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Table 8.8 Housing implications of broad demographic trends until the end of the century

Group	Late 1980s	1990s	Housing need
Young people forming new households	Increasing	Decreasing but possibly staying longer in small households	Small cheap accommodation 'starter' homes
Older expanding households	Steady	Increasing	3+ bedroomed family accommodation
Contracting elderly households	Increasing	Decreasing but more aged 75+	Small units; specialist housing repair and maintenance schemes
Lone parent households	Increasing	Steady?	Cheap family housing

with relatives and the post-war period has been characterised by a trend towards residential independence among the elderly. The numbers of 'young' elderly will fall between now and the end of the century, but the increasing numbers of 'old' elderly suggest a greater demand for specialist housing for the frail elderly and for house repair and maintenance schemes.

Overall, the Department of the Environment's 1981 based household projections assume an increase of about 1660 thousand households in England and Wales between 1986 and the start of the next century. In addition to catering for the needs of these additional households, there is currently a shortfall of fit dwellings of some 600,000 (Ermisch 1985). Some signs of housing stress have increased in recent years, for example the number of families accepted as homeless by local authorities in England and Wales increased from 75,000 to 88,000 between 1981 and 1984 (Murphy 1986). Further restrictions on the provision of low cost rented accommodation will undoubtedly exacerbate this stress.

#### Acknowledgement

The author would like to thank all OPCS staff concerned with the Longitudinal Study.

## 8.II THE NETHERLANDS, 1960-1981

Pieter Hooimeijer and Marianne Linde

### 8.7 The data set

The analysis of demographic change is most appropriately studied using a longitudinal data set. Unfortunately data as contained in the OPCS Longitudinal Study in England and Wales are lacking in the Netherlands. Our empirical analysis of the relationship between demographic developments and housing needs is based mainly on the National Housing Needs Survey

(WBO) of 1981. This data set has been collected by the Dutch Census Bureau, authorized by the Ministry of Housing. The survey is a 1% stratified sample of the Dutch population of 18 years and older. The questionnaire includes items on the present household characteristics, on the present housing situation, and on the changes in this situation over the preceding four years. Also some questions are incorporated about changes in household composition. People who live in institutions at the time of the survey were not interviewed and this means that moves into homes for elderly persons cannot be analysed.

Although the sample is based on individuals, it is also possible to get information about household characteristics. This is done by a weighting procedure. A household is defined as any group of two or more persons who cohabit in a homelike manner and who share the housekeeping. A single person household is defined as a special type of household which consists of one person. After adjustment, the data set consists of 4.9 million households. Other data sources used are the population accounts and published material from the 1960 and 1971 Censuses.

### **8.8 Household evolution and the housing market**

Over the last two decades, a growing number of households have emerged that do not fit in the classical succession of stages which make up the well known family life cycle model. Increasing divorce has resulted in an increase of single-headed households for example. More couples have taken the decision to have no children. In the literature several possibilities have been proposed to overcome the conceptual shortcomings of the family-life cycle shown in Table 8.1. The expanded family life cycle (Kuysten 1986, Spanier and Glick 1980, Ploegmakers and Van Leeuwen 1986, Nock 1979) incorporates other events that have traditionally been neglected, like childlessness, cohabitation, divorce and remarriage. In this way the multidimensional life cycle concept still seems useful as an organizing tool for analyzing the relationship between demographic events within households and their impact on housing demand. However these changes in human behaviour must not be overestimated. At present, some 85% of all Dutch females marry and over 90% of all married women give birth to at least one child. The extended life cycle can be used as a frame of reference to elucidate the housing consumption of both the households which fit in the classical typology and, by contrast, of the ones which deviate from this sequence.

