The regulation of social housing outcomes: a micro examination of Dutch and Austrian social landlords since financing reforms

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Abstract

Since the 1990s, significant changes affecting financial arrangements have permeated both the Dutch and Austrian system of social housing provision. Potentially, these changes could have influenced the role and performance of social landlords in both countries. This paper explores the actual impact of these changes in terms of their social performance and production outcomes. In doing so, it brings together two complimentary perspectives: one examining the institutional developmental processes of regulation, supervision and financing and the second focusing on the organisational level. Following an outline of the broad shifts encountered by providers, this paper takes a closer look at day to day influences currently mediating the development priorities and outcomes. It focuses on a number of housing outcomes in terms of production levels, tenure outcomes and affordability. It also postulates the causal mechanisms which may have generated differences between each case by examining both the wider institutional environment and the day to day constraints affecting the project development and the portfolio management process.

Key words
social housing, regulation, finance, organisational behaviour, Austria, the Netherlands
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1. Introduction

During the 1990s, the development of performance management regimes grew as a means to manage devolved, contracted out or privatised, public services including social housing provision. These regimes established regulators and supervisory bodies, developed indicators and benchmarks, collected data on housing inputs and outcomes to inform evaluative reports. Beyond these formal regulatory systems, financial interdependencies affecting social housing provision were also changing.

The Netherlands and Austria share a tradition of accommodating a broad range of households via their social rented sectors. In both countries the majority of social housing provision takes place via private institutions. Since the 1990s, their governments have facilitated an increasing role for commercial rather than public loans and grants to support the supply of social housing. However, Austria has maintained its conditional public funding regime, whilst the Netherlands has not. These system wide changes could have had major consequences for the role and performance of social landlords in both countries. Rigorous comparative research on this issue has not been undertaken to date and this paper makes tentative steps towards a more comprehensive effort.

This paper concentrates on the mediation of macro financial and regulatory reforms at the local and organisational level, providing illustrations from housing providers in Vienna and Amsterdam. It discusses the causes of change in housing outcomes in each system and makes a tentative comparative evaluation of the effectiveness of each system. Towards a more comprehensive evaluation, a more rigorous research strategy is proposed.

Given the focus outlined above, the paper is structured as follows. We first describe the methodological approach in section 2. In section 3, we go into in some central concepts of this paper, namely regulation and financing mechanisms. Then, we deal with the regulatory and financial regimes in Austria and the Netherlands in section 4, followed by illustrative examples on the organisational level in section 5. The results of the research in both countries are discussed in section 6. Conclusions and a proposal for further research are presented in section 7.

2. Methodological approach

The research approach builds on the empirical and conceptual work of Nieboer (Nieboer, 2007, 2008) which has been undertaken at the micro level in the Netherlands. This work challenges traditional models of strategic and project management (see e.g. Kotler, 1997, Bryson, 2004), revealing the various non-linear, policy layers and networks which co-exist within housing corporations. A non-hierarchical range of actors are either explicitly or implicitly
responsible for the development and implementation of strategic goals via overall portfolio management and individual project implementation. This complex and chaotic process affects development outcomes not only at the level of the project but also the local area and across the entire portfolio.

Nieboer’s work is complimented by that of Lawson which examines the comparative historical development of broader financial interdependencies and regulatory regimes operating across the social housing sectors of Austria and the Netherlands which have influenced housing outcomes (Lawson and Elsinga, 2008, Lawson, 2006). This work, inspired by Critical Realist notions of causality (Sayer, 2000) and contextualised comparison (and comparative historical analysis (Mahoney and Rueschemeyer, 2003, Terhorst and Van de Ven 1997) has examined important political-economic and institutional developments affecting key relations of provision, such as financing and land development strategies, which have generated these differences at the local and national scale.

The field of focus for this paper concerns the mediation of regulatory systems with financing regimes affecting social housing provision. Regulation theory is used as a meta framework for conceptualising the interaction between regulation and financing arrangements affecting social housing (Jessop, 1997. Boyer, 1986). Further, common policy goals of regulation and financing vehicles affecting social housing provision are defined, as they apply to social housing systems (Lawson, 2009, 1998). The paper outlines how these concepts and goals have been actualised in Austria and the Netherlands at both national level and the local level by housing providers. Analysis compares the regulatory systems and their outcomes according to critical interactions between Modes of Social Regulation (MSR) and Regimes of Capital Accumulation (RCA) and normatively evaluated them according to common principles of regulation. Finally, in order to provide a more rigorous comparative analysis and explanation for difference between the two countries, a more comprehensive research strategy is proposed.

Preliminary investigations have been conducted concerning the practices of four mature housing providers in the Vienna and Amsterdam via interviews with key personnel from housing associations and housing finance and regulation experts between February 2007 and January 2009. The two Dutch cases have been part of a PhD research project by Nico Nieboer, whilst the two Austrian cases have been arranged in collaboration with the umbrella organisation for limited profit housing, GBV (Österreichischer Verband gemeinnütziger Bauvereinigungen), for this research paper.

3. Regulatory regimes and financing arrangements

This section defines two important closely related concepts: regulation and finance in abstract terms, which are later empirically defined through country case studies and illustrative examples in this paper. We take a more considered look at the concept of regulation and investment strategies of social housing organisations, drawing on the literature from institutional economics, sociology and geography. This includes the work of Jessop (1997) on governance, regulation and accumulation strategies, Goodwin (2001) on uneven urban development, Tickell and Peck (1995) on institutions, and Boyer (1986) on the plurality and variety of capitalisms.

Regulation theory seeks to account for differences in social phenomena via concrete contexts of specific social practices. Rather than universalizing propositions, such as the convergence of housing provision, is seeks to provide explanations for differences. Further, it im-
plies that explanations for change in forms of social housing provision must not be seen in functional economic terms but as an interaction of between modes of social regulation (MSR) and regimes of capital accumulation (RCA). The regulation and finance of two social housing systems provides an ideal empirical focus for the exploration and refinement of these concepts.

To elaborate, regulation in concrete research can take many different forms affecting different stages along the chain of housing provision: development promotion, investment, construction, allocation, management and renovation (Ambrose, 1991, 1994; Doling, 1997). It may be enforced from above, the subject of formal legislation, the realm of codes of conduct and embedded in professional norms and practices which evolve different over time and space. Austria and the Netherlands can be considered as two polarised forms of MSR and RCA in social housing provision: the former highly prescriptive, of cost rent, cost capped, limited investment and conditional part public funding, the latter more self regulated and financially independent, with investment priorities influenced by concerns for economic viability, as well as their loosely defined and weakly enforced social task.

