Back to the core business

Implications of the new Housing Act on availability and sustainability of social housing

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Content

Preface

This thesis is the result of my research toward the implications of the new Housing Act. This master thesis is written as the finalization of my Master Real Estate Management and Development.

The choice of this subject is based on my interest for the social housing sector. The sector has been in the news for years, with the Vestia affaire, property tax but also with the shortage on the social housing market. Lately, with the introduction of the new Housing Act the sector is again very topical, with the necessary attention of the politicians. I found it really interesting to do research with 'hard data' on subjects with so many speculations about the outcomes.

I would like to thank my supervisor Stephan Maussen for his support in my search to the best fitting subject for my thesis. Next tot that I have experienced the supervision together with Marieke Leussink as pleasant and helpful. Their knowledge en experience gave me some new views on the topics or directed me in the right way.

The possibility of elaborating my research at Finance Ideas made the process more convenient. The accessibility to their knowledge but also to their network was very helpful, for example for the obtained data from WoningNet. In particular, I would like to thank my external supervisor Jaring Hylkema for his clear and enthusiastic view on my research. With his subtle comments new steps could be made. Next to that I would like to thank my colleague Lisaima Luijten for her tips and tricks about writing in English.

Anne-Floor Blonk,
Utrecht, November 2016

Summary

With the introduction of the new Housing Act in July 2015, the housing associations are directed back to the core business. This core business implies: constructing, renting and managing social housing for people with a low income or people who for other reasons, have difficulties finding a suitable accommodation. In the past years housing associations were increasingly operating in commercial projects with loss of public housing capital as a result. This was one of the reasons why the government wanted to review the social housing sector, with for example the new Housing Act as a result.

In this new Housing Act the tasks of housings associations are defined sharply which also includes some regulations about allocation. First of all housing association have to allocate most of their dwellings to their main target group; households who have difficulties finding a dwelling on their own. Furthermore, they have to allocate households entitled to the housing benefit to the cheaper share of their possession.

In this study is researched what the influence of these changes in allocation are on the availability of social housing. A priority list was drawn by minister Blok (Ministry of Housing), which sums the topics housing associations have to focus on the coming years. Availability is one of the subjects on the priority list for the social housing sector. Another subject on this priority list is sustainability, in other words, improving the energy efficiency of the social housing stock. To steer reduction in energy consumption, an agreement was signed by the umbrella of housing associations (Aedes) and the ministry to reach an average energy label B at the end of 2020. Housing associations indicated that they will not reach this target due to large needed investments. It is assumed that due to the new allocation regulations, housing associations have to lower their rents with a decreased investment capacity as a result, which can influence for example the investments in sustainability.

In this study is researched what the influences of the new Housing Act are on availability and sustainability and the link between the two themes. Due to limited access to data, the research is based on the Utrecht region. The main question for this research is as follows:

In which way can housing associations cope with the impact of the new Housing Act on the availability of social housing and on sustainability measures in the Utrecht region?

Context

In the second half of the 19th century the social housing sector emerged by a number of wealthy communities. The first Housing Act was introduced in 1901. From there on the government began to interfere in the sector. In the following period this interference fluctuated over time. Housing associations became more independent during the 20th century, with the 'bruteringsoperatie' as a peak of independence in 1995.

This independency was the cause of several incidents in the social housing sector that resulted in the loss of public housing capital. This prompted the government to reconsider

their role in the social housing sector again. First of all, the State Aid[1] was introduced in 2009 by the European Union. Secondly, the energy covenant was introduced in 2012 between the government and other involved parties, which states that by the end of 2020, dwellings owned by housing associations should have an average energy label B. The government also introduced the property tax[2] in 2013.

In July 2015 the new Housing Act was introduced, with the main ambition to direct housing associations back to their core business. First of all, housing associations have to make a split between their SGEI and non-SGEI possession in order for their activities to become comprehensible. Secondly, they have to focus on the households with lower incomes, therefore the '80/10/10-regulation' is introduced. Finally, 'appropriate allocation'[3] is introduced; households who are entitled to the housing benefit should be allocated in 95% of the cases to dwellings with rents under the capping limit[4], see figure 0.1. This regulation is comparable to the earlier valid appropriateness test, belonging to the BBSH, which was abolished in 2008.

For this research several frames are used which indicate income groups and rental classes. First of all there are four types of rental classes: cheap, affordable, expensive dwellings, and expensive above the liberalization limit. Secondly there are different income classes. The primary target group is households entitled to the housing benefit, followed by the secondary target group the low middle incomes and high incomes. The frames of the rental classes and income groups, along with the belonging regulations 'appropriate allocation' and '80/10/10' are shown in figure 0.1.

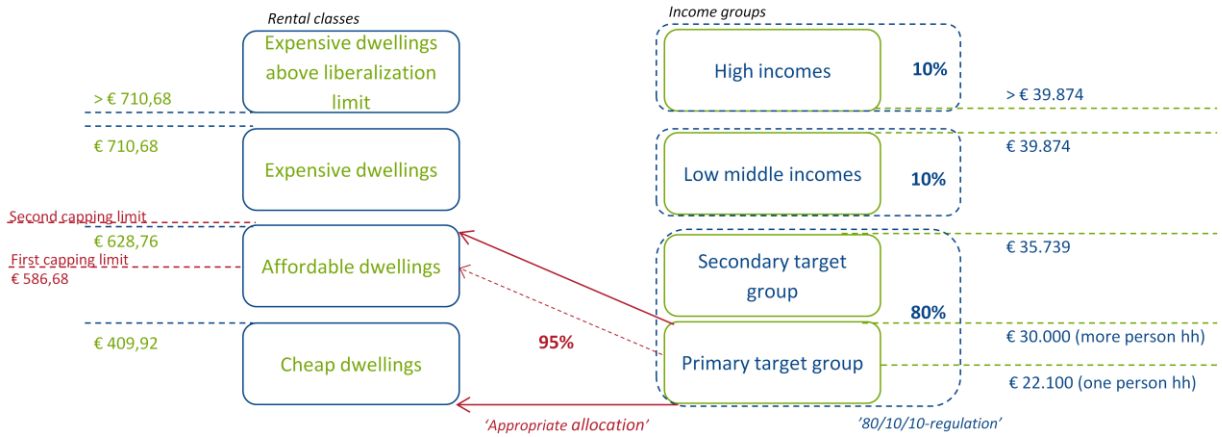

Figure 0.1 Summary of used frames in research

Finally, a distinction is made in the size of housing associations. Small housing associations (<2.500 dwellings), medium sized (2.500-10.000 dwellings) and large housing associations (>10.000 dwellings).

[1] Staatssteun
[2] Verhuurderheffing
[3] Passend toewijzen
[4] Aftoppingsgrens

Methods

From this context, the principles for the analysis are made elaborated by a literature study. For availability is made use of data from WoonOnderzoek; a research about the living situation of the Dutch population, obtained data from WoningNet; a distribution system for social housing and the dPi[5] 2015; prognosis information released by housing associations. For sustainability is also made use of the dPi 2015, supplemented with the provided indicative spending limit (IBW)[6], which gives insight into the financial possibilities for housing improvements of housing associations. Finally, for the link between availability and sustainability is the obtained input used as starting point, supplemented by 'Corporatie Survey'; a survey conducted four times a year by Finance Ideas.

Results

Availability

The composition of the social housing stock, housing benefit, allocation of social housing, waiting period and success rate are used indicators to get insight into the availability of social housing first in the period of five years before the introduction of the new Housing Act, and after for the period from January 2016 onwards, to see the effects of the new Housing Act.

In 2015 the amount of social dwellings in the Netherlands was counted at 2.2 million, this compared to 2.3 million dwellings in 2012 implies a decrease in the social housing stock. Within this social housing stock, the share of affordable dwellings is the largest. Cheap dwellings are the smallest group of dwellings, see table 0.1.

Housing stock social dwellings 2015	The Netherlands	The Utrecht region
Cheap (< €409,92)	293.270	18.660
Affordable (€408,92 - €628,76)	1.110.880	67.380
Expensive (> 628,76)	803.180	63.670
Total	**2.207.340**	**149.710**

Table 0.1 Housing stock 2015. Source: WoonOnderzoek 2015

Striking is that the share of dwellings with a rent under the capping limit (cheap + affordable) is decreasing; these are the dwellings needed for 'appropriate allocation'. The logical consequence of this is that the share of expensive dwellings is increasing. For the Utrecht region the same trend can be seen with the deviation that the share of dwellings with a rent under the capping limit is smaller. This can be explained by the higher average income in the Utrecht region compared to the Netherlands as a whole, which causes shifts on the housing market. When the demand and supply for housing is studied, it is noted that there is a shortage for social dwellings both for the Utrecht region as the Netherlands as a whole. This shortage is the largest for expensive dwellings; this includes dwellings above the liberalization limit. From 2016 the composition of the social housing stock is developing in line with the trends before the new Housing Act for the Netherlands as well as for the Utrecht region. The share of cheap and affordable dwellings will keep decreasing in the upcoming years. This will not benefit the ratios of 'appropriate allocation'.

[5] De prospectieve informatie
[6] Indicatieve bestedingsruimte woningcorporaties

In 2015, 7.2 million households were counted from which over 2 million households were entitled to the housing benefit. This is 29% of the total households. This share grew the last years, which can be mostly explained by the economic crisis. For the Utrecht region this share was 22% in 2015 and stayed more or less equal over the last years. It is assumed that the share of households entitled to housing benefit will stay quite equal from 2016 onwards. The gross domestic product is increasing slowly, but at the same time there is a trend showing an increase in the amount of single households, which have a lower income compared to more person households and are thus earlier entitled to the housing benefit.

Contradictory to the amount of social dwellings, the amount of allocations increased over the years in the Utrecht region and is caused by a higher mutation rate. Most of the social housing is allocated to the primary target group. In 2015, this amounted to 81% which indicates an increase over the last years. Within this primary target group, most of the allocations are to affordable dwellings. Though it is striking that the allocation to expensive dwellings was increasing heavily, this is not in line with 'appropriate allocation'. The secondary target group is mostly allocated to affordable or expensive dwellings and there are less and less allocations to the remaining target groups. This is caused by the 90%-norm, according to the State Aid regulation introduced in 2011. This means that housing associations already met the '80/10/10'-regulation in the years for the introduction of the new Housing Act. The amount of allocations in 2016 is lower compared to 2015, but this can still be corrected in the second half of the year. From these allocations, 72% is to the primary target group which entails a decrease of 9% compared to 2015. Within this primary target group a large increase of allocation to affordable dwellings can be seen and almost no allocations to expensive dwellings anymore, due to ‘appropriate allocation’. For the secondary target group, there is an increase in the amount of allocations; mostly to expensive dwellings. In figure 0.2, the share of allocations to the different target groups is shown. With the distinction in the different sizes of housing associations, large housing associations allocate much more to the primary target group than small and medium housing associations.

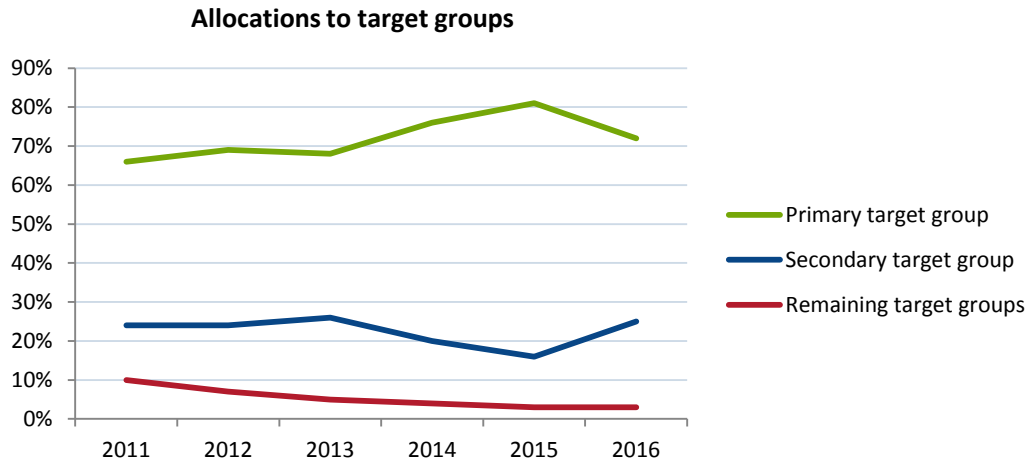

Figure 0.2 Allocations to different target groups. Source: based on data WoningNet

From 2008 the appropriateness test of BBSH was outdated and housing associations were free to allocate. In the first years, housing associations in the Utrecht region still allocated

quite 'appropriate' with 80% in 2011. A large drop in 2013 to 52% is caused by the introduction of the property tax, which allowed rent increases and harmonization. In 2015 this share of allocation was 56%, which meant that housing associations had a great task in front of them to meet 'appropriate allocation' from January 2016. When a distinction is made into the different sizes of housing associations, the large housing associations scored the least with 53% in 2015. In the first half of 2016, housing associations did not meet the 95% of 'appropriate allocation'. The average for the Utrecht region was 89%. Large housing associations score the best with 91% and small housing associations the least with 86%. Still, this is a large improvement compared to the years before but yet, they do not meet the regulation, see figure 0.3.

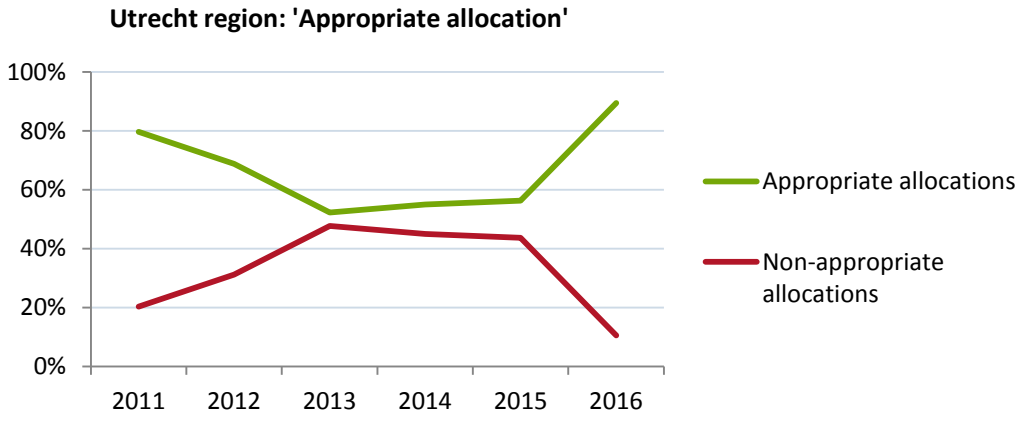

Figure 0.3 'Appropriate allocation' in Utrecht region 2011-2016 Source: based on data WoningNet.

The waiting period, the time that households are registered until they are allocated to a dwelling, amounts to an average of 8 years for Utrecht. This period has been increasing over the years for all target groups. The primary target group had the shortest waiting period and the remaining target groups the largest, in the period before the new Housing Act. For the different sizes of housing associations the same trends can be seen, although the waiting time for large housing associations is larger than for small or medium sized housing associations. This is most likely explained by the locations of the housing associations. Large housing associations operate in the more urban areas, with a larger shortage on the housing market than villages around the city of Utrecht. The success rate is the ratio between households finding a dwelling and households actively looking for a dwelling. For the Utrecht region, this success rate was the highest for the primary target group over the last years. At the same time, this is the largest group searching for a dwelling. A result of the changes in the amount of allocations to the primary target group in 2016 is that the waiting period is increasing for this target group. At the same time, the waiting period for the secondary and remaining target groups is decreasing. For the secondary target group this is because the supply has increased for them and for the remaining target group because this target group is less active on the social housing market since the introduction of the new Housing Act. This result can also be seen in the success rates. For the primary target group, the highest success rate of 2015 was 6,5%, this is decreased to 4,5% in the first half year of 2016. The regulation that the success rate for the primary target group should stay equal due to ‘appropriate allocation’ is not met by housing associations in the Utrecht region. In line with

the waiting time, the success rate is increasing for the secondary and remaining target groups.

As a conclusion it can be said that the amount of social dwellings is decreasing over time. Thereby, according to the prognosis, the share of dwellings with a rent under the capping limit is still decreasing after the introduction of the new Housing Act. This does not benefit 'appropriate allocation'. Before the Housing Act many allocations of the primary target group to expensive dwellings took place, which had to be changed to a minimum after the introduction of the new Housing Act. It can be said that 'appropriate allocation' was not met for the first half of 2016. The '80/10/10-regulation' was met easily due to the 90%-norm belonging to the State Aid. The primary target group was the best served group by housing associations the last years for the new Housing Act, seen at the amount of allocations, the waiting period and the success rate. With the introduction of the new housing act there is a shift to the secondary target group; they have the shortest waiting period and highest success rate. This is mostly caused by 'appropriate allocation'. All of this is summarized in table 0.2.

	Before new Housing Act	After new Housing Act
Social housing stock	Decreasing	Decreasing
Dwellings with a rent under capping limit	Decreasing	Decreasing
Allocations to primary target group	Increasing up to 81%	Decreasing to 72% (-9%)
Allocations to secondary target group	Decreasing up to 16%	Increasing to 25% (+9%)
Waiting period primary target group	Best position	Second position
Waiting period secondary target group	Second position	Best position
Success rate primary target group	Highest rate	Lowest rate
Success rate secondary target group	Second rate	Highest rate

Table 0.2 Effect of introduction of new Housing Act

Sustainability

Sustainability is one of the main subjects housing associations focus on, among others, because of the energy agreement with the target of an average label B by the end of 2020. The average energy label and the investments in sustainability are used indicators to get insight into the sustainability measures in social housing.

The social housing stock is largely provided of an energy label. In 2015 26% of the total stock had a minimal label B. This share is increasing over the years as housing associations work on the improvement of sustainability of their possession. In line with this, the share of dwellings with label E, F and G are decreasing. Translated to the energy index, the average index was 1,86 in 2011 and 1,74 in 2015. With the target set on 1,35 for the end of 2020, housing associations still have a large task in front of them. With the introduction of the new Housing Act there were not many changes in the way housing associations improve the sustainability of the social housing stock. The possession improved in more or less the same speed as before. The share of the portfolio with an energy label B or higher is forecasted at 40% in 2020. Based on the prognosis the average energy label will still be label C (EI: 1,58) in 2020; hereby the agreement will not be met. The Utrecht region performed slightly better than the Netherlands as a whole in 2015, with an average of 1,72.

Striking are the differences between the sizes of housing associations. Large housing associations score worse with 1,76 in 2015 compared to 1,60 for medium sized housing associations and 1,66 for small housing associations. This deviation can most likely be explained by the possession of housing associations. Large housing associations that operate in the more urban areas have to deal with many old dwellings with energy label F or G. Their starting position is less positive than that of housing associations outside the city of Utrecht. The prognosis for the Utrecht region is closer to label B (EI: 1,53) in 2020 compared to the Netherlands as a whole. All sizes of housing associations make more or less the same improvements. Hereby medium sized housing associations score the best (EI: 1,42) and large housing associations the worsted (EI: 1,58), which most likely is explained by their bad starting position. The energy efficiency of the social housing is summarized for the Netherlands and the Utrecht region in table 0.3.

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
The Netherlands										
Energy index	1,86	1,83	1,78	1,75	1,74	1,70	1,66	1,63	1,61	1,58
Energy label	D	D	C	C	C	C	C	C	C	C
The Utrecht region										
Energy index					1,72	1,68	1,63	1,59	1,55	1,53
Energy label					C	C	C	C	C	C

Table 0.3 Course of energy index. Source: based on SHAERE and dPi 2015

In line with the improvements in sustainability, the investments in energy improvements are increasing over the years. Most of the housing associations invest in insulating measures but not that much in innovative techniques like energy generation (i.e. solar panels). On average, housing associations spent €11.000 per dwelling on energy improvements. For large housing associations, this is only 13% of their total investment capacity. In other words, they do not spend a large share of their investments on sustainability. For medium sized housing associations this is the other way around, with 42%, and small housing associations are in between with 25%. Since 2016, Housing associations are still investing in sustainability, where large housing associations spent significant more than medium and small housing associations. When the indicative spending limit (IBW) is explored, which gives insight into the financial possibilities of housing associations, especially derived to housing renovations, the following can be stated. For all sizes of housing associations more or less 33% of their housing stock can be renovated, based on an average costs of €40.000 per renovation (including sustainability). Roughly seen, there are possibilities to meet the agreement of average energy label B in 2020, but some conditions should be taken into account. First it is questioned if it is feasible to renovate this share of the social housing stock in the upcoming three years in a logistic way. Besides, the IBW is an indication and therefore it is not safe and realistic to spent this whole limit. Finally, when this IBW is used to a great extent, there are less possibilities for investments in affordability and availability.

For sustainability can be concluded that housing associations work on sustainability and make progress every year. Still there is a large task to meet the agreement and from the prognosis of housing associations it can be said that they will not meet an average label B

in 2020. For the social housing sector is explored that the measures in sustainability can be improved, based on the provided IBW.

Link between availability and sustainability

The three most important themes for housing associations in the period 2015-2016 are; the Housing Act, separation proposal and affordability. A shift of importance between these themes can be seen depending on the period. When this is compared with the theme sustainability it can be said that when the focus on current important subjects increases the focus on sustainability is decreasing and the other way around. For small housing associations the introduction of the new Housing act with the belonging changes implies a longer period of focus on these themes due to less available employees. Overall, housing associations focus mostly on short-term planning.

Implications on the policy of housing associations are among others that they have to lower the rents due to 'appropriate allocation', mostly by making 'pools' of affordable dwellings based on prognosis or by 'two rents policy[7]' where the rent is set depending on the income of the allocated household. Furthermore housing associations indicated that they will invest less in sustainability due to 'appropriate allocation'. Adjusting the rents for 'appropriate allocations' has a negative result on the investment capacity; 71% of the housing associations agree with this statement.

From the 'Corporatie Survey' is derived that about 50% of the housing associations expect that the success rate will stay more or less the same after the introduction of the new Housing Act. This is not in line with the result founded from the data of WoningNet. Looking at the researched prognosis of the housing associations, it could be stated that the energy agreement of average label B is not met in 2020 and that housing associations give a contradictory indication. About half of the housing associations state that they will have an average label B in 2020. Both outcomes indicate that improvements on monitoring the results are possible for housing associations. Another possibility might be that housing associations are inclined to give desirable answers.

The main ambition to improve the sustainability is for housing associations to make dwellings more affordable by the decrease of the energy costs. This is mostly elaborated with a rent increase but a decrease of the total housing costs due to lower energy costs. This is not in line with 'appropriate allocation' since this is based on the rent and not on the total housing costs.

All together it can be concluded that there are several links between the two subjects. First of all the introduction of the new Housing Act got much attention and sustainability is one of the themes that get less attention since the introduction of the new Housing Act. Furthermore, to meet the agreements of 'appropriate allocation, housing associations need to lower their rents, which results in a decrease of the investment capacity. At the same time, high investments are needed to meet an average label B in 2020. Thereby the property tax is also seen as a negative influence on the investment

[7] Tweehurenbeleid

capacity. Finally, on the one hand there are not sufficient dwellings available under the capping limit to keep up the success rate for the primary target group. On the other hand, when a dwelling is improved in sustainability it is allowed to increase the rents, which can cause a shift to a higher rental class. The two themes are not consistent in supplementing the share of dwellings under the capping limit. All together it can be said that the themes availability and sustainability are difficult compatible with each other at the same time.

Conclusion

Availability

From this research is concluded that there is a shift in availability of social dwellings from the primary target group to the secondary target group. Before the new Housing Act the primary target group had the shortest waiting time and the highest success rate. With the introduction of the new Housing Act the secondary target group is now the best-served target group.

Sustainability

For sustainability this research concludes that the agreement of energy label B will not be met in 2020. From the prognosis is derived that the average label will still be label C in 2020. The researched IBW indicates that there are possibilities in the investment capacity to invest more on energy improvements.

Link between availability and sustainability

It is concluded that it is difficult to steer on both availability and sustainability at the same time. This is caused by first, a shift of attention between long term subjects and current subjects, secondly by both subjects having a negative influence on the investment capacity and finally by an incontinence of both subjects on the availability for the primary target group.

Recommendations

Housing associations

From this research is recommended that housing associations should adjust their rental policy sharper. By focusing more on the 'two rents policy' the success rate is better guaranteed. By excluding the secondary target group from affordable dwellings, more supply is available for the primary target group. Furthermore, housing associations can focus more on new build dwellings as a long-term solution.

Government

The government is already supporting housing associations by providing discount on the property for cheaper new build projects. Another discount on the property tax for housing associations who perform above average on sustainability will support housing associations to focus more on energy efficiency. Next to that, by adjusting the '80/10/10-regulation' the success rate for the primary target group can be better guaranteed by the government.

1. Introduction

1.1. Motivation

The new Housing Act is introduced since July 2015. The new Housing Act ensures that the responsibilities of the housing associations are defined sharper; they have to return to their core business. However, this has its effects for both the housing associations and the tenants. This study investigates the effects of the new Housing Act in terms of availability and sustainability of the social housing portfolio.

1.2. Context

Housing associations have focused for a long time on a variety of tasks besides their core business. This core business can be stated as the following: constructing, renting and managing social housing for people with a low income or people who have difficulties finding suitable accommodation for other reasons (Woonbond, 2015). Housing associations joined in commercial projects that have greater risks compared to social projects. Potential losses that arose from these commercial projects were covered through social projects where State Aid (staatssteun) was provided for. In other words, benefits for social housing were partly used for commercial projects.

Let's take the example of the Vestia affair. This housing association got into serious financial troubles caused by major setbacks from its investments in derivatives. The financial situation of Vestia became worse by attracting additional loans to fulfill the payments for the collateral, which the banks were entitled to. Because of this affair, much public housing capital was lost. Other housing associations had to pay for this loss, where ultimately, it were the tenants who became the victims (Staten-Generaal, 2015). Besides Vestia, many other housing associations have been involved in expensive projects over the last years that had little to do with the construction of housing for people with a low income, the core business.

Some projects were successful, yet others were less successful and therefore, much capital; the so-called public housing capital, has been lost. An example of this was the scandal surrounding the small housing association WSG from Geertruidenberg. They have invested heavily in health care real estate and commercial real estate. With the collapse of the real estate market in 2010, they lost almost their complete equity capital. Other corporations have contributed together 118 million euro's to save the housing association. Another example is housing association Woonbron from Rotterdam. They made an investment in the renovation of a cruise ship in 2010. The costs of this renovation was calculated at 25 million euro but eventually, the costs were ten times higher which lead to major financial problems for the association (Dohmen & Konig, 2014).

