

Waterfront potentials of 'Rhine Estuary Closeable but Open' concept

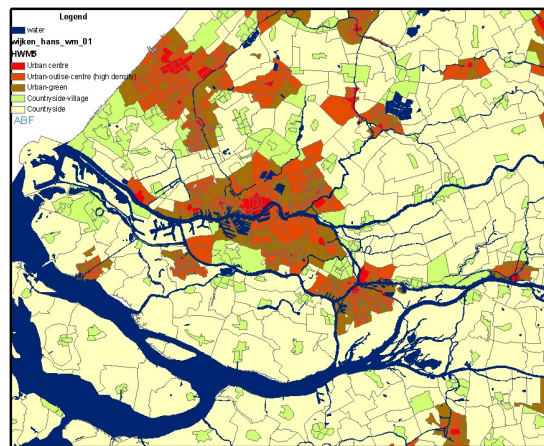
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Theme 5: Competing claims and land use in deltas under climate change.
Session S 5.3: Implementation and Design
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Content

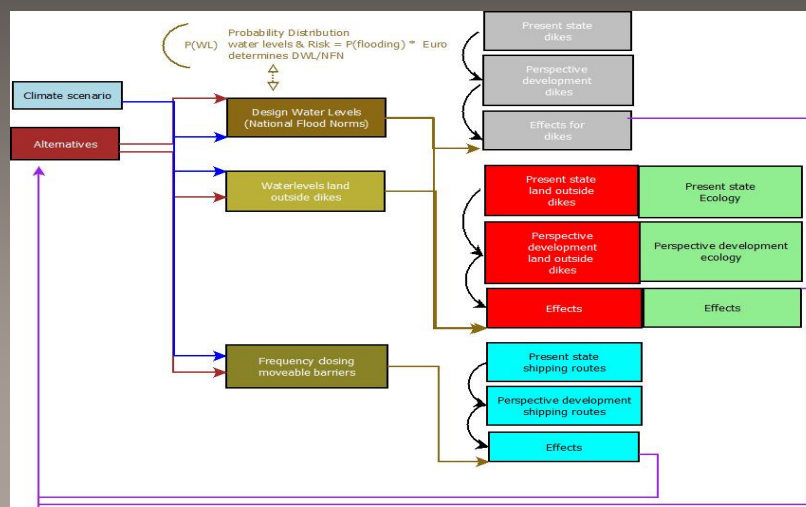
- The problem and proposed solution
- Evaluation approach
- Waterfronts
- Modeling the housing market
- Results
- Conclusions

Problem & 'Closeable but open' solution



Cities

Evaluation approach

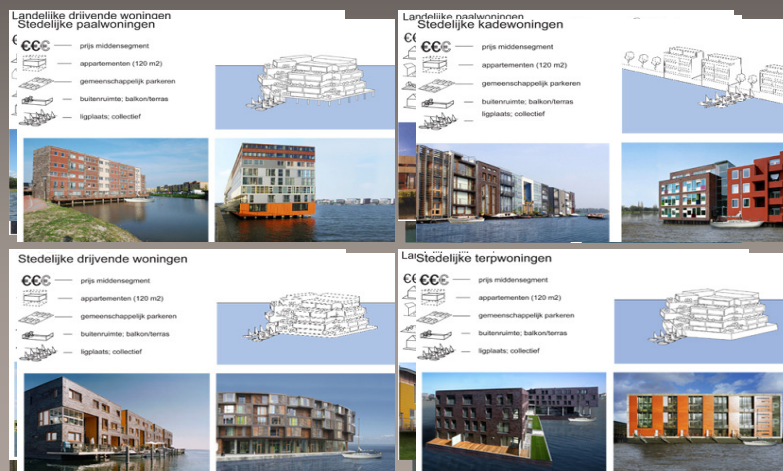


Waterfronts

- Definition
 - Any location in the vicinity of water:
 - Water: sea, river, canal, lake and so on.
 - Vicinity: direct located, garden in between or max 100 meters.
 - Many existing and new types.
- It is about €
 - Popular belief housing consumers like waterfront and therefore pay much more for housing.
 - + valuation ~ 2 à 5% (hedonic models, stated choice models).
 - - valuation: ~ 5 à 10% in case of flooding (hedonic models, stated choice models).
 - Preference land (green) >>> water. Water is extra.
 - Residual land valuation approach & booming housing markets (until recently) boost (tax) revenues.
 - Revenues
 - **(Volume (demand) * average selling price) – (Volume (supply) * average costs)**
 - Present (political) belief in multifunctional land use.

Waterfront

- Examples of new and existing types



Modelling the housing market

- Estimating demand and supply
 - Quantitative:
 - Parameters
 - Demographics driving factor (demand).
 - Differences between regional economies (long distance migration).
 - Local new construction (short distance migration in regions).
 - PRIMOS model (model used by Government)
 - Qualitative
 - Parameters
 - Demography, Regional economy, National economy, New Construction, Housing Preferences.
 - SOCRATES model (model used by Government)
- Estimating preferences specific new 'waterfront' supply
 - Conjoint models

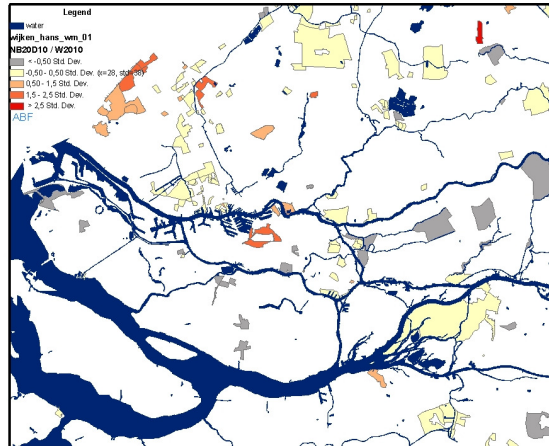
Results

- Demand and supply
- Indicators
 - Effective Demand (ED) 2020-2010
 - New Construction (ND) 2020-2010
 - Level not allocated demand (RV) and Level of vacancies (RA)
- Presentation
 - ED
 - ED weighted (RV+ AND RA -)
 - NC
 - NC weighted

	RA High	RA Low
RV High	Sales risky (pop. Decline & urban restructuring)	No risk at all (economic & demography booming)
RV Low	No sales (areas pop. Decline)	No risk (normal market in equilibrium)

Results

- Living environments
- Weight factor (RV AND RA)
- Effective demand (ED) unweighted
- EF weighted
- New construction (NC)
- NC weighted



Conclusions

- Demand is limited in this part of the Netherlands
 - Contrast: Amsterdam/Almere and Utrecht
 - Reasons: mainly economy prospects + purchasing power existing households.
 - Possibilities for preferred offers (semi-detached, garden/green public space) restricted by wish for high densities.
- Economy in my view: bear and not a bull.
- Real planning involves
 - Conservative estimation volume in 'bear' housing markets.
 - Conservative estimation selling price.
 - Pay attention if you use Residual land valuation method.