
I'D RATHER CALL IT SELF-REGULATION

JACQUELINE TELLINGA

Interviewed by Arjen Oosterman

There is a huge diversity between countries in both home-ownership and the degree to which individuals build their own. The Netherlands used to be a rental market predominantly, but since the 90s the balance shifted towards privately owned. When it comes to privately initiated, the 2008 crisis proved a game changer. All of a sudden municipalities were ready to offer individual plots for self-build or force housing corporations and developers to do the same. But not for long, it seems, now the big developing parties are retaking their former preferential positions. We shouldn't let this happen, according to Jacqueline Tellinga, who has been involved in opening up the private initiative market to middle and lower-middle income groups in the city of Almere.

Arjen Oosterman: Let's briefly reflect on seventy years of public housing and from there expand on where we might be heading. What do you expect?



What we are not addressing yet is the huge group of empty nesters who live in (too) large homes. Hardly anyone seduces them to actually build their personal preferred smaller home.
Photo: Maarten Feenstra

Jacqueline Tellinga: After the Second World War, backed by international treaties, there was a shared conviction that, as nations and societies, we should do things differently and better than we had previously. This led to a fresh start in the form of the welfare state. Looking more specifically at housing, no one had anything. There was greater equality then, simply because the destruction, one way or the other, affected everyone. Housing became a priority of the State and would remain that for decades. At that time there was a real housing shortage, people without any form of shelter, we shouldn't really use this term nowadays – everyone has somewhere a place to live. Nowadays there are starters and young families, who have no access to a loan, millennials and expats that are unable to find an affordable and suitable place to live, there is a shortage of adequate accommodation for senior citizens, but let's face it, until recently nobody was talking about a housing shortage in the Netherlands. It was simply not on the agenda. The present housing shortage nowadays is pretty much a local phenomenon. More and more people prefer to live in economically vibrant city areas and try to buy or rent themselves a house there. On top of that, disposable capital of investors is trying to find its way into the same areas, as housing is momentarily a very lucrative investment. At the same time, other areas in the Netherlands are emptying out; there you will find a surplus of housing. These exacerbated regional differences are new for The Netherlands.



Imagine building rights being obtained in a transparent land market accessible for hundreds of thousands of individuals. An unprecedented variety would emerge. More in line with the actual demand and needs. Photo: Adrienne Norman, BouwEXPO Tiny Housing

In retrospect it is clear that, in the post war decades, the Netherlands has been very good at organizing large-scale production, standardization, rational construction, subsidization and building codes that reinforce all this. Under the patronage of the public sector a massive wave of new construction was undertaken and, in comparison to other countries, a lot of social housing was built. When neoliberalism entered our society in the late 80s, it benefited from the established knowledge on making standardized mass productions. Housing corporations were privatized, municipal housing organizations dissolved. Operational subsidies were cut. A substantial part of housing construction was left to private developers. The idea of the policies of neoliberalism was to accommodate freedom of choice, yet little of that materialized, in the sense that people were never really offered a free choice by obtaining a building plot, making their decisions on floor plans, architecture, contractor, in short, their own investment. It wasn't until the crisis of 2008 that that freedom of choice was truly catered to on, through self-build projects such as Homeruskwartier, Noorderplassen West and Oosterwold, all in Almere; more than 2,400 houses in Amsterdam constructed on an individual or collective basis; quarters in The Hague (Biancahoeve in Mariahoeve, Escamplaan), and Deventer Havenkwartier; there's more.

AO: Okay, so let us now try to look ahead from 2018 (and not from the immediate post-crisis period or the 2015 resurrection of the housing market). Where is this going? Or put in another way, has a systemic change taken place?

JT: We are seeing a mildly more critical disposition towards the prevailing economic model.

AO: What economic model is that?

JT: The limited access to land. Our so called Vinex operation was, in hindsight, an uneasy turning point. It coincided with neoliberalism in the housing market. Vinex represented a policy which openly designated the land where large scale expansion of housing stock would be allowed. This happened simultaneously with a policy to relegate the housing construction to commercial companies. In order to facilitate new housing construction, local governments adopt zoning plans which designate agricultural land for housing. The consequence: an instantaneous increase of land value. A good reason for investing in land before hand. It is only common sense that housing developers select potential building sites in an early stage, thus securing their business cases. Building rights are ultimately obtained through landownership. This is common knowledge amongst those who employ property to make money, but not amongst the general public. Once developers have acquired the land, they are in an advantageous position.

increase in commercial rental housing. We are heading for a major part of our housing stock being financed with money from (foreign) investors.

