

Affordable living in a world city

2
Stadgenoot
20

Business plan

Stadgenoot
2022

Contents

Foreword	6	
The city is for everyone		
Summary of business plan	9	
 Mission and vision		
1	The challenge for Stadgenoot	12
We are a housing provider		15
Who are our tenants?		16
The urban challenge		18
The coming five years		22
 Public housing performance		
2	Tenants, customers, citizens	26
Quality services		29
Liveability		31
Space for initiatives		35
 Public housing performance		
3	Affordability and availability	36
Affordability: the core supply		39
Availability: more dynamic		41
Property management		43
 Public housing performance		
4	Quality of living	46
Homes		49
Neighbourhoods		51
Urban renewal		57
Oostenburg and other development locations		59
Living and care		63

Contents

 Organisation and finances		
5	Organisation	64
Lean and flexible		67
Information technology (IT)		69
Sustainable use of employees		69
Customer awareness and customer treatment		70
Social anchoring		72
Governance: managing Stadgenoot		73
 Organisation and finances		
6	Continuity	74
Finances		77
7	Nine projects	81
1 The tenant central		83
2 To a dynamic balance		85
3 Appropriate living		86
4 Sustainable usability		86
5 IT: one truth		87
6 Property: Total Cost of Ownership		88
7 Urban renewal		88
8 Living at Oostenburg		89
9 Implementation of Housing Law		89
 Afterword		90
Affordable living in a world city		

It is 2016.

waiting time
increased to nine
years

support

a social rental home as
long as it is needed

The city is for everyone

It is 2016. The city is busier than ever. Thousands of people are searching for shelter. For a few days. For the coming years. For the rest of their lives. Many want to be in this city at any cost. They want to work here; they want to live here. But the options are limited. If you do not have an above-average income, then only social rental housing is affordable. The demand for such housing is much greater than the supply. The waiting time has increased to nine years. In the meantime, people relocate to housing that is actually too expensive for them. They do not do that out of ignorance, but because there are so few alternatives. Their living costs are soon out of control.

For affordable homes

The city is for everyone, says the City Council. Stadgenoot agrees with that. But those who are not as set financially need support. Perhaps temporary support, but support all the same. Stadgenoot sees it as its mission to offer that support. We want to be there for our current tenants, but also for newcomers to this city. For those young, mostly highly educated urbanites who want to live here. For those promising start-ups and innovative companies that want to find housing for their employees here. In Amsterdam, the economic motor of the Netherlands, there has to be living space for these people.

For a city on the move

The number of social rental homes is limited. We therefore think it is important that only people live there who are designated for such housing. For many people, that is only the case temporarily. They need support for a time, to get their feet on the ground. They then develop, and they can continue their housing career in the free market. We think that they should then leave the housing behind for someone who needs it more than they do. As far as we are concerned, you have a social rental home as long as it is needed, but no longer than that. Those who are can should relocate or pay a market price.

For a city in balance

In order to make space, there is sometimes a plea for more market housing. We think that is risky. The best places are then for those who offer the most. That interesting mix of different kinds of people and companies, so characteristic of this city, would disappear. Furthermore, functions will displace the weak. In the PC Hooftstraat, you do not find any

balancing act

our name is our goal

Realistic but not
without ideals

furniture shops anymore. That can be accepted. But if hardly any regular people (whoever that may be) can live in the inner city, then something has gone seriously wrong. The city is for everyone and must remain that way, as far as we are concerned. Accessible for young and old, rich and poor, healthy and handicapped. In order to create the ideal mix, you have to do a balancing act. It requires acceleration and braking at the same time. Not here, but there. A bit more in one place, a bit less in another.

For those who need some support

Nearly half of all homes in Amsterdam are the property of one of six housing corporations. Together, we have nearly 200,000 homes, spread across the whole city. They are affordable and of decent quality. That is a terrific asset that can be used strategically in order to contribute to a city that is for everyone. A city for all social classes, whereby we feel responsible for giving some support where needed. That is in our genes, ever since our founding more than 100 years ago. We are Stadgenoot, and our name (City Enjoyment) is our goal.

Insofar as we are able

We feel connected with the fortunes of the city. We utilise our capacity optimally, but there are limits. In the new Housing Law, it is clearly established that corporations have to focus on households with a lower income. We cannot take on the responsibility for the function of the housing market or for the liveability of the entire city. Insofar as we have had that goal, we have to adjust. We have become more realistic, but not without ideals. Our ideal remains a city for everyone.

Amsterdam, January 2016

Gerard Anderiesen and Marien de Langen on
behalf of the board and directors of Stadgenoot

Summary

Mission and vision

Chapter 1

- Stadgenoot houses people who need support, for as long as and to the extent needed. Without gatekeeping. In all parts of the city.
- At the forefront is the maintenance of a good quality, dynamic core supply of social rental homes, spread across the city, for households with an income of up to € 39,000. In the coming years, more social rental homes will be sold, and the core supply consolidated thereafter.
- In the past years, there has been hard work done in order to get 'the foundation in order': organisationally, financially and operationally. In the coming years, the perspective shifts. We will be searching for a new, dynamic balance. This balance has to enable us to 'grow along' with the city after 2020, so that approximately 40% of the total housing supply continues to consist of affordable rental homes from housing corporations.



Public housing performance

Chapters 2, 3, 4

- Our tenants are both customers and citizens. As customers, we want to offer optimal service to tenants. The customer processes are therefore improved. As citizens, we enter into discussions with them to achieve liveable neighbourhoods. When tenants take the initiative to self-management, we therefore offer them space and support.
- Affordable social rental homes are for those who are designated by their incomes. Not only at the moment of award, but thereafter as well. We thus have to offer and award our homes appropriately and ensure that they are also appropriately occupied.
- Stadgenoot is also there for people who are only temporarily designated for a social rental home, like the young urbanite. They find work here, begin to earn more and can continue their housing career in the free market.
- The quality of the homes also has to be appropriate. There is a lower limit and an upper limit to the quality. We therefore ensure that in 2020 our homes fulfil our definition of 'future quality'. For new construction and renovation, we limit the costs by striving for an 'appropriate' quality.
- We want the liveability in all neighbourhoods where Stadgenoot has property to be assessed as sufficient by the residents. In neighbourhoods where it is needed, we make an extra effort with district managers and Neighbourhood Centres.
- In the coming five years, we will complete the urban renewal in Geuzenveld, the Kolenkitbuurt, the Bosleeuw and the Waterlandpleinbuurt. We enter into discussion with residents and the municipality about the future of the Wildemanbuurt, Slotermeer and the Van der Kunbuurt, so that we can work with a clear vision after 2020.
- We are making an inventory of additional housing locations so that we secure locations to be able to build after 2020. The first attention is for locations that are already occupied, such as the island of Oostenburg.
- Stadgenoot houses many older residents. Due to the separation of living and care, many people continue living independently longer. We offer then the ability to do that in a safe and cared-for environment.

Organisation and finances

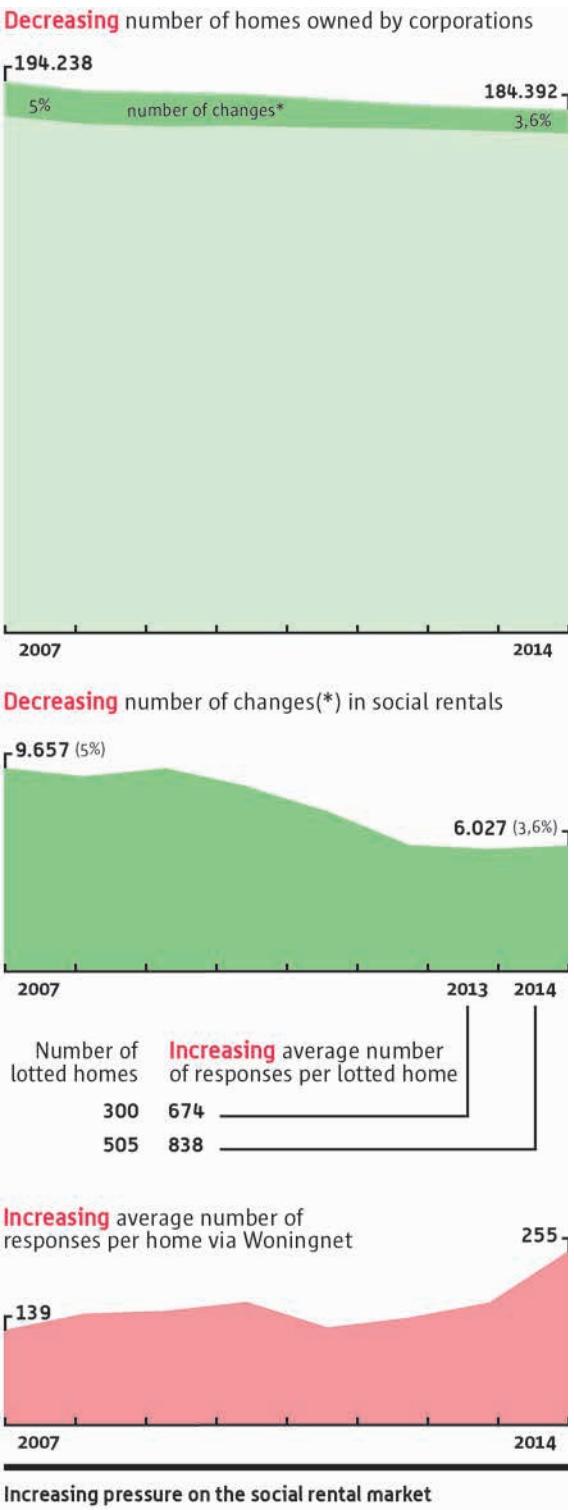
Chapters 5, 6, 7

- The organisation of Stadgenoot has to be lean and flexible. We are not going to change the main structure of the organisation. We are focusing all our energy on the good completion of three projects: the implementation of the new Housing Law, the improvement of IT and the optimising of our customer processes. More focus in the activities, decrease in the number of units and efficiency improvement must reduce the number of FTEs (full time equivalents) to 300 in 2020.
- We expect a great deal of flexibility from our employees. They have to ensure improvement of the efficiency and simultaneously respond to questions from customers. We are going to support them in being sustainably usable for the organisation and work as an organisation on the improvement of customer awareness.
- Stadgenoot stands central in Amsterdam society. The intensive contacts with tenants, local governments and social organisations will be further expanded. The renewed Maatschappijraad ('Social Council') is going to help us to stay abreast of the social movements in the city.
- Financial continuity always has to be guaranteed. In the upcoming years, we will be taking the last steps to meet all the requirements that our financial reviewers set. At the same time, we are working on a new earnings model, which will make new construction possible without the sale of existing homes. After 2020, we will have to work according to this new earnings model.
- We ensure that this business plan is put into action by translating it into our annual plans and nine projects we will be working on in 2016.



The challenge for Stadgenoot

Stadgenoot exists to offer good housing to people who need support in the Amsterdam housing market. And we want to contribute to the development of this city.



We are a housing provider

The city is popular. The demand for affordable rental homes is greater than ever. For every social rental home that becomes available, an average of 255 interested parties respond; if a home is awarded by lot, there are 838 participants.

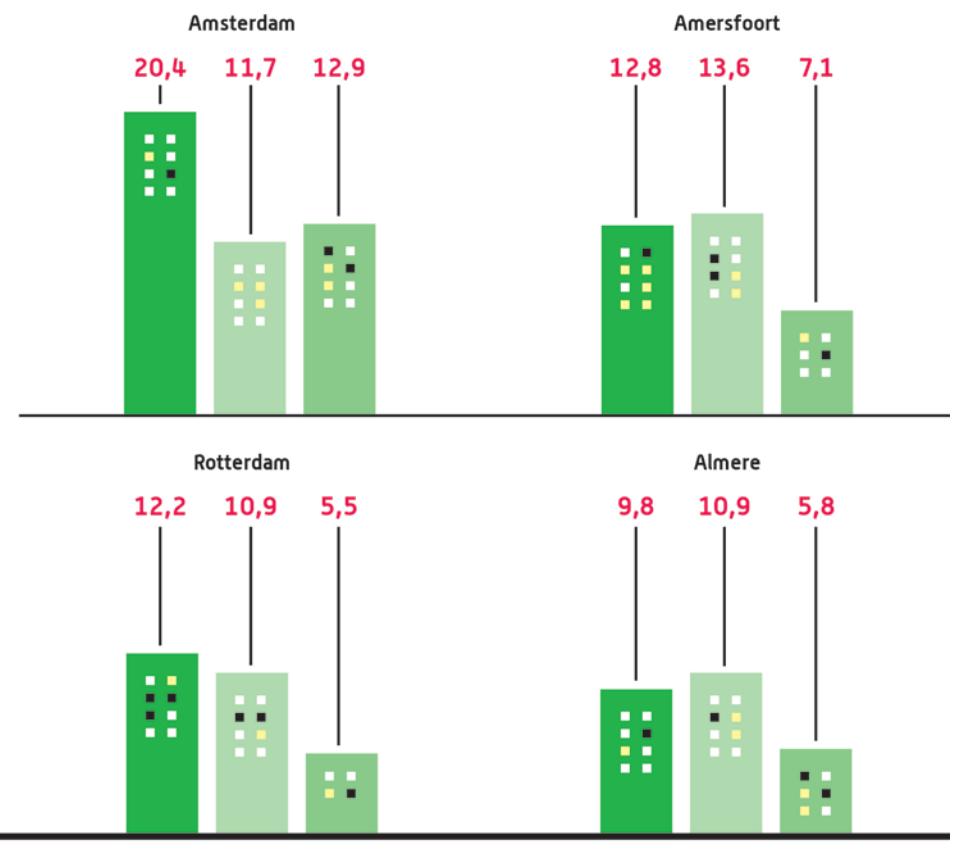
We are a social **housing provider** and we provide housing for everyone. Without gate-keeping. We house people **who need support**. That is our core function. But that is for **as long and as much as needed**.

People are designated for social housing because their income is insufficient to find a market rental or purchase home. People do not, however, stay at the same income their whole lives. In Amsterdam, there are many young people who are at the beginning of their careers. We are happy to offer them housing, but when they earn more after 5 or 10 years, they should go their own way and make space for people who earn less. We therefore say **for as long as needed**.

The support that we give is primarily by keeping the housing affordable. As a social organisation, we also have the obligation to use our social capacity as efficiently as possible. If we want to sustainably house many people, we have to cover the costs of that out of our own operations as much as possible. In the past, we have made high, unprofitable investments in very beautiful homes. That is nice for the tenant, but not efficient.

We therefore say **as much as needed**.

Without permanent employment or their own assets, most people cannot buy a home. Most free-sector homes in Amsterdam are completely unaffordable. Without social rentals, this city would be inaccessible to a large part of the population.



If we do our work well, we can mean a great deal for tenants, for the quality of their lives, for their opportunities to get ahead. And with that we are of great meaning for the whole city.

