

# A (very) rough guide to Amsterdam housing policy

The contours of Amsterdam housing policy are relatively complex. In this short piece we try and illustrate the principle characteristics of the Amsterdam housing sector and the contemporary policy dynamics within that sector anno 2008.

## 1. Introduction

This document is divided into three main parts. In the first section we look at the core concepts and policy dynamics surrounding renting and buying, which are the two main “official” forms of housing in Amsterdam. In the second section we look briefly at the “unofficial” Amsterdam housing market (such as sub-renting, temporary rent, squatting, and anti-squatting) and institutional responses to it. Thirdly, we look at the prevalence of (organised) criminal and quasi-criminal practices within the Amsterdam housing market. Finally, we try to summarize and conclude. Most of this article is devoted to the first section (renting and buying) because the (non-)availability of housing in the official sector has such a strong influence on dynamics within the other two aforementioned areas.

## 2. Renting & Buying

Approximately 70% of the housing supply in Amsterdam is rental, which is high by Dutch standards. In the Netherlands there is a high level of renter protection and one of the hallmarks of this is the notion of the permanent contract: only in exceptional circumstances can a landlord terminate the rental contract of a tenant. A landlord is also limited in the extent to which he/she can raise the rent per year. Within the renting sector there are two principle sub-divisions: social renting, and free-market renting. Central to understanding the distinction between these two sub-sectors is the “points system”. This is a (mostly) objective standard that assigns a house a certain number of points, based on the physical properties of the house such as its size, its facilities, its proximity to busy roads, and so on. If the points total of a house is below a certain critical threshold the house is by definition a social renting house. Above that threshold, the house is said to be in the free-market. (Unlike certain other countries the label “social housing” is thus purely a function of the current physical properties of the house in question.) The maximum amount of rent that can be charged for a social renting house is regulated, and is (roughly speaking) proportional to its point total. For this reason the threshold between social renting and the free-market is often expressed in euro's – at the time of writing 621 euros per month – instead of in points.

In the free-market segment, rents are not regulated: the landlord is free to charge what he/she wants, although (once a rental contract has been signed with a tenant) he/she is not free to arbitrarily raise the rent. Characteristic for the Amsterdam rental market is the existence of a “price gap” between on one hand social rents, below 621 euro, and on the other hand free-market rents, which often lie far above 1000 euro per month. It is perhaps this extreme contrast which leads many policymakers to use “affordable” as a synonym for the social sector. Housing activists often claim that this is misleading, pointing to the fact that the higher social rents are also beyond the reach of many Amsterdammers.

There are virtually no restrictions on who can rent a free-market house. There are, however, various restrictions attached to the rental of a social house. One general restriction is that the potential tenant must be able to secure a housing permit from the local government. Such a permit requires that the tenant has some meaningful economic or social ties with the city. The housing permit does not, however, seem to receive much attention in practice, either at the policy or implementation level. Indeed, the housing permit is only of secondary importance in comparison to the main determinant of who can rent a social house: the waiting list. This requires some nuance and, before proceeding further, an introduction to the dominant players in the Amsterdam social housing market, the housing corporations.

The housing corporations own about two-thirds of the social housing in Amsterdam. The housing corporations were originally collectivist projects that to a large extent emerged following radical, progressive changes to Dutch housing law in 1901. This law made it more feasible for social groups (most

notably workers groups) to band together to finance the construction of basic, but good quality, affordable housing for its members. In this way the housing associations grew to become the main owners of social housing in Amsterdam.

The housing associations were very much established in the social(ist) tradition, and throughout the last century attracted large subsidies from the local government. This meant that, despite being independent private associations<sup>1</sup> (many at least theoretically directly accountable to their members), the housing corporations had an undeniable public-private character and were thus seen to carry the social obligation of providing affordable housing for Amsterdammers. In the year 1995, however, a political decision was taken (as the culmination of a long process) to halt the subsidy stream to the associations, and with a final “golden goodbye” injection of cash the corporations became, in many regards, independent of the state. The severance should not, however, be exaggerated: after almost a century of close co-operation it was inevitable that all kinds of political and (indirect) financial links would remain, and indeed it remains so to this day. Corporations often engage, for example, in co-operative “covenant” partnerships with local government. (It is notable, however, that in the same period most of the larger housing corporations underwent internal changes whereby, with consent of the members, the right of the membership to directly influence the running of the corporation was surrendered in favour of a less democratic top-down management model.) In any case it was expected that, following independence of the corporations from the state, the corporations would continue to carry the historical social mandate of providing affordable housing. Many housing activists argue that (without overly romanticising the pre-independence era) the corporations have abandoned this mandate and now function with less progressive objectives, but we will return to this later.

