td>De-commodification through rent regulation and loans to private developers, together with direct subsidies for marginal public rental sector</td>
<td>Tenure structure largely stable, but pronounced loss in regulated private rental units in the context of house price boom since the early 2000s</td>
<td></td>
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<tr>
<td></td>
<td>Tenure structure fragmented; two-thirds rental housing, with private rental market, two-thirds regulated, dominating</td>
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</tr>
<tr>
<td><strong>Amsterdam</strong></td>
<td>Large-scale social rental housing provision, reflecting national welfare strategy to de-commodify social reproduction, which became particularly developed in Amsterdam</td>
<td>Comprehensive strategy for marketization as part of broader welfare state restructuring, featuring, most centrally, promotion of homeownership and resituating of social rental housing as safety net</td>
<td>Exclusionary displacement and declining accessibility to the shrinking submarket-rent stock (and increasing waiting times)</td>
</tr>
<tr>
<td></td>
<td>De-commodification through direct subsidies to housing associations for social rental housing coupled with strong rent regulation, also for private rental market</td>
<td>Large tenure shifts, with loss in social rental housing and explosion of homeownership sector, which tripled in size</td>
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</tr>
<tr>
<td></td>
<td>Tenure structure dominated by social rental housing, marginal homeownership sector and declining private rental market (since 1950)</td>
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</tbody>
</table>
### Table 2: Housing marketization pathways and their contextual embeddedness in New York, Amsterdam and Tokyo (continued)

<table>
<thead>
<tr>
<th>Historic housing policy approach</th>
<th>Market-based reforms</th>
<th>Implications for the ‘Right to the City’</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tokyo</strong></td>
<td></td>
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<tr>
<td>Housing supported by public policy but provided in commodified forms, reflecting developmental / productivist strategies of self-provision facilitated by the state</td>
<td>Restructuring of housing policies as part of shift towards ‘post-developmental’ state, featuring reform of government housing finance and growing focus on private-led redevelopment of Tokyo, interacting with hollowing out of ‘enterprise society’</td>
<td>Growing affordability problems particularly for younger people confronted with rising house prices in light of worsening employment situation</td>
</tr>
<tr>
<td>Tenure structure dominated by homeownership and private rental housing, with marginal de-commodified supply</td>
<td>Tenure structure largely stable, but continued residualisation of public rental housing (only for elderly and vulnerable households), together with renewal of private rental stock</td>
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</tr>
</tbody>
</table>

Source: own illustration

One of our arguments is that a contrast of housing marketization in New York, Amsterdam and Tokyo provides a counterpoint to the dominance of state-led gentrification studies that have typically ignored how the promotion of market-based redevelopment of certain areas is embedded within a broader restructuring of housing systems and welfare regimes. Aalbers and Holm (2008) have argued – looking between the cities of Berlin and Amsterdam – that ‘a wider view into housing policies… shows a general trend of privatisation, but the concrete face of privatisation seems to depend more on local political structures and networks as well as on specific national and urban policies’ (ibid.:21). Our analysis in this paper seems to support this, but also, by engaging with an even more diverse range of cases, goes somewhat further in unpicking the relationship between convergence (in terms of outcomes...
for the urban poor) and persistent divergence (in terms of ways and means) under neoliberalism.

Indeed, in line with Brenner et al., (2009), our comparison seems to demonstrate that market-facing reforms are strongly variegated and path-dependent reflecting quite significant historical institutional and regulatory embeddedness in distinct combinations of capital, urban and welfare regimes. However, it also supports the position that urban housing marketization is becoming generalized (Smith, 2002), with various governments increasingly promoting housing as a commodity that is bought and sold and used to make money, with detrimental effects on the poor. The specific contribution of this paper has been to show how these processes, while general in nature, have interacted with, and been shaped by, historical context and inherited institutional landscapes. This raises questions about the adequacy of current comparative research, which, as we highlighted earlier in this paper, has been held back by an overemphasis on a particularly western and largely Anglo-Saxon paradigm. The consideration then of less- or even counter-paradigmatic contexts, like Amsterdam and Tokyo, allows us to reflect more objectively on processes and impacts of neo-liberalisation.

More generally, our findings suggest that market-facing reforms in urban housing markets are a central factor for understanding how ‘the right to the city [is increasingly] falling into the hands of private or quasi-private interests’ (Harvey, 2008: 38). The political advancement of private market housing provision – regardless of contextual differences – has reshaped urban housing sectors according to the interest of financiers, but to the detriment of the urban poor. But our analysis also opens up room for change. It points to regulatory measures that have more successfully shielded poor households from market forces in the past, which may represent possible anchor points for contesting contemporary commodification processes and for thinking about, and organizing for alternative, more equal and just cities.

Inevitably, a focus on housing neo-liberalization and market-based reforms has limits as regards developing understanding of contemporary transformations in urban housing markets. A relevant dimension, which
we have not been able to cover, regards the embeddedness of these three
global cities and their housing markets in international flows of finance.
New York has certainly been most open to large-scale investment and has
attracted swaths of financial capital into the urban housing stock,
especially since the beginning of the 2000s. In Amsterdam, the housing
financing structure has remained more nationalized, but the growing
integration of the Dutch system into global markets is indirectly fostering
the international connectivity of the city’s housing stock. Tokyo’s
housing system, finally, has so far remained disconnected with
international finance, although the promotion of global city-making also
involves efforts to connect housing more closely to global circuits of
capital. Further, comparative explorations of this macro-economic
dimension, how it affects the three housing markets and interacts with
neo-liberalization processes, would be fruitful routes for further research.

Finally, we have to acknowledge that the depth of comparison on three
radically different cities is limited in an article of this length. It has tried,
onetheless, to focus on a bigger picture in which housing marketization
is more or less subtle, is highly differentiated and where tenure structures
and their transformation play a more varied role in the exclusion of low-
icome households. This provides a basis from which to contextualise
gentrification orientated analyses that focus on neighbourhood-based
processes (cf. Lees & Ley, 2008). It also illustrates the need to encourage
research into, and develop conceptual frameworks that allow for, far
greater variation in cities and contexts.

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