The housing association sector has undergone major developments over the years. They started as public institutions with public duties. Today, they are private institutions with a public mission. Over the years these housing associations earned a lot of money, became large and successful, but lost their focus on the core business. The developments and incidents in the social housing sector led the government to review the social housing system. This had as a result the introduction of the new Housing Act (van Dongen & Hopmans, 2015).

Minister Blok (Ministry of Housing) wants housing associations to focus again on their core business. The new Housing Act, introduced in July 2015 will direct housing associations to this core business. This Act ensures that the tasks of housing associations are sharply defined. This new range of duties affects among others the allocation of social housing for both the tenants and the housing associations. This thesis is set to examine what the influence of the new Housing act is on the availability of social housing.

This sharper definition of the core business is particularly reflected in 'appropriate allocation' (passend toewijzen) and the split between SGEI and non-SGEI activities (in Dutch DAEB = dienst algemeen economisch belang). SGEI means literally services with general economic interest. This implies (social) activities related to the core business such as building and providing housing for people with a lower income. All other activities outside this core business belong to non-SGEI.

For 'appropriate allocation' the following applies: from the first of January 2016, housing associations are obligated to allocate people entitled to the housing benefit in most cases to the cheaper dwellings of the social housing stock (Aedes, 2015c). One of the reason behind this is reducing the amount of provided housing benefit. Furthermore it will protect people from a high rent compared to their household income. This 'appropriate allocation' implies that housing associations may possibly need to change the composition of their housing stock.

The split between SGEI and non-SGEI ensures that housing associations are again mainly focusing on social housing. For their social housing portfolio (SGEI activities) the following applies: at least 80 % of the dwellings must be allocated to the main target group of social housing, known as the lower incomes, 10 % may be allocated to the middle incomes, and the final 10% can be allocated free. From 2021 it will change in allocating 90% to the lower incomes and 10% to the other incomes (Aedes, 2015c).

The question is how housing associations will deal with these changes. What does it means for the composition of social housing stock of housing associations. Can they allocate in the same way as they always did before with the same portfolio? Will some target groups become victims of these changes or do the housing associations have to adjust their portfolio? Is the distribution between demand and supply in balance?

The delimitation of availability of social housing for this research includes the following: the amount and division of rental classes of the social housing stock, the housing benefit, allocation of social housing (to different income groups) and success rate, waiting period and search time of allocation.

Minister Blok drawn up a priority list for the period of 2016 to 2019 with four themes that housing associations should focus on the coming years. The four themes are:
1) Sufficiently affordable and available social housing, 2) improving the energy efficiency of the housing stock, 3) housing emergency groups (including people with right of residence) and 4) housing for the elderly and other people with care need (Blok, 2015).

The first priority is quite in line with the new Housing Act, which let housing associations return to the core business and by 'appropriate allocation' more affordable social housing is available.

Regarding the second priority, energy savings and sustainability are important subjects for housing associations. By Minister Spies (Ministry of Home Affairs and Kingdom Relations), Aedes, Woonbond and Vastgoed Belang are shared ambitions set out in the energy covenant (energieconvenant). In this agreement is stated that the social housing stock must have on average energy label B in 2020. If this energy savings are achieved in 2020, this represents a saving of 33 percent between 2008 and 2020. Part of this energy saving is the focus on renwable energy, for example the use of solar panels. The government encourages such developments by relieve financial and fiscal bottlenecks and barriers. Another part of the agreement is the guarantee housing costs (woonlastenwaarborg). This guarantees that despite possible rent increases, the total living expenses for the whole complex decreases, due to low energy bills etc (Spies J. , Hazeu, Laurier, & Kamminga, 2012).

To achieve these sustainability commitments, substantial investments are required from housing associations. The 'Corporatie Survey' shows that almost 45% of surveyed housing associations do not expect to meet the sustainability commitments in 2020. The reason is that the investments for the housing associations are to high (Finance Ideas, 2016). The question is what is the influence of the introduction of the new Housing Act on the targets for energy efficiency. 'Appropriate allocation' may have the effect that the revenues reduce for housing associations and therefore the possibility of investing. Does this have effects on improving the energy efficiency of the social housing stock?

For this study is focused on the impact of the new Housing Act and sustainability and therefore on the first and second priority of public housing, the third and fourth priorities are disregarded for this research.

1.3. Problem definition and goal

In this paragraph the problem definition and goal are drawn up, with corresponding research questions. This is visualized in a conceptual model. Finally the scientific and practical relevance are being discussed. Due to limited access to data of social housing, this research is focused on the Utrecht region.

Problem definition

In which way can housing associations cope with the impact of the new Housing Act on the availability and sustainability of social housing in the Utrecht region.

Goal

Identifying the effects of the new Housing Act for housing associations in the Utrecht region, in terms of availability and sustainability commitments.

Research questions

1. How has the social housing sector emerged with the corresponding laws and regulations, until the current situation with the new Housing Act and the energy covenant?
2. How was the availability of social housing for a period of five years before the introduction of the new Housing Act?
3. To what extent were housing associations engaged in sustainability measures for a period of five years before the introduction of the new Housing Act?
4. What are the consequences for the housing association in the availability of social housing after the introduction of the new Housing Act?
5. What are the consequences for the housing association in terms of sustainability measures after the introduction of the new Housing Act?
6. What is the relation between the availability of social housing and the investments in sustainability of the social housing portfolio of housing associations?

Conceptual model

The conceptual model is a schematic representation of which variables and relations are studied during this research. The conceptual model, shown in figure 1.1, conducts of boxes that represent variables and lines that represent the relationships between the variables. The unit of analysis is housing associations.

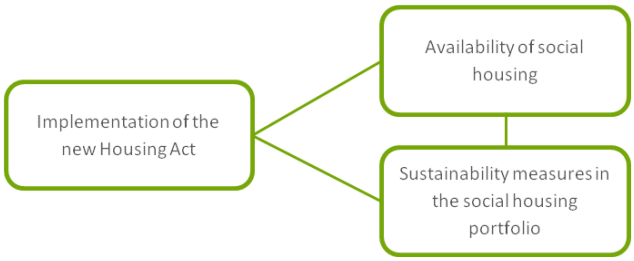

Figure 1.1 Conceptual model

The first independent variable is the implementation of the new Housing Act by housing associations. This independent variable has a relationship with the dependent variables 'availability of social housing' and 'sustainability measures in the social housing portfolio'. Finally there is a relationship between 'availability of social housing' and 'sustainability measures in the social housing portfolio'.

Relevance

This section discusses the scientific an practical relevance of the research.

Scientific relevance

The results of this study may contribute to knowledge about aspects of the new Housing Act that affect the availability of social housing or about the investment potential in the sustainability of the social housing portfolio.

Practical relevance

The housing association sector is currently busy with the adjustments to their policies as a result of the introduction of the new Housing Act. The Housing Act is seen as the most

important subject for the next twelve months by Dutch housing associations (Finance-Ideas, 2016). The results of this study may provide insight into the consequences of the new Housing act and how the housing associations should deal with this.

1.4. Research design

The research consist of three parts. The first part of the research is about the emergence of the housing association sector and the developments of the Housing Act. The relevant aspects of the new Housing act are explored in this study and in addition the Energy covenant is discussed. From here is discussed what the influence of this energy covenant was on the social housing stock. This first part takes place by a literature study. In the second part a framework is set down as a reference point for the research. This framework consist is based on data, of the situation before the introduction of the new Housing Act, about the availability of social housing; allocation, success rate, breakdown between income groups and composition of housing portfolio. In addition, a reference framework with data related to the measures in sustainability is set down. This second part will be elaborated with obtained data from WoonOnderzoek, WoningNet and dPi (prospective information). The third part of the study outlines the current situation since the introduction of the new Housing Act. From here the effects are conducted. The framework for this part will be conducted by the earlier obtained data. The consequences and effects will be conducted by the analysis of the obtained data, completed with data of surveys elaborated by Finance Ideas. The research design is schematically visualized in the diagram below.

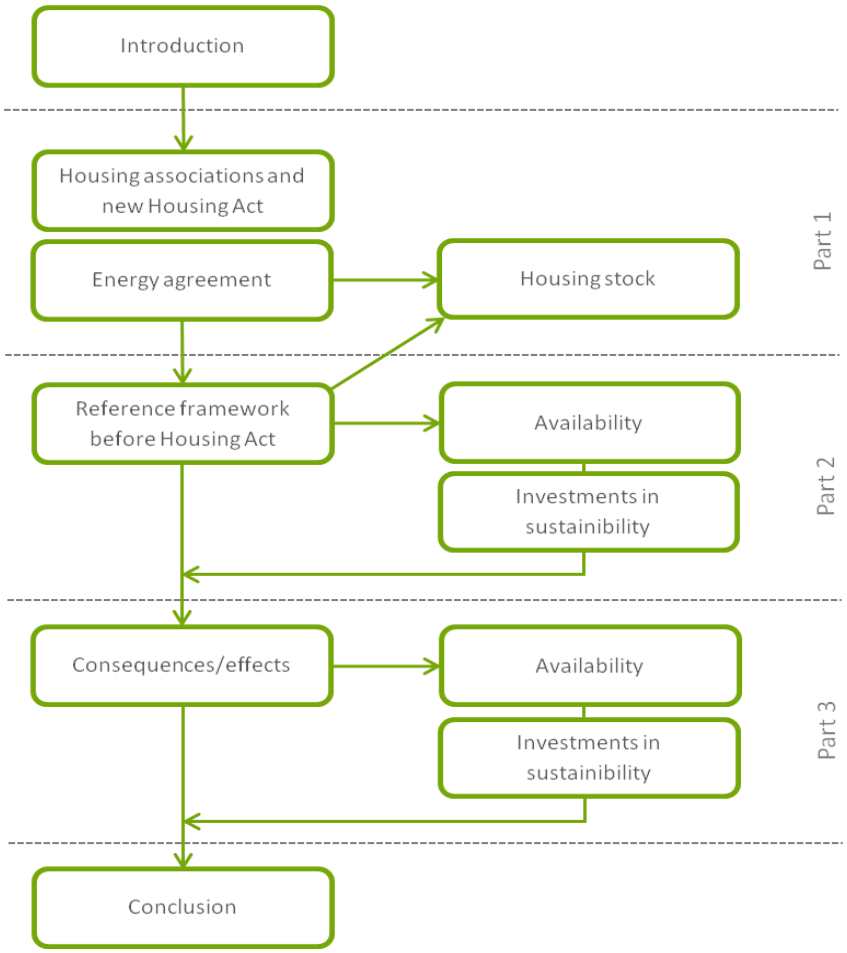

Figure 1.2 Research design

1.5. Finance ideas

This research project will be elaborated in collaboration with Finance Ideas. During an internship of six months, the researcher has access to the knowledge, data and contacts of Finance Ideas. Finance Ideas is a consultancy company that provides advice, mainly from a financial point of view, in three sectors: housing associations, care institutions and institutional investors. For the housing association sector they are closely monitoring the developments of the new Housing Act. Many housing associations rely on the knowledge and experience available at Finance Ideas for the new Housing Act or make use of their workshops about this subject. In addition, many housing associations are supervised by Finance Ideas for the implementation of the new Housing Act.

1.6. Reading guide

This research exists of six chapters, which make together a complete story. In this first chapter the research plan is elaborated, with first the motivation and context, followed by the problem definition and goal. This all is shown in a research design that gives a schematic overview of the research. To make this report understandable in English, some Dutch terms belonging to the housing sector are translated to English. A glossary can be found at the front of the appendix.

The second chapter is about the emergence of the social housing sector with the belonging important occurrences. The role of government is described in this chapter, with the introduction of the new Housing Act as the latest interference.

In the third chapter the situation of the social housing sector before the introduction of the new Housing Act is analyzed. Both on the themes availability and sustainability. This analysis is mostly elaborated for the Utrecht region, with there where possible a comparison to the Netherlands is made.

Following on this is the fourth chapter. The same themes as in the third chapter are analyzed for the period since the introduction of the new Housing Act. From here the influences from this Act on availability and sustainability can be seen.

In the fifth chapter, the themes availability and sustainability are merged to see what the links are between them. This is largely based on the input gathered in the previous chapters, supplemented by analyzing surveys for housing associations elaborated by Finance Ideas.

In the final chapter, the conclusion is drawn. With this conclusion the research questions are answered and recommendations are given for possible options on how to cope with the implications of the new Housing Act. Finally, possibilities for further research are given.

2. History of social housing with Housing Act

In this chapter the history of social housing is discussed with the development of the Housing Act. In the first paragraph the emergence of social housing is described, as well as the reasons for this emergence and information on who used these dwellings. The second until the fourth paragraph concentrates on the progression of social housing with corresponding occurrences. In the fifth paragraph the interference of the government is discussed, with the State Aid, Energy Agreement and Property tax. The sixth paragraph is about the new Housing Act. This concerns the content of the Housing Act and how it corresponds with the energy covenant. This all results in a conclusion of this chapter that gives an answer to the question:

How has the social housing sector emerged, with the corresponding laws and regulations, until the current situation with the new Housing Act and the energy covenant?

2.1. Emergence of social housing sector

In the second half of the 19th century, the government did not feel responsible for housing the poor and working class. In addition, the municipalities did not have sufficient financial resources for housing these target groups. At the same time the urban population is growing fast, many people move from rural areas to cities. Housing in urban areas was not prepared for this movement. All the available space inside the city wall was used for housing, and no attention is paid to sewerage or hygienic. The condition of these dwellings was in general poor and people lived in deplorable conditions (Dorsch, Paalvast, & Paridon, 2009). In 1874 the establishment law (vestigingswet) is introduced, which allows the development of housing outside the city walls. Between 1870 and 1900 24.000 dwellings are built in Amsterdam, of which thousands without kitchen or sanitary. Due to this poor housing, more and more people got diseases like cholera and typhus. In contrast with the government, the upper class launched several initiatives to build healthy dwellings for the working class. From here, there were fourteen housing associations founded in Amsterdam between 1852 and 1901, from which 'De Vereniging ten behoeve van de Arbeidersklasse' was the first, founded in 1852. The main aim of these housing associations was to increase the existing housing stock and improve housing quality especially for the working class (Smeets, 2007). In general these first housing associations did not have a close relationship with the government (de Jong R. , 2013).

A reversal can be seen in 1901 with the introduction of the Housing Act by the government. The government felt responsible for the availability of sufficient and affordable housing; therefore they wanted to encourage the construction of decent housing (de Jong R. , 2013). The main purpose of this law was to ensure the architectural and urban design quality of new build dwellings. This law also prescribed that corporations were qualified for payments and operating funds from the government, which were available for social housing. The condition that should be met was that the associations were only operating in interests of social housing for receiving funds and payments (Smeets, 2007). By means of this Housing Act the government determines the housing policy, they set up the requirements which buildings, dwellings or public spaces should meet. Furthermore the municipalities could

influence the built environment by means of the Housing Act. For example, to build new dwellings a building permission is required, which are issued by the municipality. In addition the municipality is allowed to expropriate property or declare it uninhabitable by the Housing Act. The Housing Act was the start for the housing associations as they are currently known. After a shaky start due to procedural problems and different interpretations of the law, there was an enormous growth in the number of housing associations from 1916 (Smeets, 2007).

2.2. Movements in social housing sector

The First World War had a major impact on the economic situation. For example construction costs and interest rates were increasing. Due to this development, the housing market was not attractive for commercial investors or developers. Because the demand for housing was still rising, the government reduced the interest on loans for construction costs and at the same time they reduced the land price. Both interventions were provided for housing associations. The result of this was a growth in housing associations and thereby a growth in social housing. The amount of housing associations increased from 301 in 1903 to 1341 in 1922 (Dorsch, Paalvast, & Paridon, 2009). When at about 1920 the economy had recovered, a shift in the housing market can be seen to commercial investors and developers. At the same time the contribution of the government for social housing ended. Housing associations have had high expenses due to the high construction costs. To recoup these costs housing associations increased their rents, which caused vacancy and default of payments (de Jong R. , 2013). The shift to the commercial market can also be seen in the amount of housing associations. From 1922 the number decreases from 1341 to 1050 in 1930. The weakened housing associations were not able to fulfill the large demand of housing. The municipalities or municipal housing companies were the ones who took this responsibility (Smeets, 2007).

There was a modification in the Housing Act in 1934; this modification states that housing associations have to deposit 80% of their rental incomes in a joint fund, which is in control by the municipality (Smeets, 2007). The capital growth is thereby minimal. The independency of housing associations is decreasing, also because housing associations had to pay back assigned grants. However, the interest is reduced and the duration of loans for land prices are extended to 75 years, which causes a drop in yearly costs. Still the financial state is not as it was before the modification in the Housing Act (Dorsch, Paalvast, & Paridon, 2009).

After the Second World War there was significant damage to the housing stock; it got smaller and in worse state than before. The housing shortage was enormous and it was necessary to respond on this shortage. In the late fifties a production of 80.000 dwellings a year is reached, still there is a shortage. This is also caused by a major growth of the population and an increase of the amount of households, among others because of more single households. In the period between 1946 and 1962 about one million social dwellings are built (Dohmen & Konig, 2014).

In 1962 there was another revision of the Housing Act. This time the basic principle is that with new build, housing associations have priority from the municipality. From 1969 this act is actually implemented. At this point the housing associations can finally function again as independent associations. In the period between 1970 and 1980, fifty until eighty percent of all rental dwellings are built by housing associations. Municipalities were subordinate to the housing associations with regard to this position (Smeets, 2007).

2.3. Privatization of social housing sector

In the 80s the state withdraws more and more from the social housing sector (de Jong R. , 2013). For new developments on the social housing sector housing associations have to borrow money on the capital market. From 1988 the state does not provide loans to housing associations anymore. In 1983 WSW fund (Waarborgfonds sociale woningbouw) is founded by the government. This fund gives the opportunity to borrow with low interest rates (Dorsch, Paalvast, & Paridon, 2009). Next to WSW, in 1988 the CFV (Centraal Fonds Volkshuisvesting) is founded. Hereby the influence of Funds is extended in the 90s and from here the social housing sector becomes more independent (Smeets, 2007).

The 'Nota Volkshuisvesting' from 1989 facilitated the independence of housing associations and the decentralization of tasks from the state to the government or housing institutions. Part of this introduction is that grants are reviewed and largely withdrawn and housing associations become independent institutions. This is all linked to the objective to reduce the budget deficit (Dorsch, Paalvast, & Paridon, 2009).

In 1992 the BBSH (Besluit Beheer Sociale Huursector) is established. In this Act the processes and task of housing associations are elaborated. The first version of this Act is focused on four core tasks: suitable housing of the target group, quality and maintenance of the housing stock, the involvement of tenants in management and policy and ensuring the financial continuity. The first and most important task was the housing of focus groups. These are people who are not or insufficiently able to find suitable housing on their own. Some housing associations are only focused on this core business. Other housing associations see this task broader and think that this task is only to fulfill with addition of a wide range of other activities such as other targets groups or the sale of dwellings. In 1997 there is a first revision of this Act, where a fifth core task is added, namely livability of the living area and surroundings. In 2001 a sixth task is added to this Act: providing care in the form of supply care homes (Smeets, 2007).

The peak of the independency of housing associations was in 1995 during the 'bruteringsoperatie'. All financial connections between the government and housing associations were ended at this point, except for housing benefits. From 1995 the amount of housing associations is reduced from 800 to 450 in 2007. This is partly traceable by mergers and acquisitions; hereby the average size of the housing stock of housing associations becomes considerably larger.

2.4. Scandals in social housing sector

The independency of the social housing sector enabled housing associations to operate in many projects besides their core business, with incidents as a result. The well-known Vestia affair was the motive to conduct a parliamentary survey. This survey is the most powerful tool of the Second Board, to investigate the causes of these incidents. First of all this research showed the importance of housing associations for public housing and the formation of ghetto's or pauperization of poorer neighborhoods is prevented by investment in livability. Next to that the social housing stock has a relatively high quality and is relatively large compared to the rest of Europe (Staten-Generaal, 2015).

One of the pitfalls for independent housing associations is operating in commercial projects with some incidents as a result. The governance of housing associations played an important role with this. A common composition is a powerful management with a submissive Board of Commissioners, who are not able to go against the power of the management with their ideas. Next to that it is for housing associations easy to get low cost loans. This results in housing associations operating in commercial projects with high ambitions, and speculative transactions. The parliamentary survey concludes that at different housing associations there is (financial) mismanagement, self-enrichment or at least lack of moral in respect of executive compensation (Staten-Generaal, 2015).

A selection of incidents will is discussed. First of all Rochdale in Amsterdam. This case was pending for about 5 years as the public prosecution was investigating doubtful real estate transactions. The director was suspicious due to the fact that he drove a Maserati as company car. At the end of 2015 the director was convicted for fraudulent activities (Gualthérie Van Weezel, 2015). Another case was that of Woonbron in Rotterdam. They were operating far outside their core business; they bought a cruise ship, which had to be renovated. The investments for this renovation was planned at 6 million euro but became eventually 257 million euro. At the end Woonbron sold the ship for 30 million euro and 227 million of public housing capital has been lost (Beekers, 2012). Finally, the case of Servatius in Maastricht. This housing association designed a campus for students with student housing, offices and a sports complex. The well-known architect Calatrava designed the campus for 14 million euro's (Willems, 2011). Other involved parties stepped out of the project and Servatius continues on their own. Eventually the project was canceled and there is a loss of 67 million euro (Staten-Generaal, 2015).

The biggest financial debacle was the one at Vestia in 2012. Vestia is a housing association in Rotterdam. At this housing association there was a serious governance issue. There was a dominant director, supported by a powerless Board of Commissioners. This governance structure was not able to monitor the financial management in a proper way and therefore the treasurer was capable of destroying the housing association financially. According to the Public Prosecution, the director of Fifa Finance (the involved mediation agency) has bribed the treasurer of Vestia for 10 million euro. The treasurer was asked to speculate with interest rate options (van der Boon, 2016). To cope with fluctuation in interest rates of loans, Vestia had many derivatives (annuity insurance). When the interest rate decreased considerably due to the crisis, the banks were asking for more security. Vestia was not in possession of this capital and was in danger of bankruptcy. At the end Vestia had a deal with

the bank to buy off the derivatives (Heck, 2014). Estimated is that there is a loss of 2.7 billion euro. This loss is covered among others by increase in rental prices and sale of dwellings. Furthermore other housing associations had to support Vestia whereby indirect the tenant where paying the bill due to rent increase. Much public housing capital has been lost due to this Vestia affair (Staten-Generaal, 2015).

Several parties or institutions have the task of supervising the social housing sector. First of all the CFV; this fund has the responsibility to secure the financial position of housing associations. The research of the parliamentary survey has shown that CFV sometimes has undertaken insufficient supervision on the financial products of housing associations. Among others at Vestia, they did not fulfill their responsibilities, which resulted in major financial impacts. Another fund, the WSW, has as a core task to predict potential financial risks. At least they are guardian of the guarantee. This fund has facilitated complex derivatives, among others to Vestia. Thereby they have to approve financial products. In the case of Vestia they underestimated the liquidity risks of financial products like derivatives (Staten-Generaal, 2015).

At the same time the accountants who have a controlling role, failed in their tasks. In the Vestia affair the accountants did not assess the financial risks of the derivatives in a proper way. Partly because of that they did not emit signals of this situation to external supervisors. Finally, the banks were also responsible for the incidents in the housing association sector. In some cases they promoted the use of complex derivates too much. They did this because of commercial considerations instead of acting in the interest of all stakeholders in general and their customers specifically.

The parliamentary survey commission concludes that after the financial independency of housing associations, where the public housing supervision is under responsibility of the minister, that this supervision was not sufficient the last years. The supervision on additional activities was inadequate, inter alia because housing associations were obligated to report additional activities but neglected this task many times. Besides the additional activities that were reported, got evaluated with broadening criteria. Finally the role of housing associations in livability got extended much, with a logical result that the amount of additional activities got extended as well. The recommendations of the parliamentary survey suggest that the social housing sector need clear tasks and public frameworks, transparency and civil service. These recommendations are in line with the new Housing Act.

2.5. Government interference

Politicians had regretted that their influence on the social housing sector was decreased to a minimum. Therefore, the government has responded by introducing a guiding role again in the 21th century. For example, in 2005 there was an intervention to limit the salaries of housing associations directors. Furthermore in 2007 a coalition agreement was drawn up, which stated that housing associations must invest more in new build projects and in the transformation of problem neighborhoods (Beekers, 2012). In 2009 the State Aid regulation is introduced, which will be discussed in this paragraph. Furthermore the energy covenant is discussed, an agreement between the ministry and interest groups. Finally the introduction

of the property tax is discussed in this paragraph. With this the influence of the government is increasing a lot.

State Aid

Laws and regulations about housing is controlled on national level; Europe does not interfere on this subject. Where Europe does interfere is when there is distortion of competition. The European Commission, an institution of the European Union, took a decision on 15 December 2009 about the State Aid file for housing associations (WWI, 2009).

Housing associations receive State Aid among others by, remediation- and project support from CFV, assurance (borging) of loans from WSW and possible lower land prices by purchasing land of the municipality. This aid is intended for SGEI-activities, but housing associations were operating more and more in commercial projects, and thus there is no fair competition with market parties (Kroes, 2009).

The decree of State Aid is about SGEI-activities: building and renting dwellings below the liberalization limit, building and renting social property according to the limitative list, and additional activities such as livability measures. The decree states that at least 90% of the vacant dwellings with a rent until the liberalization limit should be allocated to households with an income below € 33.614 (price level 2011). This income is adjusted each year, the limit of 2016 is € 35.739. Furthermore, projects in social property should take place under European tendering. And finally, housing associations have to separate their administration for tasks with and without State Aid (Kroes, 2009).

From the first of January 2011 the 90% norm for allocation and the European tenders for social property is applicable. Housing associations must carry out an income test on new tenants. The administrative segregation is regulated by law, here the new Housing Act, which is introduced in January 2016 (WWI, 2009).

The consequences of the allocation norm can be that when housing associations do not meet this norm they will no longer receive assurance from WSW. Furthermore, when they receive more State Aid than necessary, this part of the State Aid has to be paid back. This will only be made transparent during the introduction of the new Housing Act, where housing associations are obligated to split their activities administratively (Eskinasi, Groot de, Middelkoop van, Verwest, & Conijn, 2012).

