Measurement of Housing Preferences −
a Comparison of Research Activity in the Netherlands and Finland

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Abstract. *Increased affluence and individual lifestyles have widely spread across western countries in recent decades. We expect this development to coincide with the use of more qualitative and more disaggregated research methods (the so called Mode 2 research methods) because these tools enable coping with a growing diversity of housing preferences. However, the usefulness of this partial explanation remains embedded in power relationships among relevant actors; theoretically also the influence of politicians, researchers and the building industry can explain this outcome. A successful diffusion of research methods depends on the research interest of all relevant actors (science, policy, consumption or industry-driven agenda) in relation to the target housing market characteristics (quantitative or qualitative perspective). An empirical investigation of two countries: Finland and the Netherlands, shows some striking parallels in this respect but also some significant differences.*

Keywords: *Power relationships, housing preferences, quantitative and qualitative research methods, Finland, The Netherlands*

1   Introduction

Certain well-documented demographic, socio-economic and socio-cultural shifts have taken place in western economies in recent decades: households have become smaller and the variation in household types has increased, not the least involving a broader range of influence of guest workers, and the expansion of the proportion of affluent households. These shifts have generated a broader variety in housing behaviour than what previously has been the case. Much associated with this trend, stratification based on socio-economic and socio-cultural factors has emerged on both sides of the Atlantic (e.g. Carter *et al.* 1998; van Kempen and Özüekren 1998). Especially in Europe, where people are aware of the identity of places, the housing market should not be analysed in isolation from these influences, as housing demand and choice is seen as a process determined by also

socio-cultural factors on top of financial, socio-economic and demographic ones. In their description of recent trends in housing research, Mulder and Dieleman (2002) make two points that are relevant for our argument: that researchers are now trying to understand particular groups such as immigrants, young adults or single households in more detail than before, and that the choice of the dwelling is understood as part of the person's general value orientation.

Here we ask a variety of questions: In what way are the mentioned demographic, socio-economic and socio-cultural shifts present in Finland and the Netherlands? Does the expected relationship between these shifts and the rise of more qualitative and more disaggregated research methods occur in both countries? And whether this is the case or not: how can similarities and differences between Finland and the Netherlands in this respect be interpreted with the aid of a general theory about the connection between research and society?

In this contribution we focus upon possible shifts in methods and activities with regard to the measurement of housing preferences using a general theory of the connection between research and society. This general theory deals with power relationships between actors: whose interest is it to develop the research agenda? Certain groups may have more to say in the matter than others. In theory we discern science-driven, policy-driven, consumption-driven and industry/innovation-driven research agendas. Our main aim is to apply the mentioned general theoretical notions to our field, the measurement of housing preferences. We also apply the theoretical framework to two countries, Finland and the Netherlands, that are assumed to be similar in some aspects. The study is also genuinely comparative, based on an explicated conceptual framework, and it is conducted by housing researchers intimately familiar with the country each is responsible for. Our contribution may be an introduction to a bigger research agenda – or at least we hope so. We had a certain intuition about how the shifts in research methods in our field can be interpreted and we illustrate the relevance of this notion in this article, but without presenting new data.

The first issue of interest is an outline of the relevant theoretical framework (Chapter 2). After that, we review the assumed shifts in methods and activities of measuring housing preferences in these two countries (Chapter 3). The Chapters 4, 5 and 6 show how these shifts are related to different groups of actors in the general theory (consumers, politicians, researchers). Chapter 7 contains the conclusions and a general discussion.

2   Feedback between research and society

We start in Section 2.1 by explaining the difference between two modes of doing research; this distinction is important from the point of view of the expected rise and shift towards more qualitative and more disaggregated research methods. In Section 2.2 we shed more light on theories of power relationships and the dynamics of research. We finish this section by illustrating the application of the

general theory to the study of housing preferences (Section 2.3). We also describe here the empirical limitations of this article.

2.1 Two modes of doing research

Gibbons *et al.* (1994) deal with the difference between two modes of doing research, which they define as follows:

> Mode 1: traditional knowledge, disciplinary and homogeneity
> Mode 2: reflexivity, transdisciplinarity and heterogeneity.

Mode 2 calls into question the adequacy of familiar knowledge producing institutions. In a three-step process, the intellectual innovations are first, misguided, then, ignored, and finally, taken over by original adversaries. In this situation the conventional terms – such as 'scientific' and 'non-scientific' with reference to an ideal following Newtonian physics – are inadequate. According to these authors, sufficient empirical evidence already exists about how a distinctive set of cognitive and social practices is beginning to emerge that does not fit within Mode 1. Mode 2 in turn is more apt here, as it includes a wider, more temporary and heterogeneous set of practitioners, collaborating on a problem defined in a specific and localised context.

