Affordable Rental Housing in Amsterdam and Berlin:
a comparison of two European capital cities

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Abstract

Amsterdam and Berlin are dynamic, attractive and diversifying European capitals with growing populations. Both must also contend with European Commission directives on economic competition. These processes put pressure on local urban housing systems within which households navigate an increasingly expensive and crowded market. However, both cities offer relatively affordable rental housing options in different forms by a variety of providers. This thesis involves a micro-scale comparative study of affordable rental housing in Amsterdam and Berlin utilizing mixed methods including expert interviews, policy document analysis and descriptive statistics. Given the influence of unique local urban contexts, this empirical research will investigate the ability of these neoliberalizing global cities to provide affordable and accessible dwellings to those urban households who cannot secure accommodation on the private market or through homeownership.

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Chapter 1. Introduction

1.1. Topic

Amsterdam and Berlin are dynamic, attractive and diversifying European capitals. The former has emerged from demographic and economic stagnation in the 1970s as a hub of creative industries with the greatest number of nationalities in the world (Savini et al., 2016; Peck, 2012). Emblematic of the latter's appeal, the former mayor Klaus Wowereit once described Berlin as "poor, but sexy" (Frey, 2003). Berlin has recovered from deindustrialization by promoting creative industries, among other reforms (Novy & Colomb, 2016; Bader & Scharenberg, 2010). Migrants to the city include creative professionals, and other low-income groups, all of whom are contending with an increasingly unaffordable and crowded housing market (Uffer, 2011; Colomb 2012).

The populations of Amsterdam and Berlin are growing. Fortunately, both cities offer affordable rental housing in various forms. Together, these public and private providers offer some measure of relief for those households who cannot afford homeownership or free marker rent. However, trends towards liberalization, privatization, commodification, withdrawal of government intervention and promotion of homeownership are leading to shrinking and more targeted affordable rental options. European Union (EU) Member States must interpret new state aid directives passed down from the European Commission (EC) (Pettini et al., 2017).

This thesis compares the various types of affordable rental housing in Amsterdam and Berlin and the ways in which providers and local governments regulate the housing market. Research investigates how these systems provide dwellings for households that cannot attain accommodation elsewhere and explains these differences within individual urban contexts. Similar external pressures are exerted on the housing systems of Amsterdam and Berlin, making it more difficult for housing systems to provide for a growing number of urban residents. However, different approaches and outcomes in Amsterdam and Berlin can be observed, contextualized and compared within current rental system dynamics including local government regimes and the providers and regulations for affordable and accessible housing.

1.2. Relevance

As global liberalization of markets and cutbacks in local government expenditure continue, the affordability and accessibility of rental housing comes under threat. Amsterdam and Berlin must contend with similar economic and social pressures. Demand continues to rise with population increase (Savini et al., 2017). Supply is threatened by privatization, commodification, policy reform, losses of existing stock and rising construction costs and land values (Musterd, 2014; Musterd et al., 2017). The necessity of accessible and affordable rental housing in such tightening housing markets is increasingly acute. However, the degree depends on the individual socioeconomic profile, existing housing stock and regulatory framework of a city (Savini et al., 2016; Pettini et al., 2017).

Amsterdam and Berlin showcase unique affordable rental housing markets. Both cities contain a variety of providers including municipally owned and private non-profit housing associations (HAs), cooperatives and private owners. Additionally, both cities contain varying supplies of regulated private rental housing. Finally, despite national policy frameworks and extra-national directives, cities such as Amsterdam and Berlin are increasingly autonomous in the management of affordable housing (Brenner & Theodore, 2002). Given this diversity of form, this research encompasses all affordable housing types and is not limited to social housing only.

Many characteristics of these cities differ such as population size, social housing stock and local government structure. Rather than directly comparing these physical characteristics, the aim of this thesis is to investigate how institutions and providers ensure the continuation of affordable and accessible rental housing markets in cities experiencing similar pressures and social and economic trajectories. In order to prepare comparable cases, this thesis accounts for the landscapes of affordable rental housing providers. However, beyond this descriptive effort the local contextual factors influencing the ability of Amsterdam and Berlin to adequately house all residents provide the principle stage for analysis.

The purpose of this thesis is to investigate how Amsterdam and Berlin provide affordable rental housing for urban households that cannot afford other avenues to acquire a dwelling (Oxley, 2001; Quilgars et al., 2009). For this research to go beyond descriptive juxtaposition, the cases must not only be described but also explained (Pickvance, 2001). In this way, this policy-oriented research can evolve from low level to high level comparative analysis (Oxley, 2001). While many comparative rental housing studies choose the nation as the unit of comparison, this study focuses on an investigation of the most local levels of affordable rental provision. This thesis aims to contribute such a micro-scale study to multi-disciplinary comparative rental housing scholarship (Oxley, 2001). This leads to an overarching research question.

1.3. Research Question

How is affordable and accessible rental housing in Amsterdam and Berlin provided and regulated by different actors for households who cannot secure free market rental housing nor ownership?

1.4. Outline

In order to answer the above research question, the thesis progresses as follows. Chapter 2 provides a literature review to establish an appropriate theoretical framework. The researcher advances their own theories of rental systems, competition and approaches to housing research in addition to concept definitions of local context, affordable housing, affordability and accessibility based on academic literature. Chapter 2 concludes with research sub-questions. Chapter 3 details the methodology by justification and explanation of the case studies, a conceptual model supported by operationalization of key variables and an outline for the application of research methods and analysis taking into account limitations and ethical concerns.

Results Chapters 4, 5 and 6 are dedicated to the three research sub-questions. Chapter 4 introduces the providers and regulations of rental housing in both cities and proposes local definitions of affordability and accessibility. Chapter 5 investigates the local influence of the EC Directive on State Aid in Amsterdam and Berlin by taking into account national and local responses. Chapter 6 identifies pressures and resulting changes to the housing markets of Amsterdam and Berlin and investigates the local regulatory strategies and autonomy to mitigate these negative impacts to affordable and accessible housing. Chapter 7 concludes with a reflection on theoretical contributions and an engagement with the housing dialogue between Amsterdam and Berlin.

Chapter 2. Literature Review and Theoretical Framework

2.1. Theory

2.1.a. Welfare Regimes

Esping-Anderson and the 'Three Worlds of Welfare Capitalism'

The basis for rental market theory is the welfare regime typology of Esping-Anderson (1990). A welfare regime consists of "a particular constellation of social, political and economic arrangements" leading to a welfare system consisting of four pillars: social security, healthcare, education and housing (Taylor-Gooby, 1996, p. 200; Hoekstra, 2003). Social democratic regimes are characterized by redistribution and the dominant role of the state, liberal regimes by free market provision and commodification and corporatist regimes by market and state competition for welfare provision (Esping-Anderson, 1990). The Netherlands is a social democratic regime trending towards a more targeted and privatized approach and the German regime is corporatist (Elsinga & Wassenberg, 2014; Droste & Knorr-Siedow, 2014). Welfare scholars have critiqued, developed and expanded Esping-Anderson's typology based on its exclusion of the housing pillar.[1]

The Housing Pillar

Welfare regimes inform housing systems and influence economic, social and governmental contexts at both the national and local levels. Regime types do not automatically lead to particular rental housing systems, although affordable rental housing in embedded in the housing welfare pillar. Accordingly, like most comparative housing studies, this thesis acknowledges the national welfare systems of the Netherlands and Germany in relation to affordable rental housing landscapes. Although the housing sectors in Amsterdam and Berlin operate under different regimes types, welfare states across Europe are restructuring towards a more liberal and framework (Brenner et al., 2009). This restructuring impacts local contexts and the availability and accessibility of affordable rental housing. Welfare regime theory does inform rental theory, but specific reference to welfare systems will not form a significant element of this research.

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[1]See Bengtsson (2001) for a study on the dominant role of the market on the housing welfare state sector; see Hoekstra (2003) for a recasting of the definition of decommodification in social housing.

2.1.b. Rental Systems

Kemeny’s Dual and Unitary Rental System Typology

The main theoretical starting point for this research brings theory one scale closer to local housing markets. In the years following Esping-Anderson’s proposal of welfare regimes, housing scholars struggled to apply a theory that did not include the housing pillar. Kemeny (1995) identifies the fact that “Esping-Anderson has little to say about the organization of housing” (p. 173). In response, Kemeny (1995) developed a national typology of rental systems. Like Esping-Anderson, Kemeny’s theoretical dichotomy is based in differences of power structures and class coalitions (Hoekstra, 2010). The theory is grounded in the dichotomy between collectivist and privatist ideology. Industrialized privatist societies are characterized by homeownership and residualization of welfare whereas industrialized collectivist societies are characterized by a sizeable rental sector and welfare system (Kemeny, 1992).

Privatist societies are associated with dual rental markets (Kemeny, 1995). In these systems, where renting was once a single form of tenure, the rental market is divided and separated into two forms (Kemeny, 2006). The private, profit-oriented market sector is the larger and more prominent (ibid). In contrast, the non-profit and social sector is smaller, more residualized, regulated and controlled by the state (Kemeny, 1995). The two forms of rental tenure are given different pre-conditions, whereby the for-profit market sector is privileged and unregulated and the non-profit social sector is reserved for households who cannot afford private rental (Kemeny, 2006). In theory, this creates a rental market that is designed for zero competition between for-profit market rental housing and non-profit social rental housing (Kemeny, 1995). Unregulated rent-setting leads to affordability and accessibility issues (Kemeny, 2006).

On the other hand, Kemeny associates collectivist societies with unitary (later integrated) rental markets (1995). Unitary systems evolve from single tenure-form markets by the gradual introduction of non-profit renting (Kemeny, 2006). One reason for the emergence of these markets in the early 20th century was to avoid the un-restrained profit market characteristics of dual rental systems (ibid). This was achieved by the protection of non-profit companies using methods such as subsidies and favorable regulations (ibid). The goals of such rental market adaptations included the stimulation of new companies to curtail private market rent levels, establishment of normal dwelling standards and avoidance of housing shortages (ibid).

Once the non-profit sector is sustainable, a gradual process of reduction subsidies and favorable regulation occurs (ibid). In mature unitary and integrated rental markets, for-profit and social non-profit sectors are subject to similar regulation (Kemeny, 1995). This creates a level playing field for competition which generally leads to affordable rents in the social sector and controls rents in the private sector (Hoekstra; 2010). Competition must continue in unitary rental systems for social and private rental sectors to remain open to wide portions of the population (ibid). The market share of non-profit rental sectors in such systems varies (Kemeny; 2006). Like the proportion of the market, the range non-profit providers vary between systems (ibid). In general, unitary systems contain relatively more affordable and accessible housing than dual systems. The Netherlands and Germany are unitary rental systems, although the Dutch system shows trends towards dualism.

Critique

Kemeny's rental system typologies are more applicable to comparative rental housing studies than Esping-Anderson's welfare regime theory. However, Kemeny's theoretical development is also limited in geographical scope (Stephens, 2017). National rental systems contain internal variance between regions and cities. Kemeny's generalized categories risk abstraction from local context and need to be understood and constantly reevaluated within their own cultural surroundings (Stephens, 2017; Sommerville, 2005).

National rental housing systems can often contain aspects of both dual and unitary typologies. It is important to recognize the fluidity and flexibility of rental systems to change. Additionally, rental systems are not always a direct reflection and may not always correlate with respective welfare regime type. Scholars should not be limited by these typologies but should nevertheless refer to them as categorizing guidelines and explanatory variables. Emerging research such as this comparison of Amsterdam and Berlin involves critical evaluation of rental market theory (van Duijne & Ronald, 2016).

2.1.c. Competition

Competition in the sense of rental market theory is related to the equal opportunity of social and private providers to compete for tenants on the market, thus exerting an equalizing force on affordability and accessibility. However, competition in the rental market can also take the form of economic competition between social and private providers for various forms of government financial support. In recent years, the privileging of public rental sectors in some unitary systems has been criticized by the EU (Elsinga & Lind, 2013). According to EC legislation, Member States should provide financial support to social housing focused solely on socially disadvantaged groups where there is no competition with private actors. Social housing providers should not receive financial support for market activities. This EU perspective relies on the assumption that fair market competition is distorted when non-profit housing providers receive government support which allows them to charge lower rents (Elsinga & Lind, 2013). The EC suggests three fixes to this issue including the introduction of similar support for profit rental sectors, abolishment of government support for non-profit rental housing companies and targeted support of social rental housing for low-income groups only (ibid).

In Berlin, social and private providers compete equally and neither are privileged by regulation or government support. Until recently, social providers in Amsterdam involved in both Services of General Economic Interest (SGEI) and non-SGEI (see Chapter 5.2.b) were given access to government support that was not earmarked specifically for social tasks. Concurrently, this support was not available to private providers.

2.1.d. Analytical Approaches to Comparative Housing Research

Convergence Thesis

In order to move beyond the merely descriptive comparisons of the first international comparative housing studies of the 1960s, research required a theoretical framework to understand the diversity of rental systems. Convergence approaches to comparative housing research aimed to discover single overarching theories to explain global similarities and differences (Kemeny, 2001).[2] This approach was developed by studies conducted during the initial decades of globalization and thus assumed a convergence of global processes that influenced welfare regimes and rental systems (Quilgars et al., 2009; Nijman, 2007; Haworth et al., 2004). These studies established typologies to systematically understand similarities and differences between welfare regimes and rental systems (Kemeny, 2001).

Divergence, Middle Range and Societal Approaches

Subsequent comparative housing research developed new analytical approaches that aimed to categorize by both generalization and difference. These divergence and middle range strategies are qualitative and culturally sensitive approaches grounded in history that interpret general factors of social systems with reference to specific societal contexts while emphasizing diversity and new explanatory rather than descriptive typologies (Kemeny & Lowe, 1998; Hoekstra, 2010; Kemeny, 2001). Hantrais (1999) re-conceptualizes this approach as societal in that it values analysis of micro-scale institutional frameworks as generators of norms and practices and can aid in testing the extent of applicability of general theoretical models. Additionally, the societal approach allows the researcher to examine relationships between macro and micro-level processes in an analytical and deductive manner (ibid).

[2] See Castells, M., & Sheridan, A. (1977) for Marxist political economy comparative studies.

These are now the dominant analytical approaches to micro-scale comparative rental housing research. As such, they guide this explanatory comparison by accounting for contextual factors in the two case studies (Hoekstra, 2010). In doing so, this micro-scale examination of Amsterdam and Berlin contributes to comparative housing research and the evolution of existing macro-scale theory.

2.2. Concepts and Definitions of Local Context

Although the above theories and analytical approaches inform this research, a lens appropriate to the urban scale provides the sharpest variables through which to compare affordability and accessibility. The main explanatory variable is the local context of Amsterdam and Berlin. Specifically, this thesis focuses on the following aspects: pressures, local government and rental markets (including types of housing). Additionally, in order to analyze the impacts of local context on affordability and accessibility, it is necessary to establish definitions of these concepts.

2.2.a. Pressures

Amsterdam and Berlin contend with similar social and economic pressures including demographic change, population increase, economic restructuring, tourism and the privatization and marketization of housing (Peck, 2012; Novy & Colomb, 2012). Although the populations of Amsterdam and Berlin are already relatively mixed, they continue to diversify and stratify along socioeconomic lines due especially to in-migration of new population groups such as young people, urban professionals and refugees (Colomb, 2012; Kadi, 2014). The neoliberalizing and dynamic economies of Amsterdam and Berlin are increasingly imbedded in and influenced by their global connectedness and integration (Colomb, 2012; Kadi, 2014; van Duijne & Ronald, 2016). In combination, these social and economic changes put pressure on various aspects of the urban landscape including local government and rental housing markets. Although the two cities may be experiencing similar external pressures, consequences for the affordability and accessibility of rental housing are informed by unique local contexts.

2.2.b. Government

The local governments of Amsterdam and Berlin are the principle mechanisms by which rental market pressures and impacts can be addressed. Both city administrations include a dedicated housing department that is involved in both the public and private sectors and charged with regulating affordability and accessibility. Local governments may cooperate with housing providers and tenants' representatives in order to address housing market pressures to supply and accessibility of affordable housing. Changes in the functions, structures, and relationships of local to national levels of governments are important contextual elements of case studies. Processes of federalization and decentralization of housing policy regulatory structures influence the autonomy of local governments to manage rental markets in national contexts that can pursue increasingly divergent housing policy strategies. Local governments must also contend with the possibility of EU guidelines related to competition and development. Regulatory shifts play out differently in Amsterdam and Berlin based on context-specific existing traditions in institutional and policy regimes (Brenner et al., 2009).

