12. Key players in urban renewal in the Netherlands

Frank Wassenberg, OTB Research Institute, Delft University of Technology

The social housing sector in the Netherlands is the largest in Europe. Social housing dominates in many urban neighbourhoods, and contemporary urban renewal in the Netherlands focuses on areas where housing associations own the majority of the stock. At the same time, urban renewal means more than just renewal of housing; rather, it is characterised by an integrated approach. Unlike in other European countries, or in previous years, housing associations have an important, even leading, role in urban renewal and this role is expected to grow. This chapter describes the tasks of the major players in urban renewal in the Netherlands, particularly housing associations.

Social housing as the basis of urban policy

Nowhere else in Europe does social housing dominate the housing market as it does in the Netherlands. Over one-third of all households rent a social-sector dwelling. There are 2.4 million social rented dwellings, that has been stable over the last decade. The social rented housing stock in the Netherlands is one of the largest in Europe, exceeded only by those of France and the UK. Almost all social housing is owned by housing associations. As owners of 35 per cent of all dwellings, and 75 per cent of all rented housing, they are important players in the local housing arena, including urban renewal. Moreover, housing associations are more independent in the Netherlands than in most other European countries. (For the position of Dutch social housing see Elsinga & Wassenberg, 2007.) Social housing has been and still is more of a driver of urban renewal and other urban issues in the Netherlands than elsewhere. Before turning to the roles of individual players in urban renewal, we consider Dutch housing policy as the basis of urban policy in general.

General characteristics of Dutch urban policy

What makes Dutch housing and urban planning special? There are three factors. Firstly, unsurprisingly, is the country’s high population density, which, at 456 inhabitants per sq km, is the highest in Europe. Population growth has been strong -15 per
Sixty years of urban renewal policy

There have been several major periods in urban renewal policy. In the years immediately after the second world war, urban renewal meant repairing war damage as almost one fifth of all dwellings were destroyed or badly damaged during the conflict. This period was followed by a second period of urban renewal in the form of city expansion, urban reconstruction, slum clearance, traffic schemes and high-rise construction. Social housing was provided in newly built neighbourhoods. As in many other countries, local governments developed major schemes to build large motorways into and through old neighbourhoods, right into the heart of the city. In many cities the results of these urban reconstruction schemes are still evident in the high-rise blocks and carparks in the middle of towns and unfinished motorways leading into city centres. However, these developments stopped rather suddenly in the early 1970s. The focus of urban renewal policy moved from large-scale programmes to small-scale renewal of urban neighbourhoods. Rather than being driven by planning issues, urban renewal was now led by social housing. The focus changed to renovation of old houses in old neighbourhoods or, where that was not possible, the redevelopment of existing ones. The target groups were existing residents, so up to 100 per cent of the existing dwellings were in multi-family complexes now owned by housing associations. Contemporary urban renewal policies focus on areas with high concentrations of 1950s and 1960s social housing.

Moreover, the housing stock is remarkably young with 80 per cent of all dwellings built since the second world war - a much higher percentage than in surrounding countries. The years of greatest housing production were in the 1960s and production peaked in the early 1970s at over 150,000 dwellings per year - double the current rate of production. A large proportion of these dwellings were in multi-family complexes now owned by housing associations. Contemporary urban renewal policies focus on areas with high concentrations of 1950s and 1960s social housing.

The second special feature of the Dutch housing system is its characteristic housing stock. Despite the country’s dense population, single-family houses dominate, even in medium-sized cities. Only in cities like Amsterdam and Rotterdam does multi-family housing make up a large proportion of the housing stock. Overall, 70 per cent of houses are single-family dwellings, most in rows with a small front and back garden. Almost half of all social rented dwellings are single-family units. The row house has been called the evergreen of Dutch housing, having been built over decades, in all price classes. These houses are popular with generations of new households.

The role of the municipality in housing has been vital to the production of social housing. In the 1960s and 1970s, the role of the municipality in housing was now led by social housing. The focus changed to renovation of old houses in old neighbourhoods or, where that was not possible, the redevelopment of existing ones. The target groups were existing residents, so up to 100 per cent of the existing dwellings were in multi-family complexes now owned by housing associations. Contemporary urban renewal policies focus on areas with high concentrations of 1950s and 1960s social housing.

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residents was important and their participation was considered essential but the role of housing associations was limited.

During the 1980s, greater attention was given to environmental issues including pollution, vandalism and safety. The theme of urban renewal broadened from just housing to encompass the overall living environment. However, both the dwelling and the environmental strategies were mainly physical in nature. Around 1990, more social measures came on to the agenda. The social renewal policy aimed to include deprived people and to improve social relations between different groups.