The relevance of the housing corporations to the allocation of social housing is as follows. Up until 2001 it was possible to sign up to the individual waiting lists of the individual corporations. However, at this point the corporations decided to merge and centralise the allocation of their houses within the WoningNet system. The many waiting lists became one city-wide waiting list. To rent a social house that belongs to a housing corporation, it is (with some notable exceptions) necessary to sign-up for the list and wait until your turn comes. This is calculated on the basis of how long you have waited on the list. Typical waiting times for Amsterdam range (notoriously) from 7 to upwards of 12 years. Within the waiting list system there are some mild restrictions, which – depending on characteristics such as the rent level and the size of the house – prioritise certain houses for certain (income) groups.

The remaining third of social housing in Amsterdam is owned by non-corporation owners, ranging from private individuals who own one or two properties, to private real estate management companies. (Recall that the label social housing is derived from the physical properties of the house, not the character of the owner or the intention with which the house was built.) A fact that many people find surprising is that there is no waiting list system for such social houses: if you find such a house, and the landlord is willing to rent it to you, then (apart from the aforementioned need to obtain a housing permit) that is allowed, even if the prospective tenant has just moved to the city. In practice, however, it is very rare to encounter such opportunities and this is why many people incorrectly view the WoningNet system and the housing corporations as being synonymous with social housing.

For renters of social housing, with income below a certain level, it is possible to obtain a subsidy from the state which is aimed at lowering the percentage of the person's income that is consumed by rent.

## **2.1 Policy dynamics concerning renting & buying**

Unsurprisingly, Amsterdam housing policy is dominated by one word: shortage. The city has historically suffered from a shortage of housing, or what might more accurately be described as a chronic and persistent mismatch between housing supply and demand. The concept of housing shortage is so embedded within Amsterdam politics that newcomers to the city are often surprised by the “institutionalised” character of the political response to the problem. This political response has, over the

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<sup>1</sup> With some notable exceptions: housing corporation YMERE was originally a project of the local council itself, and was then known as the WBA.

last half century, varied in character, but the last decade in particular has seen some notable shifts in approach, from both the side of the government and the corporations.

Up until the 1990s the institutional response to the housing shortage was to some extent aligned with “street-level” experience of the housing shortage: there are no affordable houses, so build more social houses. In the contemporary discourse, however, the message that the majority of politicians and corporations transmit is that there are *too many social houses* in Amsterdam, and that this is a major factor behind the continuing housing crisis. For many people, not only housing activists who seek to defend the current level of social housing, this is a remarkable policy shift. As far as can be ascertained this seems to be a consequence of several political trends merging together and becoming interlinked.

