

# THE ACCESSIBILITY TO THE DUTCH HOUSING MARKET FOR FLEXHOUSEHOLDS

The interplay between flexible labour agreements, financial services and the housing market.

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# Problem statement: Labour market

## Labour market

Increased use of flexible labour agreements

Zzp, temporary contracts, call upon & zero hour contracts (Flexworker)

## Financial market

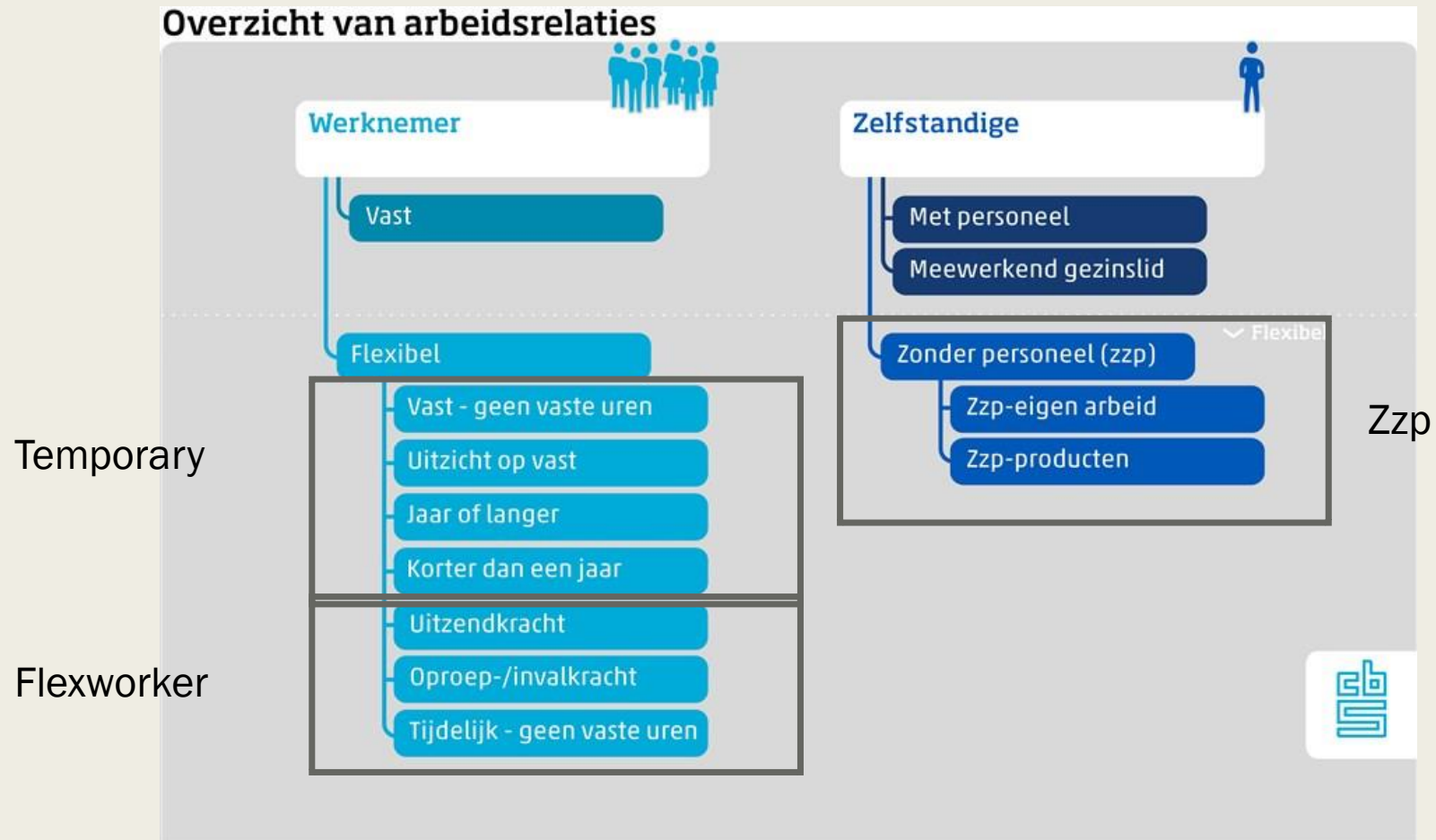
Stricter mortgage regulations on the financial market

## Housing market

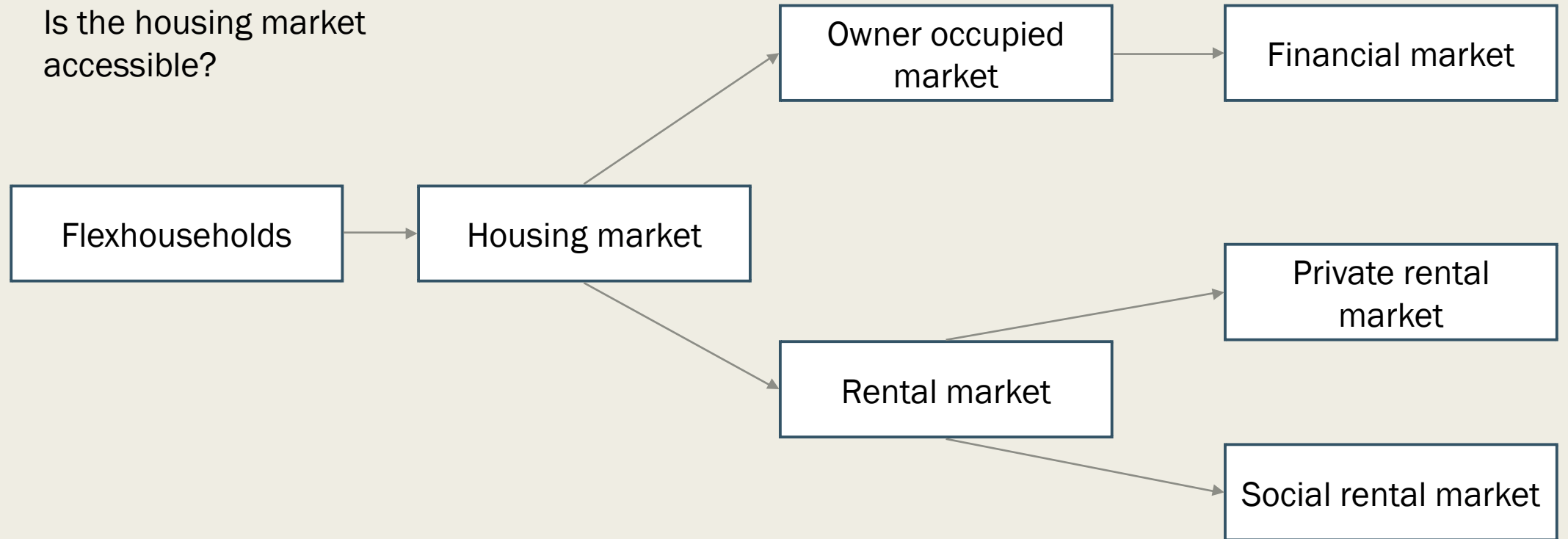
Scarcity

Increasing house prices

# Problem statement: Labour market



# Problem statement



# Main research question

“What are the effects of the flexibilization of the labour market on the accessibility of flexhouseholds to the housing market?”.

# Sub research question

1. What are the outcomes of the flexibilization of the labour market on labourers?
2. What is the position of flexhouseholds to access the rental market?
3. What is the position of flexhouseholds on the owner occupied market?
4. What are the differences in housing characteristics between flex households and permanent households?
5. Are flexhouseholds spending more on housing than permanent households?
6. Which differences are there in the financial situations between the flexhouseholds and permanent households?