2.2.c. Rental Market

The final element of the local context is the rental market itself, through which affordable and accessible housing is made available to households. European trends of diminished faith in public provision and trust in the free market are observed (Jonas et al., 2015). Many cities have set goals “to extend market discipline, competition and commodification” and to promote homeownership (Brenner & Theodore, 2002, p. 3). Structurally, affordable and accessible housing can exist on both the private and public market. Cities may contain a variety of dedicated social providers that may target different population groups and provide both market and regulated dwellings. The housing markets of Amsterdam and Berlin both contend with increasing demand and limited supply.

2.2.d. Affordable Housing

A housing system is defined as “the way in which housing is organized in a specific context, especially in terms of tenure structure and housing policy” (van Duijne & Ronald, 2016, p. 3). Housing systems are “the outcome of, and also contribute to, an overall political constellation in any country” (ibid). The right to housing is codified in international and European human rights law[3] and is protected to varying degrees in different countries[4].

Part of a housing system should consist of a sector that is affordable according to local context. Affordable housing is a tangible resource for needy households who cannot secure a dwelling via homeownership or on the private free rental market (Stone, 2006). The term affordable housing, used to describe various forms of social and private rental as well as some owner-occupied dwellings, originated in the United States in the 1980s (ibid). However, this research utilizes present day international definition encompassing social, low income and financially assisted rental

[3] The United Declaration of Human Rights, adopted by the UN General Assembly in 1948, states that every person has the right to an adequate standard of living including housing and the Charter of Fundamental Rights of the EU, given legal status by the Treaty of Lisbon (2009), recognizes the right to social and housing assistance in order to combat social exclusion and poverty.

[4] The right to housing in the Netherlands is guaranteed by the Dutch Constitution and some aspects of the right to housing are legally regulated; the German Constitution states the social responsibility of property owners, however the right to housing is enshrined in only four federal states (including Berlin) and is established by regulation throughout the country.

housing for needy to middle income households (ibid). Since affordable housing is most threatened by the pressures and structural changes in local context, this research will focus only on this sector rather than entire housing systems.

Types

The most common form of affordable housing is social housing. When individual households are unable to secure a dwelling elsewhere on the market, there is a basic need for governments to pursue the provision of this sector. Governments can support social housing either to ensure that some housing is not allocated on the free market or due to a belief that the market is inadequate in meeting housing needs (Oxley et al., 2008). The general objective is to increase total provision of adequate housing to ensure household capacities to obtain other livelihood necessities (Whitehead, 2017). Investment in social housing can also reduce public spending in other welfare sectors (Pettini et al., 2017).

The purpose of social housing varies between countries and over time (Oxley et al., 2008). Definitions include a form of tenure based on below-market rent levels, ownership by particular types of landlords and subsidy and allocation rules according to the government rather than the market (Scanlon et al., 2014). In comparative research, social housing is that which is administered and allocated by governments and institutions on the basis of need rather than demand (Haffner et al., 2010).

Local housing systems operate under unique institutional, political, and regulatory frameworks. Furthermore, local social housing systems cater to unique populations and forms are most commonly distinguished by ownership (Scanlon et al., 2014). Social housing landlords can include municipalities, companies in municipal ownership, non-profit organizations such as HAs and private owners (Aalbers & Holm, 2008; Scanlon et al., 2014). The main social housing providers in the Netherlands are HAs.

More diverse affordable housing ownership structures and providers exist. For example, in Germany public companies provide a mix of regulated social and affordable private rental apartments. Private landlords can provide diverse forms of affordable housing. In Germany, some private landlords provide temporary social housing on the private market under government subsidy (Aalbers & Holm, 2008). In the Netherlands, affordable housing also exists on the private rental market and is controlled by a price limit set by the national government. In Germany, local comparable rent systems also control rents to relatively affordable levels on the private market. Measures to ensure affordability of private dwellings include supply and demand-side government subsidy, rent maximum and increase mechanisms and construction incentives. One final form of affordable housing, present in the German case, are rental housing cooperatives. These private landlords provide housing along with other social benefits and in general rent for affordable prices.

2.2.e. Affordability

On an abstract theoretical level, housing affordability is:

> *"an expression of the social and material experiences of people, constituted as households, in relation to their individual housing situations"* and *"expresses the challenge each household faces in balancing the cost of its actual or potential housing, on the one hand, and its nonhousing expenditures, on the other, within the constraints of its income"* (Stone, 2006. p. 151).

In an objective sense affordability can also be defined by either a cost limit or average. The price for a dwelling itself can be determined by affordability standards, income-dependent rents and other market-based factors according to local and national authorities. Scholars have proposed methods to measure affordability in order to categorize housing sectors. Importantly, these analytical indicators and normative standards often serve as foundation for policy (Stone, 2006).

The standard in comparative research is the housing cost to income ratio, an empirical measure of the relationship between housing costs and income with a standard specification of an appropriate value that indicator should take (Stone, 2006). It is "an explicit ratio of housing cost to income as a standard against which households' actual circumstances can be measured" (Stone, 2006, p. 162). In basic terms, the ratio "calculates the share of household income (usually monthly) that is devoted to housing costs" (Kadi, 2014, p. 35). High ratios indicate low affordability and low ratios indicate high affordability (ibid).

2.f. Accessibility

Rental housing must not only be affordable but also accessible. In broadest terms accessibility refers to the openness of housing sectors to different societal groups, levels of which depend on country and local context (Haffner et al., 2009). On the tenant level, accessibility is the "ability of households to enter the housing market, respectively certain market segments" (Kadi, 2014, p. 36). Accessibility rules, referred to in this research as tenancy rules, differ between types of affordable housing and impact tenure security and eligibility.

In social housing, access is allocated according to a politically and administratively defined need (Oxley et al., 2008). Accessibility does not depend on market forces or ability to pay, as is the case with the private rental and home-ownership sectors (Oxley et al., 2008). Accessibility is most often restricted by either singular or indexed household income limits that vary by context. In general, accessibility is increasingly restricted entirely to ability to pay (Kadi, 2014). Accessibility problems are often caused by market restructuring and enflamed by low housing mobility of needy households (ibid).

Accessibility to different forms of private affordable housing is also subject to entry requirements, however some free market rental that can be categorized as affordable according to price is theoretically accessible to all households. Most often, access to controlled private affordable housing is allowed by permits given by local authorities dependent on certain tenancy rules. Finally, accessibility to affordable housing may be curtailed by contract lengths and subsidy time limits.

2.3. Conclusion

2.3.a. Summary of Existing Literature

Due to the Western European origin and bias of welfare regime and rental system research, the Netherlands and Germany are popular case studies.[5] The Netherlands has provided a fruitful case for welfare regime research focusing on reevaluating Esping-Anderson's typology.[6] Scholars also turn to the Netherlands and Germany as case studies in reformulations of Kemeny's typology.[7] International comparative research at the urban scale often includes the housing dimension.[8] Recent PhD theses have engaged with housing markets, in particular social rental housing, in European and international micro-scale comparisons.[9] These studies highlight the importance of comparative research below the national scale and point to the relevance of social and economic transformations, restructuring and local context this field of inquiry. Local political and economic decisions are reshaping housing

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[5] See Esping-Anderson (1990) for a study of Germany as a primary example of a corporatist type and the Netherlands as a social democratic type; see Kemeny (1995) for Germany and the Netherlands as case study examples in a critique of Esping-Anderson's typological omission of issues of power and labor.

[6] See Kloosterman (1994) for a comparison of the post-industrial trajectories of the Netherlands and Germany based on their shared characteristics of corporatist labor markets and employment trajectories according to Esping-Anderson; see Hoekstra (2003) for an empirical reinterpretation of Esping-Anderson's typology through the housing system of the Dutch welfare regime.

[7] See Harloe (1995) for an analysis of housing policy in six Western capitalist nations including the Netherlands and Germany in order to redefine the unitary system as the 'mass model' for middle-income working households and the dual system as the 'residual model' for only the marginalized poor; see Van der Heijden (2002) for scenarios of future rental systems in countries such as the Netherlands and Germany including residual dual and unitary markets; see Hoekstra (2009) for an empirical and quantitative analysis testing the lasting applicability of Kemeny's typology.

[8] See Musterd et al. (2015) for a quantitative analysis of segregation in European capitals that identifies four macro structural contributors including income inequalities, globalization and economic restructuring, welfare regimes and housing systems. The authors show trends in welfare state retrenchment leading to marketized housing systems and decreasing accessibility to affordable housing for low-income households. The authors surmise that the position of social housing is an important indicator of affordability issues in European cities.

[9] See Steinführer (2005) for a comparison of post-communist housing markets in Brno, Czech Republic and Leipzig, Germany on the neighborhood scale; see Kadi & Ronald (2014) for a comparison of the impacts of market-based housing reforms on the 'right to the city' for marginalized households in Amsterdam, Tokyo and New York.

markets and urban governance structures depending on unique motivations in each city (Aalbers & Holm, 2008). The impact of local context on housing outcomes appears throughout these micro-scale housing comparisons.

2.3.b. Research Gaps and Current Study

The majority of existing housing studies have focused on the nation as the unit of analysis. However, research at this scale obscures inter- and intra-nation differences at more local scales (Hantrais, 1999). Micro-scale comparative housing studies which have emerged in recent years aim to better understand theory and real processes by gathering wide and differentiated evidence on the urban level (Oxley, 2001). By examining similarities and differences of characteristics in comparable cities, these studies have the potential to explore theoretically-postulated relationships which until recently have only been confirmed at the national level (Hantrais, 1999; Pickvance, 2001).

This comparison fits within these emerging trends in research. It contains an examination of affordability and accessibility in two cities experiencing similar social and economic pressures filtered through unique local contexts including government and rental market structures. It relates these outcomes and impacts back to rental system theory via divergence analytical approaches to contribute to micro-sale rental housing literature. The case studies of Amsterdam and Berlin have not yet been compared in this way. This research identifies common empirical grounds on which to compare the unique yet commensurate housing landscapes of these two cities. The inclusion of explanatory variables of local context as well as the connection to EU governance adds additional purpose to the research and a unique contribution to housing studies. These research aims are translated into the following sub-questions.

2.3.c. Research Sub-questions

1.) Who are the local providers and what are the rules for accessibility and affordability of rental housing in Amsterdam and Berlin?

2.) How does the European Commission Directive on State Aid, filtered through national governments, impact the rental sectors of the local housing markets of Amsterdam and Berlin?

3.) How do the local regulatory contexts of Amsterdam and Berlin, including levels of government and legislation, address the impacts of pressures to affordability and accessibility of rental housing?

Chapter 3. Methodology

3.1. Comparative Case Study

3.1.a. Micro-scale Comparative Housing Research

The goals of international comparative housing studies were the establishment of typologies using the nation as the unit of analysis. Scholars have questioned the lasting applicability of these theoretical assumptions and have expanded the geographical lens beyond the Anglo-Saxon countries. Furthermore, past research does not account for the impacts of supra-national entities such as the EU or local policy networks and other sub-national divergence (Hantrais, 1999; Matznetter, 2006). These studies relied on purely quantitative methods and failed to acknowledge that affordable rental housing provision and debate has largely devolving to the local authority level (Matznetter, 2006).

Micro-scale urban comparisons of affordable rental housing can fill these theoretical gaps (Matznetter, 2006; Quilgars et al., 2008; Steinführer, 2005; Haworth et al., 2004). These systematic, explanatory, analytical and deductive studies of local systems better account for historical trajectories, contextual variables, institutional agents and micro-politics (Nijman, 2007; Matznetter, 2006; Hantrais, 2009; Pickvance; 2001). Through primarily qualitative data collection, these micro-scale comparisons better explain the multi-scalar, spatial, temporal and contextual reasons for similarities and differences between affordable rental housing systems (Oxley, 2001; Pickvance, 2001). This thesis project will analyze affordable rental housing provision of Amsterdam and Berlin accordingly.

3.1.b. Case Selection

In micro-scale comparative housing research, it is important to identify whether case studies are most similar or most different (Pickvance, 2001). This relationship impacts comparative conclusions and research outcomes. In Amsterdam and Berlin, affordable housing is commensurable but not identical and is part of a wider housing market including homeownership and free market rental. The Amsterdam and Berlin housing markets exhibit marked differences in structure, size and regulatory framework. However, similar histories and reputations as affordable cities and current housing market pressures provide solid ground for comparison. A brief summary of the historical development and current context in Amsterdam and Berlin provides justification for these case studies.

Amsterdam

Until the 1850s and 1860s, much of the rental housing in the Netherlands and its capital was unaffordable and lacking in quality. The formation of the first HAs in this period provided social rental housing for working class residents excluding the unemployed poor (Elsinga & Wassenberg, 2014). Following the housing shortages after WWII until the 1990s, the mass construction of social housing by partnership between HAs and government provided affordable rental housing for wider and diversified socioeconomic segments of the population (ibid). HAs are one of the largest providers of housing in Amsterdam, are the main providers of social housing and are quasi-independent from local government in administration and finance (ibid).

The private rental sector provides a small portion of affordable housing, albeit to a decreasing degree and kept affordable by rent control and the dampening effect on rents of the large social rental sector (van Duijne & Ronald, 2016). In the past, HAs dominated the market. HA market share has decreased in the Netherlands since a peak in the 1990s, but especially in Amsterdam HAs retain a stronger market presence. Housing market characteristics in large Dutch cities differ from the national context yet are subject to many singular and nationwide policies. Regulatory changes are occurring that have a disproportionately negative impact on the local Amsterdam housing market, due to high property values and the restriction of social housing target groups.

Berlin

In Germany social rental housing for the working class developed during the Weimer Republic as a collaborative effort between politicians, cooperatives and cities funded by the Reich (Droste & Knorr-Siedow, 2014). After WWII, both East and West Germany continued to provide social housing in response to massive shortages (ibid). The current system is a continuation of the West German model, which developed during decades of extensive social welfare provision (Soederberg, 2018). After Reunification this *Modell Deutschland* was restored, this time with privatization of affordable social rental housing and retrenchment of state support (ibid). In Berlin, municipal social housing stocks were sold to private developers and construction of new social rental housing has rapidly declined (Aalbers & Holm, 2008; Kitzman, 2017). Due to privatization, state-owned social rental housing has decreased but is still larger than the national average (Aalbers & Holm, 2008).

Yet in Berlin, a ‘city of tenants’, relatively affordable rents endured in a diverse provider landscape of private and social rental market actors (Aalbers & Holm, 2008). In the decades following Reunification, processes including population decline and economic stagnation resulted in low rents across all sectors. This led to a reputation as a livable city which in part has attracted enough new residents to counteract affordability. Since the new millennium, opposite trends are observed. The growth of population and economy in Berlin is outpacing the national average and other international cities such as Amsterdam. 2006 was an important transition in regulatory history, at which time housing policy and funding was devolved to the federal states. This has impacted affordable and accessible housing in Berlin in unique ways due to its dual status as a municipality and city-state (Droste & Knorr-Siedow, 2014).

3.1.c. Research Subjects

In order to effectively address the research aims, the primary qualitative data sources include a range of experts influencing at various scales and avenues the affordability and accessibility of the public and private affordable rental landscapes of Amsterdam and Berlin. These contacts are accessed via connections made through a research internship at the Amsterdam Federation of Housing Associations (AFWC) and snowballing from initial respondents. Extra-national respondents include representatives from Housing Europe, the International Union of Tenants (IUT) and other consultancies involved in housing at the European level. Three such respondents are included. Government actors in housing departments of the Municipality of Amsterdam and Berlin Senate constitute the most micro-scale data from a local public authority perspective. Three such respondents are included, two in Amsterdam and one in Berlin. Two researchers from Berlin are included for an academic viewpoint.