- **Political shift.** At the macro level there is the shift of Dutch politics to the right, which has drawn parties from all across the political spectrum in that direction. This is perhaps most succinctly characterised by the continuing dominance of the centre-right christian democrats (CDA) within national government. The political philosophy of the centre and centre-right is that house ownership is a natural phenomenon, to be encouraged, and that renting is only a temporary alternative which, owing to its comparative undesirability, will be left behind once a person's income level has risen to the level of being able to afford a house. To a larger extent this idea, albeit in a diluted form, is now shared by the centre-left social democratic parties. Home owners continue to receive tax breaks from central government.
- **Market optimism.** A related dynamic concerns the question of who should live in what kind of house. At the present time many middle-income Amsterdammers, and not only low-income Amsterdammers, rent social housing. Until recently this was not viewed as such a critical issue, reflecting the popular perception that, in such an overheated housing market as Amsterdam, only the upper-middle class (and higher) could ever hope to afford housing outside the social sector. While previous policy responses to some extent reflected this popular pessimism (i.e. that the housing market in Amsterdam can never work without heavy levels of state regulation/intervention), the current vogue amongst policymakers is to argue that the Amsterdam housing market can (and should) operate in a less regulated way, and that this will lead to overall improvements, but only if the market can be set in motion. One of the main instruments to achieve this, it is argued, is to stimulate the mid-price segment of the market. At the moment this mid-price segment – above the social rent threshold, but below the extremely high levels of the free market – is extremely small in Amsterdam. (See aforementioned description of a “price gap”.) If the share of such houses is increased, it is argued, middle-income people living in social housing will no longer be trapped in social housing: they will *stream through* to the mid-price segment, thus setting the housing market in motion and (as an additional benefit) vacating social housing that can then be used by the very poorest. Dual to this idea is the belief that there only needs to be enough social housing in Amsterdam to house the poorest Amsterdammers. This translates in the belief that there only needs to be 30% social housing, contrasting with the current level of around 70%. Combining these two ideas leads to the policy justification for converting social houses into other forms of housing, which will be covered in more detail later. Another notable phenomenon that emerges from such a perspective is that tenants of social housing that enjoy a middle-income or higher, are viewed simultaneously as victims, culprits, and potential saviours of the housing market. Victims because they are believed to be trapped in social housing; culprits because many such tenants are content living in social housing (thus blocking it for less wealthy Amsterdammers), and saviours because it is hoped that they will eventually help stimulate the mid-price segment of the market by moving to more expensive housing.
- **Changing perspectives on the role of the city.** Changes in sociological and economic theories of the city also play a role. Many cities share common characteristics in terms of how people move in and out of the city. In particular, cities often attract (younger) people – and in general people seeking economic improvement - who, after rising up the economic ladder and

beginning a family, move back out of the city to the more relaxed and spacious suburbs. Amsterdam is not exceptional in this sense. Many people argue that this constant movement of people in and out of the city is necessary if the city is to fulfil its role as an economic engine and as an “emancipatory machine”. Recent years have seen a change in this perspective, however. One factor is that, during the last decade, many large city economies have shifted the economic emphasis from attracting companies, to attracting the *people* who in turn will (hopefully) attract these companies. The post-industrial character of Amsterdam, and its reliance on service/knowledge industries, means that desirable workers are generally required to be well-educated, creative, management-class. In short, one might argue, middle-class. The conclusion is thus reached that Amsterdam must attempt to *attract and keep* such people, for the sake of the city. This reinforces the argument that the mid-price segment of the Amsterdam housing market must be expanded i.e. so that such people do not need to leave the city to find housing matching their expectations. A second and related factor, developed in a later section, is the idea that the urban environment of the city is somehow directly responsible for social (and economic) dysfunction, and that it must thus be made less urban, and more neighbourhood-like. This feeds into the argument that more room should be made for families and the middle-class, both of which are viewed as critical ingredients of neighbourhood-like environments. The supposed incompatibility of the middle-class and social housing has already been described. It is the comparatively small physical size of social houses which leads to the conclusion that it is not compatible with families, particularly the larger families of Turkish and Marrokkkan households.

