

Stimulating Filtering Processes:

Evaluating the addition of an intermediate rental segment for middle income households

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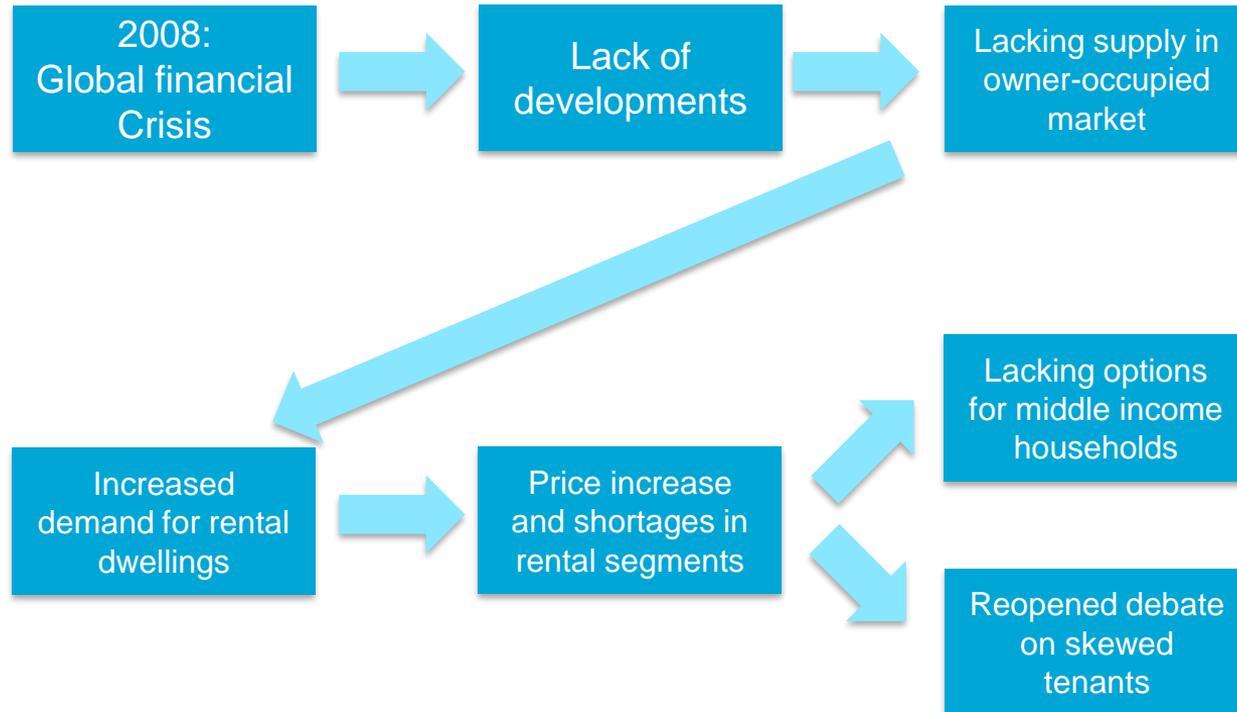
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- Conclusion
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1. Context

The contemporary Dutch housing market



Contemporary Dutch housing policy

A more *dynamic* housing market

Strong focus on stimulating filtering processes



Introduction of new instrument:

Income dependent raises in rent levels

Dudok Wonen

Mutual performance agreement:

- Stimulate filtering processes
 - Without negatively affecting supply of regulated rental segment dwelling
-
- Main obstacle: supply of appropriate housing options for middle income households
 - Targeting households with raises in rent levels will not be effective.

Their solution: an intermediate rental segment, offered exclusively to middle income households (pilot since 2016)

