

## Reflection – P3

Looking back at the graduation project until the P3, it can be said that the process has been relatively smooth. Defining the scope of the research has taken some time, but preliminary research for the first research proposal, the *Agenda Stad* research for BZK and the supervision by the supervisors (both TU and Fakton) helped significantly to do so. Additionally, being able to speak with many researchers, practitioners and lecturers early in the process has helped by further defining the scope of the research.

Literature up to this point has been abundantly available; literature provided by the different courses in the master was very useful, together with literature used in the *Agenda Stad* research. Additionally, literature regarding the four cases/funds analysed in this report was easily available. Also, the interviews with practitioners working with the four funds provided the insight needed to be able to come to valuable conclusions. Using an interview protocol, which is typical for semi-structured interviewing, was valuable in being able to draw these conclusions.

As stated in the P2 report, the establishing of the research design and methods was quite hard. However, thinking about this in an early stage has been very valuable: the clear research scope and the accompanying step-by-step plan has provided clarity on what step to take next during the process. This ensured that the overview of the research was not lost along the way. Losing overview during a complex graduation project is a risk that obviously lurks around the corner. Drifting away in interesting directions that pop up along the way is reduced by sticking to the research scope.

Consulting several financial professionals (Thimmo van Garderen, Edwin Netjes, Erwin van der Krabbe, Jimmy Kools) proved to be an important step in the research. Due to a less developed financial background, the concept of a revolving fund was initially quite abstract. This has changed significantly by extracting and exchanging knowledge with aforementioned professionals. However, it took quite some time before the financial aspects and conditions for a revolving fund to be useful were clarified. This has proven to be a slight hiccup, as some financial insight would have provided even more fruitful interviews in the early stage of the research. Initially, it was not fully anticipated that the thesis would take a turn to be this financial.

Overall, the internship at Fakton has provided support and freedom in the research. On the one hand, the support and supervision has been very helpful as it provided additional scientific insight and practical knowledge. On the other, there was much room for independence and exploring. This mix of low-key supervision and relative free and explorative research has been refreshing and led to independent, yet both scientifically and practically valuable preliminary research outcomes.

Finally, the research in this thesis has benefitted from the research currently being conducted by Fakton regarding the setting up of a revolving fund for the Province of Gelderland. Many aspects in this research overlap with the research already conducted for this thesis. Additional analyses can be both used for the thesis and the Fakton research. Clearly a win-win situation.

## Reflection and discussion – P4

This final chapter describes the reflection on the research process, the scientific and societal relevance, the reliability and validity, and a discussion.

### Reflection

#### **The process in chronological order**

Now that the final report is finished, it is good to look back and reflect on the process. All in all, the process has been fairly smooth. However, the initial definition of the research scope for the research proposal was difficult due to varying interests and possible topics, clearly visible in the changes in scope between P1 and P2. In this stage, the involvement in the *Agenda Stad* research carried out by TU Delft for the Ministry of the Interior and Kingdom Relations helped to narrow down to a workable research proposal. Additionally, the feedback from the supervisors (both from TU and Fakton) has helped significantly. This made selecting an interesting topic much easier. At P2, a clear goal, research outlines and research methods were defined. These have not changed much during the graduation project, thus providing a solid basis for the research.

The period between P2 and P3 was focussed mainly on acquiring knowledge regarding the three cases mainly through literature study and interviewing. Up to the P3, a huge amount of information has been gathered. This resulted in a presentation that was too long resulting in a situation in which the supervisors were not able to fully explain their feedback. This can be seen as an essential learning moment. During P2 and P4, the case study has been carried out relatively independently with periodical feedback. Due to the clearly defined research scope, planning and methods/approach, progress could be made in a regular pace. One thing that was slightly underestimated was the handling time of the interviews with professionals. Arranging the interviews did not provide much trouble, but the whole process of traveling, conducting the interviews, interpreting and transcribing/summarizing the interviews was considerably time-consuming. However, in the end the interviews are extremely valuable in the case study as they provide the main line of information regarding the cases.

Consulting several (financial) professionals (Thimmo van Garderen, Edwin Netjes, Erwin van der Krabben, Jimmy Kools) in the earlier phases of the research proved to be an important step in the research. Due to a less developed financial background, the concept of a revolving fund was initially quite abstract. This has changed significantly by extracting and exchanging knowledge with these professionals. However, it took quite some time before the financial aspects and conditions for a revolving fund to be useful were clarified. This has proven to be a slight hiccup, as some financial insight would have provided even more fruitful interviews in the early stage of the research. Initially, it was not fully anticipated that the thesis would take a turn to be this financial.