From the point of view of the analyst, there are now limitations of using a single equilibrium research tool (Mode 1). Single equilibrium refers to a situation, where the market mechanism is temporally and spatially assumed to clear demand and supply in one single point, which enables determining estimates based on average consumer behaviour and/or average producer behaviour. In housing market analysis of Western European countries this is not a valid assumption anymore. The refutation of this over simplistic model has to do with articulated lifestyles and patterns of consumption that emphasise symbolic values as the idea of 'hedonic individualism' makes the picture more complex (Mingione 1996; Scott 1998 and Scott 2000 in Kloosterman and Lambregts 2001). In research, it implies the relevance of the abovementioned Mode 2. Whether the necessary support for such an ideal research genre can be amassed, depends on the *social networks and power relationships*: the way social science research is being manipulated by various authorities: peers and external actors, who (may) serve their own needs by directing and reorganizing the academia.

2.2 Power relationships and the dynamics of research

In the somewhat popularistic book by Cotgrave (2003), an appeal for an increased public accountability of science is made. The idea is to criticise the way politicians neglect scientists; how society interacts with science and the ways in which science is being done; and how science is a part of everyday life – yet its meaning is unclear. Cotgrave rightly argues that the problem of sustaining preconditions for long-term projects ('blueskies' research) in relation to short-term projects is caused by the political agendas, which tend to be set based on the electoral cycles

of political regimes. Thus, the funding of fundamental (long-term) scientific projects in general is more difficult, and likely to be successful only if the preferences of the voters and the private businesses strongly support that.

The issue of funding crises of public research organisations in relation to the autonomy of the research is an important one. Sanz-Menéndez and Cruz-Castro (2003) show that, if institutional funding is reduced, problems of autonomy occur. Indeed, a shift in balance from institutional to contract funds brings competition. As a consequence, research agendas are set on the basis of consumer demand and budget constraints, rather than scientific or political considerations.

Apart from the three more straightforward explanations related to science, policy and demand, the explanation may also be related to the evolution and adaption of technology within an industry. Giere and Moffatt (2003) speculate about the possibility to connect cognitive and social explanations of scientist behaviour. Related to this topic, Nelson and Nelson (2002) propose that cognitive and cultural conditions apply to the advance of technological know-how just as they apply for the mechanisms of human knowing. They thus emphasise the roles of selection criteria in the mechanisms of technology and cultural evolution: technological advance then is related to general human knowledge.

In a special issue of the journal Research Policy (2002), the concept of national innovation systems has been unveiled by a number of authors. Andersen *et al.* (2002) look at the user-producer interaction. For them, the question is, whether it is feasible to produce what the market and the users want. If so, then supply entrepreneurs become interested, with subsequent vertical integration with relevant institutions. Freeman (2002) emphasise the role of inertia: the way, how institutional changes help accumulation of capital. A positive interplay between science, technology, culture and entrepreneurship, and the learning and imitation processes involved is what matters, although in the end, politics and social events may be more important than the purely technical and economic factors. Lundvall, Johnson *et al.* (2002) in turn show the need for external stimulus as opposed to universities or technical research. According to this view, 'lock-ins' in innovation systems is what matters. These authors argue that the national level is often the most relevant level to analyse the phenomenon (not the regional or sectoral levels).

Using a generic 'innovations in industry'-perspective, it makes sense comparing the marketing strategy with technical input (such as materials or processing). Miozzo and Dewick (2002) compare the innovations and governance in the building industry across various European countries, and conclude that large construction companies are slow to adapt innovations. Citing Ball, they note that "the practices of awarding contracts through lowest cost tender may act as a constraint to innovation and R&D spending among contractors". In this context investment in innovation is irreversible. Three factors are found to encourage innovations and operational capabilities: the ownership structure and management, the creation of institutions within the firm, and long-term relations

and external collaboration – for example, in Germany, contractors can 'shield' their operations thereby enabling a long-term perspective. Thus, the building activity is not only determined by macro-level opportunities and constraints, but also by actor-specific risk management strategies, inertia and interactions.

2.3   Application to housing preferences and the empirical limitations

Above we noted that research is embedded in power relations. Which way is the wind blowing; whose interest is it to develop the research agenda? Certain groups may have more to say in the matter than others. Politicians may have reasons to listen to certain researchers (universities and institutes) more than to others. Economic and political motives determine the outcome: is it the housing of the 'mass consumer' – then a quantitative approach will do; or is it the 'lifestyle conscious higher income groups', whose preferences are presumed differentiated – then a more qualitative approach is necessary.