AO: And what would your choice be?

JT: I feel local governments should take a position and, after having secured a social rental stock, they should give free rein for those who want to (have) build their own houses. Consider the choice: forking out 1,200 euros in rent or use that money as a monthly installment to repay your loan for a house you commissioned yourself.

AO: But that choice is surely a consequence of our public housing legacy. After all, our post-war situation was to a large extent one of rental. For most, ownership was not an option. Rental was considered a perfectly good solution for a long time (as opposed to surrounding countries where rental definitely bore a connotation of poverty). I have no clear view on what the political motivation is to 'go for rental'.

JT: You see, the reason to choose for commercial rental is imbued by fears for a repeat of massive insolvency amongst home owners in a future crisis. And secondly, our young generation of flexible employees choose not to have a permanent job. It is a new economy. But, there's no way they can get a mortgaged loan. And yet, their income is decent, their future is decent, so I reckon this is an issue banks should be able to solve as it is their future clientele. Meanwhile, making commercial rental a national goal, does not seem to be smart. It is an issue, now that there are so many overseas investors in commercial rents interested in Dutch real estate. They see us as a kind of Nirvana: a stable place, where people are well educated and take care of their property – there is not going to be a revolution in the Netherlands any time soon. In the meantime, we have all become aware of the notion that ownership of housing has become a means to accumulate capital. Whether the new stock of housing is rented or owned is not considered in terms of income politics and social mobility. Piketty's message has clearly not come across. Analyses by our 'Wetenschappelijke Raad voor Regeringsbeleid' (WRR) that show an increasing gap between the wealthy and poor hasn't either.

AO: Your article in *Financieel Dagblad* indicated the market shares this concerns. Not just 'empty nesters' entertaining nomadic desires or the demand for 'granny flats' and similar 'niches', but a collection of age groups and profiles that, when considered together represent a serious slice in the market.

JT: What we are not addressing yet is the huge group of empty nesters who live in a (too) large home, who are quite happy there, don't want to leave yet but do realize they have another thirty years to go. And when these people decide for a next step they will be looking for a great location and a beautiful smaller house, and I emphasize the size. Because this group is assertive and has means, so no one sees this as a problem, and hardly anyone seduces them to actually build their personal preferred home. But if you would, I am convinced there's a huge group to be catered for. This group will vacate their large homes and that's great as we are dealing with an increase in hidden vacancy; who needs those three, four bedrooms? There's hundreds of thousands of vacant bedrooms in this country. In order to get the flow going we need an attractive alternative. And it's an investment in your future. People will be able to stay where they are up to a high age. What we are talking about are compact single story – if wanted self-commissioned – houses in attractive surroundings.

AO: But what ever happened since the fifties when in Amsterdam, Mart Stam and in Rotterdam Van den Broek & Bakema as well as other offices developed plans for entire residential quarters to include single story old people's housing as a standard provision?

Resisting them will imply time consuming and costly legal procedures for local governments. Moreover, housing production comes to a stand-still. Which electorate could possibly be interested in that? To summarize: once building rights are obtained by private entities, they have a substantial hold over the housing market.

