

Does reduced government intervention produce market-oriented social landlords?

Impressions from an international comparative study

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Abstract

The housing policies of many European countries and Australia in the 1980s and 1990s can be characterised by a significant reduction of government intervention and government support. Neoliberal policies have resulted in privatisation, devolution and a greater financial and mostly also administrative independency of the public or social housing sector from the government. Because of these developments, it may be expected that social landlords adopt a more businesslike, market-driven asset management of their housing stock, and develop asset management strategies for a more systematic and sophisticated decision-making. Are these expectations true? If so, to which extent is the housing market the driving force behind the changes in asset management? To answer these questions research has been carried out in eight European countries and in Australia. The results show that government intervention and market orientation are not always negatively correlated.

1. Introduction

In the 1980s and 1990s, many western countries saw public housing shift away from government control and towards market forces. This was often coupled with reduced levels of government support, a growth of the owner-occupier sector, and greater independence of social landlords from the government. In many Eastern European countries, the abolition of the communist system was followed by a large-scale privatisation of the housing stock, primarily through sales to occupiers. The changes in Western Europe and Australia have been less radical. Nevertheless, here too the predominantly neo-liberal politics has imposed a greater requirement on social landlords to consider financial risks and the associated present and future market position of their dwellings (cf. Priemus, Dieleman & Clapham, 1999).

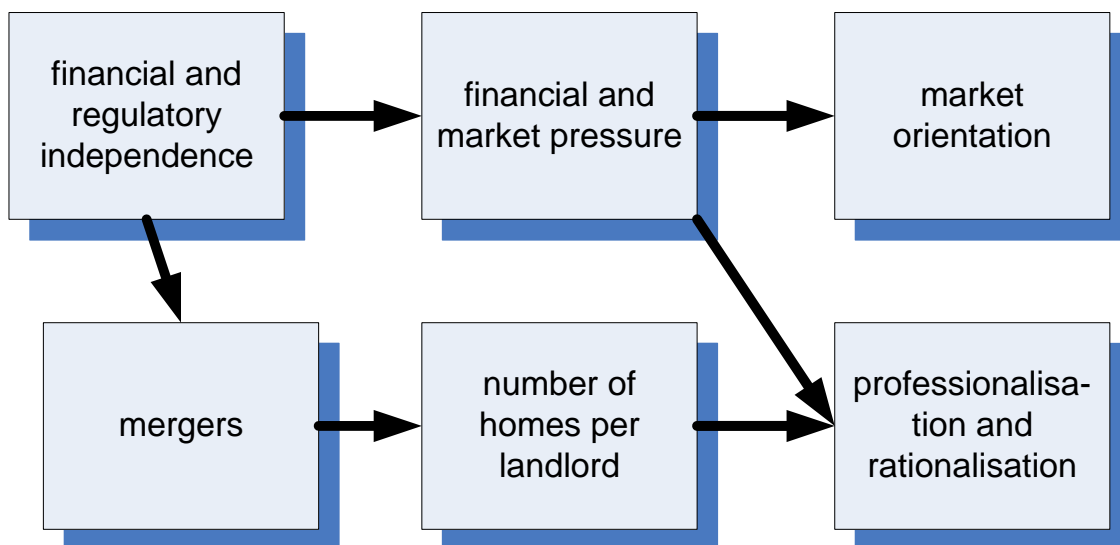
It can be assumed that reduced government intervention leads to an increased market and financial pressure on the social housing sector. This, in turn, can cause a higher degree of market orientation and businesslike behaviour in the sector. In a highly regulated and financially supported social rented sector, these incentives are much less prominent, because in that situation the market risks are born by the government.

It can also be assumed that the increased financial and market pressure leads to a more professionalised asset management. According to this assumption, financial and market pressure forces landlords to take their decisions in a structured, rationalised way, to be able to survive in a competitive market. Furthermore, deregulation by the government can leave landlords with the necessity to develop their own strategic policies to give direction to their organisation.

