The People's Housing: *Woningcorporaties* and the Dutch Social Housing System

Part 2: The Mechanics

AUGUST 2023 | HANNEKE VAN DEURSEN

JCHS
JOINT CENTER FOR HOUSING STUDIES OF HARVARD UNIVERSITY

Joint Center for Housing Studies
Harvard University

The People's Housing:
Woningcorporaties and the Dutch Social Housing System

Part 2: The Mechanics

Hanneke van Deursen

August 2023

Executive Summary

Social housing makes up 29 percent of the total housing stock in the Netherlands. These social units, which in 2022 rented for an average of €561 per month (or about $600), are noteworthy because of the decentralized network of 284 independent, nonprofit housing associations (called *woningcorporaties*) that build, maintain, and operate the country's social housing.

Surprisingly, the Dutch housing associations—whose portfolios range from 400 to over 80,000 units—do not receive any direct subsidy from the government to fund their activities. Instead, their operations are sustained by revolving funds of rental income. New social housing construction is funded with the housing association's excess rental revenue, long-term loans, and equity from unit sales. These features of the Dutch social housing system—that it is a decentralized system of nonprofit organizations independent from the state; that they own almost one-third of the country's housing and keep it off of the market; and that the system requires no direct state subsidy—make this system a fascinating case study for policymakers around the world looking for new models to address affordable housing crises.

This paper is the second part of a study on the Dutch social housing system. The first paper traced the history of the system. Housing associations date back to the mid-nineteenth century; they have proven resilient through two postwar housing crises, economic depressions, and neoliberal budget cuts, adapting to the needs and resources of each of these eras. Today, the system is adapting again, as housing associations are mobilized to combat the housing shortage and the climate crisis. In short, that paper explained that the modern social housing system's self-sufficiency is built on the public investments made in its past iterations. This second part of the study will take a look under the hood and detail the mechanics of the system today, from institutional structure, to governance relationships, to financing mechanisms. By walking through each of the institutions and policies involved in the system's elegant network of checks and balances, this paper shows how the gears turn together. The unique funding mechanisms and the techniques of governance in the Dutch social housing system establish a financially stable social housing sector that fosters innovation in housing production and sustainability. Informed by printed materials, most of them in Dutch, as well as over twenty interviews with professionals in and around the social housing sector, this study captures a complex and dynamic system that is under-documented in English. My hope is that this study will render the Dutch model visible, so that its innovations can be shared with a broad and international audience.

This paper begins with the **institutional structure** of a housing association. A housing association is a nonprofit foundation that provides affordable housing to people with low incomes. Housing associations are part of the social sector; they are social enterprises that fill in where the market does

not meet a societal need. Positioned in between the public and private sectors, housing associations use a business framework to deliver social services, with special privileges and regulations related to those services. Each of the 284 housing associations in the Netherlands is unique in size and operations, with portfolios ranging from less than 400 units to more than 80,000. Housing associations' business is threefold: they are landlords, developers, and asset managers. As landlords, they operate social rental units, taking care of tenant needs, maintenance, and neighborhood quality. As developers, they develop new social housing projects funded by excess rental revenue, unit sales, and long-term, low-interest loans. As asset managers, they steward their large real estate portfolios, identifying opportunities and needs that strike a balance between social impact and financial sustainability.

A housing association's core social duty is to provide affordable housing to people with low incomes. This duty is further defined in four dimensions: affordability, availability, quality, and management. They have a duty to protect *affordability*, keeping rents at levels that are affordable to their tenants. The national government is also partially responsible for affordability, as they set the maximum rent for social housing—€763.47 in 2022—limit annual rent increases, and provide rental assistance subsidies. Most units owned by housing associations have rents far below the maximum; the average social rent was €561 in 2021. Renters of social housing contributed an average of 33.8 percent of their income to rent. Once rents are set, the next dimension of housing associations' social duty is *availability*. One part of availability is fairly allocating social housing units. Tenants apply for units of interest through a third-party allocation platform. The platform is designed to allocate units from all housing associations in the region transparently based on tenant qualifications. The other part of availability is ensuring there are enough social units to meet demand. Rotterdam has seen the demand for social housing increase by 50 percent in five years, which is reflected in growing wait lists. In response, housing associations are building new housing as quickly as they can, committing to building 250,000 new social units by 2030. The next dimension of housing associations' social duty is *quality*. Housing associations operate under the assumption that they will own their buildings in perpetuity, so their financial and social interests are aligned when they invest in ongoing maintenance and high-quality construction. Housing associations have also been given a leading role in the country's transition to a carbon-neutral housing stock by 2050. They are retrofitting their existing units to improve energy performance, and new construction is built to high energy standards. Finally, housing associations have a duty to provide their tenants with attentive property *management*. They negotiate with tenants' unions, connect tenants to other social services, and plan for the extra needs of vulnerable groups such as the elderly, people with disabilities, and people with refugee status. Attentive property management also goes beyond the properties themselves. Housing associations invest in the physical quality and social infrastructures of their neighborhoods to prevent concentrations of social housing from equating with concentrations of poverty.

Housing associations are part of the social sector, not the public sector. Therefore, the government does not dictate their operations directly. In the **governance** section, this paper lays out the softer system of relationships and steering mechanisms that the government uses to keep housing associations aligned with its agenda. In this configuration, the government is able to influence housing production without having to manage it directly.

Some of the government's steering mechanisms fall under planning: these policy instruments envision the city's future and create the frameworks within which development will occur. The municipal government makes a Zoning Plan, which can zone parcels specifically for social housing or increase the allowable density on parcels owned by housing associations. The municipal government also issues building permits, which it can use as leverage to negotiate for public benefit in private-sector developments. When housing associations propose new developments, the negotiations start much earlier. Housing associations are required to make biannual Performance Agreements with the municipal government and the national renters' association to coordinate the housing association's objectives. While these agreements do not have legal enforcement mechanisms, the mutual dependence and trust between a housing association and its municipal government creates a situation in which parties that ultimately have the same goal work together to figure out what is feasible.

The government also steers housing associations with regulations: these policy instruments set a quality minimum and offer tenant protections. In terms of tenant protections, the national government sets the maximum social rent and annual rent increase, protects tenants' rights against displacement, and regulates how social housing is allocated and to whom. Quality is regulated with the building code, the quality-based rent control system, and the aesthetics committee. Between its planning and regulatory instruments, the government is able to influence the work of housing associations to align their activities with the public vision for the future.

Finally, one may be left wondering how housing associations are able to perform their wide-ranging social duties without direct financial support from the government. The **financing** section lays out the financial mechanisms that underpin the system. First, housing associations operate on a revolving fund, using rental income to cover the costs of maintenance, overhead, debt service, and taxes. Sector-wide, in 2021 housing associations generated €17.7 billion in income, primarily from rents, and spent €14.8 billion on maintenance (€4.5 billion), overhead (€4.9 billion), interest payments (€2.6

billion), and taxes (€2.8 billion). This left €2.9 billion in rental revenue, which the nonprofits had to reinvest in the social housing stock.

Equity from rental revenue is the first of three sources of funding for new social housing development. Another source of equity is strategic unit sales, which allow housing associations to capitalize the rising market value of their properties. While this must be done carefully to avoid undermining their social goals, selling social housing units can create entry-level homeownership opportunities, and in 2021, 4,400 of 5,600 units sold went to existing tenants. In that same year, there was a net increase of 2,000 social housing units, because the sale revenue was reinvested in new developments.

In addition to rent and sale revenue, social housing development is financed with long-term low-interest loans. While in the past housing associations borrowed directly from the government, today they take out loans on the private capital markets with a guarantee. The Guarantee Fund for Social Housing has a triple-layered guarantee that is ultimately carried by the government, which would issue interest-free loans. This lender of last resort function, which has never been used, grants the Guarantee Fund an AAA credit rating. In 2022, the average interest rate on new guaranteed loans was 1.46 percent, and all outstanding loans averaged a 2.84 percent interest rate. Of those new loans, 47 percent had 40- to 50-year terms. With the Fund's guarantee, housing associations effectively have an open line of credit that is based on the value of their portfolio, making access to debt easy and reliable. The Guarantee Fund is the first of three indirect subsidies that make social housing development feasible.

The second indirect subsidy is a land discount. Land zoned for social housing is "worth" less because less profit can be extracted from it. The decline in potential revenue from the land puts downward pressure on its market value, giving those willing to build housing at social rates (usually housing associations) a discount on the purchase price. Additionally, for publicly-owned land municipalities can discount their standard per-square-meter sale or lease rates. In 2021, the average land price per square meter for new social housing developments was €314. The discounted land prices help explain how the average per-unit cost for social housing construction that year was only €182,099.

Finally, rental assistance is available to tenants whose income is insufficient to pay their rent. All tenants with rents below the social maximum can request rental assistance from the tax authority. While rental assistance is not exclusive to housing associations' tenants (privately-owned units can also rent below the social maximum), it does help housing associations fill the gap between affordability and operating costs. The amount of assistance is calculated based on household composition, income, and rent. The government pays €3.6 billion per year in rental assistance, going to 1.4 million households, meaning the average qualifying household receives €208 per month in rental assistance.

Having covered the various funding streams for housing associations—rental revenue (which includes tenants' rental assistance), equity from unit sales, and guaranteed loans—the remaining question is how housing associations decide what to build when and where. Because their social duty is not just to build affordable housing in the present, but also to preserve its affordability into the future, housing associations must balance their social and financial goals when evaluating new development projects. To do so, housing associations make use of teams thinking at different scales: the scale of the association, the portfolio, and the project. At the scale of the association, an investment framework is created to set minimum returns for projects of various characteristics. Because investment decisions are made in-house, the investment framework can be arranged to cross-subsidize the portfolio, allowing social returns to outweigh financial ones where important. At the scale of the portfolio, teams identify opportunities (e.g., a government plan for a new neighborhood, a zoning change) and needs (e.g., buildings with failing foundations, neighborhoods with social tension). They identify potential projects and work out various development scenarios for a site. Based on these scenario tests, a development scheme is selected, typically the one that delivers the most social impact while remaining financially viable. Then, at the scale of the project, teams tweak the details of the proposal until the expected returns align with the minimums in the investment framework. Finally, the project goes to the executive board for approval.

With the freedom to judge performance by internal metrics, housing associations enjoy the flexibility to leverage portfolio-based financing to subsidize the projects that are socially important. Because of the Guarantee Fund, they can borrow annually in lump sums and distribute the funds internally. This means that instead of having a lender judge a new development proposal based on its projected cash flow, housing associations can make decisions internally about how new projects will affect their portfolio's stability in the long term.

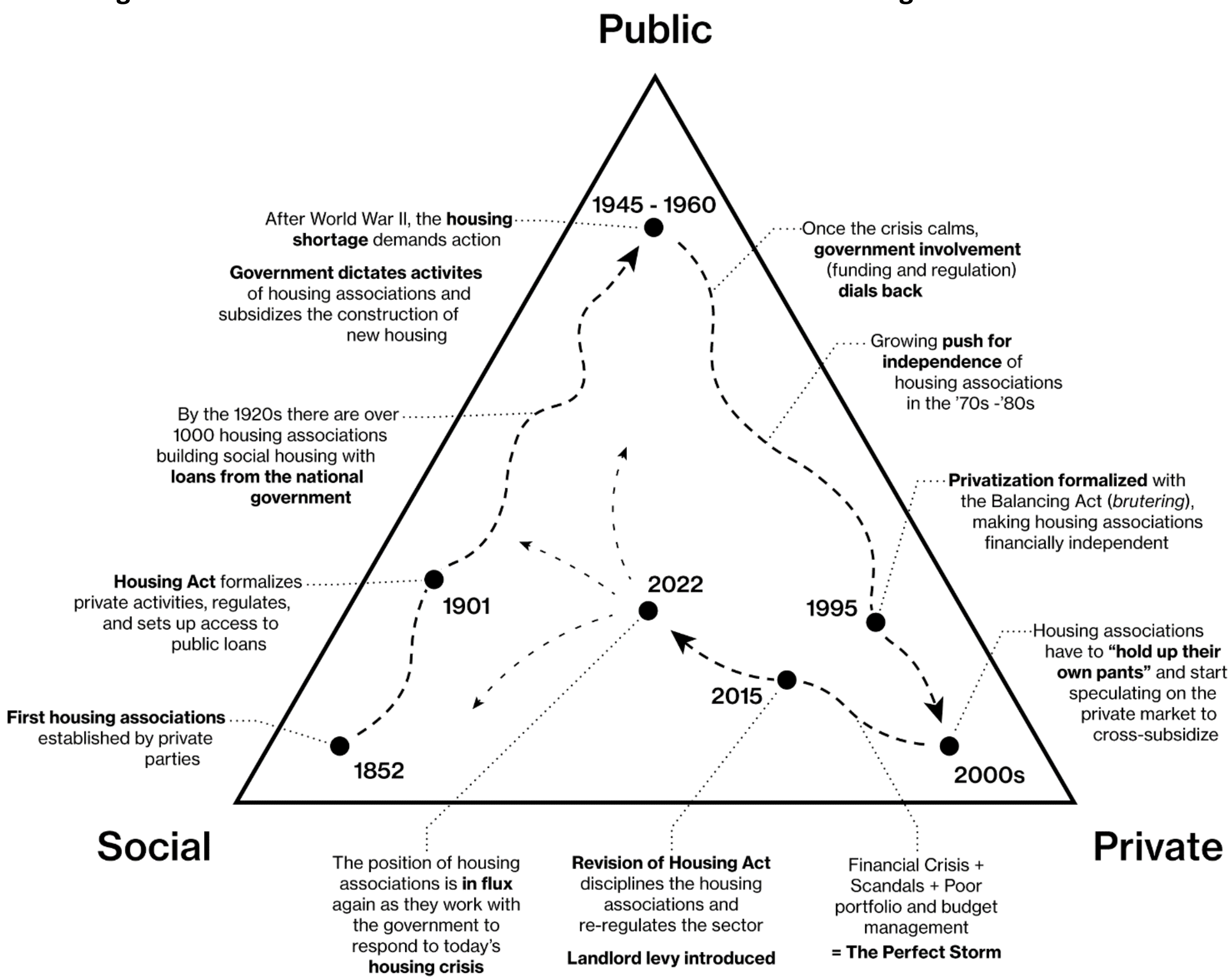
Between the institutional structure, governance, and financing sections, this paper takes a self-sufficient affordable housing system with capacity and agency and shows how its gears turn together. History has demonstrated both the feasibility and the long-term benefits of the Dutch social housing model. It is not without faults, but the system has proven to be capable, resilient, and adaptable to changing times. While the Dutch social housing system could not simply be transferred to other contexts, I do believe that it can shape and inspire novel approaches to the pressing problem of housing affordability.

Acknowledgements

Thank you to those who have supported me throughout this research endeavor. Thank you to Chris Herbert at the Harvard University Joint Center for Housing Studies for your mentorship and your support on this project. Thank you to Woonstad Rotterdam for inviting me in and being such excellent hosts for the research. Thank you to Marja Elsinga from TU Delft for the time you put into reviewing the drafts. And thank you to all those who took time out of their days to sit down with me for an interview. Your insights, your passion, and your willingness to share what you know have left me indebted to you.

Institutional Structure

Figure 1: Timeline of the Mobile Institutional Position of Housing Associations



Triangular diagram of public (government), social (people), and private (market) sectors derived from Reinier van de Kuij, Adviseur Strategie [Strategy Advisor] for Havensteder, interviewed by Hanneke van Deursen, July 6, 2022.

The Evolution of the Modern System

Throughout their history, the institutional position of the Netherlands' nonprofit housing associations [*woningcorporaties*] has been in flux. Responding to the changing political landscape, the housing associations have shifted between the public, private, and social sectors as the providers of social rental housing. Today, housing associations are considered social enterprises: private nonprofits that provide a social service in a business framework. However, this has not always been the case. As was detailed in *Part 1: The History,* since their inception in the 1850s, housing associations have journeyed from philanthropic associations to de facto extensions of the state, to market Robin Hoods, and today have circled back to an ambiguous position in between all three.[1]

To review this history, Figure 1 maps out how housing associations' institutional position has migrated. Following the diagram, we see that housing associations began in the social sector. Private philanthropists established member-based housing associations, which sold shares to fund much-needed working-class housing construction. Shareholder returns were capped at a modest three percent, and the remaining rental revenue was pooled into a revolving fund that would finance the next building. This so-called "Capitalist Philanthropy" filled the gap where a societal need was going unmet. The Housing Act of 1901 formalized these initiatives, replacing shareholder capital with long-term, low-interest government loans for housing associations. In exchange, housing associations had to convert from limited profit to nonprofit organizations. With access to a line of credit from the government, the number of housing associations and the number of social housing projects began to grow.

After the destruction caused by World War II, a serious housing shortage required construction on an unprecedented scale. The government turned to the housing associations to partner in the rebuilding effort. In this era, housing associations were basically organizations that executed government policy, an extension of the public sector, and they lost much of their operational autonomy. However, in exchange the government provided financial support. In addition to loans, the government granted operating subsidies so that the housing associations could build beyond the capacity of their revolving funds. After this period of heavy investment, social housing accounted for approximately 37 percent of the total housing stock by 1970.

---

[1] Hanneke van Deursen, "The People's Housing: *Woningcorporaties* and the Dutch Social Housing System Part 1: The History," 2023, https://www.jchs.harvard.edu/sites/default/files/research/files/harvard_jchs_the_peoples_housing_history_van_deursen_2023.pdf.

As the housing crisis calmed, heavy government oversight and investment grew less necessary. From the 1960s onward, housing associations were pushed to operate more like the private sector. New financing mechanisms were introduced to decrease housing associations' dependence on subsidies and loans from the government. Housing associations' independence was made final in 1995 when their remaining debts to the government and expected subsidies from it, roughly equal amounts, were cancelled out against each other. This final move severed the last financial ties between the housing associations and the government, and it marked the beginning of a market-based era.

In the first years of independence, housing associations experimented to figure out how they could continue serving their social mission without direct public support. Acting somewhat like Robin Hoods, they built for-sale housing and joined private development schemes, intending to use the private-sector profits to subsidize social housing development. However, not all experiments were successful. Amidst moral scandals, ill-advised investments, and a fair competition mandate from the European Union, the sector was reregulated throughout the 2010s to bring it back to its "core task" of providing affordable rental housing.

As a result of the new regulations, housing associations were forced to improve their operations. Now, over a decade later, housing associations are in strong financial positions and have seasoned leadership. They mobilize portfolio-based financing, long-term guaranteed loans, and strategic sales to build, maintain, and rent social housing. In the face of today's housing shortage, the Dutch government is once again loosening the reins, expanding housing associations' capacities and redefining their social duties so that they can rise to meet the challenge.[2] In the midst of these changes, the big question is: in which direction will they move?