Energy covenant

The build environment has a share of 30% of the total energy consumption in the Netherlands. An European objective is to reduce the CO2 production with 20% throughout the build environment. Policy efforts are needed to meet these targets. By Minister Spies, Aedes, Woonbond and Vastgoed Belang an umbrella agreement is signed in 2012 about energy savings in the build environment. Aedes, sector association of housing associations, signed two other sub agreements as well. One of them is Covenant Energy saving Housing association sector.

In this covenant, Aedes and Woonbond (national associations of tenants) set as a goal to achieve an average of energy label B, for the complete social housing stock of housing associations. When this goal has been achieved, it results in energy savings of 33% of the total energy consumption of the current social housing stock, in the period between 2008 and 2020. This ambition is mainly about the energy consumption of central heating, hot water and ventilation (Spies J. , Hazeu, Laurier, & Kamminga, 2012). The covenant directs to energy saving measures, which results in lower housing costs after renovation/rebuilding (on building level). These lower housing costs means that the decrease in energy costs are larger than the increase of rent, due to the renovation. The 'guarantee housing costs' monitors whether this condition is met.

The improvement of energy levels of social housing can be achieved in different ways. First of all the improvement of the energy quality of dwellings, which results in a decreasing demand of energy. These improvements are accomplished as much as possible during mutation and planned maintenance, or maintenance on a large scale. Second, the use of sustainable energy systems, such as solar panels, wind energy or heat and cold storage (Spies J. , Hazeu, Laurier, & Kamminga, 2012). Finally, adjustments in the behavior of residents. For example by making use of a 'smart measure' (slimme meter) the user gets feedback about the energy consumption. Municipalities and housing associations provide programs about behavior change by users of dwellings. Next to that energy saving initiatives for energy saving and sustainable energy are supported by municipalities and housing associations (Ministerie BZK, 2011)

At the time of the introduction of the Energy covenant, a legislative proposal was submitted for an adjustment in the housing validation system (woonwaarderingsstelsel) for the rental sector. This housing validation system rates the quality of the dwelling based on different characteristics with points. The total amount of points determines the maximum rental price for social housing. With the legislative proposal energy savings were stimulated, dwellings with a higher energy quality are valued with more points, which results in higher rental prices (Ministerie BZK, 2011). Nowadays this legislative proposal is approved and in use.

The main improvements in energy savings will be conducted by housing associations. Here high costs can be involved. There is funding available when several conditions are met. First of all funding is only available for dwellings with a rental price until the liberalization limit (€ 710,68), so next to social rent it is also available for commercial dwellings if the rent is under the liberalization limit. Second, rental dwellings have to make an improvement of three energy label steps, with a minimum of energy label B for housing associations. Depending on the size of the improvements an amount of maximum €4500,- is available per dwelling and a maximum of €7.5 million per landlord/ housing association (Rijksoverheid, 2014). This so called STEP-subsidy has introduced a new version on the first of July 2016. The changes of this funding are positive for the housing associations. First of all the height of the subsidy is increased from 20% to 25% of the investment of the improvements. Next there is made a distinction between good and very good energy efficiency. The better the improvement, the higher the funding is. Where before an improvement of three energy labels were needed,

now two steps are sufficient enough. And finally the request period is extended with one year (Aedes, 2016b).

Property tax

In the context of reforming the housing market, the government has broadening the rental policy and thereby introduced the property tax (verhuurderheffing). The property tax is a financial contribution of landlords to reduce the national debt. This tax is stated in the housing agreement of minister Blok, which is part of the coalition agreement drafted in 2012 and valid from the first of January 2013 (Groetelaers, 2014). With regard to the rental policy, housing associations are allowed to increase their rents depending on household incomes. Next to that, with the introduction of the property tax, harmonization took place. This means that at mutation of a social dwelling, a new (higher) rent can be set, depending on the WWS-point system.

This property tax is a measure that should contribute to a better functioning housing market. The tax is introduced for landlords with more than ten dwellings with rental prices below the liberalization limit (van der Heijden & Lamain, 2014). This tax is calculated with a percentage of the WOZ-value. Nowadays, in 2016 this percentage is set at 0,491%. An average tax is about €700,- per dwelling per year. In 2017 there should be paid 1.7 billion euro of taxes. About 85% of this amount is contributed by housing associations. Some landlords are eligible for a discount, they who invest in Rotterdam-Zuid (problem area) or in shrinking regions (Aedes, 2016c).

For 2017, a new regulation is set for housing associations to get discount on this tax. This discount is applicable for new build projects. When housing association invest in new build projects with cheaper dwellings, they get discount. This is a way of the government to support housing associations to supplement the share of cheaper dwelling. The condition that should be met is that the dwellings have a rent under €586,68, the first capping limit (Aedes, 2016a).

2.6. Introduction of the new Housing Act

Since the independency, housing associations have focused for a long period on a variety of tasks, of which many were outside their core business. This has resulted in some major financial incidents. Together with the decision about State Aid, these are the founders of the new Housing Act. With the introduction of the new Housing Act, introduced in July 2015, the government wants to be sure that housing associations are operating mainly in their core business again. This core business can be stated as the following: constructing, renting and managing social housing for people with a low income or people who have difficulties finding suitable accommodation for other reasons (Woonbond, 2015). There are several headlines in this new Housing Act; it can be broadly classified into nine subjects. In this paragraph these subjects will be discussed.

Work domain housing associations

The main purpose of the new Housing Act is the restriction of activity to the core business of housing associations, whereby the focus is on SGEI activities. For non-SGEI activities there are strict regulations.

The main work domain of housing associations is renting social dwellings to households with a lower income. According to the new Housing Act, social dwellings have to be allocated mainly to the primary and secondary target group. The primary target group of housing associations is households who are entitled to the housing benefit. For one person households the income limit is € 22.100 (price level 2016), for more persons households with an age below AOW the income limit is € 30.000 and for more persons households with an age above AOW the income limit is € 30.050, this is the taxable income (belastbaar inkomen) (Belastingdienst, 2016). The secondary target group are households with an income above the housing benefit limit and below the income limit of the European decree (Europese beschikking) of € 35.739 (price level 2016). With the introduction of the new Housing Act, at least 80% of the social dwellings should be allocated to these households, primary and secondary. Another 10% may be allocated to the low middle incomes, with a household income limit between € 35.739 en € 39.874. The final 10% can be allocated free to households with an income above € 39.874 (price level 2016). This regulation is visualized in figure 2.1. This 80/10/10 regulation is for a transition period of 5 years. From 2021 the division is 90/10, 90% of the allocations to households with an income below € 35.739 and 10% can be allocated for free to households above this income limit (Aedes, 2015d).

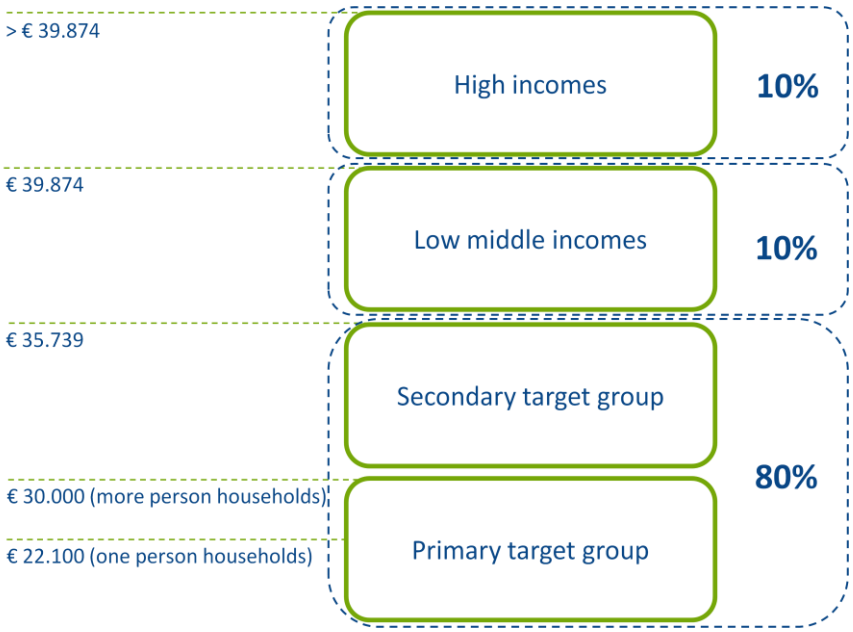

Figure 2.1 Visualization of '80/10/10-regulation'

Next to that 'appropriate allocation' is introduced for households who are entitled to the housing benefit. This will be discussed under heading 'appropriate allocation'.

Social dwellings with a rent below the liberalization limit, €710,68 a month, belong to SGEI-activities. If the rental price increases above the liberalization limit, due to rent increase, it is still allowed to see this as a SGEI-activity, until mutation, and after mutation when the rental

price is reset below the liberalization limit. Next to social dwellings, social real estate can be part of the SGEI-activities as well. There is a limitative list that indicates which social real estate can be seen as SGEI-activity (Aedes, 2015d).

Another activity according to the work domain of housing associations are activities in the context of livability. There is set a restriction of €125,- per SGEI dwelling for livability. These livability activities should benefit the tenants or the direct surroundings of housing association property.

Dwellings with a rent above the liberalization limit, social real estate that is not on the limitative list and commercial real estate belong to non-SGEI activities. New non-SGEI activities are only allowed when they are in service of SGEI-activities and in the region of the SGEI-activities. These non-SGEI activities have to be financed with a loan of the bank, not by an internal loan. For these activities a market test is obligated. This test is performed to see if there are no other parties interested. When other parties on the market are interested they have priority over the housing association. Furthermore a financial test is conducted to check whether both the SGEI and non-SGEI branch have sufficient liquidity and solvency after the investment (Aedes, 2015d).

Separation of SGEI- and non-SGEI activities

With the introduction of the new Housing Act housing associations are obligated to prepare a separation proposal. In this proposal a clear separation between SGEI and non-SGEI activities needs to be made. In the separation of activities a choice may be made between four options (Aedes, 2015d).

Administrative division

The most common option is the administrative division, especially for housing associations with a low amount of non-SGEI activities. With an administrative division all the possession of the housing association remains in the same entity. A so-called non-SGEI branch is created. The split is completely administrative, the possession of SGEI and non-SGEI and the corresponding assets and liabilities should be registered separately.

Legal separation

With a legal separation, all the non-SGEI possession of the housing association will be accommodated in a separate entity (property company). All the SGEI possession stays in the housing association, which is 100% shareholder of the property company. This option offers the housing associations more opportunities in non-SGEI activities.

Hybrid separation

A hybrid separation is a combination of an administrative and legal separation. The non-SGEI possession of the housing association is partly retained in the entity of the housing association. The other part of the non-SGEI possession is assigned to the newly established property company (Dungelman, 2016).

The first three options of separation are visualized in the figures below. This assumes a starting position of the housing association with a daughter (grey part). The visualizations

show the situation after the separation and where the already existing daughters should be accommodated.

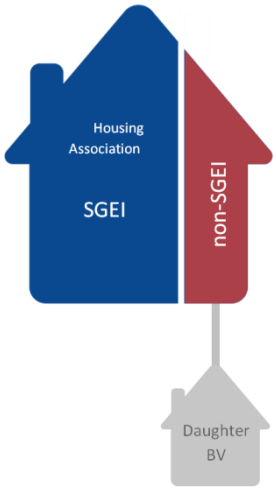

Figure 2.1 Administrative division
Source: Finance Ideas

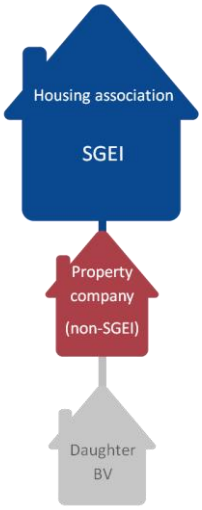

Figure 2.2 Legal separation
Source: Finance Ideas

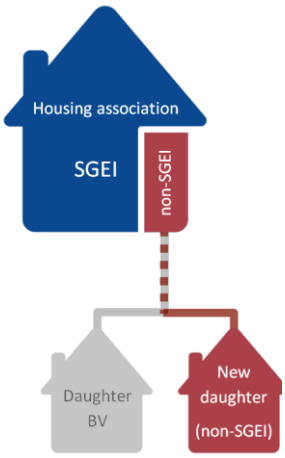

Figure 2.3 Hybrid separation
Source: Finance Ideas

Enlightened regime

The enlightened regime is intended for small housing associations to limit the administrative activities. Most of the time, these small housing associations, have little non-SGEI activities. They only have to make a split for the cash flows on the balance sheet (Dungelman, 2016).

'Appropriate allocation'

Before 2008 there was an appropriateness test that should prevent that expensive dwellings are allocated to the lower incomes. This regulation was abolished from the BBSH in the beginning of 2008 due to complex activities for municipalities and the tax authorities. Hereafter there was an increase in expensive allocation. With the introduction of the new Housing Act a new test is introduced, so-called 'appropriate allocation'. This applies follows: housing associations are obligated to allocate at least 95% of the households that are entitled to the housing benefit to social dwellings with a rent below the capping limit (see heading work domain housing associations). There is a distinction in two capping limits. The first is for one or two person households: € 586,68. The second is for three or more person households: € 628,76 (price level 2016). The income limits for housing benefits and capping limits are adjust every year, partly by inflation (Corel, Hijlkema, Kromhout, & Broxterman, 2015). In figure 2.4 an overview of the allocation possibilities is shown.

Household composition	Household income per year	Initial rent by allocation		
		< € 586,68	< € 628,76	< € 710,68
1- persons hh < retirement-limit	€ 22.100	≥ 95%	< 5%	
2- person hh < retirement-limit	€ 30.000	≥ 95%	< 5%	
3- and more-person hh < retirement-limit	€ 30.000	≥ 95%		< 5%
1- persons hh > retirement-limit	€ 22.100	≥ 95%	< 5%	
2- persons hh > retirement-limit	€ 30.050	≥ 95%	< 5%	
3- and more-person hh > retirement-limit	€ 30.050	≥ 95%		< 5%

Figure 2.4 Schematic overview of 'appropriate allocation'

An important note by the introduction of 'appropriate allocation' is that in the Explanatory Memorandum of the new Housing Act is stated that 'appropriate allocation' cannot cause a decrease in success rate for the primary target group (Ministerie van Wonen en Rijksdienst, 2015). A decrease of this success rate can be caused by allocating less to the primary target group, since 'appropriate allocation' makes this more difficult.

Governance and internal control

The board of directors and commissioners are obligated to perform a fit and proper test on nomination or re-nomination for job suitability. Different competences are tested, as well as reliability. Furthermore the board of directors is checked for criminal and financial history. The minister must finally give a positive advice for nomination.

Next to that the board needs approval of the supervisory board for investments above 3 million euro's. Hereby maintenance expenses are excluded. The supervisory board has the task to inform the minister actively. Think of disputes between the board and commissioners.

Reporting and financial transparency

Housing associations are obligated to report yearly to the ministry. First of all the financial statements, annual report and housing report, split in SGEI and non-SGEI activities. Next to that there is an accountant protocol which states that housing association have to fill in the accountability information and the prospective information (dVi and dPi), adjusted to the separation. These are respectively the accounting information and forecast information of housing associations.

The minister monitors the expenses of housing associations; a yearly indication of the investment capacity is giving per housing association. Next to that the minister judges the financial situation of housing associations according to solvability, liquidity, financial risks and investment potential in relation to planned developments.

Finally, valuing of the housing stock should be elaborated with market value in rented state. On the annual account of 2016 should be seen what the value of the possession is according to the current market. Hereby is taken into account if dwellings are rented. Many housing associations used another valuation before the introduction of the new Housing Act, mostly business value (bedrijfswaarde). The main difference is when housing associations value

with market value that the own policy of housing associations is excluded from the valuation. As a result the annual accounts of all housing associations are comparable (Aedes, 2015b).

External supervision and remediation

Since there have been some major incidents in the housing association sector and as the new Housing Act is introduced to ensure that housing associations are going back to their core business, is it logical that external supervision is introduced. The Authority housing associations (Aw) supervises the housings associations from the July first, 2015. They are under the responsibility of the ministry of Housing and National service. The Aw is an independent institute that is responsible for the financial supervision, as well as legality, governance and integrity of housing associations (Aw, 2015).

Role of municipalities

Next to the Authority housing associations, the municipality has a supervisory role as well. The municipality is more involved in the activities of housing associations; more information is given to them by the housing associations. Information such as multiannual plan and intended activities. Next to that, housing associations are obligated to contribute to the implementation of the municipal housing policies. This occurs, among others, by means of performance agreements. These are agreements between the housing associations, municipalities and tenants organizations. For example agreements about the planned dwellings to be built and for which target groups these dwellings are.

Role of tenants

As well as the municipality, the role of tenants is increased by the implementation of the new Housing Act. This is realized in the form of tenants' organizations. With the elaboration of performance agreements, they are a full partner when decisions have to be made. Next to that they have right of consent when housing associations have plans for mergers. Finally, they have the right to nominate 1/3 of the supervisory board.

Housing market areas

Due to the new Housing Act, the region where housing associations may operate is limited. Each housing association has an allocated core area as determined by the minister. The visions of the municipalities and housing associations are taken into account with this division in regions. In this core area, housing associations are allowed to invest in new construction projects. Outside their core area, housing associations are only allowed to continue their current possession.

2.7. Conclusion

The social housing sector emerged to house people who had difficulties finding a dwelling on their own, mostly this were the poorer people. This was an initiative of a number of wealthy communities, independent from the government. Later on the government was interfering in the social housing sector, with the Housing Act in 1901 as an important occurrence. In the following years many movements took place in the housing sector, mostly depending on the interference of the government. When the government did a step back from their role in the

social housing sector the result was privatization of the housing associations, with the 'bruteringsoperatie' as the peak of independence. This privatization of housing associations had as a result that they were doing other activities outside their core business, most off the time more commercial activities. From the beginning of the 21th century several incidents took place caused by the independency. In this period the government had little influence in the social housing sector. From this point the interference of the government started slowly again with several individual measures, such as State Aid regulation, energy agreement and property tax. Finally, with the introduction of the new Housing Act the government wants to regain their power on the social housing sector again and direct housing associations back to the core business again; as the social housing sector once started. The focus of the housing associations should be on their most important target groups and social dwellings again, commercial tasks become subservient.

The most important regulations for availability with the new Housing Act are 'appropriate allocation' and '80/10/10-regulation'. Furthermore it can be said that there is a large task for the housing associations to implement all the changes belonging to the new Housing Act in their current policies.

In the next chapter a frame of reference is set about the developments on the social housing market before the introduction of the new Housing Act, taking into account the trends mentioned in this chapter.

3. Availability and sustainability before Housing Act

In this chapter a frame of reference is drawn. This frame is about the situation before the introduction of the Housing Act and forms the basis to make comparisons with the following chapter, where the current and future situation is drawn. In the first paragraph the composition of social housing with different target groups is described. In the second paragraph is described how many people make use of benefit for social housing; this is the main target group of social housing and furthermore very important for the introduced 'appropriate allocation'. This is followed by the allocation of social housing in the third paragraph, which target groups were allocated to which dwellings. The fourth paragraph describes the success rate or waiting period for social housing. The time people had to wait for a social dwelling is an appropriate measurement of the availability of social housing. In the fifth and sixth paragraph the energy labels of social housing and investments in sustainability are discussed. Finally, this all results in a conclusion of this chapter that gives an answer to the questions:

How was the availability of social housing in a period of five years before the introduction of the new Housing Act?

To what extent were housing associations engaged to sustainability measures in a period of five years before the introduction of the new Housing Act?

For this analysis a few frames are set. First of all the social housing stock can be divided in different rent classes. Cheap dwellings have a rent under the quality discount limit, with a maximum rent of € 409,92. Affordable dwellings have a rent between the quality discount limit and capping limit, the rent is between € 409,92 and € 628,76. Expensive dwellings can be divided in two classes. First, expensive dwellings until the liberalization limit are dwellings with a rent between € 628,76 and € 710,68. Secondly, expensive above liberalization limit are dwellings with a rent above € 710,68. Depending of the used source this two final classes are merged or separated (price level 2016).

Secondly a distinction between income groups has been made. There is a primary and secondary target group, a low middle-income group and a group with high incomes, as been discussed in paragraph 2.6 according to the 80/10/10 regulation.

For the frame of reference the research is focused on a period of five years before the new Housing Act was introduced. In this chapter different sources are used from which the input is set up unequivocal. WoonOnderzoek is a research that is conducted every three years about the living situation of the Dutch population. For this research the last two reports of WoonOnderzoek are relevant. In order to prevent deviations in the course of the data (due to the fact that it is not on yearly basis), the data from 2006 will be shown as well. However, for the analysis there will be focused on the last two reports. Next to that the research is focusing on the Utrecht region, due to limited access of data. When data is available about the Netherlands, a comparison is made between the Netherlands and the Utrecht region.

3.1. Composition social housing stock

The first measurement of the frame of reference is about the composition of the social housing stock. In order to get more insight in this measurement, first the housing stock of the Netherlands is analyzed, continued by the housing stock of the Utrecht region. This is followed by the demand and supply of social dwellings of the Netherlands and the Utrecht region.

Social housing stock

In 2015 the amount of social dwellings in the Netherlands was 2.207.340, see table 3.1, according to WoonOnderzoek. Compared to the dPi 2015, which states that there were 2.3 million dwellings, there is a deviation in this number. For this research the numbers from WoonOnderzoek are used. A decrease of 36.000 social dwellings can be seen compared to the year 2012. There is a clear division between the rental classes. The affordable dwellings are the biggest group, followed by the expensive dwellings until the liberalization limit, the cheap dwellings and finally the expensive dwellings above the liberalization limit. In appendix A1 the division in percentages is shown.

Notable is the decrease of the share of cheap and affordable dwellings against the increase of both expensive rental classes. The total of dwellings with a rent under the capping limit (cheap and affordable together) is decreasing, while this is the part that should be available for households entitled to the housing benefit according to 'appropriate allocation' from the first of January 2016. The total of both expensive classes are increasing quite hard, while especially dwellings with a rent above the liberalization limit do not belong to the core activities anymore (non-SGEI) with the introduction of the new Housing Act.

Housing stock characteristics social dwellings - The Netherlands				
	2006	**2009**	**2012**	**2015**
Cheap dwellings	627.720	605.660	422.640	293.270
Affordable dwellings	1.377.370	1.307.290	1.240.330	1.110.880
Expensive until liberalization limit	31.2870	358.120	451.920	604.540
Expensive above liberalization limit	76.740	88.210	128.490	198.640
Total	**2.394.700**	**2.359.280**	**2.243.380**	**2.207.340**

Table 3.1 Division of social housing stock - The Netherlands. Source: WoonOnderzoek

In 2015 the amount of social dwellings in the Utrecht region was 149.710, see table 3.2. This consist of all dwellings in COROP-area Utrecht, see appendix A2. Similar to the Netherlands as a whole, there was a decrease in the amount of social dwellings. Next to that the division between the different rental classes is clear as well together with the decrease of cheap and affordable dwellings against the increase of expensive dwellings. In appendix A3 the division in percentages is shown.

Housing stock characteristics social dwellings - Utrecht region				
	2006	**2009**	**2012**	**2015**
Cheap dwellings	39.330	35.900	29.280	18.660
Affordable dwellings	84.580	81.070	78.590	67.380
Expensive until liberalization limit	33.330	34.380	34.730	45.720
Expensive above liberalization limit	5.910	7.170	10.950	17.950
Total	**163.150**	**158.520**	**153.550**	**149.710**

Table 3.2 Division of social housing stock - Utrecht region. Source: WoonOnderzoek

What is striking is that the share of dwellings under the capping limit (cheap and affordable dwellings) in the Utrecht region was smaller compared to the share of the Netherlands as a whole. A possible explanation for this is that Utrecht households' income is above average and the market responds to that with a higher share of expensive dwellings (Kasperski & Meuwissen, 2010). Although the affordable dwellings is still the biggest rental class, there was quite a decrease of this share between 2012 and 2015 against a large increase of expensive dwellings until the liberalization limit, see figure 3.1. It is plausible that dwellings are shifted to this higher rental class due to rent increases. For the Netherlands as a whole, this decrease was a more gradual progress.

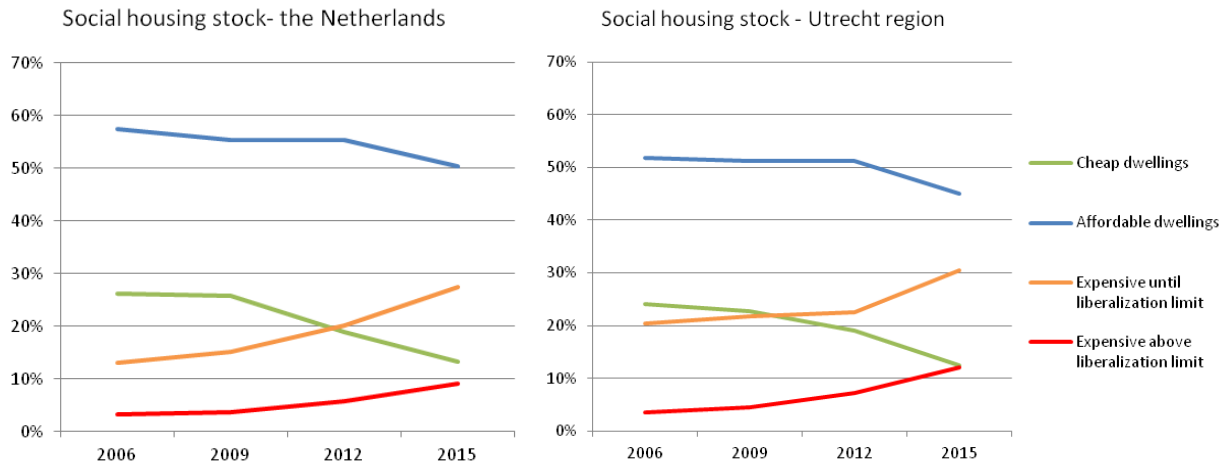

Figure 3.1 Social housing stock - the Utrecht region. Source: WoonOnderzoek

Demand and supply of social housing

That the social housing stock is decreasing does not say that the demand is decreasing as well. In this heading the ratio between demand and supply is researched. From WoonOnderzoek only data about 2015 was available. Besides that, the available data is about the total rental market, not only about the social housing market. From the total rental market, 69% are social dwellings (Syswov, 2015). This can be used as an indication, the reality will differ since there will be little cheap dwellings and affordable dwellings on the commercial housing market. First the demand and supply of the Netherlands will be discussed, followed by the Utrecht region. For the exact numbers, see appendix A4.