But how is regulation shaped and carried? Regulation may be enforced by the meanings and dominant ideologies that influence the perception of different housing actors in their material and socially constructed contexts. It may also be carried by the power of different actors in the housing process, each embedded in their own institutional network of competing ideologies, economic relations and power coalitions. Last but not least regulation may be carried by the key generative social relations of housing provision such as property rights, which are necessary to housing provision as they contingently emerge over time and space (Lawson, 2006:59).

Regulatory systems aim to steer and strengthen capacity amongst public, private and community based organisations to deliver affordable, secure and decent housing outcomes, protect public assets and reduce potential risks to stakeholders. A number of principles can be distilled which motivate their design:

1. **Clear principles and sector leadership** – articulating a vision of desired standards, processes and outcomes

2. **Building management capacity** – clear mission, appropriate governance arrangements, business strategies, financial procedures and reporting arrangements

3. **Steering beyond the market driven by a social task** - quality, affordable and secure housing with a strong community development approach

4. **Accountability to stakeholders, including tenants** – clear, accurate reporting to appropriate stakeholders, maintaining an orientation towards meeting tenant’s housing needs.

5. **Managing risk** – a sober risk management culture reduces risks to investors and ultimately the cost of private finance.

6. **Appropriate autonomy** – balancing control with flexibility to promote responsive, progressive innovation.
Of course, regulatory systems affecting social housing management vary across Europe and can be distinguished for by their degree of centralisation or devolution, comprehensiveness of their coverage, level of prescriptive detail, balance between incentives and penalties and their capacity to enforce adequate standards. The focus of regulation varies from project viability and overall financial management and the satisfaction of program standards, to tenants’ involvement and satisfaction with their housing services (Lawson, 1998, 2009).

Today there are a wide variety of vehicles of regulation, including:
- Licensing requirements for registered social landlords
- Conditions for accessing government subsidies
- Funding agreements and contractual obligations to stakeholders – such as lease agreements
- Rent setting regulations
- Tenant protection and responsibilities
- Accounting standards for financial account keeping
- Reporting requirements to stakeholders, including tenants
- Performance Indicators and benchmarks
- Inspection regimes
- Enforcement procedures
- Codes of conduct
- Supervisory committees
- Incentives designed to influence key actors and improve outcomes
- Competition to improve cost effectiveness, market responsiveness and quality
- Collaborative ‘self help’ clubs of similar organisations
- Professional norms, training and educational requirements.

There are also specialised and interdependent fields of regulation within housing management, which concern matters such as rent setting, allocation criteria, and limitations on the use of assets and generation of profits, as well as investment activities, which can generate very different forms of provision.

In order to actually produce dwellings, social housing organisations require a flow of capital, which can be channelled via a range and often mix of vehicles including direct public expenditure as grants or loans, via government intermediaries as loans or private financial institutions. Typically each vehicle comes with conditions that contribute towards an overall package steering investment into specific kinds of projects. Table 1 below, illustrates the wide variety of financing mechanisms which influence modes of regulation and regimes of capital accumulation in the social housing sector.

### Table 1  Financing mechanisms for affordable housing

<table>
<thead>
<tr>
<th>Financing mechanism</th>
<th>Brief Outline</th>
</tr>
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<tbody>
<tr>
<td>Grants</td>
<td>Directly able to influence housing supply, but limited to available funds and political commitment to housing. Often used to lever and secure other sources of funds.</td>
</tr>
<tr>
<td>Discounted land price</td>
<td>Traditionally a key vehicle to manage urban development outcomes, where governments are a major land holder. Can be applied specifically to affordable housing goals. Subject to land availability and market conditions.</td>
</tr>
<tr>
<td>Public loans</td>
<td>Traditionally the primary financing strategy for social / affordable housing programs. Cost</td>
</tr>
</tbody>
</table>
### Financing Mechanism | Brief Outline
---|---
effective fund raising. Revolving liquidity (through loan repayments) can offer longer term reinvestment potential. Recently, curtailed by public sector borrowing limits and the attractiveness of low private mortgage rates. As so called ‘soft’ loans, may not require same security as for private finance.
Protected circuits of savings for specified investments | Used to achieve a dedicated flow of affordable credit for affordable housing programs. Sustained in some countries, while others have dismantled them to improve competitiveness of local banks amidst foreign competition.
Private loans | Increasingly play a role in financing affordable housing, either partially or entirely. Vulnerable to changing financial conditions and alternative investments. National approaches vary in cost effectiveness and the appropriateness of the fund raising and distribution mechanisms that are used.
Interest rate subsidies | Useful in the early phase of a mortgage to reduce higher relative costs. Containing the cost to government over time relies on steadily rising wages and house prices and stable interest rates.
Tax privileged private investment | Used to channel investment towards affordable housing and to compensate investors for lower rates of return and profit restrictions.
Government secured private investment | Government backed guarantees to reduce risks to financial institutions investing in affordable housing, passed on in a lower cost of finance.
Tax privileges for providers of affordable housing | Many countries provide a variety of tax privileges to registered organisations, for example income and investment deductions, depreciation allowances, reduced sales and property taxes, exemptions from capital gains tax. These allowances compensate the efforts of the preferred providers towards achieving the social policy objectives of governments.
Use of own reserves and surpluses | Mature housing organisations can leverage their balance sheets, reserves and surpluses to invest in additional housing. Funds raised may be pooled to support weaker organisations or to promote innovation and competition.
Use of tenants’ equity | Some funding models incorporate a small tenant equity contribution. Governments may assist low income tenants to make this contribution. Larger contributions may lead ultimately to tenant purchase of dwellings.

Source: Milligan, Gurran, Lawson, Phibbs and Phillips (2009:34)

The regulatory and financial vehicles outlined above in abstract terms, only ever exist in the context of real housing markets, governance arrangements and institutional norms, of which systems of social housing provision form just one part. The remainder of this paper is dedicated to the actual regulatory systems and financial arrangements which interdependently surround the provision of social housing in Austria and the Netherlands. It also examines important forms of regulatory and financing instruments which steer allocation, rent setting and the sale of assets.

