

**IMPACT REPORT BNG Social Bonds
for Dutch Social Housing Associations**

Summary report



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> ABOUT THIS REPORT

BNG Bank, the market leader in financing the Dutch social housing sector, has issued a series of bonds under its [Sustainable Finance Framework](#). These bonds are specifically designed to support the core tasks of housing associations and align with the [ICMA SBP](#) (social bond) and the [Sustainable Development Goals \(SDGs\)](#). The report includes allocation as well as impact reporting of the Dutch social housing sector in 2023.

> GET IN TOUCH

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> MORE INFORMATION

More in depth information can be read in the full report .

OVERVIEW

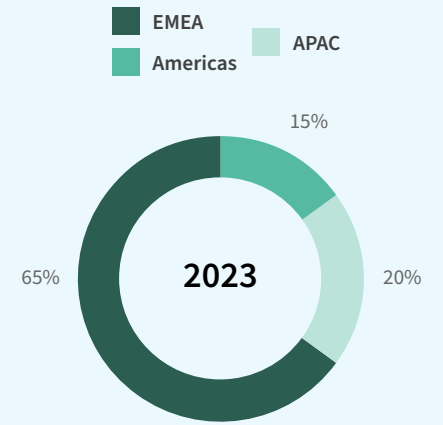
The Sustainable Finance Framework follows the four key pillars of the [ICMA Green Bond Principles \(GBP\)](#) and [Social Bond Principles \(SBP\)](#), and the ICMA Green Loan Principles (GLP): Use of Proceeds, Project Evaluation and Selection, Management of Proceeds, and Reporting. The framework is divided into two sub-frameworks, each one focuses on a different client group in terms of the use of proceeds:

- Sub-framework I for loans to Dutch municipalities
- Sub-framework II for loans to Dutch social housing associations

Each transaction initiated by BNG Bank will include eligible proceeds from only one sub-framework to avoid mixed use of proceeds in one financial instrument. This impact report presents the impact of Sub-framework II for loans to Dutch social housing associations.



Financed social housing associations in 2023



Investors geography 2023

Social bonds issued for Dutch social housing

2021	Coupon (%)	Maturity Date	ISIN
EUR 1.5 bn	0.25	11/22/36	XS2408981103
2022	Coupon (%)	Maturity Date	ISIN
AUD 500 mn	2.45	07/21/32	AU3CB0285898
CAD 300 mn	1.80	02/11/25	XS2441629750
EUR 1.2 bn	1.25	03/30/37	XS2463550702
EUR 1.75 bn	1.875	07/13/32	XS2500674887
EUR 200 mn	0.25	11/22/36	XS2408981103
2023	Coupon (%)	Maturity Date	ISIN
AUD 545 mn	2.45	07/21/32	AU3CB0285898
AUD 400 mn	5.00	03/13/34	AU3CB0302545
AUD 75 mn	5.514	12/08/38	AU3CB0304962
CHF 200 mn	1.6875	05/19/30	CH1264823506
EUR 50 mn	0.25	11/22/36	XS2408981103
EUR 150 mn	1.25	03/30/37	XS2463550702
EUR 380 mn	1.875	07/13/32	XS2500674887
EUR 1.65 bn	3.00	01/11/33	XS2573952517
EUR 1 bn	3.25	08/29/33	XS2673570995
EUR 500 mn	3.50	09/27/38	XS2695039128
USD 1.5 bn	3.50	05/19/28	XS2624016932