Above we also referred to science-driven, policy-driven, consumption-driven and industry/innovation-driven research, respectively. When this general categorisation is applied on housing we may state that the way how research is being done is affected by tensions between various motives for conducting research: is it Mode 1 or Mode 2 (as defined as above), and more specifically, the sheer curiosity of the academics, the policy solving of housing problems, the consumers, or the interest of the buildings sectors?[1]

From the point of view of science-driven housing research we note that a variety of universal (and not only contextual) explanatory variables are involved. The scientific search of the tenant's preferences in a reliable and valid way also favours a shift towards disaggregated and qualitative methods due to a number of general problems to overcome. The key processes involved can be specified as follows (see Lans 2002; cf. Nelson and Nelson 2002; Giere and Moffatt 2003):

- Tenants prefer housing types they know from experience.
- Preferences are being influenced by socially legitimated norms (or norms the respondent considers as legitimated).
- The internal process of cognitive dissonance reduction is influencing the preferences of the respondent.
- We do not know if the measured preferences concern respondent's 'ideal image' of a dwelling, or his 'aspiration image' which he conceives as realistic in view of (expected) restrictions in price or availability.
- Some latent preferences can hardly be formulated.
- The housing market is complex and influenced by several external factors (not related to preferences).

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[1] We stress that no one-on-one relationship exists between the categorization Mode1/Mode2 and the categorization of housing research drivers. These are separate matters altogether, one being about the philosophy of science and the other about the reasons for certain practices of inquiry in an applied field.

We also have to acknowledge that there may be little or no connection between the development in the two: housing research and housing policy and context. A changing nature of problems does not necessary entail changing methodologies, as the research tools may have become more sophisticated because of pure evolution in disciplines. That is to say, on one hand the possibilities opened up by new technology that enable combining various methods into hybrids, and on the other hand mere fashion and jumping on the bandwagon of research internationalisation, independently from any context and policy.

It is indeed difficult to justify how the global (universal) developments described are related to the increased popularity of qualitative research methods and disaggregated models. Preferences of consumers are becoming more research objectives in their own right, but we can also discern other (related or not related) processes that reinforce our basic assumption regarding similarity and convergence.

The notion of policy-driven research can be illustrated when compared to the science-driven research activity. Like Priemus (2001), we see an unavoidable contradiction between the two: the science-driven tradition looks for theoretical general explanation, and the policy-driven tradition looks for trends typical among housing consumers of that country specifically. Any housing preference methods will of course directly or indirectly be linked to some part of the global academia. The outcome of the research activity in a specific country may show a general result that implies similarity to the outcome of research activities in other contexts. However, the opposite may also be true: a general method applied in a certain context leads to an idiosyncratic result, which is not possible to generalise to another context. The focus upon these idiosyncratic results can be associated with a policy-driven research agenda: the aim is to solely get insights into the national situation; there is no drive for generalizations.

A consumption-driven strategy would be led by the question: What to do with supply, to avoid a mismatch with demand? A building industry-driven perspective would be guided by a question like: "Is the building industry able to influence the consumers wishes by an innovation-push?" The relevant point here is what the balance is between the two models of preference formation: pluralist preferences based on diverse 'soft' factors, and standardized (Fordist) preferences, notably the preferences for more space. The search for this balance, from the point of view of aiming a maximum profit, can be reduced to the two basic strategies: product-differentiation and mass-customization. The product differentiation strategy targets 'elites' by supplying a limited number of high priced dwellings and environments (plus, possibly financing certain marginal groups with the profit). The mass-customization strategy in turn targets the 'bulk', by supplying a large number of low priced products. The former strategy is more risky, because we may not be able to determine the relevant combination of factors for each market segment (for example, inner city gentrifiers), and it is also more costly. On the other hand, it may also open up possibilities for wider profit margins, and this

in turn, may be more sustainable – given that the surplus is used to finance social and environmental goals. This strategy supports the notion of scope optimization, and is in sharp contrast to the mass-customization strategy, which supports the notion of scale benefits and 'playing safe'.

Unfortunately, there is no complete and convincing empirical evidence about the way the building industry is involved in the diffusion of research tools with regard to the measurement housing preferences in each country; this element will therefore left out in de the empirical part of the study. The building industry may, at least in theory, (partly) be responsible for the observed marginal shift towards qualitative and disaggregated tools in both countries. Overall, we assume a certain lethargy within the house building industry in adapting new technology: even if consumers want diversification, it will – from the perspective of gaining profit – often be an interest of the building industry to act oppositely; too much diversification in the supply of housing will be perceived unattractive for gaining a sufficient level of profit. Arguments of inertia are also close to the (traditional) inflexible and durable nature of housing, as compared to other products. These characteristics can be put forward as an argument to stick to single equilibrium tools: a life cycle of 50 years for an average dwelling is then regarded as too long for experiments with diversified marketing concepts that may reflect the preferences of a short lasting era.