During the 1990s, the idea took hold that neither physical improvements alone, nor social or socio-economic measures alone, were enough. Even when both physical and social approaches were successful, cities ended up with lower-class working people in improved but sober and inexpensive neighbourhoods, while the middle classes, including families with children, had gone, some would say ‘fled’, to suburbs or neighbouring towns. The least popular areas were not the old pre-war neighbourhoods, with their central location and improved housing stock, but the post-war areas, dominated by standardised mass housing. This characteristic pattern was described as a ‘doughnut city’ - an expensive core in the city centre, surrounded by poor neighbourhoods, with wealthy areas outside. Moreover this led to a labour-market mismatch - the middle class commuted each day from the suburbs into the cities, while the people who lived in the city had no jobs, as the low-skilled jobs near the city core had disappeared. The emphasis changed to the creation of a complete city with middle-class inhabitants and job opportunities. Urban renewal gradually became an integrated policy that encompassed physical, social, and economic goals and strategies. This trend can be seen in most European countries (Wassenberg et al, 2007).

In summary, Van derPennen (2006) has identified three major changes in the 60 years of Dutch urban renewal since the second world war:
- from a physical approach to an integrated approach
- from central to local-government policymaking
- from government to governance

Contemporary urban renewal

The goals of contemporary Dutch urban renewal policy are differentiation, social mix and housing mix. Integrated policy is a key term, meaning that physical, social and economic issues are considered, as well as issues of integration and safety.

Contemporary urban renewal is not only aimed at achieving better housing, healthier environments and stronger cities, but also on improving the position of individuals. Urban renewal should lead to social improvements for residents, according to one influential report (VROM-raad, 2006; van der Pennen, 2006), particularly in the field of education, work, leisure and housing. Area-based approaches are used to identify households in trouble. The approach of contemporary urban renewal is to locate the deprived households and to improve not only their physical housing and living situations, but also to attack individual social problems, which is known as ‘looking behind the front door’ (Vogelaar, 2008). And the particular problems of individual residents should be addressed in a combined, integrated, individual approach, which requires the cooperation of all relevant players.

Contemporary urban renewal policy involves many local players, from the municipality to police officers, from inhabitants to social workers and from shopkeepers to housing associations. Urban renewal is no longer just a government issue or even a municipality issue, but an issue for everyone. This is the oft-mentioned change from ‘government’ to ‘governance’. Integrated policy requires the active participation of all relevant stakeholders whenever necessary. This makes urban renewal a complicated process. I will focus on the three most important stakeholders: the state, local government and the housing associations. They are the most important policy makers, and together with residents are the most important players.

The state’s role in urban renewal

During the first three decades after the second world war, the state ordered, planned, controlled and paid for urban policies, including urban renewal. The current national scheme is known as the Big City Policy (see previous chapter). It was introduced in 1994 and has gradually been developed since then (for a policy review see Priemus, 2004). The last phase, called Big City Policy 3, is now being implemented. It will last until 2010, and policymakers are debating whether to continue the City Policy, and if so how, after that.

The Big City Policy addresses physical, social and economic issues. The physical pillar consists of one fund per city, which local governments can use to improve the physical condition of mainly the local environment. This Big City Policy is directed at the 30 biggest cities in the country. However, in 2003 it was decided that a more spatial focus was required, and within these 30 cities 56 areas were chosen ‘where urban renewal processes take place’. Altogether these areas have some 500,000 dwellings.
In early 2007, a new centre-left government came to power. It formed a new department for urban renewal with its own minister, Ella Vogelaar. This government introduced some new initiatives. On top of the existing policy, the 40 worst areas were designated to receive extra attention. These areas, with about 350,000 dwellings, were selected using objective criteria similar to the method used for identifying deprived areas in England. About half of these areas overlap with the 56 areas targeted by the Big City Policy, while the other half are new. Of the 30 cities covered by the Big City Policy, 18 include one or more of the 40 areas. This policy change has led to some confusion about the national government’s intentions for neighbourhood policies. Some areas are selected ‘twice’, some only under the old scheme, others just in the new scheme.

It is interesting to note that at first the 40 areas were called ‘problem areas’. After the new minister visited them all, the name was changed to ‘power areas’. The minister drew up an overall action plan for them and asked municipalities to draw up concrete plans. The state supports these ‘power areas’ with some financing channelled through local municipalities. It provides information and support and has agreements with municipalities about improvement programmes (see below).

**Local government’s role in urban renewal**

The municipalities agree with the state about how to improve the 40 ‘power neighbourhoods’. These agreements increasingly include quantifiable targets at the level of individual neighbourhoods; for example, ‘unemployment should fall by 20 per cent’, or ‘crime rates should decrease by 40 per cent’, or ‘the share of owner-occupied housing should increase by 25 per cent’ within a certain time frame. These plans often focus on social issues, both at the individual level such as a lack of knowledge of the Dutch language, bad schooling, unemployment, loneliness among the elderly, etc. and at group level including social cohesion between neighbours, social groups, ethnic groups (Nicis, 2008; Vogelaar, 2008).