€ 5.9 bn

Total amount of Social Bonds issued in 2023

630

Number of loans financed to housing associations under the framework in 2023

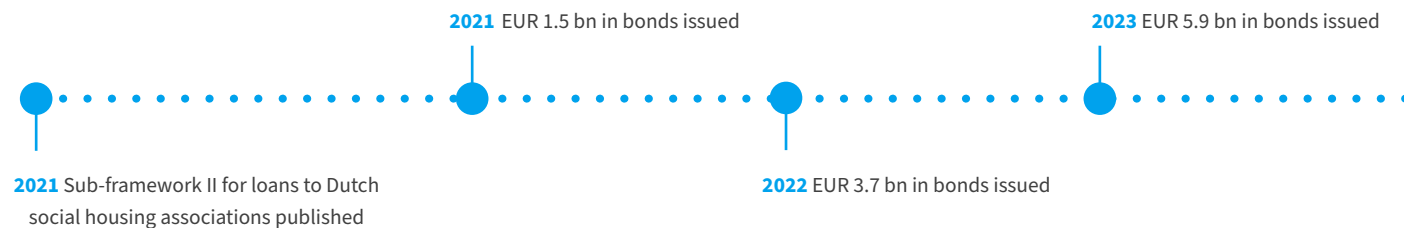
€ 11.1 bn

Total amount of Social Bonds issued since the start of the framework in 2021

1514

Total number of loans to housing associations through the framework since 2021

TIMELINE



OVERVIEW

Based on the core tasks of social housing associations and the ICMA indicators within the use of proceeds for affordable housing, the ambitions are aligned with the Sustainable Development Goals. For each goal, the development over the years is presented. A more detailed explanation of these developments can be found in the individual SDG chapters in this summary and in the full report.

16,015

Number of constructed homes


















2,312,981

Number of dwellings at the end of the year

2,099,800

Number of individuals/families benefiting from subsidized housing

Sustainable performance on a scale of 0-100, and the trend over the last 5 years

			 AFFORDABILITY	 AVAILABILITY	 SUSTAINABILITY	 LIVEABILITY	 FINANCIAL VIABILITY
1	 NO POVERTY	45.7 ↑	■	■			■
3	 GOOD HEALTH AND WELL-BEING	43.2 ↓	■				■
4	 QUALITY EDUCATION	51.4 —					■
7	 AFFORDABLE AND CLEAN ENERGY	53.0 ↑			■		
8	 DECENT WORK AND ECONOMIC GROWTH	59.2 ↑				■	
9	 INDUSTRY, INNOVATION AND INFRASTRUCTURE	53.8 —					■
10	 REDUCED INEQUALITIES	35.5 —	■	■			
11	 SUSTAINABLE CITIES AND COMMUNITIES	47.5 —		■	■		■
12	 RESPONSIBLE CONSUMPTION AND PRODUCTION	33.2 ↑			■		■
13	 CLIMATE ACTION	49.9 ↑			■		■
15	 LIFE ON LAND	51.9 —			■		■
16	 PEACE, JUSTICE AND STRONG INSTITUTIONS	49.2 ↑					■

INCREASING IMPACT IN THE DUTCH PUBLIC SECTOR



Social housing associations have a big responsibility in housing in the Netherlands. Their core task is to ensure people with low incomes having proper and affordable housing. The core ambitions of social housing associations are not without challenges. With the increasing shortness on the housing market, this task has now become even more urgent. Housing associations also play an important role in making the housing stock in the Netherlands more sustainable.

BNG Bank is proud partner of the Dutch social housing associations in facing these challenges. Driven by the core values of sustainability, reliability and professionalism, BNG Bank has set ambitious targets in its Road to Impact strategy, to increase the impact in the Dutch public sector. In measuring this social impact, the UN Sustainable Development Goals (SDGs) are used as the point of reference. Our Climate Plan ‘Going Green’ outlines how we plan to reduce emissions from the credit portfolio and those arising from our own operations in line with the 1.5°C target of the Paris Climate Agreement in the coming years.

Dutch social housing associations contribute most directly to SDGs 1, 4, 7, 10 and 11 with their expenditures funded by the BNG social housing bonds proceeds. BNG helps the associations in achieving their goals by not only providing funding at attractive terms and conditions but also by truly being a partner. This is reflected in the case studies of collaborations with social housing associations in this report.

BNG Bank, as market leader in financing the Dutch social housing sector, has issued a series of bonds under its Sustainable Finance Framework. These bonds are specifically designed to support the core tasks of housing associations and they align with the ICMA SBP (social bond) and the Sustainable Development Goals (SDGs). Since 2014, BNG Bank has issued more than EUR 29 bn of ESG bonds in total across various currencies. A part of this is done by issuing the social bonds throughout the years to support social housing associations in their path to a more sustainable Dutch society.