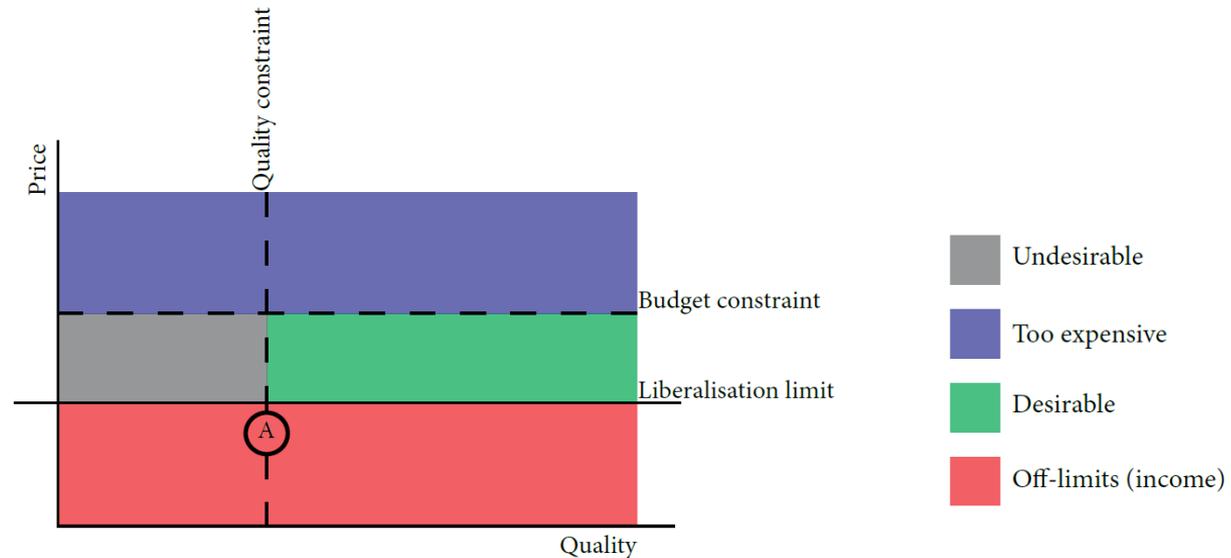
Main research question

‘How do the intermediate rental segment and associated housing allocation procedures contribute to the desired filtering processes in the municipalities Gooise Meren and Hilversum?’

2. Theory & literature

Dudok Wonen's intermediate rental segment

- Created by re-labelling regulated rental segment dwellings
- Allocated '50-50': to starting and filtering middle income households



Dudok Wonen's ambition

Stimulate middle income households to move
By offering moving options which are

Available, Attractive and Affordable

As the current unregulated rental market lacks
these options

Residential mobility

1. Moving is never a goal by itself
2. Housing preferences are based on life cycle and job market cycle positions
3. Housing preferences affect satisfaction levels with current housing situation
4. High dissatisfaction: households desire to move
5. Eventual mobility can be held back by housing market constraints

3. Research methods & Analysis

Three research methods

Main research question:

'How do the intermediate rental segment and associated housing allocation procedures contribute to the desired filtering processes in the municipalities Gooise Meren and Hilversum?'

1. Quantitative Comparison

Comparing the rental segments in the regional housing market

Social research methods

2. Structured web-survey

Tenants in the regulated rental segment

3. Semi-structured interviews

Tenants in the intermediate rental segment

1. The quantitative comparison

Compares the three rental segments in the regional housing market:

- Regulated rental segment
- Intermediate rental segment
- Unregulated rental segment

To find out:

- If the housing market indeed lacks options for middle income households
- If the intermediate rental segment is suitable for Dudok Wonen's ambition

2 & 3: Social research methods

2. **Structured web-survey**

- Distributed amongst tenants of Dudok Wonen's regulated rental segment
- Targeting the middle income households in this population

Do households want to move?

Are they interested in the intermediate rental segment?

3. **Semi-structured interviews**

- Conducted with intermediate rental segment tenants

Why have households moved to the intermediate rental segment?

Are they satisfied with their decision to move to this segment?

Quantitative comparison

Data: **DUDOK**
WONEN



Variables:



Basic rent level



Surface area
No. of rooms



WOZ value
SCP status score

Quantitative comparison

Price comparison

- Not much unregulated rental dwelling supply is priced appropriately for middle income households
- Intermediate rental segment narrows gap between regulated and unregulated rental segments

Quantitative comparison

Quality comparison

- Unregulated rental segment offers (by far) highest quality
- The intermediate rental segment
 - Generally features larger dwellings than the regulated rental segment
 - But does **not** feature more rooms
 - And does **not** feature higher location quality compared to the regulated rental segment

Quantitative Comparison

Price/quality comparison

- Higher quality in unregulated segment comes with a notable increase in costs
- The unregulated rental segment is most beneficial
- The intermediate rental segment is a 'happy medium'