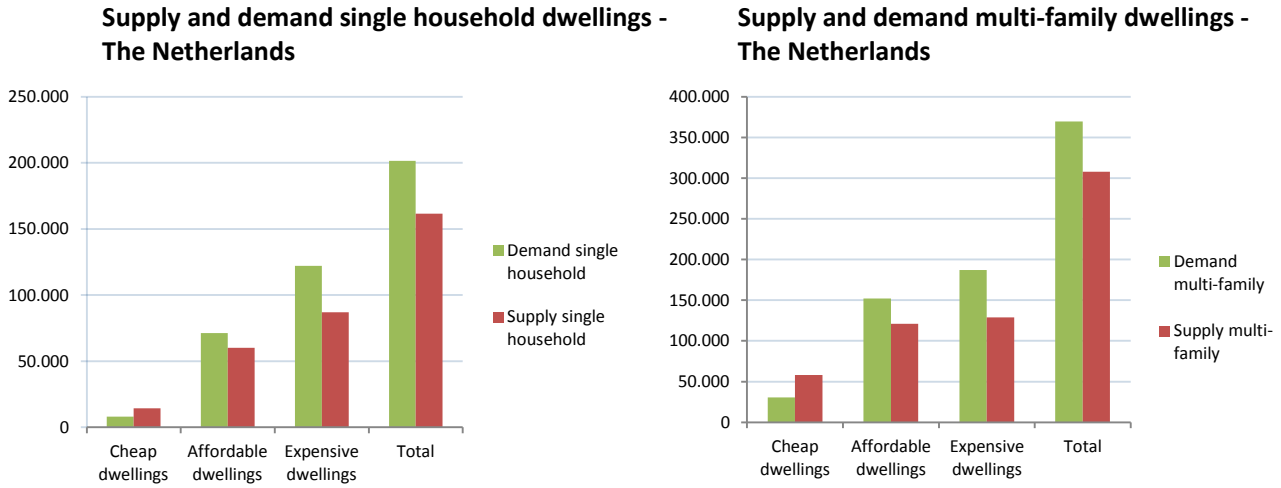

Figure 3.2 Supply and demand the Netherlands, 2015. Source: WoonOnderzoek

In figure 3.2 the relation between supply and demand for the Netherlands is visualized and distinguished in single household dwellings and multi-family dwellings. The trend for both categories is quite the same. In total there is more demand then supply, which indicate a shortage on the social housing market. Furthermore it is notable that there is more supply then demand for cheap dwellings, in both categories. This is striking since the housing stock of cheap dwellings in decreasing over the years. Next to that there is a large shortage for expensive dwellings, which is also striking since the amount of expensive dwellings are increasing, according to 3.1 - social housing stock. Presumably the demand is growing faster then the housing stock.

For the Utrecht region there are some deviations compared to the Netherlands, see figure 3.3. For singe households dwellings the trend is quite the same as for the Netherlands, except the difference between demand and supply is smaller. For multi-family dwellings the total demand is smaller then supply, this indicate no shortage. This is mostly caused by a larger supply than demand for cheap dwellings. The trend that there is a large shortage for expensive dwellings applies for the Utrecht region as well.

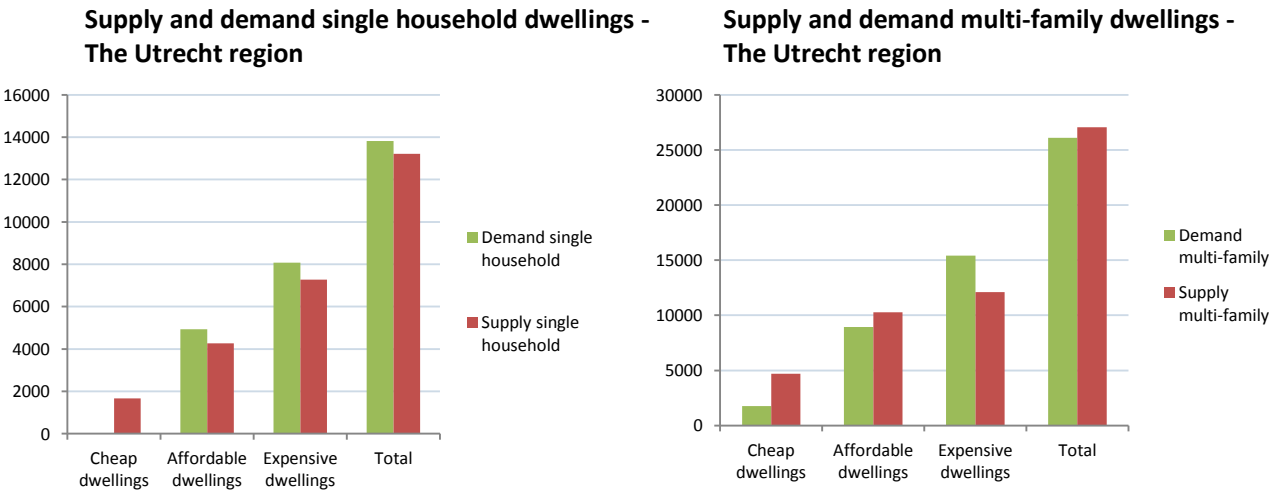

Figure 3.3 Supply and demand the Utrecht region, 2015. Source: WoonOnderzoek

Overall there are some remarkable points. Most of all the social housing sector is well known for long waiting periods and these numbers of supply and demand does not indicate the same. There are some explanations for this. First of all there is a relative small tension for cheap and affordable dwellings. This is a bit distorted since starters as status holders (refugees) and people living in (health) institutions are not included in WoonOnderzoek. Next to that demand is explained by households who are actively looking for a new house, not by households who are inclined to move. Next to that for the Utrecht region the average household income is higher than in the Netherlands, this indicates a smaller demand for cheap dwellings. Finally, there are many 'desire seekers', this are households who does not accept a dwelling when it does not fulfill their wishes or households that wait until their registration time is long enough to be eligible for popular dwellings (Blijie, Gopal, Steijvers, & Faessen, 2016). This registration time is discussed in 3.4.

3.2. Housing benefit

For housing associations the primary target group is households who are entitled to the housing benefit. These are one-person households with a maximum income limit of €22.100 and more person households with an maximum income of €30.000 a year, as already discussed in 2.6.

There were 7.2 million households in the Netherlands in 2015, from which over 2 million households could be seen as belonging to the focus group. In other words, households who are entitled to the housing benefit. As can be seen in table 3.3 this is a share of 29 percent. the Utrecht region has a lower share of households entitled to the housing benefit compared to the Netherlands as a whole. As well as for the housing stock this can be derived from the fact that the average household income in Utrecht is higher then the Netherlands as a whole. The average household income for the Netherlands was 34.500 in 2012, compared to 39.500 for the Utrecht region (CBS, 2015) .

Housing benefit								
	The Netherlands				**The Utrecht region**			
	Focus group		**Non-focus group**		**Focus group**		**Non-focus group**	
2006	1.798.130	(26%)	5.002.450	(74%)	103.640	(22%)	365.740	(78%)
2009	1.871.460	(27%)	5.125.010	(73%)	98.210	(20%)	388.910	(80%)
2012	1.891.610	(26%)	5.249.150	(74%)	113.070	(22%)	396.410	(78%)
2015	2.077.710	(29%)	5.200.100	(71%)	112.760	(22%)	408.430	(78%)

Table 3.3 Households entitled to the housing benefit. Source: WoonOnderzoek

Another notable point is that there is a slight increase in the amount of households in the focus group for the Netherlands as a whole, compared to no growth for the Utrecht region. This is most likely caused by a decline in income due to the crisis (Ministerie BZK, 2016a).

That there are over 2 million households that are entitled to the housing benefit does not mean that all these households make use of the possibility of receiving housing benefit. In 2015 about 1.5 million households made use of the housing benefit. The gap between the two numbers of households can largely be explained by households with a low income that

have an owner-occupied dwelling (Ministerie BZK, 2016a). Most of the household who make use of the housing benefit are tenants from housing associations, next to that there is a small share of tenants from the commercial rental sector who make use of this benefit. In 2015 the average monthly amount of the housing benefit was 172 euro (de Jong, Lagas, & Wegstapel, 2016). A comparable amount of 180 euro is mentioned in WoonOnderzoek (2015).

3.3. Allocation of social housing

For the allocation of social housing is made use of a set of data that is provided by WoningNet. WoningNet caries out the distribution of social dwellings in certain regions of the Netherlands. Many housing associations are affiliated with WoningNet. The focus of this research is the region of Utrecht, because of the limited access to data. Due to privacy reasons, the affiliated housing associations of the Utrecht region will stay anonymous. Due to the fact that this data was not available for the Netherlands as a whole, there will no comparison be made between the region and the whole country.

In this paragraph will be examined in which way allocation took place in the last five years prior to the introduction of the new Housing Act. This is done with the frames of 'appropriate allocation' and the '80/10/10-regulation' kept in mind. First, the region of Utrecht is discussed, continued with a breakdown by size of housing associations. The official division in size, according to CiP (Corporatie in Perspectief), exists of six groups, XXS until XL, see appendix A5. To ensure the privacy of the housing associations, a division into three groups is made, so that individual housing associations are not traceable. With this division, two groups of the official division are merged. The first group is small housing associations, with a possession between 0-2.500 dwellings. The second group is medium housing associations, with a possession of 2.500-10.000 dwellings. The final group is large housing associations, with a possession of more then 10.000 dwellings. See appendix A6 for an oversight of the housing associations belonging to the the Utrecht region.

Allocation of social housing

The elaborated dataset of WoningNet gives insight into the allocation of social dwellings in the Utrecht region. This clarifies which dwellings are allocated to which income groups. First there is focused on the the Utrecht region as a whole. After this a comparison by size of housing associations is made, where striking features are appointed. For the exact numbers, see appendix A7.

The amount of allocations increased in the period of 2011-2014 from 5.200 dwellings to 6.300 dwellings, and hereafter a decrease to 5.950 dwellings in 2015. Except for 2015 this does not corresponds with the decrease of the amount of social dwellings as discussed in 3.1. Most likely this means that the mutation rate is increasing. Of these allocations the majority is to the primary target group. During the years the share of allocation to the primary target group grew steadily from 66% in 2011 to 81% in 2015. Within this target group, some developments can be seen. There is a decrease in allocation to cheap dwellings, which can be explained by the decline in housing stock of cheap dwellings. Most of the allocations of the primary target group are to affordable dwellings, there is a dip in 2013 but

furthermore the line is quite steadily. What is striking to see is the share of allocation to expensive dwellings, there is an increase from 13% in 2011 to 35% in 2015, see figure 3.4. Especially because these rents do not fit the household income much housing benefit is necessary.

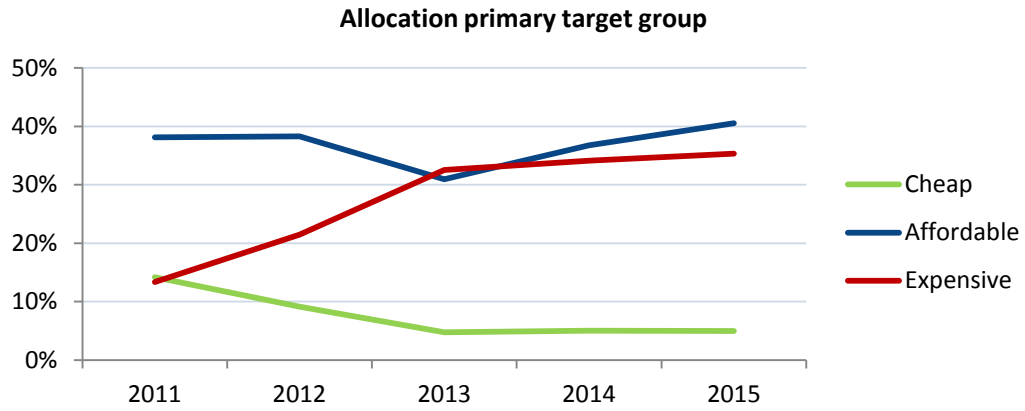

Figure 3.4 Allocation to primary target group - Utrecht region. Source: based on WoningNet

For the secondary target group another trend can be seen. There was an increase in the amount of allocations between 2011-2013, followed by a decrease from 2013-2015; see figure 3.5. There was a little amount of allocations to cheap dwellings, and the allocations to affordable dwellings were increasing. Still there was a small increase in the allocation to expensive dwellings. For the remaining target group there is less and less allocation. See appendix A8 for the graphs of allocation per target group. This is in line with the State Aid regulation, introduced in 2011 where housing associations have to allocate at least 90% to the primary and secondary target group. This decrease can be seen at all rental classes.

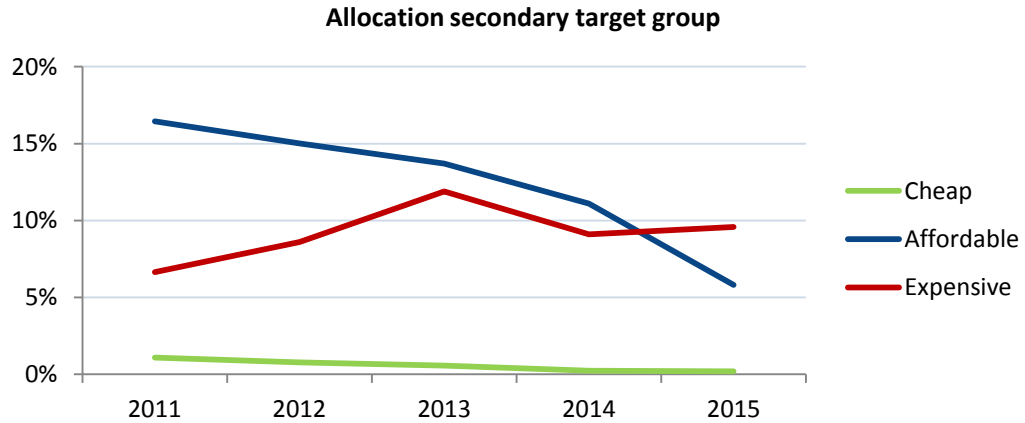

Figure 3.5 Allocation to secondary target group - Utrecht region. Source: based on WoningNet

When a comparison is made between the different sizes of housing associations a few deviations are worth mentioning, see Appendix A7 and A8. First of all there was a larger decrease in the total amount of allocations for large housing associations against a small increase in allocations for small housing associations in the year 2015. For the secondary target group there was an decrease in allocations for all sizes of housing associations in the period 2013-2015. For large housing associations this decrease was larger than average, where small housing associations have a much smaller decrease than average. Furthermore

a difference can be seen with allocation to the higher incomes in 2015. For large housing associations there was a larger decrease than average against even a increase in allocation to higher incomes for small housing associations. Finally, there can be said that medium sized associations have more possession of cheap dwellings, since the share of allocations in the category is higher than average.

'Appropriate allocation'

In the years before the introduction of the new Housing Act 'appropriate allocation' was not addressed for housing associations and the appropriateness test of BBSH from 2008 was already outdated. Still it is interesting to see how 'appropriate' the allocation took place in these years, to see what the influence of the new housing Act will be. A brief review, 'appropriate allocation' means that 95% of the allocations of the primary target group should be under the capping limit. It is striking to see that in 2011 allocation took place quite 'appropriate' and in 2015 not at all with 56% and a bottom point in 2013, see figure 3.6.

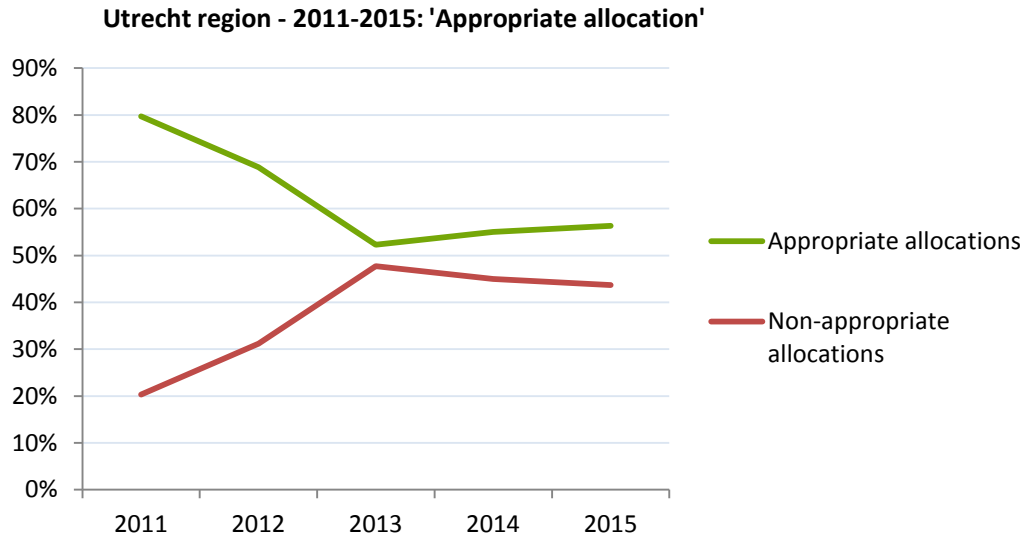

Figure 3.6 'Appropriate allocation': 2011-2015- Utrecht region. Source: based on WoningNet

In the year 2011, housing associations allocated quite 'appropriate'. This is explained by the appropriateness test introduced by BBSH in 2008. In 2013 a large drop can be seen in the appropriateness of allocation. There are different causes for this trend in 'appropriate allocation', namely: rent increases, elimination of the income test and fluctuations in the housing stock. First of all, in the past years housing associations conducted a policy whereby rent increases were higher then the yearly inflation. Also harmonization took place, both as a result from the introduced property tax. Harmonization means that at mutation of a social dwelling a new rent could be set, according to the housing valuation system, which was higher then the rent before. Housing associations have indicated that they choose for this policy due to an economic point of view. Because of this rents were increasing faster then the households income, with the possibility that dwellings shifted to a higher rental class (Lijzienga, Wissink, & Tiggeloven, 2014). Secondly the elimination of the income test. In 2008 the appropriateness test was abolished, followed by a shift of the income registration to the tax authorities. Housing associations have indicated that with the lack of this test in the housing distribution system it is hard to send in the direction of appropriateness. Finally, there were some shifts visible in the social housing stock. It can be said that the amount of

households entitled to the housing benefit living in an expensive dwelling increased considerably over the last years. This is partly because the amount of dwellings under the capping limit are decreased, see paragraph 3.1. Next to that the target group of households who are entitled to the housing benefit is increased. Furthermore, many tenants set high standards about their dwelling, and therefore choose for the expensive rent class (Lijzienga, Wissink, & Tiggeloven, 2014).

Companen (2014) conducted research about the appropriateness in the social housing stock. Hereby they asked the housing associations what their ideas are about the affordability of the social housing stock. This research showed that part of the housing associations are willing to retrench the quality of new build projects to ensure new build projects with rents under the capping limit. Another point of interest belonging to the housing stock is that housing associations are more restrained with demolishing old dwellings with a low quality, so the possession of affordable dwellings will stay at least stable (Lijzienga, Wissink, & Tiggeloven, 2014).

When a comparison is made between the different sizes of housing associations a few deviations are worth mentioning; see figure 3.7. First of all in 2011, small housing associations allocated the most 'appropriate' and medium sized housing associations the least appropriate. In 2013, a drop can be seen at all categories, although the largest drop applies to large housing associations. Finally in 2015, the year for the introduction of 'appropriate allocation', medium sized housing associations are the closest to 'appropriate allocation' with 62% and the large housing associations are far from 'appropriateness' with 53%. For the complete numbers, see Appendix A9.

Appropriate allocation - different sizes of housing associations

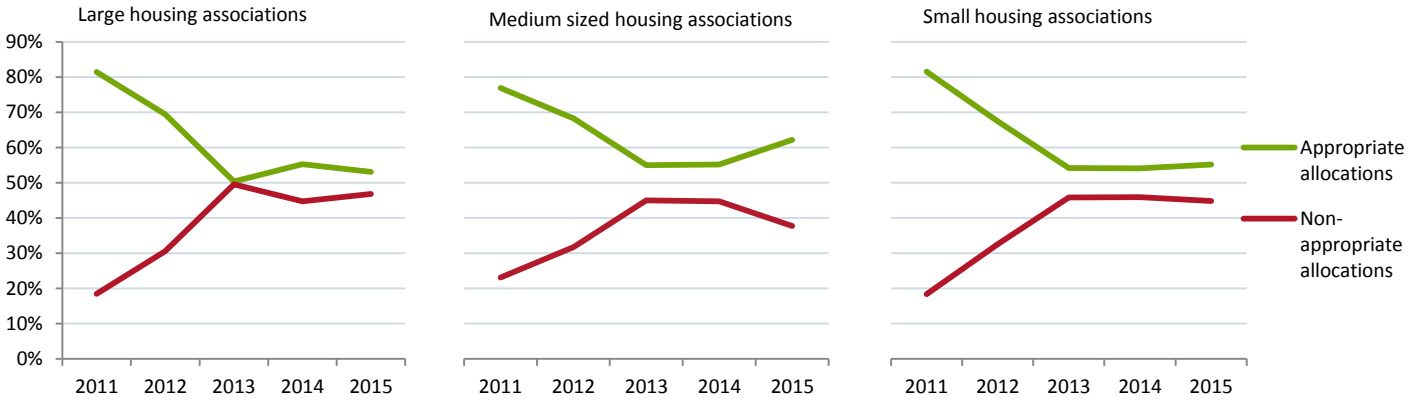

Figure 3.7 'Appropriate allocation': 2011-2015 - different sized of housing associations. Source: based on WoningNet

'80/10/10- regulation'

In contrast to 'appropriate allocation', there already was a comparable regulation in the years prior to the new Housing Act, which is in line with the '80/10/10-regulation'. A brief review: '80/10/10-regulation' means that at least 80% of the dwellings of housing associations should be allocated to the primary and secondary target group, another 10% can be allocated to the low middle incomes and the final 10% can be allocated free. From 2011, housing associations were obligated to allocate 90% of the social dwellings to the primary and secondary target group, according to the State Aid regulation.

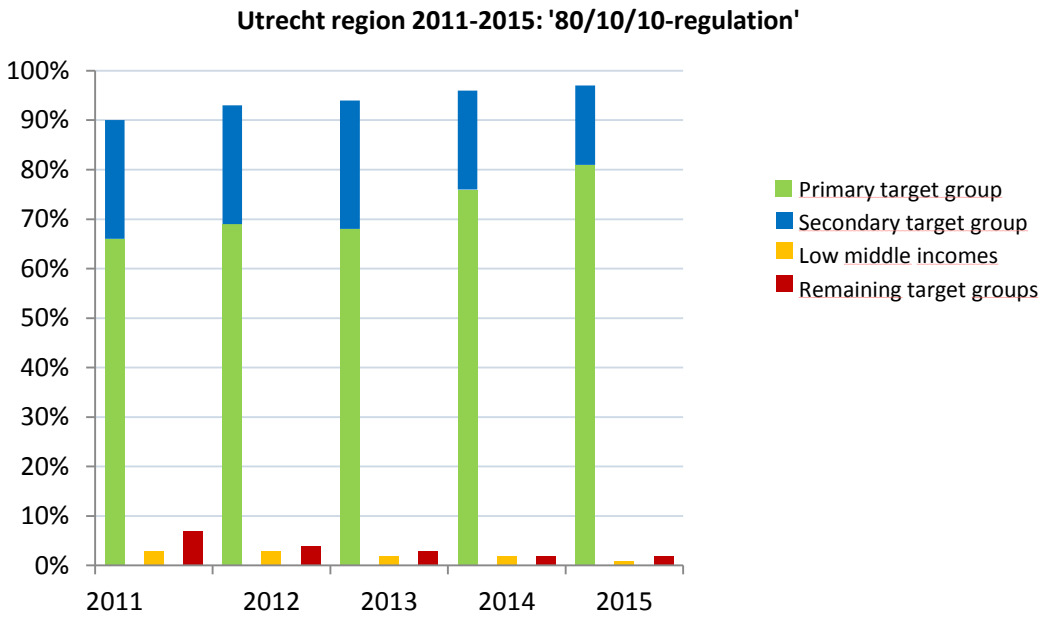

Figure 3.8 '80/10/10-regulation' in the Utrecht region. Source: based on WoningNet

In figure 3.8 can be seen that in the first year of this regulation, in 2011, that the 90%-norm is just achieved and thereby the 80/10/10-regulation easily. In the following years the share of allocation to the primary and secondary target group is increasing. The shift of allocations to primary and secondary target group is reflected in a decrease in allocations to the remaining target groups, the low middle-income group changes minimal over the years. As already mentioned under the heading 'appropriate allocation', in this graph can be seen that the share of allocation to the primary target group is increasing the last years.

When a comparison is made between the different sizes of housing associations only one deviation is worth mentioning. Graphs belonging to this comparison can be seen in appendix A10. In 2011, the first year of the State Aid regulation, the large housing associations did not meet the 90%. They allocate 87% to the primary and secondary target group, against 94% by small housing associations. The following years are very similar to each other.

Due to the fact that the State Aid regulation was already applicable and met by housing associations, the expectation is that there will be no difficulties to comply with this regulation after the introduction of the new Housing Act.

3.4. Waiting period, search time and success rate

Supply and demand were already discussed in paragraph 3.1, this gives a first impression of the availability of social housing in the current market. In this paragraph the waiting period, search time and success rates are discussed. These figures give more insight into the availability of social housing.

First of all the waiting period or so-called registration time. This is the time in years in which households have been registered for social housing before they are allocated to a social dwelling. This waiting time can fluctuate depending on the city and type of dwelling. For

example, large cities were there is shortage on the housing market; the waiting period for social housing is much longer then in regions with larger supply. The waiting period for single household dwellings is in general longer than for multi story dwellings. This is because the share of single household dwellings is smaller than multi story dwellings and thereby they are more popular (Kromhout, Kessel van, Wilt van der, & Zeelenberg, 2016). Secondly the search time is researched. Search time is the time measured from the first time someone who is looking for a house has respond to a dwelling until a dwelling is allocated. In other words, it gives insight in the time a household is actively looking for a dwelling. Finally, the success rate is studied. This success rate comes about as follows, the number of rentals divide by the amount of households that are actively searching for a dwelling. The success rate is a percentage that states how many of the households that are actively looking for a dwelling have accepted one. This figure gives insight into the ratio between supply and demand (WoningNet, 2016).

For the Utrecht region there was limited access to data about the success rate, only for the year 2015 data was available.