A wealth of literature exists on the relationship between the life cycle and housing consumption (see Quigley and Weinberg 1977, or Clark and Onaka 1983). The most fruitful approach to clarifying this relationship is by looking at changes in housing consumption as steps in the advancement along a housing career (Kendig 1984). In order to distinguish direction in a housing career it is necessary to order dwellings in a hierarchy of submarkets, based upon a general agreement among consumers as to the relative desirability of the housing units contained in these various submarkets (Sweeny 1974). In building the typology we have limited ourselves to the bundle of housing attributes which are directly related to the demographic characteristics of households: number of rooms, type of structure and tenure. Using the results of earlier research (Scholten and Hooimeijer 1985), an ordered typology of dwellings has been constructed (Table 8.9) which reflects filtering in the expanding phase of the housing career (Kendig 1984). Comparison with the situation in the

United Kingdom is hampered by the fact that housing market conditions differ. Owner-occupation for instance, has risen from 29% in 1950 to about 60% in 1980 in Britain. In the Netherlands the percentage of home-owners was about the same in 1950, but has risen to only 40% in 1980. The ongoing selling-off of council housing in Britain has no parallel in Holland (Boelhouwer and Van Weesep 1986). The housing associations, which own most of the social rented housing in the Netherlands, are very reluctant to sell their property, although this might change in the future.

Table 8.9 The housing typology in 1981

Type of dwelling	No.	(000s)	%
1. Rented, multi-family,	3 rooms or less	776.7	15.8
2. Rented, multi-family,	4 rooms or more	602.5	12.2
3. Rented, single-family	3 rooms or less	247.0	5.0
4. Rented, single-family,	4 rooms	710.1	14.4
5. Rented, single-family,	5 rooms or more	527.0	10.7
6. Owner-occupied,	3 rooms or less	273.4	5.5
7. Owner-occupied,	4 rooms	735.5	14.9
8. Owner-occupied,	5 rooms or more	1053.9	21.3
	Total	4926.2	100.0

Source: WBO81

## 8.9 Household changes during the life cycle

### 8.9.1 Household formation

Three demographic changes are mainly responsible for the growth in households exceeding that of population over the last two decades. Firstly, young people have left their parents home on average at a younger age. Secondly, the time of first marriage has been postponed and this combination has resulted in a growing number of young single person households. The third change concerns the increasing number of divorces.

Most young adults leave their parental home during their late teens or their early twenties to establish a new household. This occurs somewhat later for men than for women. During the sixties and the first part of the seventies the number of children leaving their parents home grew significantly (Table 8.10). The increase was a result of relatively large birth cohorts in this stage and partly because the average age of children leaving the parental home dropped to 23 for women and 24 for men (Figure 8.3). The substantial increase in participation in higher education, especially among women, and the concentration of these services in some

large cities, stimulated this development. Also, economic growth in these years offered young people more opportunities to leave their parents at a younger age. The individualization process has also stimulated young adults to seek independent housing. In the second part of the seventies the growth of the Dutch economy slowed down and the costs of housing increased. The average age of initial household formation stabilized and the number of children leaving the parental home decreased.

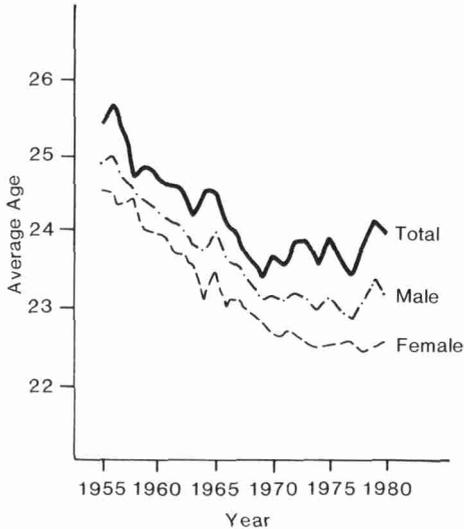


Figure 8.3 Average age at time of 'nestleaving', 1955 - 81

Table 8.10 Number of persons leaving the parental home, 1960-1981

Time period	No.	Index
1960 - 1964	923,583	100
1965 - 1969	1,152,948	125
1970 - 1974	1,254,775	136
1975 - 1979	1,168,660	127
1980 - 1981	389,514	105

Source: WBO81

Another change in the household formation process concerns the mean age at first marriage. Since the early seventies the number of married persons, especially among the young, has dropped. On 1 January 1985, only 10.2% of women in the birth cohort of 1965 were or had been married. The percentage had been 29.3%, at the age of twenty, for the 1955 birth cohort. Postponement of the first marriage is related to changing norms within society during the late sixties, when cohabitation without being married became a more generally accepted feature, as was living alone.