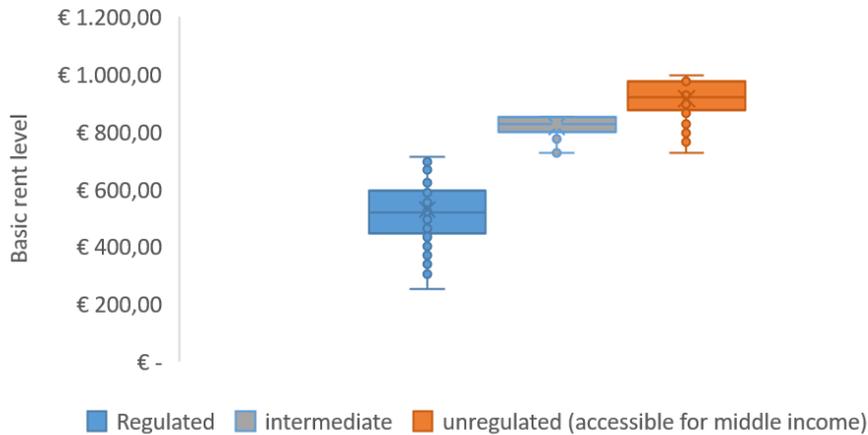
The intermediate rental segment conforms to Dudok Wonen's goals:

- Higher quality than regulated rental segment
- More affordable than unregulated rental segment

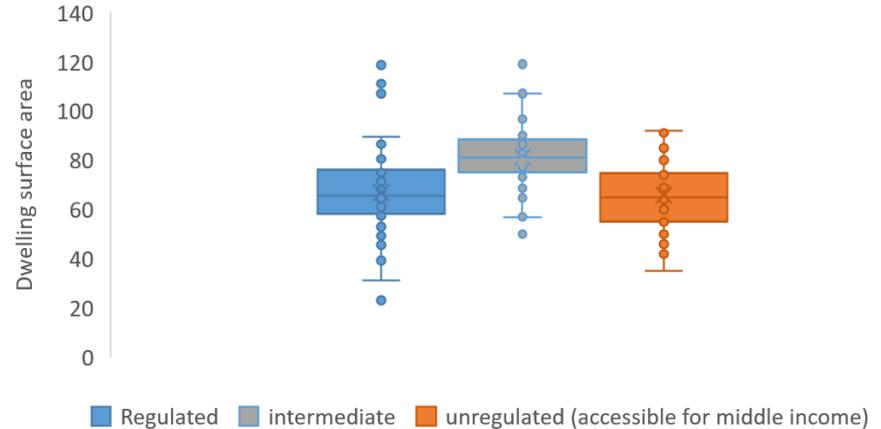
Quantitative comparison: implications for middle income households

Comparing the options available to filtering middle income households
(up to €1000 basic rent per month)

Regulated vs. unregulated rental dwellings accessible to middle income households: Basic rent level

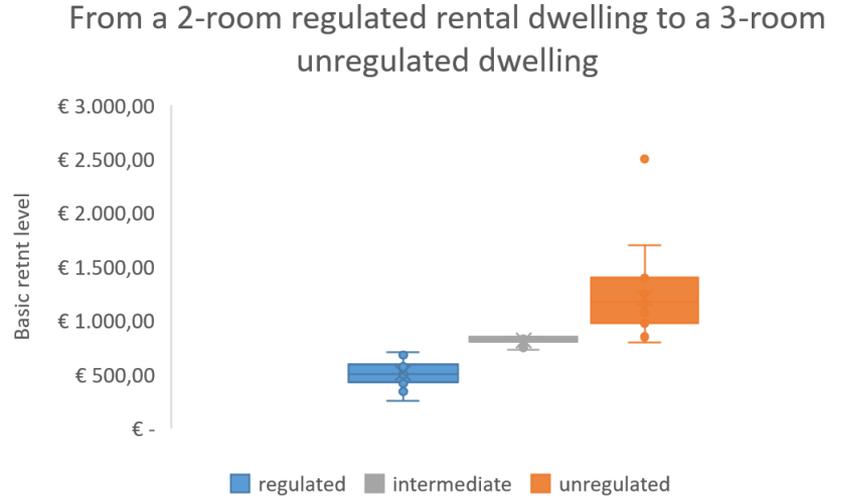
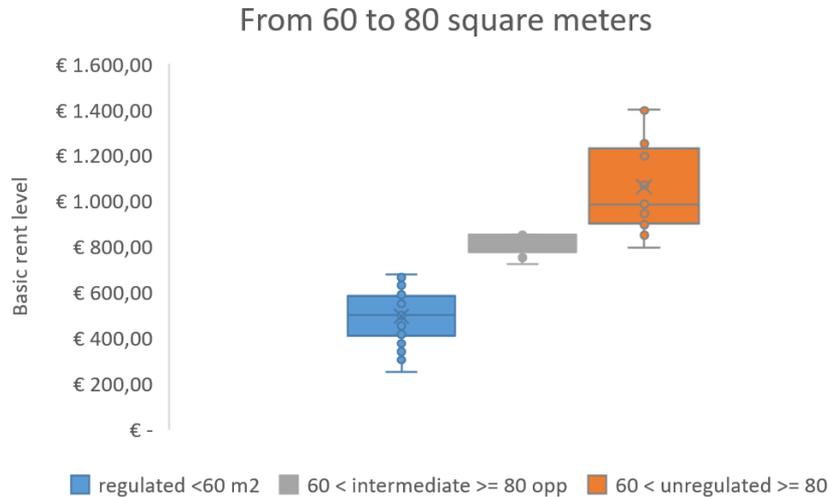


