

The future of the middle rental housing sector

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sustay

INTRODUCTION

nrc>
'Het besteedbaar inkomen van mensen met lage en middeninkomens is de afgelopen 20 jaar nauwelijks vooruitgegaan'

Het Parool
Woningmarkt op slot voor middeninkomens

fd.
Middenklasse zit klem, Nederland steekt nog gunstig af

NOS
'Onzekerheid en druk op middenklasse groeit, overheid moet ingrijpen'

De Telegraaf
Middenklasse kampt met hoge lastendruk

(Analyse - Nationale DenkTank 2020, 2020)

Donderdag 10 april 2025 | Het laatste nieuws het eerst op NU.nl

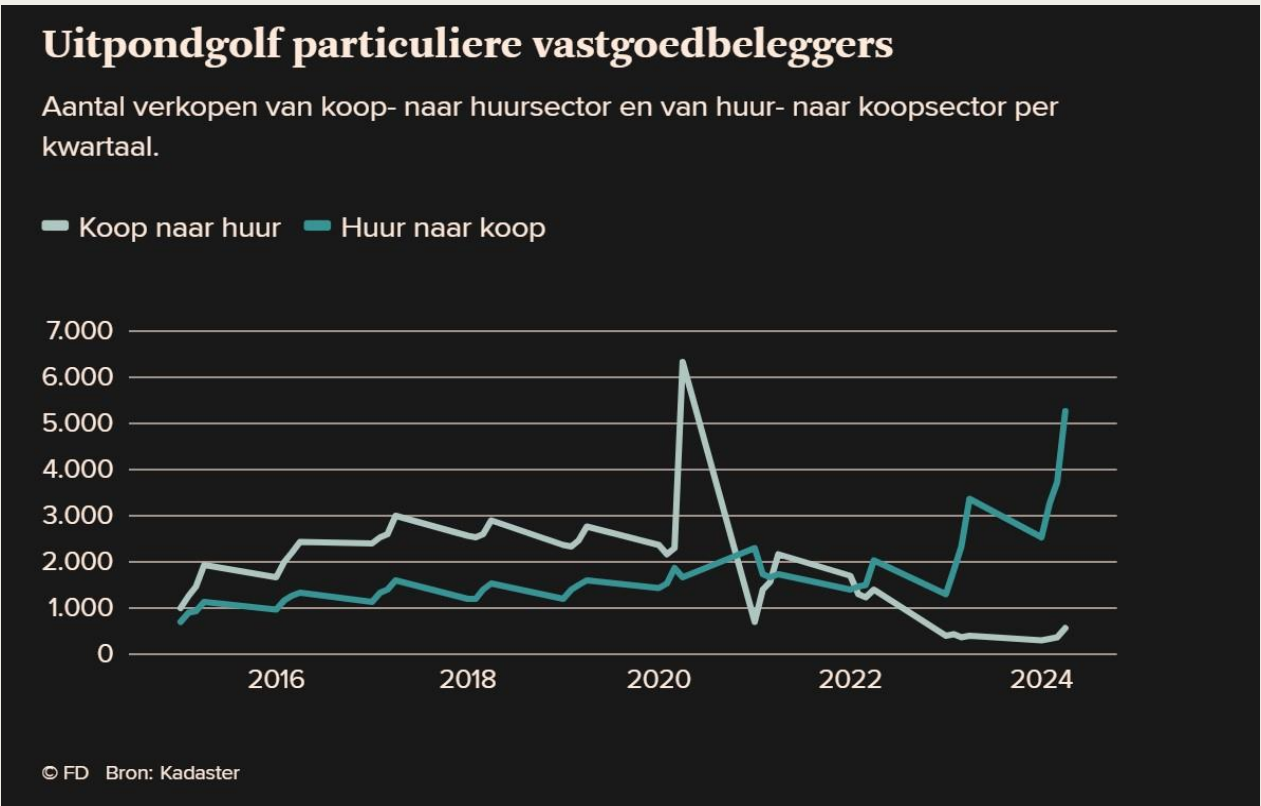


Kabinet wil hogere huurprijzen toestaan in strijd tegen verkoop huurwoningen

Door Priscilla Slomp



(NOS, 2023)



(Verkopen Van Huurhuizen Kleinere Vastgoedbeleggers Op Hoogste Niveau in Jaren, 2025)



Meer dan de helft van de 200 middenhuurappartementen in de nieuwe toren Benelux901 is groter dan 70m2.
© Aldo Allesie

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Het beste van De Telegraaf

'Dit gaat niet meer lukken'