[2] Some context for the Dutch housing crisis: since 2013, home prices in the Netherlands have soared. The pressure on the general housing market has increased pressure on the social housing system. The result has been long waitlists. Those who qualify for social housing face wait times as long as fifteen years (in Amsterdam). Those whose incomes are just above the social limits are falling through the cracks, unable to afford to buy in the hot housing market. Without access to social housing or homeownership, they are left to rent in the private sector. Rent liberalization and rising property values have created a significant gap between social rents and market rates, leaving private renters cost-burdened. There is a significant need for middle-income housing, but it is not profitable to build, so the private sector is not providing it. Since the financial crisis in 2008, new construction has remained short of demand, further driving up housing costs. As the Netherlands' housing crisis deepens, the widening impact has spurred national debate and protest about housing affordability and availability. For more, see Cody Hochstenbach, *Uitgewoond: waarom het hoog tijd is voor een nieuwe woonpolitiek* [Lived Out: why it is high time for a new housing politics] (Amsterdam: Das Mag Uitgevers, 2022).

The Institutional Structure of a Housing Association: Woonstad Rotterdam

To explain how the modern system works, I will begin by painting a more detailed portrait of a housing association, looking at its organizational structure, its social duties, and how it fulfills those duties. As social enterprises, housing associations offer a social service, affordable housing, within a business framework. They are structured like corporations with executive and supervisory boards, but they are nonprofit organizations, meaning that they do not have shareholders and that they are required to reinvest all revenue into their social product. Being a social enterprise often means negotiating between conflicting interests: housing associations manage real estate portfolios worth billions, but they serve those at the bottom of the income distribution. They need to maintain financial stability, but their duty is to set affordable rents. They are left to seek out their own investment opportunities, but they must generate social impact in line with the government's vision. The social and business objectives of housing associations are not always compatible, so they require strong leadership and internal and external checks and balances to keep on the proper path.

To illustrate what a modern housing association does and how it works, Woonstad Rotterdam will serve as a case study.[3] **Woonstad Rotterdam** (Woonstad) is one of the largest housing associations in the Netherlands, with a 53,000-unit housing portfolio worth €8.5 billion.[4] The housing association operates exclusively in the municipality of Rotterdam, a historically working-class city with 650,000 inhabitants. Sixteen percent of Rotterdammers live in Woonstad's properties.[5] The story of Woonstad reflects the story of the social housing system as a whole. Its substantial social housing portfolio was built over the course of more than one hundred years. A few years after the Housing Act of 1901, in 1909 Rotterdam's municipal housing company, De Maatschappij voor Volkswoningen NV*,* was established. In 1989, it was privatized and became De Stichting Volkswoningen*,* no longer a part of the municipal government. In 1999, De Stichting Volkswoningen merged with the private housing

---

[3] It is important to remember that Woonstad is only one of 284 independent housing associations in the Netherlands. These associations vary in scale, location, and fiscal health, so keep in mind that some figures and processes from Woonstad may not apply broadly. That said, Woonstad is not alone in its success, and it remains one of many illustrations of how the Dutch social housing system can work at its best.

[4] Woonstad Rotterdam, "Jaarverslag 2021" [Annual report 2021], 47, https://www.woonstadrotterdam.nl/media/a4a40603-ac4c-442b-8bd9-2acedf3f69c1/owfp4A/Content/Landingspagina/Jaarverslag%202021/Vorige%20jaarverslagen/2021%20Jaarverslag.pdf.

[5] AlleCijfers, "Gemeente Rotterdam in Cijfers en Grafieken" [Municipality of Rotterdam in Numbers and Figures], accessed July 13, 2022, https://allecijfers.nl/gemeente/rotterdam/.

association, Onze Woongemeenschap, and became De Nieuwe Unie.[6] With each merger, the social housing portfolio grew, and when De Nieuwe Unie merged with Woningbedrijf Rotterdam in 2007, Woonstad Rotterdam emerged as one of the four major housing associations in Rotterdam.[7] Figure 2 shows the spatial imprint of Woonstad Rotterdam's portfolio and a few examples of what its neighborhoods look like.

Woonstad's business, like that of all housing associations, is threefold: it is a landlord, a developer, and an asset manager. The core business is renting out social housing. In this sense, Woonstad is the landlord and property manager of 53,000 rental units. From these units, it generates approximately €350 million in rental revenue every year, which is sufficient to cover its maintenance and overhead costs. In addition to operating and maintaining the housing it already owns, Woonstad also develops new social housing projects.[8] It finances these developments with rental revenue, equity from unit sales, and long-term loans. In 2021, Woonstad completed 1,369 units and started work on 917 units, resulting in a net increase of 328 units that year.[9] Beyond the numbers, Woonstad has also been recognized for the quality of its developments. In the 2022 Rotterdam Architecture Prize competition, five of the ten finalists were social housing developments by Woonstad, including the winning project.[10] In addition to its roles as landlord and developer, Woonstad is also an asset manager with an €8.5 billion portfolio of real estate assets, primarily housing. As an asset manager, Woonstad acquires new housing

---

[6] J.A. Boogaard, foreword to *Mooi werk: geschiedenis van de Maatschappij voor Volkswoningen, Rotterdam 1909-1999* [Good work: the history of the Waatschappij voor Volkswoningen, Rotterdam 1909-1999] by L. A. de Klerk (Rotterdam: Uitgeverij 010, 1999), and Nederlandse mededingingsautoriteit [Dutch Competition Authority], Besluit 1589/ Volkswoningen - Woningstichting Onze Woongemeenschap [Decision 1589/ Volkswoningen - Housing Association Onze Woongemeenschap], 1589/4 (1999).

[7] It is interesting to look at the translations of these names. De Maatschappij voor Volkswoningen NV [The Society for the People's Housing]; De Stichting Volkswoningen [The Foundation for the People's Housing]; Onze Woongemeenschap [Our Residential Community]; De Nieuwe Unie [The New Union]; Woonstad Rotterdam [Livable City Rotterdam]. Each of these names emphasizes the social orientation of housing associations.

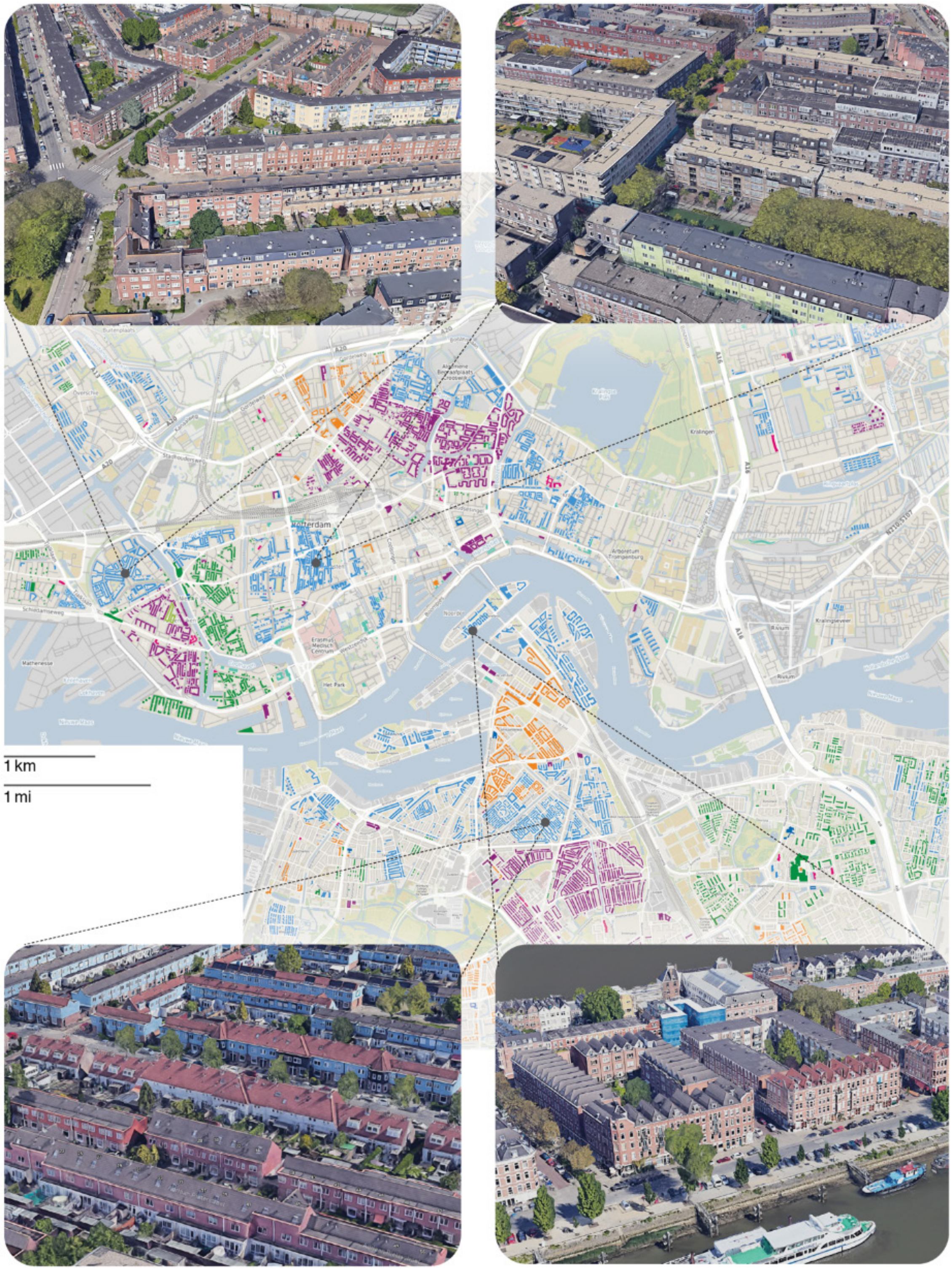
In 2007, there were five major housing associations in Rotterdam, but further mergers have left four big players there. Nederlandse mededingingsautoriteit [Dutch Competition Authority], Besluit 6031/ De Nieuwe Unie - Woningbedrijf Rotterdam [Decision 6031/ De Nieuwe Unie - Woningbedrijf Rotterdam], 6031/5 (2007).

[8] Woonstad Rotterdam's developments are both new construction and renovations on its existing properties. With unbuilt land being a scarce commodity in the Netherlands, housing associations frequently add new units by adding density to their existing sites.

[9] This includes new construction and renovation projects. Woonstad Rotterdam, "Jaarverslag 2021" [Annual report 2021], 15, 23-24. Net increase calculated from Woonstad Rotterdam. "Jaarverslag 2020" [Annual report 2020], 7.

[10] Rotterdam Architectuurprijs [Rotterdam Architecture Prize], "Malieklos en Depot Boijmans Van Beuningen winnaars 2022!" [Malieklos and Depot Boijmans Van Beuningen winners in 2022!], 2022, https://www.rotterdamarchitectuurprijs.nl.

Figure 2: Sample of Woonstad Rotterdam's Portfolio



Four of Woonstad Rotterdam's neighborhoods (blue) that demonstrate some of the different housing types in the portfolio. Most areas are built with Rotterdam's typical 4-story housing block typology with row houses or *apartments. Figure by author, images via Google Maps.*

(264 units in 2021),[11] selects strategic development sites, borrows money to finance new investments, and decides where the money should go within the organization. In this capacity, Woonstad is the steward of its social housing portfolio, protecting its long-term financial stability so that the housing association can continue to serve its social mission into the future.

In its capacities as a landlord, developer, and asset manager, Woonstad Rotterdam employs over 550 staff who work in fourteen departments.[12] These departments roughly map into three categories: the executive level, the social side, and the enterprise side (Figure 3). The executive level includes the two *executive directors*, who lead the nonprofit. The directors set the annual investment framework, decide where to reinvest the association's excess revenue, and set priorities for the housing association's future trajectory.[13] The *Legal* and *Finance & Control* departments serve as consultants for the executive directors on these priorities. The executive directors, forming the executive board, are overseen by the supervisory board.[14] Comprised of management professionals, the supervisory board appoints the executive directors, provides advice, and monitors Woonstad's strategic objectives, keeping an eye on risks.[15] Together, the executive level departments steer Woonstad towards its social and financial objectives.

---

[11] Woonstad Rotterdam, "Jaarverslag 2021," 19.

[12] Salaries are set in accordance with a sector-wide salary scale, or the "collective labor agreement for housing services" (*collectieve arbeidsovereenkomst Woondiensten*). Salary ranges are based on position and years of experience. These sector-wide standards are common in Dutch labor markets. Erwin Steinmeier and Charlot Jongerius, "CAO Woondiensten 2022-2023 met alle downloads" [Collective Labor Agreement for Housign Services 2022-2023 with all downloads], Aedes vereniging van woningcorporaties [Aedes association of housing associations], November 24, 2022, https://aedes.nl/arbeidsvoorwaarden/cao-woondiensten-2022-2023.

[13] In 2022, Woonstad's priorities were 1) to become an involved and trustworthy landlord in the eyes of their tenants; 2) to make significant improvements to the quality of life in their neighborhoods; 3) to build at least 5,000 new affordable units (mid-income and social) in the next ten years while lowering their total carbon footprint.

[14] Supervisory boards have themselves become professionalized, and they are represented by the Association of Supervisors of Housing Associations [*Vereniging van Toezichthouders in Woningcorporaties*]. https://vtw.nl/.

[15] Woonstad Rotterdam, "Jaarverslag 2021" [Annual report 2021], 61-63.

Figure 3: Woonstad's Main Departments		
Executive Level	**Social Side**	**Enterprise Side**
Executive Directors	Strategy & Policy	Portfolio Management
Legal	Leasing & Neighborhood Management	Property Management & Development
Finance & Control		Marketing & Communication
Supervisory Board		non-DAEB (non-social)

Below the executive level, Woonstad's departments fall on either the "social" or the "enterprise" side of the social enterprise. On the "social" side are *Strategy & Policy* and *Leasing & Neighborhood Management*. These departments focus on tenant relations and the needs of various special groups (e.g., students and the elderly). It is their responsibility to figure out how Woonstad can better serve its tenants and to make sure the housing association fulfills its social duties. On the "enterprise" side are *Portfolio Management*, and *Property Management & Development*, and *non-DAEB* (non-social real estate like mid-income housing and commercial real estate[16]). These departments oversee Woonstad's real estate portfolio and think strategically about its future. It is their responsibility to act like a business and keep Woonstad financially stable in the long term. The coexistence of these two groups, whose employees have very different backgrounds and approaches, maintains productive tension between the housing association's social and financial objectives. As much as Woonstad operates like a business, across all departments the employees I interviewed felt motivated by the fact that collectively their work contributes to social good rather than the pocketbooks of shareholders. For many, this is what drew them to the social sector in the first place.

Defining Social Duty

Like most landlords, a housing association's income comes primarily from tenant rents. However, because they are social enterprises, housing associations have a social duty that leads them to treat

---

[16] The non-DAEB (non-social) properties trace back to the early years of independence, when housing associations were experimenting with private-sector development to cross-subsidize social housing. Since the Housing Act of 2015, these non-social properties are administratively separate from the social ones, and the non-social side cannot use the indirect subsidies available for social housing development. For more, see "Part 1: The History."

their assets differently than a for-profit landlord would. Their core social duty is to provide affordable housing to people with low incomes. This duty is further defined in four dimensions. Housing associations protect *affordability* by keeping rents at a level that is affordable to the families they serve. They protect *availability* by planning to keep their units at social rents in perpetuity. They protect *quality* with high maintenance standards, and high *management* standards meet the needs of their tenants. These four dimensions—affordability, availability, quality, and management—capture the specific responsibilities housing associations have as social landlords.

Affordability: How Rents Are Set

Housing associations have a duty to provide housing that is affordable for their low-income tenants. Therefore, they do not charge the market rate for their rental units. The following explains how housing associations set unit rents.

First, the national government limits the maximum rent for social housing. The **liberalization threshold** *[liberalisatiegrens],* as it is called, was set to €763.47 per month in 2022 and is updated annually.[17] A property with a rent below this threshold, whether owned by a housing association or a for-profit landlord, is classified as social housing. So, as a baseline, housing associations set rents below the liberalization threshold.[18] Most rents are far below this threshold; the average rent for a Woonstad unit is around €550 per month. Housing associations vary rents based on the age, size, quality, and location of a property. Rents can reflect the unit's market value or be lowered for social goals like offering affordable units in an expensive neighborhood. With a variety of social housing rents, households can select units that are affordable at their income level. Unlike affordable housing in other countries, housing associations do not adjust the rent to a tenant's incomes, nor are units targeted for narrow income groups like 60% Area Median Income.[19] While units may have associated income limits,

---

[17] Rob Ravestein, "Hoe komen huurprijzen tot stand?" [How are rents set?], Aedes vereniging van woningcorporaties [Aedes association of housing associations], accessed July 13, 2022, https://aedes.nl/huurbeleid-en-betaalbaarheid/hoe-komen-huurprijzen-tot-stand.

[18] There is a bit of nuance here: technically, the rent has to be below the liberalization threshold when the lease is initially signed, but annual rent increases for higher-income tenants could bring the rent above that threshold over time, so there may be some units in the portfolio with higher rents.

[19] A note on affordability and evictions: Year over year, the number of rent arrears for Woonstad has decreased. In 2021, Woonstad had 4,690 households who were behind on rent, down from 5,466 in 2020. The decrease in rent arrears has led to a decrease in eviction. Woonstad had to evict only sixteen households in 2021 due to rent arrears, down from 113 in 2018. (Woonstad Rotterdam, "Jaarverslag 2021" [Annual report 2021], 21.) This reduced

the price is set by the housing association and the potential tenant choses whether they will apply. In 2021, renters of social housing contributed an average of 33.8 percent of their income to rent.[20]

Once social tenants have rental contracts, their annual rent increase is limited to a rate set annually by the national government (2.3 percent in 2022).[21] Again, this limit is not automatically maximized. For example, Woonstad reported an average rent increase of 1.4 percent, matching inflation.[22] Limiting annual increases protects social tenants from sudden changes in housing costs. Those with longstanding contracts enjoy relatively low rents. When tenants choose to leave, the rent is reset in relation to the new liberalization threshold for the next tenants.

Availability: How Units Are Allocated

Housing associations have a duty to ensure social units are available for low-income households. One aspect of availability is the unit allocation method. In an effort to make allocation fair and transparent, housing associations use regional third-party digital platforms that match eligible households with available units. There are a few such platforms, and each lists all available units from the housing associations in its region.[23] Potential tenants register on the platform, verifying their income and household size. Each available unit has a listing, which includes photos, interior dimensions, an energy rating, the allocation method, income limit, monthly rent, and, at times, tenant characteristics that would grant priority (e.g., age, household size, or disability status). If an interested tenant's profile meets the eligibility requirements for the unit, they can fill out an application on the platform.

