Operating in the Dutch housing system

A guidance for Dutch municipalities to get more understanding on strategies to develop dwellings on their land during the aftermath of the housing crisis of 2008

Master Thesis

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PREFACE

This thesis has been written as completion to the master Systems Engineering, Policy Analysis and Management, at the Delft University of Technology (Faculty of Technology, Policy and Management). In this thesis I have been able to unite a large proportion of the obtained knowledge in the master’s program. The subject of this study is strategies of municipalities in Dutch housing. The obtained knowledge on mainly complex socio-technical systems, multi-actor systems, the Dutch housing system and area development during the master program have proven to be very useful to analyse the environment and the mechanisms which influence strategies of municipalities in the Dutch housing system.

An internship at the VNG (Association of Dutch Municipalities) has provided the resources and facilities to effectively execute the research for this thesis. The network of the VNG has been very useful in obtaining knowledge and to get into touch with representative parties in the system. In return, the results of this study are deemed useful for the VNG due to problematic situation of many municipalities due to the current conditions in the Dutch housing system.

I would like to thank the VNG, and more specially the department of ECFD, for the provided facilities and resources to execute my research. Great thanks go to Guust Linders, my supervisor at the VNG, for his support and useful feedback. I would like to thank the other members of my graduation committee, Harry van der Heijden, Marja Elsinga and Martijn Groenleer for their support. The discussions and the provided feedback have been very useful in improving my thesis. And last but not least, I want to thank the people which I have interviewed for their time and the provided information.

Frank van der Harst

The Hague, June 23 2014
SUMMARY

Many Dutch municipalities own costly undeveloped land which was supposed to be developed in order to assure sufficient housing possibilities within their borders. But, unfavourable developments in the housing and financial sector have resulted in a situation in which it has become difficult to develop the land. Key parties in the sector have become unwilling or unable to participate in developments. This led to the current situation in which municipalities got stuck with high priced undeveloped land which does not serve public goals and puts pressure on their financial housekeeping. Municipalities are not sure about what to do, how to act to overcome these problems. This research therefore focuses on strategies for municipalities to develop the land for housing. More specifically the study looks at on the one hand top-down strategies (TD) and on the other hand bottom-up and network oriented strategies (BN) to solve these problems. These two opposites have been chosen because it seems that there is a trend away from TD strategies and towards more BN strategies, but that there are still municipalities which apply TD strategies. This raises the question which is central to this research:

Why do some Dutch municipality apply a top-down strategy while others apply a bottom-up and network oriented strategy to develop dwellings?

The aim of the study has not been to define one strategy to solve the problems, but to provide insights to municipalities on how to operate in the Dutch housing system by analysing applied strategies and the accompanied circumstances. In order to answer this question the research has used theoretical knowledge on urban governance and network theory, the conditions in the housing system and the historical development of strategies in the system have been analysed and three case studies have been executed.

Theoretical knowledge is used to define and compare a TD and BN strategies. In a TD strategy there is a superior party at the top of the hierarchy who steers its subordinates and in a BN strategy there is not one sole party at the top of the hierarchy, multiple parties are involved in decision making. In a TD strategy the steering possibilities are high, the main focus is on the content and the end result, resources of other parties can easily be used, the final product is certain, flexibility is low, the decision making is done in advance and structured and the values of the superior party are leading. In a BN strategy the steering possibilities are low, the main focus is on the process of interaction, resources of other parties can be used through a negotiation process, the final product is uncertain, flexibility is high, the decision will be done during the process and is unstructured and the values of multiple parties are leading. Next to these two opposite strategies, there are also many hybrid strategies which include characteristics of both sides of the spectrum.

Theoretical concepts are used to indicate that municipalities are operating in a network of interdependencies in the housing system. Four network conditions are described which can be used to determine to what degree a party is operating in such a network of parties: Variety, Closedness, Interdependencies and Dynamics. The basis of the theoretical framework of this study is that the more these network conditions are present, the more a BN type of strategy is required. Next to network conditions there are also system conditions. The conditions in the system, such as the economy and demography, influence the parties and the conditions in the network.

The housing system is analysed by looking at the main parties, housing market, land market, economy, demography and cultural, social and political factors. The Dutch housing system is a complex system in which many parties are involved ranging from private parties to public parties and from residents to landlords. The variety in the Dutch housing system is high due to the many different parties and the different behaviour of these parties, making it difficult to oversee the variety. The closedness in Dutch
housing is also high, this is mainly caused by the unfavourable conditions in the housing market which led to a situation in which the shared frame of references of parties vanished or diminished. There is much interdependency in the housing system, different types of parties are depending on resources and power of each other. The system is very dynamic, the effects of the crisis led to, and are leading to, many changes in the system. Due to the settings of these network conditions it has been concluded that on the national scale there is network of interdependencies. Therefore, the conditions in the network require BN type of strategies.

The historical development of strategies in the Dutch housing system since the second world war shows in general that the presence of the network conditions has increased and that the applied strategies have evolved from quite TD strategies towards strategies which included more BN characteristics. Mainly between the 1970s and 1990s strategies have evolved from centralised strategies towards more decentralised and market oriented strategies. The changes have been driven by developments in society in which organised groups obtained demand more power, opposition against a dominant role of the central government and a believe that decentralised and market oriented approaches are more effective. During the 1990s until the crisis of 2008 large-scale and pre-defined housing development became dominant in which mainly large parties such as project developers or housing associations where in charge. Rising prices of dwellings, scarcity in the supply and loosening of financing possibilities provided suitable conditions for these large scale development to become supply driven. The variety on the demand side was relatively easy to manage because preferences of home-owners were oppressed by the scarcity and the favourable financial conditions for households to buy a dwelling. The crisis of 2008 led to changes in the conditions in the housing system, prices dropped, the number of transactions decreased and the investment capacity of parties vanished. Parties became unwilling and/or unable to participate in developments and households became unwilling and/or unable to buy a dwelling. Municipalities had to come up with new approaches which could deal with the changed conditions. These new strategies often include TD features in order to secure sufficient steering possibilities next to BN features in order to assure sufficient adaptive capacity.

Three case studies have been executed in this research, the applied strategies and the accompanied conditions of municipalities in three housing projects have been analysed. The two main goals of the case studies were to obtain practical knowledge on how municipalities operate in the current circumstances and to get a better understanding on how the local system and network conditions influence strategies of Dutch municipalities in the housing system. The three cases are the project of AckersWoude in Pijnacker-Nootdorp, de Broeckgouw in Edam-Volendam and RijswijkBuinen in Rijswijk. Through desk research and interviews with representatives of both public and private parties the three cases have been analysed. In the case of de Broeckgouw the municipality applies a relatively TD strategy in which the municipalities operates as a project developer and has predefined the plans for the area. The conditions in Edam-Volendam provide the possibility for such a strategy, the local system is relatively easy to oversee and to predict due to cultural settings. However, the project also include BN features such as phasing and some flexibility. In both AckersWoude and RijswijkBuinen the network of interdependencies is more present, the network is dynamic and the variety is more difficult to oversee. As expected, the applied strategies in these two cases include more BN features. In AckersWoude the municipality applies a strategy in which the issuing of land is driven by the demand. The initial plan for the area is not leading, it is used as a references and can be adjusted during the development if necessary. In RijswijkBuinen the initial plan is used similar as in AckersWoude. Main differences between AckersWoude is that in RijswijkBuinen the municipality also applies more TD

1 Supply driven: Offering a standardised product to end-users
strategies in subprojects within the development. The case studies have confirmed that the more a network of interdependencies is present, the more it is required that a strategy tilt towards a BN state.

The findings on the conditions in the housing system, the historical development of strategies and conditions and in the case studies have been used reflect upon the usefulness of the applied theoretical framework, to complement the theoretical framework and to describe the exposed trends in the strategies in Dutch housing. The findings of the analyses support the theoretical framework. However, there may be some other conditions which would tilt a strategy more towards a certain strategy. Large financial investments of a municipality to obtain the land is likely to steer a strategy towards a TD strategy and path dependence due to earlier made agreements can influence the applied strategy of a municipality. Also, two conditions are crucial and probably more decisive than other conditions for the applied strategy: the variety of the potential residents and the cultural conditions. The exposed trends in the housing system are that due to the increasing network of interdependencies strategies are more BN oriented and include more flexibility and adaptive capacity, more influence is given to the demand side and that parties are searching for new ways of working and new shared frame of references. Next to these trends there is also a trend which steer strategies more towards a top-down strategy. The large financial investments of many municipalities to obtain (and develop) land steer these municipalities towards a strategy in which there is sufficient certainty that the investments will be recouped. Therefore, the strategies of these municipalities are likely to include more top-down features by including less flexibility and more steering possibilities for a municipality. Thus, there are two opposite mechanisms in a situation in which a municipality have made large financial investments. On the one hand the strategies require bottom-up and network oriented features due to the network of interdependencies and on the other hand strategies require top-down features to assure sufficient certainty that the investments are recouped. The study shows that such situations lead to hybrid strategies in which features of both type of strategies are included.

The main conclusion from the study is that the reason why Dutch municipalities apply a TD or a BN strategy to develop dwellings is because the conditions in the network of parties require BN strategy, or provide the possibility for a TD strategy. The more a network of interdependencies is present, the more a strategy is required to include BN features. The presence of a network of interdependencies can be determined by analysing the variety, closedness, interdependencies and dynamics in the network of parties. The more these network conditions are present, the more a municipality has to cope with a network of interdependencies. The conditions in the system, such as developments in the demography or the housing market, influence the network conditions. Mainly two conditions have proven to be more crucial and probably more decisive than other conditions for the applied strategy: the variety of the potential residents and the cultural conditions. Next to the influence of the network of interdependencies, two other aspects have proven to be important. Large financial investments of a municipality can steer a municipality towards a TD strategy because a municipal council is likely to require a solid plan to recoup the invested money. Also, path dependence due to earlier made agreements can influence a strategy. A municipality may be obliged to involve certain parties, or its decision possibilities may be limited, due to such earlier made decisions.

The findings in the report have been used to list practical lessons for Dutch municipalities.

- It is crucial that a municipality understand the conditions of the system in which it operates and that the applied strategy fits within the conditions;
- A dwelling has become less an investment product. Households have therefore become more picky when buying a dwelling, causing the importance of individual preferences to grow. Parties on the supply side were, and are, forced to develop more bottom-up and demand-driven;
- This does not mean that full freedom should be given. Strategies in which the development of dwellings are demand-driven within a predefined framework seem to be the way forward;
- Including phasing and flexibility in strategies have become crucial because this provides adaptive capacity in a strategy;
- The right balance should be searched for in strategies, it is important that a strategy includes a suitable mix of BN and TD features;
- The importance of the process is growing. The process of coordination and interactions underlying the development of a housing project has grown in importance. The role of project leaders has become wider than the traditional role of a project leader;
- It seems that these developments have a structural nature and will not disappear when the effects of the crisis have diminished.
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VI
1. Introduction: What to Do with the Problematic Land Situations

Unfavourable development in the housing and financial sector and earlier made decisions related to land acquisitions have put many Dutch municipalities in a problematic situation. They own costly undeveloped land which was supposed to be developed, but this did not happen due to the market circumstances. Market parties such as project developers became unwilling to participate in projects and the investment capacity of housing associations – an important partner in the housing sector – has been decreasing (Bekkers, 2014). This led to the current situation in which municipalities got stuck with high prised undeveloped land. Municipalities have to pay high amount of interests and the value of the land is decreasing. According to de Zeeuw (2013a) most of the medium-large municipalities have to reduce the book value of owned land by 50 to 100 million euro. Fifty Dutch municipality have to recoup more than 40 million euro on investments in lands over the past decades (Battes, 2014a). The municipality of Lansingerland is a striking example with a loss of 286 million euro on land investments, which is approximately 5000 euro per inhabitant (Volkskrant, 2013). In total all Dutch municipalities have invested about 11 billion euro in land which will have to be recouped or the book value have to be reduced (Battes, 2014a). In September 2012 Dutch municipalities owned approximately 21,500 hectares of undeveloped land which has been bought for housing purposes (van Marwijk et al., 2012).

The undeveloped land does not serve the public goal it was intended for and causes a huge financial burden upon municipalities. Municipalities are not sure about what to do, how to act to overcome these problems. This research therefore focuses on strategies for municipalities to develop the undeveloped land. The primary focus lays on the development of dwellings on the land because according to estimates of Statistics Netherland (CBS) new dwellings will have to be built in the coming decades to provide sufficient dwellings for the growing number of households in the Netherlands. The majority of the municipalities bought the land to assure sufficient housing possibilities within their borders. Obviously there might also be alternative uses for the land such as offices, industrial usage or recreational functions. But, the primary focus of this research is on housing because this is deemed most necessary. Devising an effective, uniform strategy to develop the undeveloped land is difficult and probably impossible. Different municipalities have to deal different and changing circumstances. Therefore it can be the case that two municipalities apply two opposite strategies, but achieve a similar result. The aim of this report is therefore not to come up with one strategy to solve the problems, but to provide insights to municipalities on how to operate in the Dutch housing system.

1.1 What Strategy to Apply?

Municipalities in the Netherland can apply, and are applying, different kind of strategies for housing developments. They can use more hierarchical and top-down strategies in which they decide within

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2 The housing sector is defined in this study as the mechanisms and parties involved in the demand and supply of dwellings. The term housing system is used in this study as the housing sector plus the factors influencing the sector such as the economy and demographical characteristics.

3 Some of the land is used for other public goals, there are for instance examples were undeveloped land is used for urban agriculture (de Vré, 2012).

4 According to estimates of Statistics Netherland (CBS) the amount of households in the Netherlands will grow by almost a million over the coming 20 years (CBS, 2013a), see also 4.5.
the city hall what will be done with the land, or they can use a more bottom up and network-oriented strategy in which other parties such as future residents and market parties are much more incorporated in the development of the land.

A top-down strategy can for instance be found in Edam-Volendam in the project of de Broeckgouw. In this project the municipality acts as a project developer, the municipality has taken full responsibility and the financial risk of the development of dwellings. Other examples are the initiatives Beesel to become a project developer in a housing project (De Limburger, 2014), of Assen to develop dwellings for the social rental sector (Hooghiemstra & Khandekar, 2013) and of Rijswijk to develop dwellings for the liberal rental sector (Bekkers, 2014). However, such developments are not ‘normal’ in Dutch housing and are often welcomed with suspicion. The minister of housing (Blok) for instance argues that it is undesirable that municipalities develop dwellings themselves, that it is not a core task of municipalities and that municipalities do not possess sufficient knowledge on building and project development (Buitelaar, 2013). Other type of top-down strategies can be found in many of the VINEX neighbourhoods. In these projects the municipality was not the sole player on top of the hierarchy, a few large parties (such as project developers, housing associations and municipalities) were often in control and made the decisions in these large-scale projects.

There seems to be a trend in the Netherlands away from these top-down strategies and towards more bottom-up and network oriented strategies. The central government tries to push municipalities more towards demand-driven programs and the parties in the modern society demand more participation options and freedom of choice. This is translated in strategies in for instance more flexibility in projects and zoning plans, more incorporation of parties into decision making processes, the fading out of pre-defined blue print projects, the providing of more possibilities for initiatives from the market or providing more space for (combined) private commissioning ((C)PO). In Dutch housing terminology such strategies are called more demand-driven (vraag gestuurd) instead of supply-driven (aanbod gestuurd). The large-scale, pre-defined and homogeneous projects of the VINEX era are often given as typical examples of supply-driven strategies. The more bottom-up and demand-driven strategies can for instance be illustrated by the many municipalities who apply (C)PO approaches, such as Almere, The Hague, Amsterdam, Arnhem and many more (Agentschap NL, 2011). It is also visible in the usage of more flexible (and phased) plans such as in the project of AckersWoude in Pijnacker-Nootdorp. In this project there is no detailed development plan for the area. The detailing of the plan will be in align with the demand. The issuing of land is based upon the development of the purchasing process of the prior subprojects and detailed information on the demand and preferences of potential residents. If it happens to be the case that the dwellings in the first sub-development are sold quickly and that more households would like to buy a similar dwelling the municipality will quickly allocate more land for the building of more dwellings. This mechanism goes both ways and therefore the development of the area depends on the demand of future residents. More information about this project is given in section 6.1.

The main focus in this research is to obtain insight on why Dutch municipalities would, or should, operate in a certain way. Why do municipalities use different strategies to develop the land. Why does Edam-Volendam use a more top-down oriented strategy and Pijnacker-Nootdorp a more bottom-up oriented strategy? As argued, there seems to be a trend towards more bottom-up and network oriented strategies. But, why are there then still municipalities who apply a top-down strategy? Maybe because

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5 VINEX (Vlerde Nota Extra) neighbourhoods are housing projects executed in the Netherlands in the period of approximately 1995-2005. In Chapter 5 (section 5.2) these projects will be discussed.

6 Blue print projects are projects in which the development will be done according to a predefined and watertight plan.
a top down orientation will give more steering possibilities, more certainty about the outcome and makes a municipality less dependent on (many) other parties to develop the land. A municipality depends less on other parties who are unwilling to develop the area due to for instance the economic situation. On the other hand, a bottom-up and network oriented strategy might better be able to cope with the dynamics and variety of the modern society. In order to shine more light on this dilemma the main question of this research is:

**Why do some Dutch municipality apply a top-down strategy while others apply a bottom-up and network oriented strategy to develop dwellings?**

Four sub-questions are formulated to answer the main question. The first question focuses on the theoretical knowledge, theoretical concepts will be used to create a theoretical framework which forms the basis of the further analyses. The second and third questions will provide general information on conditions in the Dutch housing system which influence the behaviour and strategies of municipalities. The fourth question will be answered by gathering empirical data in case studies on conditions and accompanied strategies of three municipalities.

**Sub-question 1: Why would a municipality decide for one of the strategies according to urban governance and network theory?**

Theoretical concepts will be used to understand the underlying conditions influencing the decision of municipalities. This will provide a theoretical framework which will be used to structure the research and as guidance in the case studies.

**Sub-question 2: How can the housing system be described and how do the conditions of the system influence municipalities?**

To answer this question the main conditions which drive the behaviour of municipalities in the housing system will be discussed. Aspects which will be taken into account are the main parties and there characteristics, the state of the Dutch housing sector, the economic situation, the land situations, the demographical characteristics and the cultural, social and political factors.

**Sub-question 3: What strategies have been applied over time in Dutch housing and how can the decision for these strategies be explained?**

Answering this question will help to understand the reasoning behind the decision for a certain strategy given the circumstances at certain moments in time. This will provide insights on the system in which municipalities operate and the conditions which influence the decision for a strategy.

**Sub-question 4: Why did/do the municipalities of Pijnacker-Nootdorp, Edam-Volendam and Rijswijk apply a specific strategy?**

Analysing projects in Pijnacker-Nootdorp, Edam-Volendam and Rijswijk will provide empirical data on the conditions and accompanied applied strategies of three municipalities. These municipalities have applied different type of strategies, the case of Edam-Volendam is more top-down and the cases of Pijnacker-Nootdorp and Rijswijk are more bottom-up and network-oriented. The case of Rijswijk distinguishes itself from the case of Pijnacker-Nootdorp because it seems to entail more “top-down features”.

**1.2 Outline of the report**

The structure of the report is be discussed here and is visualised in figure 1. In the following chapter theoretical knowledge will be used to describe the different strategies and the conditions influencing the decision for one of them. The chapter provides a theoretical framework which is leading in the
research. Chapter 3 will discuss the methodology of the research, the methodological choices to obtain the required information and insights are explained. Chapter 4 will discuss the Dutch housing system. The conditions in the system, such as the demographical developments, are expected to have influence on the applied strategy of municipalities. The chapter will conclude with expectations of the strategies of municipalities based upon the conditions in the system.

**Figure 1: Visualisation of the structure of the research and report**

Chapter 5 discusses the general way in which housing projects have been executed over time in the Netherlands. It will focus on the incremental change from top-down supply-driven strategies imposed by the central government towards more market and network oriented strategies in which demand plays a more crucial. In the end of this chapters the findings will be used to reflect upon, and improve, the expectations derived in Chapter 4 on the strategies of municipalities. In Chapter 6 three case studies will be discussed: AckersWoude in Pijnacker-Nootdorp, de Broeckgouw in Edam-Volendam and RijswijkBuiten in Rijswijk. These case studies will provide empirical data on different type of strategies and the conditions in which these strategies are applied. Also, the insights on the applied strategies in the cases will be used to validate the expectations on strategies of municipalities derived in the earlier chapters. In Chapter 7 the analytical part of the study will be closed down. The
usefulness of the theoretical framework and the implications of the findings in chapter 4 to 6 on the framework will be discussed and the exposed trends in the strategies of municipalities will be described. Chapter 8 will focus on providing practical insights from this study for Dutch municipalities when operating in the Dutch housing system. Important conditions and developments which influence the strategies of Dutch municipalities are discussed. The report will end with the answers to the questions of this research in the conclusion and recommendations for municipalities and future research.
2. The Strategies from a Theoretical Perspective

Theoretical concepts will be used in this chapter to get more insights in the different type of strategies and the conditions which influence the decision for one of them. First the strategies will be discussed in general by discussing their main characteristics. The second section will focus on the organisational system in which municipalities operate. It will be argued that municipalities are operating in a network structured environment in which cooperation and interactions are crucial for achieving goals. Subsection 3 will then discuss the consequence of the networked environment along four conditions which can be used to identify to what extent a network is present. In subsection 4 the effect of the conditions of the system are discussed and a clear demarcation is given between two type of conditions which are crucial in this study (network conditions and system conditions). The chapter ends with an overview of the theoretical framework and the answer to the first sub-question.

2.1 The Strategies

The following subsection will discuss and compare a top-down (TD) and bottom-up, network-oriented, strategy (BN). The two strategies will be discussed in a theoretical matter, they will be discussed as ideal types and it is not expected that the descriptions represent a blue print of real life strategies. Though, it is deemed important to discuss the two strategies in this way because this will provide a clear view on both sides of the spectrum. Table 1 lists the main characteristics of both strategies. After the two strategies have been discussed there will be some attention for hybrid strategies, these strategies can be used in order to overcome disadvantages of one of the strategies by applying some characteristics of the other strategy.

Top-down versus bottom-up, network oriented strategies

De Bruijn and ten Heuvelhof (2008, p8) distinguish two type of structures, a hierarchical structure and a network structure. In a hierarchy structure there “is a leading actor, who is at the top of the hierarchy and steers its subordinates” while in a network structure there is not one party who has full control and who can steer all its subordinates. Decisions in a network structure involves multiple parties who “have different interests and are dependent on each other” (p23). This dichotomy will be used here to discuss the two strategies, the hierarchical structure represents the organisational structure of a TD strategy and the network structure of a BN strategy.

In a TD strategy a superior party applies a command and control policy, the municipality designs a plan assures that this plan will be executed. Other parties are involved, but their main function is as advisor or executor of plans of the superior party. A BN strategy on the other hand is a network-oriented strategy in which end-users and participating parties in a development will be included in the decision making process and will be given freedom to bring in and implement their own ideas. In such a situation the municipalities deals with a network of parties and therefore “the attention shifts from a project approach to the process of interaction” (de Bruijn & ten Heuvelhof, 2008, p35). A municipality will have to deal with the interactions with, and between, the other parties in order to create a process which leads to the development of the area. In a BN approach there is generally more dependency on resources of others. Through negotiation processes parties can ensure that resources of other can be used in return for a favour. In a TD approach the non-superior parties have a weaker bargaining position, they depend more on the superior party which makes it more easy for this party to push other parties to participate in the development with their resources.

Steering possibilities in a TD strategy are very high for the party in control, the party holds the exclusive right to develop the plan according to its own wishes. In a BN strategy a initiating party provides steering possibilities for the network of involved parties. The network-form of a BN
approach causes participating parties to lose steering possibilities and they will lose “some of their ability to dictate their own future” Powell (1990, p305). Applying a BN strategy will therefore make the municipality dependent on other parties (Buitelaar et al., 2012) and the development will become more uncertain and less predictable. Values of different parties will be included when parties have the freedom to bring in and implement their own ideas. This is in contrast with a TD strategy, which is more based on the value of the superior party and as de Bruijn and ten Heuvelhof (2008, p23) argue: “the problem and the goals” are those “of the hierarchically superior actor”. The goals, boundaries and scope are defined beforehand by the superior party and the goals are used as a “point of reference during the entire project” (de Bruijn and ten Heuvelhof, 2008 p65). In a process based approach (used in a BN strategy) goals, boundaries and scope can emerge and change during the process. Decision making in a TD strategy will include “watertight decisions”, while decision making in a BN strategy is much more about “keeping options open” (de Bruijn and ten Heuvelhof, 2008 p75).

In a TD approach end-users are primarily included in the end of the process when they buy the final product. They might be consulted in an earlier stage of the process through for instance a survey, but the party in control generally only uses this as input for their decision making process. In a BN strategy the end-users are actively involved during the whole process, they are included in (sub)decision making processes or can even be one of the ‘clients’ of the development (Dammers et al., 2007). The freedom of parties in a BN approach during the process provide flexibility, this is in contrast with TD approaches in which the plan is plotted out in detail beforehand. This can make a BN approach unstructured and capricious, while a hierarchical TD approach is more structured (de Bruijn and ten Heuvelhof, 2008). The flexibility of BN approaches can provide possibilities to cope with changing environments. Because freedom is given to (groups of) parties in the development of an area it can be the case that a development is fragmented, several (groups of) parties can have their individual sub-project.

Table 1: Characteristics of ideal top-down and bottom-up strategies

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Top-down strategy (TD)</th>
<th>Bottom-up, network oriented strategy (BN)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Steering possibilities of municipality</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Main focus</td>
<td>Content and end-result</td>
<td>Process of interactions</td>
</tr>
<tr>
<td>Utilisation of resources of others</td>
<td>Leading party can push parties to participate with their resources</td>
<td>Through a negotiation process</td>
</tr>
<tr>
<td>Final product</td>
<td>Certain</td>
<td>Uncertain</td>
</tr>
<tr>
<td>Flexibility</td>
<td>Low, Goals, scope and boundaries are formulated beforehand</td>
<td>High, Goals, scope and boundaries can emerge and change during the process</td>
</tr>
<tr>
<td>Decision making</td>
<td>In advance and structured Watertight decisions</td>
<td>During the process and unstructured Options are kept open</td>
</tr>
<tr>
<td>Incorporated values</td>
<td>Values of superior party are leading</td>
<td>Values of multiple parties are leading</td>
</tr>
</tbody>
</table>
**TD and BN on different levels**

The discussed strategies can be identified on different levels, on for instance the level of area development or on the level of dwelling development. On the level of area development a TD strategy could for instance be a hierarchically predefined and watertight plan on how an area is going to be developed in the coming years. On the other end of the spectrum a BN plan could for instance be a flexible and open plan in which the exact detailing of parts of the area will be done together with the involved parties along the development process. On the level of dwelling development a TD strategy could be to construct dwellings which are predefined by a superior party. A BN way to develop dwellings would be to develop the dwelling together with the end-users and possibly also other involved parties.

**Demand-driven and supply-driven approaches**

In this subsection is described what is understood with TD and BN approaches. Two other terms which are important in the Dutch housing literature are demand-driven and supply-driven strategies. Although these terms are linked to TD and BN approaches, they are not the same. In this report the following definitions are used for the terms:

- **Supply-driven:** Offering a standardised product to end-users
- **Demand-driven:** Providing possibilities for end-users to adjust the product

Obviously, the degree to which possibilities are given to adjust a product may differ, an end-user can have the possibility to adjust the whole house, but can also only have the freedom to choose between a grey or white façade. Therefore in this report the terminology ‘more supply-driven’ or ‘more demand-driven’ will be used for products or strategies which are respectively more standardised or provide more possibilities for individual adjustments.

**Hybrid strategies**

In between the TD and BN strategies there are many strategies which include characteristics of both sides of the spectrum, these strategies are called hybrid strategies. Hybrid strategies emerge when a party wants to apply a strategy which entails characteristics of both strategies, it may be applied when a municipality wants to overcome disadvantages or obstacles of one of the strategies. A party might have to give freedom to parties due to pressure from society, but does not want to lose too much steering possibilities. There are many different hybrid strategies, this subsection will discuss three hybrid strategies which are deemed most applicable to overcome the expected obstacles for municipalities in the housing system.

*“The shadow of hierarchy”*

In a situation in which a BN approach is applied, but one party has the ability to use hierarchical interventions, this particular party can create a “shadow of hierarchy”. A governmental organisations such as a municipality can have such an ability based on legislation (van Bortel & Elsinga, 2007). The party can threat to use hierarchical actions if the negotiation process does not go well, such a threat of a hierarchical actions may have an impact on the perception of gain and loss of the involved parties in a process (De Bruijn and ten Heuvelhof, 2008). This may give the threatening party more power in the process because the other parties are willing to give up some of their power in order to avoid an hierarchical intervention. Creating a shadow of hierarchy can increase the steering possibilities and decrease the uncertainty of the end-product and the flexibility in the process.
Hierarchical action as kick starter or catalyst in a BN

BN strategies which provide much freedom for involved parties can face problems in the starting up process. A prisoner’s dilemma might occur when parties are reluctant to be the first to invest because they are afraid that no one will follow (Buitelaar et al., 2012). The lack of a structured plan or an expected end-result may discourage parties to actively participate in a process. In such a situation it can be useful for a party to start off with a TD approach in which a plan is submitted to the other parties. Such a plan can function as a kick starter of a process, it is likely that it creates interactions and consultations about the initiated plan. Parties can put their own ideas into the initiated plan. But, one should be very careful with such a strategy. The plan should not be too much in conflict with interests of the other parties. Before applying such a strategy one should therefore first strategically estimate how the other parties will react and the action should take this into account (De Bruijn and ten Heuvelhof, 2008).

In a similar way a unilateral action can also be used as a catalyst in a BN process. Due to the lack of one powerful party in a bottom-up process there can be problems with making concrete decisions. It can take much time before all parties agree or it can be the case that no real decisions are made. A hierarchical intervention can help in such a situation to make a decision. Such an action is mainly effective if there is already “a critical mass of winners” (De Bruijn and ten Heuvelhof, 2008 p124), which means that although some parties do not agree with the decision, there will be sufficient support from the parties who do agree.

Unilateral intervention with room for manoeuvre

Applying a TD strategy may lead to resistance of involved parties if they think that their interests are not sufficiently represented. It can therefore be useful to “intervene unilaterally with one hand and offer room for manoeuvre with the other hand” (de Bruijn and ten Heuvelhof, 2008, p122). A party can define a set of strict rules unilaterally and provide freedom for parties within these set of rules. Before applying such a strategy the intervening party should have a clear view on what amount of freedom should be given to the involved parties in order to diminish obstruction. The extent to which the room for manoeuvre overshadows the unilateral action defines whether such a strategy is more BN or TD.

