Apples and oranges: recent innovations in housing asset management in the Netherlands

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Abstract
In the late 1980s and the early 1990s, Dutch housing associations became increasingly independent from the government. Before, the sector was largely government-dominated, through regulations, loans and subsidisation. Nowadays, housing associations have to finance their activities with capital market loans, cannot rely on object subsidies anymore and have an increased administrative autonomy.

The shift in the political environment has been followed by a wide range of innovations, in which housing associations seek, among others, to reduce financial risks, to improve their knowledge of market developments, to develop a more client-driven policy and to diversify their services. In this paper we discuss the innovations that housing associations have developed in the asset management of the existing housing stock. Using Walker et al. (2001), who published an extensive research on the innovative capacity of English housing associations, we typify the innovations that we may expect. Then, we present the results of a case study research in the Netherlands, held among nine large housing associations in 2003. We deal with the innovations that have been developed and classify them. From these innovations we draw some preliminary conclusions on the pace of innovation among Dutch housing associations as far as asset management is concerned.
1. Introduction

Like in most countries, if not all, the asset management of social landlords in the Netherlands is considerably influenced by the national political context in which they operate. Since the late 1980s, after decades of strong central government intervention in the housing market, the Dutch national government policy embraces the reinforcement of market principles in social housing. As part of this policy, housing associations have gained much more administrative freedom. In the 1990s, direct financial support for new building and refurbishment was completely withdrawn, which is unique in Western Europe (e.g. Boelhouwer, 1997, 1999; Dieleman, 1999).

The new policy context has set considerable challenges for the asset management of Dutch social landlords. Being transformed from operational, task-oriented organisations towards 'social entrepreneurs', they have to operate in a more strategic, market-oriented way. As a result, there has been wide interest among social landlords in innovative methods and instruments to support management in a more systematic and business-like manner. This development has been exacerbated by a large number of mergers between social landlords, which has created larger organisations and more professionalism in these organisations. Because of the mergers, the number of housing associations, being the main providers of social housing in the Netherlands (99% of all homes in the sector), has been reduced from 786 in 1997 (Ministry of VROM, 1998) to 552 in 2003 (Ministry of VROM, 2004).

We expect that the shift from a government-driven to a market-oriented context, and the increased financial risks connected with it, make new or modified asset management strategies necessary. Little research, however, has been done on the innovations of social landlords and the acceptance of innovations in this area. To what extent can social landlords be called innovative as far as housing asset management is concerned? This paper especially deals with methods and techniques for structuring and systematising investment decisions. The importance of such decisions have increased because the sector faces a considerable restructuring of its housing stock, due to a broadly felt qualitative mismatch between demand and supply.

We do not only pay attention to the methods, but also to the policy objectives concerning the development of the housing portfolio. In our view, methods as such are rather meaningless if they are not related to the objectives of the organisation, especially if these methods intend to support decision-making. Moreover, the objectives partly determine the information that is relevant in applying the methods. In addition, we pay attention to the extent to which these innovations are applied in the organisation and have become a regular part of decision-making on investments.

Our research questions for this paper are as follows.
- What objectives have the social landlords formulated regarding the development of their housing stock? Which aspects of the housing stock are dealt with in these objectives?
- Which methods do the social landlords use to systematise and structure their stock investment decisions?
- In which way are these methods related to the objectives of stock development?
- To which extent do these objectives and methods define the investment decisions of the social landlords?

The research has been carried by interviews and a document study. The choice for interviews is based on the explorative character of the research, in which the important issues in stock development are brought forward by the landlords themselves (instead of selecting a set of predefined aspects beforehand).

We have not aimed at representativity. We have interviewed 9 housing associations, which form only 1 to 2 percent of the whole sector. The interviewed associations are relatively large: they own together about 200,000 homes, which is 8 to 9 percent of the total number in the sector. The landlords have not been selected at random, but have been formed from two groups.
1. The first group consists of 6 housing associations that have participated in a research and discussion platform of OTB Research Institute about asset management strategies. A main criterion for participation was that one or another form of such a strategy had already been developed. The platform existed from April to December 2003.

2. The second group consists of 4 housing associations that can be seen as a research advisory board. These four organisations are part of a group of 8 housing associations that partly finance a comprehensive programme, to which this research belongs. Because one of the landlords in the second group also participated in the first group, the number of landlords in the research is not ten, but nine. From the way in which these nine landlords are selected, it is likely to assume that their asset management is relatively advanced compared to the average landlord in the social housing sector.