---

number of evictions is the result of tenant services provided by Woonstad which give vulnerable households falling behind on rent early access to budget coaches and other supportive services. Informed by Housing First thinking, Woonstad understands the far-reaching impact of losing one's housing and is actively working towards zero rent arrear evictions by 2024. By matching households to units that are within their budget, housing associations protect vulnerable populations' access to stable housing.

[20] Centraal Bureau voor de Statistiek [Central Bureau of Statistics], "Woonlasten huishoudens; kenmerken huishouden, woning" [Household housing expenses: household characteristics, houses].

[21] Note that in the private sector, annual rent increases are also limited by the national government, but at a slightly higher rate, 4.1 percent in 2023. Ministerie van Binnenlandse Zaken en Koninkrijksrelaties [Ministry of the Interior and Kingdom Relations], "Wat is de maximale huurverhoging in 2022?" [What is the maximum rent increase in 2022?], Rijksoverheid [National Government], Ministerie van Algemene Zaken, January 26, 2022, https://www.rijksoverheid.nl/onderwerpen/woning-huren/vraag-en-antwoord/onderwerpen/woning-huren/vraag-en-antwoord/maximale-huurverhoging-2022.

[22] Woonstad Rotterdam, "Jaarverslag 2021" [Annual report 2021], 20.

[23] Description based on *Woonnet Rijnmond* for the Rotterdam area. In Amsterdam, Groningen, Utrecht, and several other areas, regional versions of the same platform, *Woningnet,* are used. In Den Haag *Woonnet Haaglanden* is used. These platforms all vary slightly, but the same principles apply.

There are three allocation methods. A "Duration" unit is allocated to the applicant who has been registered to the platform for the longest time; a "Direct Chance" unit is allocated to the first person to apply; and a "Lottery" unit is allocated to an applicant chosen at random.[24] The selected applicant receives an email invitation to view the unit. During the viewing, they must decide whether or not they will take the unit. If they decide not to, it goes to the next person on the list. If they do decide to take the unit, a rental contract is signed, and the keys are handed over. The unit allocation system is designed to be a transparent process in which tenants can apply for the units that appeal to them, and their chances of being allocated the unit are clear from the beginning. In an effort to limit bias and discrimination in unit allocation, the third-party platform prevents housing associations from being directly involved in the allocation process.

Another aspect of ensuring availability is having enough available units to meet demand. Rotterdam has seen the demand for social housing increase by 50 percent in the last five years alone. There are an average of 309 applications for every Woonstad unit that becomes available. The increased volume of applications has led to long wait times. The average wait time in 2021 was 34.7 months, and 58.6 months for those who did not have a priority status.[25] Wait times in Amsterdam were even longer, averaging 156 months.[26] The chance of being allocated a unit in Rotterdam has dropped from 14.6 percent in 2017 to 6.7 percent in 2021.[27] The increasingly long wait times indicate that the system is not working as intended. The lack of available housing in the social rental market, but also in the private rental and homeownership markets, is the basis of the current housing crisis in the Netherlands.

There are two factors that contribute to long social housing wait times: supply shortage and gridlock in the housing market. First, there are not enough social units available to meet demand. This is the product of both an increase in the number of people looking for social housing and a decrease in the

---

[24] In both the Lottery and Duration allocation mechanisms, those with "priority" have a higher chance of being allocated the unit. Priority is given to those whose existing social unit is being rebuilt, those in emergency situations, and those with health problems that require long-term care.

[25] In 2021 there were 309 applications per unit, compared to 117 per unit in 2017. Woonstad Rotterdam, "Jaarverslag 2021" [Annual report 2021], 14.

[26] Redactie Amsterdam, "Nieuw systeem voor sociale huur: dit gaat er veranderen voor woningzoekenden," NH Nieuws, March 24, 2021, https://www.nhnieuws.nl/nieuws/282988/nieuw-systeem-voor-sociale-huur-dit-gaat-er-veranderen-voor-woningzoekenden.

[27] Woonnet Rijnmond, "Woonnet Rijnmond," accessed July 13, 2022, https://www.woonnetrijnmond.nl/.

relative number of social units.[28] The second component of the long wait times is gridlock in the housing market. Woonstad Rotterdam has a turnover rate of 6.89 percent in its social housing stock.[29] This low turnover is caused by a lack of available units to move into and by the rent protections tenants enjoy. The lack of mobility in the housing market creates a sector-wide gridlock, which further limits the number of new units that become available.[30]

In response to the social housing shortage, housing associations are expanding their portfolios. Sector-wide, they have committed to building 250,000 new social units by 2030. Additionally, they will build mid-income housing to fill the market gap left by the private sector. Housing associations have committed to building 50,000 mid-income units with rents just above the liberalization threshold. On its own, Woonstad has committed to building 5,000 new affordable housing units (social, mid-income, and student) in the next ten years. Ensuring availability requires housing associations to continue building new housing, but also to understand why tenants are not moving on to better-suited units. Today's availability crisis must be tackled from both sides—a duty housing associations are working to fulfill.

---

[28] One reason for increased demand is national disinvestment in welfare-state services that has sent groups who once were housed through other public or social institutions to the social housing market. For example, the elderly are encouraged to live in their homes for as long as possible before leaving their housing for nursing homes. Household compositions have also changed, with an increase in the number of single-person households. Beyond that, the population of the Netherlands has increased in the last decades while the construction of new housing has not kept pace. All these changes contribute to a larger pool of people who are looking for social housing. In terms of decreased supply, in 1985, housing associations owned 39 percent of the Dutch housing stock. Today, they own 29 percent. Thirty years of market-oriented politics, which promoted homeownership and foreign investment in the Dutch housing market, created a climate in which housing associations were encouraged to sell off their housing stock.

[29] Woonstad Rotterdam, "Jaarverslag 2021" [Annual report 2021], 15.

[30] Two examples of this gridlock: an elderly couple who was once assigned a family-sized row house when they had small children would have a relatively low rent after living in the same unit for thirty years. The home may no longer be suitable for the couple—they would prefer to live in a smaller apartment with elevator service—but a new unit would require a new rental contract with an updated rent. They would likely pay more for a small apartment than for their rent-controlled home, so the move is less appealing. In another scenario, a young couple starts off in social housing, and as they make their way through their careers their incomes rise. They are interested in upgrading their housing. However, there is a gap in the market between the maximum social rent (€763) and market-rate apartments (often over €1075). The market is not providing sufficient mid-income rental homes with rents between €763 and €1075. Private sector rents are too high for the couple, but rapidly rising property values make homeownership unaffordable as well. The couple stays in their social unit, even though their income no longer matches their housing, and they have the desire to live elsewhere. Meanwhile, a household whose income qualifies for social housing cannot access the unit.

Quality: How Properties Are Maintained

Housing associations have a duty to provide high-quality housing, and their financial and social interests are aligned when they invest in quality. By building with robust construction techniques, typically producing concrete structures, the building's lifetime is extended—and so is the number of years it will deliver rental income. By investing in high-quality materials and finishes, future maintenance costs are reduced. Housing associations operate under the assumption that they will own their buildings in perpetuity. Over time, their buildings will require maintenance, both planned (e.g., roof or water heater replacement) and unplanned (e.g., leaky sinks or repainting when a tenant moves out). By staying up to date with ongoing maintenance, the building's value is protected. High maintenance standards benefit both the tenants and the housing association's long-term financial position.

Ongoing maintenance is funded by rental income. Woonstad Rotterdam can freely allocate its income, so rents from the whole portfolio are used to fund maintenance projects on the select units that need it. Maintenance costs, both planned and unplanned, consume approximately one-third of Woonstad's rental income. In 2021, Woonstad invested €73 million in planned maintenance and €44 million in unplanned maintenance (€19 million in repairs, €25 million for unit turnovers) for their 53,000-unit portfolio.[31]

In the Netherlands, a critical component of maintenance is sustainability upgrades. The national government has set a target to transition the housing stock to carbon-neutrality by 2050. Housing associations have been given a leading role in this transition.[32] Woonstad is approaching this role in a number of ways. New developments are built to high energy efficiency standards. If existing buildings are demolished, their materials are reused as much as possible ("circular economy").[33] At the same time, existing units are being retrofitted with energy efficient appliances, better insulation, solar panels, green roofs, and electric stoves. As of 2021, Woonstad's portfolio has an average energy rating of B.[34]

---

[31] Woonstad Rotterdam, "Jaarverslag 2021" [Annual report 2021], 22-25.

[32] As some of the largest owners of housing in the Netherlands, housing associations are at the forefront of the country's commitment to reducing the energy consumption of its buildings. Housing policy and climate policy are deeply interlinked at the political level, and this translates into the performance agreements made between housing associations and their municipalities.

[33] Woonstad Rotterdam, "Jaarverslag 2021" [Annual report 2021], 26-31.

[34] Energy labels are calculated with the NTA8800 method. This method is based on the European Committee for Standardization (CEN) norms and is the Dutch government's standard. Labels range from G to A++++. For more information see https://www.rvo.nl/onderwerpen/wetten-en-regels-gebouwen/energielabel-woningen.

The sustainability investments dovetail with Woonstad's affordability duty, as the tenant benefits from a lower utility bill.[35]

Management: How Neighborhoods Are Supported

The final dimension of a housing association's social duty is property management. Housing associations serve thousands of tenants, and because of this scale they need to be professional and attentive property managers. They negotiate agreements with tenants' unions, build relationships with tenants, connect tenants to social services, and plan for the extra needs of vulnerable groups such as the elderly, people with disabilities, and people with refugee status. At Woonstad, the *Leasing & Neighborhood Management* team is responsible for tenant services.

Attentive property management also goes beyond the properties themselves. Housing associations' portfolios are largely concentrated in specific neighborhoods, and they often own several blocks in a row. Because of this spatial concentration, housing associations cannot focus solely on their own buildings, but also need to invest in the quality of the surrounding neighborhood. Prior to the Housing Act of 2015, neighborhood quality was fostered by building supportive functions such as below-market commercial space, health centers, and community centers. However, since the re-regulation, housing associations have been limited in what they can do beyond housing. Nevertheless, housing associations still invest in the quality of their neighborhoods. Woonstad Rotterdam takes a two-sided approach. It makes physical improvements, both to its properties and to the surrounding urban realm. And, it supports social infrastructures by partnering with public and private organizations that coordinate social services and by backing tenant initiatives with financial and professional support. The quality of the urban realm is important for housing associations because it affects the quality of the social service they provide. If social housing is located in a neighborhood with few opportunities, the living conditions for their tenants would deteriorate. Working to prevent concentration of social housing equating with concentrations of poverty, housing associations have a duty to connect their housing with the broader network of services that their tenants need and to build neighborhood resilience. They fulfill this duty through investments in the physical quality of the urban realm and by building out a social infrastructure in their neighborhoods.

[35] Tenants pay for their own utilities, which are not included in the rent.

Governance

As the institutional position of housing associations shifted throughout history, so did their relationship with the public sector. These relationships, between housing associations and the national and municipal governments, are integral to how the Dutch social housing system works as a whole. As social enterprises, housing associations do not receive direct financial support from the government, and reciprocally the government does not dictate exactly how housing associations should operate. Instead, a softer system of relationships keeps housing associations and the government working together towards the same goals. The government uses a handful of policy levers to steer the social housing sector. In this configuration, the public sector is able to influence housing production without having to manage it directly as it did in the post-war period. Some steering mechanisms fall under planning: these instruments envision the city's future and create the frameworks within which development will occur. Other steering mechanisms fall under regulation: these instruments define the minimum quality and offer tenant protections. Some of these instruments impact all developers, both social and private, while others specifically affect housing associations. Between its planning and regulatory instruments, the government is able to influence housing associations to align their work with the public vision for the future of the built environment.

Planning

The municipal government is tasked with planning the city's future. Across several departments, municipalities produce plans and policies which provide the framework for new real estate developments, including those by housing associations. While they are not designing new buildings themselves, the municipality has a series of levers at its disposal to steer real estate development in the private and social sectors. Using zoning, building permits, and Performance Agreements, the municipality guides private development along the course it has set out.

Zoning Plan

The first steering mechanism municipalities have at their disposal is zoning. Municipal governments put out a **Zoning Plan** (literally, a "Destiny Plan," *Bestemmingsplan*) every ten years that details how all the land in the municipality will be used.[36] Dutch Zoning Plans get highly specific, much more so than their

[36] Ten years is based on Rotterdam; the frequency of zoning plans varies by municipality.

counterparts in the United States. For example, Rotterdam's Zoning Plan specifies the appropriate price level for new housing in each neighborhood. Across the city, Rotterdam's municipal government is looking to have 20 percent of new construction be social housing (rent < €763), 35 percent mid-income (€763-€1075), 30 percent high-income (€1075-€1380), and 15 percent top-income housing (€1380+).[37] This plan demonstrates a desire to expand the city's affordable housing stock, but also to increase economic integration between high- and low-income neighborhoods by specifying the price level.[38]

Parcels can also be zoned specifically for social housing. While this does not exclude private-sector developers who might rent at the social rate ("social" is a measure of price, not ownership), it does help housing associations finance new development. When a parcel is zoned for social housing, the amount of rental income that can be extracted from the land is limited. Therefore, zoning land for social housing puts a downward pressure on the parcel's market value and lowers the total development cost. Changes to density allowances in the Zoning Plan also has consequence for housing associations. If their parcel's allowable density increases, housing associations are quick to add extra floors or even demolish existing buildings to rebuild taller. In a small, built-up country like the Netherlands, allowing more density is the easiest way to create "new space" in cities. Aside from simply permitting more housing to be built, increased density can lower the per-unit cost of development, making affordable rents more feasible. With its zoning plan, which regulates elements like density and price level, the municipal government alters the conditions of the real estate market.

Building Permits

Once the Zoning Plan is in place, it becomes the grounds on which the municipality negotiates with developers. When developers submit a proposal, their project is evaluated for a **Building Permit** *[bouwvergunning]*. If the proposal fits within all the written rules, there is little municipalities can do to influence the project, even if it circumvents the intent of the Zoning Plan. However, if the proposal

---

[37] Income brackets adjusted annually. 2022 numbers. Angela Cleypool, "Hoe bouwen we aan een betaalbaar Rotterdam?" [How do we build to an affordable Rotterdam?], *Wonen in Rotterdam [Living in Rotterdam]* (blog), August 27, 2021, https://www.woneninrotterdam.nl/nieuws/hoe-bouwen-we-aan-een-betaalbaar-rotterdam/.

[38] Inclusionary Zoning is gaining popularity across municipalities. This typically occurs in large-scale developments with several buildings. Developers will be required to build a certain percentage of social and mid-income housing. Because social housing is defined by price, not ownership, developers can choose to work with a housing association for their required social units or to manage the social units themselves. In this case, contractual agreements are made between the developer and the municipality that set the term through which the housing must stay social. This term is usually short, ten years, but this is partially because developers do not receive any form of subsidy to build the social housing.

requires some sort of variance, the municipal government enters into negotiations with the developer.[39] In these negotiations, the municipal government has leverage to steer the project. They make concessions, but in return, request changes that align the proposal with the municipality's vision for the city, even when these elements are not necessarily in the Zoning Plan.

Performance Agreements

When housing associations propose new developments, the negotiations with the municipal government start much earlier. Where private developers submit completed plans that are evaluated on compliance with municipal regulations, housing associations are typically in conversation with the municipality from the very beginning of a project. This is because housing associations and the municipal government are legally required to coordinate with each other. Housing associations make biannual **Performance Agreements** *[Prestatie Afspraken]* with the municipal government and the national renters' association, Woonbond, which advocates on behalf of tenants. The Performance Agreements set objectives. The three parties sit down together and negotiate the question: what are we going for? The municipality answers the question beforehand with its Housing Vision *[Woonvisie]*, a plan that lays out the city's housing needs and how they should be met.[40] The Housing Act requires housing associations to make a "reasonable contribution" to the municipality's Housing Vision. While "reasonable contribution" is vague, it sets the tone that housing associations should work together with the government toward the same goal. Housing associations propose their contributions, with commitments like improving the energy efficiency of the existing stock, providing more robust tenant services, or building a certain number of units before a specific date. Municipalities can make Performance Agreements with each housing association in their region individually or with all of them collectively. Negotiations persist until all three parties reach an agreement.

Interestingly, there is no legal framework holding any party to the Performance Agreements. The Housing Act only requires that the agreements be made, but the government has little power to

---

[39] It is often the case that proposals do not fit within all the rules. The Zoning Plan is a complicated and intricate document, and it sits alongside other regulations on the built environment like those for sustainability, green space, aesthetics, and mobility. All these different plans can create overlapping and contradictory regulations between departments. In this case, negotiations ensue, both with developers and with the various departments of the municipality, who determine together which regulations will have priority in that particular case.

[40] Gemeente Rotterdam, "Woonvisie 2030 Rotterdam: aantrekkelijke woonstad voor iedereen" [Housing vision 2030, Rotterdam: appealing city for all to live in], accessed July 13, 2022, https://www.rotterdam.nl/wonen-leven/woonvisie/.

enforce them.[41] Instead, Performance Agreements are made on the basis of a longstanding, mutually interdependent relationship. Housing associations rely on the municipality for building permits. They also frequently buy or lease municipally owned land for their developments. On the other side, the municipality needs housing associations to provide sufficient affordable housing. Housing associations are also major landowners in the municipality and, compared to negotiating with thousands of individual private-sector landowners, it is much easier to steer development through a handful of housing associations. The mutual dependence and trust between the social and public sectors has accumulated along their hundred-year history, and this puts housing associations in a unique position compared to private developers. Where negotiations with the private sector must have a legal foundation in the Zoning Plan, negotiations with housing associations are more fluid: two parties who are ultimately on the same team work together to figure out which goals are feasible.

Throughout history, when there has been a housing crisis, the government has turned to housing associations to be on the front line of its solution. In today's crisis, housing associations are being mobilized once again. For the first time, Performance Agreements are being made at the national level. Announced in the summer of 2022, after months of negotiation, the sector-wide Performance Agreements include expanding the housing stock by 250,000 social units and 50,000 mid-income units by 2030, a temporary rent freeze on social housing, a rent decrease for the lowest-income households, 50,000 units of clustered housing for the elderly, and a €75 million annual investment in energy efficiency and neighborhood quality.[42] The commitments at the national level will be distributed to the municipalities, who will work them into the Performance Agreements with their housing associations. Achieving these goals will be no small feat. To give housing associations the financial resources to do this work, the landlord levy (a special tax on housing associations levied since 2013) will be removed. Doing so will free up €2 billion per year across the sector. Once again, financial support—in this case, the removal of a significant tax expense—goes hand-in-hand with increased government steering. In this way, the old channels between the housing associations and the government are still active even after the formal ties were severed. In times of crisis, the housing associations are available to work together with the government to figure out a solution.