During the 1950s and 1960s, local government had a strong role in achieving national goals, including those related to housing. Local government decided on housing schemes, developed plans and built houses. They gave the keys to residents and the housing associations at the same time, leaving the associations to manage the stock.

In recent decades many other players have grown in importance. Each has its own interests, needs, knowledge, possibilities and constraints. The role of the municipality has been reduced to that of ‘safeguarding the public interest’, whatever that may be. Processes of governance and collaboration between players have grown in importance, and these are necessary for urban renewal. Thus local government has a new role. No longer the decision-maker, it is now the mediator between local interests.

**Housing association’s role in urban renewal**

Housing associations own almost all social rented housing in the Netherlands. One in three people in the country lives in a housing-association dwelling. Although housing association residents are generally below the welfare average (on many points on the scale), they are not on the whole poor, deprived or stigmatised.

There are about 500 housing associations in the country, owning between 200 and 70,000 dwellings. There are small associations which serve a local area, while large ones are often regional or even national. With hundreds of specialised employees, the large housing associations are professional and powerful organisations. They are often better equipped to deal with housing issues than their local government counterparts, especially outside the major cities. Housing associations position themselves as hybrid organisations, social entrepreneurs, market investors with a social or non-profit aim. This hybrid role feeds debates about their responsibilities.

Since 1995, housing associations have officially been independent of state subsidies. No government money goes to housing associations, and since 1995 the government has not paid for any new social housing. This independence their economic position has improved. This is due to the general rise in house prices, which increase the value of their stock and sound financial management, in particular securing cheaper loans.

Government interferes only if housing associations infringe the rules that govern their behaviour. They are not allowed to engage in financial speculation and they must carry out their housing tasks well, etc. Housing associations are allowed to make profits, but only if they are reused for housing purposes.

It is assumed that housing associations will participate in urban renewal particularly as they have the property, the power and the money. Housing associations are the lead agency in most contemporary urban renewal areas. Often they initiate the process, deciding the measures that are needed, and implementing and paying for them. Improvements, upgrades, new construction and other urban renewal measures can range from 10,000 euros up to more than a hundred thousand euro per dwelling. In addition there are the costs of compensation for displaced tenants and arranging...
new accommodation for them, loss of rent and depreciation. Any new housing will probably be more expensive, but will maximise social rents. The housing associations can sell housing to realise revenue; this housing need not be located within the urban renewal areas themselves. The key role of the housing associations is illustrated in The Hague, the third largest city in the country. It contains four major urban renewal areas of the forty mentioned earlier. The three housing associations involved in these areas intend to invest €2.7 billion, of which a quarter cannot be recovered from the rent. This has to come from other revenues of the housing associations, which are mainly generated by selling property.

However, the housing associations need to provide not only better housing, but also an improved environment and a better social milieu for the residents. Improving the neighbourhood will increase the value of all houses within it, including those owned by the housing association. This move from housing stock policy to area development has increased support for giving housing associations a wider role.

The increasing importance of housing associations must be seen in the context that the Netherlands always has been, and probably always will be, a consensus society. A housing association can never make and implement policy on its own. Decisions about renovation, upgrading, demolition or improving the neighbourhood are always made in consultation. The local government has to agree major changes in the housing stock, and will only do so after adequate consultation with tenants and approval of plans. Housing associations are powerful, but only within limits.

Housing associations play a major role in urban renewal, so what happens in areas where they are not present? Housing associations have a presence in all the renewal so this question is relevant in some non-renewal areas. In some older urban neighbourhoods, private property causes problems, as poor owners cannot afford to maintain their dwellings. Other problems arise in neighbourhoods developed in the late 1970s and early 1980s, which have too much uncontrollable public green space. There are also the recently developed areas, where social housing is relatively scarce. However, over the next couple of years attention will focus on the current urban renewal areas, where most housing is social rented.

Debates about urban renewal agencies

For the last decade, local government and housing associations have debated which organisation should initiate and control urban renewal programmes. In fact, housing associations, as the largest property owners, have come to dominate the process in many cases. It is more a question of whether housing associations can contribute more towards urban renewal, and whether they can pay to improve liveability and social conditions as well.

There are questions about how active the housing associations should be. Should they be very active, taking the lead on housing issues in general and urban renewal projects in particular? Should they invest, take financial risks, and make financially unprofitable investments? What should their role in society be? How far should their social responsibilities reach?