Regulated vs. unregulated rental dwellings accessible to middle income households: dwelling surface area



Quantitative comparison: implications for middle income households

Comparing the options available to middle income households that *have* to move to a larger dwelling (moving from blue to grey and orange)

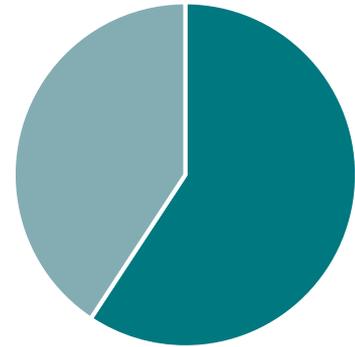


Structured web-survey

Responses:

- 806 responses,
- response rate 26,5%
- 139 middle or higher income households identified.

Looking to move in the next two years?
(N = 124)



■ yes (58,7%) ■ no (40,3%)

Most important:

- A majority of the middle income households is interested in moving in the next two years

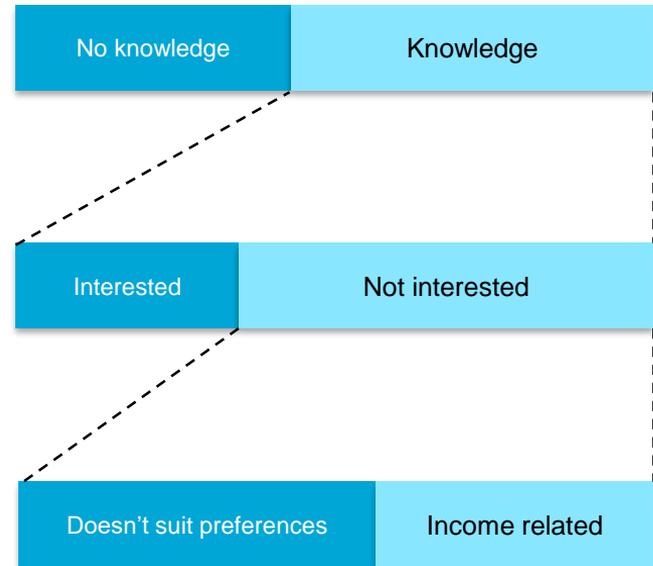
Structured web-survey

Are the households that desire to move interested in the intermediate rental segment?

42,9% does not know about the intermediate rental segment. (N = 70)

65% that know about the segment are not interested in the offered dwellings (N = 40)

A majority of this group states they are not interested, because the offered dwellings do not match their housing preferences (N = 26)

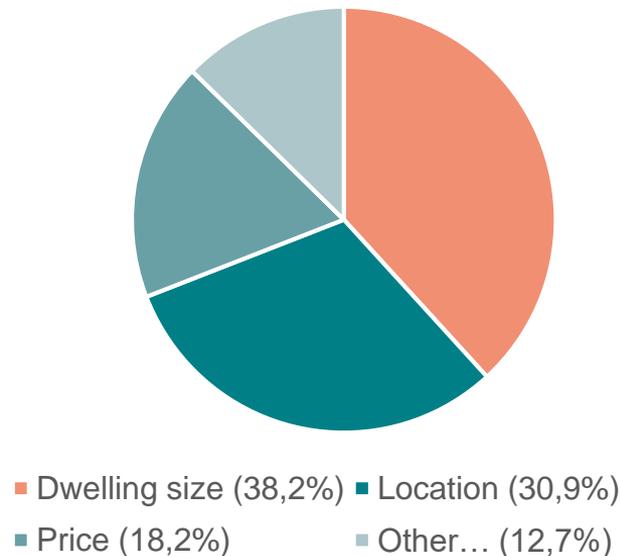


Structured web-survey

Housing preferences of middle income households

- A majority prefers rental dwellings (58,2%, N = 84)
- Most households are not interested in higher priced dwellings. (52,8%, N = 36)
- More importantly, only a minority of the middle income households desires larger dwellings.

