

REDUX: IMPACT, TRENDS AND DEVELOPMENTS IN SOCIAL REAL ESTATE

DOI: https://doi.org/10.18485/arh_pt.2024.8.ch82

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ABSTRACT

In 2007, the Ministry of Housing and Spatial Planning took the initiative to publish the guide *Bouwstenen voor social* [Real estate for social return]. This was a first step towards dealing professionally deal with social real estate as an asset. In 2008, my professorship at Hanze University Groningen in the Netherlands started with its first Barometer Social Real Estate. Back in 2009, I argued in *Real Estate Magazine* that research into social real estate with CREM is necessary from the perspective of Corporate Real Estate Management (CREM) (Veuger 2014: 126-131) by through new control models to be developed and more doctoral research. In anticipation of the 2010 municipal elections it emerged, from research conducted by the professorship, that social real estate was not an issue on the political parties' election manifestos. This was a prelude to the honored RAAK - RAAK-public funds research projects of universities of applied sciences in collaboration with the public sector, such as hospitals, municipalities, water boards and provinces - grant application *Towards a Market driven municipal real estate*. This research in 2011-2012 led to the totally externally funded professorship in Social Real Estate in 2012. Thereafter, the Professorship of Social Real Estate has profiled itself strongly in different areas. Especially the attention of Minister Stef Blok in 2014 when receiving the first copy of the book *Barometer Social Real Estate: Corporate Social Responsibility* at our annual conference (Veuger et al 2017), the round table discussion with State Secretary of Health (Veuger 2015), Welfare and Sport Martin van Rijn in 2015 and the informal discussion with Minister of Education, Culture and Science Jet Bussemaker in 2015 have provided additional publicity in the media in addition to the lectorate's many publications. The debate in 2016 with the civil society with the prime minister Mark Rutte with the handing over of the book *Barometer Social Real Estate 2016* and a discussion in 2014 with Minister of the Interior and Kingdom Relations Stef Blok (Veuger 2014) have contributed to social and economic knowledge utilization for future and existing real estate professionals. After a period of 10 years of research social real estate translated into barometers from 2008-2018 Veuger et al. (2008-2018), a number of conclusions can be drawn.

KEYWORDS _ *Social, Real Estate, Trends, Development*

INTRODUCTION: EDUCATION AND RESEARCH

The social and economic knowledge utilization of the professorship Social Real Estate has led, among other things, to the theme being fully integrated into the fast-growing Real Estate & Real Estate Management course of the Hanze University Groningen and the North Space Knowledge Center. The standard standard textbook Property Valuation 2 for all HBO institutions in Netherlands, was provided in 2015 with a substantial chapter on valuation of social real estate. In addition to the Innovation Workshops, the Honors Program, the Real Estate Lab and the North Space Knowledge Center where many research projects with students have been successfully carried out, other institutions such as the Amsterdam School of Real Estate, Odyssee University Brussels, KU Leuven, University Berlin, knowledge network Krimp Noord-Nederland, Fontys, HAN, University AS Utrecht many guest lectures and expert meetings have been given. Also the published and sold out books Barometer Maatschappelijk Vastgoed over the recent years are used as study material. Internationally, the lectorate is present annually at the conferences of the European Real Estate Society (ERES) with articles and lectures. Also at other international conferences, the lectorate is represented. In the past two years, we have also emphatically focused on international publications because social real estate in the Netherlands has a unique international position on government, healthcare, education and housing corporation real estate. This has especially led to many international Journal publications. Also, the collaboration in various studies with Prof. Dr. Peter Boelhouwer and Prof. Dr. Marleen Hermans of Delft University on earthquakes and professional commissioning by municipalities, and prof. dr. Erwin van de Krabben with PhD students on professional real estate management at Dutch Municipalities and funding system for housing for primary education, contribute to the further professionalization of the field of Social Real Estate. Currently, the RICS accredited program for Real Estate & Real Estate programme, giving students access to the international RICS certificate¹ and membership.