A third process that has caused an increase in the number of households is divorce. A divorce results in household formation as well as in household contraction. The person(s) leaving will form a new household which will be in need of housing. The person(s) staying behind may also experience a change in housing needs, e.g. for financial reasons. Since the early seventies, the number of divorces has increased remarkably. This development peaks in 1971 as a consequence of an amendment of the civil code in that year. After this, the trend persists as indicated in Figure 8.4. The increase in divorce rates has been most pronounced among younger people. Not only do more marriages end in a divorce, but the duration of marriage has become shorter. The rise in the proportion of marriages ending in divorce has influenced the distribution of individuals between households in a number of ways. The increase in the number of one parent households is shown in Table 8.11. There has also been a decline in the proportion of marriages ending in widowhood. A third consequence is the steady rise of the number of marriages per person because the probability that a divorced person will remarry is quite high, especially for men. The effects of divorce on the housing consumption are often overestimated because many divorced people find a new partner within a couple of years.

Figure 8.4 Divorce rates by broad age group, 1960 - 81

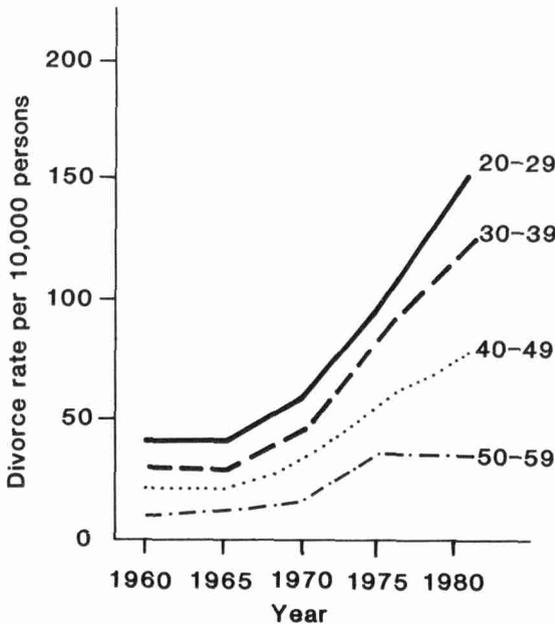
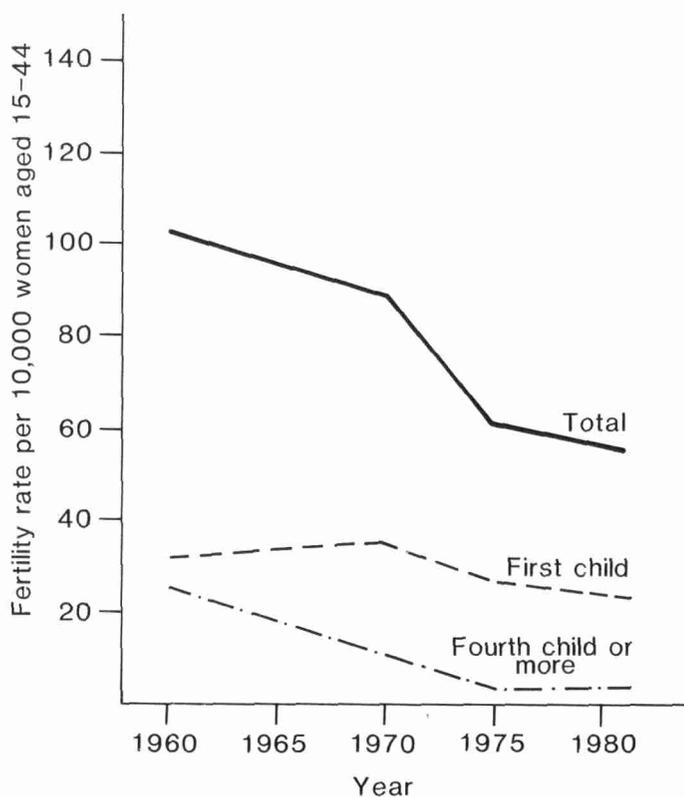