2.2 OPERATING IN A COMPLEX AND INTERDEPENDENT ENVIRONMENT

This subsection will discuss the environment in which municipalities operate. Understanding this is necessary to understand which conditions influence the decision of a municipality for a strategy.

In modern society a local government cannot solely impose policies upon others because they have “become one among many agencies involved in decision-making” (McGuirk, 2000). Policies and societal processes are subject to the influence of many (semi-)public and private parties. The concept of governance accepts this by challenging “conventional assumptions which focus on government as if it were a ‘stand alone’ institution divorced from wider societal forces” (Stoker, 1998 p19). Network theorists de Bruijn and ten Heuvelhof (2008, p1) support this challenge by arguing that “in modern day society, everyone depends upon everyone else” and that “a government agency developing a new policy needs the support of other agencies, societal organizations or the target group”. General idea behind networks is that parties within networks depend on resources of other parties to achieve their goals (Powell, 1990). Previous studies have proven that network theory is useful to look at issues in the urban context. Mullins and Rhodes (2007) argue that the network approach is applicable and relevant for questions in housing studies and van Bortel and Elsinga (2007) have used the network perspective to analyse the public management in social housing in the Netherlands. The study of van Bortel and Elsinga have specifically used the framework of de Bruijn and ten Heuvelhof for steering in
complex networks. The same theoretical concepts will be used in this study and mainly the book *Management in Networks* (de Bruijn & ten Heuvelhof, 2008) will be leading.\(^7\)

A network can be defined by four characteristics (De Bruijn & ten Heuvelhof, 2008, p1): (1) Several parties, (2) with “different goals and interest”, (3) “different resources” and (4) interdependencies between in between the parties. The concept of urban governance can be used to show that municipalities are operating in a network. The concept implies that (semi-)public and private parties together try to pursue for “collective goals through an inclusive strategy of resource mobilization” (Pierre, 2005, p449). Urban governance focuses on the “the coordination and fusion” (Pierre, 1999, p373) of both public and private resources. When analysing the behaviour of municipalities in the urban context one should not only look at parties the public sector, but also at parties from the private sector (Dekker & van Kempen, 2004; Anderson & van Kempen, 2003). Next to local governments other parties such as housing associations, private developers, residents, other market parties, non-governmental organisations are involved (van Marissing et al, 2006). These parties have different goals and interests. Private parties generally strive for profit and continuity while local governments are supposed to achieve public goals. Thus, to understand why a municipality would decide to use a TD or a BN strategy the research should not only focus at the civil service or the executive board of a municipality. One should go beyond the border of the city hall and analyse the whole environment and interactions of (semi-)public and private parties. This brings us to an important theoretical insight:

> **When the aim is to understand the behaviour of a municipality, one should not only understand the position and the (required) resources of the municipality, but of the whole network of parties who influence their behaviour and decision making.**

This insight does not necessarily provide direct information on whether a municipality would use a TD or BN strategy. But, it does provide a fruitful point of departure to understand the decision for one of the strategies. The complexity of the environment of parties and the related resources influence the behaviour of a municipality. As an example, if there are many parties which hold indispensable resources for a project it is unlikely that a TD strategy would be effective. In such a situation a municipality depends on resources of others. If the parties are aware of the dependency it is unlikely that they would accept a hierarchical intervention without any resistance. Though, the special position of a (local) government, based on legislation, can make it possible for a municipality to apply a TD strategy (van Bortel & Elsinga, 2007). However, it is questionable whether such a strategy would be effective. The following section will go further into the implications of the network structure in which municipalities are operating.

### 2.3 Consequences of the Organisational Structure

Accepting that parties who are active in the Dutch housing system are operating in a network of interdependencies means that these parties are confronted with the characteristics of networks and that they should behave according to the “rules of networks” in order to realise their goals. When a party wants “to achieve satisfying outcomes” it has to cooperate with others (Klijn en Koppenjan, 2000 p140) and the strategies and instruments of parties “have to be adapted to the characteristics of the network” (van Bortel & Elsinga, 2007 p33). De Bruijn and ten Heuvelhof (2008) define four characteristics of networks: *Variety, Closedness, Interdependence* and *Dynamic*. These characteristics influence how interventions of a municipality (and other parties) work out in reality.

**Variety** can be found in networks in the forms of differences between parties such as in size, resources, goals, preferences, attitude, interpretations of information, ways of working, and more. This

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\(^7\) In the delineation of the different types of strategies in paragraph 2.1 this book was also leading
can be illustrated by looking at the parties in the housing sector, there are for instance many different owners of dwellings (private owners, landlords, housing associations or other large-scale owners such as assurance companies), different construction companies (ranging from small scale contractors who focus on individual dwellings to large scale contractors who develop whole areas), different public parties (municipalities, regions, provinces, central government) and so on. Variety exists within organisations, between different departments or between the executive board and the council of a municipality. The implications of the variety of networks is that different approaches are required to address the multitude of parties. A strategy which works to steer party A might have a reverse effect on party B. High variety makes the process of interaction and cooperation more important in order to grasp the ideas and practises of all relevant parties.

**Condition I:** The higher the variety;
the more flexibility is required;
the more process orientation is required

**Closedness,** parties are often closed in networks, closed to signals from other parties. This could be the case out of necessity due to many signals from different parties in a network (de Bruijn and ten Heuvelhof, 2008). Being open to all signals in a network could make it impossible for a party to function effectively. Closedness can also be the result of a misfit between an intervention and the core values or the frame of reference of a party (de Bruijn and ten Heuvelhof, 2008; Van Bortel and Elsinga, 2007). De Bruijn and ten Heuvelhof (2008 p 18) mention several ways how closedness can manifest, these can be summed up by: not noticing, ignoring, resisting, evading or reinterpreting an intervention. Van Bortel and Elsinga (2007) give an example of closedness of housing associations due to their autonomous position and strength, this makes (or used to make) them able to ignore hierarchical signals of the central government.

The change towards more governance (as mentioned in 2.2) has according to Björk and Johansson (2000) been used to argue that public services should be provided more by the private sector because the public organisations are too expensive and too inefficient. Such a mind-set could lead to more closedness and resistance towards unilateral, top-down, actions of a governmental organisation. This illustrates that the attitude or norms and values of parties could influence the closedness of parties.

According to the theory more closedness requires a strategy which takes into account the core values or the frame of reference of the other parties in the network. Though, one should be careful because a large variety of parties in a network would mean that an avalanche of values should be taken into account, which could lead to an unmanageable situation. This could for instance be the case when a municipalities gives much freedom to residents to develop whatever they want on their own plot. Such a policy might collide with goals of a municipalities about the coherency of the urban surrounding.

**Condition II:** the more closed parties are;
The more values of other parties should be incorporated in the strategy;
The more decisions should be made in cooperation with other parties

**Interdependence,** parties need the support of other in networks. Parties often do not hold all required resources or power to meet their goals. These resources and power could for instance be information and knowledge, legislative power, financial capital or physical resources such as land or construction capacity. The required resources and power can be scattered over multiple parties within a network. It is difficult, and it will often not suffice, to address just one party in a network because this specific party might depend again on other parties in the network. As an example, if the central government
wants the national housing production to increase it will not suffice to solely address municipalities since municipalities depend on other parties (landowners, construction companies, housing associations and more) to construct dwellings within the municipality.

The success and set-up of strategies within networks are influenced by the interdependency within the network. De Bruijn and ten Heuvelhof (2008 p118) stress the importance of this by arguing that “the success of decision making in a network largely depends on the underlying pattern of interdependencies and the extent to which parties are aware of these interdependencies”. Unilateral decision making can be ineffective when the interests of other parties are not sufficiently taken into account. This can create opposition and a situation in which several parties with indispensable resources are not willing participate. It might therefore be necessary to incorporate these parties in the decision making process.

### Condition III: the more interdependence;

- The more other parties should be given the possibility to manoeuvre;
- The more parties with indispensable resources should be incorporated in the decision making

### Dynamic;

“networks are always in motion” (de Bruijn & ten Heuvelhof, 2008 p22), the variety, closedness and interdependencies change over time. Resource distributions may change, power positions of parties might alter or new parties can enter. The financial crisis of 2008 for instance decreased the availability and accessibility of financial resources and the power position of housing associations in the Netherlands is changing due to (upcoming) legislative adjustments (Bekkers, 2014). Adaptive capacity and flexibility can be included in strategies to be able to cope with the dynamics of a network. In a situation in which the circumstances provide few possibilities (as could be argued for the current housing sector), municipalities can use strategies which are flexible and adaptive to provide possibilities to utilise the few possibilities which can occur due to a changes in the environment.

### Condition IV: The more dynamic the environment;

- The more adaptive capacity and flexibility are required;
- The more decision making is required during the development process;
- The less pre-defined a final product should be

### 2.4 Conditions in the System and Conditions in the Network

Thus, the organisational structure in which municipalities operate can by characterised by the extent to which a network of interdependencies is present. The more the abovementioned four conditions are present, the more a network of interdependencies is present. These four network conditions are influenced by the parties in the network and the conditions in the housing system which they have to take into account. As Pierre mentions, urban governance “is embedded in a myriad of economic, social, political, and historical factors” (Pierre, 1999 p375). Thus, the conditions in the housing system influence the behaviour of parties. In this study the main aspects of the housing system which influence the parties are the economy, the demography, the housing market, the land market and cultural, social and political factors. Examples from Dutch housing illustrate the importance of each of these aspects. For instance the applied hierarchical, top-down, strategy of the Dutch central government after the second world war to engage housing shortages was driven by demographical
developments and the circumstances in the housing market. An example of the effect of the economic conditions can be found in the developments during the 1970s and 1980s, when many European countries adjusted their “housing policy to the changing economic circumstances” (Dieleman, 1996, p275). The effect of the land market (in combination with the housing market) can be illustrated by the behaviour of municipalities, the lower land prices and the bad conditions in the housing market have forced municipalities to search for new type of strategies which are able to cope the changed conditions in the system (Khandekar & ten Have, 2012). The effect of the cultural, social and political factors is illustrated in the fact that there is currently a tendency in society in which users want to be more involved in the development of their dwelling (Hulsman, 2013), resulting in more pressure from them to obtain more freedom.

It should be clear that there are two different type of conditions which are crucial in this study: **conditions of the network** and **conditions of the system**. Both are displayed in figure 2.

![Diagram](image)

**Figure 2: The influence of the conditions of the system and the presence of a network of interdependencies on the decision for a TD or BN strategy**

1. **Conditions of the network**: the conditions which indicate the presence of the network of interdependencies. The four conditions are *variety, closedness, interdependence* and *dynamics*. These network conditions directly influence the expected strategy of a party. Aspects such as the interactions between and the behaviour of parties influence these conditions.

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8 Chapter 5.1 will elaborate on this
2. **Conditions of the system**: the conditions of the system influence the conditions in the network by influencing the parties and their interactions, behaviour, interdependencies, resources and power. These conditions can for instance be the economic circumstance or the cultural settings.

The conditions can be identified on the both the local and national scale. The local conditions directly influence the involved parties and their behaviour and interactions. However, Pierre (1999, 375) stresses the importance of “the national context within which urban governance is embedded”. Municipalities are influenced by the conditions of the system and network on both the national and local scale.

2.5 **THE THEORETICAL FRAMEWORK**

The main theoretical findings in this chapter form the theoretical framework which will be used as the basis of this research. Basically, the theoretical framework consists of table 2 on page 7, figure 2 on the previous page, the boxes in section 2.3 and figure 3 on this next page. The basis of the theoretical framework, and the answer to the first sub-question\(^9\), is that the presence of a network of interdependencies influences the decision for a TD or BN strategy. The more the conditions of a network of interdependencies are present – **variety**, **closedness**, **interdependency** and **dynamics** – the more the characteristics of the strategy (defined in table 2) are expected to tilt towards a BN state. The conditions in the system, such as the economy and demography, influence the parties and the conditions in the network.

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\(^9\) As a reminder, the first sub-question is: why would a municipality decide for one of the strategies according to urban governance and network theory?
3. RESEARCH METHODOLOGY

This chapter discusses the methodological choices in this research and how the required information and insights have been gathered. The report is consists of an analytical part and a design part, the analytical part is used as input for the recommendations in the design part. The analytical part is started in Chapter 2, is continued in the following chapters and is concluded in Chapter 7. Based upon the findings in the analytical part of the study the final chapter discusses practical insights and recommendations.

3.1 ANALYTICAL PART OF THE RESEARCH

The analytical part of the study focuses on analysing the conditions which influence the decision for a TD or BN type of strategy. The theoretical framework has distinguished two type of conditions, system conditions and network conditions. The network conditions directly influence the expected strategy and the system conditions influence the conditions of the network. The focus in the analytical part of this study is to unravel and understand the presence of these two type of conditions and the accompanied strategies. This is done by analysing the main aspects of the housing system on the national scale, the developments of the conditions and the accompanied strategies in Dutch housing since the second world war and through three case studies which focus on current housing projects.

Exposing the conditions in the system and the network on the national scale

Main sources in this chapter (4): Interviews with experts\textsuperscript{10}, newspapers, scientific articles and documents of Dutch public and private organisations.

By analysing the main aspects of the Dutch housing system and the accompanied network of parties Chapter 4 reveals the conditions in the system and in the network on the national scale. The chapter focuses on the main parties in the sector and their characteristics and relations and the main aspects of the housing system\textsuperscript{11}: the housing market, the land market, the economy, the demography and the cultural, social and political factors.

The actor analysis (4.1) provides direct information on the conditions in the network. It provides insights on the variety, closedness and interdependency of parties and the dynamics in the network. The parties will are discussed in groups: public parties, parties in the construction sector, residents, landlords and parties from the financial sector. The main characteristics and interdependencies within the groups are discussed per group of parties.

The other sub-analyses in Chapter 4 (4.2 - 4.6) will provide insight on the conditions in the housing system. The Dutch housing market is analysed by discussing important figures (such as the development of the price of dwellings and the number of transactions) and by discussing developments in the dynamics of the market and the liberal rental sector. The section which focus on the land market analyses the effects of the crisis on the land market and the underlying developments which have led to a situation in which land has become an important source of power in Dutch housing. Both the demography and economy are analysed by discussing key figures and regional differentiations. In the section on cultural, social and political factors the focus lies on the decision to buy or to rent, the increasing demand for more influence and freedom from the society and the role of political preferences.

\textsuperscript{10} The interviews are discussed at the end of this chapter.

\textsuperscript{11} The decision for these subjects as the main aspects of the housing system has been explained in paragraph 2.4
Section 4.7 concludes the analysis of the conditions on the national scale by discussing the network conditions along the variety, closedness, interdependency and dynamics. These network conditions are used in section 4.8 to derive expectations about the strategies and operations of municipalities in Dutch housing.

Development of the conditions and the accompanied strategies over time

*Main sources in this section:* Interviews with experts, newspapers, scientific articles and documents of Dutch public and private organisations.

In Chapter 5 the development of the conditions and the accompanied strategies in Dutch housing are analysed. This gives a better understanding of the link between the applied strategies and the conditions in the system and network. Next to this it is also important to understand the history of Dutch housing because, as mentioned in 2.4, processes of urban governance are partly embedded in historical factors (Pierre, 1999). Insights are provided on the development of the applied strategies given the conditions at certain moments in time. The chapter is divided in three periods: the period after the second world war until the 1980s, the 1980s until the first years of the 21th century and the first years of the 21th century until now (2014). These periods have been selected because they represent interesting changes in the conditions and the accompanied strategies. In three sections the main developments, conditions and applied strategies are discussed for the periods. The sections end with an overview of the developments in the conditions of the network along the variety, closedness, interdependency and dynamics. In the final section (5.4) the acquired knowledge is used to reflect upon the expectations from 4.8 about the strategies and operations of municipalities in Dutch housing.

Gathering empirical data through case studies

*Main sources in this section:*

**Case of AckersWoude:** documents from the website of the municipality, articles of local newspapers and interviews with the program manager of the municipality (Erik Bulten) and the director of ABB Bouwgroep (Jan Dekker).

**Case of De Broeckgouw:** upon documents from the website of the municipality, articles of local newspapers, an article in VNG Magazine and interviews with the project leader of the municipality (Edwin Baas) and the head of project management and development of HSB Bouw (Edwin van Baarsen). Also, the interviews with Friso de Zeeuw and Frank ten Have have provided input for this case.

**The case of RijswijkBuiten:** documents from the website of the municipality, articles of local newspapers, two dossiers of the Praktijkleerstel gebiedsontwikkeling of the TU Delft and interviews with the project leader of the municipality (Jan Brugman) and an involved project developer of Dura Vermeer (Sander Trouw). Also, the interviews with both Jeroen Mensink and Frank ten Have have provided input for this case.

Empirical data on applied strategies and the accompanying conditions in the local system and network will be gathered through three case studies. The case studies (1) provide practical insights on how municipalities operate given the current conditions and (2) help to create a better understanding on how the network and system conditions influence strategies of Dutch municipalities. The decision for the cases has been based upon the following criteria:

1. the municipality was, or is, the owner the land,
2. there is a clear demand for housing,
3. the applied strategy is expected to serve as an example for other municipalities,
4. the applied strategies in the cases differ from each other
The three cases are AckersWoude in Pijnacker-Nootdorp, de Broeckgouw in Edam-Volendam and RijswijkBuiten in Rijswijk. The cases meet the criteria, the explanation for the first two criteria is deemed unnecessary here and is done in the description of the case studies in Chapter 6, the explanation for the other two criteria will be done here. The case of AckersWoude provides insights on how a municipality can overcome problems related to an earlier made agreement. Therefore this case serves as an example because, as will be discussed in section 4.3, earlier made agreements are a burden for many Dutch municipalities. The case of de Broeckgouw serves as an example because the municipalities has taken an unusual role in this project by acting as a project developer. The fact that this project is seen as an example is reflected in the many representatives of municipalities which have visited Edam-Volendam for advice. RijswijkBuiten serves as an example of area development in the new reality (Mensink et al., 2013). Also, two interesting approaches are being applied in this case: the bouwclaim nieuwe stijl and the municipality is going to build dwellings for the liberal rental sector for their own account. The final criteria is met because the case of Edam-Volendam represents a strategy which is quite top-down, the case of AckersWoude a strategy which is more bottom-up and in RijswijkBuiten a strategy is being applied which is quite bottom-up, but which also include more top-down features.

The three cases are analysed individually in sections 6.1 to 6.3. For each case the local conditions, the plan and the applied strategy, collaboration forms and influence of parties are analysed. In section 6.4 the development strategies and the circumstances which have led to the applied strategies are compared, this provides insight on how different conditions lead to different strategies. Also, this section will validate the expectations on the strategies of municipalitites which have been derived from the national conditions (Chapter 4) and the historical development (Chapter 5).

**Theoretical implications**

In Chapter 7 the findings on the conditions on the national scale (Chapter 4), the historical development of strategies and conditions (Chapter 5) and in the case studies (Chapter 6) will be used to reflect upon the usefulness of the applied theoretical framework, to complement the theoretical framework and to describe the exposed trends in the strategies in Dutch housing. By executing these steps this chapter closes down the analytical part of the study.

**3.2 DESIGN PART OF THE RESEARCH**

The final chapter focuses on practical and tangible lessons for Dutch municipalities. The obtained theoretical and empirical knowledge will be used to describe essential aspects and developments which has be taken into account by municipalities when operating, and deciding upon the characteristics a of strategy, in the Dutch housing system.

**Interviews**

During the research 9 interviews have been conducted with representatives of both the public and private sector. The interviewees have been chosen for their expertise in the field of Dutch housing and/or knowledge on one of the cases. Three experts have been interviewed, these interviews have provided information on the Dutch housing system and the development over time. On top of this, these three interviews have also provided information on the case of RijswijkBuiten and de Broeckgouw. For each case study two interviews have been conducted, one with a representative of a municipality and one with a representative of a private party who is developing dwellings in the

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12 Sander Trouw, project leader of the municipality in de Broeckgouw, mentioned this in the interview.

13 Which is discussed in 5.3
specific project. On the next page each interviewee is introduced and the retrieved information is briefly discussed.

**Experts:**

**Friso de Zeeuw;** de Zeeuw is director new markets at Bouwfonds Development and practice professor at the Praktijkleerstoel gebiedsontwikkeling at the TU Delft. De Zeeuw has been selected for his knowledge in area development and the housing sector of the Netherlands. The interview has provided information on the development of the housing system since the second world war, on the current developments in the system, on initiatives of municipalities to construct or develop dwellings themselves and on the circumstances in which Edam-Volendam is developing de Broeckgouw.

**Frank ten Have;** Ten Have is a partner at Deloitte Real Estate Advisory and has been selected for his knowledge in area development, public private partnerships and involvement in the case of RijswijkBuiten. The interview has provided information on the development of the housing system since the 1980s, on the current developments in the system, on the initiative of the municipality of Rijswijk to invest in dwelling for the liberal rental sector and on the conditions in which Edam-Volendam is developing de Broeckgouw.

**Jeroen Mensink;** Mensink is an architect at JAM* architects and active within the Praktijkleerstoel gebiedsontwikkeling at the TU Delft. Mensink has been selected for his knowledge of the Dutch housing system and his involvement in the case of RijswijkBuiten. He has conducted many interviews to map the cooperation forms and development of RijswijkBuiten (Mensink et al., 2011; Mensink et al., 2013). The interview has provided information on mainly the developments in the housing system since the crisis and on the case of RijswijkBuiten.

**Case I: AckersWoude**

**Erik Bulten;** Bulten is the program manager of the municipality of Pijnacker-Nootdorp. He has been selected as a representative of the municipality in the development of AckersWoude. The interview has provided information on the conditions in the municipality, the plan to develop AckersWoude and the applied strategy, collaboration forms and influence of parties.

**Jan Dekker;** Dekker is director of ABB Bouwgroep, which is one of the main constructors in AckersWoude. He has been selected as a representative of the construction sector in the development of AckersWoude. The interview has provided information on the conditions in the municipality, the way dwellings are constructed in the project and on the applied strategy of the municipality from the perspective of a private party.

**Case II: Broeckgouw**

**Edwin Baars;** Baars is project leader at Projectbureau de Broeckgouw, which is controlled by the municipality. He has been selected as a representative of the municipality in the development of de Broeckgouw. The interview has provided information on the circumstances in the municipality, the plan to develop AckersWoude and the applied strategy, collaboration forms and influence of parties.

**Edwin van Baarsen;** Baarsen is head of project management and development at HSB Bouw. HSB Bouw is one of the constructors in de Broeckgouw and van Baarsen is therefore selected as a representative of a private party in the development of de Broeckgouw. The interview has provided information on the development of de Broeckgouw, the cooperation with a municipality in the role of a project developer and the circumstances in Edam-Volendam.
Case III: Rijswijk Buiten

Jan Brugman; Brugman is director of programmabureau RijswijkBuiten, the organisation which is in charge of the development of RijswijkBuiten. He has been selected as a representative of the municipality in the development of RijswijkBuiten. The interview has provided information on the development of de RijswijkBuiten in general, the decision of the municipality of Rijswijk to invest in dwellings for the liberal rental sector and the circumstances in Rijswijk.

Sander Trouw; Trouw is involved in RijswijkBuiten as project manager of Dura Vermeer. Dura Vermeer is one of the main private parties involved in this project and therefore Trouw has been selected as a representative of a private party. The interview has provided information on the development of de RijswijkBuiten in general, the development of de Tuinen van Sion (a sub-project within the development of RijswijkBuiten) and the circumstances in Rijswijk.
4. THE DUTCH HOUSING SYSTEM AND ITS NETWORK OF INTERDEPENDENCIES

In this chapter the conditions in the housing system and accompanied network of interdependencies are analysed and discussed. The first section (4.1) focuses on the main parties in the sector, this will provide direct information on the network conditions. The following sections (4.2 - 4.6) focus on the main aspects of the housing system, this will provide an overview of the conditions in the housing system. In the following subsections the focus will lie on:

- The main parties
- The Dutch housing market
- Land market
- Economy
- Demography
- Cultural, social and political factors

These first six section will answer the first part of the second sub-question (*How can the housing system be described and how do the conditions of the system influence municipalities?*). The second part, which focuses on the influence on municipalities, will be answered in section 4.7. In section 4.7 the findings in this chapter will be used to give an overview of the presence of a network of interdependencies along the *variety, closedness, interdependency and dynamics*. On the basis of these network conditions, combined with the theoretical insights from chapter 2, a number of expectations about strategies and operations of municipalities will be derived in the final section of the chapter (4.8).

4.1 MAIN PARTIES IN THE HOUSING SECTOR AND THEIR CHARACTERISTICS AND RELATIONS

This subsection focuses on the main parties in the Dutch housing sector. There are many parties involved in the sector ranging from private parties to public parties and from residents to landlords. Figure 3 visualises the maze of (representative) parties within the sector. The parties will be discussed in groups: public parties, parties in the construction sector, residents, landlords and parties from the financial sector. The main characteristics and interdependencies within the groups will be discussed per group of parties.

**Public parties**

There are several layers of public parties in the Dutch system which all have their own responsibilities and tasks. In general one can derive from the *Structuurvisie Infrastructuur en Ruimte* (the vision on infrastructure and space of the central government) that the tasks public parties are to monitor, designate, coordinate and steer in the sector in order to guarantee adequate housing14 (Ministry of Infrastructure and Environment, 2012). On top of these relative facilitative tasks a public party can also decide to be more active and to act more as a market party, by for instance actively participate in the development of a housing project or by developing rental dwellings themselves. However, the current central government in the Netherlands tries to steer public parties more towards the facilitative tasks (Rijksoverheid, 2014a; Rijksoverheid 2014b).

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14 Adequate housing is defined here as a supply which meets both the qualitative and quantitative demand
The central government is the highest layer and the ministry of Interior and Kingdom Relations (BZK) is the most relevant department holding the Minister for Housing and the Central Government Sector (Stef Blok). The previous chapter has shown that the role of the central government in Dutch housing has changed significantly over time. It used to be on top of the power chain, but over the last 20 to 30 years much of its power has been decentralised and given to the market. Though, it is not the case that the central government has lost all its powers. The central government holds legislative powers and is therefore of great importance. An illustrative example can be found in the changed situation of housing associations, two interventions of the central government (a levy on landlords of 1.7 billion euro and restrictions of their activities) have led (and will lead) to a drastic change in the possibilities and behaviour of housing associations.

The next layer are the provinces which mainly have a coordinating and designating task. The provinces make spatial plans (structuurplannen) which entail facilities such as the location of provincial roads, railroads and industrial-, agricultural or nature areas. The most important activity relevant for this research is that provinces check whether spatial plans of municipalities are in accordance with these structuurplannen and with spatial plans of other municipalities. The spatial plans are checked for competitiveness and conflict with other plans and for their financial feasibility.

Figure 4: Visualisations of the main (representative) parties in the Dutch housing sector
The province has an important role in situations in which the demand for newly built dwellings (or other facilities such as industrial or business areas) in a province is lower than the sum of the expected production of dwellings according to plans of municipalities. The province then has a coordinating task in order to diminish the change of oversupply.

*Municipalities* are located in the lowest layer. As already mentioned municipalities make spatial plans, these plans locate space for housing, nature and business. A municipality supervises the construction of dwellings and makes agreements with housing associations about this. A last important task is that municipalities are responsible for the municipal roads for pedestrians, bicycles and cars (Rijksoverheid, 2014a). Note that assuring sufficient housing in the municipality is not a formal task of a municipality according to the central government. Though, the *Structuurvisie Infrastructuur en Ruimte*, expresses the importance of demand-driven programs composed by provinces, municipalities and market parties to facilitate growth or to anticipate for stagnation or shrinking of the demand for dwellings (Ministry of Infrastructure and Environment, 2012). This suggests that municipalities are, together with these other parties, responsible for assuring a housing supply which meets the demand.

Although the formal description of the tasks of a municipality does not include to assure for sufficient dwellings, probably all municipalities find this an important subject. Municipalities have different means to assure this. They can designate space for housing in their spatial plans, which provides possibilities for market parties to develop housing. A municipality can also be more active by acquiring land themselves\(^{15}\). Owning the land gives a municipality more power and provides them more possibilities to steer for certain developments. Many municipalities have applied such active land policies and this have made them able to financially benefit during favourable circumstances in the housing sector (Elsinga et al., 2011). Due to the effect of the crisis the possibility to make profit from the land has more or less vanished, however, the possibility to steer for certain developments is still present. Municipalities which own land, on which the focus of the study lies, have therefore still much power in the development of such areas. But, this power comes with a high financial risk, the investments to obtain the land are a burden upon the balance sheet of municipalities.

Next to the three discussed governmental layers in the Dutch system there is also an important layer on top of the Dutch system: the *European Union* (EU). As member of the EU the Netherlands has to take into account the rules of the EU. For this research the most important of these are related to the aim for an European internal market. European legislation on state-aid and public tendering (procedures) have to be taken carefully into account. Next to these ‘restrictive’ aspects the EU also provides possibilities through subsidy programs and knowledge networks (Truijen, 2011).

**Construction sector**

The next chapter will discuss changes in Dutch housing during the 1990s in which the sector became more market orientated. Before this change the parties in the construction sector did not have much power. After the change parties such as project developers obtained more power and influence through mainly land positions. The construction sector grew in size in the approximately two decades after the changed orientation. But, the sector has changed in the last years. Due to the crisis which started around 2008 the investment capacity and the amount of active construction companies has decreased. The number of active companies decreased from 789 in the last quarter of 2007 to 277 in the last quarter of 2013 (Doodeman, 2013). Also, project developers lost about 40% of their personnel in the first 3 years after the start of the crisis (de Zeeuw, 2011).\(^{15}\)

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\(^{15}\) They can buy the land in the same way as other parties and can also use instruments such as *Wet Voorkeursrecht Gemeenten* and the *Onteigeningswet*. 

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In the period before the crisis the construction sector was mainly characterised by initiatives of large sized project developers (Buitelaar & van der Wouden, 2012). There were also smaller sized building companies, but their activities were minor compared to the activities of the large parties in for instance the VINEX locations and large urban restructuring projects. Due to the crisis the large scale projects have more or less vanished and developments have become much smaller. This has led to many bankruptcies and the decreased numbers as discussed above. Parties in the construction sector were (and are) forced to change their way of working, they have to be more flexible and adaptive. The decreased investment capacity makes it more difficult for project developers and construction companies to buy-up land and develop it, the balance sheet and the financing possibilities often do not allow such operations. This results in problems for both these companies and for landowners such as municipalities who do not possess the construction capacity and knowledge to develop dwellings. There is a need for new models which require less investment capacity of parties from the construction sector while also providing the possibility to deploy indispensable resources of the construction sector\textsuperscript{16}.