# Framework

## Phase 2

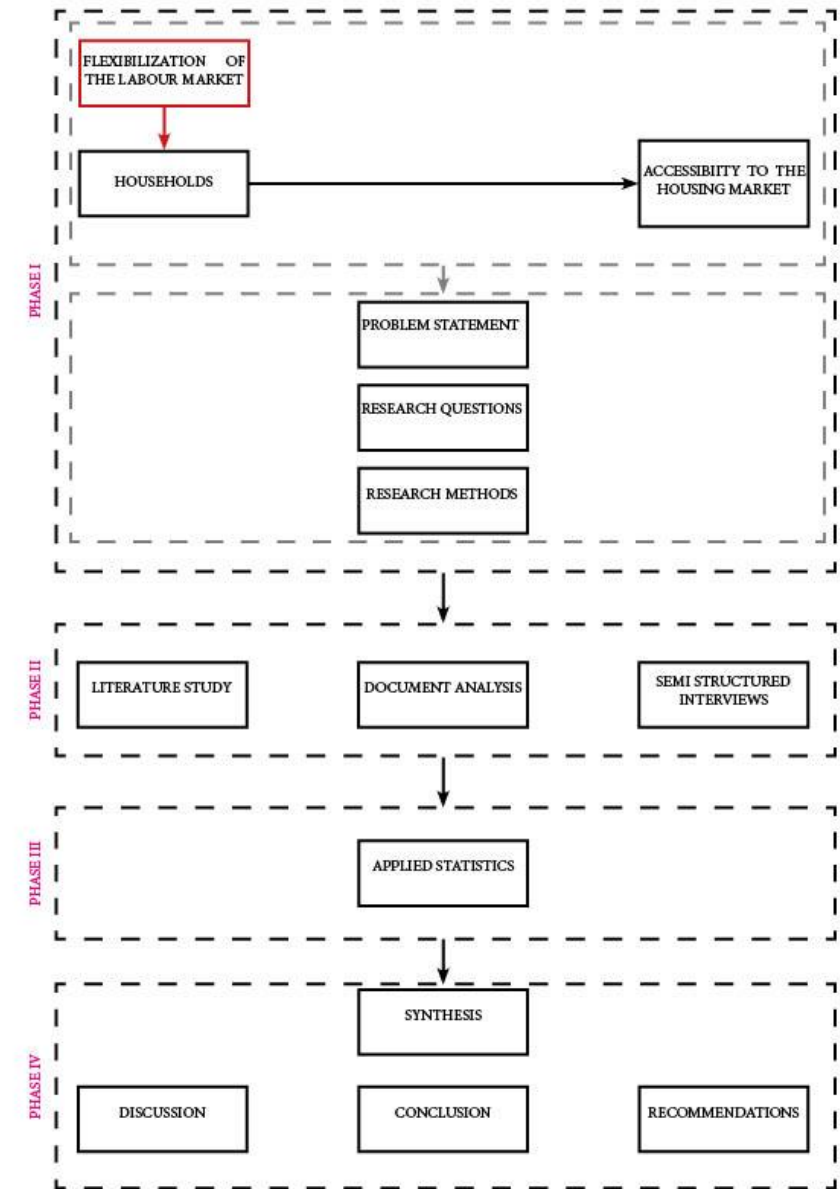
1. What are the outcomes of the flexibilization of the labour market on labourers?
2. What is the position of flexhouseholds to access the rental market?
3. What is the position of flexhouseholds on the owner occupied market?

## Phase 3

4. What are the differences in housing characteristics between flex households and permanent households ?
5. Are flexhouseholds spending more on housing than permanent households?
6. Which differences are there in the financial situations between the flexhouseholds and permanent households?

## Phase 4

“What are the effects of the flexibilization of the labour market on the accessibility of flexhouseholds to the housing market?”





# Theoretical and statistical part

Result SQ 1

Result SQ 2

Result SQ 3

Result SQ 4

Result SQ 5

Result SQ 6

Problem  
statement

Research  
questions

Framework

Theoretical part

Statistical part

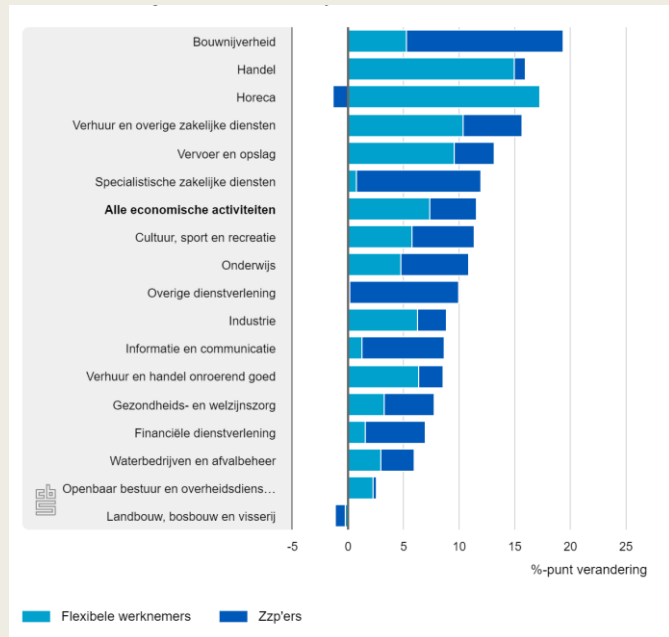
Synthesis

Conclusion

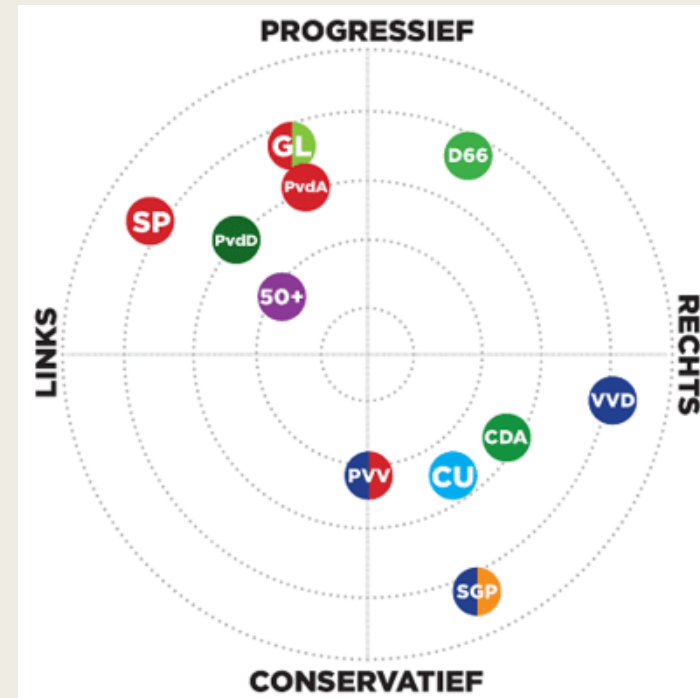
Discussions

Recommendation

# Labour market: Flexibilization of the labour market



Flexhouseholds are the most present in economic sensitive sectors

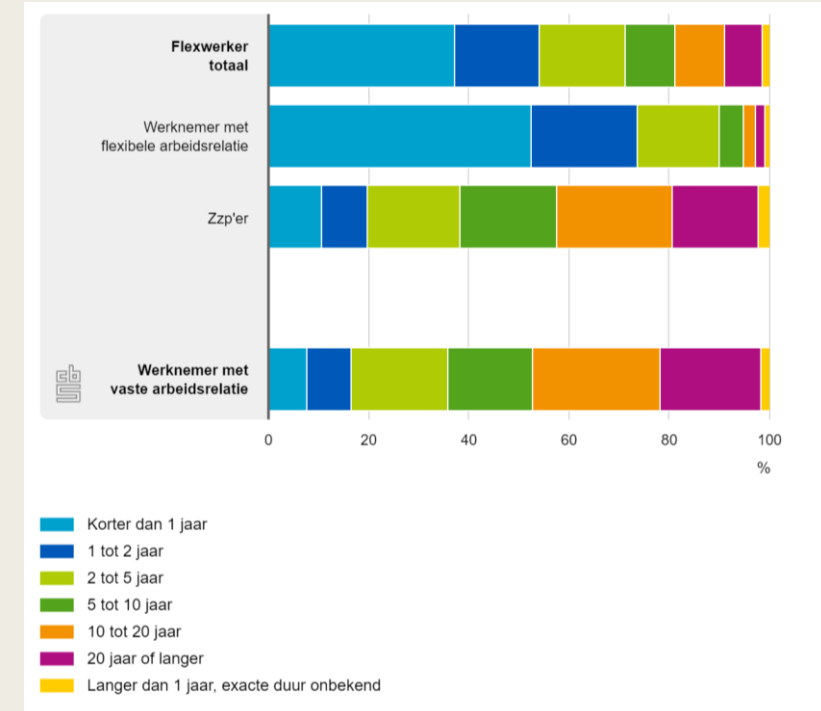


Shift of political preferences and ideology

# Labour market: Effects on the labourers



The future perspectives of flexhouseholds decrease



The employment of flexhouseholds is lower than permanent households

# Labour market: Effects on the labourers

Desire to increase the certainty of the flexible labourers

- Minimum amount of hours
- No zero hours contracts
- Flexible labour should be more expensive
- Increase of the minimum wage
- Education budget for everyone