It might be argued that other factors than market pressure also stimulate a more professionalised asset management. In the Netherlands, for instance, the reduction of government influence in social housing has been followed by many amalgamations in the sector: in 1987 there were 784 social landlords, in 2005 there were 'only' 508 (CFV, 2006). According to an inquiry among social landlords (Van Veghel, 1999), the main motives behind these amalgamations were to increase the professionalism of the organisation, to improve its services and/or to improve its market position. If not the desire to professionalise the organisation was a motive for mergers, the result of these amalgamations, namely an increased size of the organisations, can be a motive in itself for a more rationalised process of decision-making. In the Dutch case, the size of the organisation can be an important intervening factor in the rationalisation of asset management. This paper, however, does not deal primarily with the role of possible intervening variables, but concentrates on the relationship, either direct or indirect, between reduced government control on the one hand and market orientation and rationalisation in asset management of social landlords on the other.

It must be stated that the professionalisation of the social housing sector does not necessarily mean a growth of its market orientation. In theory, both developments can take place independent from each other. Figure 1 gives an overview of the assumed relationships between financial and regulatory independence, professionalisation/rationalisation and market orientation.

Figure 1 Assumed relationships between financial independence, professionalisation and market orientation of the social housing sector



In order to test the assumption that a relative financial and regulatory independence of the social housing sector from the government stimulates market orientation and also professionalisation in this sector, we examined the situation in other countries to see whether there were any tendencies to adopt a professional and market-oriented asset management, and whether it was possible to identify a relationship between such tendencies and decreased government regulation. We carried out this study in eight European countries and Australia. The study focused on the social rented sector in these countries. It is worth noting that this sector is more subject to government regulation than any other, as a result of its public task.¹ The study does not attempt to obtain an in-depth view of the situation among all landlords in all countries, since there is often a lack of data that spans the entire sector, and because the internal differ-

¹ The term 'social landlords' refers to landlords who endeavour to achieve an explicit (i.e. statutory and/or determined via regulations) social objective, usually that of offering affordable housing to lower-income households. The providers of such housing units can be either public or private legal entities.

ences within these countries can be quite considerable. However, we attempt to identify tendencies towards the introduction of a more strategic asset management among social landlords. The detailed results of the study can be found in Gruis & Nieboer (eds.)(2004).

The paper is structured as follows. First, we outline the research method. In section 3, we go to into one of the central terms in this paper, namely 'strategic asset management'. The characteristics of this type of management play an important role in the description of the results and the relationship with the national context, which we deal with in section 4, 5 and 6: section 4 is about the national context, section 5 about the existence of 'strategic asset management' as such, section 6 about the relationship between the two. In section 7, finally, our conclusions are presented.

2. Research method

The countries that were included in the study were Australia, Belgium (specifically, the Flanders region), Denmark, Germany, the United Kingdom (specifically, England), France, Latvia, the Netherlands and Austria. The choice of countries was mainly motivated by the desire to include West European countries in the international comparison. The availability of authors was another factor. Australia was included because a previous study by Larkin (2000) had shown that interesting developments in this research area are taking place there. Latvia was included as an example of the situation in many East European countries, and of the implications of post-communist policy in these states.

In each of the countries studied, we found authors who were prepared to shed some light on the situation in their respective countries. The individual country descriptions are formulated according to a fixed structure. The purpose of this is to derive results that are more or less unequivocal, and which therefore lend themselves to comparison. In this structure, consideration is naturally given to the housing stock policy systems that were encountered. It also addresses the regulations that affect a landlord's scope for establishing his own housing stock policy (for example, whether landlords in the social sector are permitted to sell housing, or whether they are permitted to allocate housing to people in higher income brackets etc.). The primary study methods were a literature survey and interviews with experts.

3. Definition of 'strategic asset management'

In the wake of the developments following reduced government intervention in the social housing market, in the Netherlands the concept of 'strategic asset management' has become fashionable.

The concept of 'strategic asset management' is the starting point for our typology of approaches towards asset management. The aim of this type of management is generally to use estimates of developments on the housing market to regulate the housing portfolio over the long term. In this way, landlords can structure their investment decisions and be better prepared for any anticipated market risks. So, strategic asset management combines both market orientation and a rationalised, systematic way of investment decision-making. The term 'strategic asset management' has been introduced in the Dutch social rented sector in the early 1990s. In this period, social landlords in the Netherlands gained a considerable degree of administrative and financial independence. In addition, the relative position of the rental market was relatively weak. This was due to the booming economy, a shift in housing preferences towards owner-occupation, and, in certain regions, an oversupply of new housing. These developments lead to the introduction of principles from *strategic planning* in support of the management of the social rented stock. (Detailed background information about the term can be found in Van den Broeke, 1998.)