### 4. Regulatory systems and financing regimes in Austria and the Netherlands

#### Austria

Austria is a small regionalised federation of nine Länder or provinces, including Vienna, and numerous municipal governments. In urban areas, households typically rent their dwellings from municipal companies and limited profit housing associations (48 percent in Vienna) and to a lesser degree from private for profit landlords. However, in rural areas home ownership is the dominating tenure option.
Social housing is procured and managed by limited landlords, which include associations and companies owned by municipalities, public organisations, unions, co-operatives or private organisations. There are more than 190 limited profit housing associations (LPHA) with an average 3900 dwellings that are typically professionally managed, credit worthy and market strong. In total they own 22.5 per cent of primary residences (865,000 dwellings, Bauer, 2004) in Austria.

Financial support
Housing programs have been funded by federal resources, channelled by regional governments and complimented by local grants, land banking and planning activities. With increasing devolution over the past two decades, they have been subject to an uneven political landscape, with conservative and social democratic parties linked to particular housing providers, financial institutions and preferred tenure outcomes. Social Democratic Vienna has long taken a leading role in the supply of affordable rental housing for low to upper middle income households.

There are four key institutions which underpin limited profit housing provision in Austria that are implemented by different spheres of government, non-government and private organisations. First is the requirement for local government to provide suitable sites for housing, as exemplified by Vienna’s land procurement and renewal fund Wohnfond, which is a non-profit financially independent land banking and development organisation that has actively prepared and sold sites for subsidised housing development since 1984.

Secondly, an equally important element of Austrian housing policy is the setting of housing policy principles and long term financial commitment by the Federal government towards housing supply programs, the details of which are worked out by 9 different state governments known as Länder. These programs provide grants and public loans to meet regional housing goals, such as affordable rental housing, energy efficient construction and in some areas promote home ownership. These public funds secure the third pillar of social housing provision: commercial investment, without the necessity of a public guarantee. In 1993, the Federal government enabled the establishment of specialised housing banks to operate as subsidiaries of commercial institutions that could raise low cost mortgage funds for housing projects. They were entitled to sell tax privileged Housing Construction Convertible Bonds and channel funds raised towards approved cost capped, cost rental housing projects by registered limited profit organisations.

Supervision, rent setting and other regulations
Regulation is the fourth important institutional pillar of the Austrian model. A suite of national laws concern the setting of costs rents, restriction of activities, re-investment of profits and supervision of activities. The main elements of regulation are:

1. definition of acceptable activities, which restrict them to limited profit cost capped housing or moderate but adequate standards,
2. interest limits on financing provided by the capital market
3. rules for setting rents and the principles of rent contracts,
4. the compulsory re-investment of profits into to supply and renovation,
5. limits on administration costs including income ceilings for managers,

1However, its roots stretch back to the 1920s, during the ‘Red Vienna’ period.
6. the decision making and management process which involves tenants, and has a key role for government in regular systems of evaluation and auditing, as well as enforcement procedures
7. the design principles for state based programs (Bauer, 2004; Amann, Lawson and Mundt, 2009)

At the regional level, Housing Promotion guidelines specify the conditions which must be met in order to receive subsidies (such as cost, size and target households) and together with municipalities implement building and planning regulations. Profits are limited to 6 percent and there are restrictions on the interest received from own funds.

Further there are a range of decrees under the national LP Act which establish rules for proper business conduct and detail how accounts should be prepared and presented (Ludl, 2004:3). A significant part of the work of the national Federation of Limited Profit Housing Associations (GBV), of which membership is compulsory, concerns financial supervision and the fulfillment of these conditions. The GBV employs 40 qualified accountants, specially trained to audit non-profit organisations and co-operatives. Every year they generate a financial report on each LPHA which is delivered to the relevant provincial government for approval. LPHA which fail to reinvest their profits in new production, are obliged to merge with another LPHA. This process ensures that LPHA invest in, deliver and manage cost rent, cost capped decent quality housing (GBV, 2008).

Supervision of municipal housing is undertaken by the Federal government’s Audit Commission (Rechnungshof) and in the case of the Vienna municipal housing supervision, by the Vienna Lander, City of Vienna Control Department. It is not subject to the requirements of the LPHA act, but the Rental Act and where subsidised the Promotion Act.

Sales
In 1993 national regulation enabled tenants to buy their dwellings after 10 years, where they had made a “Finanzierungsbeitrag” (financial contribution) above €50 per square meter (today €60) to the project. This could be in the form of a loan from the tenant to the provider, which is repaid when the tenant wishes to purchase after ten years. The eventual size of the contribution is calculated according to a model of “Substantial value”, which comprises original costs plus index, less depreciation. There has been a broad application of the right to buy option across the LPH sector. By 2004, around 55,000 dwellings had been sold this way and it is estimated that by 2006 a total 10-15 percent of LPH will be sold (Housing Statistics in the EU, 2006:113). The growing rent to buy segment of the market has been promoted by the attractiveness of tenant contributions towards financing costs. The right to buy model was considered by the sector to be more favourable to tenants than traditional owner occupation (Bauer, 2009). Further, ad-hoc sales of older units has not been popular amongst social landlords, where multiple ownership of residential complexes is considered troublesome and inefficient (Bauer, 2004, Ludl, 2004).

Allocation
Austrian Limited Profit Housing is not only for households with a low income, but for the broad middle class. Access to subsidised rental housing is increasingly conditional upon the (loan) contribution made, calculated as a flat rate per sqm, which is partly returned via the provision of affordable housing and partly considered a contribution to the overall subsidy system. Those household without sufficient capital or unable to access commercial loans can apply for a public loan at zero interest rates, in order contribute.
Public assistance for the supply of housing, in the form of grants and loans, typically comes with conditional income limits for both tenants and owner occupiers. Where municipalities provide land, they may require the right to nominate future tenants. In Vienna, for example, 25 percent of tenants are arranged by the municipality via its Housing Service. Specific projects may also aim to address special housing goals and needs, promoting ethnic inclusion, combining residential and working spaces or offering low energy no-car lifestyles.

Consequently Austrian LPHAs with their broad eligibility criteria, tend to avoid the risks associated with lower income and more vulnerable tenancies. Nevertheless, municipal housing companies are more orientated to those unable to afford cost rent housing, thus applicants are subject to income limits and waiting lists are ranked according to local policies.