# **1. What are the outcomes of the flexibilization of the labour market on labourers?**

There uncertainty of income and commonly low wages

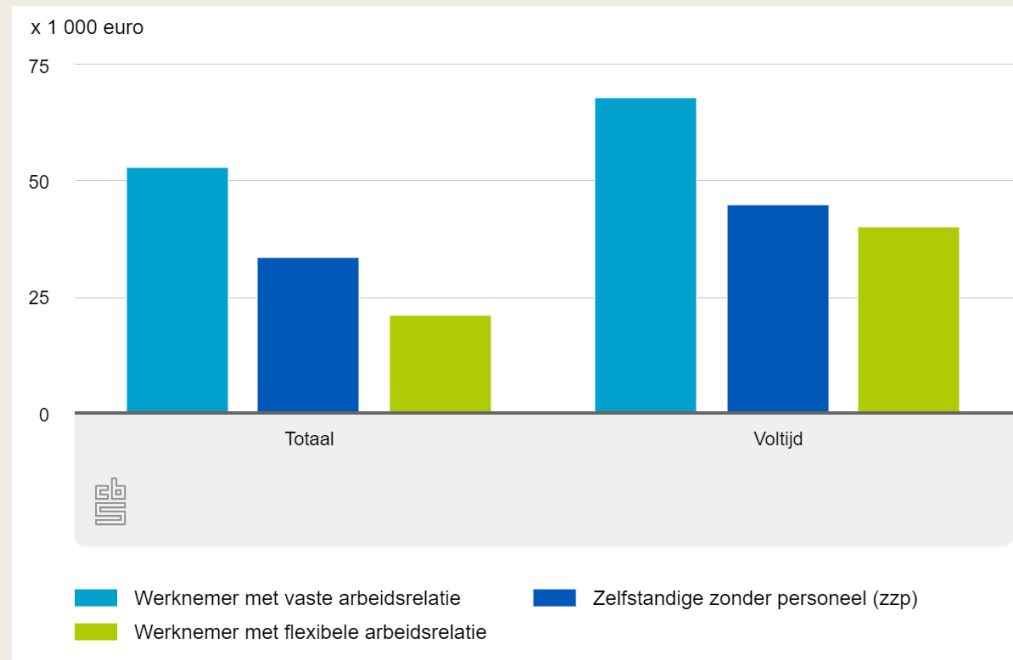
Lower educational investments

Positioned in economic sensitive sectors

Lower employment horizon

Demand for change from the interest organizations

# Housing market: Social rental market

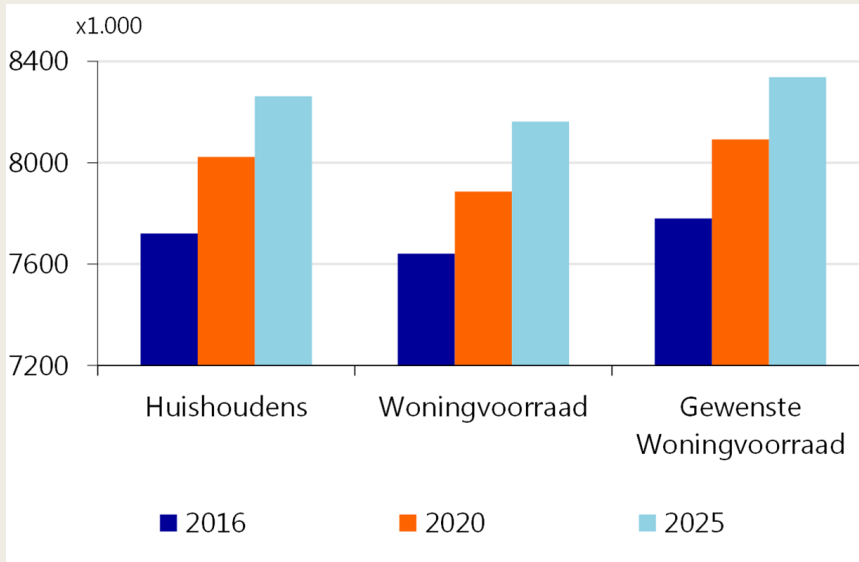


Average income of the households

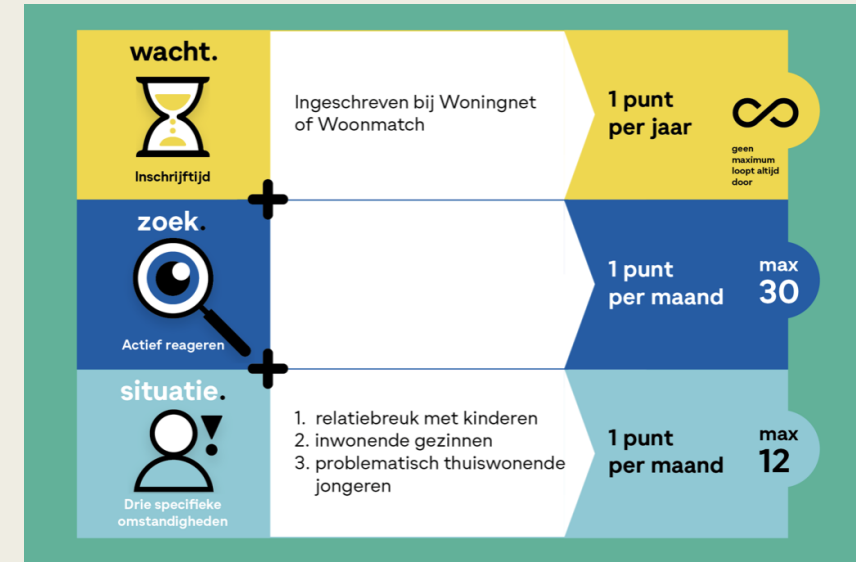
	Samenstelling huishouden*	Huishoudinkomen per jaar	Maximale huurprijs
Eénpersoons		Tot en met € 23.725**	Lager of gelijk aan € 633,25***
		Tussen € 23.725 en € 32.200	Vanaf € 442,67
		Tussen € 32.200 en € 40.024	Vanaf € 633,26
		Tussen € 40.024 en € 44.665	Vanaf € 676,67
		Tot € 50.000	Vanaf € 676,67
Vanaf € 50.000 komt u niet in aanmerking voor een sociale huurwoning met een huurprijs onder € 752,33			
Tweepersoons		Tot en met € 32.200**	Lager dan of gelijk aan € 633,25***
		Tussen € 32.200 en € 40.024	Vanaf € 442,67
		Tussen € 40.024 en € 44.665	Vanaf € 676,67
		Tot € 50.000	Vanaf € 676,67
		Tot € 50.000	Vanaf € 676,67
Vanaf € 50.000 komt u niet in aanmerking voor een sociale huurwoning met een huurprijs onder € 752,33			
Drie- en meerpersoons		Tot en met € 32.200**	Lager dan of gelijk aan € 676,66
		Tussen € 32.200 en € 40.024	Vanaf € 442,67
		Tussen € 40.024 en € 44.665	Vanaf € 676,67
		Tot € 50.000	Vanaf € 676,66
		Tot € 50.000	Vanaf € 676,66
Vanaf € 50.000 komt u niet in aanmerking voor een sociale huurwoning met een huurprijs onder € 752,33			

Rent and income limits on the social rental market

# Housing market: Social rental market



Mismatch in supply and demand



Long waiting lists

# Housing market: Private rental market



Private rental dwellings are more expensive

Type of contract	Minimum income norm	Additional documents	Extra regulations due to contract
Permanent contract	3,5-4,5x rent or year income divided by 48	Three salary statements and an employer declaration	no
ZZP	3,5-4,5x rent or year income divided by 48	balance sheets and income statements of the past two years	3 month' worth of deposit
Flexworker	Not eligible to rent		
Temporary contract	3,5-4,5x rent or year income divided by 48	Three salary statements and an employer declaration	If a letter of intent is not given, the tenant will have to pay 3 months' worth of deposit