Strategic planning is the process of developing and maintaining a viable fit between the organisation's objectives and its recourses (Hannagan, 1992, p. 38). Although it has its origins in the private sector, this concept has also been introduced in the management of public or-

organisations (see e.g. Bryson, 1995). Many advantages are ascribed to following a strategic approach towards business planning. As Fraser and Stupak (2002, p. 1203) put it, “advocates of strategic planning believe the process will amplify and enhance systematic information gathering, clarification of organisational direction, establishment of priorities, quality decision making, communication and understanding of strategic intent, solid organisational responsiveness, effective performance, conscientious framework, useful application of expertise, and attention to organisational learning.” In short, strategic planning is expected to contribute to an organisation’s effectiveness and efficiency by following a systematic, rational and transparent planning process.

Strategic asset management combines principles of (commercial) asset management and strategic planning to develop methods and tools for management of the social housing stock. Strategic asset management can be typified further on the basis of interrelated characteristics that can be found in literature on strategic business planning. These business planning characteristics form the basis of our evaluation framework and can be summarised as market oriented, systematic and comprehensive. Table 1 gives a summarised description of these characteristics. A more detailed description follows after that (see also Gruis & Nieboer, 2004).

Table 1 Characteristics and summarised descriptions of strategic asset management

| Characteristic of strategic asset management | Summarised description |
|---|--|
| Market-oriented | Renting, allocation, sale, maintenance and improvement are related to occupiers’ preferences, market forces and financial returns |
| Systematic | Structured frameworks are used for the decision-making and planning process |
| Comprehensive | Objectives for the development of the entire stock of housing are formulated, and individual complexes are analysed in relation to one another |

Market-oriented

Asset management in the social rented sector is concerned with fulfilling a housing demand by offering a housing supply and in that sense it is market-oriented by definition. However, social housing has traditionally been provided through ‘bureaucratic’ mechanisms (government regulation and subsidies) and not by market forces. In general, literature on strategic planning emphasises the need of an analysis of a company’s own strengths and weaknesses in relation to the opportunities and threats in their (market) environment in support of strategy formulation (e.g. Aaker, 1998; Kotler, 1997; Bryson, 1995). In the private sector, strategies are based on an analysis of the market position of the products, market prospects and – in general – opportunities to earn money. In the ‘classic’ portfolio analysis, designed by the Boston Consultancy Group, cash-performance is crucial in the analysis of business units (see Ansoff, 1984). In analogy with commercial practice, a market-oriented landlord can be expected to place more emphasis on analysing market demand and opportunities. Important decision-making factors in strategy formulation will be current lettable, future market expectations, financial return and opportunities for sale. A wide range of strategies will be considered and applied: diversification of the price and quality of dwellings within the portfolio according to housing demand will be a central theme in asset management.

A market-orientated landlord can be set against a task-oriented or responsive landlord whose focus is mainly on fulfilling ‘traditional’ social housing tasks: the letting of decent, affordable dwellings. This distinction between task-oriented and market-oriented is somewhat comparable to the distinction made by Miles and Snow between ‘Defenders’ and ‘Prospectors’, which they characterise as follows: “*Defenders* are organisations which have a narrow product-market domains. Top managers in this type of organisation are highly expert in their organisations limited area of operations but do not tend to search outside of their domains for new opportunities. As a result of this narrow focus, these organisations seldom need to make major adjustments in their technology, structure, or methods of operation. Instead they devote primary attention to improving efficiency of their existing operations. *Prospectors* are organisations which almost continually search for market opportunities, and they regularly experiment with potential responses to emerging environmental trends. Thus, these organisations often are the

creators of change and uncertainty to which their competitors must respond" (Miles and Snow, 1978, p. 29). Of course, it should be acknowledged that the specific characteristics of social landlords and (government) regulation of the social rented sector do not allow social landlords to behave like commercial enterprises. They are for example restricted to offering (social) housing and (hence) financial return is not their primary objective. Nevertheless, within these boundaries, increased market orientation can have benefits for social landlords as well. Market orientation can help social landlords to realise a portfolio that is effective (in meeting housing demand and tenants' preferences) and economically efficient (using 'cash cows' to finance the core social housing stock).

