The Client's Choice Programme: perceptions of housing associations and tenants

Ir. Sake Zijlstra, PhD candidate, department of Real Estate and Housing, Faculty of Architecture, Delft University of Technology, the Netherlands.
s.zijlstra@tudelft.nl, tel: +31 15 278 73 50; fax: +31 15 278 31 71

Dr ir. Vincent Gruis, associate professor Housing Management, department of Real Estate and Housing, Faculty of Architecture, Delft University of Technology, the Netherlands v.h.gruis@tudelft.nl, Tel: +31 15 278 39 28; Fax: +31 15 278 31 71

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Abstract
In the Netherlands, several housing associations have started offering a major part of their housing stock with a purchase option. This allows tenants of new and existing dwellings to choose between entering into a standard tenancy contract and purchasing the dwelling. Sales options often have the possibility of offering a discount, provided that the dwelling is sold back to the housing association if the dwelling is vacated. Housing experts expect many positive effects of what is referred to as “Client's Choice” programmes. However, many of the effects have as yet not been completely evaluated. In this paper, we will evaluate several effects based on tenants’ opinions. We will discuss the results of interviews held with tenants of two neighbourhoods in which the Client's Choice programme has been carried out for several years. The interviews have shown that tenants generally appreciate having the option of purchasing their dwelling, but that their expectations of and experiences with the positive (side) effects of the Client's Choice programme differ from those of the management of housing associations.

1. Introduction
In the Netherlands, about 35% of housing stock are managed by social housing associations. From an international perspective, this is an unusually high percentage. Dutch housing associations are major providers of social housing for low-income households, yet they also provide housing for middle-income households and several high-income households (e.g. Van der Heijden, 2002). At the same time, it is difficult for low-income households in the Netherlands to enter the owner-occupied housing sector, predominantly due to financial restrictions. Whereas low-income tenants receive housing allowances and social rent prices are kept below market rents, government is not as generous for low-income owner-occupiers. Moreover, there is a limited supply of low-priced owner-occupied housing and the risks involved in owning a house are often too high for low-income households (Elsinga 2004). This restricts the possibilities of empowerment and freedom of choice for low-income households, in the sense that they have limited possibilities to choose their tenure and to enhance their property rights (see, for example, Gruis et al., 2005). One of the reasons that housing associations have started developing innovative types of tenure is that the practical difficulties of empowerment can be coped with by means of tenure. The innovative types of tenure generally enhance tenants’ control by (partially) transferring property rights from housing associations to tenants and by increasing the range of tenures from which households can choose. Innovative types of tenure vary from forms of renting under special conditions (“rent plus”) to forms of (joint) ownership, with a soft boundary between forms, such as tenant maintenance programmes and different forms of sale with discounts and risk-reducing conditions (for an overview, see Gruis et al. 2005 and Zijlstra 2007). In 2000, Woonbron housing association in Rotterdam launched its “Client's Choice” programme, combining empowerment and freedom of choice in a completely new way. The housing association now offers a large segment of its (current and future) tenants the right to choose between different types of tenure, for example: traditional rent, joint ownership and full...
ownership. Since Woonbron launched its programme, similar initiatives have been taken by several other housing associations. Depending on the definition of “Client's Choice”, an estimated 30% to 50% of housing associations now offer their tenants more choice (based on Zijlstra 2007). The Platform, wherein the Te Woon associations join forces, defines Client's Choice as “a minimum of two tenancy contracts and two sales contracts, of which one offers a reduced price as well as profit and loss sharing”. However, if we examine the objectives that other housing associations consider as their most important objectives – freedom of choice and financial gains – we could speak of a Client's Choice programme as soon as a housing association offers the choice of buying in one form or another, in addition to a traditional tenancy agreement. The sales figures of the housing associations participating in the Client's Choice programme and the Client's Choice Platform show that approx. 10% of their dwellings are on offer under this programme (see table 1). Although the total number of Client's Choice programmes in the Netherlands is increasing, the percentage of the total housing stock on offer under the Client's Choice programme continues to be around 1% (based on figures provided by the 11 housing associations joining the Client's Choice Platform, who had a total of 25,000 dwellings on offer under the Client's Choice programme at the end of 2006). However, the option to buy has become less popular. A survey conducted by USP (2008) has shown that 22% of tenants are interested in buying their dwelling, compared to 38% in 2000. This decrease may be attributable to the fact that housing associations have already sold 108,600 dwellings to their tenants since 1999 (USP, 2008).

<table>
<thead>
<tr>
<th>Housing association:</th>
<th>Total number of dwellings</th>
<th>Supply under the Client's Choice programme, cumulative</th>
<th>% of total number of dwellings under the Client's Choice programme</th>
<th>Sales contracts under the Client's Choice programme, cumulative</th>
<th>% of sales contracts of supply under the Client's Choice programme</th>
</tr>
</thead>
<tbody>
<tr>
<td>Woonbron</td>
<td>42,847</td>
<td>14,077</td>
<td>32.9%</td>
<td>1,194</td>
<td>8.5%</td>
</tr>
<tr>
<td>IN Groningen</td>
<td>6,817</td>
<td>49</td>
<td>0.7%</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Woonstede</td>
<td>9,179</td>
<td>4,208</td>
<td>45.8%</td>
<td>463</td>
<td>11.0%</td>
</tr>
<tr>
<td>Aramis</td>
<td>8,599</td>
<td>300</td>
<td>3.5%</td>
<td>24</td>
<td>8.0%</td>
</tr>
<tr>
<td>Parteon</td>
<td>15,953</td>
<td>500</td>
<td>3.1%</td>
<td>81</td>
<td>16.2%</td>
</tr>
<tr>
<td>vhv arnhem</td>
<td>13,157</td>
<td>3,900</td>
<td>29.6%</td>
<td>658</td>
<td>16.9%</td>
</tr>
<tr>
<td>Wst. Nijkerk</td>
<td>2,888</td>
<td>221</td>
<td>7.7%</td>
<td>13</td>
<td>5.9%</td>
</tr>
<tr>
<td>Total</td>
<td>99,440</td>
<td>23,255</td>
<td>23.4%</td>
<td>2,433</td>
<td>10.5%</td>
</tr>
</tbody>
</table>

Table 1: Figures of 7 of the 11 housing associations joining the Client's Choice Platform, their numbers of dwellings on offer under the Client's Choice programme and their cumulative sales contracts as a consequence of the Client's Choice programme.