[41] One possible mode of enforcement is through a dispute committee [*geschilencommissie*] which mediates disagreements without having to go to court.

[42] Ministerie van Binnenlandse Zaken en Koninkrijksrelaties [Ministry of the Interior and Kingdom Relations], "Nationale prestatieafspraken voor de volkshuisvesting," June 2022.

Regulation

Throughout the history of housing associations, the regulatory involvement of the national government has ebbed and flowed with its financial support. Where the municipalities use planning to steer toward the future, the national government uses regulation to set the floor. Regulation ensures that the activities of housing associations and private landlords and developers stay within what the government considers a minimum standard of living. The regulations most relevant to housing fall under tenant protections and quality regulations.

Tenant Protections

Tenant protections create stability for social housing tenants and renters more broadly. The national government uses regulation to influence rent levels, protect against displacement, and control the demand for social housing. When setting these regulations, the national government is in conversation with Woonbond, the national tenants' organization, and Aedes, the national housing associations' association, which advocate for the needs of their members.

The first tenant protection is **rent control**. As mentioned previously, the national government limits the maximum social rent with the annual liberalization threshold. In 2022, the limit was €763.47.[43] "Social" in the Netherlands is defined by price, not ownership. Any unit whose rent falls below this threshold is considered social housing and is subject to social rent control regulation. The national government limits annual rent increases. In 2022, social rents could be increased by 2.3 percent per year,[44] and private sector rents could be increased by 3.3 percent.[45] By limiting the maximum social rent and controlling rent increases, the national government keeps the cost of housing in line with what low-income families can afford to pay.

The second tenant protection is a right against displacement: **renter protection** [*huurbescherming*].[46] Tenants of all rental housing are protected against sudden eviction by the Dutch Civil Code. Most leases are not limited in term, as is common in the United States. If a tenant has a

---

[43] Ravenstein, "Hoe komen huurprijzen tot stand?" [How are rents set?].

[44] For those with incomes above the income limit, rents can be raised more quickly.

[45] Ministerie van Algemene Zaken [National Government Ministry of General Affairs], "Welke regels gelden er voor een huurverhoging?" [Which rules apply for a rent increase?].

[46] For more on tenant protection in the Netherlands, see Ministerie van Binnenlandse Zaken en Koninkrijksrelaties [Ministry of Interior Matters and Kingdom Relations], "Burgerlijk Wetboek Boek 7" [Civil Code Book 7], Wettenbank [Law Bank], March 11, 2023, https://wetten.overheid.nl/BWBR0005290/2017-07-01/0/.

"permanent rental contract," the landlord cannot discontinue leasing to that tenant unless there is proper justification.[47] As long as social housing tenants pay their rent and abide by the terms of the contract, they can stay in their units as long as they please, even if their income rises.[48] Tenants are also protected against effective eviction through sudden increase in rent, as frequently happens in high-cost rental markets in the United States. The limits on annual rent increases in both the private and social sectors protect against this form of displacement.

The third tenant protection restricts the demand for social housing: **income limits**. Income limits are relatively new to the Dutch social housing system. They were introduced in 2009 as part of the re-regulation of the sector following the European Commission's unfair competition ruling on state-supported housing. This was a fundamental shift in social housing's purpose, which for most of its history was to provide an open alternative to private sector housing. In 2022, the income limits for social housing were €40,765 for single-person households and €45,014 for larger households, leaving roughly 40 percent of the population eligible.[49] In addition to the general income limit, as of 2016 the **Appropriate Allocation** *[passend toewijzen]* policy further regulates allocation. The policy splits eligible households into two income levels, mandating that families in the lower income level are allocated units

[47] More popular in recent years are "temporary contracts" in the private sector that last for one or two years. While common in the US, such contracts are a relative novelty in the Netherlands. In the case of a temporary contract, the landlord is not required to renew the rental contract after its term has elapsed. A renter can live in a unit under a temporary contract for only two years. After that point, if the landlord wants to renew their contract, they have to offer a permanent rental contract. Temporary contracts are popular in the private sector because of rapidly increasing real estate values (and thus rent levels). Rent control limits the annual increase of an occupied unit, but once a new tenant moves in the rent can be set to the new market rate. Tenants of social housing typically have permanent rental contracts.

[48] Ministerie van Algemene Zaken [National Government Ministry of General Matters], "Wanneer kan de verhuurder mij een tijdelijk huurcontract aanbieden?" [When can the landlord offer me a temporary lease?], Ministerie van Algemene Zaken, February 20, 2020, https://www.rijksoverheid.nl/onderwerpen/huurwoning-zoeken/vraag-en-antwoord/onderwerpen/huurwoning-zoeken/vraag-en-antwoord/wanneer-kan-ik-tijdelijk-huren.

[49] While some exceptions can be made, housing associations are required to allocate at least 92.5 percent of their available social units to households with incomes below the limit. Bob Witjes, "Toewijzingsregels veranderen per 1 januari 2022" [Allocation rule changes per January 1st], Aedes vereniging van woningcorporaties [Aedes association of housing associations], November 3, 2021, https://aedes.nl/huurbeleid-en-betaalbaarheid/toewijzingsregels-veranderen-1-januari-2022.

under €633.[50] Income limits aside, once a household is allocated a social housing unit, an increase in income does not affect their ability to stay in their home.[51]

The income limits and Appropriate Allocation policy limit housing associations' flexibility when allocating units, and they have produced some adverse impacts on neighborhood quality. Limiting eligibility breaks with the history of social housing in the Netherlands. From the beginning, units built by housing associations were available to a broad segment of society. They housed low-income tenants, but also the middle class of police officers, young graduates, and nurses. Socioeconomically diverse social housing tenants meant that neighborhoods with high concentrations of social housing did not necessarily have high concentrations of poverty. In the years since Appropriate Allocation has been implemented, this has changed; neighborhoods have become "unbalanced." Appropriate Allocation steers those with the lowest incomes to properties with the lowest rents, which are typically less desirable. This undesirability is reflected in high turnover rates. Poor conditions mean that tenants leave at the earliest opportunity, and only those with the fewest opportunities stay behind. Properties with high turnover rates allocate more new tenants, so they have a higher concentration of allocations steered by Appropriate Allocation. The result is a concentration of the most vulnerable populations, which is a relatively new issue for the Netherlands. Because social housing makes up 29 percent of the overall housing stock (and even more in cities), and because a large portion of that housing was built in a relatively short time span after the war, entire neighborhoods can be exclusively comprised of social housing (see Figure 4). Housing associations have identified the concentration of poverty in their neighborhoods as an urgent issue.[52] They are actively working to get such neighborhoods back into

---

[50] Even within the social housing stock, with rents globally capped at €763, there is price variation between units depending on their size, location, and physical state. Appropriate Allocation requires that single-person households with an income below €24,075 and larger households with an income below €32,675 are assigned units with rents below €633. For a two-person household, those making below €32,675 must be allocated units with rents below €633.25. For larger households, the same income limit applies, but the maximum rent is €678.66. The income limits vary slightly (a little lower) for elderly households. Units with higher rents should be allocated to households that have higher incomes but still fall below the social income limit. Housing associations must "appropriately allocate" 95 percent of available units. All of these numbers are for 2022.

[51] Tenants' ability to stay in social housing even after their income increases is a point of contrast with policies in other countries like the United States.

[52] It should be noted that the Netherlands has far less income inequality than countries like the United States. High salaries are not nearly as high as in the United States, and a substantial income tax redistributes some of this wealth. On the other end, welfare-state programs provide support for those who cannot work or make very little money. The result is a more compressed spectrum between high and low incomes in the country. I note this to clarify that a concentration of poverty in the Netherlands looks very different than a concentration of poverty in the United States, but it is problematic nonetheless.

"balance." This is done by improving the quality of their buildings and the public realm, and by adding for-sale and market-rate housing (for which there is ample demand) to attract a mix of income levels to the neighborhood.

Figure 4: Social Housing in Rotterdam

All social housing indicated by colored buildings; each color represents a housing association. Legend: Woonstad Rotterdam (blue), Havensteder (purple), HefWonen (orange), Woonbron (green).

Quality Regulation

Housing associations do not produce housing simply in terms of unit counts and rent amounts. They also pay attention to architectural quality and sustainability. Housing associations have been important clients for architecture offices due to the scale and ambition of their developments. The high build quality of Dutch housing in general is guided by three regulatory instruments: the Building Code, the Housing Valuation Point System, and the Aesthetics Committee. Through these regulatory instruments, a baseline quality is set.

The **Building Code** *[Bouwbesluit]* sets minimum standards for housing construction. While the instrument itself is a common feature in most countries, the Building Code in the Netherlands reflects a high minimum standard of living. For new construction, housing must include an outdoor space, a separate living room, and out-of-unit storage space among other, more conventional requirements. The code gets quite specific, with minimum dimensions and window areas for each type of room.[53] The Building Code sets standards for space, daylighting, and energy efficiency to outline a minimum dwelling unit, setting the "floor" for the cheapest unit possible.[54] While this non-negotiable Building Code raises the cost of new construction, it also safeguards quality in new residential development.

Energy standards are an important aspect of the Building Code's quality regulation, limiting the carbon footprint of new construction.[55] While these standards apply only to new construction, housing associations invest in upgrades for their existing housing stock. In the 2022 national Performance Agreements, the social housing sector committed to get 450,000 housing units off of natural gas and to insulate 675,000 units for a changing climate by 2030. The sector has also committed to ensuring there are no housing units with a poor energy rating (E, F, or G) by 2028. These expectations reflect a political commitment to preparing the country's housing for climate change, pushing for a carbon-neutral housing stock by 2050.

While the Building Code sets the floor with minimum standards, the **Housing Valuation Point System** *[Woning Waarderings Stelsel, WWS]* creates an incentive for housing associations and private

---

[53] For example the outdoor space must be a minimum of 4 m^2 (43 ft^2) with a width of at least 1.5 m (5 ft). Minimum window sizes are typically 12.5 percent of the room's floor area. Ministerie van Binnenlandse Zaken en Koninkrijksrelaties [Ministry of Interior Matters and Kingdom Relations], "Handreiking Bouwbesluit & Woning" [Handout Building Code and Living], January 2015.

[54] These requirements do not retroactively apply to homes that are already built (these have much less stringent standards), but they do ensure that newly built dwellings meet the minimum standard.

[55] Along with minimum insulation and performance requirements, new housing has to meet stringent energy standards: First, the energy needs for heating and cooling of new housing units are restricted to a maximum of 25 kWh/m^2/year. Second, the total energy needs of the building, including lighting, hot water, and other auxiliary utilities cannot exceed 25 kWh/m^2/year of energy from fossil fuels. And third, at least 50 percent of the energy needs must be met by renewable sources of energy. Verdouw, "Wat Is BENG?" [What Is BENG?], accessed July 13, 2022, https://www.verdouw.nu/kennisbank/bouwkennis/wat-is-beng.

developers to build units of higher quality. The WWS is a quality-based rent control system. It utilizes a scoring rubric with four general categories—size, energy efficiency, location, and fixtures—to calculate a point value for every housing unit, new and existing. That point value is associated with a maximum rent. Figure 5 details how the point value of a unit is accrued through its various characteristics, and Figure 6 shows the associated rents. For units with point values below 140 allowable rents are limited. Privately owned rental units that are smaller, less energy efficient, or have limited features become social housing with regulated rents. If the unit scores above 140 points, the associated rent surpasses the liberalization threshold and the rent is liberalized, so landlords can charge a market rate.[56] The point system creates an incentive for private developers to build new units of a certain size, energy efficiency, and quality so that their rents are liberalized. On the social side, housing associations are incentivized to score WWS points because they increase the unit's market value, and thus the portfolio's valuation. Housing associations typically build units whose point values exceed the liberalization threshold, though they still charge social rents.

[56] In 2022, 140 points was enough to meet the liberalization threshold. As the liberalization threshold is updated annually, so are the needed points to have liberalized rents. In 2022, market rates in major cities had risen well above €1200. As part of the discussions to improve the affordability of rental housing in the Netherlands, a proposal was made in summer 2022 to extend quality-based rent controls to the middle-income segment. This proposal would extend the WWS system to units with 187 points, around €1,000. If implemented, this policy is estimated to turn 80-90 percent of existing rental housing into rent-controlled units. Ministerie van Binnenlandse Zaken en Koninkrijksrelaties [Ministry of the Interior and Kingdom Relations], "Meer betaalbare woningen voor middeninkomens" [More affordable housing for mid incomes], Nieuwsbericht, Ministerie van Algemene Zaken, May 19, 2022, https://www.rijksoverheid.nl/actueel/nieuws/2022/05/19/meer-betaalbare-woningen-voor-middeninkomens.

Figure 5: 2022 House Valuation System Rubric (Independent Units)			
Category	**Element**	**Options**	**Points**
Unit Size	Floor Area	All rooms in unit	1 / m2
	Auxiliary Floor Area	Storage room, garage, attic, etc. outside of unit	0.75 / m2
Energy	Energy Performance	Performance rating A++	44 (detached) | 40 (multi)*
		Performance rating A+	40 (detached) | 36 (multi)*
		….	
		Performance rating C (or unrated dwelling of build year 1998-1999)	22 (detached) | 15 (multi)
		Performance rating G (or unrated dwelling of build year 1976 and older)	0 (detached) | 0 (multi)
		**Points vary depending on unit size and energy label date.*	
Location	Real Estate Value*	Total market value (from government records)	1 / €12,090 of value
		Value divided by total unit floor area	1 / €189
		For housing <40 m^2 built in 2018-2022 in high-density cities (Amsterdam / Utrecht), value divided by total unit floor area	1 / €80
		**If points total is 141+, Real Estate value is capped at 33% of total points.*	
Fixtures	Kitchen	Countertop Length < 1 m	0
		Countertop Length 1 - 2 m	4
		Countertop Length 2+ m	7*
		**Quality of finishes and appliances can add extra points to a maximum of doubling points*	

Figure 5: 2022 House Valuation System Rubric (Independent Units)			
	Bathroom	Toilet	3
		Sink	1
		Shower	4*
		Bath	6*
		Shower / Bath Combined	7*
		**Quality of finishes and fixtures can add (1 pt / €226.89) of investment to a maximum of doubling points.*	
	Heating	Per heated room	2
		Per heated auxiliary space	1 (max 4)
	Accessibility	Investment in provisions for people with a handicap	1 / €226.89 of investment
	Private Outdoor Space	< 25 m^2	2
		25 - 50 m^2	4
		50 - 75 m^2	6
		75 - 100 m^2	8
		100+ m^2	10 - 15
		No private outdoor space	– 5
		Carport	2
	Renovation (within the last 5 years)	If €10,000+ investment and building is built before 2015	0.2 / €1000 of investment
	National Monument	If a listed national monument	50
		If part of a city or village's cultural image	15% higher rent

Source: Ministerie van Algemene Zaken [National Government Ministry of General Matters], "Hoe tel ik tot 1 juli 2021 de punten van mijn zelfstandige huurwoning?" [How do I count the points for my independent housing unit through July 1st, 2021], Ministerie van Algemene Zaken, May 20, 2020, https://www.rijksoverheid.nl/documenten/publicaties/2020/05/20/hoe-tel-ik-tot-1-juli-2021-de-punten-van-mijn-zelfstandige-huurwoning.

Figure 6: WWS Points and Associated Rents as of July 1st, 2022*					
Points	Monthly Rent	Points	Monthly Rent	Points	Monthly Rent
40	€208	74	€384	108	€575
41	€213	75	€390	109	€581
42	€218	76	€395	110	€587
43	€223	77	€400	111	€592
44	€228	78	€405	112	€598
45	€234	79	€410	113	€604
46	€239	80	€416	114	€610
47	€244	81	€421	115	€615
48	€249	82	€427	116	€621
49	€254	83	€433	117	€627
50	€260	84	€438	118	€632
51	€265	85	€444	119	€638
52	€270	86	€450	120	€644
53	€275	87	€455	121	€650
54	€280	88	€461	122	€655
55	€286	89	€467	123	€661
56	€291	90	€473	124	€667
57	€296	91	€478	125	€672
58	€301	92	€484	126	€678
59	€306	93	€490	127	€684
60	€312	94	€495	128	€690
61	€317	95	€501	129	€695
62	€322	96	€507	130	€701
63	€327	97	€513	131	€707
64	€332	98	€518	132	€712

Figure 6: WWS Points and Associated Rents as of July 1st, 2022*					
65	€338	99	€524	133	€718
66	€343	100	€530	134	€724
67	€348	101	€535	135	€729
68	€353	102	€541	136	€735
69	€358	103	€547	137	€741
70	€363	104	€552	138	€747
71	€369	105	€558	139	€752
72	€374	106	€564	140	€758
73	€379	107	€570	141	**Deregulated**

**Official WWS rents specified to decimal amount (e.g., 40 points = €208.05). Decimals removed (without rounding) from table for visual simplicity. Source: Minister voor Volkshuisvesting en Ruimtelijke Ordening [The minister of social housing and spatial organization], "Regeling Nr. 2022-0000161710," April 20, 2022.*

In addition to the Building Code and the Housing Valuation Points System, which incentivize quality in terms of energy efficiency and interior features, the aesthetic quality of the built environment is steered by the municipality's **Aesthetics Committee** *[Welstandcommissie]*. The Aesthetics Committee is an independent committee comprised of architects, urban designers, and architectural historians who evaluate the aesthetic quality of building proposals in a municipality. Based on the criteria laid out in the municipality's Aesthetics Guidelines *[welstandsnota]*, the Aesthetics Committee assesses whether a building complements the aesthetic character of its surroundings and how it impacts the "image of the street" *[straatbeeld]*. This can include the building's massing and structure, material and color choices, landscaping, and open space. The Aesthetics Committee focuses on the elements of the building which are visible from the public realm and have an impact on the whole neighborhood. The committee gives its advice to the municipality, which decides whether or not the project will receive a building permit. While this advice is not in itself enough to prohibit a building permit, the approval of the aesthetics committee is a political lever, which can be used in negotiations with developers.[57] As a body solely

[57] Welstand Bouw B.V, "Welstand gemeente: wat doet de welstandscommissie?" [Municipal Aesthetics: What does the Aesthetics committee do?], Welstand Bouw, accessed July 13, 2022, https://welstandbouw.nl/wat-doet-de-welstandscommissie/.

concerned with the beauty of project proposals, whose approval is de facto necessary for access to building permits, the Aesthetics Committee protects the architectural quality of the built environment. All building proposals must be approved by this committee, requiring developers to invest time and financial resources in the aesthetic quality of the buildings they propose.