By postponing the P4 by three weeks, more time has been reserved for improving the report and structuring the case study outcomes. This has improved the overall quality of the thesis dramatically. During the period towards P4, time pressure became more and more apparent. This was enhanced by the difficulties to translate the large amount of case study outcomes to valuable conclusions. One of the main points of feedback at P3 was this translation. The initial analysis framework did not suffice; a second has been developed which made this translation much easier and more structured. Additionally, a section has been added to further enhance the transition from theory to practice.

The arranging of the market challenge was anticipated to be time-consuming and it turned out exactly that way. Finally, around 45 persons were invited for the workshop from which approximately 22 will attend the session. The market challenge will provide the last piece of the puzzle for this thesis. At the final presentation (P5), the insights of the market challenge will be fully incorporated in this final report.

Overall, the internship at Fakton has provided support and freedom in the research. On the one hand, the support and supervision has been very helpful as it provided additional scientific insight and practical knowledge. On the other, there was much room for independence and exploring. This mix of low-key supervision and relative free and explorative research has been refreshing and led to independent, yet both scientifically and practically valuable research outcomes.

Finally, the research in this thesis has benefitted from the research currently being conducted by Fakton regarding the setting up of a revolving fund for the Province of Gelderland. Many aspects in this research overlap with the research already conducted for this thesis. Additional analyses can be both used for the thesis and the Fakton research. Clearly a win-win situation.

### **Scientific relevance**

This thesis relates to a topic that represents scientific relevance in the sense that revolving instruments can be seen as a planning instrument that might be employed by (public) actors. Scientific literature however is not abundantly available; a scientific knowledge gap is apparent. This thesis provides a contribution to the closing of this gap. Another important issue is the nationwide debate on the mismatch between supply and demand in the residential sector and the growing number of households in the Netherlands. This thesis has linked the two dominant ways of thinking with research and Highest and Best Use (HBU) theory with the related bid-rent curve. Additionally, this thesis adds to the understanding of the rather new phenomenon of revolving instruments in the body of knowledge regarding urban area development through a comparative case study. The contribution to the UDM practice and the description of a viable alternative for subsidies is of scientific relevance.

At this point of the graduation project, it can be concluded that the expected scientific relevance in the P2 report still stands. In fact, the connection of theory and practice has been more profound than expected: examples are the coupling of theory regarding planning instruments with employment in practice, coupling of theory on subsidies with sentiments in practice, and coupling of the practical debate on the mismatch between supply and demand with an underlying theoretical approach. On the other hand, the expectation regarding the overview of possible planning instruments (which was expected to contribute significantly to the scientific relevance of this thesis) has been downsized. Between P2 and P4, the focus has slightly shifted away from this aspect. The focus shifted more towards the possible effects a revolving instrument as a planning instrument and whether there would be a support base.

### **Societal relevance**

Societal relevance is clearly apparent in this thesis, as it involves a topic that is directly relevant for society. It relates to the mismatch between supply and demand in the residential sector, a phenomenon house buyers are confronted with, especially in (local) markets such as Amsterdam, Haarlem and Utrecht. If revolving instruments lead to more development, supply will increase and house prices will eventually drop. Additionally, contributing to the knowledge of revolving instruments and depicting the good and bad practices of existing revolving funds, actors that are currently exploring the possibilities of revolving instruments have a document to consult which show what is already happening in practice. Additionally, if a revolving instrument focussed on inner city development would be employed, certain areas that are currently deteriorating could be transformed to better living environments. It would also increase employment opportunities, sustainability and promote economic development in these areas.

The expected societal relevance depicted in the P2 report correlates with the outcomes in this report. Also here, the focus-shift from exhaustively describing and analysing planning instruments towards more focussed approach on revolving instruments is visible. In this sense, one could argue that an analysis of the variety of planning instruments would be of higher added value. However, a thorough analysis of one relevant instrument with anticipated potential is perceived in this thesis to be of higher added value. All in all, the societal value of this thesis has been refined.