Residents

Residents can be divided in private home owners and tenants. In 2012 about 60% of the housing stock was owned by private home owners and 40% rented to tenants. The rental dwellings can be divided in dwellings for the regulated sector\textsuperscript{17} (social rental sector) (31.3%) and for the liberal sector (8.6%) (Datawonen.nl, 2014). Due to the fact that the Dutch housing market is a stock market and relatively supply-driven the residents have little power. On top of this, there was a high scarcity of supply during the 1990s and the start of the 21th century which led to low power for residents\textsuperscript{18}, they were ‘forced’ to buy what was available. But, a shift towards more demand-driven strategies, initiated by both the crisis and social factors\textsuperscript{19}, has given them more power. Also, the current high level of available dwellings for sale provides a lot of choice for buyers, giving them a better bargaining position (van Dalen et al., 2014). This ‘forces’ providers of newly built dwellings to provide demand-driven products for a lower price. But, in regions or segments in which there is still scarcity the bargaining position of residents is less good.

Residents hold most power in the case of private commissioning projects, in which they built a home ‘themselves’. Though, these private commissioning projects are not always as free as they seem to be. There are always rules which should be obeyed, and these can be quite restrictive. Further information on the behaviour of this group is given in section 4.6, which discusses the cultural and social factors.

A final notion for this group is that residents most of the time buy and sell dwellings through real estate brokers. Though for this research brokers are deemed unimportant because they are only the middleman between buyers and sellers.

Landlords

Landlords in the Netherlands can be divided in housing associations, private landlords and institutional investors. Housing associations hold the largest stock, they own about 2,2 out of the 3,1 million rental dwellings in the Netherlands (CBS, 2014c). Almost the whole portfolio of housing associations exist

\textsuperscript{16} The Bouwclaim nieuwe stijl is such a model, this model is discussed in 5.3 and 6.3
\textsuperscript{17} Dwellings in the regulated rental sector have a maximum rent and are destined for households with a maximum income. In 2014 these figures are respectively € 699,48 per month and € 34.678 per year (Rijksoverheid, 2014c).
\textsuperscript{18} Section 5.2 elaborates on the scarcity during this period
\textsuperscript{19} Discussed in 4.6
of regulated dwellings. Housing associations were/are often included in housing projects because of municipal requirements that a certain percentage of the dwellings in a development should be social housing.

The position and role of housing associations in the Netherlands has changed over time and is still changing. During adjustments in the housing sector in the last decades of the 20th century housing associations transformed from “Guardians of national housing stock” to “Independent landlords of (social) housing” (Dieleman, 1999). At the moment adjustments in the Dutch Housing act are limiting the freedom of housing association, they have less possibilities to build dwellings for the liberal sector. Housing associations are forced to get back to their core business, providing housing for low income groups. Also, the adjustment is supposed to result in a situation in which the housing associations are obliged to help municipalities in achieving their goals on their housing agenda (VNG, 2013b; Wolfson, 2013). Next to this the activities of housing associations are also limited due to pressure upon their investment capacity. They were hit by the financial crisis and the central government has put a levy upon Dutch landlords (who possess minimal 10 regulated dwellings) of 1.7 billion euro (de Kam, 2013). Many housing associations are therefore reluctant, or do not have the financial possibility, to participate in housing developments.

Other landlords who own a minimum of 10 regulated dwellings will also pay a part of the levy. Institutional investors such as insurance companies or pension organisations often hold large complexes of rental dwellings. These institutional investors generally invest to assure yield on their capital (Elsinga et al., 2011) and they have a much more business like attitude than housing associations. Housing associations are more or less private organisations, but they are bound to certain rules and expected to serve public interests. Institutional investors base their choices more on hard business figures. Therefore, these two type of landlords behave differently and should be addressed differently. A third group of landlords are private landlords, this are private investors who can own from a couple to a very large amount of dwellings.

Financial sector

The financial sector plays an important role in the housing sector, it finances both the top as the bottom. The top through the financing in land or housing projects of municipalities, project developers or other parties and the bottom mainly through mortgages on dwellings. Important parties in the financial sector are banks such as ING, Rabobank, ABN AMRO or the BNG Bank, authorities who supervise the sector such as AFM (the Dutch supervisor of the financial markets) and guarantee funds such as WSW (guarantee fund for the social rental sector). The central government plays an important role in both the supervising organisations and guarantee funds. The supervising organisations try to retain trust in the sector and interferes in the mortgage market by influencing the loan terms. The guarantee funds are private organisations who provide guarantees on investments in buy and rental dwellings, this guarantee results in a lower interest on loans (Elsinga et al., 2011).

The loan terms of mortgage providers are an important factor in the owner occupied housing market. These terms provide the maximum allowable mortgage of households and therefore influence the maximum amount of money available to buy a dwelling. During favourable conditions in the Dutch housing market the loan terms were loosened a lot, the risk of mortgages on dwellings was seen as relatively low due to the increasing price of dwellings and the positive economic conditions. When the crisis started banks and governmental organisations started to make the loan terms much stricter. Before the crisis many mortgages had a loan to value (LTV) of 130% to 140%, due to the crisis the maximum LTV is tightened to 104% in 2014 and it will decrease to 100% in 2018 (AFM, 2014). Such behaviour is normal for financial organisations, during booming economic conditions financial
organisations loosen the financing conditions and during times of bad economic conditions the opposite happens (Elsinga et al., 2011). This does not only apply to mortgages, also larger investments in the housing sector (and other sectors) are affected by these stricter loan terms. And therefore this also impacts the rental market, investments in rental dwellings have become more difficult to finance.

**Relations and interdependencies**

The descriptions of the different groups of parties in the sector has already shown many interdependencies in the sector. The following will give some examples of dependencies in the sector:

- Public parties depend direct or indirect on many of the other parties to achieve their public goals. On for instance the knowledge and construction capacity of the construction sector or the financing capacity of the financial sector.
- The construction sector depend on rules and legislation of public parties, on parties such as landlords to hire them for construction activities, on resident to buy their products and on the financial sector to finance projects.
- Landlords have to take into account rules and legislation of public parties, depend on residents to hire their dwellings and on financial parties to finance their projects.
- The residents depend on all other parties to provide dwellings and financing possibilities.
- The financial sector depends on many of the parties in the sector to make use of their product and have to take into account the rules and legislation of public parties.

These examples illustrate the direct and indirect interdependency between the large variety of parties in the housing sector.

**4.2 THE DUTCH HOUSING MARKET**

Some issues about the situation in the Dutch housing market have already been discussed in this report sector, such as the effect of the market conditions on parties in the sector. In this section the situation will be described in a concise way, the figures and issues which are deemed most relevant will be discussed.

Since the start of the financial crisis in 2008 the Dutch housing sector can be characterised by declining selling prices (figure 5) and less transactions (figure 6). The lower selling prices, less security about the saleability of dwellings and financing problems resulted in a drop in the amount of newly built dwellings, which is characterised by the drop in construction permits for newly built dwellings (figure 7). The price of

![Figure 5: Average selling price of a house in the Netherlands (CBS, 2014b)](image)

![Figure 6: Number of registered sales per year (Kadaster, 2014)](image)
dwellings has been rising in the Netherlands since halfway the 1980s until 2008 (with some minor interruptions). The parties in the sector have benefited a lot from this increase. They became acquainted with the buoyant circumstances, one might argue that they even became addicted to the rising selling prices. Prices of dwellings increased up to 8% per year, this provided enormous financial and investment possibilities for all parties, ranging from households to project developers and municipalities. But, as almost all investments, there is always the possibility that the tides turn and this is what happened around 2008. The prices and the willingness to buy dwellings decreased, many households got into difficulty because the value of their dwelling became lower than the mortgage. The financial housekeeping of many housing projects and plans of parties in the sector got into trouble, plans were deleted or postponed and many parties got into financial problems. Many municipalities, and also other parties, had bought land for future developments and now got stuck with this land. This laid, and lays, a huge financial burden on municipalities. The crisis has led to many changes in the sector, many parties started to behave differently and tried to find new approaches in order to cope with the changing environment.

**Changing mechanisms**

The Dutch housing market can be, or used to be, described as a dynamic market. In a dynamic market the selling of a dwelling was part of a chain of transactions in which different households climb the ladder of housing towards a higher segment. An inflow of starters bought dwellings in the lower segment of the existing stock and the owners of the existing stock bought a dwelling in an higher segment or a newly built dwelling. The construction of dwellings was mainly focused on the higher end of the market. The inflow of starters was stimulated by a relative static rental market with long waiting lists for dwellings in the social rental sector and a small liberal rental sector (Piljic & Stegeman, 2013). These conditions in the system ‘forced’ many starters to buy a dwelling. During economic favourable conditions and a rising market a dwelling offers next to the benefits of the dwelling also “the prospect of a high return on the investment”, generally “dwellings are an asset or investment” in a dynamic housing system (van der Heijden et al., 2011, p304). These characteristics and conditions combined with the loosened loan terms of financial institutions can be used to partly explain the high increase in the selling price of dwellings in the Netherlands (figure 4). The increase of dwelling prices made it easy for homeowners to climb the housing ladder, but, it also made it increasingly difficult for start to enter the market.

When the crisis started the dynamic housing market got stuck, households became unwilling and/or unable to sell their dwelling due to lower selling prices and it became more difficult to finance a new dwelling. The number of sales dropped and the housing market became more static. During the crisis more approaches which are normal in static housing systems were, and are, initiated. In a static
housing system a dwelling is less an investment product and the constructing of dwellings “focuses less on the upper end of the market and is more driven by actual housing needs” (van der Heijden et al., 2011, p304). The changes in the sector over the past years have made the housing system in the Netherlands less dynamic, the construction has become more focused on lower price categories (figure 7) and is also more demand-driven. This development of constructing more for the lower end of the market can be seen as a threat for the mechanisms in the housing market. The supply of dwellings for starters can become too big, making it even more difficult for the owners of such dwellings to sell them without a loss (Battes, 2014c). Such oversupply is expected to have a negative influence on the mechanism of ‘climbing the housing ladder’ in the Netherlands.

![Figure 8: Inflow of newly built dwellings for different price categories (Battes, 2014c)](image)

**Increasing demand in the rental sector**

The scarcity in the rental sector is increasing in both the liberal (dwellings with a rent above 699.49 per month in 2014) and the social segments (Blijie et al., 2013). The decrease in income, the more restrictive loan terms and the unfavourable prospects for home owners force, or are reasons for, many households to shift towards the rental sector. Also, households who rent a dwelling are less likely to buy a dwelling. This result in an increasing pressure upon the rental sectors.

A report of Deloitte about the current situation of municipalities on the land market emphasizes the possibility for municipalities to develop dwellings for the liberal rental sector themselves (ten Have et al., 2014). It is expected that the demand for dwellings in this sector will grow in the coming years due to the difficulties of financing an owner occupied dwelling and because many households are not allowed to rent a dwelling in the social sector. The supply of dwellings in the liberal rental sector is small in the Netherlands and there are little to no initiatives from the market to develop more dwellings in this sector (Bekkers, 2014; ten Have et al., 2014). This is caused by the fact that housing associations have less possibilities to develop in this sector (discussed in 4.1) and institutional investors are not interested in participation in the development of dwellings due to the risk profile. In a situation in which there is a social need for such dwellings and the market does not provide them, there is a possibility for municipalities to do this. Municipalities can do this alone or in cooperation with market parties (ten Have et al., 2014). Next to fulfilling a social need this can also be a tool for municipalities with costly undeveloped land to develop the land. However, it is questionable whether municipalities are supposed to do this. As already mentioned in the introduction the minister of housing (Blok) argued that it is undesirable that municipalities develop dwellings themselves, that it is not a core task of municipalities (Buitelaar, 2013). The question whether municipalities should become active in such a situation is interesting, this issue will return in the third case study (RijswijkBuiten) and in the final section of Chapter 8.
Recovery of the housing market?

In 2013 there were signs which could be interpreted as a recovery of the housing market. The number of transaction in the months July until November of 2013 were all higher than the numbers in the same months of 2012 (Kadaster, 2014). Also, figures of the NVM, the largest broker association of the Netherlands, of the first quarter of 2014 show also signs of recovery in the sector (NVM, 2014). The average selling price of dwellings has risen for the first time in 3 years and the number of transactions is also rising (there were 41.5% more transactions in the first quarter of 2014 compared to the first quarter of 2013). But, not all figures are positive, about 54% of the dwellings on the market is for sale for more than a year and 1 in 6 for more than 3 years. The recovery has not started in mainly the more expensive segments and in the rural areas.

In a report of Deloitte Real Estate was argued that the situation of the real estate and land market can be explained as a glass which is half full or half empty (Berns et al., 2013). This is explained in the report by showing that next to the increase in the number of transactions and the more positive developments of the prices of dwellings also many parties in the sector still have financing problems, banks are very strict for both households and larger parties such as project developers. A report of the Rabobank argues similar and expects that the number of transactions will increase in 2014, but the increase is expected to be modest due to the declined borrowing capacity and because many households still have negative equity20 (van Dalen et al., 2014).

The Eigen Huis Marktindicator, an indicator of the TU Delft and the Vereniging Eigen Huis which monitors the trust of the consumer on the housing market, shows signs that the impact of the crisis is fading away (Boumeester & Lamain, 2014). The trust of the consumers has been increasing in every month of 2013. This indicates that the sector might almost be at a turning point. But, one should carefully interpret this indicator since it only looks at the households and not at other important parties in the sector.

4.3 THE LAND MARKET

The Dutch land market is a special market. It is mainly special because land is bound to its location and because governmental organisations play an important role in it (Segeren et al., 2005). Governmental organisations can set rules through spatial plans, they can push land development towards a certain direction by for instance providing infrastructure or they can be an active market player themselves by buying and selling land themselves.

During the 1990s, when the housing market became more market oriented21, the land market has become increasingly complex. At the start of the VINEX developments market players were invited to buy land on specific locations which were designated for housing (De Zeeuw & Feijtel, 2014). This provided them a strong bargaining position in the negotiation process about the development of these specific areas. The positive developments in the housing market during the 1990s and the start of the 21th century made it very lucrative to invest in land for which there was a change that it would be designated for housing in the future. Land became an important source of power for parties who wanted to be included in building projects and also an investment product for many other parties. Municipalities started to invest more in land as well, although they were a bit reluctant to do so at the start due to high losses during earlier crises around the 1980s. By applying active policies municipalities were able to achieve public goals by steering the developments and using the profit made on land for public facilities.

20 Many households have negative equity because the mortgage is higher than the value of their dwelling.
21 Section 5.2 discusses this change in the sector.
The complexity increased due to the increase in the number and the type of parties. But, during the favourable developments in the housing market this was not necessarily a problem, the high expected profits made it most of the time possible to start up public private partnerships or to come to other types of agreements. Parties, such as project developers, made arrangements with municipalities through for instance construction claim models.

**Crisis on the land market**

When the prices of dwellings started to drop in 2008 the residual value of land started to drop as well. Due to the crisis land has changed from a lucrative investment product to a burden on the balance of municipalities and many other parties. As discussed in the introduction many municipalities in the Netherlands face problems with the land they bought and are not sure what to do with it. Municipalities have invested for 11 billion euro in land and the value and demand for this land has dropped (Battes, 2014a). Many earlier made agreements are not feasible anymore and about 45% of the Dutch municipalities claim that such agreements which were agreed upon before the crisis hinder the progress of ongoing and new housing projects (VNG, 2013a). These earlier made agreements can create a situation in which it is difficult, or maybe almost impossible, to implement a new strategy which diverges too much from the earlier made strategy. The earlier made agreements have led to, in at least the 45% of the municipalities, to some sort of path dependency. This means that the decision making, or the behaviour, of these municipalities are (partly) driven by earlier made decisions. Pierson (2000) discusses conditions under which such path dependency emerges and what the effects of path dependency can be, the text box below elaborates on this. This theoretical knowledge is an addition to the theoretical framework, it is deemed useful for this research because the it is expected that path dependency plays an essential role in the housing system.

The models applied before the crisis on the land market are not working anymore, strategies have to be adjust to the new conditions. However, in some situations parties find it hard to apply radical new models due to path dependency. Though, there is a clearly notable switch in the type of strategies: strategies of municipalities are now aiming more on making less loss instead of making more profit (Battes, 2014a). Municipalities and other parties were, and are, forced to take their loss on land holdings. Between 2010 and 2012 municipalities made a loss of 3,3 billion euro on land depending on the recovery of the housing sector these losses are expected to increase with 0,7 to 2,7 billion euro (ten Have et al., 2014).

A positive development during the crisis has been the decrease in construction costs for dwellings, this reduced the pressure upon the value of land. This is due to the fact that the costs of the land and the costs of the construction are the main components of the price of a dwelling. But, Frank ten Have of Deloitte expects that when the market improves the construction costs will increase (Battes, 2014b) and the higher construction costs will decrease to the residual land value, putting again more pressure on the price of land and the balance sheet of municipalities.

**Path dependency (Addition to the theoretical framework)**

Path dependence occurs when a decision, or certain behaviour, is (partly) driven by an event which occurred in the past. Such an event could for instance be an earlier made agreement or the decision for a certain strategy. The presence of path dependency in the housing system may steer the behaviour of parties into a predefined direction. Next to the abovementioned path dependence of earlier made

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22 Will be discussed in 5.2
23 The (residual) value of land is calculated by subtracting the taxes and development costs from the obtained revenues.
agreements related to land there is also another important aspect which includes path dependency: the fact that many municipalities have applied active land policies in which they have acquired land for housing purposes forces these municipalities to come up with a strategy which is able to deal with the consequences of owning land during less favourable market conditions. Such earlier made decisions, or agreements, can create a lock-in effect, earlier made arrangement may make a change in strategy both difficult and unattractive (Pierson, 2000). “Previous actions may “lock in” options that actors would not now choose the initiate” (p492). The decision for a certain strategy or arrangement can become self-reinforcing, a decision can “encourage the emergence of elaborate social and economic networks, greatly increasing the cost of adopting once-possible alternatives and therefore inhibiting exit” (p492). Such elaborate networks can create strong commitment to a strategy. Due to path dependency a change in strategy and arrangements can be very difficult because they can “entail high fixed or start-up costs, may involve considerable learning effects, and generate coordination effects and adaptive expectations” (p492).

Summed up, it can be argued that path dependency may have an important impact on the applied strategies of municipalities in Dutch housing. When applying a “new” type of strategy which is in conflict with earlier made agreements or decisions a municipality is likely to be confronted with resistance.

Note: The case of AckersWoude in section 6.1 gives an interesting example of how path dependency caused by an earlier made agreement affects the current applied strategy of a municipality.

4.4 ECONOMY

In the decades before the financial crisis of 2008, the Dutch economy grew almost every year. This provided a favourable conditions for the Dutch housing sector, higher incomes and increasing economic productivity were one of the factors which led to the high amount of transactions and the increasing price of dwellings. The development of the Dutch economy and the housing market show similarities. Figures 5, 6 and 7 of the housing market display a similar drop in 2008 and 2009 as in figure 8. However, the “double dip” in the economy is less visible in the housing market figures. The economy and the housing sector affect each other in both directions, positive developments in the economy lead to positive effects in the housing sector and the other way around. As an example a report of ING about the economy mentions that consumers are gradually becoming less gloomy due to, among other factors, the small improvements in the housing market (van de Brink et al., 2013).

The financial crisis of 2008 led to a decrease in the economic activity in the Netherlands. At the moment (halfway 2014), the Dutch economy seems to gradually emerge from the slump. The
The economy started to recover during the second half of 2013 after two years of recession. The confidence of consumers improved during the second half of 2013 and it is expected that the growth of economic activity will gradually continue in 2014 (Van Dalen et al., 2014). However, this growth is mainly caused by an increase in the international trade, private consumption is expected to decrease because the real disposable household income will probably decrease due to an expected increase in unemployment. Next to this many households face problems with negative equity due to the decrease of dwelling prices. These economic conditions are assumed to lead to a cautious sentiment among households and this “will affect the housing market in the years ahead” (van Dalen et al., 2014 p4).

**Regional differentiation**

The economic conditions differ per region in the Netherlands, the economic activities cluster in certain provinces (van de Brink, 2013). The three provinces with the largest economy (South-Holland, North-Holland and North-Brabant) represent 55% of the total Dutch economy. Flevoland has the largest economic growth, but in real number the growth is small because the economy of Flevoland represents just 2% of the Dutch economy. The unemployment rate will increase in every region and will range from 6.5% in Zeeland to 12.5% in Flevoland. In real number the number of unemployed is the largest in the four big cities, which is caused by the fact that these cities also represent the largest economies.

The differences in economic conditions per region is an important aspect to understand when one makes decisions in the housing market. These differences may lead to situations in which for instance the private consumption and borrowing capacity and the demand for certain types of dwellings differ per region. The main focal point here is that certain strategies may work out different per region due to different economic conditions. The following subsection will further elaborate on differentiation per region by looking at the demographical developments.

4.5 **DEMOGRAPHY**

The three demographic developments which are deemed most important are the ageing of the Dutch population, the stagnant growth of the number of households and regional differentiation. The first subsection will discuss the first two developments and the subsequent subsection will discuss the regional differentiation.

![Figure 10: Development of the composition of the Dutch population according to estimates of CBS (2013a; 2013b)](image)
Ageing of the population and a stagnant growing number of households

The Dutch population is ageing, an increasing number of persons can be considered as elderly people. This is caused by the fact that the ‘baby boomers’ are reaching an elderly age and because people tend to live longer. Baby boomers were born in the two decades after the second world war, this was a period after the second world war in which many couples decided to have children. The increase in the number of births can be seen in the bulge between the age of approximately 45 and 65 of the population pyramid of 2013 in figure 9. In the coming decades this group of people will become 65+, they will stop working, require more health care and their preferences and requirements related to for instance housing will change. This will have an impact on the housing demand and preferences in municipalities and therefore municipalities will have to monitor this development carefully to make sure that the housing stock meets demands.

The amount of households in the Netherlands is increasing, this is caused by the a decreasing size of households and population growth. The decreasing size of households is caused by the ageing of the population and cultural changes. According to the estimates of CBS the amount of households will grow by 800,000 in the coming two decades (and by 1,000,000 in the coming three decades). Many of these ‘extra’ households will be one-person households, it is expected that the number of one-person households will be 40% higher in 2040 than in 2013 (Piljic & Stegeman, 2013). Given the fact that all these households will require a place to stay, the demand for housing will also increase. The current low production rate of dwellings and the accompanied vanishing of construction capacity caused by the economic circumstances could therefore result in housing shortages in the coming decades.

Regional differentiation

The total amount of households in the Netherlands is increasing, but this does not mean that every municipality will have to deal with growth. There is regional differentiation, in the coming 25 years some municipalities will have to deal with growth (Almere faces a growth of 6 to 8 percent per 5 years), some municipalities face a stabilising number of households (in Maastricht the growth will be between 1 and 0 percent per 5 years) and some will have to deal with a decrease (the surrounding of Delfzijl will have to deal with a decrease of 1 to 2 percent per 5 years).

Figure 11: Growth in the number of households per year in seven regions/municipalities according to estimates of CBS (2013c)

4.6 CULTURAL, SOCIAL AND POLITICAL FACTORS

Cultural, social and political factors can drive the behaviour of parties. This subsection will focus on three subjects, to decision to buy or rent, the increasing demand from society to obtain more freedom and influence and the influence of political preferences.
To buy or to rent

Buying a dwelling has been very popular in the Netherlands (Bouwfonds Property Development, 2012). Since 1986 the share of owner occupied dwellings has been rising from 43% to 59% in 2012 (CBS, 2013d). Main drivers behind this increase were the fact that a dwelling was a very profitable investment product and financing policies of financial institutions and fiscal arrangements of the government provided conditions in which households could easily finance a dwelling. There are quite some differences between the share of private home owners between municipalities. In Amsterdam the share is just over 25% while in Urk almost 80% of the residents own a dwelling. The following text will indicate some factors which influence and have influenced the decision for buying a dwelling.

Frank ten Have of Deloitte mentioned in the interview that his generation has grown up with the idea that you should buy a house as fast as possible and that renting a dwelling is throwing away money. According to ten Have younger generations focus more on the use of a dwelling rather than ownership, they want to be more flexible and do not want to be stuck to a dwelling. Piljic & Stegeman (2013) argue that the increasingly flexible labour market leads to more demand in the rental sector. Also, the financing issues due to stricter conditions may be a reason for households to rent a dwelling. Though, it is not the case that no one is buying anymore, there are still many households who buy a dwelling. However, the reasoning behind buying a dwelling is changing. The factor of the profitability of owning a dwelling is vanishing due to the less favourable conditions in the housing market. Therefore, households are more likely to choose to buy a dwelling because of certain characteristics or because they are driven by certain social or cultural ideas. For instance, in some communities owning a dwelling is seen as a symbol of status (Muskee, 2012). In such communities youngster are often taught from an early age to start saving money for a dwelling and family members often provide financial help to starters. Stricter rules of financial institutions are therefore less of a problem in such regions. Another reason why households buy a dwelling is because they are not allowed to rent a dwelling in the social renting sector due to their income and the supply of the liberal renting sector is often relatively small and expensive (Piljic & Stegeman, 2013).

More influence and freedom for the society

There is a tendency in the society in which more parties want to be included in developments and decision making processes. This is reflected on the personal scale, were households want to be able to have more possibilities to influence the construction of their home (Hulsman, 2013; Agentschap NL, 2011) and on the larger scale households want to be more involved in for instance the development of public space. Such developments in society have its implications on the development of dwellings. There is an increasing demand to provide more freedom for initiatives from the society (Buitelaar et al., 2012). Including residents and other parties in decision making processes can be a way to include more parties in developments. Concepts which provide possibilities to develop an area in an interactive process may be able deal with such ideas in the society.

Table 2: Private home owners in different municipalities in the Netherlands (CBS, 2014c)

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Share of private home owners (2012)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amsterdam</td>
<td>25.39%</td>
</tr>
<tr>
<td>Eindhoven</td>
<td>45.50%</td>
</tr>
<tr>
<td>Gouda</td>
<td>54.28%</td>
</tr>
<tr>
<td>Katwijk</td>
<td>64.46%</td>
</tr>
<tr>
<td>Roosendaal</td>
<td>61.99%</td>
</tr>
<tr>
<td>Urk</td>
<td>79.34%</td>
</tr>
</tbody>
</table>

24 An example of such a strategy is the Masterplan nieuwe stijl, which will discussed in 5.3. In the Masterplan nieuwe stijl possibilities are provided to develop an area in an interactive process within predefined conditions.
Political preferences

Political preferences may have an impact on decisions of a municipality. An alderman of a liberal party is expected to apply a strategy in which residents are able to create their own life without too much involvement a municipality while an alderman of a social party is expected to apply a more social strategy in which a municipality actively support the less favourable social classes. This is an exaggerated distinction, however, it clearly indicates that different political preferences may influence a type of strategy. Three political parties will be discussed here to show the potential influence of political preferences on the characteristics of a strategy.

The VVD, a liberal party which is one of the two parties in the main executive body of the central government (the cabinet), is of the opinion that a free housing market in which only those who are really in need for support will be supported (VVD, 2014). Freedom is very important and people should be able to decide themselves where and how to live. Therefore, public parties should not dictate the environment. However, according to the VVD the government should set the boundaries for developments.

The PVDA, a labour party which is the other party in the executive body of the central government, has a more social view on the housing sector. A document of the party, Beter wonen, beter bouwen (Better living, better building) stresses the importance of assuring sufficient payable housing possibilities (PVDA, 2014). Ten focus points are discussed in this document about Dutch housing, all of these points focus on assuring a housing sector which provides high qualitative housing for both high and low income groups. The document does not mention that residents should be involved in decision making or should be given freedom to decide themselves where and how to live. However, a former alderman of Almere, Adri Duivesteijn has been the main initiator of a large scale housing development in Almere which focuses on (combined) private commissioning. In this developments residents were given much freedom to develop their own dwelling.

The SP, a socialist party, argues that the scarce space in the Netherlands should be used as efficient as possible (SP, 2014). The government should have a directing role. According to the SP the current policies of the central government are too liberal and are reducing the influence of the central government too much. According to the SP market parties such as project developers have too much influence on spatial development which results in spatial discordance.

Next to these three parties there are more important political parties in the Netherlands, but, the overview of these three parties provide sufficient insights on differences between political preferences. These differences visualise variety between different groups in the society. Also, because the political arena can change due to elections, there can be dynamics in the mind-set of executive bodies of public organisations. As an example, the SP has doubled its council members due to the previous municipal elections (Telegraaf, 2014) and therefore it is expected that their ideas will be represented in the behaviour of more municipalities.

4.7 THE NETWORK CONDITIONS IN DUTCH HOUSING AND THE INFLUENCE OF THESE CONDITIONS ON THE EXPECTED BEHAVIOUR OF MUNICIPALITIES

This final section of this chapter will use the obtained information on the conditions in the housing system to describe the network conditions in Dutch housing along the variety, closedness, interdependence and dynamics. The system conditions influence the network conditions through their impact on the behaviour, interdependencies, resources and power of parties in the housing sector. The findings on the network conditions will be used together with the theoretical knowledge of Chapter 2 to deduct expectations about strategies and operations of Dutch municipalities.
Variety in Dutch housing
The variety in Dutch housing is high. There are different groups of parties involved: public parties, construction companies, financial organisations, residents and landlords. Within these groups there is also variety, as an example within the group of tenants there are housing associations, institutional investors and private landlords. The large variety of parties makes it difficult to oversee the variety. On top of this, the behaviour of these parties is also different and their responses to the crisis differ. Parties changed, and are changing, their behaviour and strategies in order to cope with the changed conditions in the housing system caused by the crisis. The decrease in the price of dwellings led to a situation in which a dwelling is less an investment product, this causes an increase in the variety among potential residents because it has become more important that a dwelling meets the specific preferences of residents. Many different parties own land or own development rights on land. These parties are both public and private and therefore have varying interests and goals. During the favourable conditions in the housing market this variety of interests was not a big problem because there were sufficient possibilities to take into account the different interest. However, the less favourable conditions make it more difficult to take the different interests into account. Next to the variety due to the different parties and the effects of crisis there is also variety due to economical, demographical, cultural, social and political aspects. The increasing amount of people who are unemployed, the ageing of the population, the increasing number of households, differences in political preferences and the increasing number of people who strive for their individual preference lead to a situation in which a large variety of interests have to be taken into account.

Closedness in Dutch housing
The closedness in Dutch housing is high because the unfavourable conditions in the housing market have led to a situation in which the shared frame of references (based upon the high potential profits of developments) of parties vanished or diminished. This can for instance be seen in the stricter rules of financial organisations which makes it more difficult to finance individual dwellings and developments in the sector or in the abovementioned problem in which it has become more difficult to cope with the large variety of landowners. Parties used to make profit together, but in the recent years they focused more on trying to minimise their own losses. However, the parties who want to develop are forced to be less closed to each other because they do often do not hold the investment capacity and other resources and power to develop by themselves.

Interdependency in Dutch housing
There is much interdependency in the housing sector, different types of parties are depending on resources and power of each other. Residents depend on construction companies to build dwellings and the construction companies depend on residents to buy the dwellings. Construction companies also depend on financial resources of financial institutions and are restricted by spatial plans of public parties. In the same way one can find multiple interdependencies between almost every type of party in the sector.