In 2023 BNG issued € 5.9 billion in social bonds in four different currencies (EUR, USD, AUD and CHF), the highest issue of social bonds for housing associations by BNG to date in a calendar year. We saw a good uptake of these bonds by investors around the globe, which also shows their support in our task to make the Dutch society more sustainable.

I am pleased to present the activities financed by our ESG social bonds and their expected impact.

Olivier Labe | Acting CEO and CFO BNG Bank

“Driven by the core values of sustainability, reliability and professionalism, BNG Bank has set ambitious targets in its Road to Impact strategy, to increase the impact in the Dutch public sector.”

ABOUT BNG BANK AND HET PON & TELOS

BNG Bank (“BNG”) is a Dutch promotional bank that has traditionally been the bank for the public domain and the public interest in the Netherlands. The bank is owned by the Dutch central government (50%) and local and regional governments (50%) in the Netherlands and it has provided financing to the public sector since 1914, at competitive terms and conditions. Its clients are Dutch local authorities and institutions that are active in the social housing, healthcare, education, energy, and infrastructure sectors. BNG is a promotional lender with the majority of loans provided by the bank (more than 90%) granted to, or guaranteed by, government bodies. The bank has been awarded the highest credit rating by all three major credit rating agencies (Moody’s: Aaa | Fitch Ratings: AAA | S&P Global: AAA).

BNG’s mission statement is ‘Driven by social impact’. This is leading for all BNG’s activities. Instead of maximizing profits, the bank’s priority is to maximize the social impact of its activities. Part of the ‘Road to Impact’ strategy is to demonstrably empower clients to make an impact by financing sustainable projects and activities. In measuring social impact, the UN Sustainable Development Goals (SDGs) are used as the point of reference. BNG will continue to build on the demonstrability of its impact in 2024. BNG has also launched its Climate Plan ‘Going Green’, which outlines how the bank plans to reduce emissions from the credit portfolio and those arising from its own operations in line with the 1.5°C target of the Paris Climate Agreement in the coming years. Every year the bank measures and reports on the progress (see <https://www.bngbank.com/Sustainability/Climate-action>).

BNG is convinced that conscious choices will enable it to achieve its ambitions: to be the promotional lender that delivers social impact and that is considered by clients and other stakeholders as their go-to partner for addressing the social challenges they face. BNG has a long-term loan portfolio that has grown steadily over recent years, to amount to a total of EUR 89 billion per year-end 2023. With its excellent credit ratings, BNG Bank has been a well-known issuer in the international capital markets for a long time. Increasing awareness and engagement in the field of ESG has led the global financial sector to develop ESG-labelled bond frameworks. In this light, BNG Bank has been an active issuer of ESG bonds (formerly known as SRI bonds) since 2014.



Improving social decision-making

Het PON & Telos is a renowned research institute based in the Netherlands. It was formed through the merger of two well-established research organizations, Het PON & Telos, in 2020. The institute specializes in conducting interdisciplinary research and providing expertise in various domains, including social issues, sustainable development and regional development.

Het PON & Telos aims to generate knowledge and insights that contribute to a better understanding of society and support evidence-based decision-making. It collaborates with government organizations, non-profit organizations, banks, and academic institutions to address complex challenges and promote sustainable and inclusive development.

Sustainable development is one of the key areas of expertise for Het PON & Telos. It undertakes research and consultancy projects related to sustainable development, environmental impact, energy transition, circular economy, and social responsibility. By combining its expertise in sustainable development with social and economic factors, the institute helps organizations navigate the complexities of sustainable development and make informed decisions that balance environmental, social, and economic stakes.