To further contextualize the individual case studies, representatives from the various public and private institutional providers of affordable and accessible rental housing are interviewed. In Amsterdam these include the non-profit HAs and the AFWC. In total, six such respondents are included. In Berlin these include the municipal housing companies (MHCs), the BBU (Verband Berlin-Brandenburgischer Wohnungsunternehmen E.V.), or the Berlin-Brandenburg Federation of Housing Companies, and rental housing cooperatives. Four such respondents are included. Rather than tenants themselves, tenants' associations of the HAs in Amsterdam and the Berliner Mieterverein (Berlin Tenants' Association) represent tenant perspectives. In total, five such respondents are included. Private landlords and developers are not included, which may limit data collection especially in Berlin where these actors are involved in both social and private affordable housing. A full list and description of respondents can be seen in the Appendices.

3.2. Operationalization

The variables defined in Chapter 2 are categorized and made empirically measurable according to the below Table 1. Each variable is divided into dimensions which are then made empirically observable with indicators. This integral methodological step allows the researcher to assess the research sub-questions in the Amsterdam and Berlin contexts.

Table 1: Operational definitions and indicators of key research concepts.

Concept	Dimension	Indicators
Rental system	Unitary	Integration of profit and non-profit sectors, equal regulation of private and social sectors, competition, regulated and controlled rent-setting, tenure security, variety of social providers, large rental sector
Pressures	Social	Population growth, demographic change, diversification, stratification, increasing household income, vulnerable groups
	Economic	Global integration, marketization, foreign investment, privatization, marketization, increased employment, service and tourism sector growth
Local government	Institutions	State, municipal, district levels, regulatory autonomy, decentralization, levels of authority
	Policy	
	State aid	Regulation of distortion of competition, types of aid, privilege of social providers, definition of target group and provider responsibilities, SGEI, relationship to national government
	Tenancy rules	Entry requirements, income limits (singular or indexed), contract lengths, existing and new contracts, rent caps, point systems, rent increase, local comparable rent, subject subsidy
Rental market	Affordable providers	
	Social	Object subsidy, subject subsidy, HAs, definition of social need, residualization, socioeconomic population groups, new construction, selling, regulated and unregulated sections, government social mandate
	Private	Object subsidy, liberalization, lack of responsibility for affordable housing, new construction, incentives
	Public	MHCs, ownership structure, local authority influence, regulated and unregulated stock
	Tenants' associations	
	Public	Relationships to local government and private associations, member repesentativeness, policy orientation, negotiating power
	Private	Lack of representation to local government, protest, activism, grassroots, lack of central organization, legal assistance

Source: author's own.

3.3. Application of Methods

3.3.a. Research Methods per Sub-question

In accordance with a mixed methods approach, this combines three exploratory research tools. The research tools are utilized in different combinations to answer the three research sub-questions. The methods are not separated, and neither are the respondents, per sub-question. The purpose for which they are utilized, the topics for which they are administered and the data and respondents over which they are practiced account for each sub-question.

The primary qualitative method is semi-structured expert interviews. This format is most applicable to the research aims. All respondents are experts in their respective fields and institutions which include housing providers and federations, consultancies, municipal governments, tenants' associations, academic research and EU-facing professionals. Topic guides are prepared for both individual and joint interviews according to respondent type and consist of standardized topics that address all research sub-questions and those specific to the urban contexts and actors in each city (Bryman, 2008). This structure allows for the collection of data across the research topics and specific to local circumstances. In lieu of an interview topic guide, examples of standard discussion points include individual and institutional responsibilities and functions, local context, research, pressures, policy, impacts, international perspective and cooperation. The objective of these interviews is to uncover the rationale, attitudes and beliefs of respondents in regard to the research topics (Matznetter, 2006). Such expert interviews are conducted for all research sub-questions.

The second qualitative method is document analysis. This technique provides contextualization and explanation of the expert interviews (Oxley, 2001). Document analysis is meant to support respondent knowledge with concrete evidence and reference. The particular documents included in this method are chosen after they emerge from expert interviews. Types include policy and regulation documents of providers, local and national governments and the EU or EC. Additionally, publications by providers, institutions, government bodies, research institutes and academics lend methodological support. Documents are inspected for relevant material to the research questions, in order to enrich and verify expert knowledge. In doing so, this qualitative method constructs meaning from data in diverse contexts (Quilgars et al., 2009). Analysis of a wide variety of documents, included as sources in the Appendices, is conducted for all three research sub-questions.

The final research method adds quantitative substantiation to the qualitative tools. This thesis includes descriptive statistics for various topics within the inquiry. Statistics per case are presented separately and in comparison. The data is extracted from reports and repositories of local and national governments, statistical institutes and housing federations. This research does not manipulate raw datasets. Rather, data is transferred directly from publication to thesis according to relevance. In some figures descriptive statistics are compiled, designed and presented from available data specifically for use in this thesis. Descriptive statistics quantify and present the qualitative data in a different manner to further contextualize and support findings. Although robustness of figures depends on availability, and those included in this thesis are not precisely equivalent, this quantitative data contributes to analysis (Hantrais, 1999; Oxley, 2001). Descriptive statistics are utilized in the methodologies of the first and last research sub-questions.

3.3.b. Analysis of Results

The findings of each sub-question are presented in the subsequent results chapters. Expert interviews are contextualized and given significance by document analysis and descriptive statistics. This analysis follows a grounded approach in which contextual factors of Amsterdam and Berlin are explored to support the qualitative and quantitative findings (Quilgars et al., 2009). Through an exploration of similarities and differences between the rental housing landscapes of each city, the explanatory variable of local context is investigated for relationships to the affordability, accessibility and ability to respond to housing market pressures.

In order to analyze the qualitative data this research utilizes a coding strategy. Initially, the interviews from Amsterdam, Berlin and Brussels are coded according to code lists prepared from the operationalization indicators. In order to do so, transcriptions are coded in ATLAS.ti. Via further code analysis and reevaluation, codes are enriched and structures are created for each sub-question so that data can be categorized according to applicability. Once the final codes are established and connected, the appropriate documents are coded for their respective usage to support the other qualitative findings. In order to triangulate the qualitative data, descriptive quantitative statistics are added to support the conclusions reached in the coding analysis of interview transcripts and documents (Bryman, 2008).

3.3.c. Limitations and Ethical Concerns

In an international comparative study at the local urban scale, it is important for the researcher to acknowledge inherent limitations (Hantrais, 1999; Haworth et al., 2004). The case studies are justified according to scientific rationale, however there are certain barriers and considerations. The researcher is neither a native speaker of Dutch nor German and data collection is conducted in English. This limits the scope of interview subjects and documents. In response, the research design prioritizes respondent debate and opinion rather than exact comparable statistics and regulations. The research design accounts for as much equivalency as possible of both qualitative and quantitative data. The positionality of the researcher and respondents is addressed. As a resident of Amsterdam, it is important for the researcher to remain as objective as possible to both contexts. However, the fact that the researcher is neither from Amsterdam nor Berlin provides a measure of objectivity.

Additionally, research must recognize the positionality of the respondents and the impact this may have on the information they share. In order to account for this subjectivity, the research includes respondents from outside the two contexts and utilizes document analysis and descriptive statistics to balance opinion. It is necessary to acknowledge that the following results are not an exhaustive summary of these housing markets. It is not possible within the scope of this thesis to address all housing issues and pressures in both cities. It is inevitable that some parts of the story are left out, including legislation and historical and regulatory context. The following findings present the most important elements of the research topics according to the data collected during fieldwork.

Chapter 4. Providers and Rules of Affordable and Accessible Rental Housing

Section I. Introduction

4.1. Research Sub-question

Who are the local providers and what are the rules for accessibility and affordability of rental housing in Amsterdam and Berlin?

Sections II and III identify the providers and rules of affordable and accessible rental housing in Amsterdam and Berlin. These sections include working definitions of affordability and accessibility based on these physical and regulatory characteristics supported by respondent knowledge and opinion. Section IV provides a summary of findings.

Section II. Amsterdam

4.2. Providers

4.2.a. Social Housing

In Amsterdam the social housing sector consists of housing associations and private dwellings under a certain price determined at the national level (see Chapter 4.4.a.). The sector provides the majority of affordable and accessible rental housing on the market. In a historical context, the social housing sector grew alongside the strengthening welfare state to supply housing for those with a social need. As such, the social housing sector in Amsterdam is an integral part of a long tradition of social welfare in the Netherlands (Respondent 9).

4.2.b. Housing Associations

The predominant providers of social housing in Amsterdam are HAs. After becoming increasingly independent from the state since the 1990s, HAs still play a pivotal role both ideologically and physically. The legal responsibility of all HAs is the provision of decent, available and affordable housing for low income target groups (see Chapter 5.3.a.). Specific goals of Amsterdam HAs include contributing to and improving a city facing a housing shortage and rising rents (Respondent 7; Respondent 20). HAs are committed to providing access to affordable rental housing while recognizing the specific difficulties faced by those low-income households.

Amsterdam HAs own a significant but shrinking portion of the housing stock, due in part to privatization and decreasing new construction. In the past, HAs owned more than half of all housing in the city. According to the report *Wonen in Amsterdam 2017 Woningmarkt*, HAs accounted for 43.1% (184,300 dwellings) of the housing stock in 2017. These figures have decreased since 2011 (48.1% and 195,600) (Berkers & Dignum, 2017). The proportion of the Amsterdam housing stock owned by HAs has been decreasing since its peak in the 1990s, encouraged and supported at times by shifts in political and societal opinions. However, recent initiatives have aimed at once again increasing the stock.

Housing Federation

The nine HAs in Amsterdam are members of the AFWC. Since 1917 this federation has functioned as a communications resource, an institution of data and knowledge exchange and most importantly a representative to various outside institutions. The multi-faceted functions of the AFWC are summarized as follows:

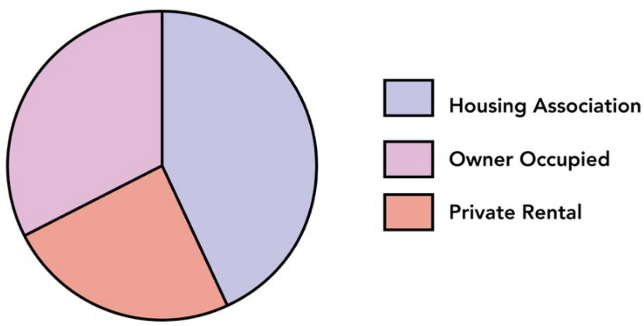
> *The characteristics of the federation are not just about lobbying, it is also about exchanging knowledge. We are a network organization with contact at various levels of government, planning bureaus, knowledge and research institutions and our members (Respondent 23).*

4.2.c. Private Rental Housing

Although the vast majority of private rental housing is not social, the regulated private rental sector plays a role in providing affordable housing. In the Dutch context, regulated means below a certain price set by the national government (see Chapter 4.4.a.). The private rental sector is increasing in share of the overall housing stock, from 22.5% to 24.4% between 2011 and 2017 (Berkers & Dignum, 2017). At the same time, the percentage of affordable private rental housing has been decreasing, and this trend is projected to continue. In 2017, 13.2% of the total housing stock and 25% of the affordable rental stock was regulated private rental. The ownership structure of the Amsterdam housing market, including the above rental providers and the owner-occupied sector, can be seen in Figure 1:

Figure 1: Chart and table of the ownership structure of the Amsterdam housing market.

Amsterdam:



	%	Number
Housing Association	43.1	184,300
Owner Occupied	32.5	139,300
Private Rental	24.4	104,300
Total	**100**	**427,900**

Source: Wonen in Amsterdam 2017 Woningmarkt.

4.3. Accessibility Rules

4.3.a. Entry Requirements

There are a number of available criteria for determining eligibility to enter either the HA stock or private regulated rental housing. This affordable housing is allocated to certain households primarily by rules based on household income characteristics and contract lengths.

Income Limit

Accessibility to affordable housing is determined by an income limit set by the national government and does not differentiate between household types. In 2017, the income limit for entry to social housing for low income households was €36,165 (Berkers & Dignum, 2017). HAs are allowed to let up to 10% of their stock to households with an income up to € 40,349 (ibid). The income limit for the regulated private sector was €44,360 (ibid). Income limits apply only to new contracts. This strict entry requirement is a deliberate political decision based on EU guidelines (see Chapter 5.3.a).

Contracts

Contract lengths can either ensure or constrict accessibility. The majority of new and existing contracts by HAs are given for an indefinite period and may not be terminated based on increases in income beyond the specified limit.

This means that for those who have already gained entry to the sector, continued accessibility is by and large assured. Since July 2016 HAs are permitted to introduce new temporary contracts of five years for young people up to 28 years old (Ministerie van Binnenlandse Zaken en Koninkrijksrelaties [MBZK] 2015).

4.3.b. Accessibility Definition

Accessibility to affordable housing is determined by household income and contract lengths. In theory, those households who meet the income criteria should have access to affordable rental housing for a specified contract length (whether perpetual or temporary). However, these rules in combination with other housing market and population dynamics have resulted in extended waiting periods averaging 14 years. Additionally, those households who do not qualify for the income limit, but who may not be able to afford unregulated rental housing or homeownership, are excluded.

HAs have expressed frustration with the arbitrary and inflexible income cap that does not make sense in the Amsterdam market (Respondent 3; Respondent 20). On the other hand, HAs believe temporary contracts can provide quick and temporary accessibility for young entrants who then move on to provide access to new households (Respondent 2; Respondent 9). In contrast, tenants' associations believe that temporary contracts will create future problems for tenants' rights.[10]

4.4. Affordability Rules

4.4.a. Cost

Although affordability can be defined as a subjective relationship between household and dwelling, the objective costs of various forms of affordable housing are determined in policy. These rules contribute to affordability in various sectors, the continuation of affordability with rent increase and the impacts of market forces on the cost of housing.

[10] This fear is identified my respondents 7, 21 and 22.

Liberalization Limit

According to national policy, the maximum rent for an affordable dwelling in 2018 is € 710.68 per month (Berkers & Dignum, 2017). This price was set in 2016 and is frozen for three years (ibid). HAs cap the rent of the majority of their dwellings in order to keep them affordable and have established different rent segments within their stock to allocate dwellings to certain income groups. The liberalization limit also defines affordability in the private rental sector. What is below €710.68 is considered social, and what is between the liberalization limit and an upper limit determined at the municipal level (€971 in Amsterdam) is considered affordable for middle income households (Czischke & van Bortel, 2018).

Point System

In the regulated rental and HA sectors, rent is calculated for new and existing contracts according to the *Puntsysteem* (Point System). Points by which rent is determined are awarded for quality indicators such as floor space, amenity and energy efficiency. In 2015, property value was added to the *Puntsysteem*. The explosive growth of the real estate market in Amsterdam has thus translated to a sharp increase in the liberalization potential of regulated private rental dwellings (Respondent 7). This change in the valuation system has had a dramatic impact in the pressurized housing market in Amsterdam.

Rent Increase

In general, strong protections at the national level shield tenants in Amsterdam from unjust rent increases. According to national law, rent increase differs based on income in the regulated private rental sector. In 2017, for households with an annual income below €40,349 the maximum rent increase was 2.8%. For households with an annual income above €40,349, the maximum rent increase was 4.3% (Respondent 1). Within the same national policy limits, HAs are permitted to classify rent increase according to income segmentation (Respondent 9). HAs receive yearly household income information from the national tax service, however it is limited to income segments and may only be used for such purposes. Depending on business and social strategy, some HAs pass higher rates of increase to higher income segments (above €40,349) and others lower rates of increase to lower income segments (below €40,349), and vice versa.

4.4.b. Subsidy

Finally, subsidy schemes have an impact on the affordability of rental housing. Subsidy schemes may change over time due to evolving market conditions and societal opinions on welfare.

Rent Allowance

In the past HAs were subsidized by the national government, however such object subsidies no longer exist. Households may now apply with the national tax service for subject subsidy rent allowance from the national government. Rent allowance is allocated for a specified need according to factors including income, rent price and household composition (Belastingdienst, 2017). Rent allowance is meant to increase tenant affordability by decreasing the housing cost to income ratio[11]. In 2017 the average cost to income ratio in Amsterdam was 28.3% for all households, 27.3% for households receiving rent allowance and 28.8% for households without rent allowance (Berkers & Dignum, 2017). Since 2016, HAs are required by law to allocate 95% of new contracts to households entitled to rent allowance. The rent should not exceed a limit according to household size. In 2017 the limit for one and two person households was €592.55 and €635.05 for three or more person households (Berkers & Dignum, 2017).