Our goal is the housing of people who need support, for as long and as much as needed. Without gate-keeping. In all parts of the city.

Who are our tenants?

Insufficient income is the most important hindrance to finding good housing. In 'De Opstelling', our policy plan from 2012, we stated that in Amsterdam, home seekers with an average income (up to € 45,000) have difficulty finding good housing. For households with children, the limit is even higher.

An expansion of our target audience runs into barriers. In the new Housing Law, the core task of corporations is limited to offering living space with a rent of up to € 710 to households with an income up to

€ 39,000*. Housing for other households is a matter for commercial parties.

We focus primarily on households with an income up to € 39,000. We will urge the government to raise this limit. The limit is the same for all of the Netherlands, while Amsterdam is really a bit different from Geleen and Geleen is a bit different from Oude-Pekela. That situation has to change: the existence of regional differences must be recognised by the government.

Our social properties have shrunk over the past five years by some 2000 homes. A thousand were sold; a thousand were liberalised. These homes in particular went to the middle incomes. We want to continue offering homes to middle incomes on a modest scale in the future. At the moment, about 5% of our homes are in this group. In the coming 10 years, this can expand to 10%. With that, we offer small households and families with children.

The ability to transition to the free sector. In addition, we look for collaborations with private investors and institutional investors, so that they too, in neighbourhoods where we have a great deal of property, can offer homes in the middle segment.

* These are rounded amounts. On 1 January 2015, the limits were € 711 and € 38,950. That € 711 has been frozen for three years. The € 38,950 is indexed annually with inflation.

Income is not the only hindrance that home-seekers encounter in the search for a home. We distinguish – often in combination with a modest income – two other important points of attention. The first has to do with the group of

home-seekers who are designated due to **physical or mental limitations** for a suitable home. In many cases, they are also designated for care or counselling. It often concerns the elderly, but the group is very diverse in composition. We want to offer suitable housing in a safe and cared-for environment. Stadgenoot has long been very active for these home-seekers.

A second hindrance has to do with the necessary enrolment term. A home-seeker must have sufficient rights. **Starters** typically have not built up any rights. It is precisely a large share of the households with a low income that are starters.

A number of corporations have begun awarding homes by lot. That is an effective way to give young people more of a chance. But when the lucky ones get a home, they can continue living in it – even when their income rises. That makes the social rental sector into a kind of lottery. Stadgenoot is not an advocate of this.

We made a clear choice in 'De Opstelling'. We want to do more for **young urbanites**. There is a condition. Many starters have good prospects for a better income. We therefore want to offer them living space with a contract for a limited time. After all, we give support **as long as needed**.

In part on our initiative, there is a proposed law that makes it possible to offer home-seekers up to the age of 28 a temporary

Stadgenoot chooses the following public housing assignment:

- 1 **We focus primarily on households with an income up to € 39,000 and on the maintenance of sufficient social rental homes (homes with a rental of up to € 710).**

In the coming years, we will rent 10% of the homes that become available in the middle segment. An important part of what comes free also consist of homes that are already liberalised. We will offer those with priority to home-seekers with an income of up to € 45,000.

- 2 **Because we want to use the scarce social rental homes for households with an income of up to € 39,000, we are going to take up the battle against improper occupancy and work hard to reduce living below the means with an income test every five years.**
- 3 **In addition, we will be searching for more possibilities for adding social rental homes. The shortage of social rental homes compels us to do this.**
- 4 **Stadgenoot is going to work for a national policy that takes into account regional differences.**

contract. We will take full advantage of this option. With that, we can utilise our housing supply justly and efficiently, for a city that is accessible for new residents.

The urban challenge

In the 1970s and 1980s, large numbers of residents with middle and higher incomes left the city. There was a significant lag in quality and little differentiation in the housing supply. The city had barely any purchase homes. We have finally left that time behind. In the past 35 years, there has been enormous investment in improving the quality of the housing supply. Amsterdam is doing well.

Since the end of the 1980s, there have also been efforts made in differentiation of the housing supply: the choice is no longer made to only build new social rental homes, but to build purchase homes as well. In addition, existing rental homes were sold.

The **quality improvement and differentiation** has provided new generations with a place in Amsterdam. Even when they earn more, they continue living in the city. Although the largest part of these new urbanites are then not (any longer) part of our target audience, housing corporations continue to play an important role in their housing career.



Kinkerbuurt 1980s,
newly built
social rental



Urban renewal
in Nieuw-West,
1990s
(Schutterstoren)



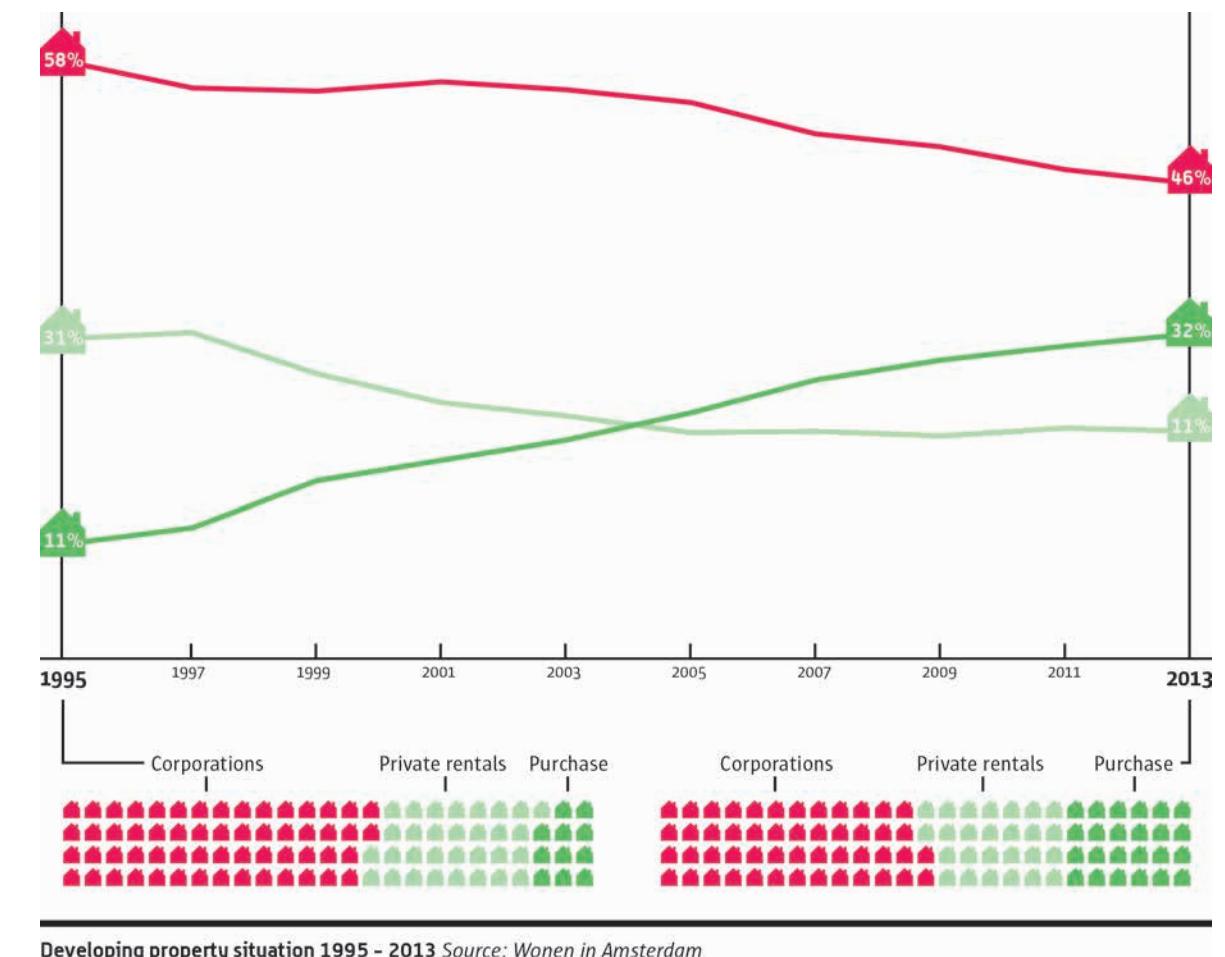
Differentiation in
the housing supply,
1990s
(Hof van Osdorp)

1 The challenge for Stadgenoot

When they are still young and earn too little, we offer them a first address. Thereafter, the step to a purchase home can follow. Due to the sale of social rental homes and urban renewal, the selection of affordable purchase homes has significantly expanded. The share of purchase homes in Amsterdam has expanded in 20 years from 10% to more than 30% of the housing supply. About half of that expansion has been at the cost of the corporations.

Due to the crimp in the 'core supply' and the stabilising of the size of the target audience, the excess of social rental homes has disappeared. We have to be judicious with the core supply.

The **perspective changes** significantly: the big challenge is maintaining the mix and simultaneously making space for dynamics. The city cannot become gridlocked. Every year, the city grows by 10,000 people. If we let the market do its



unchecked, then Amsterdam will go the way of cities like London or Paris. Then there will be hardly any affordable rental homes to be found within the ring and within the municipal boundaries within a few years. The municipality does not want that and Stadgenoot does not want that. Corporations are the most important partners for Amsterdam to be able to continue to realise the ideal of a **mixed city**. In the world city that Amsterdam is, that is becoming ever-more complicated. We are working for a dynamic core supply, a supply of relatively inexpensive homes that in substantial part will keep being occupied by new people.

In the coming years, Stadgenoot will put the emphasis on maintaining a good quality, dynamic core supply.



The mixed city

The coming five years

The perspective of Stadgenoot is changing in more respects. The past five years were characterised by adjusting the course as a result of the aftershocks from our merger in 2008, the crisis in the housing market, the increase in financial burdens due to the landlord taxes and the more restrictive norms of the Centraal Fonds Volkshuisvesting ('Central Public Housing Fund'; now: Autoriteit Woningcorporaties, 'Housing Corporation Authority') and the Waarborgfonds Sociale Woningbouw ('Social Housing Security Fund'). 'Through heavy weather with grace' was the title of our business plan from 2010. We are not yet done making adjustments, but it will be less drastic than in the previous period. It now amounts to form retention and fine tuning.

Many development locations have now been rehabilitated. There has been a large number of locations sold to private investors. Think about the ABN/AMRO office on Vijzelstraat; the former building of Parool, Trouw and Volkskrant; the Van Gendthallen; the last phase of the Dudokhaken and the Scheepvaartkwartier. We have maintained what best fits with the new challenge of Stadgenoot.

We have brought other locations into development ourselves. Plans have been adjusted, so that they could be developed at lower costs and with fewer risks. We are looking more critically at the price-to-quality ratio. The GAK building in Bos en Lommer was successfully developed. In the Bosleeuw area, in the Kolenkit, in Guezenveld and in the Waterlandplein



The Wibautstraat was the Fleet Street of Amsterdam, but Trouw, the Parool and the Volkskrant left for other locations in the city. Stadgenoot bought the terrain and the buildings for redevelopment. That is now being done by several commercial developers.



The Studio, the transformed GAK building in Bos en Lommer

area, urban renewal continues. Neighbourhood residents can move to a new home: home owners see that the neighbourhood is improving. We have made great progress, but are not done. In the coming five years, the last plans, which were already on the list in 2008, will be realised.

In 'De Opstelling' (2012) we asserted that the foundation had to be in order: of the organisation, of the finances, of the daily management of Stadgenoot. We have also made great progress in that respect. The organisation is lean and flexible. Since 2009, we have reduced by 120 FTE. Further steps still have to be taken, but that is less drastic. In 2017, we will meet the financial requirements of the Waarborgfonds Sociale Woningbouw. Then we will be financially sound according to all criteria. In the years following, we will move further in the right direction.

With the coming of the new Housing Law, a period of uncertainty has ended. We know what society expects of us and what our financial position is. We can again look ahead. The perspective shifts in the coming years from making the organisation sound to searching for a **new, dynamic balance**.

the base in order

lean and flexible

dynamics balance

If we demolish or sell social rental homes, there is a balance of new construction or purchased property so that the size of our core supply remains the same on balance.

How will the new world of corporations look? First of all, the new Housing Law has to be implemented. There has to be a plan set up for the separation between social and commercial activities. We will have to make strategic choices, and the administrative organisation has to be set up differently. In the coming years, we need four full-time jobs per year for that. The organisation is now in much better shape, but we are not done yet. Processes have to be better streamlined, the customer-focus and the customer awareness of the employees can be better, and there is a significant quality improvement needed in IT.

In the coming five years, we have to look further ahead. How will we handle our supply in the future? How will we make a contribution to the growth of the city? If we want to build after 2020, we have to make new construction plans in the years ahead. We have in any case a beautiful ground location in the inner city, the island of Oostenburg. Can we also obtain new locations? Which demand should we respond to and how? There is one certainty: there is a nearly inexhaustible demand for affordable housing in Amsterdam. And that is our big challenge.



Affordable living in a world city

more
seats
upstairs!

WiFi
&
coffee

ARTHUR ADAM
AWAKE

PIN

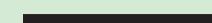


PIN

Business plan 2016 - 2020

Tenants,
customers,
citizens

In the relationship with tenants, we are first of all a service provider, and the tenant is the customer. Our tenant is also a citizen and therefore party responsible for the liveability of his district. Stadgenoot supports him and acts to prevent nuisance. There are residents who take more responsibility for how they live. We offer them, when it fits within our goals, the space for that.



Quality service provision

The relationship between a corporation and its tenants has many facets. The corporation offers living space, has to ensure good maintenance, must respond quickly and adequately when there is a defect in the housing and take responsibility if the living enjoyment of the tenant is disturbed. In this relationship, the tenant is primarily our customer. Our customers should expect the service provision to be correct. On the other hand, the tenant also has to fulfil his obligations: pay the rent on time and follow the rules. Sometimes, tenants want to be actively involved with and have an influence on the policy of the corporation.

