

# Rent and Reality

Assessing the Impact of the Affordable Rent Act on  
Mid-Market Rental for Housing Associations

Master thesis CoSEM  
J.S.J. Laman Trip



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Rental for Housing Associations

by

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# Preface

The completion of this thesis represents a significant milestone in my academic career, and I reflect on the culmination of an educational journey filled with moments of both challenge and revelation. These pages encapsulate the last seven months of my life as a student and a graduate intern at Stadlander, a period where academic rigour and real-world experience converged to shape the thesis presented here.

This thesis would not have been possible without the support and guidance of several remarkable individuals. My deepest gratitude goes to my first supervisor, Joyce Kooijman, whose invaluable insights and feedback were crucial in refining my work. I am appreciative of my second supervisor and chairman, Martijn Warnier, for his valuable guidance and expertise during crucial moments such as the project kick-off and green-light phase. Furthermore, I would like to express my gratitude to Marja Elsinga for her guidance and feedback, particularly about housing associations.

A particular debt of gratitude to Stadlander for the enriching experience of allowing me to write my thesis there. This opportunity broadened my understanding of housing and real estate, providing practical insights that have greatly enhanced my research. I am particularly thankful to Erik van der Most, my supervisor at Stadlander, for his guidance and support throughout this process.

I am deeply thankful to my parents, Arnold and Marie-Christine Laman Trip, whose unwavering support made it possible for me to pursue two master's degrees. Without them, I would not be in the position I am today. I would also like to express my gratitude to my girlfriend, Emilie Hoebens, who supported me day and night while working on this thesis.

As you read through this thesis, I hope it offers valuable insights into the housing market, the Affordable Rent Act, and its implications for housing associations. Furthermore, I aspire that this thesis contributes meaningfully to the broader discourse on addressing the housing challenges currently facing the Netherlands.

*Joris Laman Trip  
Amsterdam, August 2024*

# Executive summary

The Dutch housing market is facing a significant crisis, characterised by a lack of availability, affordability, and quality in housing options (Boelhouwer, 2020; Elsinga et al., 2020; Hochstenbach, 2023). The housing scarcity has resulted in a significant increase in rental prices, making it more difficult for middle-income earners to afford housing. Many middle-income do not qualify for social rent and struggle to purchase homes, forcing them into the liberalised rental market. In this sector, households are burdened by the high cost of rent, with an average of over 40% of their income being allocated towards it (Ministry of the Interior and Kingdom Relations, 2024b). This financial strain is a cause for concern (Ministry of the Interior and Kingdom Relations and CBS, 2022).

The Affordable Rent Act (*Wet Betaalbare Huur*), enacted on 1 July 2024, aims to address rising rents in the liberalised sector by limiting the maximum rent based on housing quality, determined by WWS points (*Woningwaarderingstelsel punten*). The Act enforces a new price ceiling for mid-market rentals, approximately €880 to €1160 monthly, corresponding to properties with 143 to 186 WWS points (Ministry of the Interior and Kingdom Relations, 2024a). The Act mandates that WWS points be stated in new rental contracts, making them enforceable by municipalities (De Jonge, 2024a). This new legislation has significant implications for investors and landlords. In response to the Act, around 100,000 rental properties will be sold by investors and landlords that are currently in the mid-market rental segment according to CBRE in 2024. This would worsen the problem. Therefore, the question that arises is: who will address the housing shortages in the mid-market rental sector?

In the midst of the ongoing discussions, the Dutch minister responsible for housing and spatial planning has urged housing associations to address the demands of the mid-market rental sector (Ministry of the Interior and Kingdom Relations, 2024c; Netherlands Enterprise Agency, 2024). However, similar to other organisations, housing associations are confronted with significant challenges such as rising construction and material costs, high interest rates, and a persistent labour shortage. These factors constrain housing associations' operational capacities and introduce governance complexities as housing associations attempt to align strategic objectives with regulatory demands (Jager, 2024). Therefore, this study examines the impact of the Affordable Rent Act on the governance of housing associations. The main research question that guides this study is as follows:

*"How does the Affordable Rent Act impact the governance of housing associations in West-Brabant and Tholen?"*

## Methodology

This study examines the impact of the Affordable Rent Act on housing associations for a specific geographical location in West-Brabant and Tholen. The research methodology used in this study involves a qualitative approach, combining an in-depth review of existing literature with semi-structured interviews.

The literature review provides insights into the broader housing market context, legislative impact and housing associations. Complementing this, interviews with key stakeholders from West-Brabant and Tholen offer detailed insights and nuanced perspectives on the practical challenges of the Affordable Rent Act and its impact on housing associations.

## Key findings and contributions to the literature

Six interviews were conducted to obtain knowledge from the interviewees, chosen for their expertise in the housing market, regional dynamics, political context, and housing associations. The findings obtained from these interviews have been organised into three distinct categories: findings that align with existing literature, findings that present alternative perspectives or are in contrast with existing literature, and findings that offer new insights into the existing literature. These key findings are presented as lessons learned, with each categorised finding linked to the relevant literature. The findings are presented on the following page.



### Key findings in line with existing literature

1. *The impact of the Affordable Rent Act will be limited for housing associations in West-Brabant and Tholen.*

In line with the study findings, the literature states that the Affordable Rent Act has had a limited impact on housing associations (BNR Nieuwsradio, 2024a). This is due to the fact that housing associations typically charge rents that are lower than the new maximum price set by the Affordable Rent Act. However, the Act could result in a higher administrative workload. Additionally, if investors choose to sell a substantial number of rental properties, it could raise the demand for social rental housing.

2. *Future policy should include measures to increase the difficulty of delaying projects by appeals, whether by financial means or procedural adjustments.*

The insight of this study aligns with the existing literature, which indicates that lengthy appeal processes pose significant challenges for housing projects (Wolzack, 2024). This paper further suggests that the complexity of the appeal process should be addressed to facilitate future housing developments.

3. *The decision to construct homes should be significantly influenced by future demand, as determined by the long-term demographics and lifestyles of the population.*

Literature by Schilder et al. (2021) aligns with the findings of this study, indicating that future construction should be driven by demographic demand projections.

4. *A unified governmental body for public housing is important to ensure the consistent implementation of the governmental vision across all levels of governance.*

The findings of this study are in line with statements from the paper by Boelhouwer and Van der Heijden (2022), which states that it is important to have one central vision from the government towards the housing.

### Key findings in contrast with existing literature

5. *WSW-guaranteed loans for housing associations should be expanded to include mid-market housing.*

In contrast to the findings of this study, Stevens (2015) argues that housing associations can finance similar projects at much lower interest rates by utilising the WSW-guarantee (*Waarborgfonds Sociale Woningbouw garantie*), which leads to unfair competition. According to Van der Wal and Boesman (2006), the WSW-guarantee acts as a form of government-subsidised funding, which leads to reduced financing expenses.

However, Hugo de Jonge (2024b) recommends the expansion of the WSW-guarantee to include the mid-market sector. Nonetheless, this study did not discover any academic literature that supports this assertion.

6. *The abolition of appropriate allocation (*passend toewijzen*) is necessary to facilitate the creation of mixed neighbourhoods.*

Contrary to the findings of this study, the publication written by Autoriteit Woningcorporaties (2023) claims that the available allocation space within the appropriate allocation framework is not being fully exploited. Because of the underutilisation, it is asserted that adequate room is available for appropriate allocation (*passend toewijzen*), therefore making its abolition unnecessary.

### New contributions to the literature

7. *Public awareness of the difficulties faced by new housing market starters must be enhanced, and starters should adjust their expectations and requirements.*

The insight highlights a lack of public awareness regarding the difficulties that new entrants in the housing market encounter, especially among homeowners. The insight is that starters should align expectations with current market realities, which may involve lowering requirements.

8. *Simplifying legislation is essential for enhancing transparency for citizens and supporting good governance practices.*

The result of the study indicates that the complexity of current legislation hinders citizens understanding of governmental actions, leading to a decline in their trust in the government. In order to enhance public trust, it is crucial to simplify regulations, making them more easily understandable and accessible.

### Mid-market decision-making tool

Building on the key findings, the study develops a mid-market decision-making tool designed to assist housing associations in making informed and strategic decisions about mid-market projects. The insights from the empirical research have been distilled into a decision-making support checklist, presented in Table 8.1, which outlines key considerations for decision-making in mid-market projects.

The checklist serves as the input for the mid-market decision-making tool in Excel, detailed in Chapter 8. The tool incorporates criteria such as financial viability, risk assessment, market demand, and regulatory compliance to evaluate the mid-market project efficiency. Housing associations can integrate relevant criteria into the tool, ensuring an accurate assessment tailored to specific project requirements.

The tool generates a performance indicator, expressed as a percentage, which quantifies the extent to which a project aligns with the established criteria. This indicator highlights the project's strengths and weaknesses, thereby supporting decision-making processes and guiding potential improvements.

### Recommendations

The paper provides three main recommendations for policymakers to improve the ability of housing associations to address issues within the housing sector. The recommendations are as follows:

1. **Establish a central housing agency across all governmental layers:** A unified governmental agency should be created to streamline and harmonise housing policies across all layers of government. This would reduce conflicting actions and better align first-time homebuyers' expectations with market realities.
2. **Implement a mid-market rental fund in the short term:** To boost the mid-market rental sector, the government should implement a mid-market rental fund. In large cities, building mid-market rental projects is currently not profitable. Therefore, the government should establish a fund that offers favourable loan conditions and subsidies for such projects, similar to the government's approach after World War II. Additionally, the fund could provide subsidies to accelerate the construction of mid-market rentals.
3. **Focus on social housing for housing associations:** Housing associations should continue to focus on social housing, given the current challenges in financing mid-market rentals. Expanding the WSW-guarantee to include mid-market projects is unlikely under current European regulations, so short-term efforts should concentrate on social housing development.

### Conclusion

This study assessed the impact of the Affordable Rent Act on housing associations in West-Brabant and Tholen, concluding that the Act's direct influence is likely limited due to the high proportion of owner-occupied homes and the associations' focus on social housing. However, the Act introduces new administrative challenges, particularly with the WWS points system, which may strain resources.

An important indirect effect of the Act is the potential rise in demand for social housing if investors sell off properties in response to the new rent controls. However, this study finds that the anticipated increase in property sales is more likely driven by changes in wealth tax rather than the Act itself. The increase in demand for social housing could increase the load on housing associations as they are required to accommodate an increasing amount of tenants who have been driven out of the rental sector.

Additionally, the decision-making processes of housing associations are further complicated by external factors such as rising construction costs, higher interest rates, and labour shortages. These challenges underscore the need for a comprehensive policy approach that addresses not only the immediate implications of the Affordable Rent Act but also the broader market and regulatory context.

In conclusion, while the Affordable Rent Act brings regulatory changes, the actual impact on housing associations is relatively limited. Housing associations are influenced by both direct and indirect factors, moderated by wider market dynamics. Continued policy refinement is needed to help housing associations deal with this complexity and effectively meet changing housing needs.



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# 1

## Introduction

*"It shall be the concern of the authorities to provide sufficient living accommodation"* as declared in Article 22, paragraph 2 of the Constitution of the Kingdom of the Netherlands (1815). Despite the constitutional mandate, the Netherlands is facing a critical challenge: the shortage of affordable housing (Geis and Luca, 2021; Jadevicius and van Gool, 2020; Van Weesep and van Kempen, 2021). Many tenants are burdened by high housing costs, particularly in urban areas where the scarcity of affordable accommodations is most acute. This impact is felt by individuals of all ages, income levels, and life stages (Boelhouwer and Schiffer, 2016; Van Bortel et al., 2019). Affordability problems are most significant in the liberalised sector, where an average of over 40% of income is paid in rent (Ministry of the Interior and Kingdom Relations, 2024b). Simultaneously, the availability of rental homes in the middle-market sector is declining (de Haas, 2023). This results in middle-income households finding it more challenging to find affordable housing.

In response, the Dutch government wants to limit the high rents in the liberalised sector, and therefore, it has introduced the Affordable Rent Act (*Wet Betaalbare Huur*). This legislation measure is an addition to the currently existing residential assessment system (*WWS points*), which regulates rents via an evaluation of property attributes, dividing the rental market into social and liberalised sectors (De Jonge, 2023a; Oorschot and Asselbergs, 2021). The social rent is capped with a rent cap based on the number of WWS points, and the liberalised rental market operates without a rent cap, resulting in significantly higher rental prices. The new Act will categorise the rental housing market into low, mid, and high segments based on WWS points (De Jonge, 2023b). The Affordable Rent Act is expected to impact housing associations and investors by impacting their business cases and forcing an examination of their investment portfolios (Eikelenboom et al., 2021).

The challenges surrounding affordable housing, particularly for middle-income individuals, are becoming increasingly more difficult due to the large-scale sale of rental properties by investors in anticipation of the Affordable Rent Act (de Haas, 2023; Van Rein and Wolzak, 2024a, 2024b). The houses sold are generally too expensive for the middle-income group (CBRE, 2024; CBS, 2024b). To tackle the shortage of affordable housing, an agreement has been reached among the Dutch Minister of Housing and Spatial Planning, the central government, municipalities, and housing associations. The goal is to construct 50,000 mid-market rental homes and a quarter of a million new social rented homes by 2030 (Ministry of the Interior and Kingdom Relations, 2024c; Netherlands Enterprise Agency, 2024). However, rising construction costs, material shortages, and increased interest rates, combined with labour shortages in the construction sector, present significant barriers to achieving these goals (Jager, 2024). Moreover, after the Housing Act of 2015 (*Woningwet 2015*), housing associations had to focus on social housing and not on any other activity (House of Representatives of the Dutch Parliament, 2024d). Consequently, the focus has shifted towards the social rental segment, and the mid-market rental sector has been of low priority for housing associations (Aedes, 2024). Therefore, it is important to look at the effect of the Affordable Rent Act on housing associations and the mid-market rental sector.

Given the complexity of the housing market, it is necessary to conduct an in-depth exploration of the impact of the Affordable Rent Act within a specific geographical context (Flyvbjerg, 2011). Therefore, this research focuses on the West-Brabant and Tholen region to assess the impact of the Affordable Rent Act on housing associations with actionable insights and tools. The scope of this study is geographically defined to encompass areas where the housing association Stadlander operates, specifically including the cities of Bergen op Zoom, Tholen, Steenberg, Roosendaal, and Woensdrecht. Stadlander owns and manages a diverse portfolio of 15,553 properties in West-Brabant and Tholen (Stadlander, 2023a, 2023b, 2024). The cities vary in population size. Tholen, Steenberg, and Woensdrecht each have an estimated population of 25,000, while Bergen op Zoom and Roosendaal have approximately 70,000 and 75,000 inhabitants, respectively.

### Research questions

The effect of the Affordable Rent Act on investors has been the main focus of previous research, with housing associations receiving less attention despite the fact that their assets significantly outnumber investor assets (Capital Value, 2024; Van Rein, 2023). Therefore, this study aims to bridge the research gap by examining the impact of the Affordable Rent Act on housing associations. This study addresses the gap in the existing literature by investigating the main research question:

*"How does the Affordable Rent Act impact the governance of housing associations in West-Brabant and Tholen?"*

To answer the main research question, several sub-questions are formulated:

1. How have housing associations historically evolved in the Netherlands, and what are their defining characteristics?
2. How is the mid-market rental sector characterised in West-Brabant and Tholen?
3. What lessons can be learned from the housing market in the Netherlands?
4. What are the key components of the Affordable Rent Act, and what implications do these provisions have for housing associations in the Netherlands?
5. What decision-making guidelines can be identified to enhance the efficacy of housing associations regarding the supply of mid-market rental housing in the Netherlands?

The research is structured to examine the mid-rental housing sector in the Netherlands. This will involve an analysis of the unique attributes, historical development, operational challenges, and adjustments mandated by the Affordable Rent Act. By utilising literature review and interviews, this research endeavours to address the current void in academic research regarding the effects of the Affordable Rent Act on the housing association and the middle-income segment of the Dutch housing market to provide policy recommendations grounded in empirical evidence and literature.

### Relevance of the research

This research holds significance on two levels: scientific and social. The scientific relevance addresses a gap in the existing literature, contributing to new insights and knowledge. The societal relevance refers to the practical implications of the research for society and how the findings could impact and potentially lead to changes in policy and practice.

#### *Scientific relevance*

The scientific relevance of this study is grounded in the contribution to an underexplored area of academic literature: the impact of rent control regulations on housing associations in the Netherlands. While extensive research has been conducted on the effects of rent control legislation on investors, there is a marked absence of studies focusing on housing associations (IVBN, 2023; Schelhaas, 2023; Van Hoeflaken, 2023). Similarly, international studies on rent control legislation focus on the impact on investors (Ahern and Giacoletti, 2022; Kholodilin and Kohl, 2023; Monras, Montalvo, et al., 2022).

This study addresses this gap by examining the impact of the Affordable Rent Act on housing associations, which manage a larger share of rental units compared to investors (Capital Value, 2024; Van Rein, 2023). Additionally, existing literature frequently focuses on large urban cities (Bontje et al., 2023; Schelhaas, 2023), leaving less populated areas underexplored. This research aims to broaden the academic perspective by including less studied geographic areas in the Netherlands.



The housing market's rapid evolution, which has been influenced by factors such as fluctuating interest rates, persistent labour shortages, and rising construction costs, has rendered some existing literature outdated. The academic discourse is not only updated by this research, which reflects the contemporary challenges but it is also expanded by focussing on the unique contexts of smaller, less studied geographic areas. By doing so, this research contributes to the academic literature regarding the multifaceted effects of rent control, providing innovative perspectives that are indispensable for both scholars and practitioners in the field. This contribution has the potential to significantly impact future research by enhancing our understanding of housing policy and its various implications on different segments of the housing market, leading to a more detailed and extensive understanding.

#### *Societal relevance*

The societal relevance of this study is rooted in its direct implications for addressing the pressing housing shortage in the Netherlands, particularly the acute shortage of affordable housing. As the government implements the Affordable Rent Act, alongside changes in wealth taxation, there is a growing concern that investor withdrawal from the rental market will exacerbate housing shortages, particularly in the mid-market rental sector. Housing associations are increasingly being called upon to bridge this gap, yet their capacity to do so under the new legislative and economic conditions remains uncertain.

This research evaluates the ability of housing associations to respond to these challenges, considering the compounded effects of rising costs, regulatory compliance, and market pressures. By providing practical insights and policy recommendations, this study aims to inform decision-making processes that could enhance the ability of housing associations to address housing shortages effectively. The purpose of this study is to provide assistance to policymakers and housing associations in addressing the issue of the existing housing shortage. Additionally, it aims to enhance comprehension of the challenges within the current housing market and, consequently, identify potential solutions.

#### **Outline**

The structure of the thesis is designed for clarity and is organised in the following manner. Chapter 2: Research definition introduces the fundamental concepts and the West-Brabant and Tholen case study. Chapter 3: Methodology outlines the qualitative research methods employed, including case studies, literature reviews, and interviews. Chapters 4 and 5 analyse housing associations and mid-market housing, respectively, detailing their histories and characteristics. Chapter 6: Legislation on mid-market focuses on legal laws affecting mid-market housing.

Empirical study, Chapter 7, presents the findings of the interviews as lessons learned, which are used as input for the development of the mid-market decision-making tool for housing associations, detailed in the next Chapter 8: Decision-making in mid-market housing. This chapter includes the checklist and the decision-making tool for housing associations. Chapter 9: Conclusion answers sub-questions and the main research question, ending with the scientific contribution and societal contribution. Chapter 10: Discussion reflects on the study's findings, discusses its limitations, and suggests areas for future research. The last Chapter 11: Recommendations provides recommendations for policymakers to improve the abilities of housing associations to effectively address issues within the housing market. The thesis concludes with a reference list and an appendix containing supplementary materials.

# 2

## Research definition

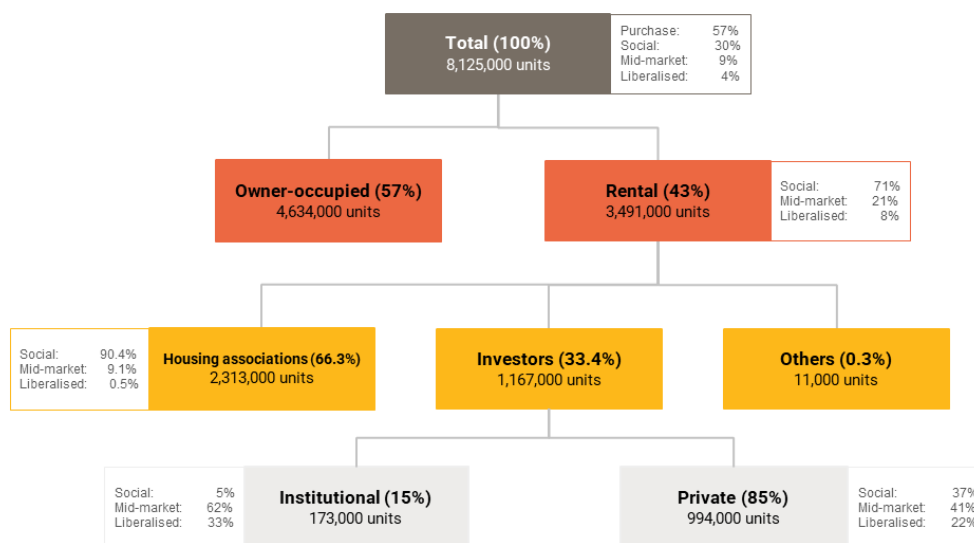
The chapter starts with an overview of the fundamental concepts in Section 2.1. Subsequently, Section 2.2 provides insights into the region of West-Brabant and Tholen. Section 2.3 concludes the chapter.

### 2.1. Fundamental concepts

This section explains the fundamental concepts, including the housing market, housing associations, residential assessment system, the Affordable Rent Act, and the mid-market rental sector.

#### 2.1.1. Housing market

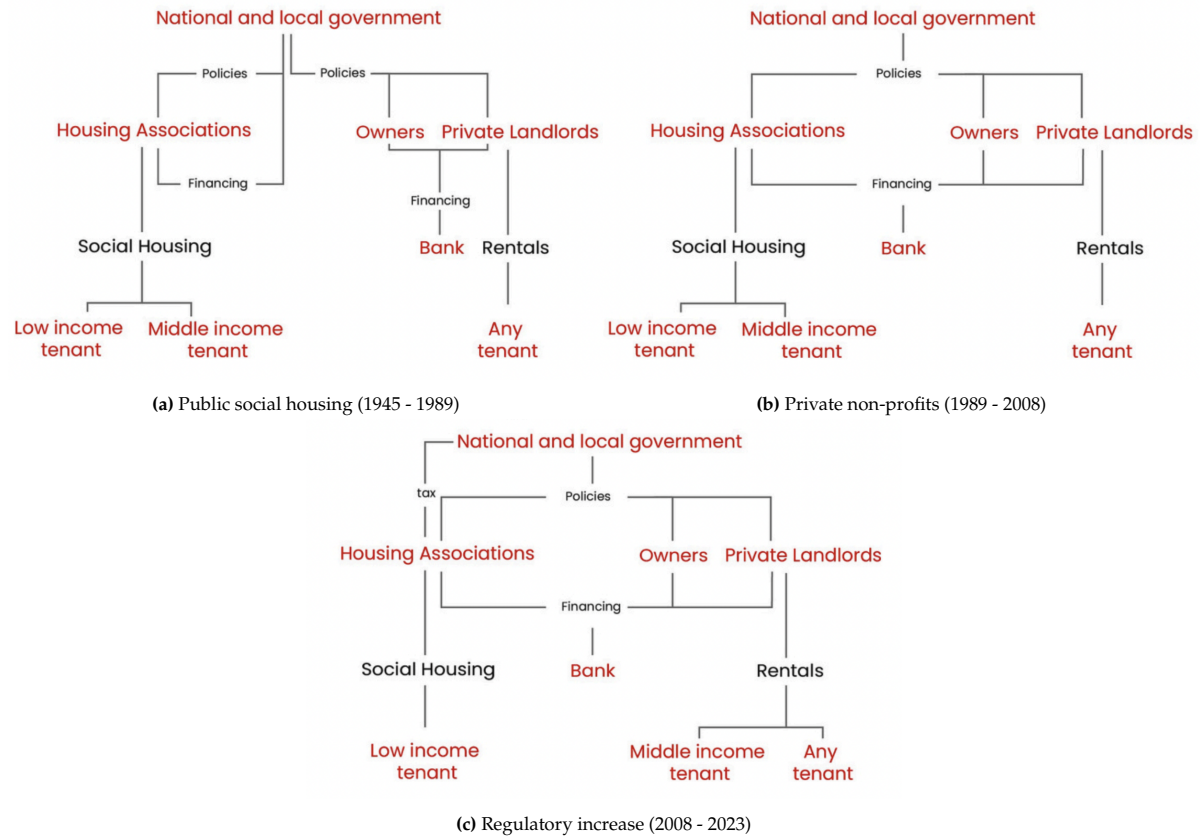
In 2024, the Dutch real estate market consisted of 8,125,000 housing units (CBS, 2024a). The owner-occupied market is the largest share of this total, consisting of 4,634,000 units, accounting for 57% of the market (CBS, 2024a; Waar Staat Je Gemeente, 2024). The rental sector comprises three groups, accounting for 43% of the housing market. The largest group is the housing associations, with 2,313,000 units, accounting for 66.3% of the rental market (Aedes, 2023a; CBS, 2024a). Private investors own 1,167,000 units — 33.4% of the rental market (Capital Value, 2024; CBS, 2024a). The category "others" accounts for 0.3% of the rental market, which includes 11,000 homes (Capital Value, 2024). Private investors own 994,000 homes, accounting for 85% of investors market (CBS, 2024a). Institutional investors hold 15% (173,000 dwellings) of the total of the investors (IVBN, 2023). The overview is visualised in Figure 2.1.



**Figure 2.1:** Total Dutch dwellings in 2024 (adoption from: Aedes, 2023a; Capital Value, 2024; CBS, 2024a; IVBN, 2023; Waar Staat Je Gemeente, 2024).

## Housing market history

The history of the Dutch housing market represents significant changes from 1945 to 2023, which are linked to the changes in the social, financial, and governmental landscape. Public housing policies have traditionally been implemented using interconnected networks that include various stakeholders (Kenis and Schneider, 1991). Nelson et al. (2024) illustrates this concept by presenting different stages of housing policy as depicted in Figure 2.2.



**Figure 2.2:** Relationship between actors and stakeholders in housing policy development at institutional level (Nelson et al., 2024).

The period from 1945 to 1989, depicted in Figure 2.2a, marks the first phase of the housing policy in the Netherlands and was characterised by extensive government regulation and intervention. The era followed by the devastating impacts of World War II, which resulted in the destruction and the damage of approximately 25% of all Dutch households and large urban migration, exacerbating the housing crisis (Kooij, 2010; Van Deursen, 2023). Governments responded by implementing stringent regulations and financial aid for the housing associations, with emphasising public social housing (Nelson et al., 2024). Unlike private landlords, housing associations received subsidies and were subject to strict regulations, primarily serving the needs of low- and middle-income residents. Substantial state interference was a defining characteristic of this era, as it encompassed centralised planning and construction initiatives that were designed to guarantee housing (Van Bortel et al., 2019).

From 1989 to 2008, the Dutch housing sector experienced a notable shift towards deregulation and an increased focus on homeownership, a development depicted in Figure 2.2b. During this period, housing associations gained financial and administrative independence from the central government, a transformation that mirrored global trends towards the deregulation and privatisation of public housing, which began in the 1980s (Heerma, 1989; Hochstenbach, 2023). The housing associations became private non-profits during this time with little government oversight. This era saw the rising role of central banks in housing finance, as housing associations began receiving funding directly from these financial institutions (Nelson et al., 2024). The period was defined by state involvement, which included centralised planning and construction efforts aimed at housing availability (Rabionet, 2011).

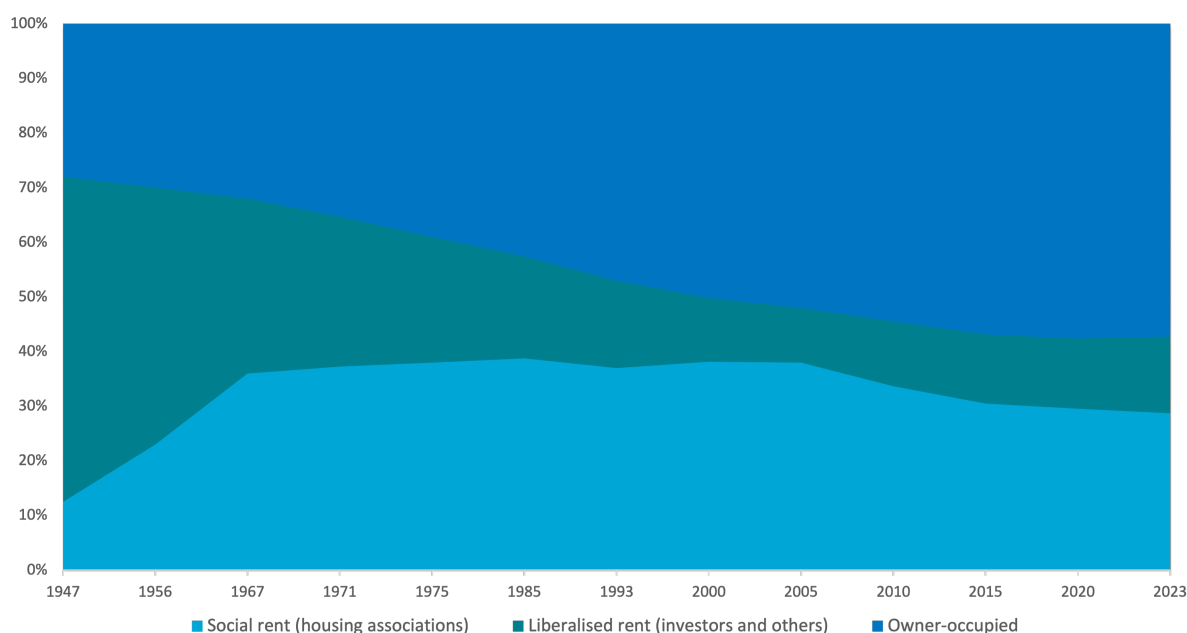
The third phase, 2008 to 2023, visualised in Figure 2.2c, emphasises home ownership and regulation. The 2008 global financial crisis exposed financial mismanagement in several housing associations, forcing the bailout of Vestia for over € 2.7 billion by other housing associations (Elsinga et al., 2015; House of Representatives of the Dutch Parliament, 2014). The Dutch parliament mandated that the housing associations only provide housing to lower-income groups (Eijffinger et al., 2006; Van Deursen, 2023).

Moreover, in 2013, the government introduced a tax that is imposed on entities possessing more than ten residential properties in order to generate additional income for the government (Deelen et al., 2020). This measure, known as the landlord levy (*Verhuurderheffing*), led to a reduction in the rental income for housing associations, significantly impacting their financial operations. In 2023, the situation changed. The landlord levy was abolished for housing associations (Woonbond, 2023), and the Affordable Rent Act was introduced. In conclusion, the Dutch housing landscape is shaped by the complex interplay of governmental intervention, market dynamics, and societal needs, and are summarised as follows:

- 1945 - 1989: Strictly regulated housing market focusing on public social housing.
- 1989 - 2008: Significant reduction in regulation, making housing associations private non-profits, shifting focus on homeownership.
- 2008 - 2023: Increased regulation, maintaining focus on homeownership.