The occurrence of market orientation can be reflected in the various activities of social landlords' asset management: rent (increases) will be related to the quality and market position; allocations, maintenance and renewal activities will take market demand and tenants' preferences into account and landlords will have an active sale policy to generate financial income and meet housing preferences.

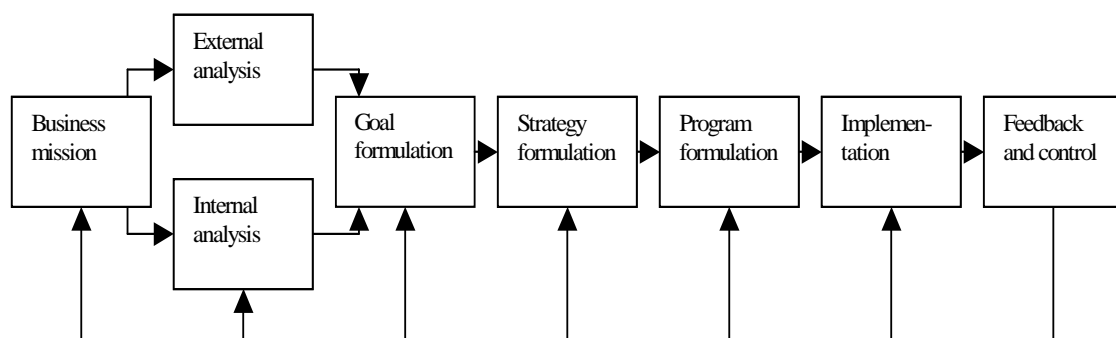
It can be argued that an adequate market orientation involves a systematic exploration of market developments and a systematic translation from these developments into asset management decisions. In that case, a professionalised asset management can be seen as a condition for a market-oriented asset management. In this paper, however, we regard market orientation as an attitude, in which market demand and market opportunities are seriously and repeatedly considered, whether or not in a systematic or otherwise rationalised way. Market orientation can be based on subjective knowledge and experience, and intuition. Thus, it can occur without any systematic approach.

Systematic

Many books on strategic business planning suggest the use of systematic planning procedures and rational frameworks for decision-making. Thus, within strategic asset management, a landlord will put effort into rational and transparent decision-making. The process of formulating asset management strategies will be well-structured. Decision-making factors will be clearly marked and the way in which decisions are reached will be reported. Asset management decisions have a large influence on the quality, affordability and availability of dwellings, being the key-objectives of social housing everywhere. This impact on social housing objectives places a demand on the quality of the decision-making process. Stakeholders of social landlords may expect a 'justifiable' policy, which is supported by rational arguments as part of a transparent decision-making process. In fact, it can be argued that social landlords should strive towards such a transparent policy as part of their social objectives. This means that investment options are selected in accordance with one or more fixed principles, or with a previously established pattern.

The occurrence of a systematic approach towards asset management can be reflected in the application of decision-making frameworks - comparable, for example, with private sector portfolio analyses - and structured processes - comparable for example with strategic business planning as described by Kotler (1997, p. 80, see Figure 2), Aaker (1998, p. 19) and Bryson (1995, pp. 22-37).

Figure 2 Model of the strategic business planning process, according to Kotler



Comprehensive

A major characteristic of strategic business planning is that it deals with the objectives of the organisation as a whole, at top-management level. In general, models for strategic planning include the formulation of a mission statement and business goals to guide the development and activities of an organisation. Products or 'business units' are analysed and compared with each other in the light of this mission. As stated at the beginning of this section, asset management concerns only a part of a social landlord's activities. Nevertheless, the characteristic of 'comprehensiveness' can be applied to the specific area of asset management. Comprehensive asset management will focus not only on individual dwellings or estates, but will also reflect on the composition of the stock as a whole. Furthermore, different aspects of stock management will be considered. For example, technical and social activities, long-term and short-term objectives, and activities at a strategic and operational level. A landlord operating in only a responsive way will focus for example on problem estates, failing to formulate objectives for the development of the whole housing stock and will not consider the (lack of) synthesis of different parts of the total management approach. A comprehensive (portfolio) approach helps social landlords to determine which part of the stock should be given priority for investment and intensive management. Furthermore, reflection on the desired growth direction of the portfolio as a whole, in relation to housing needs, allows them to put decisions about individual estates in a wider perspective.