Table 8.11 The distribution of households (head 45 years or younger) between household types, 1971 and 1981

Household type	Year			
	1971 No. (000s)	%	1981 No. (000s)	%
1. One-person households	247.3	13.0	433.7	18.1
2. Married couples	296.0	16.1	391.0	16.3
3. Family households	1217.0	66.2	1246.2	53.2
4. One-parent households	58.8	3.3	118.9	5.0
5. Non-family households	18.3	1.0	179.5	7.5

Source: WBO81

Figure 8.5 Fertility rates for women aged 15 - 44, by number of children, 1960 - 81



### 8.9.2 Household expansion

Household expansion refers to the birth of children. In the Netherlands, as in all other Western European countries, nuptiality has dropped. In 1960, fertility in the Netherlands was still high, but thereafter, the total fertility dropped steadily. Up to 1970, this decrease was concentrated in the age categories between thirty and forty; after 1970, the fertility of the younger groups also declined. The reason for this trend becomes clear from an inspection of Figure 8.5.

Up to 1970, the drop in fertility was mainly caused by the fact that less children of birth order four or higher were born. Of the total of 179,000 live born children in 1980, 6.1% were of birth order four or higher, while in 1960 25.0% were born into a family with three children or more. After 1970, the number of first born children per 1000 women in the age 15-45 also decreased. The trend has changed from 'people having less children' to 'less people having children'. Furthermore, the average duration of marriage at the time of the first birth has increased. Thus not only do less people enter the expansion stage, but those who do will enter this stage at a later age. Although the expansion stage has lost importance, it remains dominant: 40% of all households in 1981 were classified as two-person households with children and almost 80% of all households enter this stage.

### 8.9.3 Household contraction

The moment at which a household enters the contraction stage of the life-cycle (the child-launching and the 'empty-nest' stage) is determined by the age at which the first and the last child respectively were born; and age at which these children leave the parental home. In 1960, the mother was (on average) 51.4 years old when her first child left home, where as in 1975, the age had decreased to 48.1. The difference can only be partially explained by the decreasing age at which women had their first child. The cohort born in 1905-1909 had their first child at the age of 27.6, while the cohort of 1925-1929 showed a mean age of 26.9 (Corver et al. 1979). It is obvious that the decreasing age at which children leave the parental home is largely responsible for the fact that households enter the child-launching stage much earlier. The age at which they enter the empty-nest stage has decreased even further (from 57.1 in 1960 to 51.8 in 1975). This is a result of decreasing family size, which set in well before 1960.

Table 8.12 Older families (45+ years), with or without children, 1971 and 1981

Year	Children		Childless		Total	
	No.(000s)	%	No.(000s)	%	No.(000s)	%
1971	1043.1	62.4	628.3	37.6	1671.4	100.0
1981	1064.5	57.7	777.9	42.2	1842.4	100.0

Source: Van Leeuwen (1985)

The combined result of these developments is that although the child-launching stage starts earlier, its duration has become shorter and therefore the number of childless older families must have increased (Table 8.12). The share of the childless families in the total group of families in which the female is 45 years or older has increased from 37.6% to 42.2%. An even more dramatic increase may be expected in the future. The growing number of families that remain childless and the decreasing family size will cause the duration of the child-launching stage to shrink in the 1990s. From a preliminary simulation of household size up to the year 2000, it is estimated that the percentage of childless couples among older families will increase by 15% (Hooimeijer and Dieleman 1986).

#### 8.9.4 Household dissolution

The death of one of the spouses is still the most important cause of household dissolution. Although the number of dissolutions through divorce has risen considerably over the two decades, it only amounts to half the number through deaths. The absolute number of widowed persons increased from 631,129 in 1971 to 777,553 in 1981. However the number of widowers did not increase by more than 2,600. The proportion of all widowed persons who are female is growing (80% in 1981), due to the more favourable development of female life-expectancy (Table 8.13).