- **“Not of this time”.** A phrase which is often heard in policy discourse is that the social housing supply of Amsterdam, much of which was constructed in the early and mid twentieth century, no longer meets the demands of the modern Amsterdamer: it is “not of this time”. Mostly this is referring to the comparatively small physical size of social housing, but sometimes also to problems such as noise pollution stemming from the thinness of the walls. The “not of this time” discourse touches on several issues simultaneously. On one hand it is a reflection of the claim that modern Amsterdammers simply demand a higher level of luxury in their houses, in particular more space: a social house which was suitable for a two-person household in the 1950s, is no longer big enough for a two-person household today, it might be argued. On the other hand it draws from the idea that families, particularly the larger Turkish and Moroccan families, simply cannot fit into such small houses. (This is a recurring issue in highly densely populated, comparatively poor neighbourhoods such as the Transvaalbuurt in east Amsterdam. See also the previous point.) Both arguments feed the trend in which existing social houses are replaced by bigger (social) houses, sometimes by physically merging two social houses into one. The desire to address the aforementioned physical limitations of existing social housing (such as the 'thin walls' example) has complex origins. It is partly influenced, the corporations would claim, by increased emphasis on the quality, as opposed to the quantity of houses. And the push for more environmentally friendly houses undoubtedly also plays a role. Many housing activists claim, however, that many of the physical problems associated with social housing could have been – and could still be - easily avoided if the corporations (and, for that manner, non-corporation landlords) maintained and renovated their housing stock better. In other words, there is a feeling in such circles that the “not of this time” discourse is being used to cloak the real goal of actively reducing the social housing supply.
- **Differentiation.** Interwoven with all the above is the emergence of the “differentiation” discourse. This encompasses the belief that high concentrations of poor people are economically and socially problematic. The theory goes, crudely summarised, that these areas can be helped by drawing wealthier people into the area, who then stimulate the neighbourhood economically and socially with their increased spending power. Such people will not be attracted, it is argued, by the existing housing supply in such areas, which often

contains an extremely high percentage of social housing. This reinforces the desire to reduce the share of social housing in such areas.

- **The corporations.** Last, but of course no means least, the corporations. Although the corporations and the state often argue about technocratic policy issues, they are ideologically not that far apart from each other and, broadly speaking, are unified in their support of all the aforementioned policy shifts. Corporations nowadays endorse the idea that it is better to have (much) less social housing, but of a higher quality, and in an improved urban environment. (In this way the corporations also increasingly get involved in urban regeneration projects that have traditionally been more the responsibility of the state, such as the appointment of neighbourhood concierges and the improvement of public space.) Undoubtedly, however, the independence of the corporations in 1995, and (in the same period) the internal transformation towards a management, instead of member-led, model, was the major defining factor in the current behaviour. The need to survive as independent enterprises is often cited by the corporations as the reason for their shift towards more stereotypically “capitalist” behaviour. They often argue, for example, that social houses are economically infeasible – the truth of which is hotly contested by many housing activists – and that, because they nevertheless still want to build (some) new social houses, they have to finance this by selling off parts of the existing social housing supply and/or generating higher returns by catering for the more lucrative end of the housing market. It is this behaviour which most infuriates many housing activists, who argue that the corporations became rich on public subsidies, membership fees and the “golden goodbye” severance packages, and are now using this capital to pursue a private-market “project developer” agenda completely divorced from the original social(ist) mission statements of the corporations. (Curiously the same complaint – for very different ideological reasons - is heard from private project developers, and also the competition policy directorate of the European Commission, who argue that the corporations are interfering in the non-social housing market and, because they are still in essence “public-private” enterprises, distorting the free market there.) The wave of mergers between housing corporations in the last ten years, whereby a number of massive housing corporations have emerged, has undoubtedly been an influence on the changing viewpoints of the corporations.

## **2.2. The transformation in action**

Shortly summarised, the reduction in the social housing supply of Amsterdam (which, controversially, is in broad lines supported by the renters association of Amsterdam) happens in various ways. In the non-corporation social sector the local government has encouraged the sale of social rental apartments by issuing quotas of permits that – under certain conditions - give house owners the right to sell individual apartments within their houses. (In Amsterdam most houses contain four individual living apartments.) These permits are important because, without such a permit, the sale of social houses is not permitted. The corporations and the state have agreed ambitious targets for the conversion of the social housing supply of corporations to non-social housing and to more expensive social housing. To implement this a variety of approaches are used such as sale of apartments, demolition, renovation to above the social-renting threshold, physically combining social houses, and building only a small percentage of social housing in new development projects.

## **2.3 The critique: a sketch**

On the right of the political spectrum the critique of all the above dynamics and processes is, crudely expressed, that the transformation is not happening quickly or radically enough. In broad lines there is satisfaction with the overall direction in which the Amsterdam housing market is heading.