4. National context

We used the above characterisations to compare the strategic asset management adopted by social landlords in the countries studied. This comparison becomes even more interesting in those cases where we can identify relationships between the national context and the practices adopted by landlords. The national context is important not only because of the differences in legislation and institutional context as such, but also because the regulations imposed on the sector may stimulate or impede the development of a strategic asset management. In this connection, we examined the regulation of the social rented sector in areas that determine the freedom of landlords to shape policy, such as rent and allocation. We also examined various characteristics of the social rented sector. These included its relative size and position within the housing market as a whole, the average size of the housing portfolio per landlord, the numerical relationship between public law and private law landlords and the financial position (solvency). Several sector characteristics have been included in Table 2. This is followed by a consideration of the regulations pertaining to individual subdomains.

With regard to the position of the social rented sector, Kemeny's classification into a unitary and dual rental housing market is useful (Kemeny, 1995, 2001; Kemeny, Kersloot & Thalmann, 2005). Kemeny takes the view that, in a dual system, government regulation substantially shields the social rented sector from market influences. Allocation is based on demand and need, for households that would otherwise stand little or no chance of finding accommodation in the other sectors of the housing market. This usually means that we are dealing with a government-dominated social rented sector, which is largely or solely reserved for those in low-income brackets. Australia, Belgium, the United Kingdom and France all have a dual system. In terms of sector characteristics, Latvia could also be seen as a member of this group of countries. However, the almost total absence of a commercial rented housing market in this country means that there is no genuine duality. A unitary system, on the other hand, is characterised by a common rented housing market, in which social and commercial sector landlords compete with one another, and by a situation in which the social housing market is only shielded from the commercial rented housing market to a limited degree. While some landlords might be inclined to focus on certain income groups, social and commercial sector landlords can rent their properties to a broad target group. They are also permitted to build housing for a broad target group. The Netherlands is a clear-cut example of a country with a unitary system. Sys-

tems of this kind are also seen in Denmark, Germany and Austria. As a result of greater freedom of policy, diversity of housing stock, and emphasis on competition with other landlords in the housing market, we assume that a unitary market will be more likely to give rise to a strategic, or at least market-oriented, housing stock policy.

Table 2 Various characteristics of the social rented sector in the countries studied

| Country | Social rented sector share (+ reference year) | Type of property owner/ legal status | Average number of housing units per landlord | Unitary or dual rented housing market? | Solvency |
|---------------------------|---|---|---|--|---|
| Australia | 6% (2002) | States (79%) 'Community Housing Organisations' (CHOs, 5%) and four other types of landlords | states: 45,400 CHOs: 24 | dual | weak |
| Belgium (Flanders region) | 6% (2001) | Exclusively housing agencies, whose boards mainly consist of municipal representatives | 1,300 | dual | various, usually weak in the cities |
| Denmark | 20% (1998) | Private landlords, managed by democratically elected tenants and government representatives | 700 | unitary | limited, as financial surpluses are creamed off |
| Germany | 14% (2002) | In theory, everyone, in practice almost always local authorities and cooperatives | 2,200 | unitary | various |
| England | 19% (2003) | Local authorities (60%) and housing associations (40%) | 10,200 or 800 resp. | dual | various, some landlords in danger zone |
| France | 20% (1999) | Public sector landlords (provincial and municipal) (OPHLMs, 22%), semi-public landlords (provincial and municipal) (OPACs, 26%), private housing corporations (40%) and another two types of landlord | OPHLMs: 5,600; OPACs: 12,800; private housing corporations: 5,700 | dual | usually weak |
| Latvia | 30% (2000) | Almost exclusively municipalities (98%) | (no data available) | (does not fit into either category) | weak |
| The Netherlands | 35% (2002) | Almost exclusively housing associations (99%) | 4,200 | unitary | generally good |
| Austria | 22% (2000) | Municipalities (43%) and limited-profit housing organisations (57%) | 172 or 2,600 resp. | unitary | generally good |

Source: Gruis & Nieboer (eds.) (2004); for Germany: GdW Bundesverband deutscher Wohnungs- und Immobilienunternehmen (2004), this percentage refers solely to social rented housing owned by private investors and other private housing companies.

