

Triggering Social Entrepreneurship Initiatives

Focusing on delivering affordable owner-occupied housing



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MSc Management in the Built Environment
Master thesis

Introduction

- No access to affordable housing
- Not enough money to afford a house
- Spend more than half of income on rent



Introduction

- Demonstrations against the lack of affordable housing



Housing protest in Amsterdam (The Holland Times, 2021)

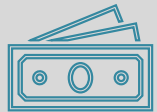


Housing protest in Amsterdam (Groenlinks, 2021)

Introduction

Shortage of affordable and suitable housing

- large cities
- middle-income people
 - Young people and senior citizens



€45,014 to €64,407

income levels of targeted households

2 million people

fall into this category




924,000

young households under the age of 29

Introduction

- Lack of supply

 **300,000** (2021)
839,000 (2035)
Shortage of housing units

 **54%** of home seekers
looking for owner-occupied homes in the housing market

 **137,000 dwellings**
Demand in the owner-occupied sector (Capital value, 2021)

- Shortage of housing leads to high housing prices


Background information

- Intermediate housing (affordable home-ownership)



Figure 1. The position of affordable homeownership in the Dutch housing continuum (Own figure)

Background information



Income groups	Sector	Provider	Govt. support
High-income Salary > € 64,407	Market homeownership	Private market developers	Mortgage tax deduction
Middle-income	Intermediate housing	Municipalities & housing associations	Different products & subsidies
Low-income Salary < €45,014	Social housing Rent < €763.47	Social housing associations	Rent allowance

WHY?

Problem statement

Municipalities	Social housing associations	Private market developers
Free market	Housing Act 2015	Insufficient profit



Problem statement

- *No Housing Policy*
- *Profit-driven developers*

Lack of social entrepreneurship in the housing market

- Social impact + Market growth
- Innovative



Research aim

- New Social Housing Enterprises
- Increasing the provision of affordable home ownership to bridge the gap
- A long-term solution rather than a one-off subsidy



Research aim

There is a need of:



Housing Policy

- ☐ Instruments to influence, regulate, and stimulate market behavior



National government

- ☐ Inclusive policy

Research question

How can national government policy trigger social entrepreneurship initiatives focusing on delivering affordable owner-occupied housing?

Research Method



Figure 2. Research sub-questions categorized in each research step (own illustration)

Results

Social entrepreneurship



Figure 2. Position of social enterprise towards impact & profit (adapted from OECD/EU (2019)).



Social Housing Enterprise

Providers of intermediate housing

- a developer with the necessary knowledge and innovative solution;
- combining social and economic missions;
- responsible for the innovative delivery of housing throughout the development process from concept to completion;
- manage the allocation and buyback.

Result

- *Government engagement can enhance social entrepreneurship.*

Removing the obstacles

- Increase the chance that more social housing enterprises become active in the housing market.

What can policymakers do to make SE active within the context of affordable housing?

- What are the barriers?
- What are the solutions?

Recommended policy

Designed policy

- **Shape**
altering the institutional 'rules of the game' under which they function.
- **Regulate**
regulating or restricting the decision-making environment & market activities.
- **Stimulate**
make certain acts more satisfying to specific development actors.
- **Capacity-building**
work more efficiently in their decision-making settings. (Adams & Tiesdell, 2013)

Phase 1: Strategic phase

initiate and promote change

Shape the Housing Market

Develop an intermediate housing strategy, vision, and framework with a long-term focus

Add the intermediate tenure to the Dutch housing market

Operational actions

Develop an intermediate housing strategy, vision, and framework with a long-term focus

Detect the areas where there is a need for intermediate housing; Identify the type of house.

Align the local and national policies aims & visions.

Take a long-term view; separate the housing delivery from the political process.

Operational actions

Add the intermediate tenure to the Dutch housing market

Provide a clear definition of intermediate housing

Define types of products

Define the target group

Clearly define the mechanisms for allocating units

Publish the necessary documents

Operational actions

Conceptual framework & formal recognition

Establishing a shared understanding of the terms "social entrepreneurship" and "social enterprises"

Apply an operational and formal definition of SE

Legal and regulatory frameworks

Phase 2: Process phase

enable change

Operational actions

The promotion of social impact measurement and reporting

Clear methods for measuring and reporting social and economic gains

Operational actions

Enhancing social entrepreneurial capacities and skills

Training for social entrepreneurs

Public authorities should receive specialized training

Operational actions

Enable large-scale delivery of intermediate housing

Facilitate knowledge sharing

Alignment of interest and a common understanding between stakeholders. (e.g., SE & municipalities, banks, etc.)

Operational actions

Stimulate innovation in the provision of intermediate housing

Providing space for innovation

Encourage innovation

Accelerate innovation by training workers in new skills e.g., MMC

Requires an innovative delivery of products and services

Standardization of manufacturing

Phase 3. Practical phase

deliver change

Operational actions

Promoting social entrepreneurship by improving its access to the housing market

Make the role of SE clear in the provision of the intermediate housing

Providing one point of contact

Create a procurement structure that encourages SE

Operational actions

Promoting social entrepreneurship by improving access to finance and in-kind resources

Facilitates access to financial resources

Increase the amount of land available

Provision of subsidized land

Tax relief

Other measures

Preserve affordability

- Sell back the unit to the provider
- Periodic evaluations

Demand-side subsidies

- Down-payment assistance
- Shared Appreciation Loans
- Land lease

Conclusion

The affordable housing shortage for middle-income households could finally be overcome, allowing them the opportunity to become homeowners.

Conclusion & Discussion

Conclusion

- High housing shortage
- Requires government intervention

Trigger social entrepreneurship initiatives focusing on delivering affordable owner-occupied housing by removing barriers that prevent these companies from functioning.

Conclusion

The purpose of housing-related social enterprises

regain home's faded social value, while creating more public value

- increase the permanent supply;
- reduce inequality;
- contributing to a broader context of solving the shortage of housing in the Netherlands;
- achieve the Sustainable Development Goals (SDGs) by 2030.

Discussion

- The challenges in both areas were great
- The challenges in, both SE and affordable housing have many variables that need close attention.
- SE currently has many issues and limitations.

Research limitations

Few academic research

The connection between the two is lacking
in the literature

The complexity of both field

Further research

- Collaboration of municipalities & Social Housing Enterprises
- Tactical plans
- Affordable land
- Demand-side subsidies

Housing is a basic human right

Housing was created to provide shelter, not a means of generating wealth



(Sonomanews, 2019)

Thank you

Any Question?

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