**Rent setting**

Rents are calculated on a cost rent basis by the LPH Act, which establishes maximum and minimum allowable rent and related to the original the cost of land and construction, the age of the building and dynamic financing costs of the project. Associations can reduce the rents by reducing component costs: cheaper land, own equity, low cost loans, cheaper building techniques and standards. These regulations also specify a period for maintenance, repairs and renewal. If these investments are not made, tenants must be repaid in the form of lower rents. Finally, the LPH Act allows for a 2 percent margin during the repayment period, which must be reduced when these outstanding costs are reimbursed (Bauer, 2004:45).

In principle, affordability in the Austrian system is promoted by cost efficient limited profit housing promotion assisted by brick and mortar subsidies in the form of discounted land, public loans and grants and tax relief. Initial rents define a rental cost per square meter which can be increased each year with the consumer price index (CPI), and revenues should be sufficient to repay the annuity of the capital loan as well as the interest on the public loan (Neuwirth, 2004:1). Typically rents are fixed annually and balanced at the end of the year, with tenants either receiving a return or making additional payments to cover financing and operating costs. Where a tenants income falls below that able to pay for decent housing, there can draw upon demand assistance which is provided by regional governments. However, unlike the Netherlands, demand assistance is not a dominant feature of the social housing system and its expansion has been resisted by the sector (Ludl, 2004).

**The Netherlands**

Unlike Austria, the Netherlands is a non-regionalised, unitary state. Unique is its large share of homes in the social housing sector, namely 35 percent of the total stock. Virtually all social housing (more than 99 percent) is procured and managed by housing associations, which are private organisations operating under a range of public regulations that aim to ensure that a number of social tasks, such as housing lower-income households, are fulfilled. The remaining half percent of the social rented homes are owned by municipalities.

Since the early 20th century, a core feature of the Dutch welfare state has been the provision of welfare resources via publicly regulated private organisations. Indeed, private housing associations emerged from this rubric, receiving low rate long term public loans to deliver affordable housing for their members. Until the 1990s, Dutch housing associations operated under a strict regulatory framework and were largely dependent on government financial support with conditions attached.
In recent decades, these relationships have become more business-like. In 1993, the Dutch government significantly liberalised its regulatory powers over housing corporations, promoting a more enabling and independent strategy and ideally, more market responsiveness rather than centralised control. Conditional public subsidies, as a means of steering outcomes, were reduced and organisations were required to become more financially self-sufficient. Within this framework housing associations are now free to sell, invest and chose the way they allocate their “revolving fund” to social task. In order to maintain a guiding role on their activities, various steering mechanisms were developed, such as agreements on performance, codes of conduct and supervisory committees.

Financial support
Since the middle of the 1990s, direct financial support through ‘brick-and-mortar’ subsidization and government loans has been abolished, leaving housing associations with the challenge to fully finance their social housing investments with capital-market loans and their own resources, consisting of reserves that had been built before the 1990s and proceedings from sales and project development of more expensive owner-occupied and rental dwellings (see e.g. Priemus, Dileman and Clapham, 1999). So, there are no publicly funded housing programs anymore. However, some indirect financial support still exists through:
- demand assistance (not only in the social rented sector, but also in the private rented sector);
- guaranteed loans by the national Social Housing Guarantee Fund (Waarborgfonds Sociale Woningbouw - WSW), which is filled by fees from the social landlords and backed up by central and local government;
- financial support for weaker social issued by the Central Housing Fund (Centraal Fonds Volkshuisvesting - CFV), a public body independent from both the government and the housing associations’ sector.

Supervision
In the same period as the national government reduced its financial support, the prescriptive regulations were replaced by the principle of retrospective accountability. Since the introduction of the Social Rented Sector Management Decree (Besluit Beheer Sociale Huursector - BBSH) in 1993, housing associations operate in a system in which they are supervised on the basis of general ‘fields of performance’:
- contribute to combining care and housing accommodation of target groups;
- preservation of the quality of dwellings and their environment;
- consultation of tenants;
- securing financial continuity;
- providing housing and care arrangements; and
- promoting liveability.

The national Minister responsible for housing, may impose sanctions if an association performs poorly or in conflict with regulations, such as a directive (to undo or to perform a certain activity) or the appointment of a temporary supervisor. Apart from the national government, the external supervision is carried out by the Central Housing Fund, which thus has not only a funding role, but also a supervisory role, focusing on financial performance. Finally, there is also an internal supervision, which is carried out by a supervisory board.
Sales
Housing associations are allowed and encouraged to sell dwellings, since the promotion of home-ownership is a prominent issue of Dutch housing policy - although the extent to which this policy is imposed varies over the years. Given their financial self reliance, the sales strategies are often motivated by the landlord’s own reinvestment strategies.

Allocation
Although the BBSH stipulates that housing associations must give priority to accommodating households with a weak position on the housing market (mainly lower-income households), housing associations are allowed to provide dwellings for other target groups and to deliver high-rent or owner-occupied housing. A national restriction is that relatively cheap homes must be allocated to low-income households. At the local level, many housing associations work together with municipalities to manage distribution systems, each with its own allocation criteria.

Rent setting
So far, it seems that Dutch social landlords have considerable policy freedom. This autonomy, however, is confined by rent regulations, limited availability of land, and external agreements, especially with local governments. As for the rent regulations, the so-called Housing Valuation System (Woningwaarderingssysteem) is in force for the major part (about 95%) of the dwellings in the Netherlands (expensive dwellings are excepted). On the basis of this valuation, a maximum eligible rent can be calculated. In principle, rents can only be changed on July 1st of each year. The government decides each year the maximum rent increase in terms of percentages. For housing associations, the government also determines each year a maximum rent increase on corporate level. The latter regulation is in force since 1993. Before, the government determined the annual rent increase on individual level and housing associations were not allowed to vary the annual rent increase per dwelling themselves. Since July 2002, the national rent regulations substantially confine the policy freedom of housing associations that they received in 1993. The maximum rent increases is tied to the inflation rate and the maximum eligible rent according to the Housing Valuation System. This is political imposition, which until 2007 set the maximum rent increase for individual dwellings varied between the inflation rate and the same rate plus 2%. Later from 2007, rent increases have not been allowed to exceed the inflation rate.

5. Micro level illustrations Vienna and Amsterdam

The following illustrations describe how financial changes during the 1990s have influenced the activities of housing providers in Vienna and Amsterdam.