We may now conclude that a shift in housing research activities from Mode 1 to Mode 2 depends on the power balance between research communities (science-driven versus policy-driven), politics and policies, consumption patterns and expectations and the innovativeness of the building industry.

3   On housing market research tools in the Netherlands and Finland: measurement of housing preferences

Before we investigate whether we are empirically able to identify any of the above mentioned explanatory relationships, we first answer the question whether or not a shift from Mode 1 to Mode 2 did occur in Finland and the Netherlands in this applied field of social science. Thus this section sheds more light on the developments in the use of research tools with regard to housing preferences in both countries.

In theory, any research method, quantitative or qualitative, that measures or reflects on housing preferences with regard to type (single, multi-family, rental, owner-occupied, number of rooms, square feet, etc.), price and location, belongs to our population of methods. A commonplace way to separate methods between type of preferences is to refer to 'revealed preferences' and 'stated preferences' respectively. The former is the dominant approach within economics, while the latter is the dominant one within behavioural science. The former measure (potential demand) is derivable from market, demographic and socio-economic 'bulk' data, and is used by planners and policymakers in their prognoses, when the latter type of measurement (actual demand) is not available.[2]

We do not consider it interesting enough to do a rigorous comparison of the housing research activity between the Netherlands and Finland per se; that would be to compare an elephant with a mouse. Instead, we aim at a more general level analysis, of how trends in research have evolved. It is, of course, impossible to use a database that includes all the relevant information: such databases do not exist. Instead, we refer to the relevant trends that are generally accepted amongst scientist in both countries. [3]

Using these two countries as case studies, we will discuss, to what extent the emphasis has been switched in recent years. The research activity in the Netherlands will be dealt with first (Section 3.1), after which its Finnish counterpart is described (Section 3.2).

3.1 The Netherlands

During the fifties and the sixties policymakers in the Netherlands felt a strong need for quantitative housing market tools. During this period the Dutch housing market was predominantly a suppliers market and the reduction of the quantitative housing shortages had the highest priority. Within this context, the need for newly built dwellings was primarily seen as a quantitative research question for planners. They mostly used statistical information and information derived from standardised housing surveys. With the aid of these sources, quantitative housing shortages were determined and these figures were directly related to the quantitative building program (Scholten, 1988).

From the early seventies onwards several more disaggregated Dutch research traditions have evolved with regard to the measurement of housing preferences. On the quantitative side we note first the discrete choice modelling work conducted by Timmermans *et al.* 1994. To name another substantial tradition, decision plan nets have been widely used in Dutch housing preference research, following Op't Veld *et al.* (1992). This decision making instrument applies a relational approach. Instead of eliciting preferences, properties of the object and the characteristics of the actor are matched within certain contextual constraints (see also Floor and van Kempen 1997; Goetgeluk 1997). A statistically advanced method used in Dutch studies to predict choice behaviour is the so-called conjoint choice approach (e.g. Molin 1999). Conjoint analysis is based on trade-offs of the respondents' levels of utility. A recent conjoint application has been made on group-based models of family preferences for new residential environments (Molin *et al.* 1999).

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[2] One cannot however construct a strict categorisation based on these dimensions, because there are methods that integrate elements from each type: decision plan nets for example may be used on movers before and after the move, thus combining both stated and revealed preferences.

[3] Note that we refer to the differentiation of unconstrained preferences among middle- and upper market groups, and not on the issue of working-class housing vs. bourgeoisie.

Hedonic price models are frequently applied in the valuation practice as well as in monitoring the housing market. Formal modelling with quantitative data is distinguishable for this approach. In the Netherlands the first published paper was the study of house prices in Enschede by Spit and Needham (1987) with more comprehensive follow-up in Janssen (1992) regarding house price models for four Dutch cities (Enschede, Eindhoven, Rosmalen and Lelystad) for each one-year cross-section period. Also Rouwendal (1992) has done hedonic research on Netherlands data, although more theoretical than empirical by character. Most recently we note the tax assessment application for dwellings and several types of property in Amsterdam (Needham *et al.* 1998).