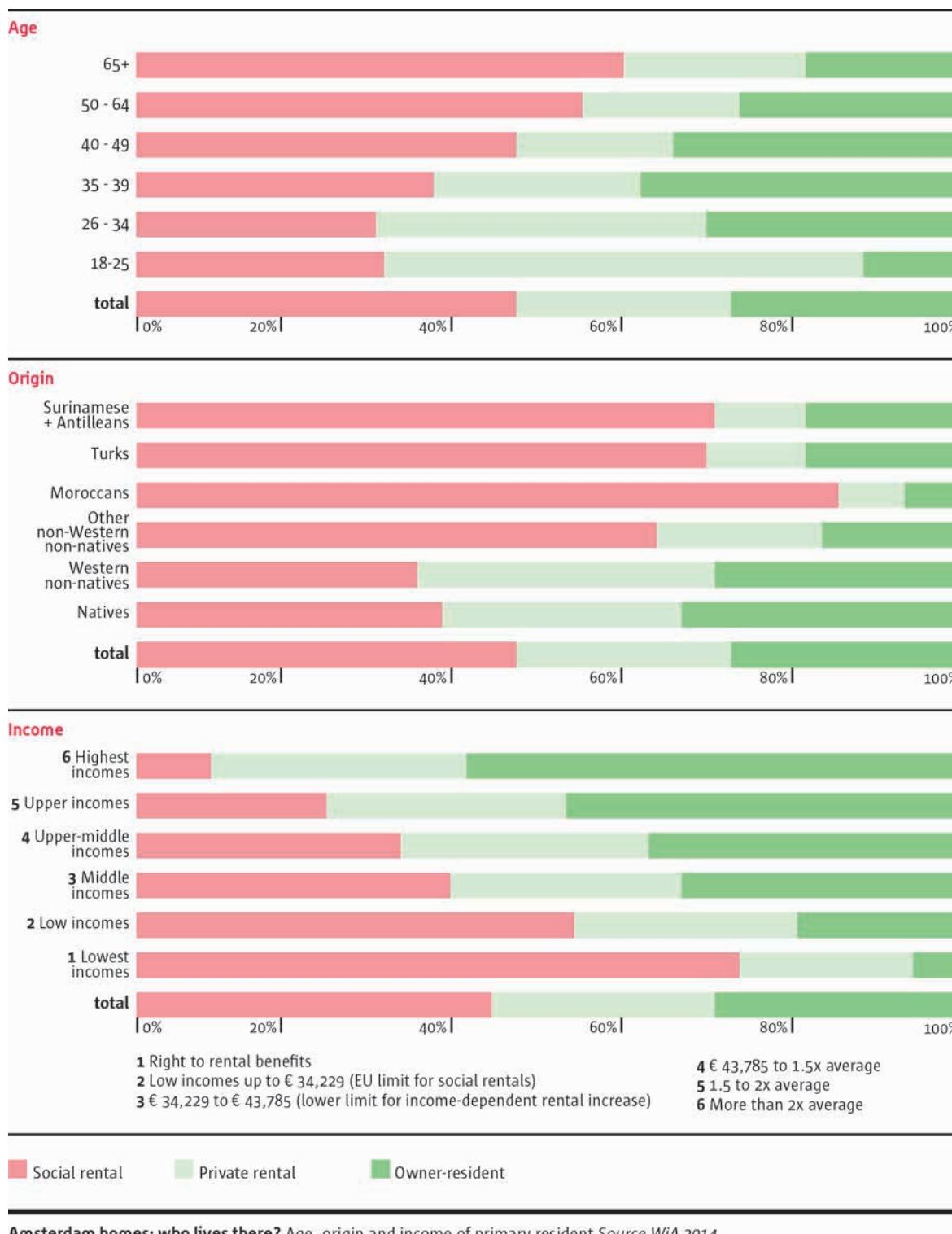
Stadgenoot measures customer satisfaction. The scores have fluctuated over the last few years around 7. With that, Stadgenoot scored a bit lower than the average in the industry (about 7.5). The bit lower score is easy to explain. We rent more stacked housing than average, our homes are relatively old and many rental homes are part of an Association of Owners.

We want to see the customer satisfaction move toward a 7.5 in the coming five years, in particular by bringing down the number of 'insufficient' scores. We are going to improve the service provision in different areas. Better communication is of the greatest importance. The reachability of Stadgenoot has already improved in recent years; the customer service has been professionalised, but there is still progress to be made in the handling of requests from tenants. For all employees within the organisation, the customer awareness has to be strengthened.

The customers have to be able to reach us easily, and their requests must be responded to quickly and adequately. And we have to inform the tenants well. That also means that we have to do a better job of understanding the customers' point of view and experience. This sounds simpler than it is. We work with an extremely varied group of tenants, with diverse expectations.

The customer can be served well if the internal processes and the information

	2009	2010	2011	2012	2013	2014	2015*	2020
Repair requests	7,1	7,1	7,2	7,4	7,3	7,0	7,2	7,5
New tenants				7,3	7,5	7,4	6,9	
Customer satisfaction scores								
*first half 2015								



District managers in discussion with the BPT

provision is in good shape. In the coming years, those processes will be better streamlined. We are going to improve our service provision and increase the efficiency. First, the 'rental and change process' will be analysed and improved, as much as possible from the perspective of the tenant. We now call this our 'relocation process', since that is what it is about for our customer: that we help him with his relocation. The whole process can be set up smarter and better; we know that now. After completion of this project, we will examine the other customer processes.

In the past year, Mijn Stadgenoot was introduced. We strive to have ever-more tenants take care of their issues through

this internet portal. This means that there has to be adequate IT support. The level of our IT capacity will have to keep pace with our goals in the area of digital service provision. These processes will demand a great deal of effort from the organisation in the coming five years.

Liveability

When people rent a home, they – together with other – become the residents of a shared stairwell, complex or neighbourhood. Tenants are citizens with a collective responsibility for the quality of social living and the liveability in the neighbourhood.



Getting to work with
the public spaces
(Garden Project
Oosterparkbuurt)



Community Life:
The Bookstore,
affordable homes
and working space
for artists



The Getij is an apartment
complex in Geuzenveld.
Stadgenoot has arranged
a space here where
residents can come
together for a dessert
and a game.

In the city, the immediate environment is shared with people who you have not been able to choose yourself. More than in the purchase or private rental sectors, residents of social rental housing are confronted with the diversity of an urban environment. The responsibility for the social life and liveability lies primarily with the residents themselves. At the same time, we as a housing corporation are partly responsible for the liveability. We do that by setting rules. We also do that by being present in the neighbourhoods where things are not going well on their own. In many neighbourhoods, we had house supervisors. Those have become district managers. The task has shifted from

physical to social management. The district managers, if needed, address people about their behaviour; they mediate if neighbours cannot reach mutual agreements; and they keep an eye on things like isolation or other social problems. Such problems are reported to organisations and institutions with the right expertise.

The district managers work together with area managers. They consult with resident committees, represent Stadgenoot in the Owners' Associations and maintain contact with parts of the city and social district teams. It is expected of both district and area managers that they are able on the one hand to enforce the rules and on the other hand - be able to do custom work



Turkish housing group

Tweede Lente

in order to respond to all the different situations and preferences of all the different tenants.

We distinguish between neighbourhoods where more or less input is desirable. In many neighbourhoods, the residents themselves take care of the liveability. There is no special input needed from us. Here, we primarily have to be a good landlord. But in neighbourhoods where many vulnerable people live, where many families with children stay, where a great deal has changed due to the influx and departure of residents, more input is expected from us. In these neighbourhoods, our district managers have their offices. In many cases, that is an office in a Neighbourhood Centre. There are also workplaces here for other employees of Stadgenoot and spaces that can be used for initiatives of neighbourhood residents.

Space for initiative

The neighbourhood is the place where people live next to each other, meet each other and engage in collective initiatives. Stadgenoot supports initiatives that ensure that people get along better with each other and improve the liveability of the neighbourhood. Our role is focused on facilitating and supporting those initiatives.

In the period of the District Approach (2008-2012), corporations were accountable to the government regarding their activities in the social domain. We think it is a good thing that we are now encouraged

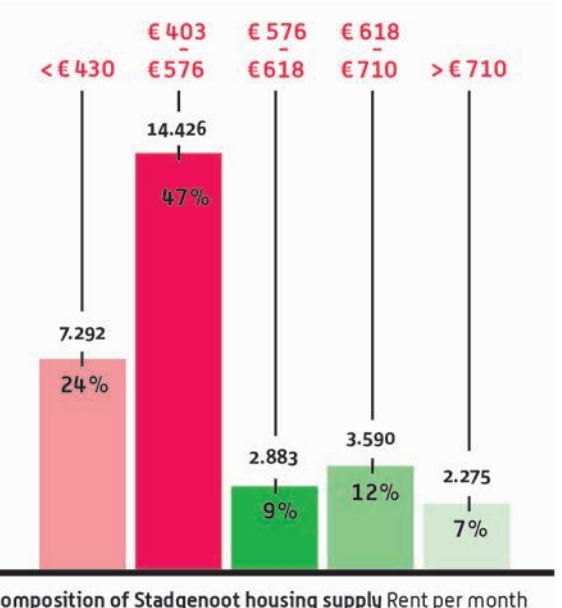
by the same government to be more reticent about that. From our own role and expertise, we will continue to make a contribution to the neighbourhood. In that, we seek collaboration with professional organisations in the area of care and well-being. We try to let the initiative come as much as possible from the neighbourhood residents themselves. The most strength is developed when residents themselves take the initiative and feel like owners of that initiative. As a housing corporation, we can make a contribution by literally offering space.

There are tenants who want to manage their home themselves. Stadgenoot also has a large number of projects where resident collectives have taken over a part of the management. The new Housing Law goes a step further and makes it possible for residents to form housing corporations.

We want to give the relationship with housing groups clearer and more professional form. Now the collective contract often seems like a glass bell-jar that protects the residents more than regular tenants against changes in policy (for example, where it has to do with rent harmonisation or income-dependent rent increases). There are no collectives that take responsibility on themselves for the course of events within their housing collective. In and of itself, that is no problem, but it is when use is made of the social assets of a corporation. That requires taking responsibility and transparency.



Enough homes for people with a modest income. That is our primary task. That has to do with both affordability and availability.



Affordability: the core supply

Stadgenoot has 29,916 social rental homes (rent up to € 710) and 1,485 private-sector rental homes (date: 1 January 2015). The average rent for a social rental home is € 480 per month. Through sales, demolition and liberalisation, the number of social rental homes will decrease in the coming years. This will be compensated for in part by new construction.

The city council strives for at least 187,000 affordable rental homes on 1 January 2019. That number is the sum of affordable corporation housing and private social rental homes. The expectation is that many private owners will liberalise their homes. The speed at which this happens is difficult to predict. The corporations will ensure that they have at least 162,000 affordable rental homes at the beginning of 2019. On 1 January 2014, that was still 178,000.

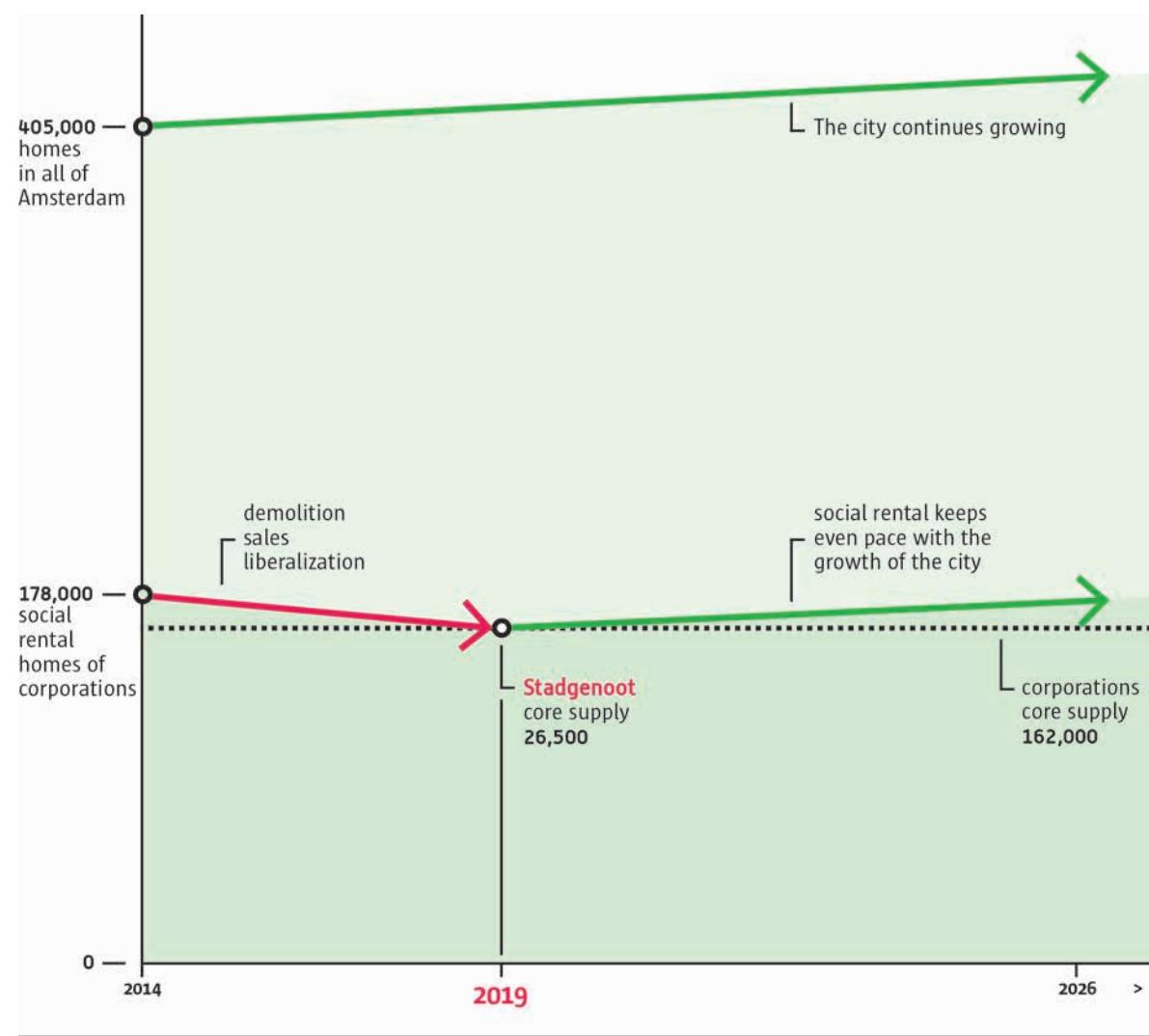
In the Collaboration Agreements that we have made with the municipality and the tenants, it is agreed that we will strive for a dynamic balance for the period after 2019. That means that the balance of removals (sales, demolition) and additions (new construction, purchases) must remain neutral over the long term. Furthermore, if the share in the total housing supply (about 40%) is to remain the same, the core supply has to grow.

The question is whether the Amsterdam housing corporations are able to accomplish this. Can they not only keep the size of the affordable housing supply stable, but also keep pace with the size of the city's housing supply? That would mean for Stadgenoot that the supply after the reduction (until 2020) has to grow by an estimated 200 homes per year. We are investigating whether this is possible and how we can realise this growth. Stadgenoot will at least make its contribution to maintaining the 'core supply'. We will ensure that on 1 January 2019, Stadgenoot has at least 26,500 social rental homes in Amsterdam.

The realisation of a dynamic balance is a considerable challenge. We have to adjust the existing plans. That means fewer sales (or more construction/purchases) and less liberalisation. The costs for maintaining the quality of the properties must be covered out of operations. That demands structurally sound housing operations.

In the coming years, the housing supply of Stadgenoot will continue to decline. We need the income from sales in order to be able to satisfy the stricter financial requirements that have been set for us, in particular by the Waarborgfonds Sociale Woningbouw ('Social Housing Security Fund'; WSW). Starting in 2019, we will

have our books entirely in order, and we can finance purchases and new construction from the operations. We do not make sales solely out of financial considerations. Sales also contribute to our goal of bringing more differentiation to neighbourhoods and districts.