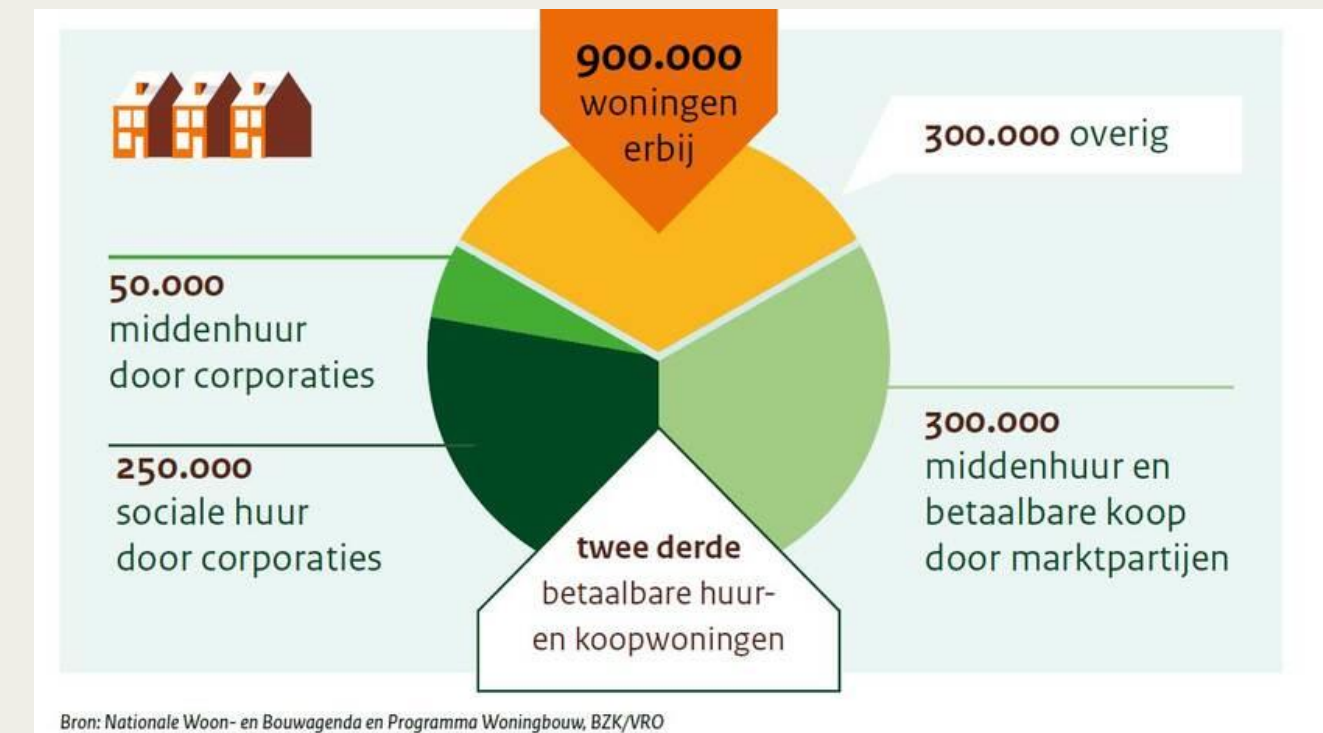
Stormloop op 'laatste buitenkansje' in middenhuur: 10.000 inschrijvingen voor 200 woningen

Door PIETER VAN ERVEN DORENS
05:30 in FINANCIEEL

(Van Erven Dorens 2025)