### History housing market composition

The various policy phases have had a substantial impact on the composition of the Dutch housing stock. Shifts in tenure composition within the Netherlands serve as illustrations of these phases. Figure 2.3 provides insights into the developments of the Dutch housing tenure ship. The figure presents the distribution of housing tenure types within the Netherlands from 1947 to 2024, as shown by the percentage of private rent, social rent, and owner-occupied houses. The data highlights the transformation of the housing market over the years, with a clear shift towards more owner-occupation. The data utilised in this study have been compiled from multiple sources. The period 1947 to 2015 is derived from Aalbers et al. (2021), and from Elsinga and Wassenberg (2014). The period from 2015 to 2024 is sourced from CBS StatLine (2024a) and from Capital Value (2024).



**Figure 2.3:** Tenure composition of the Dutch housing stock from 1947 to 2024 (adaption from: Aalbers et al., 2021; Capital Value, 2024; CBS, 2024a; Elsinga and Wassenberg, 2014).

### 2.1.2. Housing associations

Housing associations are private, non-profit organisations that operate with a semi-public responsibility, with the objective of providing affordable housing (Beekers, 2012; Bijdendijk, 2009). Housing associations hold around 2.3 million homes in the Netherlands, a substantial number built after World War II. Housing associations have a historical basis traced back to 1852 and played an important role in the rebuilding of the Netherlands after the World War II shortages. After 1995, the housing associations became more independent (Elsinga, 2015). The objective of housing associations is to provide housing to individuals who are socially or economically disadvantaged. This encompasses individuals who are financially disadvantaged or are members of specific groups that encounter obstacles in obtaining suitable housing. Housing associations operate without any direct subsidy to fund their activity (Elsinga et al., 2015; House of Representatives of the Dutch Parliament, 2014; Van Deursen, 2023).

The housing associations are capable of managing and maintaining their housing stock by the use of a revolving fund derived from rental income, as well as long-term loans to finance construction projects through the *Waarborgfonds Sociale Woningbouw* (WSW) (Van Deursen, 2023). The WSW provides guarantees for loans for housing associations, allowing housing associations to finance projects at lower interest rates and better loan terms. Housing associations function within the limitations of the legal framework established by the Housing Act 2015 (*Woningwet 2015*) and the resulting regulations outlined in the Decree on Admitted Institutions for Public Housing 2015 (*Besluit Toegelaten Instellingen Volkshuisvesting 2015*) (Jungheim and Suurland, 2017).

The activities of housing associations in the Netherlands are differentiated into Services of General Economic Interest, known as *Diensten van Algemeen Economisch Belang* (DAEB), and *non-DAEB* activities. The differentiation is conducted due to the Housing Act 2015, which changed how commercial activities were restricted, and those are maintained separately from their main goal, which is to provide accommodation for the lowest segment (House of Representatives of the Dutch Parliament, 2024d). Housing associations are allowed to use the WSW-guarantees exclusively for DAEB projects. This segregation was necessitated by European State aid regulations, which affects the housing associations' ability in segments other than social housing (Van Bortel, 2024).

#### International comparison of housing associations tenure

In comparison to other countries in Europe, the Netherlands has the highest percentage of social housing (Pittini et al., 2019). Austria, Denmark and the Netherlands are the only countries that have more than 20% social housing in comparison to total housing stock as presented in Table 2.1.

**Table 2.1:** Share of housing associations tenure to total housing stock (Pittini et al., 2019).

Country	Share of social housing	Country	Share of social housing
Netherlands	30%	Poland	8%
Austria	24%	Belgium	7%
Denmark	21%	Slovenia	6%
Sweden	19%	Italy	4%
France	17%	Germany	3%
Finland	13%	Spain	3%
Ireland	9%	Estonia	2%
Czech Republic	8%	Portugal	2%

The Dutch housing model is distinguished from social housing models in other European nations by its financial autonomy and the significant proportion of housing associations in the overall housing supply. In countries such as Sweden (19%) and France (17%), social housing also has a notable impact (Elsinga and Lind, 2013a; Heylen, 2024). However, these systems primarily depend on governmental subsidies and operate under distinct regulatory frameworks. Social housing in countries like in Italy (4%) and in Germany (3%) represents a smaller proportion of the housing market due to the distinct historical, cultural, and policy-based approaches to meeting housing demands.



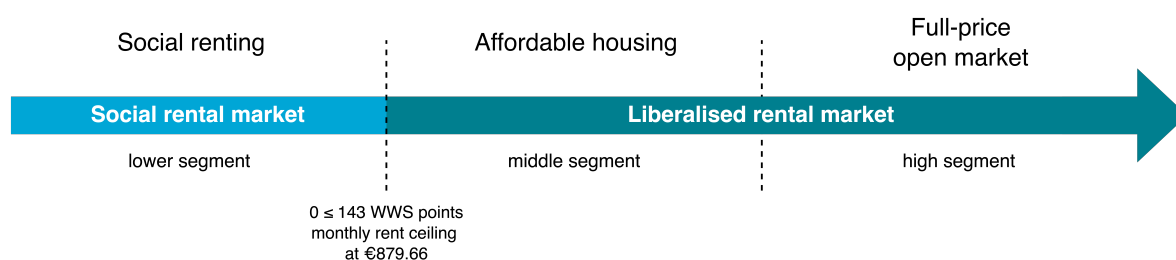
### 2.1.3. Residential assessment system (Woningwaarderingssstelsel)

The residential assessment system in the Netherlands, known as the *Woningwaarderingssstelsel* (WWS), serves as the primary mechanism for distinguishing between the social rental market and the liberalised rental market (Elsinga, 2005). The WWS points assess the quality and, therefore, the maximum rent of rental properties. This system allocates WWS points to various property attributes, including location, size, energy label, and the availability of amenities. The maximum rental price for regulated housing is determined by the total number of WWS points accumulated (Government of the Netherlands, n.d.).

The Dutch rental housing market is segmented based on the number of WWS points a property accumulates, leading to two main categories:

- **Social segment:** This segment is defined by a rent ceiling, imposed at € 879.66 per month for properties accumulating up to 143 WWS points. Properties within this range are subject to rent control.
- **Liberalised segment:** Properties that exceed 143 WWS points fall under this category, where no rent caps are mandated, allowing landlords to set rents freely. The rental price for housing in this sector is determined by the number of WWS points, with no maximum limit for properties accumulating 144 points or more.

The categorisation of the rental market, as described above, is visualised in Figure 2.4, which illustrates the system prior to the introduction of the Affordable Rent Act.



**Figure 2.4:** Dutch rental market explained before Affordable Rent Act (De Jonge, 2022; Government of the Netherlands, n.d. Ministry of the Interior and Kingdom Relations, 2024a).

Currently, the Dutch rental housing market has significant issues concerning availability, affordability, and quality (Boelhouwer, 2020; Elsinga et al., 2020; Hochstenbach, 2023). The Housing Affordability Survey conducted by Cox and Pavletich in 2019 classifies housing in the Netherlands as 'seriously unaffordable' based on the percentage of income spent on housing expenses, including both rental and owner-occupied properties.

In response to these challenges and with the aim of enhancing tenant protection, the Affordable Rent Act (*Wet Betaalbare Huur*) has been proposed as a modification to the existing residential assessment system (De Jonge, 2023b). At present, long waiting lists for social housing in urban areas of up to ten years for affordable housing are not uncommon ((Buurma-Olsen et al., 2023). The Affordable Rent Act seeks to extend rent protections to middle-income households, addressing the rising cost of housing, particularly in urban areas (De Jonge, 2023a).

The enactment of the Affordable Rent Act, originally scheduled for 1 January 2024, faced delays due to the resignation of the Dutch government on 6 July 2023. However, the Dutch Parliament declared the Affordable Rent Act twice non-controversial, thereby allowing the legislative process to continue (Aedes, 2023b; Omgevingsweb, 2024). Consequently, the Act was approved by the Dutch House of Representatives (*Tweede Kamer der Staten-Generaal*) on 25 April 2024 and by the Dutch Senate (*Eerste Kamer der Staten-Generaal*) on 25 June 2024 (House of Representatives of the Dutch Parliament, 2024a; Senate of the Dutch Parliament, 2024d). The specifics of the Affordable Rent Act will be further explored in the following subsection.

### 2.1.4. Affordable Rent Act (Wet Betaalbare Huur)

On 27 February 2023, the Dutch Minister of Housing, Hugo de Jonge, presented the draft 'Affordable Rent Act' (*Wet Betaalbare Huur*), a legislative proposal aimed at regulating mid-market rents and revising the existing residential assessment system (De Jonge, 2023b). The primary objective of the Affordable Rent Act is to reform the rental housing market by regulating mid-market rents and modernising the existing residential assessment system (*Woningwaarderingssysteem* or WWS) to better align rent prices with housing quality in response to growing housing costs, particularly in urban areas (De Jonge, 2023a).

The Affordable Rent Act introduces a new categorisation of the rental housing market into three distinct segments: social, middle, and high. The segmentation is determined by the WWS points system (Government of the Netherlands, n.d.):

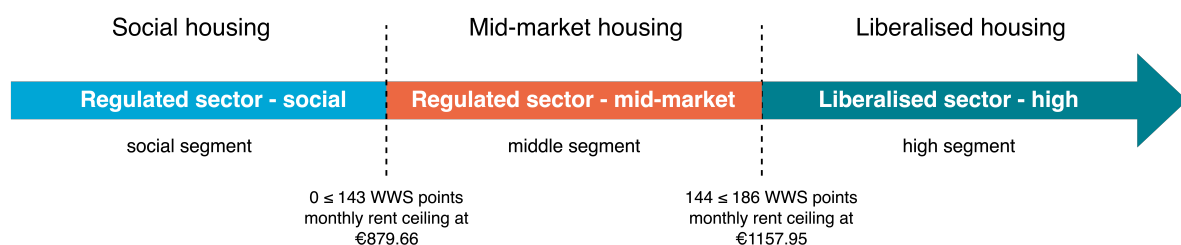
- **Social segment:** Properties accumulating up to 143 WWS points, which are subject to rent control with a maximum rent threshold expected to align with the current limit of € 879.66 per month from 1 July 2024.
- **Middle segment:** Properties accumulating between 144 and 186 WWS points, with a monthly rent upper limit set at € 1157.95, also effective from 1 July 2024.
- **High (liberalised) segment:** Properties exceeding 186 WWS points, which are not subject to rent caps, allowing landlords to set rents freely.

The Act proposes several key modifications to the WWS, particularly for the mid-market segment. It introduces WWS points based on property value, with a maximum of 186 WWS points for properties in this segment. The Act assigns extra points to housing units with higher energy labels and introduces an updated version of points assigned for outdoor spaces. The key aspect of the proposed changes is the modernisation of the WWS to better align housing quality with rent prices.

To address investor concerns about the potential negative impact on construction, the Act includes a provision for a surcharge of up to 10% on maximum rents for newly constructed units that began development before 1 January 2026. This surcharge, effective for the first two decades, aims to offset financial challenges posed by the new regulations and mitigate delays in construction projects (Senate of the Dutch Parliament, 2024d).

The Affordable Rent Act will affect new leases starting after 1 July 2024, while existing leases remain under previous rules. Contracts previously categorised as 'liberalised' but below the 143 WWS point threshold must now comply with the WWS rent system. The Act also limits rent increases in the low and mid-segments, linking them to annual income growth with a specific formula for the mid-segment (Senate of the Dutch Parliament, 2024d).

The Act makes the WWS system mandatory for all new rentals in the low and mid-market segments. It empowers tenants to request rent assessments from the Rent Commission (*Huurcommissie*), potentially leading to rent reductions. Municipalities are granted authority to enforce compliance through public law penalties, and landlords are required to include a WWS point calculation with every new lease. Figure 2.5 depicts the visualisation of the Act.



**Figure 2.5:** Dutch rental market explained after Affordable Rent Act (De Jonge, 2024a; Government of the Netherlands, n.d. Ministry of the Interior and Kingdom Relations, 2024a).

### 2.1.5. Mid-market rental sector

The introduction of the "mid-market rental sector" is an important component of the Affordable Rent Act (De Jonge, 2024a). The term "mid-market rental sector" refers to a specific category of rental housing that meets certain criteria outlined in the new legislation.

- The dwelling is assigned a rating within the WWS (residential assessment system) that determines the maximum permissible rent. As of 1 July 2024, this ranges from € 879.66 per month for a rating of 144 points to € 1157.95 per month for a rating of 186 points.
- The rental contract pertains to independent living accommodations, defined as dwellings with their own entrance, kitchen, toilet, and washing facilities.
- The lease agreement commences on or after 1 July 2024.

The mid-market rental sector is intended for the middle-income group. Therefore, it is important to determine which incomes are classified as middle-incomes. The paper follows the income classification for various income classes determined by In.Fact.Research in 2023d, based on the price levels of 2022. The framework categorises households into different income brackets:

- Target group housing associations are composed of single-person households with annual taxable incomes of up to € 40,765 and multi-person households with incomes of up to € 45,014 per year.
- Low-middle-income households are defined as single-person units earning between € 40,765 and € 47,948 and multi-person units with incomes ranging from € 45,014 to € 55,486 are defined as low-middle-income households annually.
- High-middle-income households encompass single-person households with annual incomes ranging from € 47,948 to € 56,527 and multi-person households earning between € 55,486 and € 75,369 per year.
- Higher incomes encompasses single-person households with an income exceeding € 56,527 and multi-person households with an income of € 75,369 annually.

For the purposes of this study, the middle-income group is defined without differentiating between low-middle and high-middle-income earners. The middle-income range for a single person is defined as earning between €40,765 and €56,527 per year. For multi-person households, the middle-income range is defined as earning between €45,014 and €75,369 per year.

## 2.2. Case West-Brabant and Tholen

This section uses a case to explore and understand the regional impact of the legislation on the complex dynamics within the housing market. According to the SAGE Handbook of Qualitative Research, the use of a case study is particularly appropriate when the aim is to unravel the unique characteristics and complexities of specific cases (Flyvbjerg, 2011).

Stadlander, a housing association in the West-Brabant and Tholen region, is the primary focus of this study. Table 2.2 provides a detailed overview of the housing situation in the areas where Stadlander operates, presenting essential data and percentages that reveal the current state in the different municipalities. This detailed overview provides essential data on the distribution of housing, demographic mix, and market structure in which Stadlander is active. For a more in-depth exploration of each municipality, see Appendix A.

**Table 2.2:** Combined municipalities housing data overview for Stadlander in 2024 (CBS, 2024a; Stadlander, 2023a).

Category	Number	Category	Metric / Percentage
Houses	99,367	Average household size	2.2
Residents	220,105	Population density	385
Houses Stadlander	13,779	% Houses Stadlander	14%
Men	109,915	% Owner-occupied houses	64%
Women	110,200	% Rental houses	36%
Households	99,255	% Housing associations	26%
Households with children	32,320	Average property value	€ 297,208
Households without children	32,125	% Construction year from 2000	15%
Single-person households	34,810	% Construction year before 2000	85%

Stadlander has a diverse portfolio of 15,553 units, comprising 13,779 homes in West-Brabant and Tholen (Stadlander, 2024). This portfolio includes both DAEB (*Diensten van Algemeen Economisch Belang*, or Services of General Economic Interest) and non-DAEB dwellings. Stadlander's portfolio mostly consists of DAEB dwellings, which make up a substantial 93% (12,879 houses) of their portfolio. In contrast, the non-DAEB segment represents a lower proportion, specifically 7% (900 dwellings), of the total inventory (Stadlander, 2023a). The distinction between DAEB and non-DAEB activities, as required by the Housing Act 2015 (Woningwet 2015), emphasises the legal responsibility of housing associations to separate their profit-driven endeavours from those essential for the well-being of the public (House of Representatives of the Dutch Parliament, 2024d).

Table 2.3 displays the consolidated data of the DAEB and non-DAEB housing inventory categorised by municipality and rental class.

**Table 2.3:** Total DAEB and not-DAEB housing stock per municipality by rental class of Stadlander in 2022 (Stadlander, 2023a).

Total	≤ € 442.46	≤ € 678.66	≤ € 763.47	>€ 763.47	Total	% of total
Bergen op Zoom	947	6309	1145	649	9050	66%
Tholen	360	1748	251	28	2387	17%
Steenbergen	209	1060	184	57	1510	11%
Woensdrecht	66	323	105	9	503	4%
Roosendaal	15	206	57	51	329	2%
<i>Total</i>	<i>1597</i>	<i>9646</i>	<i>1742</i>	<i>794</i>	<i>13,779</i>	<i>100%</i>

The detailed breakdown of the housing inventory of Stadlander, categorised by DAEB, non-DAEB and total dwellings, is provided in Appendix B.

## 2.3. Conclusion research definition

To conclude, the Dutch housing market is characterised by a substantial owner-occupied segment, comprising 57% of the market. The rental market is predominantly controlled by housing associations, constituting around two-thirds of this segment. Over time, the housing composition has changed. Following World War II, stringent regulations were implemented to prioritise social housing development. Following the reconstruction phase in 1989, the housing market underwent deregulation until 2013, with regulations becoming less stringent again in 2023.

The Affordable Rental Act, also known as *Wet Betaalbare Huur*, classifies residences according to the residential assessment system (*Woningwaarderingstelsel*, WWS), which determines rental prices based on the quality of housing. This legislation expands the scope of rent regulation to include the mid-market segment in order to address the increasing expenses of housing in urban regions. The legislation focuses on mid-market rental properties, specifically those with WWS points ranging from 143 (€ 879.66 per month) to 186 (€ 1157.95 per month) per month. This regulation is limited to new leases starting on or after 1 July 2024. Under this provision, tenants will have the right to challenge rent increases of up to 186 points by appealing to the Rent Committee (*Huurcommissie*).

The focus of this study is on the geographical regions where Stadlander operates. Stadlander manages 13,779 residential properties across Bergen op Zoom, Tholen, Steenbergen, Roosendaal, and Woensdrecht. Most of Stadlander's housing inventory consists of DAEB (*Diensten van Algemeen Economisch Belang*, or Services of General Economic Interest) housing. The distinction between DAEB and non-DAEB housing has altered the constraints on commercial activities for housing associations. Consequently, more than 90% of Stadlander's total inventory comprises DAEB dwellings.



# 3

## Methodology

The subsequent section explores the research questions presented in Section 3.1. Section 3.2 will provide a detailed explanation of the study design, including the technique for each sub-question. The type of the study will be elucidated in Section 3.3. In order to ensure the security of the information, the data plan is outlined in Section 3.4, encompassing the data collection process, data protection measures, and ethical considerations. Finally, Section 3.5 summarises the chapter.

### 3.1. Research questions

The primary objective of this study is to fill the existing gaps in the academic literature regarding the impact of the Affordable Rent Act on housing associations in the Netherlands. While current literature predominantly focuses on the effect of the Act on investors, there is limited knowledge about its impact on housing associations. This study aims to address this knowledge gap by exploring the strategic and operational implications of the Affordable Rent Act for housing associations in West-Brabant, with a particular emphasis on the mid-market rental sector. Therefore, the main research question that guides this study is:

**"How does the Affordable Rent Act impact the governance of housing associations in West-Brabant and Tholen?"**

To address the main research question, the following sub-questions have been formulated:

- **Sub-question 1:** *How have housing associations historically evolved in the Netherlands, and what are their defining characteristics?*
- **Sub-question 2:** *How is the mid-market rental sector characterised in West-Brabant and Tholen?*
- **Sub-question 3:** *What lessons can be learned from the housing market in the Netherlands?*
- **Sub-question 4:** *What are the key components of the Affordable Rent Act, and what implications do these provisions have for housing associations in the Netherlands?*
- **Sub-question 5:** *What decision-making guidelines can be identified to enhance the efficacy of housing associations regarding the supply of mid-market rental housing in the Netherlands?*

The subsequent section, research design, will elucidate the quantitative approach employed to address each sub-question. The following page contains Section 3.2, which offers detailed information on each sub-question and the primary approach for addressing each sub-question.

## 3.2. Research design

This section outlines the methodology used to answer each sub-question, combining literature review and empirical research to gain insights into the mid-market rental housing sector and the implications of the Affordable Rent Act.

### Method for each sub-question

To answer the main research question: *"How does the Affordable Rent Act impact the governance of housing associations in West-Brabant and Tholen?"*. The combination of a literature review and empirical research will provide answers to the following sub-questions. This approach will provide insight into the mid-market rental housing sector and the implications of the Affordable Rent Act.

**Sub-question 1:** *How have housing associations historically evolved in the Netherlands, and what are their defining characteristics?*

The first sub-question will explore the defining characteristics and historical evolution of housing associations in the Netherlands. The question aims to identify the key factors that have impacted the sector, encompassing regulation changes, market dynamics, and housing policies. The analysis of housing associations in the Netherlands depends mainly on desk research, which involves examining relevant literature, market reports, and regulatory documents to establish the precise definitions and distinguishing features of this sector. Interviews will serve as a valuable addition to the desk research findings by providing personal perspectives that clarify unique dynamics and stakeholder experiences.

**Sub-question 2:** *How is the mid-market rental sector characterised in West-Brabant and Tholen?*

The second sub-question aims to gain knowledge of the mid-market rental sector in West-Brabant and Tholen. This will help identify the housing market's unique attributes. The aim is to acquire an all-encompassing understanding of the housing market in the region, with the purpose of identifying distinctive obstacles and prospects that could influence the design and functionality of a decision-support tool. The assessment of the current situation of mid-market housing in West-Brabant and Tholen will start with extensive desk research to establish a scientific basis for the current housing market. The addition of interviews will enhance the depth of these findings by providing nuanced insights into the practical implications of the current state of the market.

**Sub-question 3:** *What lessons can be learned from the housing market in the Netherlands?*

The third sub-question explores the historical aspects of the housing market in the Netherlands in order to extract valuable insights and knowledge. The objective is to acquire the essential elements and insights gained from the housing market and previous policies. The empirical research is the main driver for answering this question, while the literature study provides valuable additional insights.

**Sub-question 4:** *What are the key components of the Affordable Rent Act, and what implications do these provisions have for housing associations in the Netherlands?*

The fourth sub-question examines the difficulties and obstacles encountered by housing associations in efforts to provide housing to middle-income populations in the West-Brabant and Tholen regions. Identifying these hurdles will offer valuable insights into creating tool functions that aim to address and alleviate these challenges, hence enhancing support for the housing needs of middle-income individuals. Interviews will provide insights into the strategic frameworks and operational responses to this legislation, thereby facilitating the identification of obstacles within the organisational structures and processes.

**Sub-question 5:** *What decision-making guidelines can be identified to enhance the efficacy of housing associations regarding the supply of mid-market rental housing in the Netherlands?*

The final sub-question builds on insight from previous sub-questions and enhances that by providing essential features that should be considered in the design of a decision-making tool. The aim is to improve the mid-market decision-making for housing associations. The main driver for this sub-question is empirical research. However, the research starts with desk research, which offers a scientific basis which can be elaborated with the practical experiences and expert recommendations of individuals who are actively assessing the impacts of the Affordable Rent Act. The result provides that the recommended measures are rooted in empirical evidence and aligned with the practicalities of the sector.

### 3.3. Type of study

The study will conduct qualitative research to address the research questions. The investigation is exploratory due to its regulatory nature. Therefore, the study will use literature study (Subsection 3.3.1) and empirical study (Subsection 3.3.2) as the main methodological approach to clarify the complexities of the Affordable Rent Act. The qualitative methodology will be used for quantitative input to provide a mid-market decision-making tool for housing associations.

#### 3.3.1. Literature study

The literature study will examine previous research and publications on the Affordable Rent Act, mid-market housing, rent control legislation and housing associations. The paper has utilised various scholarly search engines, including Scopus, Google Scholar, Elsevier, TU Delft Repository, and other online journals. The primary search terms utilised include: Affordable Rent Act (*Wet Betaalbare Huur*), housing associations (*woningcorporaties*), mid-market rental (*middenhuur*), rent control legislation, public housing, housing shortage, and affordable housing. The literature review will create the groundwork for identifying significant topics for further examination in the empirical study.

#### 3.3.2. Empirical study

In this phase of the research, empirical data will complement the literature review to gain deeper insights into the Affordable Rent Act's impact on mid-market housing and housing associations. The empirical study will obtain geographical information specific to the West-Brabant and Tholen regions, which is important for understanding local market dynamics (Aluko, 2011).

The research employs semi-structured interviews as a means of collecting qualitative data. This methodology enables the researcher to adjust to the interview conditions and the data provided by participants dynamically. Fully structured interviews are avoided due to their inflexibility and inability to adapt to new insights during the interview process (Reulink and Lindeman, 2005). Similarly, completely open-ended is not suitable for the study as it necessitates predefined themes and criteria to effectively evaluate the Affordable Rent Act in the region (Reulink and Lindeman, 2005).

Semi-structured interviews are well-suited for this research due to their ability to adapt to the dynamic nature of housing policy and its diverse effects on stakeholders (Arvey and Campion, 1982). This format promotes conversation, enabling participants to expand upon their experiences and insights, adding more depth and context.

## 3.4. Data plan

The data plan is outlined in this section, and the specifics of data collection are presented in Subsection 3.4.1. The data collected from interviews is potentially sensitive; therefore, data protection measures are implemented, as outlined in Subsection 3.4.2. The ethical considerations, including privacy laws, are addressed in the final Subsection 3.4.3.

### 3.4.1. Data collection

This study uses semi-structured interviews to gain data to address the sub-questions and main research question. The study is structured to compare the anticipated effects of the Affordable Rent Act on the mid-market sector and housing associations. A number of questions are prepared in advance and will be asked in a specific order, which can be found in Appendix C. The semi-structured interview allows the researcher to acquire more in-depth information about a specific subject. After all, with additional questions, more important information can be obtained (Boeijs, 2005).

The methodology centres on engaging those willing to be interviewed, as encompassing every key stakeholder exceeds practical limitations. The participants will be selected within the geographical areas of West-Brabant and Tholen to investigate the distinct local challenges. Interview participants are primarily chosen from Stadlander's network contacts to utilise current connections and obtain a greater depth of data. The research methodology includes an option for expanding the potential participant pool through targeted email if this approach is unable to generate a sufficiently broad range of perspectives.

The outcomes of these interviews are important to the research, serving as input for the mid-market decision-making for housing associations. These interviews aim to enhance the understanding of housing associations' regarding the Affordable Rent Act and the mid-market housing rental market. This approach ensures the recommendations are realistic and anchored in Stadlander's unique circumstances and potential challenges. Semi-structured interviews are flexible and powerful for capturing the voices and the ways people make sense of experiences.

This paper follows the guidelines set by Rabionet (2011), for conducting semi-structured interviews, which consists of six distinct stages: 1) choosing the interview format; 2) setting ethical standards; 3) designing the interview structure; 4) carrying out and documenting the interview; 5) refining the interview structure; and 6) presenting the results. The interview protocol is provided in appendix C, encompassing the pre-interview in section C.1, interview structure in section C.2, and post-interview phase in section C.3.

### 3.4.2. Data protection

The study adheres to the FAIR Guiding Principles for scientific data management and stewardship, which are outlined by Wilkinson et al. (2016). The research emphasises the following aspects of data quality: Findable, Accessible, Interoperable, and Reusable. Key practices implemented in this study include:

- The finalised thesis will be available for access on the educational repository of the Delft University of Technology (TU Delft) via the following link: <https://repository.tudelft.nl>. B
- The data in this document is supported by references from literature, interviews, and other methodologies. These references are formatted according to APA-5 style and are found in the reference section at the end (American Psychological Association and others, 2001).
- The data collected in specific Dutch terminology, such as laws and housing terms, will be translated into English to the best of the researchers' knowledge. The Dutch phrase will be presented within brackets and italicised.
- The final research paper will not include all interview transcripts and other data not directly that are not directly related to the research.
- Sensitive information, such as specific details regarding companies, organisations, or personal data, is either anonymised or hidden.

### 3.4.3. Ethical considerations

The paper follows the FAIR Guiding Principles outlined by Wilkinson et al. (2016). Furthermore, to ensure ethical consideration the paper will follow several other principles. The main guidelines that will be followed are guidelines for ethics and data protection established for the European Commission by Hayes and Kuyumdzhieva in 2021. The other main guideline that the paper adheres to is the ethical standards set by Rauhala and Kalokairinou for the European Commission for Social Sciences in 2021. Furthermore, to ensure privacy the personal identifiers will be removed from study data, and years of relevant experience data will be grouped into intervals. This method guarantees that individual records can no longer be directly linked with specific individuals while still preserving relevant data for scientific research or other objectives (Warnier et al., 2015). The participant information sheet, which is available in Appendix C.1.2 (in Dutch), will provide the interviewees with information regarding the objectives of the study, collected data, and rights prior to the interview.

## 3.5. Conclusion methodology

This chapter has delineated the main research question and sub-question that guides this study. The research question fills a gap in the literature regarding the effect of rent control legislation on housing associations, instead focusing predominantly on its implications for investors.

Table 3.1 summarises the research methods used for the research questions, establishing a structured approach to address the main research question. The methodology includes a review of existing literature and collecting empirical data, allowing for an in-depth analysis of the topic.

**Table 3.1:** Summary research methods for answering sub-questions.

Sub-questions and methodology for the main research question: <i>"How does the Affordable Rent Act impact the governance of housing associations in West-Brabant and Tholen?"</i>		
	Sub-question	Research method
SQ1	How have housing associations historically evolved in the Netherlands, and what are their defining characteristics?	Literature research
SQ2	How is the mid-market rental sector characterised in West-Brabant and Tholen?	Literature research
SQ3	What lessons can be learned from the housing market in the Netherlands?	Empirical research
SQ4	What are the key components of the Affordable Rent Act, and what implications do these provisions have for housing associations in the Netherlands?	Empirical research
SQ5	What decision-making guidelines can be identified to enhance the efficacy of housing associations regarding the supply of mid-market rental housing in the Netherlands?	Empirical research

To answer the research question, the paper will use literature to obtain information about the topic. The empirical study will fill the gaps in the literature. With the dynamic nature of the Affordable Rent Act, semi-structured interviews are utilised to allow the participants to provide detailed insights into their experiences. The semi-structured interviews allow participants to elaborate on insights and experiences. The security and integrity of participant data is important. Data is securely stored on servers at Delft University of Technology, and appropriate measures safeguard all collected information.



# 4

## Housing associations

Section 4.1 of the chapter provides a historical overview of housing associations. Section 4.2 outlines the characteristics of housing associations. The final section, Section 4.3, serves as the concluding part of this chapter on housing associations.

### 4.1. History housing associations

Figure 4.1 shows the timeline with the most important moments in the development of housing associations. The most important moments will be discussed in further detail in this section.

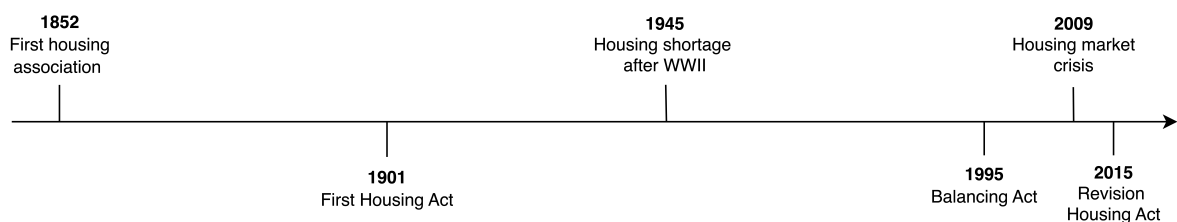


Figure 4.1: Most important moments in the development of housing associations.