4.4.c Affordability Definition

Affordability in Amsterdam is determined first by the cost of rental housing, then by the household resources available to pay (assisted by housing allowance). Affordable housing (below €710.68) exists in both the HA and private regulated sectors. The structure of the affordable rental housing market can be seen in Table 2:

[11] The percentage of monthly income spent on rent.

Table 2: Table of the structure of affordable housing according to the liberalization limit.

Amsterdam:

Regulated (Liberalization limit)	Provider	Number	% Regulated	% Total Housing Stock
	Rental			
	HA	168,700	74.9	39.4
	Private	56,600	25.1	13.2
	Total	**225,300**	**100**	**52.6**
Unregulated	Provider	Number	% Unregulated	% Total Housing Stock
	Rental			
	HA	15,600	7.7	3.7
	Private rental	47,700	23.5	11.2
	Owner Occupied	139,300	68.8	32.5
	Total	**202,600**	**100**	**47.4**
	Total Dwellings	**427,900**		

Source: Wonen in Amsterdam 2017 Woningmarkt.

HAs keep rents low to provide affordable housing where the private market does not and are responsible for reasonable rent increases according to national government regulation. The affordability of regulated private rental housing is under threat due to the addition of market value in the *Puntsysteem*. The *Puntsysteem* means something different especially for Amsterdam because of high property values:

> *In Amsterdam where the real estate prices are so high, the point system comes into play because of the mixing of these quality points based on market value. The consequence is that quality points, especially in the inner part of the city, are now very high (Respondent 2).*

Section III. Berlin

4.5. Providers

4.5.a. Public Housing

What rental housing is considered affordable, accessible and social in the Berlin context is related to provider type, price and allocation methods. Thus, it is valuable to first explain the landscape of providers before arriving at these definitions.

Municipal Housing Companies

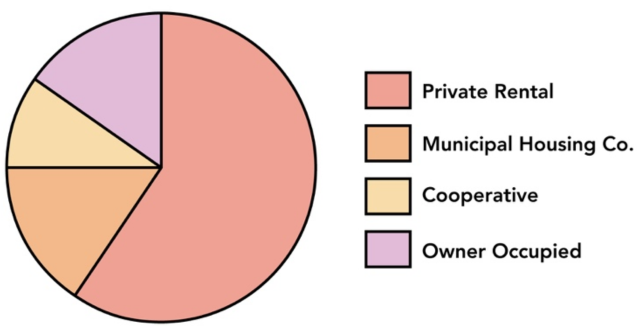
The six MHCs in Berlin are the only institutions obligated to provide affordable and accessible housing for low income households who cannot pursue private rental or homeownership

Most of the municipal housing companies were founded between the World Wars in the 1920s, when Germany and Berlin were in economic disaster. Living conditions were very unhealthy. There was a need for municipal housing companies that cared about these problems, because the private sector was concerned only with profit. The purpose of our job is to build and care about cheap apartments for people with low incomes – this is still actualized. Every municipal company in Berlin is focused on people living more or less equally in the same society – our job is to have a mix of tenants, keep peaceful neighborhoods, and work on integration of refugees and other foreigners. We provide housing but also a social service (Respondent 13).

MHCs are organized as private companies (GmbH) with 100% Berlin State ownership and must maintain profitability by pursuing a mix of free market and affordable dwellings. MHCs reinvest in their stock rather than pay dividends and negotiate with the local government. According to *IBB Wohnungsmarktbericht 2017,* in 2016 MHCs owned 294,725 units (15.4%) of the total housing stock (IBB 2018). This is equivalent to 45.3% (94,098 units) of the subsidized affordable housing market and roughly half of the housing owned by social providers (IBB, 2018). A summary of the ownership structure of the Berlin housing market can be seen in Figure 2.

Figure 2: Chart and table of the ownership structure of the Berlin housing market.

Berlin:



	%	Number
Rental	84.9	1,626,500
Private	59.7	1,144,640
Municipal	15.4	294,725
Cooperative	9.8	187,135
Owner Occupied	15.1	290,000
Total	**100**	**1,916,500**

Source: IBB Wohnungsmarktbericht 2017.

4.5.b. Private Rental Housing

The most salient characteristic of the Berlin housing market is that it is dominated by private rental dwellings. In 2016, 84.9% of the total housing stock were private rental units (1,626,500 dwellings) and 15.1% were private owner-occupied units (290,000 dwellings) (IBB, 2018). The majority of the private rental market (1,054,400 units) was free and unsubsidized, thus causing concern for affordability (ibid).

Subsidized Sector

In 2016 roughly 10% (114,915 units) of the private rental sector was considered social and affordable by the most recent subsidy law (see Chapter 4.7.d.) (IBB, 2018). These dwellings are publically funded by the Berlin State despite being owned by private owners including individual landlords, small scale local corporations and institutional investors. Due to the stipulations of the subsidy scheme, and the fact that construction of these private social dwellings was halted from the 1990s until the early 2010s, this portion of the affordable rental market in Berlin will diminish further without new construction.

Housing Cooperatives

Rental housing cooperatives let 187,135 units (31.4% of the social provider rental stock and 9.8% of the total rental housing stock) (IBB, 2018). This 'long live living' is different from other private providers in that members are accorded more rights (Respondent 18). Namely, they are able to determine the politics of their respective cooperatives and are entitled to perpetual contracts. The rental cooperative concept is unique to German speaking countries. Some rental housing cooperatives in Berlin provide additional services such as savings banks and neighborhood resource centers.

4.5.c. Housing Federation

The BBU facilitates knowledge exchange and represents housing providers in the city and region (335 total, mostly rental cooperatives and equal to 40% of the rental market in Berlin). The BBU works in consultation with the Berlin State on issues related to affordable housing such as the *Mietspeigel* (see Chapter 4.7.b.) and the role of MHCs (Respondent 11).

4.6. Accessibility Rules

4.6.a. Private Unregulated Rental Housing

It is important to note that, by law, there are no specific entry requirements for private unregulated rental housing, which may or may not be classified as affordable according to rent price. In these dwellings it is up to the landlord to choose a preferred tenant. Although discrimination protections do exist, Respondents 11 and 16 highlight the possibility of these tactics by private landlords.

4.6.b. Entry Requirements Social Housing

In the Berlin context entry to subsidized social housing, whether private or municipal, is subject to the same basic requirements. The setting of such rules by national governments involves a deliberate effort to shape the population of the sector based on economic and social goals.

Income Limits

Eligibility to enter the social sector (both private and public) in Berlin is determined by a locally defined variation of nationally determined income limits. The Federal Republic of Germany restricts access to social housing to a maximum income of €12,000 for single households, €18,000 for two-person households and €4,100 for each additional household member (IBB 2018). By federal law, the Berlin State is permitted to amend the income limits according to local housing market conditions. In Berlin, for one-person households the income limit is €16,800 and for a two person households the income limit is €25,200 (40% higher than the federal limits). For each additional household member, the income limit increases by €5,740 and a supplement of €700 is added for each child in the household (Wohnraumförderungsgesetz [WoFG], 2015).[12]

Lock-in Periods

The object subsidy scheme created by the Berlin State for social housing (see Chapter 4.7.c.) sets a lock-in period during which a landlord must keep rents affordable. Theoretically, tenants have access to these dwellings during lock-in periods. However, since the lock-in periods eventually expire this system of social housing does not provide indefinite accessibility. Although contracts are not officially terminated when lock-in periods end, access is no longer attainable when a household cannot pay the new unregulated rent.

4.6.c. Entry Requirements Cooperative Housing

Accessibility to cooperative housing in Berlin is dependent on application requirements and contract lengths. Contracts are perpetual for those households who are able to enter the sector. This results in a low fluctuation rate and waiting lists up to 10 years. There are no income limits to apply for rental cooperative housing, and in fact most cooperatives search for residents with middle to high incomes to ensure continued financial health (Respondent 17).

[12] Those households that meet these income requirements may apply for a permit (WBS) to enter the subsidized sector.

4.6.d. Accessibility Definition

Accessibility to subsidized social housing by municipal or private providers is dependent on indexed household income limits. The Berlin State is working towards increasing access in the pressurized housing market by setting local income limits higher than national regulation. There are no income limits for eligibility to cooperative housing, however this form of affordable housing is in general restricted to those with middle incomes and deterred by long waiting lists. Private landlords are not bound to income limits or social responsibility. Lock-in periods impact affordability of private socially subsidized buildings to low income tenants who may not be able to afford liberalized rents[13].

4.7. Affordability Rules

4.7.a. Cost

Municipal and private social providers as well as rental housing cooperatives have different strategies to regulate the cost of existing and new contracts. Due to the fact that each rental cooperative in the city follows individual rules, it is not within the scope of this research to cover these regulations.

4.7.b. Rent Increase

Rents in new and existing contracts in Berlin have been rising steeply in recent years. Between 2011 and 2017 the average rent price for existing contracts rose from €5.21 to €6.39 per square meter while the price for new contracts rose from €7.50 to €10.80 per square meter (IBB, 2018). In Berlin, the principle mechanisms to control increasing rents in the private unregulated rental market are based on the German comparable rent system.

Mietspiegel

The *Mietspiegel* (Rent Index), is published every two years. It is a reference for landlords and tenants that shows the local comparative rents for similar apartments. The purpose of the *Mietspiegel* is to regulate rent in existing private contracts. In theory, every year a landlord is allowed to raise the rent to the *Mietspiegel*. It is a non-binding instrument that may only be used in court to settle disputes between tenants and landlords and is thus a responsibility

[13] Respondents 10, 11 and 14 support lock-in periods due to the fact that they foster social mix and ensure the lifecycle of properties.

of civil law (Respondent 10). The *Mietspeigel* is not enforced *en masse* but is rather a tool which can only be used as a reference and in legal proceedings.

Mietpreisbremse

The *Mietpreisbremse* (Rent Break) is meant to control rent increase in new private contracts. It is an optional instrument established at the national level and left to the federal states of Germany to implement. Since 2015 the *Mietpreisbremse* has been in place in the pressurized Berlin housing market. The law prevents landlords from raising rents in new contracts by more than 10% over the *Mietspiegel*. However, the regulation is only in place for five years. The law is only enforced if a case is brought before a court and only applies to building constructed before 2014. Furthermore, if the previous contract was already more than 10% above the *Mietspiegel*, the landlord may still raise the rent an additional 10%. Finally, in case of modernization the *Mietpreisbremse* does not apply (Senatverwaltung für Stadtentwicklung und Wohnen [SSW], 2017).

4.7.c. Subsidy Schemes

The most important and effective instrument at the disposal of the Berlin State to influence affordability in the housing market is the subsidy scheme for social housing. This object subsidy is provided to the landlord rather than the tenant. Object subsidies, whether given to municipal or private landlords, classify a dwelling as social in that this sector is provided not as a market good but according to social need.

Landlord Loans

Subsidies are given to developers as public loans to construct new dwellings. In exchange, landlords must keep a percentage of units affordable for a lock-in period. The original subsidy scheme lasted from the 1960s to 1990s. By this time, due to the low occupancy rates and general economic decline, subsidized housing had become more expensive than free market private rental housing. The subsidy scheme was reintroduced in 2014 to help solve the housing crisis resulting from rapid population increase and the end of lock-in periods for existing social housing. According to Berlin State law and cooperation agreements, lock in periods are being extended to 30 years and municipal developers must allocate 50% of new dwellings to the social sector (see Chapter 6.5.c). The development of the current subsidy program can be summarized as follows:

The object subsidy scheme that ended in the 1990s was brought back in Berlin in 2014 because of population development and price increases. From 2010 rents and property prices have increased very steeply in tandem with population, much quicker than governments can react to. This is a consequence of the declining number of subsidized units in the past. Original social rent controls are running out. We are trying to increase and stabilize the new subsidy scheme, but the reason why rent prices are still rising even after the reintroduction of the subsidy scheme is demand (Respondent 10).

4.7.d. Affordability Definition

Affordable rental housing in Berlin can be defined by subsidy or social provider. Structures of the affordable rental market, according to both definitions, can be seen in Table 3[14]:

Table 3: Tables of the structure of affordable housing according to subsidy and provider.

Berlin:

Regulated (subsidy)	Provider	Number	% Regulated	% Total Housing Market
	Rental			
	Private	90,243	43.5	4.7
	Municipal	94,098	45.3	4.9
	Cooperative	23,175	11.2	1.2
	Total	**207,516**	**100**	**10.8**
Unregulated	Provider	Number	% Unregulated	% Total Housing Market
	Rental			
	Private	1,054,397	61.7	55
	Municipal	200,627	11.7	10.5
	Cooperative	163,958	9.6	8.6
	Owner Occupied	290,000	17	15.1
	Total	**1,708,984**	**100**	**89.2**
	Total Dwellings	**1,916,500**		

Affordable (provider)	Provider	Number	% Affordable	% Total Housing Market
	Rental			
	Private	114,915	19.2	6
	Municipal	294,725	49.4	15.4
	Cooperative	187,135	31.4	9.8
	Total	**596,775**	**100**	**31.2**
Unafforable (provider)	Provider	Number	% Unaffordable	% Total Housing Market
	Rental			
	Private	1,029,725	78	53.7
	Owner Occupied	290,000	22	15.1
	Total	**1,319,725**	**100**	**68.8**
	Total Dwellings	**1,916,500**		

Source: IBB Wohnungsmarktbericht 2017.

The subsidized affordable sector is composed of municipal, private and cooperative rental dwellings for which the rent is capped by WBS permit. This definition of affordable housing relies on the figures and method published in the IBB *Wohnungsmarktbericht* 2017, a yearly rental market report.[15]

The social affordable sector includes the social provider stock of subsidized private rental housing (according to the most recent subsidy law) and all municipal and rental cooperative units. Respondents prefer this second definition.[16] In Berlin, multiple concepts of affordable housing are a result of the lack of a singular policy definition. Instead, different measuring tactics rely on changing legislative definitions of social subsidy and respondent definitions of social providers.

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[14] The reason for the difference between subsidized private units in the two tables is the reliance of IBB definition on old and new subsidy law and social provider definition on new subsidy law.

[15] The IBB counts subsidized private, municipal and cooperative housing units by WBS permit granted under old and new subsidy voucher laws.

[16] Respondents classify MHCs as social providers due to the fact that they are mandated to provide housing for those with a social need and rental cooperatives as social providers due to the fact that this housing is in general more affordable than the Berlin average.

Mechanisms of the comparable rent system in Berlin are meant to manage rent increase and thus affordability in the private unregulated sector. The *Mietspiegel* and *Mietpreisbremse* define affordability according to market dynamics and local average rent prices. Both tools suffer barriers to enforcement. The intentions and inadequacies of the *Mietpreisbremse* can be summarized with the following statement:

> *The Mietpreisbremse was and still is controversial. It turned out to be relatively unimportant. The idea was to cap all rents to solve all problems – this did not turn out to be true. In general, Berlin is using all instruments available to regulate as much as possible – but the positive effects of the Mietpreisbremse are disputed. The Mietpreisbremse is not going to solve problems on a bigger scale, it is just fighting symptoms (Respondent 10).*

Section IV. Conclusion

4.8. Findings

Comparison is complicated by different definitions of affordable and social housing as well as accessibility rules. See Figure 3 and Table 4 in the Appendices for comparisons of ownership, composition and definitions of affordable housing in both cities. Respondents reveal comparative insights. In both Amsterdam and Berlin, respective non-profit and municipal providers are dedicated to social housing separate from the free market. Each city defines social housing differently: "In Germany social housing is a type of dwelling. In the Netherlands it is a type of organization" (Respondent 4). In both cities some affordable housing is provided on the private market, although this form is disappearing. Amsterdam and Berlin still provide affordable options in an increasingly expensive housing market. However, this stock is decreasing.