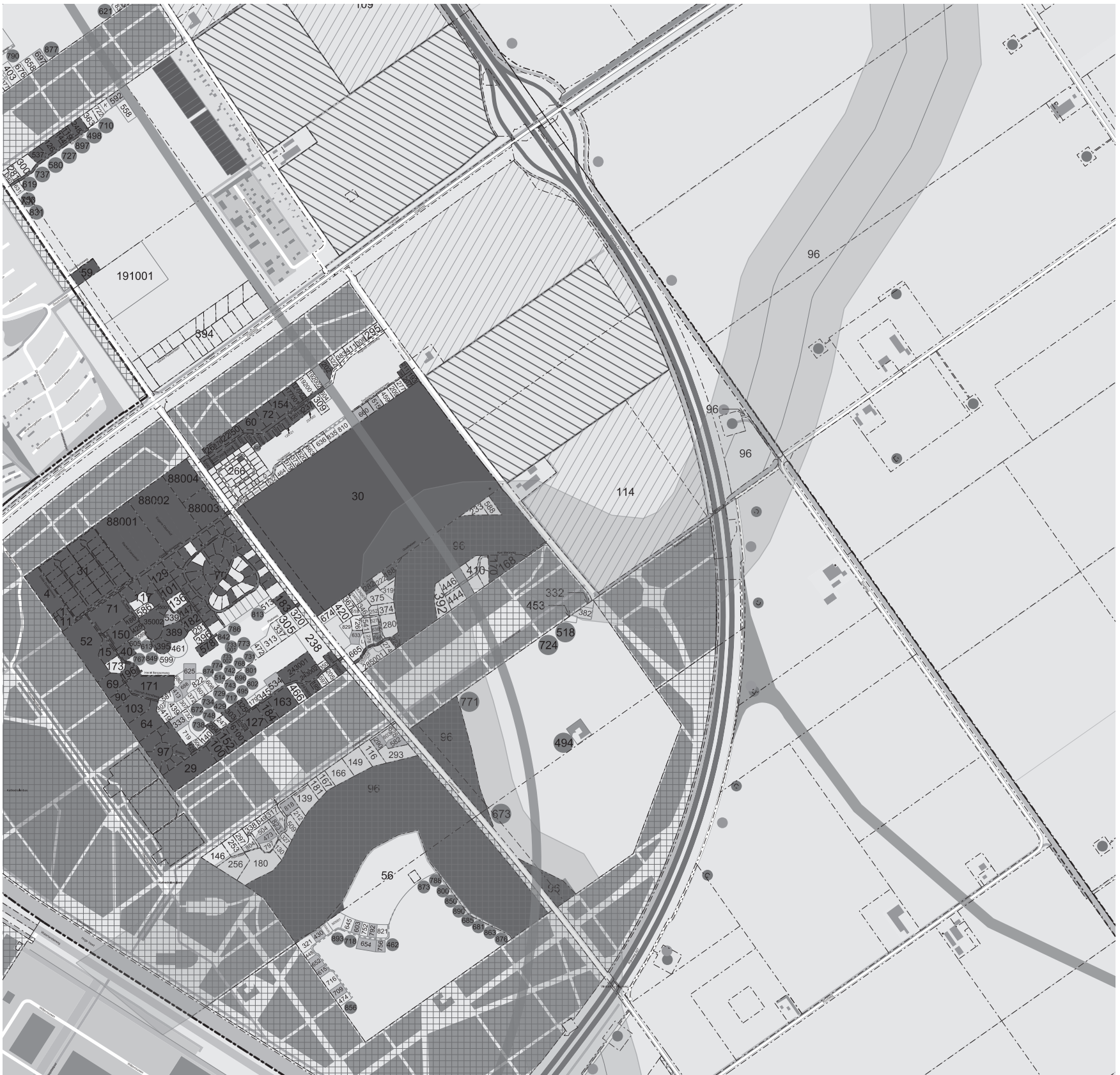
Imagine these rights being obtained in a transparent land market accessible for hundreds of thousands of individuals, collectives, architects, contractors, small custom build companies and so on... Then there would be a market that is truly free. Anyone could participate. An unprecedented variety in housing production and costs would emerge, more in line with actual demand and needs. When, as presently is the case, these rights are prematurely secured by just a handful of parties, we cannot consider the housing market a truly free market.

AO: Neither is it a programmatic issue to party politics.

JT: No. The discussion should be about the legitimacy of having authority over an owned tract of land which is transformed through a public decision into a building plot, without using it one's self as an end user. That's the key issue. It's something we must debate.

AO: And then my question is: has experience in the last decade led to a systemic change or is it no more than a superficial rippling we will soon leave behind us?

JT: The richness of housing during the crisis by civic initiatives – individuals, collectives, architects, small contractors – has not permeated the national or local debate. Our current national government is going for a massive



In Oosterwold in Almere one discerns a robust framework which, call it freedom, enables self-regulation.

JT: In those days we had a fixed number of demographic echelons (so many singles, so many families, so many elderly et-cetera) and governments based their housing programs on these demographic surveys. Nowadays, private investors are supposed to be well aware of demand. Local councils are responsible, national government is no longer pulling the strings, and that's the way we should keep it. Those times are past. The force is bottom-up and if anyone is in touch with the local electorate it must surely be the local municipality. Their *raison d'être*. There are different issues at stake in Assen than in Amsterdam, East-Groningen or Limburg.