Waiting period supply model

Most of the allocations of WoningNet are carried out with the supply model. Hereby the time of registration is leading. Allocations based on lottery are left out in this section. The average time of registration is increased in the past 5 years, states the research of Rigo (Kromhout, Kessel van, Wilt van der, & Zeelenberg, 2016). In figure 3.9 can be seen that this growth applies for al income groups. The shortest waiting period is for the primary target group, followed by the secondary target group and the largest waiting period is for the remaining target groups. What is striking to see is that there was a major increase in waiting period for the remaining target groups in the period 2014-2015. This is in line with the allocation of social dwellings, as discussed in 3.3 (Appendix A8). There was quite a decrease of allocations to the remaining target groups, this helps to explain the increase in waiting time for this target group, since there is less supply for them.

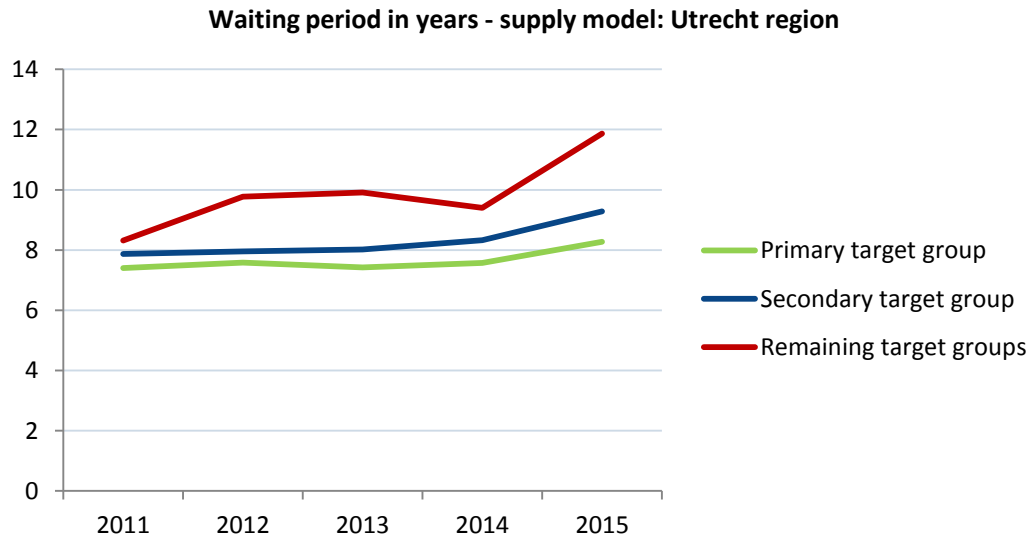

Figure 3.9 Waiting period in years: supply model - Utrecht region. Source: based on WoningNet

The waiting period in the Utrecht region for primary target groups increased with almost 1 year in the period of 2011 to 2015. For the secondary target group the waiting period increased with almost 1,5 year and for the remaining target groups it increased with 2,5 years. Compared to the different sizes of housing associations some deviations are worth mentioning; see appendix A11 for the belonging graphs. For the primary target group, the waiting period was significantly lower in 2011 for medium sized housing associations (6,8 years) against a higher waiting period of large housing associations (7,9 years), compared to an average of 7,4 years in the Utrecht region. This can be explained by the places where they are located. The large housing associations are mostly operating in the city Utrecht, with a large shortage on the housing market, compared to the small housing associations, mostly operating in the villages around the city of Utrecht. This same trend can be seen by medium sized housing associations. For the remaining target groups, the waiting period is higher at small housing associations then the average of the Utrecht region.

Waiting period supply and lottery model

Next to the supply model, some housing associations make use of the lottery model. Hereby registration time does not apply. From the households who responded on the lottery dwelling, one household is picked out randomly.

In appendix A12 the information and graphs for the combination of supply and lottery model are shown. Here you can see that the trend of the development of the waiting period is in line with the waiting period of only the supply model, except that every waiting time is more or less one year shorter. This is logical because households with a short registration time have the change of being picked out, as well as households with a long registration time.

Search time

In line with the waiting period, the search time is increasing over the years; see appendix A13. In general for the Utrecht region can be seen that the shortest search time is for the primary target group, with a gradual increase of 3,1 years in 2011 to 3,8 years in 2015. The secondary target group has the same line as the primary target group, only with a search time of a few months longer. The remaining target groups are an exception to the rest, there is a drop in 2013, followed by a strong increase to 4,9 years in 2015. A search time of four years does not mean that households find a dwelling in four years. Most of the households looking for a dwelling are aware of the waiting period and therefore they are saving registration time before they respond to dwellings. That is why the search time is much shorter then the waiting period (Kromhout, Kessel van, Wilt van der, & Zeelenberg, 2016).

When a comparison is made between the different sizes of housing associations the following points are notable. For the large housing associations the primary and secondary target groups are in line with the Utrecht region. The remaining target groups of large housing associations provide the drop in 2013. The medium sized housing associations follow the line from the Utrecht region the most, the only deviation is that there is no drop in 2013 for the remaining target groups. For the small housing associations little data was available for search time, therefore outliers have much influence on the course and many deviations are traceable for all target groups.

Success rate

The success rate tells something about the ratio of households finding a dwelling and household that are actively searching for a dwelling. When many households in one target group are looking for a dwelling but little allocations took place for this target group, the success rate is small.

In figure 3.10 the course of the success rate in 2015 is visualized. During the year the primary target group had the highest success rate, with a small peak in the third quarter of 2015. Although the primary target group has the highest success rate it also has the highest share of households actively looking for a dwelling. The average amount of households actively looking for a dwelling in 2015 is 12.066, see appendix A14. The secondary target group starts with an increase in success rate, followed by a decrease and finally a small increase. For this target group the average amount of households actively looking for a dwelling in 2015 is 3.844. The remaining target groups follow the line of the primary target group, but with a lower success rate. For this group the average is 956 households.

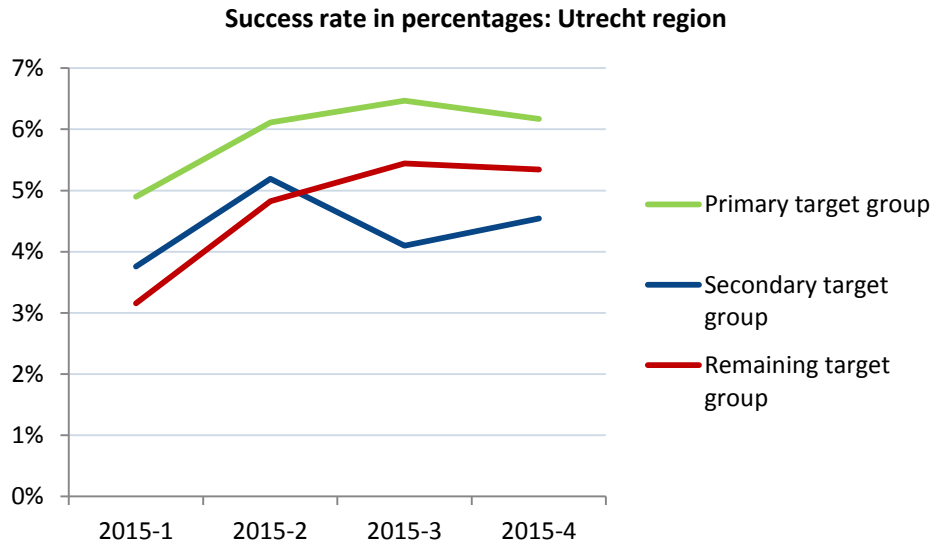

Figure 3.10 Success rate the Utrecht region. Source: based on WoningNet

Comparison between the waiting period, search time and success rate

When a comparison is made between the waiting period, search time and success rate the same trend can be seen. The primary target group has the shortest waiting period and search time and the highest success rate. This all indicates that the primary target group is the most important target group for housing associations.

Overall can be seen that by both the waiting period and search time there was a little drop around 2013. This can be explained by the 90% norm of the State Aid and the corresponding decrease in households with a higher income looking for social housing (Kromhout, Kessel van, Wilt van der, & Zeelenberg, 2016). Hereby more dwellings came available for households with a lower income (primary and secondary target groups).

3.5. Energy labels of social housing stock

For the frame of reference the energy performance of the social housing stock is measured by the energy labels of the dwellings. The energy label is based on 10 characteristics of the dwelling. For example the year of construction, type of dwelling and the size of the dwelling are factors for assessing the energy label. Next to that you have the energy index, which is a more comprehensive measurement. The energy index is based on 150 characteristics of the dwelling and thereby more exact then the energy label (RVO, 2015).

This energy index is primarily intended for dwellings with a rent under the liberalization limit. The energy index is an element of the determination of the amount of WWS-points, which is the guiding principle for the rent of the dwellings. The better the energy index, the higher the WWS-points are, which can result in a higher rent of the social dwelling (RVO, 2015).

Aedes, the umbrella organization of all housing associations, has developed SHAERE (Sociale Huursector Audit en Evaluatie van Resultaten Energiebesparing), the energy monitor of housing associations. In this database all energy labels of the social housing stock are registered. From here, Aedes can follow the developments in the social housing stock and keep an eye on the average energy labels, in order to ensure the average energy label B in 2020.

2011-2014

Research based on SHAERE has shown that from the 2.3 million dwellings in the social housing stock in 2014, about 530.000 dwellings had an energy label B or higher. Hereof were 130.000 with a minimum label of A (included A+ and A++). Next to that it can be concluded that the share of social dwellings with an energy label of B or higher in steadily increasing over the years (de Jong, Lagas, & Wegstapel, 2016). In 2011 this share was 14%, in 2014 this was already 24%, see figure 3.11. It is notable that the share of dwellings with label E, F and G are decreasing, but the share of dwellings with label C and D remains fairly equal. This can mean two things, first that housing associations improve the dwellings with energy label E,F or G to minimal label B or secondly that they improve dwellings with label E,F or G to C or D and the current dwellings with label C or D to label B or higher.

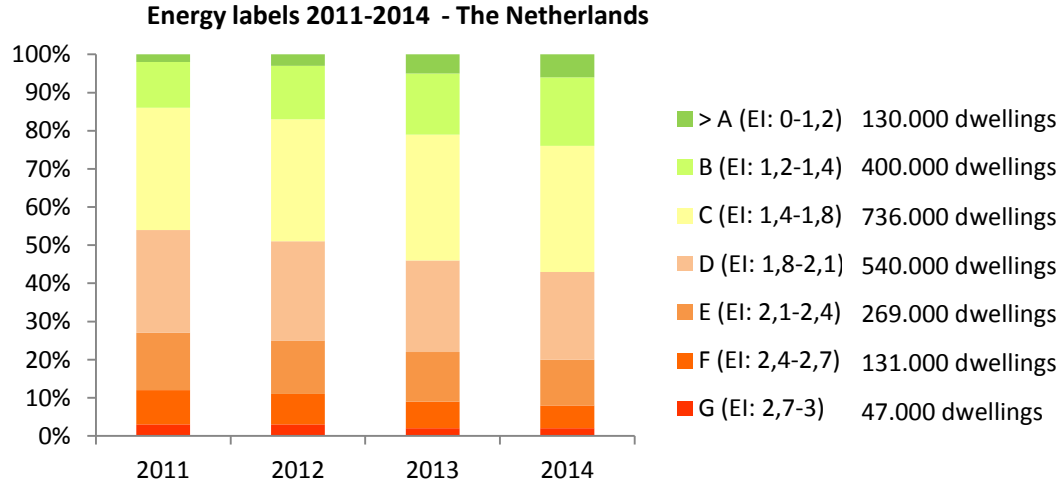

Figure 3.11 Energy labels 2011-2014, the Netherlands. Source: Based on SHAERE 2014

2015

Housing associations are obligated to report every year about the prospective information (dPi) about their housing stock. One of the elements in this report are the energy labels. It gives insight into the current level of the energy labels (2015) and into the prognosis for the coming five years. This is on corporation level, whereby insight into the different regions or sizes of housing associations can be given. There are some small deviations compared to the data of SHAERE, which is largely explained by the share of unknown energy labels in dPi (see figure 3.8).

With the dispersion of energy labels it is difficult to say what the average of the social housing portfolio is, a more suitable measurement tool is the energy index. In appendix A15 the translation from energy label to energy index can be seen. In this same appendix can be seen what the average energy index must be to reach label B. In the agreement of 2012 an energy index of 1,25 is corresponded (Aedes, 2015a). In the mean time the scale of the energy index has changed and the current energy index corresponding to label B is 1,35.

In figure 3.12 can be seen that the average energy index in the Utrecht region (1,72) in 2015 is better, compared to the Netherlands (1,74) as a whole. The difference can be found in the share of dwellings with a label B or C, which is larger in the Utrecht region. The research of SHAERE stated that the average energy index in 2011 was 1,86. This is an improvement of 0,12 EI. This shows that there is a heavy task for the housing associations to reach the index of 1,35 in 2020.

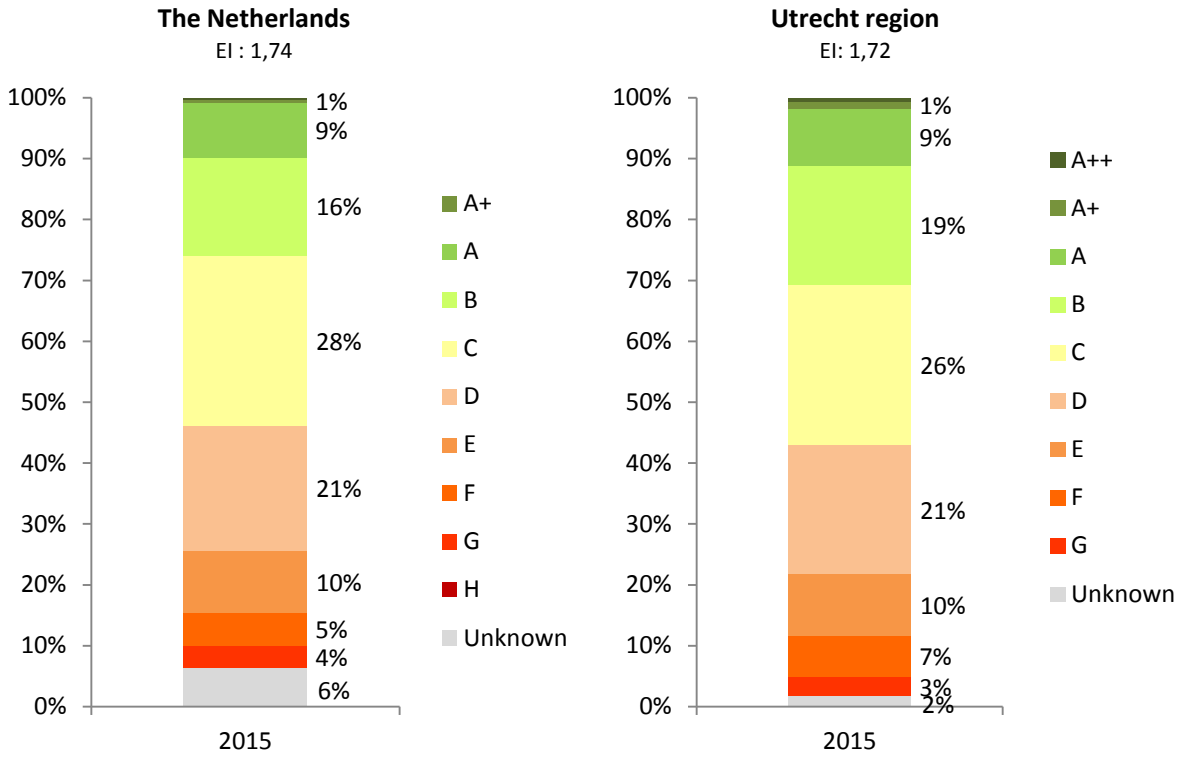

Figure 3.12 Division of energy labels, The Netherlands and the Utrecht region. Source: dPi

In appendix A16 the energy labels of the different sizes of housing associations can be seen. Compared with the Utrecht region the large housing associations score worse on the energy index with 1,76. This is largely explained by the substantial share of dwellings with a F or G label. Besides, the share of dwellings with a minimal label A is smaller then in the Utrecht region, this does not benefit the average. Medium sized housing associations score the best with an energy index of 1,60. This is the only category that has a substantial share of dwellings with label AA or AAA, which benefits the average. Next to that there are almost no dwellings with label G. Finally the small housing associations score better then the Utrecht region, with an energy index of 1,66. This is explained by the fact that there are very few dwellings with a low energy label, not especially many dwellings with a high energy label.

3.6. Investments in sustainability

For the frame of reference the capability of improving the energetic situation by housing associations is measured by the investment capacity for energy improvements. As can be seen in figure 3.9 the investments are increasing enormously. For the total sector it was an amount of 105 million euro in 2011 for sustainability measures, increased to 207 million euro's in 2014 (Ministerie BZK, 2016b). In 2014 this meant 7,5% of the total cash flow. In most cases housing associations invest in insulating measures, such as double glass and shell improvements and more efficient heating machines. Just a small share is investing in energy generation such as solar panels or solar water heating. About 1% of the housing stock is provided with these facilities.

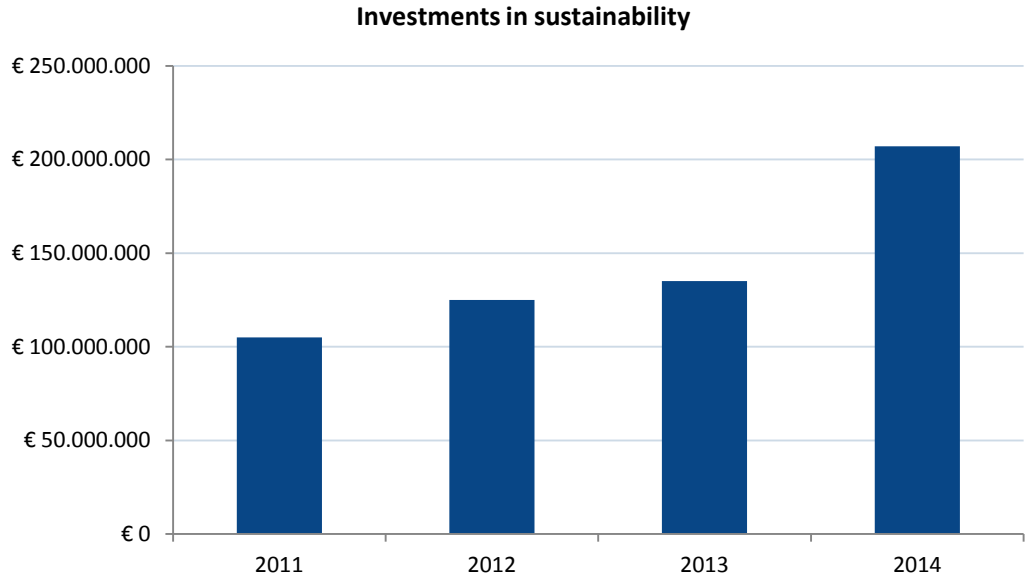

Figure 3.13 Course of investments in sustainability - The Netherlands. Source: BZK

In appendix A17 an overview of investments per measurement of the year 2014 can be seen. Overall, it can be said that there are no big differences between all housing associations. When an average is taken from the different sizes of housing associations they all invest on average about €11.000 euro on energy improvement measures (in other words per dwelling). What differs is the percentage of the total investment. Here is notable that large housing associations spent an average of 13% of their total investment capacity on energy

improvements. For medium housing associations this average is 42%. Finally, small housing associations spent on average 25% of their total investments to energy improvement. From here it can be said that the large housing associations are more capable to improve on energy measures due to the availability of investment space. For medium sized housing associations it is more difficult to improve more on energy measures, since they already spent almost half of their investment capacity on energy measures.

3.7. Conclusion

Overall it can be said that there are many trends in the social housing stock. First of all the social housing stock is decreasing, whereby there is a decrease in the amount of cheap and affordable dwellings and an increase in the amount of expensive dwellings. When the housing stock of the Utrecht region is compared to the Netherlands as a whole it is notable that the share of dwellings with a rent under the capping limit is smaller in Utrecht (57,5%) then the Netherlands (63,6%). At the same time the share of households entitled to the housing benefit is smaller in Utrecht (22%) then in the Netherlands as a whole (29%). This means that both the supply and demand for the primary target group are smaller which can indicate that there do not have to be a larger waiting time for Utrecht compared to the Netherlands.
The demand and supply for the Utrecht region indicates that overall there is a slightly higher demand than supply on the social housing market. This does not match the numbers of waiting period and search time. ‘Desire seekers’ who wait for a long time for their desired dwelling largely explain this.

Furthermore the amount of allocations is increasing compared to a decrease in the total housing stock. This means there are more mutation a year. Within the allocation it can be seen that allocations for the primary target group are increasing whereby there is a large increase in allocation to expensive dwellings. This trend is not in line with 'appropriate allocation' and should change the coming year, since they have to be allocated mostly under the capping limit. Next to that the allocations to the remaining target groups (high incomes) are more and more decreasing, this is explained by the introduction of the State Aid regulation (90%-norm). The trend that the most allocations are to the primary target group has a positive effect on the waiting time and success rate. The primary target group has the lowest waiting period, followed by the secondary target group. Next to that they have the highest success rate.

For 'appropriate allocation', which is not yet applicable in this period, there is one point of interest. An enormous drop can be seen in 2013, which means that housing associations allocate expensive dwellings to the primary target group. This trend can be explained by harmonization and rent increases due to the property tax, abolition of the income registration and the fact that the amount of dwellings under the capping limit are decreasing.

For sustainability it can be said that housing associations are making progress on this subject. The average Energy Index is improving every year and thereby the amount of

investments is increasing over the years. Still from this point housing associations have a big task to meet the energy agreement the upcoming years.

In the table below an overview is made with several measurements for the different sizes of housing associations in the Utrecht region. The used colors indicate the sequence of the score from the best score (light blue) to the less best score (dark blue), the numbers between brackets give the link to the used paragraph and appendix. From here it is interesting to note that the small housing associations score on average for all measurements except for 80/10/10, but this is just a slight difference. The medium sized housing associations score the best, with as an exception their investment possibilities. This can be compensated by the fact that they have the best Energy Index and there is less need for investment capacity. The large housing associations have to work the hardest on appropriate allocation and on the improvement of their Energy Index. Hereby they have the largest possibilities in their investment capacity to make this happen.

Appropriate allocation 2015 (3.3/A9)	55%	62%	53%
80/10/10 (3.3/A10)	95%	96%	97%
Waiting period 2015 (3.4/A11)	8,2 year	8,1 year	8,5 year
Energy Index (3.5/A16)	1,66	1,60	1,76
Percentage investment in energy of total investments (3.6/A17)	25%	42%	13%

Table 3.4 Overview frame of reference

Legend:	Best score	Second score	Third score

In the next chapter the same topics will be analyzed to give insight in the developments since the introduction of the new Housing Act.

4. Availability and sustainability of current situation

In this chapter a frame of comparison is drawn. This frame is about the current situation and there where necessary, a prognosis of the future with the new Housing Act taken into account. This frame is drawn in line with the previous chapter in order to make a correct comparison. In the first paragraph the composition of the social housing stock with different target groups is described. In the second paragraph is described how many people make use of benefit for social housing, this is the main target group of social housing and furthermore very important for the introduced 'appropriate allocation'. This is followed by the allocation of social housing in the third paragraph, which target groups are allocated to which dwellings, according to the introduced 'appropriate allocation'. The fourth paragraph describes the success rate and waiting period for social housing, the time people have to wait for a social dwelling is an appropriate measurement of the availability of social housing. At last, in the fifth and sixth paragraph the energy labels of social housing and investments in sustainability are discussed. In the conclusion the two frames are compared with each other and the differences between for and after the introduction of the Housing Act are described. This all results in a conclusion of this chapter that gives an answer to the questions:

What are the consequences for the housing association in the availability of social housing after the introduction of the new Housing Act?

What are the consequences for the housing association regarding sustainability measures after the introduction of the new Housing Act?

For this analysis the same frames are used as in the previous chapter. This applies the different categories of rents, distinctions in income groups and the different sizes of housing associations. For this frame of comparison different datasets are used. First of all the data from WoningNet, from the first of January 2016 till the first of July 2016. This data is used for the headings about allocation. For the headings about the prognosis of the possession of housing associations and the prospective energy labels there is made use of the prospective information (dPi). This information is from the period 2015-2020, which is useful since the Energy Agreement should be met in 2020.

4.1. Composition social housing stock

For the current composition of the social housing stock for this frame of comparison is made use of the dPi, which gives insight into the current possession and the prognosis of the possession of the social housing sector. This is another data set compared to the frame of reference, where is made use of WoonOnderzoek. Some deviations between the different datasets can be seen.

When the distribution of 2015 is compared to WoonOnderzoek for the Netherlands as a whole, it is notable that the share of cheap and affordable dwellings in WoonOnderzoek are smaller than in the dPi and for both expensive categories it is the other way around. If a category is increasing or decreasing is equal in both datasets. The data from WoonOnderzoek is based on a sample and is generalized to the whole Netherlands. Where

the first year of the dPi is the real possession of the housing associations supplemented with prognosis about the following years.

As can be seen in table 4.1 the share of cheap dwellings and affordable dwellings will decrease the following years, according to the dPi. This is a notable development since the households entitled to the housing benefit (primary target group) have to be allocated to these dwellings according to 'appropriate allocation'. Next to that both expensive categories will increase the upcoming years. Especially the developments in dwellings with a rent above the liberalization limit are not in line with the new Housing Act since housing associations should focus on the core business; on social dwellings instead of commercial dwellings. The question is if housing associations (already) adjusted their policy to the new Housing Act when information for this dPi was provided.

Prognosis possession social housing stock - the Netherlands						
	2015	2016	2017	2018	2019	2020
Cheap	20%	19%	18%	17%	16%	16%
Affordable	62%	62%	62%	61%	61%	61%
Expensive until €710,68	14%	14%	14%	15%	15%	16%
Above €710,68	5%	6%	6%	7%	7%	8%

Table 4.1 Prognosis social housing stock - the Netherlands. Source: dPi 2015

When these ratios are analyzed for the Utrecht region, see table 4.2, there are no striking deviations. For both the cheap and affordable dwellings the share is lower in the Utrecht region compared to the Netherlands as a whole, which follows the line of the frame of reference. This also fits with the trend that the household income is above average in the Utrecht region. The only deviation is that the distribution between expensive until €710,68 and above €710,68 are slightly different from the Netherlands as a whole.