A landlord's freedom to develop his own housing stock policy is, of course, substantially dependent on the regulations. Stringent rules concerning the setting of rents, allocation and sale can impose considerable restrictions on a landlord's freedom to set policy. As far as allocation is concerned, one important consideration is whether the social landlords are free to allocate housing also to individuals in higher-income brackets. In terms of the points mentioned, the countries studied can be characterised as follows (see Table 3).

Table 3 Profile of regulations in the areas of rent, allocation and sale of social rented housing

| | Rent regulation | Allocation to individuals in higher income brackets? | Sale of housing units permitted? |
|-----------------|---|---|---|
| Australia | tight, largely dependent on the tenant's income | income ceiling varies from state to state | yes |
| Belgium | tight, with a degree of policy freedom | no | yes |
| Denmark | tight | yes | yes, by experiment |
| Germany | tight during subsidy period | not during subsidy period | yes |
| England | tight | yes, but there is an obligation to give priority to weaker groups | yes, plus obligation to sell council homes to tenants who wish to buy |
| France | tight | income ceiling varies locally and regionally | yes, is even encouraged by the government |
| Latvia | varies locally | yes, but obligation to give priority to weaker groups | yes, plus obligation to sell to tenants who wish to buy |
| The Netherlands | tight up to a given level of rent, free above that | yes, but there is an income ceiling for cheaper homes | yes, is even encouraged by the government |
| Austria | tight for private organisations, dependent on subsidy in the case of public organisations | income ceiling varies locally and regionally | yes, plus (under certain circumstances) obligation to sell to tenants who wish to buy |

Source: country descriptions in Gruis & Nieboer (eds.)(2004), update for Denmark from www.sm.dk and Jensen & Gram-Hansen (2005)

In general, landlords in the countries studied have little scope for regulating their housing stock policy (or the requisite incomes) by means of rent adjustments. The extent to which landlords are free to let properties to individuals in higher income brackets varies markedly from one country to another, and often from one town or region to another. The sale of properties is permitted in all the countries studied, although in several countries, it is subject to approval of government or government-related organisations. It should be pointed out, however, that the actual numbers of housing units sold are relatively small. One exception to this rule is Australia, where about 2% of the housing stock is sold off each year, but this is less a sign of policy freedom and more a question of financial problems.

5. Tendencies towards a strategic asset management?

In several of the countries studied, social landlords are promoting initiatives for the structured development of a housing stock policy. Developments of this kind can be seen in the United Kingdom, France, Australia and the Netherlands, in particular. Despite the tendency to move towards a more fixed structure for the appraisal of investments, once they are in place most organisations' housing portfolio policies can scarcely be defined as systematic (at least not according to the previously cited definition of this term). To date, structured housing stock policies have been restricted to a few leaders in the sector. In many cases, those examples that are systematic include a classification of the housing units on the basis of structural, residential and/or financial criteria. Partly on the basis of these criteria, decisions are reached concerning whether to renovate, demolish, sell, consolidate, and suchlike. Moreover, in the United Kingdom, Austria, and Belgium, we see the rise of national benchmarking systems, which may indicate a move towards the professionalisation of the sector.

In most of the countries studied, the market orientation of housing stock policy has increased to some extent. First, there are scattered initiatives by landlords to develop a rent policy in which the housing unit's quality and market position play a much more clear-cut role than was previously the case. Secondly, there are various initiatives to incorporate a property's

yields and earning capacity in the investment decisions. In Australia, in particular, various techniques have been developed to this end. However, it should also be pointed out that this was prompted more by a need to ease financial pressures than by a desire to exploit market opportunities.

In none of the countries studied did the characteristic 'comprehensive' really live up to its promise. It is mainly restricted to the assessment of several aspects of the housing units (such as technical condition and maintenance costs). When it comes to investment decisions, factors related to the levels of individual apartment buildings and neighbourhoods are much more important.

Table 4 summarises our interpretation of the information provided by the various authors concerning the presence or absence of a strategic asset management. The last column indicates whether there have been any signs within the housing stock policies of social landlords in recent years that indicate a tendency towards a more market-oriented, more systematic or integrated housing stock policy.

