



woonbond

de stem van hurend nederland

Rent regulation in The Netherlands

A view of tenants organisations

Erik Maassen
Senior policy officer

Legal framework

Regulation or free market?

	Regulated Rents (<€750)	Free market sector (>€750)
Housing associations	2.1 million dwellings	120.000 dwellings
Private sector (commercial)	400.000 dwellings	600.000 dwellings

Affordable housing does not equal social housing

Total number of households: 7.7 million

Legal framework all housing

- Indefinite rental agreements
- Temporary agreements since 2015
- Tenant has 1 month notice
- Landlord can only end contract in court
- New ownership doesn't end lease
- Social contract can't be 'upgraded' into a free market contract

Legal framework affordable housing

- Easy legal access : Rent tribunal
- Legal control on rent increase
- Rent regulation: Objective standard on maximum rent based on square meters, quality and commercial property value

Affordability

Affordability regulated rents

- Rent increase max. inflation +2,5%
- Housing benefits
- In 2020: rent freeze
- Average rent (2018): €608,-
- Average living costs (2018): €683,-

Affordability social housing

- 3-yearly agreement Woonbond- Aedes on rent increase
- Total rent sum rise association maximised on inflation
- Extra effort on affordability for lower incomes: rent < €630

Free market housing

- Rent increase max. inflation +1,5% (since 2020)
- No rent regulation but market prices
- No housing benefits
- No rent tribunal

Downsides

Political threats

- Yearly tax on affordable housing
- Introduction of temporary contracts
- Dutch case: excluding lower middle incomes from social housing
- International investors have been invited to the housing market by the government
- Commercial property value introduced in rent control system

Urgency

- 800.000 tenant households have financial difficulties (10% of all households)
- Growing housing stock owned by investors
- Shortage on all housing increases pressure on affordable housing
- Lack of regulation in free market leads to giant price rises

Conclusion (1)

- Introduction of commercial property values enables shift from affordable to free market housing
- Introduction of temporary contracts has deminished legal position of tenants
- International investors have no interest in tenants right or living quality

Conclusion (2)

- Social housing tax has led to massive decrease in building, leading to biggest shortage since 1950
- Introduction of 'market values', weaker legal position of tenants and building crisis are biggest threats to affordability