Policymakers and institutional providers are committed to increasing accessibility for low and some middle-income households. Respondents in Amsterdam are frustrated with singular income limits. Respondents in Berlin are making efforts to include more households in the affordable sector by raising income limits above residualizing national regulation. HAs and MHCs recognize the need to construct new and affordable dwellings. In both Amsterdam and Berlin, affordability is increasingly determined by market dynamics rather than ability to pay.

Chapter 5. European Commission Directive on State Aid and Local Rental Markets

Section I. Introduction

5.1. Research Sub-question

How does the European Commission Directive on State Aid, filtered through national governments, impact the local housing markets of Amsterdam and Berlin?

Section II introduces the policy competencies of the EU, the directive and the 'Dutch Case'. Section III investigates the impacts of the directive on national policy and the local rental market context in Amsterdam. Section IV introduces the German context and investigates potential impacts of the directive at national and local levels. This chapter utilizes qualitative data such as policy documents and academic literature. These resources set the stage for respondent dialogue and contextualization of debate. Section V provides a summary of findings.

Section II. The European Union

5.2. Introduction

5.2.a. Housing Policy and the Principle of Subsidiarity

The EU does not have an official mandate to regulate housing in Member States and recognizes that "the provision of affordable and social housing is a concern of national, regional and local policies" (Housing Partnership, 2017). This recognition is bolstered by the principle of subsidiarity within Article 5(3) of the Maastricht Treaty of the European Union (TEU) (Panizza, 2018). The TEU makes explicit reference to local and regional authority:

> *Under the principle of subsidiarity, in areas which do not fall within its exclusive competence, the Union shall act only if and in so far as the objectives of the proposed action cannot be sufficiently achieved by the Member States, either at central level or at regional and local level, but can rather, by reason of the scale or effects of the proposed action, be better achieved at Union level (Treaty, 2008, p. 19).*

It should follow that legislation regarding affordable and accessible housing is left to Member States. According to Respondent 8, the lack of a unified EU housing policy reflects that realities at the Member State level are too varied for one policy to be possible and affective.

5.2.b. European Commission and State Aid

Among the possible avenues for housing market intervention, the most important is EC economic competition policy. Via this legislation the EC has exercised control over the methods by which Member States can provide social and affordable rental housing outside of the free market.

Competition Policy

The "fundamental objective of EU competition rules is to prevent distortion of competition" within and between Member State markets (Honnefelder & Silvestri, 2018, p. 1). These policies are developed through successive amendments to the original Treaty on the Functioning of the European Union (TFEU) (Honnefelder & Silvestri, 2018). Member States that provide state aid for certain economic undertakings (whether public or private), while withholding it from others, are considered in violation of competition law by impeding fair competition on the market.

Services of General Economic Interest (SGEI)

Within competition policy and in relation to the local provision of affordable social rental housing, a distinction is made between SGEI and non-SGEI. The EC defines SGEI as follows:

> *Economic activities which deliver outcomes in the overall public good that would not be supplied (or would be supplied under different conditions in terms of objective quality, safety, affordability, equal treatment or universal access) by the market without public intervention (2013, p. 21).*

The EC has made explicit reference to social housing as that which "provides housing for disadvantaged citizens or socially less advantaged groups" (EC, 2013, p. 22). Such economic activities should reflect the needs and required support in national, regional and local communities within Member States (Housing Partnership, 2017). According to the EC, it is left to Member States to establish their own definition of SGEI given local circumstances. Non-SGEI do not violate any regulations against unfair market competition and are thus not impacted by these rules.

European Commission Directive on State Aid

The guidelines are contained principally in Article 107 of the TFEU:

> *1. Save as otherwise provided in the Treaties, any aid granted by a Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favoring certain undertakings or the production of certain goods shall, in so far as it affects trade between Member States, be incompatible with the internal market.*
>
> *2. The following shall be compatible with the internal market:*
>
> > *(a) aid having a social character, granted to individual consumers, provided that such aid is granted without discrimination related to the origin of the products concerned (Treaty, 2008, p. 91).*

The European Parliament (EP) provides further guidance on the definition of state aid:

> *State aid includes all state-funded aid granted directly by Member States. It covers not only non-repayable subsidies, loans on favorable terms, tax and duty exemptions, and loan guarantees, but even state participation in undertakings in so far as preferential treatment of given undertakings or sectors distorts, or is likely to distort, competition and adversely affects trade between Member States (Honnefelder & Silvestri 2018, p. 3).*

It is thus possible that some forms of social housing provision may be considered a violation of the directive. Situations in which Member State governments give state aid in the form of subsidies, loans, guarantees and other financial assistance to social and not private housing providers can warrant a compliant. Respondents held various opinions on the directive and recognized the far-reaching impact of this legislation in the housing sector:

> *The directive is about where state support is allowed and where it is not, where there should be a level playing field. It is quite a neoliberal point of view (Respondent 3).*
>
> *There are no competencies based on social housing at the EU level so the advice can be quite broad. It can touch several fields where there are competencies through which the EU can indirectly impact housing situations or investments (Respondent 4).*

Via these state aid rules, the EC is able to intervene in Member State housing markets to influence providers and governments to narrow target groups and reduce social housing sectors.

5.2.c. The 'Dutch Case'

While cases have been brought against social housing in Sweden, France and Belgium the first and most impactful is known as the 'Dutch Case'. In the 2000s, a succession of high profile problems in the social housing sector helped to foster distrust of HAs from the public and government. In the same period, the EC focused attention on possible violations of state aid policy in the Netherlands. Accordingly, the EC issued a series of recommendations to bring the sector in line with EU regulation.

Housing Association Scandals

Since the 1990s and the end of direct national government subsidization[17] HAs began to engage in more cross-subsidized commercial activities and joint public and private ventures, oftentimes with local government encouragement. A combination of low interest rates, rising property prices and the selling of social dwellings allowed HAs to amass wealth (Hoekstra 2017). Subsequently, instances of mismanagement and financial missteps including high executive salaries and failed derivative trading led to public resentment and encouraged government review and legislative action (Boelhouwer & Priemus, 2014). Experts from within the social sector recognize the issues that plagued HAs at the time:

> *After housing associations privatized in the 1990s some took too many risks in the commercial market sector. There were also issues with integrity and the public and politicians took action against the housing associations (Respondent 9).*

> *In some cases, housing associations went too far out of their core remit, and instances of bad governance and fraud caught national attention. Some 20 out of 400 housing associations became notorious in the press for their miscalculations in commercial property development and land acquisition, financial mismanagement and speculation (Respondent 23).*

European Commission

In 2005, then Director General of Competition Loretta Dormal Marino published a letter in which the EC concluded the existence of unlawful state aid in the Netherlands based on the following benefits given to HAs: state guarantee of loans from the Social Housing Guarantee Fund (WSW), support from the Central Housing Fund (CFV), below-market sale of municipal public land and borrowing rights from the Dutch Municipality Bank (BNG) (EC, 2009). According to the EC, SGEI providers should not receive such state aid in competition with private market actors. Additionally, the fact that Dutch HAs had been engaged in non-SGEI while receiving state aid was seen as problematic.

In 2007, the first official complaint against Dutch HAs was presented to the EC by the Association of Institutional Investors Netherlands (IVBN). The complaint centered around the ambiguity of the purpose and target population of HAs and their entrance into the free rental and private ownership markets. In light of the government aid given to HAs, institutional investors called for a restriction of the social housing target group, the right to access state aid for the construction of social housing and a refocusing of HAs towards only SGEI if receiving state aid (EC, 2009).

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[17] In 1995 HAs become completely financially independent after the ‘Grossing and Balancing Operation’ at the national government level (Hoekstra, 2017).

Section III. The Netherlands

5.3. National Impacts

5.3.a. Housing Act 2015

The most recent and oft-mentioned impacts of the above interactions between the Netherlands, EU and EC result from the Housing Act 2015. Although the strict, singular and low target group income limit was already introduced in 2011, the 2015 act signified a renewed commitment to housing market reforms and the desire of the national government to conform to economic competition law, state aid regulation and the EC target group definition. The Housing Act 2015 marked a departure from the characteristic open social housing sector and unencumbered state assistance. Additionally, the legislation aimed to equalize the housing market position of HAs and private housing developers.

According to some respondents, the Housing Act 2015 was a case of being the best schoolboy in class whereby fixed rules were enforced for the entire country based on the goal to create a level housing market playing field for public and private developers[18]. Respondents collectively highlighted the following most important change of the Housing Act 2015:

Definition of Target Group

The Housing Act requires that in order for HAs to receive state aid in the form of loan guarantees, the target group should include only socially disadvantaged households. In order to define this population, the national government has set a single household income limit which can be indexed yearly according to market conditions. At the time of the introduction of the limit, households with an income no higher than €33,000 were defined as socially disadvantaged (approximately 43% of the population) (Priemus & Gruis, 2011). Starting in 2015, by law 90% of new HA contracts should have gone to this income group in order to further reserve the sector for the most disadvantaged populations (EC, 2009). At present, and for the next three years, 80% of new HA contracts should be assigned to this group by current income definition (Respondent 23).

[18] These views were expressed by respondents 14, 2 and 9, respectively.

5.4. Local Impacts

5.4.a. Housing Associations

Changes in national legislation are felt most acutely by HAs and are unique to the local context of Amsterdam. Since the Housing Act 2015 the local government and HAs search for methods to work under the umbrella of national legislation to best serve the housing needs of the local population. This section will not cover all of the local impacts, nor all associated legislation that also limits Amsterdam HAs. It addresses those most frequently mentioned by respondents. HAs express frustration with the stricter elements of the Housing Act and the interpretation of loan guarantees as state aid. However, some actors do recognize the potential for unfair competition:

> *It is an interesting discussion, because actually there is no aid or subsidy of anything. But, we can borrow money at low interest rates which is of course unfair if you are competing with private investors in new area development (Respondent 20).*

Separation of SGEI and Non-SGEI

The Housing Act makes a clear distinction between the social and market tasks of HAs and designates which economic activities are entitled to state aid. HAs should not receive state aid for activities outside the core task of SGEI. To comply, HAs are required to make a clear distinction between SGEI and non-SGEI. Legislation dictates that non-SGEI should either be left to commercial parties or to separate administrative and juridical bodies within HAs (Hoekstra, 2017). Even so, such free market ventures are still subject to strict conditions. According to respondents, this element of the Housing Act has led to immense administrative undertakings, a complete reshuffling of social and commercial ventures and frustration with limitations on construction and investment opportunities:

> *It's like a divorce within the associations, we were kept busy for two or three years making divorce plans. The space to maneuver has become smaller because of the law. We have to build a wall in our stock which makes the system inflexible (Respondent 3).*

> *Housing associations came under stronger supervision and were made more accountable to municipalities with respect to the nature of their projects. They also came under increasing pressure to make cost-saving and budget cuts. For core SGEI the housing associations receive loan guarantees backed by the government. For other non-SGEI housing associations have to borrow money on the free capital market without such a guarantee. SGEI include providing social housing for the new target groups and constructing and renting out social real estate (Respondent 23).*

Middle Income Housing

Previously, Amsterdam HAs were able to invest in housing for middle income groups for which loan guarantees were received. This is no longer possible, even without loan guarantees. The strict new income limit for social housing excludes households who previously had access to HA dwellings. Thus, HAs have found it more difficult to provide housing for this group. Affordable middle-income housing is especially threatened in Amsterdam, where private rental and homeownership are becoming increasingly expensive. HAs in the city recognize this uniquely local problem:

> *For the middle-income groups in Amsterdam, there is no way to find affordable rent because the private sector is not providing these kinds of dwellings. According to EU regulations we cannot provide for this group, which is strange (Respondent 20).*

> *According to some politicians housing associations are not supposed to invest in middle income housing anymore, while there is a lack of it especially in big cities. When it comes to target groups, in the Netherlands the state aid regulations do not look into household composition or rental market characteristics - for example big cities versus rural areas (Respondent 4).*

Housing Investment and Construction

Amsterdam HAs recognize that new restrictions placed on commercial development have discouraged construction and investment in the middle income sector. In order for HAs to be active in commercial development, the local government must conduct a market test to assure that no private investors are interested and able. In this way, a level playing field can be created for construction of market units. Respondents observe that this law increases the difficulties faced by middle income households and threatens social mix:

> *It is now very difficult for housing associations to construct market dwellings. There has to be a market test to prove that private parties are not also able and interested to carry out the development. Housing associations can no longer easily participate in such commercial activities (Respondent 23).*

> *Even investing in the market segment is strict and incidental. Social housing providers don't get any state aid and you need to have local authority approval after an assessment that there is no interest from commercial developers. This market test applies when a housing association sees a social need to invest on the local level outside of the core task. Under these strict conditions this investment is in line with national law (Respondent 4).*

Section IV. Germany

5.5. State Aid in Germany

5.5.a. National Context

The nature of state aid to social housing in Germany is complex. Federal funding is not given directly to providers. Instead, general funding is made available to the Länder (federal states) which control how and where it is allocated to housing and other sectors. More importantly, to stimulate the provision of affordable housing the Berlin State provides object subsidies to housing providers so that they may offer affordable rents. The Berlin State does not prioritize one type of provider and subsidized providers generally maintain both SGEI (subsidized social rented apartments) and non-SGEI (unsubsidized private market apartments). Thus, there is technically no distortion of competition according to EU definition. Respondent 4 describes the situation as such:

> *Legally, state aid is only applied when some companies are selected over others. In Germany there is no privileging of companies, it only matters that they use funds for social housing and that the dwellings stay social, according to target groups and rent levels, during a minimum period of 25 years. It is not strictly limited because there are many different housing providers and most behave as private investors. The providers of affordable housing are not exclusively social, allowing many of them to function more independently of EU regulation. (Respondent 4).*

5.6. National Impacts

5.6.a. Political Discussion

In Germany, the national impact of EU state aid rules is not significant. However, it is not absent. Although no new federal level legislation has been passed, the fact that the EC directive is applicable to all Member States means that the federal government cannot ignore the possibility regardless of the rental market aid structure.

The Deutsche Bundesrat

In 2011 the Deutsche Bundesrat (German Federal Council), sent a letter to the EC communicating their position on the 'Dutch Case'. The Deutsche Bundesrat establishes a clear opposition to the narrow definition of the socially disadvantaged target group. In addition, the Deutsche Bundesrat emphasizes the importance of the principle of subsidiarity in Member State definition of SGEI and underlines priorities of social mix and residential stability in neighborhoods where social housing could potentially be impacted (Deutsche Bundesrat, 2011). Respondent 15 translates and summarizes the letter as follows:

> *The German authorities are aware of the negative implications of the EC decision in the "Dutch Case" E2/2005. In its decision 177/11 (25 May 2011) the Deutsche Bundesrat does not accept to narrow the target group for social housing to 'socially disadvantaged groups' and underlines the principle of subsidiarity when defining the scope of SGEI. The Bundesrat underlines explicitly the need for a social mix and stable residential structures in the quarters which will be endangered by lowering the income limits for social housing. Consequently, the EC target group definition is not accepted.*

5.7. Local Impacts

5.7.a. Existing Impacts

In the absence of new regulatory instruments, the remainder of the section relies on expert respondent opinion on the local debate and dialogue surrounding state aid in the Berlin context. State aid and unjust competition between providers, by EU definition, does not exist in the nondiscriminatory local subsidy program which is a unique tool in the expensive and pressurized rental housing market. Program rules such as the temporary nature of social housing are viewed as necessary elements to maintain compliance with state aid regulation (Respondent 10). The prioritization of government support to increase the social housing stock is understood in opposition to state aid rules (ibid).

5.7.b. Potential Impacts

The current impact of the directive is minimal. However, in the existing subsidy scheme the provision of social housing is not attractive to private developers. The subsidy does not provide a profit incentive over the construction of private market dwellings. MHCs required to provide subsidized social housing are unable to keep up with demand. Given that the vast majority of new social and affordable housing construction is undertaken by MHCs, and the fact that there is no motivation for private developers to invest in affordable housing, it follows that the sustained provision of social housing is threatened:

> *In Germany the consequence of the state aid issue is mainly that the Berlin Housing Office cannot make subsidy programs more profitable than non-subsidized projects. At the moment, the majority of subsidized housing is being built by municipal housing companies because it is not profitable. It cannot be indefinitely profitable under European state aid legislation (Respondent 10).*

Section V. Conclusion

5.8. Findings

Differences in applicability of the directive in the Netherlands and Germany are summarized as follows:

> *The most important thing is that state aid in the Netherlands is directed to a specific type of organization, a social housing provider. In Germany it is directed to a certain type of dwelling. In Germany, everyone can invest in that kind of dwelling and have access to funding, so it does not qualify as state aid in a legal sense (Respondent 4).*

The national government of the Netherlands in concerned with abiding by EU regulation and target group definition. However, respondents in Amsterdam express frustration with a national perspective that is damaging to local housing market affordability and accessibility. The national government of Germany and the local government of Berlin, regardless of the absence of official state aid, do not agree or implement changes according to the EU.