Prioritized aspects when selecting moving options
(N = 55)



Semi-structured interviews

Reasons these households have moved

Predominantly life-cycle related reasons:

- To start a family
- Move in with their partner

Life cycle related goals;
Housing preferences predominantly linked to dwelling characteristics

Total interviews:	9
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Starting households:	3
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Filtered households:	6
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Semi-structured interviews

Intermediate rental segment households:
Satisfied with their decision to move

However, this segment is a substitute of their actual desire: an owner-occupied dwelling.

General consensus: owner-occupied dwellings are

- More empowering
- And financially more beneficial

Semi-structured interviews

Starting and filtering households need to overcome different thresholds in order to move.

Starting households: To have a place for their own

- Availability and Affordability

Filtering households: To improve their housing situation

- Availability, Affordability and Attractiveness

Synthesis

1. The intermediate rental segment conforms to Dudok Wonen's ambitions in terms of price and quality
2. However, there is lacking interest amongst potential filtering households due to a lack of knowledge concerning the intermediate rental segment, and a lack of diversity in quality characteristics in the intermediate rental segment
3. Although the intermediate rental segment is a substitute for middle income households, it is a satisfying solution for these households.

4. Conclusion & Recommendations

Conclusion

'How do the intermediate rental segment and associated housing allocation procedures contribute to the desired filtering processes in the municipalities Gooise Meren and Hilversum?'

Answer: 'fairly well';

The intermediate rental segment

- Narrows a price gap in regional housing market
- Conforms to a small portion of the middle income households' housing preferences
- Is a substitute, but satisfying housing solution for the target group

Conclusion (2)

The housing allocation procedures:

- Positively influence the options available for middle income households,
- But negatively influences the supply of regulated rental segment dwellings

Recommendations Dudok Wonen

1. Put a wider range of superior quality characteristics in the intermediate rental segment
2. Put more effort in advertising the intermediate rental segment amongst the target group
3. Whilst advertising, emphasize the increased quality compared to the regulated rental segment rather than the increase in price.

Recommendations Dudok Wonen

4. Make more use of the intended price range of the intermediate rental segment
5. Taylor the intermediate rental segment to one target group

Notes on contemporary housing policy

Recent changes: introduction of measures to counter skewed tenants

- income dependent raises in rent level
- Income restrictions for regulated rental segment

‘push measure’, designed to make households want to move, stimulating filtering processes.

This research: willingness to move is **not** a large obstacle

Policy makers should focus more on increasing the opportunities available to middle income households



Questions?

Extra 1: reasons to move (survey)

Reasons for desire to move:
most commonly attributed to lacking quality
aspects of current housing situation

Ranking:

1. Overall dwelling quality
2. Dwelling size
3. Desire for private outdoor space
4. Current tenure status
5. Dwelling layout (0 step homes)