Vienna

General characteristics of the selected organisations
Vienna’s affordable housing stock is provided by municipal housing companies and limited profit housing associations, illustrated by the following examples. Wien-Süd is a well established, medium sized and innovative Building and Housing Co-operative (1910) which primarily provides subsidised rental and ownership apartment and row housing in the South of Vienna, but also Upper Austria (Berndorf), Burgenland (Eisenstadt), and Lower Austria (Linz). It has a total of 23,000 units in 46 municipalities, via a complex of co-operative holding companies which vary from 100 to 2500 dwellings in size. Sozialbau was established in
1954 as a public housing company with social democratic roots, engaged in the post war re-
construction, mass building provision and later dwelling improvement and building renova-
tion for the City of Vienna (Sozialbau AG, 2004). It is now the largest landlord in Austria,
with 40,000 rental dwellings and 7,000 for ownership and provides arms length operational
services in development, renovation, administration and tenancy for smaller service level co-
operatives and companies. Both organisations are governed by tight rules governing the use
and ownership of assets and re-investment of profits for housing purposes.

**Portfolio policy**

Wien-Süd aims to develop, renovate and renew high quality affordable quality dwellings in
attractive living environments for rent, rent with option to buy or purchase (Wien-Süd, 2007).
It also facilitates the provision of social infrastructure on a non-profit cost basis, such as
schools and kindergartens, which are commissioned by local authorities. Sozialbau aims to
provide long term affordable housing and enable the provision of appropriate social infra-
structure as per the City’s own planning requirements. Their stock is older and thus renova-
tion and improvement to meet contemporary quality standards is their focus.

Both organisations rely on the provision of grants and subsidies to produce new and renovate
old dwellings, which are dependent on the political will of municipal and regional govern-
ments, which has varied considerably over time. Subsidies declined sharply between 2000 and
2007, reducing production from 16,000 to 8,000 dwellings under the conservative coalition
government but have revived to produce 15,000 dwellings per year. Unlike smaller, rural cit-
ies, the state of Vienna is perceived as a professional and highly competent actor in the field
of housing policy and housing finance. However, Federal commitment to it loan programs has
been capped and increasingly LPHA are being encouraged to rely on commercial loans, their
own reserves and (tenant) equity, with consequences for production levels and affordability of
housing outcomes.

Both Sozialbau and Wien-Süd have close networks and political ties with the City of Vienna,
which plays a leading role determining the overall levels of housing production and land de-
velopment priorities. The price paid for land is based on the potential yield a site and is often
determined by the City’s land banking corporation Wohnfond. Land is then sold by competi-
tive tender, which aims to reduce building costs and focuses developers on quality outcomes
(Förster, 2006). In 2008, Wien-Süd had €30 million invested in land, regarded as sufficient
for its own plans for housing provision in the coming years. However, Sozialbau considered
that land scarcity was a major constraint on the level of housing production. The complex
conversion of brown field sites close co-operation between multiple parties, which were con-
sidered to increase costs and undermine integrated planning.

With subsidies capped amidst increasing construction costs, LPHA must reply on commercial
loans; being mature organisations they also have substantial reserves to re-invest. Strict rules
channel the cheapest possible funds towards the production and renovation of housing and it
is impossible to invest in non-housing ventures. However, interest rate limits for lengthy loan
terms are restrictive, binding interest rates to just above the Eurobor rate, which pose higher
liquidity costs for the banks. In times of credit scarcity, as now, Housing Banks have not been
able to raise sufficient funds via the sale of Housing Convertible Bonds (HCCB). Neverthe-
less, currently Housing Banks have been able to raise cheap credit on the commercial market.

As with all LPHA, Wien-Süd and Sozialbau are subject to annual auditing processes by the
Audit Federation of the Austrian Federation of Limited Profit Housing Association (GBV),
which reports on their performance to the state of Vienna, which only provides grants and loans to well regulated LPHA. Inspection involves a three week visit every year by specialist auditors to examine their accounts, activities and investment plans. Further, Wien-Süd has introduced its own two year project level evaluation process to inform renovation strategies.

**Sale policy**

Like all LPHA, Wien-Süd and Sozialbau are subject to strict limitations on their generation profits, they are also subject to caps on administration and construction costs and must employ a system of cost rents to manage their revenue, under which rents are low in the early phase of low interest public loans, then rising after five years with CPI. Across Sozialbau’s older rental stock, rents are between €3 and €5 per square meter for older dwellings and €7-€8 for new subsidised dwellings. There is little demand for smaller single room units, which are being remodelled, whilst demand is strong larger family dwellings, especially those with an affordable rent to buy with option.

Wien-Süd is now specialising in this form of housing, and typically charges €5-7 per square meter rising with CPI, and requires up to €30,000 in tenant equity. Whilst wealthier tenants are able to pay, others must rely on familial support, commercial loans and there are zero interest equity loan programs available from the City of Vienna. Wien-Süd argues affordability is threatened, as incomes have not kept pace with rising housing costs or CPI, and this will be exacerbated by the pending recession.

**Allocation**

Tenants are increasingly young and ethnically diverse; Vienna attracts migrants from Central and Eastern Europe, and these communities are increasingly present on housing estates. Sozialbau has always maintained an unrestrictive access policy, with Vienna’s subsidy programs requiring allocation of dwellings to specific household incomes. For a long period, rules governing income eligibility have remained the same: 50 percent of newly produced dwellings are offered externally to the general public and 50 percent is offered internally to existing members and those on the waiting list.

**Outcomes/investment priorities**

For the past two decades Wien-Süd has specialized in the production and ‘low impact’ refurbishment of low energy and historic dwellings and has institutionalised a system of tenant based evaluation for every apartment complex. Currently, Wien-Süd is pursuing international development opportunities in Germany, Central and Eastern Europe, exporting their development and management expertise in low energy affordable housing via a consulting subsidiary. Sozialbau continues to focus on long term rental housing for low to moderate income households, and produces around 600 dwellings per year most of these for rent or rent with the option to buy, representing around 10 percent of Vienna’s annual target.

**Amsterdam**

In the following two illustrations from Amsterdam are presented.