The lack of investment capacity have made parties in the construction sector more dependent on other parties, their financial position limit their possibilities to invest. This results in problematic situation for municipalities who own land because the parties in the construction sector are not able to, or are reluctant to, buy up the land for developments. Therefore new ways of working have to be applied in which there is less dependency on private capital. Also, the fact that a dwelling has become less an investment product increased the dependency of the construction sector on potential buyers. There used to be a relatively unilateral dependency situation, the demand side depended on the supply side due to the scarcity and the favourable conditions in the housing market. But, these two conditions
have vanished and this has led to, together with cultural and social developments, an increase in the power of the demand side. And therefore the dependency situation has become more mutual, both sides depend on each other.

Dynamics in Dutch housing

The Dutch housing sector is in a very dynamic period, the effects of the crisis led to, and are leading to, many changes in the sector. The dynamics can easily be seen in the hard figures of the sector such as the price of dwellings and the number of transactions, these have dropped due to the crisis but are now showing some signs of recovery, though it is still uncertain how these figures will develop. The crisis has led to a situation in which parties have to adjust their behaviour to the changed conditions in the system. Governmental policies have changed on for instance the role of housing associations or the loan to value criteria for mortgages. The inflow of newly built dwellings is changing, the construction is more demand-driven and a larger proportion of the dwellings are built for the lower segments of the market. Next to the changes caused by the crisis there are also other factors which create dynamics in the sector. The demography is changing, the number of households is increasing and the size of households is decreasing. Social and cultural factors are changing, people are demanding more influence in decisions. By combining all these aspects one can conclude that the sector faces a relatively uncertain future and that the sector will probably stay dynamic for a while.

Regional differentiation

In the previous sub-sections the presence of the four network conditions have been discussed for the Dutch housing sector as one. But, there are regional differentiations which lead to differences in the conditions. The demographical developments, economic conditions or certain aspects of the housing market can differ per region. Some regions for instance face an increasing number of households while in other regions the number of households will decrease. Also, the scarcity of dwellings has decreased in many regions and segment, but not in all. Next to this there can also be other regional differences which may lead to other configurations of the network conditions than discussed in previous sub-sections.

4.8 EXPECTED INFLUENCE OF THE CONDITIONS ON THE STRATEGIES OF MUNICIPALITIES

The expected influence of the conditions in Dutch housing on municipalities is discussed here, this provides the answer to the second part of sub-question 2\textsuperscript{25}. The following expectations are derived by combining the network conditions with the boxes in section 2.3\textsuperscript{26}. These boxes indicate the effects of the presence of variety, closedness, interdependency and dynamics in the network on the expected strategies.

Strategies and operations are expected to be more bottom-up and network oriented

The presence of the four conditions indicate that municipalities are operating in a network of interdependencies and therefore the strategies are expected to be more bottom-up and network oriented in order to cope with these conditions. Regional differentiation may lead to different conditions and therefore also different strategies. The following three expectations provide more specific expectations about the strategies of municipalities.

\textsuperscript{25} Sub-question 2: How can the housing system be described and how do the conditions of the system influence municipalities?

\textsuperscript{26} The words which are in italic in the description of the expectations are cited from section 2.3.
More flexibility and adaptive capacity
The variety in the sector and the dynamics of the system lead to the expectation that strategy include more adaptive capacity, flexibility, less pre-defined products, more process orientation and more decision making during the development process. This is expected to lead to strategies and plans which are more open and include more possibilities to adapt to changes in the environments through adjustments and decision during the process of the development.

More influence of the demand side
The dependency situation between the supply side and the demand side has shifted more towards an interdepend relation. And, according to the theory, in order to cope with this it is expected that strategies include more possibilities for parties to manoeuvre and that more parties with indispensable resources should be incorporated in the decision making. In practical terms one can deduct from this that the demand side is expected to be given more freedom to manoeuvre and a more eminent place in the decision making. This can be the case for both area development and individual housing.

Search for new ways of working and a shared frame of references
The changed power relations and the infeasibility of pre-crisis ways of working force parties in the sector to search for new collaboration forms. The changed conditions caused by the crisis led to the vanishing of the shared frame of references and therefore more closedness among parties. In order to overcome this problem it is expected that more values of other parties are incorporated in strategies of parties and that the decisions are more made in cooperation with other parties. Also, new shared frame of references are expected to be created which provide parties the possibility to achieve satisfying results given the conditions in the sector.
5. Dutch housing over time: from TD strategies towards more BN oriented strategies

This chapter analyses the applied strategies in the housing sector since the end of the second world war. It will be shown that over time parties in the sector had to learn to cope with changes in the network conditions. These changed network conditions have resulted in an incremental change in the orientation of strategies. After the second world war strategies used to be very top-down, but over time more and more bottom-up features have been included in order to cope with the changing conditions. The change in the conditions and strategies will be illustrated by exposing the presence of the four network conditions (variety, closedness, interdependency and dynamics) and the accompanied strategies in three periods since the second world war:

After the second world war until the 1980s: A period in which the central government took a leading role to engage the housing shortages

1980s until the first years of the 21st century: A period in which many responsibilities were decentralised and in which the housing sector became more market oriented

The first years of the 21st century until now (2014): A period in which the sector has become more network oriented, more parties are involved in developments

In the final section (5.4), the answer to the third sub-question will be given and the obtained knowledge in this chapter will be used to reflect upon the derived expectations in the previous chapter on the strategies of municipalities.

5.1 After the second world war: top-down strategies of the central government to fight housing shortages

After the second world war there was a huge housing shortage in the Netherlands, former prime minister Willem Drees (1948-1958) stated that housing shortage was public enemy number 1 (Senate document, 1954). The reaction of the national government was to embark on a policy of mass housing production, aimed for a large part on social housing (Dieleman, 1999). Organisations, mostly housing associations, could obtain a permission which gave them the opportunity to apply for financial contributions from the government (Rooijmans, 1987). The tasks of the organisations which obtained a permission were limited to a managerial and administrative task. The central government held “strong hierarchical ties” and was “closely involved in the operations and funding of housing associations” (van Bortel & Elsinga, 2007 p32). Municipalities were able to make their own plan, but the Council of State had to agree with those plans (Senate document, 1954). The period to fight the housing shortages was mainly characterised by TD strategies of the central government to increase the housing supply of the Netherlands. A focus was put on the building of a large amount of dwellings, quality and restoration of the stock were seen as less important. Two million dwellings for social housing were built between 1946 and 1979 (van Acker et al., 2009).

The environment after the second world war provided suitable conditions for such TD strategies. The society stood together to rebuild the country after the war, parties had similar interest and values which led to little closedness towards hierarchical actions and a willingness to participate in hierarchical initiated plans. This was also caused by the fact that many parties depended on the central government for the funding of housing projects. These conditions remained relatively unchanged for about two decades. During the 1970s the conditions started to change, more parties wanted to be involved in developments. Parties such as home owners, project developers and tenants started to
organise themselves in organisations such as Vereniging Eigen Huis, NEPROM and Nederlands Verbond van Huurders. This changed the dependency situation in the sector, governmental organisations had to take the interests of more parties into account.

Table 3: Network conditions in the period after the second world war

<table>
<thead>
<tr>
<th>Variety</th>
<th>Closedness</th>
<th>Interdependence</th>
<th>Dynamics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relatively easy to oversee and manageable.</td>
<td>Low closedness after the war due to shared frame of reference and dependency on the state.</td>
<td>Low, unilateral dependency of the society on the government.</td>
<td>Relatively low until the 1970s.</td>
</tr>
<tr>
<td>The variety was relatively low and easy to oversee after the second world war. Parties had a shared frame of interests to rebuild the country after the war. During the 1970s the variety increased and more (organised) parties wanted to be involved in decision making.</td>
<td>The shared interests in the society to rebuild the country and to fight the housing shortage led to low closedness towards hierarchical strategies aimed at combating those problems. Also, parties could often not afford to be closed due to the dependency on funding of the state. During the 1970s parties started to stand more for their own interests. Some groups gained more power by uniting themselves, this created more closedness towards hierarchical interventions.</td>
<td>The large housing shortage made citizens depending on the government to provide for new dwellings. Parties in the construction sector depended on funding and the authorisation power of the central government. This led to a unilateral dependency situation in which many parties depended on the central government. During the 1970s the interdependency in the sector increased due to the fact that parties such as home owners and tenants united themselves in organisations.</td>
<td>Until the 1970s the organisational environment in the sector was relatively stable. The operations and involved parties kept more or less similar. During the 1970s the increased willingness of parties to fight for their individual interests and the founding of new organisations initiated a change in the sector. From now on more parties had to be taken into account and involved in developments.</td>
</tr>
</tbody>
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NEPROM is an organisations which represents Dutch project developers, the organisation was founded in 1974. The Vereniging Eigen Huis (VEH) represents Dutch home owners and was founded in 1974. The Nederlands Verbond van Huurders (founded in 1973) is one of the founding organisations of the Woonbond, the largest organisation in the Netherlands for tenants.
5.2 1980S-21TH CENTURY: LESS STEERING FROM THE CENTRAL GOVERNMENT AND MORE MARKET ORIENTATION

The changes in the environment continued during the 1980 and the “the political support for extensive government intervention in the housing market and for large housing subsidies eroded” (Dieleman, 1996, p276). An increasing number of parties had to be taken into account in housing policies and citizens started to demand more influence in decision making processes (Franzen, 2011). Oil crises in 1973 and 1979 followed by economic decline resulted in a problematic situation in the housing sector in the end of the decade, financial interventions of the central government prevented the bankruptcy of mortgage banks and project developers (van Acker et al., 2009). This intervention led to the stir up of the debate about the position of the central government in the housing sector. Partly due to the financial intervention, but also due to the large subsidy program, the financial contribution of the central government to the housing sector from 84 million to 3,18 billion guilders between 1980 and 1990 (van Acker et al., 2009). The memorandum Volkshuisvesting in de jaren negentig (Housing in the 1990s) in 1989 showed that the central government agreed that changes had to be made. The main points of the memorandum were the privatisation of housing associations, the decentralization of the tasks from the central government to the municipalities and other organisations in the sector, more freedom for market parties, a phasing out of almost all subsidy programs and housing associations had to pay off their debts to the central government (Dieleman, 1996; van Acker et al., 2009). This started a transformation process in which the housing sector became more market oriented. Priemus (1996, p31) argues that “from the late 1980s Dutch housing policy has undergone a marked change, from a broad public commitment by central government to a resolute market orientation in which more of the risks have been transferred to private actors and local governments”. Within the transformation process housing associations changed from “strictly regulated and heavily subsidized organizations to financially and administratively independent enterprises” (van Bortel & Elsinga, 2007, p32).

The changes in the sector have caused an increase in the variety, closedness and interdependency. Variety increased because the freedom for market parties attracted more and a larger variety of players to the sector. The closedness in the sector increased, parties started to depend less on the approval of the state and could therefore operate more as market parties striving for their own goals. The eroding of the power of the central government have led to more interdependency in the sector, the dependency on state funds faded away and housing associations and other market parties became strong and autonomous parties with their own agenda. The central government used to be able to push through hierarchical plans but now had to be more aware of the interests of other parties. This is reflected in the applied approaches discussed in the following subsection.

New strategies in the sector represented in the Vierde Nota and Vierde Nota Extra

In the Vierde Nota (Fourth Memorandum on Spatial Development) of 1988 the central government stated that about 1.000.000 dwellings had to be added to the stock of the Randstad (Metropolis region in west Netherlands). In this document was mentioned that the central government would come up with a plan to execute the policy. They would do this together with the involved municipalities and provinces (Korthals Altes et al., 2008). After the Vierde Nota came in 1991 the Vierde Memorandum Extra (Fourth Memorandum on Spatial Development Extra), which is known as the VINEX. The VINEX included locations for the new dwellings mentioned in the Vierde Nota. According to de Zeeuw (2013a) the VINEX was the last integral program for spatial planning in the Netherland. The VINEX represented the shift in the strategies in Dutch housing. The central government did not want to bear the financial risks of large urban development’s anymore and transferred the risk to local governments and the market (Galle & Modderman, 1997). Local governments obtained a location specific lump sum from the central government. This fixed amount of money was the input for
negotiations between the local governments and market players to come to an agreement to develop a site. This agreement had to meet criteria given by the central government. Market parties were given information on the VINEX locations, which made them able to obtain bargaining power in the negotiations through buying land on these locations (De Zeeuw & Feijtel, 2014). The information was deliberately given to the market parties by the central government in order to come to a situation in which is more steered by the market instead of by governmental interventions (de Zeeuw, 2011).

The VINEX projects represented the new strategies in the sector in which multiple large parties (municipalities, housing associations, project developers and other market parties) negotiated about the development of locations. Some municipalities became more market oriented and (re)started to buy land. Municipalities changed from a cost-oriented approach towards a more market oriented approach with a residual method to calculate the price for land. This new approach made them able to obtain more revenue from housing developments. The extra revenue became an important source of income for municipalities to finance for instance public developments (Elsinga et al., 2011). The market orientation led to a change in the relations between municipalities and other parties. In some situations, for instance on the land market, some municipalities operated as competitors of the market parties. This development led to more closedness towards municipal actions.

**Favourable conditions in the sector**

In the period between halfway the 1990s and the beginning of the 21th century the Dutch housing sector provided favourable conditions for the VINEX type of projects-based developments. Decreasing interest rates, increasing income and high trust in the economy were characteristics of this period. This resulted in an increasing demand for dwellings. However, the supply was lagging behind due to the choice for the large scale VINEX location and the blocking of other developments on other locations, the long-lasting procedures and European (environmental) legislation (Elsinga et al., 2011). The result was an increase in the price of dwellings. The increase provided an conditions in which large housing projects produced high revenues for the involved parties. This attracted parties and also led to more strategic behaviour (of municipalities, project developers, housing associations, investors and more) in order to get a piece of the pie. Speculative behaviour on the land market lead to higher interdependency among these parties. Parties had a high willingness to participate in projects and the interdependency forced them to cooperate. This (partly) oppressed parties to be too closed to each other. Variety increased mainly on the supply side due to the many involved parties in the VINEX developments. On the demand-side the variety was relatively manageable, the scarcity in the sector and the highly favourable financial conditions for home-owners oppressed the individual preferences of households. The interviewed representatives of parties in the construction sector for this study agreed that the construction sector was hardly restricted by the preferences of households. This provided an environment in which housing developments became more supply-driven. Many of the developments in this period were characterised by a pre-defined blue print plan designed by a few large parties and a relatively large homogeneous housing program.

A typical approach in this period was the Bouwclaimmodel (construction claim model). In this model the market parties handed (or sold) their acquired land in an area to the municipality and in return they were given a say in the decision making process and the possibility to develop a part of the area (de Zeeuw, 2011). The municipality made sure that the site was well prepared and the market parties bought back the prepared land and developed it.
Table 4: Network conditions between 1980s-the first years of the 21th century

<table>
<thead>
<tr>
<th>Variety</th>
<th>Closedness</th>
<th>Interdependence</th>
<th>Dynamics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increasing on the supply side and restricted on the demand side. The decentralisation and the shift towards more market led to higher variety in the sector. Parties were attracted to the sector due to the favourable conditions and mainly on the supply-side the variety increased. The variety on the demand-side was relatively easy to manage because preferences of home-owners were oppressed by the scarcity and the favourable financial conditions for households to buy a dwelling.</td>
<td>Increasing due to decentralisation and switch to more market. However, also oppressed by favourable prospects. The relation between the parties in the sector became more competitive and more closed. Housing associations turned into independent market organisations and many of the parties started to behave strategically in order to get a piece of the pie. But, the shared interests to develop large project and the interdependency oppressed the closedness among cooperating parties.</td>
<td>Increasing due to decentralisation and switch to more market. The eroding of the power of the central government lead to more interdependency in the sector. Housing associations and other market parties became strong and autonomous parties with their own agenda and municipalities started to behave more as market parties. The strategic behaviour and the related speculative behaviour on the land market made the parties in the sector even more interdependent.</td>
<td>High due to the change institutional changes until the mid-1990s. Relatively stable between the mid-1990s and the start of the 21th century. After the 1980s the dynamics in the sector were high, institutional changes led to decentralisation and a switch to more market. After the mid-1990s the environment became relatively constant. The relatively stable conditions provided an ideal environment in which the VINEX type of developments thrived.</td>
</tr>
</tbody>
</table>
5.3 The 21st Century: Crisis and the Upcoming of New Approaches

The policy aimed at providing a more market oriented and decentralised housing system continued in the 21st century (Boelhouwer, 2006). The Nota Ruimte (Memorandum Space) in 2006 included key terms such as “more space for the market” and “decentralised if possible” which vouches the continuity of the applied approaches in the VINEX projects (de Zeeuw, 2013a). Problems in the economy around 2003 led to a temporary dip in the sector, but the sector recovered in the following years.

Changes in the System and Network Conditions

In 2007 the housing crisis started in the United States, followed up by a financial and economic crisis. The effects on the Dutch housing sector became visible around autumn 2008 when the trust, amount of transactions and prices decreased. Both the demand and supply side were hit, home owners who just bought a dwelling came into trouble because the value of the dwelling became lower than the mortgage, housing projects came into financial problem because newly built dwellings could not be sold and banks became reluctant to finance both housing projects and individual homes (Elsinga et al., 2011). The investment capacity of the main parties in the sector such as housing association and municipalities decreased and project developers lost about 40% of their personnel in the first 3 years after the start of the crisis (de Zeeuw, 2011).

The crisis has shown the volatility of, and exposed and changed, the interdependency in the Dutch housing system. It has shown that cooperation between public and private parties should be more resistant to a crisis. De Zeeuw (2011) argues that the predefined master plans should be replaced by more bottom-up, market oriented, flexible and phased developments. The ‘old’ way of working in which top-down blue-print plans had a central position should be replaced by an approach in which a plan has a more global end-product, provides phasing possibilities and includes early involvement of end-users (de Zeeuw et al., 2011). The following subsections will discuss the changes in the variety, closedness, interdependency and dynamics. There is some overlap with the description of the network conditions in the current system (section 4.7), however, the following subsections focus on the changes over time. This description is deemed necessary in order to understand the changes in the strategies in order to cope with the changed conditions.

Variety

The crisis led to a decrease in the demand for dwellings, the disappearance of scarcity. However, there is always a demand for dwellings, people will always move due personal circumstances, change of work, or other reasons. However, because a dwelling became less an investment product, it has become more important that a dwelling meets the specific preferences of individual households. In order to capture the limited demand available a development should be able to meet the varying demands of different households. Parallel to this development is also a development in society in which users want to be more involved in the development of their dwelling, there is a growing demand for participative dwellings in which households have the possibility to adjust their home to their liking (Hulsman, 2013; Agentschap NL, 2011). These developments have led to an increase in the variety on the demand side of the housing sector.

Before the crisis there was a scarcity on the supply side of the sector leading to the oppression of the variety of potential residents. During the crisis it was, and is, the other way around. There is a scarcity on the demand side of the sector, leading to the oppression of the variety in the development and constructions sector. A large proportion of the parties vanished and the ones who were able to survive had, and have, to compete for the few developments available. A remark must be made that the new bottom-up, market oriented, flexible plans may lead to an increase in the variety of parties on the
supply side. In such approaches it can be the case that every plot, or every 10 plots, has its own developer, architect and builder.

Closedness
In the years before the crisis many parties wanted to be included in housing developments, parties had a shared frame of reference or were able to create one. The crises has led to a changed orientation and frame of reference of parties in the sector, leading to mismatches between cooperating parties and more closedness. The shared frame of reference of public and private parties offered by the flourishing period fell into pieces when the favourable conditions in the sector disappeared due to the crisis. An illustrative example of this can be found in the problems with the Bouwclaimmodel (which has been discussed in the previous subsection as a typical approach in the VINEX era). Agreements have been made between municipalities and project developers in the flourishing period. The project developers sold the land to the municipality, the municipality prepared the land and (according to the agreement) offered the land to the project developer. But, many of the project developers who were offered the prepared land when the sector already got into trouble did not want to buy back the land at that moment. In many of these agreements the municipality was only allowed to sell the prepared land to the specific project developer and the project developer had/has the freedom the buy it whenever he wants. Municipalities wanted the project developers to buy the land, but the project developers were able to ignore these calls. This example also illustrates the presence, and the importance, of path dependence. Because municipalities have chosen to apply the bouwclaimmodel, they are now stuck with the consequences of this decision.

The increased closedness is mainly found in areas facing unfavourable conditions. On the other hand, in the scarce areas in which the housing sector faces less trouble the closedness decreased. The case study of De Broeckgouw in Edam-Volendam (discussed in 6.2) shows that this project, which has showed positive figures during the crisis, has not been facing much closedness. Many parties wanted, and want, to be included in the project. The public tendering process attracted a large amount of parties from the building sector.

Interdependency
The crises had revealed the interdependency in the sector, due to the fall out of many project developers the chain has shortened. The dependency of municipalities on private parties has been exposed and is illustrated in the fact that many municipalities own costly land for which there is no demand from the market. The decreased investment capacity makes it hard to start off new housing projects leading to the bankruptcy of many construction companies. Parties depend more on each other because it has become more difficult, or to risky, to take on the full (financial) responsibility of a development. Some municipalities feel the need to become active because market parties are unwilling to start of housing projects while there is demand for dwellings. This could lead to housing shortages and therefore some municipalities started to, or want to start, develop themselves. By applying such an approach a municipality puts itself in a relatively independent, and risky, position.

Dynamics
The sector is highly dynamic since the start of the crises in 2008, strategies and approaches changed, and are changing, to cope with the changed conditions. The conditions in the sector have been and are very unstable and uncertain. Many parties lost personnel or even went bankrupt. The development of the sector in the coming years is uncertain, some scenarios expect that the market will fully recover, while other expectations do not foresee a full recovery of the sector (Berns et al., 2013; van Dalen et al., 2014).
Table 5: Network conditions in the 21th century

<table>
<thead>
<tr>
<th>Variety</th>
<th>Closedness</th>
<th>Interdependence</th>
<th>Dynamics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increasing on the demand side, decreasing on the supply side.</td>
<td>High-low, high in unfavourable areas, low in the scarce favourable areas.</td>
<td>Decreasing due to the dropping investment capacity of private parties.</td>
<td>High, crisis leads to changes</td>
</tr>
<tr>
<td>Due to the crisis dwellings became less an investment product. This made it more important that dwellings meet the specific preferences of households, leading to an increased variety on the demand side of the sector. On the supply side of the sector the variety decreased, many parties got into financial problems and lost personnel. However, the increase in bottom-up approaches such as (C)PO increase the variety.</td>
<td>The crisis led to a divergence of the frame of reference between public parties and private parties. Before the crisis their goals could easily coexist due to the favourable conditions, every party wanted to develop dwellings. But, the crisis made private parties unwilling, and often unable, to participate in projects. Though, in the few situations in which the development of an area provides positive expectations the closedness is much lower because many private parties want to participate in these scarce possibilities.</td>
<td>Housing associations and parties in the construction sector have little possibilities to participate in developments due to the financial circumstance and/or legislative changes. Therefore municipalities can rely less on these parties to develop their land and to meet public goals. Municipalities are looking for approaches in which they depend less on private capital.</td>
<td>The sector is highly dynamic since the start of the crisis in 2008. Strategies and approaches changed, and are changing, to cope with the changed conditions. The conditions in the sector have been and are very unstable and uncertain. Many parties lost personnel or even went bankrupt. The development in the coming years is uncertain, some argue that the sector is already recovering at the moment (start of 2014) and that the market will fully recover, while other expectations do not foresee a full recovery of the sector. Because of this uncertainty it is expected that the sector will stay dynamic for the coming years.</td>
</tr>
</tbody>
</table>

The upcoming of ‘new’ approaches

The changed conditions have led to the arrival of new approaches in the sector. The Bouwclaim model nieuwe stijl (renewed construction claim model) is one of these. This model, which depends less on private capital (De Zeeuw, 2011), provides municipalities who own undeveloped land a development strategy in which they depend less on the capacity of private parties and in which they can harvest knowledge of these parties. In this model the municipality is responsible for the land development and it takes the full risk of the area development (Khandekar & ten Have, 2012). A project developer will be included in the project for two roles: providing advice for the area development and the possibility to develop a part of the area. This model gives the municipality the opportunity to harvest knowledge from a private party without handing over much steering possibilities and power. The model
overcomes the problem of investment capacity of private parties and diminishes closedness towards the municipality. This approach will further be discussed in the case study of RijswijkBuiten (6.3). Another option for a municipality to overcome the lack of investment capacity of private parties in combination with a (upcoming) shortage in certain segments of the local housing market is to develop themselves. Edam-Volendam is already developing dwellings for starters since 2008. Assen has plans to develop social housing because housing associations cannot do it and Rijswijk is going to develop dwellings for the private rental sector because investors find it too risky. Such behaviour decreases the dependency of municipality on other parties in the sector.

There are also strategies which are much more bottom up and network oriented. Developments which include more flexibility in spatial plans, initial plans which have not been detailed or private commissioning approaches. This can lead to spontaneous developments which harvest the available power, resources and knowledge in an area (de Zeeuw, 2011). The use of (combined) private commissioning (C)PC in housing projects fit in more bottom up and network oriented developments. (C)PC is about private parties who develop a dwelling, or dwellings, by themselves. This can be done collectively by a group of households (Collective PC, abbreviated to CPC), or by an individual household (Agentschap NL, 2012). In (C)PC the end-users (the future residents) are involved from the start of the process, which makes it more easy to comply with the variety of interests of future residents. The small scale of (C)PC projects are making them more easy to finance and it also takes less time to get them started (Agentschap NL, 2011). Parties are less depended on financial organisations for financing the project. There are quite some municipalities which have started to use (C)PC approaches within developments
d28. But, although quite a lot of attention is given to (C)PC approaches, almost all the interviewees agreed that these type of development are only applicable to a small part of the Dutch households (maximum 5 to 10%).

Almost all developments have become more flexible (more flexible zoning plans, more flexible housing programs, more flexible requirements etc.) in order to meet the varying demand. There is more phasing and (sub)developments are smaller, providing possibilities in every phase to adjust the housing program according to the demand.

**The “new” way of working**

Most of the developments which are executed at the moment often include both TD and BN features. An interesting example is the project of RijswijkBuiten. In this housing project the bouwclaim nieuwe stijl is being used, there are possibilities for (C)PC and the municipality develops dwellings for the private rental sector (Bekkers, 2014; Mensink et al, 2011; Khandekar and ten Have, 2012). The development of RijswijkBuiten can be seen as an example of the “Masterplan nieuwe stijl” (Renewed masterplan). This is a strategy which combines a TD approach on the large scale with the possibilities for both BN as TD approaches on the smaller scale. In a Masterplan nieuwe stijl the broad outline of a development of an area is predefined (de Zeeuw, 2013b), there is a clear idea about the direction of the final outcome. However, the path towards the final outcome will not be defined beforehand, this will be done through a process approach in which parties will be given freedom within predefined conditions. Such a master plan provides certainty of a TD approach, but also include demand-driven features and adaptive capacity. The hybrid strategies Unilateral intervention with room for manoeuvre and Hierarchical action as kick starter or catalyst in a BN (discussed in 2.1) can be recognised in such a model. Aspects of the master plan can be seen as a hierarchical action or an unilateral intervention. The master plan for instance predefined certain aspect on the broad-scale, but also provides flexibility and manoeuvre possibilities on the smaller scale.

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28 Such as Almere, Driebergen-Zeist, Meppel, Appeldoorn, The Hague, Pijnacker-Nootdorp and many more.
5.4 CONCLUDING THE CHAPTER AND REFLECTING UPON THE EXPECTATIONS FROM CHAPTER 4

This chapter has provided a general overview of the changed conditions and the accompanied changes in the strategies in Dutch housing. This overview provides the answer to the third sub-question, *What strategies have been applied over time in Dutch housing and how can the decision for these strategies be explained?* Over time the presence of a network of interdependencies has increased and that the strategies have changed in order to cope with the altered conditions. After the second war the network conditions provided a suitable environment for the central government to apply a top-down strategy in order to rebuild the country and to fight the housing shortages. Between the 1970s and 1990s the network conditions started to become more present in the housing system, the parties involved and their power increased. This led a higher variety, more closedness and more interdependency. During this period the strategies become less top-down, more market oriented and decentralised. The influences went both sides, the increasing network of interdependencies led to changes in the strategies, but also the changed strategies led to an increase in the network of interdependencies. When the central government decided to make the housing system more decentralised and market oriented, it provided the possibility for more parties to obtain power, leading to more variety, closedness and interdependency. During the end of the 1990s up to the crisis of 2008 the network conditions became relatively static due to the favourable conditions in the housing market. Also, there was a unilateral dependency situation in which the demand side depended on the supply side. This provided an environment in which relatively top-down strategies could be applied by large parties. When the crisis emerged in 2008 the favourable conditions vanished and the presence of the network of interdependencies increased, parties became more closed, the dependency situation between the supply side and the demand side became more mutual and the dynamics increased because and changes in the behaviour of parties in order to cope with the changes conditions in the network and system. As a result strategies became more bottom-up and network oriented, predefined master plans were replaced by more market oriented, flexible and phased developments.

**Reflection on the expectations from Chapter 4**
The obtained information in this chapter can be used to sharpen the expectations from the previous chapter. Chapter 4 concluded with the expectations that:

- Strategies are expected to be more bottom-up and network oriented;
- strategies include more flexibility and adaptive capacity;
- strategies provide more influence the demand side;
- and that there will be a search for new ways of working and a shared frame of references

The final subsections of 5.3 support these expectations to a certain extent. New approaches such as the *Gebiedsontwikkeling nieuwe stijl* do include these four expectations. However, these strategies also include quite hierarchical features on mainly the large scale. Such strategies combine the certainty of a TD strategy with the required flexibility and adaptive capacity of a BN strategy. Thus, in addition to the expectations from Chapter 4 there is also the expectation that strategies include TD features in order to assure sufficient certainty about the outcome and steering possibilities for a municipality. Therefore, hybrid strategies are expected to be applied which include features of both TD and BN strategies.
6. CASE STUDIES

This chapter will discuss three housing projects in the Netherlands: AckersWoude in Pijnacker-Nootdorp, de Broeckgouw in Edam-Volendam and RijswijkBuiten in Rijswijk. The two main goals of the case studies are: (1) to obtain practical knowledge on how municipalities operate in the current circumstances and (2) to get a better understanding on how the local system and network conditions influence strategies of Dutch municipalities in the housing system. An abstract of each case is given below. Further on, each case is discussed by providing describing the main local conditions, an overview of the plan, a description of the applied strategy, collaboration forms and influence of parties and by describing a special feature of each case. In section 6.4 the three will be compared, in this section will be analysed whether difference in the local conditions can explain the difference in the applied strategies.