Prognosis possession social housing stock - the Utrecht region						
	2015	2016	2017	2018	2019	2020
Cheap	18%	18%	16%	15%	15%	14%
Affordable	56%	57%	56%	56%	56%	55%
Expensive until €710,68	21%	21%	22%	23%	24%	25%
Above €710,68	5%	5%	5%	6%	6%	6%

Table 4.2 Prognosis social housing stock - Utrecht region. Source: dPi 2015

4.2. Housing benefit

As researched for the frame of reference the outcome was that the share of households who were entitled to the housing benefit was fluctuating a little bit over the last years, with a little increase the last years. Since there is no prognosis data available for the housing benefit there is made use of the short-term forecast of Centraal Planbureau (CPB) of the economic situation. In this short-term forecast is visible that from 2015 to 2017 the gross domestic product is increasing between 1,7% and 2,0% (CPB, 2016a). Next to that there is a small improvement in the unemployment rate, due to improvements in the economic situation (Nidap, 2016). Since this growth already took place from 2014 to 2015 and the

share of households entitled to the housing benefit did not show remarkable changes it is assumed that this share of people entitled to the housing benefit will not change considerably in the upcoming years. One of the explanations for this can be the fact that the population is growing and thereby the amount of households. People prefer to live alone and more seniors live on their own than before (CPB, 2016b). Single households have on average a lower income than more person households and are therefore earlier entitled to the housing benefit. So overall the income of households will increase due to the growth calculated by CPB, but because there are more single households, there will be more households who can be entitled to the housing benefit.

The amount of housing benefit per household does not have to change due to the new allocation regulations. Households who are entitled to the housing benefit only get benefit over the rent until the capping limit. The part of the rent above the capping limit is entirely for the account of the household (Woonbond, 2015). With the new regulation of 'appropriate allocation' they will be allocated in cheaper dwellings (under the capping limit), but this does not have as a result that the amount of housing benefit will be lower, since they did not got benefit over this expensive share of the rent before as well.

4.3. Allocation of social housing stock

For the allocation of social housing is made use of the set of data that is provided by WoningNet. As the same as in the previous chapter it is focused on the Utrecht region, due to limited access to data. Furthermore the housing associations will stay anonymous in this chapter as well, due to privacy reasons. Finally it is good to keep in mind that this data is only about the first half year of 2016, it will give a real impression of their achievements, but housing associations can make changes in the second half-year.

In this paragraph will be examined in which way allocations takes place since the introduction of the new Housing Act. First the allocation in total is researched, which dwellings are allocated to which target group. Secondly the introduced 'appropriate allocation' is assessed and finally the '80/10/10-regulation' is tested. For all these headings first the the Utrecht region is researched as a whole, followed by the breakdown in different sizes of housing associations. To give insight into to developments of these headings the previous years are shown in the graphs as well. Hereby the influence of the new Housing Act is more visible.

Allocation of social housing

The elaborated dataset of WoningNet gives insight into the allocation of social dwellings in the Utrecht region since the introduction of the new allocation regulation belonging to the new Housing Act on the first of January 2016. For the exact numbers of allocation, see appendix B1.

In the first half year of 2016, the amount of allocations amounted to 2.563.This is not yet half of the number of allocation of 2015, which was 5.950 dwellings. Or this means that the amount of allocations will decrease in the year 2016 or the allocations are not divided equal over the year. Of these allocations the majority is still to the primary target group (72%),

despite there is a decrease compared to 2015 (81%). Within this primary target groups some developments can be seen. First of all the share of allocations to cheap dwellings stays quite the same. More striking is the share of allocations to affordable dwellings is increasing heavily, against a strong decrease to expensive dwellings, see figure 4.1. This is caused by the introduction of 'appropriate allocation', where the primary group is for the most part not allowed to be allocated to expensive dwellings anymore. It is interesting that this is largely intercepted by affordable dwellings, almost not by cheap dwellings. Most likely this is caused by the fact that the supply of cheap dwellings is minimal.

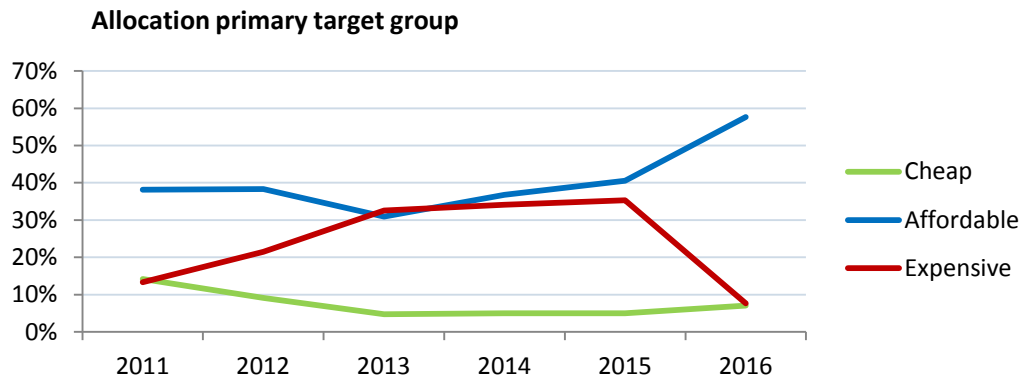

Figure 4.1 Allocation to primary target group - Utrecht region. Source: based on WoningNet

For the secondary target group another trend can be seen. The share of allocation to this target group does not differ a lot from the past years, this percentage was fluctuating between 29% and 21% and is set on 25% for 2016. What does differ is the deviation of allocation to the different rental classes. As can be seen in figure 4.2 there is a major increase in allocation to expensive dwellings. This is caused by the fact that due to the '80/10/10-regulation' is focused on the primary and secondary target group, and besides that within this 80% most of the affordable dwellings are allocated to the primary target group due to 'appropriate allocation', so logically the expensive dwellings are allocated to the secondary target group. For the remaining target groups there is even less allocation then in the previous years, which is in line with the '80/10/10-regulation'.

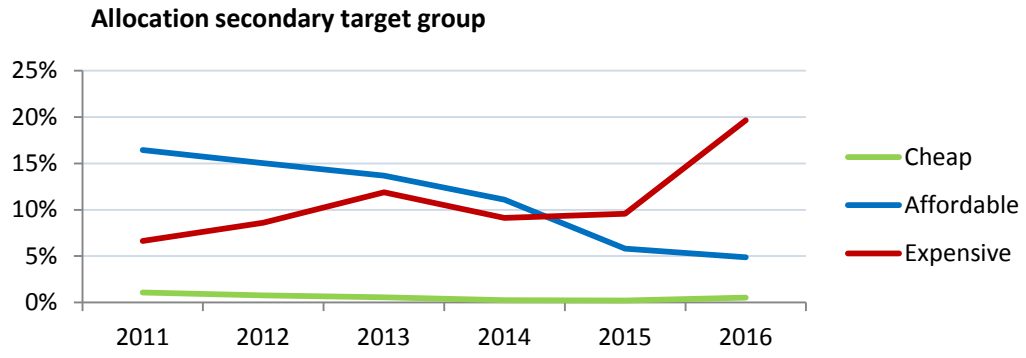

Figure 4.2 Allocation to secondary target group - Utrecht region. Source: based on WoningNet

When a comparison is made between the different sizes of housing associations a few deviations are worth mentioning. First of all, the primary target group. For all three sizes the total allocation of the primary target group to affordable dwellings is increasing, but

between the sizes the follow deviations apply: there is a larger increase in allocation to the affordable dwellings for large housing associations compared to the Utrecht region. For medium sized and small housing associations this increase is substantial smaller. This development can be seen in the graphs in figure 4.3.

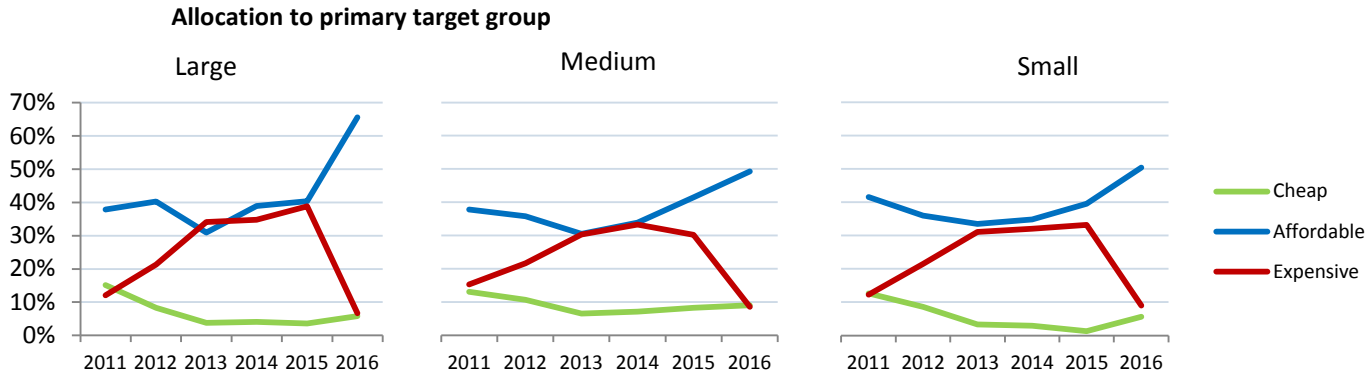

Figure 4.3 Allocation to secondary target group - sizes of housing associations. Source: based on WoningNet

In line with this development, the allocation of the large housing associations to the secondary target group differs from the medium or small housing associations; see appendix B2. Large housing associations focus mainly on the primary target group with a smaller share to the secondary target group, where the medium sized and small housing associations have a larger share to this target group compared to the average of the Utrecht region. Within this secondary target group, for all sizes of housing associations the allocation to expensive dwellings is increasing strong. For the remaining target groups there are no major deviations. Here it can be said that large housing associations focus more on the primary target group compared to medium and small.

'Appropriate allocation'

From the first of January 2016, housing associations are addressed to 'appropriate allocation'. In this heading is researched to what extend housing associations are allocating the primary target group to dwellings with a rent under the capping limit. Over the complete year this should be 95%. As can be seen in figure 4.4 this criteria is not yet met in the first half year of 2016.

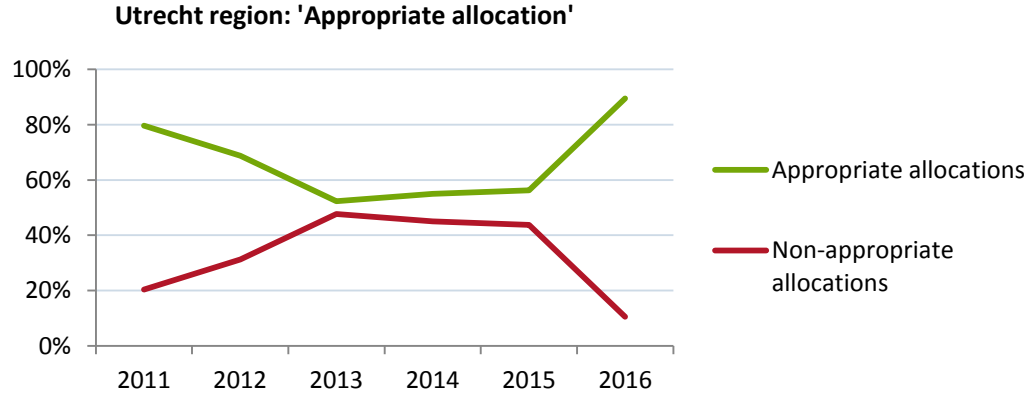

Figure 4.4 'Appropriate allocation' - Utrecht region. Source: based on WoningNet

In the first half year of 2016 89% of the allocations took place 'appropriate'. This means that a major improvement took place since the introduction of the new Housing Act, but that the target is not yet reached. Housing associations still have the second half-year to fulfill the target, although they have to allocate 100% appropriate to reach an average of 95%. Hereby the amount of allocations should be kept in mind, the higher the amount of allocations the more influence it can have on the average percentage of 'appropriate allocation'.

When a comparison is made between the different sizes of housing associations there are some points of interest to be discussed. For the corresponding graphs, see appendix B3. In the first place, large housing associations allocate the most 'appropriate' with 91%. This is followed by the medium sized housing associations with 87% and small housing associations allocate the least 'appropriate' with 86%. These numbers are interesting since the large housing associations allocated the least appropriate before the introduction of the new Housing Act. In other words, they made the largest progress for this ratio. A logical explanation for these numbers is that at large housing associations more allocations take place whereby more influence can be exerted on the final ratio. Another explanation could be that large housing associations have a more clear vision or policy on how they will reach this target compared to smaller housing associations. There are different policies used by housing associations, which are discussed below.

Since housing associations have to allocate dwellings with a rent under the capping limit to households entitled to the housing benefit and thereby the success rate for this target group cannot be shrinking, housing association have to adjust their rental policy. Most of the time this means that they have to add dwellings to this part of the housing stock (rents under the capping limit). In general there are two possibilities when adjusting the rental policy. The first one is 'two rents policy' (tweehurenbeleid). Within this policy there are two possible rents per dwelling. The final rent depends on the allocated household. When they are entitled to the housing benefit (primary target group) the rent is capped under the capping limit and when the dwelling is allocated to the secondary or remaining target group the rent can be set above this capping limit. The main advantage of this policy is that the success rate of the primary target group does not have to decrease, due to less available dwellings with a rent under the capping limit. The disadvantage of this policy is that it is difficult to have insight into the financial continuity of the housing association. With the second policy is made use of so-called 'pools'. Hereby housing associations make an indication about the amount of dwellings they need in a certain price range depending on the prognosis of the composition of their target groups. The rental prices are set on forehand, what most of the times means that a certain share of the dwellings needs reduction of the rental price to meet 'appropriate allocation'. The advantage of this policy is that housing associations are able to have insight into their financial continuity. The disadvantage of this policy is that it is difficult to decide on forehand the amount of affordable dwellings needed for the certain target groups (Platform 31, 2015). Under the next heading is researched to what extent is allocated to the different target groups.

80/10/10-regulation

As became clear in the previous chapter, housing associations have no difficulties with meeting the 80/0/10-regulation due to the previous introduced State Aid regulation. As can

be seen in figure 4.5 also after the introduction of the new Housing Act this regulation is met amply.

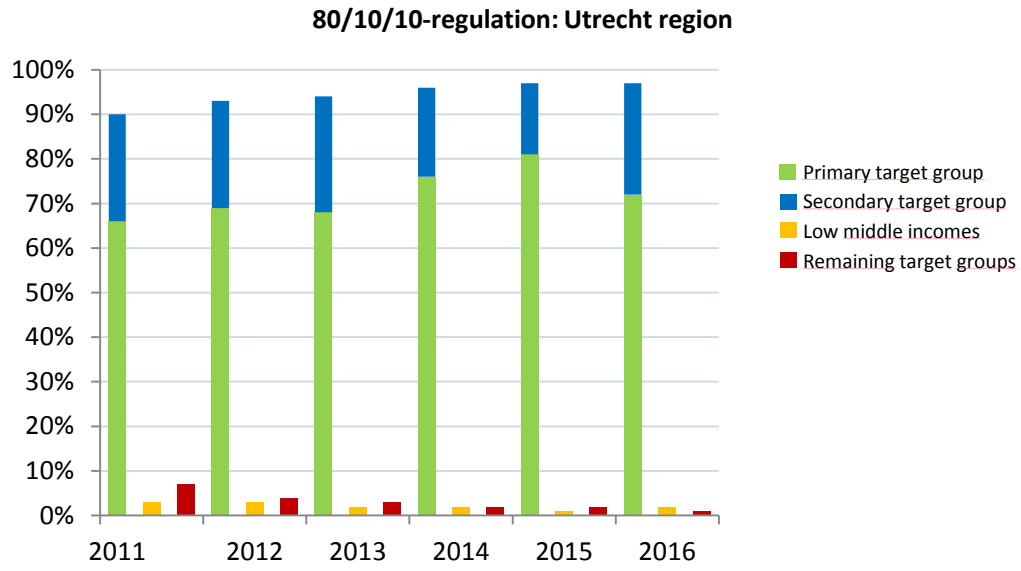

Figure 4.5 '80/10/10-regulation' - Utrecht region. Source: based on WoningNet

As already stated under the heading allocation, there is a decrease in the amount of allocations to the primary target group. It can be seen in figure 4.5 that this share was increasing in the past years, but that a decrease is visible in 2016. From 81% in 2015 to 72% in 2016. The secondary target group covers this, where an increase from 16% to 25% took place. From here it can be said that probably due to 'appropriate allocation' the availability for the primary target group is declined.

When a comparison is made between the different sizes of housing associations it can be seen that all sizes of housing associations meet the 80/10/10-regulation easily; see appendix B4. When it is about the share of allocation to the primary target group, it is notable that the large housing associations score the best on this with 78, which this is a decrease of 5% compared to 2015. Medium housing associations score second on this ratio with 67% and have the largest decrease with 13% less compared to 2015. Small housing associations score the lowest on this ratio with 65%, this is a decrease of 9% compared to 2015.

Based on these results it could be said that it is logical that the waiting period of the primary target group is increasing, this is researched in the next paragraph.

4.4. Waiting period, search time and success rate

For this paragraph, the dataset provided by WoningNet is also used. Here is focused, similar to the previous chapter, on waiting period, search time and success rate. In this paragraph is researched to what extent the new Housing Act has influence on these subject, hereby the focus lies on 2016. First of all the waiting period will be tested; what is the registration time of the allocated households. A distinction is made in supply model and supply and lottery model, where lottery is taken into account as well. This is followed by search time, the period that households are actively looking for a dwelling. Finally, the success rate is studied

that gives insight into the ratio between households looking for a dwelling and household who actual accepted a dwelling.

Waiting period supply model

Most of the allocations of WoningNet are carried out with the supply model, based on the registration time of the household. Where in the previous chapter was concluded that the waiting period is increasing for all target groups this does not apply anymore since the introduction of the new Housing Act. As can be seen in figure 4.6 the waiting period for the secondary and remaining target groups is decreasing and the waiting period for the primary target group is increasing. Compared to the numbers from the '80/10/10-regulation' this is a logical result for the primary and secondary target group. The amount of allocations to the primary target group is decreasing since 2016, which indicates a larger waiting period and for the secondary target group this amount of allocations is precisely increasing that has an increase of the waiting period as a result. Compared with the '80/10/10-regulation' the results for the remaining target groups are not in line. The amount of allocations to the remaining target groups are still decreasing since the introduction of the new Housing Act but the waiting period is decreasing as well. This can be largely explained by the fact that this target group is aware that they are not the main target group of housing associations and that there are less dwellings available for them, so they respond less to dwellings of housing associations and they focus more on the commercial housing sector.

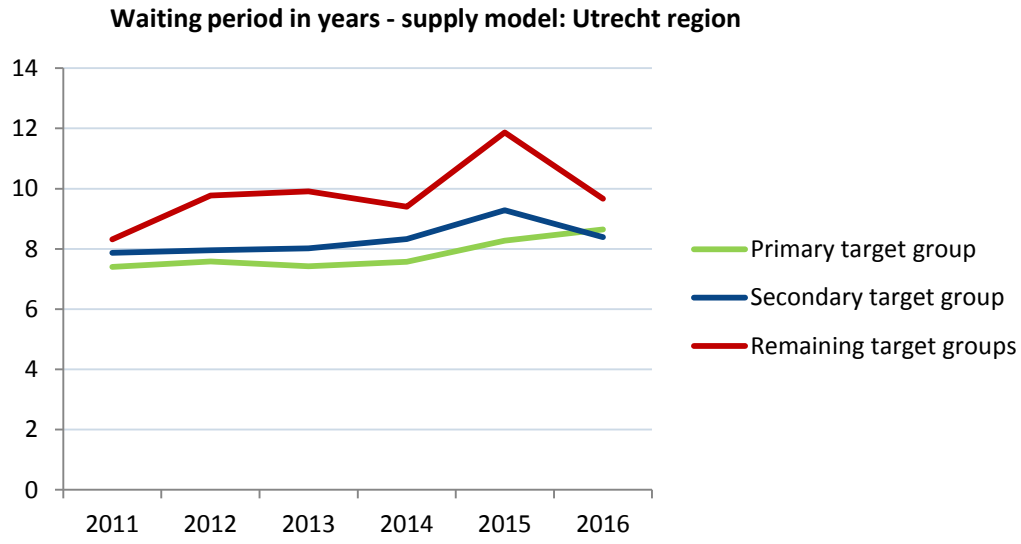

Figure 4.6 Waiting period in years: supply model - Utrecht region. Source: based on WoningNet

The waiting period for the primary target group is increased to 8,7 years, compared to 8,3 in 2015. When this is compared to the different sizes of housing associations (see appendix B5) the large housing associations score the worse on this rate, with a waiting period of 9,3 years, compared to 8,5 in 2015. For medium sized housing associations the waiting period is the same as in 2015, namely 8,1 years. For the small housing associations there is a decrease compared to 2015, from 8,2 years to 7,2 years, which is not in line with the amount of allocations researched by the '80/10/10-regulation'. For the secondary target group the waiting period decreased to 8,4 years, from 9,3 years in 2015. This decreasing line can be seen at all the different sized of housing associations. For the remaining target groups the

waiting period is decreased to 9,7 years, from 11,7 years in 2015. This trend can also be seen at all different sizes of housing associations.

Waiting period supply and lottery model

As already discussed in the previous chapter there are housing associations that make use of the lottery model. Due to this lottery model the waiting period is shorter compared to the supply model. The trend of the development of the waiting period is in line with the trend of the supply model but than more or less one year shorter. This indicates that since the new Housing Act the share of allocations by lottery have not increased or decreased. See appendix B6.

Search time

It is expected that the search time follow the trend of the waiting period, only with a shorter time because it is based on actively searching households. As can be seen in figure 4.7 the trend for the primary and remaining target groups follows the line of the waiting period, primary is increasing and remaining is decreasing. The search time for the secondary target group is increasing in 2016 compared to 2015, instead of decreasing like the waiting period. This is most likely explainable by desire seekers; households are for example looking for cheaper dwellings, which are now mostly allocated to the primary target group.

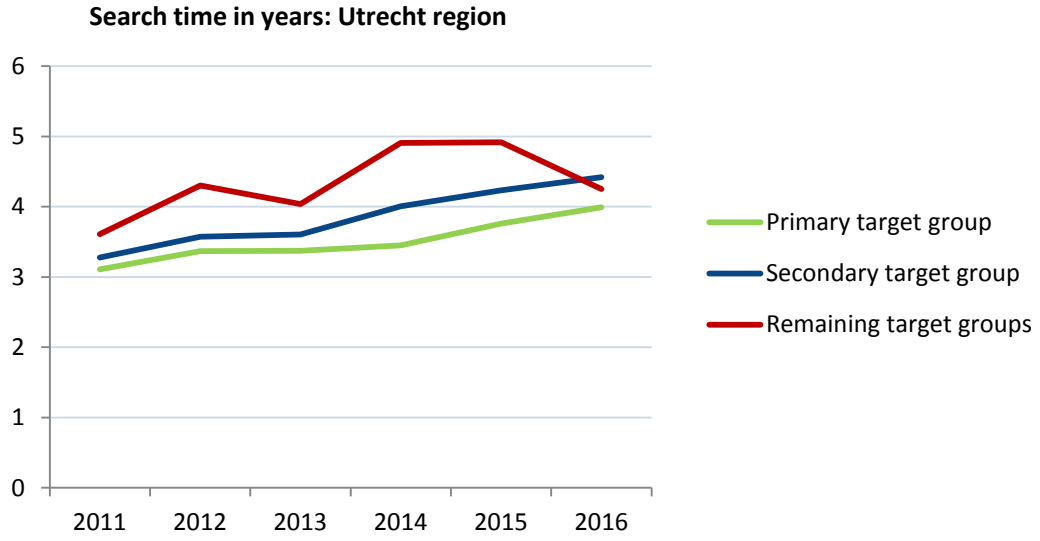

Figure 4.7 Search time in years - Utrecht region. Source: based on WoningNet

When a comparison is made between the different sizes of housing associations the follows are notable; see appendix B7. The large and medium sized housing associations practically follow the line of the Utrecht region for the primary and secondary target group. The large housing associations only have a larger increase for both groups compared to the Utrecht region. Small housing associations differ slightly from the Utrecht region. They have a littlie decrease in search time for the primary target group in 2016 and there is just a small decrease for the secondary target group. Since there are little cases in the remaining target group there is only focused on the primary and secondary target group.

Success rate

The success rate is measured by looking at the ratio between households finding a dwelling and households actively looking for a dwelling. Here there was limited access to data of WoningNet, which resulted in a period researched from January 2015 until the first half-year of 2016.

In figure 4.8 the course of the success rate can be seen. In this figure some interesting trends are notable. First of all where the primary target group had the highest success rate during 2015 there can be seen a drop in this rate for 2016. The highest rate in 2015 was 6.5% and is now at 4.5%. This means that the primary target groups has less success in finding a dwelling compared to the previous year. This is in line with the trend of the '80/10/10-regulation' where is seen that the amount of allocations to the primary target group is decreased. Since the amount of households actively looking for a dwelling is more or less equal to 2015 (see appendix B8), this negative development is explainable. In the Explanatory Memorandum of the new Housing Act is stated that 'appropriate allocation' cannot cause a decrease in success rate for the primary target group (Ministerie van Wonen en Rijksdienst, 2015). In other words the availability for this target group should stay the same. Here it is seen that housing associations do not meet this agreement. For the secondary target group an opposite trend can be seen. Where the success rate for this target group was on average the lowest in 2015, it is the highest in 2016, with an average score of 6,2%. This is also in line with the trend seen at the '80/10/10-regulation', where the share of allocations to the secondary target group is increasing. For the remaining target group there is an increase in the success rate since 2016, which is not in line with the share of allocations to this target group. The supply of dwellings is decreasing, but because the amount of households actively looking for a dwelling in this target group is decreasing heavily, from 495 in 2015 to 267 in 2016 (see appendix B8), the ratio is increasing. This drop in households actively looking for a dwelling means that this target group is less focused on social housing due to the new Housing Act.