On the left of the political spectrum, however, there is extensive anger with the whole process. It is felt that the corporations and the state are pushing the Amsterdam housing market in a more free-market, anti-social direction, most clearly reflected in their determination to reduce the quantity of social

housing in the city. Social housing is seen as an effective, enlightened arm of the welfare state that must be protected as the only realistic way to keep housing affordable in Amsterdam; they dispute the argument that social housing is only needed for the very poorest Amsterdammers and view the transformational processes in the same hostile way that the left views attacks on public services such as health and education. Every social house that disappears is one less house for a low/middle-income Amsterdammer. The selling of social apartments (and, similarly, the conversion to free-market renting apartments) undermines the egalitarian waiting list system by allowing wealthier people to immediately “buy their way” into Amsterdam. It is often argued that the seemingly nuanced policy discourse is simply a cloak for a crude, pro-market agenda, although there is some disagreement as to how far this direction is being consciously, as opposed to unconsciously, pursued. It is claimed that, because Amsterdam has very little space left in which to build, all attempts to differentiate the housing supply will inevitably involve corroding the existing social housing supply, even when this is not mentioned as an explicit consequence. They claim that the houses on WoningNet are almost all being allocated to people who have been driven out of their social houses elsewhere in the city (and who thus have priority over other people on the waiting list.) The corporations come under particularly heavy criticism: there is a definite feeling that “the people have been betrayed”, symbolised by the high salaries that corporation management directors now receive. They resent what is seen as the enormous maintenance backlog that the corporations have built up, and what is now ironically being used as a reason by the corporations to dismiss many existing social houses as being beyond help. There is a feeling that the corporations are focussing far too much energy on expensive housing; that they use “dirty tricks” to get tenants to leave; that they are too keen to push through large rent increases whenever that becomes possible (in particular, when one renter leaves a house and a new renter moves in); that they undermine the permanency of the Dutch renting contract by making eager use of temporary renting contracts and anti-squatting contracts.

In the non-corporation sector they point to the property speculation and intimidation of renters that often accompanies the selling off of non-corporation social houses; the close links between the Amsterdam real estate market and organised criminality are often also named.

Anger against the state and the main political parties is mainly directed at the policy environment which (it is argued) feeds and supports all these processes named in this document. At best the policy environment is viewed as intellectually bankrupt and dangerously naive, at worst as being explicitly and overtly hostile to social objectives. The differentiation policy is often singled out for extra heavy critique, viewed as an explicitly anti-poor instrument with the goal of displacing poor people to the edge of the city and beyond. There is also much anger directed at the state because of its perceived failure to implement policy (such as curbing excesses with temporary contracts) that, while existing on paper, in practice are not enforced.

### **3. The “unofficial” Amsterdam housing market.**

Those people unable to afford to buy a house, or to rent a free-market house, and who do not yet have enough years on the WoningNet waiting list to obtain a housing corporation social renting house, are forced to find another solution to their housing problem. There remain of course some marginal official alternatives, such as finding a place in a communal living group. However, most housing solutions that deviate from the “gold standard” of official renting and buying are characterised by varying degrees of precarity (non-permanency) and exploitation (such as wildly excessive rents and the practical absence of rights for tenants.) This stems from a combination of factors. To begin with, the shortage of housing puts those willing to offer living space outside the official channels in a position of power, real or perceived, against those who wish to live in that space. An absence of regulation, or failure to implement regulation that already exists, fosters an environment within which this power imbalance is easily translated into asocial abuses and excesses. In some cases, however, the regulatory environment actually (indirectly) contributes to this power imbalance by making it extra risky for people living in the unofficial housing market to speak out and claim what rights they have e.g. because

of the heightened risk that they lose their house.

Here we give a very brief sketch of the main forms of unofficial housing in Amsterdam, and their accompanying policy frameworks.