Housing experts anticipate many positive effects of the above Client's Choice programme. However, many of the effects have as yet not been completely evaluated. Gruis et al. (2005) have made a first evaluation of Woonbron's Client's Choice programme, but they particularly focused on the risks and benefits for housing associations and tenants from a financial-economic perspective. Several evaluations have been made by housing associations joining the Client's Choice programme, particularly in the form of after-sales closed questionnaires (among other things, USP 2007). The evaluations have shown that both income and (perceived) old age hold people back from buying a dwelling. They have also shown that people are pleased with the programme, although they have failed to give the relevant reasons for this. The evaluations also lack information on tenants’ expectations in this context. We have therefore studied tenants’ actual experiences with the Client's Choice programme so as to better understand their motivations and expectations.

The major study question related to the extent to which tenants recognise their housing associations’ various objectives and expectations. The study question was addressed by
interviews held with tenants of two neighbourhoods in which the Client’s Choice programme has been carried out since 2004/5. This paper discusses the outcome of our study. It starts by explaining what the Client’s Choice Programme entails as well as the objectives and effects that housing associations expect of the programme. Subsequently, it discusses the outcome of the interviews held with tenants and compares the expectations of tenants with those of housing associations. It concludes by providing suggestions to bridge the gap between the expectations of tenants and those of housing associations.

2. The Client’s Choice programme
As stated above, the Client’s Choice (“Klant Kiest”) programme was launched by Woonbron housing association, which operates in the Rotterdam region. The Dutch name of the programme was later changed into “Te Woon”; the two words literally meaning “for dwell”. This name is usually followed by the slogan “For rent and for sale”. However, this paper refers to the programme as “Client’s Choice”, since we feel it better explains the relevant concept in the English language. On the whole, there are four contract options for dwellings offered for sale under the Client’s Choice programme; two tenancy contract options and two sales contract options. Tenancy contracts are either “standard”, with tenants being subjected to annual increases in the rent, or “new”, with some varieties. Most of those varieties involve a fixed rent for several years, taking away some of the uncertainty for tenants as to increases in rents. Sales contracts have more varieties. These varieties can essentially be divided into two types: virtually standard sales contracts and “low risk, shared profit” sales contracts. The former category resembles regular sales contracts as they exist on the open housing market. They do not offer any price reductions or sharing in profits or losses, but they do involve the obligation that dwellings first have to be offered for sale to the relevant housing association if tenants move out. Following changes in the tax system with respect to housing associations, however, contracts have changed recently. They now include the condition that – although the tenants have paid a market price – tenants are to sell their dwelling to the housing association if they vacate their dwelling. Under the earlier contracts, there was an obligation to notify a sale or to offer a dwelling for sale to the relevant housing association, but tenants were still free to sell their dwelling to a buyer of their choice. The second type of contract uses different methods to create a reduced sales price. A frequently used means for this purpose is the land on which a dwelling stands. In this context, the land is not sold to the housing association’s tenants, but granted under a ground lease. This means that tenants merely purchase the building on a plot of land, while the housing association continues to be the owner of the land. With this method, a 25% reduction can be offered on the standard market price of a dwelling. Along with this reduction and other forms of price reduction, housing associations (sellers) lay down in the relevant contracts the obligation that vacated dwellings are first to be offered to them. Regardless of whether a housing association buys back a dwelling from a tenant – which in some types of contract is an obligation for the housing association (and, as stated above, which has been the standard since early 2008) – the housing association shares in profits or losses. National legislation lays down the ratio of sharing profits or losses between two parties, which ratio is based on the level of reduction of sales prices. Under the market conditions of recent decades, parties have essentially been able to share in profits. In order to make it profitable for tenants to buy their apartment and to invest in it, rules have been laid down to calculate added value. For example, if a tenant renovates his kitchen after having purchased a dwelling, the entire increase in the sales price following the investment will accrue to him. In the same way, an entire decrease in the sales price will be for his account in case of damage following inadequate maintenance. Dwelling offered for sale under the Client’s Choice programme are usually offered in blocks. Housing associations first start by offering “easy” building blocks from their stock. Over time, they offer more dwellings for sale once they have finished the relevant preparations. There are several aspects that determine the level of ease for selling a house under the Client’s Choice programme. Building type and provisions of the deed of division of property are important
aspects. On the whole, semi-detached houses are more easily sold than apartments and have already been divided into separate dwellings or, in any case, a division can be made more easily. The actual condition of stocks is also an important aspect. By and large, inadequately maintained blocks cannot be offered for sale until the most urgent renovations have been carried out. The location and other aspects are other important aspects in this context.

Housing associations do not offer all of their housing stock for sale to their tenants under the Client's Choice programme (Zijlstra 2007). This is particularly due to there being special attention for specific target groups for whom it is difficult to access the housing market. By law, housing associations still have to supply dwellings to the elderly, the physically challenged and a wide range of tenants with other specifications that make it difficult to access the housing market. Buildings that are particularly suitable for these special target groups are usually excluded from the Client’s Choice programme. A reason to exclude a building block or a complex from the Client’s Choice programme include extraordinary neighbourhood conditions – both good and bad - and demolition plans. Why would a housing association go through the trouble of selling a house and buying it back a few years later, while running the risk that tenants will be unwilling to have the house demolished?

If a housing association offers a dwelling for sale under the Client’s Choice programme, it generally sends a letter to the tenant, stating the offer and an estimation of the price. If a house is vacated, potential new tenants are given the options available under the Client’s Choice programme. Brochures containing information are available to all parties interested in purchasing a dwelling under the Client’s Choice programme – both existing tenants and prospective tenants – and informative sessions are held on a regular basis. Additional information may be obtained in an individual meeting with a member of staff of the relevant housing association. Occasionally, housing associations deploy professional real estate agents to convey their information. If a tenant is interested in purchasing a dwelling, a value appraisal of the dwelling is carried out. Once the type of contract is chosen, the standard sales process will begin.

3. Housing associations’ objectives and expected effects

Housing associations’ media and marketing departments attribute a wide range of objectives and effects to the Client’s Choice programme. Based on interviews with various housing association experts, we have compiled a list of objectives and expected effects (Zijlstra and Gruis 2008 and Zijlstra 2008). Table 2 divides the various objectives and expected effects into four categories; effects on the housing market, social effects, effects on (individual) housing associations, and effects on (individual) tenants.

