NEW TRENDS IN THE DUTCH HOUSING MARKET

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Abstract
Every few years the planning agencies in the Netherlands draw up a prognosis for the future housing needs on the basis of economic and demographic scenarios. It is our contention that, in applying this approach, the agencies neglect to take sufficient account of the influence of cultural dynamics. Against this background, a recent recom­ mendatory report by the Dutch Council for Housing, Spatial Planning and the Environment (VROM-raad 2009) drew attention to three socio-cultural trends which are currently manifesting themselves on the Dutch housing market:

1. A growing interest in living with like-minded people and in common-interest housing concepts;
2. The rise of transnational living (permanently or temporarily living abroad) and people having multiple residences;
3. An increasing mix of housing and other functions and services (care, energy, leisure, retail), which is opening up the housing market for new players.

This contribution explores the background and the expressions of these three trends that will have a significant influence on the demand for housing in the future, in spatial terms as well as with regard to quantity and quality. It turns out that the trends raise new dilemmas in spatial planning and housing policy. In order to solve these dilemmas, a different way of thinking is needed.

Keywords: Home Range; Sustainability; Residents’ Perception; Formal Districts; Gated Communities.

INTRODUCTION

The Netherlands is well-known for its extensive research on housing preferences. A large-scale survey is held every three or four years to gain insight into the short-term housing need. Long-term studies are also conducted on a regular basis, mostly along economic and demographic lines. In such studies, housing preferences are not regarded as autonomous trends, but rather as offshoots of demographic and economic circumstances. As a result of this, these studies take little or no account of the socio-cultural fundamental changes that have taken place in society. Nowadays, people have more options open to them, internationalisation is burgeoning, environmental pollution and climate change are hot issues and lifestyle is becoming a strong determinant of socio-cultural differentiation. These changes are manifesting themselves in three main trends in the housing market (VROM-raad 2009):

1. A growing interest in living with like-minded people and in common-interest housing concepts;
2. The rise of transnational living (permanently or temporarily living abroad) and people having multiple residences;
3. An increasing mix of housing and other functions and services (care, energy, leisure, retail) which is opening up the housing market for new players.

These three trends reflect the increased diversity in the ways that individuals, households and groups meet their housing needs. They also indicate that the dividing lines between living, working and leisure are nowhere near as clear-cut as they used to be. We maintain that policymakers have not yet recognised the true importance of these changes and that housing market prognoses will not be completely reliable until they are taken on board. Policymakers and project developers still think too much in terms of standard solutions and standard categories and fail to do justice to the wide differentiation in demand. This is a precarious state of affairs, especially at this time, when the economic
crisis has such a tight grip on the Dutch housing market and consumers are very reluctant and critical.

LIVING WITH LIKE-MINDED PEOPLE

A substantial amount of people nowadays wants to live in common-interest communities, with neighbours who enjoy similar activities and subscribe to the same values as themselves. The desire to live alongside like-minded people finds expression in different forms of housing revolving, for example, around ethnicity (elderly members of ethnic groups who live together in ethnic residential care complexes), life phase (families who live together around an inner courtyard), a leisure pursuit (golf or horse-riding) or specific convictions (e.g. eco-friendly neighbourhoods). The most well-known type of common-interest housing is the ‘common-interest housing development’ (CID), a common phenomenon in the United States. A CID is a housing domain which is situated in a space that tends to be managed and administered by the residents instead of the local authority (McKenzie 2003: 204). As many of these domains are protected by a gate or some other form of security, they are often also referred to as ‘gated communities’. CID’s are clearly on the increase in the Netherlands, but there are still far fewer than in many other countries.

The burning question is: Where is the need to live with like-minded people coming from? We believe that changes in neighbourhood composition are partly responsible. In the past, residents of the same neighbourhood usually knew each other, at least by sight, and they certainly knew who lived where. This made them feel safe and secure. Rapid changes in the composition of the population have brought an end to such acquaintanceship in at least some neighbourhoods. Misunderstandings about what used to be accepted codes of behaviour can lead to conflicts and isolation. In the hope of rediscovering this acquaintanceship many house-seekers look for a dwelling in a neighbourhood where they expect to meet people like themselves and to find safety and assurance.