RESEARCH RELEVANCE

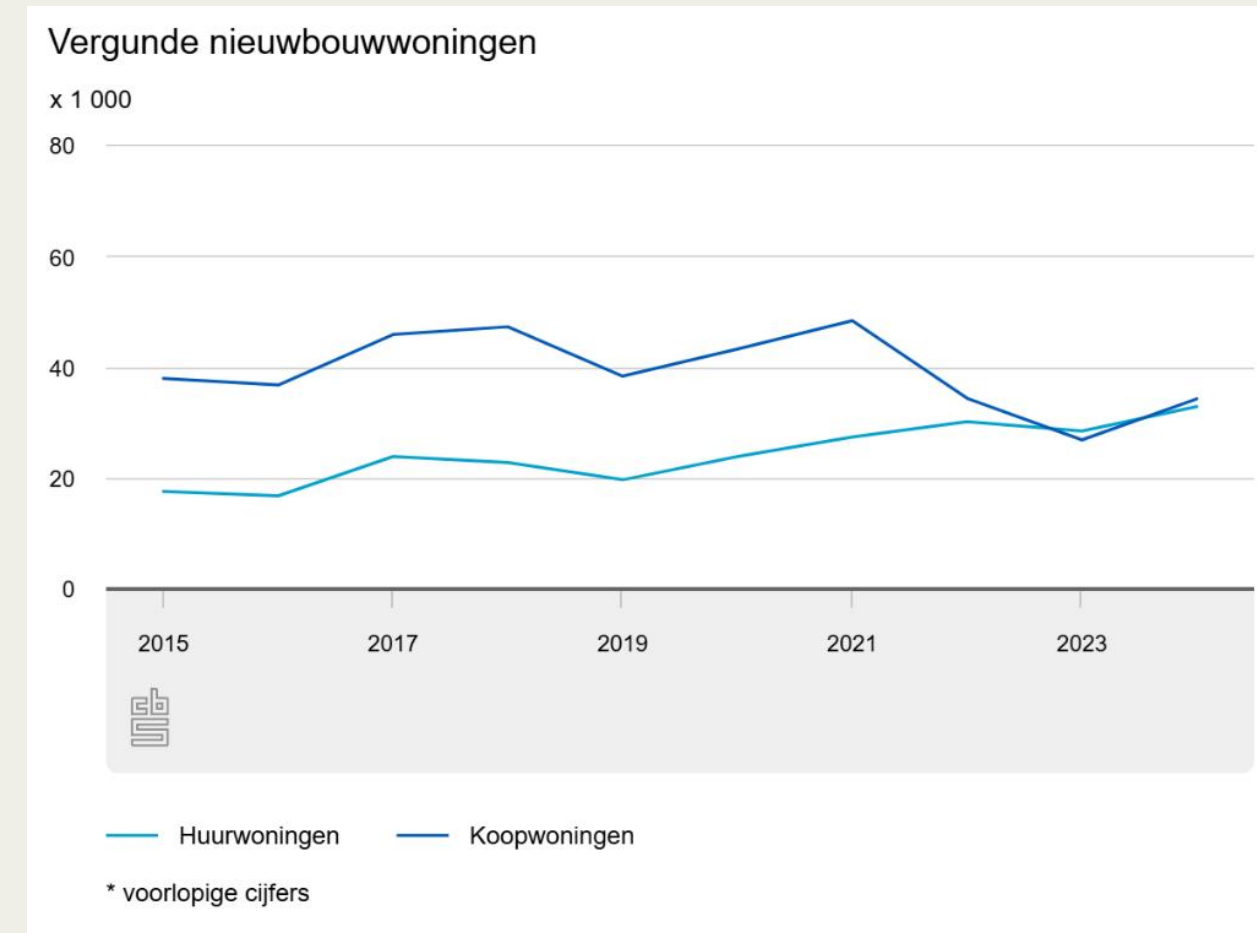
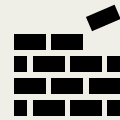
- Ambitious goals of our Government
 - 100.000 new dwellings per year
- Middle rental sector provides housing flow
 - Transitions between different sectors
 - But also, as a permanent sector
- Adequate housing
 - Availability, Accessibility and Affordability



(Ayala et al., 2019)

RESEARCH PROBLEM AND OBJECTIVE

- Too few (middle rent) homes
- Obstacles:
 - Construction costs
 - Declining investment interest