Guidelines of lessors on the private rental market



## 2. What is the position of flexhouseholds to access the rental market?

### On the social rental market

1. Flexworker households
2. Temporary households
3. Zzp households
4. Permanent households

### On the private rental market:

1. Permanent households
2. Temporary households
3. Zzp households
4. Flexworker households

# Housing market: Owner occupied market

	Prijnsindex verkooprijzen		Aantal verkochte woningen		Ontwikkeling t.o.v. voorgaande periode		Ontwikkeling t.o.v. voorgaande periode		Ontwikkeling t.o.v. voorgaande periode		Gemiddelde verkooprijzen		Totale waarde verkooprijzen	
	Prijnsindex bestaande koopwoningen	%	Aantal verkochte woningen	%	Ontwikkeling t.o.v. voorgaande periode	Ontwikkeling t.o.v. jaar eerder	Ontwikkeling t.o.v. voorgaande periode	Ontwikkeling t.o.v. jaar eerder	Ontwikkeling t.o.v. voorgaande periode	Ontwikkeling t.o.v. jaar eerder	euro	mln euro	Ontwikkeling t.o.v. voorgaande periode	Ontwikkeling t.o.v. jaar eerder
	2015=100		aantal											
2000	80,3		18,2		18,2		189 358		-7,4		172 050		52 579	
2001	89,2		11,1		11,1		195 737		3,4		188 397		36 876	
2002	95,0		6,4		6,4		198 386		1,4		199 752		39 628	
2003	98,4		3,6		3,6		193 406		-2,5		204 829		39 615	
2004	102,6		4,3		4,3		191 941		-0,8		212 723		40 830	
2005	106,6		3,9		3,9		206 629		7,7		222 706		46 017	
2006	111,5		4,6		4,6		209 767		1,5		235 843		49 472	
2007	116,2		4,2		4,2		202 401		-3,5		248 325		50 261	
2008	119,7		3,0		3,0		182 392		-9,9		254 918		46 495	
2009	115,6		-3,4		-3,4		127 532		-30,1		238 259		30 386	
2010	113,0		-2,2		-2,2		126 127		-1,1		239 530		30 211	
2011	110,3		-2,4		-2,4		120 739		-4,3		240 059		28 984	
2012	103,1		-6,5		-6,5		117 261		-2,9		226 661		26 578	
2013	96,4		-6,6		-6,6		110 094		-6,1		213 353		23 489	
2014	97,2		0,9		0,9		153 511		39,4		222 218		34 113	
2015	100,0		2,8		2,8		178 293		16,1		230 194		41 042	
2016	105,0		5,0		5,0		214 793		20,5		243 837		52 374	
2017	113,0		7,6		7,6		241 860		12,6		263 295		63 680	
2018	123,2		9,0		9,0		218 491		-9,7		287 267		62 765	
2019	131,7		6,9		6,9		218 595		0,0		307 978		67 322	
2020	141,9		7,8		7,8		235 511		7,7		334 488		78 776	
2021 februari	151,4		10,4		10,4		16 871		-31,2		369 070		6 227	

Price of new built dwelling in 2021 is  
369.000

# Financial market: Stricter regulations

Stricter mortgage regulations

- Ltv 107% - ) 100%
- Multiply income 6,5/6 -) 4,5/4
- Interest only -) Amortization mortgages
- Drastic decrease of tailor made and explain mortgages

# Financial market: Mortgage possibilities

Temporary households  
Letter of intent  
Arbeidsmarktskan  
Three years back rule

Zzp households  
Forecast research  
Three years back rule

Flexworker households  
Perspective declaration  
Three years back rule

Flexworker households with zero  
hours contracts  
Three years back rule

# Financial market: Three years back rule

If year 1 30 thousand euros is generated, and in year 2 and 3, 40 thousand euros, the income which will be used is:

$$(30.000+40.000+40.000)/ 3 = 36.667.$$

# Financial market: Three years back rule

However:

$$(40.000+40.000+30.000)/3 = 36.667.$$

Income which will be used is 30.000

# Financial market: Mortgage possibilities

Temporary households  
Letter of intent  
Arbeidsmarktskan  
Three years back rule

Zzp households  
Forecast research  
Three years back rule

Flexworker households  
Perspective declaration  
Three years back rule

Flexworker households with zero  
hours contracts  
Three years back rule

# Financial market: Limitations of the present services

- There is not much room to deviate anymore. Tailor made and explain mortgages have been largely restricted
- Increasing use of automatization
- The new tools only give access to a mortgage, but does not influence it qualitatively.
- The three years back rule excludes starters, households which were jobless for a time period and does not take potential into account.



### **3. What is the position of flexhouseholds on the owner occupied market?**

The mortgage conditions ranks the households in the following order

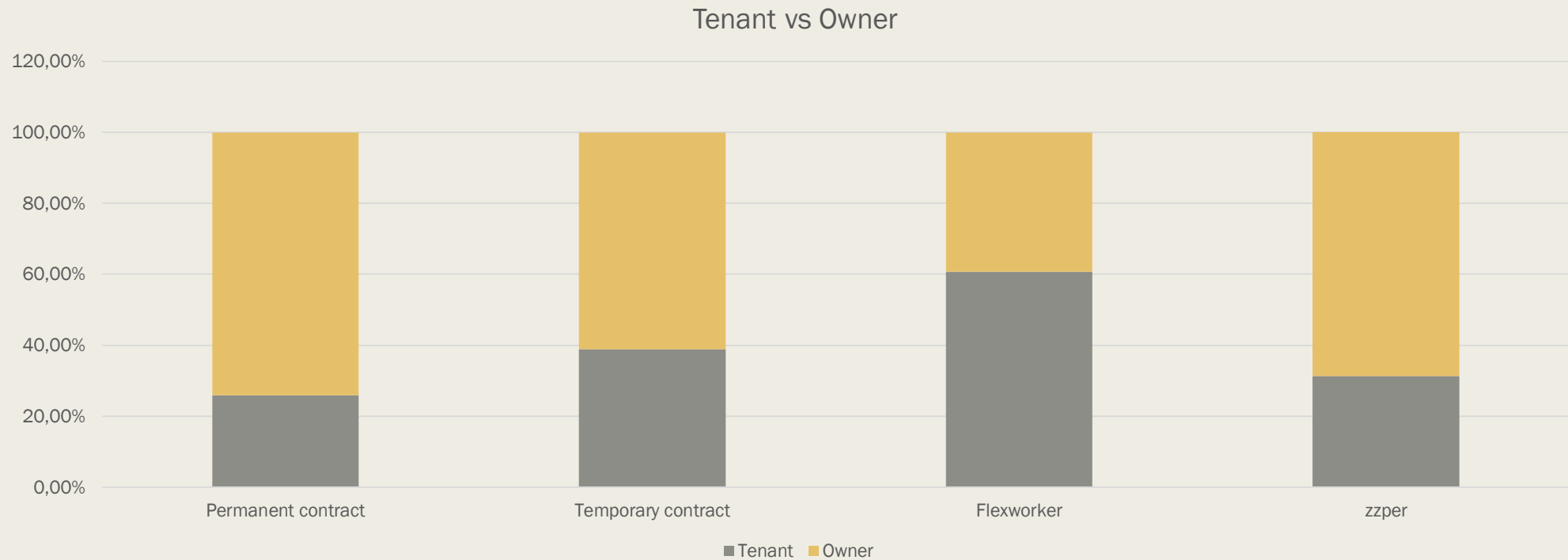
1. Permanent households
2. Temporary households
3. Zzp households
4. Flexworker households

# Hypothesis

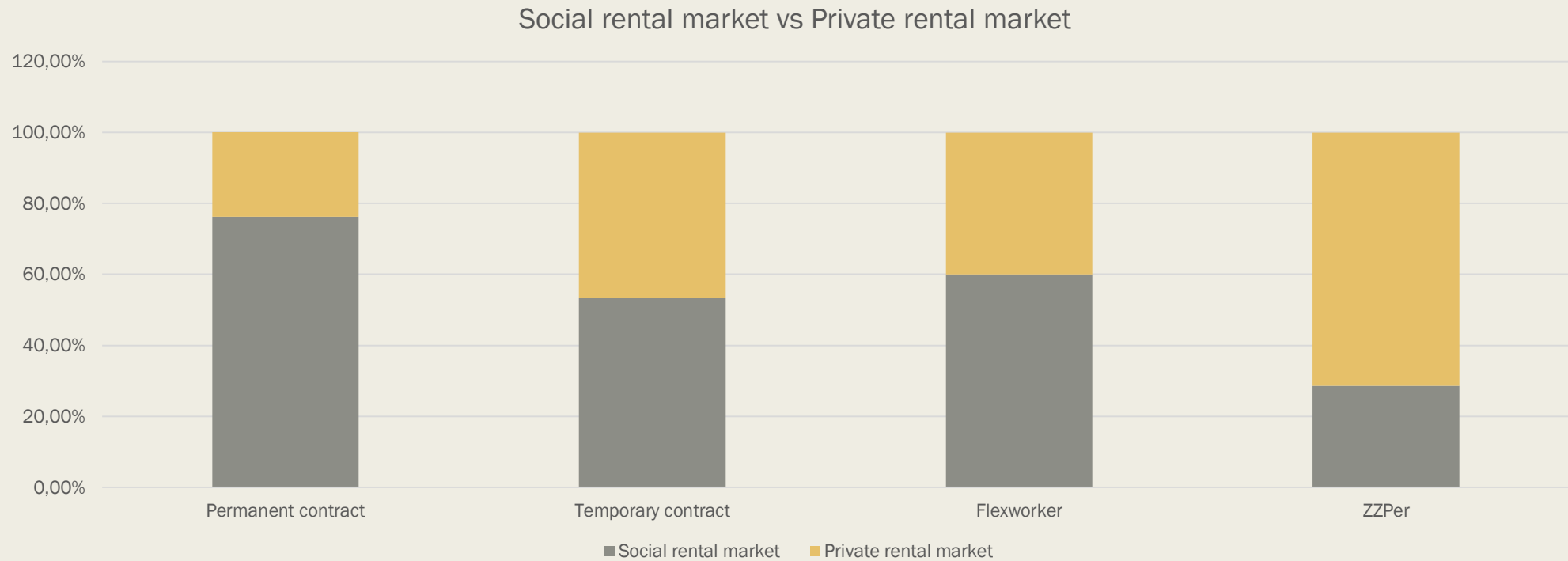
1. Flexhouseholds are more present on the rental market than permanent households.
2. Temporary and flexworker households are more present on the social rental market than permanent households .
3. Zzpers buy houses which do not exceed the NHG norm.
4. Flexhouseholds have lower monthly expenditures than the permanent households.
5. Flexhouseholds live in lower priced owner occupied houses than households with a permanent contract.
6. Flexworker households on the owner occupied market make more often use of the interest only mortgages than other households.
7. Flexworker households have the worst financial position, which further restricts their options on the owner occupied market.
8. Zzp households have the same economic situation as permanent households.
9. The future perspectives of flexhouseholds are worse than those of permanent households.

