



NOWHERE LEFT TO GO

The Housing Crisis in the
Netherlands




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Netherlands

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EXECUTIVE SUMMARY

The escalating housing crisis in the Netherlands, particularly affecting students, demands immediate and strategic intervention. The current landscape, as highlighted by the Ministry of the Interior and Kingdom Relations & ABF Research (2023), reveals a distressing trend where students, including a significant number of international students, are compelled to live with family or forego adequate housing due to exorbitant costs and scarce availability. This situation not only underscores a pressing need for housing solutions but also highlights the specific vulnerabilities of international students, who grapple with regional unfamiliarity, housing complexities, and potential language barriers.

Despite the 'Netherlands' efforts to address the housing crisis, these measures have scarcely scratched the surface of the profound housing supply deficit (Egberink, 2021; Rijksoverheid, 2023). The inadequacy of these solutions is evident in their failure to significantly mitigate the crisis, with private investors often offsetting increased costs through higher property rents (Egberink, 2021).

We propose an approach that not only increases housing availability but also ensures affordability and accessibility, especially for students. Key components of this strategy include the de-financialization of the real estate market, implementing financial caps and stringent regulations, prioritizing new constructions in urban areas, boosting the allocation of income-regulated houses, and significantly expanding student dormitory capacities.

By ensuring students have affordable and accessible housing, the EU can continue its cultural diplomacy efforts focused on students, such as Erasmus+.

STATUS QUO

The scarcity of reasonable housing options is a nationwide concern, disproportionately impacting students in their pursuit of stable living conditions. For international students, the challenge is even more pronounced. Unfamiliarity with the local housing market, language barriers, and a lack of understanding regarding Dutch housing procedures compound their difficulties in securing suitable accommodations.

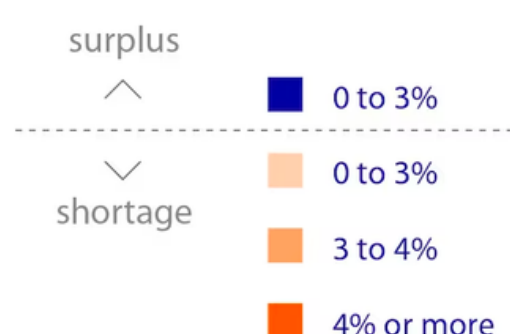
According to the 2023 National Student Housing Monitor, the current shortfall in student housing stands at an alarming 23,700 units, with projections suggesting a potential escalation to a deficit of 56,700 units in the coming years. This shortage significantly affects the student population, of which 53% are not living with their parents. Among these, international students constitute a considerable segment, representing 18% of the total student body in higher education in the Netherlands as of 2023. This figure not only reflects the diverse student demographic but also emphasizes the pressing need for targeted housing solutions for this vulnerable group.

Notably, the proportion of Dutch citizens living away from their homes has notably decreased, dropping from 53% in 2015/2016 to 44% in 2022. In contrast, the same period has witnessed a corresponding increase in the number of international students, highlighting a significant shift in the housing market dynamics (NOS News, 2023).

In response to these trends, the Dutch government has initiated policies aimed at mitigating the housing crisis. These efforts have yielded some progress, as evidenced by the reduction in the housing shortage from 27,000 to 23,700 units. However, the urgency of the situation persists.

The roots of this housing crisis are multifaceted. Factors range from the repercussions of the 2008 economic crisis to shifts in living preferences and standards, spurred by societal changes and the aftermath of the Covid-19 pandemic. A striking illustration of these shifts is that currently, "1 out of 5 people live alone," a significant increase from the 1 in 10 ratio observed 50 years ago (Egberink, 2021). This trend has profound implications for the housing market, influencing both the cost of living arrangements and the nature of housing construction, which is increasingly focused on studio apartments rather than social housing units. Addressing this issue requires a nuanced understanding of the changing demographics, societal shifts, and the need for a diverse range of housing solutions to cater to the evolving needs of both Dutch citizens and the growing international student population.

Housing shortage or surplus
(% of housing stock, 2019)



PROPOSALS

THE CURRENT HOUSING DEMAND IN THE NETHERLANDS SIGNIFICANTLY OUTSTRIPS SUPPLY. NATIONAL AND LOCAL GOVERNMENTS, AND UNIVERSITIES SHOULD PROMOTE THE CONSTRUCTION OF NEW HOUSING UNITS AND ENSURE THERE IS DEDICATED HOUSING FOR LOW-INCOME AND STUDENT POPULATIONS

01

DE-FINANCIALIZATION

National and local governments must reorient the housing market towards its primary role of providing homes, not investment opportunities. Actors should introduce a financial cap on real estate transactions and stringent regulations for existing properties to prioritize housing availability and affordability over speculative gains.