The housing associations control a tempting amount of money. This money is not in the form of large bank balances, but in the form of housing equity. The strong financial position of housing associations makes politicians hungry and national political parties across the spectrum would like to lay their hands on some of these assets. Their aspirations are supported by negative commentary in the media about wealthy housing associations. Politicians would like to skim the fortunes of housing associations by making them liable to pay taxes, although officially they are not even allowed to make profits and any excess income must by law be re-invested in housing.

Another suggestion is that their tasks should be broadened and that they should for example be forced to contribute to the national housing allowance budget, or contribute more to renewal of sectors other than housing. New roles suggested for housing associations include caring for the environment around their dwellings, providing houses for groups other than their traditional clients, which might include the homeless, handicapped, elderly, students or higher income groups and providing facilities like schools and shops.

There is also a policy debate about the position of housing associations (see Czischke and Pittini, 2007). Their present hybrid position as non-profit organisations with a social aim, which operate like businesses, is unclear and raises legitimacy questions (Boelhouwer, 2007). These questions become more pressing when housing associations develop commercial activities like the sale or construction of owner-occupied houses to raise capital to invest in affordable housing elsewhere. Profits by housing associations are only allowed when the revenues are reused within the housing sector. The definition of what is permissible can be rather arbitrary. Just building 20 villas is not allowed, but building 20 middle-class owner-occupied houses within a project of 50 dwellings is allowable, if the profits go to lowering the rents of the social rented dwellings or renovating old flats across the street.
An active broad social sector attracts the interest of those who enforce European Union competition policy. Elsinga et al. (2008) call this one of the threats to the future of broad social housing. One of the key questions is who actually owns a housing association, as most of them don’t have members any more, and who should decide about the use of their capital and housing stock.

The minister of urban renewal allotted €2.5 billion over ten years to support the 40 ‘power areas’. But the funding of the plan was highly controversial, as the funds were supposed to come from housing associations. After a series of discussions, they agreed in principle, but then were surprised to learn of new plans to tax their activities. These taxes would cost them significantly more than the €250 million per year they were supposed to pay towards urban renewal. Moreover, the associations disagreed among themselves about whether all should support, for reasons of solidarity, those associations with assets in the 40 power areas. Some associations not present in the power areas own considerable property in other problematic areas. There have also been debates about which plans the extra money should support. For these reasons housing associations have protested, and these unresolved issues are delaying urban renewal schemes on the ground.

**Differences between housing associations**

The role of housing associations in urban renewal has grown, which is in line with the three key features of Dutch housing and urban planning described earlier. Housing associations do more than provide housing participating as active local partners. However, housing associations vary widely, and not just in terms of size. They have different policies towards urban renewal, despite operating within the same legal framework. These differences are evident in the following areas:

**Mission**

Some housing associations actively maintain their dwellings as well as possible. They invest in high-quality housing to provide pleasant dwellings for their tenants. At the other end of the scale are housing associations that try to serve the whole local housing market. They want to be ‘flow’ organisations building, selling and buying houses. These organisations want to use their capital and skills to move the housing market.

**Activities**

When carrying out urban renewal, some housing associations tend to refurbish and maintain their existing housing stock, while others with stock in similar condition demolish it and replace it with new homes. These decisions are influenced by financial considerations (‘new stock lasts longer’), perceived attitudes (‘people prefer new’) and cultural heritage (‘historical value of the existing stock’).

**Issues**

Some housing associations concentrate on providing housing services to their residents, focusing on housing quality, rents and maintenance. Others see their role as broader, and also provide schools, day-care centres, shops and shopping centres and other kinds of buildings. Some housing associations also provide services such as internet facilities, insurance, help with removals, or discounts in shops. At the neighbourhood level, some housing associations provide play facilities for children, neighbourhood wardens, environmental maintenance and neighbourhood centres, particularly where local authorities can’t afford or don’t want to. Housing associations justify these investments as a way to improve quality of life for the tenants in their neighbourhoods and to maintain the value of their property.

**Role**

Some housing associations see themselves as providing a safety net for poor and underprivileged people by offering them shelter and care. Others associations see their role as a trampoline that can empower people and help them cope with their problems.

**Philosophy**

In a similar vein is the question of philosophy. Should a housing association promote collectivity (and approach housing as a collective good), or should it encourage people to take responsibility for themselves and view social housing as something for individuals?

**The future role of housing associations in urban renewal**

Urban renewal is a collective activity in which many stakeholders work together on the various issues. Housing associations are among the most important players, and their importance is growing. In the Netherlands, housing associations own most of the housing stock in virtually all urban renewal areas. The vast majority of urban renewal projects are situated in areas where social housing dominates. Government policy is to create a better tenure mix, offering opportunities for people to buy a house in their neighbourhood, or attracting newcomers. Contemporary urban renewal means that housing associations take forward these policy objectives, and to a growing degree
initiate and lead the process themselves. However, this all should be seen within the Dutch context, in which all policy processes are always based on consensus and collaboration between players.

References