**General characteristics of the selected organisations**

Ymere’s housing portfolios are concentrated in the city of Amsterdam. Ymere has also properties in the nearby city of Almere, and in several other municipalities in the region. A considerable regional expansion has been realised at the beginning of 2008, when Ymere merged with another housing association, which is mainly active in the also nearby cities of Haarlem
and Haarlemmermeer. As a consequence, the size of the portfolio has risen from 45,000 to 77,000 homes. Ymere’s organisation consists of a main office, a project development branch (and a branch for asset and property management. This branch is divided according to sub-markets, (e.g. housing for higher-income groups, housing for students, housing for the elderly), of which the ‘traditional’ affordable housing for lower-income groups is by far the largest. The latter submarket is subdivided into several districts. Portfolio policies are developed at the main office. Project development in restructuring areas is the task of mainly the project development branch. The districts are primarily responsible for regular maintenance and (other) property management.

De Key’s owns 27,000 homes and also manages 3,400 homes for other organisations. The vast majority of these homes are in Amsterdam, but De Key is also active in project development in surrounding municipalities. Like Ymere, De Key has an internal project developer, responsible for new building, refurbishment and other larger investment projects. This project developer plays a central role in the preparation of investment decisions in restructuring areas. In other, non-restructuring areas, however, this project developer is usually not involved.

**Portfolio policy**

Ymere seeks to diversify its portfolio by expansion into the region around the central cities, by growth in segments that are now relatively small, and by improving the average quality standard of its homes. Risk reduction and improvement of financial returns are important reasons behind this policy. Ymere states that benefit to society is the most important value, but believes that this can only be done in a proper and efficient way if risk and return are explicitly taken into account. As we mentioned before, Ymere distinguishes within its portfolio several submarkets. For each segment, yearly targets are determined for, for example, production of new homes, sales and financial return.

De Key is less explicit about the role of risk and return, but until recently the directions in which its portfolio should develop were clearly set: De Key also sought to enlarge the share of large homes (at the expense of small ones) and, more generally, to improve the overall quality of its housing stock. This also implied a considerable rise in the average rent level and the share of (more) expensive homes. In addition, De Key strived for a substantial increase of the number of homes for the elderly as well as students. Targets have been set for the number of homes to be realised for these two population groups. Initially (in 2002) there were also quantitative targets for the number homes suitable for families, but this policy was replaced by the more general objective to realise a substantial number of larger homes (surface more than 100 sqm), irrespective of the type of household to which they will be allocated.

Nowadays, De Key is revising its portfolio policies. The result of this revision is unclear yet, but an emphasis on improving liveability in the neighbourhoods in which it has a dominant position and (re)developing non-profit real estate (e.g. schools, community centres) for this purpose will be one of the key elements (oral information by head of policy department).

**Sales policy**

Building homes for sale and the sale of existing homes is now common practice among Dutch housing associations. There are several reasons why housing associations follow this practice. First, sale can be a necessity for housing associations to finance their building projects. This is especially true in restructuring areas, where investments in the housing stock are large and the building costs are relatively high compared to greenfield extensions. Second, sale of social housing is advocated by the national government and many local governments to combat so-
cial segregation and to improve liveability of deprived neighbourhoods. In Amsterdam, the local pressure on housing associations to dispose of their properties might be even larger, because the government wants to make a shift from an almost exclusively rented housing stock (around 90% for many years) towards what is regarded as a more balanced tenure mix. At the same time, however, agreements between the housing associations and the local government have been made that pose limits to the number of homes that are to be sold.

Ymere has imposed on each of its district departments a number of homes to be sold each year. The district departments have to designate the homes that are eligible for sale. They have a certain freedom to do that, but must also follow several guidelines. One of them is that Ymere prefers to sell in neighbourhoods with a high share (more than 60%) of social housing. Another guideline is that homes have to meet certain quality standards, which are not only determined by Ymere itself, but are also imposed by the local government. This means in practice that many homes require investment before they are offered for sale. Originally, financial return was dominant in the sale of homes, but as the desired levels of return were easily attained, the districts became more selective in what they offered for sale.

De Key changed its sale policy several times in the last five to ten years. In 2002 De Key aimed to sell off 450 homes annually. At the same time, the homes eligible for sale were appointed. Because of rather strict local regulations concerning the technical quality of the homes to be sold, especially those homes were selected that needed relatively little investment before they could be disposed. When it turned out that the annual targets were not met, the selection of homes eligible for sale was extended. Nevertheless, a few years later the yearly target was cut down to 200 homes, because the net income from these sales was higher than initially expected. In addition, another type of financial calculation was introduced: valuation on market price replaced the traditional valuation on historic cost price. Then, De Key decided to keep a majority of homes in mixed-tenure estates, whereas formerly it strived to sell off all its homes in such estates.

Allocation
In Amsterdam the so-called ‘Delft model’ is in force, which means that home seekers react on vacancies published periodically, in Amsterdam every two weeks. In order to be eligible for relatively cheaper social rented homes (rent under €548,18 per month as from July 2009) home seekers need to have a housing permit, for which a household has to register as home seeker and which is granted by the municipality under certain conditions. An example of such a condition is that home seekers must work in Amsterdam or must have lived there for a number of years. Allocation takes place according to waiting lists (www.amsterdam.nl, accessed on 17 June 2009).

Outcomes/investment choices
Nieboer (forthcoming) has investigated the shifts in housing mix in neighbourhoods where Ymere or De Key has been active. Generally, the results show that these shifts can involve substantial improvement and demolition in restructuring areas built in the 1960 and 1970s, involving a reduction from 100% to 30% affordable rental housing in the area, with 70% either for ownership or higher rental accommodation. Older neighbourhoods (1910s-1930s) with valued architectural features have been spared whole sale demolition, and are renovated by enlarging individual dwellings and undertaking technical improvements.
6. **Contrasting the outcomes of each system**

Whilst Austria has retained its strongly regulated limited profit, cost capped and cost rent regime, it has been vulnerable to rising construction costs and a shift towards high tenant contributions is emerging. The Netherlands financial self reliance has led to substantial organisational change including mergers, restructuring to promote more expensive often ownership dwellings. This section reviews the evidence of outcomes at the macro and micro level.

**Austria**

Housing production levels in the Austrian social housing sector are provided in Table 2 below, which illustrates stable levels of total production between 2001 and 2007. However, there have been changes in the composition of tenure produced. Whilst the production of rental housing has remained fairly stable, dwellings with the option to buy have increasingly replaced those sold at completion. This has been brought about by the introduction of regulations in 1993 permitting tenant equity contributions alongside the capping of Federal subsidies, amidst rising construction costs, which have recently influenced both affordability and tenure outcomes since 2005 (Table 2). As costs have increased, reliance upon tenant contributions have also increased – thereby reducing housing affordability.