Together, the Aesthetics Committee, the Building Code, and the Housing Valuation Points System are three regulatory instruments that the public sector uses to steer the quality of the built environment. The Building Code sets the floor, outlining the baseline requirements for a housing unit, including minimum dimensions, energy efficiency, and features like outdoor space. The Aesthetics Committee evaluates the exterior presence of the building, ensuring that those who do not occupy the building still can enjoy its visual impact on the neighborhood. The Housing Valuation Points System creates incentives for developers to build beyond the minimum requirements. Bigger spaces, better energy performance, more desirable locations, and nicer fixtures are all ways in which developers can increase the rents their units return.

The quality of housing, architecturally and environmentally, is an important dimension of its efficacy. After WWII, *quantity* was the main priority, and standards for aesthetic quality were lax. As a result, those buildings now require expensive maintenance and have stigmatized social housing more broadly. Today, investment in high aesthetic quality for social housing pushes back against that stigma. Housing associations aim to build housing that is visually indistinguishable from private-sector housing. This investment in quality is evidenced by the fact that five of the ten nominees for the Rotterdam Architecture Prize in 2022—including the winning project, *Maileklos*—were social housing developments by Woonstad Rotterdam. There is no silver bullet for quality, but there is a good recipe. A good urban planner at the municipality and a good developer at the housing association who hires a good architect, along with incentives to invest time and resources in the architectural quality of the project: these are the ingredients that contribute to architectural quality in social housing.

Figure 7: Government Levers to Steer Development		
Planning	**Regulation: Tenant Protection**	**Regulation: Quality**
Zoning Plan	Social rent maximum and rent increase maximum	Building Code
Building Permits	Right against displacement	Housing Valuation Points System
Performance Agreements (Housing Associations only)	Restricted demand: social housing income limits and Appropriate Allocation policy (Housing Associations only)	Aesthetics Committee

Exterior view of the Rotterdam Architecture prize-winning project Malieklos by Woonstad Rotterdam. Malieklos is a €12.5 million development with 51 apartments and 33 single-family row houses, all of them social housing units with rents below the liberalization threshold of €763. All photos by author unless otherwise noted.

Access to upper-level apartments through interior courtyard with gallery entrances. This layout is particularly cost-effective because circulation space is primarily outdoors.

View of single-family row houses is taken from the complex's interior courtyard. Shows private storage sheds and flood-mitigating green roof system.

Street view. New Malieklos development on either side, and an existing social housing block built in 1999 in the center.

Street façade with lower apartment entrances.

Material detail, custom brickwork laid by hand.

Financing

Having discussed the institutional structure of housing associations and the nature of their relationships with the public sector, this final section will turn to the financing mechanisms that underpin the Dutch social housing system. It will begin with the operating budget, which illustrates how the revolving fund successfully covers housing associations' activities as landlords. In fact, housing associations fund their new developments with leftover rental revenue, which is combined with equity from unit sales and long-term, low-interest loans. While new social housing developments do not require direct subsidies from the government, housing associations do receive three indirect subsidies that make the projects feasible: debt subsidy, land subsidy, and rental assistance, each of which will be discussed. Then, we will walk through how housing associations decide what to develop when and where. Development projects are passed between teams making decisions at three different scales: the scales of the association, the portfolio, and the project. Between these teams, the housing association finds a balance between its social duties and its long-term financial sustainability when making investment decisions. Looking at the social housing system through Woonstad's balance sheets shows the power of the revolving fund, portfolio-based financing, and long-term debt. The finances demonstrate how housing associations have the capacity and agency to fulfill their social duties without needing major public subsidies.

Operating Budget: The Revolving Fund

One of the major advantages that housing associations have over affordable housing developers in other parts of the world is their revolving fund. Housing associations inherited large housing portfolios from earlier eras of state support, and today, rental income covers most housing associations' operating costs. As nonprofits, housing associations leverage their remaining rental revenue to finance new social housing development and upgrades to existing units. The revolving fund principal from the earliest housing associations is still at work today.

Take Woonstad Rotterdam's annual budget for example (Figure 8). The housing association brings in roughly €350 million per year in rental income (including €50-60 million in non-DAEB income).[58] This income is augmented by the sale of units (€20 million) and select project-based subsidies (€5-10 million). With its €375 million operating income, Woonstad pays its operating expenses. After paying

[58] Non-DAEB profits are the profits generated by the housing association's market-rate and mid-income units. Administratively, DAEB (social) and non-DAEB (non-social) activities are separate, but excess profits from the non-DAEB side can be transferred to the DAEB side of the organization and serve as a source of equity.

Figure 8: Woonstad Rotterdam Rough Annual Operating Budget			
Income	**Amount**	**Expenditure**	**Amount**
Rent	€350 million	Maintenance	€110 million
Rent from market-rate units**	€50-60 million	Overhead (incl. landlord levy)	€125 million
Sale of Units	€20 million	Loan Repayment (€2 billion outstanding)	€40 million
Subsidies (project-based, sustainability)	€5-10 million	Investment social housing*	€100 million
Total	€375 million	Total	€375 million

**Number estimated by author based on budget totals, not given by Woonstad.*
***From the non-DAEB (non-social) side of the company.*
Source: Woonstad Rotterdam, "Jaarrekening 2021" [Annual financial report 2021].

Figure 9: Sector-Wide Rough Annual Operating Budget (2021)			
Income	**Amount**	**Expenditure**	**Amount**
Rent	€16.6 billion	Maintenance	€4.5 billion
Other Income (sale of units)	€1.1 billion	Overhead	€4.9 billion
		for employees	€1.8 billion
		Interest Payment (€84.3 billion outstanding)	€2.6 billion
		Taxes and Fees	€2.8 billion
		for landlord levy	€1.8 billion
		for corporate taxes	€0.8 billion
Total	€17.7 billion	Total	€14.8 billion
		Operational Cash Flow	€2.9 billion

Source: Waarborgfonds Sociale Woningbouw [Guarantee Fund for Social Housing], "Portefeuillerapportage per 30 juni 2022" [Portfolio Report as of June 30, 2022], June 30, 2022, https://www.wsw.nl/uploads/tx_dddownload/WSW_4823_Portefeuillerapportage_juni_2022.pdf. Based on data from dVi2021.

for maintenance (€110 million), overhead and taxes (€125 million), and loan payments (€40 million), Woonstad retains roughly €100 million in revenue, which must be reinvested into its housing stock. Looking across the sector as a whole (Figure 9), in 2021 housing associations brought in €16.6 billion in rental income and needed only €14.8 billion to cover maintenance, debt service, overhead, and taxes. This resulted in €2.9 billion remaining revenue for reinvestment. The equity from rental revenue is the first of three sources of financing for new social housing developments.

The second source of equity for housing associations' development projects is unit sales. On paper, housing associations have seen a significant increase in wealth since the Balancing Act in 1995, because the market value of their housing has increased. By selling units, housing associations can extract some of that increased value to finance new housing. Of course, this is a delicate balance because large-scale selloffs would destabilize the social housing sector. However, social housing units can create entry-level homeownership opportunities for first-time buyers, and the existing tenant is often offered the first chance to buy the unit. Of the 5,600 social units sold sector-wide in 2021, 4,400 were sold to the existing tenants. Because equity from unit sales is combined with other financing sources to fund new development, these sales typically result in a net increase in the number of social units. For example, in 2021 the social housing sector built 14,800 new units, demolished 7,100 units for rebuilding, acquired 900 units from the private sector, and sold 5,600 units. With all this activity, including unit sales, the social housing sector saw a net increase of 2,000 units that year.[59]

The final component of the capital stack for social housing development is debt. Housing associations take out long-term low-interest loans through the Guarantee Fund for Social Housing. The Guarantee Fund assesses a housing association's borrowing capacity based on the value of its real estate portfolio, and not by the cash flow of one particular project, so the housing association has little trouble accessing credit for new development. It borrows in lump sums annually, and this funding is distributed within the association to fund new development projects. Decisions about how much debt to take on are made by the executive level, where the social impact of new investments is measured alongside their implications for the housing association's long-term financial stability.

Operating revenue, equity from unit sales, and debt come together to finance new social housing development. While the rough annual operating budget in Figure 8 covered only Woonstad

[59] This number also includes 1000 units lost for miscellaneous reasons. Aedes vereniging van woningcorporaties [Aedes association of housing associations], "Aedes Benchmark 2022," 43.

Rotterdam's activities as landlord, Figure 10 captures the full scope of the revolving fund by including Woonstad's activities as a developer and an asset manager. The association-wide cashflow table reveals the relationship between the housing association's three businesses. The net operating income in 2020 from its operation as a landlord was €63 million.[60] As a developer, Woonstad Rotterdam raised €9 million by selling existing units, and spent €185 million on new construction, renovation, and acquisition. To help finance these projects, as an asset manager the housing association took out €91 million in new loans.[61] These three businesses—operating, developing, and investing in social housing—cross-subsidize each other.

[60] DAEB (social side) only. In reality, Woonstad Rotterdam does further cross-subsidizing between its social and non-social sides (administratively split after reregulation with the Housing Act of 2015), but for this discussion we will look only at the social side. For the full cash flow of the DAEB and non-DAEB sides together, see Woonstad Rotterdam, "Jaarrekening 2021" [Annual financial report 2021], 5.

[61] While this left a €23 million deficit in 2020, 2021 ended with €81 million excess revenue. Cash flow can be a misleading measure because it captures a snapshot at the end of the financial year. In principle, the balance always goes back to zero, as all revenues are spent back into the nonprofit.

Figure 10: Abridged Cashflow Woonstad Rotterdam (excluding non-DAEB)			
		2021	**2020**
Income (Operations)	Rental Income	€ 273,799,000	€ 272,819,000
	Total Income	**€ 309,061,000**	**€ 311,634,000**
Expenditure (Operations)	Overhead	€ (101,132,000)	€ (97,556,000)
	Maintenance	€ (86,740,000)	€ (79,014,000)
	Interest	€ (41,198,000)	€ (46,717,000)
	Tax (incl. landlord levy)	€ (30,202,000)	€ (25,523,000)
	Total Expenditure	**€ (260,747,000)**	**€ (249,035,000)**
Net Operating Income (landlord)		**€ 48,314,000**	**€ 62,599,000**
Income (Investment)	Sale of Existing Units	€ 13,530,000	€ 8,731,000
	Non-DAEB Loan Repayment	€ 93,941,000	€ 0
	Total Income	**€ 107,471,000**	**€ 8,731,000**
Expenditure (Investment)	New construction	€ (51,771,000)	€ (53,697,000)
	Renovation	€ (63,786,000)	€ (50,717,000)
	Acquisition	€ (48,819,000)	€ (59,683,000)
	Total Expenditure	**€ (185,147,000)**	**€ (185,716,000)**
Net Investment Income (developer)		**€ (77,676,000)**	**€ (176,985,000)**
Income (Financing)	**New Guaranteed Loans**	**€ 199,204,000**	**€ 187,500,000**
Expenditure (Financing)	**Paid off Guaranteed Loans**	**€ (88,740,000)**	**€ (96,307,000)**
Net Financing Income (asset manager)		**€ 110,483,000**	**€ 91,193,000**
Total Net Cash Flow		**€ 81,121,000**	**€ (23,193,000)**

Note: Does not include non-DAEB (non-social) rental income or investments, which were included in the previous figures. For the purpose of this figure, only the social side of Woonstad Rotterdam is brought into view.
Source: *Woonstad Rotterdam, "Jaarrekening 2021" [Annual financial report 2021], 63.*

Indirect Subsidies

While the revolving fund is the core of the Dutch social housing system's financial model, housing associations still have to provide housing at a rate that the private market cannot. To make this feasible, in the past, housing associations were supported by *direct* investment from the government through loans and subsidies. As the housing associations were moved towards independence throughout the 1980s, and ultimately cut off in 1995 with the Balancing Act, the government's direct subsidies to the social housing sector slowed to a halt. Today, there are no more direct financial ties. However, because housing associations still provide a social service, quality housing that is rented below the social rate, they have access to three *indirect* subsidies that help make this business sustainable. Two of these indirect subsidies give housing associations advantages over private-sector developers: cheaper debt and cheaper land.[62] The third indirect subsidy, rental assistance, is not limited to housing associations, but nonetheless helps bridge the gap between what it costs to build and operate a unit and what tenants can afford.

Debt Subsidy

Long-term, low-interest loans have been the essential DNA of the Dutch social housing system since the Housing Act of 1901. The difference between 1940 and today is the lender. Whereas in the past the national and municipal governments themselves granted loans for social housing development, today housing associations borrow from the private capital markets with a AAA credit rating.[63] This high credit rating gives housing associations access to favorable borrowing terms, and it is supported by two institutions: the **Guarantee Fund for Social Housing** and the **Housing Association Authority**. With the combined security of these institutions, new loans to housing associations have interest rates like 1.46 percent (2022) and terms as long as fifty years.[64] These favorable borrowing terms make debt cheaper for social housing development than it is for for-profit residential development. Without directly incurring costs on the government, cheaper debt subsidizes social housing production.

---

[62] These two indirect subsidies were cited in the EU report as elements of state support for housing associations because private developers do not have access to them.

[63] Typically housing associations borrow from public banks, primarily the Dutch Municipalities Bank [*Bank Nederlandse Gemeenten*] and the Dutch Bank of Water Authority [*Nederlandse Waterschapsbank*]

[64] Waarborgfonds Sociale Woningbouw [Guarantee Fund for Social Housing], "Portefeuillerapportage per 30 juni 2022" [Portfolio Report as of June 30, 2022], 8-9.

Cheaper debt is made possible by two institutions. First, a financial monitor: the **Housing Association Authority** *[Autoriteit Woningcorporaties*] is a public institution that monitors the housing associations' practices and financial health.[65] It evaluates associations and has the power to impose financial sanctions or appoint a supervisor if an association is deviating from its mission. The Authority also publishes *The State of the Housing Association Sector* every year, reporting on the financial risks, trends, and developments within the social housing sector.[66] Through the Housing Association Authority, the government can keep an eye on the governance, financial management, and integrity of housing associations.

Second, a de-risker: the **Guarantee Fund for Social Housing** *[Waarborgfonds Sociale Woningbouw*] is an independent institution that guarantees housing associations' loans on the private capital markets. The Guarantee Fund's mission is to help housing associations attain the lowest possible interest rates and favorable borrowing terms. It does this by de-risking lending to housing associations with a triple-layer guarantee. The first layer of the guarantee is the housing association's real estate portfolio, which serves as collateral for its loans. The second layer is the Guarantee Fund's mutual fund, which all the housing associations pay into.[67] If the collateral and the mutual fund are not enough to cover repayment obligations, the final layer of the guarantee falls to the national and municipal governments, which will grant interest-free loans to the Guarantee Fund to cover repayment obligations. This lender of last resort function has never been used, but the ultimate guarantee of the government makes lending to housing associations extremely low-risk for banks. The three tiers of

---

[65] Initially, this was the task of the Central Fund for Social Housing (CFV, 1987), but the CFV was replaced in 2015 by the AW. The AW is part of the national government's Human Environment and Transport Inspectorate under the Ministry of Infrastructure and the Water Management.

[66] Inspectie Leefomgeving en Transport Ministerie van Infrastructuur en Waterstaat [Human Environment and Transport Inspectorate of the Ministry of Infrastructure and Water Management], "Autoriteit woningcorporaties" [Housing Association Authority], Ministerie van Infrastructuur en Waterstaat, May 1, 2017. https://www.ilent.nl/onderwerpen/themas/autoriteit-woningcorporaties.

[67] Housing associations are required to pay an annual percentage of their outstanding debt into the mutual fund. This interlinks the sector financially. To add a little more nuance, the annual percentage of outstanding loan amount paid as a fee varies depending on the state of the fund. Associations pay their fee to the Guarantee Fund only when the fund drops below the "critical limit." In their budgets, housing associations are asked to account for 0.165 percent of their guaranteed loan amount annually as their fee. When the guarantee fund drops below the critical limit, the Guarantee Fund collects the fees, with a maximum of 0.33 percent of the guaranteed loan amount.

obligation have earned the Guarantee Fund a AAA credit rating.[68] In 2022, the average interest rate on new guaranteed loans to housing associations was 1.46 percent, and the average interest rate on all their outstanding loans was 2.84 percent. Of those new loans in 2022, 47 percent had between forty- and fifty-year terms and 92 percent had at least twenty-year terms.[69]

The Guarantee Fund also plays a role in regulating housing associations' finances. It does so by setting standards for its guarantee. The Fund monitors six factors: the housing association's interest coverage ratio (cash flow related to interest payments), its solvency, its equity, its potential liquidity, its relative efficiency, and, most importantly, its **loan-to-value ratio**. A housing association's real estate portfolio is the collateral for its loans, and through the Guarantee Fund, housing associations effectively have an open line of credit up to 85 percent of their portfolio value.

However, calculating the value of a housing association's portfolio is not as simple as totaling its buildings' market values. First, rights of tenure in the Netherlands prevent new owners from evicting existing tenants or rapidly raising rents. This is not exclusive to social housing: with all rental properties, owners and buyers make use of an investment metric called the **Market Value in Rented State** [*marktwaarde in verhuurde staat,* **MVS**], which discounts the building's market value accordingly.[70] The MVS is typically about 70 percent of the market value of the property if it were sold uninhabited. In 2021, the MVS of Woonstad Rotterdam's 53,000-unit portfolio was €8.5 billion.[71]

The second factor affecting the portfolio's value is the housing association itself. The housing association has a different set of priorities than a for-profit landlord, which affects the way it manages

---

[68] Moody's credit report cites the government's ultimate commitment to provide liquidity to the Guarantee Fund, the high degree of government oversight, and the creditworthiness of the Dutch government itself as the reasons for the AAA rating. Moody's Public Sector Europe, "Waarborgfonds Sociale Woningbouw Update to Credit Analysis."

[69] Waarborgfonds Sociale Woningbouw [Guarantee Fund for Social Housing], "Portefeuillerapportage per 30 juni 2022" [Portfolio Report as of June 30, 2022].

[70] MVS is calculated by taking two hypothetical fifteen-year leasing scenarios:

1. Rent: as units are vacated, their rent is raised to market rates (or the maximum WWS rent if less than 141 points). The property is sold in full at the end of the fifteenth year.
2. Sell: as units are vacated, they are sold off. The remaining property is sold at the end of the fifteenth year.

The hypothetical profits rendered by the two scenarios are compared, factoring in the costs of maintenance, management, taxes, and insurance. The property's MVS is the higher of the two hypothetical profits.