## **4. What are the differences in housing characteristics between flex households and permanent households?**

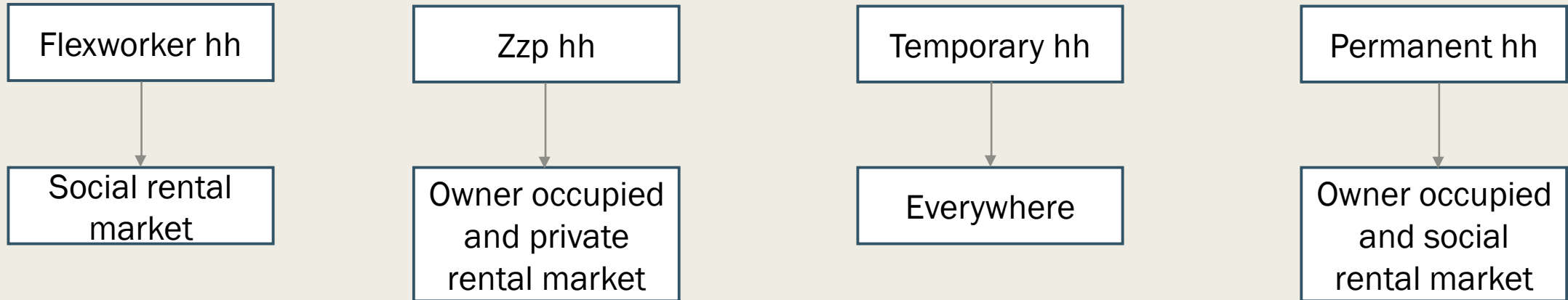
# Division on the housing market



# Division on the rental market

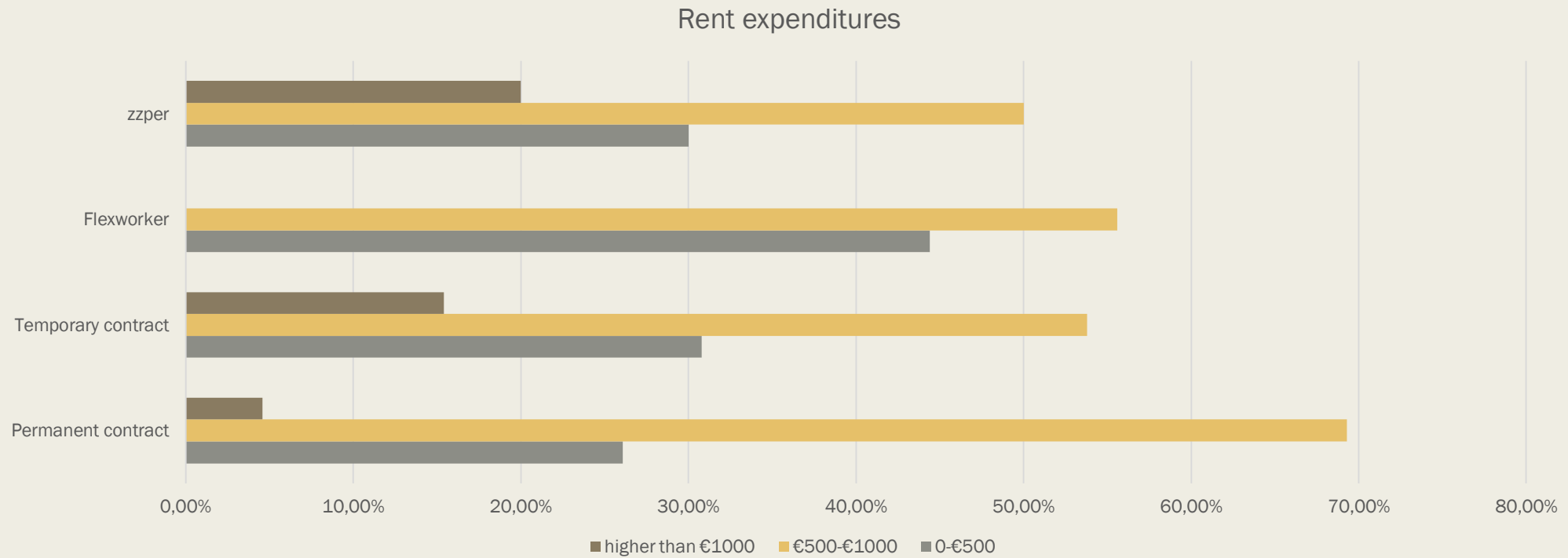


## 4. What are the differences in housing characteristics between flex households and permanent households?



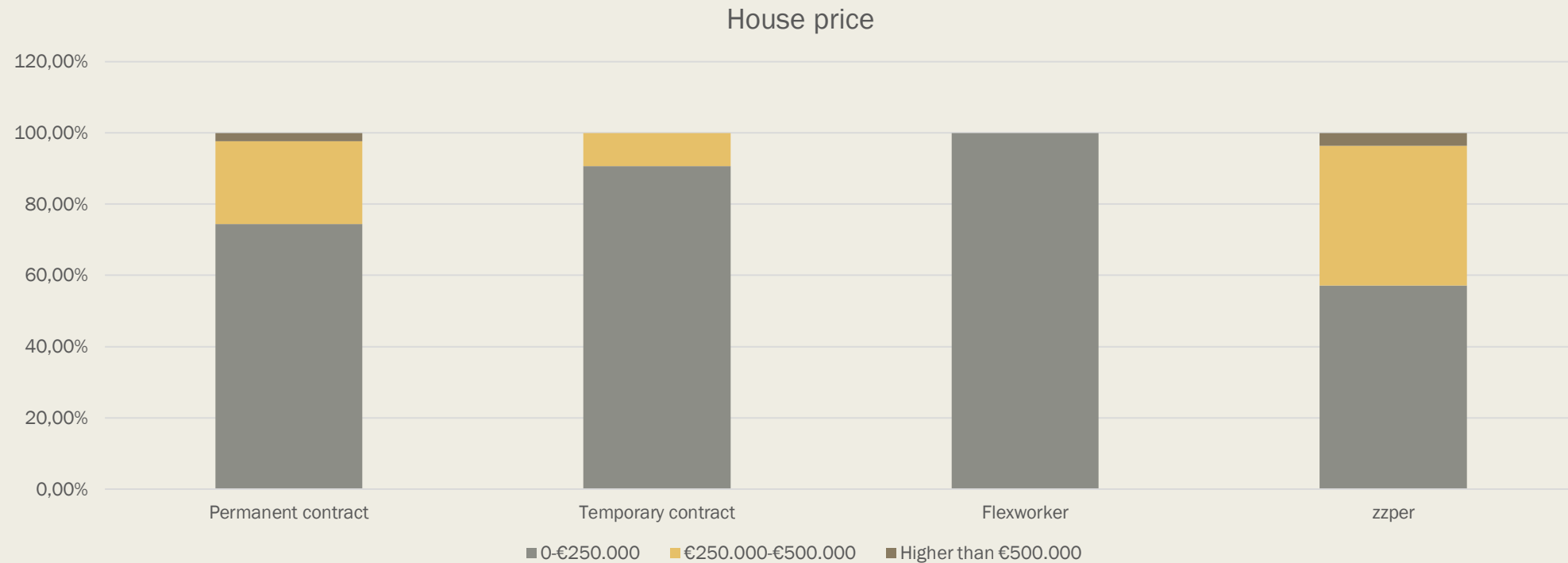
## 5. Are flexhouseholds spending more on housing than permanent households?