Already during the early seventies, qualitative research methods were used in Dutch housing research, mostly in-depth interviews and focus group discussion (Houben 1974; Burgers 1976). Qualitative housing studies were increasingly published during the eighties and nineties. We mention just a few recent studies: Priemus (1998) elicited the relative importance of specific attributes of both the house and its immediate among candidates for urban locations (the so called VINEX-locations); Kersloot (2000) focussed on group discussion; Coolen and Hoekstra (2001) used 'laddering'[4], an in-depth interview technique; and Hanny and Oskam (2002) used a lifestyle approach in a neighbourhood-level case study in Utrecht, the fourth biggest city in the Netherlands.

3.2   Finland

The Finnish housing market has since the mid-eighties seen a policy transition towards market liberalisation. We may pinpoint a variety of specific types of deregulation that have taken place: among others, the (by western European standards) strong deregulation of the rental market, the removal of the limitations for foreign ownership of property, and the liberalisation of the financial markets. In a general sense, these reforms have increased the need for housing researchers to be familiar with the market place. The market has become more transparent and, consequently, any empirical modelling research more relevant. In particular, a fair amount of hedonic regression type of value modelling work has been undertaken since 1970s, mainly within Helsinki University of Technology and The National Land Survey of Finland. It has already been proven that hedonic price modelling works well among owner-occupied housing transactions in Helsinki (Laakso 1997). However, in Finland we cannot talk about an explicit (stated) housing preference tradition as in the Netherlands.[5] Therefore, we have to deal with research traditions that indirectly deal with preferences of residents and housing consumers.

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[4] This technique provides assistance, when we aim at understanding housing preferences, value and meanings. The idea is to name the most important attributes, and then move upwards along the hierarchical 'ladder' to finally reach significant social values and individual needs.

In Finland we can only speak about a quantitative, indirect and aggregated mainstream research paradigm, at best. Traditionally the emphasis of socio-spatial research has been on rural and regional policy, which also has been mirrored by the distribution of research undertaken. Only from the early 1990s onwards can we talk about urban research as an independent and policy relevant field. Nevertheless, some separate urban research projects have indeed been undertaken in earlier days following the factor ecological tradition, that is empirical analysis of the spatial distribution of socio-economic indicators on an intra-urban level (e.g. Maury 1997; Vaattovaara 1998). Neither factor ecology nor hedonic modelling does however focus on housing preferences to any considerable degree. However, the two-stage hedonic modelling study on Helsinki by Laakso (1997) was aimed at willingness-to-pay (WTP) estimates based on the resulting hedonic coefficients.

Only recently the matter of housing preference diversification has become a topic of major collective interest in Finland, as previously the focus of Finnish housing research was in housing production and structures of housing policy. On the quantitative side, we note the studies by Loikkanen (1992), and Laakso and Loikkanen (1995) on discrete tenure choice. On the qualitative side (and more importantly for our overall argument), Uuskallio's (2001) study on prestigious dwelling areas shows how the housing situation of the well off in the society became a relevant topic amid the end 1980s economic upswing in Finland. According to Ilmonen (2001), the residential environment has become a tool for constructing the identity, and is assumed to become an important factor of competition. Ilmonen isolated three types of urban dwellers based on in-depth interviews of elite groups, depending on whether the preferred environment/ identity was that of 'the city core', 'the village', or 'the Nature'. Also Päivänen's (1997) study provides a recent example of qualitative preference research in Finland, using casual observing and in-depth interviews. The combination of quantitative and qualitative method (triangulation) is ideally the best approach to study demand sided housing market segmentation. For example, Ostamo (1997) has conducted a questionnaire survey of the housing career choices of residents (more than 200 respondents) and separately in-depth interviews of the choices of investors (almost thirty respondents and a substantial aggregated amount of wealth) in his analysis of market type. Other relevant contributions or traditions are studies on tenant democracy, future housing needs and special requirements of special groups (e.g. Staffans and Vuorela-Wiik 1995).

We have shown above how the Finnish housing research community traditionally has been dominated by other interests than those involving

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[5] To our knowledge, published quantitative material on measurement of stated housing preferences in Finland is virtually non-existing. (We were informed about Niska's survey of young people's housing situation, which may be the only quantitative stated preferences project to date.)

measurement of stated housing preferences. The housing preference aspect has only been a by-product of the analysis concerning the social area structure or house price determination. Recently, however, the community has gained in viability by adding an emerging qualitative urban housing preference research tradition to the more established research traditions. We do not, however, know how permanent such an ambition level will be. Obviously the new contributions are still relatively few, but so is the baseline research community. We can, for sure, conclude that the research results show a need towards Mode 2 research: disaggregation and the use of qualitative research methods.