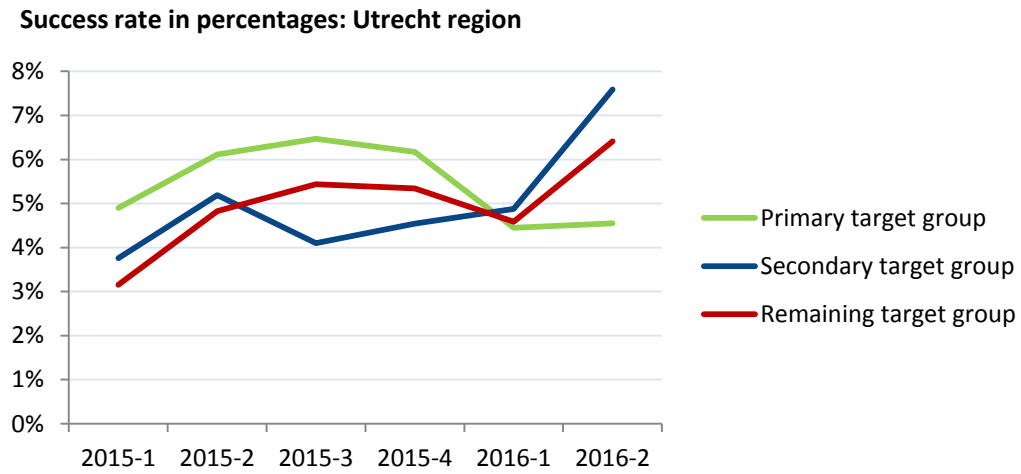

Figure 4.8 Success rate in percentages - Utrecht region. Source: based on WoningNet

Comparison between the waiting period, search time and success rate

When a comparison is made between the waiting period, search time and success rate an interesting development can be seen. Where in the period before the new Housing Act the primary target group can be seen as the best guarded target group by housing associations this has changed since the introduction of the new Housing Act. Both the waiting period and the search time increased for this target group where a decrease can be seen for the secondary and remaining target groups. This trend is also visible in the success rate, which has a negative development for the primary target group compared to a positive development for the secondary and remaining target groups. This all is mostly caused by 'appropriate allocation', with a decrease in allocations to the primary target group as a result.

4.5. Energy labels of social housing stock

For this frame of comparison the current energy label and corresponding Energy Index is researched. Thereby the situation of 2016 is not sufficient to give insight into the probability of achieving the target of average label B in 2020. In this paragraph is therefore made use of the dPi, where housing associations give a prognosis about their portfolio, among others about the energy labels. The prognosis is given till 2020, where the Energy Agreement should be met. In other words, with an average Energy Index of 1,35 in 2020 the housing associations will meet the agreed target.

As researched in the frame of reference, the Energy Index of 2015 for the Netherlands is 1,74, which can be indicated as label C, see appendix A15 for the translation between energy labels and Energy Index. In figure 4.9 can be seen that the energetic quality of the social housing stock is improving. More sustainable dwellings become part of the possession of housing associations and the share of poor dwellings is decreasing. In 2015 the share of dwellings with an energy label B or higher is 26%, in 2020 this is improved to 40%.

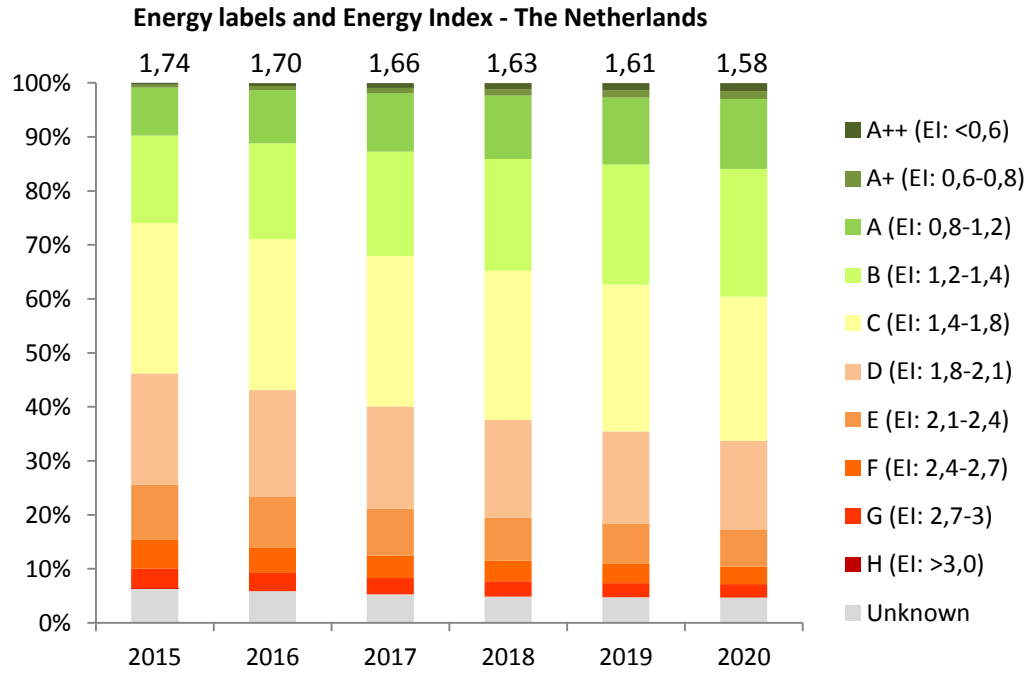

Figure 4.9 Prognosis energy labels - The Netherlands. Source: based on dPi 2015

In 2020 the expected Energy Index is 1,58, which is still corresponding with label C. From this data could be said that the target is not met by housing associations in 2020. When the expected line is extended, see figure 4.10, the target will be met around the year 2028.

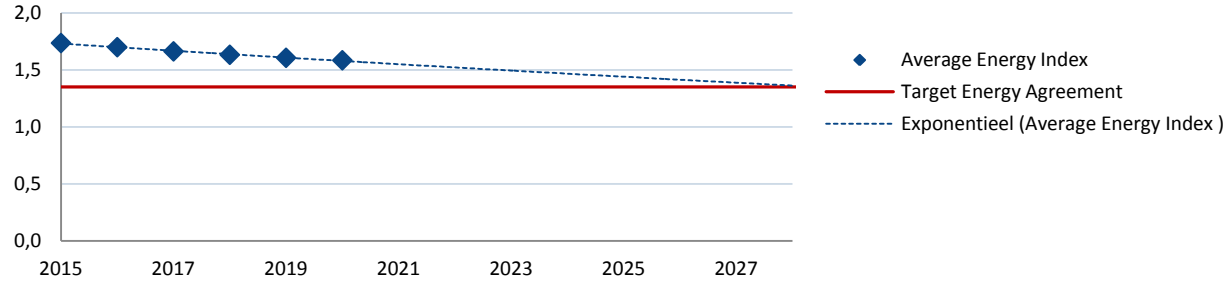

Figure 4.10 Prognosis Energy Index. Source: based on dPi 2015

For the Utrecht region the expected energetic quality of the social housing stock is improving better than in the Netherlands as a whole. As can be seen in figure 4.11 the average Energy Index in 2020 is 1,53. Where in 2015 a share of 31% had an energy label B or higher, in 2020 this share will be improved to 46%. This is 6% more than for the Netherlands.

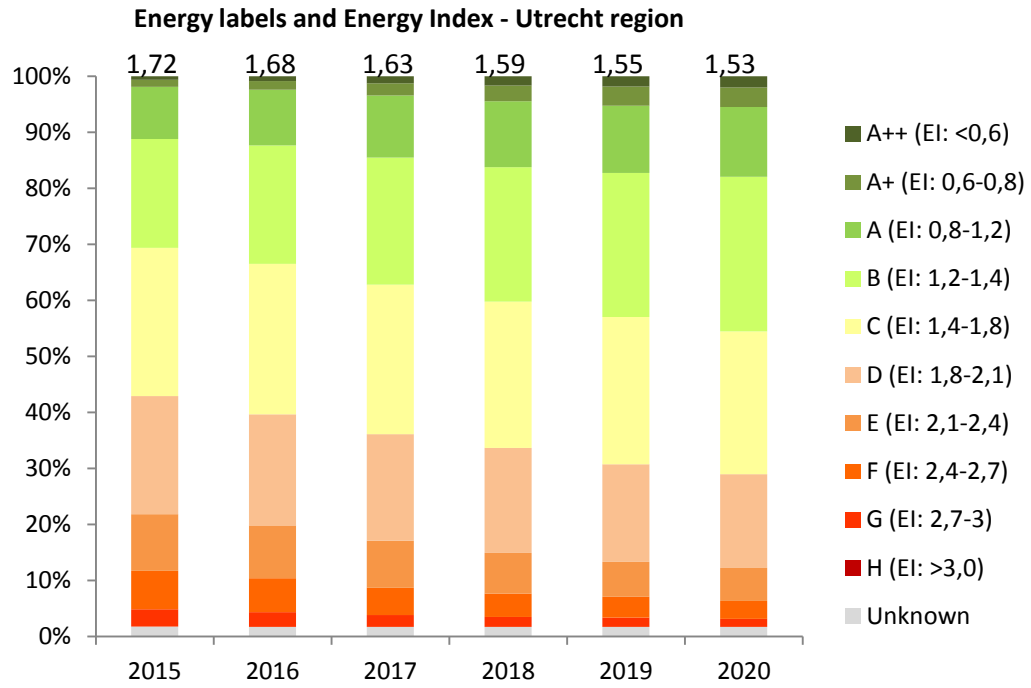

Figure 4.11 Prognosis energy labels - Utrecht region. Source: based on dPi 2015

As well as for the Netherlands it could be said that the Utrecht region does not fulfill the target of an average label B in 2020. In Appendix B9 the expected line of the Energy Index for housing associations in the Utrecht region is visualized. Here the expectation is that the agreement is met around 2028 when the current prognosis is continued.

When a comparison is made with the different sizes of housing associations there are a few points of interest, see Appendix B10. The line of large housing associations for the energetic quality of the housing stock is comparable to the line of the Netherlands. For this category the expected Energy Index is 1,58 in 2020, the same as for the Netherlands. It is striking that there the share of dwellings with a label AAA is minimal in 2020. This has a negative

influence on the average label. The medium sized housing associations score the best from all housing associations. In 2020 they will reach an average Energy Index of 1,42. The larger share of dwellings with label AAA mostly causes this result and AA and a little share of dwellings with label F or G, both have a positive influence on the average Energy Index. Small housing associations score better on the expected Energy Index in 2020 with an index of 1,48. It is striking that the small housing associations have, such as the large housing associations, almost no dwellings with a label AAA.

With a brief retrospect to the frame of reference no substantial differences can be seen. Still the Utrecht region scores better then the Netherlands as a whole and divide into the different sizes of housing associations, medium sized housing associations have the best prognosis, followed by small housing associations and the large housing associations still have the biggest task to meet the agreement. Overall all sizes of housing associations make more or less the same improvements.

4.6. Investments in sustainability

For the frame of comparison it is useful to get insight into the investments in sustainability for the coming years. Where housing associations have to give insight into these numbers in the dVi, it is not included in the dPi, which is about the prognosis. What is included in the dPi are the investments in improving the social housing stock, which means among others sustainability. Next to that there is made use of the indicative spending limit housing associations (IBW) to see what the capacity is for housing improvements.

In figure 4.12 a graph of the investments in improvements per social dwelling can be seen. Hereby the total forecasted amount in improvements are divided by the amount of dwellings of the housing associations belonging to the Utrecht region and the same sizes for housing associations are used, see appendix B11. Because not every single dwelling of the social housing is scheduled for improvements, the amounts per dwelling is quite low. Some trends can be seen. The large housing associations have overall the highest investment per dwelling. The medium sized housing associations invest in most cases more than small housing associations, with some fluctuations during the years. On average the large housing associations invest €1440 per dwelling per year on housing improvements, the medium sized housing associations €940 and the small housing associations €790. Here should be taken into account that several housing associations did not give up any numbers on the forecast of improvements. This is mostly at small housing associations, and has a negative influence on the average amount. This can indicate that they are not planning to do any investments in housing improvements, or that their plans do not reach the timeline and left it therefore blank.

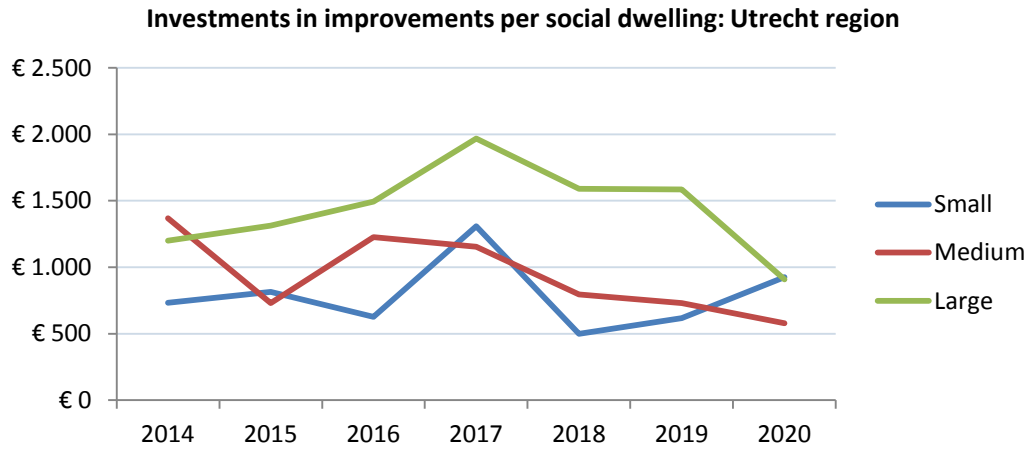

Figure 4.12 Investments in improvements per social dwelling - Utrecht region. Source: based on dPi 2015

The numbers above are the budgets housing associations are intending to spend on improvements in social housing. Next to that there is an indicative spending limit housing associations (IBW), which gives insight into the financial possibilities of housing associations. This financial possibilities are calculated on several financial ratios. The space left on a healthy ratio is changed into financial capacity. This IBW is divided in three categories: new build, housing improvements or rent reduction. These three categories are not countable; it is one of the categories or a combination of them. For this heading the IBW of housing improvements is used. This includes information of the financial space of housing associations based on their policies in the dPi. Housing improvements indicate renovation and sustainability. This IBW is on top of the investments housing associations give up in the dPi (VNG, 2016). In appendix B12 an overview of the IBW per housing associations can be find. This is divided by the amount of dwellings to make it comparable. From here it can be said that the differences in IBW between the different sizes of housing associations are not large. With a note that two small housing associations do not have a IBW, so this has a negative influence on the average. Furthermore an overview is made of the possible amount of renovations, see appendix B13. The IBW is based on an average renovation cost of €40.000 per dwelling. This is based on the principle that housing associations will never renovate only on sustainability but improve the dwellings also on other points, for example a new kitchen (Conijn & van 't Hek, 2016). With these numbers, 35% of the housing stock of small housing associations can be renovated, 34% for medium sized housing associations and 32% of large housing associations. The numbers of the IBW are summarized in table 4.3.

	IBW 2015-2020	Percentage of housing stock that can be renovated according to IBW
Small	€ 14.182	35%
Medium	€ 13.439	34%
Large	€ 12.805	32%

Table 4.3 IBW numbers per sizes of housing associations. Source: IBW

From here, it can be indicated that it is financial possible to reach the target of average label B in 2020, since these numbers are above the prognosis of the dPi. Especially for small and medium sized housing associations, since they are not far away from the target according to

the prognosis. With this some conditions should take into account. First it is questioned if it is feasible logistic to renovate this share of the social housing stock in the coming three years. Next to that, the IBW is an indication and therefore it is not safe and realistic to spend this whole limit. Finally, when this IBW is used to a great extent, there are less possibilities for affordability and availability for example.

When these two numbers are added together, the total possible investment capacity per dwelling in the period of 2015 until 2020 is shown, see table 4.4. For the small and medium housing associations the total capacity is quite equal, the large housing associations have over €2.500 more per dwelling on capacity. This means that for large housing associations there is the most space in investment capacity to improve on their energy labels.

	Improvements 2015-2020	IBW 2015-2020	Total
Small	€ 5.527	€ 14.182	€ 19.709
Medium	€ 6.587	€ 13.439	€ 20.026
Large	€ 10.060	€ 12.805	€ 22.865

Table 4.4 Prognoses improvements and capacity according to IBW

4.7. Conclusion

After the introduction of the new Housing Act there are trends that continue in the same way and new trends can be seen. First of all the development in the social housing stock continues in the same direction: the share of cheap and affordable dwellings is decreasing and the two categories of expensive dwellings are increasing. This is contradictory with the new Housing Act since 'appropriate allocation' limit housing associations to allocate the primary target group to dwellings under the capping limit. When the share of these dwellings is decreasing it becomes more difficult to meet this regulation. This development can mean that the policy of housing associations is not yet adjusted to the new Housing Act, or they have other options to fulfill this regulation.

For the amount of households entitled to the housing benefit, it is assumed that this will stay more or less equal. This is caused by a little improvement in the economic situation but on the other hand a trend that the amount of single households is increasing. These single households are more often entitled to the housing benefit, due to no double incomes. In other words it can be said that the primary target group will stay more or less the same.

The allocation of social housing has changed since the introduction of the new Housing Act. The primary target group is still the most important target group with the largest share of allocations, but a decrease can be seen from 81% to 72%. This decrease is a result of 'appropriate allocation', due to this regulation there is less freedom in allocation to the different rental categories. There are almost no allocations to expensive dwellings for the primary target group anymore, but the increasing in allocations to affordable dwellings cannot absorb this difference. Where appropriate allocation causes a decrease in allocation to the primary target group, the regulation of 95% is not (yet) met. Although the data is only

about the first half year of 2016, a large task remains for the housing associations. Large housing associations score with 91% the best and small housing associations the least with 86%. That this regulation is not met can be caused by the fact that the share of dwellings under the capping limit is not sufficient. From the other side it can be said that housing associations have not adjusted their policy sufficient to the implications of the new Housing Act. The '80/10/10-regulation' is met easily, by all sizes of housing associations; this trend has not changed since the introduction of the new Housing Act. This is caused by the earlier introduced 90%-norm. Within the 80% of the '80/10/10-regulation' a shift to the secondary target group can be seen. The share of allocation to the primary target group is decreasing; this is not in line with the goal to keep the success rate for the primary target group on the same level as before the new Housing Act.

This trend of a decrease is allocation to the primary target group and increase to the secondary target group can be seen as well in the waiting period and success rate. The waiting period is namely increased for the primary target group and the success rate decreasing, both negative results. For the secondary target group the waiting period decreased and the success rate increased, both positive outcomes. Furthermore the success rate for the remaining target groups increased as well, a positive outcome, but this is distorted by the fact that there are less households actively looking for a social dwelling.

For the agreement of average label B in 2020 it can be said that housing associations are working on improving the energy labels of their housing stock, but not sufficient enough. In this tempo the agreement is met around 2030. Notable is that there is no acceleration is visible near to 2020. Compared to the Netherlands as a whole, the Utrecht region has on average a better prognosis. With the small housing associations having the best prognosis and the large housing associations the worse. When this is compared to the investment in housing improvements there are some notable points. The declared amount of investment in housing improvements by large housing associations are the largest, but the improvements they make on the energy-index is the smallest. Contrary to this is the considerable lower investment per dwelling for small and medium sized housing associations, but they make bigger steps on improving the energy-index. This can be caused by the large share of old dwellings in the urban areas with worse energy labels, which are more expensive to renovate. At the same time housing associations have more or less the same capacity according on the IBW when it comes to housing improvements. From this IBW is can be concluded that there are financial more possibilities in improving the sustainability of the social housing stock.

In the table 4.5 an overview is given of all subjects divided in the different sizes of housing associations. In this table the numbers from the frame of reference are included to make a proper comparison. The used colors indicate the sequence of the score from the best score (light blue) to the less best score (dark blue).

	Small	Medium	Large
Appropriate allocation 2015	55%	62%	53%
Appropriate allocation 2016 (4.3/B3)	86%	87%	91%
Allocation primary target group	74%	80%	83%
Allocation primary target group	65% (-9%)	67% (-13%)	78% (-5%)
Waiting period 2015	8,2 year	8,1 year	8,5 year
Waiting period primary target group 2016 (4.4/B5)	7,2 year	8,1 year	9,4 year
Search time 2015	3,4 year	3,6 year	4,0 year
Search time primary target group 2016 (4.4/B7)	3,2 year (-0,2)	3,8 year (+0,2)	4,3 year (+0,3)
Energy Index 2015	1,66	1,60	1,76
Energy Index 2016 (4.5/B10)	1,62 (-0,04)	1,56 (-0,04)	1,73 (-0,03)
Energy Index 2020 (4.5/B10)	1,48 (-0,14)	1,42 (-0,14)	1,58 (-0,15)
Current investments per dwelling in housing improvements 2015-2020 (4.6/B11)	€ 5.527	€ 6.587	€ 10.060

Table 4.5 Summary of impliciations of new Housing Act per sizes of housing associations

Legend:	Best score	Second score	Third score

Overall some trends can be seen in this division. First of all the large housing associations score the best on subjects belonging to the new Housing Act. They have the smallest decrease in allocating to the primary target group and the highest ratio on 'appropriate allocation'. That the search time is increased is most likely caused by the fact that they focus on appropriateness and fewer dwellings are available for this target group. They are behind on improving the average energy label, but have the most possibilities when it is about investment capacity. For medium sized housing associations it is more or less the other way around. They do not score very well on subjects according to the new Housing Act, for example they have the largest decrease in allocating to the primary target group. On the other hand they score good on the average energy label. Small housing associations are in between both categories with their results.

From here it seems that when housing associations are focused on the new Housing and the belonging availability of social housing, there is less focus on sustainability. In the next chapter is researched if there is a link between the availability of social housing and sustainability.

5. Link between availability and sustainability

In this chapter the link between availability and sustainability of social housing is drawn. In the previous chapters the first input for this chapter is made for both subjects seperatly. In this chapter this input is used to combine with the findings of housing associations on this subjects and explore the link between availability and sustainability. First of all the findings of housing associations about the most important themes of social housing are discussed, followed by the view of housing associations on availability and sustainability and the effects of the new Housing Act. These results are compared with the conclusions made earlier in this research. This all results in a conclusion that gives an answer to the question:

> *What is the relation between the availability and sustainability of the social housing portfolio of housing associations?*

For this analysis is made used of the 'Corporatie Survey' carried out by Finance Ideas about important subjects in the social housing sector. The Corporatie Survey' is a survey hold four times a year at housing associations in the Netherlands. Mostly between the 160 and 180 housing associations respond to this survey. The respondents are on average in 45% of the cases the director of the housing association, followed by 23% of manager finance and 10% manager business operations. The used questions from different surveys are merged in appendix C1.

5.1. Most important themes of housing associations

As was notable in the previous chapter it seems that housing associations that focus on the new Housing Act focus less on sustainability. Under this heading this will be studied. This is done by exploring the focus points of housing associations during the time.

In the period from the beginning of 2015 until now there is questioned every quartile to housing associations what their focus point were for the coming twelve months. In other words, what are the most important themes for housing associations. Hereby 21 themes are given (see appendix C2) with the question to point out the three most important themes for the coming twelve months. The three most important themes are Housing Act, separation proposal and affordability. For this heading it is supplemented with the theme sustainability to see the effects on the subjects. In figure 5.1 the belonging graph is shown.

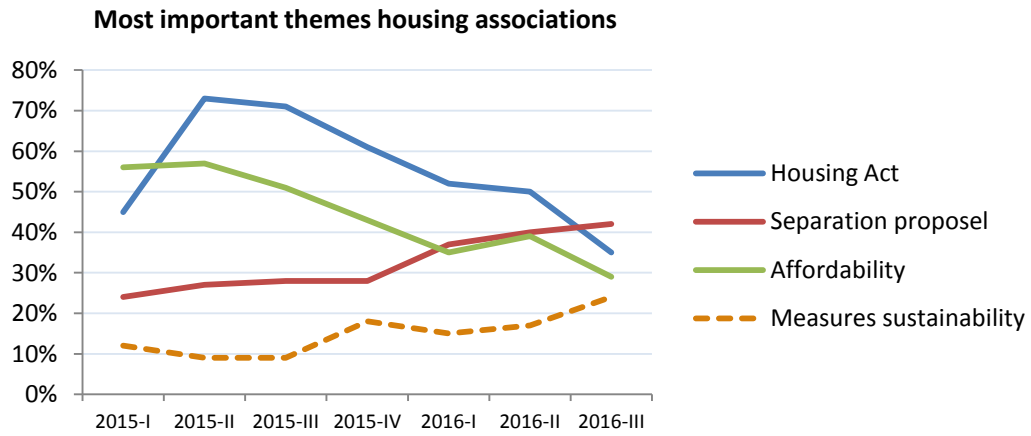

Figure 5.1 Most important themes housing associations. Source: Corporatie Survey Finance Ideas

First of all the new Housing Act is a very important theme for housing associations, with a peak in the second and third quartile of 2015, where more than 70% of the housing associations indicate that the housing act is one of the three most important themes. Most likely is that the housing Act in this period got its accession at housing associations, they realize at this point that there will be many changes and much work to do by the introduction of this new Act. In the periods following the importance of this theme is decreasing, to 35% in the third quartile of 2016. The separation proposal for SGEI and non-SGEI has the opposite trend of the new Housing Act. This is caused by the fact that this proposal need to be hand in at the end of 2016 and is therefore a very important subject at the moment. Next is affordability, it is notable that this theme is for many housing associations one of the three most important themes. Hereby it can be said that they are aware that they have to change their rental policy and create enough possession for the primary target group. When looking at the trend of this theme there is a decrease from 56% in the first quartile of 2015 to 29% in the third quartile of 2016. This indicates that most housing associations adapted their policy before 2016, when 'appropriate allocation' is mandatory. Finally, the importance of sustainability. During the periods there can be seen an increase in the importance of this subject. This is interesting since the Energy Agreement was already from 2012 and does apparently not get the same attention over time. When overall is looked at the ratios of the themes, a link can be seen. For example, when the importance of the housing act is decreasing, the importance of sustainability is increasing. This does not imply that there is a one to one relationship between these subjects, but it can be said that when an important subject shows up at housing associations they focus more on this theme and less on other subject, for example long-term subjects as sustainability.

This shift between important themes has different implications for the different sizes of housing associations. From the data of the survey some deviations can be seen, see appendix C3 for the belonging graphs. First of all the importance of the new Housing Act is the main theme of all sizes of housing associations. Hereby can be said that large housing associations had a shorter peak period than small housing associations. When the importance of the new Housing act is decreasing, the importance of sustainability is increasing at all sizes of housing associations. This increase in sustainability starts earlier at large housing associations and later at small housing associations. The medium sized housing associations are in between these two. There is a logical explanation for this deviation between the sizes of housing associations. It is assumed that there are less employees at small housing associations compared to large housing associations based on the fact that there is less work to do for example due to less dwellings that have to be allocated. At the same time these small housing associations have to make large changes as well in their policy due to the new Housing Act. This implies a longer period of focus on the new Housing Act. It is expected that they are behind to fulfill all activities belonging to the new Housing Act because it takes relatively more time for them. This could also influence the extend to how 'appropriate' they allocate, as was seen that small housing associations score worse on this than large housing associations.