Table 8.13 Life expectancy at birth by sex, 1956-60 to 1976-80

Period of birth	Males	Females
1956-1960	71.4	74.8
1961-1965	71.1	75.9
1966-1970	71.0	76.4
1971-1975	71.2	77.2
1976-1980	72.1	78.6

Source: CBS

While most developments in household evolution have resulted in growing complexity and heterogeneity of household type, rendering the traditional life-cycle concept less valuable, changes in the last stage of the life-cycle have shown a convergence over time to one household type, single persons in private households. The percentage of widowed persons living in with others has decreased enormously, even among the very old (Table 8.14). Also the number of persons having others living in with them has slackened. As a result, almost 80% of widowers and 90% of widows live alone or with their unmarried child(ren). The figures in Table 8.14 exclude people living in institutions. Despite the growing share of the total population aged 65 or over, the percentage of people enumerated in institutions dropped from 20% to 14% from 1960 to 1981 (even among the very old, it dropped from 35% to 28%), and it is bound to become lower in the future since an explicit policy-goal of the

national government is to further reduce the number of people in homes for aged persons. The process of individualisation mentioned previously is also in effect among the elderly and the consequences to the housing market are obvious. Not only are more housing units needed, but these units will have to be adjusted to the specific housing needs of the elderly.

Table 8.14 Position in household of widowed persons by age and sex, 1971 and 1981

Position	45-64 years		65-74 years		75 or over	
	1971	1981	1971	1981	1971	1981
MALES						
Head one-parent family	47.2	43.6	18.3	15.4	14.6	7.3
Living single	31.7	36.0	48.2	63.5	41.6	59.4
Having others living in	11.5	14.7	12.2	13.1	8.7	8.0
Living in with others	9.6	5.7	21.2	8.0	34.2	14.0
FEMALES						
Head one-parent family	46.0	42.9	14.6	13.9	14.6	8.9
Living single	39.2	46.9	65.4	77.7	52.5	66.9
Having others living in	8.2	6.3	8.4	4.1	5.8	3.9
Living in with others	5.8	5.1	11.6	4.2	23.4	6.8

Source: Van Leeuwen (1985)

Household evolution over the period 1960-1981 has not only produced significant changes in the distribution of age-groups over the various stages of the traditional life cycle, but has also resulted in an increase in the number of households which do not fit into the classification. The groups which deviate, such as young never married single persons, young one-parent families, older one-parent families and older never married single persons, make up only a limited portion of the total population but in absolute numbers, they represent hundreds of thousands of households and, as we have shown, their numbers are increasing. This changing household composition of the population leads to a different structure of housing demand that will have to be satisfied within a housing stock which was built for more traditional demand categories and is very fixed in nature. In the next section we explore these changing patterns of demand, by analyzing the housing needs of the household types described.

Table 8.15 Percentage of persons in households of all persons aged 65 or over, 1971 and 1981

Age of head		1971		1981	
		In households head or ptner	Total number of persons	In households head or ptner	Total number of persons
65-69	No.(000s)	441.0	484.6	530.1	546.6
	%	91	100	97	100
70-74	No.(000s)	314.2	369.7	416.0	451.1
	%	85	100	92	100
75+	No.(000s)	313.0	485.4	482.7	670.5
	%	65	100	72	100
Total	No.(000s)	1068.8	1339.7	1428.8	1668.2
	%	80	100	86	100

Source: Rongen (1984)

## 8.10 Household composition and housing needs

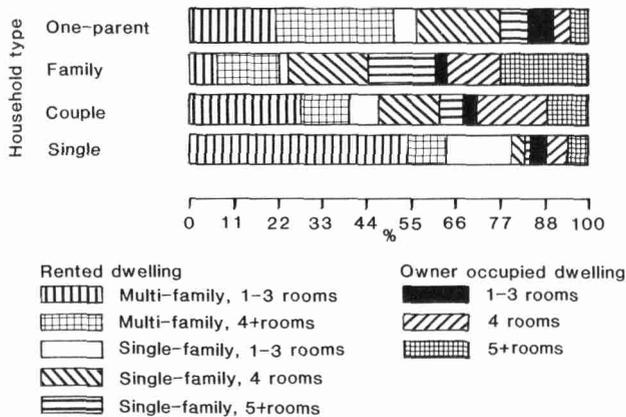
### 8.10.1 New entrants in the Dutch housing market