Quantitative data with regard to the demand for living in common-interest communities is not available. Nevertheless, a recent Dutch housing market survey shows that 19% of the potential homebuyers in the Netherlands prefer to live in a neighbourhood in which all residents have roughly the same income, age and behaviour (NVB, 2008). This indicates that there certainly is a considerable interest in living with like-minded people.

Thematic communities

The culture surrounding consumption has changed dramatically in recent decades. Greater prosperity and technological advances have reduced the costs of many products and services. And there is more choice than ever before. As a result, decisions to buy consumer goods tend to be inspired more by emotions than by functionality (Mommaas 2003). Consumerism stretches way beyond satisfying basic human needs (food, drink, shelter); it is tied in with
an inner feeling which is triggered by a certain type of behaviour. Hence, the expression: ‘the experience economy’. The same picture is emerging in housing, as more and more developers market ‘residential experience’ and build complexes around specific themes such as ‘water’, ‘castles’, ‘golf’ or ‘history’ (see Figure 1). As such, they satisfy a need for a communal experience, a story that the residents can share and which gives the neighbourhood a specific identity. Thematic communities can be seen as a specific type of CID. Various thematic communities have already been developed in the Netherlands.

TRANSNATIONAL LIVING AND MULTIPLE RESIDENCES

As a result of the globalization, the Dutch labour market has become more international in recent years. People come from abroad to work in the Netherlands and Dutch nationals take up jobs in other parts of the world. These processes also affect the way people live. Fewer people stay in the same house, the same neighbourhood or even the same country for all their life. Moreover, more people nowadays own more than one dwelling. The internationalisation of the labour market is increasing the flow of foreign workers into the Netherlands. Many of these workers are from Central and Eastern Europe. Most of them stay for only a short period of time, varying between weeks and months, and find jobs in the lower segments of the labour market. Many need specific types of accommodation, such as hostels, boarding houses and readily available rented accommodation. At present, these types of housing are in short supply (Regioplan 2007) because of institutional obstacles and stringent legislation on the one hand and tight local housing markets on the other. Some local politicians and policy-makers find it intolerable that housing (even temporary housing) is allocated to workers from Central and Eastern Europe while local people have to wait for years. It is estimated that on January 1, 2009, about 165,000 labour migrants from Central and Eastern Europe were living in the Netherlands (Risbo, 2009).

The flow of foreign workers into the upper segments of the labour market (usually referred to as expats or knowledge workers) has also increased, particularly in the universities, where one in five of the academic staff is non-Dutch (Research voor Beleid 2005). Multinationals and international organisations in the Netherlands also employ many foreigners; in fact, there are already more than 50,000 expats in the region of The Hague alone. International knowledge workers might be regarded as modern-day nomads. They tend to form their own communities, which are notable for a cosmopolitan lifestyle and a preference for an urban environment. Their mobility options and place of residence are dictated by international businesses and organisations that, when choosing a location, often take a close interest in the type of housing that is available for their employees. Hence, employers in the knowledge-intensive sector usually prefer to locate in an attractive living environment.

Emigration from the Netherlands

The Netherlands has a fairly long history of emigration. In the nineteenth century and during the post-war years, hundreds of thousands of Dutch citizens sailed to the USA, Canada, Australia and New Zealand to start a new life. In the 1960s the numbers of emigrants fell sharply and the Netherlands became a destination for immigrants. In recent years there has again been an upswing in emigration figures, which even managed to exceed the immigration figures for a while (VROM-raad, 2009).

Though most of the emigrants are from ethnic groups, more Dutch nationals seem to be leaving the country as well: around 42,000 in 2006 compared with around 29,000 in 2000. Dutch nationals emigrate less for economic reasons than out of a desire for adventure, a better climate, a more natural environment, and peace and space. Some leave because they are displeased with the political and social system in the Netherlands. The majority of Dutch emigrants remain inside Europe, with Belgium (21%) and Germany (17%) as the most popular destinations. Those who move to Belgium and Germany do usually not ‘leave’ entirely; they generally buy homes across the border, where property prices are lower, and commute to jobs in the Netherlands (VROM-raad, 2009).
Second homes
The number of people in the Netherlands that own more than one dwelling is increasing, although the current economic crisis might have temporarily stopped this process. In the last decade, the increase in the number of second homes could be explained by the growing prosperity and the rising house prices. People often used surplus capital from their first home to purchase a second home, which they also expected to rise in value. In addition to this, the experience economy also played a role, as leisure and recreation continue to gain in importance in people’s lives. Many people buy a second home to escape the stress and strain of everyday living. They pursue a busy and successful career during the week and chill out in their second home in the weekend. That way, they get ‘the best of both worlds’.