Table 4 Profile of housing stock policy in the countries studied

| | Market-oriented? | Systematic? | Comprehensive? | Tendency towards a strategic asset management ? |
|-----------------|---|------------------------------------|----------------------------------|--|
| Australia | to the extent that it focuses on earning capacity | to a small but increasing extent | to a small but increasing extent | yes |
| Belgium | no, but there are some initiatives | no, but there are some initiatives | no | very limited |
| Denmark | no | yes | no | no |
| Germany | to a small but increasing extent | rarely | rarely | restricted to a few front-runners |
| England | to a small but increasing extent | sometimes, but usually not | usually not | yes |
| France | to a small but increasing extent | to a small but increasing extent | usually not | yes |
| Latvia | no | no | no | no |
| The Netherlands | generally the case | sometimes, but usually not | usually not | yes |
| Austria | to a small but increasing extent | to a small but increasing extent | sometimes, sometimes not | to some extent |

Source: country descriptions in Gruis & Nieboer (eds.)(2004)

6. Relations with national context and sector characteristics

The tendency towards a strategic asset management cannot always be related to a reduction of government influence in the social rented sector. In the United Kingdom, France and to a lesser extent also Belgium, these changes are attributable to pressure from the government or from a supervisory agency operating partly on the government's behalf. In the United Kingdom, binding regulations give this pressure visible form. Examples are the introduction a more business-like financial framework for local authorities, called resource accounting, including the formulation business plans (see DETR, 2000), and regulatory requirements of option appraisal for local authorities and housing associations. In France, eligibility for subsidies will, in the future, be conditional on stock planning. In Belgium, the Flemish umbrella organisation stimulates professionalisation of the sector by offering management tools to the social landlords. Thus, in these countries, professionalisation of the sector is more likely to result from government discipline than from market discipline.

From the information in the above tables, it follows that developments leading to a strategic asset management have equally little to do with the distinction between unitary and dual

rented housing markets. Dual systems that mainly involve social landlords who are government-oriented rather than market-oriented can also give rise to a similar professionalisation of housing stock policy. For instance, the government may use regulations to force such developments into being. Conversely, there are countries with a unitary system that fail to develop a strategic asset management (Denmark).

From the results of this study, it is not clear whether the added opportunity of allocating housing units to those in higher income brackets favours the development of a strategic asset management. The results can vary from one of the countries studied to another, nor do comparisons between these countries yield any clear patterns.

Developments leading to a strategic asset management do seem to be related to financial position. A healthy financial status (availability of money and/or safeguarding of investments) is an important contributory factor for the development of a strategic asset management. Limited government support, in combination with limited financial scope lead to a situation in which housing stock policy is restricted to keeping housing units in the best condition possible, possibly coupled with large-scale sell-offs of property. Australia and Latvia are examples of countries in which many landlords are compelled to work in straitened financial circumstances. The Netherlands and Austria, on the other hand, are examples of countries with financially healthy social rented sectors. Accordingly, financial deregulation of the social rented sector is not – of itself - an incentive for strategic asset management. This is also dependent on whether the sector has sufficient financial maturity at the time of deregulation to stand on its own two feet.

In addition, the study has found evidence that strategic asset management in the selected countries, or initiatives to achieve it, are mainly restricted to the major landlords in these countries. A recent study by Vijverberg (2005) confirms that this rather predictable result also applies in the Netherlands. The national context can play a part in this, in the sense that it can influence the size of the housing portfolio per landlord. However, the scope of this study excludes any further examination of this relationship.

7. Conclusion

The assumption that giving greater freedom to market forces and reducing government influence and support leads to a more market-oriented, systematic or integrated housing stock policy does not hold for the nine countries studied in the research. Accordingly, favouring market forces as such is neither – of itself – a precondition for strategic asset management nor for a professionalisation of asset management. The circumstances under which the government retreats from the sector are also important. In this context, we should consider not only the policy scope granted to the landlords by the regulations, but also the pressure to professionalise that is exerted by other parties, the number of homes managed by a landlord, and the landlords' financial elbow-room. In the United Kingdom and France, it is the government itself that is pushing landlords in the direction of a strategic asset management. The examples of Australia and Latvia show that favouring market forces can also have very different effects on housing stock policy. The lesson to be learned from these two countries is that a sector in which the government is relinquishing its dominant role should first be provided with a healthy financial base. This is a precondition for the development of a housing stock policy that amounts to more than simply repairing homes or selling them off.

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