FUTURE TASKS

Looking to the future, there are two tasks that require attention. The first is The further valorization of the developed knowledge of the professorship together with students, new and existing professionals, knowledge institutions in Innovation Workshops, Living Labs, Real Estate Lab, Knowledge Center NoorderRuimte (KCN), the recently started RICS Department of Social Real Estate, the RICS Department of Research & Innovation, Care Innovation Forum (ZIF) a structural collaboration with NeVaP knowledge and innovation platform in the real estate sector (600 members), RICS Europe (125,00 members worldwide) and the built-up network of the lectorate of Social Real Estate. Also international exchanges and publications in Journals have continued attention. After a positive evaluation of the Social Real Estate lectorate in 2016, the merged the Social Real Estate and Real Estate lectorates in 2017. Consequently, the new task of the Professorship of (Social) Real Estate consisted of two main themes: (1) Social Real Estate and (2) Disruption, Blockchain and Real Estate. The second theme was launched at the Northern Real Estate Congress 2017 on Oct. 12, an initiative of Villa '96 - student association for Real Estate & Brokerage - and the lectorate (Social) Real Estate.

The second task is the new challenges for social real estate coming from the publications as experts have now looked at the Social Real Estate Barometers of the past 10 years. A number of challenges from these are indicated in the following paragraphs (Veuger 2017). These are some summaries of the most relevant and still current developments.

¹ [Accreditatie-RICS-Hanzehogeschool-Groningen.pdf \(corporaterem.nl\)](#)

REAL ESTATE IN THE PUBLIC SECTOR: ENSURING EFFICIENCY AND SUPPORT

By Dr. C.J. van Montfort, Drs. O.D. van der Maas, C.C. Noort-Verhoeff MSc & M.J.M. van der Sanden MSc (Veuger 2017: 41-55)

Real estate in the public sector represents a lot of capital that is financed with taxpayers' money. That capital deserves good management, with an eye for financial and social consequences of decisions. The government balance sheet (CBS, statline, July 24, 2017) indicates that the commercial buildings ("the real estate") of the government in 2015 represented a financial value of €85.5 billion Euros. The government balance sheet provides "a snapshot at the end of a given year of the government sector's asset position. The government balance sheet provides insight into the non-financial assets, financial assets financial liabilities and assets of the government sector.....In the Netherlands, this includes this includes the national government, municipalities, provinces, water boards, joint schemes, education and social security funds." (CBS, see: <https://www.cbs.nl/nl-nl/onze-diensten/methoden/research-descriptions/short-research-descriptions/government-balance-sheet-macroeconomic>). Fixed assets are generally at market value on the government balance sheet. In addition to financial value, real estate also represents a social value, such as an experiential or cultural-historical value (Bouwstenen voor Sociaal, 2015).

DIFFUSE EMBEDDING OF COMMISSIONING ROLE IN MUNICIPAL ORGANIZATIONS

By prof. dr. ir. M.H. Hermans, D. Huizing, J. Amesz MSc & dr. ing. J. Veuger MRE FRICS (Veuger 2017: 64-71)

The importance of good municipal commissioning There are a number of reasons for municipal commissioning to be as professional as possible. First of all, the large share of municipalities in the Dutch construction production. Since every construction activity requires some form of outsourcing, procurement, requires it, whether it involves hiring consultants architects, engineers or tendering work to contractors or other parties within the supply chain, procurement is a structural part of the municipal role. In the Dutch industry, municipalities are responsible for the highest volume of procurement in the public domain in the construction sector. Municipalities as principals in construction - seek and ye shall find Municipalities, like other public organizations, rightly see themselves as important player, 'launching customer', in initiating and implementing innovations in the sector (Vennström, 2008; Egan, 2002). An adequate market approach by municipalities can make the difference in the sector. Also from the basic principles of good governance, the financial share of the construction and management portfolio within the municipal budget is an important motivation for the most effective and efficient municipal apparatus.

Good governance also supports the implementation of public values in the construction, infrastructure and real estate sector. Policy aspects such as Social Return, sustainability and circularity, the preservation of cultural values, a good public space: a proper way of soliciting and steering the market contributes to the contributes to the realization of objectives in these areas.

Within the domain of public organizations, municipalities are quite unique with respect to the of the diversity of their portfolio. A municipal portfolio includes offices, but also schools, sports facilities, mfa's, infrastructure, water works, ports and public spaces, such as parks, plazas, parking lots, cemeteries.

In the field of commissioning, there are many developments: performance contracts, integrated contracts, co-creation, best value procurement and alliances are examples. New ways of cooperation bring a new division of tasks and responsibilities, a different approach to procurement and contract management, and a different management and risk management. Adequate development and application requires A high degree of professionalism is necessary and desirable.