# Differences in monthly rent expenditures

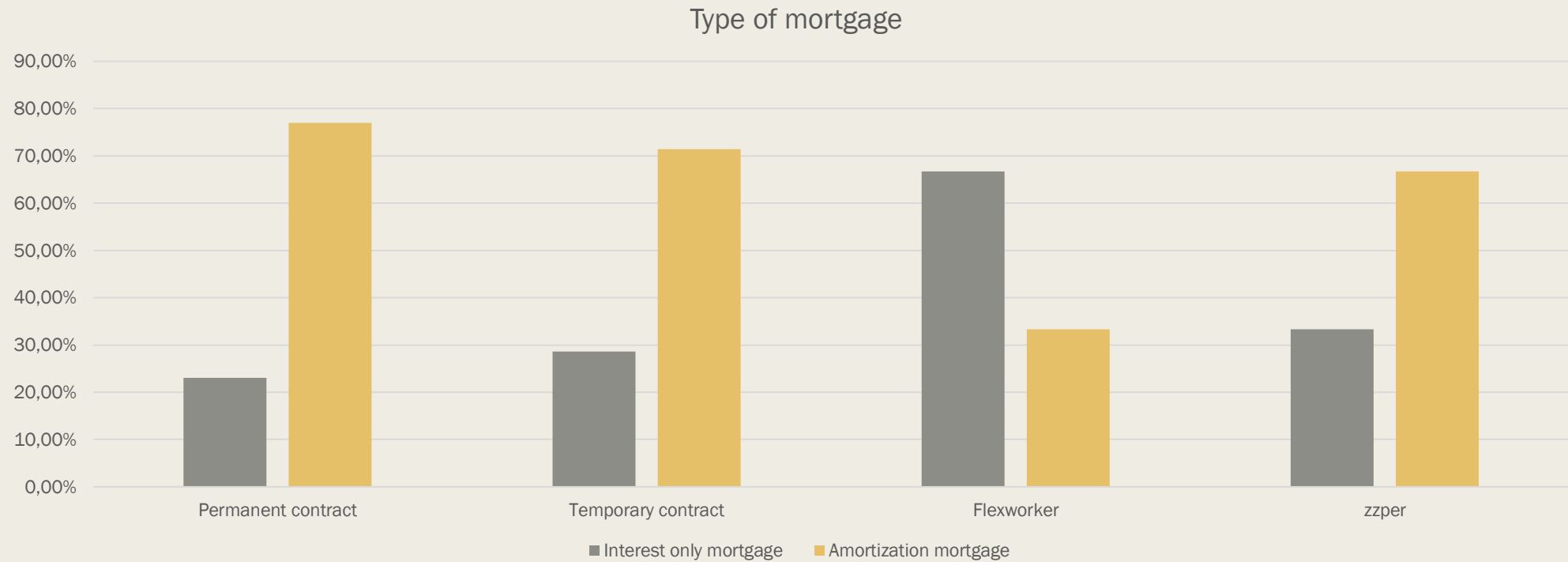




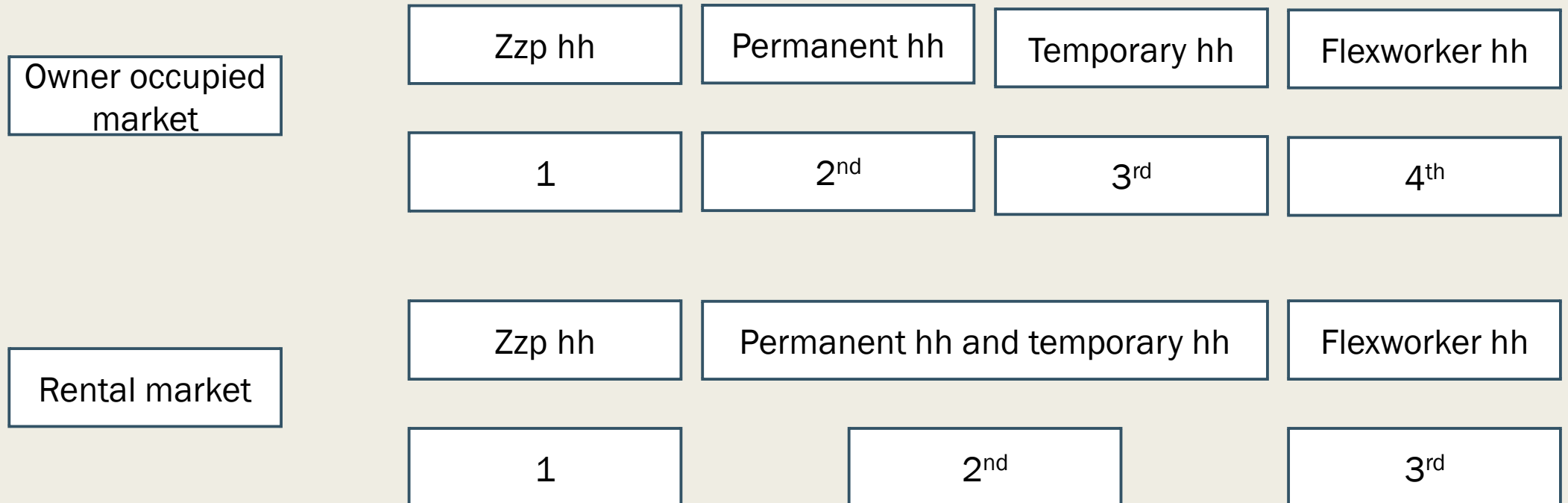
# Low, middle and high segment division on the owner occupied market