An interesting point on MVS: this investment metric is an example of how rent control and tenancy rights, if clearly defined and consistent across all properties, can become part of the private sector's calculation of value. In this case, the assumption of a right of tenure and strong property rights is factored into the purchase price.

[71] Woonstad Rotterdam, "Jaarverslag 2021" [Annual report 2021], 47.

its properties and thus the revenue they generate. For this reason, a second metric is used, which discounts a property's market value in accordance with the housing association's social obligations. This metric is called the **Policy Value** *[beleidswaarde].* The Policy Value calculates deductions for housing associations' policies related to *availability* (that units will typically not be sold off, but rented in perpetuity), *affordability* (that rents are kept at social rates), *quality* (high maintenance standards), and *management* (serving higher-need populations). These are deducted from the MVS, typically subtracting 30 percent. The resulting Policy Value is typically around 50 percent of the full market value. This is the value of the housing association's portfolio. Woonstad's Policy Value is €5.2 billion.[72] With the ability to borrow up to 85 percent of its portfolio's Policy Value, Woonstad has a line of credit that is capped at €4.42 billion. If the value of its portfolio increases (through market dynamics or its development projects), so does its borrowing capacity.[73]

When it comes to accessing capital, the nonprofit housing associations are in a position similar to that of big-shot commercial developers. They essentially have an active line of credit with the banks. Housing associations have access to more credit than they even use: currently, the sector-wide loan-to-value ratio sits at 50 percent. Rather than borrowing based on the cash flow of one new development, housing associations use portfolio-based financing. Instead of going to the bank for every new project, they borrow annually in lump sums and distribute those funds in-house. The financial feasibility of a new development project is decided internally and not by the lender. Portfolio-based financing gives housing associations the flexibility to cross-subsidize their portfolios, covering losses on a new project with excess revenues from an older one.

In sum, the Housing Association Authority maintains government oversight over the financial health of the social housing sector and the Guarantee Fund enables housing associations to borrow large amounts on favorable terms, making access to capital for social housing development cheap and reliable. While the guarantee does not actively incur a cost on the government, because the government's credibility is what grants housing associations access to low-interest borrowing, the

[72] The annual report lays out how the MVS is affected by the four elements of the Policy Value. Availability adds €469 million in value, affordability subtracts €2.1 billion, maintenance subtracts €1.2 billion, and management subtracts €368 million. Woonstad Rotterdam, "Jaarverslag 2021" [Annual report 2021], 47.

[73] While 85 percent is the maximum loan-to-value ratio for housing associations, currently, the sector is operating conservatively with a collective loan-to-value ratio of less than 50 percent. This is somewhat strategic. By staying under the maximum, housing associations maintain a buffer. If unexpected opportunities or disasters arise, they have easy access to credit. However, this also means the sector's investment capacity is underutilized, and by using credit to finance new developments, housing associations also expand their future borrowing capacity.

Guarantee Fund is considered state support for the social housing sector. With cheaper debt, housing associations have an advantage over for-profit residential developers when financing their projects.

Land Subsidy

The second indirect subsidy for social housing development is discounted land prices. Municipalities can use zoning to specify the type of housing, social or market-rate, for which land can be used. If zoned for social housing development, the land is "worth" less because less profit can be extracted from it.[74] As the land's potential for rent-extraction diminishes, so does its market value. In addition to acquiring land in the private markets, housing associations often purchase or lease public land from their municipality with a steep discount. Municipalities have the power to set special rates for "social" land. In Rotterdam, where market-rate residential land may cost €600 per square meter, land zoned for social housing may cost €80-€90. Rotterdam is a progressive municipality in this regard, offering a substantial discount to social housing developers. Other municipalities are less generous with their discount or neglect to give any price reduction. These differences are political, and they have to do with a municipality's own vision for social housing in its region. In 2021, the average price per square meter of land for new social housing construction sector-wide was €314. Land is typically a major component of a project's total development cost, so this indirect subsidy helps explain how the average per-unit cost for social housing construction is only €182,099.[75]

Rental Assistance

The final piece of the subsidy puzzle is **rental assistance** *[huurtoeslag]*. Although rental assistance is a direct housing subsidy provided by the national government, it is not a market advantage that housing associations have over for-profit residential developers. All tenants with rents below the liberalization threshold can request rental assistance for themselves, regardless of whether the unit is owned by an association or a private party. For this reason, rental assistance is not considered a subsidy to housing associations; it is not exclusive to them.

---

[74] Keep in mind that "social" is defined by price, not ownership, so land zoned as "social" is not set aside specifically for housing associations. Private developers are free to build social housing on this land as well. What it does mean is that new housing on that land must be rented below the liberalization threshold, which for most commercial developers is unprofitable given their financial models.

[75] 2021 figure. Other reasons for this low per-unit cost include efficient construction techniques and designs. Aedes vereniging van woningcorporaties [Aedes association of housing associations], "Aedes Benchmark 2022," 52.

Introduced in the 1970s, rental assistance is one of many cash subsidies like healthcare assistance or childcare assistance that low-income households have access to. Parameters for qualification and the amount of assistance are managed by the national government. Tenants apply for rental assistance through the tax authority, and all those who qualify for the assistance receive it on a monthly basis. Rental assistance bridges the gap between the operating cost of social housing and what low-income families can afford. Unlike the debt and land subsidies, which affect the cost of producing affordable housing (i.e., they are supply-side subsidies), rental assistance is a demand-side subsidy that helps individuals afford their housing.

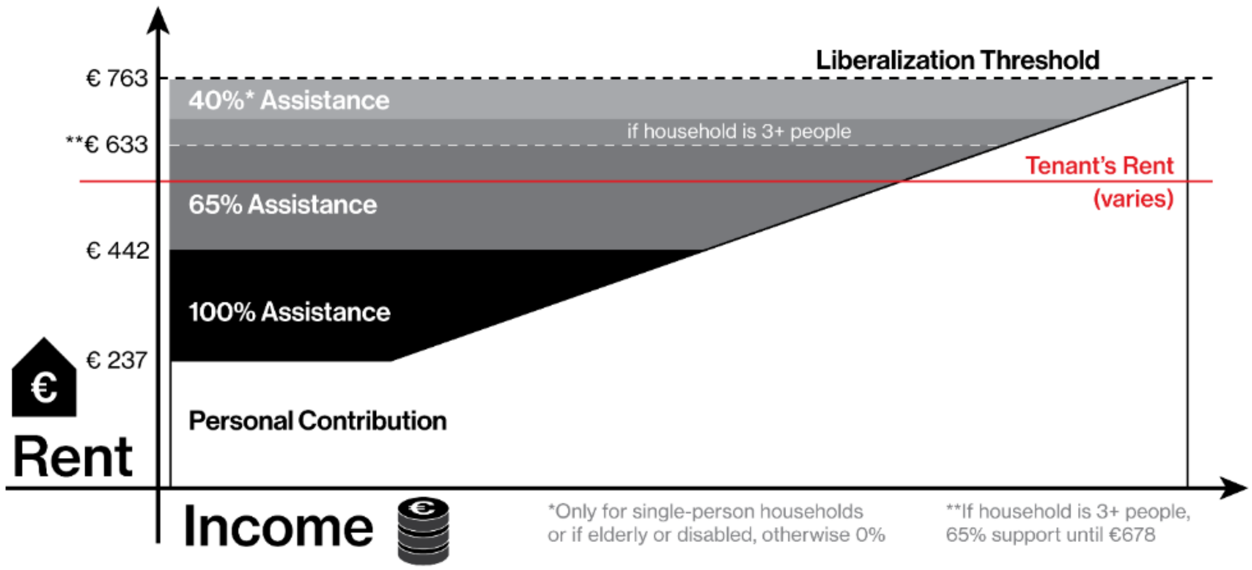
Qualification for and amount of rental assistance are calculated on the basis of household composition, income, and rent.[76] The first requirement is that rent sits below the liberalization threshold. The next factor is income; the income limits for assistance are graduated and vary slightly based on household composition. Those making minimum wage have access to the maximum amount, and the rental assistance diminishes as income rises until it is €0. The final factor is rent; assistance is calculated as a percentage of the rent, and Figure 11 shows how that percentage varies with income and rent amount.[77] For housing associations, the rental assistance policy design gives all their social tenants access to proportionate assistance to help afford rent. As a result, housing associations do not typically adjust rents to tenant income beyond the income limits posted on the unit's listing. Instead, the rental assistance formula more closely tailors a tenant's monthly housing costs to what their income can support.

[76] Additional qualification requirements: (1) Own "front door." This means that there is a lockable entrance to one's living space, which contains a kitchen with gas and water connections and a toilet. (2) Income. Introduced in 2020, income limits now operate on a graduated scale basis rather than a hard cutoff. Scaling is dependent on rent amount, age, and composition of the household. In 2022 figures, for single-person households, full assistance is available to those earning €24,075 or less and scaled assistance is available up until approximately €31,000. For households of two or more people, those numbers are €32,675 and approximately €41,000, respectively. (3) Savings. As of 2022, the limit on savings is €31,747 for a one-person household and €63,494 for a two-person household. Ministerie van Financiën [Ministry of Finances], "Proefberekening toeslagen" [Sample calculation of assistance payments], accessed July 13, 2022, https://www.belastingdienst.nl/wps/wcm/connect/nl/toeslagen/content/hulpmiddel-proefberekening-toeslagen.

[77] As an example, in 2022, a single adult earning €16,000 per year with a rent of €700 would qualify for €355 (50 percent of rent) in rental assistance. If the same tenant earned €22,000 per year with the same rent, their assistance would be €235 (33 percent). If the rent was lower, €450, the assistance would be €209 (46 percent) and €89 (20 percent) respectively. Ministerie van Financiën [Ministry of Finances], "Proefberekening toeslagen" [Sample calculation of assistance payments].

While it is the housing associations' duty to keep rents affordable, they also have to maintain, upgrade, and even expand the supply of affordable housing. Rental assistance is an important buffer between what this costs and what tenants can afford. The government and housing associations share the responsibility for maintaining a balance between rent levels and operating costs. While housing associations can and do lower rents, it is a trade-off because lower revenue diminishes the association's capacity to invest in future social housing. On the other end, the national government can increase rental assistance and keep incomes high so tenants can afford rent. Because the government pays only the difference between affordability and the social rent, not market-rate rent, less subsidy is needed.

Figure 11: Rental Assistance Calculation



Rental assistance is a factor of household composition, rent, and income. Assistance is the aggregate of varying percentages of rent covering. If the rent is €600 (as the red line shows), the rental assistance is calculated as follows:
1. The tenant pays the first €237 themselves.
2. Between €442 and €237, they receive 100% assistance (100% x (€442 - €237)) = €205.
3. For the remaining portion they receive 65% assistance (65% x (€600 - €442) = €102.70
4. Added together €307.70 would be covered by rental assistance.

This figure also shows how the personal contribution grows as income increases until the point where the assistance is €0. 2022 numbers. Limits updated annually by national government.

In 2021, renters of social housing contributed an average of 33.8 percent of their income to rent.[78] The average rent for housing associations in 2021 was €561 per unit.[79] The government pays €3.6 billion per year in rental assistance subsidies, going to 1.4 million households. This averages to about €208 per month in rental assistance to each household that qualifies.[80] For the government, calculating needed rental assistance and setting the liberalization threshold is a balancing act between keeping incomes high enough to cover the cost of living and keeping housing costs low enough (through regulation and subsidy) to be affordable to low-income families.

Together, the indirect debt, land, and rental assistance subsidies help make social housing financially feasible for housing associations to operate, maintain, and build without running a deficit. The Guarantee Fund for Social Housing reduces the cost of debt-financing and opens a reliable line of credit that housing associations can tap when opportunity knocks. The land discount reduces the per-unit cost of social housing development. Importantly, these two "subsidies" do not impose substantial costs on the government. If the final layer of the guarantee were to be invoked, the government would provide no-interest *loans* to the Guarantee Fund to cover the debts. The municipalities that discount their land may profit less on its sale, but they also need to ensure there is sufficient affordable housing in their region. The government does pay for the rental assistance subsidy, which augments tenant incomes so that housing associations can charge cost-recovering rents without burdening their renters. However, social rents are much lower than private-sector rents, so households need less subsidy to afford their housing. With these three indirect financial supports, housing associations manage to continue building social housing without their historic access to government loans.

---

[78] Centraal Bureau voor de Statistiek [Central Bureau of Statistics], "Woonlasten huishoudens; kenmerken huishouden, woning" [Household housing expenses: household characteristics, houses], CBS StatLine, June 9, 2022, https://www.cbs.nl/nl-nl/cijfers/detail/84487NED. Compare this to an average of 41.8 percent of income paid by private sector renters and 23.1 percent by homeowners towards housing costs.

[79] Aedes vereniging van woningcorporaties [Aedes association of housing associations], "Aedes Benchmark 2022," 43.

[80] Hochstenbach points out that this subsidy pales in comparison to the effective subsidy granted to homeowners through a mortgage interest tax deduction which costs €9 billion per year. (This figure follows regulation limiting the deduction; in 2011, before the regulation, homeowners received €14 billion in tax reduction). Even when calculated proportionately, homeowners receive more direct support for housing costs than renters. Hochstenbach, *Uitgewoond*. 87. Data from Centraal Bureau van Statistiek and Ten Teije, S. (2021), nu.nl.

How Development Decisions Are Made

Having covered how social housing development is financed and indirectly subsidized, the remaining question is how housing associations decide when, where, and what to build. Because their social duty is not just to build affordable housing in the present but also to preserve its affordability into the future, housing associations must balance their social and financial goals when evaluating new development projects.

One of the major advantages that housing associations have as developers, with respect to affordable housing developers in other parts of the world, is portfolio-based financing. Rather than having to procure loans and string together subsidies on a project-by-project basis, housing associations have open lines of credit through the Guarantee Fund. Therefore, rather than submitting their proposals to a lender for approval, they make investment decisions internally. Consequentially, developers at housing associations are more often deliberating *what should* be built than if *anything can* be built. To make a proposal viable, they tweak the project until its financial performance meets the association's standards. Once the project will deliver the necessary return, it is approved internally. To illustrate the dynamics that drive decision-making for social housing development, we will follow Woonstad Rotterdam's process from a project's initial conception to executive approval.[81]

At Woonstad Rotterdam, development projects involve three teams thinking at different scales. At the scale of the whole housing association, the *Executive Board* and *Finance & Control* team put together an investment framework. The *Asset Management* team then works at the portfolio scale, identifying needs and opportunities across the portfolio. Once a project is identified, the *Development* team works at the project scale to bring the proposal's financial performance in line with the investment framework. Together, the three in-house teams find the balance between the housing association's social mission and its financial stability.

At the Scale of the Housing Association

The *Executive Board* and the *Finance & Control* team set the social and financial objectives for the nonprofit by creating an investment framework. **Internal Rate of Return** (IRR) is the primary metric by

[81] This scenario is based on my interviews at Woonstad Rotterdam and explains how it puts together development projects. Because housing associations have operational autonomy and their portfolios vary in size, keep in mind that other housing associations may do things somewhat differently. The Woonstad Rotterdam case illustrates how the general model of portfolio-based financing gives housing associations flexibility when making investment decisions on individual projects.

which they measure the financial performance of proposals. IRR calculates a project's profitability, factoring in time, the cost of development, and the value added by the project. Social developers have lower IRR requirements than for-profit residential developers, but they still need IRRs high enough that they do not run portfolio-level deficits in the long term. Woonstad Rotterdam's investment framework is a matrix of minimum IRRs for various combinations of neighborhood quality, price level, and project type. Using this matrix, the *Executive level* articulates the housing association's social objectives. Rather than setting a universal minimum IRR for all projects, IRRs are varied within the matrix so the housing association can cross-subsidize high and low returns. For example, for a project in a distressed neighborhood experiencing decay and social problems (low neighborhood quality), the investment framework may require an IRR of only two percent, while the same project located in a vibrant, mixed-income neighborhood (high neighborhood quality) would need to deliver an IRR of five percent. In the world of for-profit development, a higher-risk investment would require a higher IRR to make the project worthwhile. However, in a housing association's calculus, developing in a riskier neighborhood generates more social impact. With the flexibility granted to housing associations by portfolio-based financing, they can decide for which projects the high social returns justify the lower financial ones. In other words, it allows social considerations like sustainability and neighborhood improvement to outweigh financial considerations when important. The investment framework articulates where these social priorities lie.

At the Scale of the Portfolio

At Woonstad, new development projects begin with the *Asset Management* team, which defines the site and scope of a new project. This team has a portfolio-level view, so they identify and prioritize the opportunities (e.g., a government plan for a new neighborhood, land for sale, or a zoning change) and the needs (e.g., buildings with failing foundations or neighborhoods with social conflicts) across the portfolio. Once a potential project is identified, the Asset Managers pass it along to the *Development* team for scenario studies.

The Development team tests various scenarios for the site. The units could be of varying size, number, and price levels: social (under €763), middle-income (€763-€1075),[82] market-rate, and for-

[82] The mid-income category typically evokes the schoolteacher, police officer, or nurse as tenant examples. These are households with an annual income between €37,000 and €55,000 (2022).

sale.[83] They could do different types of interventions: *Renovation* keeps tenants in place and upgrades finishes and energy efficiency; *Transformation* relocates tenants, strips the building down to its structure, and makes more significant changes like altering unit sizes, or adding more stories; and *Demolition/New Construction* relocates tenants, demolishes an existing structure, and builds from the ground up. Each scenario is tested on the site. They are evaluated first on their alignment with the project's social goals, and only then on their financial viability. Through the scenario studies, the Development team tests various unit mixes and intervention types on the site to find the best scheme.

In order to test all these scenarios, the Development team uses a spreadsheet called the **Overview of the Foundation's Costs** [*Stichtingskostenoverzicht,* **SKO**]. The SKO is an elaborate, multi-page spreadsheet that compiles the project's total development cost and forecasts its financial performance. It is somewhat like a pro forma, but it also includes metrics of the project's impact on the portfolio and the social mission. The SKO accounts for factors like change to the asset's value, unit sizes, neighborhood quality, intervention type, degree of intervention (limited, in-depth), unit sizes, and WWS points. Each housing association's SKO will vary, but see Figure 12 for a basic outline of Woonstad's. After all the scenarios have been tested, the results go back to the Asset Management team. They decide which scheme is optimal both in financial terms for the portfolio's value and in social terms relating to the housing association's mission.

At the Scale of the Project

Once the type of intervention and unit mix have been selected by the Asset Management team, the Development team gets back to work. Now, their task is to make adjustments to the proposal in the SKO until the project's IRR meets the investment framework's minimum standard. In order to improve the proposal's IRR, the Development team basically has two sets of levers available: levers that decrease the project's costs and levers that increase the value it adds to the portfolio.