### **Reliability and validity of the results**

Bryman (2012, p. 390) describes four aspects regarding reliability and validity of qualitative research:

- *External reliability*, which relates to the replicability of the research. This thesis is fairly replicable due to the clear, straightforward research design. However, an important issue is the “freezing” of the setting that is researched from external circumstances, which is a difficult criterion to meet in qualitative research. One of the strategies to increase the replicability is to adopt a similar role as that of the initial researcher. It is therefore assumed that this thesis has a fairly high external reliability.
- *Internal reliability*, which relates to the degree to which members of a research team agree with each other about what they hear and see. This is not relevant to this thesis, as it concerns

individual research. However, the preliminary results of the thesis have been discussed with several other professionals and the results were in line with what they have encountered in their practice. This indicates a relatively high internal reliability.

- *Internal validity*, which relates to the congruence between (theoretical) concepts/ideas that are developed during the research and observations. If there is a good match, the internal validity is high. In this thesis, important concepts have been defined and redefined during the case study which have been translated to a second analysis framework. This framework has been extremely helpful and the concepts/ideas proposed in the framework were clearly visible and recognizable by the interviewees during the case study. This demonstrates that the internal validity is high.
- *External validity*, which relates to the possibility to generalize the findings across different settings. This type of validity is usually a problem for qualitative research due to the tendency to employ case studies and small samples. This is also the case for this thesis, as a comparative case study has been employed. It is hard to determine whether the findings can be generalized and whether they are transferable to other settings. When employing a case study a particular phenomenon is analysed in its real-life context (see Robson, 2002), which is the case in this thesis. Therefore, the external validity cannot be defined clearly for this research.

## Discussion

This final section of the reflection includes a final discussion in terms of the overall approach of the thesis, with a short elaboration on the good and bad aspects of the research.

The initial approach with the selection of research methods, the objective and final product, the problem analysis and research questions provided no issues. One part of the research that provided issues was the case selection. The selection criteria that were formed have proven to be slightly too broad. Initially, four cases were selected, from one of which was the Business Improvement District. This case has been deselected between P3 and P4. The main reason was that this instrument is mainly a private-led matter; public actors are usually not as involved as initially anticipated. Therefore, the BID was not a representative/exemplary case that would significantly contribute to the rationale behind the preferred variant of a revolving instrument. Another aspect related to the case selection that was not preconceived was the variance in financial arrangements of the existing funds. The National Restoration Fund has the ability to issue sub-commercial loans due to a governmental guarantee, which is a unique situation. Therefore, many aspects of the Restoration Fund case are useful but the financial arrangements are less translatable to a revolving instrument for inner city development.

Another very important aspect during the case analysis was the analysis framework. Initially, the framework was focussed on three aspects: actors, fund characteristic's and a case example. During the first case study (regarding SOFIE), this initial framework was used to structure the analysis. However, the framework resulted in a mostly descriptive analysis, without focussing on the essential aspects of a revolving instrument. A new analysis framework was set up which was used to restructure the SOFIE case and which was used to structure the other case studies. This framework provided a structure which was less descriptive and more focussed on the good and practices of essential elements of a revolving instrument. The use of the second framework helped to structure not only the analysis but also the conclusions and setting up the variants/preferred variant. This is a process that is recognized by Bryman (2012, p. 384) in his description of the main steps of qualitative research. In these steps, an iterative process is visible relating to the interpretation of the initial data, setting up a conceptual and theoretical framework, tighter specification of the initial research questions and collection of further data. These steps are iterative, something clearly recognizable in this thesis.

Initially, the goal was to deliver a thesis with the main body of text of approximately 75 to 80 pages. However, due to the interconnectivity with so many relevant aspects (e.g. perception of subsidies, the current debate on the residential sector, the preconditions or revolving funds) and the many relevant aspects (i.e. main considerations and design principles) of the existing revolving instruments, the thesis has become longer. A continuous consideration regarding the relevance of each research component leads to the conclusion that a revolving instrument cannot be fully disconnected from its real-life context when one wants to analyse such an instrument. Therefore, the case study chapters have become quite exhaustive,

as well as the case comparison, variant study, design principles and finally the preferred variant. Preferably, the thesis should have been shorter.

Another important aspect that could have strengthened the thesis further is the definition of (pilot) projects that would be helped with the employment of a revolving instrument for inner city development. In the appendices of this report, a short indication is provided of potential projects that meet the three main criteria for a revolving use of resources. This could have been more elaborated to further define the actual demand for a revolving instrument for inner city development.