The nine housing associations are, by Dutch standards, large. Among them, Delftwonen is the smallest (9,000 homes) on the WBA the largest (40,000 homes, both figures as for 2003). Vestia The Hague-South-West (Vestia Den Haag Zuid-West), with 7,500 homes, takes a different position, being part of the much larger Vestia Group (with about 75,000 homes), but acting independently as far as the development of asset management strategies is concerned, and hence treated in this research as if it were an independent landlord.

In the following section, we deal with the concept of innovation. We believe that this is useful to further clarify the scope of the research. After this section, we go into the objectives and the methods that are used by the social landlords in our research. The paper ends with a tentative conclusion about the innovative capacity of the Dutch social housing sector as far as the development of a systematic asset management is concerned.

2. The concept of innovation

‘Innovation’ is a broad term, related to a variety of aspects, which makes it hard to ‘catch’ in a concise definition. Walker et al. (2001, p. 14), drawing on different literature sources, distinguish the following elements:

- a process, through which new ideas, object and practices are created, developed or reinvented;
- introduction and application of ideas within a role, group or organisation;
- involvement with processes, products or procedures, or outcomes;
- something new and novel to the relevant unit of adoption (rather than newness per se);
- something designed with the intent to benefit the individual, the group, organisation or wider society, though an innovation may have a negative and unanticipated impact;
- discontinuous change, frame-breaking rather than frame-bending, and a process of creative destruction.

Applied to methods for structuring and systematising asset management, it means that we search for methods that are new to the organisation (in the sense that they are a different way of working compared to former processes and procedures) and that they not only invented, but also introduced and applied in the working processes and procedures of the organisation. In common language, innovation is mostly associated with new products or services. Walker et al. (2001), citing Osborne (1998), add to this the delivery of existing services to new target groups. As we stated in the introduction, however, the type of innovation dealt with in this paper is of a different kind: it is related to new processes and structures in (internal) policy making about the development of the housing stock, in order to structure investment decisions and make them more transparent. This is clearly not an innovation as such, but can be an innovation to an individual organisation. Within this type of innovation, we concentrate on the contents of decision-making (i.e. what investments are chosen or rejected?), not on the organisation of decision-making (internal procedures, organisation structure, interpersonal relationships etc.), nor on supporting computer programs and calculating techniques.
3. Goals and objectives on portfolio development

The dynamics in the social housing sector may affect the contents and the character of the goals and objectives concerning the development of the housing portfolio. These dynamics may even affect the very presence of goals and objectives. In our research, we have found many vague objectives, but also a number of concrete and measurable objectives in the form of targets or performance indicators. Because the latter objectives are not more than a few years old, there appears to be a shift towards more quantified and more measurable goals. The objectives are formulated on various fields of interest, such as lettability, affordability, finance and social security (theft prevention, tackling trouble-making tenants etc.). Table 1 mentions some of the objectives found in the research. Because these objectives are from different landlords, they are not necessarily compatible and can be even contradictory.

Table 1: Examples of stock policy objectives, used by the researched housing associations