03

LOW INCOME HOUSING

To address the disproportionate impact of the housing crisis on lower-income groups, the national government should mandate a fixed proportion of all new construction projects be designated as income-regulated housing. This measure ensures that a segment of new housing developments is accessible and affordable to those in the lower-income brackets, thereby addressing a critical need in the existing market.

02

BUILD NEW HOUSING

Promote the large-scale development of new homes, particularly in major Dutch urban centers such as Amsterdam, The Hague, Rotterdam, Eindhoven, and Utrecht. This approach targets the areas with the highest demand and aims to alleviate housing shortages in these densely populated regions.

04

STUDENT HOUSING

Initiate more student housing projects in the Netherlands. By increasing the availability of university-managed student accommodations, this strategy aims to provide more affordable housing options for students, with regulated pricing to ensure accessibility. Increased student housing can also reduce demand in the broader housing market, potentially leading to lower prices as private-sector landlords seek to attract tenants.



RECOMMENDATIONS

Beneath each proposed policy, we list recommendations to aid with implementation.



DE-FINANCING

Provide funding for non-profit Housing Associations: The Dutch government should allocate funds to the 284 existing 'woningcorporaties' (non-profit housing associations), which currently operate without government support. Integrating these associations into a more centralized framework will enhance resource allocation and sharing. Given that these organizations reinvest excess rental revenues into new social housing construction, government funding will significantly boost their capacity to expand social housing development.

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- Initiate Government Purchases of Land for Housing Development: National and local governments need to proactively acquire land and buildings to dedicate to public and affordable housing projects, countering the trend of property privatization. Local governments should establish Community Land Trusts to maintain these lands for public needs, which are insulated from market pressures and private interests.
 - Implement Tax Incentive for Student Rentals: Local governments should provide tax relief to landlords who rent their properties to students, encouraging the provision of affordable student housing.
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RECOMMENDATIONS

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NEW HOUSING

Government bodies or private enterprises should devise a development plan focused on constructing apartment buildings in safe, urban neighborhoods with easy access to public transport. These buildings should be primarily targeted at tenants within the low to middle-income range.

Additionally, there should be a contractual obligation for these buildings to allocate a certain percentage of units specifically for student housing. Rent Control and Flexible Leasing Options: Implement controlled rent pricing to maintain affordability, alongside offering short-term lease options to provide flexibility for tenants, particularly catering to the needs of students and transient populations.

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- Prioritize Cities with High Student Populations: Focus development efforts in cities with the largest student populations.
 - Enhance Public Transport: Expand and improve public transport to support growing neighborhoods and the influx of new residents.
 - Incorporate Student Needs: Developers to conduct feasibility and market assessments to integrate local student requirements into project designs.
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RECOMMENDATIONS

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INCOME REGULATION

In response to the pressing housing crisis, particularly affecting students and low-income residents in urban areas, a multifaceted approach is essential to address the diverse aspects of this complex issue. Our proposals focus on enhancing the availability and affordability of housing through a combination of regulatory changes, financial incentives, and community involvement. These include promoting mixed-use developments with integrated student housing, revising the Woningwaarderingstelsel (WWS) scoring system to increase the supply of social housing, and establishing participatory governance mechanisms for residents in new housing projects. These measures are designed to create more inclusive, sustainable, and community-focused living environments, meeting urgent housing needs while fostering long-term social and economic stability for social housing. By raising this threshold, more properties can be classified as social housing, thus increasing the availability in the market.

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- The score (WWS) for a house to be allocated into the private rental sector should be raised, to allocate existing houses into the social rental sector: WWS score evaluates the overall condition of a house in the market by giving each house a score. The current policy regulates that houses below the score of 136 should be categorized as part of the social housing system. We suggest that the score for including social houses should be raised to a higher number, to enlarge the number of houses in the category of social houses and therefore provide more supplies in the social housing market.
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RECOMMENDATIONS

Beneath each proposed policy, we list recommendations to aid with implementation.



DORMS AND OTHER STUDENT HOUSING

Establish tailored regulations to increase the availability and accessibility of student housing.

Financial Aspects:

- **Student Accommodation Obligation:** Contractually mandate buildings to prioritize student housing.
- **Rent Control:** Implement controlled rent prices to maintain affordability.
- **Flexible Leasing:** Offer short-term lease options to accommodate student needs.

Education and Outreach:

- **EU Funding for Universities:** Ensure universities are aware of and have the technical expertise to apply for European Union funding, like from the European Investment Bank, for dormitory construction and expansion.
- Ensure students are aware of government and non-governmental resources to find and apply for housing.

