

# *THE NETHERLANDS IN MAPS*

## **HOUSING IN THE NETHERLANDS: INTRODUCTION TO THE 2005 MAPS**

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In each of the last four decades of the 20<sup>th</sup> century more than a million houses were added to the housing stock of the Netherlands, which comprised a total of 6,5 million at the turn of the millennium (Pellenbarg and Van Steen 2001). For the next three decades of the 21<sup>st</sup> century, the national Ministry of Housing, Spatial Planning and Environment works with estimates for the needed growth of the housing stock that range between 300,000 and 500,000 in case of medium demand growth or between 600-700,000 in case of high demand growth (MinVrom 2004, p.83). Less than in the previous decades, but still a considerable task, especially 1) in view of the sharp decline in the numbers of newly built houses in the past ten years (this went down from 95,000 in 1995 to 60,000 in 2004) and 2) in view of the fact that a considerable part of these newly built houses have to replace large numbers of older houses, especially multi family units, that no longer meet the present demand levels. In 2002 this concerned 16,000 dwellings, versus 66,000 newly built ones. Moreover 3) the average number of persons per household has decreased considerably (from 3.5 in 1970 to 2.3 in 2004) and this trend will not stop within short. For an impression of the present qualities of the housing stock, table 1 summarizes a few of the basic characteristics of houses, and tenants. The insufficient building volume of this moment is a matter of serious concern and subject of active debate, especially about the question who is to blame for it: is that the national government, or the municipalities, or the housing associations, or the real estate developers? We will describe this issue in greater detail in the concluding article with this year's series of The Netherlands in Maps. The series will visualise some of the most crucial aspects of the housing situation in the Netherlands, and their variation in space.

For a selection of the topics to be pictured in the maps, it seems appropriate to look at the main factors determining processes on the housing market. First of all, there is a big difference between these market processes for privately owned houses and for rented houses. The market for private houses can be characterized in neoclassical terms as a meeting place for demand and supply of houses. Imbalances between supply and demand lead to (spatial) variations in the price of houses. In this line of thinking, demand for housing is a function of demographic factors, incomes, interest rates and the housing stock, whereas housing supply is a function of the cost of land, building cost and credit terms (Chen 1998, quoted by De Vries and Boelhouwer 2004). In the various theories concerning the price setting process two competing schools of thought are observed: one assuming that the market for privately owned houses is primarily a stock market (because of the persistence of the product), while the other emphasizes the importance

Table 1 Selected characteristics of housing stock and tenants in the Netherlands, 2002  
(number of dwellings and households x1000)

Type of dwelling (1)	Type of household	% of total	1 person	Couples, no children	Couples, with children	other
Total	6929*	(100)				
Owned houses	3443					
Single family unit, owned	3020	(44)	404	1057	1439	120
Multi family unit, owned	423	(6)	217	142	46	19
Rented houses	3010					
Single family unit, rented	1376	(20)	445	400	346	186
Multi family unit, rented	1634	(24)	1009	323	145	157
Other	475	(7)				
Type of dwelling (2)						
Total	6627*	(100)	Total	6627	(100)	
Detached	960	(14)	1 or 2 rooms	619	(9)	
Semi-detach.	840	(13)	3 rooms	1279	(19)	
Row houses	2765	(42)	4 rooms	2235	(34)	
Multifam. unit	2062	(31)	5 rooms	1569	(24)	
			6 rooms	568	(9)	
			7 or more	357	(5)	
Type of dwelling (3)	% of total					
With garage/carport	33					
With garden or yard	74					
With central heating	90					
With bath and/or shower	99					

\* the total number of households exceeds the total number of dwellings; this is partly explained by more households sharing one dwelling  
Source: CBS 2004

of the nature and number of newly built houses for the housing market (De Vries and Boelhouwer 2004).

For rented houses the same factors are important, but additional actors and factors enter the scene here. The housing associations are an important player on the market for rented houses, as they are the landlords of the social rented sector. They now total 550 in the Netherlands and together own 2.4 million of the 3.0 million rented houses in the country. Ten years ago the position of the housing associations changed drastically when they were privatised, but it is still not quite clear what their position is since then, especially not how 'commercial' their operations are supposed to be. Formal rules and laws are changing continuously. Furthermore, the market for rented houses is especially different from the market for private houses because the normal price mechanism is

heavily distorted by rent-subsidies ('huursubsidies'). Such subsidies, provided by the national government, are allowed to almost one million (of a total of 7 million) households in the Netherlands, because the incomes of these households are considered insufficient for paying the full rent.

From the above, we conclude that for a proper understanding of the housing market in the Netherlands (and more specifically its spatial characteristics) it is important to pay attention to 1) both the demand and supply side of the market, 2) the quantity and quality of the housing stock, and the newly built additions to the stock, and 3) prices and price changes, in relation to personal incomes. Reflecting this, the 2005 series of *The Netherlands in Maps* will show maps highlighting the spatial variation in the housing stock and its qualities, price levels of houses, related to household incomes, residential preferences, and a concluding map attempting to combine a multitude of factors adding up to the spatial variations of 'residential quality' in the Netherlands. Prices will show to vary largely between different parts of the country, but there are quite interesting recent price adjustments between the most central and peripheral regions. At the demand side, we want to stress the spatial aspect by looking at spatial variations in residential preference. Also, we will pay attention to the increasing importance of second homes, which has been one of the eye-catching trends of the past decade.

The first map of the series, in this volume of *TESG*, shows a combination of data concerning the quantity and quality of the housing stock in the Netherlands, viz. the numbers and age of the houses, the composition of the stock in terms of owner-occupied and rented houses, the share of single and multi family dwellings, and the distribution of all those categories over the twelve provinces. We find the highest share of old houses (built before the end of World War II) in the two northernmost provinces of Groningen and Friesland, and in North Holland. Vice versa (and less surprising) the highest share of recently built houses is found in the newly developed polder province of Flevoland. In each of the provinces, a diagram is shown that indicates the composition of the housing stock concerning owned or rented houses, and concerning the difference between single and multi family units. Owner-occupied houses now represent a majority of 54% of the housing stock, but in the biggest cities (especially Amsterdam and Rotterdam) this is much lower. In the rented sector, multi family units dominate in the province of South Holland, and of course in the big cities. Also the peripheral province of Groningen in the Northeast stands out with a relatively high percentage of multi family units in the rented sector, and less than average owned houses. At the other extreme is Zeeland in the Southwestern periphery, where the highest percentage of owned houses is found, and rented houses are mainly one family units.

## REFERENCES

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