#### 1852: The first housing association

The origins of the first housing association is traced back to 1852 in Amsterdam, when a private group of local citizens established the *Vereeniging ten behoeve der Arbeidersklasse*. The main reason for the establishment was hygiene. The living conditions of the workers were cramped, with bad sanitation and limited access to daylight and ventilation, which exacerbated social unrest and disease (Van Deursen, 2023). While the working class's inadequate living conditions were not unique, their concentration in urban areas was (Beekers, 2012; Bijdendijk, 2009). The impact of substandard living conditions on the health, productivity, and stability of the working class became a concern for the entire community (Elsinga and Wassenberg, 2014; NTR, 2023a). Therefore, members of the upper classes started the housing associations. The business model operated in the following manner: a newly established association would offer shares to affluent individuals, who would then become members of the housing associations (Van Deursen, 2023). By 1853, this initiative had effectively finished building 18 two-room residences furnished with privies, sinks and iron bedsteads. To finance these projects, the associations issued shares valued at f 2000 (guilders) each, approximately equivalent to € 20,000 today (Tresling 1873).

### 1901: First Housing Act (*Woningwet 1901*)

The involvement of the Dutch central government in housing increased significantly in 1901 with the introduction of the Housing Act of 1901 (*Woningwet 1901*), which included government loans for recognised housing associations. In order to finance these debts, the national and municipal governments issued bonds, which housing associations could borrow directly from the government (Blessing et al., 2014; Priemus, 2005). Housing associations were required to obtain the status of permitted institutions (*toegelaten instellingen*) in order to access these loans. This status mandated that the institutions operate as non-profit organisations, reinvesting all profits back into association members. This changed the previously established nature of associations, which were financed by upper-class members. The shares were for purchase at a price ranging from f 5 to f 100 per share. With the new wealth, housing associations had the opportunity to significantly build. One notable feature of the Housing Act 1901 is the choice to provide people's housing (*volkshuisvesting*) rather than worker's housing (*arbeidshuisvesting*). This means that there are no restrictions on individuals entering housing association properties (Van Deursen, 2023).

### 1945: Post-war housing shortage

The Netherlands experienced destruction during World War II. Numerous cities were significantly damaged by explosives from either the United States (Arnhem), the United Kingdom (Geleen), or the Germans (Rotterdam), as well as ground battles and government theft of industrial equipment (Kooij, 2010). An estimated 25% of Dutch households had damage, resulting in 300,000 families being left without housing (Van Deursen, 2023). Additionally, Indonesia's independence in 1949 led to substantial migration. Approximately 300,000 Dutch Indonesians either returned to the Netherlands or arrived on Dutch soil for the first time after the conflict (NTR, 2023b; Withuis and Mooij, 2010).

Joris in 't Veld, the minister of Reconstruction and People's Housing from 1948 to 1952 (*Wederopbouw en Volkshuisvesting*), therefore stated: "housing shortage as public enemy number one" (*Woningnood als volksvijand nummer één*) (Jonkman et al., 2020; Vrooman et al., 1999). Therefore, public housing became the policy of the central government. At that time, the state was the only body that could generate sufficient power and direction to handle the task. The central government made the housing associations an instrument to carry out this task. The associations were assigned a public duty and a public integration. The consequence was the construction of one-sided post-war housing and massive residential buildings, not palaces - as before the war - but sober and purposefully executed (Bijddendijk, 2009).

### 1995: Balancing Act (*Wet Balansverkortings Geldelijke Steun Volkshuisvesting*)

The 1988 parliamentary inquiry into building subsidies and the 1989 Heerma Memorandum represent important moments in Dutch public housing policy, which together mark the beginning of the end of an era of extensive government intervention in the housing market (Elsinga et al., 2015; Heerma, 1989). This period was characterised by a fundamental review of subsidy policy, which involved intense debate on the necessity, effectiveness and efficiency of government support for housing. These debates were not only of national importance but also coincided with broader European financial discipline prompted by the Maastricht Treaty in 1992, which encouraged member states to adopt stricter financial regulation.

The doubts about subsidy effectiveness and a tendency towards privatisation led to the financial corporatisation of housing associations in 1995. The Balancing Act (*Wet Balansverkortings Geldelijke Steun Volkshuisvesting*), or 'Operation Heerma', mentioned that housing associations should be corporatised. The motto of Heerma's policy paper was: from building to managing (Eijffinger et al., 2006). This operation involved cancelling out all outstanding loans and already committed subsidies, leaving associations to arrange their financing independently without direct government subsidies but with more managerial freedom (Van der Most, 2022).

In subsequent years, the sector underwent a significant change as housing associations adopted a more entrepreneurial approach and expanded their activities beyond the scope of traditional public housing. This new entrepreneurship had varying degrees of success, which redefined the sector within the new legal and financial framework. The housing associations were autonomous, which allowed them to fulfil their social obligations more freely and independently. However, the housing associations entered the Wild West of the private market (Van Deursen, 2023).

### 2009: Housing market crisis

In 2009, the Dutch housing market was strongly affected by the impact of the credit crisis that emerged in the United States of America (US). The debt crisis was the result of the irresponsible lending of subprime mortgages by US mortgage institutions during a period of rising house prices and low interest rates. Mortgage securitisation, which involves selling the risk of mortgage payments to investors, further fueled lending activities. However, when interest rates spiked, subprime homeowners struggled to meet their payment obligations, leading to a surge in foreclosures (Aalbers, 2016). As liabilities mounted, the housing market faced an oversupply, causing prices to plummet in response to declining demand. Housing prices depreciated due to the impact of the financial crisis (Aalbers, 2016; Elsinga et al., 2011).

The repercussions of this crisis quickly spread beyond the US, affecting financial markets and housing sectors worldwide, including in the Netherlands. As trust in financial institutions and the global economy eroded, the Dutch housing market essentially ground to a halt. Many households postponed their plans to relocate, leading to a reduction in the number of property transactions and a decrease in the average selling price of pre-owned homes. The depreciation of residential properties owned by their occupants has posed an obstacle for a portion of the most recent buyers. The value of their residences has fallen below the outstanding balance of their mortgage loans. When individuals experience a loss of income and encounter difficulties with making payments, they may find themselves in a situation where they are compelled to sell their assets in order to settle their outstanding debt (Elsinga et al., 2011; Van Os, 2014).

In the Netherlands, the major Dutch banks ING, ABN AMRO, and SNS Reaal incurred financial losses (Goddard et al., 2009; Tilburg et al., 2018). Banks became unable to offer mortgages and other loans with extended repayment periods. The banking issues triggered an economic downturn, with home sales falling by 10% and the housing market plummeting in late 2008 (Boelhouwer, 2014). The crisis also placed pressure on housing associations, which were compelled to continue rental housing projects and take over developments originally planned by commercial developers (Priemus, 2010).

### 2015: Revision Housing Act (Woningwet 2015)

The housing associations were transformed into enterprises, and housing associations were driven to adopt a market-oriented mindset. By early 2012, it became evident that an unparalleled financial crisis was occurring at Vestia, the largest housing association in the Netherlands. Vestia's enormous derivatives portfolio worth over € 23 billion is eventually bought off for around € 2.7 billion, an amount that had to be raised by hefty rent increases and extensive sales of homes by Vestia (Aalbers et al., 2021). By distributing a portion of this bill among all other housing associations in the Netherlands, it had an impact on other housing associations (Boelhouwer and Priemus, 2014; House of Representatives of the Dutch Parliament, 2014). Other housing associations also made mistakes, in addition to Vestia. Below are several researched examples that were presented in parliamentary investigation in 2014:

- Woonbron, a housing association in Rotterdam, made an initial investment in a steamship with an estimated cost of €6 million. This investment escalated to €257 million, and the ship was eventually sold to a hospitality operator for €30 million, resulting in a loss of €227 million.
- Woningstichting Geertruidenberg, a small housing association in Geertruidenberg, became the largest landowner among Dutch housing associations. However, the association incurred more loans than it had properties, leading to financial insolvency and resulting in a loss of €118 million.
- Rochdale, a large housing association in Amsterdam, was involved in questionable property transactions conducted by its director over a period of five years. The director attracted national attention by selecting a Maserati as his official car.

Furthermore, the European Union initiated discussions regarding state assistance to housing associations. The European Union discussion, crisis, and parliamentary inquiry culminated in the enactment of the Housing Act 2015. This legislation established the concept of "appropriate allocation" (*passend toewijzen*) and required a distinction between commercial activities (*non-DAEB*) and social activities (*DAEB*) in public housing. In 2013, the landlord levy (*Verhuurderheffing*) was introduced as a tax imposed on entities that possess more than ten residential properties. This legislative framework progressively increased the tax burdens on housing associations by imposing strict financial regulations and reinforcing principles such as legitimacy, transparency, and accountability.

## Summary history

In summary, the Netherlands has a rich history of housing associations that dates back to the 19th century. Housing associations, which were established in 1852, were designed to enhance the sanitation of the working class, thereby improving their living conditions. The post-World War II period was particularly challenging, as approximately one-quarter of all Dutch housing was either destroyed or severely damaged. The situation became worse with the independence of Indonesia in 1949, which led to a significant amount of migration to the Netherlands. The government's response involved substantial support for housing associations, positioning them with a public task pivotal to the housing recovery efforts.

By the 1990s, policy shifts, particularly those outlined in the Heerma Note, led to a reduction in financial subsidies for housing associations, compelling them to function more like private entities, engaging in market-oriented activities. However, the financial crisis of 2008 revealed that several housing associations had diverted from their main social housing focus to broader commercial activities, leading to scandals, financial mismanagement, and a sector-wide crisis by 2012 and more governmental oversight in 2015.

The evolution of Dutch housing associations is depicted in a triangular model (Figure 4.2) by Van Deursen in 2023, illustrates the transition for housing associations through three key phases: the social housing associations started as social entities for the working class. Post-war shortages resulted in the public phase, during which housing associations became the key cornerstone for rebuilding the Netherlands. The last phase, the private phase, resulted after the associations were corporatised and acted as private companies, resulting in scandals and more governmental oversight.

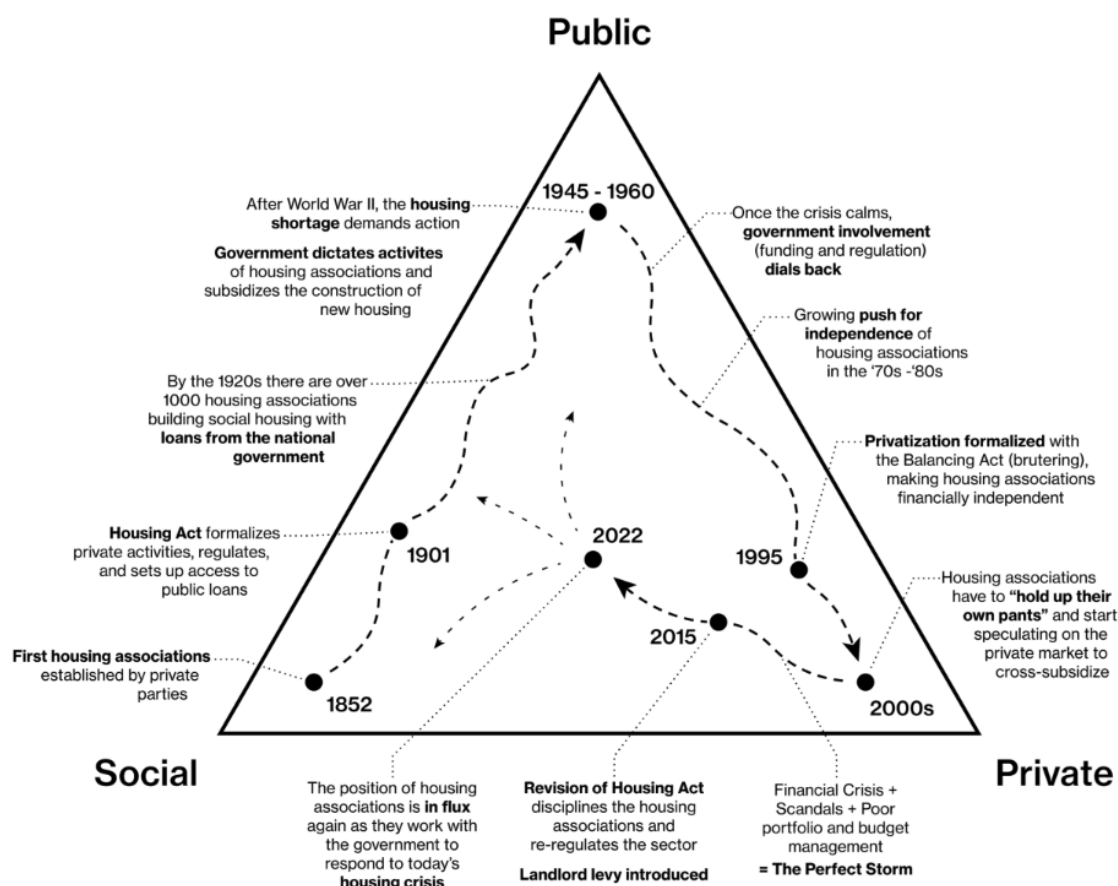


Figure 4.2: The historical role and importance of housing associations in institutional contexts (Van Deursen, 2023).

## 4.2. Characteristics housing associations

The history of housing associations in the Netherlands illustrates the various phases that housing associations have experienced. Currently, housing associations are primarily providing social accommodation. The key feature of these associations is the financing methods for projects facilitated through the "*Waarborgfonds Sociale Woningbouw (WSW)*", which supports the construction of social housing.

The WSW-guarantee system includes a number of safeguards to ensure that associations are able to make timely adjustments to maintain continuity and avoid financial difficulties. The WSW implements a three-layered collateral structure, which provides financiers with a higher degree of security. The structure is as follows: the primary layer is comprised of the financial assets of the guaranteed housing association, the secondary layer is formed by the WSW's guarantee reserve, and the tertiary layer is supported by the backstop provided by state and municipal governments (Elsinga et al., 2011).

Housing associations can utilise WSW-guarantees for projects classified as *Diensten van Algemeen Economisch Belang (DAEB)*, or Services of General Economic Interest. The risk associated with financing DAEB projects is exceptionally low due to the WSW-guarantee, which holds a triple-A rating. In contrast, for non-DAEB projects, the WSW-guarantee is not applicable, resulting in a higher risk for lenders (Aedes, 2022).

## 4.3. Conclusion housing associations

The Netherlands has a long history of housing associations, which can be traced back to the efforts of the upper class to enhance the living conditions of the working class by promoting improved sanitation. This development, which improved the social and sanitary standards, was formally institutionalised in 1901. From then on, housing associations could use government funding for their projects.

Damage was caused by World War II, in which about a quarter of all Dutch houses were damaged or destroyed. In response, the government-funded housing associations had to address this crisis, making these associations central to the recovery of the housing market. The housing associations were entrusted with the public responsibility of addressing the housing shortage, a crisis that Joris in 't Veld, the Minister of Reconstruction and People's Housing from 1948 to 1952, described as the "*housing shortage as public enemy number one*" (Jonkman et al., 2020; Vrooman et al., 1999).

In the 1990s, the Heerma Note signalled a shift in policy by phasing out financial subsidies, which forced associations to operate as private institutions without government subsidies. This marked a transition to more market-oriented activities. The financial crisis of the late 2000s exposed that numerous housing associations had shifted their primary focus from social housing to non-core activities, which was partially the result of diversification. This culminated in 2012 when the sector was plunged into a crisis as a result of financial instability, controversies, and mismanagement. In response, the government implemented the Revision of the Housing Act, which, among other things, returned housing associations to their core mission.

Currently, housing associations are fundamentally defined by their core mission of providing social housing. Housing associations benefit from funding through the WSW-guarantee, which allows housing associations to borrow money at lower than market interest rates. The favourable borrow conditions can be attributed mostly to the assurances and standards that projects must satisfy in order to be eligible for WSW. Only projects aimed at social housing are eligible for WSW-support. Projects in the mid-market housing segment do not qualify for the specified criteria and are consequently ineligible for WSW-financing. As a result, housing associations will need funding at significantly higher interest rates within the mid-market.



# 5

## Mid-market housing

This chapter delves into mid-market housing in the Netherlands, beginning with its historical context in Section 5.1. Afterwards, the defining characteristics of mid-market housing are explained in Section 5.2. Section 5.3 examines the mid-market housing in West-Brabant and Tholen. The chapter concludes with the summary of the key findings in Section 5.4.

### 5.1. History mid-market housing

After World War II, the Netherlands suffered greatly; several cities were severely damaged by either German (Rotterdam), American (Arnhem), or British (Geleen) bombs, ground battles, and government robbery of industrial equipment (Kooij, 2010). Therefore, the Netherlands received a significant part of the Marshall help (Tarnoff, 2018). The Marshall assistance was partially utilised for construction, which resulted in the standardisation, industrialisation, and normalisation of the construction industry (Bossuat, 2008). The Dutch decision-makers concurred that the most effective method of resolving the issue is to encourage the development of large-scale innovations that can construct entire neighbourhoods in one go (Heynen, 2010). The period is characterised by the introduction of large amounts of subsidy and strong rent regulation (Elsinga and Lind, 2013b).

The economic upheaval resulting from the oil shocks in the late 1970s and early 1980s had a significant impact on the growth of the Dutch mid-market housing sector. During this period, experts in housing and policymakers began looking into mid-market housing as feasible substitutes for traditional housing models. This emancipation of the middle class was facilitated by public housing. The organisation attracted a broad range of supporters and catered to a diverse demographic (Elsinga, 2015).

This investigation resulted in the development of innovative housing solutions such as Socially Owned Property (*Maatschappelijk Gebonden Eigendom*) and, subsequently, Growing Ownership (*Groeiend Eigendom*). These models were developed in response to the economic turmoil caused by the crisis, which resulted in a decline in the housing market, rising housing expenses, and a reduction in affordability, particularly impacting families with lower incomes (Elsinga, 2005). The decrease in public benefits and wages, combined with rising mortgage interest rates, rendered homeownership increasingly unattainable for a large number of individuals (Marlet et al., 2009).

Socially Owned Property made efforts to offer a secure and affordable housing solution for individuals in the lower and middle-income brackets. This model was especially pertinent during the crisis, which led to a substantial accumulation of residual debt for many former homeowners as a consequence of the decrease in house prices (Conijn et al., 2002).

In 1995, the Netherlands implemented a legislative change known as the Balance Reduction Act on Financial Aid for Housing (*Wet Balansverkortings Geldelijke Steun Volkshuisvesting*) aimed at fostering financial autonomy among these organisations. The associations initiated the exploration and introduction of alternatives to traditional social housing (Heerma, 1989). This period was characterised by the emergence of a variety of housing models, such as mid-market housing, that deviated from the conventional social housing frameworks. However, since the publication of the Balance Reduction Act in the 1990s, housing programming has been less prescriptive and only indicative in nature (Boelhouwer, 2003). This transformation emphasises the influence of legislative modifications on the strategic development and operational dynamics of the housing sector (Aalbers et al., 2017).

## 5.2. Characteristics mid-market housing

Housing in the mid-market rental segment potentially performs the function of a hub in a balanced housing market: households can use the properties to move up, move on and move back (Van Gijzel, 2018a). Mid-market rental housing can facilitate the transition of tenants from social housing to the private rental sector, as well as the movement between renting and homeownership. In addition, below-average rental properties provide a place for people who want to sell their homes to free up assets and capital. This pathway facilitates the availability of residential properties in both the owner-occupied and social sectors.

The Affordable Rent Act established the mid-market rental sector, with rents determined by the residential assessment system ranging from € 879.66 per month for 143 points to € 1157.95 per month for 186 points as of 1 July 2024 (De Jonge, 2024a; Ministry of the Interior and Kingdom Relations, 2024a). Van Gijzel offers an in-depth description of the mid-market rental sector in 2018b, expanding on further details and criteria as follows:

- People who do not want to buy a house and would like to remain flexible, for example, because of their profession, contract or life stage;
- People who consciously choose a rental property because they do not want to take a risk in terms of assets or do not want to be responsible for home maintenance;
- Households that are ineligible for a social rented house due to their financial situation but are unable to purchase a house due to high purchase prices or strict mortgage requirements;
- Individuals who are entering the housing market for the first time;
- Knowledge workers seeking temporary housing in the Netherlands;
- Elderly people who want to sell their owner-occupied home to free up equity;
- Households that currently still live in a council house but would like to move on to households currently living in a housing association house but would like to move on to a house that better suits their housing needs.

The mid-market housing sector is intended to serve the middle-income. Therefore, it is essential to identify which incomes are categorised as middle-income. The paper adheres to the income categorisation established by In.Fact.Research in 2023d, which is determined by the price levels of 2022. The framework classifies households into distinct income brackets, including those with middle incomes:

- Low-middle-income households are characterised as single-person units with annual earnings falling within the range of € 40,765 to € 47,948. For multi-person units, low-middle-income households are defined as those with annual incomes ranging from € 45,014 to € 55,486.
- High-middle-income households refer to single-person households with annual incomes ranging from € 47,948 to € 56,527 and multi-person households earning between € 55,486 and € 75,369 per year.

In this study, the middle-income group is defined without making a distinction between individuals who earn low-middle and high-middle incomes. The middle-income range for a single person is defined as earning between €40,765 and €56,527 per year. The middle-income range for multi-person households is defined as earning between €45,014 and €75,369 per year.

### 5.3. Mid-market housing West-Brabant and Tholen

This section provides insights into the mid-market rental sector in the different regions. This section starts with the housing composition in the Netherlands. The housing composition of the municipalities of Bergen op Zoom, Tholen, Roosendaal, Woensdrecht, and Steenbergen will be specified subsequently.

#### Mid-market housing in the Netherlands

In order to assess the mid-market housing in West-Brabant and Tholen, it is crucial to compare it with the overall housing situation in the Netherlands. The housing composition in the Netherlands is predominantly characterised by a majority of dwellings owned by their occupants, constituting 57% of the total housing supply. This is followed by social rental units provided by housing associations, which account for 29%. Lastly, rental units that have been made liberalised make up 14% of the housing market. The statistics are visually depicted in Figure 5.1.

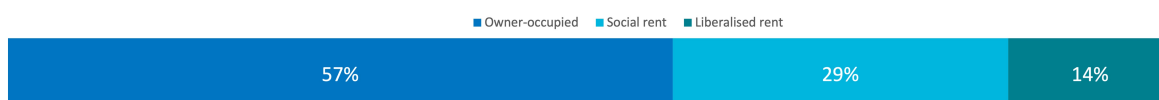


Figure 5.1: Housing tenure in the Netherlands (adoption from: CBS, 2024a; Waar Staat Je Gemeente, 2024).

#### Mid-market housing Bergen op Zoom

Bergen op Zoom housing market consists of 59% out of owner-occupied houses, 31% is social rent, and 10% is liberalised rent. Bergen op Zoom exhibits a significant divergence from the national averages in the Netherlands. Specifically, the percentage of social rental units is 4 points lower, representing a 25% smaller portion compared to the national average. In contrast, the national figure is 2 percentage points lower than the social rent percentage, resulting in a 6% increase. Furthermore, the proportion of owner-occupied units exceeds the national average by 2 percentage points, which is equivalent to a 3% increase. The statistics are visualised in Figure 5.2.



Figure 5.2: Housing tenure in Bergen op Zoom (adoption from: Waar Staat Je Gemeente, 2024).

To enable a comprehensive analysis of the rental market specifics, 5.1 provides detailed data. The most substantial increase is observed within the price range of € 442 to € 633 per month. The overall share of mid-market rentals remains relatively small. Data spanning from 2022 to 2030 and from 2030 to 2040 pertain to the Woondeal variant (In.Fact.Research, 2023a).

Table 5.1: Summary of rental units by monthly price range and year in Bergen op Zoom (In.Fact.Research, 2023a).

Monthly rent	2022	2022-2030	2030-2040
Until € 442	1545	5	45
€ 442 to € 633	6140	225	190
€ 633 to € 679	1035	35	30
€ 679 to € 763	1215	105	120
€ 763 to € 1000	1500	290	265
More than € 1000	455	55	45
<i>Total houses</i>	<i>11,890</i>	<i>710</i>	<i>695</i>

Mid-market housing Tholen

In Tholen, the housing market is characterised by a significant number of homes that are owned by their occupants, making up 72% of the overall housing supply. Socially rented units account for 22%, while liberalised rentals comprise 6%. The data for the Tholen housing market reveal a clear disparity in the distribution of housing types when compared to the national averages. The liberalised rent proportion is decreased by 55% as a result of an 8 percentage point reduction compared to the national average. This is most likely attributable to the substantial number of owner-occupied units in Tholen, which exceeds the national average by 25% as a result of a 15 percentage point increase in owner-occupied dwellings. In contrast, the proportion of social rent units is 24% lower than the national average, resulting in a 7 percentage point decrease in comparison to the average. The visualisation is provided in Figure 5.3



Figure 5.3: Housing tenure Tholen (adoption from: Waar Staat Je Gemeente, 2024).

To conduct a more detailed analysis of the rental market in Tholen. The table displays the number of rental houses available for each rent amount in Table 5.2. The table indicates that the category between €442 and €633 has the highest number of rental units, while there is a small rise in the number of units priced above €1000. The data from 2022 to 2030 and from 2030 to 2040 are from the Woondeal variant (In.Fact.Research, 2023c).

Table 5.2: Summary of rental units by monthly price range and year in Tholen (In.Fact.Research, 2023c).

Monthly rent	2022	2022-2030	2030-2040
Until € 442	475	0	15
€ 442 to € 633	1680	160	125
€ 633 to € 679	250	20	20
€ 679 to € 763	320	35	60
€ 763 to € 1000	170	40	40
More than € 1000	65	10	10
Total houses	2960	265	270

Mid-market housing Steenbergen

In Steenbergen, the housing market consists primarily of owner-occupied residences, consisting of 70% of the entire housing market. The social rent sector comprises 22% of the entire housing stock, while the liberalised rent sector accounts for 8% of the entire housing stock in Steenbergen. The visualisation of the housing tenure in Steenbergen is provided in Figure 5.4.

The rate of home ownership in the Netherlands is 23 percent above the national average. In the Netherlands, the liberalised market is 44 percent lower than the national average. The national average is 14 percent, while Steenbergen’s percentage is 8 percent. The social housing sector has a rental rate that is 23 percent below the national average.



Figure 5.4: Housing tenure Steenbergen (adoption from: Waar Staat Je Gemeente, 2024).

Table 5.3 provides detailed information about the rental housing situation in Steenberg. The largest rental category is the € 442 to € 633 class. The biggest category is not classified as mid-market due to its considerably lower rent.

Table 5.3: Summary of rental units by monthly price range and year in Steenberg (In.Fact.Research, 2023b).

Monthly rent	2022	2022-2030	2030-2040
Until € 442	420	0	-20
€ 442 to € 633	1635	90	10
€ 633 to € 679	265	10	5
€ 679 to € 763	285	15	20
€ 763 to € 1000	315	50	40
More than € 1000	70	15	10
Total houses	2990	180	65

Mid-market housing Roosendaal

Roosendaal comprises 62% owner-occupied housing, 28% social rent, and 10% liberalised rents. Roosendaal has a 9 percent higher proportion of owner-occupied housing, a 27 percent lower liberalised housing sector, and a 4 percent lower social renting sector than the Netherlands. Figure 5.5 presents the housing tenure in Roosendaal in 2024, which was adapted from Waar Staat Je Gemeente.



Figure 5.5: Housing tenure Roosendaal (adoption from: Waar Staat Je Gemeente, 2024).

The rental price data for the municipalities of Roosendaal and Woensdrecht were not available.

Mid-market housing Woensdrecht

The municipality of Woensdrecht has a majority of 72% owner-occupied houses, with 19% social rent and 9% liberalised rents. Woensdrecht has a 27% larger owner-occupied sector, a 37% lower liberalised housing sector, and a 35% lower social housing sector compared to the national average. Figure 5.6 presents the housing tenure in Woensdrecht in 2024, which was adapted from Waar Staat Je Gemeente.



Figure 5.6: Housing tenure Woensdrecht (adoption from: Waar Staat Je Gemeente, 2024).

## 5.4. Conclusion mid-market housing

In conclusion, the development of mid-market housing in the Netherlands has been influenced by important historical, economic, and legislative factors. Following World War II, the country underwent significant reconstruction efforts, which were funded by the Marshall Plan. These efforts aimed to standardise and industrialise construction practices, with a particular emphasis on addressing housing shortages through heavily subsidised and regulated methods. The economic difficulties caused by the oil shocks in the 1970s led to the development of programmes which included Socially Owned Property and Growing Ownership. These projects aimed at ensuring affordability, particularly for the emerging middle class.

The Balance Reduction Act on Financial Aid for Housing, which was enacted in the Netherlands in 1995, encouraged the development of alternative housing models, including mid-market options, and promoted financial independence among housing associations, diverging from traditional social housing frameworks. Housing policies became less directive after the Balance Reduction Act, primarily serving as guidelines which reflect the strategic and operational aspects of the housing sector that have been influenced by legislative changes.

The Affordable Rent Act has established the mid-market rental sector as a new component of the Dutch housing market. The Affordable Rent Act categorises mid-market rentals as those with monthly rental prices ranging from € 879.66 per month for 143 WWS points to € 1157.95 per month for 186 WWS points.

The high number of homes owned by their occupants in the specified regions has a notable influence on the structure of the housing market, thereby affecting the size of the mid-market rental sector. Table 5.4 provides a summary of the proportions of housing ownership in various municipalities in the Netherlands, as well as a comparison to the national average. Table 5.4 highlights that the percentage of homes owned by their occupants in these municipalities is considerably greater than the national average. This analysis emphasises the disparities in housing ownership across various regions.

**Table 5.4:** Overview composition housing the Netherlands and municipalities (adoption from: CBS, 2024a; Waar Staat Je Gemeente, 2024).

Region	Purchase	$\Delta$ purchase*	Liberalised	$\Delta$ liberalised*	Social	$\Delta$ social*
Netherlands	57%	-	14%	-	29%	-
Bergen op Zoom	59%	3%	10%	-25%	31%	6%
Tholen	72%	25%	6%	-55%	22%	-24%
Steenbergen	70%	23%	8%	-44%	22%	-23%
Roosendaal	62%	9%	10%	-27%	28%	-4%
Woensdrecht	72%	27%	9%	-37%	19%	-35%

\* indicates that the columns represent the relative changes in each category, benchmarked against baseline figures from the Netherlands.

The following chapter will provide an in-depth examination of the different legislation for mid-market housing in the Netherlands.



# 6

## Legislations on mid-market

This chapter provides an in-depth analysis of the legislation governing the mid-market sector in the Netherlands. The chapter starts with different legislation on the mid-market rental sector in the Netherlands in Section 6.1. The next section will explain the broad legislation on mid-market housing in the Netherlands; these include tax law and local legislation in Section 6.2. The chapter concludes with a summary synthesising the main legislation influencing the mid-market sector in Section 6.3.

### 6.1. Legislation on mid-market rental sector

This analysis specifically focuses on legislation that is applicable to the mid-market rental sector. The various legislations are listed in chronological order, starting with the oldest.

#### 6.1.1. Nijboer Act (*Wet Nijboer*)

In 2021, the Maximum Rent Increases for Liberalised Rental Agreements Act (*Wet Maximering Huurprijsoverhogingen Geliberaliseerde Huurovereenkomsten*) was introduced, commonly known as the Nijboer Act. This legislation, which was recently extended until 2027, establishes specific limits on annual rent increases within the liberalised sector (Government of the Netherlands, 2024a). Under this law, landlords may only increase the rent for existing contracts in the next five years by a percentage equal to the rise in earnings or inflation, plus an additional one percentage point (Senate of the Dutch Parliament, 2024a).

#### 6.1.2. Good Landlordship Act (*Wet Goed Verhuurderschap*)

In 2023, the Good Landlordship Act (*Wet Goed Verhuurderschap*) was introduced, a legislative measure that subjects landlords within the liberalised rental sector to strict standards on various aspects of rental practice. This legislation promotes an equitable rental market by setting explicit regulations for service costs, rent rates, and the mandatory use of written leases. Violations of these regulations result in substantial fines, with the law aiming to protect tenants from unethical rental behaviour (Ministry of the Interior and Kingdom Relations, 2023).