New entrants in to the housing market are a very heterogeneous group according to their previous housing-situation. We distinguish three types of entrants:

- (1) direct entrants: young adults who leave their parents home and move to a private dwelling immediately;
  - (2) indirect entrants: people who formed a private household but lived on house-boats, in furnished rooms etc. before moving to a private dwelling; and
  - (3) semi-entrants: households that came into existence through separation from a partner.
- These three types of household enter the independent housing market in different ways. The process is obvious for the semi-entrants, but there are also differences between the direct and the indirect entrants. Furnished rooms, houseboats etc., are the antechamber to the independent housing market for many young households. The average time spent in this form of accommodation is 3.2 years at present and this interval is larger in those areas where a shortage in the supply of dwellings exists. By the time this group enters the independent housing market they will have progressed further through the life-cycle than the direct entrants. Analyses show that 22% of the indirect entrants have children compared with only 15% of the direct entrants. It is important to note that the household characteristics described are those recorded in 1981 when household composition might have been different. Those who start their housing career living alone have a higher chance than couples of being indirect entrants.

When we controlled for the differences in age and household composition, the variation in housing consumption between direct and indirect entrants turned out to be small and could be attributed to regional differences in the Dutch housing market (Deurloo et al. 1986). We will therefore only discuss the differences in housing consumption between direct entrants and semi-entrants. Within the first group we differentiated between young single persons, young couples (aged 24 or under), families (most of them are over 24), older couples and

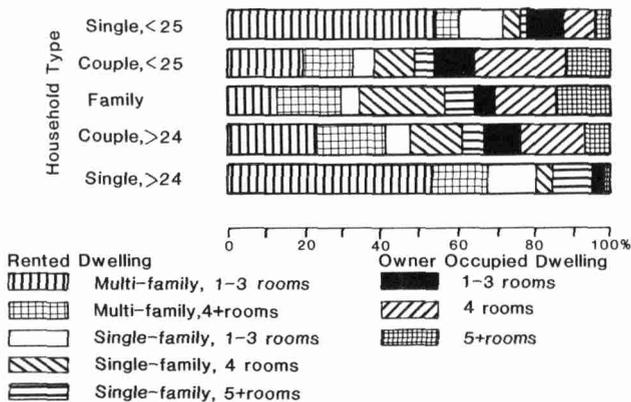
Figure 8.6 Direct entrants to the housing market, by household type and type of accommodation



older single persons. Figure 8.6 indicates that younger single persons are heavily concentrated in small rented apartments. This observation also holds for the single persons aged 24 or over but they are more likely to be first time buyers and are less represented in large rented dwellings. Among two-person households, age seems less important, although older couples are more prominent in the owner-occupied sector. Compared to older couples, the households which have children are over-represented in rented accommodation.

The household composition of the direct entrants has a more pervasive effect on their housing consumption than has age. The evolution in household formation described before has had a decisive impact on the functioning of the housing market. The early age at which people leave their parents home and the tendency to live alone, at least for a while, has caused a continuation of the housing shortage in the Netherlands over the last decade. Competition for small rented apartments remains fierce, even despite changes in the building program during the late seventies and early eighties, enacted to provide extra accommodation in this category.

Figure 8.7 Semi-entrants to the housing-market, by household type and type of accommodation