- **Renting bedrooms.** Theoretically the renting of bedrooms inside other people's houses is regulated by a “points system” similar to that found in the social renting sector and is thus an official part of the housing market. In practice, however, this is often not applied by either the landlord or the tenant and rents are often disproportionately high. People who rent such rooms do in theory have various well-described legal rights, although permanency of contract is not one of them.
- **Unofficial sub-renting.** We stress here “unofficial” sub-renting because there are some circumstances when sub-renting is explicitly permitted e.g. in a corporation social renting house when the original tenant is spending some time abroad. In most cases, however, sub-renting has a much more unofficial character. In theory such sub-renters do still have quite strong rights, although these rights correspond to the relationship between the sub-renter and the sub-letter and not between the sub-renter and the legal owner of the space in question. This is important because many owners explicitly forbid sub-renting and are thus able to pursue legal steps to have sub-renters removed. In any case, sub-renters often feel – whatever their theoretical legal rights - forced to agree with the rent and conditions set by the sub-letter, and these are often excessive. The risk of being discovered by the owner of the house also cultivates a “stay quiet” attitude amongst sub-letters which discourages action against these excesses. At the political level the sub-letting / sub-renting of housing corporation social housing receives considerable attention: the state and the housing corporations both view the tackling of such illegal sub-letting as a priority. Although the corresponding policies are designed to curb sub-letting and do not in general aim to explicitly punish sub-renters, the practical consequences for sub-renters are often dire i.e. the loss of their living space. In addition to this enforcement-led approach, there are continuing discussions in policy circles about how the phenomenon of sub-letting might be limited more structurally. For example, a common form of sub-letting occurs when someone moves away from their social renting house to live with their partner, but does not wish to give up their house in case the relationship fails. There are various ideas about how this and similar problems might be tackled, for example by altering the waiting-list system. Critics point out, however, that there remains little recognition for the argument that addressing the housing shortage itself is the best way of limiting sub-renting.
- **Temporary rental contracts.** Temporary contracts are a complex area in Amsterdam housing policy. They exist in several forms, although housing activists are often skeptical of temporary contracts *per se*, because their existence is a challenge to the standard notion of the permanent rental contract. At the comparatively official end of the scale are the so-called “campus contracts” in which students rent (usually from housing corporations) an apartment for the duration of their study, usually around four years. Such contracts have emerged as part of a rejuvenated determination amongst politicians to tackle the housing crisis amongst students in particular. In general, however, temporary contracts have a much more “shadowy” character. Theoretically there are only very limited circumstances in which a house owner is allowed to use temporary contracts e.g. if the house is due to be renovated in the near future. The house owner is supposed to obtain a permit from the city council before such a renting contract can be used, and the temporary contract is only supposed to be for limited time. The main character of such contracts is their impermanency: for the rest the renter enjoys the usual rights derived under Dutch law once rent is paid, at least in theory. In practice, however, temporary contracts are often used without the appropriate permits, and enforcement is minimal. In contrast to the official renting sector, there is little institutional advocacy of the rights of temporary renters.

- **Below temporary renting contracts** exist even more precarious contracts which are actually not rental contracts because there is no rent paid, and where the rights of the “tenant” are correspondingly limited. For example in “user agreements” the “tenant” pays only for utilities such as electricity and gas, but does not enjoy the protections associated with the payment of rent. (It is to be noted however that legal cases have been won where, by demonstrating that the “user payments” were high enough to be in effect equivalent to rent, the landlord was mandated to give the “tenant” all the protections associated with an official renter.) There are other forms of non-rent contracts in which the “tenant” is effectively functioning as a security guard for the space in question: such contracts are often informally called “anti-squat” contracts because of their use to deter squatters (see below.) The political response to anti-squat contracts, and user agreements, is inconsistent, a fact that is most clearly illustrated by comparing the political response to squatting. For example, anti-squat contracts are often tolerated in circumstances where the state otherwise intervenes to prevent squatting e.g. when the physical space is considered uninhabitable. On the other hand, the state (especially in cities such as Amsterdam) will occasionally not move to evict squatters if the space will subsequently only be filled with anti-squatters i.e. anti-squat is not deemed to be a meaningful use of the space.
- **Squatting.** Squatting is living in or using a space without permission of the owner. It thus has a far more confrontational character than other (unofficial) forms of housing, and is often closely linked to leftist/anarchist circles. Squatting mostly involves bringing space into use that the owner was not using. In many countries squatting is in all cases explicitly forbidden; this is not the case in the Netherlands. The letter of the law says that the squatting of a space which has been unused for longer than a year is not a criminal offence. In such cases the owner of the space must resort to the civil courts to obtain an eviction order, and to get such an order the owner should (at least in theory) be able to show that the space will be meaningfully used after the eviction. The theory and reality of squatting is complicated and the behaviour of the various main players in squatting (squatters themselves, owners, police, law courts, council) depends very much on the local dynamics of the situation in question, irrespective of what the law technically prescribes. Centre and centre-right political parties are usually heavily hostile to squatting, advocating an outright ban. Centre-left and left parties are usually more sympathetic to the phenomenon, particularly in cities such as Amsterdam where squatting is viewed as a “stick behind the door” that discourages the speculative use of living space and office space. Accordingly the centre-left council of Amsterdam has, together with several other large cities, spoken out on several occasions against recent (unsuccessful) attempts by the central government to legislate for a total ban on squatting.