Landlords are required to disclose tenant selection procedures and provide a rationale for the selected tenant. In addition, landlords are required to clarify the rights and duties of the tenant regarding deposit and service charges. Municipalities play an important role by establishing hotlines to receive complaints, and the municipality has the authority to prohibit unlicensed rentals (Ministry of the Interior and Kingdom Relations, 2023). The legislation grants municipalities the authority to deny rental licences in instances of landlord offences or violations of the Housing Act (Schelhaas, 2023).

### 6.1.3. Fixed-Term Lease Act (*Wet Vaste Huurcontracten*)

Introduced in 2023, the Fixed-Term Leases Act (*Wet Vaste Huurcontracten*) introduced changes to Dutch rental legislation by ending the possibility of offering two-year temporary leases (Senate of the Dutch Parliament, 2024b). The primary objective of this legislation is to improve the stability and security of renters by offering permanent leases. There are exceptions that apply to specific groups that require the flexibility offered by transient rental contracts. Despite the prevalent preference for long-term contracts, particular categories are nonetheless eligible for interim leases, as specified by law (Senate of the Dutch Parliament, 2024b). These categories are composed of:

- Students: As a result of their study stay being of a transient nature.
- Tenants who are temporarily displaced due to home renovations or essential work: Individuals who are compelled to temporarily reside in an alternative location.
- Seekers of urgent housing are individuals in critical need of housing.
- Whoever may require a temporary solution until a more permanent circumstance arises are divorced parents.
- Permit holders (status holders): Individuals awaiting permanent accommodation and arriving at a Central Agency for the Reception of Asylum Seekers (*Centraal Orgaan opvang asielzoekers*) location.

### 6.1.4. Affordable Rent Act (*Wet Betaalbare Huur*)

The Affordable Rent Act (*Wet Betaalbare Huur*) imposes rent restrictions on residences with a WWS score ranging from 143 to 186, capping the maximum monthly rent at € 1157.95. The Affordable Rent Act extends the existing *Woningwaarderingssstelsel* (WWS). According to the existing regulations, the WWS sets a threshold of 143 points, equal to a monthly rental price of € 879.66. If the monthly rental is above the threshold corresponding to the maximum legally mandated price per WWS point, then tenants can approach the Rent Commission (*Huurcommissie*) within six months to appeal the contract. If they fail to do so within this time period, they forfeit the right to challenge the contract and are obligated to adhere to the contract.

In addition to the higher WWS threshold, the Affordable Rent Act will also strengthen the enforcement authority of the Rent Commission. More precisely, if a newly signed rental lease agreement surpasses the predetermined WWS point threshold, the landlord may face substantial penalties, hence enhancing the efficacy of the WWS point system (De Jonge, 2024a).

On April 25, 2024, the House of Representatives voted in favour of the Affordable Rent Act by Cabinet-Rutte VI (Senate of the Dutch Parliament, 2024c). Currently, the Cabinet-Schoof, composed of four parties in the House of Representatives, is in power. These parties, listed in order of size, are the Party for Freedom (*Partij voor de Vrijheid*, PVV) with 37 seats, the People's Party for Freedom and Democracy (*Volkspartij voor Vrijheid en Democratie*, VVD) with 24 seats, the New Social Contract (*Nieuw Sociaal Contract*, NSC) with 20 seats, and the Farmer-Citizen Movement (*BoerBurgerBeweging*, BBB) with 7 seats (NOS, 2023). Mona Keijzer (BBB) has been appointed as the new minister of Public Housing and Spatial Planning. The voting result for the Affordable Rent Act in the House of Representatives on April 25, 2024, is as follows:

**Voted in favour of the Affordable Rent Act in the House of Representatives:**

CDA, ChristenUnie, D66, DENK, GroenLinks-PvdA, NSC, PvdD, PVV, SP and Volt

**Voted against the Affordable Rent Act in the House of Representatives:**

BBB, FVD, JA21, SGP and VVD

The Senate voted on 25 June 2024 in favour of the Affordable Rent Act (Senate of the Dutch Parliament, 2024c). The voting score in the Senate of the Dutch Parliament is as follows:

**Voted in favour of the Affordable Rent Act in the Senate:**

CDA, ChristenUnie, D66, DENK, GroenLinks-PvdA, OPNL, PvdD, PVV and SP

**Voted against the Affordable Rent Act in the Senate:**

BBB, FVD, JA21, SGP, VVD and 50PLUS

## Amendments

On 25 April 2024, the Dutch House of Representatives voted in favour of Affordable Rent Act (House of Representatives of the Dutch Parliament, 2024a). On that day, also multiple amendments were voted in favour, resulting in various outcomes for the Act. Since the VVD and the BBB have voted against the Affordable Rent Act, it is important to acknowledge the votes of all parties in the Netherlands. Therefore, this paper has summarised the amendments that have been voted in favour of by the Dutch House of Representatives. The voting details of each amendment have been summarised in Table 6.1.

**Table 6.1:** Summary of adopted amendments and voting details (House of Representatives of the Dutch Parliament, 2024a).

Amendment	Short title	Detailed description
48	Extending new construction surcharge	New construction surcharge until 2028 with the possibility of extension.
52	Sustainability measures encouragement	Encouraging sustainability measures above the liberalisation threshold.
54	Low energy performance scoring	Low WWS-score for low energy performance buildings.
Art II, A, 45	Service charge assessment	Assessment of service charges for all renters via the Rent Committee.
Art V, part E, 57	Higher habitual at-fault landlord penalties	Higher fees for landlords repeatedly judged at fault by Rent Committee.
Art VI, 56	Evaluation of the Affordable Rent Act	Specification of the evaluation of the Affordable Rent Act every five years.
Sect Aa, 41	Mid-rent housing designation	Obligation to motivate designation of mid-rent housing.
Sect Ja, 44	National Monuments surcharge	35% surcharge for National Monuments.
Sub-amend 61	Limiting construction surcharge duration	End of the new construction surcharge after 20 years.

### Voted in favour of amendment:

48: BBB, CDA, ChristenUnie, D66, FVD, NSC, PVV, SGP, VVD and Volt

52: CDA, ChristenUnie, D66, GroenLinks-PvdA, JA21, PvdD, PVV, SGP and Volt

54: CDA, ChristenUnie, D66, DENK, GroenLinks-PvdA, NSC, PvdD, PVV and SP

Art II, A, 45: CDA, ChristenUnie, D66, DENK, GroenLinks-PvdA, NSC, PvdD, SP and VVD

Art V, part E, 57: BBB, CDA, ChristenUnie, D66, DENK, GroenLinks-PvdA, JA21, NSC, PvdD, PVV, SP and VVD

Art VI, 56: BBB, CDA, ChristenUnie, D66, DENK, FVD, GroenLinks-PvdA, NSC, PvdD, PVV, SGP, SP and VVD

Sect Aa, 41: CDA, ChristenUnie, D66, DENK, GroenLinks-PvdA, NSC, PvdD, PVV, SP, SGP and VVD

Sect Ja, 44: BBB, CDA, ChristenUnie, D66, FVD, JA21, NSC, PVV, SGP, VVD and Volt

Sub-amend 61: CDA, ChristenUnie, D66, DENK, FVD, GroenLinks-PvdA, NSC, PvdD, SP and VVD

### 6.1.5. The Public Housing Control Act (Wet Regie op de Volkshuisvesting)

The Public Housing Control Act (*Wet Regie op de Volkshuisvesting*), currently awaiting consideration in the Senate, will provide the central government with the means to coordinate the planned increase in construction activity while establishing clear priorities on a national level. The Act introduces amendments to existing laws such as the *Omgevingswet* and *Woningwet*, focusing on three main areas: regulating the number and location of housing units, ensuring affordable and equitable housing distribution, and strengthening local performance agreements.

One important goal is to require that a minimum of two-thirds of new housing developments be comprised of affordable homes, which would include both social and middle-income housing. The Act also requires municipalities to integrate housing strategies for vulnerable groups, ensuring comprehensive support across the housing sector (Aedes, 2023c).

The Act seeks to integrate these priorities into the legal framework in order to establish a coordinated approach to housing development that addresses present and future needs, while also ensuring social fairness and regional balance (Aedes, 2023c).

## 6.2. Broader legislations on mid-market housing

To provide an overview of relevant legislation affecting the mid-market housing sector, several aspects must be addressed. First, the fiscal legislation will be discussed in Subsection 6.2.1. Additionally, Subsection 6.2.2 will provide an analysis of local legislation, focusing on two important laws that impact the local housing market.

### 6.2.1. Fiscal legislation

Several fiscal legislations impact the mid-market, and new modifications to Dutch tax law directly impact the return of real estate investments. This subsection will briefly summarise the most significant changes to give an overview of fiscal legislation in the real estate market.

#### Box 3 tax (box 3 belasting)

A significant fiscal reform for investors is the adjustment to the calculation of capital gains tax, known as the box 3 tax (*box 3 belasting*), which taxes earnings from savings and investments. The Tax Authorities had previously assumed that individuals with greater wealth would have a larger portion of their assets invested, leading to higher returns on investment. As a result, these individuals were subject to higher taxes on greater fictional profits compared to those with lower levels of wealth.

The calculation of the box 3 income violated both European property rights and the principle of equality. Therefore, in 2021, the Council of State (*Raad van State*) determined that box 3 required restructuring (Council of State, 2022). Therefore, the goal of the redesigned box 3 is to more accurately correspond with the tangible advantages obtained from savings and assets. Starting in 2023, the taxation system will no longer be based on fictional profit but instead on real profit (FD, n.d.).

The new system calculates potential returns based on the type of asset, although these returns are still hypothetical. Assets can be classified into three distinct categories (FD, n.d.):

1. Bank deposits and cash, for which a provisional yield of 0.01% has been established.
2. Other assets, such as investments, for which a provisional yield of 6.17% applies.
3. Debts, for which a negative yield of 2.46% is presumed. Taxation at a rate of 32% will be imposed on the net yield remaining after that in 2023.

#### Vacant value ratio (leegwaarderatio)

The property value (*WOZ-value*) of a residence that is rented out on a permanent basis is partially considered in box 3 for capital gains tax, and the computation is based on the vacant value ratio (*leegwaarderatio*). This unique ratio, only known in the Netherlands, represents the WOZ-value between the yearly rent and the WOZ-value of the house. For instance, if a house has a WOZ-value of €405,000 and an annual rent of €15,600, the vacant value ratio would add up to 90%. This indicates that 90% of the WOZ value is accounted for as assets in box 3 (Van Hoeflaken, 2023).

The vacant value ratio experienced a significant increase in 2023, thereby elevating the amount considered in the calculation of capital gains tax. The significantly increased vacant value ratio leads to a greater tax liability in box 3 (Tax Administration, 2024b). Additionally, recent changes specifically affect rental residences occupied by a student child, where the vacant value ratio is no longer applicable, and the entire WOZ-value is included in box 3 (FD, n.d.).

#### Transfer tax increase (verhoging overdrachtsbelasting)

The increase in transfer tax (*verhoging overdrachtsbelasting*) implemented two transfer tax rates: a standard rate and a lower one. Starting on January 1, 2021, the standard rate is 8%, while the reduced rate of 2% applies exclusively to real estate purchased as the buyer's primary residence (Tax Administration, 2024c). Additionally, an important exception was established. The general rate applies to purchases that do not qualify for the reduced rate or exemption, including holiday homes, second homes, commercial properties, and investment properties (Berkhout and Oostenrijk, 2024). Investors faced a significant change when the transfer tax rate for non-residential assets increased from 8% to 10.4%, effective January 1, 2023. However, the reduced rate for owner-occupied residences remains unchanged at 2% (FD, n.d.).

**Gift tax exemption for primary residence (*schenkingsvrijstelling eigen woning*)**

The previous legislation included a tax exemption called the "*jubel ton*" which let individuals between the ages of 18 and 40 receive a tax-free gift of €106,671 until December 31, 2022, specifically for the purpose of buying a home (Tax Administration, 2024a). This tax exemption for primary residence (*schenkingsvrijstelling eigen woning*) influenced the disparity in the housing market. As a result, the government decided to gradually eliminate the jubilee ton to encourage a more equitable housing market. Therefore, on January 1, 2023, parents could provide their children with a single tax-exempt donation of €28,947. The jubel ton will be entirely eliminated by 2024 (Berkhout and Oostenrijk, 2024).

**6.2.2. Local legislation**

This section analyses two important local legislations that affect mid-market housing in the Netherlands: the owner-occupancy requirement (*zelfbewoningsplicht*) and the landlord permit (*verhuurvergunning*). Furthermore, other legislation to protect young starters on the housing market is provided in this subsection.

**Owner-occupancy requirement (*zelfbewoningsplicht*)**

There is a growing trend among municipalities to enforce the owner-occupancy requirement (*zelfbewoningsplicht*), which mandates that property owners must reside in the homes they own. As per this legislation, only individuals intending to reside in them can purchase residences that are valued below a certain threshold. This legislation aims to decrease the availability of secondary residences and discourage speculators from buying properties, addressing the problem faced by many prospective homeowners in finding suitable housing.

The owner-occupancy requirement mandates that the purchaser must personally inhabit the property. The necessity is explicitly stated in the purchase agreement, where the buyer articulates their intention to live in the dwelling. These rules are frequently observed in properties sold through housing associations and are becoming increasingly enforced by municipalities. This measure aims to dissuade investors from participating in extensive property acquisitions (Van Hoeflaken, 2023).

**Landlord permit (*verhuurvergunning*)**

The new legislation pertaining to the landlord permit (*verhuurvergunning*) mandates that the landlord must formally apply to the local government in order to rent out the property. When a landlord requires licences for several properties within a single municipality, they go through an integrated process to evaluate compliance with requirements for both the properties and the landlord (Ministry of the Interior and Kingdom Relations, n.d.).

**Legislation to protect young starters**

In addition, several local legislations have been implemented nationally or locally to protect young starters in the market. These measures have been implemented to safeguard young tenants. Notably, buy-back protection (*Koopgarant regeling*) and transfer tax exemptions are implemented to alleviate the financial burdens experienced by young renters. Buy-back protection is a measure that limits the resale of specific properties to the public, ensuring their availability in a particular market segment. This restriction helps to prevent speculative investments. Transfer tax exemptions for individuals below a specific age offer economic assistance by decreasing the expenses of acquiring real estate, thereby enhancing affordability for young purchasers.

These measures have specific thresholds that restrict their applicability and users. Properties that surpass these thresholds are not eligible for protections and exemptions, thereby limiting the number of affordable mid-market rental houses available. Although driven by good intentions, these legislative initiatives could potentially result in less affordable rental options in the market (Francke et al., 2023).

### 6.3. Conclusion legislation on mid-market

In conclusion, the mid-market rental sector in the Netherlands is governed by a complex and extensive regulatory framework. The summary of regulations is presented in Table 6.2.

**Table 6.2:** Summary of regulation on the mid-market sector and their explanations.

Legislation	Explanation
Nijboer Act ( <i>Wet Nijboer</i> )	Limits rent increases in the liberalised sector by limiting maximum rent increase. Recently extended to 2024.
Good Landlordship Act ( <i>Wet Goed Verhuurderschap</i> )	Sets strict standards for landlords within the liberalised rented sector, with fines for violations.
Fixed-Term Lease Act ( <i>Wet Vaste Huurcontracten</i> )	Ends the possibility of offering two-year temporary leases and promotes long-term leases, with exceptions for specific target groups.
Affordable Rent Act ( <i>Wet Betaalbare Huur</i> )	Imposes restrictions on rents for properties with a certain WWS score, setting the maximum monthly rent.
Public Housing Control Act ( <i>Wet Regie op de Volkshuisvesting</i> )	Gives the central government the ability to coordinate the planned increase in construction activity and set clear priorities at the national level. Currently awaiting consideration in the House of Representatives.
Box 3 tax ( <i>box 3 belasting</i> )	Reforms the calculation of capital gain tax to more accurately reflect the real benefits of savings and wealth, with different returns for different types of assets.
Vacant value ratio ( <i>leegwaardering</i> )	Determines which part of the WOZ-value of a rented property that is included in box 3 taxes, with the higher vacant value ratio leading to higher taxes in box 3.
Transfer tax increases ( <i>verhoging overdrachtsbelasting</i> )	Increases the transfer tax for non-residential properties from 8% to 10.4%, while the reduced rate for residences serving as principal residence remains at 2%.
Gift tax exemption for primary residence ( <i>schenkingsvrijstelling eigen woning</i> )	Ends the tax exemption of gifts up to a certain amount of more than €100,000 to around €30,000, taxing wealth transfers via this route.
Owner-occupancy requirement ( <i>zelfbewoningsplicht</i> )	Require buyers to live in the purchased property themselves to curb speculation by investors and reduce the supply of second homes.
Landlord permit ( <i>verhuurvergunning</i> )	Introduces the requirement of a licence for landlords, often imposed by municipalities, to prevent houses from being bought up for rental.

The Nijboer Act, Good Landlords Act, and Fixed-Term Lease Act, among others, are indicative of the government's desire to regulate and stabilise the rental market. Additionally, fiscal regulations, particularly those related to property investment and ownership, such as the restructuring of box 3 income and changes in transfer and gift tax, have changed the appeal of housing as a means of investment.

To protect young tenants, legislation such as buy-back protection and transfer tax exemption are implemented until a certain threshold. Resulting in reasonably affordable houses being less likely to be offered as mid-market rental properties (Francke et al., 2023).



# 7

## Empirical study

This chapter presents an overview of the empirical study, starting with the empirical research framework in Section 7.1. The subsequent sections of the study examine particular subjects that are relevant to the research: the Affordable Rent Act in Section 7.2 and housing associations in Section 7.3. Subsequently, the general observations are presented in Section 7.4. The chapter ends with the conclusion about the empirical study, Section 7.5, which provides a summary of the lessons learned from the chapter.

### 7.1. Empirical research framework

In total, six interviews have been conducted in order to gain relevant information about the Affordable Rent Act in the region. Table 7.1 provides an overview of the interviewees, including their function and relevant years of experience regarding the topic. The interviewees were selected based on their knowledge of the housing market and experience on the subject or experience as a policymaker.

Table 7.1: Overview of interviewees.

No.	Type of organisation	Function	Relevant experience	Appendix
1.	Housing association	Director housing	40 - 50 years	D.1
2.	Housing association	Consultant housing	40 - 50 years	D.2
3.	Real estate developer	Project developer	10 - 20 years	D.3
4.	Real estate broker	Partner	10 - 20 years	D.4
5.	Municipality	Alderman & Policy advisor housing	30 - 40 & 0 - 10 years	D.5
6.	Municipality	Alderman housing	10 - 20 years	D.6

The interviews were conducted in a semi-structured format, which allowed the researcher to respond to the information provided by the respondents in real-time and adapt to the research conditions (Boeije, 2005). This approach enabled the researcher to gain valuable insights into the interviewees' specific professional fields. The semi-structured format also facilitated interactive discussions, encouraging the respondents to offer more detailed and nuanced explanations.

The methodology included the use of an interview protocol, detailed in Appendix C. The pre-interview phase of the protocol, described in Section C.1, entailed participant recruitment via a power-grid analysis accompanied by the participation form to ensure participants were fully informed of their rights. The structure of the interview, Section C.2, provides the interview questions that have been used during the interviews. Microsoft Teams Software was utilised, with the interviewee's permission, to record and transcribe the interviews.

Following the interviews, the post-interview protocol, specified in Section C.3, provides the steps after the interviews. This includes the revision of the transcription and the creation of a summary. The approval for the transcription and the summary is asked of each interviewee. Appendix D contains the approved summary provided by each interviewee.

7.2. Affordable Rent Act

The section on the Affordable Rent Act is organised into four subsections: the key components of the Affordable Rent Act in Subsection 7.2.1, impact on the West-Brabant and Tholen region in Subsection 7.2.2, the impact analysis in Subsection 7.2.3 and the lessons learned regarding the Affordable Rent Act in Subsection 7.2.4.

7.2.1. Key components Affordable Rent Act

On June 25, 2024, the Dutch Senate voted in favour of the Affordable Rent Act. This Act mandates the use of the rent control, *Woningwaarderingssstelsel* (WWS), in the liberalised rental sector for properties with a WWS points up to 186, accounting to € 1157.95 per month (Ministry of the Interior and Kingdom Relations, 2024a; Senate of the Dutch Parliament, 2024d). The WWS was previously only used in the social rented sector, which had a ceiling of € 879.66 per month. This regulation specifically applies to the mid-market rent segment and expands the regulated rent to properties that accumulate up to 186 points under the WWS. Therefore, the new mid-market sector emerges going from WWS points value corresponds to a maximum monthly rental cost of € 1157.95 per month.

Furthermore, the Rent Commission (*Huurcommissie*) will be available to tenants to resolve conflicts related to rent amounts, service fees, or property upkeep problems for rental homes in the mid-market segment (Senate of the Dutch Parliament, 2024d).

Mid-market rental sector included in WWS

The new legislation establishes the mid-market rental sector, which ranges from 143 WWS points, corresponding to approximately €880, to 186 WWS points, equivalent to around €1160 per month. The rental price can be increased proportionally to the number of WWS points, but it must still comply with the maximum limit set for this number.

The legislation makes the WWS points legally binding (De Jonge, 2023b). Figure 7.1 illustrates the changes that will be implemented after the first of July 2024 (Senate of the Dutch Parliament, 2024d). Previously, the liberalisation threshold was set at 143 WWS points, which accounts to € 879.66 per month. Under the Affordable Rent Act, this threshold will increase to 186 WWS points, which accounts to € 1157.95 per month. As a result, residences with up to 186 WWS points will now be subject to regulation. Residences that have more than 186 WWS points will still be categorised in the liberalised sector without rent regulations.

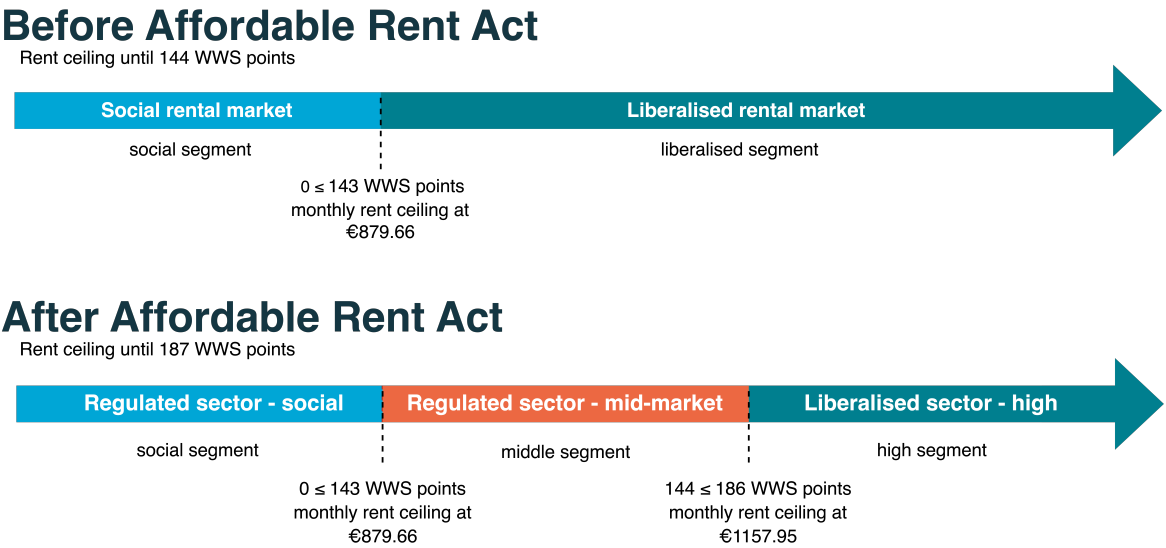


Figure 7.1: Dutch rental market explained before and after the Affordable Rent Act.

The mid-market rental sector will be the most affected by the rent cap, according to interviewees 1, 3, 4, 5, and 6.

Interviewee 1 stated that the limit for rents is the most important thing about this Act and added:

*"There are people who get quite nervous because of this, so apparently, this hits a nerve."*

Interviewee 1 noted that situations arise where rents are so high that residents only stay for a short period of time, as observed at the Lee Towers in Rotterdam. If measures were taken to address these practices, in which exorbitant rents result in short-term occupancy, these properties, which currently experience frequent turnover of tenants, could be made accessible to individuals seeking longer-term residence.

Interviewee 4 has a different perspective and predicts that the mid-market rental sector would decrease considerably due to the regulation. According to Interviewee 4, investors are selling rental houses from the market. This is what the interviewee sees in practice. The reason for that is that in the past, landlords had the ability to ask for unlimited rents, but this practice has been abolished as a result of this Act.

This is confirmed by the practical experience of interviewee 3. The respondent observes a decline in recent investments from investors. The interviewee does acknowledge that the reason for this is unclear, as it is unclear whether it is due to Affordable Rent or other upcoming regulations. Interviewee 3, a project developer at real estate developer, stated it as follows:

*"We have observed that investor activity has been very quiet lately. I am uncertain whether this is due to recent changes or upcoming regulations."*

The statement has been further clarified by interviewee 3 regarding the different upcoming legislation in the Netherlands as follows:

*"Currently, nitrogen emissions are a significant concern, but we also see the impending impact of CO2 regulations and the Paris Climate Agreements. Additionally, there is a persistent lack of confidence in the market, reminiscent of the 2009 banking crisis."*

### **Enforceable WWS**

The WWS point system is required for the new low and mid-market housing rents. Tenants now have the option to request rent evaluations from the Rent Committee (*Huurcommissie*) during their lease, which may result in reductions in rent (De Jonge, 2023b). Landlords are required to include a WWS point calculation with every new lease (De Jonge, 2023b). In addition, municipalities have the authority to enforce restrictions against excessive rental prices, which could lead to the introduction of penalties under public law.

Interviewee 2 stated that the most impact of the Act is making the WWS enforceable due to the expected increase in the number of cases filed at the Rent Committee. With the new Act, tenants of liberalised sector housing will now have the opportunity to have their rent evaluated within six months from the start of their lease. This will increase the number of cases filed at the Rent Committee, which could result in a long waiting time. During interview 2, with the housing consultant at a housing association, the interviewee made this statement:

*"I think what will become very important is that the group of liberalised homes can turn to the Rent Commission at the start of the lease."*

The interviewee stated that these results will impact housing associations the most. Moreover, the respondent stated that the housing associations are obligated to provide WWS points at the start of a lease agreement in the future. Furthermore, interviewee 2 stated that fees for the appeal would be significantly higher for both the tenant and the landlord, which could downside the effect. Interviewee 2 stated the following:

*"For example, entering into a rental agreement with excessively high rent prices can result in fines exceeding € 10,000, as I have read somewhere."*

### 7.2.2. Impact on region West-Brabant and Tholen

Most interviewees stated that Affordable Rent Act will have a minimal influence in the region West-Brabant and Tholen (interviewee 1, 2, 5 and 6). Interviewee 1, 2 and 5 state that the effect is limited because there are predominantly owner-occupied housing in the region. Interviewee 3 states that the interviewee refrains from making statements due to the limited knowledge about the region.

The reason for that is that the Dutch government has a long tradition of policy that stimulate owner-occupied houses over rental houses (Boelhouwer, 1988, 2008; Boelhouwer et al., 2014; Boelhouwer et al., 2022; Bosma et al., 2018; Elsinga and Hoekstra, 2004; Ronald and Elsinga, 2012; Van Erkel and de Waard, 1988). Furthermore, homeownership in the Netherlands is preferable to renting due to its increased security, freedom, financial benefits, and consequently, higher levels of housing satisfaction (Elsinga and Hoekstra, 2005). The question that arises during the research is why the government has not taken control already. A possible explanation for this question has been found in the paper of Boelhouwer et al. in 2022 in this paper Boelhouwer et al. stated that: A significant majority of Dutch households own their own home, almost 60% (Capital Value, 2024).

Interviewee 4 expressed concerns about the negative effects of the Act on the region, particularly its potential impact on the many small investors who are significant in the area. According to the interviewee, these investors may be compelled to sell their properties, further complicating the already challenging situation for renters searching for housing. Interviewee 4 provided the following response regarding the question of whether the respondent observed investors withdrawing from the market:

*"The stricter the regulations, the fewer (small) investors will enter the housing market. After all, banks already offer a 2.6% interest rate on a 3-month deposit. This option incurs no costs (such as property taxes, insurance, or tenant damage), has a limited impact on Box 3 taxes, and carries no risk. Additionally, investors face less hassle from tenants and experience greater convenience."*

Interviewee 5 emphasises the significance of distinguishing geographical attributes within the region. The interviewee stated that the proximity to the Natura 2000 site is significant in the Woensdrecht region. The environmental protection measures and restrictions associated with this area may limit the development of new rental housing. Interviewee 5 stated the following about nitrogen emissions:

*"In the municipality of Woensdrecht, nearly every project encounters challenges related to nitrogen regulations. I estimate that 50% of the projects are significantly affected, while the remaining projects can proceed, there are still plans that cannot move forward due to the regulation."*

The interviewee 5 mentioned that there could be nitrogen emission restrictions imposed on Bergen op Zoom and Roosendaal. However, due to the closeness to a Natura 2000 region, the municipality of Woensdrecht is at a disadvantage regarding nitrogen emissions.

### 7.2.3. Impact analysis Affordable Rent Act

The consensus on the Affordable Rent Act is varied; interviewees 1, 2, 5, and 6 express positive views, interviewee 4 holds a negative stance, and interviewee 3 has mixed thoughts regarding the Affordable Rent Act. The positive perspective is based on the favourable opinions expressed by interviewees 1, 5, and 6 regarding rent control, as well as the ability of the mid-market to approach the Rent Committee, as mentioned by interviewee 2. Interviewee 5 also mentioned that the impact on the region is limited due to the scarcity of mid-market rental housing, as there is a high concentration of owner-occupied housing. While interviewees 1, 2, 5, and 6 view the Act as feasible, some concerns have been raised by a few interviewees. Interviewee 2 expressed concern about the additional workload for the Rent Committee due to new filings, while interviewee 6 highlighted the additional workload for the municipality in terms of enforcing quality evaluation.

Interviewee 4 opposes the Affordable Rent Act primarily because it reduces the supply of rental properties in the market due to diminishing returns for small investors. This statement is confirmed by professor of Housing Systems at Delft University of Technology, Peter Boelhouwer, stated in a podcast on the Affordable Rent Act and its impact on the housing market (NPO Radio 1, 2024):

*"A slumlord is not a philanthropist; therefore, they will not retain a property if it yields no profit."*

In contrast, interviewee 1 expressed that selling the properties is not inherently negative, as it allows for new residents and throughflow. Hugo de Jonge reiterated this point during the conclusive debate in the parliament on 22 April 2024 (House of Representatives of the Dutch Parliament, 2024e):

*"The fact remains that laws can never magically make houses disappear. The house will continue to exist. If the house is no longer used as a rental, it is probable that it will be sold. It may be purchased by either another landlord or an owner-occupier, thus meeting someone's housing requirements in a different manner."*

Interviewee 3 expressed a mixed opinion, acknowledging the benefits of rent control while also noting that real estate investors may be more inclined to sell their properties, leading to a decrease in supply. While the interviewee cannot attribute these mixed feelings solely to the Affordable Rent Act, interviewee 3 is unable to separate the two.