In Amsterdam and Berlin, authorities are concerned with the impacts of the directive on local affordable rental housing sectors. Local government and committed affordable housing providers in each city project difficulties for future provision of social housing to keep up with demand and the preservation of socially mixed neighborhoods. Both local contexts are searching for more autonomy to define SGEI and social housing target groups in order to meet unique housing market needs.

Chapter 6. Local Pressures and Regulatory Contexts

Section I. Introduction

6.1. Research Sub-question

How do the local regulatory contexts of Amsterdam and Berlin, including levels of government and legislation, address pressures to affordability and accessibility of rental housing?

Sections II and III introduce the local housing market pressures, government contexts and regulatory and participatory structures in Amsterdam and Berlin. Among the policy documents, legislation and statistical data, expert knowledge is used to identify primary concerns. Respondents provide additional perspective on how governments, regulation and cooperation address pressures to affordability and accessibility. Section IV provides a summary of findings.

Section II. Amsterdam

6.2. Pressures

Amsterdam housing market pressures lead to negative outcomes for rental housing such as increasing prices and decreasing supply in relation to demand. The causes for these pressures are numerous and layered, including but not limited to social and economic explanations. In general, results of pressures are expressed in statistical data while causes are theorized by respondents.

6.2.a. Social

Social and demographic pull factors manifest in the housing market via statistical population growth and increasingly difficult housing market realities for middle income groups. Housing Department and HA actors, respectively, point to the social appeal of Amsterdam:

> *The main reason for housing market pressure is still the attractiveness of Amsterdam for people. Amsterdam has gained in attraction for people wanting to live here, especially youngsters. They come here for career opportunities but also culture, pleasure and leisure opportunities. People find that they are not lost in a big city. There is a mixture of people from different ethnic groups (Respondent 2).*

The main issue is that the rising popularity of Amsterdam is leading to rising housing prices. People find that Amsterdam is a pleasant and tolerant environment. The openness and liberal attitudes have given us a reputation. You can be here and be free. Of course, we speak English, which helps (Respondent 20).

Respondents draw connections between rising prices and the social advantages of the city and recognize the contradiction between this appeal and negative consequences for affordability and accessibility.

Population Growth and Demographic Change

According to the report *Amsterdam in Cijfers 2017* the city is growing. From 2011 to 2016 the population grew from 780,599 to 834,713 (OIS, 2017). Of these 54,114 new inhabitants, yearly arrivals ranged from 9,398 (2012) to 12,441 (2015) (ibid). Population growth from 1990 to 2011 was significantly less pronounced, when yearly increases ranged from -4,259 (1995) to 12,786 (2010) (OIS, 2017). Respondent 20 confirms these data trends:

The population increases and changes in Amsterdam have happened more gradually. Rapid population increase is something new, it was not happening 20 years ago in any large amount.

Demographics have changed along ethnic and income indicators. Between 2014 and 2018 inhabitants with a Western non-Dutch migration background increased from 15.9% to 18% of the total population (OIS, 2017). Concurrently, inhabitants with a non-Western non-Dutch background decreased from 35.4% to 34.8% (ibid). The average disposable household income rose from approximately €30,800 to €36,800 between 2011 and 2015 (ibid). Respondent 23 draws a connection between these trends and housing market pressures:

More and more people with higher incomes are moving to Amsterdam. In the past, many people came to Amsterdam with a lower income. Now, people arriving with higher incomes leads to more pressure on the housing market. In the past, migrants came to Amsterdam mostly from Turkey and Morocco. However, recent migrants are coming from Western Europe, BRIC countries and the United States.

Middle Income Households

According to *Wonen in Amsterdam 2017 Woningmarkt*, affordable rental housing for this group should cost between €710.68 and €971 or €250,000 for an owner-occupied home (Berkers and Dignum, 2017). In 2017, the middle-income segment was defined as households with an income between the current socially disadvantaged household income of €36,165 and 1.5 times the modal income for the city (ibid). Between 2015 and 2017, the middle-income segment grew from 15.8% to 19.6% of the total population, while affordable housing for this group (rental and owner-occupied) decreased from 17.4% to 15.6% of the total stock (ibid). One respondent from European housing research reported the following issues faced by middle income groups:

Middle income groups are having more trouble finding and keeping accommodation at market costs. These are households who historically wouldn't necessarily have trouble securing housing. However, this problem is becoming more urgent now with rising rent and home prices (Respondent 8).

Vulnerable groups such as the elderly, disabled, low income and refugees also experience challenges to affordability and accessibility. However, a focus on middle income groups in this research is a response to the frequency with which this topic is mentioned by respondents. The majority prioritize the difficulties of middle income groups, however concerns for vulnerable groups are acknowledged.

6.2.b. Economic

Economic pull factors attract people and industry to Amsterdam. One subsequent housing market pressure is the increasing position of Amsterdam in the global city network and resulting jobs, investment and capital. A second relates to the explosive growth of tourism. Among respondents, there is a debate as to the relative important of social versus economic pressures:

I think the economic pressures are the most important. The economic situation of Amsterdam is very good at the moment so people want to work, live and study here. There is more demand than there are available homes, therefore the prices are sky high (Respondent 1).

Global City

Economies and cultures are increasingly related by trade, communication, travel and mobile populations and industries. Amsterdam is positioned in the global city network and is distinguishable according to its relatively small size. These processes can be related to housing market impacts:

Amsterdam is becoming more and more a part of the global network of cities. The entanglement of Amsterdam in this network, where it is quite popular, leads to further housing market pressures (Respondent 23).

Amsterdam's evolution has negative consequences for the affordability and accessibility of housing. Many respondents mention the growth of knowledge, healthcare, service and creative industries[19]. In 2017 the top employment sectors were consulting and research, health and welfare, financial institutions, information and communication, hospitality and retail (OIS, 2017). Employment in these sectors increased from 58.8% to 61.4% of the total workforce between 2013 and 2017 (ibid).

[19] These industries are identified as emblematic of Amsterdam's global economy by Respondents 1, 2, 23, 5, 6 and 20.

There has been an influx of domestic and some foreign investment in the housing market. Because property is still comparatively less expensive, international investors see the potential to grow capital and wealth[20]. Respondents vary in their viewpoints on these developments. One expert mentions negative impacts such as investment properties and commercial speculation (Respondent 9). Another argues that the Amsterdam housing market benefits from global city status:

> *Being a global city is also a positive because Amsterdam has money now, the economy is doing well. Housing can only be built and sold if the city is doing well and demand is high (Respondent 20).*

Tourism

The advancement of tourism in the Amsterdam economy is clear from data. Between 2012 and 2016 overnight stays in hotels increased from roughly 10 to 14 million guests compared to an increase from 8.5 to 10 million between 2006 and 2012 (OIS, 2017). This translates to an increase in demand for hotel rooms averaging 6% per year from 2009 to 2017 (ibid). Additionally, the amount of jobs in the sector (65,600) increased by 7% between 2016 and 2017 (ibid). According to OIS, tourism is growing faster in Amsterdam than traditional tourist cities such as London and Paris.

The impacts of tourism on the housing market are framed most often in public discussion and legislation around the rise of Airbnb. The public, policymakers and providers are concerned that this home sharing service takes much needed housing off the market. Between 2015 and 2016, the number of overnight stays increased by 25% from 1,329,600 to 1,662,000. During the same period, overnight stays in hotels grew by only 7% (Colliers International, 2017). The impacts of tourism and Airbnb are acknowledged by Respondent 23:

> *The pressure of tourism on the housing market is here, there is an enormous increase in tourism in the city. Relatedly, Airbnb is also causing pressures.*

Airbnb is also addressed by municipal legislation. In 2016, the municipality and Airbnb entered into the *Overeenkomst Toeristische Verhuur van Woningen en Woonboten*. Most importantly, the agreement limits the amount of nights a host (without a permit) may let their apartment via the site to 60 per year (Gemeente Amsterdam & Airbnb, 2016). The most recently elected Municipal Board (March 2018) is negotiating a reduction to 30 days per year.

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[20] According to Respondents 1 and 2.

6.3. Local Housing Policy

6.3.a. Housing Department

The most relevant local government body for housing is the Housing Department of the Municipality of Amsterdam, which is responsible for such functions as knowledge production, research and communication, lobbying towards the national government, facilitating the policy cycle and providing adequate housing services for the population. Coordinators within the Housing Department highlight the following capacities:

> *One role of the Housing Department is to the preserve the social housing here in Amsterdam so that we have enough affordable housing for low income people. We preserve as a bottom line. Especially in a market where the pressure is so high, this is very important (Respondent 2).*
>
> *Another role is to gain data about the development of the social housing sector and housing market as a whole. We want to see if supply and demand matches with the composition of the housing market divided into income sectors. The survey, Wonen in Amsterdam, is a biannual method to measure the housing market. It is a broad picture (Respondent 1).*

According to the above, the Housing Department is concerned with the affordability and accessibility of the housing market and the balance between adequate supply based on the demand of different income groups. Respondents recognize the importance of these ventures against housing market pressures and are dedicated to ensuring the presence of affordable housing.

6.3.b. Regulatory Autonomy

The production of housing policy and execution of regulatory instruments occurs at both national and local government levels. In essence, all rent and tenancy policy is the responsibility of the national government. Relevant policies at this level include rent increase, *Overlegwet* (Tenant Consultation Law) and housing allowance[21]. These policies apply to the entire Netherlands. However, some allow for regional differentiation.

Regulatory competencies at the municipal level are granted via national legislation and include the selling of existing social dwellings, building of new social and private dwellings (such as the *40-40-20 Rule*[22]), rent increase in the social housing sector, cooperation agreements (see Chapter 6.4.c.) and the lease and sale of local government owned land via the *Erfpacht* system[23].

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[21] These policy areas are mentioned by Respondents 1, 2 and 3.

[22] The most recent city administration instituted a rule that all new construction contains 40% social, 40% middle and 20% owner occupied housing.

[23] In Amsterdam, all land is owned and leased by the municipality. This policy is mentioned by Respondents 1, 2, 8, 14 and 23.

The particular constellation of power between the national and local government impacts the ability of Amsterdam authorities to protect affordability and accessibility from local housing market pressures. The autonomy, or lack thereof, bestowed on the municipal government influences the ability to enforce regulation and policy to maintain an equitable and adequate housing market.

Local Debate

It is not within the scope of this research to examine all national and local housing policy relationships. Instead, this research identifies prominent debates surrounding the success of regulatory systems. In this way, the most salient challenges for local regulatory regimes emerge.

The first themes raised by respondents are the differing priorities, strategies, scope and ongoing decentralization of housing policy. Strategic planners within HAs acknowledge past shared practices in housing regulation:

> *Beginning in the 1990s until 2015, both the national and local Amsterdam government pursued strategies to increase the differentiation of the housing stock by selling and building more market than social housing (Respondent 3). In the Netherlands there is a long history of treating the country equally (Respondent 20).*

It can be inferred from the above that affordability and accessibility of housing were not prioritized at the time. Respondents identified the Housing Act 2015 as a seminal moment in the divergence in national and local housing market concerns:

> *There is an ongoing trend of decentralization that you see in housing. It could be said that the national government does not have affordability as a goal. In Amsterdam, we acknowledge affordability problems for example by ensuring the equilibrium and growth of the social housing stock. For Amsterdam, this is an enormous change in the direction of policy. There is also a flexibility of planning in Amsterdam, we are not so rigid as the national government (Respondent 3).*

Whereas the above would suggest that the goals of affordability and accessibility at the municipal level are being successfully pursued, Respondent 9 points out that decentralization tendencies can also lead to additional pressures when municipalities are given new responsibilities they may not be able to handle.

The most common debate from respondents is a desire for differentiation and flexibility of regional and local housing policy from national regulation. Actors recognize the unique characteristics of the Amsterdam context and identify the need for specific and locally-tailored instruments. Respondents see the increasing property values in Amsterdam as a primary reason for the need for local flexibility:

There have been changes at the national level in the point system. Location used to be underestimated and now it plays a larger role. This makes clear the differences in market value between municipalities and at the local level within municipalities. In Amsterdam, the market share increased the percentage of housing that could be liberalized. Flexibilization of rental policy is an issue, especially because of housing market pressures and because of the more efficient use of financial means (Respondent 6).

Local policymakers do not necessarily want to change national policy as such, nor create policies that are specific to Amsterdam. Instead, respondents highlight the need for collaboration between regulatory levels to allow for local autonomy in meeting unique housing market challenges:

We are looking for regional differentiation of policy, but this requires a change at national level policy. This is much more applicable than having a separate rule for Amsterdam. To have the same rules, but different ways of applying them, would be more fruitful. It is also much more flexible (Respondent 3).

6.3.c. Cooperation Agreements

According to respondents, the most successful exercises in local regulatory autonomy occur by cooperation between housing market actors such as the municipality, HAs, tenants and private developers. Such initiatives have been in place since 1994 and are formed at the local level in response to pressures.

Samenwerkingsafspraken

In these local cooperation agreements, the Amsterdam HAs, local government and tenants' associations work together. HAs are represented by the AFWC and tenants were formerly represented by the Huurdersvereniging Amsterdam (HA), a citywide public and private tenants' association (see Chapter 6.4.d.). *Samenwerkingsafspraken* are valid for four years and the current agreement runs until 2020. According to multiple respondents, the most important content of the current cooperation agreement is the dedication to a minimum of 162,000 social dwellings[24].

Two remarkable components of this cooperation process are noticeable from respondent opinion. In general, all three parties believe that the *Samenwerkingsafspraken* are positive and that a collaborative and equal process is necessary. Multiple actors referred to the negotiations between parties as the *Poldermodel* (Polder Model), a Dutch system of consensus based on compromise to find the most amenable solution for all participants[25]. Although negotiations are not always smooth, most of those involved agree on the following goals:

[24] This element of the *Samenwerkingafspraken* 2016-2020 is identified by Respondents 1, 2, 3, 5, 6 and 23.
[25] Respondents 14, 20, 21 and 22 reference the *Poldermode*l approach to cooperation agreements.

In general, there is consensus from all parties about how the city should develop – that we need more dwellings, that the city grows mixed neighborhoods, that the city center should be accessible, that social housing should remain a big part of the Amsterdam housing market (Respondent 20).

The second component is the shared impression that these agreements are more applicable to the local housing market and go beyond what is required by national government. Respondent 3 notes that the *Samenwerkingsafspraken* are emblematic of the differentiation between national and local housing market policy. Respondent 7 highlights the necessity to address local problems via such agreements:

Amsterdam problems are different than other cities. We want to make our own decisions for what is best. Within the agreements, at the local versus national level, there is an opportunity to go beyond the minimum. This is necessary, it is what we have to do. The agreements are not always perfect, it can always be better, but this is a good thing.

Platform Amsterdam Middenhuur (PAM)

This local cooperation agreement is also recognized by Respondents 4 and 23 as an important element for affordability and accessibility of rental housing, especially for middle income households. The partnership for the construction and preservation of this market segment is a collaboration between five HAs, the AFWC and private real estate (Platform Amsterdam Middenhuur [PAM], 2017). PAM was formed in response to the disappearance of middle segment dwellings in the social and the private rental market resulting from pressures including EU legislation and rising property values.

6.3.d. Tenant Representation

Tenant representation to local government and housing providers is an essential element of the preservation of affordability and accessibility. This research focuses on social housing tenants' associations over private tenants' associations.