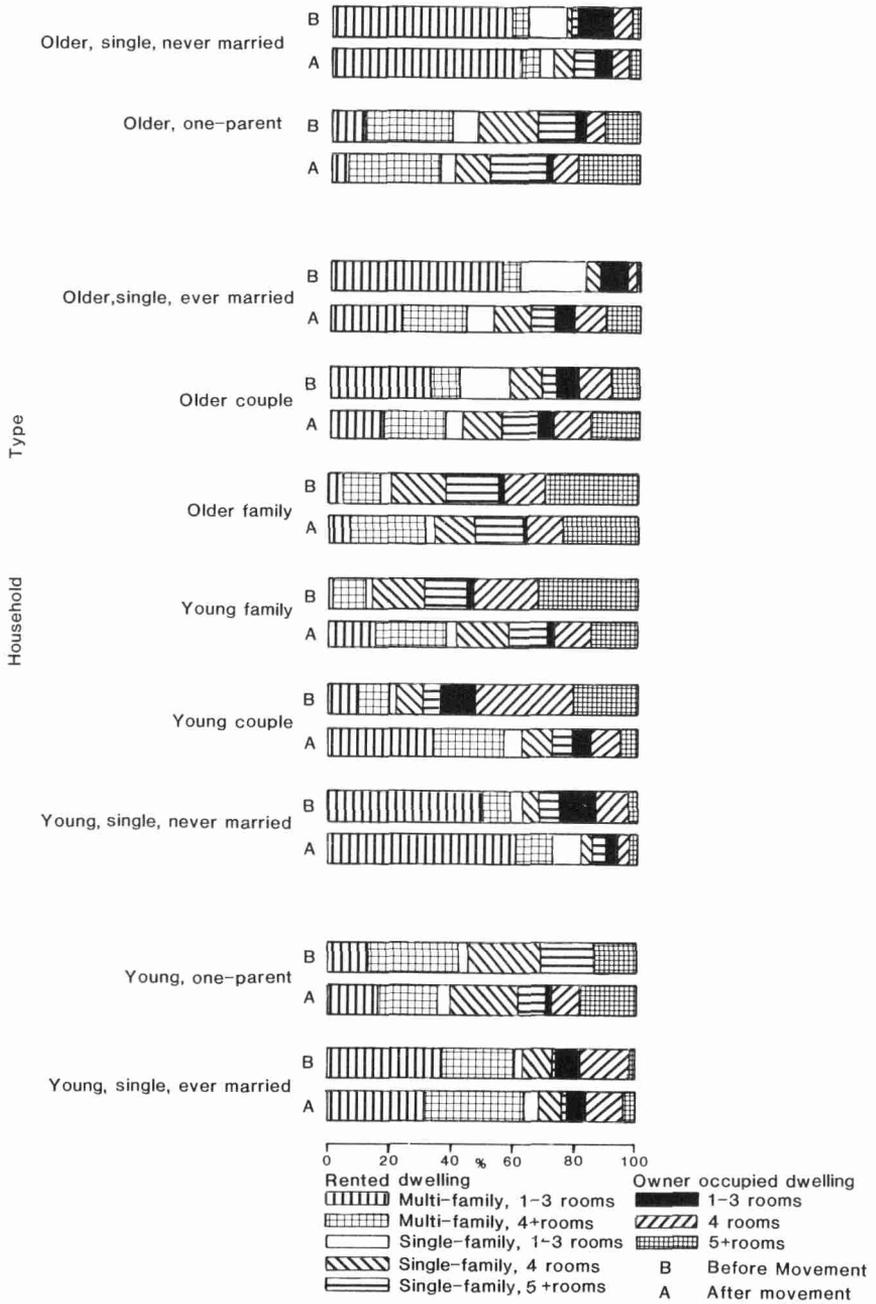
Semi-entrants also show large differences in their housing situation, depending on their household composition. Those who live with another partner appear to be better housed than the ones that live alone or with their children (Figure 8.7). One-person households are rarely found in the owner-occupier sector. Their housing distribution resembles that of single direct and indirect entrants, although the semi-starters are on average much older. Obviously they have to restart their housing career from the bottom of the housing hierarchy. The situation is somewhat different for the one-parent households. They tend to live in more spacious housing and this is not too surprising as housing allocation rules in the Netherlands link dwelling size to household size and one-parent families have the same requirements as full-families. One parent families are concentrated in multi-family structures, and less than 20% own their home. Couples are less concentrated in multi-family accommodation, especially if they are having children and more in the owner-occupier sector. If the housing situation of these households is compared with the housing situation of those with the same demographic characteristics who didn't experience a break in their lifecycle, then it appears that the latter are more likely to own their homes.