Why does Stadgenoot still sell social rental homes?

Since 2000, Stadgenoot has been selling social rental homes. The underlying thought is that Amsterdam has more social rental homes than the population composition justifies. The revenues are always invested in purchase of real estate, renovation and new construction, and in the coming years, those revenues are needed in order to strengthen the financial position of Stadgenoot. Sales contribute to the ideal of a mixed city, with neighbourhoods where both purchased and social rental homes can be found. Relatively inexpensive purchase homes are important for the middle segment, for whom there is very little housing selection in this city. In the coming years, the sales process will be completed in complexes that have already been split and partially sold. Mixing is important at the neighbourhood level, but less desirable from the management perspective for individual complexes.

For an appropriate offer to our tenants, we distinguish between homes with a rent below and above the limits, between homes with a rental contract for a limited period and unlimited period, and we distinguish living spaces for people for a physical or mental limitation. Liberalised homes must also be utilised as effectively as possible from the public housing perspective. We keep the focus on the middle segment (in round numbers: up to € 1000 rent per month) in order to offer options for households with an annual income up to € 45,000. We want to promote flow-through that way.

More expensive homes (above € 1000) we prefer to rent to multiple residents with a Friends contract.

Availability: more dynamic

The 'core supply' must be sustainably intended for households that are designated for it. In order to make the right match between housing supply and tenants, there has to be more emphasis on the **appropriate offerings** of the homes. That means more homes for home-seekers who are eligible for rent benefits. We are therefore going to modify our target rental policy. The policy is now focused on 50% of homes being designated as an inexpensive rental home up to the rent benefit limit, 25%, a home between the rent benefit limit and social rent limit, and 25%, a home in the free sector. We are going to modify the target rental policy from 50-25-25 to 70-20-10.

We also have to **award** the homes **appropriately**.

- Tenants who are dependent on rent benefits must first be eligible for the 70% of all Stadgenoot homes with a rent up to the cut-off limit. (The 'cut-off' is the maximizing of the rent, so that those remain under that amount are eligible for rent benefits.) The appropriateness test prescribes that 95% of the awards to households that can get rent benefits are of a home with a rent below the cut-off limit.
- Home-seekers with a bit higher income, but still under € 39,000, have preferential eligibility for the homes up to € 710 (20%

of the offered homes).
- Ten percent of the homes that come free can be designated by Stadgenoot for the free sector. We place the emphasis here on households with a middle income and Friends contracts.

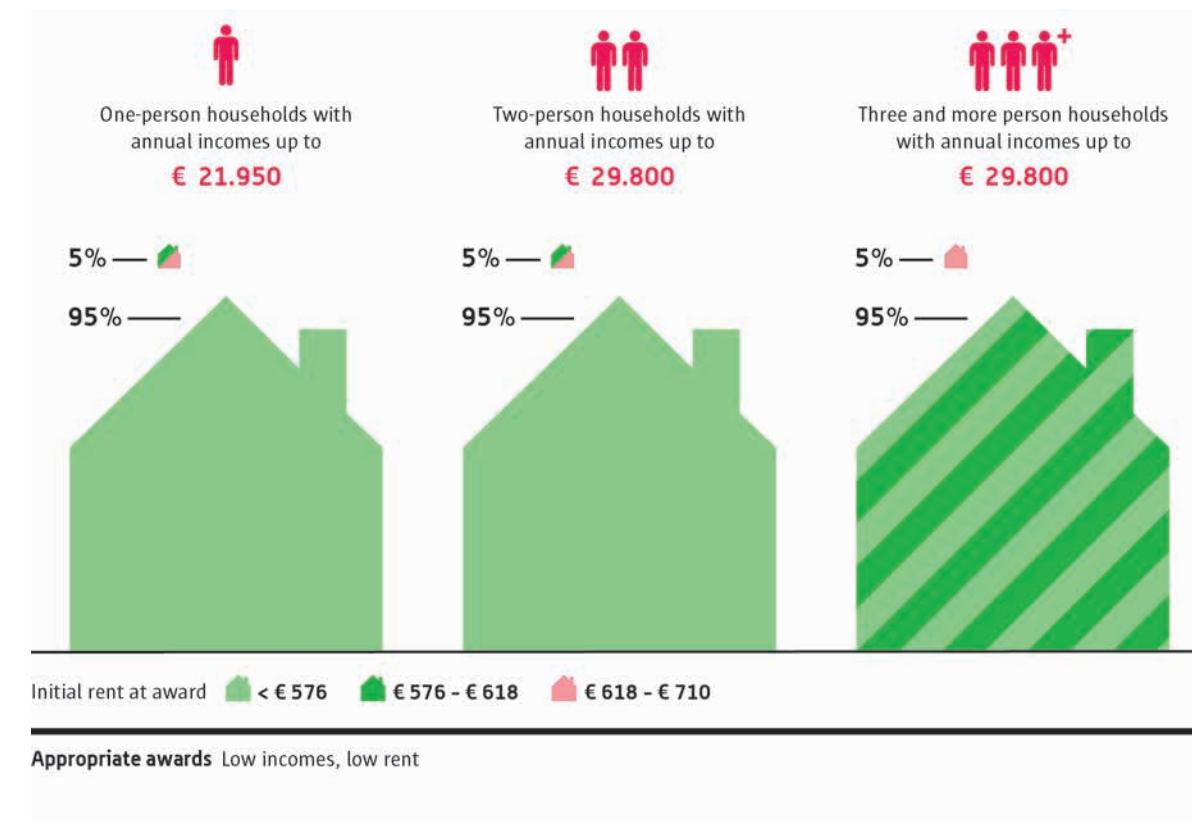
We also have to ensure that the homes continue to be **appropriately occupied**. We are therefore going to work with starters



with the five-year contract. After the term of the contract, they will search for a home that fits their situation at that time. For the distribution of regular social rental homes, we are not a proponent of the use of lots. For the awarding of five-year contracts, that system may well be suitable. It also prevents the creation of growing waiting lists for these homes. Quick availability must be created by temporary arrangements.

In addition, we favour a periodic income test. Minister Blok has shown himself to be a proponent of a 5-year income test for tenants of social rental housing. For tenants who earn more than € 39,000, we increase the rent to what is 'maximally reasonable' according to the home valuation system (WWS). In order to ensure that our homes are appropriately occupied, we continue to combat improper occupation. A short time ago, we decided to expand the team from three to four employees. This frees up social rental homes for those for whom they are intended.

Continuous appropriate use of the core supply is only possible if more dynamism comes along. The flow-through must be promoted. Previous experiments in moving elderly residents to smaller or single-floor homes have had little success. If space is created for a rental sum policy (see following page), we can better distribute the rental increases between new and existing tenants. In this way, relocating should become more attractive. It is therefore important that we can offer good and more spacious homes in the middle



segment, so that it also becomes attractive to move on.

For us, the maintenance of the core supply and continuously appropriate use are directly connected. It is irresponsible to keep the rents for homes artificially low in a tense housing market and to simultaneously accept that they will be occupied by households with a higher income. The income-dependent rental increase stimulates residents with a higher income to relocate. But then there has to be an alternative in order to be able to take the next step in the housing career.

Property management

We have to be judicious with our core supply. This means that we must be aware in all our investment and management decisions of the consequences for affordability. In addition, the new Housing Law dictates that we create a separation between our social and commercial activities. Homes can then no longer so easily change categories. We develop a clear vision per complex that indicates whether we will sell or keep the homes, and in the latter case, whether they will be in the affordable or middle segment.

Many complexes are 'spiked' with a mix of social rental, free-sector rental and

The rental sum approach

The renting of social rental homes for a long time could only be increased by the inflation percentage. The only option that corporations had in order to realise extra rent increases was to increase the rents for new tenants. The differences between current and new tenants therefore became great. Especially starters and those moving through bore the brunt.

With the rental sum approach, not every home gets the same rental increase. Homes that are now relatively inexpensive, according to the housing corporation, get a higher rent increase than homes that already have a good price. With the maximum rent increase, the government regulates the total increase in rents of the corporation (the rental sum). The rental sum may then, for example, increase 1 or 2% more than inflation. In addition, the government does establish a maximum for individual homes. This maximum can depend on the current price.

Homes that are now relatively expensive thus get a rent increase that is no more than the inflation; for relatively less expensive homes, that can turn out to be higher. Corporations can thus do more to manage the value and quality of the home.

The rental sum approach does much more justice to the relationship between the rent and the quality of the home. The minister wants to implement the rental sum approach in 2016.

* Asset is another word for possession or property. The goal of asset management is to get optimal profitability from the value of possessions and property.

purchase homes. We strive for a clearer profile per complex. A complex will thus either be rental or sale; either free sector or social. Mixing is of importance at the neighbourhood level, not at the level of individual complexes.

Many complexes are 'spiked' with a mix of social rental, free-sector rental and purchase homes. We strive for a clearer profile per complex. A complex will thus either be rental or sale; either free sector or social. Mixing is of importance at the neighbourhood level, not at the level of individual complexes.

In order to be able to manage revenues, we have introduced asset management* since 2012. Where investors manage only on **financial profit**, we also manage on **social performance**. We thus want to offer suitable housing to our different target groups and to make a contribution to the mixed city. In the Collaboration Agreements, it is agreed that in all 22 districts, the city boroughs will enter discussions with the corporations about the desired housing differentiation.

The portfolio strategy will be worked out into plans for each individual complex. These complex plans are the basis for the discussion that our area managers conduct with resident committees and Owners' Associations. The portfolio strategy and complex plans together for the framework for future investment and management decisions and are the basis for the directors' consultation with the municipality and city boroughs.

The social performance indicators for Stadgenoot

1 Affordability

Offering affordable homes for those who cannot make it in the free housing market or need temporary support.

2 Suitability

The best possible use of our housing supply in the tight Amsterdam housing market, both financially (not too expensive or too inexpensive) and physically (not too small or too spacious).

3 Availability

Keeping sufficient homes available for the various target groups and making active efforts in flow-through, resident initiatives and experimenting in the area of flexible rents, five-year contracts and new construction for the middle segment.

4 Quality of living

A minimum quality norm of 'clean, complete and safe' for all homes (with the exception of homes that will be demolished within five years), supplemented with a higher quality norm for homes that will remain in service for longer than 15 years.

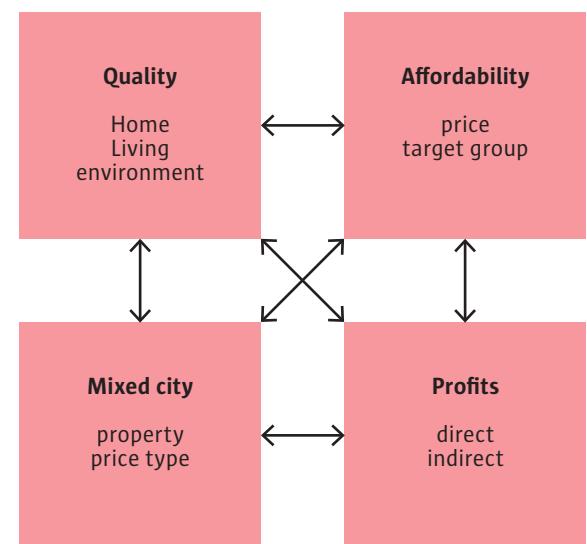
5 Quality living environment

Completion of restructuring and making active efforts in liveability in neighbourhoods that ask for that.

6 Mixed city

We work for a mixed city, where there is and continues to be space in the popular (expensive) market areas for social rental homes and rental homes in the low-middle segment. In the new expansion districts, we want to build or purchase and rent social housing.

Optimal 'connection' with the municipality, tenant organisations and resident committees is an important pre-condition for being able to realise this performance. We are, after all, a social enterprise, and we want to meet the demand from our environment.



Considerations framework: quality – location – price



Quality of living

Stadgenoot wants to offer tenants appropriate quality. Appropriate relative to costs and rent level. But also appropriate with respect to the specific needs of residents. The realization that 'quality' has a lower limit, but also an upper limit, is also important. A higher quality will typically not be translated into a higher rental price, which in fact is an inefficient use of social assets.

Homes

Our homes have to be affordable for our tenants, and they have to have reasonable quality. We call that the **basic quality**. In 2015, practically all of our homes meet that quality level. Especially making homes safe has required a great effort on our part. In part due to the take-over of homes from Far West, in 2013 we had more than 3500 homes with an open-burning device. At the time of writing, only 200 homes remain with a geyser or gas heater.

We have not achieved that basic quality. The level is not future-resistant. What we now find to be reasonable quality can be sub-par in 10 years. A geyser used to be a state-of-the-art hot-water device; now an HR combi-kettle is the norm.

We established the basic quality level in 2010 in order to give priority to handling the worst complexes. After rectifying all deficiencies, we now have to focus our attention on the continuous maintenance

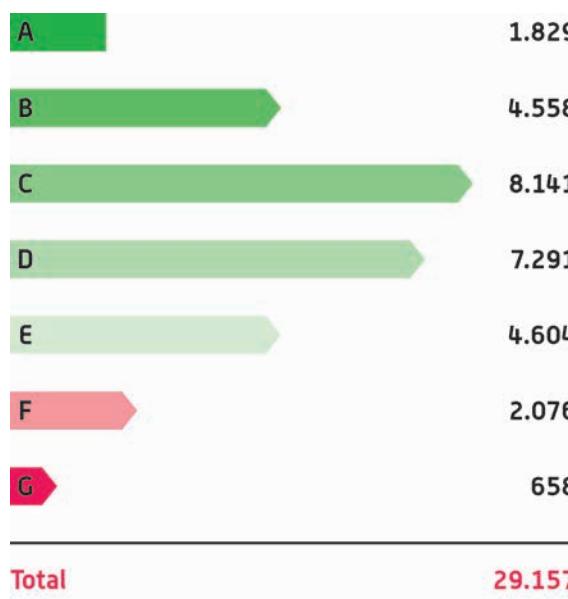
of the level of our homes. Those must not only have a basic quality, but also a future quality. The necessary home improvements are part of the periodic maintenance cycle. For the coming five years, we will hold the budget for maintenance and improvements at the same level as in the past years. In order to bring the quality to the desired level, the means must therefore be used more efficiently than we are accustomed to doing. That can be achieved through better collaboration, both internally and with external parties.