CHALLENGES

01

INCENTIVES

Despite national, local, and university efforts to produce affordable housing especially for students, housing developers will continue to be incentivized to produce units that attract the highest returns.

02

LACK OF MEANS

Scarcity of Land:

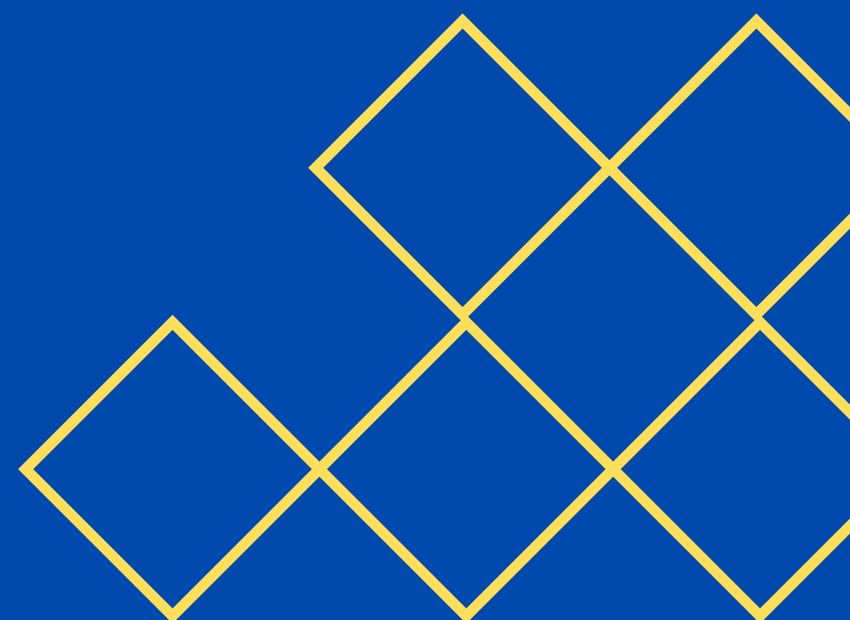
There is uncertainty regarding the availability of ownerless land for acquisition by authorities.

Procuring private properties for affordable housing is often prohibitively expensive.

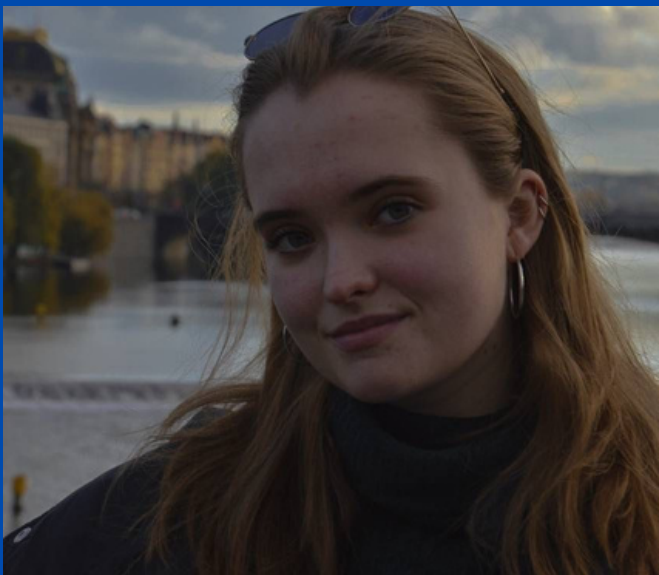
03

MARKET SEPARATION

The distinct separation of the student housing sector from the broader social housing market may impede the effective resolution of housing shortages for students. Given the fixed housing inventory, an increase in student housing could reduce the availability in other social housing segments, potentially driving up prices.



MEET THE TEAM



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Gathered statistics to support the arguments and co-wrote the "Rationale for the action on the problem".

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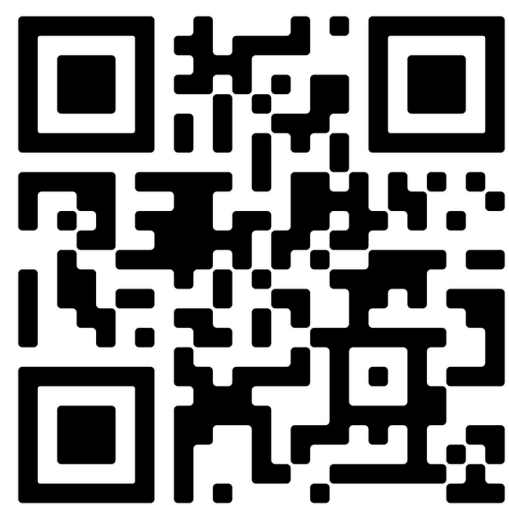
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SOURCES

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