Second homes come in all shapes and sizes: detached villas, bungalows in holiday parks, mobile homes, beach houses and chalets on allotments. Second homes that are used for recreational purposes usually lie in a specific location with, say, water, woods or both in the immediate vicinity. However, not all second homes have a recreational function. A growing number of people have a pied-a-terre in the city where they spend the night after a day’s work. These homes are usually situated in or near urban or labour-intensive areas. Migrant workers from Central and Eastern Europe often have two homes as well: a permanent home in their own country and a temporary home in the Netherlands.

Normally, a home is the base from which people work, participate in leisure activities and maintain social contacts. So, when someone decides to buy a home, he needs to consider all these aspects. People who own, or intend to own, two or more homes make their decisions on different grounds. They may choose one home because it is close to their place of work (important during the week) and the other because of the opportunities for leisure pursuits (important at weekends and during holidays). Many buy an apartment in the city (close to work) and a holiday home in the country (good recreational opportunities). However, if they had decided on only one dwelling, they might have opted for a single-family home.

Ownership of second homes is leading to debates and spatial planning dilemmas in the Netherlands. The increase in second homes – like the demand for housing among foreign workers – is impacting on the social and spatial structure of some areas. On the one hand, owners of a second home in a rural area are regarded as a welcome addition to the sometimes shrinking population; on the other, people dread the prospect of ‘ghost villages’, given that the second home is often unoccupied outside the holiday season. A sharp rise in the number of second homes could increase tailbacks and pollution and have a detrimental effect on wildlife and landscape. An added problem is that many recreational homes are actually used as permanent residences. Though this is against the law, the ban is difficult to enforce. Permanent habitation of recreational homes is most prevalent in areas with a tight housing market, where ordinary housing is so scarce and expensive that recreational homes are seen as a reasonable alternative.

Based on a broad definition (which includes mobile homes and allotment chalets) the number of second homes in the Netherlands is estimated at around 400,000, which is equal to around 5% of the Dutch housing stock (RPB/RIGO: 2003). In an international perspective, this still is a rather low figure.

MIXING HOUSING WITH OTHER SECTORS

Housing is becoming more and more intertwined with other functions and services. Nowadays, a dwelling is much more than just a place to eat and sleep; it is also a place to work, relax, or receive care services. Home comfort is not only a question of having the right modern conveniences and gadgets; it also depends on the amenities that are available in and around the dwelling. The supply side of the market is capitalising on this trend. Alliances between housing providers and service providers are on the rise and non-housing players are increasingly entering the housing market. The opposite is equally true. In the Netherlands; housing associations not only develop dwellings but also schools and care facilities.

Housing and care is the most well-known and common mix of housing and other services. An
Boklok (IKEA homes)

Boklok (Swedish for ‘smart living’) is a concept for prefabricated affordable homes, developed by IKEA in partnership with a major Swedish construction firm (Skanska). Three and a half thousand Boklok homes have already been built in Sweden and the concept is spreading to Norway and the UK as well. The homes meet high eco-requirements (solar panels are standard) and are usually built around a communal inner space (to improve social cohesion and safety). The target group is mainly first-time buyers who cannot find an affordable dwelling on the conventional housing market.

The successful IKEA concept of standardised mass production and prefabrication also applies to the Boklok homes. Most of the dwelling is produced on a factory conveyor belt and then transported en masse to the location, where it is assembled by tradesmen. Each home comes with an IKEA kitchen, an IKEA bathroom and IKEA soft furnishings. The buyers also receive a voucher to spend in IKEA stores. To prevent speculation, the owners of Boklok homes are obliged to re-sell the dwelling to Boklok if they decide to move house. Boklok homes are proving a huge commercial success. In Scandinavia IKEA even has to draw lots for Boklok homes among its regular customers.