Table 2  
Number of dwelling units produced by Austrian LPH housing associations, 2001-2007

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent with Option to buy</td>
<td>1.000</td>
<td>5.200</td>
<td>4.850</td>
<td>6.420</td>
<td>5.560</td>
<td>6.220</td>
<td>5.910</td>
<td>10.830</td>
<td></td>
</tr>
<tr>
<td>Owner Occupation</td>
<td>5.650</td>
<td>5.180</td>
<td>3.040</td>
<td>1.280</td>
<td>880</td>
<td>1.020</td>
<td>990</td>
<td>850</td>
<td>800</td>
</tr>
</tbody>
</table>

Source: GBV (2009)

During the 1990s, overall output in residential construction, including the subsidised sector, amounted to approximately 36,000 dwellings annually, rising to nearly 60,000 by the end of the decade. This declined to approximately 43,000 units in the 2000s before rising again with changes to subsidy arrangements in 1989 affecting grant levels and in 2001 capping federal funding (WIFO, 2004:2, 7). Whilst the conditionality of grants and loans programs has persisted, there has been increasing reliance on commercial loans, via specialised Housing Banks, and tenant equity – the latter has led to substantial growth in the rent with option to buy tenure.

Based on SILC data for 2007, Austrian households spend on average €420 per month or 18 per cent of their household income on housing. The share of housing costs is particularly high amongst single-parent-households (31%) and single female households (33%). For households at-risk-of-poverty housing costs are a considerable burden, on average they have to spend 363 Euro, corresponding to 38% of their household income, on housing (Statistik Austria, 2009). In 2007 the average rent burden in Vienna, across both private and limited profit sector, for couples with children was only 20 percent of household income (Kalmár et al., 2008, Czasny and Bständig, 2008), which is very low compared to other West European capital cities. In this city, the cost capped limited profit housing sector continues to play a very important role across the entire rental sector, where today it provides 48 per cent of all rental housing. Nevertheless rising construction costs are placing increasing pressure on cost capped
LP projects, with tenants of new dwellings being required to make increasing up front contributions, albeit the option to purchase after 10 years.

The Netherlands

In contrast to Austria, we can see from Table 3 below that the total production level in the Netherlands by housing associations follows a different trajectory: a decline from 72,958 homes in 2001 to 59,629 homes in 2003, followed by a gradual increase to 80,193 homes in 2007. Despite public criticisms, the number of dwellings procured by housing associations has actually doubled since 2001 – catering for both renters and purchasers (see Table 3).

Table 3  Number of dwelling units produced by Dutch housing associations and total number of dwellings produced in the Netherlands, 2001-2007

<table>
<thead>
<tr>
<th>Tenure / Year</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>For rent</td>
<td>12,600</td>
<td>13,600</td>
<td>13,800</td>
<td>18,800</td>
<td>21,800</td>
<td>24,700</td>
<td>25,200</td>
</tr>
<tr>
<td>For sale</td>
<td>3,600</td>
<td>5,200</td>
<td>5,100</td>
<td>6,300</td>
<td>7,200</td>
<td>7,900</td>
<td>8,500</td>
</tr>
<tr>
<td>Total produced by HAs</td>
<td>16,200</td>
<td>18,800</td>
<td>18,900</td>
<td>25,100</td>
<td>29,000</td>
<td>32,600</td>
<td>33,700</td>
</tr>
<tr>
<td>All dwellings produced</td>
<td>72,958</td>
<td>66,704</td>
<td>59,629</td>
<td>65,314</td>
<td>70,16</td>
<td>72,382</td>
<td>80,193</td>
</tr>
</tbody>
</table>

Sources: for figures on social housing CFV (2006 and 2008), for figures on all dwellings http://statline.cbs.nl

However, closer consideration reveals that the financing and regulatory changes outlined above, have transformed the asset management practices of Dutch social landlords. Due to reduced government support, they now operate in a far more market-oriented way, pursuing more profitable strategies. Since the financial reforms, associations focus on the production and exploitation of not only cheap dwellings, but also more expensive dwellings in both the rented and the owner-occupied sector, encouraged by coalition governments that perceived that the supply of cheaper rental dwellings in the market was excessive (VROM, 2000 in Gruis and Nieboer, 2004). At the same, the concentration of low-income households in the social rented sector grew. This development already took place in the 1980s, before the financial reforms, but continued in the 1990s (Van Kempen and Priemus, 2002). This has occurred in the context of a growing popularity of purchasing a home, which in particular the better-off could afford. Moreover, sale of dwellings has become a necessity to finance re-investment strategies, which are frequently applied in restructuring neighbourhoods. This partly explains the considerable shift in tenure in these areas, next to political ideas about striving for a social mix in deprived neighbourhoods (see e.g. Priemus, 1998; Uitermark, 2003; Kleinhans, 2004).

Unlike Austria, rents are not cost based but politically nominated. Housing affordability is primarily a concern of central government through its demand assistance policy, but housing associations are usually willing to keep rent levels under certain maximum levels in order to keep tenants eligible for housing allowance. The government sets expenditure levels, eligibility criteria, the points system for determining rents as well as being responsible for the criteria for and the level of annual rent increases. The average monthly rent in the social housing sector in 2007 was €398. 29 per cent had a rent under €343, 64 per cent between €343 and €527 and the remaining 7 per cent above €527 (Aedes, 2009).

The financial reforms have been followed by a large number of mergers between social landlords. As a consequence, the number of housing associations has fallen from 767 in 1997 to 492 in 2005 (VROM, 2007:158). As associations expand their horizons nationally to achieve
cost efficiencies and market dominance, local housing objectives lose importance. Indeed, since the establishment of the BBSH in 1993, associations have been required to establish local agreements concerning performance targets. However by 2008 only one third actually closed agreements with associations operating in their area (Conijn, 2008).

However, it seems that the ‘glory days’ of self regulation are over. The central government is reviewing the manner in which the social housing sector is managed and has made proposals for a stricter regulation of this sector (press release Ministry of Housing, 12 June 2009, see www.vrom.nl). The government’s proposals include:
- establishment of a new Authority, which will be responsible for all supervision and in which CFV will be merged;
- forbidding the participation in boards of partnering organisations in order to prevent any conflict of interest;
- rules governing the activities of subsidiary companies which engage in more commercial activities, which require two thirds private investors, to protect community assets;
- criteria and process for assessing amalgamations between corporations, which involve local authorities and tenant organisations.