# The use of interest only mortgages

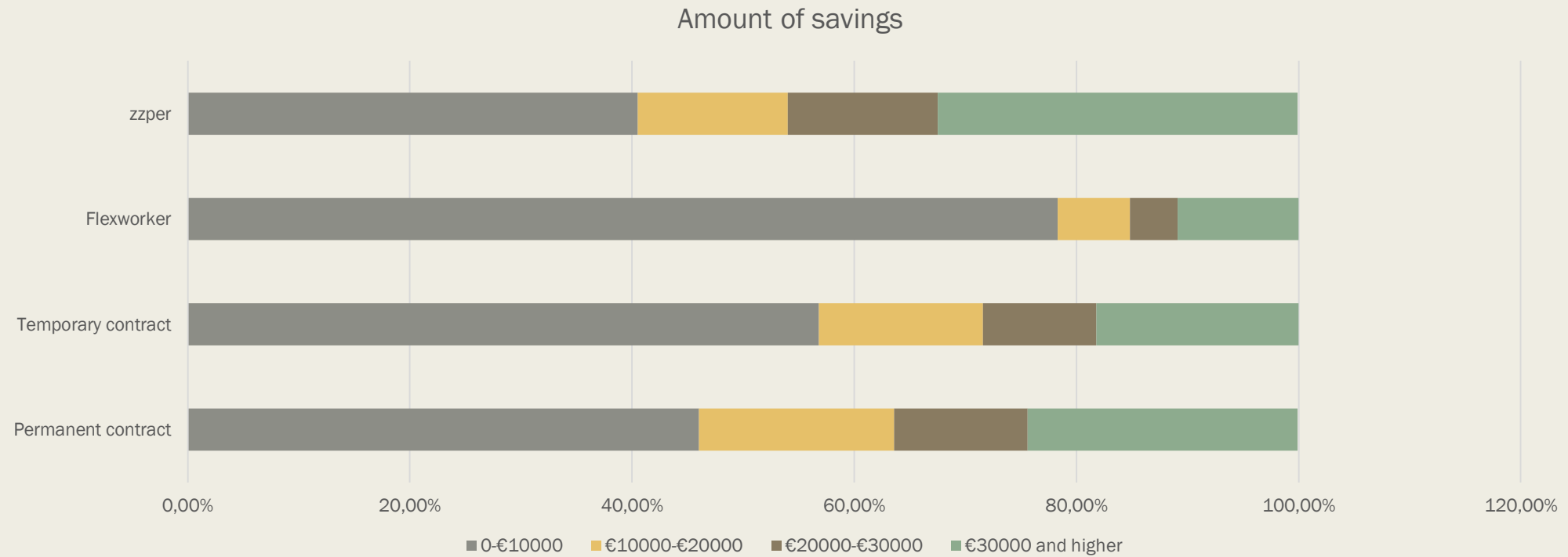


## 5. Are flexhouseholds spending more on housing than permanent households?

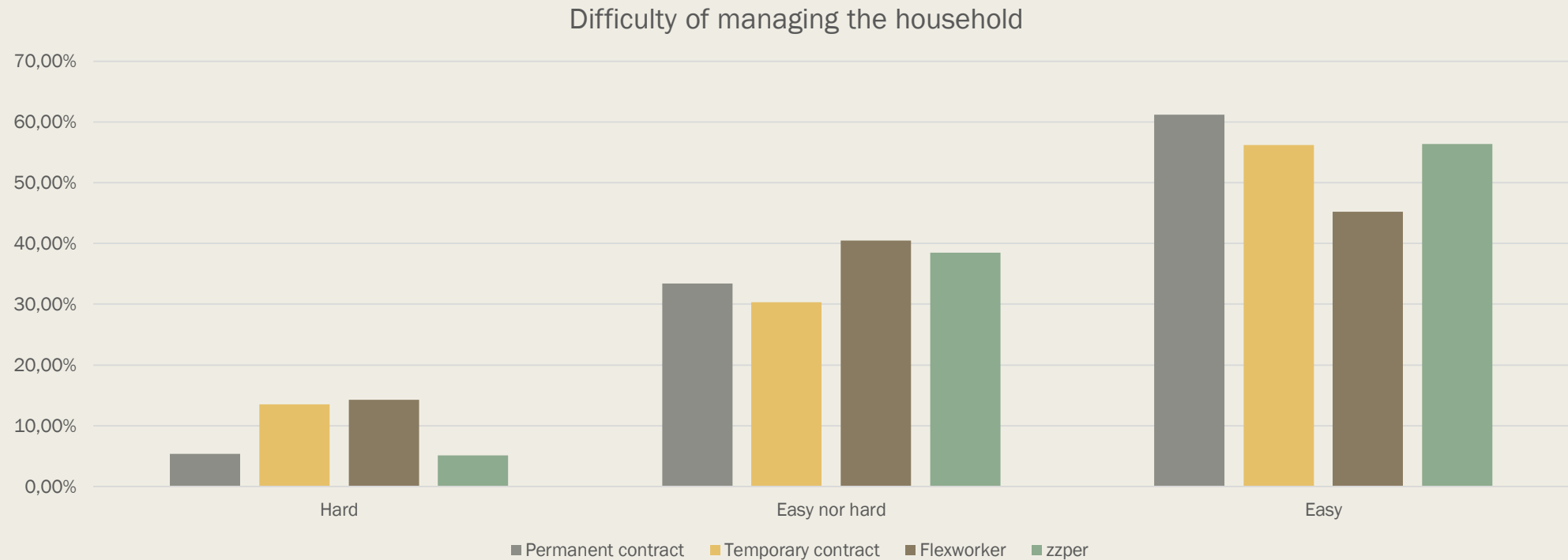


## 6. Which differences are there in the financial situations between the flexhouseholds and permanent households?

# Amount of savings of the different households



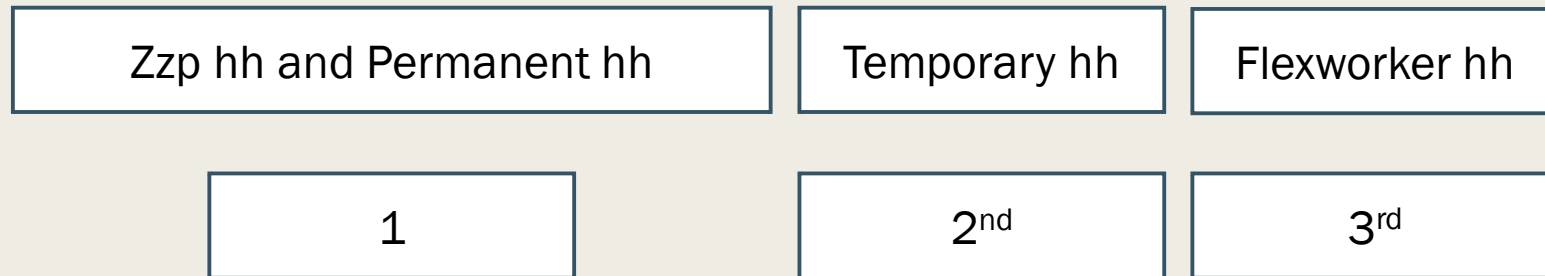
# Economic situation of the different households