4   Consumption patterns and demand

The alignment of various specific studies from the Netherlands and Finland above has shown that these two countries are comparable with respect to a rising demand for disaggregated and qualitative tools (Mode 2 research). In this section we will investigate whether consumer choices are a relevant explanatory factor for this development.

During the 1980s and the 1990s (partly already during the 1970s) several changes took place in the demand structure of the housing markets in western welfare state regimes partly as a result of certain policy transitions (see Chapter 5). However, changes also took place independently of these factors, as consumers became more affluent and aware of their set of possibilities to consume. The basic features of the housing demand characteristics are much the same in our two country cases: a higher level of material well being, smaller family size, ageing of the population, a greater variety of specific lifestyle-based (sub)cultures and so forth.

When we go into details, great differences do exist between both countries with respect to aspects such as tenure, physical features, urban structure and ethnic diversification. Three points are of our interest.

First and foremost, in Finland the housing market structure has always been less urban and the population densities lower than in the Netherlands. In the case of Finland the differentiation of the housing preferences can be seen as an urban phenomenon. It also occurs in other growing western cities, where a substantial proportion of the dwellers are mobile, unconstrained and increasingly short sighted in terms of housing career ambitions ('footloose'). It was not until the 1980s strong economic upswing in Finland that we could observe a significant diversification in housing preferences; only around the turn of the decade did 'culture of prestigious places' become a relevant objective to study (Uuskallio 2001). This is not to deny that there for more than hundred years has existed a sharp divide between higher-class areas and working-class quarters in Finnish cities, but that was due to the constraints of the 'class-society' – not a differentiation of housing and locational demand within certain income groups per se.

According to Uuskallio (2001, p. 153) the Finnish middle-class is adjusting to the rise of urban housing; it cannot be seen as a group that is characterised by

inherited urban culture and traditions, as for example the French middle class. It is often emphasised that the Finnish society seems to have followed the example of other European societies, for example with respect to industrialisation and urbanisation, but in a peculiar manner; lagged and suddenly. Especially true this is about the 'great escape' to cities in the 1960s and 1970s. (Kortteinen and Vaattovaara 1999.)

In the Netherlands the urban tradition is much older than in Finland. Here the recent differentiation of housing preferences can in fact be seen in the process of suburbanisation too, mainly from the 1970s onwards, and also in a counter-urbanisation of higher income groups from the 1980s onwards. Especially, the cities in the Randstad region are still very attractive to all kinds of higher income groups (also on the so called VINEX-locations and on locations where the regeneration of the old city cores takes place). The qualitative trends related to suburban living have also widened through the years. Some decades ago a 'simple row house' was almost the only attractive dwelling a family would opt, but nowadays many types of households prefer all kinds of dwellings in suburban locations (Kersloot, 1995). An ongoing qualitative housing shortage, at the top end of the market, keeps this process alive.

A further difference related to urbanisation features between these two countries is the shape of the urban structure: the greater Helsinki region is strongly monocentric whereas the Randstad in the Netherlands has a polycentric structure. It is not likely that suburban centres will be seen as competitors to the CBD of Helsinki in the near future, and that any kind of urban field, where people would have a wide range of options to reside and commute, would emerge in between these centres as in the case of Randstad.

Second, while the Netherlands and Finland may both be described as egalitarian societies (see next section) – and consequently not too much polarised in terms of socio-economic differences among housing consumers – the main differences between the two urban contexts concern the ethnic differences. The share of the non-white foreigners is about 30% in Amsterdam, 29% in Rotterdam and 27% in The Hague (KWB-database 1999); the share of all foreigners in Helsinki is only 4.7% (Internet site of the City of Helsinki 2003). It's obvious that this fact has led to a narrower socio-cultural variety across the inhabitants of a Finnish city than a Dutch city. However, also in Finland some signs of increased segregation have been observed in the 1990s (Uuskallio 2001, p. 21).

Third, the physical character of the Finnish urban housing market is somewhat unique compared to many other countries, including the Netherlands, due to a modern and dense building stock combined with idiosyncratic features of the natural environment in the form of many lakes, a long seashore and vast forests and hinterlands. The basic story is that small multi-storey apartments dominate the Finnish housing markets, and that a very old residential building stock is lacking. In general, the households are small and live densely, by Western European standards.

Despite detailed differences, we can observe the same general changes in consumption and demand patterns in both countries: a higher level of material well being, smaller family size, ageing of the population, a greater variety of specific lifestyle-based (sub)cultures and so forth. These changes potentially enable a shift from Mode 1 to Mode 2 research.