<table>
<thead>
<tr>
<th>Category</th>
<th>Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>target group</td>
<td>- focus on low-income households, but also attention to higher-income groups</td>
</tr>
<tr>
<td></td>
<td>- housing for a wide variety of households (elderly, students, lower- and</td>
</tr>
<tr>
<td></td>
<td>higher-income people etc.)</td>
</tr>
<tr>
<td></td>
<td>- more variety in demographic composition of districts</td>
</tr>
<tr>
<td></td>
<td>- more appropriate housing for the elderly</td>
</tr>
<tr>
<td></td>
<td>- relet at least x% to low-income households</td>
</tr>
<tr>
<td></td>
<td>- at least x% of the total number of homes allocated to the mentally or</td>
</tr>
<tr>
<td></td>
<td>physically handicapped</td>
</tr>
<tr>
<td></td>
<td>- a sufficient number of good quality housing for low-income households</td>
</tr>
<tr>
<td>portfolio composition</td>
<td>- adjustment supply to demand</td>
</tr>
<tr>
<td></td>
<td>- more variety in portfolio composition</td>
</tr>
<tr>
<td></td>
<td>- more homes of high quality</td>
</tr>
<tr>
<td></td>
<td>- more homes for the elderly</td>
</tr>
<tr>
<td></td>
<td>- refurbishment or disposition of homes with bad market expectation</td>
</tr>
<tr>
<td></td>
<td>- varied supply on both the social and the commercial housing market</td>
</tr>
<tr>
<td></td>
<td>- an increase of the average floor space of the portfolio with x square</td>
</tr>
<tr>
<td></td>
<td>metres</td>
</tr>
<tr>
<td></td>
<td>- improvement of x homes per year to a certain predefined quality level</td>
</tr>
<tr>
<td>portfolio size</td>
<td>- disposition of homes in neighbourhoods in which the landlord has a little</td>
</tr>
<tr>
<td></td>
<td>number of properties</td>
</tr>
<tr>
<td></td>
<td>- disposition of homes in neighbourhoods with a high concentration of</td>
</tr>
<tr>
<td></td>
<td>social-rented housing</td>
</tr>
<tr>
<td></td>
<td>- stabilisation in well-to-do neighbourhoods, disposition in declining</td>
</tr>
<tr>
<td></td>
<td>neighbourhoods</td>
</tr>
<tr>
<td></td>
<td>- stabilisation of the share in the local social housing market</td>
</tr>
<tr>
<td>sale</td>
<td>- sale of x homes per year</td>
</tr>
<tr>
<td></td>
<td>- the homes that will be sold reflect the present composition of the portfolio</td>
</tr>
<tr>
<td>rent level</td>
<td>- maintenance of a minimum number or percentage of affordable homes</td>
</tr>
<tr>
<td>finance</td>
<td>- solvency rate at least x% in year y</td>
</tr>
</tbody>
</table>

Although there is more emphasis in the social sector to market and financial factors, most objectives are related to rather traditional issues like affordability, focus on lower-income groups, housing for the elderly, and adjustment of market supply to market demand in general. In this respect, the objectives do not show a considerable shift of interest and can hardly be called innovative.
4. **Methods: examples of apples and oranges**

The dynamics in the social housing sector has led to a range of methods for the development of asset management. These methods are so different from each other, that they can hardly be compared. Despite this lack of comparability we can divide these methods into three categories, which cover the large majority of the methods found at the organisations in the research. These categories are:

1. specification of certain aspects of housing supply or housing demand;
2. systematic weighing of different (sometimes opposing) goals and interests;
3. procedures for development of asset management strategies.

These categories do not exclude each other. For instance, a social landlord can develop an internal procedure for policy development, and employs within this procedure a method to weigh different interests.

**ad 1 Specification of certain aspects of the housing stock or the target group**

Traditionally, housing need has been captured in terms of age, household size and income. Nowadays, many social landlords feel that these criteria are inadequate to base housing allocation and housing supply on. In the last five to ten years, there is an increased interest in life-style as an important factor in housing choice. The idea behind it is that people do not want conflicts with the local residents and thus prefer to live among neighbours with a more or less similar pattern of norms and values. In the last years, several classifications were developed, in which present and potential tenants are categorised according to their life-style. In our research we have found three social landlords (WBA, Mitros and Delftwonen) that work with classifications based on life-style.

**Example of classification based on of life-style**

Both the WBA and Delftwonen use a classification, developed by a private company (named SmartAgent Company) and based on individualism and compliance with traditional norms and values in society. On the basis of this classification, the following categories are formed (cf. Hagen, 2001, pp. 9-10):

- the 'independent' (individualistic and non-compliant people);
- the 'dynamic individualistic' (compliant and, of course, individualistic);
- the ‘community persons’ (non-individualistic, not specifically compliant or non-compliant);
- ‘silent luxury’ (non-individualistic and compliant);
- ‘withdrawers’ (non-individualistic and non-compliant);
- the ‘embedded’ (very group oriented and non-individualistic, not specifically compliant or non-compliant).

These life-styles are used to determine for which people an estate is (potentially) attractive. In practice, life style is only used as a method of neighbourhood description and, therefore, a source of information to potential tenants. In some cases, it plays a role in the formulation of the future composition of the housing stock (e.g. realising homes for families, for lower-income people etc.). Allocation of homes according to life-style does not take place, because this is generally not allowed.