### *8.10.2 Filtering and housing needs*

The filtering process of households gives a clear indication of their housing needs, because people will tend to move out of dwellings which are not adjusted to their housing needs and will try to occupy dwellings which are. In Figure 8.8, two bars are depicted for the movers of every household type; the lower bar represents the housing distribution before the move, the upper one, after the move. Advancement along the housing career is clearly displayed for those young households which fit the traditional life cycle model. Among young single persons the advancement is only slight. 36% of all movement is from one small rented apartment to another. The growing tendency to remain solitary or to start cohabiting later in life not only means that more people start their housing career in small apartments, but also that they will be staying in that submarket for a longer period. As a result, less opportunities will arise in this submarket for new entrants. Young couples tend to move into owner-occupied dwellings upon entering the housing market. If their first private dwelling was in the rented sector, they are more likely to become home-owners a few years later. If they started their housing career in a multi-family structure, the subsequent mobility is high (57% of all moves originated from this sector). Young families prefer large single-family dwellings, but they have a lower propensity to move into owner-occupation than couples without children. The increase in the interval between marriage/cohabitation and the birth of the first child, will enable more households to leave the rented sector. On the whole the dominant direction in the filtering process for these groups is from small to large, from multi- to single family and from rented to owner-occupied dwellings.

Younger households which deviate from the traditional life cycle show a pattern that is completely different. Among the young one parent families, the dominant direction is from owner-occupied to rented and from single-family to multi-family structures. Their housing distribution after the move resembles the housing consumption of the one parent semi-entrants.

Figure 8.8 Accommodation characteristics of households before and after movement, by household type



During the later stages of the life cycle a sharp contrast exists between the older families and the older couples without children. In the case of families, the housing distributions before and after the move are almost identical. Older couples, however, show a clear tendency to leave large dwellings in favour of small ones. This tendency is even stronger with older single persons (74% moved to a dwelling with 3 rooms or less), whereas older, one-parent families preferred to have an extra room. 44% of all moves of older single persons who have never married are from one small apartment to another. Changes in household evolution during the stages of contraction and dissolution give rise to an increase in demand for small dwellings. Demand is also directed to small apartments, and small single family housing turns out to be very popular as well. The tendency to remain living in private households longer leads to a decreasing supply in these submarkets, while the demand rises because households reach the 'emply-nest' stage at an earlier point in their lifetime.

The trends in the household evolution described here, combined with the ongoing ageing of the Dutch population, will lead to a significant shift in the aggregate demand for housing in the last two decades of the century. The diminishing size of younger cohorts will not lead to a proportional reduction in the number of young households due to the growing tendency to live alone. Divorce rates are expected to stabilise, but the present high level accentuates the demand for small households. The demand for family housing will decrease. Elderly cohorts will become larger, but the number of elderly families will actually diminish. The number of small dwellings vacated by people moving into institutions, or moving in with their children will decrease, while the number of households exerting demand for this kind of dwelling will increase sharply.

## 8.11 Conclusions

The principle aim of housing policy in the Netherlands is to enable households to satisfy their housing needs within a reasonable time span. Changes in the distribution of the population over the stages of the life cycle indicate a future mismatch between housing demand and supply. Since housing supply is relatively fixed over time (only 2% is added to the housing stock every year), mismatches between supply and demand will have to be reduced by a redistribution of the population over the existing stock. The extent to which various groups leave (certain types of) dwellings behind, while adjusting their housing situation to their changing needs, can be crucial to the opportunities offered to other groups.

The planning of new housing is done on a five year basis and is very responsive to shortages in supply which exist at the moment the plans are made, rather than looking ahead at future changes in the structure of demand. As a result, the present building programmes are still very much directed towards family housing, which increases the mismatch between supply and demand since waiting lists are getting longer for small households from every age group. This mismatch will be aggravated if the present building policy persists. The building of small, cheap apartments for rent for very young one- and two-person households, which has been subsidised in the late seventies and early eighties, only offers a partial solution. These dwellings are not suited to the needs of elderly households which will comprise a growing share of small households in the future.