RESEARCH QUESTION

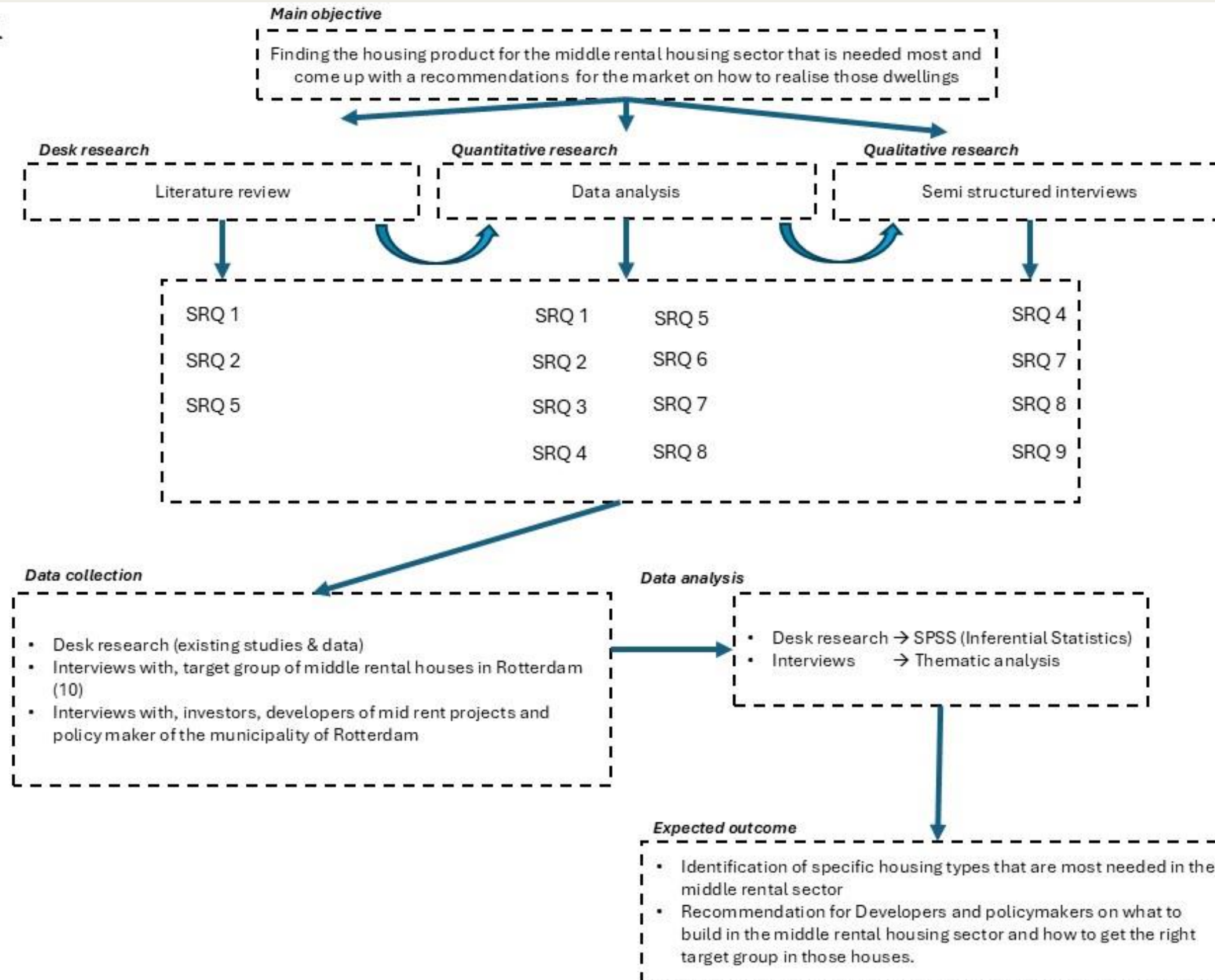
How can the middle rental housing market in the Netherlands be optimised to better serve its intended target group and relieve market stress?

SUB RESEARCH QUESTIONS

| | |
|----------------------|--|
| Middle rental sector | <ul style="list-style-type: none">• SRQ 1: What is the middle rental housing stock now in terms of price and type of dwelling? |
| Residents | <ul style="list-style-type: none">• SRQ 2: Who are the residents that live in the current housing stock of the middle rental houses?• SRQ 3: Who are the residents that would like to live in the current housing stock of the middle rental houses? |
| Housing needs | <ul style="list-style-type: none">• SRQ 4: What kind of housing needs and housing preferences do households wanting to live in the middle segment have? |
| Mismatch | <ul style="list-style-type: none">• SRQ 5: Is there a disbalance between the households who wants to live in the middle rental housing and the current residents of the middle rental housing stock?• SRQ 6: Who are the households that have moved into the middle rental housing sector in the last to years?• SRQ 7: How does the supply of middle rental housing compare to the demand of middle rental housing?• SRQ 8: Which households have the most difficulty in finding suitable housing? |
| Optimalisations | <ul style="list-style-type: none">• SRQ 9: What policies or actions can the middle rental housing suppliers and municipalities developer or investor undertake to optimize the middle rental housing sector? |