5   Housing policy

This section investigates the following question: can the core of the housing policy in both countries explain the shift from Mode 1 to Mode 2 research? Traditionally, the housing system is in both countries based on social-democratic and collectivist rhetoric. This is more so for the setting in the Netherlands, where the housing system has been tightly integrated to the welfare state, and other than market-based principles has determined its allocation. In Finland, a traditional 'nation of homeowners', the coupling between housing and the welfare state is much lesser so, as the housing policy has been in much weaker position than other major sectors like health, social security and education. Nonetheless, what is more important is that both countries share the same shift in housing policy. The core of the new policy is basically neo-liberal and individualist rhetoric: to move money to consumers so that they obtain more options to choose from. In the 'old regime' the policy was directed to producer/supply-sided subsidies, standardisation of quality to guarantee a sufficient quantity to meet the demand, and minimisation of costs. In the 'new regime' the policy is directed to consumer/demand-sided subsidies, creating more options for actors at the marketplace, and helping the disadvantaged by maximising their disposable income.[6]

When we go into details, great differences do exist between both countries with respect to policy. In strong contrast to the Dutch system, which traditionally was dominated by social rental housing, the Finnish system has been (and still is) dominated by owner-occupation. Tanninen (1997) gives a figure of 63%. Finland and the Netherlands may however look more alike considering tenure in the future, because of two reasons: the growth of the owner-occupied sector in the Netherlands, and the growth of the rental sector in Finland. During the 1990s owner-occupation became the most common housing sector in the Netherlands and the trend is predicted to continue (Boelhouwer 2002). At the same time, in Finland (unlike most EU countries) the share of owner-occupation actually fell significantly during the 1990s, whereas the share of rental housing rose

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[6] For simplicity's sake we leave out the notion of welfare state from the independent variables of our study, although the global changes to a certain degree correspond with changes in policy and regime (see e.g. Doling *et al.* 2003, on the distinction between strong and weak forms of globalization). We thus constrain our target of analysis to the causal link between changes in housing consumer preferences and behaviour, changes in housing demand, and changes in research activity dealing with these objectives – with the issues of stakeholder interest in directing research agendas discussed above in mind..

dramatically during that period (Ball 2002). At least partly this shift occurred because of the early 1990s Finnish recession, which suggests that the fall in home ownerships would be more of a temporary dip than a permanent trend. However, according to the latest statistics (including the year 2002), there is no sign of any reversal of the trend of declining owner-occupation and rising rental occupation (Internet site of Statistics Finland 2003).

In the light of the observations above we can conclude that the core of the new housing policy in both countries potentially enables the shifts from Mode 1 to Mode 2 research. In both countries the housing policy (in principle at least) is directed towards generating more options for consumers. Our next question of interest is related to the balance between the two research agendas: Is the influence of the different science- or policy-driven research communities a proper factor for an explanation of the shift from Mode 1 to Mode 2 research?

6   Research communities (science-driven versus policy-driven)

The housing research community in Finland has only recently been confronted with a growing diversity of housing preferences. The trend is imposed upon a small and young community (a coherent recognised and broad enough network of housing researchers yet does not exist in Finland), which has managed to internalise the theoretical-methodological debates of the social and planning sciences. Although the Finnish research activity is not as well equipped as the research activity in the Netherlands, it is today more science-driven than policy-driven. (Research used to be more policy-driven in Finland, too.) The fact that Finnish researchers have been able to incorporate the 'general state of art' into their own work quickly can – at least partly – be explained by the lack of an established and clearly defined own tradition.

In the Netherlands housing research is a very central field; already steadily rooted long traditions in quantitative housing research and related planning research. However some qualitative traditions have emerged in the Netherlands as we have seen, but we do not consider these developments – even in the Netherlands – as part of the mainstream, or part of a standardised housing preference research routine. The prevailing, quantitative tradition in the Netherlands is strongly rooted. The strong social economic position of planning and housing research within the Dutch academia, which favours the use of certain already established methods, makes it relatively difficult for new trends to penetrate the prevailing culture of doing research. Empiry often comes before theory and quantitative method before qualitative one (e.g. Lawson 2001, for a criticism of Dutch housing research in this respect). Policy-driven research (with regard to the measurement of housing preferences) is also more widely spread than fundamental research in the Netherlands, although the Dutch researchers try to increase their contribution to the international academic community.

The research tradition in the Netherlands is strongly domestic and policy relevant (also predominantly quantitative), but slowly beginning to change. In

Finland, in turn, a small number of (qualitative minded) pioneers that are well informed by fundamental and international social research only are beginning to establish a proper tradition of housing preference research, as demonstrated by recent work by Päivänen, Ilmonen and Uuskallio (as described in section 4).