The issue of unlawful state aid is important when employing public resources. Based on the interviews with professionals and the case study examples, it is not an issue if thorough research is carried out before setting up a legal entity, and if interest rates at the market rate are employed. However, this is an aspect that needs further research to fully conclude that unlawful state aid does not provide a barrier in the use of a revolving instrument for inner city development.

Finally, an important remark is that initially, it was not preconceived that the thesis would become this financially-driven. Financial knowledge was limited at the start and many important aspects were unclear at the start. However, by acquiring knowledge through the internship at Fakton and the interviews with internal and external financial professionals, the pieces of the puzzle started to fall in place along the way.

## Reflection and discussion – P5

In this reflection, the broader implications of the use of a revolving fund in inner city development and this thesis' relevance is discussed, followed by a short discussion regarding the research of this thesis.

### Reflection

Introducing a revolving fund in the inner city development practice has implications and consequences, since the intervention of a revolving fund influences the 'regional ecosystem'<sup>1</sup> in which it operates.

#### *1. Multiple-role perception for public actors*

Public actors define and enforce policy. Through the employment of rather complex instruments like a revolving fund, this role perception changes. The general connotation is that certain actions should always be carried out by "the market" and not by public authorities. These actions usually relate to the stewardship of public resources. For instance, the traditional view is that a Dutch Province should not be involved in stimulating certain developments by actively operating in the development practice. The Province should focus on defining and enforcing policy that stimulates and facilitates market actors. However, the perception is that this role seems to be slowly changing; for instance in the case of market failure, a multiple role perception of public actors is more logical to achieve predefined policy goals. Verheul et al. (2017) indicate a role perception with four roles: steering, regulating, stimulating and facilitating. Setting up a revolving fund fits in this connotation of a multiple-role perception.

#### *2. Expertise and knowledge is needed*

By employing a multiple-role perception, additional expertise and knowledge is needed. As indicated in this thesis, the employment of a revolving fund requires business case knowledge to assess whether a certain project has a positive or negative business case. The current knowledge level is perceived to be not sufficient. A wide array of instruments in regard to each of the four roles is available to achieve policy goals. However, the overall perception is that for instance municipalities and Provinces are not sufficiently equipped to employ and fully understand these various instruments. Additional expertise and knowledge is needed to improve the operations of public bodies in this sense. Verheul et al. (2017) indicate that for instance municipalities are not sufficiently equipped and propose room for experimenting, knowledge-sharing and gaining experience.

#### *3. Reduced steering-ability by distancing a revolving fund?*

Distancing a revolving fund from the respective public body provides several advantages. However, putting public resources in a separate legal entity may be experienced as a diminishing steering-ability for the respective public body regarding these resources. Therefore, there might be aversion to the distancing of resources in a separate legal entity. How do we know that the fund manager will attract the right projects? Is the policy with the relevant societal goals still the main reason to employ public resources? To ensure this, the investment strategy, predefined goals and targets and frequent periodical evaluation are essential.

#### *4. Redundancy of civil servants*

Current subsidy programs established by the public bodies are run by civil servants. When a revolving fund is successfully established, the number of issued subsidies will decline. This means that subsidy programs will receive less applications for financial stimulation, resulting in a redundancy of civil servants who currently assess and process the subsidy applications. The revolving fund as a legal entity requires personnel, adding new jobs to the market, but the subsidy programs will shrink in terms of job positions.

#### *5. Large location differences*

The employment of a revolving fund largely depends on the state-of-play in the local/regional market. When market pressure is high, a revolving fund in general is unnecessary, since demand and yields are high, resulting in positive business cases. For instance, the cities of Amsterdam and Utrecht experience extremely high market pressure at the moment, rendering a revolving fund for inner city development rather unnecessary. However, even within these cities there are large differences in areas and neighbourhoods. Certain areas experience difficulties regarding inner city development. A revolving fund might stimulate

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<sup>1</sup> According to Edwin Netjes, the regional ecosystem relates to the system of relevant actors, programs and organisations in which a revolving fund operates.

development in these locations as well. On the other side of the spectrum, there are shrinking rural regions such as De Achterhoek and the North of Groningen. These areas experience virtually no market pressure as studies show that residents are leaving these areas. A revolving fund for inner city development is virtually useless here, as business cases are generally negative. The locations that are in the middle of the spectrum are benefitted most with a revolving fund for inner city development, since market pressure and demand for dwellings is apparent but not extremely high. Business cases show yield potential, but risks are still high, especially in the early phases. Here, a revolving fund is of high added value.