An important goal is **sustainability**. That means, for example, sustainable materials use in real estate maintenance, something that is rather an issue of mentality than a financial challenge. The greatest progress in sustainability can be achieved in the coming years in the improvement of the energy efficiency of our homes. At the moment, more than 2700 homes still have an F or G energy label, and 4600 homes, an E energy label. We are striving for an average of a C label in 2020. Practically all F and G energy labels will then have to

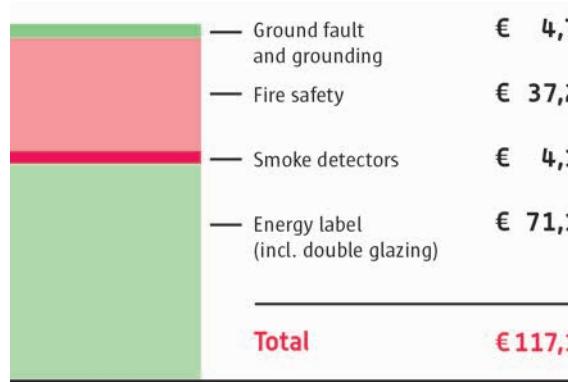


Safety above all

With a massive campaign, tenants were convinced to have open-burning devices, such as geysers and gas furnaces, replaced by a central heating unit with HR kettle. In two years' time, 3300 homes got safe heating.



Energy labels Homes Stadgenoot



Cost estimate for realisation of future quality in millions

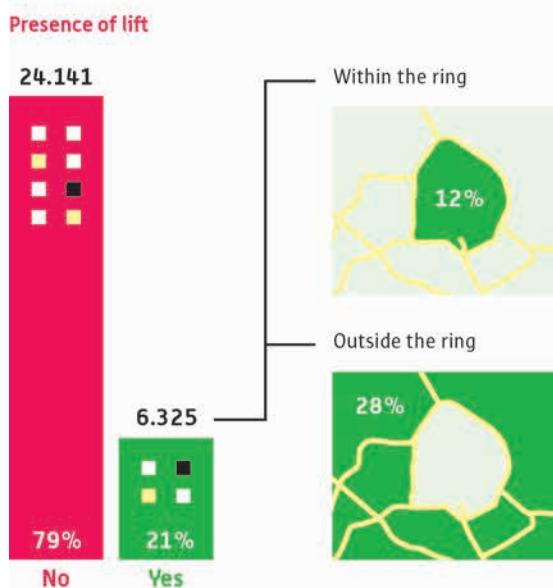
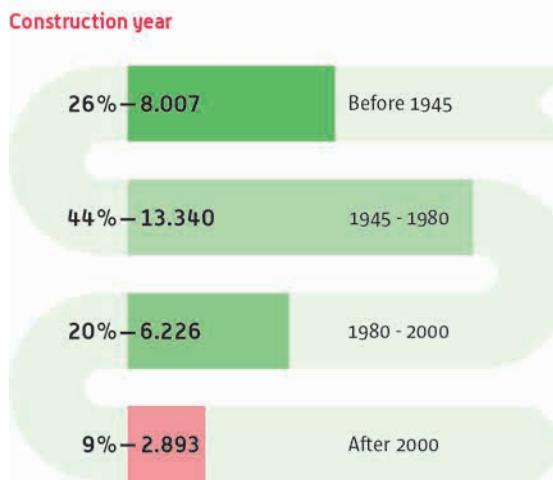
disappear, and the number of E labels will have to be cut in half.

In the Collaboration Agreements, it is agreed that the municipality, corporations and tenant organisations will set up a plan of approach for the improvement of the sustainability of the existing housing supply. In this plan, there must be a balance found between realising the climate goals and an attractive offer for tenants. Support among tenants is indispensable for a successful approach.

Next to sustainability goals, the **safety** of the existing supply also has to be further improved. In particular, limiting risk of fire spread demands significant investments and is part of the future quality.

We are going to build smaller in the future, certainly when it comes to social rental homes in the more centrally located parts of the city and when it comes to homes for one- and two-person households. By building appropriately, we do take into account our different target groups. To a limited degree, we will continue building large homes for large families, in particular in restructuring areas. The building of homes with a lift remains of great importance for offering suitable housing to the elderly, especially within the ring.

By limiting the costs of new construction, we try to make **optimal use of the available investment space**. New construction remains important for multiple reasons. Through new social construction at expansion locations, we



Stadgenoot homes Construction year, area, presence of lift

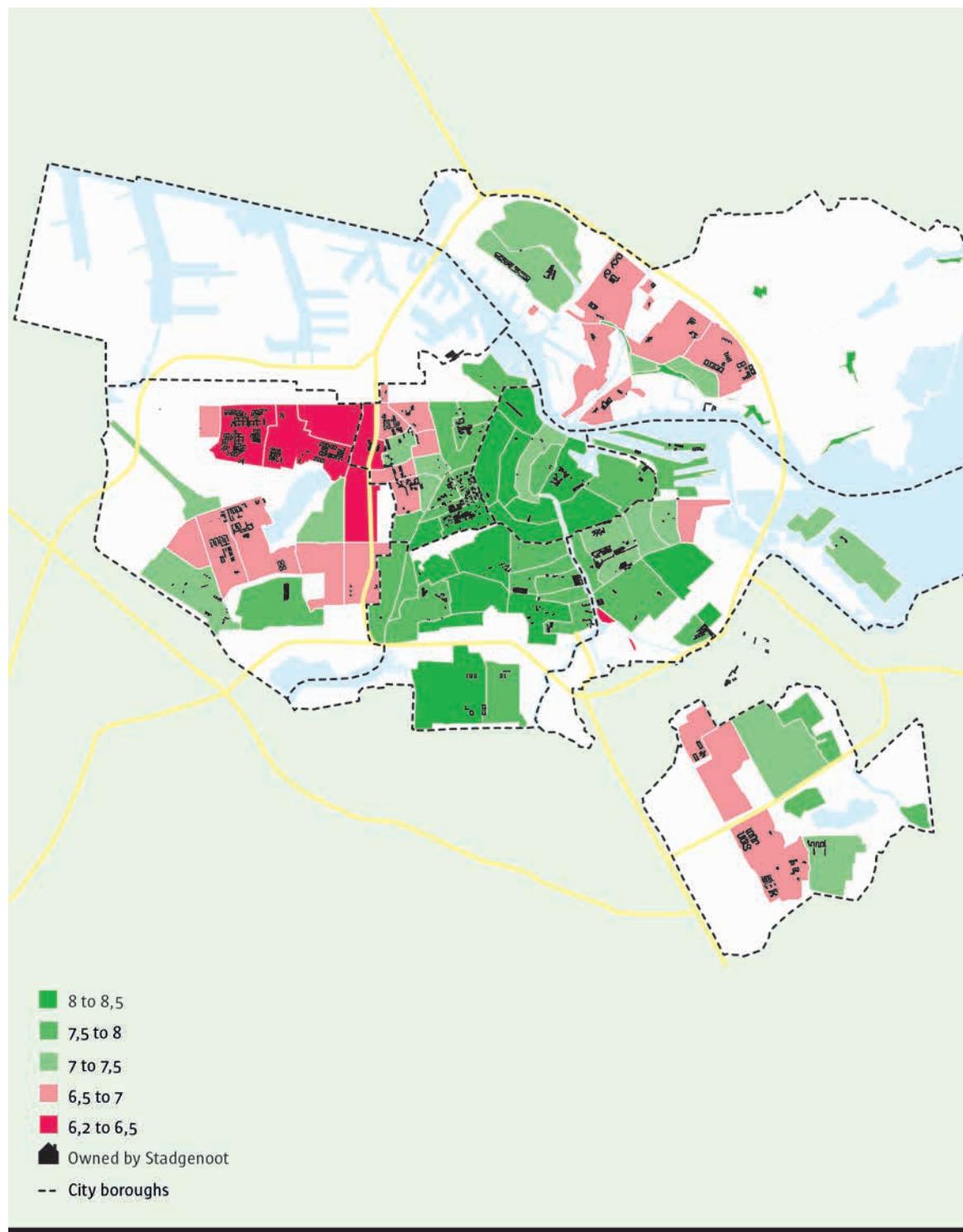
can contribute to the growth of the city. New construction enables us to continue to respond to the changing demand in the housing market. With new construction, we can permanently renew our own portfolio.

Neighbourhoods

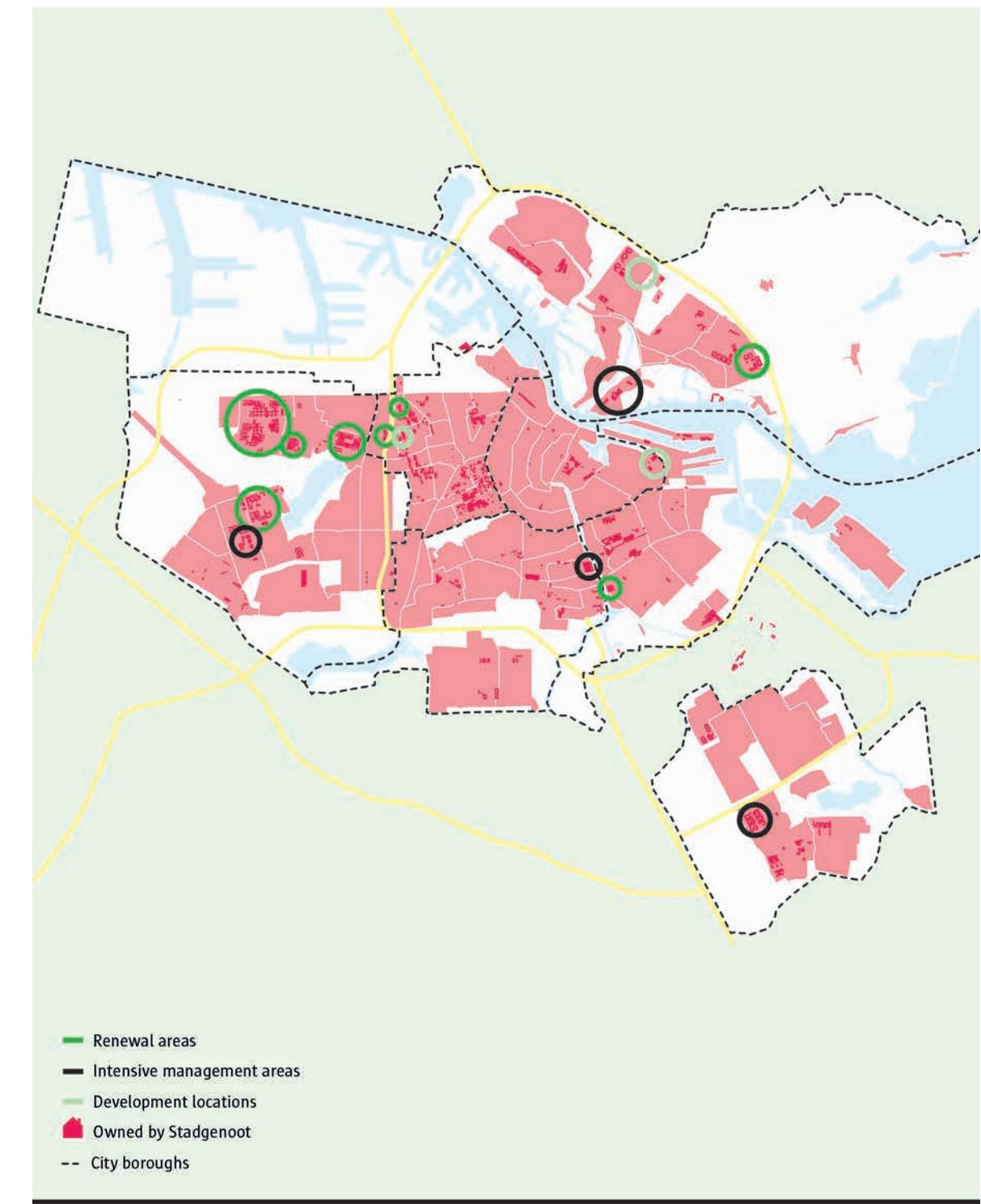
The quality of the living is not only determined by the quality of the home, but also by the quality of the environment. What is needed in order to let a neighbourhood be liveable?

Thanks to the biennial Living in Amsterdam survey, there is a great deal of information available about the evaluation of neighbourhoods. For a number of years, all Amsterdam neighbourhoods have scored at least a sufficient. That is not to say that there are not problems anywhere.

In the neighbourhoods that function well, Stadgenoot primarily wants to be a good landlord. In these **'good landlord areas'**, no extra effort is demanded from us. In other neighbourhoods, in particular where we have many properties, more is required to keep the neighbourhood clean, complete and safe and to ensure that people live together in a good way. We call these **'intensive-management areas'**.



Liveability scores per neighbourhood Source Wonen in Amsterdam 2013



Stadgenoot property Area-focused approach

In these neighbourhoods, we utilise district managers, we support neighbourhood initiatives and we literally offer space to neighbourhood residents with our Neighbourhood Centres.

With the **differentiation** of the home supply, we also make a contribution to liveability. Neighbourhoods with a large share of social rental homes are more vulnerable than mixed neighbourhoods. That is no wonder, since we house

more vulnerable residents. By not only renting homes in the social rental segment, but also in the middle segment or by selling homes, different residents come to live in the district. That gives us an influence on the mixture that is created between younger and older, poorer and richer, more and less vulnerable residents. We enter into discussions about the desired differentiation in neighbourhoods with city boroughs, residents and colleague corporations.



Well-mixed:
the Diamantbuurt



Ateliers WG terrain

Stadgenoot also has many **commercial spaces**. We will dispose of a good part of those. We only want to retain commercial real estate that directly contributes to the living enjoyment of our tenants.

With **social real estate**, especially when it comes to offering spaces for care and wellness activities, we will be judicious. Especially for older residents and residents with a physical or mental limitation, it is of great importance that care and wellness facilities can be offered in the neighbourhood.

Stadgenoot has more than 200 **studios**, and is thus one of the largest owners of this kind of real estate in Amsterdam. Studios contribute to the liveliness of neighbourhoods, and affordable work spaces for artists are of great importance for the city. They have to be used well, and more flow-through has to be created. We are in discussion with the municipality of Amsterdam about whether we can transfer the studios to a new organisation.



Dudokbuurt

Urban renewal

In some neighbourhoods, measures that improve the living climate and bring more variation to the population composition are insufficient to create attractive districts. In those neighbourhoods, there has to be real investment in the quality planning.



Waterlandpleinbuurt



Kolenkit

Since the 1990s, Stadgenoot has been actively involved in the urban renewal in Nieuw-West and Noord. Due to the crisis in the housing market, many plans were put on pause starting in 2008. In 'De Opstelling' (2012), we gave a high priority to completing the restructuring. Plans have been reconsidered and adjusted. By changing the city architectural structure less drastically, we can plan better phasing and manage risks. In many neighbourhoods, the results are visible, such as in the Bosleeuwgebied and the Kolenkitbuurt in Bos and Lommer, in the Bakema- and Dudokbuurt in Geuzenveld and in the Waterlandpleinbuurt in Noord. This way, we offer hope to residents who have been waiting a long time for a new home.



Duplexeland



Van der Kunbuurt

Noordoever
Sloterplas

Wildemanbuurt

In a number of other neighbourhoods, the restructuring plans were stopped completely. We have ensured that the homes fulfil the basic quality and that the neighbourhoods are liveable, but big investments have been postponed. This concerns four neighbourhoods, with almost exclusively social rental homes. In Nieuw-West, it concerns the Slotermeer (Duplexeland), Noordoever Sloterplas and Wildemanbuurt. In Oost, it has to do with the Van der Kunbuurt.