# The future perspectives of the different households



## 6. Which differences are there in the financial situations between the flexhouseholds and permanent households?





# Synthesis

Flexworker hh

Zzp hh

Temporary hh

Permanent hh

Problem  
statement

Research  
questions

Framework

Theoretical part

Statistical part

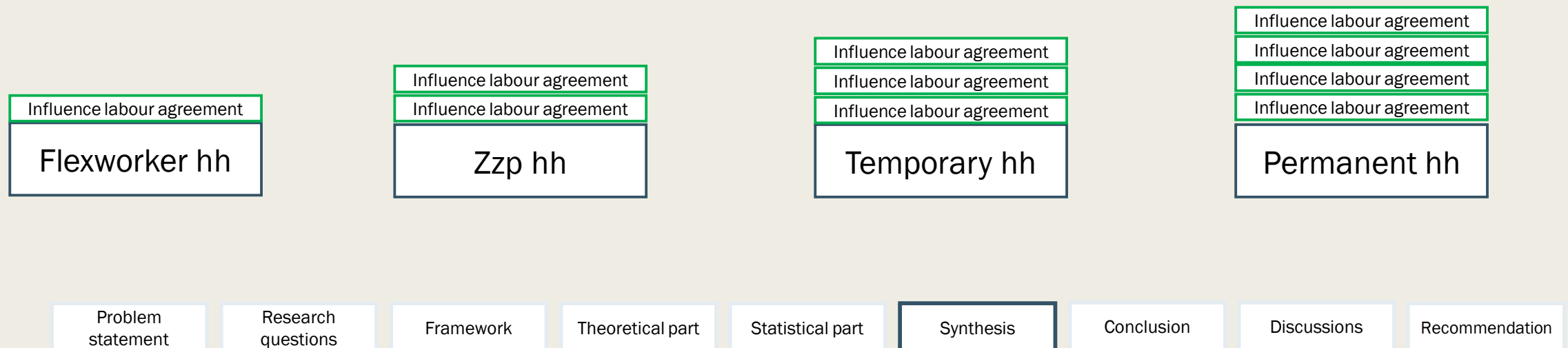
Synthesis

Conclusion

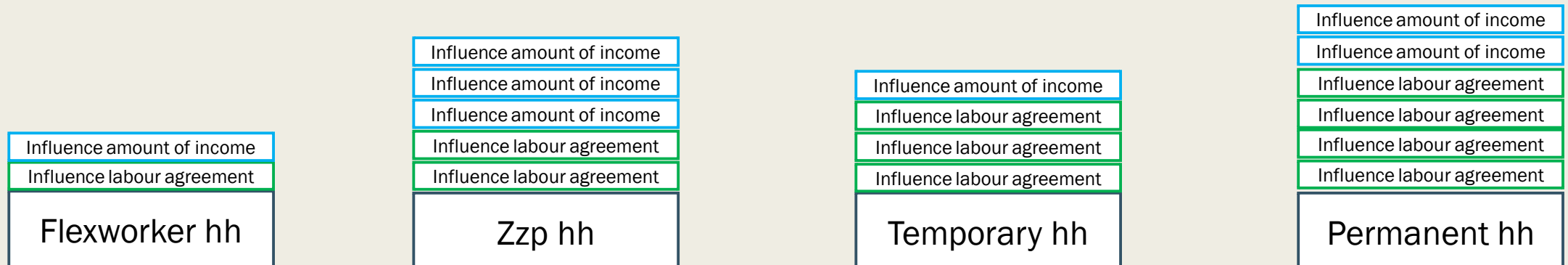
Discussions

Recommendation

# Synthesis – Influence labour agreement



# Synthesis – Influence income



Problem  
statement

Research  
questions

Framework

Theoretical part

Statistical part

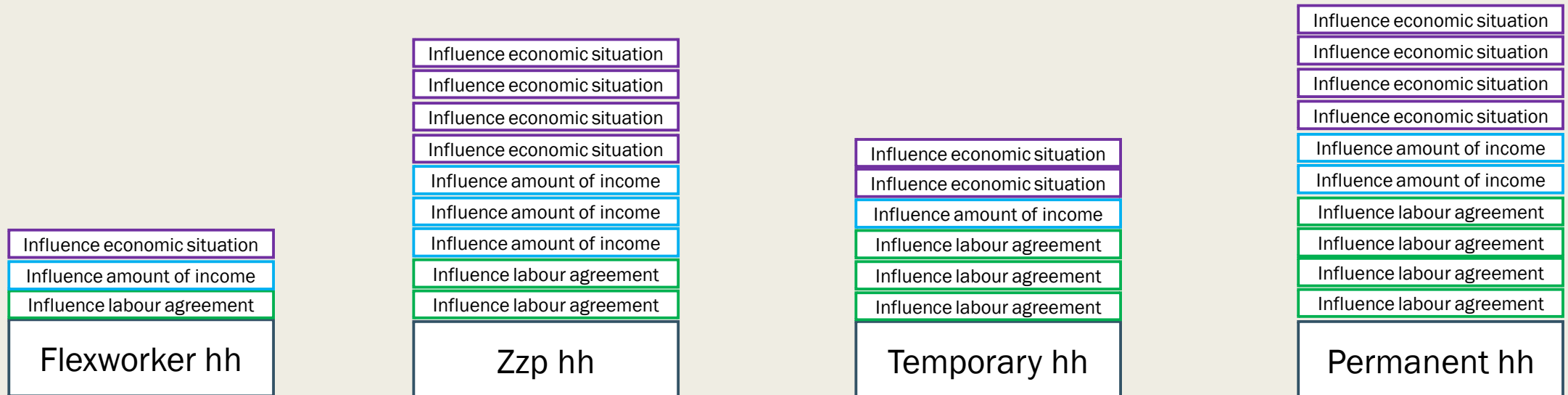
Synthesis

Conclusion

Discussions

Recommendation

# Synthesis – Influence economic situation



Problem  
statement

Research  
questions

Framework

Theoretical part

Statistical part

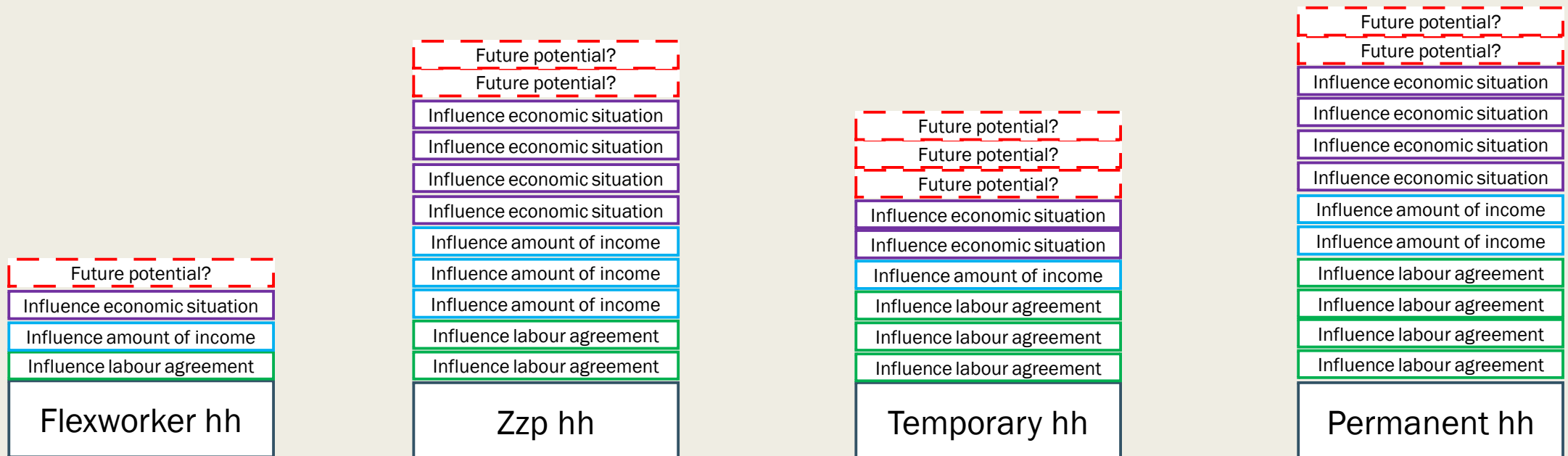
Synthesis

Conclusion

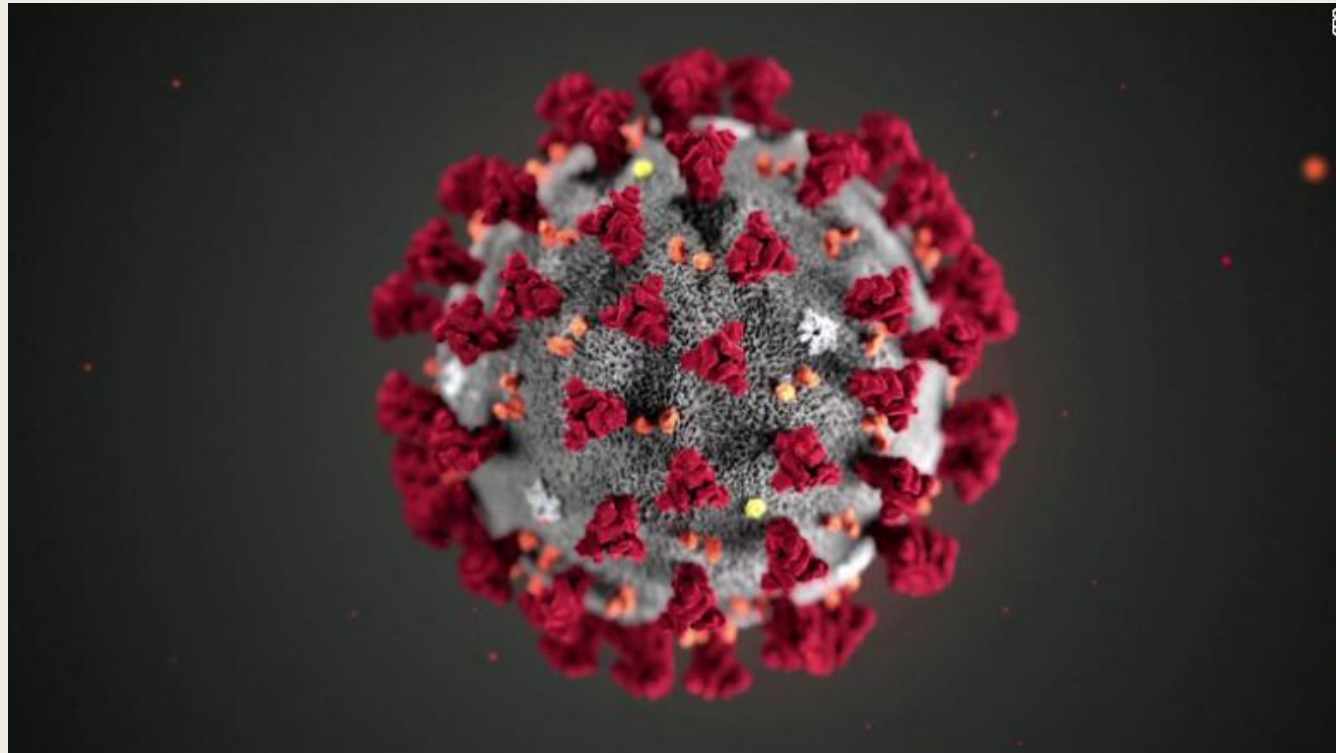
Discussions

Recommendation

# “What are the effects of the flexibilization of the labour market on the accessibility of flexhouseholds to the housing market?”



# Discussion: Validity and generalizability



Problem  
statement

Research  
questions

Framework

Theoretical part

Statistical part

Synthesis

Conclusion

Discussions

Recommendation

# Discussion: Limitations

Low amount of respondents

- Comparison with extra variables
- Moving desires could not get researched
- No significance for needed variables

# Recommendations

Financial policy makers: give more opportunity to make use of the tailor made mortgages, digitalization as a basis.

Labour market policy makers: minimum amount of hours, education budgets, let employers pay for securities,



# Recommendations

- Research the accessibility of flexhouseholds with a larger database
- Research on the further development of the Arbeidsmarktskan, research forecast and perspective declaration.
- Research on if the restrictions of the flexhouseholds are in line with the uncertainties of their contract.