<table>
<thead>
<tr>
<th>Effect</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>On housing market</strong></td>
<td></td>
</tr>
<tr>
<td>Accessibility of low-income households</td>
<td>Dwellings on the sales markets are more expensive than dwellings on the rental market. Housing associations try to make the sales market accessible to low-income households by offering a reduced sales price.</td>
</tr>
<tr>
<td>Price gap: rented and purchased dwellings</td>
<td>There is a major price gap between rented dwellings and similar purchased dwellings. Housing associations expect that selling dwellings at reduced prices may cushion price increases on the market.</td>
</tr>
<tr>
<td>Differentiation of dwellings</td>
<td>Many neighbourhoods have monotonous housing stocks. If dwellings are purchased, the type of occupancy will become more diverse. If tenants purchase their house, they are expected to make changes to it, so that its actual character will change.</td>
</tr>
<tr>
<td>Tight market towards ample market</td>
<td>If pressure on the housing market decreases, there will be an increased need to offer dwellings for sale in a more transparent manner while offering ample choices.</td>
</tr>
<tr>
<td><strong>Social effects</strong></td>
<td></td>
</tr>
<tr>
<td>Living conditions</td>
<td>In several neighbourhoods, improving the living conditions has a high priority. If tenants purchase their house, they are expected to improve</td>
</tr>
</tbody>
</table>
aspects relating to living conditions more than if they continue renting their house.

| Chance on capital | Relates to the price gap; low-income households do not have a chance of saving capital via a mortgage. Offering dwellings for sale at a lower price gives low-income households the opportunity to buy their house and save capital via a mortgage. |
| Owner occupancy | Owning a house is considered “better” than renting it. By owning a house, tenants gain more control, which is (among other things) an empowerment aspect. |
| High-income households | If houses in a specific neighbourhood are sold, there will be a more equal distribution of income in that neighbourhood. Owner-occupied houses will attract high-income households and stimulate low-income households to increase their own income. |

**Effects on housing associations**

| Increase in sales | Selling houses is one of the tasks of housing associations. In addition, they receive income from selling property, which they can use for other projects. |
| Professionalisation | Housing associations are (willing) to be more professionalised. Therefore, they operate more on a market basis than before. This is considered a sign of professionalism. |
| Client oriented / client driven | Housing associations intend and are stimulated to bring their products more in line with the requirements of end-users. An orientation on the market as well as on clients is therefore required. |
| Reinvestment of funds | Housing associations own many outdated (mostly post-war) dwellings that need to be renovated. This requires funds. In several neighbourhoods, moreover, the quality of life is under pressure and housing associations need to invest in programmes to improve the living conditions. |

**Effects on tenants**

| Freedom of choice | Tenants are limited to either the open housing market or the rental market. In both markets, there are no other options than “standard” contracts. Offering reduced sales prices or fixed tenancy contracts adds more choice to the housing market. |
| Empowerment | Freedom of choice and gaining control is believed to empower people (or emancipate them; the terms are used alternately). Purchasing a house may give someone the feeling of gaining control and it may be an incentive to gain control over other aspects of life, as well. |
| Participation/ involvement | Owner-occupiers are believed to be more involved in their dwelling, neighbourhood, living environment and neighbours. Selling a dwelling will increase the involvement residents have in their neighbours and in their neighbourhood. |
| Satisfaction | The Clients Choice programme is believed to increase satisfaction simply because it offers more choices. Tenants will appreciate the options they have and, hence, they will be more satisfied with the housing association. |

| Table 2 Effects of the Client’s Choice programme as expected by housing associations |

The housing association experts interviewed could not – or would not – give preference to any one object; each interviewee stated several major objectives. Still, three objectives stood out. As research conducted by Neele (2008) has shown, the most important objective is gaining financial means. We found this to be a very important objective in our interviews with housing managers as well. However, stimulating diversity in neighbourhoods and stimulating tenant participation...
and involvement are clearly important objectives in the view of the associations as well. The objectives of empowerment, freedom of choice, equal chances of gaining capital and an increase in responsibility and participation closely relate to each other and are interchanged during the interviews. If we were to incorporate all of these objectives into one denominator: “tenant empowerment”, it would by far be the most important object of the Client’s Choice programme. When examining the first introduction of the Client’s Choice concept (Gruis et al., 2005, and Kromwijk and Scherpenisse, 2003), we see that the innovative tenures were introduced on this basis. However, the relationships between the several objectives and effects are not entirely clear. For example: does someone buy a dwelling if he or she is heavily involved in the neighbourhood or does he or she become involved in the neighbourhood once the dwelling is bought? The Client’s Choice programme in itself is expected to improve the opinions tenants have about their neighbourhood and to cause a snowball effect. Although many of the above expectations are similar to the advantages generally associated with stimulating home-ownership, they have been disputed (e.g. Elsinga, 1995; Gruis et al., forthcoming). The relevant housing associations are of the opinion - and this opinion appears to be supported by experts in the field (Noordenne 2007), government advisory boards and government itself (the Board of the Ministry of Housing, Spatial Planning and the Environment, 2007; the Ministry of Housing, Spatial Planning and the Environment, 2006) - that the Client’s Choice Programme will however be able to contribute to solving the various problems existing on the housing market. The increase in the number of houses offered for sale under the Client’s Choice programme implies that housing associations gradually believe more in the advantages the programme offers.

4. Opinions of tenants

The above section discusses the expectations that housing associations have of the Client’s Choice programme. There was limited information, however, on the expectations that tenants have of the programme. We therefore held door-to-door interviews in two neighbourhoods in which dwellings are offered for sale under the Client’s Choice programme. The interviews aimed to compare the objectives and expectations of housing associations participating in the Client’s Choice programme, on the one hand, and those of tenants participating in the Client’s Choice programme, on the other.

The two selected neighbourhoods in Rotterdam – Grasbuurt (Ommoord) and Jazzbuurt (Zevenkamp) - fall under the influence of the same Woonbron organisation, Woonbron Alexander, which is named after the district of Rotterdam in which the two neighbourhoods are located. The neighbourhoods were selected because they have been included in the Client’s Choice programme for a relatively long period; they are located in the districts in which Woonbron owns most of the dwellings; they were built in approximately the same period; and both neighbourhoods are considered to be safe (according to COS Rotterdam, 2007). One of the two neighbourhoods is perceived to be slightly more popular than the other: the Grasbuurt solely consists of semi-detached houses whereas the Jazzbuurt consists of apartments. The last distinction also constitutes the last selection argument. The difference in popularity is reflected by the difference in the segment of owner-occupied houses in both quarters (see table 3).