#### *6. Positive externalities*

The employment of public resources through a revolving fund brings about positive externalities. By showing commitment, other financiers and investors are more encouraged to co-finance and invest (financial multiplier) and other developers are encouraged to develop in the area as well (spatial multiplier). The question remains how high these multipliers are but clearly, the setting up of a revolving fund leads to positive externalities. Developing or transforming run-down areas in inner cities leads to welfare and societal effects, such as increased agglomeration effects, a better and more efficient use of existing public transport infrastructure, reduced commuter traffic, preservation of greenfield locations, and reuse of existing real estate. This leads to spatial, economical and socio-cultural improvements (see: Verheul et al., 2017).

#### *7. Increasing support base by coupling of trends*

As indicated in this thesis, the support base for a revolving fund for inner city development is apparent, both from a political and market point of view. However, the instrument remains a rather unfamiliar phenomenon and inner city development remains not rather high on the political agenda in The Hague. To increase the urgency and acceptance of a revolving fund for inner city development, a coupling with other trends and initiatives could be established. For instance, connecting the issues of inner city development in the residential sector with the energy transition issue and with increasing the sustainability of existing dwellings, results in higher urgency and increased support.

#### *8. Lobby for ISV 2.0*

As stated in this thesis, several researchers, interest groups and companies steer towards a revival of a large subsidy instrument for inner city development. Verheul et al. (2017) conclude that targeted public investment remains necessary. It is unclear whether this type of subsidy will return. A revolving fund for inner city development stimulates certain projects that comply with the prerequisites; however, this will not result in the same effect as a large subsidy program along the lines of the traditional ISV. Therefore, it will have a smaller impact. However, it remains an instrument that does stimulate certain projects without resorting in extremely high public spending by granting large subsidies for each dwelling that is developed.

#### *9. Mismatch between the “Wall of Money” and the available projects*

Now that the crisis is over, the sector is speaking of a “Wall of Money”, readily available to be invested in real estate projects. However, the money does not find its way to the right projects. One would expect that dwelling production would increase tremendously, now that capital is abundantly available but this is not the case. One of the issues is that (municipal) development plans are not regularly updated, they do not involve an integral plan, and they do not comply with the current demand. For instance, demanding a that a plan includes 30% of social rental dwellings may not be logical when a neighbouring area already consists of a high level of social rental dwellings. This results in a mismatch between the “Wall of Money” and development plans. Well-conceived, integral plans find the needed resources more easily.

#### *10. Overcoming the barriers*

This thesis has outlined the experienced barriers in real estate development in the residential sector. In essence, the barriers are threefold (Verheul et al., 2017): I) juridical; procedures are long and complex, national rules and regional rules apply and may frustrate development. II) managerial and organisational; unclear or absent spatial vision, uncertain political commitment due to four-year election system, insufficient knowledge and expertise. III) Financial; high land development costs, high costs due to speculation, high land costs lead to dense programming which is not always in line with the residential demand, uncertain yields for investors. A revolving fund will not overcome all these barriers, but helps decreasing these barriers, mainly on financial aspects and to a lesser extent managerial and organisational aspects as well.

### **Scientific and societal relevance**

This thesis relates to a topic that represents scientific relevance in the sense that revolving instruments can be seen as a planning instrument that might be employed by (public) actors. Scientific literature however is not abundantly available resulting in a scientific knowledge gap. This thesis contributes to the closing of this gap. Another important issue is the nationwide debate on the mismatch between supply and demand in the residential sector and the growing number of households in the Netherlands. This thesis has linked the two dominant ways of thinking with research and Highest and Best Use (HBU) theory with the related bid-rent curve. Additionally, this thesis adds to the understanding of the rather new phenomenon of revolving instruments in the body of knowledge regarding urban area development through a comparative case study. The contribution to the UDM practice and the description of a viable alternative for subsidies is of scientific relevance.

Societal relevance is clearly apparent in this thesis, as it involves a topic that is directly relevant for society. It relates to the mismatch between supply and demand in the residential sector, a phenomenon house buyers are confronted with, especially in (local) markets such as Amsterdam, Haarlem and Utrecht. If revolving instruments lead to more development, supply will increase and house prices will eventually drop. Additionally, contributing to the knowledge of revolving instruments and depicting the good and bad practices of existing revolving funds, actors that are currently exploring the possibilities of revolving instruments have a document to consult which show what is already happening in practice. Additionally, if a revolving instrument focussed on inner city development would be employed, certain areas that are currently deteriorating could be transformed to better living environments. It would also increase employment opportunities, sustainability and promote economic development in these areas.