For each of the nine Amsterdam HAs, there is a tenants' association. The *Overlegwet 2015* (National Consultation Law) formally established the latest conditions of interaction between social tenant and landlord. These include rights to information, to issue advice and give consent for potential HA policies (Overlegwet, 2015). HA actors reflect on the necessity of this arrangement to combat past scandals that simultaneously leads to occasionally tense and tedious negotiation processes[26]. Tenants' association actors most frequently mention conflict related to temporary contracts[27]. Tenant representatives and HAs fundamentally disagree on the introduction of these contracts into the social stock and do not suggest immediate resolutions.

[26] These topics are mentioned by Respondents 3, 9 and 20.
[27] Respondents 7, 21 and 22 express concern for temporary contracts and tenants' rights.

Huurdersvereniging Amsterdam

The HA consisted of both social and private tenant groups and formerly represented tenant interests to the municipality and other actors. Especially in the *Samenwerkingsafspraken*, the HA defended tenant perspectives in cooperation agreements. However, due to inefficiency and other internal conflicts, the HA has lost municipal subsidy and disbanded. Even though private renters were formerly represented by the HA, the *Samenwerkingsafspraken* contain no regulatory authority over private landlords. Currently, there is no official tenant representation scheduled for the upcoming negotiations. Respondents expect, and law dictates, that tenant representation be present at upcoming negotiations. The goals of social housing tenants' associations in future cooperation agreements can be summarized as follows:

> *The tenants' associations of the housing associations would now like to make our own federation without private renter associations. In principle, we want to take care of our own business before having a larger association of all kinds of renters. We do not want another person making decisions about our own interests. There were too many groups in the HA, and there was no balance between the interests of housing association and other tenants (Respondent 7).*

Although respondents recognize the urgency to replace the HA, social tenants' associations are not interested in including private tenants' associations in the new federation.

Section III. Berlin

6.4. Pressures

Pressures on the Berlin housing market are impacting the relatively affordable rental landscape. These pressures are a distinct departure from the past and represent recent social and economic changes. Main consequences include rising prices and a decreasing supply of new housing in the face of increased demand. Pressures are identified and consequences are observed and debated by respondents. Statistical data corresponds to expert claims.

6.4.a. Social

The social appeal of Berlin includes a reputation as a cheap and livable place to rent and work with an emerging abundance of cultural activities and leisure spaces. The resulting popularity of the city has led to housing market pressures including rapid and recent population growth and an influx of new population groups. Experts observe the following sociodemographic developments.

The problems of affordability are special to growing cities like Berlin where people want to live and where there are opportunities. These are places where the housing crisis is becoming more evident. Berlin is a city that historically has managed to keep housing rather affordable compared to other European capitals. Berlin used to be a dream place for tenants. This is probably still the case but the pressure is getting more and more strong on the housing market (Respondent 8).

A lot of young people are coming to Berlin. We have little districts with pubs and restaurants. There is an art scene that is very attractive and the structure of neighborhoods makes them interesting to live in. The city was never one picture, it is still lots of puzzle pieces. This is interesting for young people coming from many different places (Respondent 19).

The above quotes allude to the unique social pull factors that have increased the popularity of Berlin and that have impacted the affordability and accessibility of the housing market. Although many respondents appreciate the urban characteristics that distinguish Berlin from other European cities, they also recognize the potential for these factors to pressurize a tightening rental market.

Population Growth

According to the reports *IBB Wohnungsmarktbericht 2017* and *Statistische Jarbuch 2017*, the population of Berlin has shown a rapid rate of increase. Between 2011 and 2016, Berlin grew by roughly 272,655 inhabitants from approximately 3,302,175 to 3,574,830 (Statistik Berlin Brandenburg [SBB], 2018; IBB, 2018). This translates to an average yearly increase of approximately 54,530 residents. From 2006 to 2011 the population only increased by approximately 55,200 and between 1995 and 2004 the population decreased by approximately 80,000 (SBB, 2018). Respondents collectively agree that this dramatic population growth surprised policymakers and the public alike:

The overheated housing market started to become visible since 2011. As new renters were coming to the city to look for new contracts, rent prices increased. This was a time of marked population growth in the city which impacts the housing market and prices (Respondent 12).

In Berlin we are experiencing a population increase. Ten years ago, it would not be possible to imagine that Berlin would grow as much as it has in the last five years. Comparable to other European cities it is really exceptional – equivalent to a city itself. We cannot stop this population growth. More and more people will come to Berlin (Respondent 11).

It is important to note another demographic change. From 2007 to 2017 the average net monthly income of Berlin households rose by approximately 30% to €1,950 (IBB, 2018). However, incomes in Berlin are still lower than other large German cities.

Newcomers

Respondents identify two groups that are both influenced by and contribute to social housing market pressures. The recent influx of refugees from the Middle East and North Africa is noted by Respondents 11, 13, and 17. Germany, and in particular the capital city, have pledged to accept increasing numbers of refugees. Since 2015, approximately

100,000 refugees have arrived in Berlin primarily from Syria, Iraq and Afghanistan (SBB, 2018). In particular, Respondent 11 acknowledges that the presence of refugees in the Berlin housing market will continue to increase and that this population faces disproportionate difficulties:

> *In Berlin there are more inhabitants than free apartments. This creates an uncomfortable living situation, especially for refugees. We have a difficult living situation for this social group, but not for all. How will we handle these new waves of refugees? We cannot stop these movements to Europe. If nothing will change in the source countries, what does this mean for European cities like Berlin?*

Respondents also note large numbers of recently arrived young people. Experts point to different reasons why this population group is relocating to Berlin including social opportunity and the draw of a large city (Respondent 17). Respondent 19 sees a connection between the arrival of young newcomers and processes of gentrification. The data exemplifies this trend. Between 2007 and 2016 the amount of young people age 20 to 30 moving to Berlin per year increased steadily from 20,034 to 35,355 (IBB, 2018). In 2016, this age cohort accounted for nearly two thirds of new residents. The positive and negative housing market impacts of the above social pressures are summarized as follows:

> *Since 2011 we have had a huge increase in inhabitants. One the one hand this is fantastic because it makes Berlin very colorful and international. On the other hand, we do not have enough apartments. There are too many people for the stock that we have (Respondent 19).*

6.4.b. Economic

Other pressures on the Berlin housing market are economic in nature. These pull factors impact affordability and accessibility and contribute to population growth and other processes in the city. Before delving into respondent explanations for economic pressures and impacts on the housing market, it is necessary to provide a snapshot of recent economic development.

Historically, within Germany the Berlin economy has lagged behind those of the other federal states and large cities. However, recent trends show an improving trajectory. The unemployment rate has been steadily decreasing to 8.9% in 2016 (down from 10.7% in 2015) (IBB, 2018). This marked the first time since Reunification that the unemployment rate stood below 10%. In 2017, the number of employed persons in Berlin was approximately 1,950,100 (Berlin Partner für Wirtschaft und Technologie [BPWT], 2018). This number is a 2.9% increase since 2016 and is twice the national average of 1.5% (ibid). Since 2006, economic growth in Berlin has outpaced the national average (ibid).

Global City

In Berlin, certain global city characteristics as emblematic of housing market pressures. In 2017 service industries including communications, consulting, and tourism accounted for 88% of the workforce and 84% of total economic output (BPWT, 2018). Since 2006 service industries have experienced annual growth rates while industries such as manufacturing, construction and forestry services have posted negative growth rates (SBB, 2018). Although creative industries including media, music and gaming only account for approximately 15% of the workforce, collectively these sectors produced an annual turnover rate in 2017 of approximately €30 billion (BPWT, 2018).

According to respondents, the most important consequence of the aforementioned trends for affordability and accessibility is the influx of international investment in the housing market. Investors are shifting capital from elsewhere to Berlin (Respondent 16). This investment occurs in the private market and in some cases these international entities acquire former subsidized housing blocks after lock-in periods expire. Respondents 14 and 11 admit that this is a trend in many global cities but also that the Berlin State government should do more to protect the housing market from speculation, transaction markets and rising prices.

Tourism

It is widely recognized that Berlin is now the third most popular tourist destination in Europe behind London and Paris. The popularity has arrived only in the last decade. For example, the number of overnight guests has quadrupled from approximately 7.3 million in 1993 to 31 million in 2016 (Garcia, 2015). This is equivalent to approximately 12.7 million visitors in 2017 (ibid). Additionally, job growth in the tourism industry increased by 12.2% from 2015 to 2016 (SBB 2018).

Respondents mention the impacts of the growth of the tourism industry in general on price and availability of housing. Specifically, respondents agree that the housing market is negatively influenced especially through the process of converting private rental dwellings into vacation flats to let on home sharing websites. The usage of private rental flats as vacation rentals on one such service, Airbnb, is rapidly increasing. Between 2015 and 2016, the number of overnight stays in units let through Airbnb increased by 68% from 1,032,738 to 1,735,000 (Colliers International 2017). This process has caused inflation in the costs of housing (Garcia, 2015).

In response, the Berlin State has taken legislative action. The *Zweckentfremdungsverbotsgesetz* 2014 (Law on the Prohibition of the Misappropriation of Housing) will be amended in 2018 and is meant in part to limit the number of months per year to three that a dwelling may be let as a holiday flat. Opinions contrast on positive impacts of tourism such as economic growth and negative impacts such as improper use of living space and decreasing availability.

6.5. Local Housing Policy

6.5.a. Senate Department for Urban Development and Housing

A layered government structure impacts all policy areas including housing. Germany is a federal republic consisting of 16 federal states (Bündeslander*)*. Berlin itself is a city-state. This means that in addition to serving as the capital of the Federal Republic of Germany, Berlin is both an independent state and a municipality. The Berlin State consists of a parliament and an executive body called the Berlin Senate. Within the Berlin Senate the Senate Department for Urban Development and Housing (Senatsverwaltung für Stadtentwicklung und Wohnen), hereafter the Senate Department, is the most important local government body for housing policy. Since 2013 the Housing Office has served a special function to coordinate the construction of new housing between public authorities, MHCs, developers and other housing market actors. Beneath the city-state the Municipality of Berlin is divided into 12 districts. Although the districts are subservient to the Berlin State, and do not possess autonomous legislative competencies, they do retain land use and urban planning responsibilities. Additionally, the municipality is the only stakeholder in the MHCs.

6.5.b. Regulatory Autonomy

The division of housing policy between federal, state and municipal levels is clearly defined. At the federal level, tenancy legislation including tenant and landlord rights as well as rent regulation is enshrined in the Civil Law Code (BGB), last amended in 2013. The other main source of housing policy at the national level is the Building Law Code (BauGB), last amended in 2017. Each of these national law codes allows for optional instruments at the state level.

Other policy competencies are devolved specifically to more local levels. For example, in 2006 the federal government officially assigned all regulatory and funding authority for social housing to the federal states. As a result, the Berlin State was given full discretion in implementing legislation and aid such as social housing subsidies and construction policies. German states are able to enact additional regulatory policies such as the previously mentioned *Zweckentfremdungsverbotsgesetz* and supplementary rent regulation to better fit local rental markets.

Due to an option of the BauBG the municipal government of Berlin is permitted to pursue land use planning, may provide and purchase some plots of land for MHCs and may pursue special urban planning projects. Strong tenant and housing construction law at the federal level, in combination with dual state and municipal regulatory capabilities, allow Berlin authorities a wide range of instruments to address housing market pressures.

Local Debates

The following identifies the multitude of discussions occurring at the local level on the ability of these regulations to address challenges to affordability and accessibility in the Berlin. Respondents express a diversity of views around similar topics. This is indicative of a lively debate among housing market actors regarding the success and applicability of current housing policy.

In general, respondents report diverse views on the fact that housing regulation influences the Berlin rental market from three different levels of government. One issue that respondents debate are the personal and political conflicts that impede cooperation between housing market institutions. Respondent 17 discusses the sometimes-difficult personal relationships between rental cooperatives and the different district governments of Berlin:

> *Every district is run differently, and that is the problem. Everything should be even, but the people make the difference. If there is someone you work well with in the district administration this relationship can last 5 to 10 years. After that, the administration changes and so too could the relationship. On the district level, success depends on the people – however this is changing.*

The above showcases the importance of developing relationships between affordable housing providers and the most local levels of government. However, respondents also recognize the difficulties that ideological differences between political parties create for implementation of housing policy:

> *There can be tension between the state and district governments. This all depends on the different political agendas of coalitions. There is now a progressive state government coalition of Social Democrat and Green Parties who want to introduce stronger instruments. However, for example districts with Christian Democrat coalitions do not use certain instruments. The state government has also asked the national government to make changes to urban planning and tenant legislation. However, the federal conservative government does not realize these requests. On the federal level the conservatives want to push private ownership and construction (Respondent 12).*

Multiple respondents confirm that the multitude of instruments and levels of state and federal legislation applicable to all tenants, landlords and housing sectors contribute to the success of the Berlin housing market[28]. On the other hand, others recognize negative aspects of this hierarchy such as the difficulty of making federal funding available

[28] These views are expressed by Respondents 10 and 11, respectively.

directly to affordable housing providers, the uneven development resulting from state level construction ordinances and the inability of federal tenancy and building law to distinguish between rural and urban areas[29].

Respondents collectively identify challenges to enforcement and implementation of housing policy. Opinions range from the belief that the ability to implement housing market instruments is more important than the political will to introduce them, a frustration with the implementation of the transfer of social housing funding from the federal to state level, and the idea that better implementation strategies, rather than better laws, are what is needed to mitigate housing market pressures[30].

Respondent 12, 14 and 16 provide the same example to illustrate the complexity of regulatory structures and the ability of authorities to effectively regulate the market. The so-called *Milieuschutz* is an article of federal law under which states can make funding available for social protection whereby district governments decide on a local level where to establish such zoning. When a building goes for sale in such an area, the district government has first right of refusal to purchase the property at equal price to private developers. In theory, this mechanism can enlarge the social sector and combat the economization of housing. Despite these possibilities, *Milieuschutz* suffers from implementation challenges such as availability of district resources and concerns over long term financial viability (Respondent 12).

6.5.c. Cooperation Agreements

Housing market actors in Berlin have embarked on cooperation agreements designed to address pressures to price and supply. Such agreements accompany local housing market legislation and are not mandated by the federal government. Additionally, agreements do not include all institutions active in the sector.

Leistbare Mieten, Wohnungsneubau und Soziale Wohnraumversorgung

In 2017 the Senate Department for Urban Development, the Senate Department for Finance and the six MHCs themselves entered into the above cooperation agreement on ‘Affordable Rents, New Housing Construction and Social Housing Supply’. The basis for the agreement is the latest Berlin Housing Act (WoG Bln) 2016 and a Senate approved ‘road map’ for the construction of social housing. The agreement is a continuation of the former *Bündnis für Soziale Wohnungspolitik und Bezahlbare Mieten* (Alliance for Social Housing Policy and Affordable Rent), also formulated by the same parties and active from 2012 to 2016 in accordance with the previous WoG Bln 2011.

[29] These views are expressed by Respondents 4, 17 and 10, respectively.
[30] These topics are mentioned by Respondents 12, 16 and 11, respectively.

One goal is to increase the municipal housing stock from 300,000 to 400,000 units by 2021 via new construction (of which at least 50% should be social) and purchase of existing private housing stock (which can be facilitated by *Milieuschutz*) (Kooperationsvereinbarung 2017). Other goals include the letting of open contracts to 60% social tenants (of which 25% should be rented out to vulnerable groups), maximum yearly rent increase of 2% and a maximum rent increase of 6% of renovation costs in cases of modernization (ibid). These rent increase limits are lower than what is permitted by law. In general, respondents from agreement parties are enthusiastic about the social nature of these goals and the fact that such an agreement is unique to Berlin in the German urban landscape[31].

6.5.d. Tenant Representation

Tenant representation in Berlin is a diverse and fragmented system including legal services, lobbying and grassroots initiatives. These official methods are supplemented by an active tenant protest culture. Tenants' associations can be divided along functions of activism and legal representation. There are different avenues for tenants' rights and interests to be enforced and discussed on a policy level and a diversity of respondent opinions on the adequacy of avenues for tenant representation.

Berliner Mieterverein

The primary function of this citywide tenants' association (hereafter Mieterverein) is providing legal support to members on an individual basis who are engaged in conflicts with landlords over rent increase and other issues. The Mieterverein fills the gap of enforcement of tenancy law and legal services between tenant and landlord (Respondent 19). The Mieterverein provides internal lawyers and subsidized private lawyers if cases are brought before a district court.