<table>
<thead>
<tr>
<th>Neighbourhood</th>
<th>Rented houses</th>
<th>Owner-occupied houses</th>
<th>Total</th>
<th>% sold</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grasbuurt</td>
<td>140</td>
<td>20</td>
<td>160</td>
<td>12.5%</td>
</tr>
<tr>
<td>Jazzbuurt</td>
<td>93</td>
<td>6</td>
<td>99</td>
<td>6.5%</td>
</tr>
</tbody>
</table>

*Table 3: Sales figures until June 2007 (provided by Woonbron).*

The tenants interviewed were selected based on neighbourhood composition; both tenants and owner-occupiers. It should be noted that the selection did not specifically intend to include a large number of buyers, since the interviews were held to obtain information from people
participating in a Client’s Choice programme, regardless of the choice made. The composition of
the group of tenants who responded is representative in relation to age, origin, number of years
residing in the neighbourhood and income. The number of interviews required was not indicated
in advance; the method of “saturation” was used. The answers were categorised and we stopped
holding interviews when no new answers were obtained.
In two months’ time, 38 interviews were held with various households, of which merely 27 turned
out to be fully useful. The outcome discussed has been limited to these 27 interviews so as to
make accurate comparisons and to eliminate problems relating to lacking data. The interview
technique used was open, but structured.
*Woonbron* had assigned 99 dwellings in the *Jazzbuurt* to participate in the research. It owns all
of the dwellings. 40 households were approached to participate, of which 23 accepted. Both time
and duration of the interviews depended on the interviewees’ individual schedules. In one case,
the interview started at 9pm and ended at 11.30pm. Some interviews did not last much more
than half an hour; others lasted almost two hours. On average, an interview lasted just over an
hour. In the *Grasbuurt*, 160 dwellings were selected and 26 were approached to participate, of
which 15 households accepted. The time and duration of the interviews held there varied as
much as they did in the *Jazzbuurt*. An average interview in the *Grasbuurt* lasted slightly longer;
just over one and a half hour.

<table>
<thead>
<tr>
<th>Households</th>
<th>Approached</th>
<th>Accepted</th>
<th>Declined</th>
<th>Useful</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grasbuurt</td>
<td>160</td>
<td>26</td>
<td>15</td>
<td>11</td>
</tr>
<tr>
<td>Jazzbuurt</td>
<td>99</td>
<td>40</td>
<td>23</td>
<td>11</td>
</tr>
<tr>
<td>Total</td>
<td>259</td>
<td>66</td>
<td>38</td>
<td>28</td>
</tr>
</tbody>
</table>

Table 4: Level of participation in interviews per neighbourhood.

<table>
<thead>
<tr>
<th></th>
<th>Rent</th>
<th>Rent option</th>
<th>Reduced sale</th>
<th>Market sale</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grasbuurt</td>
<td>7</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td>Jazzbuurt</td>
<td>15</td>
<td>-</td>
<td>3</td>
<td>-</td>
<td>18</td>
</tr>
</tbody>
</table>

Table 5: Types of contract entered into by respondents per neighbourhood.

Interviewees were asked four major questions. We first established whether the interviewees had
any knowledge of the Client's Choice programme. Were they familiar with the programme and
did they know of any details? We then discussed the reasons for choosing to continue to rent or
to buy the dwelling. How did they weigh up the options? After that, we discussed how much the
offer was appreciated. What did the Client’s Choice programme mean for them and what was
their own experience? We concluded by discussing what effects they expected of the
programme. We did so without mentioning what effects housing associations expected of the
programme. If the interviewees did not mention anyone of the effects that the housing
associations expect, we asked them directly: “What do you expect of the programme on this [or
this] aspect?” The outcome of the interviews is discussed in the following sections.

**Knowledge of the Client’s Choice programme**
The number of tenants that knew of the Client’s Choice programme was approximately the same
as that in the USP evaluation of 2007: 78%. Knowing of a programme does not mean that people
understand its contents. The interviews have shown that merely half of the interviewees know
what the Client's Choice programme really means: having a choice between renting and buying a
dwelling; different contract terms, of which one offers a reduced sales price; and no time limit
with respect to the offer. Some of the interviewees claimed that they had had an offer under the
programme without recalling the details. Three of the interviewees did not know at all what the
programme entails and did not appear to recognise it when it was explained to them. They even
denied having had an offer under the programme at all.
Table 6: Interviewees’ knowledge of Client’s Choice programme.

<table>
<thead>
<tr>
<th></th>
<th>Y&amp;C</th>
<th>Y</th>
<th>No</th>
<th>Total</th>
<th>Recalls offer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grasbuurt</td>
<td>3</td>
<td>4</td>
<td>2</td>
<td>9</td>
<td>8</td>
</tr>
<tr>
<td>Jazzbuurt</td>
<td>12</td>
<td>1</td>
<td>5</td>
<td>18</td>
<td>16</td>
</tr>
</tbody>
</table>

Y&C = Knows of the programme and of its contents (tested and confirmed);
Y = Knows of the programme but not sure about its contents (tested and confirmed);
No = Does not know of the programme and does not recognise its contents.

As shown in table 5, none of the tenants interviewed had chosen for the option to accept a tenancy agreement with different terms than the traditional ones. Merely two respondents knew of the option and were in fact interested.

When asked if they had thought about the offer under the Clients Choice programme, most of the respondents said they had thought about it at the outset. They had made a direct rational choice, which in some cases (14 out of 27) resulted in choosing not to buy. Of the remaining tenants that had continued thinking about the offer, 8 out of 27 eventually came to a negative conclusion, as well. To conclude, 5 out of 27 tenants continued to think positively about the offer and eventually became buyers.

Table 7: Interviewees’ answer to the question: Did you think about the offer of the programme?

<table>
<thead>
<tr>
<th></th>
<th>Y</th>
<th>Y&gt;N</th>
<th>No</th>
<th>Total</th>
<th>Weighed-up choice</th>
<th>Info</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grasbuurt</td>
<td>2</td>
<td>1</td>
<td>6</td>
<td>9</td>
<td>8</td>
<td>1</td>
</tr>
<tr>
<td>Jazzbuurt</td>
<td>3</td>
<td>7</td>
<td>8</td>
<td>18</td>
<td>13</td>
<td>4</td>
</tr>
</tbody>
</table>

Y = Decided positively (the buyers);
Y>N = Weighed up the option but decided not to buy;
No = Hardly deliberated the option; did not buy the dwelling.
Weighed-up choice = Made weighed-up choice to either buy or continue to rent the dwelling.
Info = Asked for additional information after the first offer.

Almost all respondents discussed their choice with someone else. A mere 5 out of 27 requested additional information from the housing association. One of those 5 eventually decided not to buy his dwelling. One buyer did not contact the housing association for additional information, but decided to buy his dwelling almost straight away. 16 out of 27 respondents discussed the offer with relatives, friends, neighbours or others, such as colleagues. Merely two of the respondents that did not proceed to buy their dwelling contacted a professional (not being a housing association professional) to obtain additional information. It speaks for itself that all of the buyers ended up at their bank or mortgage lender to find out about their mortgage possibilities and to finalise their purchase. The tenants who continued to rent their dwelling seemed to use a kind of “peer” system to obtain information and opinions on buying dwellings. They trusted the information they had obtained from their own network to be applicable to their own situation. Only a small number of respondents mentioned the internet for finding support on their findings from the “peer” system.