A DIGITAL DASHBOARD FOR INTEGRATED PROPERTY MANAGEMENT AT MUNICIPALITIES

By dr. I. Janssen (Veuger 2017: 77-92)

2016 saw a new start for the Municipal Real Estate Benchmark. In this first year, the performance of the municipal real estate were mapped. The VastgoedLAB of TIAS Business School took the initiative for this new benchmark. In developing the benchmark it cooperates with Republiq, a young company with a lot of experience in the field of municipal real estate. The result of one year of is not a bulky report with benchmark results, but a digital dashboard that allows municipalities to dashboard with which municipalities can compare their own real estate with reference municipalities. Thus, the old benchmarking has been given a new new look. From ranking municipalities to a handy business tool for real estate management. The benchmark can be used to legitimize and support support of the municipal real estate policy.

The new municipal real estate benchmark is one that is accompanied with a clear data vision. This vision is ambitious and difficult at the same time. At municipalities, digitization is high on the agenda. In addition, the call for legitimacy of real estate choices and the pursuit of more efficient business operations is large. The Municipal Real Estate Benchmark brings all these goals together. The digital dashboard makes the benchmark results lively and directly usable. This increases the added value for municipalities.

At the same time, a stated data vision is difficult because in practice it appears that many municipalities are still far from being “data mature,” as evidenced by (CentERdata & JADS, 2017). If their own data management is not yet in order, participation is difficult. Then the suggestion to enrich benchmark data with open data sources is still at least one bridge too far. While precisely for a reliable, authoritative benchmark requires more participants. See here an awkward vicious circle. How to break through? First of all by focusing on the quality and added value of the benchmark results. The 2016 results and the corresponding dashboard have shown that within municipal real estate it is indeed possible to compare apples to apples. The courage to dive deeper into the data dive deeper into the data by means of a transparent dashboard demonstrate this. The experiences from the first year form as it were a road book for digitization and integral real estate management. The less data-savvy municipalities can also benefit from this.

FROM CENTRALIZATION AND BASICS IN ORDER TO STRATEGIC PORTFOLIO MANAGEMENT

By W. van den Wildenberg MSC (Veuger 2017: 93-104)

About 10 years ago, the first major centralization was a fact. The whole of the Netherlands watched as Rotterdam brought together the social real estate social real estate into one department within the Rotterdam Development Company. Many municipalities subsequently followed this example, beginning the professionalization of Dutch municipal real estate. Because of the integrated overview, many municipalities discovered that the information of the objects in the real estate portfolio was insufficient to be able to manage. ‘Basis op orde’ was then a common cry in many a municipality. In the Netherlands we now see large differences between municipalities in the Netherlands in the way they set up their real estate management. some that still do not have the basics in order, to a few frontrunners who are now working are now implementing strategic portfolio management. In my opinion the latter a must for all municipalities: enormous challenges are coming up for the municipal real estate portfolios and there are large sums of taxpayers’ money that must be spent effectively.

EDUCATIONAL HOUSING REAL ESTATE

By D.J. Postema RT (Veuger 2017: 188-196).

More than 1 million children are at school in a poor indoor climate. The social ambitions with regard to educational real estate are considerably higher than is currently being realized under the education

system. A good quality sustainable building is an important prerequisite for this. The government focuses under the current education system on a reasonable provision level of educational housing for primary and secondary education. But the amounts made available for this purpose are insufficient under the current system. This gap will only widen as the sector also faces a number of significant challenges. The practice followed so far by the government is no longer sustainable. Renewal is needed for the necessary transition.

REAL ESTATE STRATEGIES AND SPATIAL STEERING IN ELDERLY CARE AND PRIMARY EDUCATION COMPARED

By dr. J. Tenekkes (Veuger 2017: 230-246)

Social services (care, welfare, culture, sports, etc.) are increasingly being increasingly demand-driven funding. This also applies to the real estate in which the services take place. No longer is a separate budget made available for the accommodation, or the building is directly available, as is customary in supply management. Instead the budget linked to the performance delivered, and the service-providing organization pays for its housing itself, with all the freedoms and risks involved. Although it has been implemented in different sectors of social service provision has been implemented to varying degrees, together it can of a long-term, sector-transcending trend. And not only in municipal policy, for example when it comes to subsidies for culture or sports. Precisely also in the sectoral policy at the national level, system changes have system changes have taken place that make funding demand-driven, for example in health care policy.

To regain control capacity (care for the elderly) or not to lose it (education), without going back to the supply control as it was, there are in principle basically two paths are open. First, strengthening the spatial track, for example by means of an environmental vision on the facilities structure and in conjunction with the housing vision (Aanjaagteam 2015, VNG 2015). Second, through sectoral funding as point of leverage for spatial steering, but in a new way, as is the case with decentralization in education. Budget allocation in health care, for example, could take into account the question, in to what extent the plans fit into a spatial vision drawn up jointly by the municipality (or region) and care providers. jointly drawn up spatial vision of residential care provision.