Services are restricted to members, of which there are approximately 160,000. In order to qualify for representation, a tenant must have already been a member before the dispute. Although the Mieterverein does offer discount membership for low income tenants, most members are from middle rent apartments. Members occupy private rental units. Currently, there is no official representative structure for municipal housing tenants. The Mieterverein also engages in media campaigns and lobbyism to local government. The Mieterverein does not collectively represent tenants to outside institutions. Among respondents, no negative attitudes towards the Mietverein are detected.

[31] According to Respondents 15 and 13, respectively.

Tenant Activism

Judging from Respondents 11, 12, 14, 15 and 16 tenant activism and protest are a hallmark of the Berlin rental landscape. Although Respondent 14 highlights the historic nature of the activist culture in Germany, Respondent 12 identifies 2011 as an important developmental year in tenant protest and organization:

> *In 2011 the first tenant protests came from social housing. Due to the growing impact of gentrification, at this time there was a lot of conflict from tenants. After the cuts to the social housing stock of the previous decade, the rental market was dominated by private actors who used market opportunities to increase rent. This was the backbone for growing tenant resistance in Berlin since 2011. Tenant activists saw no hope for political change.*

The rise of recent tenant activism in Berlin happened at precisely the same moment that pressures to the housing market such as population increase and rising prices came to the forefront of public and political discussion and statistical data. Respondent 12 describes the changing dynamics of tenant protest and organization as follows:

> *Protests are more or less spatial, fragmented and grassroots. They are not organized by a central group and are spread across the city at the neighborhood level. In Berlin, economic conditions shape protest conditions. Between 2011 and 2015 tenant groups began to try and influence political decision making at the district level. Tenant protests have since become more politically and policy oriented. The new generation of housing protestors claim concrete grievances and call for changes in rent laws and policy instruments. Since 2016, this new reality has influenced political decisions. Political parties now realize they can no longer ignore the housing issue.*

Despite this professionalization of small scale tenant representative groups, actors from housing and local government institutions remain pragmatic in their regulatory approach and view these grassroots demands as incompatible with housing market realities.

Section IV. Conclusion

6.6. Findings

In many respects, the housing policy structures in Amsterdam and Berlin are responding to similar changes to population, economy and housing. Both cities are popular and growing, in part because of their reputations as livable global cities. Policymakers and housing market actors alike are concerned for the future of access to affordable housing for diversifying populations. The common characteristics and housing market challenges faced by both cities can be summarized as follows:

> *Problems of affordability are special to growing cities where people want to live and where there are opportunities. These are places where the housing crisis is becoming more evident. Amsterdam and Berlin have this in common, although these are also cities who historically have managed to keep hosing rather affordable compared to other European capitals (Respondent 8).*

Both cities are concerned with regulatory autonomy. Various housing market actors desire differentiated and specific tools to address local housing market pressures. Policymakers and housing providers espouse opposing priorities from national trends. The housing markets of Berlin and Amsterdam are separating from national contexts and are integrating into global networks.

Chapter 7. Conclusion

7.1. Research Summary

The objective of this thesis was to address the research question:

How is affordable and accessible rental housing in Amsterdam and Berlin provided and regulated by different actors for households who cannot secure free market rental housing nor ownership?

A mixed methods approach relying principally on expert knowledge contextualized by policy, academic literature and descriptive statistics led to an investigation of research subtopics including providers and rules, local manifestations of EU regulations, regulatory robustness and response to housing market pressures. The examination of similarities and differences between local contexts allows this research to contribute to the theoretical discussion within micro-scale comparative housing research and a policy conversation between both cities including recommendations for the future of affordable housing.

7.2. Theoretical Contribution

This thesis expands micro-scale comparative housing research by gathering and analyzing majority qualitative data on rental system development at the local market level. In general, dominant rental theory has obscured comparative difference below the national scale. Such an examination of affordable housing in Amsterdam and Berlin, and the impacts of and regulatory reactions to structural changes and pressures to the system, adds evidence to this growing housing research field. The approach to this thesis follows a divergence tradition in that it is explanatory rather than descriptive. Instead of an exhaustive comparison of the physical and regulatory characteristics of these local housing markets, this thesis explains the affordability and accessibility of rental housing according to local context and respondent knowledge.

The Netherlands and Germany are unitary rental markets, categorized as such according to market characteristics observed from a macro national perspective. Both markets exhibit characteristics such as similar regulation, aside from financial aid, for both profit and non-profit housing sectors. As such, in both local housing markets all rental providers should compete for tenants on a level playing field. This research shows that, in many respects, the Amsterdam and Berlin rental markets are reflective of national categorization. However, recent national regulation in the Netherlands threatens the unitary market and encourages trends towards dualism (van Duijne & Ronald, 2016). Respondents confirm that Amsterdam attempts to oppose and mitigate these trends which are having a disproportionate effect on this local rental market. The essential unitary structure remains intact in Berlin. Local policymakers do search for more specialized instruments within the national context, not necessarily to do with equal competition between public and private rental housing providers, in order to mitigate housing market pressures at the urban scale.

The research observations confirm national rental system categorization. However, it is important to recognize regional and local differentiation within these systems so that affordable housing can be better preserved in unique sub-national markets. These pressurized housing systems are impacted more acutely by national regulation and increasingly influenced by EU trends in market ideology that do not necessarily put affordability and accessibility to the forefront of policy. To the best of their autonomous abilities, Amsterdam and Berlin resist these trends towards the promotion of homeownership, the reduction and restriction of social housing and the marketization of affordable private rental housing. This thesis adds to a qualitative evidence base of diversifying and differentiated housing markets within national contexts and an evaluation of national rental market theoretical ideology.

7.3. Discussion

The purpose of this thesis is to investigate how Amsterdam and Berlin provide affordable and accessible housing, given the similar pressures they experience on the housing market. Efforts are made to not only describe affordability and accessibility but explain these characteristics according to local context. At the conclusion of this research, it is apparent that the wholesale transfer of one regulatory system to another is not possible, nor sensible. Policies which may work in one urban setting will play out differently if adopted in new places with locally developed housing markets. Although it may be possible to rank Amsterdam and Berlin according to statistical affordability and accessibility, throughout this research process it has become apparent that this effort would obscure the utility of this thesis.

Instead of a critique of one city against another based on quantitative indicators, this research is meant to be used as a reference for housing market actors in Amsterdam, Berlin and elsewhere. Such exchange of expertise, knowledge and the potential to learn from foreign contexts is valuable to the future preservation of housing systems. Rather than offering policy recommendations based on the assumption that one system works better than the other, it is more fruitful to examine both case studies for shared concerns and potential solutions. This practice is especially productive between cities such as Amsterdam and Berlin that are proven by data and dialogue alike to be processing similar housing market pressures.

The aim of the following discussion is neither to rank nor overtly criticize one system over another. Rather, the cases are examined for instances of commonality and opportunities to better understand unique abilities and restrictions to addressing future housing challenges. The discussion is interspersed with debates and lessons between the two cities. Each paragraph concludes with a general policy recommendation, based on the topic therein, that may be beneficial in both cases.

In reflection of the preceding claims, respondents in Amsterdam and Berlin are hesitant to affirm the utility of adopting practices directly from other housing markets that vary along structural, regulatory and historical lines. This conviction is rooted in the belief that systems have developed to be best suited for and shaped by local context. Respondents do not believe that comparison of rental housing markets is futile, but rather than the wholesale adoption of other strategies and structures is not successful without comparable context. Policymakers in Amsterdam and Berlin should continue to evaluate potential solutions according to local conditions while at the same time remaining open to dialogue with other cases.

Policymakers in both cities are relatively optimistic in their abilities. Some made reference to the benefits of their respective systems compared to the other case. Berlin respondents believe that large private rental and local comparable rent systems deter the advances of marketization and allow more direct regulatory control by local government. Respondents in Amsterdam view large private rental markets as vulnerable to market forces and instead tout the HA sector. Those in Berlin reference drawbacks of the market and ownership oriented ideology of the Dutch government. Both cities concur that their respective housing markets are some of the most affordable and accessible in Europe, although they concede that both are regulating behind development. Amsterdam and Berlin should thus strive to regulate ahead of consequence.

Policymakers and housing providers alike are not isolated in their beliefs nor closed off to contact with counterparts in other cities. Some respondents engage in direct dialogue and exchange. Examples include the International Social Housing Festival 2017 and the Housing Partnership of the EU Urban Agenda. Especially given the emergent influence of the EU in housing markets, it is necessary for communication between Member States and large cities to expand. This openness should reach out within and beyond continental borders so that knowledge sharing leads to the potential transferability of regulatory measures.

Both cities combat rising rents and decreasing supply exacerbated by population growth and economic change. Local governments are enacting legislation and cooperation agreements with dedicated affordable housing providers. At the same time, respondents across the board reference the need for the private rental market to take responsibility and absorb some of the demand. In order to address these issues, Amsterdam and Berlin should pursue efforts to include private actors in cooperation agreements and regulatory processes while working to foster social responsibility of these providers.

These most recent efforts are a recognition by respondents that more intervention is needed. Amsterdam priorities are increasing divergent from policy agendas at the national level focused on the residualization of social housing and the promotion of private ownership. Berlin respondents identify the unique needs of the city made difficult under the diffuse federal system. In Amsterdam many respondents spoke positively of the housing policy structure in Germany in relation to regulatory autonomy. Both markets exhibit further differentiation trajectories and uniquely local impacts of national regulation. The only solution is for housing market actors in the two cities to continue lobbying national and EU governments for better fit housing policy.

The challenge of future supply of affordable housing surfaced throughout respondents. Both cities recognize the difficulty of incentivizing new construction, especially by private parties and under the watch of the EU. Although Berlin can rest relatively assured of immunity to the imposition of EU regulations and can look to the negative impacts of these policy reforms in Amsterdam, in both cities construction of social and affordable housing in all sectors must be incentivized. Policymakers in Amsterdam express concern for the maintenance of an existing social housing stock and aim for increased provision whereas Berlin actors have set ambitious plans to increase affordable MHC stock. These efforts should continue and expand.

The above inter-city comparative dialogues highlight the potential of this micro-scale housing research to encourage reflection on the appropriate contextual methods to ensure affordability and accessibility. One goal of this thesis is to show that cities facing similar pressures have shared concerns regarding the preservation of access to and supply of affordable housing. This research points to the benefits of policymaker and housing market actor attention to how these similar goals play out in different local contexts. Cities should look beyond national borders to each other for examples, best practices, and lessons despite different contexts.

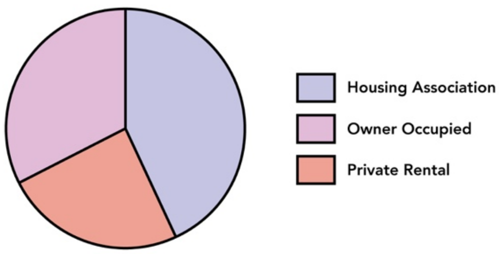
Ostensibly, pressures to affordability, accessibility and the need for housing will increase in the future. Thus, research such as this is valuable to investigate and share local experiences in providing and regulating such rental housing. Although local rental systems differ between and within national contests, lessons can be learned by comparing cities that are subject to similar and converging housing challenges. Micro-scale comparative housing research contributes not only to a theoretical knowledge base but to a repository for policymakers and providers to reference in evaluating abilities to adequately assure the continued success of housing systems. As such, this study should be expanded to multiple case comparisons within and beyond Western and Anglo Saxon cities in order to advance possibilities of knowledge exchange.

Appendices

Figures

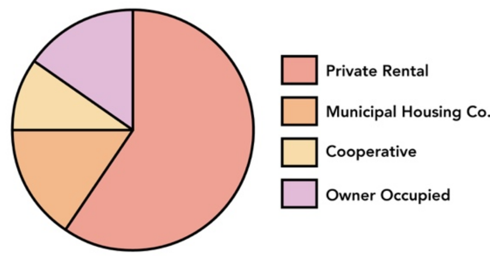
Figure 3: Comparison of housing market ownership.

Amsterdam:



	%	Number
Housing Association	43.1	184,300
Owner Occupied	32.5	139,300
Private Rental	24.4	104,300
Total	**100**	**427,900**

Berlin:



	%	Number
Rental	84.9	1,626,500
Private	59.7	1,144,640
Municipal	15.4	294,725
Cooperative	9.8	187,135
Owner Occupied	15.1	290,000
Total	**100**	**1,916,500**

Sources: *Wonen in Amsterdam 2017 Woningmarkt; IBB Wohnungsmarktbericht 2017.*

Tables

Table 4: Comparison of the affordable housing markets, and definitions thereof.

Amsterdam:

Regulated (Liberalization limit)	Provider	Number	% Regulated	% Total Housing Stock
	Rental			
	HA	168,700	74.9	39.4
	Private	56,600	25.1	13.2
	Total	**225,300**	**100**	**52.6**
Unregulated	Provider	Number	% Unregulated	% Total Housing Stock
	Rental			
	HA	15,600	7.7	3.7
	Private rental	47,700	23.5	11.2
	Owner Occupied	139,300	68.8	32.5
	Total	**202,600**	**100**	**47.4**
	Total Dwellings	**427,900**		

Berlin:

Regulated (subsidy)	Provider	Number	% Regulated	% Total Housing Market
	Rental			
	Private	90,243	43.5	4.7
	Municipal	94,098	45.3	4.9
	Cooperative	23,175	11.2	1.2
	Total	**207,516**	**100**	**10.8**
Unregulated	Provider	Number	% Unregulated	% Total Housing Market
	Rental			
	Private	1,054,397	61.7	55
	Municipal	200,627	11.7	10.5
	Cooperative	163,958	9.6	8.6
	Owner Occupied	290,000	17	15.1
	Total	**1,708,984**	**100**	**89.2**
	Total Dwellings	**1,916,500**		

Affordable (provider)	Provider	Number	% Affordable	% Total Housing Market
	Rental			
	Private	114,915	19.2	6
	Municipal	294,725	49.4	15.4
	Cooperative	187,135	31.4	9.8
	Total	**596,775**	**100**	**31.2**
Unafforable (provider)	Provider	Number	% Unaffordable	% Total Housing Market
	Rental			
	Private	1,029,725	78	53.7
	Owner Occupied	290,000	22	15.1
	Total	**1,319,725**	**100**	**68.8**
	Total Dwellings	**1,916,500**		

Sources: *Wonen in Amsterdam 2017 Woningmarkt; IBB Wohnungsmarktbericht 2017.*

Respondents

Respondent	Position	Institution	Type	Location
1	Department Coordinator	Municipal Housing Department	Joint interview	Amsterdam
2	Department Coordinator	Municipal Housing Department		
3	Strategy Manager	Housing Association	Interview	Amsterdam
4	Consultant	European Affordable Housing	Phone interview	Brussels
5	Senior Advisor Strategy and Policy	Housing Association	Joint interview	Amsterdam
6	Policy Advisor	Housing Association		
7	Chairperson	Tenants' Association	Interview	Amsterdam
8	Research Coordinator	European Housing Federation	Phone interview	Brussels
9	Senior Strategy Consultant	Housing Association	Interview	Amsterdam
10	Program Manager	Senate Department of Urban Development & Housing	Interview	Berlin
11	Head of Housing and Politics	Housing Federation	Interview	Berlin
12	Researcher	University	Interview	Berlin
13	Managing Director	Municipal Housing Company	Interview	Berlin
14	Consultant	Liaison Amsterdam Berlin	Interview	Berlin
15	Head of Liaison Office	International Tenants' Union	Phone interview	Brussels
16	Researcher	University	Interview	Berlin
17	Managing Director	Rental Cooperative	Joint interview	Berlin
18	Marketing Director	National Rental Cooperative Federation		
19	Deputy Managing Director	Tenants' Association	Interview	Berlin
20	Interim Strategy Manager	Housing Association	Interview	Amsterdam
21	Board Member	Tenants' Association	Interview	Amsterdam
22	Board Member	Tenants' Association	Interview	Amsterdam
23	Senior Policy Advisor/Vice Director	Housing Federation	Interview	Amsterdam

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