**AckersWoude**

The plans to develop the area of AckersWoude in Pijnacker-Nootdorp date back to 2003. A public private partnerships was set up in 2007 in which two market parties and the municipality participated. However, due to the economic circumstances and difficulties in the cooperation the primary plan was deemed infeasible. In 2011 the public private partnership has been dissolved and in 2013 the municipality presented new, more flexible, plans to develop the area. This project is an interesting case for the many municipalities who face similar problems with ‘old’ infeasible plans. Compared to the other two cases the role of the municipality is in this case less leading, relatively much freedom is given to market parties and future residents.

**De Broeckgouw**

The case of De Broeckgouw in Edam-Volendam has had much attention in the Netherlands. The municipality has taken the role of project developer, which is unusual for a municipality. The municipality is responsible for both the development of the land and the structures upon it. This makes the municipality less dependent on other parties in the development and therefore a problem such as low investment capacities of market parties is less relevant. The applied model is a potential example for other municipalities, this is reflected in the many representatives of municipalities which have visited Edam-Volendam for advice.

**RijswijkBuiten**

The role and the applied strategy of the municipality of Rijswijk in the case of RijswijkBuiten is in between the other two cases. The municipality is in control and coordinates the development on the broad scale, but there is also some freedom within the project. According to involved parties RijswijkBuiten serves as an example of area development in the new reality (Mensink et al., 2013). Also, two interesting approaches are being applied in this case: the bouwclaim nieuwe stijl and the municipality is going to develop dwellings for the liberal rental sector for their own account.

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29 The decision for these cases has been explained in 3.1
30 Which has been discussed in 5.3
6.1 CASE I: ACKERSWOUDE IN PIJNACKER-NOOTDORP

Figure 12: ‘Essentiekaart’ AckersWoude (Pijnacker-Nootdorp, 2013)

<table>
<thead>
<tr>
<th>MAIN CHARACTERISTICS OF ACKERSWOUDE</th>
</tr>
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<tbody>
<tr>
<td>Size</td>
</tr>
<tr>
<td>Expected time frame of construction</td>
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<tr>
<td>Main parties</td>
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<tr>
<td>Main role of the municipality</td>
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</tbody>
</table>
Introduction to AckersWoude

AckersWoude (formerly Klapwijk Noord) is an area in Pijnacker-Nootdorp of circa 45 hectares in which probably 1000 to 1250 dwellings will be constructed. AckersWoude is located in the centre of the Randstad and closely located to two large cities: The Hague and Rotterdam.

Local conditions

The main local system and network conditions which are expected to influence the applied strategy (next to the national conditions) are discussed here. Section 6.4 will elaborate on the conditions in the analysis of the influence of the local conditions on the applied strategies in the three cases.

System conditions

According to the explanation of the spatial plan, AckersWoude is one of the areas in the region which has to provide for a significant housing need in the coming years (Adviesbureau RBOI, 2013). However, the housing need is difficult to map, the demand is heterogeneous and about 80% of the dwellings which have been developed in Pijnacker-Nootdorp in the recent years are inhabited by households who originate from another municipality. The project has to deal with the regional housing market and has to compete with many other housing developments in the area (for instance Berkel en Rodenrijs, Delft or Rijswijk). Also, the fact that most of the potential residents come from another municipality makes it more difficult to map the preferences. Two final notions of the system conditions are that the land in the area is more or less all owned by the municipality and that the political arena in Pijnacker-Nootdorp is dominated by centre-right wing national parties (VVD, D66 and CDA) (NOS, 2014).

Network conditions

There are two main aspects which influence the network conditions in this case: (1) the fact that the current plans to develop the area have to deal with the consequences of a dissolution of an earlier made agreement and (2) the abovementioned situation that the potential residents come from the whole region and that they are difficult to map.

Before 2011 the land was owned by a public private partnership in which the municipality and two market parties participated (ABB ontwikkeling and Schouten Bouw). This public private partnership was set up in 2005 and has been dissolved in 2011. Reasons for the dissolution were mainly related to financial and responsibility issues. Erik Bulten (program manager of the municipality) argued that while the municipality held much of the financial responsibility, the market parties pulled much of the strings. Also, the plans were deemed infeasible due to the economic circumstances. The dissolution has resulted in a situation in which the two market parties have obtained the first right to buy land in the area when offered by the municipality. This makes the

Sources

The description of AckersWoude is based upon documents from the website of the municipality, articles of local newspapers and interviews with the program manager of the municipality (Erik Bulten) and the director of ABB Bouwgroep (Jan Dekker).

The dissolution of the public private partnership

The involved parties were reserved in the interviews about the exact process in which the former public private partnership has been dissolved. It has been argued there that the balance between the influence of parties and their financial responsibility was disturbed. The disturbed balance together with the economic circumstances were the main reasons to dissolve the PPP. After eighteen months of studying and negotiations the result of the dissolution was that the municipality retrieved the land and that Schouten Bouw and ABB Ontwikkeling obtained a first right to buy land in the area (Oudshoorn, 2011).
municipality depend on these two parties. During the interviews it appeared that there is quite some closedness between the municipality and the market parties. Erik Bulten for instance mentioned that he would have preferred a situation in which he would not be obliged to first offer the land to these two parties.

The other main aspect influencing the network conditions, the fact that the potential residents come from the whole region and that they are difficult to map, makes it difficult to oversee the variety of potential residents. The other mentioned consequence of this, the competition of other housing developments in the region, make the potential residents less dependent on AckersWoude.

The plan

After the dissolution of the partnership the municipality adjusted the spatial plan and made a new plan to develop AckersWoude. The ‘old’ plans were more pre-defined and static while the new plan includes much flexibility in order to cope with the changed conditions in the economy and housing market. The new plan of AckersWoude can be illustrated by the ‘Essentiekaart’ of figure 12. This map visualises the main features of the development, such as space for water, green or housing. The detailing of this areas will be done in line with the demand of future residents. Next to the map there is also a set of rules, the ‘organiserende principes’ (organising principles) (SITE urban development, 2013). These principles are used as the rules of the game for the detailing of the area and construction plans. An example of such a principle is that the height of the façade should differ every 45 meters. This and other principles should lead to variation between dwellings. The plan exists of two type of areas: a village area (Brink) and a rural area (Landrijk). The orange area represents Brink and the area of Landrijk is brownish on the map. The Essentiekaart visualises the initial division of both type of areas. However, it can be the case that during the development of the area the municipality decides to designate more space for one of the two areas if this is in line with the demand.

Both the quantitative and the qualitative housing program have not yet been defined. In the spatial plan is stated that there will be a maximum of 1250 dwellings and the initial focus is on starters and elderly people. But, Erik Bulten (the program manager of the municipality) argued that they are not focussing on specific numbers and that the type of dwellings will depend on the demand. It does not matter how many dwellings will be developed as long as the number is according to the demand and the right price is paid for the land. In the rural area there is also space located for approximately 50 private plots, the buyers of these plots can decide themselves about the size of the plot and the dwelling they develop (as long as they stick to the organiserende principes)

The division of the types of areas and the housing program show that the plan entails much flexibility and adaptive capacity. Another example of this feature is that Erik Bulten argued that there might be rental dwellings in the area, however, it can also be the case that there will be no rental dwellings if there is no party who is willing to do develop these dwellings.

The applied strategy, collaboration forms and influence of parties

The current strategy of the municipality is that parts of the area will be developed when there is demand in the market. If the municipality thinks that there is sufficient demand it will issue a land offer for a part of the area. This has already been done for a part of Brink, the selling procedure for the dwellings in the first part of this area (Brink 1) started in May 2014. A second part (Brink 2) will be for sale in the second part of 2014. Both these parts will include approximately 45 dwellings. The constructer will start building the dwellings when 60% of the dwellings have been sold. Based upon the success of the selling procedure, and other indicators of the demand, the municipality will decide whether it will issue more land. If it happens to be the case that the demand is much higher than the production of dwellings it is likely that the municipality will directly issue more land. As mentioned,
the results of the dissolvent of the public private partnership is that the two market parties which were in the former partnership obtained a first right to buy the land. It is therefore no coincidence that these two parties obtained the right to develop the first and second part of the area. This situation can be explained as a result of path dependence (as discussed in the text box on the right). Except for the private plots the whole area of AckersWoude is going to developed according to the same procedure as discussed here. When there is demand the municipalities prepares a land offer and the two market parties can than first decide to accept the offer before other market parties are provided the possibilities to do so.

Financial pressure and need for project-based developments

The plan and applied strategy are flexible and as much demand-driven as possible. But, there is also a financial pressure from the grondexploitatie31 (GREX). The municipality has invested millions of euro’s to obtain the land in the area and have to recoup this money. Erik Bulten mentioned that at least 40 dwellings per year will have to be developed to prevent a yearly loss. Next to the financial pressure there is also an issue related to the wishes of Dutch households. According the Erik Bulten the largest part of the Dutch households want to be able to choose between different type of dwellings, but they do not all want to choose every characteristic of their home. And, certainly not if they have to pay more for every extra option. Therefore, there is still demand for supply-driven, project-based, developments in AckersWoude. However, these developments do require, and therefore also include, demand-driven features: they are less homogeneous, variety and options for buyers are provided and the dwellings are developed in relatively small phases (10-40 dwellings). This provides possibilities to adjust the program to the demand in between phases. Erik Bulten calls the way dwellings in AckersWoude are developed “Gestuurd vraaggericht, flexibel binnen kader” (directed demand-driven, flexible within a framework).

Development of the dwellings

The construction companies are responsible for the development of the dwellings. When they accept the offer of the land and the presale percentage of 60% has been reached the responsibility and the financial risk is handed over to the constructor. The constructor is relatively free in the development of the dwellings as long as he complies with the set of principles and guidelines listed in the land offer and the Organiserende principes and the Essentiekaart.

Jan Dekker of ABB Ontwikkeling argues that the process to understand the demand and preferences of potential buyers is more intensive than before the crisis. Customers are demanding more and have become less homogeneous. Before the crisis ABB also tried to understand the demand and preferences of potential buyers, but because all dwellings were sold easily and quickly the process of understanding the preferences became less important. Dekker gave the example that if you are fishing in a pool of 1000 fish you have to put less effort in your gear and bate than if you are fishing in a pool of 25 fish together with 10 other fishermen. The scarcity of potential buyers creates creativity among

31 Grondexploitatie (GREX); is the budget plan of a municipality for the land. It is the quantified financial plan which include aspects such as the cash flows, expenses and liabilities relevant to the land.
constructers in order attract the small amount of potential buyers, the potential buyers are now taken much more seriously by the construction sector.

The development of the 40 dwellings in Brink 2 might be developed in 2 or 3 phases. Jan Dekker mentioned that before the crisis such an amount of dwellings would be developed at once, but because of the current conditions the dwellings are only built when they are sold. If ABB has sold 60% of the dwellings in Brink 2, they will only construct those dwellings and will wait with the construction of the other dwellings. Before the crisis they would have just constructed all the dwellings at once because every dwelling would be sold within a reasonable time span. The willingness (and ability) to construct dwellings more easily in smaller amounts is one of the positive developments caused by the crisis. Next to this dwellings are also built faster, Jan Dekker mentioned that before the crisis a dwelling was constructed in 10 to 12 months, but now they construct a dwelling within 3 to 4 months. Also, it has become cheaper to provide flexibility. And ABB provides this flexibility, they give buyers choices within a pre-defined framework for a dwelling. Dekker sees their way of working as demand-driven within a given framework. ABB uses the pre-defined framework to ensure a keen price, but Dekker argues that the buyers often find it difficult to see the predefined framework due to the many choices. The program manager of the municipality has some criticism on this way of working, he argues that they are moving towards more demand-driven developments, but that it is still very much supply-driven. However, it is questionable whether this is necessarily a problem. As Bulten also mentioned himself, there is just a large amount of households in the Netherland who does not need much choice\textsuperscript{32}.

Development of the private plots
The private plots in AckersWoude are almost fully demand-driven, the size of the plots is free and the buyers can built the dwelling with their own architect and constructor. Only the depth of the plots was set in order to prevent chaos and they do have to comply with the organiserende principes. Erik Bulten argues that these private plots demand relatively much more time than the more project-based developments. The time he and his team put in the development of the first 10 private plots is more than the time they spent on the development of the 80 to 90 dwellings in Brink 1 and Brink 2.

Coping with the flexibility of AckersWoude
The fact that the plan is not pre-defined, includes much flexibility and that the detailing of the plan will be done during the process requires a process oriented way of working. Erik Bulten for instance agrees that he has become more a process manager and mediator instead of a project manager. He also argues that because it is not sure how the area will be developed that creativity is required of people who are actually very conservative. He gave the example that mainly civil engineers find it difficult to cope with the flexibility. They used to develop and construct for instance a sewer system for the whole area at once, but now have to keep in mind that some parts of the area might be designated to other functions than in the initial plan. The flexibility in the plan entail risks because it can be the case that certain (already constructed) parts of the development have to be adjusted when the plans change. However, Erik Bulten argues that the risks caused by the flexibility are more controllable than the risk of a mismatch between supply and demand when a plan is fully pre-defined. A last comment on dealing with the flexibility is that Jan Dekker of ABB argued that for the development of the dwellings the flexibility is not really a problem for ABB. However, he stresses the importance of good communication and transparency to the potential buyers. If there is uncertainty about how the area next to a dwelling will be developed the customer should be aware of this.

\textsuperscript{32} Also statements of Jan Brugman, Sander Trouw, Friso de Zeeuw and Jeroen Mensink in the interviews support this.
**6.2 CASE II: DE BROECKGOUW IN EDAM-VOLENDAM**

![Image of development plan](image)

*Figure 13: The development plan of de Broeckgouw (received from Edwin Baas)*

<table>
<thead>
<tr>
<th><strong>MAIN CHARACTERISTICS OF DE BROECKGOUW</strong></th>
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<tbody>
<tr>
<td><strong>Size</strong></td>
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<td><strong>Main parties</strong></td>
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<tr>
<td><strong>Main role of the municipality</strong></td>
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</table>
**Introduction to de Broeckgouw**

The housing project de Broeckgouw in Edam-Volendam is different from many other housing projects in the Netherlands. The municipality has a special role in this project, it has taken the full risk for the development of approximately 1200 dwellings. The dwellings are mainly for sale, but there are will also be some dwellings for social renting (Noord Hollands Dagblad, 2012). About 80% of the dwellings in the project are meant for starters from the region because the municipality knew that there was a large list of households searching for their first dwelling (Muskee, 2012). Through procurement procedures the municipality selects contractors who build the dwellings, but the municipality has full control (Hooghiemstra, J. & Khandekar, S., 2013), the municipal council decides what will be built, for what price and to who (Muskee, 2012). It is an interesting example in which a municipality positions itself on top of the hierarchy and develops the land without depending on a commercial project developer. The strategy gives the municipalities lots of steering possibilities in the project. The municipality argues that because of the used model, the profit made will be used for public purposes such as a lower price of the dwellings, investments in the spatial quality and the creation of more affordable dwellings (Edam-Volendam, 2012). This is in contrast with projects which have been dominant over the last two decades in which the larger part of the profit would go directly to the project developer or other market parties. The problematic situation in the Dutch housing sector has hardly been noticed in the project of Broeckgouw, the constructed dwellings are sold almost directly when brought to the market (Projectbureau de Broeckgouw, 2009; Projectbureau de Broeckgouw, 2014). It has been argued that one of the secrets behind the success is the fact that the municipality has no intention to make profit on the development. According to a former alderman of Edam-Volendam, Marisa Kes, other municipalities can also use the applied model. However, they should be aware that it is a very time consuming process. The management takes a lot of time, the project of de Broeckgouw is split up in multiple phases and each phase starts with its own procurement and contracting procedures (Muskee, 2012).

**Local conditions**

The main local system and network conditions which are expected to influence the applied strategy (next to the national conditions) are discussed here. Section 6.4 will elaborate on the conditions in the analysis of the influence of the local conditions on the applied strategies in the three cases.

**System conditions**

When other municipalities want to apply a similar strategy as in Edam-Volendam they should be aware that the conditions in Edam-Volendam are different than in many other municipalities. In the years before the development of de Broeckgouw there haven’t been any developments for starters in the region. This resulted in a long waiting list of starters and scarcity in the local market. The municipality has a relatively good overview of this waiting list and the preferences of these starters. Other important system conditions are that: almost all residents want to stay within the municipality and that there is relatively little interest from residents who do not originate from the municipalities to move to Edam-Volendam, almost all residents prefer an owner-occupied dwelling and most of the

**Sources**

The description of de Broeckgouw is based upon documents from the website of the municipality, articles of local newspapers, an article in VNG Magazine and interviews with the project leader of the municipality (Edwin Baas) and the head of project management and development of HSB Bouw (Edwin van Baarsen). Also, the interviews with Friso de Zeeuw and Frank ten Have have provided input for this case.
buyers can finance a large part of the dwelling without a mortgage. The former alderman Kes also mentioned that owning a dwelling is very important in the municipality and that saving money to buy a dwelling is being kindled at an early age (Muskee, 2012). Edwin van Baarsen of HSB Bouw mentioned that the residents are quite traditional in their way of thinking and acting and that it is a relatively closed community. The influences from outside the municipality are limited and the community likes to hold on to proven concepts. The limited influence from outside the community is also reflected in the fact that the problematic situation in the Dutch housing sector has hardly been noticed in this project, the influence of the national conditions seems to be little. The cultural circumstances and the fact that the regional housing market is relatively demarcated results into a system which is relatively easy to predict. Therefore, in such circumstances the risk for a municipality to act as a project developer and the usage of a pre-defined plan is limited. Two final relevant system conditions are that the land in the area of de Broeckgouw is owned by the municipality and that the political arena in Edam-Volendam is dominated by local political parties (VDAM80 and KRAS) and centre to right-wing national parties (VVD and CDA) (NOS, 2014).

Network conditions
The demarcated local market, the cultural circumstances and the scarcity in the local housing market for starters lead to special network conditions in Edam-Volendam. It is relatively easy to determine the potential residents and their preferences due to the cultural characteristics and the knowledge of the municipality on the waiting list, potential residents have less issues with financing a dwelling and the housing market is quite demarcated. The system in Edam-Volendam is relatively easy to predict and quite static and the variety can be overseen by the municipality. The main target group of de Broeckgouw, starters on the housing market, are also open for hierarchical interventions because there is scarcity in the supply for this group. And, as already discussed in this report, scarcity leads to less power for the people who want the scarce product. Edwin Baas, the project leader, agreed that this group of people was partly depending on the municipality to develop appropriate dwellings for them. Another important aspect of this case is that Edam-Volendam, as one of the few parties who were (and are) willing to develop a housing project during the crisis, has been in a favourable position with respect to the construction sector. Mainly at the start of the process the many parties in the construction sector were willing to participate in the development. This resulted in an unilateral dependency situation between the municipality and parties from the construction sector.

The plan
The development of de Broeckgouw is based upon a plan which has been developed in 2007. The first plans to develop the area date back to the late 1990s, in this period the municipality started to buy up all the land (Muskee, 2012). The construction was supposed to start in 2003, but the spatial plan did not take into account essential new laws and regulations and was therefore not accepted. In 2006 the municipality started a new procedure and this resulted in the plan for the current development of de Broeckgouw.

Edwin Baas emphasises in the interview that the plan was made prior to the crisis, the plan and phasing is based upon the circumstances before the crisis. He argued that this resulted, and results, in tensions because the execution and selling of the dwellings all take place in other circumstances than the plan initially forecasted. However, the plan is generally still the same. De Broeckgouw is meant for starters, about 80% of the dwellings was supposed to be for starters and the remainder was designated for dwellings in the more expensive segments in order to make the plan financial feasible. The quantitative and qualitative housing program were set beforehand and this is still one of the main drivers in the project. However, there is some flexibility in the program and there have been some small adjustments, the percentage of dwellings for starters for instance increased a bit during the
development. There are also possibilities for combined private commission, about 10% according to Baas. He mentioned that it used to be less in the first phases because they could easily sell project-based dwellings due to the very high demand.

Although the municipality acts as a project developer, the aim of the municipality has not been to make profit from de Broeckgouw. The aim was to develop highly qualitative dwellings which are financially accessible for starters and therefore the dwellings or sold at cost price to residents (Edam-Volendam, 2012). Financial windfalls will not lead to a higher profit for the municipality, this will result in lower prices, investments in the quality of the public area or the development of more inexpensive dwellings. A small profit margin is used in order to cover land and development risks (Muskee, 2012), but this margin has a maximum of just 3,3% (which is much lower than the required percentage of a project developer of probably 7-8% or higher).

The applied strategy, collaboration forms and influence of parties
Marisa Kes, former alderman of Edam-Volendam, mentioned that the municipality does everything themselves, the council wanted to keep everything in their own hands by deciding what will be built, at what price and to who the dwellings are sold (Muskee, 2012). The influence of other parties is limited to an advising or supporting role. Edwin Baas argued that the project is not really top-down, though he does agree that the development has fully been organised and initiated by the municipality. Baas argued that the development is very demand-driven, during the development of the plan the municipality is actively informed by the society through walk-in meetings, direct feedback on presentations and initial designs and prices, advise of local brokers and more.

Small scale and actively monitoring of the demand in order to ensure a demand-driven development
The municipality tries to assure a demand-driven development of de Broeckgouw by actively monitoring the demand and by developing the area in 10 phases of approximately 100-120 dwellings. Through a yearly survey the housing preferences are monitored. Edwin Baas argued that the municipality tries to include the results of these surveys as much as possible, in every phase the program of requirements has been adjusted on the basis of the housing preferences at the given moment. According to Kes, the phasing and the small scale of the phases helps the municipality to steer the developments as much as possible towards the demand of the potential buyers (Muskee, 2012).

Buying and development of the dwellings
The municipality owns all the land and makes agreements with constructors, architects, brokers and the notaries. The parties are selected in every phase through a procurement procedure. It has been argued by both Frank ten Have and Edwin Baas that Edam-Volendam have benefited from the worse circumstances in the construction market through procurement advantages. Many constructors and architects have reacted on the procurement procedures which led to very competitive prices.\textsuperscript{33}

The buyers of the dwellings buy the land of the municipality and also agree upon a constructing agreement with the constructor with whom the municipality has already made an agreement (Muskee, 2012). The constructors only construct the dwellings, Edwin van Baarsen of HSB Bouw argued that when they made the agreement with the municipality to construct the dwellings the housing program was already defined. Within the program the municipality has set a minimal amount of options which

\textsuperscript{33} Edwin Baas mentioned that there were approximately 100 architects who subscripted in the procurement procedure of phase 2.
HSB has to offer to buyers. But, Edwin van Baarsen argued that the number of individual choices by buyers is low. According to van Baarsen the cooperation with the municipality is very different than with a commercial project developer. In such a cooperation HSB has more influence, they are then often more incorporated in analyses of the demand and the composing of the housing program.

The risk bearing role for the municipality and the uniqueness of Edam-Volendam

Two important features which have to be taken into account when understanding this case will be discussed here. The first is related to the risk bearing role of the municipality and the second discusses the unique (cultural) conditions in Edam-Volendam.

The applied strategy in de Broeckgouw puts the municipality in a risk bearing role. Some argue that this risk bearing role does not fit in their public role. It has been argued that the risks of setbacks in the costs, market or selling process could lead to financial consequences for the citizens of the municipality. Friso de Zeeuw also mentioned that in his opinion a municipality should not act as project developer, the municipality should leave that to the market. However, the former alderman Kes argued that the risks are not that high for the municipality because the buyers bear the risk of construction of their own dwelling and a presale percentage of 90% is being used, therefore the municipality only bears the risk of maximal 10% in each phase (Muskee, 2012)

The conditions in Edam-Volendam are quite unique, Friso de Zeeuw even argued that this leads to a big misconception about de Broeckgouw. According to de Zeeuw many use the project as an example to show that a municipality can easily act as a project developer in the current circumstances of the market. But, he argues that it is incomparable with other municipalities because there are conditions in Edam-Volendam which are very rare: almost all residents want to stay within the municipality, the preferences of the potential residents are relatively static and easy to predict, the municipality sells the dwellings below the market price, almost all residents want an owner-occupied dwelling and most of the buyers can finance a large part of the dwelling without a mortgage can often not be found in other municipalities. The cultural circumstances, the limited influences from outside the municipality and the demarcated housing market provide conditions for the applied strategy. But, according to Frank ten Have such a model in which dwellings are sold at cost price only works because of these conditions. If a similar model would be applied in Amsterdam the dwellings would probably be bought and resold directly at the market price. However, for this study this case is interesting because it shows the specific conditions in Edam-Volendam in which a network of interdependencies is less present, provide the possibility for a relatively top-down strategy.

Other municipalities in which similar conditions occur?

There might be other municipalities in the Netherlands in which similar conditions occur. One could for instance think of the bible belt, this is a geographical strip in the Netherlands from the province of Zeeland to the province of Overijssel in which a large number of conservative protestants live. In the master thesis of Renske Manschot (2012) of the Erasmus University Rotterdam is argued that cultural behaviour significantly varies between a municipality in the bible belt (Rijssen) and the city of Rotterdam. The municipality in the bible belt is more a traditional and closed community. Residents are more influenced by the local traditions and therefore the variety and dynamics in the municipality are expected to be relatively low. Also, the percentages of owner occupied dwellings in municipalities in the bible belt are relatively high (73% in Staphorst, 79% in Urk and 69% in Rijssen) compared to the national figures (59%)(CBS, 2014c). The cultural conditions and the high percentage of owner-occupied dwellings may be an indication that these municipalities show similar conditions as in Edam-Volendam. However, further research should be done in order to better understand the conditions in these municipalities.
6.3 CASE III: RIJSWIJKBUITEN IN RIJSWIJK

Figure 14: The broad outlines of the plan of RijswijkBuiten (Informatiecentrum RijswijkBuiten, 2013)

<table>
<thead>
<tr>
<th>MAIN CHARACTERISTICS OF DE RIJSWIJKBUITEN</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Size</strong></td>
</tr>
<tr>
<td>Expected time frame of construction</td>
</tr>
<tr>
<td>Main parties</td>
</tr>
<tr>
<td></td>
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<td></td>
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<tr>
<td>Main role of the municipality</td>
</tr>
</tbody>
</table>
Introduction to RijswijkBuiten

RijswijkBuiten (former Rijswijk-Zuid) is a development in the municipality of Rijswijk in which 3000 to 4000 dwellings will be constructed between 2013 and 2023 (Programmabureau RijswijkBuiten, 2014). Ineke van de Wel, the former mayor of the municipality, stated that an important starting point for the development is that it should eventually be a neighbourhood in which individual choices contribute to attractive variation. In order to assure this and to assure that the developed neighbourhood would fit within Rijswijk the municipality decided before the crisis to take control of the development (Mensink et al., 2011).

RijswijkBuiten has had quite some attention from academics and the media because of applied models and strategies. RijswijkBuiten is seen as an example of a Masterplan nieuwe stijl (as discussed in chapter 5.3), a new cooperation form between a constructor and the municipality is being applied and the municipality act as a project developer/investors in the development of dwellings for the liberal rental sector.

Local conditions

The main local system and network conditions which are expected to influence the applied strategy (next to the national conditions) are discussed here. Section 6.4 will elaborate on the conditions in the analysis of the influence of the local conditions on the applied strategies in the three cases.

System conditions

RijswijkBuiten is a very large housing development in the Randstad. The plan to develop RijswijkBuiten dates back to 1995 when the municipality started thinking about restructuring the greenhouse area, after some plans to redevelop the location into a business area the municipality eventually came in 2006 with the plan the develop large scale green housing in RijswijkBuiten (Mensink et al., 2011). At that time the municipality was aware that many developer and investors would be willing to buy-up land in the area because this was still in the middle of the heyday of the housing market. The municipality wanted to keep the development in their own hands and therefore decided to actively obtain land themselves in the area through legislative instruments. In 2013 the municipality had obtained almost all the land and invested over 100 million euro in the development of RijswijkBuiten (Mensink et al., 2013). The municipality does not hold (sufficient) knowledge and construction capacity to develop the area therefore had/has to cooperate with parties from the construction sector to recoup their investment. But, due to the current market conditions it has been difficult to find partners who are willing to participate in a development.

Many of the residents in Rijswijk prefer to stay in the municipality but were/are not able to find a suitable dwelling which meet/met their preferences. There is a scarcity of ground-level owner occupied dwellings for starters and a scarcity in the liberal rental sector (mainly for dwellings with a rent of 700-900 euro per month). The political arena is fragmented in Rijswijk, there is a mix of eight national and local parties representing all political opinions with at least 8,9% of the votes and the largest party (a local party: Gemeentebelangen) holds 16,2% of the votes (NOS, 2014). The fragmentation is also reflected in the changes in the executive board due to the recent elections. The board changed dramatically, before the elections it included four different parties (PVDA, VVD, ...

Sources

The description of de RijswijkBuiten is based upon documents from the website of the municipality, articles of local newspapers, two dossiers of the Praktijkleerstel gebiedsontwikkeling of the TU Delft and interviews with the project leader of the municipality (Jan Brugman) and an involved project developer of Dura Vermeer (Sander Trouw). Also, the interviews with both Jeroen Mensink and Frank ten Have have provided input for this case.
Onafhankelijk Rijswijk and CDA) and after the recent elections it includes five different parties (SP, GroenLinks, Gemeentebelangen, D66 and VVD) of which just one was also included in the previous executive board.

Network conditions
The municipality depends on the construction sector to provide them the knowledge to develop the area and recoup the money which they have invested in the area. But, there is a mutual dependency situation because the construction sector also depends on the municipality due to the low amount of housing developments. The variety of the potential residents is more easy to oversee than in AckersWoude, but more difficult than in de Broeckgouw because about 50% of the potential residents originate from the municipality. RijswijkBuiten is also affected by competition of other developments in the region, but again less than in AckersWoude because it depends less on potential residents from other municipalities. Another interesting aspect in Rijswijk is the fragmentation of the political arena. This indicates that the power balance can easily alter during elections. Alterations in the power balance could lead to a dynamic environment due to changes in the mind-set and applied policies of the executive body of the municipality.

The plan
In 2009 the municipal council laid down the master plan for the area. The main idea behind the development of the master plan was to create a concept for the area which provided flexibility and the possibility to adjust to strategic views in later stages of the development (Mensink et al., 2011). Jan Brugman, the project leader of the municipality, argued that the flexibility is important because the plan covers more than one municipal council and different councils may have different views on the development (this argument is supported by the description of the political arena in the previous subsection). Next to this, and probably even more important, he argued that the flexibility has been included in order to assure that the development is demand-driven, that the plan can be adjusted to alterations in the demand.

The master plan has been developed through an interactive process with employees, managers and the council of Rijswijk. Many other parties such as surrounding municipalities, the province of South Holland and advisors such as the University of Delft and private companies have provided input in the development process (Gemeente Rijswijk/Programmabureau Rijswijk-Zuid, 2014). Jan Brugman mentioned that it was important to incorporate many parties in order to assure that the plan was accepted and understood by the market.