In addition, an increase of the maximum limit per dwelling per project for WSW guarantee from €200,000 to €240,000 has been announced. This change has more to do with mitigating the effects of the current credit crunch than with diminishing self regulation, but it also indicates an increased government interference in the social housing sector.

There has been much debate about the background of the situation of declining production combined with high house prices. For this paper it is relevant to which extent this is caused by the financial reforms in housing. Boelhouwer et al. (2006) argue that the transition of a state-subsidized to a non-subsidized housing sector is indeed one of the reasons of the stagnation in housing production. However, they also argue that environment conservation, including preservation of rural land, and low mortgage interest rates have played a significant role. These arguments, however, do not explain the evolution in production level in the social housing sector, which shows a clearly upward trend.

A tentative causal analysis – modes of regulation and regimes of accumulation

One of the aims of this research has been to highlight the interdependence between the regulation system (MSR) and financing arrangements (RCA) upon the production of social housing. The Austrian and Dutch case, at both the national and organisational level, reveal strategic interdependencies which differentiate each system and influence housing outcomes.

First and foremost, the existence and volume of conditional public grants and loans is clearly a major factor influence production levels and tenure orientation in Austria, promoting the growth of right buy tenancies (WIFO, 2004). Whilst public finance is declining in proportion to other forms of investment, it remains essential, providing collateral for securing commercial loans. Private funds raised via the sale of tax privileged housing bonds must be used within two years for approved housing projects, thus the conditionality of public funding is perpetuated via tax regulations, strongly steering private investment towards public policy goals. To ensure providers are developing cost rent, limited profit housing according to prescribed requirements in return for their own tax privileged status, the supervisory system is expert (by the specialist auditors) and directly accountable to funding bodies (regional governments).
In contrast, the Netherlands the nature of regulation and financial independence was found to be very different. Without conditional public funding, reliant of self regulatory strategies and with few (tax) incentives to reinforce their social task, there has been a focus on voluntary agreements and more commercial strategies, including asset sales, organisational mergers and entrepreneurial projects. Dutch housing associations have, from a European perspective, a large freedom to determine their own portfolio policies and their own investments. As regards investment policies, constraints of this freedom are to be found mainly in availability of land (reaching or not reaching) agreements with municipalities and tenants. Critical interceptions by the national government to steer housing associations have been absent or are rarely used, with the possible exception of the very recently proposed reforms.

A normative evaluation

For readers interested in the policy implications of this paper, we return to the normative principles of regulation introduced in the conceptual section. We can argue that Austria’s system of regulation and financing is tightly interconnected with detailed prescriptive requirements. The Netherlands, in contrast can be perceived as a loosely regulated system with few sanctions or incentives to channel investment away from that most profitable. The following Table 4 provides an evaluative comparison of both systems.

Table 4 Regulatory principles applied to Austrian and Dutch systems

<table>
<thead>
<tr>
<th>Principles</th>
<th>Austria</th>
<th>The Netherlands</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clear principles and sector leadership</td>
<td>Federal legislation, funding requirements and tax concessions affecting LPHA realm of activities, rent setting, accounting standards and limitation on profits.</td>
<td>National legislation but no subsidies or tax concessions affecting realm of activities, rent setting, accounting standards and clawback of possible profits.</td>
</tr>
<tr>
<td>Building management capacity</td>
<td>Constructive role of umbrella organisation via ‘in-house’ annual auditing process.</td>
<td>Strong role of individual organisations in setting own targets and annual auditing process.</td>
</tr>
<tr>
<td>Steering beyond the market driven by a social task</td>
<td>LPHA compete not only on cost efficient projects but primarily on their quality via competitive tendering, planning processes and conditional funding.</td>
<td>Strong culture of not only striving for financial return, but also for social return. However, few formal incentives to promote this.</td>
</tr>
<tr>
<td>Accountability to stakeholders, including tenants.</td>
<td>Accountability to government is strong, via annual audit reports, and the requirement to meet subsidy conditions in order to finance new projects. Co-operatives are membership based, but their representation is not dominant.</td>
<td>Highly debated issue. There are several formal obligations, but housing associations have a large freedom in shaping them into concrete actions.</td>
</tr>
<tr>
<td>Managing risk</td>
<td>Collateral provided by public grants and loans. Rigorous auditing increases trust in sector. Cost rents ensure solid revenue stream.</td>
<td>Housing associations have to stand financially on their own feet, but indirect support from WSW and possibly also CFV. Rents and their increases determined by central government, subject to political risk.</td>
</tr>
<tr>
<td>Appropriate autonomy</td>
<td>Model is highly prescriptive, through cost capped, limited profit, cost rent system.</td>
<td>Model based on self regulation and steering through general objectives in the form of ‘fields of performance’.</td>
</tr>
</tbody>
</table>
7. A research proposal towards more considered analysis

The interaction between regulatory systems and financing regimes provides a rich field for housing research and this paper provides the foundations to investigate and contrast the Austrian and Dutch model of provision more thoroughly. Preliminary research undertaken for this paper, and the results summarised in Table 4 raise many interesting questions concerning the interaction between regulatory systems and financing regimes, such as:

- What is more effective in responding to expressed and unexpressed housing demand - prescriptive or self regulatory regimes? Is there a middle way?
- Which system best sustains the social task of housing associations?
- Can providers be effectively steered without subsidies and concessions?
- How vulnerable are regulated systems to developments in related markets, such as rising cost of construction or finance?
- What influences the volume of production? Investors, the ‘market’, associations, consumers, and last but not least,
- What role does the social housing sector play in the building cycle? Procyclical? Countercyclical?

Towards a more comprehensive investigation, we argue that an appropriate strategy is to postulate and abstract the key causal relations influencing housing investment strategies in their contingent context by learning from institutional developments concerning regulation and financing arrangements and by examining organisation practice. The Austrian and Dutch examples show how significant shifts in regulatory and financial arrangements can limit or extend the realm of possible action by housing organisations. However, a more careful examination of this process requires multi-actor interviews within provider organisations, of not only senior strategy makers but also those implementing project proposals. Together, this dual macro-micro approach to explaining the mediation of regulatory systems and financing regimes upon housing organisations can be fruitful. Such an approach moves away from highly aggregated national accounts of housing systems, and recognises the causal significance of their local contingent context complex role of bounded rational action and decision making processes.

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