In the coming five years, in discussion with residents, city boroughs and the municipality, we will make the hard decisions: Will it be demolition and new construction or renovation? The execution of the plans in these four neighbourhoods will take place between 2020 and 2025. As far as the execution is concerned, the emphasis in the coming years lies on the completion of the restructuring in Geuzenveld, the Kolenkitbuurt, the Bosleeuw and the Waterlandpleinbuurt.

Oostenburg and other development locations

The island of Oostenburg holds a unique position. We bought the Van Gendthallen in 2004 and were able to obtain a large part of the other ground and buildings in 2008.

The island has commercial zoning, but the municipality offers space for transformation to a mixed living-working area. There has been hard work done on setting up a development strategy.



Oostenburg

It is expected that the municipality will establish the new zoning plan in the first half of 2016.

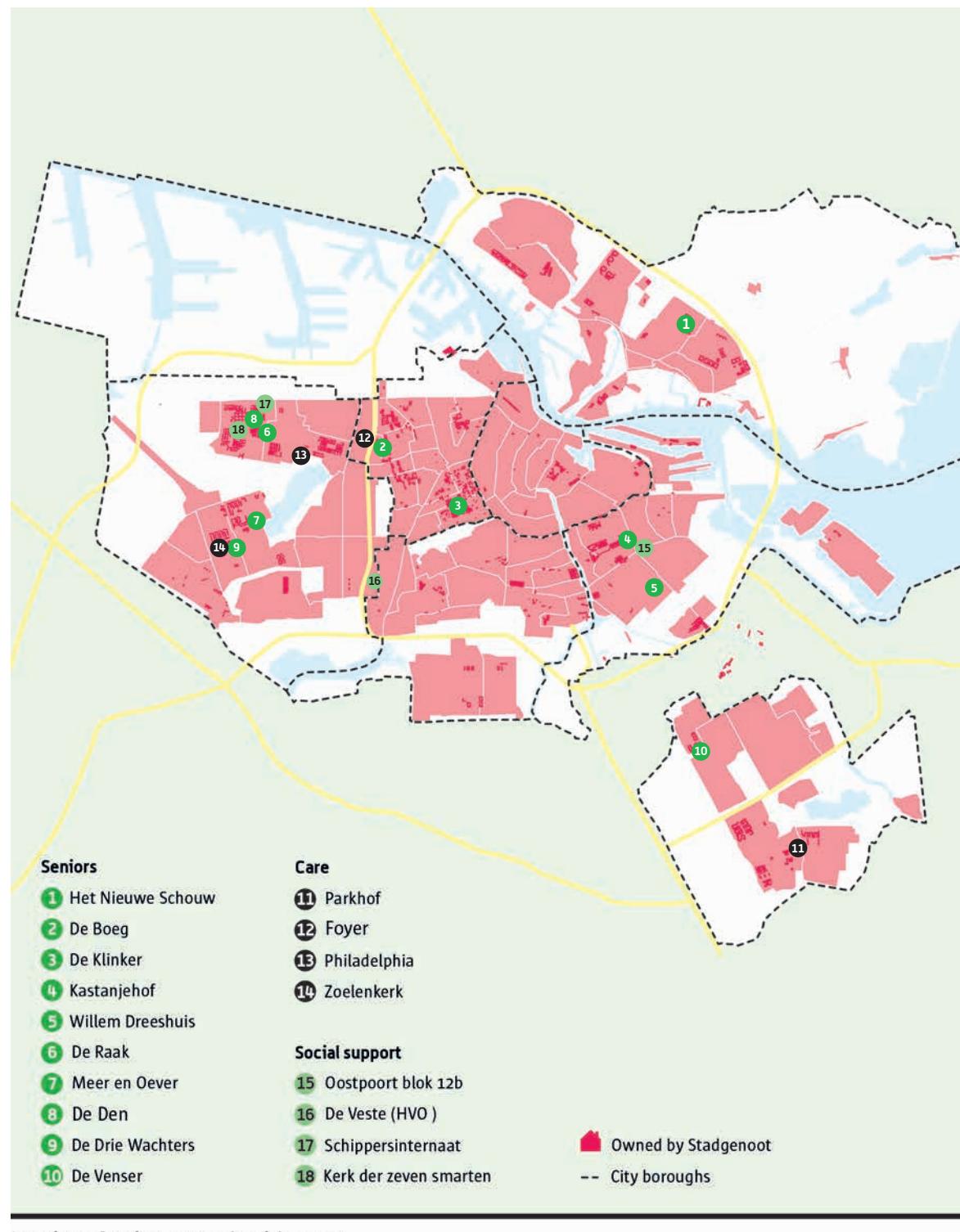
For Stadgenoot, this is a unique project both in its size and its nature. It is the largest new construction location in the inner city of Amsterdam. In total, 800 to 900 homes can be built on our property, 250 of those in the social sector.

In order to make the development of Oostenburg a success, a project organisation was set up in 2015. It provides clearing of the land, the construction of public spaces and the issuing of plots. As soon as this phase is completed, Stadgenoot will focus on the construction of social rental homes for young urbanites and seniors. For the construction of purchase and more expensive rental homes, we issue plots to private investors, including collective private clients and cooperatives. Stadgenoot will retain the ground under the social rental homes and will sell the ground under the other properties. The public spaces to be established will be transferred to the municipality.

We have sold other large development locations in the past years. With the sale of the Oranjewerf, on the north shore of the IJ, it was agreed with the buyer that Stadgenoot is the first candidate for the construction of social rental homes.



**Oostenburg
Westzijde**



Living and care

In the coming years, the population of Amsterdam will age. That also applies for the tenants of corporations. They will have to continue living independently longer. People with a lower care level package (ZZP 1 through 3), are no longer eligible for an intramural housing form. They are designated for home care.

The big question is thus not whether people will continue living independently longer, but how they will do that and what we can then offer our tenants. That applies for the elderly and for other people who need care, for example because they have a psychiatric or physical limitation. Next to care, it is also about safety and protection. In the coming years, we will work out the **'safe and cared-for living'** concept and begin to apply this in our complexes.



Continue living
Independently longer

Stadgenoot is one of the largest owners - of care real estate in Amsterdam. In the coming five years, there are hardly any plans for new construction. The modification of the Venser has been postponed until after 2019.

The disappearance of the traditional care houses presents us with a considerable transformation challenge. When a building comes free, another care purpose is sought. Only if that does not work is transformation, for example to living units for starters, considered.

Stadgenoot is open to new initiatives in the area of living and care. For new requests for housing of specific groups, we first look at the options in the existing supply or our planned offerings. Often, the clustered offering of homes with a limited number of facilities is sufficient to fulfil the demand.

Organisation

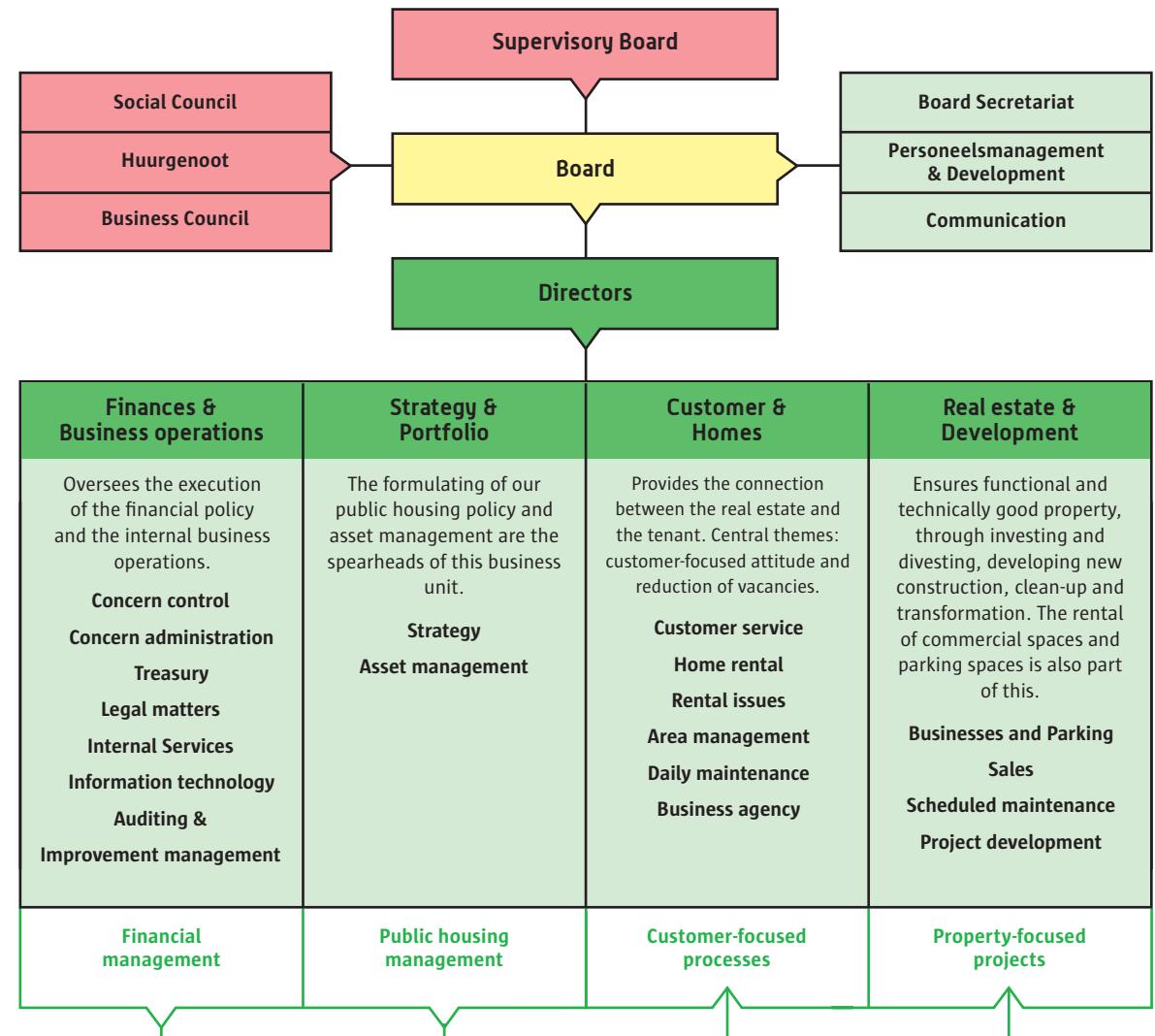
The operation of our property has to enable us to offer a constant and preferably growing number of good-quality homes. That only works if the business and interest expenses are further reduced. The organisation has to be 'lean and flexible'.

Org chart and management model

Lean and flexible

Stadgenoot wants to be lean and flexible. Lean because the business expenses have to decrease; flexible because we have to be able to respond well to the constantly changing environment. The new Housing Law offers clarity about the work domain. But the question of how we fulfil our role will gradually be determined in the coming years.

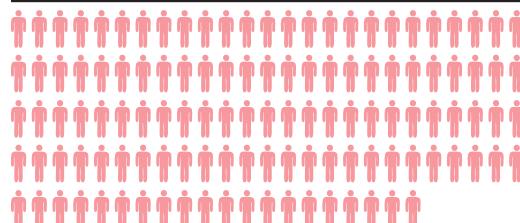
'Back to the core task' in Amsterdam does not only mean 'managing what you have'. To the contrary, we want to continue contributing to the growth of the city. We can no longer cover the investments that are needed for that out of sales revenues. We have to move to a situation in which our operation results are sufficient. The



difference between income and expenses have to be increased by bringing down our business expenses and reducing our debts (and thereby our interest expenses).

The main structure of the organisation remains unchanged (see previous page). The organisation does have to make further improvements. Three big projects are central in the coming time:

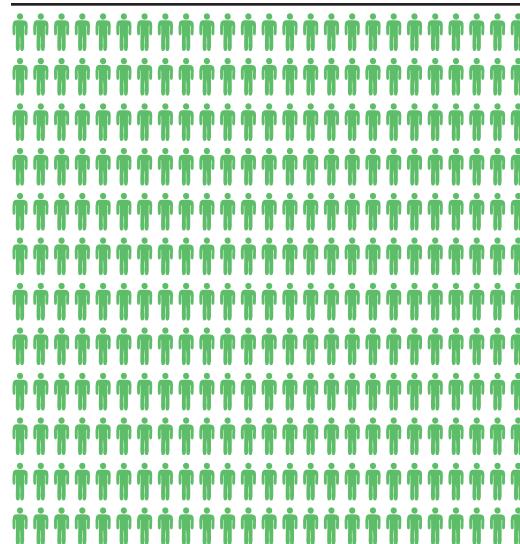
2009 - 2016 from 444 to 324 **- 120**



2016 - 2020 from 324 to 300 **- 24**



since 2020 in balance **300**



Developing FTEs Including subsidiaries

1 The improvement of the most important customer processes

The rental and change process, or relocation process, will be improved on a project basis. When this is going satisfactorily, we will take on more business processes in this way.

2 Improvement of business operations and IT structure

The current overlap of systems and applications has a hindering effect on further innovation. A better integrated system has to enable us to respond more flexibly to new developments.

3 Separation of social and commercial activities

In the context of the new Housing Law choices have to be made about which property we will designate as social or commercial. In addition, the administration set-up will be updated.

The organisation will be further trimmed. At the end of 2019, Stadgenoot will have 300 FTEs. That is possible due to the decrease in the number of rental units and a greater focus on our activities. In addition, improvements to IT and streamlining of the processes have to produce improvements in efficiency. Due to the extra efforts on the three aforementioned projects (improvement of customer processes, improvement of IT structure and adjustment of administrative set-up), we expect that the reduction of personnel will be primarily realized in the last two years (2018/2019).