#### 7.2.4. Lessons learned Affordable Rent Act

The first lesson learned is that the Affordable Rent Act's influence on housing associations in the regions of West-Brabant and Tholen is limited (interviewee 1, 2, 5 and 6). This minimal impact is attributed to the substantial proportion of owner-occupied residences within these areas (interviewee 1, 2 and 5). Therefore, the first lesson learned is as follows:

*The impact of the Affordable Rent Act will be limited for housing associations in West-Brabant and Tholen.*

The second lesson that emerged during the interviews regarding the Affordable Rent Act highlights the low trust in the government and the complexities of the legislative framework. Public trust in the government is notably low, as also became evident by the findings of the parliamentary inquiry into Fraud Policy and Services concerning the surcharge affairs. The inquiry's main conclusion stated: "In a hardened political and social climate, the three state powers have been blind to people and law, crushing lives" (House of Representatives of the Dutch Parliament, 2024b). The committee warned that without significant changes in government policy, similar failures could recur, potentially as soon as tomorrow.

The complexity of the legislative framework was highlighted by interviewee 3, who pointed to the difficulties in determining the impact of the Affordable Rent Act due to the multitude of existing regulations. Similarly, interviewee 2 highlighted the challenges experienced by specialists in the *Woningwaarderingssstelsel* (WWS) in accurately calculating the WWS points under the new Act. Interviewee 6 addressed the challenge of remaining informed about the ongoing legislative changes and the overwhelming number of regulations. These observations indicate a pressing requirement to simplify the legislative structure to enhance its understanding and enhance public trust in the government. From these findings, the lesson learned is as follows:

*Simplifying legislation is essential for enhancing transparency for citizens and supporting good governance practices.*

Building upon the lesson learned above, interviewees 3 and 5 have expressed significant concerns regarding the simplicity with which projects can be postponed through the appeals process. According to interviewee 3, approximately 50% of projects experience delays as a consequence of legal disputes. Currently, the Council of State (*Raad van State*), the Netherlands' highest administrative court, has an adjudication timeline of approximately two years. During this extended period, project requirements frequently change, making the initial plans possibly outdated. Interviewee 3 highlighted the personal turmoil ensuing from such delays, noting that individuals securing mortgages for new projects might face financial strains if the construction timelines extend beyond the mortgage validity—leading to potentially higher costs or expired loan terms. Consequently, the third lesson learned advocates for a more stringent approach to filing appeals to prevent delaying projects and the associated personal hardships. Therefore, the lesson learned is as follows:

*Future policy should include measures to increase the difficulty of delaying projects by appeals, whether by financial means or procedural adjustments.*

## 7.3. Housing associations

This section on housing associations is structured into four subsections: beginning with an short overview of the history of housing associations, followed by an analysis of the impact of the Affordable Rent Act on the mid-market sector for housing associations in West-Brabant and Tholen (7.3.1). The next subsection offers advice on mid-market rental for housing associations (7.3.2), and at last, the lessons learned regarding the housing associations (7.3.3).

### History of housing associations

The history of housing associations is summarised in this subsection. The insights have been provided by interviewees 1 and 2, both of whom have over 40 years of experience in housing associations. In the 1990s, there was a significant change in the relationship between housing associations and the government, as reported by interviewees 1 and 2. Prior to 1992, housing associations had a direct channel of communication with the government, with credit structures routed through the government and rent increases legislated (interviewee 2). With the implementation of the Heerma Memorandum (*Nota Heerma*) in 1992, associations gained independence and greater financial flexibility (Heerma, 1989; Appendix D.1). The government discontinued supervision of association finance, enabling them to fend for themselves. This resulted in activity in the liberalised sector and care housing (interviewee 1 and 2).

Initially, housing associations had few possibilities and mostly concentrated on social renting. With newfound independence came more options but also greater risks (Elsinga, 1995). Interviewee 2 outlines how short lines in small associations rapid decisions led to increasingly sophisticated decision-making processes. The emphasis switched from conservative policy to proactive development. The loosening of restrictions and the added flexibility caused problems with oversight (Elsinga et al., 2015). Financial mismanagement, as those at Woningstichting Geertruidenberg and Vestia demonstrated the need for greater oversight and clearer standards (House of Representatives of the Dutch Parliament, 2014). In response, the government imposed stricter regulations and increased intervention. While this has provided more stability, it has also reduced the operational flexibility of housing associations, posing a challenge to their ability to provide housing effectively.

#### 7.3.1. Impact Affordable Rent Act on mid-market in region

The Affordable Rent Act's impact on mid-market rental housing for housing associations in West-Brabant and Tholen is mixed. Interviewee 2 states that it will result in a high administrative workload. Interviewees 1, 3, and 4 states that there will be a lower supply of housing in the entire market, which could increase the demand for social housing. In contrast, the interviewees from the municipalities stated that there is a low impact on the region (interviewee 5 and 6).

According to interviewee 2, the Affordable Rent Act will significantly increase the administrative workload, particularly due to the complexities involved in calculating modernised WWS points. Interviewees 1, 3, and 4 have observed a decrease in the overall supply of rental housing, leading to an increased demand for social housing. However, interviewees 5 and 6 have reported a minimal impact on the region. Interviewees 1, 3, and 4 express concerns about the potential risk of private landlords selling their rental properties. This could end up in less rental supply and, therefore, an increased demand for (social) rental housing. On the other hand, interviewees 5 and 6 are of the opinion that the Affordable Rent Act has a negligible effect on housing associations. This is primarily due to the small size of the mid-market rental sector in the region.

Interviewee 2 expands on the views of interviewees 5 and 6, noting that the mid-market rental sector represents a new category within housing associations. Previously, the focus was primarily on social rent and the liberalised rental sector. Now, mid-market rental has emerged as a distinct segment within the liberalised sector. Interviewee 2 stated that Stadlander possesses a total of 13,779 dwellings, with 656 dwellings in the liberalised rental sector and 165 dwellings classified as mid-market rental. According to the new legislation, the current rental prices for three properties are too high and need to be reduced, as stated by interviewee 2:

*"Based on the Affordable Rent Act, three rental contracts are currently stalled because the stipulated rents exceed the new maximum allowable rent."*

### 7.3.2. Advice for housing associations

The advice for housing associations by the interviewees is broad. The advice WSW-loans for housing associations should be expanded to the mid-market rental sector (interviewee 1, 5 and 6). Housing associations have the ability to fund projects in the social sector using WSW-guarantees. The WSW-guarantee offers financing with more favourable conditions, such as enhanced loan terms and lower interest rates. Interviewee 1 focused on looking at supply through demographic changes, and Interviewee 4 focused on the gap left by the private investors, which means that it would become large if housing associations did not fill the gap that the investors would leave. Interviewee 2 focuses on the need to efficiently manage the new administrative burdens due to regulatory changes.

Interviewees 5 and 6 from the municipalities suggest that housing associations could financially benefit from the new classification by renting out properties in the mid-market sector, given the potential for higher rental income. Interviewee 6 further noted that this could be combined with the enhanced sustainability of their properties, which is costly, could be countered by renting out the property in the mid-market rental sector. Furthermore, several respondents stated that Stadlander and other housing associations need to properly investigate the needs of house seekers (interviewee 1, 2 and 3). The respondent states that it is important to take into account population composition and future developments.

In addition, associations should consider how they can contribute to throughflow, such as by facilitating the relocation of seniors to more appropriate housing and thereby making single-family homes available for new residents (interviewee 1 and 2). Interviewee 1 and 2 stated that the housing associations are restricted by the appropriate allocation (*passend toewijzen*). This results in the development of communities with a higher concentration of socio-economic challenges. The high quality of the houses would allow the housing associations to diversify the group of renters.

### 7.3.3. Lessons learned housing associations

The first lesson learned from interviews regarding housing associations is a significant problem these associations face in financing mid-market projects. The problem that housing associations face is the inability to utilise the *Waarborgfonds Sociale Woningbouw* (WSW) (interviewee 1 and 5). Housing associations can finance projects in the social sector with WSW-guarantees. The WSW-guarantee provides financing for projects at better terms, including improved loan terms and reduced interest rates. In order to tackle the problem, the mid-market should be included in the WSW-guaranteed loans. The lesson learned is as follows:

*WSW-guaranteed loans for housing associations should be expanded to include mid-market housing.*

The second lesson learned is that housing associations should be structured in accordance with the future long-term demand for housing. Housing associations should anticipate to future demand of the neighbourhood, as houses tend to remain in the neighbourhood for an extended period (interviewee 1 and 2). Interviewee 1 and 3 stated that housing associations should construct houses based on the long-term demographics and the lifestyles of the inhabitants of the region. Therefore, the lesson learned is as follows:

*The decision to construct homes should be significantly influenced by future demand, as determined by the long-term demographics and lifestyles of the population.*

The last lesson learned obtained from the housing associations is the limitations imposed by the policy of appropriate allocation (interviewee 1 and 2). The policy that followed from the Housing Act 2015, article 46, mandates housing associations to prioritise low-income households in low-rental housing, which can contribute to socio-economic challenges within certain neighbourhoods (House of Representatives of the Dutch Parliament, 2024d). Such prioritisation often leads to the creation of communities with a higher likelihood of social disturbances (interviewee 1 and 2). This situation underscores the need for a more nuanced approach to tenant selection and neighbourhood planning to mitigate the risk of exacerbating social issues and promote a balanced community dynamic. Thus, the lesson learned is as follows:

*The abolition of appropriate allocation (*passend toewijzen*) is necessary to facilitate the creation of mixed neighbourhoods.*



## 7.4. Observations from interviews

The overall observations from interviewees are summarised per group in this chapter. The paper categorises the interviews into three categories: housing associations (interviewee 1 and 2), municipalities (interviewee 5 and 6) and real estate developer and brokers (interviewee 3 and 4). This categorisation is employed to emphasise the common opinion within the groups.

### 7.4.1. General observation

This subsection will delve into the specifics of two general observations. The first observation is the imbalance between supply and demand. The second observation pertains to the increase in expectations among housing seekers.

#### Supply and demand

Interviewees 1, 3, 4, 5, and 6 all stated that the housing supply in the region of West-Brabant and Tholen is limited. Interviewee 4, a real estate broker, explicitly expressed that the decrease in supply poses a significant risk for the housing market. Interviewee 3, a project developer, gave a specific and clear example of the shortage in the region. The example pertained to a project called the Bergse Burgen in Bergen op Zoom.

*"This phenomenon is evident in the case of Bergse Buren, where Stadlander reportedly received 2000 applications for just 86 residences."*

The imbalance between supply and demand is due to several reasons, such as the inflow of foreign capital (interviewee 1 and 2) and tax legislation (interviewee 3 and 4). The imbalance between supply and demand in the Dutch real estate market can be attributed to the inflow of foreign capital and the loosening of government control in 2017, as stated by interviewees 1 and 2. Notably, Interviewee 1 referenced a statement by Stef Blok, who served as Minister of Housing and Public Services from 2012 to 2017, suggesting that he had effectively resolved the housing market issues by the end of his tenure. The literature adds to that statement that there was, according to Stef Blok, no longer any need for a specific minister for this policy area (Boelhhouwer and Nijboer, 2023; Jonkman et al., 2020).

The other reason why the supply side has been impacted, is the recent changes in tax legislation, including the modifications to box 3 income and increased interest rates, according to interviewee 4. Respondents are in agreement that housing associations and investors are motivated by profit; however, the manner in which they define profit varies (interviewee 1, 2, 3 and 5). Investors primarily focus on achieving financial gains, whereas housing associations aim to achieve a balance between financial and social benefits. Interviewee 1 gives an example of the disparities between investors and housing associations.

*"A housing association is by definition socially oriented. I'm not claiming that a private landlord is by definition antisocial, but their primary goal is to make a profit."*

In interview 3, the project developer stated that the current overstrained situation is bad for everyone, especially the lower-income groups. The measures the government has taken to address this problem have only worsened the problem, according to interviewee 3, such as the increase in borrowing limit for first-time buyers since it does not change the supply but increases the demand. Professor Marja Elsinga, an expert in housing institutions and governance, provided the following statement in line with the statements of interviewee 3 (Elsinga et al., 2011):

*"The availability of mortgages directly influences the valuation of residential properties: an increased availability of mortgages leads to a potential rise in housing prices."*

The interviewees have identified several factors that contribute to the difficulty of construction. These include nitrogen emissions (interviewee 5), objections from neighbours (interviewee 3 and 5), lack of capacity at municipalities (interviewee 3), and lack of capacity at the Council of State (interviewee 3 and 5).

**Rise in expectations**

Interviewees 1, 3 and 4 expressed that there has been a substantial rise in people's expectations. People no longer desire to reside in remote areas or far from their places of employment (interviewee 1). Interviewee 4 articulated that social media has elevated the expectations of individuals. Therefore, people have begun to set much higher demands that may not be feasible given their present situation. Interviewee 4, a real estate broker with over a decade of experience, provided a significant insight on this issue:

*"The willingness to change is often the main issue, as in the Netherlands, we are quite accustomed to the expectation that everything will always go well."*

This sentiment echoes the observations of renowned Dutch TV broker Alex van Keulen, as mentioned in an article published in the FD by Van Rein in 2024b. Van Keulen highlighted common pitfalls for new home buyers:

*"Numerous of new home buyers simply make wrong choices. Classic mistakes include setting unreasonable expectations and seeking properties that exceed your borrowing capacity."*

The fourth interviewee recounted their personal experience of purchasing a home, noting that the property did not align with their ideal expectations. The kitchen was outdated, covered with yellow decor, and the overall condition was somewhat obsolete. However, it symbolised an essential initial phase in their housing career. Interviewees 3, 4, and 6 collectively noted that there is a significant demand for recently completed, luxurious residences.

Interviewee 6, from the municipality, reported that the houses that are currently being constructed may not be the most suitable solution for the current overstretched housing situation. Interviewee 6 expressed the opinion that construction is easy for affluent individuals residing in the Randstad region. This group is attracted because the group sell their properties in the Randstad region at a profit and uses the proceeds to purchase a more luxurious and beautiful house in West-Brabant and Tholen for the same amount of money.

The paper authored by Boelhouwer and Nijboer (2023) provides a clear demonstration of the housing shortage and proposed solutions in the literature. The paper illustrates that municipalities are, in fact, focusing their efforts on housing types that extend beyond social rent, purchase, and the mid-market rental sector. In particular, municipalities express a preference for the construction of housing for first-time buyers, the elderly, individuals aged 55 and older, and lifelong housing (Boelhouwer and Nijboer, 2023).

Interviewee 4 also noted that new homes receive substantially higher bids, while older homes attract considerably less interest because potential buyers are reluctant to live in them. The statement made by interviewee 3 regarding the increase in expectations of Dutch citizens is as follows:

*"Everything must be flawless, adhering to a specific list of preferences. This results in move-in ready homes being significantly overbid, while older, dated properties receive little interest. People should consider living in these homes first, but often they are unwilling to do so."*

### 7.4.2. Group-specific insights

The group-specific insight in this subsection will explain the combined insights from the different groups. The first group consists of housing associations (interviewees 1 and 2), the second group is municipalities (interviewees 5 and 6), and the final group consist of a real estate developer and a real estate broker (interviewees 3 and 4).

#### General observations housing associations

Interviewee 1 and 2, housing associations, each over four decades of expertise in public housing, have explicitly emphasised that social housing has undergone significant changes throughout this time. There is a prevailing belief that there was little oversight during the 1990s, resulting in excessive behaviour within the association sector. After the excessive behaviours, the government implemented regulations to govern housing associations. The government changed the primary goals of housing associations to offering social housing. In addition, the government charged landlord levies on housing associations to solve a budget deficit (Boelhouwer et al., 2014; NOS op 3, 2023). The Netherlands was the only country in Europe with landlord levies for housing associations (BNR Nieuwsradio, 2024b; Stam, 2021). Resulting in a diminished financial capacity for constructing new housing or enhancing the sustainability of existing residences (NOS op 3, 2023).

Interviewee 1 emphasised the necessity of imposing stricter penalties for felonies, arguing that without substantial consequences, compliance is unlikely to improve. Interviewee 1 stated:

*"A strong deterrent is essential because people can come up with all sorts of things, but without a strong deterrent, they quickly do the maths."*

This perspective is consistent with the viewpoints expressed by Boelhouwer and Feijtel in 2023, in which they emphasise the necessity of transparent communication to municipalities regarding the illegality of imposing requirements that surpass those outlined in the building code. Boelhouwer and Feijtel are proponents of rigorous enforcement measures, advocating for the public accountability of violators.

This creates a clear field of tension between the group of established homeowners (insiders), who are generally reluctant to challenge acquired rights and privileges, on the one hand, and the smaller group of individuals entering the housing market (outsiders), who do not directly benefit from the existing market arrangement. For these outsiders, the present problems in the housing market, such as excessive prices and limited availability of affordable housing, have a considerable adverse impact (Boelhouwer et al., 2022).

#### General observations municipality

This subsection provides general statements about the conversation from interviewee 5 and 6. It was observed that local municipalities are willing to cooperate and engage in addressing the problem under study. This willingness was particularly illustrated by the fact that it was possible for the researcher to arrange interviews with four of the five councillors responsible for public housing. Interviews with these councillors and the housing policy advisor revealed that the municipalities are eager to actively engage in resolving the housing issue.

#### General observations real estate developer and broker

The observations from interviewee 3 (real estate developer) and interviewee 4 (real estate broker) are presented in this subsection. The observation is made that both the interviewees stated that there is limited supply and quality of mid-market housing in the region. Interviewee 4 states that the mid-market in the region West-Brabant and Tholen is small and of poor quality. Interviewee 3 states that this is true due to the large amount of demand for the little supply, which underscores the differences between demand and supply. In the literature in the FD of Van Rein in 2024b, renowned Dutch TV real estate broker Alex van Keulen made a clear observation about supply and demand in the housing market. Alex van Keulen stated the following:

*"Real estate agents also fuel the frenzy. They withhold too much housing market data from consumers, who then make offers based on emotion rather than on 'facts and figures'."*

Interviewees 3 and 4 both state that investors are withdrawing from the market. Interviewee 3 reports that investors are investing less in the region, while interviewee 4 reports that a significant number of properties are being sold.

### 7.4.3. General lessons learned

In this subsection, the general lessons learned from the interviewees are discussed. The first lesson learned is based on the difficulties that new entrants in the housing market face (interviewee 4). This is enhanced by the expectations of individuals significantly increased, often resulting in unrealistic standards based on their current economic opportunities (interviewee 2 and 4). It is crucial to re-evaluate the expectations of current homeowners and potential homeowners regarding the realistic conditions of the current market, as these may differ significantly from their expectations and opinions. Therefore, the lesson learned is as follows:

*Public awareness of the difficulties faced by new housing market starters must be enhanced, and starters should adjust their expectations and requirements.*

The interviews revealed a second lesson that emphasises the significance of having a clear and unified vision for public housing. Interviewee 2 highlighted the importance of a clear vision supported by a committed minister for housing. Interviewees 3 and 5 emphasised that many projects face delays as a result of appeals made to the Council of State. Furthermore, interviewee 5 observed that the construction of new homes is complicated by nitrogen emission regulations. The collective insight suggests that a streamlined approach to public housing policy is essential, as it is necessary to avoid the interference of various governmental layers on the same subject. Subsequently, the lesson learned is articulated as follows:

*A unified governmental body for public housing is important to ensure the consistent implementation of the governmental vision across all levels of governance.*

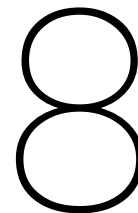
## 7.5. Conclusion empirical study

This chapter provides a detailed overview of the empirical research conducted, encapsulating the key insights from the interviews in a structured manner. The lessons learned from the interviews are presented in Table 7.2.

Table 7.2: Summary of lessons learned.

No.	Lesson learned	Section
1	The impact of the Affordable Rent Act will be limited for housing associations in West-Brabant and Tholen.	Affordable Rent Act
2	Simplifying legislation is essential for enhancing transparency for citizens and supporting good governance practices.	Affordable Rent Act
3	Future policy should include measures to increase the difficulty of delaying projects by appeals, whether by financial means or procedural adjustments.	Affordable Rent Act
4	WSW-guaranteed loans for housing associations should be expanded to include mid-market housing.	Housing associations
5	The decision to construct homes should be significantly influenced by future demand, as determined by the long-term demographics and lifestyles of the population.	Housing associations
6	The abolition of appropriate allocation ( <i>passend toewijzen</i> ) is necessary to facilitate the creation of mixed neighbourhoods.	Housing associations
7	Public awareness of the difficulties faced by new housing market starters must be enhanced, and starters should adjust their expectations and requirements.	General
8	A unified governmental body for public housing is important to ensure the consistent implementation of the governmental vision across all levels of governance.	General

The following chapter will expand on the knowledge gained from the lessons learned. The chapter will use the lessons learned as input for facilitating decision-making in the mid-market rental sector. The lessons learned serve as the basis for the decision-making guideline. Afterwards, the guideline will be used to develop a tool for quantifying the project efficacy for housing associations.



# Mid-market decision-making tool

The previous chapter, empirical study, presented the interview findings in the form of the lessons learned. This chapter aims to apply these insights in a practical manner by formulating effective strategies for mid-market decision-making for housing associations.

To start, Section 8.1 will translate the lessons learned into a set of quantitative questions. These questions, structured to elicit responses in the form of 'yes', 'no', or 'not applicable', are derived directly from the lessons learned in the empirical study. Subsequently, Section 8.2 utilises these questions as a systematic checklist to assess the most important objects within the project, with a specific emphasis on the mid-market rent. Finally, the mid-market decision-making tool, Section 8.3, provides a specialised decision-making tool designed specifically for the mid-market rental sector. The tool is designed with the objective of helping in making well-informed decisions within the mid-market sector.

## 8.1. Formulating lessons learned into quantitative questions

The lessons learned will be reformulated into quantitative questions. These questions are based on the knowledge gained from the interviews. The questions are used under multiple lessons learned. To create the questions, the research extensively examined internal documents such as papers, presentations, and other files to extract relevant information. This is primarily done to assess whether the project meets all the necessary actions, laws, and tasks. Stadlander places great importance on effectively managing the multitude of laws, deals, and agreements that are in place. As a result, the questions have integrated these diverse laws, agreements, and deals, such as the National Performance Agreements (*Nationale Prestatieafspraken*), Regional Housing Deals (*Regionale Woondeals* and *Lokale Prestatieafspraken*), and Housing Market Survey ((*RIGO*) *Woningmarktonderzoeken*) (Stadlander, 2021, 2023c). For clarity, it has been decided that after this point in this chapter, the Dutch terms will not be italicised. The names of laws, deals, and agreements are presented in their original Dutch spelling.

### Lesson 1:

*The impact of the Affordable Rent Act will be limited for housing associations in West-Brabant and Tholen.*

- Is it financially feasible to complete the project?
- Does the project fall within the WSW-guarantee?
- Is the neighbourhood fully and properly briefed on the effect of the construction project and its impact?
- Does it align with other strategic and social goals of the housing association?
- Does the new project and area vision in the region meet the current and future demand for this type of housing?
- Does the new project and area vision in the region meet the current and future building style for the dominant lifestyle per area (check with area coordinators)?

- Does the new project and area vision in the region meet current and future demographic trends (check DISCVision)?
- Does it comply with the (RIGO) Woningmarktonderzoeken?
- Does it comply with the Nationale Prestatieafspraken?
- Does it comply with the Regionale Woondeals?
- Does it comply with the Lokale Prestatieafspraken?
- Does it comply with the Ondernemingsplan?

**Lesson 2:**

*Simplifying legislation is essential for enhancing transparency for citizens and supporting good governance practices.*

- Is the neighbourhood fully and properly briefed on the effect of the construction project and its impact?

**Lesson 3:**

*Future policy should include measures to increase the difficulty of delaying projects by appeals, whether by financial means or procedural adjustments.*

- Is the neighbourhood fully and properly briefed on the effect of the construction project and its impact?
- Does this project bring differentiation within the neighbourhood or complex?

**Lesson 4:**

*WSW-guaranteed loans for housing associations should be expanded to include mid-market housing.*

- Is it financially feasible to complete the project?
- Does the project fall within the WSW-guarantee?

**Lesson 5:**

*The decision to construct homes should be significantly influenced by future demand, as determined by the long-term demographics and lifestyles of the population.*

- Does it fit within the desired portfolio?
- Is the internal knowledge about the mid-rent market sufficient for the project?
- Does this project reflect the specific housing needs within the region for the target group?
- Are there any other players in the district willing to invest in mid-market rental properties?
- Does it contribute to flow-through in the housing market/within the properties?
- Does it align with other strategic and social goals of the housing association?
- Does the new project and area vision in the region meet the current and future demand for this type of housing?
- Does the new project and area vision in the region meet the current and future building style for the dominant lifestyle per area (check with area coordinators)?
- Does the new project and area vision in the region meet current and future demographic trends (check DISCVision)?
- Does it comply with the (RIGO) Woningmarktonderzoeken?

**Lesson 6:**

*The abolition of appropriate allocation (passend toewijzen) is necessary to facilitate the creation of mixed neighbourhoods.*

- Does this project bring differentiation within the neighbourhood or complex?
- Does this project reflect the specific housing needs within the region for the target group?
- Are there any other players in the district willing to invest in mid-market rental properties?
- Does it contribute to flow-through in the housing market/within our property?

**Lesson 7:**

*Public awareness of the difficulties faced by new housing market starters must be enhanced, and starters should adjust their expectations and requirements.*

- Does this project reflect the specific housing needs within the region for the target group?

**Lesson 8:**

*A unified governmental body for public housing is important to ensure the consistent implementation of the governmental vision across all levels of governance.*

- Is the neighbourhood fully and properly briefed on the effect of the construction project and its impact?
- Does this project reflect the specific housing needs within the region for the target group?

The questions are designed to assess whether the lessons learned from the previous chapter have been incorporated into the project. In the following section, these questions will serve as input for developing the checklist.

## 8.2. Formulation quantitative questions into checklist

The questions derived from the lessons learned serve as a metric for assessing a project's alignment with key metrics for housing associations, providing guidance for mid-market decision-making. These questions act as a checklist to ensure all essential processes are examined for mid-market rent projects.

The checklist, outlined in Table 8.1, checks whether different project aspects are critically assessed. Each criterion is assessed as utilised, not utilised, or not applicable, using yes, no, or not applicable options. This structured approach facilitates a systematic evaluation of the project.

**Table 8.1:** Checklist for mid-market decision-making for housing associations.

Project criteria	Yes	No	N.A.
Is it financially feasible to complete the project?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does it fit within the desired portfolio?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the internal knowledge about the mid-rent market sufficient to complete the project?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does the project fall within the WSW-guarantee?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the neighbourhood fully and properly briefed on the effect of the construction project and its impact?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does this project bring differentiation within the neighbourhood or complex?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does this project reflect the specific housing needs within the region for the target group?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are there any other players in the district willing to invest in mid-market rental properties?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does it contribute to flow-through in the housing market/ within the properties?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does it align with other strategic and social goals of the housing association?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does the new project and area vision in the region meet the current and future building style for the dominant lifestyle per area (check with area coordinators)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does the new project and area vision in the region meet current and future demographic trends (check DISCVision)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does it comply with the (RIGO) Woningmarktonderzoeken?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does it comply with the Nationale Prestatieafspraken?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does it comply with the Regionale Woondeals?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does it comply with the Lokale Prestatieafspraken?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does it comply with the Ondernemingsplan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Abbreviations: N.A. = Not Applicable



### 8.3. Decision-making tool

The mid-market decision-making tool is based on the checklist from the previous section. These questions are embedded within an Excel model to assess the efficacy of the project. The main objective of using this Excel-based tool is to function as a pragmatic tool for decision-makers. By structuring the decision-making framework in Excel, the tool provides a clear, structured, and flexible method for housing associations to assess their projects. The tool enables the allocation of different levels of importance to various questions, taking into account the specific requirements and strategic priorities of housing associations.

#### Input decision-making tool

In the Excel model, the input is the questions derived from the knowledge gained in the previous sections. All the information in the Excel is provided in Dutch because the housing associations are Dutch, but in this paper, it is translated into English. The input of the model is as visualised in Table 8.2.

**Table 8.2:** Example input decision-making tool.

Project criterion	Yes, no, or not applicable	Weight of criterion
Is it financially feasible to complete the project?	Yes	1

The first column is the list of criteria, which are the questions derived from the lessons learned and the literature research. The list of all the criteria is visualised in Table 8.3. In order to correspond with the language preferences of Dutch housing associations, the criteria in Excel are presented in Dutch. The second column depicted the utilisation of each criterion. The user has the ability to select one of three options from a click-down menu. These are classified as 'used' (yes), 'unused' (no), or 'irrelevant' (not applicable). The third column provides the weight of each criterion. The weight of the criterion shows how important the criterion is for the housing association. If all weights are set to 1, it means that all the criteria are equally important. The housing associations have the ability to determine the significance of each criterion based on their own preferences.

**Table 8.3:** Criteria for decision-making tool.

Project criteria
Is it financially feasible to complete the project?
Does it fit within the desired portfolio?
Is the internal knowledge about the mid-rent market sufficient to complete the project?
Does the project fall within the WSW-guarantee?
Is the neighbourhood fully and properly briefed on the effect of the construction project and its impact?
Does this project bring differentiation within the neighbourhood or complex?
Does this project reflect the specific housing needs within the region for the target group?
Are there any other players in the district willing to invest in mid-market rental properties?
Does it contribute to flow-through in the housing market/within the properties?
Does it align with other strategic and social goals of the housing association?
Does the new project and area vision in the region meet the current and future building style for the dominant lifestyle per area (check with area coordinators)?
Does the new project and area vision in the region meet current and future demographic trends (check DISCVision)?
Does it comply with the (RIGO) Woningmarktonderzoeken?
Does it comply with the Nationale Prestatieafspraken?
Does it comply with the Regionale Woondeals?
Does it comply with the Lokale Prestatieafspraken?
Does it comply with the Ondernemingsplan?

## Calculations

It is important to note whether the criterion is used, not used or not applicable. Therefore, the second column in Excel categorises each criterion as used, not used or not applicable. If an indication is used, its weight is multiplied by 1; if the criterion is not used, its weight is multiplied by 0. If a criterion is deemed not applicable, it is excluded from the scoring process. This method creates a score that reflects the extent to which the project matches the relevant criteria for the housing association. The weight of each individual criterion is calculated according to Equation 8.1 as follows:

$$\text{Weight of criterion } n = \frac{w_n}{\sum_{i=1}^N w_i} \quad (8.1)$$

Where:

- $w_n$  is the weight of the  $n$ -th criterion set by housing association.
- $w_i$  are the weights of all criteria .
- $N$  is the total number of criteria in the model.
- $\sum_{i=1}^N w_i$  is the sum of the weights of all criteria.

The initial weights of the criteria are uniformly designated a value of one when constructing the model. This uniformity arises from the researcher's decision to create an unbiased framework. Housing associations can customise the evaluation model to match their specific circumstances and preferences using a flexible weighting system.

The calculation of the score for each indication is explained in Equation 8.2, which provides a methodological framework for assessing the impact of each criterion based on the responses obtained. More precisely, the score for criteria  $n$  is calculated in the following manner:

$$\text{Score of criterion } n = \begin{cases} w_n & \text{if response = "Yes"} \\ 0 & \text{if response = "No"} \\ \text{undefined} & \text{if response = "Not applicable"} \end{cases} \quad (8.2)$$

Here,  $w_n$ , represents the weight of the  $n$ -th criterion. The score is equivalent to the criterion weight when the response is "yes", which underscores its impact. In contrast, a response of "no" yields a score of zero. If a criterion is categorised as "not applicable", its score is considered undefined, indicating that it is excluded from this score process.