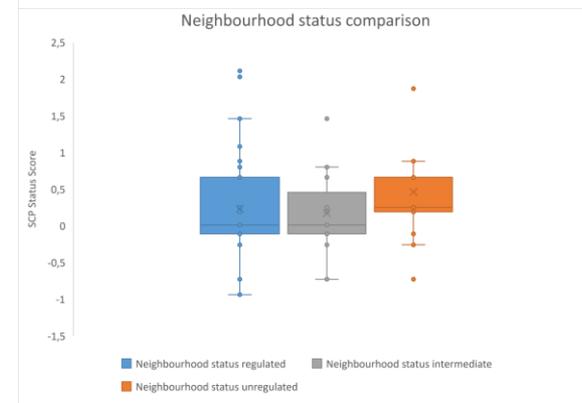
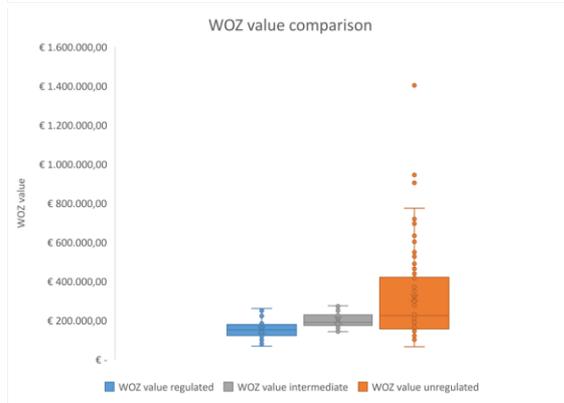
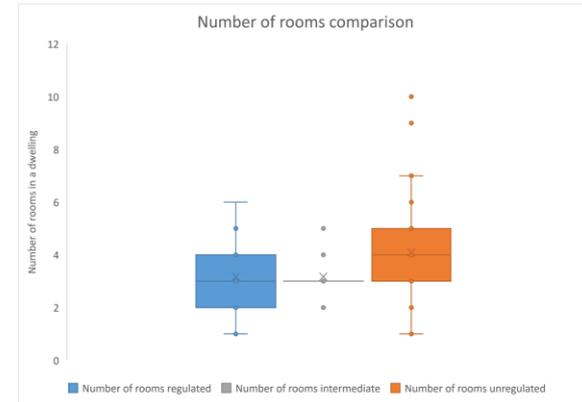
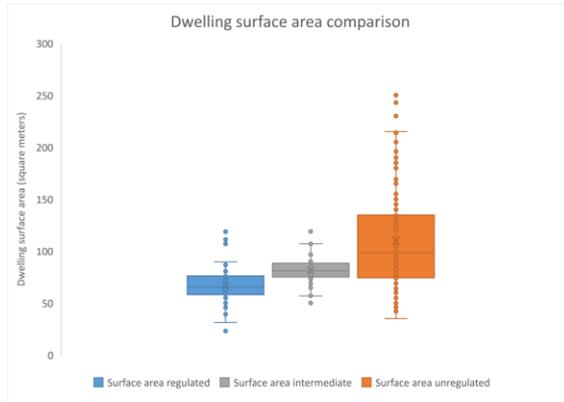
Full list:

Table 15: Reasons for middle income households residing in regulated rental dwellings offered by Dudok Wonen to move. (N = 74)

	N	% of cases
I want a larger dwelling	18	24,3%
I want a smaller dwelling	9	12,2%
I want a better dwelling	19	25,7%
I don't have outdoor space in my current dwelling	15	20,3%
Household circumstances	6	8,1%
Work or study-related circumstances	1	1,4%
Current dwelling is too expensive	5	6,8%
Health-related	11	14,9%
Too many stairs in current dwelling	13	17,6%
Contract related	1	1,4%
Current tenure status	14	18,9%
Dissatisfaction with current neighbourhood	8	10,8%
Need to move closer to family and friends	2	2,7%
Other..	14	18,9%
Total	136	183,9%

This was a multiple response question, which is why the total N is larger than the number of cases.

Extra 2: Quality comparisons



Extra 3: N in survey (routing consequences)

Table 1: cases per block			
	Overall N	N Middle or higher income households (% of overall)	Notes
N opened survey	806	139 (17,2%)	
Block 1: Socio-demographic			
N start of block (Q1)	804		The question regarding the respondents income levels appear to have had a large effect on the N.
Identification middle income households		139	
Block 2: place utility, satisfaction with dwelling and neighbourhood			
N start of block (Q8)	742	130 (17,5%)	none
N end of block (Q15)	707	124 (17,5%)	
Block 3: Residential Mobility I			
N start of block (Q16)	705*	124 (17,5%)	*Households that stated they did not want to move were asked why, before the survey ended for these respondents.
Block 4: Residential Mobility II			
N start of block (Q19)	385	71 (18,4%)	*In this block, Q20 was particularly important for the routing in the questionnaire. Respondents that indicated 'no' were forwarded to question 31
N Q20 (routing 'checkpoint')*	385	71 (18,4%)	
N Q31 (routing 'checkpoint')	375	70 (18,7%)	
N end of block (Q34)**	366	69 (18,9%)	**Q34 is not that final question of Block 4, but question Q35 and Q36 were displayed based on the answer given here.
Block 5: einde enquête			
N end of block (Q39)	625*	109 (17,4%)	*Respondents were not obliged to fill in the questions in this block.
Overall completion rate:	80,0%**	80,6%	**In total, 645 respondents have seen the 'end of survey' page.

Residential mobility: Conceptual scheme

Table 4: Primary vs. secondary action (Boumeester, 2004)

	Motivation to move?	Urgent?	Can wait for desired option?
Group 1: primary action	Experience the <i>need</i> to move	no	yes
Group 2: secondary action	Are <i>forced</i> to move due to sudden changes	yes	no