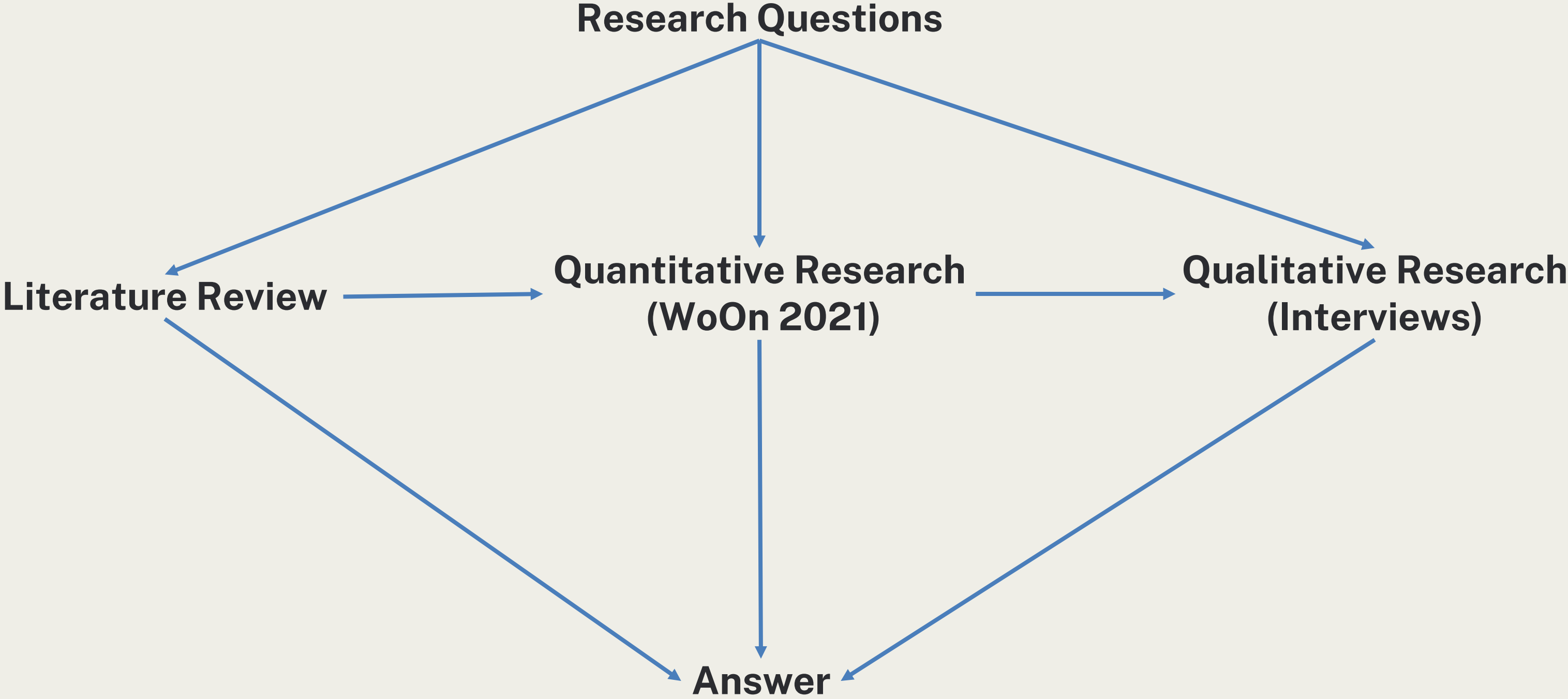
METHODOLOGY

Research model



METHODOLOGY

Research model



Context: What is the Middle Rental Housing Sector

- Rent price of €900 and €1.184
 - +10% for new developments → €1.303



(Ministerie van Binnenlandse Zaken en Koninkrijksrelaties, 2024b)

- Housing Valuation Points (woning waarderingssstelsel WWS) → 144-186



(Ministerie van Binnenlandse Zaken en Koninkrijksrelaties, 2024a)

Context: The target group of the middle rental sector

- Single person household → €47.699 - €62.191

(price level 2024)



- Multi persons household → €52.671 - €82.921

(price level 2024)



Quantitative research

- WoON 2021 (Woon Onderzoek Nederland)
- Research to the target group of the middle rental housing sector
 - *Current households in the middle rental housing sector* (n=1.922)
 - *Households that are wanting to move* (n=217)
 - *Households that have moved* (n=214)
- Analyses conducted in SPSS
 - *Results are weighted to represent the number of households in the Netherlands*

Current middle rental housing sector

Households

| | |
|-----------------------------|---------------------------|
| Total households: | 418.835 |
| Age on average: | 47 years |
| Households size on average: | 1,86 persons |
| Gross income on average: | €56.352 → € 66.495 |