[83] Units with rents above the liberalization threshold or built for sale are part of the non-DAEB (non-social) side of the association. These cannot make use of the land, debt, or rental assistance subsidies. Since housing associations' properties are often clustered in specific neighborhoods, most associations will have strategies that outline what types of units and price points are needed in each neighborhood. Sometimes this means market-rate or for-sale units that would increase socioeconomic diversity are most beneficial for a neighborhood. Housing associations' strategies are guided by the municipal government's own housing vision for the development of neighborhoods, often striving for mixed-income communities.

The levers that decrease the project's costs are similar to those used by any real estate developer. The Development team can specify cheaper materials, limit the scope of the project, bring in some small grants for things like energy efficiency, or lower the developer fee. Whether by limiting the scope of work or finding ways to sharpen cost estimates, lowering the development costs delivers a stronger IRR for the project.

Working to increase the value added by the project is more unique to housing associations, which keep their properties indefinitely and make use of portfolio-based financing. The development team works with this basic relationship: $MVS(future) - MVS(current) = ValueAdded$, where MVS is the market value in rented state. If the future value of a property is increased or its current value is decreased, the potential value added by the project, and thus the amount that can be invested in it, expands. For example, if adding three stories on top of an apartment building worth €3 million will increase its value to €5 million, then as long as the project costs less than €2 million, in theory it is a worthwhile investment. If the future value is increased to €6 million, then there would be an additional €1 million available to invest. Because housing associations have easy access to investment capital through the Guarantee Fund, investment decisions are guided by the project's effect on the portfolio's value over its cash flow.

The Development team adjusts the SKO to increase the $ValueAdded$. The $MVS(future)$ could be increased by upgrading the building's features, which increases the market value and scores additional WWS points (rent control points). Changing the number or size of units, often prompted by zoning changes, could also increase the $MVS(future)$.

Another option is to change social units to middle-segment, market-rate, or for-sale units, though this lever is used sparingly because it could undermine the association's social goals for the project. $ValueAdded$ could also increase if $MVS(current)$ is lower. Decreasing the $MVS(current)$ often means more accurately assessing the property's current value, factoring in issues like sinking foundations or asbestos. Whether increasing the $MVS(future)$ or decreasing the $MVS(current)$, increasing the $ValueAdded$ by the project improves its IRR. The Development team keeps tweaking the proposal until its performance metrics—chiefly its IRR—align with the investment framework set by the executive board. Once aligned, the proposal goes to the Executive team for final approval.

Figure 12 Components of the SKO		
Page	**Explanation**	**Includes**
Front Page	Summary tables of key information	Development phase, neighborhood quality, project information, intervention type, and checks on the key performance metrics
Financial Overview	Key performance metrics, used to assess compliance with investment framework	Value added, total development cost, land cost, IRR, cost per unit, etc.
Project Decision	Keeps track of financial performance as cost estimates are refined	Initial total development cost compared to developed total development cost with more specific numbers (phase I vs phase II)
Rentable Units (VHE)	List of all units in the project	Each unit's current rent, number of WWS points, market value, MVS, etc.
Tenant Costs (KEE)	The costs of accommodating tenants during renovation work	Communications, cost of keeping units empty for temporary housing during work, tenant compensation, legal costs, security for construction site, etc.
Land Costs (GREX)	Pre-development costs and Sitework	Acquisition, demolition, site work, infrastructure, environmental studies, site plan design, consultants, tax, interest costs during pre-development phase, etc.
Development Costs (VEX-CEX)	Hard and Soft Costs (excluding pre-development and sitework)	Foundations (separate line-item because it can be very expensive), sustainability (separate line-item because investments in sustainability fall in line with investment goals), consultants (e.g. architect, urban planner, engineer, cost estimator), developer fee (ideally 2 - 2.5%), hard costs (from contractor), subsidies (e.g. for sustainability, usually minimal), risk, interest from loans, tax (21%), etc.

General outline of the SKO spreadsheet based on author's interviews with Development team at Woonstad Rotterdam.

Portfolio-Based Financing

From this development process, it becomes clear that all the housing association's decisions about the location, composition, and scope of new developments are ultimately made to align the project with internal financial metrics. These internal metrics are fully under the purview of the housing association's own executive board, and they are set up to cross-subsidize returns while preventing portfolio-level deficits. Compared to affordable housing developers in other parts of the world, who have to meet the financial performance expectations of external lenders on a project-by-project basis, housing associations enjoy flexibility to leverage their large portfolios to subsidize projects that are socially important.

To be clear, even when developments meet the standards of the investment framework, the profit line usually shows a negative number. Housing associations live in a world of unprofitable developments. This is part of why their work does not compete with that of for-profit residential developers; even for projects with rents at the middle-income level (€763-€1075), housing associations' profit margins rarely meet the minimum that a for-profit developer would require for their commercial investments.[84] Housing associations cover the deficits of their development projects with revenue from the portfolio. Woonstad's €100 million of leftover rental income and earnings from unit sales are used as its own subsidy fund. This points to the power of portfolio-based financing and the social housing system. Because housing associations have over one hundred years of history, because they have kept and maintained their properties throughout that history, and because of the national government's past investments in social housing, debt-free housing built fifty years ago still generates revenue that now pays into the housing association's revolving fund. Self-subsidizing by reinvesting the revolving fund enables developments that are unprofitable by investor metrics—but socially beneficial for the association—to break ground.

Conclusions

Looking from afar at the Dutch social housing system today, it seems almost too good to be true. Having a system that sustainably leases 29 percent of the country's housing stock for an average of €561 per

[84] This explains why few commercial developers are building middle-income rental units. Recent years have seen an increasing gap between social housing and the price of available market-rate units. Supply shortage, in part due to limited market incentives to build these mid-income units, contributes to this issue.

month is already an accomplishment. To do so without major public subsidy is nearly unimaginable. In a time when affordable housing developers are all too often stuck between a rock and a hard place, the goal of this study of the Dutch social housing system has been to demonstrate that the design of the system can have real impact on the agency of those using it. Between the two papers, this study has gone under the hood to show what went into building the Dutch system and how it operates today. With that in mind, by way of conclusion I offer a few key takeaways.

Decommodification

The modern social housing system is built upon the investments of the past. Because housing associations have endured for over one hundred years and the national government spent decades investing through loans and subsides, rents from projects supported fifty years ago are still contributing to the housing association's revolving fund. This points to the power of decommodification, or keeping a portion of the housing stock off of the market. Social housing is insulated from the market's increasing prices, because it stays in the hands of the housing associations. While surrounding land values increase with demand and speculation, social housing has fixed debt payments and its operating costs rise more slowly with inflation. There is relatively little pressure on the prices. The longer the housing has been in the portfolio, the cheaper it becomes relative to the market, making it easy to maintain affordability. Money invested in social housing stays within the system and maintains affordability for the life of the building: this is the power of decommodification.

Using the Market

There is, however, a paradoxical relationship between rising market values and decommodified social housing. In principle, housing associations hold their units in perpetuity, insulating them from price pressures. At the same time, their capacity to borrow is measured by the market value of the portfolio. Their loans are collateralized by the "decommodified" social housing, and selling units is an important source of equity for new development projects. But then again, the revenue generated by the portfolio is what allows them to cross-subsidize returns, and the bigger the portfolio becomes, the more financial flexibility housing associations have. The system both leverages the power of the market and insulates social housing from it. In order for such a system to work, housing associations must be steadfast in their commitment to the long-term view. With roots that go back to the turn of the twentieth century, housing associations have been a constant presence, and this history helps define their social duty and the place of social housing in Dutch society. Tracing the history of housing associations revealed them to be enduring and resilient institutions. However, still today they require savvy and prudent leaders, as short-term greed or uncalculated good intentions could undermine the long-term viability of the system.

Relationships

Social housing in the Netherlands is not part of the government. The nonprofit housing associations independently manage their properties and find the balance between financial stability and social duty. At Woonstad Rotterdam, this takes 550 employees to do, and it is only one of four housing major housing associations in Rotterdam alone. With 284 housing associations throughout the country, the government has a decentralized network of local affordable housing specialists at arm's reach, ready to be mobilized when problems occur. Instead of direct control, there is collaboration between the public and social sectors. While housing associations set Performance Agreements biannually with tenants' unions and their municipality, there is no legal enforcement mechanism for these agreements. Instead, the three parties are allied in a shared mission to provide effective affordable housing. It is their mutual dependence that creates accountability. Based on agreements rather than obligations, this system relies on relationships and trust. This trust was not earned in a day; it has been cultivated through the long history and enduring presence of housing associations in Dutch society.

Scale

In the Netherlands, roughly three in ten people live in social housing. It is a mainstream housing option and not just a safety net. Because social housing tenants comprise a significant portion of the population, they have more visibility and more organized political power. Housing associations are able to cross-subsidize their portfolios only because they reach further up the income ladder than public housing programs in other contexts. The range of tenants contributes to socioeconomic diversity in housing blocks, and housing associations introduce mid-income and for-sale housing to their neighborhoods to prevent social housing from equating with concentrated poverty.

Quality

One of the questions I started with was how housing associations manage not just to build housing without direct subsidy, but to go above and beyond and build prize-winning, high-quality architecture. Through this research, it became clear that there is no silver bullet for quality. It is achieved through a combination of high regulatory standards and aligned incentives. With the Building Code, Zoning Plans, and Aesthetics Committee, the government sets the minimum standard, and quality-based rent control incentivizes developers to build beyond that minimum. Because housing associations work closely with the municipal government, from the beginning of a project their goals are brought into alignment. Further, as long-term property owners, housing associations have an incentive to build well with high-quality materials, because they will pay the future costs that follow cheap construction. And finally, with properties concentrated in specific neighborhoods, housing associations must account for their buildings' impact on the quality of life in those neighborhoods. With enough financing capacity to make real investments, housing associations can use higher-quality architecture to improve the everyday lives of their tenants.

Lending Terms

Long-term, low-interest loans are the foundation of the Dutch social housing system. In the post-war crisis, some of these terms were extended as long as seventy-five years. Keeping monthly payments consistent, extending the period of a loan enables a project to sustain more debt. First through government loans and later through the Guarantee Fund, housing associations are able to use time to their advantage, spreading the cost of construction over a lifetime of affordable rents. To illustrate the difference that lending terms can make, take the debt that can be sustained on an apartment for someone making $58,900 per year.[85] For a unit that rents for $1,473 per month, factoring in operating expenses, replacement reserves, vacancy, and a debt service coverage factor, we will assume that $7,206 would be available for debt service annually. With that rental revenue, a conventional 4.75 percent, 25-year commercial real estate loan would be $105,329. If the interest rate were lowered to 2.84 percent, those funds would be $145,391. And if the term were also extended to 50 years, the available loan would be $192,298. With a lower interest rate and a longer term, the same rental revenue could sustain 82 percent more debt. Financing the project with more debt allows the building to pay for itself over time, decreasing the project's dependance on equity subsidies.

Ease of Access to Capital

Housing associations borrow based on the value of their portfolio, not on the cashflow of a single project. This gives social housing developers an open line of credit that makes financing new developments fast and reliable. Because they borrow in lump sums and distribute the funds across their

[85] Translating to American context for illustration. Income based on 60 percent of Area Median Income for Boston, Massachusetts in 2022. This is a unit that would be eligible for LIHTC subsidy.

own projects, housing associations can cross-subsidize returns on projects where the social benefits outweigh financial ones.

Indirect Subsidies

Compared to public funding for housing in other contexts, social housing does not impose substantial costs on the Dutch government. Neither of the supply-side subsidies, guaranteed loans or discounted land prices, are direct cash subsidies, but they make a critical difference for the feasibility of developing new social housing. On the demand-side, rental assistance is a direct cash subsidy to low-income households, but because rental assistance is stacked together with decommodified social housing, the government has to supplement only the difference between the *social* rent and what a tenant can afford. That difference is much smaller than the difference between *market-rate* rent and affordability. The government paid €3.6 billion in rental assistance subsidies, going to 1.4 million households, averaging about €208 in monthly assistance to each household. Because of the lower per-household cost, all applicants who qualify for rental assistance in the Netherlands receive it. With this tenant subsidy, the social housing system is largely self-sufficient, generating enough rental income to cover its operating costs. Remaining profits go into the revolving fund to be reinvested in the social housing stock. This revolving fund, in tandem with the indirect subsidies, enables housing associations to self-finance their developments.

Direct Subsidies

Finally, it should be underscored that housing associations can do only so much without direct subsidies. This was illustrated after World War II, when the need for new housing surpassed what the revolving funds could sustainably build. In this case, operating subsidies from the government enabled housing associations to accelerate their response to the post-war housing crisis. While the revolving fund is effective for maintaining and slowly growing the social housing stock, large-scale social housing development requires direct public investment. In the context of today's affordable housing shortage, the demands for new construction have stretched housing associations thin. In response, reduced tax burdens and expansion into mid-income housing have been proposed to increase their capacity to build. Time will tell if this is enough.

Final Thoughts

Taken together, these elements create a social housing system that demonstrates both the feasibility and the long-term benefits of social housing as an affordable housing model. The Dutch system is not without its faults, but it has proven to be resilient, dynamic, and adaptable to changing times. This model is a source of optimism and a valuable proof-of-concept of how social housing can be a long-term approach to providing affordable housing. While direct transfer from the Netherlands to other contexts is impossible, I hope that this study of the Dutch system inspires novel translations.

Interviews

Cambridge Housing Authority

Fraden, Clara. Cambridge Housing Authority: Deputy Director of Planning and Development. Interview by Hanneke van Deursen, June 9, 2022.

Gordon, Zach. Cambridge Housing Authority: Policy & Communications. Interviews by Hanneke van Deursen, June 8, 2022, and June 16, 2022.

Scholars

Bortel, Gerard A. van. Technische Universiteit Delft: Professor of Real Estate Management. Interview by Hanneke van Deursen, June 29, 2022.

Elsinga, Marja. Technische Universiteit Delft: Professor of Housing Institutions & Governance. Interviews by Hanneke van Deursen, July 1, 2022, and August 5, 2022.

Laws, David. University of Amsterdam: Professor of Transnational Configurations, Conflict and Governance. Interview by Hanneke van Deursen, July 7, 2022.

Havensteder

Kuij, Reinier van de. Havensteder: Adviseur Strategie [*Strategy Advisor].* Interview by Hanneke van Deursen, July 6, 2022.

Woonstad Rotterdam

Strategy & Policy

Deckert, Mike. Woonstad Rotterdam: Procesregisseur Strategie [*Process Director of Strategy*]. Interview by Hanneke van Deursen, June 29, 2022.

Kleij, Isa. Woonstad Rotterdam: Junior Beleidsmedewerker / Analist [*Junior Policymaker and Analyst*]. Interview by Hanneke van Deursen, June 27, 2022.

Pool, Melvin. Woonstad Rotterdam: Senior Manager Strategie & Beleid [*Senior Manager of Strategy and Policy*]. Interview by Hanneke van Deursen, July 25, 2022.

Siemensma, Marvin. Woonstad Rotterdam: Senior Adviseur Strategie [*Senior Strategic Advisor*]. Interview by Hanneke van Deursen, June 30, 2022.

Real Estate Management and Development

Torren, André van der. Woonstad Rotterdam: Senior Projectcoördinator, Malieklos [*Senior Project Coordinator for Malieklos].* Interview by Hanneke van Deursen, June 30, 2022.

Portfolio Management

Kok, Barry de. Woonstad Rotterdam: Projectmanager Vastgoedontwikkeling en -beheer [*Project Manager of Real Estate Development and Management*]. Interview by Hanneke van Deursen, July 12, 2022.

Hout, Gerben in ’t. Woonstad Rotterdam: Ontwikkelmanager [*Development Manager*]. Interview by Hanneke van Deursen, June 30, 2022.

Lipsch, Michael. Woonstad Rotterdam: Assetmanager [*Asset Manager*]. Interview by Hanneke van Deursen, July 21, 2022.

Velden, Bram van der. Woonstad Rotterdam: Manager ontwikkeling [*Development Manager*]. Interview by Hanneke van Deursen, July 7, 2022.

Verleisdonk, Lodewijk. Woonstad Rotterdam: Projectmanager Vastgoedontwikkeling [*Project Manager for Real Estate Development*]. Interview by Hanneke van Deursen, July 11, 2022.

Finance & Control

Severin, Ronald. Woonstad Rotterdam: Financieel Adviseur [*Financial Advisor*]. Interview by Hanneke van Deursen, July 21, 2022.

Scholte, Edwin. Woonstad Rotterdam: Vastgoedeconoom [*Real Estate Economist*]. Interview by Hanneke van Deursen, July 30, 2022.

Executive Board

Achkar, Mohamed el. Woonstad Rotterdam: Bestuur [*Executive*]. Interview by Hanneke van Deursen, July 28, 2022.

Aedes

Poel, Niels van der. Aedes: Senior Belangenbehartiger [*Senior Advocate*]. Interview by Hanneke van Deursen, June 25, 2022.

Witjes, Bob. Aedes: Belangenbehartiging Publieke Zaak [*Public Affairs Advocate*]. Interview by Hanneke van Deursen, June 25, 2022.

Municipal Government of Rotterdam

Dries, Janneke. Municipal Government of Rotterdam: Stedenbouwkundige (Delftshaven) [*Urban Planner: Delftshaven Neighborhood]*. Interview by Hanneke van Deursen, July 15, 2022.

Engel, Wim van den. Municipal Government of Rotterdam: Senior Beleidsadviseur Wonen [*Senior Policy Advisor for Housing*]. Interview by Hanneke van Deursen, July 26, 2022.

Noeverman, Mariët. Municipal Government of Rotterdam: Beleidsadviseur Wonen [*Policy Advisor for Housing*]. Interview by Hanneke van Deursen, July 26, 2022.

Bibliography

Scholarship

Beekers, Wouter P. *Het bewoonbare land: geschiedenis van de volkshuisvestingsbeweging in Nederland* [The livable country: history of the people's housing movement in the Netherlands]. Amsterdam: Boom, 2012.

Deursen, Hanneke van. "The People's Housing: *Woningcorporaties* and the Dutch Social Housing System Part 1: The History," The Joint Center for Housing Studies (2023). https://www.jchs.harvard.edu/sites/default/files/research/files/harvard_jchs_the_peoples_housing_history_van_deursen_2023.pdf.

Elsinga, Marja, and Gerard van Bortel. "The Future of Social Housing in the Netherlands." In *Social Housing across Europe*, edited by Noémie Houard, 98–131. Paris: La Documentation française, 2011.

Elsinga, Marja, Marietta Haffner, and Harry van der Heijden. "Threats to the Dutch Unitary Rental Market." *European Journal of Housing Policy* 8, no. 1 (2008): 21–37. https://doi.org/10.1080/14616710701817141.