Information technology (IT)

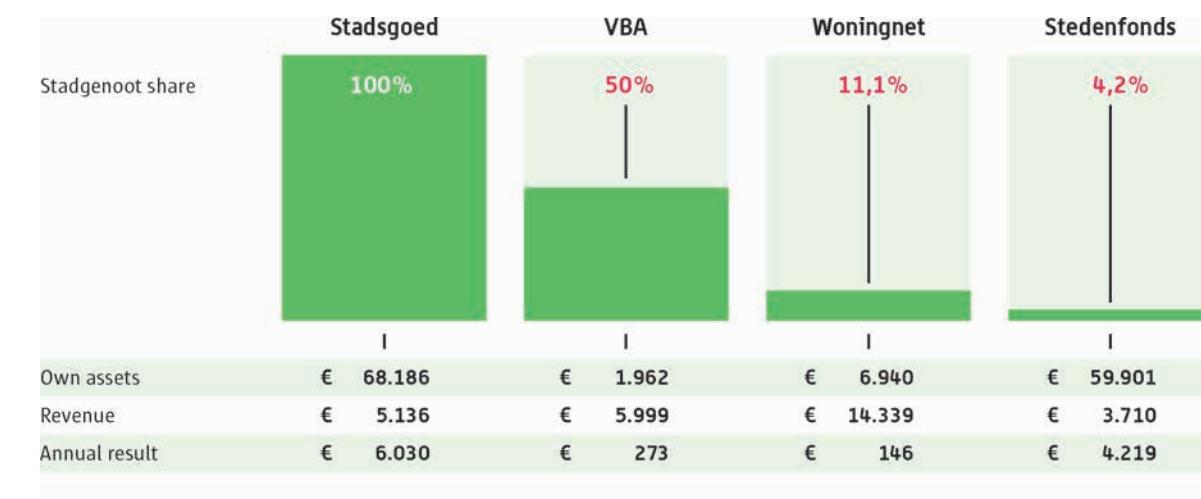
The IT environment of Stadgenoot threatens to become obsolete. In order to better support business processes, at lower costs and with greater customer satisfaction, Stadgenoot will make extra investments in the coming five years in IT. We are going to simplify the 'application landscape', further automate processes, digitalise customer contacts and integrate social media in our communication with customers. That demands further professionalization of the IT organisation: the management (planning and working by project), architecture, application and access security, data quality and links between business-critical applications have to be better.

New developments in the area of policy and laws, such as the landlord's tax, European privacy rules, the core task discussion and the separation of

commercial and social real estate require great efforts from the IT organisation. A strategic future vision for that is being developed. We are investigating whether Stadgenoot can, entirely or partially, take on this responsibility itself, or whether collaborative connections with other housing corporations or commercial providers are more suitable for this.

Sustainable use of employees

All the changes in the daily work demand a great deal from our employees. They have been faced for years already with change and uncertainty. And that continues to be the case. The organisation has to become leaner, and the work has to change. That asks for flexibility, for an attitude within the company of being willing to switch to other work as well as to look outside the door at new career options.



Core figures for largest Stadgenoot subsidiaries Numbers as of 31-12-2014, amounts x € 1,000, VBA: VvE-beheer Amsterdam

A flexible work attitude is a responsibility of both the employer and the employee. Stadgenoot has to invest in training and coaching. The employees also have to ensure sustainable usability. The employer can help with that, but it sets requirements for the preparation of employees and the culture within the organisation. Employees have to take more responsibility for their work and for their own career.

With the focus on the core function, the question also arises of what Stadgenoot itself will do and what will be outsourced. At this moment, all activities will be outsourced. We have moved some of them into subsidiary enterprises (see previous page).

In the coming years, we will also investigate whether efficiency and quality improvements can be achieved through further outsourcing. Where outsourcing will improve our business operations, we will do that.

Customer awareness and customer treatment

The ultimate result for Stadgenoot is the provision of service to the customer. In the past years, we have put more focus on the activities of the organisation. There is only one task, and that is the core task. Activities like the renting of commercial spaces and shops serve this task. The awareness that the ultimate result of the work is providing

Into the neighbourhood
Each year, Stadgenoot organises a Neighbourhood Day. All employees participate. There are tours, open houses, clean-up actions, and much more. We thus become better acquainted with an Amsterdam neighbourhood, the residents and each other.



Neighborhood day 2014
Holendrecht



Neighborhood day
Osdorp



Neighborhood day 2015
Osdorp

service to the customer (the **customer awareness**) has to be deeply ingrained in all employees.

The contact with our very diverse customer groups is not always entirely smooth. Respect for official institutions has significantly decreased in the past decades. Many service providers experience that in the public and semi-public sector, from ambulance personnel to train conductors and police officers. Corporation employees also have to deal with this. Our customers are demanding and vocal. In addition, communication via social media with an enormous reach is very easy. The rules of decency are not always taken into account. We are investigating options to offer our employees more support against all forms of intimidation, including via social media. We expect our employees to be respectful and to approach our tenants with understanding, but we expect the reverse as well.

In the contact with customers, ever-more will be asked of us. We have to be clear about what can and cannot be expected of us, but also have to have individual approaches in discussions with people. What a clean stairwell is, is not an objective fact but contextually determined. We prefer to determine that in consultation with residents, where it is also a challenge that they do not always agree with each other. We want to be clear about the rules. You cannot achieve that simply by posting a notice that something is not allowed. Sometimes, it is better to discuss things with someone. You have to be able to do that.

Employees are faced with so many claims, and sometimes in such an aggressive way, that it is understandable that they sometimes take a defensive position or hide behind the rules. In the coming years, we are going to devote a great deal of attention to the training and coaching of our employees.

Social anchoring

We are Stadgenoot, and our name is our goal. We give form to the connectedness that we feel with the city at all possible levels. We keep a finger on the pulse of society by engaging with our tenants and other stakeholders. We thus want to guarantee that we behave legitimately, with integrity and transparently. More than ever, that is very important. We must take responsibility for the choices that we make. Only when Stadgenoot is connected in the right way with the surroundings are we able to do the right things.

Area-focused work is critical for Stadgenoot. Two Area Management



Huurgenoot

departments, with a total of six area teams, collectively cover the whole city. The role of our house supervisors is going to change. They become district managers who are present in the neighbourhoods daily. In the development of plans for renovation and new construction, they will be supported by project directors. The asset managers set up complex plans and do that in consultation with colleagues and other stakeholders. There is executive alignment at the city level, but also with the city boroughs and the most important social partners.

The resident committees and tenants' group Huurgenoot are our natural conversation partners, as is the municipality and the city boroughs. We also have intensive contact with care and wellness organisations and organisations for social services. It is the intensive contact, the will to collaborate and being open to the problems of the other that form the indispensable links to Amsterdam society. Stadgenoot will hold onto that attitude.

We remain very alert to our external legitimacy. The Social Council fulfils a special role in that. That has as its most important function keeping us in touch with the most important social movements in the city. The Social Council organises the discussion with varying participants from inside and outside the organisation.



Our stakeholders

Stakeholders are all parties that have a relationship with Stadgenoot. We try to take everyone into account as much as possible. The most important stakeholder group is our tenants, but also local governments, care and wellness organisations and colleague corporations are stakeholders of Stadgenoot. On 18 February 2015, we organised a stakeholders' gathering about the contours of this business plan.

Governance: managing Stadgenoot

The corporate governance of Stadgenoot was assessed in 2015 as good by our review committee and will be further sharpened in the coming years because the Housing Law and the new Governance Code for Housing Corporations set stricter requirements. The attention to risk assessment, risk management and compliance (fulfilling laws and regulations) will be further promoted.



Continuity

Stadgenoot is seeking a new financial balance, whereby the operation results are the motor for new investments. The return on investments will be improved.

**dynamic
balance**

Finances

Three developments have affected Stadgenoot significantly: first of all, the economic crisis, then the landlord's tax and finally the sharpening of the financial norms by our supervisory body and the WSW. We were forced to pull back on our investment programme and to trim down the company and make it more flexible.

Development positions are disposed of, commercial spaces and homes sold, loans paid off. The organisation has been modified and trimmed down. The rents are – within responsible margins – increased. Everything to become financially sound. The results speak for themselves. We are under increased supervision by the Autoriteit Woningcorporaties ('Housing Corporations Authority'; previously Centraal Fonds Volkshuisvesting) and we are again doing well in the Aedes benchmark. We score the rating of 'AA with a stable outlook' from credit assessor Standard & Poor's. Over the course of 2017, we will also fulfil all the norms of the Waarborgfonds Sociale Woningbouw ('Social Housing Guarantee Fund'; WSW). By 2019 at the latest, the 'sanitation' of Stadgenoot will be completed and space will again be created for growth.

Starting in 2008, when the crisis began, the restructuring was cancelled in places where the renewal had already begun. In other neighbourhoods, we have postponed plans. In the coming five years, that investment programme will also be completed. This means realisation of new projects in the restructuring areas, the disposal or

development of the last new construction locations and the sale of both a large part of the commercial real estate and some complexes with predominantly free-sector rental homes.

In the Collaboration Agreements that the Amsterdam corporations, tenants and municipality have made, limits the contraction of the affordable sector.

Stadgenoot guarantees possession of at least 26,500 affordable rental homes. We thus put the brakes on the numbers of homes to be liberalised. We do continue selling homes until the lower limit is reached. That will be some 300 per years.

In 2019, the company will be so sound that we will again be able to make new investments from our operating revenues.

We are growing into a **new, dynamic balance**. In 2019, withdrawals and additions of homes will be in balance. In the years thereafter, we will maintain that balance. The operation and interest expenses must first be further reduced, so we continue to improve our debt position and to trim down our organisation. A more efficient rental and change process (or relocation process) reduces the vacancy rate and saves on costs. A limitation of the foundation expenses ensures better profits. The determination to move to a dynamic balance takes a heavy toll on the future of the last four renewal areas. In collaboration with private investors, an optimal financial and public housing strategy has to be developed.

Stadgenoot has the goal of resuming growth after 2020, since we are convinced that the city will continue to grow and that the demand for an affordable supply will continue to be about 40% of the total housing supply. Starting in 2020, we want to add homes annually to our supply.

On the basis of the current calculations,

that has to be about 200 per year, on top of the number of homes that has to be added in order to compensate for sales and demolition. This growth (purchase and new construction) will have to be largely financed out of the operation results of Stadgenoot, the balance of incomes and expenses.

Achieving the goals of this business plan requires a considerable degree of flexibility. We have to fulfil the requirements under the Housing Law, the Rental Accord, the WSW framework plan and the performance agreements with tenants and the municipality. The calculations through 2020 show that we will meet all the requirements for Stadgenoot as a whole. Our new target rental policy (70-20-10) is taken into account, as well as a brake on the constriction of the social rental supply.

The challenge for the coming years in summary:

- The optimal use of our social rental homes for those who are designated for them;
- The completion of the restructuring (Geuzenveld, Waterlandpleinbuurt, Kolenkit); the disposition or development of the current development portfolio; the trimming down of the organisation and making it future-resistant, and the reduction of debt;
- The guarantee of a dynamic balance with 26,500 social rental homes, including the set-up of final plans for the last four renewal neighbourhoods, the optimizing of the management of the existing supply, streamlining of our customer processes and the structural reduction of the foundation costs for social new construction;
- The search for options for managed growth after 2020 in consultation with municipalities, colleague-corporations and market parties.

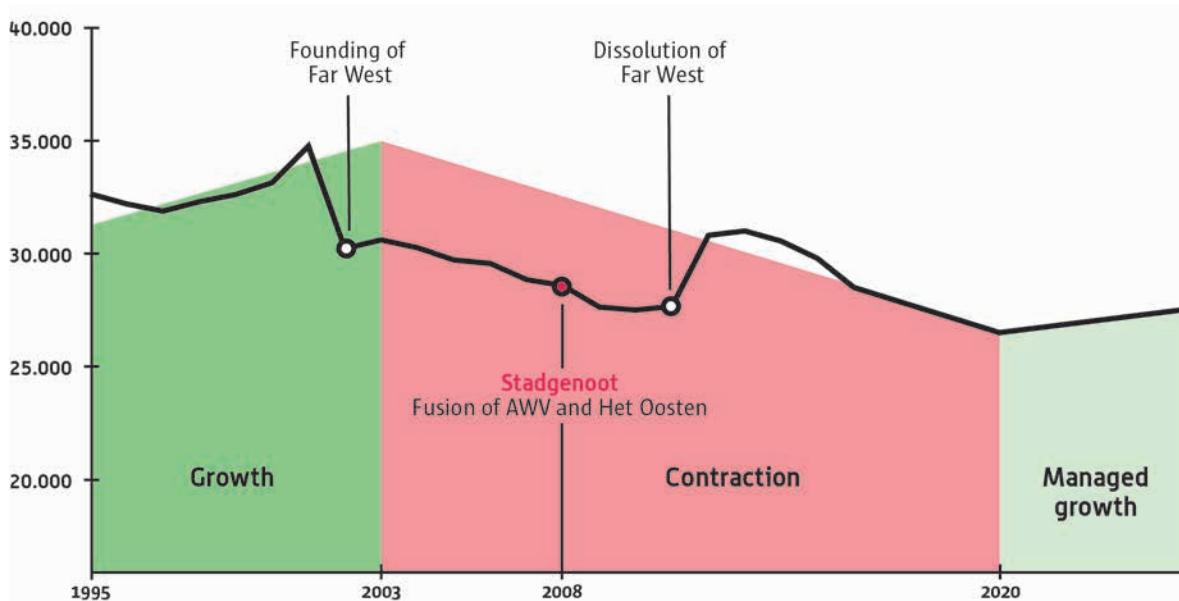
	2015	2017	2019	2020
Business operation results (as % revenue)	21%	18%	25%	28%
ERV management company ¹	116%	117%	138%	141%
Balance investment company (in millions)	€ 37,2	€ 39,2	€ 38,1	€ 26,5
Loan repayments (cumulative)	4,8%	14,2	20,4%	21,8%
Solvency²	53,5%	57,6%	60,5%	61,9%

¹ For sound real estate operation, the regular incomes (without sales revenues) have to cover the costs for management, maintenance, renovation and interest expenses. The degree to which that works will be expressed in the Exploitatie Rente Verhouding ('Operation Interest Ratio'; ERV). With an ERV of 100%, we break even. Income and expenses are then

in balance. With an ERV larger than 100% creates space for investments that can be covered by the operating results.

² The solvency is the ratio between owned assets and total assets. The total assets are the sum of owned assets and outside capital. Outside assets concern the debts (obligations) that Stadgenoot has.

Financial multi-year prognosis (MYP) 2015 - 2020



On 1 July 2008, the *Algemene Woningbouw Vereniging* ('General Housing Association') and *Het Oosten* fused into a new housing corporation, Stadgenoot. Above, the assets of AWV and *Het Oosten* between 1995 and 2008 have been added together. In 2002, Far West was set up, a collaborative of corporations that are working on the urban renewal in Nieuw-West.

The properties of the corporations in question were transferred to Far West. In 2012, Far West ceased operations. The properties went back to the corporation that had contributed that real estate. The constriction in 2002 and the growth in 2012 are to a great extent explicable by the founding and liquidation of Far West.

Development of Stadgenoot housing supply

Nine projects

The goals of this business plan are ambitious, but realistic. They are achievable as long as the conditions do not change too drastically. Some changes are predictable. Those are also taken into account. But events will undoubtedly occur in the coming years that are not clearly predictable from today's perspective.

A number of sketched developments have already been put into motion. Starting in January 2016, we will really get to work on achieving the goals. We will do that initially through the design of nine projects. Most have a throughput time of the entire business plan period. They cannot be strictly prioritised, because they have many mutual dependencies and are inextricably connected with each other. One project cannot be done without another.

1 The tenant central

In the coming years, the tenant has to take on a central position for Stadgenoot. The relocation process will therefore be organised to be faster and more efficient; repair requests, handled more smoothly. The tenant will be more involved in the maintenance and management. We are going to further improve and expand the service provision via the digital customer portal.