### **Reliability and validity of the results**

Bryman (2012, p. 390) describes four aspects regarding reliability and validity of qualitative research. *External reliability*, which relates to the replicability of the research. This thesis is fairly replicable due to the clear, straightforward research design. However, an important issue is the “freezing” of the setting that is researched from external circumstances, which is a difficult criterion to meet in qualitative research. One of the strategies to increase the replicability is to adopt a similar role as that of the initial researcher. It is therefore assumed that this thesis has a fairly high external reliability. *Internal reliability*, which relates to the degree to which members of a research team agree with each other about what they hear and see. This is not relevant to this thesis, as it concerns individual research. However, the preliminary results of the thesis have been discussed with several other professionals and the results were in line with what they have encountered in their practice. This indicates a relatively high internal reliability. *Internal validity*, which relates to the congruence between (theoretical) concepts/ideas that are developed during the research and observations. If there is a good match, the internal validity is high. In this thesis, important concepts have been defined and redefined during the case study which have been translated to a second analysis framework. This framework has been extremely helpful and the concepts/ideas proposed in the framework were clearly visible and recognizable by the interviewees during the case study. This demonstrates that the internal validity is high. *External validity*, which relates to the possibility to generalize the findings across different settings. This type of validity is usually a problem for qualitative research due to the tendency to employ case studies and small samples. This is also the case for this thesis, as a comparative case study has been employed. It is hard to determine whether the findings can be generalized and whether they are transferable to other settings. When employing a case study a particular phenomenon is analysed in its real-life context (see Robson, 2002), which is the case in this thesis. Therefore, the external validity cannot be defined clearly for this research.

## **Discussion**

This section of the reflection includes a final discussion in terms of the overall approach of the thesis, with a short elaboration on the good and bad aspects of the research.

The initial approach with the selection of research methods, the objective and final product, the problem analysis and research questions provided no issues. One part of the research that provided issues was the case selection. The selection criteria that were formed have proven to be slightly too broad. Initially, four cases were selected, one of which was the Business Improvement District. This case has been deselected during the research. The main reason was that this instrument is mainly a private-led matter; public actors



are usually not as involved as initially anticipated. Therefore, the BID was not a representative/exemplary case that would significantly contribute to the rationale behind the preferred variant of a revolving instrument. Another aspect related to the case selection that was not preconceived was the variance in financial arrangements of the existing funds. The National Restoration Fund has the ability to issue sub-commercial loans due to a governmental guarantee, which is a unique situation. Therefore, many aspects of the Restoration Fund case are useful but the financial arrangements are less translatable to a revolving instrument for inner city development.

Another very important aspect during the case analysis was the analysis framework. Initially, the framework was focussed on three aspects: actors, fund characteristic's and a case example. During the first case study (regarding SOFIE), this initial framework was used to structure the analysis. However, the framework resulted in a mostly descriptive analysis, without focussing on the essential aspects of a revolving instrument. A new analysis framework was set up which was used to restructure the SOFIE case and which was used to structure the other case studies. This framework provided a structure which was less descriptive and more focussed on the good and bad practices of essential elements of a revolving instrument. The use of the second framework helped to structure not only the analysis but also the conclusions and setting up the variants/preferred variant. This process is recognized by Bryman (2012, p. 384) in his description of the main steps of qualitative research. In these steps, an iterative process is visible relating to the interpretation of the initial data, setting up a conceptual and theoretical framework, tighter specification of the initial research questions and collection of further data. These steps are iterative, something clearly recognizable in this thesis resulting in a renewed analysis framework.

A definition of (pilot) projects that could be stimulated with a revolving fund would have strengthened this thesis further. In chapter 9, a short indication is provided of potential projects that meet the three main criteria for a revolving use of resources. A further elaboration on casuistry is advisable to further define the need for a revolving fund for inner city development.

The issue of unlawful state aid is important when employing public resources. Based on the interviews with professionals and the case study examples, it is not an issue if thorough research is carried out before setting up a legal entity, and if interest rates at market rate are used. However, this is an aspect that needs further research to fully conclude that unlawful state aid does not provide a barrier in the use of a revolving instrument for inner city development.

## **Practical information**

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*Master thesis reflection and discussion (P3 until P5)*  
*Management in the Built Environment*