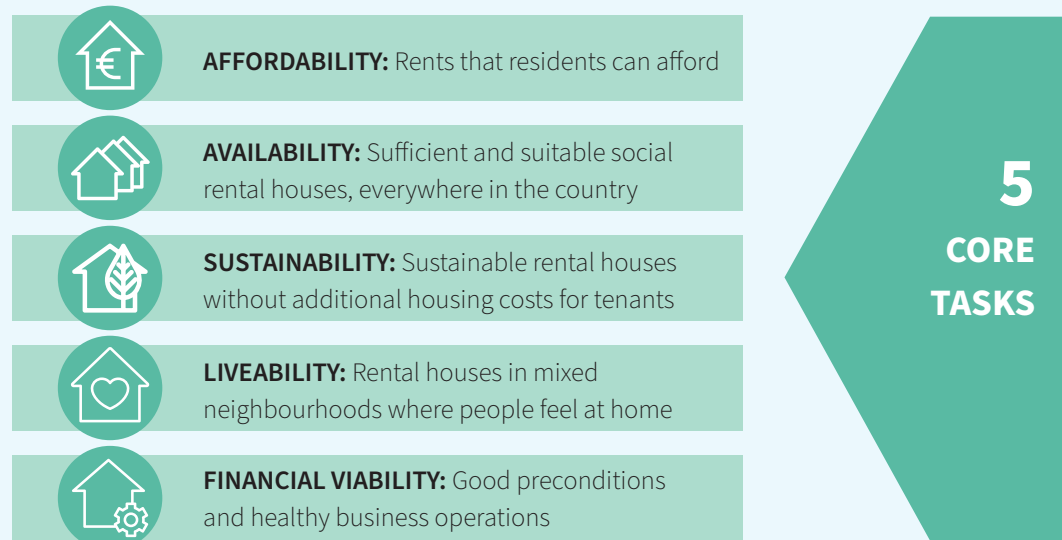


SOCIAL HOUSING ASSOCIATIONS IN DUTCH SOCIETY

Social housing associations play a crucial role in the Dutch social housing sector. Today, the 275 [Dutch social housing associations](#) own more than 2.3 million dwellings, of which 2.1 million are social rental dwellings. A limited part is commercial rental housing. Social housing associations account for almost 29% of the total Dutch housing stock and 66% of all rental housing in the Netherlands. However, the importance of social housing associations for public housing is not only determined by their share of the housing market, but also – and even more so – by their primary task of providing affordable housing. After all, the target group of social housing associations is people with a low socio-economic status.

Core tasks of housing associations

Availability, affordability, quality of life and sustainability dominate the current debate in the social housing sector, just as they did over a century ago. These principles are also reflected in the social housing sector today, as evidenced by the [5 core ambitions](#) of Aedes :



Social challenges of the Dutch social housing associations

Achieving the core tasks of social housing is not without challenges. There is a shortage of 390,000 homes in the Netherlands (rented or owned), house prices are rising sharply, and waiting lists for social housing are getting longer. Especially for young people and newcomers to the housing market, access to affordable housing is limited. This applies to both the rental and private ownership sectors. In addition, how people can access to the housing market varies greatly between regions in the Netherlands.

To address these challenges, Aedes and 33 partner organizations drew up the '[Actieagenda Wonen](#)', a housing programme for the next 10 years that aims to provide around 1 million dwellings. The proposals resulted in the [National Performance Agreements](#), which were signed by the Cabinet, Aedes, Woonbond, and VNG.

AGREEMENTS

- An annual budget of almost €2 billion to increase investment in housing, living space, and tenants' wellbeing
- Doubling the new dwellings of social housing between 2022 and 2030 (a total of 250,000 in this period)
- Responsible rent increases and rent reductions for low-income households
- Sustainability measures for more than 675,000 homes
- A budget of €75 million to improve the quality of life in neighbourhoods

FINANCING THE SOCIAL HOUSING SECTOR

BNG Bank is the market leader in financing the Dutch social housing sector

The mandate of this sector and its activities are laid out in the Dutch Housing Act and the Rules of Participation of the Social Housing Guarantee Fund (WSW). The range of activities that can be financed with a WSW guarantee is therefore restricted.

The methodology of the social housing sub-framework maps the social housing associations' activities to the ICMA SBP categories and to the UN SDGs. The proceeds of

the BNG social housing bonds will be used to fund the SDG expenditures of the Dutch social housing associations.

2023 was the third year that BNG issued social bonds under the Sustainable Finance Framework. The table on page 3 provides an overview of the social bonds that were issued for Dutch social housing associations since 2021 and that are still outstanding.