Elsinga, Marja, Joris Hoekstra, Alfred van 't Hof, Ernst van der Leij, and Evi van Rijn. "Parlementaire enquête Woningcorporaties" [Parliamentary inquiry into housing associations]. Literature Study. Den Haag, October 30, 2014. Vergaderjaar 2014–2015, 33 606, nr. 8. Tweede Kamer. https://www.parlementairemonitor.nl/9353000/1/j9tvgajcor7dxyk_j9vvij5epmj1ey0/vjogle915krg.

Elsinga, Marja, Hugo Priemus, and Peter Boelhouwer. "Milestones in Housing Finance in the Netherlands, 1988-2013." In *Milestones in European Housing Finance*, edited by Jens Lunde and Christine M. E. Whitehead, 255-72. Chichester, West Sussex: Wiley Blackwell, 2016.

Harloe, Michael. *The People's Home?: Social Rented Housing in Europe & America.* Oxford, UK; Cambridge, MA: Blackwell, 1995.

Hochstenbach, Cody. *Uitgewoond: waarom het hoog tijd is voor een nieuwe woonpolitiek* [Lived out: why it is high time for a new housing politics]. Amsterdam: Das Mag Uitgevers, 2022.

Kemeny, Jim. *From Public Housing to the Social Market: Rental Policy Strategies in Comparative Perspective*. London and New York: Routledge, 1995.

Klerk, L. A. de. *Mooi werk: geschiedenis van de Maatschappij voor Volkswoningen, Rotterdam 1909-1999* [Good work: the history of the Waatschappij voor Volkswoningen, Rotterdam 1909-1999]. Rotterdam: Uitgeverij 010, 1999.

Lans, Jos van der, Margriet Pflug, Wouter Beekers, John Cüsters, and Sonja Appelman. *Canon volkshuisvesting* [Canon of The People's Housing]. Amsterdam: Vereniging Canon Sociaal Werk, 2021.

Lengkeek, Arie, and Peter Kuenzli. *Operatie wooncoöperatie: uit de wooncrisis door gemeenschappelijk bezit* [Operation Housing Cooperative: Out of the Housing Crisis through Collective Ownership]. Amsterdam: Valiz, 2022.

Meer, Frits van der, Gerrit Dijkstra, and Toon Kerkhoff. "The Dutch Decentralized Unitary State and Its Effects on Civil Service Systems in the Period of the Night Watch, Welfare and Enabling States 1814–2016." *Administory* 1, no. 1 (August 8, 2018): 138–54. https://doi.org/10.2478/ADHI-2018-0008.

Prak, Maarten, and Jan Luiten van Zanden. *Nederland en het poldermodel: sociaal-economische geschiedenis van Nederland, 1000-2000* [The Netherlands and the Polder model: social economic history of the Netherlands 1000-2000]. De geschiedenis van Nederland 10. Amsterdam: Bakker, 2013.

Priemus, Hugo, and Marja Elsinga. "Housing Allowances in the Netherlands: The Struggle for Budgetary Controllability." In *Housing Allowances in Comparative Perspective*, edited by Peter A. Kemp, 193–214. Bristol University Press, 2007.

Schaar, J. van der, and A. Hereijgers. *Volkshuisvesting: een zaak van beleid* [Social housing: a matter of policy]. 1e druk. Aula Paperback 198. Utrecht: Spectrum, 1991.

Government

Authoriteit Woningcorporaties. "Staat van de corporatiesector 2021" [State of the Housing Association Sector 2021]. Inspectie Leefomgeving en Transport, January 2022.

Gemeente Rotterdam. "Woonvisie 2030 Rotterdam: aantrekkelijke woonstad voor iedereen" [Housing vision 2030, Rotterdam: appealing city for all to live in]. Webpagina. Gemeente Rotterdam. Accessed July 13, 2022. https://www.rotterdam.nl/wonen-leven/woonvisie/.

Graaff-Kamphof, Iris de. "The Netherlands' Experience with Decentralisation." *Ministerie van Binnenlandse Zaken en Koninkrijksrelaties*, n.d.

Inspectie Leefomgeving en Transport Ministerie van Infrastructuur en Waterstaat [Human Environment and Transport Inspectorate of the Ministry of Infrastructure and Water Management]. "Autoriteit woningcorporaties" [Housing Association Authority]. Ministerie van Infrastructuur en Waterstaat, May 1, 2017. https://www.ilent.nl/onderwerpen/themas/autoriteit-woningcorporaties.

Jong, Rudy de, and Jan van de Moolen. "Governance sociale huisvesting in Europa; een vergelijking met Engeland en Duitsland" [Governance of social housing in Europe: a comparison with England and Germany]. Vereniging van Toezichthouders in Woningcorporaties [Association of Regulators of Housing Associations], April 2014.

Kullberg, Jeanet, and Michiel Ras. "Wonen" [Housing]. *De sociale staat van Nederland: 2020*, September 9, 2020. https://digitaal.scp.nl/ssn2020/wonen.

Minister voor Volkshuisvesting en Ruimtelijke Ordening [The minister of social housing and spatial organization]. "Regeling van de Minister Voor Volkshuisvesting En Ruimtelijke Ordening van 11 April 2022 Nr. 2022-0000161710 Tot Wijziging van Het Besluit

Energieprestatievergoeding Huur, Het Besluit Huurprijzen Woonruimte, de Regeling Energieprestatievergoeding Huur En de Uitvoeringsregeling Huurprijzen Woonruimte (Indexering 2022),” April 20, 2022.

Ministerie van Algemene Zaken [National Government Ministry of General Affairs]. “Hoe tel ik tot 1 juli 2021 de punten van mijn zelfstandige huurwoning?” [How do I count the points for my independent housing unit through July 1st, 2021]. Ministerie van Algemene Zaken, May 20, 2020. https://www.rijksoverheid.nl/documenten/publicaties/2020/05/20/hoe-tel-ik-tot-1-juli-2021-de-punten-van-mijn-zelfstandige-huurwoning.

———. “Kom ik in aanmerking voor een sociale huurwoning van een woningcorporatie?” [Do I qualify for a housing association’s rental housing unit?]. Rijksoverheid [National Government]. Ministerie van Algemene Zaken, February 10, 2020. https://www.rijksoverheid.nl/onderwerpen/huurwoning-zoeken/vraag-en-antwoord/wanneer-kom-ik-in-aanmerking-voor-een-sociale-huurwoning.

———. “Wanneer kan de verhuurder mij een tijdelijk huurcontract aanbieden?” [When can the landlord offer me a temporary lease?]. Rijksoverheid [National Government]. Ministerie van Algemene Zaken, February 20, 2020. https://www.rijksoverheid.nl/onderwerpen/huurwoning-zoeken/vraag-en-antwoord/onderwerpen/huurwoning-zoeken/vraag-en-antwoord/wanneer-kan-ik-tijdelijk-huren.

———. “Welke regels gelden er voor een huurverhoging?” [Which rules apply for a rent increase?]. Rijksoverheid [National Government]. Ministerie van Algemene Zaken, March 24, 2020. https://www.rijksoverheid.nl/onderwerpen/woning-huren/vraag-en-antwoord/onderwerpen/woning-huren/vraag-en-antwoord/welke-regels-gelden-er-voor-een-huurverhoging.

Ministerie van Binnenlandse Zaken en Koninkrijksrelaties [Ministry of the Interior and Kingdom Relations]. “Burgerlijk Wetboek Boek 7” [Civil Code Book 7]. Wettenbank [Law Bank], March 11, 2023. https://wetten.overheid.nl/BWBR0005290/2017-07-01/0/.

———. “Handreiking: Bouwbesluit & Woning” [Guide for Building Code and Housing], January 2015.

———. “Meer betaalbare woningen voor middeninkomens” [More affordable housing for middle incomes]. Rijksoverheid [National Government]. Ministerie van Algemene Zaken, May 19, 2022. https://www.rijksoverheid.nl/actueel/nieuws/2022/05/19/meer-betaalbare-woningen-voor-middeninkomens.

———. “Nationale prestatieafspraken voor de volkshuisvesting” [National performance agreements for the people’s housing], June 2022.

———. “Taken van een gemeente” [The tasks of a municipal government]. Rijksoverheid [National Government]. Ministerie van Algemene Zaken, August 1, 2012. https://www.rijksoverheid.nl/onderwerpen/gemeenten/taken-gemeente.

———. “Wat is de maximale huurverhoging in 2022?” [What is the maximum rent increase in 2022?]. Rijksoverheid [National Government]. Ministerie van Algemene Zaken, January

26, 2022. https://www.rijksoverheid.nl/onderwerpen/woning-huren/vraag-en-antwoord/onderwerpen/woning-huren/vraag-en-antwoord/maximale-huurverhoging-2022.

Ministerie van Financiën [Ministry of Finances]. "Proefberekening toeslagen" [Sample calculation of assistance payments]. Accessed July 13, 2022. https://www.belastingdienst.nl/wps/wcm/connect/nl/toeslagen/content/hulpmiddel-proefberekening-toeslagen.

Ministerie van Infrastructuur en Waterstaat [Ministry of Infrastructure and Water Management]. "Leefbaarheid" [Livability]. Inspectie Leefomgeving en Transport [Inspection of the Living Environment and Transit]. Ministerie van Infrastructuur en Waterstaat, February 18, 2021. https://www.ilent.nl/onderwerpen/wonen/leefbaarheid.

Nederlandse mededingingsautoriteit [Dutch Competition Authority]. Besluit 1589/ Volkswoningen - Woningstichting Onze Woongemeenschap [Decision 1589/ Volkswoningen - Housing Association Onze Woongemeenschap], 1589/4 (1999).

———. Besluit 6031/ De Nieuwe Unie - Woningbedrijf Rotterdam [Decision 6031/ De Nieuwe Unie - Woningbedrijf Rotterdam], 6031/ 5 (2007).

Sociaal en Cultureel Planbureau [Social and Cultural Planning Bureau]. "Denkend aan Nederland: Sociaal en Cultureel Rapport" [Thinking about the Netherlands: Social and Cultural Report]. *Publieksmagazine*, 2019.

Stadsarchief Rotterdam [City Archive of Rotterdam]. "Volkshuisvesting" [The People's Housing]. Stadsarchief Rotterdam. Accessed June 18, 2023. https://www.stadsarchief.rotterdam.nl/zoek-en-ontdek/themas/expansie-van-de-stad/volkshuisvesting/index.xml.

Tweede Kamer der Staten-Generaal [Second Chamber of the States General]. "Alle Kamerleden" [all chambermembers]. Text. Accessed July 13, 2022. https://www.tweedekamer.nl/kamerleden_en_commissies/alle_kamerleden.

Welstand Bouw B.V. "Welstand gemeente: wat doet de welstandscommissie?" [Municipal Aesthetics: What does the Aesthetics committee do?]. Welstand Bouw. Accessed July 13, 2022. https://welstandbouw.nl/wat-doet-de-welstandscommissie/.

Housing Associations

Stichting Ymere. "Jaarstukken 2020" [Annual Report 2020], 2021. https://www.ymere.nl/media/2309/jaarverslag-en-jaarrekening-2020.pdf.

Woonstad Rotterdam. "Jaarverslag 2020" [Annual report 2020], 2020. https://www.woonstadrotterdam.nl/media/0e894357-cd33-4855-a3f2-9a9ef8ce7826/iIU1dw/Content/Landingspagina/Jaarverslag%202021/Vorige%20jaarverslagen/2020%20Jaarverslag.pdf

———. "Jaarverslag 2021" [Annual report 2021], 2021. https://www.woonstadrotterdam.nl/jaarverslag-2021.

———. “Jaarrekening 2021” [Annual financial report 2021], 2021. https://www.woonstadrotterdam.nl/jaarverslag-2021.

———. “Woonstad Rotterdam.” Accessed July 13, 2022. https://www.woonstadrotterdam.nl/.

Advocacy Organizations

Aedes vereniging van woningcorporaties [Aedes association of housing associations]. “Huurders Tevreden, Corporaties Overbelast, Rapportage Aedes-Benchmark 2021” [Renters Satisfied, Housing Associations Overburdened, Aedes Benchmark Report 2021], November 2021.

Raad voor de Leefomgeving en Infrastructuur [Council for the Environment and Infrastructure]. “Onderdak Bieden: Sturen Op Prestaties van Woningcorporaties” [Offering Shelter: Steering for Housing Association Performance]. Den Haag, May 2022. https://www.rli.nl/sites/default/files/advies_onderdak_bieden_def.pdf.

Ravestein, Rob. “Hoe komen huurprijzen tot stand?” [How are rents set?]. Aedes vereniging van woningcorporaties [Aedes association of housing associations]. Accessed July 13, 2022. https://aedes.nl/huurbeleid-en-betaalbaarheid/hoe-komen-huurprijzen-tot-stand.

Steinmeier, Erwin, and Charlot Jongerius. “CAO Woondiensten 2022-2023 met alle downloads” [Collective Labor Agreement for Housing Services 2022-2023 with all downloads]. Aedes vereniging van woningcorporaties [Aedes association of housing associations], November 24, 2022. https://aedes.nl/arbeidsvoorwaarden/cao-woondiensten-2022-2023.

Verdouw. “Wat Is BENG?” [What Is BENG?]. Accessed July 13, 2022. https://www.verdouw.nu/kennisbank/bouwkennis/wat-is-beng.

Waarborgfonds Sociale Woningbouw [Guarantee Fund for Social Housing]. “Over WSW.” Accessed December 13, 2022. https://www.wsw.nl/.

Witjes, Bob. “Toewijzingsregels veranderen per 1 januari 2022” [Allocation rule changes per January 1st 2022]. Aedes vereniging van woningcorporaties [Aedes association of housing associations], November 3, 2021. https://aedes.nl/huurbeleid-en-betaalbaarheid/toewijzingsregels-veranderen-1-januari-2022.

Woonbond [Housing Union]. “De onafhankelijke Autoriteit Woningcorporaties komt er toch” [The independent Housing Association Authority will be established anyway]. Woonbond: De Stem van hurend nederland [Housing Union: The voice of the Netherlands’ renters], February 10, 2015. https://www.woonbond.nl/nieuws/onafhankelijke-autoriteit-woningcorporaties-komt-toch.

———. “Rechten huurdersorganisaties” [Rights of tenant organizations]. Woonbond: De Stem van hurend nederland [Housing Union: The voice of the Netherlands’ renters], August 20, 2015. https://www.woonbond.nl/huurdersorganisatie/huurderswerk/rechten-huurdersorganisaties.

———. “Wat kost huren in 2022?” [What does renting cost in 2022?]. Woonbond: De Stem van hurend nederland [Housing Union: The voice of the Netherlands’ renters], December 17, 2021. https://www.woonbond.nl/wat-kost-huren-2022-0.

Woonnet Rijnmond. “Woonnet Rijnmond.” Accessed July 13, 2022. https://www.woonnetrijnmond.nl/.

Numbers and Statistics

AlleCijfers. “Gemeente Rotterdam in Cijfers En Grafieken” [Municipality of Rotterdam in Numbers and Figures]. Accessed July 13, 2022. https://allecijfers.nl/gemeente/rotterdam/.

Centraal Bureau voor de Statistiek [Central Bureau of Statistics]. “Inkomen van huishoudens; inkomensklassen, huishoudenskenmerken” [Household incomes; income classes, household characteristics]. CBS StatLine, November 15, 2022. https://opendata.cbs.nl/statline/#/CBS/nl/dataset/83932NED/table?ts=1682180778893.

———. “Voorraad woningen; eigendom, type verhuurder, bewoning, regio” [Housing stock: ownership, type of landlord, occupation, region]. CBS StatLine, November 7, 2022. https://opendata.cbs.nl/statline/#/CBS/nl/dataset/82900NED/table?fromstatweb.

———. “Woningvoorraad naar eigendom; regio, 2006-2012” [Housing stock by ownership; region, 2006-2012]. CBS StatLine, March 4, 2014. https://opendata.cbs.nl/statline/#/CBS/nl/dataset/71446ned/table?ts=1658484196140.

———. “Woonlasten huishoudens; kenmerken huishouden, woning” [Household housing expenses: household characteristics, houses]. CBS StatLine, June 9, 2022. https://www.cbs.nl/nl-nl/cijfers/detail/84487NED.

Moody’s Public Sector Europe. “Waarborgfonds Sociale Woningbouw Update to Credit Analysis,” September 29, 2021. https://www.wsw.nl/uploads/tx_dddownload/Credit_Opinion_-_Waarborgfonds-Sociale-Woningbouw_-_29Sep21.pdf.

Stichting Waarborgfonds Sociale Woningbouw. “WSW 2021 Annual Report and Financial Statements,” April 21, 2022. https://www.wsw.nl/uploads/tx_dddownload/20220421_WSW_2021_Annual_Report_and_Financial_Statements__ENG_.pdf.

Vereniging van Nederlandse Gemeenten [Association of Dutch Municipalities]. “Raadgever Waarborgfonds Sociale Woningbouw.” April 16, 2018. https://vng.nl/artikelen/raadgever-waarborgfonds-sociale-woningbouw.

Waarborgfonds Sociale Woningbouw [Guarantee Fund for Social Housing]. “Portefeuillerapportage per 30 juni 2022” [Portfolio Report as of June 30, 2022], June 30, 2022. https://www.wsw.nl/uploads/tx_dddownload/WSW_4823_Portefeuillerapportage_juni_2022.pdf.

News Sources

NOS Nieuws. "Bijna twee derde gemeenten heeft te weinig sociale huurwoningen" [Almost two-thirds of municipalities have too few social housing units]. NOS, March 26, 2022. https://nos.nl/artikel/2422683-bijna-twee-derde-gemeenten-heeft-te-weinig-sociale-huurwoningen.

Redactie Amsterdam. "Nieuw systeem voor sociale huur: dit gaat er veranderen voor woningzoekenden" [New system for social rental housing: this is what will change for those seeking housing]. NH Nieuws, March 24, 2021. https://www.nhnieuws.nl/nieuws/282988/nieuw-systeem-voor-sociale-huur-dit-gaat-er-veranderen-voor-woningzoekenden.

Rotterdam Architectuurprijs [Rotterdam Architecture Prize]. "Malieklos en Depot Boijmans Van Beuningen winnaars 2022!" [Malieklos and Depot Boijmans Van Beuningen winners in 2022!], 2022. https://www.rotterdamarchitectuurprijs.nl.

Cleypool, Angela. "Hoe bouwen we aan een betaalbaar Rotterdam?" [How do we build an affordable Rotterdam?]. *Wonen in Rotterdam [Living in Rotterdam]* (blog), August 27, 2021. https://www.woneninrotterdam.nl/nieuws/hoe-bouwen-we-aan-een-betaalbaar-rotterdam/.