The determination of this maximum score is similar to that utilised for calculating the score of each criterion. However, an important adjustment is made to accommodate the situation when the answer is "no." The maximum scoring calculation assigns the "no" response equal to the weight of the criterion. The maximum score of each criterion is presented in Equation 8.3.

$$\text{Maximum score of criterion } n = \begin{cases} w_n & \text{if response = "Yes"} \\ w_n & \text{if response = "No"} \\ \text{undefined} & \text{if response = "Not applicable"} \end{cases} \quad (8.3)$$

The Excel model, which comprises five columns, is illustrated in Table 8.4: The column labelled "criterion" specifies the evaluation criteria for the mid-market project. 'Yes, no, or not applicable' indicates the criterion usage, 'weight of criterion' denotes the significance of each criterion, 'score' denotes the evaluation's outcome, and 'maximum score' denotes the highest possible score for each criterion. In the given example, a negative response ('no') is assigned a standard weight of 1, resulting in a score of 0 and a maximum score of 1 for that criterion.

Table 8.4: Example decision-making tool.

Criterion	Yes, no, or not applicable	Weight of criterion	Score	Maximum score
n	No	1	0	1

Output decision-making tool

The output of the model, as presented in Equation 8.4, quantifies the overall performance of a mid-market project by calculating the obtained scores relative to the highest possible values across all criteria. This metric provides valuable insights into the project’s effectiveness in optimising its potential for housing associations. By expressing the score as a percentage of the maximum possible score, housing associations can readily assess the extent to which the potential of the project has been realised, identify strengths and weaknesses, and make informed decisions regarding future improvements or adjustments.

$$\% \text{ of maximum score} = \frac{\sum_{i=1}^N \text{Score of criterion } i}{\sum_{i=1}^N \text{Maximum score of criterion } i} \times 100\%$$

(8.4)

The final result of the tool is illustrated in Table 8.5, represented as a percentage of the highest possible score. The indicator presented as a percentage is limited to a range of 0% to 100%, offers insight into the performer of the project in the mid-market. The maximum possible score is 100%, while the lowest possible score is 0%.

Table 8.5: Final output decision-making tool.

% of maximum score
%

Results approaching 100% indicate optimal performance according to the criteria assessed. A score of 100% signifies that all pertinent criteria have been completely satisfied in a manner that is advantageous to the project. Conversely, a score close to 0% highlights substantial areas requiring improvement. The score of 0% indicates that the essential requirements have not been sufficiently addressed.

Measuring performance as a percentage provides a precise assessment, allowing housing associations to effectively measure the achievement of the potential of a mid-market project. The representation of project performance as a percentage facilitates strategic discussions and decision-making processes by allowing for straightforward interpretation and comparison for projects and between several projects.

# 9

## Conclusion

This chapter is structured into several sections, each of which addresses different sub-questions that are derived from the main research question. Section 9.1 explains the historical development of housing associations in the Netherlands, specifically addressing the first sub-question. Section 9.2 examines the characteristics of mid-market housing in West-Brabant and Tholen, addressing the second sub-question. The answer to the third sub-question, Section 9.3, provides an in-depth analysis of the progress and development of the mid-market sector in the Netherlands. The key components of the Affordable Rent Act for housing associations, sub-question 4, is answered in Section 9.4. The last sub-question regarding the decision-making guideline is answered in Section 9.5. The main research question is answered in Section 9.6. Finally, the scientific and societal contributions of the paper are delineated in Section 9.7 and Section 9.8, respectively.

### **9.1. Historical evolvement and characteristics housing associations**

This section addresses the first research question concerning the historical development and defining characteristics of housing associations in the Netherlands. Housing associations in the Netherlands have a long-standing history. The subsequent section will elaborate in detail on this historical development and the defining characteristics of these associations. The first sub-question of the research is as follows:

**Sub-question 1:** *How have housing associations historically evolved in the Netherlands, and what are their defining characteristics?*

The historical evolution of housing associations in the Netherlands has been characterised by changes in their operational frameworks, responsibilities, and roles in relation to the broader socio-economic landscape. The origins of housing associations can be traced back to 1852, when the upper classes initiated philanthropic initiatives to enhance the living and sanitary conditions of the working class. Initially, these organisations were dedicated to enhancing the quality of urban living by constructing affordable housing.

The Housing Act of 1901 formalised the involvement of the Dutch central government in housing by providing loans to housing associations. In order to acquire the loans, the housing associations were required to complete the procedures to qualify as authorised institutions. This involved functioning as non-profit organisations and directing all profits towards their members. This effectively transformed their previous reliance on funding from the upper class.

After World War II, housing associations assumed a pivotal role in national reconstruction efforts, specifically addressing the significant housing crisis caused by the destruction during the war. To address the acute housing shortage, the government endowed these associations with public responsibilities, which were supported by subsidies.

The policy changes in the 1990s brought about a significant transformation, as emphasised in the Heerma Note, which proposed a decrease in government subsidies. The policy change entailed the elimination of all current loans and previously promised subsidies. It mandated that associations obtain their own funding without relying on direct government subsidies. However, it also granted them greater managerial autonomy. As a result, the housing sector experienced a substantial transformation as housing associations embraced a more business-oriented approach and broadened operations beyond the traditional domain of public housing.

In 2009, the Dutch housing market was significantly impacted by the crisis originating in the United States. The crisis resulted in a significant decrease in house values in the Netherlands and a major loss of trust in the economy and financial institutions. The major Dutch banks experienced considerable losses, rendering them incapable of offering mortgages. As a result, housing associations were obligated to continue housing projects and take on the responsibility for projects that were initially initiated by commercial developers.

The combination of the business-oriented approach and the housing market crisis resulted in re-sulted in numerous instances of (financial) mismanagement among housing associations, leading to a sector-wide crisis. Significant amounts of money have been wasted on extensive endeavours such as derivatives portfolios, steamships, and several other projects. In response to the mismanagement, the Housing Act 2015 was passed. This legislative revision requires a change in focus towards the provision of social housing, specifically targeting the housing needs of lower-income groups.

The defining characteristics of Dutch housing associations include their core mission, financial structure, regulatory framework, and significant presence in the housing market. The primary mission of housing associations is to provide affordable housing. Housing associations operate as private, non-profit organisations with a semi-public responsibility. Housing associations finance projects through a revolving fund derived from rental income and long-term loans, supported by guarantees provided by the *Waarborgfonds Sociale Woningbouw* (WSW), which allows them to borrow at lower interest rates.

The Housing Act 2015 and subsequent regulations establish the operational limits for housing associations, distinguishing between their commercial activities (*non-DAEB*) and social activities (*DAEB*) prioritising social housing. This segmentation ensures that European State aid regulations are adhered to by maintaining a strict separation between their social housing initiatives and any commercial activities. Currently, housing associations in the Netherlands manage and own approximately 2.3 million homes, underscoring their substantial role in the housing market.

## 9.2. Mid-market rental sector West-Brabant and Tholen

This section addresses the second sub-question of the research, focusing on the mid-market rental sector in West-Brabant and Tholen. The section below specifically answers the second sub-question:

**Sub-question 2:** *How is the mid-market rental sector characterised in West-Brabant and Tholen?*

The mid-market rental sector in West-Brabant and Tholen is characterised by a relatively small share of the overall housing market, with a more substantial portion dedicated to owner-occupied housing and social renting. The mid-market sector is defined by WWS points ranging from 144 to 186, which correspond to monthly rents of € 879.66 to € 1157.95.

In West-Brabant and Tholen, the housing composition reveals a limited presence of liberalised rentals, which include mid-market rentals. In Bergen op Zoom, the housing market comprises 10% liberalised rentals, 59% owner-occupied houses, and 31% social rentals. Tholen has 72% owner-occupied houses, 6% liberalised rentals, and 22% social housing. In Steenbergen, the figures are 70% owner-occupied, 22% social housing, and 8% liberalised rentals. Roosendaal's housing is 62% owner-occupied, 28% social rentals, and 10% liberalised rentals, while Woensdrecht has 72% owner-occupied, 19% social rentals, and 9% liberalised rentals. This composition is largely due to the historical establishment of large industries in West-Brabant, leading to the construction of small working-class houses. Contrary to previous predictions of population decline, recent research suggests that there has been growth at the regional level. Currently, there is a growing demand for mid-market rental housing in the region.

### 9.3. Lessons housing market in the Netherlands

This section elucidates the lessons derived from the Dutch housing market and addresses the third research sub-question. The Dutch housing market has experienced substantial changes over time. The following analysis examines these historical developments to extract valuable insights and lessons learned from the evolution of the housing market in the Netherlands. This section specifically addresses the third sub-question, which is as follows:

**Sub-question 3:** *What lessons can be learned from the housing market in the Netherlands?*

The lessons from the housing market in the Netherlands are mainly derived from empirical research. The Dutch housing market offers a number of lessons. The most important lessons that can be learned from the Dutch housing market are presented below:

1. **Need for simplification legislation:** Current legislation is complex, making it difficult for citizens to understand and trust governmental actions. Simplifying housing laws can enhance transparency, improve governance, and restore public trust.
2. **Project delays due to appeals:** The ease with which housing projects can be delayed by appeals leads to significant project delays, financial strains on mortgage holders, and outdated project plans. Future policies should address these issues by making it more difficult to delay projects through appeals.
3. **Future demand consideration:** Housing construction decisions should be significantly influenced by future demand, considering long-term demographics and lifestyle trends. This strategic approach ensures that housing developments meet the evolving needs of the population.
4. **Abolition of appropriate allocation:** The policy of appropriate allocation (*passend toewijzen*) can lead to socio-economic challenges by creating communities with higher risks of social disturbances. Abolishing this policy is necessary to facilitate the creation of mixed neighbourhoods, promoting a balanced community dynamic.
5. **Expansion of WSW-guaranteed loans:** Expanding WSW-guaranteed loans to include mid-market housing can provide financial stability and encourage the development of mid-market rental properties. The WSW-guaranteed should be expanded to incorporate the newly established mid-market rental sector to address the gap in the housing market.
6. **Challenges for new entrants:** New entrants face significant difficulties in the housing market, often driven by unrealistic expectations. There is a need to enhance public awareness and adjust expectations to align with market realities. This includes better communication about the challenges and requirements for new homeowners.
7. **Unified vision for public housing:** A clear and unified governmental vision for public housing, supported by a committed housing minister, is essential. This helps ensure consistent implementation across all levels of governance, avoiding interference and delays caused by conflicting governmental layers.

The lessons learned offer valuable insights into the Dutch housing market. A key observation is the necessity for simplification within the current legislative framework. The multitude of existing laws and the numerous options for appeals have contributed to an imbalanced housing market. Simplifying and abolishing certain legislative measures would allow for significant improvements. The concurrent enactment of multiple laws complicates citizens' understanding of housing policies, leading to diminished trust in the government. Establishing a unified vision for public housing is crucial for restoring public confidence and ensuring coherent policy implementation.

## 9.4. Key components Affordable Rent Act

This section addresses the fourth sub-question of the study. This fourth question explains the Affordable Rent Act and is described as follows:

**Sub-question 4:** *What are the key components of the Affordable Rent Act, and what implications do these provisions have for housing associations in the Netherlands?*

This study has explored the key components of the Affordable Rent Act and the implications for housing associations in the Netherlands. The Affordable Rent Act introduces significant changes aimed at enhancing rental control measures in the Dutch housing market, with a particular emphasis on the mid-market rental segment. The Affordable Rent Act consists of two primary components: the extension of rent control and enhanced accessibility to the Rent Commission (*Huurcommissie*), along with several other significant measures.

The first key component is the extension of the rent control to the mid-market sector. The regulated part of the residential assessment system now encompasses the mid-market rental sector, as part of the regulated rent control. The Affordable Rent Act applies to properties with a maximum value of 186 WWS points, which corresponds to a monthly rental limit of €1157.95. This represents a modification from the previous threshold for liberalisation, which was set at 143 WWS points, equivalent to €879.66 per month. Starting on July 1, 2024, this rent control measure will be implemented for all leases.

The second key component is the enhanced tenant access to the Rent Commission. The Rent Commission, which was only available to tenants for resolving rental disputes in the social sector, will now also be accessible to those in the mid-market sector. Furthermore, the Affordable Rent Act extends the duration during which tenants can seek assistance from the Rent Commission. Tenants can now request rent assessments from the Rent Commission at any point during the lease, as opposed to the previous requirement of within six months from the commencement of the contract.

In addition to these primary components, the Affordable Rent Act introduces several other significant measures, including the modernisation of the WWS system, the mandatory inclusion of WWS points in each new lease, and higher penalties for non-compliance. The modernisation of the WWS system involves updating the criteria and weightings used to assign WWS points to properties, such as awarding higher points for good energy labels and deducting points for low-scoring energy labels. Another important measure is the mandatory inclusion of WWS points in each new lease agreement, which increases transparency in the rental market by ensuring tenants are fully informed about the quality and corresponding maximum rent of the property they are leasing. Additionally, the Affordable Rent Act imposes higher penalties for non-compliance with its provisions, empowering municipalities to enforce these penalties. This includes significant fines for landlords who exceed WWS point thresholds or fail to include WWS point calculations in new leases, ensuring strict adherence to the Act.

The implication of the Affordable Rent Act is anticipated to have a limited impact on housing associations in West-Brabant and Tholen. The main reason for this is the large number of homes that are owned by their occupants and the housing associations' emphasis on offering affordable housing. As a result, there are very few rental units that surpass the newly established rent limit set by the Act. The findings of this paper in rural areas are expected to be applicable to urban areas as well, in terms of the effects of the Affordable Rent Act on housing associations. There is evidence indicating that these findings may be applicable to the entire Netherlands.

An interview with the chairman of the board of Stadgenoot, a large housing association in Amsterdam, confirms this perspective by stating that the Affordable Rent Act has a limited impact on housing associations. This is because housing associations generally charge rents that are below the new maximum price established by the Act (BNR Nieuwsradio, 2024a). This is consistent with the results of this study, indicating a comparable minimal influence in other areas. However, the Act may result in an administrative burden for housing associations, as they are required to calculate and assign the newly mandated WWS points for each new rental agreement. Moreover, the literature predicts that investors are likely to sell a significant number of rental properties, which might place even more pressure on the housing market and housing associations.

## 9.5. Decision-making tool mid-market projects

In this section, the last sub-question of the research is answered. This sub-question creates tools for mid-market decision-making for housing associations. The fifth sub-question is stated as follows:

**Sub-question 5:** *What decision-making guidelines can be identified to enhance the efficacy of housing associations regarding the supply of mid-market rental housing in the Netherlands?*

To enhance decision-making in the mid-market rental sector, this research has devised both a checklist and an Excel-based decision-making tool tailored for housing associations. To start, a checklist is created as is detailed in Chapter 8. The checklist is built on a foundation of quantitative questions derived from empirical research findings. These questions serve as the basis for the decision-making checklist designed to assist housing associations in evaluating mid-market projects.

The checklist forms the basis for the mid-market decision-making tool in Excel. This Excel tool utilises a range of criteria as inputs, allowing housing associations to assess the performance of a project. The tool allows housing associations to incorporate criteria into the tool and thus into their decision-making process. The results generated by the Excel tool are quantified as percentages of the optimal score, providing a precise metric for assessing the potential of mid-market housing projects. Quantifying performance in this manner allows for a comparison across different projects, facilitating decision-making and planning in the mid-market rental sector.

Furthermore, two primary policy measures have been identified to improve the effectiveness of housing associations in providing mid-market rental housing in the Netherlands. These include expanding the WSW-guaranteed loans for the mid-market sector and implementing measurement to make it more difficult to delay projects through appeals. Housing associations are currently unable to utilise the WSW-guarantee for mid-market housing, which presents a challenge in terms of financing these initiatives. Therefore, expanding WSW-financing to 187 WWS points would enable housing associations to initiate more projects in the mid-market sector. Additionally, making it more difficult to delay projects through appeals, whether by financial means or procedural adjustments, would facilitate quicker project completions and reduce the lawsuits that often hinder housing development.

## 9.6. Impact Affordable Rent Act on the governance of housing association

This section answers the main research question that guides the study. The study aims to assess the impact of the Affordable Rent Act on the governance of housing associations. The main research question is as follows:

**Main research question:** *How does the Affordable Rent Act impact the governance of housing associations in West-Brabant and Tholen?*

The Affordable Rent Act introduces several challenges and potential changes to the governance of housing associations in the West-Brabant and Tholen regions. The study found that the Affordable Rent Act's impact on the region West-Brabant and Tholen is limited. This region consists mainly of owner-occupied residences. Furthermore, in general, housing associations focus on social housing, meaning the rent charge by housing associations is below the maximum rent enforced by the Affordable Rent Act. However, the governance of housing associations is influenced by the Act by increasing the administrative workload and indirectly has the potential to increase the demand for social housing.

Firstly, the paper found that the Affordable Rent Act increases the administrative workload of housing associations by modernising the WWS. The WWS is a points-based residential assessment system that evaluates the quality of rental properties based on various criteria. These factors establish the upper limit for the allowable rent for a property. The Act mandates that for each new lease, the WWS points must be provided, necessitating a reevaluation of these points for all properties. For housing associations such as Stadlander, which oversees more than 13,000 properties, this modification presents an administrative challenge. This increased administrative workload may necessitate adjustments in governance structures, such as the reallocation of resources and personnel.



Beyond the administrative challenges, the Affordable Rent Act indirectly influences governance by reshaping the dynamics of the housing market. The probable decrease in the number of mid-market rental homes due to landlords choosing to sell or improve their houses to surpass the WWS requirements may lead to a change in housing market demand towards housing associations. This trend could shift market pressures onto housing associations, as tenants who would have otherwise rented in the private market may increasingly turn to social housing options. This situation requires strategic governance decisions on whether to increase housing supply in the social sector or in the mid-market rental sector.

Housing associations must make strategic governance decisions in response to this change, specifically regarding whether to increase their involvement in the mid-market rental sector, which has not traditionally been a focus for housing associations. Expanding into this area could require significant changes in governance, including revising strategic priorities, reallocating financial resources, and possibly even altering the organisational mission to address the broader range of housing needs. In addition, external factors such as rising construction costs, higher interest rates, and scarcity of labour further complicate the housing market and, consequently, the governance framework, necessitating flexible strategies that can effectively address these evolving pressures.

In conclusion, while the Affordable Rent Act does not fundamentally alter the core governance structures of housing associations in West-Brabant and Tholen, it introduces a series of challenges that require significant strategic and operational adjustments. These challenges involve managing the increased administrative workload caused by the modernisation of the WWS, making strategic decisions about participating in the mid-market rental sector, and dealing with external economic factors. These challenges might require housing associations to adapt their governance strategies, ensuring they remain effective in addressing the evolving demands of the housing market while continuing to fulfil their primary role in providing social housing.

## 9.7. Scientific contribution

The primary objective of this research was to address the significant knowledge gap concerning the impact of the Affordable Rent Act on housing associations. This study addresses a significant research gap by conducting a detailed examination of the impact of the Act on housing associations. While previous studies have primarily focused on its effects on investors, this study aims to provide a comprehensive understanding of its influence via literature review and empirical research. Previous research, including studies by CBRE (2024) and others, has primarily concentrated on how the Act influences investor strategies and the broader market dynamics (Van Hoeflaken, 2023; Van Rein, 2024b). However, the implications for housing associations, which play a crucial role in the Dutch housing landscape, have remained largely unexamined. This study addresses this critical gap by providing detailed insights into how the Affordable Rent Act affects the operations, governance, and strategic decisions of housing associations. By shifting the focus from investors to housing associations, this study enriches the academic discourse and provides a more holistic understanding of the Act's complex impact on the housing sector in the Netherlands.

Furthermore, the research presents two new contributions to the current body of literature, in addition to the main contribution. The first of these is a contribution is the new perspective on the challenges faced by new entrants into the housing market. The complexity of the housing market, characterised by fluctuating policies, market dynamics, and socio-economic factors, often leads to a misalignment between the expectations of new starters and the market realities. This research emphasises the importance of broadening public awareness about these challenges, particularly for those entering the housing market for the first time. By aligning expectations more closely with the actual conditions of the market, new entrants can make more informed decisions, potentially mitigating the financial and social strain they might otherwise encounter. This insight is important, as it addresses a gap in the current literature, which tends to focus more on structural and policy-related aspects of the housing market without adequately considering the educational and psychological dimensions that influence market participation. By integrating these elements, this study expands the academic literature on housing markets, proposing that a better-informed public could contribute to a more stable and efficient market as a whole.

The second new contribution that this paper makes to the literature is the need for the simplification of legislation within the housing market. The current complexity and volume of housing-related laws create barriers to comprehension, leading to widespread confusion and diminished confidence in governmental actions. This research emphasises the complexity of the legislative framework and how it increases the lack of trust in the government. The paper highlights that simplifying and making regulations more accessible could improve transparency and public trust. By advocating for the simplification of housing legislation, this study not only fills a gap in the existing literature but also offers practical recommendations that could improve governance and citizen engagement in the housing sector.

This research makes significant contributions to the existing literature by affirming established insights and also challenging or extending them with new perspectives. Firstly, the study aligns with existing literature in several key areas. The study reveals that the Affordable Rent Act has a minimal effect on housing associations in West-Brabant and Tholen. These associations generally charge rents that are lower than the Act's newly established maximum prices, which aligns with the findings reported by BNR Nieuwsradio (2024a). However, the study adds depth by highlighting potential administrative burdens and the possibility of increased demand for social housing if investors divest from rental properties. In line with previous studies, the research highlights the significant challenges posed by lengthy appeal procedures in housing projects. Building upon the paper of Wolzak (2024), it also suggests specific policy changes to address and reduce these delays. In addition, this study highlights the significance of housing construction that is influenced by demographic factors, as supported by Schilder et al. (2021). This research highlights the importance of a unified governmental vision to ensure the effective implementation of housing policies, as suggested by the findings of Boelhouwer and Van der Heijden (2022).

On the other hand, this study also challenges some established perspectives in the literature. It presents a different perspective compared to the findings of Stevens (2015) and Van der Wal and Boesman (2006) on the extension of WSW-guaranteed loans to mid-market housing. While these authors argue that such expansion would lead to unfair competition, this research supports the policy as a means to address the housing shortage despite the absence of broad academic backing. Additionally, the study's recommendation to abolish appropriate allocation policies to create mixed neighbourhoods contrasts with the position of Autoriteit Woningcorporaties (2023), which argues that the current framework is underutilised but adequate. This research proposes that eliminating these policies could enhance diversity in housing, thereby contributing to an ongoing debate about allocation frameworks.

In conclusion, the existing literature predominantly anticipates that the Affordable Rent Act will lead to a reduction in the supply of rental housing, primarily by driving landlords to sell properties. However, this research suggests that the Affordable Rent Act may not be the primary factor contributing to the decline in available rental housing. While the paper acknowledges sources that report a significant increase in property sales and a corresponding decrease in rental availability (Selderbeek, 2024; Ubbens, 2024; Van Rein, 2024a), it posits that this effect is not directly correlated with the Affordable Rent Act alone. Instead, this study identifies other influential factors—such as changes in capital gains tax, the vacant value ratio (*leegwaarderatio*), the box 3 tax (*box 3 belasting*), and rising interest rates—as having a more substantial impact on the housing market. This perspective is corroborated by insights from Peter Boelhouwer, a Professor of Housing Systems at Delft University of Technology, who argues that fiscal measures exert a stronger influence on market dynamics than the Affordable Rent Act by itself (NPO Radio 1, 2024).

Moreover, the research finds that the direct impact of the Affordable Rent Act on housing associations is limited, as these associations typically set rents below the new maximum thresholds established by the Act. However, the Act may increase the administrative workload for these organisations and could indirectly affect them through increased demand for rental housing as private landlords exit the market. Despite these potential challenges, the direct financial impact on housing associations appears minimal. This conclusion aligns with statements from the chairman of the board of Stadgenoot, who similarly downplays the financial repercussions of the Act for housing associations while acknowledging the potential for increased administrative workload (BNR Nieuwsradio, 2024a).

## 9.8. Societal contribution

This research makes a significant societal contribution by addressing the critical need to enhance public awareness and understanding of the housing market, specifically the difficulties faced by those entering the market for the first time. The study highlights a significant gap between people who currently own homes and those who desire to enter the housing market. In the Netherlands, a country with a high rate of homeownership, there is a widespread lack of understanding about the challenges that potential buyers encounter, especially when it comes to finding affordable housing. This disconnect worsens the difficulties for these new entrants, who must navigate a complex and increasingly inaccessible market without sufficient public recognition of their challenges.

Additionally, the research offers valuable insights for policymakers by advocating for the establishment of a central governmental housing agency. Such an agency would oversee and harmonise housing policies across different levels of government, addressing the fragmentation that currently leads to inconsistent implementation and inefficiencies. This recommendation is particularly pertinent given the fragmented nature of existing housing policies. By proposing a more unified and strategic approach to housing policy, the study contributes to the development of a coherent and effective framework capable of addressing the complexities of the housing market more comprehensively.

The study also highlights the government's renewed reliance on housing associations to address the housing shortage, a strategy reminiscent of the post-World War II era. However, unlike the historical context, where government support was provided through subsidies and favourable financing for mid-market homes, the current regulatory environment imposes significant challenges on housing associations. The study emphasises how regulations, such as the inability to secure lower financing rates and taxation, hinder the efforts of housing associations to expand affordable housing options.

In conclusion, this research not only addresses a significant gap in the academic literature by focusing on the impact of the Affordable Rent Act on housing associations but also offers practical contributions that can influence policy and practice. By providing actionable recommendations for both policymakers and housing associations, the study plays a crucial role in advancing housing affordability, promoting social equity, and enhancing public understanding of housing issues in the Netherlands.

# 10

## Discussion

The chapter starts with a reflection on the research in Section 10.1, encompassing both personal and academic aspects. Following this, Section 10.2 discusses the various limitations identified in the research. The chapter concludes with Section 10.3, which offers recommendations for future research.

### 10.1. Reflection

The reflection is structured into two three subsections. The section begins with a reflection on the research findings, followed by a discussion of the broader context of the research. The section concludes with a personal reflection on the research process.

#### Reflection research outcomes

The main finding of this research is that the impact of the Affordable Rent Act on housing associations in West-Brabant and Tholen is limited due to the high prevalence of owner-occupied housing within the region. However, the Act introduces additional administrative challenges for these associations by mandating the provision of updated WWS points with each new lease. Additionally, while the Act may indirectly influence housing associations by increasing demand for social housing as mid-market rental properties decrease, its direct impact on rental supply is less pronounced than suggested by other studies.

In contrast to existing literature, which predicts that the Affordable Rent Act will significantly reduce rental housing supply and negatively affect the market (CBRE, 2024; IVBN, 2023; Schilder, 2020), this research proposes an alternative viewpoint. It suggests that the negative effects are not solely attributable to the Act itself but are significantly influenced by changes in fiscal legislation, which have rendered property rentals less profitable. This nuanced understanding highlights the need to consider a broader array of factors when assessing the Affordable Rent Act's impact on the housing market.

Beyond the specific context of West-Brabant and Tholen, this research offers insights into the broader dynamics of the Dutch housing market, particularly within the mid-market rental sector. It is essential to acknowledge the housing market's inherent complexity. This market is shaped by a range of interdependent factors, including economic conditions, government policies, demographic shifts, and social expectations. For example, the Act's aims to limit rent increases and enhance accessibility to mid-market rentals are counterbalanced by rising construction costs and labour shortages, which constrain the ability of housing associations to develop new properties. This research highlights that the challenges facing the housing market cannot be fully understood or addressed through isolated policy measures alone.

A significant outcome of this study is the way it reflects historical patterns in Dutch housing policy. The government's renewed reliance on housing associations to address the current housing shortage echoes the post-World War II era, where housing associations played a critical role in rebuilding the nation's housing stock.

However, the current context is markedly different. Unlike post-war period, where government support was robust, including subsidies and favourable financing conditions, today's housing associations are operating under stringent regulations that limit their financial flexibility and strategic autonomy. This shift in governmental approach, from support to regulation, raises important questions about the long-term sustainability of housing associations as key players in the housing market.

The research also highlights a fundamental issue of declining public trust in the Dutch government, exacerbated by continuous legislative changes and the complexity of housing laws. For instance, during the course of this study, there were multiple revisions to the threshold for mid-market rental housing, which saw the rent cap fluctuate significantly within a short period. These inconsistencies highlight the necessity for greater transparency and the establishment of a central political entity to manage the complexities of the housing market effectively.

Furthermore, as of July 2024, inconsistencies in the information disseminated by the government have led to public confusion regarding the maximum monthly rental amounts for properties with 186 WWS points. Different official sources provide varying numbers: approximately € 1100 (Ministry of the Interior and Kingdom Relations, 2024b), € 1123 (House of Representatives of the Dutch Parliament, 2024c), € 1165.81 (Ministry of the Interior and Kingdom Relations, 2024a), and the correct amount is listed as € 1157.95 (Government of the Netherlands, 2024b) per month. These discrepancies, identified on the same day across multiple government websites, highlight the urgent need for consistent and clear communication from a centralised authority responsible for housing policy. Such inconsistencies underscore the necessity of enhancing transparency and establishing a central entity accountable for addressing the challenges within the housing market.

To contextualise the findings of this study within a broader context, the paper examines international examples where rent control measures have been implemented. These examples provide valuable insights into the potential outcomes and challenges that similar policies may present in the Dutch context.

Regions such as Catalonia and Berlin have faced significant consequences as a result of the implementation of rent caps. In Berlin, the "*Mietendeckel*" (rent freeze) led to a substantial 50% reduction in the number of newly offered rental units (Hahn et al., 2024). Similarly, in Catalonia, the implementation of Law 11/2020, which froze rents, resulted in a decline in housing availability and an unintended increase in the purchasing price of homes (Mense et al., 2023; Monras, Montalvo, et al., 2022). These findings align with evidence from the United States, where rent control legislation has also been linked to rising housing prices (Ahern and Giacoletti, 2022). The combined evidence from these regions suggests that while rent control measures may lower rental prices, they also tend to reduce the overall availability of rental housing and drive up housing prices. This paradox presents a significant challenge for policymakers, as the intended benefits of rent control can be offset by these unintended consequences. Moreover, both the Catalonia Rent Control Act and the Berlin *Mietendeckel* were ultimately declared invalid by their respective courts. In Catalonia, following the Spanish Constitutional Court's ruling in March 2022, landlords quickly reverted to market-rate pricing for new contracts. As a result, within a short period, rental prices surged by 32% from their lowest point during the rent cap era, while the supply of rental properties remained 50% lower than in 2019 (Aitink, 2024).

However, these international examples must be contextualised into their housing market and differ from the Dutch housing market. Variations in legal frameworks, housing market structures, political systems, culture, interest rates and tax systems across countries make direct comparisons difficult. These developments highlight the complexity of implementing rent control measures and the potential for unintended, adverse effects.

In conclusion, the legislative environment poses significant challenges to navigating the complex array of interrelated regulations. The research critiques the lack of coordinated effort across governmental departments, which leads to overlapping laws that simultaneously impact the same groups. This situation is accurately summarised by the English proverb: "*too many cooks spoil the broth*", which highlights the effects of uncoordinated policy-making that could further reduce the availability of mid-market rental housing.

## Personal reflection

During the time of writing this research, the Affordable Rent Act emerged as a central topic of intense public debate, undergoing numerous amendments before its eventual enactment by the Senate. This period marked the first time I engaged deeply with public policy debates, attending every public and final debate related to this legislation. My deep involvement in these debates, combined with my personal experiences, profoundly shaped my perspective on the Dutch housing market and the direction of my research.

My personal experiences during this time significantly shaped my perspective on the subject. Upon commencing my research, I had recently finished my master's thesis in Finance at Tilburg University, which focused on the capacity of residential real estate to serve as an inflation hedge. This research, rooted in financial theory, provided me with a somewhat narrow view, framing real estate primarily as an investment vehicle. However, this narrow perspective began to broaden as I personally navigated the complexities of the Dutch housing market. Initially, I resided in Rotterdam with roommates, but due to regulations outlined in the Rotterdam Act, my roommates and I were compelled to move. This experience, coupled with subsequent relocations back to my parents' home in Breda and later to Amsterdam, where I now live with a friend, exposed me to the challenges and complexities of the Dutch housing market. These first-hand experiences with housing difficulties in the Netherlands profoundly impacted my perspective on the housing market and the way I engaged with my research.