Next to a classification of (potential) tenants, there are also new classifications of the housing stock. While traditionally technical management was driven mostly by a regular maintenance planning cycle, diversification of the physical quality of the dwellings is used more and more as an instrument to adapt the stock to the large variety of individual housing preferences. The housing association of AWV has developed a classification related to physical quality standards, like floor area and amenities (e.g. size of kitchen unit, number of wash basins, wall tiles in the bathroom, central heating). Using this classification, the AWV has assessed the present situation of its estates and has formulated the desired situation. In doing so, the AWV tries to structure its efforts to raise the average standard of its housing portfolio, which is one of its most important objectives.
ad 2 Weighing of different goals and interests

As part of their current administrative freedom, housing associations have to make their own decisions about the development of their housing stock. It is not surprising that in formulating stock policy, social landlords have to ‘weigh’ different interests, like future market expectations, the present technical condition, the financial situation, government regulations and tenant preferences. These interests are mostly incomparable and sometimes contradictory, which makes the weighing of these factors difficult. There are some more or less rational ‘techniques’ to tackle this problem. Although these techniques are rigid, they can be a valuable support in decision-making.

Among the methods to weigh different interests, the portfolio analysis is rather well known. This technique, derived from strategic business planning (e.g. Ansoff, 1984), has been applied by, among others, Van Vliet (1993) and Van den Broeke (1998) in the social housing sector. In a portfolio analysis, estates are assessed on the basis of their current market position (e.g. on the basis of vacancy and turnover rates) and their future market prospects (e.g. on the basis of housing market research). The outcome of this analysis may be translated directly into suggestions for basic strategies to follow (e.g. ‘grow’ or ‘cherish’ when market position and prospects are good and ‘divest’ when market position and prospects are bad). In this way, portfolio analysis may contribute to a systematic approach to formulate strategies for the housing stock (cf. Van der Flier and Gruis, 2002).

Four of the nine housing associations in the research have used the method of portfolio analysis at least once in their stock policy. Strictly speaking, they each use a variant of the method, because the portfolio analyses that we have found differ from the classical form, in which financial aspects such as return and risk or market aspects such as market share and market growth are the central variables.

Portfolio analysis by Wooncom

The variant of the housing association of Wooncom contains a combination of indicators about lettability (turnover rate, vacancy rate etc.) and a price-quality rate. If an estate performs badly according to these indicators (bad lettability and high price-quality rate), measures like rent reduction, physical improvement or a less strict allocation policy are considered. If these measures are not feasible or regarded as ineffective, disposition is a plausible option.

Another method to support the weighing of different interests is a decision tree. This method is similar to a portfolio analysis in content, for it also makes use of a limited number of indicators to define a strategy for a group of homes. The main difference is the form and the fact that more than two factors can be included in the model. Two housing associations (WBA and Delftwonen) use a decision tree as part of their asset management strategies. In both cases, the decision tree contains elements of a classical portfolio analysis, such as market share and market expectation (WBA, 2002; Gruis & Van Sprundel, 2003).
The WBA uses its decision tree for strategies on the neighbourhood level instead of the estate level. These strategies are defined on the basis of market share (retreat if this is too low), neighbourhood potential (market expectations), lettability, liveability and technical condition of the stock. The combination of these factors determines the general strategy to be followed in the respective neighbourhood (e.g. more variety in the stock, disposition, additional rent increase, consolidation or a combination of these strategies).

### Decision tree used by Delftwonen

Delftwonen uses a decision tree, based on a ‘classic’ portfolio analysis, in which strategies are based on assessments of future market perspective, current lettability and economic opportunity costs (the latter measured as the ratio between the Net Present Value under continued social rent at the one hand and the market value at the other).

<table>
<thead>
<tr>
<th>Market perspective</th>
<th>Lettability</th>
<th>Economic opportunity costs</th>
<th>General strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>No risk</td>
<td>Good</td>
<td>Low</td>
<td>Grow</td>
</tr>
<tr>
<td></td>
<td></td>
<td>High</td>
<td>Milk</td>
</tr>
<tr>
<td>Bad</td>
<td>Low</td>
<td></td>
<td>Reinforce</td>
</tr>
<tr>
<td></td>
<td>High</td>
<td></td>
<td>Improve marketing, retreat</td>
</tr>
<tr>
<td>Risk</td>
<td>Good</td>
<td>Low</td>
<td>Maintain</td>
</tr>
<tr>
<td></td>
<td></td>
<td>High</td>
<td>Maintain (for now)</td>
</tr>
<tr>
<td>Bad</td>
<td>Low</td>
<td></td>
<td>Reinforce, retreat</td>
</tr>
<tr>
<td></td>
<td>High</td>
<td></td>
<td>Improve marketing, retreat</td>
</tr>
</tbody>
</table>