Overall it is assumed that housing associations change their focus points easily due to for example introduced regulations. From here it can be said that they focus mostly on short-term planning, they know what to do and where to focus on for the coming period. Next to

that, small housing associations with less employees focus longer on certain themes to fulfill their tasks. More time is needed to meet the tasks belonging to the new Housing Act.

5.2. Availability

As concluded in the previous chapter there is a shift in availability of social housing for the primary target group to the secondary target group. Due to 'appropriate allocation' less dwellings are available for households entitled to the housing benefit and more dwellings are available for the secondary target group. In this paragraph the policies of housing associations are discussed supplemented with success rate and the view of housing associations about 'appropriate allocation'.

Policy

First of all it is important to get insight into the portfolio of housing associations before adjusting the policy to 'appropriate allocation'. Therefore is made use of the third survey of 2015, where was questioned to what extend the current portfolio fits the demand belonging to 'appropriate allocation'. Here 39% percent answered this question that demand will fit the supply. Another 40% foresees a shortage in supply of dwellings with a rent under the capping limit (question 1). These housing associations have to adjust their policy to ensure that the availability of dwellings with a rent under the capping limit is sufficient.

Derived from the previous chapter there are two main policies that housing associations follow according to 'appropriate allocation'. The 'two rents policy' or adjusting the rents (lower the rents) to have sufficient possession under the capping limit. Also other policies can be adjusted by housing associations due to 'appropriate allocation'.

In the second survey of 2015 there was researched what the implications of 'appropriate allocations' are on the general policies of housing associations, for this question more options were possible. For 65% of the housing associations they indicate among others that they partly lower the rents under the capping limit. Furthermore, 49% of the housing associations indicate that they among others will retrench on the performance of new build dwellings or renovations. Another 38% of the housing associations indicate that they will invest less in sustainability (question 2). This indicates that housing associations see a decrease in their investment capacity due to 'appropriate allocation' and therefore save on other aspects as new build dwellings or sustainability.

In the second survey of 2016 there was questioned if housing associations had adjusted their rental policy to retain the success rate of this target group. For 56% the policy is that they lower the rents of a certain amount of dwellings to guarantee the success rate. For 12% housing associations implement the 'two rents policy', 17% of the housing associations do not adjust their rental policy and the final 15% implement other policies (question 3).

These outcomes indicate that most of the housing associations are aware of the fact that they have to complement their possession with a rent under the capping limit to have enough dwellings to allocate the primary target group. Lower the rents of existing dwellings has as a result that the revenues will decrease. With fewer revenues the investment capacity

is decreasing. This can result for example in fewer investments in sustainability. Not only the regulation of 'appropriate allocation' has a negative influence on the investment capacity of housing associations. For example also the property tax, introduced in 2012. This tax costs about € 700,- per dwelling per year and is seen as a sticking point on the investment capacity of housing associations.

Another option to at least keep up the level of dwellings under the capping limit is by extending the lifespan of cheap dwellings, which were planned to be demolished (Lijzienga, Wissink, & Tiggeloven, 2014). On the one hand it has a positive influence on the availability of social housing but on the other hand it is necessary to still invest in these dwellings to guarantee the retention of it. When these dwellings will be demolished in a later stadium it can be said that these investments where more worth for renovation and sustainability in long-term projects. Retaining the cheap dwellings has furthermore a negative influence on the average sustainability since these dwellings have most of the time a bad energy label due to aging of the dwellings.

Another policy could be that housing associations make different pools for the different target groups. As 'appropriate allocation' indicates the primary target group should be allocated to the cheap and affordable dwellings (rents under the capping limit). When this is supplemented by allocating the secondary target group only to expensive dwellings (rents above the capping limit), there will be more dwellings available for the primary target group whereby the success rate for this target group is more guaranteed. This is a policy where not many housing associations are aware of. This appears from the third survey of 2015, where only 16% indicates that these dwellings are not available for households not entitled to the housing benefit (question 4). A note by this possibility is that the amount of allocations from the secondary target group to affordable dwellings is already decreased a lot since 'appropriate allocation'. Still there is a space within this target group for a larger decrease in these allocations.

Success rate

The availability of dwellings for the primary target group is decreased after the introduction of the new Housing Act, this can be seen in the amount of allocations to this target group and the success rate. Since the success rate should stay equal for the primary target group due to 'appropriate allocation' according to the new Housing Act, it is interesting to research how housing associations see this rate.

In the second survey of 2016 there were two questions on the subject success rate. First of all there is questioned if the success rate will change for households entitled to the housing benefit according to appropriate allocation, this can be seen as the expected success rate. Here answered 49% of the housing associations that this success rate will stay at the same level, 19% indicated an increase in the success rate, 17% a decrease in this rate, 8% did not monitor this rate and the rest choose the option other. These results are not in line with the results of the research in the previous chapter, based on data, where the success rate was decreasing for the primary target group since there were fewer allocations. It can be assumed that housing associations do not have a good understanding of the implications of

'appropriate allocation' on the success rate. Hereby should be kept in mind that the data was about the Utrecht region and this survey for the Netherlands as a whole (question 5).

When a distinction is made in the different sizes of housing associations it is interesting to note that large and small housing associations score much higher on 'decrease of success rate' than medium sized housing associations. From figure 5.2, it can be said that large housing associations have the best understandings on the implications of 'appropriate allocation'. An important note here is that there was not made a distinctions in success rate for the different sizes of housing associations in the previous chapter. A proper comparison with the views of housing associations is therefore not easy to make.

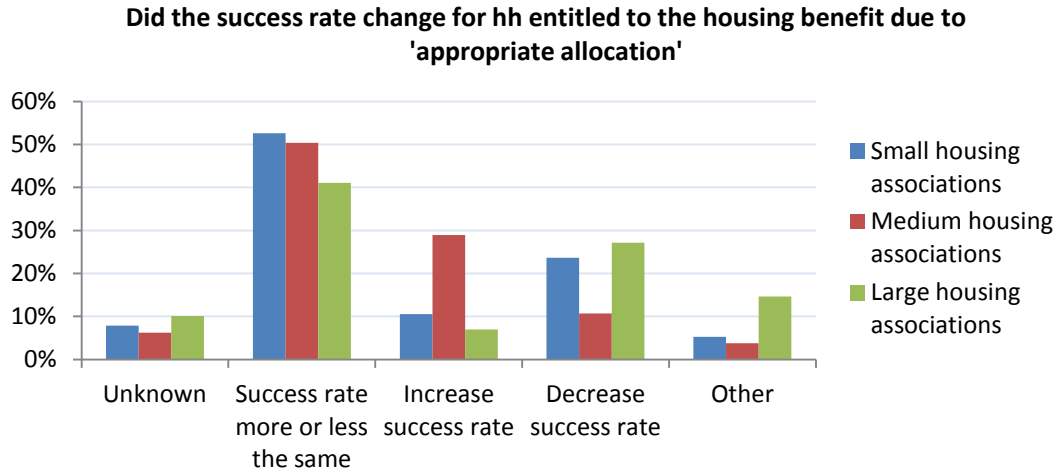

Figure 5.2 Success rate primary target group. Source: Corporatie Survey 2016-II Finance Ideas

In the same survey the question was also asked for households who were not entitled to the housing benefit. From the results in the previous chapter it can be said that this ratio is increased since the introduction of the new Housing Act. Here answered 42% that the success rate stays more or less the same, 10% that it is increased and 31% that it is decreased. This are also striking results, which are not in line with the result from the previous chapter, since they largely say that the success rate stays the same or will decrease, while it actually is increasing. It is expected that there will become a large pool of dwellings for the secondary target group above the capping limit with an increase in the success rate as a result. A possible explanation is that for this question the higher incomes are also included and housing associations foresaw a decrease in the success rate for this group, due to the '80/10/10-regulation'. This is not included in the success rate since the amount of households who are actively searching for a dwelling is decreased as well (question 6).

For this question there is also made a distinction between the different sizes of housing associations, see appendix C4. Still medium sized housing associations have the worst insight in the expected ratios; furthermore the small housing associations are closer with this question to the reality than the large housing associations.

Overall it can be assumed that housing associations do not monitor their rates proper enough. It looks like they answered this question based on the line of the development of

the success rate in the period before the introduction of the new Housing Act. Another possibility might be that housing associations are inclined to give desirable answers.

Effects of 'appropriate allocation'

The new Housing Act brings many changes and much work with it. In this heading the effects of a part of the new Housing Act, 'appropriate allocation' is explored. To what extend does it influence the policy of housing associations or what is the influence of it on the tenants.

First of all is researched to what extend housing associations think they will meet 'appropriate allocation'. In the second survey of 2015 this is questioned to housing associations. About 13% of the respondents foresee that they will completely meet this regulation; almost half of the housing associations indicate that they will largely meet this regulation. With an average of 89% allocated appropriate in the Utrecht region, it can be said that housing associations are aware of their capacity to meet 'appropriate allocation' (question 7).

As already was stated, 'appropriate allocation' has some implications on housing associations and their tenants. In the second survey of 2015 a few statements about the implications of 'appropriate allocation' are questioned (question 8). First of all 61% agrees with the statement that in the previous years to many households with a low income where allocated to dwellings who where actually to expensive for them. This indicates that they agree on the regulation of 'appropriate allocation' to guarantee the affordability of dwellings for the primary target group. Next to that 71% agrees on the statement that 'appropriate allocation' causes a decrease in the investment capacity. This is most likely based on the theorem that due to policy changes rent decreases are partly necessary, which results in a decrease in the revenues of housing associations. Furthermore, 75% agrees that due to 'appropriate allocation' there are less social dwellings available and therefore households will remain longer in their current dwellings, which causes stagnation on the housing market. With this is meant the so-called 'scheefwoners'. These are households with a high income (above the €35.739) in a cheap or affordable dwelling. By mutation they are not able to get allocated to a dwelling under the capping limit anymore, due to the new regulation. Therefore these households may stay longer in their current dwellings and fewer dwellings will be available. Finally, 74% agrees that it is not attractive to invest in dwellings with many WWS-points. This can be explained by possible rent increases due to the increased quality of dwellings. These improvements, mostly including sustainability, need high investments. For 'appropriate allocation' sufficient social dwellings under the capping limit should be available, so rent increases are not always possible. This can cause a decrease in improvements of sustainability of the social housing stock. In the next paragraph sustainability is discussed.

5.3. Sustainability

With a brief review to the previous chapter, the agreement of an average label B will not be met in 2020. When researched the view of the housing associations on this theme, there are some interesting results. In the first Corporatie Survey of 2016, 48% stated that they expect to have an average label B, 38% states an average of label C and the remaining respondents are equal divided on label A or D, see figure 5.3 (question 9). From the results of the previous chapter is concluded that none of the sizes of housing associations in the Utrecht region meet the agreement, therefore it is striking that almost half of the housing associations think that they will meet average label B.

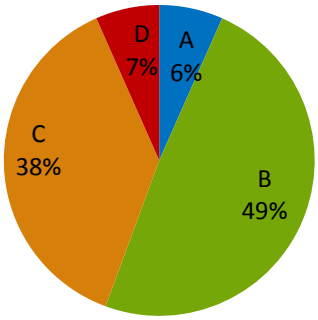

Figure 5.3 Expected energy label 2020
Source: Corporatie Survey 2016-I

This can indicate several things, first of all it is possible that housing associations do not have a clear view on their achievements, they think they score better than they actually do. Secondly it is possible that housing associations mostly focus on their short-term projects, and hereby the data in the dPi is not represent for the years more behind. Finally, there is a possibility that housing associations want to meet these conditions and distort their view on the subject by not knowing how to meet these regulations.

When a deviation is made between the different sizes of housing associations, it is interesting to see that the line in the previous chapter is continued for this expected energy label. In appendix C5 can be seen that large housing associations score much worse on the average expected energy label compared to small and medium sized housing associations. In the previous chapter was also concluded that they score the worst on the average energy label.

For 49% of the housing associations, the business case of sustainability improvements is seen as the main obstruction for housing associations to meet the agreement, according to the first Corporatie Survey of 2016 (question 10). Apparently they foresee more costs than revenues on this subject. This can be explained as follows. The result of a dwelling with improvements on sustainability is that according to the WWS-point the quality of the dwelling is improved and therefore the rent may increase. Due to this rent increase it is possible that the dwelling shifts to a higher rental class, for example above the capping limit. This causes that the dwelling is not available anymore for the primary target group. To retain the success rate for the primary target group, the amount of dwellings under the capping limit should be sufficient and therefore rent increases are not always possible. The question is; are housing associations prepared to invest in sustainability despite the little revenues.

From the Corporatie Survey conducted in the first quartile of 2016 another point of interest is found. Namely 80% of the housing associations state that among others the ambition for sustainability comes from making the dwellings more affordable by decreasing the energy costs. In most cases this means that housing associations improve the dwelling and increase

the rental price, but due to the improvements the energy costs decrease which results in equal or lower total housing costs. This is not in line with 'appropriate allocation', since this is based on the rent prices and not on the total housing costs. So on the one hand tenants will benefit from the improvement housing associations made, but on the other hand, this can cause a shift to a higher rental class, due to higher WWS-point, and the availability of dwellings under the capping limit are decreasing. This can result in fewer improvements on sustainability by housing associations or by less availability.

As already stated earlier in this research, it is most likely that large housing associations operate mostly in the urban environments, in this case in the city of Utrecht. The small housing associations are most likely operating in small cities or villages around the city of Utrecht, see appendix B1. These deviations in regions where housing associations operate in has influence on the portfolio. In the city of Utrecht the possession exists of more old dwellings, among others because of the age of the city, with a low energy label, compared to a younger portfolio outside of the city of Utrecht. This means that these housing associations have a larger task to fulfill according to the energy agreement. At the same time, the age of the portfolio has, according to the WWS-system, a relation with the rental price as well. It could be said that these older dwellings, with a low energy label and a lower rental price causes that 'appropriate allocation' is simplified, since there are more dwellings with a rent under the capping limit available.

5.4. Conclusion

As can be concluded from the input of this chapter, several links can be made between the subjects availability and sustainability. First of all it can be said that housing associations focus on the most recent and important themes. In this period the new Housing Act is a very important subject, which needs much time. Other, more long-term themes are shift to the background at these moments. One of these subjects is sustainability, and got less attention in the last period, this attention is increasing again, since the new Housing Act is settled more in the mean time. The second link is the influence on the investment capacity of both subjects. First 'appropriate allocation' causes that housing associations have to adjust their rental policy by decreasing rents or 'two rents policy'. With both policies the result is that the revenues are decreasing, and thereby the investment capacity as well. The third and final link is that both themes have a different influence on the validation of social dwellings. It is researched that the success rate for the primary target group is decreasing, and therefore more dwellings with a rent under the capping limit are necessary. At the same time, when dwellings are improved on sustainability, the value of the dwelling is increasing as well, according to the WWS-system. The more WWS-points a dwelling has, the higher the rent can be. When this rent increases the dwelling can shift to a higher rental class. Hereby it is interesting to note that housing associations' ambition is to guarantee the affordability by decreasing the energy costs. By this decrease in energy costs, there is space to increase the rent. This results in a decrease or equal total housing costs of an improved dwelling, but for 'appropriate allocation' is measured on the rent and not on the total housing costs. These links are summarized in figure 5.4.

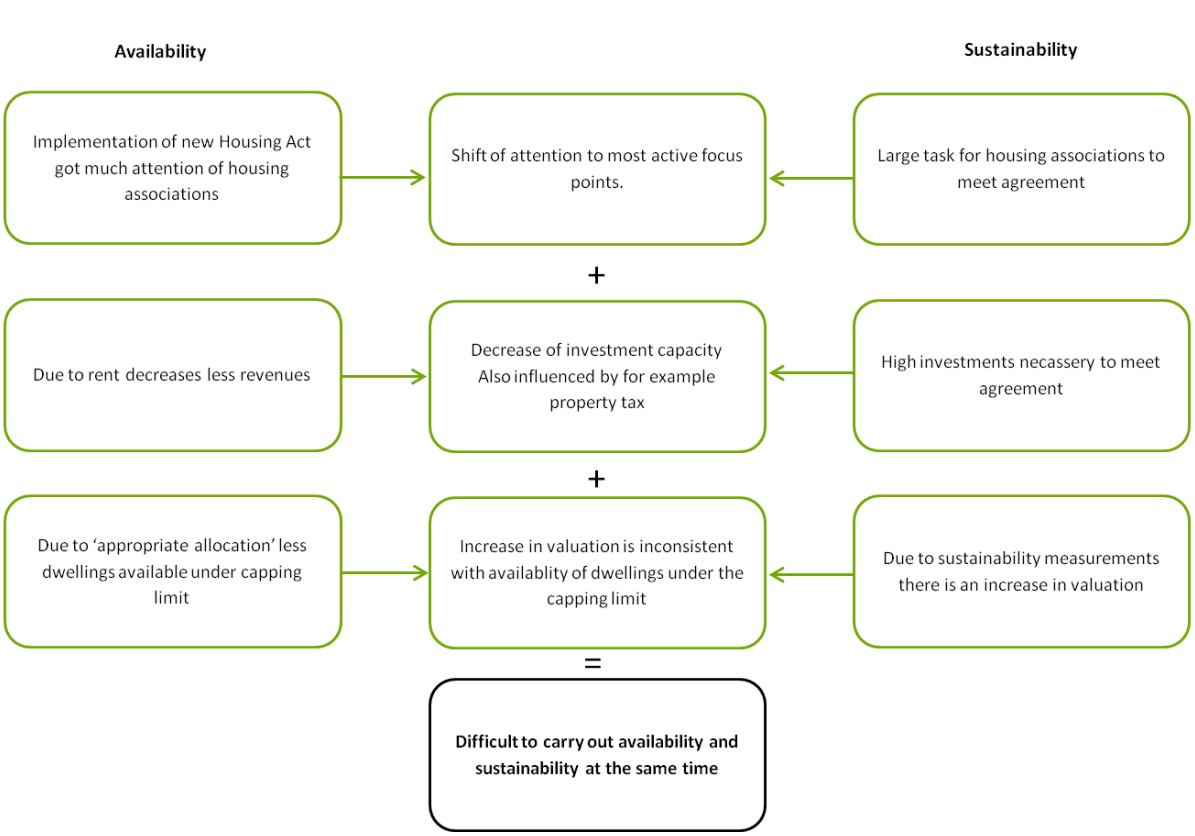

Figure 5.4 Links between availability and sustainability

When these three links are merged together it can be said that the themes availability and sustainability are difficult compatible with each other at the same time.

6. Conclusions and recommendations

In this final chapter the research questions are answered derived from the elaborated research. Next to that recommendations are given to housing associations and the government to cope with the impact of the new Housing Act on availability and sustainability. Finally, further research is discussed; possible continuation of this research is mentioned. The main question answered in this chapter is:

In which way can housing associations cope with the impact of the new Housing Act on the availability of social housing and on sustainability measures in the Utrecht region?

6.1. Conclusion for availability and sustainability

From the start of the social housing sector the influence of the government was fluctuating over time, with a peak of independency during the 'bruteringsoperatie'. Due to this independency the housing associations were operating outside their core business, mostly in commercial projects. With the introduction of the BBSH, State Aid regulation, energy agreement, property tax and in the 2015 the new Housing Act, the government is interfering in the social housing sector again. The new Housing Act focuses on directing the housing associations back to the core business again.

Availability

This research has shown that there are shifts in availability due to the new Housing Act. In the period before the new Housing Act the primary target group was the best served target group. This target group got the most allocations, had the shortest waiting- and search time and the highest success rate. Within this target group, many allocations to expensive dwellings took place. With the introduction of the new Housing Act, 'appropriate allocation' is mandatory. Allocations for the primary target group to expensive dwellings should be limited to a minimal because of this regulation. To maintain the success rate for the primary target group, housing associations have to supplement the supply of dwellings with a rent under the capping limit. This is not carried out sufficient enough; the amount of allocations to the primary target group is decreased, the waiting period is longer and the success rate decreased. The target group who benefit from this is the secondary target group, for them the expensive dwellings are largely available and thus the waiting period is decreasing and the success rate became higher. From the trends of the composition of the social housing stock, it is most likely that the availability for the primary target group will decrease more, since the possession of dwellings with a rent under the capping limit are decreasing the coming years. With adapting the rental policies, housing associations can limit the negative effects for the primary target group.

Sustainability

Derived from this research it can be said that the way housing associations improve the energy efficiency of their housing stock did not change remarkable since the introduction of the new Housing Act, every year an improvement in the energy index of more or less the same size is made. From the prognosis of housing association is seen that in 2020 the average energy label will still be label C and the agreement of an average label B is not met.

Housing associations do not invest sufficient enough to meet the agreement. From the IBW is indicated that there is space to increase the investments for housing renovation, including sustainability.

Link between availability and sustainability

Both availability and sustainability are difficult compatible with each other at the same time. When an important focus point shows up, such as the new Housing Act, the focus shifts from long-term projects (like sustainability) to short-term projects. Next to that where availability reduces the investment capacity, for sustainability more investments are needed. Hereby another important regulation is the property tax, which costs the housing associations much, and is seen as a negative influence on the investment capacity. Finally, both themes are not consistent in supplementing the share of dwellings under the capping limit, since dwellings with improvements on sustainability gain more WWS-point and can therefore shift to a higher rental class.

6.2. Recommendations

From the conclusion is derived that there are not sufficient dwellings with a rent under the capping limit to retain the success rate for the primary target group. Next to that it is concluded that the housing associations together not meet average label B in 2020. In this paragraph recommendations are given, first how housing associations can improve these subjects and next to that how the government can support this improvements.

Housing associations

To supplement the amount of dwellings under the capping limit the rental policies of housing associations should be adapted to this. From the results it is seen that housing associations most of the time already adjust their policy, but this should be elaborated more strictly. Thereby it is revealed that housing associations do not have a good view of the implications of 'appropriate allocation' on the success rate. Therefore it is helpful for housing associations to monitor the results of allocations in a proper way. This could be the starting point to adjust the rental policy to improve this success rate.

In the current situation only a small share of housing associations perform their allocations according to 'two rents policy', while this is the most suitable policy to retain the success rate of the primary target group. With this policy decisions about the division between rental classes do not have to be made on forehand, and the amount of dwellings under the capping limit is based on the demand. Hereby the success rate can be better guaranteed.

Another policy, which does not have any influences on the investment capacity of housing associations, is to make two 'pools' of dwellings. One pool for the primary target group, with cheap and affordable dwellings, and another pool with expensive dwellings for the secondary target group. From here, the secondary target group is not able to 'steal' affordable dwellings from the primary target group. Here a note is that there is already a natural change to this situation, but there is still space left for improvement. Nevertheless it can be seen as a part of a policy because it is assumed that this will not solve the shortage completely.

Furthermore, the housing stock with rents under the capping limit can be supplemented with new build dwellings. This is an obvious solutions but not the easiest one, difficult in a logistic and a financial way. Next to that it is a solution for long-term planning; this has no results on short-term. When a closer look is given to this solution there are some possibilities. In the 'pool of expensive dwellings' there is sufficient supply. Instead of decreasing the rental prices to make them available in the 'pool of affordable dwellings', the dwellings should shift to above the liberalization limit (if it is allowed according to WWS-points). From here, more rent incomes are a result, together with an increase in the investment capacity. This improvement in investment capacity can be used for new affordable dwellings. Though this policy asks for further research on how to implement this in the separation proposal and how it influences the portfolio.

Finally, housing associations can improve their housing stock on sustainability by taking the benefits of the grants provided by the government. From the first of July 2016, the new version of subsidy STEP is introduced. Hereby higher grants are provided, the conditions are less strict and the validity of the funding is extended with one year.

Government

Next to the housing associations the government also plays a role in the improvements of availability and sustainability. Both themes are on the priority list drawn by minister Blok, in the current situation they influence on these themes by setting regulations. Next to that in this stadium it is also likely to support and stimulate housing associations.

As a regulation, the '80/10/10-regulation' could be adjusted slightly to guarantee the success rate for the primary target group better. Where the 80% now includes the primary and secondary target group, a division within this 80% could be made to guarantee the share of allocations to the primary target group. When the amount of allocations to the primary target group is more equal to the period before the new Housing Act, the success rate and waiting period will improve for the primary target group.

Where the property tax is seen as a limitation on the investment capacity of housing associations, at the same time there is a discount on this property tax for new build projects. When housing associations build dwellings with a rent under € 586,68 they get discount on the property tax. From here it is more interesting to invest in new build dwellings. This has a positive influence on the availability of social housing for the primary target group.

This discount on the new build dwellings has a positive influence on the availability of social housing. Indirect it also has a positive influence on the sustainability of social housing. Since new build dwellings are provided with a high energy label, this will benefit the average energy label. Nevertheless this does not improve the energy efficiency level of the current housing stock. By introducing a discount on the property tax for housing associations that perform above average on improving the sustainability of their portfolio, housing associations are stimulated to improve better on sustainability.

6.3. Further research

From this research is revealed that the availability in the Utrecht region is decreasing for the primary target group. First of all these conclusions are based on the first half year of 2016. This is the first period where housing associations have to cope with all the implications of the new Housing Act. It is relevant to carry out research on this subject again when the new Housing Act is more settled at housing associations. Next to that this research is based on the Utrecht region. A comparison could be made with other regions in the Netherlands. A final note hereby is that in this research the flow of refugees to the Netherlands are not taken into account. In the end the amount of refugees is lower than expected, though it is still interesting to study the effects of their arrival on the social housing market.

What this research also revealed was that the results from the data and results from the survey differ on several subjects. For example the expected success rate or the expected average label B in 2020. In this research it is assumed that improvements on monitoring the results are possible for housing associations. Another assumption is that housing associations are inclined to give desirable answers. It is interesting to further elaborate this assumption.

Finally, it is shown that according to the prognosis of housing associations the agreement of average label B in 2020 will not be met. Thereby it is indicated that there is space for improvements due to the IBW in the Utrecht region. In this research it is not studied what the costs are to meet the agreement for the total sector, and if this meets the current IBW. Next to that it would be interesting to study the logistical aspects of this agreement. Is it feasible to renovate a large share of the portfolio is in the period until 2020.

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