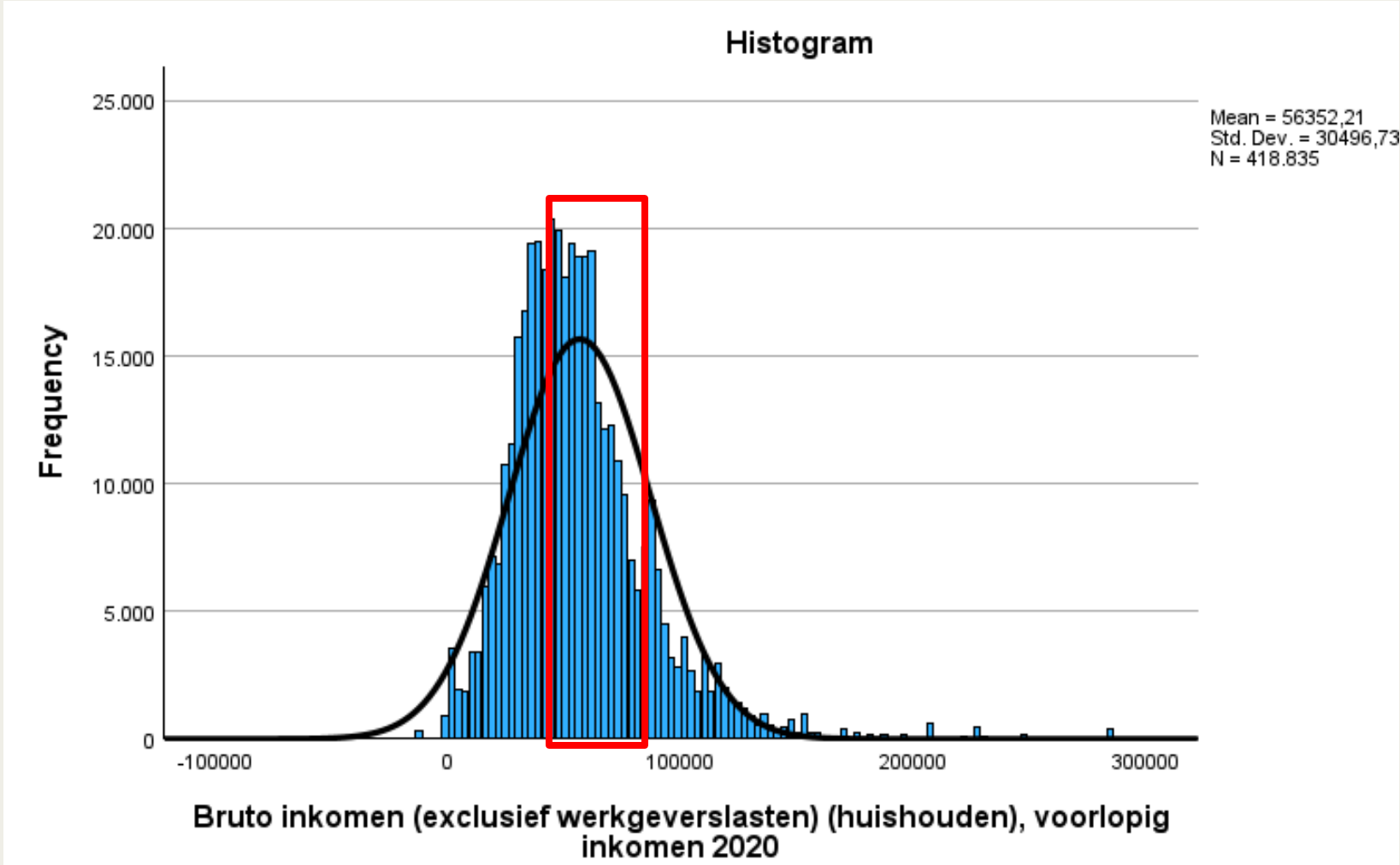
Dwellings

| | |
|----------------------------|-------------------------------|
| Type of dwellings: | 60,2 % Apartments |
| | 33,5 % Terraced houses |
| Area on average per unit: | 96,5 m² |
| Rooms on average per unit: | 3,5 Rooms |
| WWS points on average: | 180 WWS points |
| Rent on average: | €891 → €1.052 |
| Allowed rent on average: | €948 → €1.145 |