A - The relocation process

The current relocation process is too slow and cumbersome. A great deal of double work is done; the customer has repeated long waits, and a great deal of time is lost with procedures that are focused more on the exception than on the rule. The customer is subordinate to policy, procedures, management-thinking and outdated IT systems. By optimising the relocation process, the customer can be helped better and faster, at lower costs for the organisation and with employees who take more pleasure in their work. IT is one of the gateways to achieving a better relocation process. We are investigating how IT can become supportive of the intentions of the relocation process: helping the customer relocate well and quickly in one stroke. A project team of employees has already formulated a number of improvement proposals. A small team is first going to experiment with those. Then the new work method will be implemented step-by-step. An optimal relocation process will lead to a higher rating from customers.

B - Service maintenance

Tenants often have to wait a long time for repairs. In addition, many repairs are not done well in one attempt. That leads to a lack of efficiency, high work pressure and dissatisfied customers. An important explanation is that it is often not clear for the organisation what has to be done, what materials are needed and how much time the job will take. In addition, better insight is needed into the capacity of our own maintenance service and other services, linked to accurate scheduling. Analogous to the relocation process, the improvement of the service maintenance will be expressly framed from the customer's perspective. After one experiment on a modest scale, the work method of the whole department will be modified. Ultimately, 80% of all repair requests have to be resolved well in one attempt within three workdays.

C - Multi Channel Strategy

The increased digitalisation of society demands a new approach for the customer. The customer wants to use very different channels than just snail mail and telephone. Social media and mobile devices are becoming ever-more important. We are working out a Multi-

Channel Strategy, with the starting point that the customer determines what channel he or she uses and what channel is used by us. The rolling out of this strategy is a chore that demands significant modifications of the processes in the back office.

One of the channels is the digital customer portal, *Mijn Stadgenoot*, that has been implemented. Customers can log in here in order to make schedule repair requests and to make payments, notifications and requests. Only a limited number of tenants are so far making use of this. That is in part because *Mijn Stadgenoot* is not yet properly customised for smartphones and tablets. In the *De Studio* project, it is being investigated whether all communication with the tenant can be done digitally in the future. The first results are encouraging.

D – Resident participation in maintenance and management

We want to do a better job of involving tenants in maintenance and management. The wishes of residents have to be reflected in decision-making. Otherwise, resistance to the work arises during the maintenance as well as possible dissatisfaction with the results. In the past year, work has been done on that by means of four projects. The work processes of the employees of Area Management and Scheduled Maintenance and of the project directors still require adjustment. It always has to be clear when and how the voice of the tenants will be heard and what role that plays in the (maintenance) project. The outcome of this process has to be that the voice of the residents is a natural part of all maintenance and management projects.

2 To a dynamic balance

The corporations have made the agreement with the municipality and the Huurdersvereniging Amsterdam ('Tenants' Association Amsterdam'; HA) that in 2019, they will have at least 162,000 affordable rental homes. We account for 26,500 of those. For the period thereafter, we are striving for a dynamic balance. The balance of withdrawals and additions must at least be neutral.

Maintaining the mixed city makes it desirable for the development of the core supply keeps pace with the growth of the total home supply. That means that our housing portfolio has to grow by 200 homes annually after 2020. The 'base' of our core supply may be included in the multi-year budget, but the policy has to be adjusted to that. Without changes in the target portfolio, the sales policy, the new-construction goals and the complex plans, *Stadgenoot* will sink below that base and cannot even begin to consider expansion of the properties. The construction of new homes is a long-term process, and one that is complex due to lack of development locations.

With project 2, we do two things. We concretise how *Stadgenoot* can achieve the desired supply in 2019 and the dynamic balance in the years thereafter. And we formulate how *Stadgenoot*, within the limits of the public housing challenge and a financially sound position, can add sufficient homes to the portfolio after 2020.

3 Appropriate living

We think it is important that there is good and affordable living space for people who need support. The reality is that many people are living too expensively or too cheaply, given their family composition and income. In order to distribute the scarce social rental homes as well as possible and to utilise the social investments of the corporation as efficiently as possible, we want to manage appropriate housing awards better. For that, we have to look further than the new rentals alone. We also want to manage on the suitability of the current tenants. Exercising interim influence on existing rental agreements, however, stumbles over both laws and regulations as well as local agreements. In order to improve the dynamics in the social sector, we think that the regulations have to be modified in certain areas. Permitting five-year contracts, the five-year income test for the benefit of income-dependent rents and the senior broker are some options. Project 3 has to lead to a new, broadly shared Amsterdam strategy for suitable living, for both new tenants and current tenants. The social revenues from the rented homes will thus increase.

4 Sustainable usability

Stadgenoot, that's us. The employees make the company. In order to be able to do that well, we have to know our properties and our services well. We have to be creative and act from the viewpoint of the customer. Creativity and flexibility are the key concepts. What is desired from us is not static, but constantly changing. The realisation that working with Stadgenoot is finite is very important. Getting hired and doing the same work until retirement is increasingly becoming the exception.

It is of great importance that the sustainable usability of our employees be improved. That demands not only significant efforts from the employer, but also from the employees. They have to invest as well. The rapid changes in the labour market require that. Some employees of Stadgenoot are doing work for which there will be less need in the coming years. If they are not working on their development, they will have a difficult time. We are going to work on the theme of sustainable usability, do more on career development and set up a programme focused on the health of our personnel.

5 IT: one truth

We are striving for a lean and flexible organisation. That will not work without a future-resistant IT structure, based on one central 'mother database' with unambiguous and correct information about tenants, real estate and employees, which is available at any given time. That future-resistant IT environment will come.

A - Information technology (IT)

For the effective and efficient execution of our tasks, we are strongly dependent on advanced information technology. In the past, the best solutions were not always chosen. There are a number of refined customised systems that are maintenance-sensitive, and that therefore cost a great deal of money and are not future-resistant. We are switching over to optimally integrated standard solutions that prevent waste and double work, make it easier to fulfil privacy laws and offer more space for extensive digitalisation of the contact with our tenants.

B - Business Intelligence (BI)

The quality of data within our current IT structure is insufficiently guaranteed. This will, given the increasing importance of good data, become an increasingly significant problem. Insufficient data quality also leads to a necessity for error recovery, investigation work and double work. Business intelligence is about clear definitions of the data that we work with, clear assignment to the responsible party and constant attention for the equipment. That has to ensure that we continue to have high-quality data for our primary processes and the most important internal and external reports.

6 Real Estate: Total Cost of Ownership

The foundation expenses of a building make up only a limited part of the costs of that building if you look at the total life cycle. Maintenance and management weigh much more heavily on the Total Cost of Ownership (TCO). In Stadgenoot terms, we are talking about Project Development, Daily Maintenance, Change Maintenance, Scheduled Maintenance and Property Improvement. With integrated management on these points, significant cost savings are possible; that is the conviction. Because the budget for maintenance and improvement of property remains at the same level in the coming years, it has to be possible to do more with the same money. That is the focus of Project 6.

First of all, a clear view of TCO is developed. Second comes better norming for the scheduled maintenance. Each building block gets a label that indicates the maintenance strategy and determines which maintenance will be done when and at what cost. Third, in order to be able to manage better, it is obvious that the TCO budget is brought under one central responsible party. Point four: new construction and property-improvement projects will be explicitly developed out of TCO thinking. Finally, we want to make better use of the knowledge and expertise of the market, whereby we move to directive commissions in order to establish and have done – in good harmony with our partners – the necessary maintenance to our properties.

Project 6 has to lead to operational working out of the complex labels and condition scores of our building blocks, the project-based development of a quality monitor, adjustment of procedures, more knowledge about directive commissioning and restructuring of the supplier management.

7 Urban renewal

Due to the crisis, we called a halt to the renewal plans in a number of neighbourhoods five years ago. These are the Duplexeland and the Kop Sloterplass in Slotermeer, the Wildemanbuurt in Osdorp and the Van der Kunbuurt in Oost. In the past years, the choice has been for maintenance: the homes are brought up to basic quality and efforts have been made in the improvement of liveability. Before 2020, we want to set up a supported future vision for these neighbourhoods. For this, we start in the coming years with an exploration of the financial, public housing and city planning options, and we will enter into discussions with the municipality, city boroughs, residents and other interested parties.

8 Living on Oostenburg

Stadgenoot is the owner of a large part of the Oostenburg island. The purchase was intended to transform the terrain from an outdated industrial area to an inner-city mixed living-and-working area. Under the current Housing Law, we could not develop an area like Oostenburg, but the redevelopment of the area located centrally in the city can be completed. We want to build around 250 new social rental homes here. The rest is for the market. As soon as the zoning plans are finalised, a separate project organisation will distribute plots to market parties and individuals in the period 2016-2019. Stadgenoot will also construct the public spaces in consultation with the municipality.

Because this development takes place on our own ground, the value development as a result of the transformation benefits Stadgenoot. The original investment can be expected to be entirely earned back. Because we are building only social rental homes ourselves, the financial risk is limited.

9 Implementation of the Housing Law

For 2017, we are setting up a plan for the separation of Services of General Economic Interest (public, or BAEB tasks) and commercial (non-DAEB) tasks. It is also about the separation of the tasks that may be counted as part of the core task of the corporation and what falls outside that. The separation plan has to be desirable for public housing, financially possible and organisationally workable. In addition, the plan has to provide for the perspectives of the municipality, our tenants' association and the WSW.

The separation of DAEB and non-DAEB activities in financially sound business areas affects the entire organisation. A complicating factor is that many of the new laws have not yet been worked out. In order to get a view of all the effects for the Housing Corporations Authority, various scenarios will be sketched: for the organisation, the financing of projects and the internal business operations.

It is 2020.

more residents than ever

Affordable living in a world city

It is 2020. Amsterdam has more residents than ever. The limit of 900,000 residents is in sight. In the years of the crisis (2008-2013), Amsterdam grew stronger than everyone had expected. Due to the attraction of the home construction production after 2014, the growth continued steadily. The popularity of the city is further increased.

The escalator got stuck ...

For years, the city was characterised as an escalator. Young people came into the city, completed their education and began to earn more. A part of them leave the city after a period of time and make space for a following generation of young urbanites. Over the years, ever-more people also stayed in the city, even after completing university, finding a job and having children. We called this group the new urbanites.

threat of a London-condition

After 2010, Amsterdam entered another phase. It is no longer only the first-year students who come to the city, but also those graduated from other university towns. In the escalator city, the incomes of the migrants are higher than those of the newcomers. But in 2015, the Research and Statistics agency noted that there were more high-income people entering the city than leaving it. Due to its increased popularity, the city offers ever-less space to starters. With that, the city threatens to lose its function as an escalator: 'London state'. The mayor warns about extremely wealthy foreigners who are buying up buildings in the belt of canals; the rolling suitcases of tourists are the international symbol of historical inner cities that lose their traditional living and working functions.

affordable rental homes distributed across the whole city

...and began to move again

But there is a difference. Amsterdam is not, like London and Barcelona, the victim of its own success. In Amsterdam in 2020, 40% of all homes are still part of the social core supply: affordable rental homes owned and managed by six housing corporations. The homes are spread across the whole city. In each of the 22 districts, at least 20% of homes are part of this social core supply, even in the inner city, even in Amsterdam-Zuid. Amsterdam has always had many social rental homes, but after 2015, the question was urgently raised of who the homes are for. There have to be enough homes for starters, so that the city can continue to fulfil its escalator function. The implementation of the five-year contract plays an important role. Just as in the labour market, you no longer immediately get a permanent

no longer an immediate
permanent contract

contract in the housing market. Home-seekers start with a temporary contract, and many can take their next step in the housing market between the ages of 30 and 35, so that a home again comes free for a new generation of starters. Amsterdam therefore remains accessible for young people.

As long as needed, as short as possible

Social rental homes are not only of great importance at the start of the housing career, but also at the end. Due to the separation of living and care, people continue living independently longer. Amsterdam's population has aged less than other parts of the land, but the number of older people is increasing from 2015 to 2030 by 60%. Corporations entered into discussion with the municipality and care and wellness organisations in order to ensure a safe and cared-for environment in all 22 districts of Amsterdam. The first projects, like De Boeg of Stadgenoot, were realised in the period of 2015 – 2020, but there is still a great challenge. Elderly people take the initiative to be able to live together with trusted neighbours. Stadgenoot gives space to those initiatives. In 2016, the Ramses Shaffyhuis was delivered, where older artists live in one complex and share studios with younger artists. The social rental sector thus takes on a specific role: the corporations offer affordable homes to people who are designated for them for a shorter or longer period in an increasingly popular, small world city. It is about customisation: no longer quality for everyone, but the right quality at the right price for the right group.

the elderly live in a safe
environment

the right quality at the right
price

Transformation, compaction and renewal

After the stagnation of housing production in the years 2010-2015, the city is again desperately searching for construction options. Within the municipal limits, those are limited. In IJburg, the centre island was constructed, where at the last moment, social housing construction was made possible piecemeal. Corporations no longer compete with each other for who gets to build, but make agreements over it in an open and transparent process. The greatest contribution to the construction challenge must come out of the transformation and compaction of existing urban areas. Stadgenoot delivered the first social rental homes on the island of Oostenburg in 2020: small, comfortable apartments with a lift for seniors. The plans for the construction of a complex for young urbanites are well advanced. On the other side of the IJ, the area around the Oranjewerf is being transformed into a living/working area. Stadgenoot is building social rental homes there.

urban renewal is
completed

The urban renewal is in a completion phase. That applies for Geuzenveld, the Kolenkitbuurt, the Bosleeuw and the Waterlandpleinbuurt. There are intense discussions with the municipality, city borough and residents about the future of the four neighbourhoods where Stadgenoot did not yet have any final future vision. The Van der Kunbuurt on the Amstel and the Noordzijde of the Sloterplas are also seen by the municipality as opportunities for compaction and to realise new city connection points. Stadgenoot cooperated in those plans, under the condition that the same number of new social rental homes will be created as are demolished.

Affordable living in a world city

After all the discussions about the role of the corporations in the 2010s, their added value is no longer a matter for discussion at the beginning of the 2020s. Not by offering new constructions, but by continuing to do what they are good at: affordable living in a world city. The corporations are indispensable partners for the city council in order to ensure that Amsterdam is an attractive city and remains that way for all income groups. What was considered impossible more than a century before has happened. The government has recognised that corporations can fulfil different roles under different local circumstances. Housing corporations in Amsterdam are again getting the space to be active not only for those with lower incomes, but also for middle incomes.

	2015	2020
Core supply	Number of social rental homes	29,639 26,500
Affordability	Goal rental policy by percentages	50-25-25 70-20-10
Customer	Customer satisfaction score	7 7.5
Personnel	Number of FTEs	332 300
Sustainability	Average energy label	D C
	Number of F and G energy labels	2,700 0

Critical performance indicators 2015 - 2020

Colophon

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20