Source: Urban Unlimited, 2008,
variables (tenure, dwelling type) and more attention for social-cultural aspects.

Depending on the particular context, the trends may either have positive or negative implications. For example, CID's that are largely separated from the outside world (e.g. the traditional gated communities) could lead to exclusion and spatial segregation. However, CID's could also encourage social cohesion and integration; not only at the level of the complex itself but possibly also at the level of the wider neighbourhood within which the CID is located (Manzi & Smith-Bowers 2005). It all depends on the scale and the physical layout of the CID, as well as on the links between the CID and the rest of the neighbourhood. In the Netherlands CID's are often seen as instruments that can keep families with children in the city, as they would provide peace and safety and still be within easy reach of urban facilities. Also, the privatization of the management that is common in CID's may enhance the social cohesion. In regions with a shrinking population, thematic communities might attract new people to the area. If the themes of such communities are combined with aspects such as energy-efficiency, ecology and water control, objectives in the field of sustainability might be reached as well.

Second homes and temporary homes can undermine liveability if they go hand in hand with nuisance, declining social amenities, and lower involvement in the community. But they can just as easily have the opposite effect; suppose, for example, the residents of recreational homes join a fight to preserve the quality of the landscape; or hostels and service hotels result in a larger customer base for local services. Examples from the United Kingdom show that second homes can contribute to the gentrification of deprived rural areas (Paris 2009). Temporary living can serve as a catalyst for new developments as well. Vacant buildings (office buildings, schools) are often very suitable as temporary accommodation for migrant workers and students. As such, the trend of temporary living could help to solve the vacancy problems in the non-residential property sector.

Towards a new policy

Clearly, the new trends on the housing market are presenting both opportunities and threats. What is needed is a policy that optimises the opportunities and eliminates as many threats as possible. The current policy instruments in the Netherlands date from another time and are not suitable to accommodate the new trends, so it is essential to develop new lines of approach.

To begin with, more attention needs to be paid to mixes of functions. Policymakers should think more intelligently about combining housing, work, leisure, mobility and sustainability. Instead of concentrating on a one-to-one relationship between the problem and the solution, governments, architects and spatial planners should look for models that integrate housing, job creation, leisure and nature, that cater to different preferences and needs and that are flexible and transformable.

This change of mindset will necessitate new spatial concepts as well as new legislation and regulations.

The dividing lines between functions (housing, work, learning and leisure) are getting fainter all the time. Different functions are being accommodated more and more frequently in one and the same building, but the current regulations are still based on separation, with different norms for each function, for example with regard to architectural quality, noise nuisance and traffic. We believe that functions should only be separated by zoning policies if they are likely to adversely affect third parties or pose a threat to the environment or public health. This strategy would increase flexibility in both new-builds and the existing housing stock.

Ownership of a second home can also create friction with the regulations. The Dutch government does not distinguish between a ‘first home’ and a ‘second home’ but between a ‘main residence’ and ‘a non-main residence’. The address of the main residence is copied to the electoral roll (in contrast with the USA, where people decide for themselves where to register as a voter), the records of the healthcare providers (GP, dentist) and the mortgage interest relief. In short, citizenship and all the accompanying rights and duties, are organised around the main residence. But, if people have two dwellings, which one should count as the ‘main residence’? The ‘main residence’ concept is clearly at odds with the trend towards temporary accommodation and second homes, as it assumes that per-
sonal ties and involvement are connected to one specific geographical location. It is very debatable whether this sort of singular vision of citizenship is still applicable in this day and age (see also Paris 2009). Perhaps the time has come to think in terms of plural citizenship.

Clear shifts are slowly but surely occurring on the supply side of the housing market. New players cannot wait to get a foot in the door. These include healthcare organisations (integrating housing and care), employment agencies who are seeking accommodation for workers from Central and Eastern Europe, and private individuals who develop their own dwelling or join a group to realise collective housing. The options are multiplying all the time, but not because of a planned government programme. On the contrary, this new scenario has emerged because people and businesses have become disillusioned with the current concepts and are developing new ones. We believe that the government should give these new players as much scope as possible by, for example, making land available for building projects by private individuals, residents’ collectives, developers and housing associations. Initiatives that approach residents as prosumers rather than as consumers also deserve government support.

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