CASE STUDY > THUIS

Townhall municipality of Buren

Housing association Thuis rents out 7,500 homes in the municipalities of Buren, Neder-Betuwe, and Tiel. Thuis will build 75 social rental apartments in the town hall of Buren in Maurik. In this way, the association contributes to solving the housing shortage in the municipality of Buren. BNG Bank is the main financier of loans for the purchase, renovation and sustainability of the building.

‘We provide housing for people who cannot rent or buy a home on their own. That is our core task’, says René Wiersema, Managing Director of Thuis. The municipalities of Buren, Neder-Betuwe, and Tiel are struggling with the housing crisis. Some 20,000 people are on the waiting list in these three Rivierenland municipalities. Thuis aims to build 1,000 additional homes, especially for young people, starters and seniors.

New destination town hall Buren

Thuis will build 75 of those homes in the current town hall of the municipality of Buren in Maurik. The municipality will build a smaller town hall on the same site. After the completion of the new town hall, expected in 2026, Thuis will start building 75 social rental apartments. Wiersema: ‘We like to contribute to the community, and this allows us to create affordable housing for the people in Buren.’

Alternative solutions

But ‘building, building, building’ alone is not enough. Thuis is also working on ways to make better use of the existing housing stock. For example, the housing association has a flow-through project that motivates seniors to move from their single-family home to an apartment. Thuis is also looking for alternative solutions, such as sharing homes, with the goal of housing status holders. Wiersema: “In

“The ambitions of housing association Thius and BNG Bank are well aligned”

In addition to social rent, we also want to focus on middle-income rental housing. The combination of social and middle-income rental housing contributes to diversity in neighbourhoods, and it can also help in flow-through”.

Sustainability

In addition to new construction and the existing housing stock, the association also focuses on making things more sustainable. Consuming less energy is the number one issue at the moment. Wiersema: ‘What we do, we do sustainably where possible. Insulation measures, for example, have a direct effect on the tenant’s living comfort and wallet.’ And that’s important to Thius. ‘We want to be a good landlord for all those groups that rely on social housing in our area’, says Wiersema.

Loan from BNG Bank

‘Housing associations are capital-intensive companies’, says Wiersema. ‘Building new homes and making existing homes more sustainable costs a lot of money. Our business operations are sound, but we borrow from BNG Bank to achieve our ambitions.’ BNG Bank opted for financing because of the favourable conditions. Wiersema also emphasises the bank’s expertise. ‘BNG Bank knows the housing association sector well and understands our challenges and ambitions. That gives you a lot of confidence.’

Shared ambitions

According to René Goorden, Housing sector lead at BNG Bank, Thius is making an important contribution to a more social and sustainable Netherlands. ‘The ambitions of Thius and BNG Bank are well aligned. A roof over your head is a basic need. And making homes more sustainable contributes to climate goals. In addition, sustainability reduces the energy costs of the renter. In this way, social and sustainable objectives come together nicely.’ Goorden understands that Thius focuses on middle-income rental housing as well as social housing. ‘BNG Bank is prepared to also provide a loan for middle-income rental housing, should Thius have a financing request for this. We are happy to facilitate Thius in their full ambitions as a housing association.’



René Wiersema | Managing Director Thius

CASE STUDY › WOONZORG NEDERLAND



Old and new situation



Woonzorg Nederland is a housing association that leads the way in explaining how it contributes to society. The specialist in homes for older people and sheltered accommodation offers various forms of housing and sets great store by the social aspect of co-housing for older people. Woonzorg Nederland sets out its impact on people and the environment in an ESG report. This makes Woonzorg Nederland an inspiration to the rest of the sector.

Tuitjenhorn is a quiet, leafy village with a close community, where neighbours invite each other to coffee and help each other out. It is an ideal place for older people to live. Given this, it is unsurprising that Woonzorg Nederland has a residential complex in the village where it offers social housing to over 55s. The complex has a common area where residents gather together, and volunteers organize activities. Care services are always close at hand.

“Investing in wellbeing today ...

Woonzorg Nederland is a housing association that lets residential accommodation located around the Netherlands to older people. Arnold Pureveen, director of Woonzorg Nederland, is proud of the project in Tuitjenhorn. “That residential

complex is an example of a true community. The social aspect of housing is important to us, and living independently for as long as possible forms the foundation for this. When people are happy, the amount of care they require is reduced.”

