

7 The Amsterdam Metropolitan Housing Market: How a Prosperous Metropolitan Area Co-exists with a Central City Dominated by Social Rental Housing for the Poor

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7.1 Introduction

Most European countries have experienced a fundamental change in the residential function of metropolitan areas. Till the beginning of the 19th century the structure of cities was organised around their centres where the residence was typically located close to the place of work. The introduction of fast and affordable transportation enormously expanded the area of possible residential locations around a job location. In the meantime, changes in the structure of the economy from hand-craft toward large-scale manufacturing and services altered the structure downtown. From an early outset, the development of cities and the functioning of its housing market have been intimately related to long run economic developments.

This chapter aims to describe Amsterdam metropolitan housing market. More specifically, it aims to relate the functioning of the housing market to these (long run) contextual factors, describing its past developments and possible course in the future.

The outline of this chapter is as follows. In Sect. 7.2 we give a historical overview of Amsterdam and its metropolitan housing market. Based on this, we consider in Sect. 7.3 the development of the urban structure in relation to developments in housing stock and population. Here, the influence of the planning system on urban sprawl and housing market developments is described. Housing demand, housing careers and housing allocation-issues are subsequently addressed in Sect. 7.4. In Sect. 7.5 we conclude with a discussion of future prospects for Amsterdam metropolitan housing market.

7.2 History of Amsterdam

Going back into the history of Amsterdam one observes a city in which turmoil time periods are alternated with relatively quiet time periods. The associated evolution of the housing stock cannot be fully understood without referring to these economic, social and institutional changes that took place during these periods. In this section we give an overview of the development of Amsterdam and of the Amsterdam metropolitan area (AMA).

The history of Amsterdam goes back to the 12th century, around the time period at which a dam in the river Amstel was constructed where people settled. From an early phase Amsterdam's inhabitants specialised in trade and finance. The import-tax on beer from Hamburg around 1320 made Amsterdam a prosperous city, with Amsterdam becoming one of the main trade centres and financial markets of Europe for the 16th to 18th century. The economic *hausse* in the late 16th century resulted, due to the political instability in other parts of Europe, in a large inflow of immigrants who settled in downtown Amsterdam. During the 'golden age' the population raised from 30,000 inhabitants in 1578 to 206,000 inhabitants in 1675. Fig. 7.1 shows the population dynamics of Amsterdam.

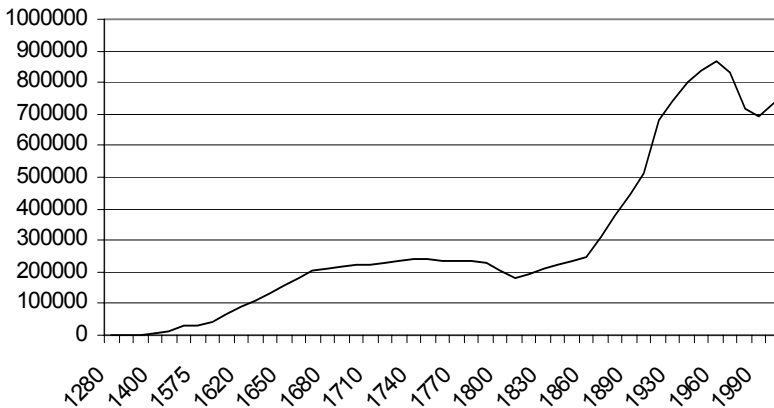


Fig. 7.1. Population development of Amsterdam 1280–2000 (Source: CBS)

This sharp increase in population led to the first large suburb of Amsterdam, resulting in the canal-area to the west of Amsterdam that still exists today. During the golden age an almost continuous expansion took place around the inner city of Amsterdam; sometimes considered as one of the first metropolitan area of the world. The wars with England in 1652–54 and 1665–67 and afterwards with France in 1672 marked the end of a prosperous period characterised by a sharp rise in the population and housing stock.

The period of 1672–1795 was less fortunate, characterised by financial crises, internal political tension and wars with France and England. This made that Am-