One particular question we asked was perceived to be rather direct. Several interviewees even felt rather offended by it. The question was meant to obtain an idea of the respondents’ opinion of their own capacities. All but two interviewees gave the expected answer. The two interviewees, residing in the Jazzbuurt, gave an answer that was opposite to the one expected. One had an unexpected positive opinion of his own capacities and the other had an unexpected negative opinion of his own capacities.
23 out of 27 interviewees considered they were capable of making a good decision, also in connection with the option to buy their dwelling. 9 of the tenants interviewed believed they could not make a good decision without obtaining good advice, and referred to the persons they had consulted in their decision-making process. 4 out of 27 interviewees did not believe they were able to make a decision such as buying their dwelling at all. For one interviewee, this line of thinking had to do with a temporary situation. As to the three others, this opinion related to age, language and general education level.

**Reasons to continue to rent**

The tenants interviewed were asked to give reasons for their decision to continue to rent. After compiling an exhaustive list of reasons, respondents were asked to identify the most important reason. Note carefully in this context that there is never one single reason; the reason for deciding not to buy is always a combination of two or three major reasons. The discussion of the outcome is restricted to the major reasons identified by the tenants.

A very important reason not to buy in the *Grasbuurt* is age. Table 8 places this reason both in the “age” column and in the “dwelling” column. In two cases, tenants were on the look-out for housing for the elderly (a dwelling without stairs). Another important reason not to buy is “ease”. For the tenants interviewed, to rent means not to have to worry about maintenance and such like. Buying a dwelling means having to deal with things like that. For 7 out of 15 tenants of the *Jazzbuurt*, “income” is a reason not to buy their dwelling.

For 2 out of 15 respondents of the *Jazzbuurt*, the characteristics of the neighbourhood is a reason not to buy their dwelling. In fact, they would buy or would have bought their dwelling if it were located in another neighbourhood or if the *Jazzbuurt* had had more positive characteristics in their perception. Two tenants who could have bought their dwelling and were in fact willing to do so, but had not done so because of their household composition and its future changes. They decided first to await their household composition and then to decide what to do: to move, to stay and/or to buy the dwelling.

Based on these interviews, the reasons to continue to rent are clearly different than those of the USP evaluation, which identified two major reasons to buy; age and money. In the above interviews, those reasons were indeed important, but they were clearly not the most important reasons.

<table>
<thead>
<tr>
<th></th>
<th>age</th>
<th>ease</th>
<th>neighbourhood</th>
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<th>income</th>
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<td>15</td>
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</table>

*Table 8: Main reasons to continue to rent.*

As was shown in table 7, three out of nine tenants of the *Grasbuurt* had thought about the offer. One tenant came to a negative conclusion and the two others explained they had thought about the option to buy their dwelling in the past, but had decided not to proceed with it. All but one tenants stated that their final decision to buy or to continue to rent had been made actively and knowingly.

This was slightly different in the *Jazzbuurt*, where more tenants had actively thought about the option to buy. Nonetheless, fewer respondents stated they had made their choice knowingly; 13 out of 18. The difference between neighbourhoods can be explained by the tenants’ age: the *Grasbuurt* has more ageing tenants (60+), who have already seen the effects of dwellings being sold around them. (On two occasions, the housing association sold dwellings on the edge of the neighbourhood; in the late 1980s and mid-/late 1990s.) The *Jazzbuurt* is slightly “younger” than the *Grasbuurt*, both in respect of tenants and in respect of buildings. For most tenants
interviewed, this is the first time that the opportunity of buying a house presents itself: they now think about it for the first time in their life.

The reasons to refrain from buying differed somewhat from the reasons to continue to rent. The arguments appeared strong and were staunchly defended. Arguments such as monthly expenses, life situation, ease, expectations for the future and disappointment were mentioned in various combinations. The most important reason was “money”, with three variations. The first variation was the sales price that was higher than expected. The second variation was the high level of additional costs, which - unexpectedly for the tenants - was a distinct burden. Additional costs per dwelling are an estimated EUR 10,000 for transfer tax, property tax, notarial charges, and fees for a structural survey, mortgage and insurance. The total of these costs was considered excessively high, although it is not more than the “normal average” of 8% to 12% of the sales value. The third variation was the height of the monthly expenses, not only the payment of the mortgage but also additional costs, such as a maintenance reserve (obligatory for owners of an apartment), insurance policies and property tax. Preferably, the total of monthly expenses (including mortgage interest relief) should be lower than the rent currently paid by the tenants. The margin is narrow and if all of the payments are taken into account, buying turns out to be - or is believed to be - more expensive for most tenants. This is particularly burdening for older tenants who have been living in the same dwelling for many years. Government has protected them by means of fixed increases in the rent and the rent they pay for their dwelling is relatively low. This group was rather disappointed by the price that was asked for their dwelling in the sales offer. There was one more difficulty for the older tenants: the monthly expenses for their life insurance (obligatory for some mortgages) are higher. Besides, they felt they already paid for the dwelling since they have been paying rent for it for many years. In fact, they felt the housing association was trying to make an unreasonable profit: 'They received subsidies to build it, they have had rent off me for years now, house prices have increased enormously, they did not do that much in maintaining the dwellings and now we have to pay this much again?" In addition, the tenants that had been renting for the longest consecutive period expected a reduction of the sales price based on loyalty. 'For all these years, I have been renting, so they should give me a reduction. I think it is strange that someone who just comes and lives here gets the same reduction as I do.'

Reasons to buy
Of those who were interviewed, there were only 5 buyers. In this selection, however, they are slightly overrepresented. All buyers belonged to the high-income categories: having a net salary of over EUR 2,000 a month.

None of the buyers said they had had a direct financial benefit resulting from the change (rent/buy). All of them now spend more on their monthly expenses than they did when they were still renting the dwelling. This is particularly true in the Jazzbuurt, where - due to the type of dwellings (apartments) - an obligatory contribution to the maintenance fund is to be made, which contribution the buyers considered to be rather high. In the long term, all tenants hoped to profit from the increase in the value of their real estate. Buyers stressed that this did not relate that much to speculating on making a profit, but to saving by paying for their mortgage. It was clear to them that there is a relationship between the two and that they can interact with one another but their aim was to make savings regardless of how the housing market would develop. They would rather buy than pay rent and never be able to save (a part of) that money. 'Rent goes down the drain.'