The broad outlines of the development of RijswijkBuiten have been defined, the main elements have been set beforehand. For instance the main roads and the main infrastructure of the sewer system are predefined, but the smaller streets and links are not defined at forehand. The predefined of the broad outlines of the area reduces the flexibility of the plan, but there is still much flexibility. As an example Jan Brugman mentioned that the initial aim was to locate a third of the area for combined private commissioning, but during the development was figured out that this ambition was much too high. In the end it will probably be about 5 to 10% of the area. Another example of the flexibility is that at the moment Jan Brugman is not sure whether dwellings for elderly people will be developed in RijswijkBuiten, they are going to analyse this possibility and will decide at a later stage whether to develop dwelling for this segment. This indicates that the housing program of RijswijkBuiten is not predefined. Though, the municipality has some indications about the number and type of dwellings which have to be developed in the area in order to assure financial feasibility.
The applied strategy, collaboration forms and influence of parties

The municipality has stated from the beginning that they wanted to keep the development of the area in their own hands. Their legislative powers and the fact that the municipality owns all the land has created a situation in which the municipality can develop the area according to this ideal. Gijs van den Bomen, a landscape architect who is active in the development of RijswijkBuiten, argues that the development is actually an old way of developing in which a municipality develops a new part of the city (Mensink et al., 2011). The municipality buys up the land, adjusts the zoning plan, and a constructor develops the dwellings. Jeroen Mensink agreed with this, but argues that there is a big difference, the municipality does not define beforehand what kind of dwellings will be built in the area. Also the municipality does not hold the required knowledge and resources on for instance the housing market and the marketing of the area. In order to acquire this knowledge the municipality has made an agreement with Dura Vermeer.

Cooperation with Dura Vermeer

At the start of the process, prior to the agreement with Dura Vermeer, the municipality understood that they were in a difficult position. They owned lots of land which they wanted to develop, but knew that due to the financial position of many parties in the construction sector it would be hard, or impossible, to find a project developer who was willing to participate in a public private partnership in which the risks would be shared or transferred to the market party (Khandekar and ten Have, 2012). Therefore, the municipality came together with Deloitte with a “new” type of development strategy in which the knowledge of a market party could be used from the start of the process and in which the market party would be committed and willing to invest in the development. This development strategy is called the bouwclaim nieuw stijl (which is broadly introduced in 4.3).

The use of the bouwclaim nieuwe stijl in RijswijkBuiten

Through a procurement procedure Dura Vermeer has been selected to participate in RijswijkBuiten. Dura Vermeer has two roles in the development, an advising role in optimising the area development and the possibility to develop and construct 250 dwellings (Khandekar and ten Have, 2012). Dura Vermeer had to pay 5% of the indicative land value in advance and also has to pay 4,5% interest on the remaining land as long as it has not been sold to a buyer of a dwelling. This is a stimulus for Dura Vermeer to assure an effective and efficient cooperation and to reduce any delays in the development. Another stimulus in the contract is that if the municipality is satisfied with the cooperation, the municipality can provide Dura Vermeer the possibility to develop another 250 dwellings in the area. This model has created a situation in which the municipality can make use of the knowledge of Dura Vermeer from the start of the process without handing over steering possibilities. For Dura Vermeer the agreement is satisfying because they can construct dwellings without having to put much financial weight on their balance. This is caused by the fact that the land is owned by the municipality until the actual sale to the buyer. The payment of the dwellings are split up in a part for the land which is transferred to the municipality and a part for the dwelling which is transferred to Dura Vermeer. This creates a situation in which the interests of both parties will be similar up to end of the process (the transfer to the buyer). Both parties depend on each other through the whole process, the municipality depends on the knowledge and resources of Dura Vermeer about construction, the market and marketing and Dura Vermeer depends on decisions related to the land and area development of the municipality. This is in contrast with a situation in which the municipality hands over the land to the constructor and the constructor sells the whole to a buyer. Sander Trouw argued that in such a situation the municipality is less concerned about the eventual development of the dwelling.
The formal agreements has been the start of an effective and efficient cooperation between the municipality and Dura Vermeer. Sander Trouw mentioned the characteristics of the contractual agreement resulted in an informal character of the cooperation. Employees of Dura Vermeer walk in and out in the municipal program office of RijswijkBuiten and both parties are continuously giving advice to each other. Trust and transparency are key concepts in the cooperation, both the municipality and Dura Vermeer are working with open budgets, both parties have clear insights on the costs and revenues of each other (Mensink et al., 2013). The cooperation takes places on every level, from the directors to the workplace. Sander Trouw argued that the cooperation is based upon the thought that by doing it all together both parties can help each other out and can improve the products and the eventual revenues.

*Development of de Tuinen van Sion*

*De Tuinen van Sion* (the Gardens of Sion) is at the moment the largest development in RijswijkBuiten and is being constructed by Dura Vermeer. This development has been selected in order to understand the development of dwellings in RijswijkBuiten.

The *Tuinen van Sion* is being developed in small phases of approximately 30 dwellings. The number and the type of dwellings is determined through a process of interaction between the municipality and Dura Vermeer. Input for this process are the demographical developments, the GREX, earlier selling procedures and knowledge about the preferences of the potential buyers. The influence of the GREX will be explained in a paragraph below. Earlier selling procedures influence the program in the way that over-demand or over-supply in certain types of dwellings will lead to changes in the program. The knowledge about preferences of potential buyers is being acquired by contact with this group through meetings and through forms on the website of the municipality and Dura Vermeer in which people can state their preferences.

In every phase a presale percentage of 70% is being applied. But, Sander Trouw argued that if it is deemed feasible to construct at a lower percentage that they would do this as well. The small phases provide the possibility to adjust the program to the demand and to serve the market as much as possible. Trouw mentioned that if the market would be followed completely that almost the whole area would be filled with dwellings for starters. But, the diversity is also deemed important and therefore they also develop dwellings in other segments. And next to this, dwellings for starters also produce a relatively low income which could lead to problems with the GREX.

The construction of the dwellings in *de Tuinen van Sion* is quite project-based. Mensink argued that they are quite supply-driven, very accurately engineered and are therefore also sharply priced. Dura Vermeer uses a pre-defined framework for the dwellings and buyers can choose between some options, such as the type of stone or the type of façade. Dura Vermeer changes the architecture between phases in order to create some variation, but the dwellings are the same size in every phase. Both Jan Brugman and Sander Trouw argued that the dwellings developed here satisfy a large proportion of the market, there is a large amount of households who are happy with such a project-based dwelling. And, as also noted in the case of AckersWoude, these project-based dwellings include much more demand-driven features than before the crisis. The possibilities of small changes within the pre-defined framework have increased and the costs of these changes have reduced. According to Jan Brugman, these project-based developments have become much more demand-driven.

Next to the development of Dura Vermeer there are also sub-projects which are less supply-driven. There is for instance a combined private commissioning project (*Geworteld wonen*) and a project in which buyers have the opportunity to compose their own dwelling (*Wonen a la Carte*), but both these developments are, until now, less successful than the development of Dura Vermeer. Sander Trouw
for instance mentioned that in the time that they sold 200 dwelling the project of *Wonen a la Carte* sold 34 dwellings. But, Jan Brugman mentioned that the difference can also be explained by the fact that the dwellings in the project of *Wonen a la Carte* are also a bit more expensive.

**Financial pressure may influence the flexibility**

In the previous section has been stated that the GREX influences the housing program and that too many dwellings for starters could lead to problems with the GREX. The municipality will eventually invest approximately 300 million euro in RijswijkBuiten and it should be assured that all the money is recouped at the end of the process. Therefore the municipality carefully analyses the GREX every year and tries to steer the housing program if shortages are expected. Jan Brugman stressed that the steering from the GREX is one of the inputs for the decision process of the housing program and that it is not a leading factor. However, the GREX does put a limit on the flexibility of the development. This can for instance be illustrated by the fact that a housing program which includes too many dwellings for starters could lead to problems with the GREX.

**Process manager**

In RijswijkBuiten the main elements are defined, but the exact detailing of the plan will be done during the development. Jan Brugman agreed that this leads to more coordination during the development. His role has become wider than the traditional role of a project developer, he has become more a process organiser and risk manager. The area is developed in a process in which he has to communicate with on the one hand constructors and the customers and on the other hand parties such as the council, neighbouring municipalities and the province. Mensink also argued that the managers of housing developments need different skills than before, next to being an engineer such a person should also be socially and communicative skilled. In each phase the interaction between the parties have to be coordinated and this can be time consuming. The number of dwellings developed has become smaller in each phase, but according to Sander Trouw this does not mean that the coordination take less time. He mentioned that the time it takes to coordinate a project of 30 dwellings is probably similar to a project of 100 dwellings.

**Satisfying a societal need by investing in liberal rental housing**

The municipality will develop dwellings for the liberal rental sector together with Dura Vermeer. Both parties participate for 50% in a cooperation which is going to develop these dwellings. This puts the municipality in a role as an investor/project developer (Bekkers, 2014). As also in many other regions (as discussed in 5.2) there is a large shortage of dwellings in Rijswijk in the liberal rental sector with a rent of approximately 700 to 900 euro per month. Jan Brugman mentioned that the council of the municipality of Rijswijk argues that it is of societal interest that there are sufficient housing possibilities in this segment. There is a large group of households who fall between two stools, they are not allowed to rent a dwelling in the social sector and have difficulties to finance an owner occupied dwelling.

At the moment there are not many parties who are willing, or are able, to invest in housing for this segment (which has been explained in 5.1 and 5.2). Therefore, the municipality has decided to fulfill this need. The municipality will develop together with Dura Vermeer the dwellings and will try to sell the dwellings to an investor after they have been constructed and rented out.

There is lots of discussion whether a municipality should participate in such activities. Jan Brugman mentioned that the main questions people ask about this is whether this should be a core task of the municipality and whether the risk is too big for the municipality. He said that the answer to the first question is normally no. But, because the scarcity in this segments has become a societal problem in
which many households fall between two stools the municipality has decided to become active. The risk is according to Brugman not very big because there is a large demand for the dwellings and the municipality already owns the land.
6.4. COMPARING THE CASES

The applied strategies in the three cases differ from each other. The main differences and the underlying conditions which are expected to have led to the differentiation will be discussed. There are also some interesting similarities, such as that to a certain extent the expectations from Chapters 4 and 5 can be recognised in each case.

Development strategies

The degree to which the applied strategies include BN and TD features is represented in table 8. The assigning of the cases to one of the two typologies has been done through qualitative determination based upon the findings in the cases. The table provides an indication of the type of the applied strategy per case. The following two subsections will discuss the applied strategies on the level of area development and the development of dwellings.

Table 6: The degree to which the applied strategies in the case studies include BN and TD features

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Top-down strategy (TD)</th>
<th>Bottom-up, network oriented strategy (BN)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Steering possibilities of municipality</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Main focus</td>
<td>Content and end-result</td>
<td>Process of interactions</td>
</tr>
<tr>
<td>Utilisation of resources of others</td>
<td>Leading party can push parties to participate with their resources</td>
<td>Through a negotiation process</td>
</tr>
<tr>
<td>Final product</td>
<td>Certain</td>
<td>Uncertain</td>
</tr>
<tr>
<td>Flexibility</td>
<td>Low,</td>
<td>High</td>
</tr>
<tr>
<td></td>
<td>Goals, scope and boundaries are formulated beforehand</td>
<td>Goals, scope and boundaries can emerge and change during the process</td>
</tr>
<tr>
<td>Decision making</td>
<td>In advance and structured</td>
<td>During the process and unstructured</td>
</tr>
<tr>
<td></td>
<td>Watertight decisions</td>
<td>Options are kept open</td>
</tr>
<tr>
<td>Incorporated values</td>
<td>Values of superior party are leading</td>
<td>Values of multiple parties are leading</td>
</tr>
</tbody>
</table>

Table 6: The degree to which the applied strategies in the case studies include BN and TD features

Applied strategies in the area development

In all three cases the main influential party in the area development is the municipality. The councils of the municipalities are the final decision makers. The main reason for this is that the municipalities are the owners of the land. They have invested a large amount of money to obtain the land and have to
make sure that the money is recouped at the end of the day. Besides the municipality there are also other parties involvement in the development of the area. In de Broeckgouw the other parties do not directly influence the area development, the municipality is being advised by other parties, but this is mainly used as input for the decision of the municipality. In AckersWoude the responsibility of the area development on the large scale is similar to de Broeckgouw. The development differs on the scale of subprojects within the area (of approximately 40 dwellings), the market parties (ABB Ontwikkeling and Schouten) are given some freedom to develop the area. An example to illustrate this is that the main road infrastructure is being developed by the municipality and that the road infrastructure within the subprojects is being developed by the constructors/project developers. In RijswijkBuiten the influence of a market party (Dura Vermeer) in the area development is larger than in the other cases. The municipality is the one who makes the final decision, but Dura Vermeer actively helps (and therefore also influences) the municipality in making decisions on both the large scale and small scale.

Figure 1: Main influential parties in the area development in the three cases (A bigger arrow indicates more influence)

The influence of potential residents in the area development is limited to input for the decision making process. Though, this input can have a leading role in the decision of the municipality. Each case include phasing of the development and the phasing is party driven by the potential residents. The influence of the potential residents on the phasing is larger in AckersWoude and RijswijkBuiten, in these cases the phasing is actively adjusted according to the demand. In both cases the municipality has made an initial plan for the area which is used as reference. The initial plans are being used, but they are not necessarily leading, they can be adjusted during the development. In the case of de Broeckgouw the initial plan and phasing is more predefined and leading, therefore the influence of potential residents during the development process is less.

**Applied strategies in the development of dwellings**

Just as in the area development the development of dwellings differs much between the case of de Broeckgouw and the other two cases. In de Broeckgouw the housing program is defined by the municipality. With the help of architects (which are contracted) and the knowledge about the
preferences of the potential residents the municipality defines the housing program which is then constructed by a contracted constructor. In both AckersWoude and RijswijkBuiten the municipalities provides input for the housing program, but the project developer is the one who defines, designs and constructs the program. In AckersWoude the influence of the municipality is limited to providing preconditions while in RijswijkBuiten the municipality has a more influential role in the development of the dwellings. This is the result of the set-up of the cooperation between the municipality and *Dura Vermeer* in which the municipality remains owner of the land until it is sold to the end-user.

![Diagram showing the main influential parties in the development of dwellings in the three cases](image)

**Figure 2: Main influential parties in the development of dwellings in the three cases** (A bigger arrow indicates more influence)

**Expectations derived from the national conditions and the historical development**

The expectations derived from Chapters 4 and 5 on the strategies of municipalities are all recognisable in the case studies. The expectation that the strategies would be more bottom-up and network oriented is mainly visible in the involvement of the potential residents in the cases of RijswijkBuiten and AckersWoude, but also in the case of de Broeckgouw the potential residents are involved. However, in the case de Broeckgouw the municipalities holds most of the steering possibilities and the end-product is quite pre-defined. This case therefore tilts towards a top-down strategy which also includes features of a bottom-up and network oriented strategy. The same story holds for the flexibility and adaptive capacity which is least visible in the case of de Broeckgouw. In the strategy of AckersWoude this feature is quit dominant since the plan is the least pre-defined and holds much possibilities for adjustments. The search for new ways of working can be found in each case, in de Broeckgouw the municipality has applied a strategy in which it puts itself in a less dependent position in respect to market parties, in de AckersWoude a strategy is applied which is able to overcome problems related to earlier made agreements and in RijswijkBuiten a new way of working is applied in which a market party and the municipality actively help each other to improve their results. The expectations which have been added in Chapter 5, that strategies include TD features in order to assure sufficient certainty about the outcome and steering possibilities for a municipality and that therefore hybrid strategies were expected in which features of both TD and BN strategies are applied also hold in the three cases.
Mainly the case of de Broeckgouw includes much TD features, but also the other two case include TD features. This is mainly the result of the financial investments of the municipalities, making it important for them to include sufficient certainty and steering possibilities to be able to recoup the invested money.

Separate entities versus a reinforcing cooperation

In the cases of AckersWoude and de Broeckgouw a clear distinction can be seen between the municipality and the market parties, they operate as separate entities with their own responsibilities, interests and goals. In de Broeckgouw the municipalities contracts parties to execute tasks of the municipality. In AckersWoude the market parties and the municipality both have their own responsibilities and execute these separately. In RijswijkBuiten the tasks are executed much cooperation, as development partners. The cooperation is based upon helping each other out and reinforcing each other. DuraVermeer and the municipality have both acknowledged at the start of the process that they both hold resources and knowledge which are helpful for each other. What started as a cooperation based upon a formal agreement has involved into a reinforcing, transparent and open cooperation.

6.5 WHY DID/DO THE MUNICIPALITIES APPLY DIFFERENT STRATEGIES?

To conclude this chapter this final section discusses the main conditions which have led to the divergence in the applied strategies. This will provide the answer to the 4th sub-question: Why did/do the municipalities of Pijnacker-Nootdorp, Edam-Volendam and Rijswijk apply a specific strategy? It will be shown that the difference in the strategies can be traced back to the difference in the conditions.

Different network conditions

The network of interdependencies is the least present in the case of de Broeckgouw and more visible in the other two cases. Also, in the case of de Broeckgouw the applied strategy tilt to a TD strategy and in the other two cases the applied strategy tilt more towards a BN strategy. This support the theoretical findings in Chapter 2 that the more a network of interdependencies is present, the more a strategy would tilt towards a BN strategy.

Variety; the cases of de AckersWoude and RijswijkBuiten include more variety in mainly the potential residents. In these two cases a large share of the potential residents originate from another municipality and are relatively difficult to oversee, while in the case of de Broeckgouw the municipality has a good overview of the potential residents as a result of a long waiting list. The variety in de Broeckgouw is also less due to the cultural circumstances, these make it relatively easy to predict the preferences of the potential residents.

Closedness; the closedness towards hierarchical interventions is again the least in de Broeckgouw due to the dependency of the potential residents on the municipality to assure sufficient housing possibilities and the dependency of the construction sector on the de Broeckgouw during the crisis as one of the few housing developments. In the case of AckersWoude there closedness due to the failure of a public private partnership and the results of the dissolution of this partnership. The closedness in RijswijkBuiten is mainly the result of the diminishing of the shared frame of references between the municipality and the construction sector.

Interdependence; the case of de Broeckgouw includes the least interdependency. As discussed above there is (/have been) a unilateral dependency situation in which both the municipality and the construction sector depend on the municipality. In both the case of AckersWoude and de RijswijkBuiten the potential residents depend less on the municipality due to the many other housing
developments in the region. The case of AckersWoude also shows a mutual dependency situation between the municipality and the two market parties which have obtained the first to buy land in the area.

**Dynamics:** Again, the case of de Broeckgouw shows the least dynamics, the closed community, the demarcated housing market and the predictability of the preferences of potential residents due to the cultural circumstances lead to a relatively static environment in Edam-Volendam. The other two cases are much more affected by the dynamics of the current Dutch housing system (as discussed in 4.7). In the case of RijswijkBuiten the political arena is fragmented, which could lead the changes in the political ideas of the municipal council due to elections. This potentially leads to a dynamic environment in which policies and the ideas about the development of the area of the municipal can change.

**Other important conditions**

The case studies show that next to these four network conditions, there are also three other conditions which have a crucial impact on the applied strategy. The first two are system conditions and the third as an additional network condition.

**Financial investments:** the three cases have shown that the large financial investments of the municipality to obtain and develop the land push the applied strategy more towards a TD strategy. This provides the municipalities sufficient steering possibilities and certainty about the outcome to assure that the invested money is recouped at the end of the day.

**Culture:** the case of de Broeckgouw has shown that the cultural conditions can have an important impact on the applied strategy. This is for instance shown above were the it has been argued that the cultural circumstances directly lead to less variety and dynamics in Edam-Volendam.

**Path dependence** is also important in the applied strategies. This is mainly visible in the case of AckersWoude in which two market parties have to first right to buy when the municipality offer land in the area. This first right to buy is the result of the dissolution of an earlier made agreement. Next to this, path dependence can be detected in each case in the fact that each municipality has applied an active land policy in the past to obtain land in the area, which now forces them to apply a strategy which leads to the development of the obtained land.

**Political preferences:**

The political preferences are expected to have an influence on the applied strategy. But, the cases provide insufficient information to support statements on this. However, the cases of RijswijkBuiten and de Broeckgouw do provide indications that the conditions in the political arena might have influenced the decision for the chosen strategy. In the case of de Broeckgouw the political arena is dominated by local parties, this might be one of the arguments why the applied strategy mainly focuses on local residents. In the case of RijswijkBuiten the political arena is very fragmented and the representative of the municipality which has been interviewed (Jan Brugman) argued that one of the reasons why the plan to develop the area is flexible is because the plan covers more than one municipal council and different councils may have different views on the development. And this is likely to imagine if one takes in mind that only one of the five parties in the current executive board of the municipality was also represented in the previous board.
7. THEORETICAL IMPLICATIONS

In this chapter the analytical part of study is concluded, the findings on the conditions on the national scale (Chapter 4), the historical development of strategies and conditions (Chapter 5) and in the case studies (Chapter 6) will be used to reflect upon the usefulness of the applied theoretical framework, to complement the theoretical framework and to describe the exposed trends in the strategies in Dutch housing.

7.1 USEFULNESS OF THE THEORETICAL FRAMEWORK

The theoretical framework indicates that the more a network of interdependencies is present, the more the applied strategy include the features of a BN strategy. The presence of such a network of interdependencies can be determined by analysing the presence of variety, closedness, interdependency and variety in the network. Both the historical development of the applied strategies and the accompanied network conditions (Chapter 5) and the applied strategies in the case studies (Chapter 6) support this expectation. It can be concluded that the more a network of interdependencies is present, the more a strategy tilts towards a BN strategy. However, there may be some other conditions which would tilt a strategy more towards a certain strategy. The study shows that large financial investments of a municipality to obtain the land is likely to steer a strategy towards a TD strategy. Also, path dependence due to earlier made agreements can influence the applied strategy of a municipality. The study has shown that mainly two conditions, which have been discussed in the theoretical framework, are crucial and probably more decisive than other conditions for the applied strategy: the variety of the potential residents (part of the network condition variety) and the cultural conditions.

7.2 ADDITIONS AND IMPROVEMENTS TO THE THEORETICAL FRAMEWORK

The two abovementioned extra conditions and the conditions which have shown to be more decisive are explained here.

Extra important condition: large financial investments can steer towards a top-down strategy

Large financial investments can steer a municipality towards a TD strategy to assure that the invested money is recouped. A municipal council is likely to require a solid plan to recoup the invested money. By limiting the flexibility and building in certainty in a strategy a municipality seems to have more certainty and a better overview on how the invested money is being recouped. However, this could also have a reverse effect because the current conditions in the market require a flexible housing program. A program which includes too much pre-definition to assure sufficient certainty and therefore less flexibility can result into a housing program which is a mismatch with the demand due to the lack of adjustment possibilities. A mismatch with the demand can reduce the revenues and would make it more difficult to assure sufficient income.

Extra important condition: the influence of path dependence due to earlier made decisions

Earlier made decisions can have an impact on strategies of municipalities through path dependence. This has mainly an impact through agreements made in the land market, earlier made agreements
(such as *bouwclaims*\(^{34}\)) of market parties can limit the possibilities of a municipalities. A municipality may be obliged to involve certain parties, or its decision possibilities may be limited, due to such earlier made decisions.

**Decisive condition: Ability to oversee the variety of the potential residents**

The ability to oversee the variety of potential residents is crucial in enabling the possibilities to pre-define a housing program. This conditions is part of the network conditions *variety*, but due to its decisiveness it is extra highlighted here. A situation in which there is a clear overview of the potential residents and their preferences provides the possibility to pre-define a housing program which meets the demand. A clear overview provides the possibility for a TD strategy, while a situation in which there is no clear overview a BN strategy is required. The study shows that there are two main conditions which influence to possibility to create a clear overview: *scarcity* and the *origin of the potential residents*. Scarcity in the housing market oppress the individual preferences because the potential residents are likely to buy whatever is available. Scarcity in the market makes it therefore more easy to oversee the variety of potential residents. Secondly, the case studies show that the more the potential residents for a originate from another municipality, the more difficult it is to oversee the variety. This is because it can be assumed that a municipality generally has a better overview of the demand of residents within their own municipality than residents from other municipalities.

**Decisive condition: Cultural conditions**

The cultural conditions have been included in the theoretical framework as one of the system conditions which influences the network conditions. However, mainly the case study in Edam-Volendam shows that the cultural conditions can be a decisive conditions in deciding upon the suitable strategy. A situation in which there is a clear view on the culture and in which the majority of the population is influenced by the cultural believes and ideas, the network conditions can be influenced to a large extent by the culture. This could lead to a relative homogeneous group of residents of which the preferences can relatively easy be overseen. Closedness can occur towards strategies which do not fit within the cultural believes and ideas. Also, the dynamics in such a community are likely to be static because residents stick to traditional ideas. On the other hand, a situation in which there is a variety (or a lack) of cultural believes, the residents are likely to be more heterogeneous and the variety is therefore more difficult to oversee.

### 7.3 Trends in the Strategies in Dutch Housing

Due to the increasing presence of a network of interdependencies in Dutch housing the strategies of municipalities require, and often include, a more bottom-up and network oriented way of working. This has been the first expectation which has been derived from the insights from the national conditions (Chapter 4) and the historical development of strategies and conditions (Chapter 5) and has been validated in the case studies (Chapter 6). Because the expectations have been validated in the case studies they are assumed as trends in Dutch housing. The following three trends, which specify the first trend, are that: strategies include more flexibility and adaptive capacity, strategies provide more influence to the demand side and that new ways of working and new shared frame of references is being searched for. Next to these trends, which steer a strategy towards a bottom-up and network oriented strategy, there is also a trend which steer a strategy towards a top-down strategy. The large financial investments of many municipalities to obtain (and develop) land steer these municipalities towards a strategy in which there is sufficient certainty that the investments will be recouped.

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\(^{34}\) Bouwclaim, or construction claim, is a claim to construct dwellings in a specific area. In return for the handing of land private parties often obtained construction claims.
Therefore, the strategies of these municipalities are likely to include more top-down features by including less flexibility and more steering possibilities for a municipality.

Thus, there are two opposite mechanisms in a situation in which a municipality have made large financial investments. On the one hand the strategies require bottom-up and network oriented features due to the network of interdependencies and on the other hand strategies require top-down features to assure sufficient certainty that the investments will be recouped. The study shows that such situations lead to hybrid strategies in which features of both type of strategies are included. This could for instance be done by pre-defining certain aspects of a plan on the broad scale and by including flexibility and manoeuvre possibilities on the smaller scale.

A final remark should be made on the influence of the cultural conditions. As mentioned in the previous section the cultural conditions can have a decisive influence on the applied strategy of a municipality. The case of de Broeckgouw has shown that specific cultural conditions can create an environment in which the conditions are different and the abovementioned national trends are less present.

**Generalizability of the findings**

This study has exposed the mechanisms behind the decision of municipalities for a BN or TD strategy. The acquired knowledge on the applied strategies and the accompanied conditions on both the national and local scale have provided clear insights on why municipalities apply a top-down or bottom-up strategy. This knowledge is deemed useful to understand the general behaviour of municipalities in Dutch housing given the conditions of the environment in which they operate. However, it is questionable whether the three cases provide sufficient empirical data to substantiate the behaviour of all individual municipalities in the Netherlands. Therefore, in the conclusion will be argued that it is deemed useful that in further research a survey will be conducted among municipalities in the Netherlands to obtain more empirical evidence on the mechanisms. The obtained knowledge in this study can be used an input for the set-up of the survey.
8. PRACTICAL LESSONS FOR DUTCH MUNICIPALITIES

This chapter provides practical lessons for Dutch municipalities for municipality when operating, and deciding upon a strategy to apply, in the Dutch housing system. The lessons are based upon the combination of theoretical and empirical insights from this study.

8.1 UNDERSTAND THE CONDITIONS OF THE ENVIRONMENT IN WHICH YOU OPERATE

One of the main lessons from this study is that it is most essential to understand the system and network conditions of the environment in which one operates. The more one operates in a network of interdependencies, the more it is desirable that the applied strategy tilts towards a bottom-up and network oriented strategy (the presence of a network of interdependencies can be determined by analysing the presence the network conditions variety, closedness, interdependency and dynamics). The system conditions influence the presence of the network conditions. The table below discusses these two type of conditions in this study.

Table 1: Understanding the network and system conditions

<table>
<thead>
<tr>
<th>Condition</th>
<th>Description</th>
</tr>
</thead>
</table>
| Network conditions | To what extent a municipality operates a network of interdependencies can be understood by analysing the presence of variety, closedness, interdependency and dynamics in a network of parties. The more these network conditions are present, the more one operates in a network of interdependencies.  
  Variety; the variety of a network can be determined by analysing the characteristics, behaviour and interactions of the parties in the network. Mainly the variety of the potential residents, and the ability to oversee this variety, is an important condition. System conditions such as the conditions in the housing market or the cultural circumstances can influence the behaviour of the parties.  
  Closedness; the closedness of parties can be analysed by understanding to what extent parties have a shared frame of reference and whether parties are willing to participate in developments. Mainly when parties recognise that the conditions in the system provide an environment in which cooperation is likely to help them achieving their goals, the closedness is likely to be low.  
  Interdependency; interdependency between parties can be determined by analysing to what extent parties mutually depend on the resources, or the power, of other parties to achieve their goals. A municipality and a construction company may for instance mutually depend on each other. A municipality depends on the construction capacity of the company and the company depends on the legislative power of the municipality related to spatial planning.  
  Dynamics; dynamics in a network manifest itself in changes in the involved parties in a network and the behaviour of the involved parties. Changes in for instance political ideas, social values or the market conditions (as happened due to the crisis) can lead to dynamics in a network because parties are likely to adjust their strategies to the changed conditions. A more elaborated description of these network conditions can be found in section 2.3. |
| System conditions | The conditions in the system can influence the network conditions in which one operates. By analysing the main aspects of the Dutch housing system one can get an overview of the system conditions on how these influence the network conditions. Important aspects in the housing system are the conditions in: the housing market, the land market, the economy, the demography and the values related to cultural, social and political settings. The next page elaborates on important system conditions which influence the network conditions. |
Important system conditions

Six system conditions are described in this subsection which have shown to be the most important for the applied strategy.

*Cultural and societal conditions* can influence the conditions in the network through mainly the closedness, variety and dynamics. Closedness may occur towards strategies which do not fit within the cultural and social values. In a closed community with a homogenous group of residents the variety of the parties in the network is expected to be low and the dynamics in such an environment are also low because the community generally sticks to their traditional way of working and ideas. The other way around, the lack of such a cultural or social coherence may lead to more variety and more dynamics.