Whether the use of spatial planning instruments in practice by municipalities are or are not valued as sufficient in a situation where other leverage points are disappearing, is a question that as such has not been examined in this study, but raised by it. As is the question of whether any adjustments or alternatives are conceivable. The above considerations are therefore intended to prompt discussion To regain control capacity (care for the elderly) or not to lose it (education), without going back to the supply control as it was, there are in principle basically two paths are open. First, strengthening the spatial track, for example by means of an environmental vision on the facilities structure and in conjunction with the housing vision (Aanjaagteam 2015, VNG 2015). Second, through sectoral funding as point of leverage for spatial steering, but in a new way, as is the case with decentralization in education.

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THEMES AND TRENDS IN TEN YEARS OF HEALTHCARE REAL ESTATE

By dr. ir. D.J.M. van der Voordt (Veuger 2017: 118-140)

Healthcare real estate occupies an increasingly more prominent place in the Social Real Estate Barometer. Whereas the first Barometers were fully focused on municipal real estate, from 2013 a growing section is devoted to healthcare real estate the core message: more market forces, extramuralization and separation of housing and care require new combinations of housing, care and welfare, new forms of financing, and new forms of cooperation between healthcare institutions, market parties and the government. This contribution sketches a picture of the themes and trends described in previous Barometers. The article concludes with some suggestions for Barometer 11.0.

Over the years, the Social Real Estate Barometer has been evaluated from concise research reports on Municipal Real Estate to broad overviews of themes and trends in municipal real estate, educational housing, healthcare real estate, and corporate real estate, see Table 1. The Barometers from 2008-2010 presented the research results of the Expertise Center VastgoedBeter of the Hanzehogeschool Groningen (commissioned by Platform Social Real Estate) and of the Knowledge Center Area Development NoorderRuimte, Hanze University Groningen (commissioned by of Consortium Social Real Estate). Since 2011, the Barometer has been presented more explicitly from the Social Real Estate Lectorate. Since that time, the Barometer has rapidly increased in size and diversity. also regularly provides an overview of current (graduate) research.

CONCLUSION: BAROMETER 11.0

By dr. ir. D.J.M. van der Voordt (Veuger 2017: 118-140)

On the occasion of the publication of the tenth Barometer of Social Real Estate, a congratulations to Jan Veuger and all those who have contributed to one or more Barometers over the years. contribution to one or more Barometers over the years. Through the annual editions has put social real estate well on the map and higher on the agenda of policy makers and administrators. A better understanding of the quantity and quality of social real estate, the costs mismatch between supply and demand, and considerations when managing social real estate, including healthcare real estate.

In addition to congratulations, some comments are in order. Looking through all The level and depth of the contributions and the handling of footnotes and references differ enormously. handling of footnotes and references varies enormously. The articles range from personal visions and experiences to thoroughly "evidence-based" reflections, from descriptions of graduate research, databases, projects products and cases to broad analyses of the healthcare real estate market, new ways of financing, performance measurement and benchmarking, from updates of previously published articles to innovative contributions. Due to the variety in authors, repetitions occur, for example of (divergent!) definitions of social real estate, descriptions of types of (healthcare) real estate, the demand for and scale of social real estate, and the political and administrative context. Figures on supply and demand are based on different sources and vary widely in the various contributions. Also in the year 2017 different sources different figures.

Now that the main themes are becoming increasingly clear, it may be an option to include in the Social Real Estate Barometer 2011 around relevant themes to invite several authors to write their own contribution, and before publication, to invite these authors to a round table. Invite these authors to a roundtable discussion in order to discuss discuss each other's ideas, strengthen the coherence, and formulate recommendations formulate recommendations for practice c.q. politicians, administrators and end-users, and for the research agenda. One consideration may be not to make the next Barometer revert to a broad focus on municipal real estate, corporations, schools and care real estate, but to reserve separate sections or issue separate Barometers. issued. On the one hand, the various

sectors can learn a lot from each other, for example about professional real estate management, conditions for successful outsourcing, new forms of cooperation and new forms of financing. This then requires more reflection on similarities, differences and common learning points. On the other hand, many topics are mainly sector-specific relevance. The distinction between sector-specific and more generic knowledge, data and learning points is an important consideration. But now first enjoy the tenth Barometer, and then with new impetus on to the Barometer 11.0.

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