There was a clear distinction in choices between the two neighbourhoods: in the Grasbuurt, buyers chose for the market price without profit or loss sharing. They chose full ownership and accepted the full risk involved, but also hoped for and trusted in receiving a full profit. They did not seem to particularly fear fluctuations in the housing market.
The decisive argument for one of the tenants who had bought a dwelling in the Jazzbuurt was “certainty”. All buyers in the Jazzbuurt had bought their dwelling with a reduction and under specific conditions: conditions of sharing profit and loss and the obligation for tenants to sell back the dwelling to the housing association. They stated more “certainties”: no more annual increases in the rent and being able to save some of the capital. The Grasbuurt showed a somewhat different picture again. Here, all buyers had opted for the “market” conditions to buy. Their explanation was that ‘this is a clear opportunity’; an opportunity to buy a dwelling without paying the highest price, to renovate the dwelling as they like, to try the dwelling out before buying it and, if market conditions continue to be favourable, to profit from the increase in price in the long term. All buyers were willing to continue paying approximately the same amount as they did when renting their dwelling, but they allowed for a small increase, for example, by excluding additional insurance costs.

The buyers did not see any risk involved; they did acknowledge the uncertainty of future developments but did not see how this would affect them and neglected the existence of any real risk. They did see a threat in the instability of the neighbourhood. In the Grasbuurt, one of the buyers had overlooked the fact that, under the Client’s Choice programme, a low-income (renting) household may move into the dwelling next to his. This realisation would not have stopped him from buying his dwelling but it did make him worry about his future neighbours. In retrospect, he would have preferred to have a sales programme instead of a choice model, and he actually believed it was a sales programme. This same argument was found in the Jazzbuurt, where the effects of uncertainty about new neighbours are more severe since the dwellings consist of apartments, are not very sound-proof and everyone enters and leaves the building through the same front door. Due to past and current experiences with difficult neighbours, they almost “fear” all moves.

The buyers in the Grasbuurt would not have bought their dwelling if they had only been offered a contract with conditions. One buyer in the Jazzbuurt would not have been able to buy the dwelling if it had not been offered with a reduction.

**Appreciation of the offer**

Most people had to make quite an effort to remember what expectations they had had when the offer was made, since the offer had not been made that recently; 2 years ago. They thought the offer had been made longer ago and, since for most people nothing had changed, the event had been easily forgotten. The first introduction to the programme may have been made as long as a year before the actual offer was made and seemed only to be recognised if there had been high expectations or a great deception (compare Schwartz 2004). Everyone recalled having had some expectations, at the time the offer was made or later. In general, the interviewees were satisfied with the offer and the opportunity of buying their dwelling. 11 out of 27 had had an expectation in connection with the sale of their dwelling, ranging from “being forced to buy”, “the option to buy”, “getting a reduction” and “great, we’re getting a sales option!” Secondary expectations were even more diverse and demonstrated on what basis decisions to buy or not to buy had been made. Those expectations related to neighbourhood effects, such as improving the quality of life, but they also related to a fear of continuing neighbourhood instability (see above). As an example, tenants stated that almost anyone would be able to buy a dwelling if given a reduction, i.e. also notorious antisocial families.

<table>
<thead>
<tr>
<th></th>
<th>for sale</th>
<th>obliged to buy</th>
<th>reduction</th>
<th>lottery</th>
<th>fun</th>
<th>none</th>
<th>otherwise</th>
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<td>2</td>
<td>2</td>
<td>7</td>
<td>2</td>
<td>18</td>
</tr>
</tbody>
</table>

*For = for sale*

*Obliged = have to buy the dwelling*
Reduction = can buy with price reduction
Lottery = future distributing by lottery
Fun = happy thoughts: we get the option to buy

Table 9: First expectations of the programme.

<table>
<thead>
<tr>
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<td>8</td>
<td>18</td>
<td>4</td>
<td>2</td>
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</tbody>
</table>

Table 10: did the actual offer live up to your expectations?

In 10 out of 27 cases, the final offer to buy the apartment did not live up to expectations. Merely 3 persons were actually disappointed by the offer and in 17 out of 27 cases the offer lived up to the expectations; 13 out of those 17 were satisfied. There was a clear contrast between the level of satisfaction in the two neighbourhoods: all interviewees in the Grasbuurt were satisfied whereas merely 4 out of 18 were satisfied in the Jazzbuurt. The price of the dwelling was the major factor for not being satisfied and led in some cases (3/27) to actual disappointment. Not being satisfied strongly related to neighbourhood stability; tenants were looking for support to deal with difficult neighbours. To the surprise of the housing associations, tenants had expected a programme that would focus more on sales from the Client’s Choice programme and had hoped for a more stable neighbourhood composition.

<table>
<thead>
<tr>
<th></th>
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<tr>
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<td>16</td>
<td>2</td>
<td>18</td>
<td>2</td>
<td>2</td>
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<td>2</td>
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</table>

Table 11: Valuation of the principle of the Client’s Choice programme.

4 tenants had negative feelings with respect the programme; all others were positive yet they had observations and doubts. The interviewees stated 4 different aspects, of which the most frequent aspect was the motive of the housing association to sell the dwellings. The interviewees referred to several newspaper articles discussing the housing association’s activities relating to “non-housing activities”. Particularly the more critical-minded tenants asked why the dwellings had to be sold now, after they have delivered a good income for so many years, I have always been loyal, I have already paid for this house, anyway, the houses were the property of “the people”, what do they need all that money for? The other three aspects had one dominant characteristic: threats of negative effects. The interviewees questioned the effects on a neighbourhood level, the effects on the shortages on the housing market and the effects on maintaining individual dwellings in building blocks. The last category was illustrated by past experience, ‘when the dwellings on the opposite side of the street were sold, their exterior maintenance was neglected so badly that the houses of the housing association actually looked luxurious’.

Of the tenants, 12 out of 27 acknowledged that their freedom of choice had increased as a result of the programme. The difference between the two neighbourhoods clearly came up again. In this context, a mere 5 out of 18 in the Jazzbuurt believed their freedom of choice had increased whereas 7 out of 9 in the Grasbuurt believed this to be the case. The difference probably relates to the experience of level of income in relation to the sales price. Income levels in the Jazzbuurt were slightly lower than those in the Grasbuurt and people in the Jazzbuurt felt less capable of buying their dwelling even though, in fact, they were able to buy it. At least, the programme offered them a chance of buying their dwelling.
Table 12: Increased freedom of choice

The fact that 23 out of 27 people considered the programme to be a positive development (see table 11) was explained by the nuance they made when explaining their own experience of freedom of choice. Those who did not experience an increased freedom of choice themselves distinguished an increased freedom of choice for others. They saw possibilities for relatives, friends or young people who had been given a chance to buy a dwelling on the overheated housing market.

Table 13: Significance of your choice in the Client’s Choice programme.

Table 14: Experience with the trajectory of the Client’s Choice programme.