When I first encountered the Affordable Rent Act, I had my doubts. It seemed like a classic Catch-22 situation, where the proposed solution might exacerbate the very problem it aims to address. On the one hand, the intention was to protect tenants and create more affordable rents. However, the same legislation may lead to unintended consequences, such as landlords exiting the rental market due to reduced profitability, thereby increasing the scarcity of rental housing. Such an outcome would, ironically, undermine the legislation's purpose by increasing the scarcity of rental housing. However, I realised that the real drivers behind landlords' decisions to exit the market were more closely tied to changes in tax policies and rising mortgage interest rates rather than the Affordable Rent Act itself. This led me to conclude that attributing the reduction in housing supply solely to the Act was an oversimplification, representing a correlation without causation rather than a genuine Catch-22 problem.

Reflecting on the Act's title, I have also come to the conclusion, after much consideration, that the title of the "Affordable Rent Act" is somewhat misleading. While the concept of affordable housing is universally appealing, the name does not effectively capture the Act's primary goal. The title suggests a concept of housing affordability for everyone, but the main goal of the Act is actually to provide additional protections for mid-market tenants. Therefore, a more fitting title for this legislation would be the "Tenant Protection Extension Act" to accurately reflect the main purpose and impact it.

After years of market-driven dynamics in the housing sector, I believe it is beneficial for the Dutch government to take back control. While the Affordable Rent Act may not be the perfect solution, it represents a positive shift towards more active governmental involvement. However, I also believe that the Act alone is insufficient to resolve the housing crisis. The root of the problem lies in the imbalance between housing supply and demand. The Affordable Rent Act does not address the issue of supply and could potentially exacerbate housing scarcity in the long term, as seen from international evidence. Therefore, the focus must shift towards increasing the housing supply by building and creating policies that facilitate the creation of additional living space within the current housing supply, such as house splits and room rentals, which are aligned with future demographic and demand projections.

In conclusion, the Affordable Rent Act, though not without its flaws, signifies a meaningful advancement in the Dutch government's efforts to address the ongoing housing crisis. This legislation reflects a shift towards a more active governmental role in regulating the housing market. While it represents just one measure, it is a positive step toward regaining control over the housing crisis and addressing one of the most pressing challenges currently facing the Netherlands.

## 10.2. Limitations

In any academic endeavour, the identification and acknowledgement of research limitations are crucial for providing a comprehensive understanding of the study's findings and their broader applicability. This section outlines the main limitations of this research.

The first limitation is related to the assessment of the impact of the Affordable Rent Act, which is complex due to the various effects of various other legislative measures and external effects on the mid-market rental segment. The complexity of the housing market and the lagged data about the impact make it harder to make direct statements about the impact of the Affordable Rent Act on the mid-market rental sectors. Additionally, the available data primarily draws from literature published before the Act's enactment on April 25, 2024, by the House of Representatives, which does not account for the eight amendments implemented with the law. This reliance on potentially outdated literature may result in incomplete or inaccurate insights into the Act's impact.

The second limitation concerns the scope of the empirical research. The research has conducted a total of six interviews, resulting in a somewhat limited range of perspectives. Despite efforts to engage regional investors, conducting interviews with them proved challenging, largely due to the involvement of trusts, family funds, or intermediaries. Consequently, the analysis lacks the perspective of investors, which could have provided a more comprehensive view.

The third limitation involves the potential for researcher bias in the formulation of interview questions, which may have influenced the direction of the empirical research and the study's outcomes. Moreover, there is a risk that the researcher may have selectively focused on statements that support the main arguments of the research. This could result in the research being biased towards a particular direction.

Finally, the last limitation is the absence of validation. Validating the outcomes is important for ensuring the reliability and credibility of the research findings. The validation process is also important to ensure that the obtained findings accurately reflect the impact of the Affordable Rent Act and are not affected by any biases or errors.

## 10.3. Future research recommendations

For exploration of the effects of housing legislation on the housing market, it is necessary to make certain methodological improvements. These suggestions aim to address the limitations identified in the current study and enhance the thoroughness and scope of future research.

Future research is recommended to expand the scope of interviews. Future research would benefit from conducting a wider range of interviews. The current study was limited by a small sample size, consisting of interviewees from one housing association and no investors. The study's efforts to contact investors were unsuccessful, limiting the scope of insights gathered. Expanding the scope to include a broader selection of housing associations and investors will provide a deeper understanding of trends and challenges within the sector. Furthermore, including investor viewpoints would enhance the understanding of the legislation's regional impact, particularly on the mid-market housing sector.

In addition, future research is recommended to improve validation methods. Future research should set aside sufficient time for validation. The time constraints hampered validation in this study, future research should validate in order to increase the reliability, credibility and generalised of the research findings. Future research should use expert panels to validate the research. The expert panel would consist of professionals from diverse backgrounds who will assess and review the lessons learned from the semi-structured interviews. The discussion that will arise from the panel will provide valuable insight into the topic due to the diverse backgrounds of the participants. At the end of the session, it will be clear on which topics the participants agreed or disagreed with each other and the lessons learned. This would provide valuable insights into the main points of discussion and arguments for or against the insight of this research.

## Recommendations

The final chapter provides a summary of the key insights derived from the research conducted in the paper, specifically focusing on the recommendations for policymakers. The purpose of these recommendations is to improve the abilities of housing associations to effectively address issues within the housing market. The recommendations are three-folded to address complex challenges in the housing market for housing associations:

1. **Establish a central housing agency across all governmental layers:** This study proposes the establishment of a centralised governmental agency dedicated to the formulation and implementation of housing policy across all levels of government. The current landscape is characterised by a lack of cohesion, with disparate perspectives and policy approaches across different governmental layers leading to fragmented and often conflicting housing initiatives. The creation of a centralised agency would address these inefficiencies by providing a unified strategic vision and a coordinated policy framework. Such an agency would be instrumental in harmonising efforts across governmental tiers, thereby fostering a more integrated approach to housing challenges. Additionally, by centralising policy-making, the agency could play a crucial role in enhancing the alignment of public expectations with the structural realities of the housing market, particularly in addressing the needs of first-time homebuyers and other groups.
2. **Implementation of a mid-market rental fund for short-term sector support:** To address the current inadequacies in the mid-market rental sector, this study advocates for the creation of a mid-market rental fund. The financial viability of constructing mid-market rental housing has been severely constrained by high costs and limited profitability, necessitating governmental intervention. Drawing parallels to the successful post-World War II housing initiatives, the proposed fund would provide subsidised loans and financial incentives to housing associations and private investors under stringent eligibility criteria. This targeted financial support would not only stimulate the construction of mid-market rental properties but also alleviate existing pressures in the housing market. By accelerating development timelines through the provision of subsidies, the fund could play a critical role in ensuring the availability of affordable rental options in the short term, thereby contributing to a more balanced housing market.
3. **Focus on social housing for housing associations:** This study underscores the critical importance of housing associations maintaining a focused commitment to the social rental sector, particularly in light of the current limitations in financing mechanisms. Housing associations are currently obliged to meet government-mandated performance agreements (*prestatieafspraken*) that require the expansion of housing stock. However, due to the restricted applicability of the WSW-guarantee to mid-market rental projects, housing associations face significant challenges in securing financing for such developments. Considering the unlikelihood of near-term regulatory changes at the European level that would extend the WSW-guarantee, it is advisable for housing associations to concentrate their resources on the social housing sector.



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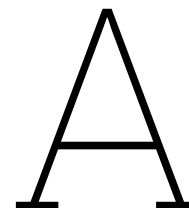
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## Statistics per municipality

This appendix offers a detailed overview of the housing data for specific municipalities in 2024. The tables provide a brief summary of significant housing data, including the number of houses, demographic information about residents, the percentage of housing associations, average property values, and construction year data. The metrics provide valuable information about the housing situation and economic condition of each municipality.

### Bergen op Zoom

The housing data for Bergen op Zoom indicates a well-proportioned combination of property ownership and rental housing, with a significant portion of it managed by Stadlander.

**Table A.1:** Municipality housing data overview for Bergen op Zoom in 2024 (CBS, 2024a; Stadlander, 2023a).

Category	Number	Category	Metric / Percentage
Houses	31,501	Average household size	2.2
Residents	68,860	Population density	861
Houses Stadlander	9050	% Houses Stadlander	29%
Men	34,265	% Owner-occupied houses	59%
Women	34,615	% Rental houses	41%
Households	31,250	% Housing associations	30%
Households with children	10,090	Average property value	€ 304,193
Households without children	10,025	% Construction year from 2000	17%
Single-person households	11,145	% Construction year before 2000	83%

The total housing stock of Stadlander consists of 66% out of houses in Bergen op Zoom. Furthermore, Stadlander has 29% of the total houses in Bergen op Zoom. Within the case, Bergen op Zoom is considered the most important. In total, the 31,250 households spread across various age groups and household compositions.

Stadlander has a total of 9050 residential properties in the municipality of Bergen op Zoom. The vast majority are located in the city of Bergen op Zoom. A smaller proportion in Halsteren and an even smaller proportion in Lepelstraat. The age range is broad, with the largest segment being 45 to 65 years old. A notable aspect is the prevalence of singles, the largest group. This could have implications for local housing policy, especially in terms of the need for smaller housing types (Stadlander, 2018a).

The housing stock in Bergen op Zoom consists of a mix of ground-level houses and flats, with and without lifts. Ownership ratios show a dominant preference for buying over renting, indicating a relatively stable housing market. However, the distribution of rental housing shows that housing associations play an important role in providing rental housing.



In terms of income classes, the demand for affordable housing is driven primarily by social rent target groups and middle-income households, which make up the largest income class segments. The data further shows that a substantial number of households are eligible for housing associations housing (Stadlander, 2018a).

To summarise, Bergen op Zoom municipality is an ageing municipality with relatively lower average wages than neighbouring municipalities. Additionally, the population is experiencing a neutral to declining growth pattern. Most households reside in the owner-occupied sector at ground level. The social rental market in Bergen op Zoom is characterised by its stability and primarily localised nature.

## Tholen

Stadlander manages over one-fifth of the houses in Tholen, which demonstrates a high homeownership rate.

**Table A.2:** Municipality housing data overview for Tholen in 2024 (CBS, 2024a; Stadlander, 2023a).

Category	Number	Category	Metric / Percentage
Houses	11,263	Average household size	2.4
Residents	26,835	Population density	183
Houses Stadlander	2387	% Houses Stadlander	21%
Men	13,415	% Owner-occupied houses	72%
Women	13,425	% Rental houses	28%
Households	11,045	% Housing associations	21%
Households with children	4055	Average property value	€ 260,191
Households without children	360	% Construction year from 2000	21%
Single-person households	3390	% Construction year before 2000	79%

Tholen houses 17% of the total number of homes in Stadlander, adding up to a total of 2387 houses. About a third of Stadlander properties are located in the municipality of Tholen, a fifth in Sint-Maartensdijk, 15% in Sint-Annaland, and less than 10% in Oud-Vossemeer. Poortvliet, Scherpenisse, and Sint-Philipsland each have approximately 150 dwellings, while Stavenisse has just over 100 houses.

Tholen is characterised by higher incomes and a smaller policy target group, where people like to stay in their homes. Looking at Stadlander's new lettings and the search times realised, the social rental market in the municipality of Tholen can be characterised as relaxed and predominantly local (Stadlander, 2018d). Rents for the overwhelming majority (90%) are subject to the maximum step-up threshold, enabling rent supplement recipients to occupy the premises.

## Steenbergen

Data from Steenbergen indicates that a high proportion of people own their homes with high value per house.

**Table A.3:** Municipality housing data overview for Steenbergen in 2024 (CBS, 2024a; Stadlander, 2023a).

Category	Number	Category	Metric / Percentage
Houses	10,679	Average household size	2.2
Residents	24,590	Population density	168
Houses Stadlander	1510	% Houses Stadlander	14%
Men	12,425	% Owner-occupied houses	70%
Women	12,175	% Rental houses	30%
Households	11,155	% Housing associations	22%
Households with children	3575	Average property value	€ 325,846
Households without children	3875	% Construction year from 2000	15%
Single-person households	3690	% Construction year before 2000	85%

Steenbergen is home to 11% of the total number of homes in the Stadlander portfolio, accounting for 1510 homes. The vast majority of Stadlander's stock is located in the town of Steenbergen, which has a focal point in the centre. In De Heen, the position is very limited. In Welberg and Kruisland, there are around 100 homes; in Nieuw Vossemeer, there are around 170 dwellings.

Steenbergen's neighbourhoods are characterised by a diversified demographic and housing structure. With 11,155 households spread across different neighbourhoods, the age distribution illustrates a prominence of middle-aged groups (45 to 65 years), followed by young adults (25 to 45 years), and a smaller representation of older people (85+).

Households primarily comprise couples and families, indicating a robust family-oriented community. This structure is further supported by the housing facilities, with ground-level housing prevailing, indicating a preference for ownership over renting and the majority of homes being owner-occupied. This indicates a stable and owner-dominated housing market (Stadlander, 2018c).

## Woensdrecht

In Woensdrecht, the prevailing tendency strongly favours home ownership since 72% of properties are held by their occupants. At 3%, Stadlander contributes little to the total housing sector.

**Table A.4:** Municipality housing data overview for Woensdrecht in 2024 (CBS, 2024a; Stadlander, 2023a).

Category	Number	Category	Metric / Percentage
Houses	10,020	Average household size	2.2
Residents	22,195	Population density	242
Houses Stadlander	329	% Houses Stadlander	3%
Men	11,105	% Owner-occupied houses	72%
Women	11,065	% Rental houses	27%
Households	9905	% Housing associations	18%
Households with children	3270	Average property value	€ 329,862
Households without children	3640	% Construction year from 2000	15%
Single-person households	2995	% Construction year before 2000	85%

Stadlander has a total of 329 homes in the municipality of Woensdrecht, accounting for 2% of the total portfolio of Stadlander. A third of the 329 are located in Putte, another third in Ossendrecht, a small part in Hoogerheide and an even smaller part in Huijbergen. It is noteworthy to mention that a majority of the Stadlander dwellings in Hoogerheide consist of rental dwellings that have been liberalised. This has a historical background. Most cheap houses can be found in Putte. The vast majority have a rent up to the highest capping limit, making them rentable by those entitled to a rent supplement.

The Woensdrecht municipality is characterised by relatively high incomes, a large supply of housing preference in the owner-occupied sector, and a decreasing need for rental housing. Furthermore, an ageing population and high-quality public property make Woensdrecht a relaxed, local market. Due to the limited quantity of residential units, conducting additional research on Woensdrecht falls outside the scope of this study.

## Roosendaal

Roosendaal exhibits a significant concentration of privately owned residences as opposed to rented houses, with 62% of homes owned. At 1%, Stadlander contributes little to the total housing sector.

**Table A.5:** Municipality housing data overview for Roosendaal in 2024 (CBS, 2024a; Stadlander, 2023a).

Category	Number	Category	Metric / Percentage
Houses	35,904	Average household size	2.1
Residents	77,625	Population density	729
Houses Stadlander	503	% Houses Stadlander	1%
Men	38,705	% Owner-occupied houses	62%
Women	28,920	% Rental houses	38%
Households	35,900	% Housing associations	27%
Households with children	11,330	Average property value	€ 285,062
Households without children	10,985	% Construction year from 2000	12%
Single-person households	13,590	% Construction year before 2000	88%

In the case of Stadlander, Roosendaal is less interesting since it has only 4% of the total portfolio in Roosendaal. However, because Roosendaal still contains 503 Stadlander properties, this section will go into detail about it. The majority of the property (95%) is below the liberalisation threshold.

Approximately 75% are below the second capping limit. With barely 4% share in the social rental segment, Stadlander occupies a very small position within the municipality of Roosendaal. This has become even smaller with the sale of Boerhave in Roosendaal and the latest homes in Etten-Leur.

Roosendaal has many characteristics that make it a provincial city. Unlike the larger cities, Roosendaal has a proportion of one- and two-person households up to the age of 45 below the national average. Roosendaal is mostly home to many families and older adults. The share of families between 25 and 65 years old is equal to the national share, which is about a third, and the share of older people (65-plus) is slightly above the national average (Stadlander, 2018b). Because of the small number of dwellings, further research for Roosendaal is beyond the scope of this study.

# B

## Stadlander housing stock

This appendix provides a comprehensive overview of Stadlander's housing inventory, including both DAEB (*Diensten van Algemeen Economisch Belang*) and non-DAEB dwellings (Inspectie Leefomgeving en Transport, 2024). The subsequent tables provide an in-depth examination of the housing inventory owned by Stadlander in the year 2022, classified according to rental categories. This segmentation describes the size and scope of Stadlander's operations.

### Total housing stock

Table B.1 consolidates Stadlander's total housing stock for 2022, merging both DAEB and non-DAEB categories. The summary emphasises the significance of DAEB housing in the portfolio of Stadlander.

**Table B.1:** Total DAEB and not-DAEB housing stock per municipality by rental class of Stadlander in 2022 (Stadlander, 2023a).

Total	≤ €442.46	≤ €678.66	≤ €763.47	>€763.47	Total	% of total
Bergen op Zoom	947	6309	1145	649	9050	66%
Tholen	360	1748	251	28	2387	17%
Steenbergen	209	1060	184	57	1510	11%
Woensdrecht	66	323	105	9	503	4%
Roosendaal	15	206	57	51	329	2%
<i>Total</i>	<i>1597</i>	<i>9646</i>	<i>1742</i>	<i>794</i>	<i>13,779</i>	<i>100%</i>

### DAEB housing stock

Table B.2 presents the distribution of DAEB dwellings managed by Stadlander. The majority of the total portfolio of Stadlander is represented by this segment, which emphasises the important role of offering social housing and affordable rental choices to the community.

**Table B.2:** DAEB dwellings per municipality by rental class of Stadlander in 2022 (Stadlander, 2023a).

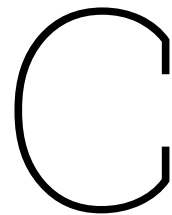
DAEB	≤ €442.46	≤ €678.66	≤ €763.47	>€763.47	Total	% of total
Bergen op Zoom	947	6185	1073	102	8307	65%
Tholen	360	1746	238	6	2350	18%
Steenbergen	209	1047	171	20	1447	11%
Woensdrecht	66	323	105	9	503	4%
Roosendaal	15	199	53	5	272	2%
<i>Total</i>	<i>1597</i>	<i>9500</i>	<i>1640</i>	<i>142</i>	<i>12,879</i>	<i>100%</i>

### Non-DAEB housing stock

Table B.3 shows the quantity of non-DAEB dwelling of the portfolio from Stadlander. While constituting a comparatively minor portion of the overall inventory, these properties serve to enhance the housing market in the region.

**Table B.3:** Non-DAEB dwellings per municipality by rental class of Stadlander in 2022 (Stadlander, 2023a).

<b>Non-DAEB</b>	<b>≤ €442.46</b>	<b>≤ €678.66</b>	<b>≤ €763.47</b>	<b>&gt;€763.47</b>	<b>Total</b>	<b>% of total</b>
Bergen op Zoom	0	124	72	547	743	<b>83%</b>
Tholen	0	2	13	22	37	<b>4%</b>
Steenbergen	0	13	13	37	63	<b>7%</b>
Woensdrecht	0	0	0	0	0	<b>0%</b>
Roosendaal	0	7	4	46	57	<b>6%</b>
<i>Total</i>	<i>0</i>	<i>146</i>	<i>102</i>	<i>652</i>	<i>900</i>	<b><i>100%</i></b>



# Interview protocol

This protocol is designed to guide the conduct of interviews to assess the impact of the Affordable Rent Act on the mid-market housing segment in West-Brabant and Tholen. The primary audience includes representatives from municipalities, housing associations, and other relevant stakeholders. Each participant will receive a set of questions tailored to their specific knowledge and role in the housing market, along with a participation information sheet outlining the study's scope, purpose, and confidentiality measures. The appendix is structured in the following manner: pre-interview phase (Section C.1) with the participants recruitment (Subsection C.1.1) and the participation form (Subsection C.1.2). The interview structure is provided in Section C.2 with the interview questions (Subsection C.2.1), and the post-interview protocol (Section C.3).

## C.1. Pre-interview

The section explains the recruitment of participants, followed by the participation form in Dutch, which is then translated into English. The participation form provided accurate information regarding the research objectives, participants' rights, and ethical considerations in the study.

- Identify and contact potential participants from various groups: municipality officials, housing association members, and other relevant stakeholders mainly via the network of Stadlander.
- Send out the Participation Information Sheet to ensure informed participation.
- Provide participants with interview questions tailored to their expertise and role.

### C.1.1. Participants recruitment

Before the interviews, it is important to identify and analyse the different categories of stakeholders involved. Therefore, an analysis is conducted of the relevant stakeholders and their power and interest in the housing market. Figure C.1 presents this power-interest grid to visualise the differences between the stakeholders based on their respective levels of power and interest.

The stakeholders are categorised in several groups the groups with high interest and varying level of power are:

- **Key players:** key players have both high power and high interest in the matter, these include housing associations, investors, and policy-makers. Housing associations and investors have the power to make significant decisions regarding the construction, sale, or renovation of the properties. policy-makers, on the other hand, have the legislative power to enact laws that housing associations and investors must comply with.
- **Subject:** This group consist of property managers, real estate brokers, tenants, real estate developers and municipalities, that have high interest but low power. The issue has a significant impact on these stakeholders, but they lack the power to make direct changes.

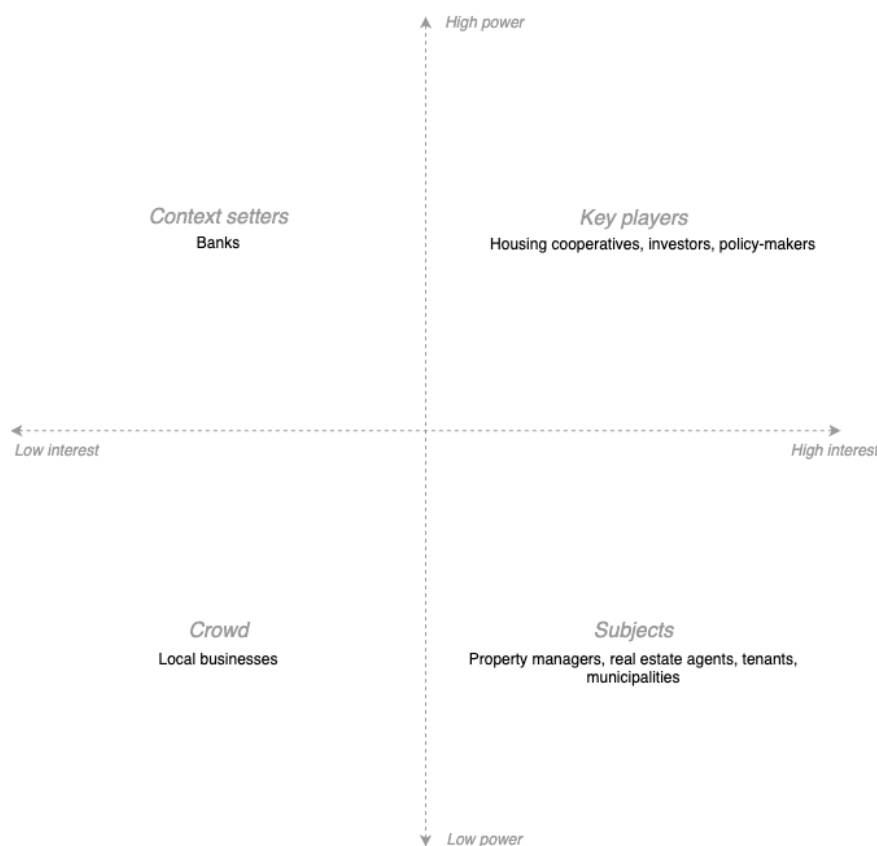


Figure C.1: Power-interest diagram.

The stakeholders with low interest and varying levels of power are as follows:

- **Context setters:** Banks fall into the category of stakeholders with high interest but low direct involvement. The primary role of a bank is financial, this power makes the bank an important player.
- **Crowd:** Local businesses constitute this group, having minimal power and interest relative to the housing market's core activities. Their involvement and impact on the housing market are minimal compared to other stakeholders.

The aim of this paper is to establish guidelines for Stadlander and other housing associations geographically focused on the West-Brabant and Tholen. By interviewing relevant stakeholders, this paper will create a mid-market decision-making tool for housing associations to prepare for the introduction of the Affordable Rent Act. After the selection of the participants the participant will be provided with relevant information regarding the study in a sheet. This participation information sheet is provided in the next subsection C.1.2.

### C.1.2. Participation information sheet

The participant information sheet (Deelnemersinformatieblad) is included in this subsection. This document was sent to all participants and delineates the research's objectives, methodologies, and scope, as well as the ethical considerations and data security measures.

The information sheet guarantees that all participants are informed about the research's nature, their function within it, and their rights. It also improves the transparency of the research process. In compliance with ethical research standards, it provides an overview of the study's objectives, detailed contact information for the researchers and an explanation of the collection, use, and protection of participants' data. The participation information sheet, utilised during the interviews, is presented in Dutch on the following pages, and subsequently translated into English on the next pages.

## Deelnemersinformatieblad

### Uitnodiging om deel te nemen

U wordt uitgenodigd om deel te nemen aan het onderzoek: *Rent and Reality: Assessing the Impact of the Affordable Rent Act on Mid-Market Rental for Housing Associations*. Voordat u een beslissing neemt om deel te nemen aan het onderzoek is het belangrijk dat u begrijpt waarom het onderzoek wordt gedaan en wat deelname inhoudt. Neem alstublieft de tijd om het deelnemersinformatieblad zorgvuldig door te lezen. Vraag als er iets niet duidelijk is of als u verduidelijking of meer informatie wilt. Bedankt voor het lezen.

### Details van het onderzoek

Het onderzoek wordt uitgevoerd door Joris Laman Trip van de Technische Universiteit Delft (TU Delft) in samenwerking met Stadlander. Het onderzoek wordt uitgevoerd als gedeeltelijke invulling van de eisen voor het behalen van de Master of Science in Complex System Engineering and Management aan de TU Delft. De reden dat u bent geselecteerd om deel te nemen is vanwege uw relevante kennis en ervaring in de vastgoedmarkt.

### Doel van het onderzoek

Het doel van dit onderzoek is om inzicht te geven in de impact van de Wet Betaalbare Huur op de woningmarkt vooral in West-Brabant en Tholen en zal ongeveer 60 minuten in beslag nemen. Het onderzoek zal zich richten op huurwoningen in het middensegment. De gegevens zullen worden gebruikt voor aanbevelingen voor een besluitvormingsinstrument om de impact van de Wet Betaalbare Huur te beoordelen en voor beleidsaanbevelingen om de huursector in het middensegment te versterken.

### Data beveiliging en vertrouwelijkheid

Uw antwoorden in dit onderzoek zullen naar ons beste vermogen vertrouwelijk blijven. Alle gegevens die in dit onderzoek worden verzameld waaronder het aantal jaren relevante werkervaring, uw werkveld en baanomschrijving, worden vertrouwelijk behandeld. Het interview zal worden opgenomen en getranscribeerd via Microsoft Teams. De digitale opnames en transcripties zullen veilig worden opgeslagen en geback-up't op servers van de TU Delft, waar alleen het onderzoeksteam toegang toe heeft.

### Gebruik en verwijdering van de gegevens

De gegevens die tijdens het interview worden verzameld zullen gebruikt worden om de context van de analyses te verrijken en om meer diepgang aan het onderzoek toe te voegen. Het transcript en de opname worden op een anonieme wijze samengevat. U ontvangt de samenvatting en het transcript zodra deze is opgesteld ter goedkeuring, en u kunt aanpassingen over de inhoud aangeven.

### Vrijwillige deelname en publicatie

Uw deelname aan dit onderzoek is volledig vrijwillig, en u kunt zich elk moment terugtrekken zonder reden op te geven. U bent vrij om vragen niet te beantwoorden. U heeft het recht om zich op elk moment uit het onderzoek terug te trekken tot aan de publicatie van de thesis, die naar verwachting in augustus 2024 zal plaatsvinden.

### Contactinformatie voor verdere informatie

#### Uitvoerende onderzoeker:

J.S.J. (Joris) Laman Trip  
J.S.J.LamanTrip@student.tudelft.nl

#### Verantwoordelijke onderzoeker:

mr. J.M. (Joyce) Kooijman  
J.M.Kooijman-1@tudelft.nl



**Geef hieronder aan of u toestemming wilt geven****Vraag**

1. Ik ga ermee akkoord dat mijn reacties, meningen of andere input anoniem in onderzoeksresultaten worden geciteerd.

**Ja****Nee**☐☐

2. Ik ga ermee akkoord dat mijn goedgekeurde samenvatting wordt opgenomen in het onderzoek.

☐☐**Handtekening deelnemer**

Ik heb de bovenstaande deelnemers informatie heb gelezen en begrepen en ik geef bestemming om deel te nemen aan het onderzoek en de beschreven gegevensverwerking.

**Naam van deelnemer:** \_\_\_\_\_

**Handtekening:** \_\_\_\_\_

**Datum:** \_\_\_\_\_

## Participation information sheet

### Invitation to participate

You are invited to participate in the study: *Rent and Reality: Assessing the Impact of the Affordable Rent Act on Mid-Market Rental for Housing Associations*. Before you decide to participate in the study, it is important that you understand why the research is being done and what participation involves. Please take the time to read the participant information sheet carefully. Ask if anything is unclear or if you would like further clarification or more information. Thank you for reading.

### Details of the study

The study is conducted by Joris Laman Trip from the Delft University of Technology (TU Delft) in collaboration with Stadlander. The study is conducted to fulfill the requirements for obtaining a Master of Science in Complex System Engineering and Management at TU Delft. The reason you have been selected to participate is because of your relevant knowledge and experience in the real estate market.

### Purpose of the study

The purpose of this study is to provide insights into the impact of the Affordable Rent Act on the housing market, especially in West-Brabant and Tholen, and will take about 60 minutes. The study will focus on rental housing in the mid-market segment. The data will be used for recommendations for a decision-making tool to assess the impact of the Affordable Rent Act and for policy recommendations to strengthen the rental sector in the mid-market segment.

### Data security and confidentiality

Your responses in this study will remain confidential to the best of our ability. All data collected in this study, including the number of years of relevant work experience, your field of work, and job description, will be treated confidentially. The interview will be recorded and transcribed via Microsoft Teams. The digital recordings and transcriptions will be securely stored and backed up on TU Delft servers, where only the research team has access.

### Use and deletion of the data

The data collected during the interview will be used to enrich the context of the analyses and add more depth to the study. The transcript and recording will be summarized in an anonymous manner. You will receive the summary and transcript once it is compiled for approval, and you can indicate adjustments about the content.

### Voluntary participation and publication

Your participation in this study is entirely voluntary, and you may withdraw at any time without giving a reason. You are free to choose not to answer any questions. You have the right to withdraw from the study at any time up until the publication of the thesis, which is expected to take place in August 2024.

### Contact information for further information

#### Corresponding researcher:

J.S.J. (Joris) Laman Trip  
J.S.J.LamanTrip@student.tudelft.nl

#### Responsible researcher:

mr. J.M. (Joyce) Kooijman  
J.M.Kooijman-1@tudelft.nl

**Please indicate below whether you consent**

<b>Question</b>	<b>Yes</b>	<b>No</b>
1. I agree that my responses, opinions or other input may be cited anonymously in research findings.	<input type="checkbox"/>	<input type="checkbox"/>
2. I agree that my approved summary may be included in the research.	<input type="checkbox"/>	<input type="checkbox"/>

**Participant signature**

I have read and understood the above participant information and I consent to participate in the study and the described data processing.