#### **4. (Organised) Criminal and quasi-criminal activities in the Amsterdam housing market.**

##### **The Underworld**

In recent years there has been much attention in the Dutch press for the links between the Amsterdam real-estate market and underworld/mafia circles. The central connection is that the real-estate market is an excellent vehicle for the laundering of criminal incomes. This is true in general for real-estate, but the problem seems particularly acute in Amsterdam. There are in fact all manner of techniques (ranging in legality and morality) whereby the price of real-estate, or the transactions themselves, can be manipulated behind closed doors for private gain. There is not the space here to describe these practices. A common practice worth naming, however, is where small groups of buyers in the market repeatedly 'sell' a property between themselves with a view to artificially driving the price of the house upwards. Such artificial price-rises serve a variety of dubious functions, ranging from cloaking money laundering to extracting higher sums of money from the eventual genuine buyers. The national government has in recent years taken some small steps towards addressing such practices, introducing legislation which makes it possible for local



councils to withdraw permits from house owners unless they can justify the origin of their incomes. (A notable feature of this legislation is that the burden of proof lies with the house-owner, not with the state.)

There is some concern amongst housing activists that the considerable volumes of criminal money circulating in the Amsterdam real-estate market help sustain housing prices well above real prices.

### **Intimidation**

The practice of selling off non-corporation social renting houses is in itself legal but housing activists argue that the potential profits involved often invite anti-social if not criminal behaviour from the owners of such houses, as they attempt to remove the social renters. Such anti-social/quasi-illegal “intimidation” tactics are observed with small-scale owners but there is particular animosity towards the large-scale owners who specialise in the buying up of properties with a view to first displacing the social renters, renovating (if necessary), and then selling the houses. There is also some concern that these specialist buy-divide-sell market operators often have close links with the organised criminality and engage (for example) in practices to artificially inflate the eventual selling price.

The Amsterdam city council is currently investigating the possibility of a 'code of conduct' which will attempt to curb the intimidation which is often reported to accompany the selling-off of non-corporation social renting houses.

### **Exploitation**

The shortage of houses in Amsterdam creates a supportive environment for various “crooked” players who take cynical advantage of a persons' need for housing. The typical mode of exploitation is extortionately high rents for a small and/or practically uninhabitable living space, but it is not uncommon to hear of situations where landlords additionally demand that a tenant surrenders the rights conventionally associated with tenancy.

The Amsterdam council recently announced plans to crack down on several tens of unofficial “housing mediation bureaus” active in Amsterdam. (Such bureaus require a permit, but many operate without permits.) Many housing activists are suspicious of such organisations, with or without permit.

## **5. Summary**

In this document we have attempted to summarise the main principles of the existing housing market, the major facets of policy discourse in the Amsterdam housing market, the physical mechanisms by which transformations in the Amsterdam housing market are executed, and the (leftist) critique of these transformations. We have also briefly examined dynamics within the “unofficial” housing market, and also the phenomenon of (organized) criminal and quasi-criminal behaviour in Amsterdam real-estate. For more detailed analysis of all these themes we refer the reader to the more topic-specific documents on the website.

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