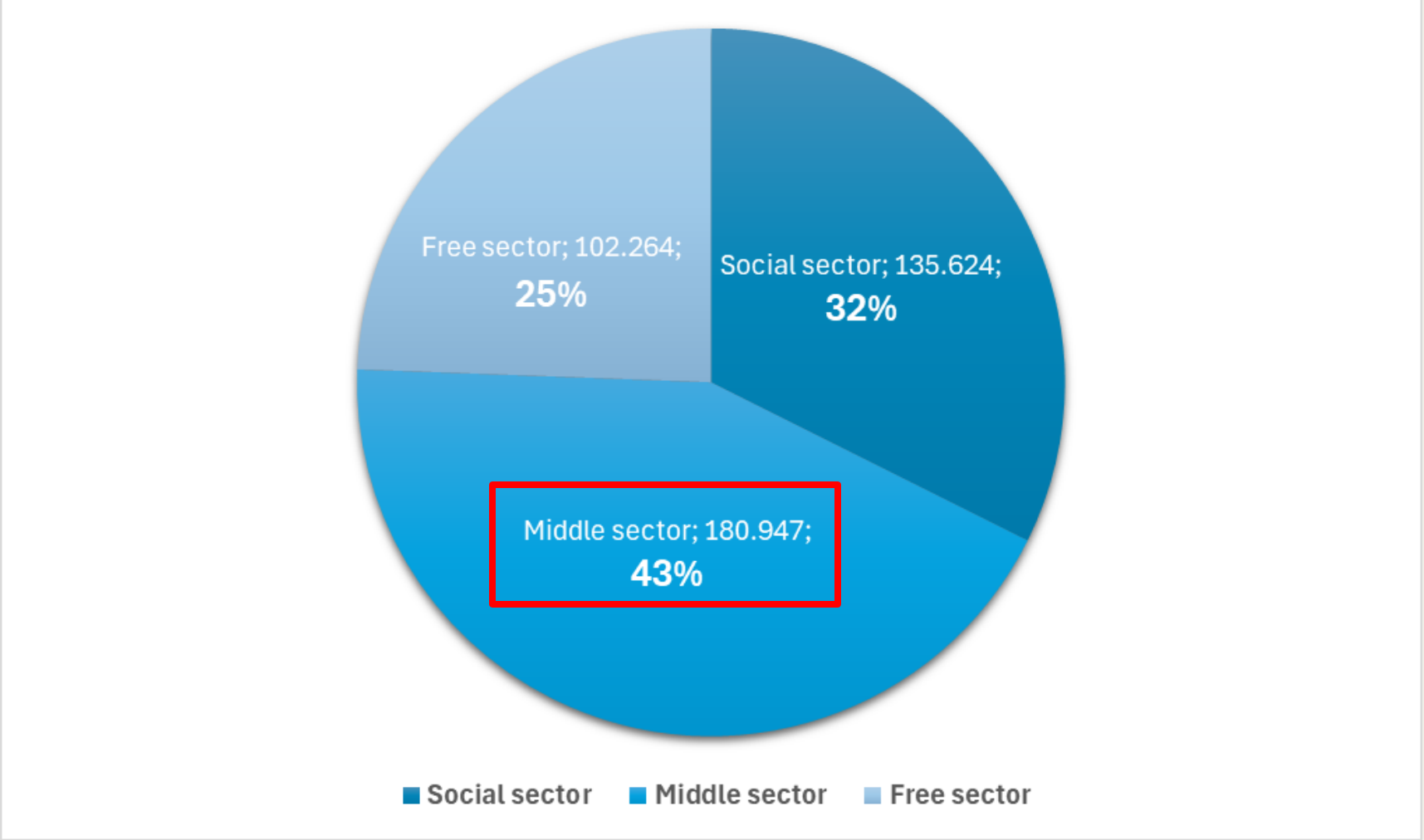
Current middle rental housing sector

Households

Gross income on average: €56.352 → € 66.495



Middle income 2021: €40.734 - €70.812



The target group that is willing to move

Households

| | |
|----------------------------|---------------------------|
| Total households: | 28.891 |
| Age on average: | 58 years |
| Household size on average: | 2,16 persons |
| Gross income on average: | €59.460 → € 70.163 |

Desired dwellings

| | |
|----------------------------|-------------------------------|
| Type of dwellings: | 59,7 % Apartments |
| | 34,7 % Terraced houses |
| Rooms on average per unit: | 3,3 Rooms |
| Desired rent: | €883 → €1.042 |
| Priorities: | 1. House |
| | 2. Location |
| | 3. Price |

Moving trend of the target group in the last 2 years

Households

| | |
|----------------------------|----------------------------|
| Total households: | 48.376 |
| Age on average: | 36 years |
| Household size on average: | 1,94 persons |
| Gross income on average: | € 59.232 → € 69.894 |

Dwellings

| | |
|----------------------------|-------------------------------|
| Type of dwellings: | 72,2 % Apartments |
| | 21,1 % Terraced houses |
| Area on average per unit: | 90,8 m² |
| Rooms on average per unit: | 3,2 Rooms |
| Rent on average: | €908 → €1072 |

Conclusions quantitative research

| | Current | Desired | Recent movers |
|----------------|---|---|---|
| Income 2021 | € 56.352 | € 59.460 | € 59.232 |
| Income 2025 | € 66.495 | € 70.163 | € 69.894 |
| Rent 2021 | € 891 | € 883 | € 908 |
| Rent 2025 | € 1.052 | € 1.042 | € 1.072 |
| Age | 47 | 58 | 36 |
| Household size | 1,86 | 2,16 | 1,94 |
| Dwelling type | 60,2% apartments 33,5% terraced houses | 59,7% apartments 34,7% terraced houses | 72,2% apartments 21,1% terraced houses |
| Rooms | 3,5 | 3,3 | 3,2 |
| Area | 96,5 m ² | - | 90,8 m ² |