The tenants’ experience with making a choice ranged from “easy” to “difficult” and from “interesting” and “great” to “pointless”. Making a choice was easy for 6 out of 27 tenants and most of them were swift in making a choice about whether or not to buy their dwelling and decided to continue to rent. 4 out of 27 considered the decision-making process to be difficult or even painstaking. Those tenants took their time to weigh up the options and carefully consider the pros and cons, including – in particular – all financial aspects. The interviewees who claimed the process to be “interesting” (“valuable”: 5/27) took the most time to come to a decision. They had investigated the options, had spoken to both professionals and friends and had used the internet to make financial calculations. They had eventually learned about their own financial situation, the margin they had to act and the possibilities they had to buy a dwelling. The answer that the choice process was pointless came from the tenants who believed their only option was to rent (7/27). All of the buyers interviewed (5/27) were enthusiastic about the option and the choice process.

Expected effects

The final subject in the interviews was tenants’ expectations. What did tenants expect from the programme both in the short term and in the long term? In this context, opinions varied significantly. 7 out of 27 interviewees expected effects from the programme; 9 out of 27 did not expect any effects; and 11 out of 27 had doubts as to the effects. Older tenants had more confidence in sales programmes in respect of effects on a neighbourhood level. They asked for more control on the influx of new tenants. They referred to the situation that existed when they moved in many years ago: ‘An inspector came to check whether we were neat and proper people’. At the same time, they requested a special treatment to move out of their current dwelling. They had lived in their dwelling for ages and were becoming older themselves. They expected care and attention from the housing association to move to a better suited dwelling (a dwelling for the elderly) and suggested they actually deserved a discount on the new rent. (They will always pay more for their new dwelling even if it is smaller than their actual dwelling due to
national control on rent increases.) The older tenants believed that buyers take better care of their dwelling but stressed that “men are the way they are” and “tenancy will not change men”. The middle-aged group of tenants believed that buyers take better care of their dwelling but they had doubts about whether this care would be accompanied by more social ties and social behaviour. The youngest age group of tenants had the most doubts about whether the programme would have any effect. They believed there would be an effect but had not seen any as yet. They noticed the sale rate continued to be low and shared the opinion that the critical mass is not reached to tip the balance. They expected that buyers in the neighbourhood would persuade more people to buy in the neighbourhood.

<table>
<thead>
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<td>18</td>
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</table>

Table 15: Expectations as to effects of the programme.

The middle-aged tenants and elderly tenants mostly looked at on their own behaviour when predicting effects. ‘I have been renting for many years and have taken good care of my dwelling. Nothing would change if I bought it’. One buyer identified the same mechanism: “I bought my dwelling but did not change my behaviour with respect to my dwelling, the neighbourhood or the neighbours’. “Feeling at home” played a part in these statements. Tenants claimed the dwelling to be “theirs” and one owner-occupier stated that ‘it is still their [the housing association’s] dwelling’. 7 out of 27 strongly believed that owner-occupiers take better care of their dwelling and direct surroundings. As a consequence, they expected the neighbourhood to become more stable. 10 tenants did not agree with this line of reasoning at all. The group that had doubts expected owner-occupiers to take better care of their dwelling, although they did not think that they would change generally. The tenants were of the opinion that the financial loss of poorly maintaining your own dwelling will keep owner-occupiers from being sloppy, but as soon as there is no longer a financial loss they would not care more or less. The buyers themselves believed they were social and took good care of their property but they also believed this to be true when they were still renting. Owner-occupiers identified two “types of owners”: the ones who take good care of their dwelling and the antisocial ones (“the others”), who do not care and only maintain their dwelling if absolute necessary. Finance was thought to be a problem with the latter group (limiting their capacity to maintain the dwelling) but that might also apply to the former group.

Overall, the tenants believed there was a tendency in society to own more. It was identified to be a combination of the ongoing capitalisation of society and national governance. One tenant thought of the programme as part of the “freedom of choice hype”. There was not a significant difference between owner-occupiers and tenants in their behaviour and activities with respect to their dwelling and living environment. Among both tenants and owner-occupiers you will find “active modifiers”, who regularly maintain and modify their dwelling. From the tenants’ stories about their modification behaviour, a clear distinction could be made between three groups of people. The first group only does a little; they paint if it is necessary and also perform small maintenance tasks. For more substantial activities, such as kitchens, bathrooms, etc., they rely on the housing association. The approach of the second group can be described as “keeping the dwelling in normal condition”. They do what the first group does, but they sometimes also modify their kitchen and bathroom. They bring their dwelling up to modern standards before the housing association offers to do this. They usually replace the tiles in their bathroom and kitchen. This would be done by the housing association if the condition of the tiling was poor enough, but this group of tenants decides not to wait for that moment. The last group makes significant investments in their dwelling. They would be able to do anything if they wanted to. They are willing to – and did – replace bathrooms, kitchens and
they sometimes alter the complete layout of their dwelling. The entire dwelling is modernised and
in good shape, with one exception: the exterior, which is maintained by the housing association.
All buyers belonged to the last category. 2 out of 3 buyers had made use of the housing
association’s assistance before they bought the dwelling. A total of 7/27 tenants (including the
owner-occupiers) had asked the housing association for assistance in modifications or had the
housing association take care of it and they had used the choice options offered. In the
Grasbuurt, the new owner-occupiers had done everything in their dwelling themselves; partly
before and partly after they had bought the dwelling. They still had plans for further
modifications. With them, there were two tenants who had done the same and had the same
plans for the future. Owner-occupiers were not more involved in their dwelling than tenants
were, but tenants were less likely to choose to take control over so many aspects of their
dwelling. For the buyers, it was clear they would have made the same modifications if they had
decided to continue to rent. Nevertheless, they did have a reservation; they would have spent
less money on the modifications and they would have saved on the cost of materials. After they
had bought their dwelling, they decided to use more sustainable and luxurious materials; not for
future profit but for their own pleasure of use.

low normal high total
Grasbuurt 2 (1) 3 (2) 4 [2] 9 (3)
Jazzbuurt 9 (1) 3 (1) 6 (2) [3] 18 (4)

*Between (): The number of tenants sharing investments with the housing association.*
*Between []: The number of buyers.*

**Table 16: Maintenance.**

The buyers in the Jazzbuurt admitted not to have any social ties and not to be actively involved
in the owners’ association. They were not proud of this, but considered it to be a lack of interest
on their own part. They felt slightly guilty about it. None of them had ever attended an owners’
association meeting. They believed without a doubt that proper maintenance is more important
than the price of the monthly contribution but at the same time they stated that the monthly
contribution was too high. They doubted whether it was necessary to have such a high
contribution but admitted they were unable to make a judgment about it since they lacked
detailed information. The buyers in the Grasbuurt were not obliged to take part in an owners’
association. Although they were aware of future expenses, they did not particularly save for
those expenses. They did try to save some money for any other future expenses.