**Participant name:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

## C.2. Interview structure

The interview will take about 60 minutes and this is the timeschedule during the interview.

### 1. Introduction (5 minutes):

- Briefly introduce the purpose of the research and the interview.
- Confirm the participant's consent to record the session for transcription purposes.

### 2. Background information (5 minutes):

- "What is your current position? And how many years of experience do you have in real estate?"

### 3. Main interview (30 minutes):

- The questions are strategically designed to address the specific expertise and responsibilities of each participant, such as municipalities, housing associations, and others. While a consistent thematic framework is preserved across all groups, the articulation of each question is carefully modified to resonate with the distinct roles and experiences of the respondents. For example, Question 7 is originally posed as: "Can you describe the decision-making processes followed in applying for mid-rent projects?". This is then tailored to:
  - *For municipalities*: "Can you describe the decision-making processes the municipality follows when dealing with mid-market housing projects?"
  - *For housing associations*: "How do you expect the Affordable Rent Act to impact your day-to-day operations?"
  - *For others*: "How do you expect the Affordable Rent Act to impact your clients?"
- Each interview session is conducted with a flexible structure to delve deeper into subjects where the interviewee possesses substantial expertise and relevance to the research theme. This approach allows for a more dynamic interaction where questions evolve based on the discussion, ensuring that the information is gathered and insightful for the research.

### 4. Questions on the improving housing market and advice for housing associations (15 minutes):

- "In your opinion, what is an effective approach to improving the balance between demand and supply in the mid-market rental sector (of this region)?"
- "What advice would you, from your experience, give to housing associations to better address demand and supply in the mid-market rental sector (in the region)?"

### 5. Closing (5 minutes):

- "Are there any topics that we have not discussed that you would like to discuss or share?"
- Allow participants to add any additional comments or insights.
- Thank the participant for their time and contribution.

### **C.2.1. Questions interviews**

The original interview questions are presented in Dutch on the underneath page, and on the subsequent page, the interview questions are translated into English.

## **Interviewvragen Wet Betaalbare Huur**

### **Introductie**

1. Wat is uw huidige functie? En hoeveel jaar ervaring heeft u met vastgoed?

### **Middenhuursegment in West-Brabant**

2. Hoe zou u de huidige staat van het middenhuursegment in West-Brabant en Tholen omschrijven, en hoe verhoudt deze definitie zich tot landelijke normen?

3. Hoe beïnvloedt de regionale economie van West-Brabant de vraag naar middenhuursegment?

### **Impact Wet Betaalbare Huur**

4. Gebaseerd op uw ervaring, welke impact verwacht u dat de Wet Betaalbare Huur zal hebben op het middenhuursegment?

### **Invloed op besluitvorming realisatie middenhuurwoningen**

5. Op welke manier beïnvloedt de Wet Betaalbare Huur uw dagelijkse werkzaamheden?

6. Hoe verwacht u dat de Wet Betaalbare Huur invloed zal hebben op woningcorporaties in de regio, vanuit uw ervaring?

### **Invloed op beslissingsprocessen**

7. Kunt u de beslissingsprocessen beschrijven die gevolgd worden bij het aanvragen van middenhuurprojecten?

8. Welke beslissingsprocessen of kaders zouden naar uw mening gehanteerd moeten worden als de Wet Betaalbare Huur wordt ingevoerd?

### **Oplossing vraag en aanbod middenhuursegment**

9. Wat is volgens u een effectieve aanpak om de balans tussen vraag en aanbod in het middenhuursegment (van deze regio) te verbeteren?

10. Welk advies zou u, vanuit uw ervaring, willen geven aan woningcorporaties om vraag en aanbod in het middenhuursegment beter te adresseren (in de regio)?

### **Afsluiting**

11. Zijn er nog zaken die wij niet besproken hebben en u zou willen bespreken of mee zou willen geven?

## **Interview questions Affordable Rent Act**

The original questions used in the semi-structured interview have been translated into English below.

### **Introduction**

1. What is your current position? And how many years of experience do you have in real estate?

### **Mid-market rental segment in West-Brabant**

2. How would you describe the current state of the mid-rent segment in West-Brabant and Tholen, and how does this definition compare to national standards?
3. How does the regional economy of West-Brabant influence the demand for the mid-rent segment?

### **Impact of the Affordable Rent Act**

4. Based on your experience, what impact do you expect the Affordable Rent Act will have on the mid-market segment?

### **Influence on decision-making for mid-market rental implementation**

5. In what ways does the Affordable Rent Act affect your daily operations?
6. How do you expect the Affordable Rent Act to influence housing associations in the region, from your experience?

### **Influence on decision-making processes**

7. Can you describe the decision-making processes followed in applying for mid-rent projects?
8. What decision-making processes or frameworks do you think should be employed when the Affordable Rent Act is implemented?

### **Solutions for demand and supply in the mid-rent segment**

9. In your opinion, what is an effective approach to improving the balance between demand and supply in the mid-rent segment (of this region)?
10. What advice would you, from your experience, give to housing associations to better address demand and supply in the mid-rent segment (in the region)?

### **Closing**

11. Are there any topics that we have not discussed that you would like to discuss or share?

## **C.3. Post-interview**

### **1. Data handling and analysis:**

- Transcribe and summarise recordings maintaining confidentiality.
- Analyse the data to identify key themes and insights relevant to the impact of the Affordable Rent Act.

### **2. Follow-up interviews:**

- Send interview transcripts and summary to participants for review and approval.
- Incorporate participant feedback and address any concerns.

# D

## Summary interviews

This appendix presents detailed insights from a series of six interviews conducted to acquire information regarding the Affordable Rent Act within West-Brabant and Tholen. The individuals interviewed were selected for their knowledge and experience in the subject matter, as well as their responsibilities as policymakers. An overview of the interviewees, including their roles and contributions to the discussion on this significant legislative measure, is provided in Table D.1.

**Table D.1:** Overview of interviewees.

No.	Type of organisation	Function	Relevant experience	Appendix
1.	Housing association	Director housing	40 - 50 years	D.1
2.	Housing association	Consultant housing	40 - 50 years	D.2
3.	Real estate developer	Project developer	10 - 20 years	D.3
4.	Real estate broker	Partner	10 - 20 years	D.4
5.	Municipality	Alderman & Policy advisor housing	30 - 40 & 0 - 10 years	D.5
6.	Municipality	Alderman housing	10 - 20 years	D.6



## D.1. Summary interview 1

*Type of organisation:* housing association

*Position interviewee:* director

*Years of experience interviewee:* 40 - 50 years

*Date:* 15 May 2024

### **Introduction:**

The interviewee has more than 40 years of experience in public housing and urban renewal, acquired in various regions, including Den Helder, Amsterdam, Rotterdam, and predominantly in the southern region of the Netherlands. The interviewee works as an interim client and area director.

### **Description of mid-market in West-Brabant and Tholen:**

The share of mid-market rental in this region is small; it consists mainly of social rent or owner-occupied properties, with owner-occupied properties also accessible to the social rent target group. Mid-market rental is less common in this region.

### **The Affordable Rent Act:**

The interviewee expresses support for the Affordable Rent Act primarily due to the limited options available to tenants in the private sector, which allowed private investors to profit from individuals with limited choices. The legislation should have been able to eliminate the excesses in the rental market. However, the interviewee acknowledges the risk of private landlords selling their rental properties. This could lead to an increase in the buying market and heightened demand for (social) rental housing. This would enhance interest in social housing for housing associations, such as Stadlander. Furthermore, the interviewee states that it is important to notice that investors are trying to maximise financial returns and that housing associations are also maximising social returns.

The interviewee appreciates Hugo de Jonge's proactive approach to addressing the situation. Regardless of differing perspectives, de Jonge made sure that the issue was not overlooked. Moreover, the interviewee noted the interesting decision of the current caretaker government to refrain from declaring this subject as non-controversial, consequently enabling the legislation to proceed. This is especially remarkable, considering that a shift in government is about to occur. Furthermore, the timing of these legislative changes presents further difficulties, as they are set to be implemented in mid-July, allowing just a short amount of time for essential preparations and modifications. Nevertheless, the interviewee expressed concerns about the potential for private investors to exploit loopholes in the new restrictions in order to maintain their former levels of profitability.

According to the interviewee, the most significant impact of the Affordable Rent Act will be the limitation of rents. The interviewee anticipates that the Act will establish a more equitable equilibrium between the availability and need for housing in the mid-market rental sector, particularly in major urban areas. The interviewee believes that housing associations can alleviate the pressure on the social renting sector by offering high-quality housing at affordable mid-range prices.

### **Impact of the Affordable Rent Act on the mid-market segment:**

The interviewee expects the Affordable Rent Act to make private landlords nervous as it limits rents, which is positive for tenants. There is a risk that landlords will sell their property, which may encourage the flowthrough to owner-occupied properties. The interviewee thinks that in the short term, the Act does not impose barriers on housing associations but rather provides opportunities for a better discussion on what social housing should be.

### **Decision-making processes for mid-market rental projects:**

Housing associations such as Stadlander work with area visions (*gebiedsvisies*) to determine where and how housing will be developed. This includes renovation, demolition, and new construction plans, with a mix of social rent and middle rent. Decisions are taken via a multi-stage process comprising the participation of the management team and the supervisory board.

The interviewee noted that housing associations remain in the area and think about long-term involvement. This is because the associations stay in the community. After all, associations will keep the property and might occasionally sell it, but that is not the business model. It's not about owning it now and selling it in 15 years because then more maintenance is required.

**Experience and future vision:**

Based on extensive experience with different strategies over time, the interviewee recognises the importance of investing in neighbourhoods to address and mitigate segregation. The interviewee emphasises that the most important advantage of housing associations resides in the long-lasting commitment to local communities. The interviewee observed that applying the reduced interest rates available for social housing to the mid-market rental sector is challenging due to the limitations imposed by the WSW (*Waarborgfonds Sociale Woningbouw*).

The interviewee stated that following the implementation of the Housing Act 2015 (*Woningwet 2015*), the housing market was finished according to the government, causing the government to loosen control. Then, the appropriate allocation (*passend toewijzen*) was introduced, which meant that certain housing associations were no longer permitted to assign residents according to their preferences but instead had to consider individual circumstances. Consequently, specific centres became populated with socially disadvantaged groups. Moreover, the government implemented levies on housing associations, resulting in an annual tax payment equivalent to almost three months' rent.

The interviewee hopes that policy adjustments and a greater focus on middle rent will improve throughflow within the housing market. The interviewee hopes the new legislation will lead to a fairer and more accessible rental segment that meets the needs of middle-income groups.

**Advice to housing associations:**

The interviewee advises housing associations to examine demand closely and respond accordingly, not only in the short term but also in the long term. The models should determine whether this current demand will last in the long term. The focus for housing associations should be on providing housing that offers a home and a pleasant living environment, which requires more than just the Affordable Rent Act.

The future should involve an approach that reduces segregation and promotes mixed neighbourhoods. Therefore, the interviewee criticises appropriate allocation and wishes it could be erased because it leads to spatial segregation. The interviewee stresses the importance of mixed neighbourhoods and calls for less spatial segregation. The interviewee strongly believes in the role of housing associations in combating spatial segregation. The interviewee sees the Affordable Rent Act as a step in the right direction but stresses that a comprehensive approach is needed for lasting improvement.

The interviewee emphasises the significance of financing alternatives for middle-rent initiatives for housing associations. If investors withdraw, housing associations like Stadlander could consider entering the mid-rent market, depending on the level of long-lasting demand.

## D.2. Summary interview 2

*Type of organisation:* housing association

*Position interviewee:* consultant housing

*Years of experience interviewee:* 40 - 50 years

*Date:* 16 May 2024

### **Introduction:**

The individual in question is nearing the end of their career and is currently completing the remaining tasks and transitioning their responsibilities. The interviewee possesses more than 40 years of expertise in the field of public housing and currently holds the position of consultant at WonenCentraal.

### **Description of mid-market in West-Brabant and Tholen:**

The middle rental market is a new segment within the housing association sector. Previously, there was mainly social rent and a liberalised rent sector. Mid-market rental is now a separate segment within the liberalised sector. In the West-Brabant and Tholen region, Stadlander possesses a total of 14,000 dwellings, with 656 dwellings in the liberalised rental sector and 165 dwellings classified as mid-market rental. Under the new Act, the maximum rent for three residences is currently too expensive for the new WWS points. Therefore, this share is negligible when compared to the entire portfolio.

The housing industry in the region is impacted by the presence of major industries in the area. Philips Morris operates a significant facility in Bergen op Zoom, while Philips had substantial manufacturing in Roosendaal. The interviewee noticed a shift in local demand when these companies started to close. The interviewee is having trouble proving a clear relationship in this region between the job market and the property market. According to the response, most people in the community managed to find other work.

### **Historical development of housing associations:**

In the 1990s, the relationship between housing associations and the government shifted dramatically. Prior to 1992, housing associations had a direct channel of communication with the government, with credit structures routed through the government and rent increases legislated. This allowed for minimal flexibility while still providing clarity and stability. With the implementation of the Heerma Memorandum (*Nota Heerma*) in 1992, associations gained independence and greater financial flexibility. The government discontinued direct supervision of association finance, enabling them to fend for themselves. This resulted in increased activity in the liberalised sector and care housing. This independence had a significant impact on joint decision-making. Initially, associations had few possibilities and mostly concentrated on social renting. With newfound independence came more options but also greater risks. The interviewee outlines how short lines in small firms with rapid decisions led to increasingly sophisticated decision-making processes. The emphasis switched from conservative policy to proactive development, frequently individuals. The loosening of restrictions and the added flexibility caused problems with oversight. Abuses such as those at Woningstichting Geertruidenberg and Vestia demonstrated the need for greater oversight and clearer standards. The government responded with greater regulation and increased meddling, which is a double-edged sword for associations, giving them less room for innovation but more stability.

### **Affordable Rent Act:**

The implementation of the new law is expected to result in an increase in the number of cases filed at the rent commission (*Huurcommissie*), as tenants of liberalised sector housing will now have the opportunity to have their rent evaluated within a period of six months from the start of their lease. The Act will significantly change the residential assessment points (*Woningwaarderingpunten*), energy labels, and private outdoor spaces. This modernisation of the residential assessment system will have the biggest impact on the number of *Woningwaarderingpunten* (WWS points). Furthermore, small changes are also implemented for cooling the room and for parking spaces.

**Decision-making processes for mid-market rental projects:**

Decisions on middle-rent projects should be based on detailed research into demand and need in the region. Stadlander should determine what role they want to play in realising more middle-rent housing. The current policy seems financially driven without having sufficient alignment with the real needs of the area and potential tenants.

**Experience and future vision:**

The interviewee described the historical context of housing associations and their involvement in the liberalised and healthcare housing sectors. In the past, associations mainly focused on social renting, but with loosened rules, it was possible for them to build liberalised sector housing as well. This has led to wider involvement in different types of housing, including healthcare housing. The interviewee sees the need for stricter supervision and clear rules to prevent future problems.

**Advice to housing associations:**

Stadlander and other housing associations need to properly investigate the needs of house seekers, especially in the mid-priced rental segment. The interviewee states that it is important to take into account population composition and future developments. By incorporating the Affordable Rent Act, housing associations have to adjust their strategies and ensure transparency and compliance with the new regulations, which is essential for maintaining trust and efficiency in the housing market.

In addition, associations should consider how they can contribute to through-flow, such as by facilitating the relocation of seniors to more appropriate housing and thereby making single-family homes available for new residents. The advice is to establish explicit agreements and frameworks regarding the role they wish to undertake and to appoint a specialised housing minister for better direction and policy.

### D.3. Summary interview 3

*Type of organisation:* real estate developer

*Position interviewee:* project developer

*Years of experience interviewee:* 10 - 20 years

*Date:* 23 May 2024

#### **Introduction:**

The interviewee has been in project development for more than ten years, focusing on both new construction and renovation within the urban environment. Shortly after graduating from TU Delft, the interviewee's career began with hands-on construction planning and supervision roles, transitioning into project development roles at a large real estate developer in the Randstad, where the interviewee currently manages sizeable urban renewal projects.

#### **Description of the housing market in West-Brabant and Tholen:**

The interviewee mentioned that their understanding of the housing market in West-Brabant and Tholen is limited. The interviewee was specifically focused on a project in Bergen op Zoom, Fort-Zeekant. Fort-Zeekant was constructed during the 1950s. The condition of Fort-Zeekant has declined over time as a result of the ageing.

#### **The Affordable Rent Act:**

The interviewee expresses mixed feelings about the Affordable Rent Act. The interviewee acknowledges that while the Act is intended to protect tenants from exorbitant rents in the private sector, it may inadvertently cause landlords to exit the rental market. The interviewee also noted that investors have been investing less lately, which is a big part of their clients. However, the interviewee is unable to attribute this effect to the Affordable Rent Act or any other regulations or factors.

#### **Decision-making processes for mid-market rental projects:**

Decision-making for mid-market rental projects is highly influenced by external factors such as regulatory changes, market conditions, and the financial environment. For instance, the rising cost of construction materials and the increase in interest rates substantially impact the feasibility and profitability of these projects. The interviewee details the decision-making process at the company, explaining that it involves various analyses and strategic planning with multiple stakeholders, including municipal authorities and housing associations. Projects often start with an intensive study of the area's history, demographic changes, and current needs to ensure that new developments are well-integrated and beneficial to the local communities.

For example, in the case of Fort-Zeekant, the interviewee elucidates the complexities of working within specific neighbourhood boundaries and the challenges associated with the renewal of outdated housing stocks. The project started via a tender process by Stadlander, which included a request for proposals outlining the requirements. The requirements were extensive, encompassing technical specifications, a visual quality plan, an urban planning scheme, and occasionally additional stipulations from the local municipality. Subsequently, the company assesses the neighbourhood to identify suitable target demographics, incorporating the area's history and identity into its planning. This approach represents a dynamic interplay of multiple factors.

#### **Experience and future vision:**

The interviewee discussed the challenges posed by regulatory environments and the influence of external factors, such as material costs, on housing development. The interviewee stated that environmental regulations influence real estate development; at the moment, the most significant impact is related to nitrogen. According to the interviewee, in the future, the carbon dioxide emissions resulting from the Paris Climate Agreements are anticipated to impact the real estate sector substantially.

**Advice to housing associations:**

The interviewee recommended that engaging in a dialogue regarding the issue is important. Rather than attempting to address the problem unilaterally, it is imperative that all parties convene on a solution. The municipality is a significant factor in determining the appropriate type of housing for a specific location. The housing association is highly knowledgeable about the area and understands its tenants' requirements and preferences. Furthermore, housing associations often make urban development plans together with municipalities. Furthermore, the interviewee stated that it is also precious to involve market parties in these plans so that they can contribute ideas on which housing types are profitable and which are less so.

**General statements:**

According to the interviewee, a challenge faced by municipalities is a shortage of employees. There is a shortage of staff and a high rate of employee turnover. As a result, the individual sometimes finds themselves having to sit at a table with multiple people and retell the same story repeatedly.

## D.4. Summary interview 4

*Type of organisation:* real estate broker

*Position interviewee:* partner

*Years of experience interviewee:* 10 - 20 years

*Date:* 23 May 2024

### **Introduction:**

The interviewee has expertise in the real estate field for more than ten years, now being a member of the management team of a real estate brokerage firm that specialises in the rental and sale of residential properties in West-Brabant and Tholen.

### **Description of the mid-market housing in West-Brabant and Tholen:**

The middle rental market, which encompasses housing up to approximately €1100, is characterised by a scarcity of available options and poor quality in the region. This segment is impacted by economic activities in the area, particularly shipping operations in Antwerpen and the agricultural sector. Therefore, the market is experiencing substantial demand from migrant workers and expats.

The interviewee stated that 80% of the homes in Bergen op Zoom are sold to the local public, but this is different in Steenbergen and Woensdrecht. In Steenbergen, the import from other regions accounts for 50% to 60% of the total. Rotterdam, Ridderkerk, Dordrecht, and Barendrecht are all readily apparent. They still find the Steenbergen and Dinteloord exit interesting. In Woensdrecht, houses are also purchased by private individuals from Belgium due to the lower financing costs in the Netherlands, which makes housing more affordable.

### **The Affordable Rent Act:**

The interviewee states that the Act is perceived as constraining the ability of smaller investors to charge unlimited rents, which has led to a decrease in investment in rental properties and their availability. The new Act could be a challenge, particularly in light of its potential to limit the availability of rental properties and discourage investors, which could make it even harder for renters. This could also be influenced by higher interest rates, changes in taxation on investment income (Box 3), and property taxes. While larger investors may find it feasible to continue their operations, smaller investors encounter challenges in generating a sufficient return on their investments. The interviewee acknowledges that this situation is primarily a regional concern, with the issue being particularly severe in the Randstad area.

The interviewee expresses concern about providing advice. The interviewee perceives a potential hazard in how the WWS scoring is conducted; it lacks transparency and is not simply a straightforward completion task. There are elements that are vague and can be interpreted in a variety of ways, which can either be advantageous or disadvantageous.

### **The Affordable Rent Act on the mid-market sector:**

The interviewee expects that the Affordable Rent Act negatively impacts the middle rental segment, primarily because smaller investors withdraw their properties from the market due to diminished returns. The majority of investors in the region are small investors, which has resulted in a decrease in the number of properties available. Consequently, the middle rental segment will decrease unless housing associations start investing in it.

### **Decision-making processes for mid-market rental projects:**

Decision-making around middle-rent projects is complex and heavily dependent on yield calculations. Development processes are complicated by stringent regulations and long lead times, affecting both large and small investors.

**Experience and future vision:**

The interviewee anticipates that the Affordable Rent Act will result in a decline in the middle rental market, putting more pressure on the housing associations in the region. Therefore, the interviewee suggests that the central government should increase its efforts to accelerate development processes. The interviewee observed that those within the government who are eager to make changes regarding the rules are themselves met with resistance from the government itself. Moreover, the interviewee advises the government to prioritise urban areas and rural communities and villages to foster equitable growth.

According to the interviewee, villages are gradually depopulating. The explanation is that individuals are departing due to the absence of facilities, or are they departing due to the absence of residential facilities? The development of an excessive number of facilities in urban areas has resulted in the depopulation of the surrounding villages.

**Advice to housing associations:**

The interviewee believes the problem resides not with the housing associations but rather with the central government. The interviewee highlighted that shortages in supply and changing regulations in the housing market are important bottlenecks.

**General statements:**

The interviewee emphasises the disparity between the expectations of starters in the housing market and the reality of the housing market. There is a high demand for affordable housing, but potential renters face a limited supply and high prices, especially in the middle segment. Starters are recommended to potentially modify their expectations, such as by contemplating investments in less desirable areas or housing situations. This adjustment may involve travelling beyond major metropolitan areas or selecting properties that are less sought after, potentially resulting in more financially realistic alternatives.

Furthermore, the interviewee stated that a specific type of tenant is attracted to a property that charges a reasonable rent while setting an excessively high rental price attracts a different kind of tenant. This is based on personal experience. There is a reason why landlords with excessively high rents have an abundance of clutter, and tenants are often impolite.



## D.5. Summary interview 5

*Type of organisation:* municipality

*Position interviewee A:* alderman housing

*Position interviewee B:* policy advisor housing

*Years of experience interviewee A:* 30 - 40 years

*Years of experience interviewee B:* 0 - 10 years

*Date:* 24 May 2024

### **Introduction:**

The interview was conducted simultaneously with two interviewees, both of whom are employed by a municipality in the West-Brabant and Tholen region. Interviewee A, an alderman, has more than thirty years of experience in the fields of civil engineering and housing policy. Interviewee B, a policy advisor, has several years of experience as a housing policy advisor in the municipality.

### **Description of the mid-market housing market in West-Brabant and Tholen:**

The interviewees stated that within the municipality, the mid-market rental segment constitutes a relatively small share of the entire housing market, while a significantly larger portion is dedicated to owner-occupied housing and social renting. The interviewees stated that an increase in demand for mid-market rental is observed. The municipality has large aviation-related businesses in the area, employing approximately 3000 individuals. As a result, there is a demand for temporary accommodations.

The interviewees stated that the municipality of Woensdrecht is located within a Natura 2000 area, which means it is subject to stricter environmental regulations compared to nearby municipalities like Bergen op Zoom and Tholen, which have less strict or no comparable regulations. Due to nitrogen standards, nearly every construction project in the municipality faces restrictions. Approximately half of all projects are affected directly by these restrictions.

### **Affordable Rent Act:**

The impact of the Affordable Rent Act on the local mid-market rental sector is considered limited, with significant effects anticipated only through new construction projects rather than the conversion of existing properties.

### **Impact of Affordable Rent Act on mid-market sector:**

The interviewees noted that the Affordable Rent Act, while generally received positively, is expected to have a limited impact on the mid-market rental sector due to the existing small base of such housing in the municipality. The municipality's role is described as facilitative in new housing developments, adhering to the allocation key outlined in the *Woondeal West-Brabant West*, which mandates 30% of new constructions for social rent and two-thirds for affordable housing, with the remaining 10% aimed at the mid-market rental sector.

### **Decision-making for mid-market housing:**

The interviewees state that project initiatives are subjected to an extensive assessment in relation to local environmental visions and housing development plans. The 'intake table' is the initial evaluation point where the suitability of the project within the environmental vision and the accuracy of the location for housing development are assessed. Every project must be officially registered. This is the initial assessment during which the municipality generally maintains a favourable attitude towards developments, provided that they adhere to the established regulations.

In the event that a project is in line with both visions, its creator can move forward with developing it. Given the increasing need for rental housing for middle-income individuals and the limited availability of existing options in this category, there is a substantial opportunity for new projects in housing development planning. These projects undertake additional development and are evaluated by multiple disciplines, including landscaping, nature conservation, water management, spatial planning, and housing construction.

The plan's quality and feasibility are guaranteed via the evaluation of crucial elements such as flora, fauna, and traffic. Following the initial assessment and any required modifications, the plan is returned to the environment table (*omgevingstafel*) for a subsequent evaluation. Once the required modifications are approved, the proposal is subsequently presented to both the college and the municipal council for their decision-making process.

**Experience and future vision:**

There is a noticeable need for mid-market rental properties, particularly from industries like aviation that employ a large number of expatriates. According to interviewees, local government and housing associations have important roles to play in addressing this demand by facilitating new construction and improving the current housing stock.

**Advice for housing associations:**

The interviewees propose a more proactive integration of mid-market rent into the housing supply. Housing associations could benefit financially by classifying the new association buildings as mid-market rent due to their high quality. Housing associations would have additional financial flexibility if they could rent out properties in the mid-market rental segment, as the associations would receive a higher rent.

**General statements:**

According to the interviewees, the development of new housing projects is affected by local regulatory challenges, such as stringent nitrogen regulations and lengthy objection procedures. In order to expedite the construction of new housing, it is recommended that regulations be more stringent and objection procedures be more efficient.

## D.6. Summary interview 6

*Type of organisation:* municipality

*Position interviewee:* alderman housing

*Years of experience interviewee:* 10 - 20 years

*Date:* 27 May 2024

### **Introduction:**

The interviewee possesses expertise as an alderman in the municipality, specialising in the housing, land, and spatial development portfolio. The interviewee has more than ten years of overall experience, including a specialised focus on the housing portfolio for around ten years.

### **Description of the mid-market housing market in West-Brabant and Tholen:**

Until recently, the mid-market rental sector has received minimal attention, particularly during the housing market crisis. The recent shortages in the housing market have resulted in a substantial increase in interest in this sector. Reality shows that the mid-rent segment is still short in the region, with its development sporadically and mostly left to the market. Measures are being implemented by private investors and companies, including those in the agricultural and manufacturing sectors, to provide housing for workers. This practice is occasionally implemented as a revenue model, in which employees must pay significant rent for properties their employer has acquired.

The interviewee stated that in the municipality of Tholen, the medium-rent segment is mainly left to private developers and is not actively supported by housing associations, which focus on social renting. This has led to a restricted amount of middle-rent housing development, with the primary emphasis on the owner-occupied market. Now, specific instances of development in the middle rental sector can be observed, such as the plans of BPD to construct approximately 50 residences in the Molenvliet district in Tholen. This initiative, in conjunction with Stadlander's plans for social rental housing, demonstrates a potential transition towards a more equitable housing inventory.

### **Affordable Rent Act:**

According to the interviewee, the Affordable Rent Act is perceived as a possible stimulus for creating affordable rental housing. However, the interviewee expresses concern regarding the Act's enforceability and the additional burden it would place on municipalities, particularly regarding the enforcement of quality evaluation.

### **Impact of Affordable Rent Act on mid-market sector:**

The interviewee is of the opinion that the Affordable Rent Act has the potential to increase supply in the mid-market rental segment by encouraging the construction of affordable rental housing. The Act encourages the construction of affordable rental housing through new development projects specifically targeting this segment.

### **Decision-making for mid-market housing:**

According to the interviewee, the local government employs a flexible and customised approach to the approval of mid-market rental initiatives. This decision-making process actively involves various constituents to guarantee that new developments comply with the community's requirements. Permits are issued based on identifying scarcity within specific target groups, which is determined through required surveys.

The council employs a targeted strategy to solicit mid-rent projects for more extensive plans, approaching the market in this manner. Additionally, the municipal council desires to conduct research on the specific needs and adhere to specific criteria in core areas (*kernverbindingen*). This promotes the municipality's dedication to its own residents and enables projects to be specifically accessible to local residents. To prioritise the residents' needs in the decision-making process, the municipal council actively supports local bonding.

**Experience and future vision:**

The interviewee underscores the imperative of expanding the housing stock to accommodate the requirements of various income groups, particularly those unable to purchase and do not qualify for social renting.

**Advice for housing associations:**

The interviewee recommends that housing associations should expand their scope and not only provide social rental housing but also contribute to the development of mid-market rental housing. This can be achieved by explicitly providing middle-income housing in newly developed neighbourhoods by tenders that align with the financial capacity of the young demographic.

The interviewee explains that housing associations should provide affordable and suitable housing for various groups, particularly those who cannot afford the financial responsibilities of an owner-occupied house but do not qualify for social rent. This is especially true for first-time buyers and young individuals who have a good income but are not yet prepared to move into an owner-occupied house. These groups are quite capable of paying rent that is appropriate, particularly in the middle rental segment.

**General statements:**

During the interview, European legislation's influence on the Netherlands housing market is discussed. It is noted that European legislation sometimes acts as a hindrance for housing associations that wish to build. The interviewee proposes that to overcome the challenges presented by European directives, it is imperative to exhibit greater flexibility and boldness when navigating the "grey areas" of the regulations. The interviewee argues that it may sometimes be necessary to push the boundaries. The interviewee believes the current approach is cautious and requires more proactive measures to improve the housing market.

Another general statement is that the interviewee noted that addressing sustainability presents a significant challenge for housing associations. Therefore, pursuing innovative solutions that connect sustainability and the development of mid-market rental housing can be advantageous, thereby reconciling both sustainability and affordability. Practically, this implies that by enhancing the sustainability of the property, it could be elevated to a superior standard and utilised for the mid-market rental sector. By renting out the property in the middle rental segment, housing associations can effectively resolve the issue of costly renovations by renting out the property in the mid-market rental sector.

The last general statement is that the interviewee stated that the municipality is considering integrating the affordability and quality standards outlined in the legislation into the local scoring system for housing development proposals. This system will facilitate the identification of developers with the qualifications to execute projects that align with the updated criteria successfully.