

Market structures of rental housing – comparing the competitiveness between social and private renting in two local housing markets in England and the Netherlands

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Abstract:

Governments in many countries have required social housing providers to operate more market-orientated and engage in commercial activities. Conversely, public authorities in some countries have tried to strengthen the role of the private rental sector in the provision of housing for low income households and homeless people. As a result, the once clear demarcation between the activities of social and private landlords appears to be shifting, which has possibly led to increased competitive pressure on both landlord groups. In an attempt to establish a constructive and innovative way forward to analyze and give meaning to the concept of competition between rental tenures, this paper sets out the idea of a perfectly competitive market structure of rental markets.

The theoretical part of the paper is guided by the questions of how one can translate established economic theories of competitive markets to rental housing and what a competitive market structure is in the context of competition between social and market renting. In the second part of the paper, the theoretical concept is applied to two local housing markets, Coventry in England and Breda in the Netherlands. Here, I will provide some evidence on how and why rental housing in Breda seems to be more competitive than in Coventry. The application of the model will highlight the value of the present approach.

Key words: Comparative Housing Research, Competitiveness, Market Structure, Private Renting, Social Housing