The Dutch private rental sector

Some observations

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The Revival of PR in the UK: Lessons from Abroad
Structure

1. Development of PRS
2. Tenants
3. Rent control
4. Income taxation
5. Summary of special features
## Development of PRS

<table>
<thead>
<tr>
<th>Country</th>
<th>Share in 1950</th>
<th>Share early this century</th>
<th>Growth?</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>44 in 1955</td>
<td>22</td>
<td>Stable since 1988</td>
</tr>
<tr>
<td>Netherlands</td>
<td>60 in 1947</td>
<td>11</td>
<td>No</td>
</tr>
<tr>
<td>Spain</td>
<td>55</td>
<td>11</td>
<td>No</td>
</tr>
<tr>
<td>Sweden</td>
<td>52</td>
<td>17</td>
<td>No</td>
</tr>
<tr>
<td>England</td>
<td>53</td>
<td>10</td>
<td>Yes, from 9% in 1990</td>
</tr>
</tbody>
</table>

Tenure distribution, 1947-2009

- Social rented
- Private rented
- Owner-occupier
Tenants of PRS

1. Intermediate sector between SR and OO incomewise, but closer to SR

2. Rents are higher on average than in social renting (share of housing allowance recipients is lower)

3. Singles and couples without children are overrepresented in comparison to SR

4. In institutional renting 65+ tenants are overrepresented

5. In private person renting >30 years of age are overrepresented

6. Periods of occupation are relatively long on average (between 11 and 13 years)
Rent control and tenant security are independent of ownership

1. Regulated
   - All rents up to 652 Euro per month (2009)
     - 96% of SR (2008)
     - 77% of private person landlord
     - 59% of institutional landlord
   - Quality points determine maximum rent
     - Landlords determine level themselves
     - Many dwellings that could be deregulated have regulated rent
   - Indefinite rent contracts, minimum contract of 1 year possible for PR

2. Deregulated or liberalized
   - 5% of rental sector (2006)
Income taxation of PR dwelling

Institutions
1. Pension funds never pay corporate tax
2. Other institutions pay corporate tax
   (insurance companies, investors, estate agents)
   just like housing associations do

Private persons
1. Private person landlord running a business
2. Private person landlord as investors
   (taxed on imputed return)

Compared to other income taxation (investments and wealth)
   No subsidization, except 1
   Limited depreciation
Special features summarized

1. Country where private rental sector has been squeezed enormously (from 60% to 10% or less)

2. Rent control
   Not dependent on ownership, but on actual rent level

3. Income taxation
   Same treatment as other wealth/investment

4. Housing allowance

5. Same rules for private and social rental sector
Thank you for your attention.