The general strategies in this decision tree are, shortly described, as follows:
- Improve marketing: improve lettability, but without increasing economic loss, for example by changing allocation criteria and being more active in marketing. If investments in quality are deemed necessary, they should be financed by the sale of dwellings in the same product-group;
- Grow: develop more of these products and cherish the ones in the current stock;
- Maintain: continue current policy for these products;
- Milk: improve financial return by increasing rents;
- Retreat: sell or demolish;
- Reinforce: improve lettability, for example by investments in quality, decreasing rents and better marketing. An increase in the economic loss is acceptable.

The WBA uses its decision tree for strategies on the neighbourhood level instead of the estate level. These strategies are defined on the basis of market share (retreat if this is too low), neighbourhood potential (market expectations), lettability, liveability and technical condition of the stock. The combination of these factors determines the general strategy to be followed in the respective neighbourhood (e.g. more variety in the stock, disposition, additional rent increase, consolidation or a combination of these strategies).

**ad 3  Procedures for development of asset management strategies**

As a consequence of the tendency towards a more business-like management, several process models have been set up to develop this kind of policy in a systematic way (Nieboer and Gruis, 2001). Basically, these models consist of a stepwise description of the actions to be taken to formulate stock policy and provide individual landlords with a framework for policy making. The models are specifically designed for the social sector because, unlike most private landlords, Dutch social landlords have a geographically concentrated stock and must meet a number of legally imposed public tasks. This implies that, compared to commercial landlords, social landlords must pay more attention to social and political considerations, as well as factors concerning the neighbourhoods in which the housing stock is concentrated.
Although a number of models have been made to develop strategic stock management in a systematic way, only a few models have been published. There are two probable reasons for this. First, many models are constantly changing and are adapted to every new situation, according to specific (local) circumstances. Second, several models have been developed by consultants, who are not always willing to publish their models because of commercial reasons.

The models that have been published have a common-sense sequence of analysis, formulating provisional policy options, testing (ex ante evaluating) these options (option appraisal), and formulating definitive options (see figure 1). These strategies consist of a series of planned measures towards the housing stock. Some models also pay explicit attention to the policy principles of the landlord or to the implementation of the planned measures (see Van Leent and Van Vliet, 1992; Van Ginneken and Van der Laag, 1992; Van Vliet, 1993; Van den Broeke, 1995, 1998; Nieboer & Gruis, 2001).

**Figure 1** General outline of existing models for developing asset management strategies

Two landlords in the research, namely the AWV and Delftwon, have used a process model to develop their asset management strategies. It must be said, however, that both models have been introduced in cooperation with external advisors. They were used for the ‘first time’ development of a strategic asset management plan. Because of this, it is doubtful if the landlords will use this model repeatedly when a change or a further development of strategies will be felt necessary. It is more likely that the plans resulting from the procedural models will evolve over time and that perhaps, after a number of years, a wholly new plan will be developed along the lines of a similar model. Figure 2 depicts the model that has been used with the AWV. The model for Delftwon contains different phases, but the general outline is similar.
An important element in the process model of the AWV is the classification of policy options. This classification is useful to structure the great variety of investments. So, more general, prestructured policy options are chosen in the beginning. These options are specified later, particularly in phase 6, when estate management plans are drawn up. The more general options in phase 4 indicate either the type of dwelling after the eventual investment (result) or the type of investment itself (process). The options are classified on the basis of the main relevant factors for investment decisions, like hold/disposition, remaining exploitation period and target group. As we stated earlier in this paper, the AWV also uses a classification related to physical quality standards like technical condition, floor area, and amenities.

5. **Effect of objectives and methods on concrete investment decisions**

For the structuring of investment decisions it is important that the objectives and methods, mentioned in the previous sections, are not only developed, but also applied and implemented in the organisation. At least, these objectives and methods should have an effect on the investment decisions that are made on the estate level. In order to get an indication for this effect, we examined two investment projects per social landlord (so 18 projects in total). In each project, we looked how these projects have been selected or prioritised, what investment choices were made within the project, and why these choices were made.

