

Regeneration experiences from the Netherlands

The Dutch Government identified urban regeneration as a priority in 1994, when it announced the introduction of the "Grote Steden Beleid" (major cities policy). This five-year programme initially covered the Netherlands' four biggest cities, but has since been extended to take in a total of 26 cities.

Under the policy, funding is available for developers working in the areas identified as being appropriate for regeneration. But according to Ko Blok, Chairman of contractor/developer ERA Bouw, "There is not much money, so we have to be very creative".

ERA Bouw is one of the leading Dutch firms in the regeneration market. It specialises in two distinct sectors: refurbishing and remodelling existing run-down neighbourhoods; and undertaking new construction on former industrial sites – predominantly disused harbours and ports.

The company was founded 40 years ago as a partnership between a large construction firm and the housing authority in Rotterdam. Its remit was to produce and erect industrial housing in the Rotterdam area where, as in many European cities, there was an acute need for housing that could be built quickly and cheaply.

Ironically, many of the areas ERA Bouw now redevelops are projects that date back to this time. And, while the UK Government is now encouraging housing developers to embrace off-site manufacturing techniques, industrial housing has yet to be reintroduced in the Netherlands.

Problems from the sixties

"We have a lot of these industrial housing areas from the sixties where there are now a lot of problems," says Blok. "There is too much cheap housing, and the areas have a very high concentration of immigrants and poor people, which has created social problems. In all our big cities we have these areas and these problems."

ERA Bouw has become expert at investing in and building solutions to these problems – always working in co-operation with the local housing authorities, which are usually the buildings' owners.

One solution, says Blok, is to "redefine the people who live there in terms of factors like education and income". Having identified the different markets, the company remodels the neighbourhood to take account of the different housing types and tenures required by these occupants, with particular emphasis on giving people the opportunity to buy a house if they wish to.

"Most of these houses are currently rented," says Blok. "but many people might want to get into house ownership but stay in the same area. We do this by either demolishing and rebuilding or by changing the existing buildings."

The company is currently working on a massive scale in the south east of Amsterdam, where one development houses 150,000 people, with 43 different nationalities represented. All the existing buildings are large industrial-built complexes that went up in the 1960s, with each block containing up to 900 apartments.

ERA Bouw is undertaking selective demolition and remodelling that includes demolishing sections of these large low-rise blocks to split each one into two or three separate blocks. At the same time it is building new family houses to widen the range of homes available in the area and to diversify the community.

"It will become a totally different area," says Blok. "The location is very good and the Municipality of Amsterdam has done a lot to increase the image of the area by building a new soccer stadium and a new commercial area, and also by ensuring there are good transportation links."

As an investor, ERA Bouw must ensure that it works in a cost-effective way. It partners with housing corporations to provide affordable housing, but depends mainly on sales income for its funding. It undertakes a great deal of market research before getting involved in regeneration schemes, and has acquired significant experience in understanding – and targeting – the different sectors in the market.

People stay in their communities

Blok says the regeneration is allowing people to buy homes in the community where they have their roots. "We have second and third generation immigrants who are educated and have a good income. They want to live in those areas where they have their social and religious infrastructure, and they like to have home ownership status."

He says 80% of the people who buy houses in these regenerated schemes come from the area, while the other 20% are often family members who moved out when they could not find suitable accommodation or buy their own house. "The role of social, religious and family infrastructure should not be ignored in urban regeneration," says Blok.

ERA Bouw's other major market – regeneration of former industrial areas such as ports and harbours – also sets it apart from other Dutch housing developers. "In the last ten years most developers have focused on new areas on the outskirts of our big cities," Blok explains. "We decided in the early nineties to specialise in urban areas."

These new developments – the equivalent of dock redevelopment in London, Liverpool and Glasgow – are particularly popular with both young people and "empty nesters". "These people really want to live in the city," says Blok. "It's not a very large group yet, but it's growing."

Over-demand on suburban housing is forcing the regeneration market to speed up in the Netherlands. ERA Bouw is one of the biggest players, understanding both the marketplace and the close relationships needed with municipalities and housing corporations needed to make the developments work.

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04. Ko Blok – Chairman of ERA Bouw B.V. in the Netherlands. ERA Bouw act as both contractor and developer, specialising in refurbishing existing neighbourhoods and developing new buildings in former brownfield, industrial areas.