AO: So what is your view on the asset development scenario?

JT: We need to look beyond political differences. It is far-fetched to keep on debating along those lines. If you are oriented to the left you're supposed to be in favor of a fair distribution and subsidized rentals owned by housing corporations. If you are more oriented towards the right you should be opposed to that and favor fiscal mortgage interest deduction instead. Interestingly, in both cases state involvement is essential. But, what we should understand that the international capital world is changing rapidly in the meanwhile as well as are

the regional differences. The real question is: what do people forego by renting and letting an investor from Qatar amass equity instead of being given the opportunity to create your own future capital by being owner of your own house? The power of private equity owned by a few has increased immensely over that of the mass individuals. As governments you have more and more a role as fair trading floor manager. As citizens we don't care whether this is left or right we consider it is the government's job. And, in case of the housing market, individual freedom of choice – regardless of being poor or rich – will need to be safeguarded vs. this kind of private equity. That is neither left or right. Our liberal (right-wing) parties aren't doing much to liberalize the housing market for all. And likewise, in terms of uplifting the masses, equal opportunities, social mobility, regions of decline in relation to those with pressured markets, our left-wing parties don't undertake much either. Both sides leave things to be desired.

AO: Let's go to this issue's theme, *The End of Informality*. Particularly, recent developments in information technology have, like we passed beyond the left-right polarity, led us beyond 'informality' as condition and mechanism. Looking at the housing market, looking at large scale developments such as Homeruskwartier and Oosterwold in Almere one discerns a robust framework which, call it freedom, enables deregulation. I suspect that, as a model of thought, this can be projected on to many other fields and developments. In a dystopian reading the acquired freedom merely shrouds a high degree of manipulation and in a utopian reading we are actually enjoying freedom. You were one of the founders of Homeruskwartier and witnessed development of Oosterwold from close by; what is your view on a society of safeguards?

JT: Interesting point. Interesting moment to undertake something like this. Western societies have acquired a lot of experience in which qualities we need to protect, and most of those have by now been safeguarded in public laws and, even if not fully, the road towards that goal is known (we still need to continue thinking about sustainability and environmental specifications). You call it deregulation, I'd rather call it self-regulation. Governments have become overstretched. Formal procedures can be drawn out ad infinitum. Discussions about a single parking place can be fought right up our Raad van State. There is a cordon of vocal citizens around every tree. As you noted, we need a framework within which we can find a deregulated way of working. With the emergence of the welfare state, the general expectations of the State and of the public sector escalated. How tenable is that? Shouldn't citizens be left to settle their own diverging interests? Creation of such a framework has only recently become viable. Be it in a model of consensus or in dispute, it is up to our citizens to decide the outcome. Oosterwold an initiative of former alderman Adri Duivesteijn – is far ahead, much further ahead than any example I am aware of in the Western world. Orchestrated informality. In Oosterwold – it is set out for your own home and some substantial activity around it: urban agriculture. There is even a self-initiated school. First generation inhabitants are going beyond anything one ever imagined. I must add though, that this is not for everyone. Not everyone is able to debate and cooperate at this level.

AO: I still find it hard to understand that Almere allows itself to do this. Being a municipality, they, as no other, should know that town planning implies anticipating. The self-regulating process that's underway there currently was stripped of the dimension 'anticipation'. Private expediency is well understood, so in that sense it is there, but not at a larger scale. Or what on a longer term could be possible within a particular configuration or organization. The whole organizational structure is highly experimental and it's exciting to see whether it serves the long term as well as the traditional urban planning tools. This system of course focuses on the short term.

JT: 'Anticipatory urban planning' concerns road and rail structures, stations, schools and hospitals because these are all facilities that coincide with a certain critical mass, and cannot be retrofitted afterwards. The anticipatory planning of such collective provisions still seems logical. The organization of housing is easier to 'disarrange' and leave it to the residents. The question is whether we can revert to complete unframed informality. By now, having learned and being used to the advantages of welfare states, I have not seen individuals giving up their complete long term personal (im-) material well-being for the collective good. Anarchy would be the consequence and that has never worked.