We can conclude that in the Netherlands the research agenda is much more policy-driven than science-driven; the rise of Mode 2 research can better be explained by the activities of a policy-driven research community than the activities of a science-driven research community. In Finland the opposite holds true: here the science-driven community can be held responsible for the shift from Mode 1 to Mode 2 research.

7   Conclusions and general discussion

In both cases, in Finland as well as in the Netherlands, the trajectory is towards a rising demand for disaggregated and qualitative research tools. We must however also conclude that this shift towards more qualitative and disaggregated tools should not be exaggerated: this tradition is only marginal in both countries, compared to a quantitative and single equilibrium tradition. This observation can theoretically be explained by four factors: science, housing policy, consumption (demand), and innovations in the building industry. Unfortunately, we could not come up with empirical evidence about the way the building industry is involved; this actor was therefore left out of the latter part of the article.

The well-documented demographic, socio-economic and socio-cultural shifts that have taken place in western economies in recent decades can - in detail - also be observed in Finland in the Netherlands: a higher level of material well being, smaller family size, ageing of the population, a greater variety of specific lifestyle-based (sub)cultures and so forth. This justifies an increasing attention for the measurement of more heterogeneous housing preferences on the research agenda (Mode 2 research), in Finland as well in the Netherlands. However, the processes in the two countries are by no means the same: neither in context, nor in research methods and research activities, even when we limit the analysis to housing preferences only. We can conclude that the attention for the same global trend towards more heterogeneous housing preferences differs greatly: the interaction between science and policy follows a different trajectory in both countries.

The core of the new housing policy in both countries, which is based on more options for consumers, potentially enables the shifts in consumption patterns and demand. However, this relationship is perhaps more transparent in the Netherlands than in Finland because the research agenda in the Netherlands is much more policy-driven than science-driven: it contains a high level of specific Dutch research questions initiated by the Dutch authorities. In Finland the community is mainly science-driven so here the scientist are the actors that picked up, or maybe partially initiated, the relevancy of the changed consumption patterns and demand in the research activities. Since housing policy does not prohibit these research

activities in Finland, one can also argue that housing policy enables the initiatives in the scientific community in this country. In both countries the interest of researchers, politicians and (indirectly) consumers towards the Mode 2 research is growing. However, both countries differ in the direction of the research agendas: it is rather policy-driven in the Netherlands and science-driven in Finland.

The pace of adapting new types of research methods to housing related problems has been much quicker in Finland than in the Netherlands. To some extent this can be understood as a result of the lack of a coherent own housing research tradition in Finland, and to some extent because of the strong position of science-driven research. Of course it can easily be understood that in a country with a strong national tradition one would expect friction in the process of adapting new types of research methods. This fits well with a more general wisdom: followers often (but not always) develop quicker than pioneers (cf. Freeman 2002).

Under the conditions shown in the paper, we have now reason to predict that a future research agenda may highly depend upon country-specific questions. When we zoom in at various country-specific situations, the development may follow rather different trajectories. After all, different countries have very different starting positions in their housing systems and the research agenda may stick to country-specific questions in the future. Then the future of housing market research may be different than the convergence trajectory of general social sciences. It is naive, if we do not anticipate the possibility of stagnation or total turn around in the way preconditions for fundamental research in different countries is been set up. Then housing research essentially remains a country-specific exercise.

General scientific concepts and specific policy-driven concepts, connected to a specific country, cannot be seen as competitive perceptions of reality. Both types of concepts are valid. In the Netherlands with a long established housing preference research tradition, researchers have increasingly searched for more general (theoretical, fundamental, international) methods during the last fifteen years. However, although researchers feel a challenge to integrate both traditions, in practice these are often experienced as two different worlds. So a typical Dutch housing research tradition is still going on in the Netherlands and we don't even expect it to disappear: specific questions will always be raised. In Finland the future development will probably be a further discovery of heterogeneous housing preferences. Of course the general academic methods will be helpful also in this process of discovery.

Our conclusions are much based on our own experiences. After all, we only cover two countries, the ones that we happen to know best. To make any conclusions stronger would require a third country at least. Within a group of about twenty sufficiently similar countries in terms of an (historical) social-democratic and collectivistic rhetoric together with increased affluence and individualism, we aimed at targeting as broad a variation in other dimensions as possible – hence our two country cases. We indeed discovered certain tendencies of convergence but we also put forward several significant differences between the two trajectories. In

methodological terms this means that if some convergence can be noted between Finland and the Netherlands (as we did), it can be expected that a higher degree of convergence will exist in a wider group of countries, which may have a greater degree of similarity than Finland and the Netherlands.

Acknowledgement

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