Were the tenants active in the neighbourhood? Did they participate in activities with neighbours?
All elderly tenants indicated that social ties had weakened and continued to weaken. “Having
(young) children” was considered to be a clear reason for this. Age differences between tenants
and their children was considered to make it more difficult to have social ties. It was perceived to
be disadvantageous if ages differ too much; both between tenants and between their children.

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<td></td>
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**Table 17: Are you active in the neighbourhood?**

Only one of the owner-occupiers stated to be active in the neighbourhood because of his young
children. The other 4 owner-occupiers stated they were too busy and had too little time to be
actively involved in the neighbourhood. The 2 tenants that were actively involved (in the
Jazzbuurt) had a different reason. Their activities related to the past; they had had local
(voluntary) jobs for a long time and had initiated activities in the past. There were two reasons why active people would cease to perform their activities. The first reason was their kids growing up and moving out to live independently. The second reason was change and instability in the neighbourhood. ‘I do not know my neighbours anymore and before I can get to know them, they have moved out again.’

The relationships in the neighbourhood itself were good. One tenant in the Jazzbuurt has few social ties in the neighbourhood. The others – particularly people in the Grasbuurt – had many social ties and were relatively intimate with their neighbours. Intimate relationships were identified as trusting one another, for example, by leaving your home keys with the neighbours.

<table>
<thead>
<tr>
<th></th>
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<td>12</td>
<td>1</td>
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</tbody>
</table>

Table 18: neighbourhood relationships.

Regardless of the decision to buy or to continue to rent, many tenants were proud of their dwelling and regarded it as a reflection of themselves. For some tenants, the state of the neighbourhood was important for their experience of pride. Negative aspects of the neighbourhood addressed included poor maintenance of green areas, both public and private (gardens); children on the streets until late at night; vandalism, such as graffiti; and neglecting outside maintenance, even small things such as cleaning windows.

Tenants who had bought their dwelling were not more proud than tenants who had continued to rent their dwelling. In the Grasbuurt, one of the buyers was proud of the house and in the Jazzbuurt, all three buyers were proud of their house, although they clearly stated that a subtle distinction needed to be made: one had also been proud as a tenant. Another stated that this was not really his home and referred to the obligation of reselling his dwelling to the housing association if he were to move out. Buyers in the Grasbuurt had the intention of (and planned to or were involved in) making a distinction between their dwellings and the other (rental) dwellings by painting the window panes and by remodelling their front gardens. In the Jazzbuurt, this intention was not mentioned. It would be more difficult to realise this intention there, since the dwellings consist of apartments and most front doors are located at the back of the building block.

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<td>18</td>
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<td>3</td>
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</table>

Table 19: Are you willing to make sacrifices to buy the dwelling?

One of the expectations of housing associations is that the option to buy will stimulate people to make an effort to increase their income so that they will be able to finance the dwelling and, consequently, the Client’s Choice programme could also have an emancipating effect. Therefore, one of the questions we asked was “Are you willing to make sacrifices to buy the dwelling?”. 17 out of the 27 interviewees, which included everyone from the Grasbuurt, answered: “No, not any.” (see table 19). Out of the 8 interviewees in the Jazzbuurt, 5 argued they had nothing to give up in exchange for ownership of the dwelling. There was a willingness to sacrifice one holiday for ownership but not more than that. This is illustrated by the owner-occupiers who claimed not to be willing to give up anything for their ownership but had all sacrificed their holiday in the year in which they bought their dwelling. All of the interviewees indicated they were willing to invest time and effort if they owned their dwelling. No-one stated they had wanted to find a job or work more in their existing job to finance the purchase of their dwelling.
5. Conclusion

Housing associations in the Netherlands have started offering dwellings for rent or for sale. Tenants are free to choose in what is referred to as Client’s Choice programmes. The number of housing associations offering their real estate under this programme is increasing and the number of dwellings that housing associations offer under this programme is increasing as well. We explored the motives and objectives on which the approach of the Client’s Choice programme is based and found a wide variety of objectives at various levels. Objectives ranged from price cushioning effects on the entire housing market to increased tenant involvement and participation (see section 3). In order to obtain an insight into the effects as perceived by tenants, we held interviews with the tenants participating in the programme. In the interviews, we explored the tenants’ experiences so as to find indicators of what their expectations were of the effects on a lower scale; that of themselves, as a user and consumer. We focused on objectives aiming at changes for the tenants and tried to obtain an insight into effects such as empowerment, participation, freedom of choice and satisfaction.

Our findings indicated that tenants appreciate having the choice to buy their dwelling. However, a large group of tenants felt that they were incapable of buying their dwelling. They felt the only real choice they had is to continue to rent. The housing associations are of the opinion that tenant empowerment would cause tenants to participate more in general and participate more in employment, educational programmes, etc. In addition, housing associations expect it would cause tenants to take more and better care of their dwelling and surroundings and to be more involved in the neighbours. This idea, however, does not appear to be supported by our respondents. Tenants did not expect any effects on the quality of life in their neighbourhood. They feel that other measures are needed to impact the quality of life. First, there needs to be stability in the neighbourhood; the certainty that neighbours will behave correctly. If this behaviour is enforced by a housing association, it may result in stability and certainty. Tenants feel that the Client’s Choice programme entails too much choice to establish more stability or to raise the level of owner-occupiers. Some tenants explicitly stated that, if there are to be any effects, a substantial level of owner-occupiers should be reached first. Tenants doubted whether being a tenant would change a person’s behaviour. To substantiate this, they referred to themselves: ‘I would not change if I bought my dwelling’. Another indication that tenants do not recognise the anticipated empowerment effects of the programme is that no-one, neither owners nor tenants, was willing to make any sacrifices so as to own a dwelling. All they wanted to give up was a holiday, but only to have time for some home improvement. In addition, we did not find any tenants that had started to work more or had taken up education to improve their position with the objective to buy their dwelling.

For the new owner occupiers, there was an empowerment effect in the sense that they had improved their position by owning a dwelling rather than renting one. In addition, owning a dwelling enables them to make a profit and save capital in the long run and, consequently, they feel empowered. At the same time, however, owner-occupiers also take a risk.

In short, the tenants do not share the expectations of the housing associations. It is obvious that the housing associations expect more of the Client’s Choice programme than the tenants do. We stress that this is merely a first qualitative exploration of the effects of the Client’s Choice programme as experienced by tenants. The findings of this exploration will have to be tested in a larger group of tenants throughout the country. Nevertheless, if our findings are taken into account, expectations about the outcome of the larger-scale survey will be far less optimistic than the original expectations of the housing associations offering dwellings under the Client’s Choice programme.

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