*Variety of the potential residents* are closely linked to cultural and societal circumstances. In some municipalities residents are most likely to stay within the municipality while other municipalities attract more residents from outside the municipality. Clear examples have been shown in the case studies, in Pijnacker-Nootdorp most potential residents come from another municipality and in Edam-Volendam the potential residents are almost all (former) residents of the municipality. A situation in which many potential residents come from other municipalities mainly leads to a situation in which it is difficult to oversee the variety. Also, a municipality can become more dependent on knowledge of other parties because the municipality is likely to have a less better view on the characteristics and preferences of the potential residents.

*Path dependence due to earlier made agreements;* an earlier made agreement may limit the decision possibilities of a municipality. An earlier agreement made with a market party can for instance oblige a municipality to apply a strategy in which this party is involved (the *bouwclaimmodel*, which is discussed in 5.2, is a typical of such an agreement).

*Financial conditions* on different levels can drastically affect the conditions in the network. On the municipal level large financial investments in the obtaining and development of land may steer a strategy more towards a top-down strategy because a municipal council is likely to require certainty that the invested money will be recouped. On the level of households it can lead to problems with the financing of dwellings. On the larger scale financial conditions, such as investment capacity of parties, can limit the possibility of these parties to financially participate in a development. The dependency situation can be affected and parties might show closedness towards participation in a development.

*Scarcity* can work both ways: scarcity of dwellings can oppress the individual preferences and bargaining power of households and scarcity of potential residents can increase their bargaining power and the importance of individual preferences. This second type of scarcity would lead to more difficulty to oversee the variety, more dependency on the potential residents and more closedness towards developments. In the other type of scarcity the factors would turn to other way round.

*Conditions in the housing market* have a crucial impact on the involved parties in the network. Parties adjust their strategies to the conditions in the housing market. Dynamics in the housing market, such as due to the crisis of 2008, lead to changes in the strategies of the involved parties and conditions in the network.

8.2 A DWELLING HAS BECOME LESS AN INVESTMENT PRODUCT

The crisis has led to many changes in the sector. One of the most relevant changes is illustrated in table 9. Before the crisis there was a scarcity in the supply, prices were rising and dwellings were seen by many as an investment product. Individual preferences of households were often oppressed by these conditions. This provided an environment in which parties on the supply side could apply top-down, supply-driven approaches since they were hardly restricted by the preferences of households.
Table 7: The changed environment asks for different kind of approaches in the sector

<table>
<thead>
<tr>
<th>Mid 1990s – 2008</th>
<th>2008 – Onwards</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ideal environment for large scale and predefined project based developments</strong></td>
<td><strong>Changed environment asks for more demand-driven developments</strong></td>
</tr>
<tr>
<td>A dwelling became an investment product</td>
<td>A dwelling has become less an investment product</td>
</tr>
<tr>
<td>Scarcity in the supply</td>
<td>Scarcity in the demand</td>
</tr>
<tr>
<td>Rising prices</td>
<td>Decreasing and stabilising prices</td>
</tr>
<tr>
<td>Individual preferences of households were oppressed</td>
<td>Growing importance of individual preferences of households</td>
</tr>
<tr>
<td>Supply side is hardly restricted by preferences of households</td>
<td>Supply side is forced to partly (!) abandon supply-driven strategies</td>
</tr>
<tr>
<td><strong>Much top-down and supply-driven</strong></td>
<td><strong>More bottom-up and demand driven</strong></td>
</tr>
</tbody>
</table>

The crisis changed this situation, prices dropped, the scarcity switched from supply to demand and a dwelling became less an investment product. Households have become more picky when buying a dwelling, causing the importance of individual preferences to grow. Parties on the supply side were, and are, forced to develop more bottom-up and demand-driven.

8.3 MORE BOTTOM-UP DOES NOT MEAN THAT FULL FREEDOM IS GIVEN

In the previous subsection has been argued that the parties on the supply side have been forced to develop more demand-driven. The case studies have shown that more bottom-up features have been included in both the development of the area and the development of dwellings. More phasing and flexibility is included and dwellings are constructed more demand-driven. But, this does not always mean that end-users are given full freedom to adjust the product to their liking. There are possibilities for (combined) private commissioning, which is probably the most demand-driven type of development available. But, in the cases of this study such developments represent just 5-10% of the total number of constructed dwellings. In RijswijkBuiten the initial plan was to allocate 33% of the area for (combined) private commissioning, however, according to the project leader of the municipality there is a demand for just 5-10%. Figures of the Expertteam Eigenbouw (Expert team private construction) show higher numbers, according to the this time about 20% of the building permits are given to (combined) private commissioning (Agentschap NL, 2013).

**Demand-driven within a predefined framework**

The case studies have shown that the largest part of the constructed dwellings can be defined as demand-driven within a predefined framework. These are project-based dwellings which provide choices within a predefined framework. Many of the of the interviewees35 argued that such developments meet the demand of the largest share of the Dutch population. Note that these developments are more demand-driven than most of the developments during the late 1990s. The project-based developments have become less homogeneous and include more adjustment possibilities at lower costs. But, as Sander Trouw of Dura Vermeer mentioned, these dwellings are still quite “eenheidsworsten” (homogeneous).

The development of providing more demand-driven features within a predefined framework in the construction sector has been driven by the circumstances in the market. Another development in the

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35 Jan Brugman, Sander Trouw, Jeroen Mensink, Jan Dekker and Erik Bulten
sector is that the minimal size of developments to cover the costs has decreased. Parties have become willing to develop dwellings in smaller sizes. Sander Trouw mentioned that the minimum used to be about 50 dwellings for Dura Vermeer and that this number decreased to 15 to 20 dwellings.

8.4 Phasing and Flexibility

Next to the fact that the development of dwellings has become a bit more demand-driven and bottom-up, the whole development process has in general also become more bottom-up oriented by including more phasing and flexibility. Phasing and flexibility can create adaptive capacity in a development. It provides opportunities to adjust the program according to the demand at different stages of the development. The smaller the phases and the more open the plans are, the more possibilities there are to adjust the program to the demand. Note that in order to adjust the program effectively a clear view of the demand should be assured.

Some remarks to phased, flexible and demand-driven programs

There are important remarks which should be made here, a fully demand-driven development can have negative implications for a municipality (and other parties). There is for instance a financial issue, the investments on the land and the development have to be recouped. It could be the case that developing only on the basis of the demand leads to a mismatch between the revenues and costs. In the case of RijswijkBuiten there is for instance a large demand for dwellings for starters, but if only these type of dwellings would be constructed the total revenue will probably be too low to cover all the costs. A second issue is the fact that one should be aware that there may be a conflict with public goals related to differentiation of a neighbourhood since fully demand-driven program may at the moment lead to a unilateral neighbourhood with solely dwellings for starters. A third issue is the fact that there might be a difference between the current demand and future demand. Dwellings often have a lifetime of 50 to 100 years and therefore it would be wise to also take the expected future demand into account. A fourth remark is that when a development is flexible and open one should also assure sufficient transparency. One should for instance be transparent to a buyer of a dwelling about what might be developed next to his dwelling. A fifth remark is that some parties in the development may find it difficult to cope with flexibility in a plan. Erik Bulten of the municipality of Pijnacker Nootdorp for instance mentioned that in he noticed that mainly civil engineers find it difficult to cope with the flexibility. A final remark is that from the perspective of economies of scale it is generally the case that the larger the (sub)projects, the lower the costs per individual product. Though, due to the already mentioned innovations in the construction sector this effect has become less an issue in the previous years.

The bottom line is that a demand-driven, phased and flexible development with lots of adaptive capacity is a wise starting point for a development, however, there is more to it. Many other aspects should also be taken into account.

8.5 Finding the right balance

The previous section show that it is important that a strategy has the balance between BN and TD features. Including BN features such as flexibility is necessary, however, TD features are often also necessary in order to assure for instance financial feasibility. Hybrid strategies (which are discussed in 2.1) in which sufficient steering possibilities and certainty are assured for a municipality next to sufficient manoeuvre possibilities and flexibility seem to be the best way forward. The degree to which a strategy would tilt more towards a TD or BN strategy should be decided upon per case, different circumstances may require (or enable) different strategies.
8.6 GROWING IMPORTANCE OF THE PROCESS

The process has become more important. The interviewed representatives of both the public and private sector agreed that their activities have changed over the last years. The process to get a grip on the demand has become more time consuming, parties are more active in trying to get a better view on potential residents and their preferences. The process of coordination and interactions underlying the development of a housing project has also grown in importance. The role of project leaders has become wider than the traditional role of a project leader. The set-up of projects with more flexibility and phasing requires more coordination and communication skills. In every phase new processes start, such as a procurements procedure or a process to detail aspects of the initial plan. In a pre-defined plan the larger part of such procedures would be done prior to the start of the project, but in the “new” way of working much more is done during the development. A final important notion here is that although the subprojects have decreased in size, the time it takes to coordinate a subproject has not decreased at the same rate. The process of developing 300 dwellings in phases of 30 dwellings requires more effort than the developing the same amount of dwellings in three phases.

8.7 STRUCTURAL OR TEMPORAL CHANGES?

Are the mentioned developments in this chapter just temporary developments as result of the crisis, or do these developments have a more structural nature? Is it likely that the development of dwellings will again become more top-down and supply-driven when the effects of the crisis diminish? An indication to this question can be given by using some insights from this study.

The changes seem to be structural

A first argument which supports the structural nature is that the developments have led to innovations in the system which will not disappear when the effects of the crisis diminish. Innovations in for instance collaboration forms such as the bouwclaim nieuwe stijl which is being applied in RijswijkBuiten or innovations in the construction of dwellings such as that more adjustment options can be provided to buyers for less costs. A second argument is that the changes seem to be part of developments in the housing sector and in society which started before the crisis. Jeroen Mensink for instance argued that the crisis has been a catalyst in the formation of a new way of working which was already in the making before the crisis. This new way of working already included that housing developments are more demand driven and process oriented. Jan Dekker of ABB Ontwikkeling also mentioned that already before the crisis many parties incorporated flexibility in their strategies, however, this was not always visible. Also in society, and in politics, there were developments which started before the crisis in which residents wanted more demand driven developments and wanted to be more incorporated in decision making processes (discussed in Chapter 4 and 5). A third argument which vouches the structural nature is that parties in the construction sector have learnt their lessons due to the crisis. Jan Dekker mentioned that the arrogance of the construction sector and the municipality in which they determined how residents should live has vanished. Such self-reflection is likely to contribute that the changes will be structural.

The changes might also hold some temporal nature, some indicators in the system can be used to argue that the changes are temporal. The demographical developments (section 4.5) indicate that the coming 40 years the number of households in the Netherlands will grow by a million. Such a development, together with the fact that the construction of dwellings has almost grinded to a halt, may lead to a return of scarcity in the housing market. Such scarcity can lead to the oppression of the preferences of potential residents and a unilateral dependency situation in which the demand side depends on the supply side. However, the scarcity is likely to be located in specific segments because the extra households are mainly one-person households due to ageing of the population and the construction of
dwellings may pick up its pace. Also, the housing market seems to be recovering from the crisis and this could as well lead to the return of scarcity in the market and make a dwelling again an investment product. However, it is uncertain whether the housing market will regain its pre-crisis levels.

Summed up, it is most likely that the described developments in this chapter are structural. But, if the scarcity returns in the housing market due to developments in both the housing market and the demography, some developments might become again more top-down oriented.

8.8 CAN AND SHOULD MUNICIPALITIES DEVELOP DWELLINGS THEMSELVES?

The answer to the question whether a municipality can develop themselves, is yes, as long as the rules are obeyed. However, there is not one answer to the question whether municipalities should do it. Some would agree that in certain situations a municipality should do it, while others would argue that this should never be a task for a municipality. This section will discuss the main arguments for and against a municipality which develops dwellings. The focus will lie on the development of dwellings in the lower segments of the liberal rental sector because the case of RijswijkBuiten has provided clear insights on this subject.

Social arguments

Some argue that if the market is not able to solve societal problems that a municipality should become active to solve these problems. If the market does not satisfy a societal demand in certain segments of the housing market, a municipality has a task to try to fulfil this need. But, when can a demand be defined as social? Obviously, demand in social rental sector can be defined as a social demand. The municipality of Rijswijk argues that the demand in the segment just above the social rental sector can also be defined as a societal demand. They argue that due to the conditions in the housing sector and the financial markets, there are many residents who “fall between two stools”. They are not able to buy a dwelling because the financial institutions will not lend them sufficient money and they are not allowed to rent a dwelling in the social rental sector because their income is just above the maximum allowable income. Also, the scarcity in the liberal rental dwelling for dwellings with a rent of 700 to 900 euro per month often “forces” these households to rent an expensive liberal rental dwelling. The municipality therefore argues that the scarcity in the lower segment of the liberal rental sector can be seen as a societal problem. Another argument is that such a development is indirect social because it is expected to lead to dynamics in the housing market and will lead less pressure on the social rental sector.

A municipality should not take over tasks of the market

There are many questions whether the municipality of Rijswijk should develop these liberal rental dwellings. The first main question is whether it is developing dwellings in the liberal rental sector can really be defined as fulfilling a social demand. There is distinction in the Netherland between dwellings for the social rental sector and dwelling for the liberal rental sector. The social rental sector provides dwellings for which there is a social need and the liberal rental sector provides dwellings for which there is demand in the market. By following this distinction it is hard to argue that by developing dwellings in the liberal rental sector the municipality fulfils a societal need. And even if it is a societal need, it is not necessarily a task for a municipality to fulfil this need by developing dwellings themselves. Friso de Zeeuw gave an interesting comparison during the interview, he argued that in a situation in which a municipality faces much unemployment, should a municipality then also solve this societal problem by setting up a new company to create jobs?

Next to whether it is a societal need or not, there are also other arguments why a municipality should not participate in the development of dwellings. The minister of housing (Blok) argues that it is
undesirable that municipalities develop dwellings because they do not possess sufficient knowledge on building and project development (Buitelaar, 2013). Also, such activities of a municipality could entail a large financial risk for a municipality and, the potential losses eventually have to covered by the residents. One should also question why the market parties are not developing these dwellings in Rijswijk. They have probably weighed up the risks and came to the conclusion that the risks are too high compared to the potential revenues.

**Weighing up the risks**

By analysing the case of Rijswijk one will find out there is more to it than discussed above. It seems to be a matter of weighing up the risks in which the abovementioned social aspect of developing dwellings for the lower segments of the liberal rental sector is just one of the aspects. The land is already owned by the municipality, therefore, by developing these dwellings the municipality covers risks related to owning this land. Also, the municipality is going to develop the dwellings in cooperation with Dura Vermeer. In other developments in which these two parties have participated the cooperation has been fruitful. Summed up, one could argue that this leads to a lower risk profile for the municipality than for instance an investor.

**Normative discussion**

The arguments provided do not necessarily lead to a yes or a no to the question whether municipalities should develop themselves. It is a normative discussion in which political preferences are likely to play an important role.

**Personal comments of the author**

I think it is a difficult discussion. I would argue that developing dwellings for the liberal rental sector is not a task for a municipality. However, the arguments of the municipality of Rijswijk seem to be reasonable. The problem related to households which fall between to stools is an important problem. However, I would argue that this problem should not be solved by a municipality by developing dwellings for their own risks. In my opinion the municipality, and the national government, should focus on creating incentives to assure that the market will fulfil the demand.
CONCLUSION

This study has focused on the reasons of Dutch municipalities to apply a top-down (TD) or a bottom-up and network oriented (BN) strategy, the main question of the study is: Why do some Dutch municipality apply a top-down strategy while others apply a bottom-up and network oriented strategy to develop dwellings? The mechanisms behind the decision for one of the strategies have been analysed by answering four sub-question.

The first sub-question focused on obtaining theoretical knowledge on the mechanism behind the decision for one of the strategies. Theoretical concepts of network theory and urban governance indicate that municipalities are generally operating in a network of interdependencies in the Dutch housing system and that the more such a network of interdependencies is present, the more the a BN strategy is required. The presence of a network of interdependencies can be determined by analysing the presence of variety, closedness, interdependency and dynamics in the network of parties. The more these network conditions are present, the more a more a municipality has to cope with a network of interdependencies. Next to these network conditions there are also system conditions which play an important role. The system conditions, such as demographical characteristics or the conditions in the housing market, have an influence on the network conditions.

Answering the second sub-question have provided insights on both the network and system conditions in the Dutch housing system. The Dutch housing system is a complex system in which many parties are involved ranging from private parties to public parties and from residents to landlords. The conditions and the developments in the housing market, land market, economy, demography and the cultural, social and political arena’s affect the parties in the system. From the analysis can be concluded that in the Dutch housing system the variety is high due to the many different parties and the different behaviour of these parties, making it difficult to oversee the variety. The closedness in Dutch housing is high, this is mainly caused by the unfavourable conditions in the housing market which led to a situation in which the shared frame of references of parties vanished or diminished. There is much interdependency in the housing system, different types of parties are depending on resources and power of each other. The system is very dynamic, the effects of the crisis led to, and are leading to, many changes in the system. Due to the settings of these network conditions it can be concluded that on the national scale there is network of interdependencies. Therefore, the conditions in the network require BN type of strategies.

Answering the third question have provided a general overview of the applied strategies and the accompanied conditions in the housing system since the second world war. Over time the presence of a network of interdependencies has increased in the Dutch housing system and the strategies have in general evolved from TD strategies towards strategies which include more BN features. This indicates that over time the strategies have been adjusted in order to cope with changed network conditions. During the 1990s until the crisis of 2008 the network of interdependencies was pushed more on the background due to scarcity and favourable conditions in the housing market with rising prices. This

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\[36\] Sub-question 1: Why would a municipality decide for one of the strategies according to urban governance and network theory?

Sub-question 2: How can the housing system be described and how do the conditions of the system influence municipalities?

Sub-question 3: What strategies have been applied over time in Dutch housing and how can the decision for these strategies be explained?

Sub-question 4: Why did/do the municipalities of Pijnacker-Nootdorp, Edam-Volendam and Rijswijk apply a specific strategy?
led to a situation in which the variety of potential residents was relatively easy to oversee due to the oppression of individual preferences and because there was a unilateral dependency situation in which the demand side depended on the supply side. These network conditions provided an environment in which large parties (such as municipalities, project developers and housing associations) could apply strategies which included much TD features. The crisis of 2008 led to many changes in the system and the network of interdependencies became more present. This have led to adjustments in the strategies, strategies became more BN oriented by including for instance more flexibility and phasing.

The fourth sub-question have provided insights on strategies and the accompanied conditions on the local scale. The case studies have again shown that the more a network of interdependencies is present, the more it is required that strategies include BN features. The network of interdependencies is the least present in the case of de Broeckgouw and, as expected, the applied strategy in this case tilts the most to a TD strategy. In the other two cases the network of interdependencies is more present and, as expected, both strategies tilt more towards a BN strategy.

Why do some Dutch municipality apply a top-down strategy while others apply a bottom-up and network oriented strategy to develop dwellings?

The reason why Dutch municipalities apply a TD or a BN strategy to develop dwellings is because the conditions in the network of parties require BN strategy, or provide the possibility for a TD strategy. The more a network of interdependencies is present, the more a strategy is required to include BN features. The presence of a network of interdependencies can be determined by analysing the variety, closedness, interdependencies and dynamics in the network of parties. The more these network conditions are present, the more a municipality has to cope with a network of interdependencies. The conditions in the system, such as developments in the demography or the housing market, can influence the network conditions.

Mainly two conditions have proven to be more crucial and probably more decisive than other conditions for the applied strategy: the variety of the potential residents (part of the network condition variety) and the cultural conditions. The variety of the potential residents, and more specifically the ability to oversee the variety, greatly influence the required strategy. A clear overview of the variety provides the possibility for a TD strategy while a situation in which there is no clear overview a BN strategy is required. The cultural conditions, which are part of the system conditions, can greatly influence the network conditions and therefore also the required strategy. The case in Edam-Volendam (de Broeckgouw) has shown that the cultural conditions in this municipality lead to mainly less variety and dynamics because the behaviour of the parties is more homogeneous and more easy to predict.

Next to these findings which support the applied theoretical framework, the analyses have also provided two other important insights. Large financial investments of a municipality can steer a municipality towards a TD strategy because a municipal council is likely to require a solid plan to recoup the invested money. By limiting the flexibility and building in certainty in a strategy a municipality seems to have more certainty and a better overview on how the invested money is being recouped. Also, path dependence due to earlier made agreements can influence a strategy. A municipality may be obliged to involve certain parties, or its decision possibilities may be limited, due to such earlier made decisions.

REFLECTION ON THE APPLIED METHODS AND FURTHER RESEARCH

The applied methods in this study have been useful to expose the mechanisms behind the decision of municipalities for a BN or TD strategy. The acquired knowledge on the applied strategies and the accompanied conditions on both the national and local scale have provided clear insights on why
municipalities apply a top-down or bottom-up strategy. This knowledge is useful to understand the general behaviour of municipalities in Dutch housing given the conditions of the environment in which they operate. It is deemed useful that in further research more empirical data is obtained on the mechanisms to further deepen the knowledge on the influence of the conditions on the applied strategies of municipalities. The empirical data can be obtained by conducting a survey, the obtained knowledge in this study can be used as input to set-up the survey. Two other aspects of which it is deemed useful to obtain more knowledge through further research is the influence of cultural circumstances and political preferences. The importance of the cultural circumstances has been exposed in this study, however, this is on the basis of one case study. By focusing on several cases in which represent different cultural conditions, further research could provide more substantiated insights on the influence of culture on the conditions and the required strategies of municipalities. One of the findings in the analysis on the conditions in the system was that political preferences were expected to have an influence on the applied strategies. However, the case studies have not provided sufficient knowledge on this. It is therefore also useful that future research focuses on obtaining more information on the influence of political preferences.

**TRENDS AND PRACTICAL LESSONS**

Based upon the findings in these research several trends in the system and practical lessons have been identified. It is deemed useful for municipalities to understand these trends and practical lessons and to take them into account when operating in the Dutch housing system.

Due to the increasing presence of a network of interdependencies in Dutch housing the strategies of municipalities require, and often include, a more bottom-up and network oriented way of working. More specifically, strategies include more flexibility and adaptive capacity, strategies provide more influence to the demand side and that new ways of working and new shared frame of references is being searched for. Next to these trends, which steer a strategy towards a bottom-up and network oriented strategy, there is also a trend which steer a strategy towards a top-down strategy. The large financial investments of many municipalities to obtain (and develop) land steer these municipalities towards a strategy in which there is sufficient certainty that the investments will be recouped. Therefore, the strategies of these municipalities are likely to include more top-down features by including less flexibility and more steering possibilities for a municipality. Thus, there are two opposite mechanisms in a situation in which a municipality have made large financial investments. On the one hand the strategies require bottom-up and network oriented features due to the network of interdependencies and on the other hand strategies require top-down features to assure sufficient certainty that the investments are recouped. The study shows that such situations lead to hybrid strategies in which features of both type of strategies are included. This could for instance be done by pre-defining certain aspects of a plan on the broad scale and by including flexibility and manoeuvre possibilities on the smaller scale.

**Practical lessons**

- It is crucial that a municipality understand the conditions of the system in which it operates and that the applied strategy fits within the conditions.
- Due to the crisis a dwelling has become less an investment product. Households have therefore become more picky when buying a dwelling, causing the importance of individual preferences to grow. Parties on the supply side were, and are, forced to develop more bottom-up and demand-driven.
Applying a strategy which is more bottom-up does not mean that full freedom should be given. Parties in the construction sector are mainly applying strategies in which the dwellings are demand-driven within a predefined framework.

Including phasing and flexibility in strategies have become crucial because this provides adaptive capacity in a strategy.

The right balance should be searched for in strategies, it is important that a strategy has the balance between BN and TD features. Including BN features such as flexibility is necessary, however, TD features are often also necessary in order to assure for instance financial feasibility. Hybrid strategies in which sufficient steering possibilities and certainty are assured for a municipality next to sufficient manoeuvre possibilities and flexibility seem to be the best way forward.

The importance of the process is growing. The process to get a grip on the demand has become more time consuming, parties are more active in trying to get a better view on potential residents and their preferences. The process of coordination and interactions underlying the development of a housing project has also grown in importance. The role of project leaders has become wider than the traditional role of a project leader. The set-up of projects with more flexibility and phasing requires more coordination and communication skills.

It seems that the mentioned developments have a structural nature and will not disappear when the effects of the crisis have diminished.
GLOSSARY

BN Abbreviation for bottom-up and network oriented. A strategy or approach in which there is not one sole party at the top of the hierarchy, multiple parties are involved in decision making. Further explanation in 2.1.

Bouwclaim See construction claim

Construction claim A claim to construct dwellings in a specific area. In return for the handing of land private parties often obtained construction claims.

Demand-driven; Providing possibilities for end-users to adjust the product

Housing sector Is defined in this study as the mechanisms and parties involved in the demand and supply of dwellings

Housing system Is defined in this study as the housing sector plus the factors influencing the sector such as the economy and demographical characteristics.

GREX Abbreviation for grondexploitatie.

Grondexploitatie The budget plan of a municipality for the land. It is the quantified financial plan which include aspects such as the cash flows, expenses and liabilities relevant to the land.

Path dependence A situation in which a decision, or the behaviour, of a party is (partly) driven by an earlier made agreement or decision.

Supply-driven Offering a standardised product to end-users

TD Abbreviation for Top-down. A strategy or approach in which a superior party is at the top of the hierarchy and steers its subordinates. Further explanation in 2.1.

VINEX Abbreviation for Vierde Nota EXtra. This term generally refers to neighbourhoods or large housing projects executed in the Netherland in the period of approximately 1995-2005. The locations for these developments have been listed in the Fourth Memorandum on Spatial Development Extra.
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APPENDIX:

SCIENTIFIC ARTICLE: EXPLAINING STRATEGIES IN DUTCH HOUSING THROUGH NETWORK THEORY

The appendix includes a scientific article in which findings of the research have been used. The article focuses on explaining strategies in Dutch housing through network theory.
EXPLAINING STRATEGIES IN DUTCH HOUSING THROUGH
NETWORK THEORY

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Abstract

Due to the effects of the housing and financial crisis of 2008 parties in the Dutch housing system have to cope with uncertain and dynamic conditions. Strategies have to be adjusted in order to cope with the changed conditions. This article provides a framework to understand why parties in the housing sector (should) apply a more top-down (TD) or bottom-up and network oriented (BN) strategy. Theoretical concepts of network theory and analyses of the development of strategies over time and applied strategies in current developments will be used to understand why a certain strategy is applied. It will be argued that the more a network of interdependencies is present, the more a BN-oriented strategy is required. The presence of a network of interdependencies can be determined by analysing the presence of variety, closedness, interdependency and dynamics in the network of parties. The more these network conditions are present, the more a party has to cope with a network of interdependencies. This knowledge can be used by parties to cope with the current and future issues in Dutch housing. To further deepen this knowledge, it is deemed useful that in further research a survey will be executed to obtain more empirical data on the applied strategies and the accompanied network conditions of a large group of parties in Dutch housing.

Keywords: Dutch Housing system, Bottom-up, Network Theory, Strategies, Top-down

1. Introduction

In the years since 2008, and probably the upcoming years, the Dutch housing system is very dynamic and uncertain due to the financial and housing crisis. Prices of dwellings and the number of transactions on the housing market have dropped (CBS, 2014a; Kadaster, 2014), the number of constructed dwelling decreased and the trust in the housing sector has been harmed (Boumeester, & Lamain, 2014). There are signs of recovery, the numbers of transactions are increasing again, the prices are becoming more stable and trust is returning (Berns et al., 2013; van Dalen et al., 2014). However, whether this preludes a full recovery is still uncertain due to the many ‘bad apples’ in the system. There are for instance difficulties in the financing of dwellings, many parties have a low investment capacity or are unwilling to participate in developments (Bekkers, 2014), many municipalities are facing financial problems due to earlier made investments in

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37 The term housing system is used in this article as the housing sector plus the factors influencing the sector such as the economy and demographical characteristics. The housing sector is defined as the mechanisms and parties involved in the demand and supply of dwellings.
and there are many households who own a dwelling of which the value is lower than the mortgage (CBS, 2014b). The number of activities in the Dutch housing sector have dropped and the way parties are operating in the sector has changed, and is changing: pre-defined blue print master plans are disappearing and more room is provided for bottom-up initiatives, market orientation, flexibility and phasing (de Zeeuw, 2011). On a larger timescale this article will show that the way of working in Dutch housing has changed over the last three to four decades. It has evolved from a sector in which the central government pulled most of the strings through hierarchical strategies towards a system which is more market oriented and in which many responsibilities are decentralised (De Zeeuw & Feijtel, 2014).

In this article will be argued that the changes in the way of working in Dutch housing can be explained by the changes in the conditions. More specifically it will be argued that the increasing presence of a network of interdependencies have led to changes in the strategies. A clear view on the conditions can help to understand why parties operate, or are expected to operate, in a certain way. The focus lies on the decision for a strategy which is more top-down (TD) or more bottom-up and network oriented (BN). The above mentioned changes indicate that strategies are moving more towards BN type of strategies in order to cope with the changed conditions due to the crisis. However, it will be shown that also TD strategies are applied. The main question in this article is:

**Why do parties apply a more TD or BN type of strategy in Dutch housing?**

By answering this question this article provides insights for parties in the sector on applicable strategies given the conditions of the system in which they operate. This may help these parties to cope with the current and future issues in Dutch housing. The question is answered by using theoretical concepts of network theory (section 3), by mapping the historical development of strategies in Dutch housing and the accompanied conditions in the system (section 4) and by conducting two case studies in which will be analysed on the local scale why specific strategies are applied (section 5).

### 2. Research approach

The information used in this study have been derived from mainly literature research, interviews and case studies. The theoretical framework has been developed by using theoretical concepts of network theory, mainly the book *Management in Networks: On multi-actor decision making* of de Bruijn & ten Heuvelhof (2008) have been leading. The historical development of the housing system has been written with the help of literature on the Dutch housing since the second world war and interviews with experts in Dutch housing. Insights are provided on the development of the applied strategies given the conditions at certain moments in time. The analysis is divided in five periods; the period after the second world war, the 1970s and 1980s, the start of the 1990s, halfway the 1990s until the crisis of 2008 and 2008 until now (2014). These periods have been selected because they represent interesting changes in the conditions and the accompanied strategies in Dutch housing.

Two case studies have been conducted to gather empirical data on the current operations and strategies in Dutch housing: AckersWoude in Pijnacker-Nootdorp and de Broeckgouw in Edam-Volendam. These two cases have been selected because they represent interesting changes in the conditions and the accompanied strategies in Dutch housing.
case studies have been interviews with representatives of both public and private parties, interviews with experts in Dutch housing and official documents of involved parties.

**Interviews**

Six interviews have been executed for this article. The interviewees have been chosen for their expertise in the field of Dutch housing and/or knowledge on one of the cases. Three experts have been interviewed, these interviews have provided information on the Dutch housing system, the development over time and the case studies. For each case study two interviews have been conducted, one with a representative of a municipality and one with a representative of a private party who is developing dwellings in the specific project. At the end of this article each interviewee is introduced and the retrieved information is briefly discussed.