We have not found noticeable discrepancies between the considerations for the investment decisions on the one hand and the objectives of the social landlords on the other. This indicates that the selection and the implementation of the projects are not in contradiction with the objectives of the organisation. Nevertheless, the effect of the objectives on the decisions on project level seems small. Interviews with those involved in these projects show that they regard these objectives as a general framework that allows them a great deal of personal freedom. The only exceptions on this are the solvency rate, agreements on the number of affordable dwellings and, not in the least, budget constraints. In general, the objectives only have a rough effect on investment decisions. In addition, there are cases in which parts of the official policy have lost its meaning, because they are not followed in practice.
One of the interviewed landlords has formulated its stock policy options per estate, but because of its unclear status in the organisation, colleagues involved in project development tend to question these policies or take little notice of it. Two other landlords use performance indicators, for instance to assess and to evaluate internal investment plans. The effectivity of these indicators is ambiguous. Although individual investment plans often refer to these indicators, the staff that draws up these plans finds these indicators of little use for their work.

Apart from the reasons mentioned above, the vagueness of many objectives plays an important role in the relative importance of the objectives as well. Many objectives are not made measurable nor made concrete in another way (see also Gruis and Nieboer, 2004). As a consequence, bottom-up considerations and interests on the estate level seem dominant in decision-making.

The relative position of stock policy in investment decisions also holds for the methods described in section 4: many methods are insufficiently embedded in the organisation. The landlords in the research indicate that many innovations are not just an application of a simple technique, but require another way of thinking, which can conflict with existing norms and habits. Because of this resistance (rather common at the introduction of any innovation), there is a chance that these innovations will hardly develop or even disappear in the future.

An illustration is the classification of potential tenants based on life-style. Interviews with the three social landlords using this type of classification show that staff on different levels in the organisation is acquainted with the concept. However, the ‘translation’ from life-style to physical investments is a large step, which is still to be made. This step is now made on intuitive basis. It is too early to say if this will develop into a more systematic approach, but because of the complex and unclear relation between life-style and housing demand, we expect the progress to be slow.

6. Conclusion

The social housing sector in the Netherlands has undergone a remarkable shift from a government-driven sector towards a much more market-oriented sector. This has led to a variety of innovations. In this paper, we have considered the innovations of nine social landlords, which we expect to be relatively advanced compared to the ‘average’ social landlord in the sector. We have confined ourselves to methods that offer a systematic procedure for decision-making about stock investments.

In our research, we have found several new ways of working that can be classified as innovative according to the elements mentioned in section 2 (Walker et al., 2001, p. 14). The innovations are so different from each other, that they are hardly comparable, although they share the common objective of supporting asset management. We have found the following types of innovations:

- specification of certain aspects of housing demand (life-style) or housing supply (comfort, amenities);
- systematic weighing of different (sometimes opposing) goals and interests (portfolio analyses, decision trees);
- procedures for development of asset management strategies (process models).

From this variety of ‘apples and oranges’ one might conclude that the Dutch social housing sector, or at least the nine landlords in the research, shows an innovative capacity and are receptive to innovations as far as new ways of decision-making in asset management is concerned. This is, however, true to a limited extent, for several reasons.

The number of innovations is modest and unevenly spread. With four of the nine landlords we have not found one innovation, some of the other five landlords show several innovations. In addition, the effect of these innovations on investment decisions is modest and sometimes hard to recognise. This is partly inherent to the innovations themselves, because they do not pretend to be comprehensive: they ‘cover’ a specific part of the investment policy of the
organisation, not the whole of it. In this respect, the relative effect of the innovations cannot be seen as negative. Another reason for the modest influence, however, is that many innovations are insufficiently embedded in the organisation. Because of this, the application and further development of these innovations in the future is uncertain.

These conclusions provoke the question, if the apparent slow pace of innovation could be expected. In this respect, an indication can be drawn from (Western-) Germany, because the shift from government regulation to market orientation was introduced even earlier than in the Netherlands, with the repeal of the Public-Use Housing Law (Wohnungsgemeinnützigkeitsgesetz), one of the pillars of the social housing sector, in 1984, and a drastic reduction of public funds for low-cost public housing in the years after it. Despite this relatively early shift, however, innovative asset management strategies are scarce (Brech in Gruis & Nieboer, forthcoming). Apparently, it takes a long period to change from bureaucratic, political, government-driven organisations into professional social entrepreneurs.

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