Qualitative research

Semi structured interviews

- The target group looking for middle rental housing around Rotterdam
 - Young target group: < 35 years
 - Older target group: > 55 years
- Stakeholders in Real Estate Development
 - Municipality
 - Developer
 - Housing association
 - Investor

Younger target group

Reason of moving

- Living together
- Moving out of shared living
- Moving out of parent's house
- **Urgency is reasonably high**

Housing demand

- 2 or 3 rooms
 - Home office space
 - Extra bedroom
- Outdoor space
 - Or close to a greenery
- Location
 - Neighbourhood (vibrant)
 - Public transport
- **Temporary housing sector**
- **Flexible in demands**

Older target group

Reason of moving

- Downsizing
- Anticipating on aging
- Move to facilities
- Urgency of moving is low

Housing demand

- 3 rooms
 - Home office space
 - Extra bedrooms
- Outdoor space
 - Higher quality
- Location
 - Neighbourhood (active but calm)
 - Carparking
 - Public transport
- **Long term** housing sector
- **No flexibility** in demands

Conclusions target group interviews

| Characteristic | Younger Households | Older Households |
|------------------------|----------------------------------|-----------------------------------|
| Urgency | High: within max 6 months | Low: Waiting for good fit |
| Duration | Temporary (few years) | Long term (multiple years) |
| Flexibility in demands | Yes , but not endless | No |
| Key motivation | Independence, living together | Downsizing, ageing |

Qualitative research market parties

Semi structured interviews

- Stakeholders in Real Estate Development
 - Municipality
 - Developer
 - Housing association
 - Investor

What do they see as difficulties and opportunities in the current middle rental housing market

Municipality

Difficulties

- Variation in affordable housing stock
- Long time affordability
- Slow governmental processes

Opportunities

- Housing vision: 2026: 20% of new developments will be middle rental sector
- “Doorbouw maatregelen”
 - Deregulation and process optimisation
 - Financial fund
- Retaining the middle rental sector for the middle rental target group

Developer

Difficulties

Return on housing projects

- Balancing affordability and usability
- High development costs
- Stacking of regulations
 - National and regional
- Slow governmental processes
- Lack of diverse investors (international)

Opportunities

- Aligning regulations national and regional
 - Stimulate the development of the right housing product (financially)
- Speed up permit and objection processes (this reduces risk and costs)

Housing association

Difficulties

Middle rental sector is regulated but not subsidised like social housing

- DEAB vs not DEAB

Opportunities

- Coherent neighbourhoods
- Housing flow
- Allowance of the combination of DEAB and not DEAB activities

Investor

Difficulties

- Matching costs with returns
 - The sector needs to be competitive with other markets
- Stacking of national and regional regulations
 - Own demands are often more strict

Opportunities

- Financial incentives or regulations (make it a competitive market)
 - For example, similar incentives as seen in the social housing sector
 - Create stable and predictable regulations

Conclusion market stakeholder interviews



Municipality



Developer



Housing association



Investor

Actions that are needed to promote the middle rental sector:

- Speedup governmental processes
- No stacking of regulations (STOER)
- Stable tax regulations
- Stimulate investors (private and corporate)
- Regulations that stimulate diverse housing types needed
 - Match housing production with the housing demand

Key findings

- **Shortage of suitable dwellings**
 - New production will not meet demand, or they will not be feasible
 - The middle-rent product that Sustay prefers comes closer to the demand than regulations prescribes
- **Lack of housing flow**
 - Specially among older (and bigger) households
- **Developments of new projects are under pressure**
 - Slow processes (permit and objection)
 - Stacking of regulations (national, regional)
 - No competitive return on investment
 - Sell out wave of rental housing by private investors

How can the middle rental housing market in the Netherlands be optimised to better serve its intended target group and relieve market stress?

In conclusion

Actions needed:

- **Promote developments by speeding up governmental processes**
 - Permit processes and objection handling
- **Introduce stable and appropriate policies and regulations**
 - To attract investors (corporate and private)
 - Clear development regulations (STOER)
- **Promote of competitive return on investment**
 - Reduced ground prices, lower interest rates (like social housing)
 - Consensus about return for risk bearing parties (developers)
- **Match new housing supply to demand**
 - Through regulations and later also through market demand
 - Balance housing characteristics, with fair financial returns (adjustment affordable rent act)

Conclusion

By implementing these actions, the affordability, availability, and accessibility of the middle rental sector will be enhanced.

Thank you for your attention