3. The theoretical framework

Theoretical concepts of network theory have been used for the theoretical framework. The framework exists of (1) the defining of TD and BN strategies and (2) conditions in a network of parties which influence the decision for a TD of BN strategy.

**TD versus BN**

The strategies are discussed in a theoretical matter, they are introduced as ideal types and it is not expected that the descriptions represent blue prints of real life strategies. Though, it is deemed important to discuss the two strategies in this way because this provides a clear view on both sides of the spectrum. Table 1 lists the main characteristics of both strategies.

De Bruijn and ten Heuvelhof (2008, p8) distinct two type of structures, a hierarchical structure and a network structure. In a hierarchical structure there “is a leading actor, who is at the top of the hierarchy and steers its subordinates” while in a network structure there is not one party who has full control and who can steer all its subordinates. Decisions in a network structure involves multiple parties who “have different interests and are dependent on each other” (p23). This dichotomy will be used here to discuss the two strategies, the hierarchical structure represents the organisational structure of a TD strategy and the network structure of a BN strategy.

In a TD strategy a superior party applies a command and control policy, the superior party designs a plan and assures that this plan will be executed. Other parties are involved, but their main function is as advisor or executor of plans of the superior party. A BN strategy on the other hand is a network-oriented strategy in which end-users and participating parties in a development will be included in the decision making process and are given the possibility to bring in their own ideas. In such a situation an initiating party deals with a network of parties and therefore “the attention shifts from a project approach to the process of interaction” (de Bruijn & ten Heuvelhof, 2008, p35). An initiating party will have to deal with the interactions with, and between, the other parties in order to create a process which leads to a development. In a BN approach there is generally more dependency on resources of others. Through negotiation processes parties can ensure that resources of others can be used. In a TD approach the non-superior parties have a weaker bargaining position, they depend more on the superior party which makes it more easy for this party to push other parties to participate in the development with their resources.

Steering possibilities in a TD strategy are very high for the party in control, the party holds the exclusive right to develop the plan according to its own wishes. In a BN strategy a initiating party provides steering possibilities for the network of involved parties. The network-form of a BN approach causes participating parties to lose steering possibilities and they will lose “some of their ability to dictate their own future” Powell (1990, p305). Applying a BN strategy will therefore make the initiating party dependent on other parties (Buitelaar et al.,
2012) and the development will become more uncertain and less predictable. Values of different parties will be included when parties have the freedom to bring in their own ideas. This is in contrast with a TD strategy, which is more based on the value of the superior party, “the problem and the goals” are those “of the hierarchically superior actor” (Bruijn and ten Heuvelhof, 2008, p23). The goals, boundaries and scope are defined beforehand by the superior party and the goals are used as a “point of reference during the entire project” (de Bruijn and ten Heuvelhof, 2008, p65). In a process based approach (used in a BN strategy) goals, boundaries and scope can emerge and change during the process. Decision making in a TD strategy will include “watertight decisions”, while decision making in a BN strategy is much more about “keeping options open” (de Bruijn and ten Heuvelhof, 2008, p75).

In a TD approach end-users are primarily included in the end of the process when they buy the final product. They might be consulted in an earlier stage of the process, but the party in control generally only uses this as input for their decision making process. In a BN strategy the end-users are actively involved during the whole process, they are included in (sub)decision making processes or can even be one of the ‘clients’ of the development (Dammers et al., 2007). The freedom of parties in a BN approach during the process provide flexibility, this is in contrast with TD approaches in which the plan is plotted out in detail beforehand. This can make a BN approach unstructured and capricious, while a hierarchical TD approach is more structured (de Bruijn and ten Heuvelhof, 2008). The flexibility of BN approaches can provide possibilities to cope with changing environments.

**Hybrid strategies:** In between the TD and BN strategies there are strategies which include characteristics of both sides of the spectrum, these strategies are called *hybrid strategies*.

### Table 1: Characteristics of ideal top-down and bottom-up strategies

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Top-down strategy (TD)</th>
<th>Bottom-up, network oriented strategy (BN)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Steering possibilities of municipality</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Main focus</td>
<td>Content and end-result</td>
<td>Process of interactions</td>
</tr>
<tr>
<td>Utilisation of resources of others</td>
<td>Leading party can push parties to participate with their resources</td>
<td>Through a negotiation process</td>
</tr>
<tr>
<td>Final product</td>
<td>Certain</td>
<td>Uncertain</td>
</tr>
<tr>
<td>Flexibility</td>
<td>Low, <strong>Goals, scope and boundaries are formulated beforehand</strong></td>
<td><strong>Goals, scope and boundaries can emerge and change during the process</strong></td>
</tr>
<tr>
<td>Decision making</td>
<td>In advance and structured <strong>Watertight decisions</strong></td>
<td>During the process and unstructured <strong>Options are kept open</strong></td>
</tr>
<tr>
<td>Incorporated values</td>
<td>Values of superior party are leading</td>
<td>Values of multiple parties are leading</td>
</tr>
</tbody>
</table>
Hybrid strategies entail characteristics of both strategies, it may be applied when an initiating party wants to overcome disadvantages or obstacles of one of the strategies. A party might have to give freedom to parties due to pressure from society, but does not want to lose too much steering possibilities.

**Network of interdependencies**

De Bruijn & ten Heuvelhof (2008, p1) argue that “in modern day society, everyone depends upon everyone else”. There is a network of interdependencies in which parties need the support of other parties in order to let a strategy succeed. However, de Bruijn & ten Heuvelhof (2008, p1) also argue that “some actors are so powerful that they can impose policies or strategies unilaterally”. But, if this is not possible, and support of other parties is required, a party is situated in a network. General idea behind networks is that parties within networks depend on resources of other parties to achieve their goals (Powell, 1990). Previous studies have proven that network theory is useful to look at issues in the urban housing context. Mullins and Rhodes (2007) argue that the network approach is applicable and relevant for questions in housing studies and van Bortel and Elsinga (2007) have used the network perspective to analyse the public management in social housing in the Netherlands. The study of van Bortel and Elsinga have specifically used the framework of de Bruijn and ten Heuvelhof for steering in complex networks. The same theoretical concepts will be used in this study and mainly the book *Management in Networks* (de Bruijn & ten Heuvelhof, 2008) is leading.

Parties who are active in a network of interdependencies are confronted with the characteristics of a network, they should behave according to the “rules of networks” in order to realise their goals. When a party wants “to achieve satisfying outcomes” it has to cooperate with others (Klijn en Koppenjan, 2000 p140) and the strategies and instruments of parties “have to be adapted to the characteristics of the network” (van Bortel & Elsinga, 2007 p33). In this article is assumed that: The more a network of interdependencies is present, the more a strategy should include BN features in order to achieve their goals. Understanding to what extent a network is present can be done by analysing the presence of the characteristics of a network (according to de Bruijn & ten Heuvelhof): Variety, Closedness, Interdependence and Dynamic. The more these four network conditions are

![Diagram: The environment provides suitable conditions for a TD strategy](image)

![Diagram: Hybrid strategy](image)

**Figure 1: Effect of the network conditions on the applied strategy**
present, the more a party is operating in a network of interdependencies.

**Variety** can be found in networks in the forms of differences between parties such as in size, resources, goals, preferences, attitude, interpretations of information, ways of working, and more. This can be illustrated by looking at the parties in the housing sector, there are for instance many different owners of dwellings (private owners, landlords, housing associations or other large-scale owners such as assurance companies), different construction companies (ranging from small scale contractors who focus on individual dwellings to large scale contractors who develop whole areas), different public parties (municipalities, regions, provinces, central government) and so on. Variety exists within organisations, between different departments or between the executive board and the council of a municipality. The implications of the variety of networks is that different approaches are required to address the multitude of parties. A strategy which works to steer party A might have a reverse effect on party B. High variety makes the process of interaction and cooperation more important in order to grasp the ideas and practises of all relevant parties.

**Closedness**, parties are often closed in networks, closed to signals from other parties. This could be the case out of necessity due to many signals from different parties in a network (de Bruijn and ten Heuvelhof, 2008). Being open to all signals in a network could make it impossible for a party to function effectively. Closedness can also be the result of a misfit between an intervention and the core values or the frame of reference of a party (de Bruijn and ten Heuvelhof, 2008; Van Bortel and Elsinga, 2007). De Bruijn and ten Heuvelhof (2008 p 18) mention several ways how closedness can manifest, these can be summed up by: not noticing, ignoring, resisting, evading or reinterpreting an intervention. The more closed parties are within a network, the more a party should take into account the core values or the frame of reference of the other parties in the network.

**Interdependence**, parties need the support of other in networks. Parties often do not hold all required resources or power to meet their goals. These resources and power could for instance be information and knowledge, legislative power, financial capital or physical resources such as land or construction capacity. The required resources and power can be scattered over multiple parties within a network. It is difficult, and it will often not suffice, to address just one party in a network because this specific party might depend again on other parties in the network. As an example, if the central government wants the national housing production to increase it will not suffice to solely address municipalities since municipalities depend on other parties (landowners, construction companies, housing associations and more) to construct dwellings within the municipality.

**Dynamics**, “networks are always in motion” (de Bruijn & ten Heuvelhof, 2008 p22), the variety, closedness and interdependencies change over time. Resource distributions may change, power positions of parties might alter or new parties can enter. The financial crisis of 2008 for instance decreased the availability and accessibility of financial resources and the power position of housing associations in the Netherlands is changing due to (upcoming) legislative adjustments (Bekkers, 2014). Adaptive capacity and flexibility should be included in strategies to be able to cope with the dynamics of a network.

4. Dutch housing over time: analysing the changed environment and the accompanied approaches

This section will show that changes in the network of interdependencies in the second part of the 21th century can be used to explain the changes in the strategies in Dutch housing.
4.1 After the second world war: Top-down strategies of the central government to fight housing shortages

After the second world war there was a huge housing shortage in the Netherlands, former prime minister Willem Drees (1948-1958) stated that housing shortage was public enemy number 1 (Senate document, 1954). The reaction of the national government was to embark on a policy of mass housing production, aimed for a large part on social housing (Dieleman, 1999). Organisations, mostly housing associations, could obtain a permission which gave them the opportunity to apply for financial contributions from the government (Rooijmans, 1987). The tasks of the organisations which obtained a permission were limited to a managerial and administrative task. The central government held “strong hierarchical ties” and was “closely involved in the operations and funding of housing associations” (van Bortel & Elsinga, 2007 p32). The period to fight the housing shortages was mainly characterised by TD strategies of the central government to increase the housing supply of the Netherlands. Two million dwellings for social renting were built between 1946 and 1979 (van Acker et al., 2009).

The environment after the second world war provided suitable conditions for such TD strategies. The society stood together to rebuild the country after the war, parties had similar interest and values which led to little closedness towards hierarchical actions and a willingness to participate in hierarchical initiated plans. There was a unilateral dependency on funds of the central government for the financing of housing developments. These conditions remained relatively stable for about two decades. During the 1970s the environment started to change, more parties wanted to be involved in developments. Parties such as home owners, project developers and tenants started to organise themselves in organisations such as Vereniging Eigen Huis, NEPROM and Nederlands Verbond van Huurders38. By organising themselves these parties became better able to fight for their own rights and could more easily ignore or resist hierarchical interventions. The variety and interdependency increased, more parties had to be taken into account.

4.2 1970s and 1980s: Increasing network of interdependency leading to more decentralised and market oriented strategies

During the 1970s the presence of the network of interdependencies already became visible. During the 1980s the changes in the environment continued and the “the political support for extensive government intervention in the housing market and for large housing subsidies eroded” (Dieleman, 1996, p276). An increasing number of parties had to be taken into account in housing policies and citizens started to demand more influence in decision making processes (Franzen, 2011). Oil crises in 1973 and 1979 followed by economic decline resulted in a problematic situation in the housing sector in the end of the decade, financial interventions of the central government prevented the bankruptcy of mortgage banks and project developers (van Acker et al., 2009). This intervention led to the stir up of the debate about the position of the hierarchical position of the central government in Dutch housing. Partly due to the financial intervention, but also due to the large subsidy program, the financial contribution of the central government to the housing sector from 84 million to 3,18 billion guilders between 1980 and 1990 (van Acker et al., 2009). The

38 NEPROM is an organisation which represents Dutch project developers, the organisation was founded in 1974. The Vereniging Eigen Huis (VEH) represents Dutch home owners and was founded in 1974. The Nederlands Verbond van Huurders (founded in 1973) is one of the founding organisations of the Woonbond, the largest organisation in the Netherlands for tenants.
memorandum Volkshuisvesting in de jaren negentig (Housing in the 1990s) in 1989 showed that the central government agreed that changes had to be made. The main points of the memorandum were the privatisation of housing associations, the decentralisation of the tasks from the central government to the municipalities and other organisations in the sector, more freedom for market parties, a phasing out of almost all subsidy programs and housing associations had to pay off their debts to the central government (Dieleman, 1996; van Acker et al., 2009). This started a transformation process in which the housing sector became more market oriented. Priemus (1996, p31) argues that “from the late 1980s Dutch housing policy has undergone a marked change, from a broad public commitment by central government to a resolute market orientation in which more of the risks have been transferred to private actors and local governments”.

One can argue that the changes were a result of the increasing closedness towards the hierarchical position of the central government. The changed strategy amplified the increase in the variety, closedness and interdependency. Variety increased because the freedom for market parties attracted more and a larger variety of players to the sector. The closedness in the sector increased, parties started to depend less on the approval of the state and could therefore operate more as market parties striving for their own goals. The eroding of the power of the central government led to more interdependency in the sector, the dependency on state funds faded away and housing associations and other market parties became strong and autonomous parties with their own agenda. The central government used to be able to push through hierarchical plans but now had to cope with the increasing presence of a network of interdependencies. This is reflected in the applied approaches during the 1990s.

4.3 Start of the 1990s: New approaches in the sector represented in the Vierde Nota and Vierde Nota Extra

In the Vierde Nota (Fourth Memorandum on Spatial Development) of 1988 the central government stated that about 1.000.000 dwellings had to be added to the stock of the Randstad (Metropolis region in the west of the Netherlands). After the Vierde Nota came in 1991 the Vierde Memorandum Extra (Fourth Memorandum on Spatial Development Extra), which is known as the VINEX. The VINEX included locations for the new dwellings mentioned in the Vierde Nota. The VINEX represented the shift in the strategies in Dutch housing. The financial risk and the responsibility of large urban developments were transferred from the central government to local governments and the market (Galle & Modderman, 1997). Local governments obtained a location specific lump sum from the central government. This fixed amount of money was the input for negotiations between the local governments and market players to come to an agreement to develop a site. This agreement had to meet predefined criteria of the central government. At the beginning market parties were given information on the VINEX locations, making them able to obtain bargaining power in the negotiations through buying land on these locations (De Zeeuw & Feijtel, 2014).

The VINEX projects represented the new strategies in the sector, in many of these developments large parties (municipalities, housing associations, project developers and other market parties) negotiated about the development of large scale housing projects. Some municipalities became more market oriented and (re)started to buy land. Municipalities changed from a cost-oriented approach towards a more market oriented approach with a residual method to calculate the price for land (Elsinga et al., 2011). The market orientation led to a change in the relations between municipalities and other
parties. In some situations, for instance on the land market (de Regt, 2003), some municipalities operated as competitors of the market parties. This development led to more closedness towards municipal actions.

4.4 Favourable conditions between halfway the 1990s and the start of the 21st century

In the period between halfway the 1990s and the beginning of the 21st century the Dutch housing sector provided favourable conditions for the VINEX type of projects-based developments. Decreasing interest rates, increasing income and high trust in the economy were characteristics of this period. This resulted in an increasing demand for dwellings. However, the supply was lagging behind due to the choice for the large scale VINEX locations and the blocking of developments on other locations, the long-lasting procedures and European (environmental) legislation (Elsinga et al., 2011). The result was an increase in the price of dwellings. This provided an environment in which large housing projects produced high revenues for the involved parties. Driven by the potential profit many parties started to buy up land in order to get a piece of the pie (Groetelaers, 2004). This behaviour led to much competition on the land market (Segeren, 2007) and higher closedness between parties who wanted to obtain the same land. The interdependencies increased due to the scattering of land among different parties. However, parties had a high willingness to participate in projects and the interdependency forced them to cooperate. This (partly) oppressed parties to be too closed to each other. Variety increased mainly on the supply side due to the many involved parties in the VINEX developments. On the demand-side the variety was manageable, the scarcity in the sector and the highly favourable financial conditions for home-owners oppressed the individual preferences of households. There was a unilateral dependency situation, buyers depended on the constructing of dwelling, but the constructors hardly depended on individual buyers due to the high demand. The interviewed representatives of parties in the construction sector agreed that the construction sector was hardly restricted by the preferences of households. This provided an environment in which housing developments became supply-driven39. Many of the developments in this period were characterised by a pre-defined blue print plan designed by a few large parties and a relatively large and homogeneous housing program.

During the favourable conditions in the 1990s and the beginning of the 21st century the presence of the network of interdependencies increased due to the decentralisation and the switch towards more market orientation. However, there was hardly a dependency on the demand side (buyers). On a high level the parties on the supply side (such as municipalities, project developers and housing associations) depended on resources of each other and had to use network-oriented strategies. But, when these parties had an agreement, they were able to use a top-down strategy to develop dwellings, incorporation of potential residents was hardly necessary.

4.5 2008 until now (2014): The crisis and the upcoming of new approaches

In 2007 the housing crisis started in the United States, followed up by a financial and economic crisis. The effects on the Dutch housing sector became visible around autumn 2008 when the trust, amount of transactions and prices decreased (Elsinga et al., 2011). Both the demand and supply side were hit, home owners who just bought a dwelling came into trouble because the value of the dwelling became lower than the mortgage, housing projects came into financial problem because newly built dwellings could not be sold and banks became reluctant to finance both housing projects and individual homes. The

39 Supply driven: Offering a standardised product to end-users
investment capacity of the main parties in the sector such as housing association and municipalities decreased and project developers lost about 40% of their personnel in the first 3 years after the start of the crisis (de Zeeuw, 2011).

The crisis has shown the volatility of, and exposed and changed the interdependency in the Dutch housing system. The crises led to a decrease in the demand for dwellings, the fading away of scarcity. The construction sector has become much more depend on the demand side because the group of potential residents has shrunken. It has become more important that a dwelling meets the specific preferences of individual households. In order to capture the limited demand available a development should be able to meet the varying demands of different households. Parallel to this development is also a development in society in which users want to be more involved in the development of their dwelling, there is a growing demand for participative dwellings in which households have the possibility to adjust their home to their liking (Hulsman, 2013; Agentschap NL, 2011). These developments have led to an increase in the variety on the demand side of the housing sector.

The crisis led to more closedness in the housing system. In the years before the crisis many parties wanted to be included in housing developments, parties had a shared frame of reference or were able to create one. The crisis has led to a changed orientation and frame of reference of parties in the sector, leading to mismatches between cooperating parties and more closedness. The shared frame of reference of public and private parties offered by the flourishing period fell into pieces when the favourable conditions in the sector disappeared due to the crisis. An illustrative example of this can be found in the problems with earlier made agreements such as the Bouwclaimmodel (which has been used a lot the VINEX era). In this model a market parties handed (or sold) their land on a location to the municipality and in return they were given a say in the decision making process and the possibility to develop a part of the area (de Zeeuw, 2011). The municipality made sure that the site was well prepared and the market parties bought back the prepared land and developed it. However, many of the market parties who were offered the prepared land when the sector already got into trouble did not want to buy back the land at that moment. In many of these agreements the municipality was only allowed to sell the prepared to the specific project developer and the project developer had/has the freedom the buy it whenever he wants. Municipalities wanted the project developers to buy the land, but the project developers were able to ignore these calls. Many of such claim and other agreements made prior to the crisis became infeasible. About 45% of the Dutch municipalities claim that such an agreement, which were agreed upon before the crisis, hinder the progress of ongoing and new housing projects (VNG, 2013).

De Zeeuw (2011) argues that the predefined master plans should be replaced by more bottom-up, market oriented, flexible and phased developments. The ‘old’ way of working in which top-down blue-print plans had a central position should be replaced by an approach in which a plan has a more global end-product, provides phasing possibilities and includes early involvement of end-users (de Zeeuw et al., 2011). The old way of working include more TD features and the new way of working include more BN features. This in line with the theoretical framework, the crisis has exposed and amplified the presence of the network of interdependencies in the housing system. In order to cope with the changed environment strategies should include more features of BN strategies.

5. Case studies: strategies in two housing developments

In the following two case studies is shown that more BN features are included in current
housing projects. However, the network conditions are different for the two cases and therefore, the presence of the network of interdependencies is also not the same in the two cases. These different conditions are also reflected in the applied strategies.

5.1 AckersWoude in Pijnacker-Nootdorp
The housing project of AckersWoude in Pijnacker-Nootdorp is a development of approximately 1000 dwellings. The case of AckersWoude is interesting because the applied strategy has changed because of changed conditions.

Sources: The description of AckersWoude is based upon documents from the website of the municipality (SITE urban development, 2013; Pijnacker-Nootdorp, 2013; Adviesbureau RBOI, 2013) and interviews with the program manager of the municipality (Erik Bulten) and the director of one of the main constructors (Jan Dekker of ABB Bouwgroep).

The plans to develop the area of AckersWoude in Pijnacker-Nootdorp date back to 2003. A public private partnerships was set up in 2007 in which two market parties and the municipality participated. However, due to the economic circumstances and difficulties in the cooperation the primary plan was deemed infeasible. In 2011 the public private partnership has been dissolved and in 2013 the municipality presented new and more flexible plans in order to cope with the changed environment.

The strategy
The current strategy in AckersWoude is that parts of the area will be developed when there is demand in the market. If there is sufficient demand, the municipality will issue a land offer for a part of the area. A market party will then obtain the land and develop dwellings upon it\(^40\). The initial plan designated space for two type of areas: a village area and a rural area. However, Erik Bulten (the program manager of the municipality) said that it can be the case that during the development of the area the municipality decides to designate more space for one of the two areas if this is in line with the demand. The strategy applied in AckersWoude include many BN features, it is flexible, includes phasing, the final product is not fully certain, many decisions are made during the development instead of in advance and the decisions are based upon the input of end-users.

Conditions
The conditions in Pijnacker-Nootdorp require such a BN-oriented strategy as applied in AckersWoude. The environment is dynamic due to the developments in the economy and the housing sector. The variety is difficult to oversee, about 80% of the constructed dwellings in Pijnacker Nootdorp are inhabited by households who do not originate from the municipality and the preferences are heterogeneous. This makes it difficult to map the potential residents. There is much competition of other housing developments in the area. Multiple developments are focussing on the same pool of potential residents. This increases the bargaining position of the small amount of potential residents and makes the developers more dependent on individual households. The dissolution of a failed public private partnership between the municipality and two market parties has resulted in a situation in which these market parties have the first right to buy land in the area when offered by the municipality. This makes the municipality depend on these two parties.

\(^{40}\) One of the results of the dissolution of the public private partnerships is that the two market parties which were in the former partnership, ABB Ontwikkeling and Schouten Bouw, obtained a first right to buy the land. It is therefore no coincidence that these two parties obtained the right to develop the first and second part of the area.
During the interviews it appeared that there is quite some closedness between the municipality and the market parties. Summed up can be argued that the applied the presence of a network of interdependencies have led to the applied BN-oriented strategy.

5.2 De Broeckgouw in Edam-Volendam

The case of De Broeckgouw in Edam-Volendam has had much attention in the Netherlands. The municipality has taken the role of project developer, which is unusual for a municipality. In this development approximately 1200 dwellings are developed for mainly starters. The applied model is seen by some as a potential example for other municipalities, this is reflected in the many representatives of municipalities which have visited Edam-Volendam for advice.

Sources: The description of De Broeckgouw is based upon a documents from the website of the municipality (Edam-Volendam, 2012; Projectbureau de Broeckgouw, 2009; Projectbureau de Broeckgouw, 2014), an article in VNG Magazine (Muskee, 2012) and interviews with the project leader of the municipality (Edwin Baas) and the head of project management and development of HSB Bouw (Edwin van Baarsen). Also, the interviews with Friso de Zeeuw and Frank ten Have have provided input for this case.

The strategy

The plan to develop de Broeckgouw is based upon a plan made in 2007. The plan was made prior to the crisis and it is therefore based upon the circumstances before the crisis. Edwin Baas (project leader of the municipality) argued that this resulted, and results, in tensions because the execution and selling of the dwellings all take place in other circumstances than the plan initially forecasted. However, the plan is generally still the same. De Broeckgouw is meant for starters, about 80% of the dwellings was supposed to be for starters and the remainder was designated for dwellings in the more expensive segments in order to make the plan financial feasible. The quantitative and qualitative housing program were set beforehand and this is still one of the main drivers in the project. Though there is some flexibility in the program, there have been some small adjustments, the percentage of dwellings for starters for instance increased a bit during the development. The plan includes 10 phases and in every phase the program of requirements has been adjusted on the basis of the housing preferences at the given moment. According to a former alderman (Marisa Kes), the phasing and the small scale of the phases helps the municipality to steer the developments as much as possible towards the demand of the potential buyers. The applied strategy include some BN features, there is some flexibility and adjustments can made in between phases. But, the plan also include much TD features, the end result is quite certain, the superior party (the municipality) holds almost all steering possibilities and predefined goals are main drivers in the development.

The conditions

The development of de Broeckgouw has to cope with very different conditions than AckersWoude. The problematic situation in the Dutch housing sector has hardly been noticed in the project of Broeckgouw, the constructed dwellings are sold almost directly when brought to the market. In the years before the development of de Broeckgouw there haven’t been any developments for starters in the region. This resulted in a long waiting list of starters and scarcity in the market. Edwin Baas, the project leader of the municipality, agreed that this group of people was depending on the municipality to develop appropriate dwellings for them. The culture in Edam-Volendam has a major impact on the circumstances of the system. The preferences are quite homogeneous, almost all residents want to stay within the municipality, want to
live in an owner-occupied dwelling and most of the buyers can finance a large part of the dwelling without a mortgage. Owning a dwelling is very important in the municipality and saving money to buy a dwelling is being kindled at an early age. Edwin van Baarsen (head of project management of one of the main constructors in the development) mentioned that the residents are quite traditional in their way of thinking and acting and that it is a relatively closed community. The influences from outside the municipality are limited and the community likes to hold on to proven concepts. The cultural circumstances and the fact that the regional housing market is relatively demarcated results into a system which is quite static and easy to predict. The variety is relatively easy to oversee due to the cultural circumstances and the long waiting list of potential residents. There is a unilateral dependency situation on the municipality which diminishes any closedness. The network of interdependencies is much less present in Edam-Volendam than in Pijnacker-Nootdorp, the network conditions provide suitable conditions for a TD approach. These conditions are rare in the Netherlands, according to Friso de Zeeuw this case is incomparable with any other development in the Netherlands. However, it is a good example to show that the presence (or the absence) of the characteristics of a network of interdependencies can be used to understand an applied strategy.

6. Conclusion
The settings of the system in which parties operate in Dutch housing can require, or provide to possibility for, a strategy which include more top-down (TD) features or more bottom-up and network-oriented (BN) features. It has been argued in this article that the more a network of interdependencies is present, the more a BN-oriented strategy is required. The network of interdependencies can be identified by analysing the presence of variety, closedness, interdependency and dynamics in the network of parties. The more these network conditions are present, the more a party has to cope with a network of interdependencies.

The changed strategies over time in Dutch housing can be explained by using the abovementioned findings. In general, the presence of a network of interdependencies has increased and strategies have become more BN-oriented. And, in a period in which the presence of a network of interdependencies was less present, the applied strategies became more TD-oriented (in the period between the 1990s and the beginning of the 21st century). The analyses of the two case studies also support the findings in this article that the more a network of interdependencies is present, the more a BN-oriented strategy is required. In the case in which the network of interdependencies is more present (AckersWoude), the strategy is more BN-oriented.

The applied methods in this article have been useful to expose the influence of the network conditions on strategies in Dutch housing. The acquired knowledge on the applied strategies and the accompanied conditions have provided clear insights on why TD or BN strategies are applied. To further deepen this knowledge, it is deemed useful that in further research a survey will be executed to obtain more empirical data on the applied strategies and the accompanied network conditions of a large group of parties Dutch housing. The obtained knowledge on this article can be used as input for the set-up of the survey.

Postscript
This article is part of a thesis project which has been executed as completion to the master Systems Engineering, Policy Analysis and Management, at the Technical University of Delft. The title of the thesis is: Operating in the Dutch housing system: A guidance for Dutch municipalities to get more understanding on strategies to develop dwellings on their land during the aftermath of the housing crisis of 2008.
References


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**INTERVIEWS**

Six interviews have been conducted for this study, the reason for the interview and the derived information are briefly discussed here.

**Experts: Friso de Zeeuw**

De Zeeuw is director new markets at Bouwfonds Development and practice professor at the Praktijkleerstoel gebiedsontwikkeling at the TU Delft. De Zeeuw has been selected for his knowledge in area development and the housing sector of the Netherlands. The interview has provided information on the development of the housing system since the second world war, on the current developments in the system, on
initiatives of municipalities to construct or develop dwellings themselves and on the circumstances in which Edam-Volendam is developing De Broeckgouw.

**Experts: Frank ten Have**
Ten Have is a partner at Deloitte Real Estate Advisory and has been selected for his knowledge in area development, public private partnerships and involvement in the case of RijswijkBuiten. The interview has provided information on the development of the housing system since the 1980s, on the current developments in the system as a result of the crisis and on the conditions in which Edam-Volendam is developing de Broeckgouw.

**Case AckersWoude: Erik Bulten**
Bulten is the program manager of the municipality of Pijnacker-Nootdorp. He has been selected as a representative of the municipality in the development of AckersWoude. The interview has provided information on the conditions in the municipality, the plan to develop AckersWoude and the applied strategy, collaboration forms and influence of parties.

**Case AckersWoude: Jan Dekker**
Dekker is director of ABB Bouwgroep, which is one of the main constructors in AckersWoude. He has been selected as a representative of the construction sector in the development of AckersWoude. The interview has provided information on the conditions in the municipality, the way dwellings are constructed in the project and on the applied strategy of the municipality from the perspective of a private party.

**Case de Broeckgouw: Edwin Baars**
Baars is project leader at Projectbureau de Broeckgouw, which is controlled by the municipality. He has been selected as a representative of the municipality in the development of de Broeckgouw. The interview has provided information on the circumstances in the municipality, the plan to develop AckersWoude and the applied strategy, collaboration forms and influence of parties.

**Case de Broeckgouw: Edwin van Baarsen**
Baarsen is head of project management and development at HSB Bouw. HSB Bouw is one of the constructors in de Broeckgouw and van Baarsen is therefore selected as a representative of a private party in the development of de Broeckgouw. The interview has provided information on the development of de Broeckgouw, the cooperation with a municipality in the role of a project developer and the circumstances in Edam-Volendam.