... results in large savings in terms of the provision of care tomorrow”

Pressure on care services is growing, and demand for housing for older people will also increase due to the ageing population. Arnold Pureveen: “We are a traditional real estate player: we provide housing, and we build around a thousand homes a year. At the same time, we are keen to encourage the creation of communities and we work with parties that can provide care.” Woonzorg Nederland is the Netherlands’ largest housing association for older people. It has developed various forms of housing to meet the specific residential and care needs of its target group. Woonzorg Nederland encourages positive health, self-reliance, and interaction between residents in all forms of housing. Care services (including intensive care) are available where necessary. The housing association also believes it has a responsibility to provide information on its impact on people and the environment.

“Woonzorg Nederland’s ESG reports serve as an inspiring example for the housing association sector”

Social impact

Woonzorg Nederland is helping to make the Netherlands more sustainable and sociable. This is something Arnold Pureveen has no doubts about. The housing association is also committed to reducing its environmental footprint while providing affordable, sustainable housing for the elderly. Sint Jozefpark is just one example of this. Work was recently done on the complex to make it sustainable. The 17,000th solar panel was installed, as was circular H++ glass. These developments represent a major step forward in reducing CO2 emissions. Glass has the greatest impact when it comes to CO2 emissions from construction, renovation, and sustainability activities as a whole. Providing insight into its social impact proved difficult at first, however, and this was a source of frustration. “There was a 250-page annual report full of figures and explanations, but there was no information on the impact in there.” Four years ago, Arnold Pureveen started to look more deeply into the world of Sustainable Development Goals (SDGs) and ESG. “As a director, my first instinct was to write a report immediately. There was no point, however, in producing a report merely for the sake of appearances. We wanted the organization to support these goals wholeheartedly. The report was just the icing on the cake.”

Reliable partner

BNG Bank is Woonzorg Nederland’s main bank and grants loans so that the housing association can purchase homes and make them more sustainable. Arnold Pureveen: “BNG Bank is a reliable partner. We have worked together for a long time and the bank has been there for us in good times and in bad. Given the task ahead of us, we are happy to be working with a party that provides certainty for the future.” Arnold Pureveen stressed that Woonzorg Nederland and BNG Bank have an excellent working relationship: “Obviously, BNG Bank is an institution. It is ultimately the people who work there who guarantee the quality of the relationship.”

Inspiration to the sector

René Goorden, housing sector lead at BNG Bank, is very positive about Woonzorg Nederland and its ESG reports. “Woonzorg Nederland is a pioneer in its sector.” Woonzorg Nederland and BNG are in regular contact and discuss themes of relevance to the sector. René Goorden: “We like to brainstorm with Woonzorg Nederland on topics that concern the entire sector. A good example is ESG reporting.” Arnold Pureveen pointed out that BNG Bank could help the sector by providing information on what investors want to read about in reports. René Goorden: “We definitely have a role to play in that area, and we are doing our best to fulfil it. Woonzorg Nederland’s reports serve as inspiration to us in that respect. We hope they also inspires the other players in its sector. There is no need for them to reinvent the wheel - they can simply follow Woonzorg Nederland’s example.”



Arnold Pureveen
Director of Woonzorg Nederland

FACTS AND FIGURES > ON CORE TASKS OF HOUSING ASSOCIATIONS

AFFORDABILITY

AFFORDABLE RENTS FOR EVERYONE



Providing affordable housing is the core objective of social housing associations in the Netherlands. At a time when inflation is high and many people are struggling to make ends meet, affordable housing is an important issue. 26.4% of households in the Netherlands live in a dwelling from a social housing association.

The average rent of social housing, as measured by the national rent index, was slightly improved. In 2022 it was 69.3% compared to 69.5% in 2021. This is probably due to the national agreement not to raise rental prices for the next three years due to high inflation. As a result, the percentage of income that households spend on housing costs, when living in a social housing association dwelling, has also fallen in recent years, from 22.4% in 2020 to 21.9% in 2022.

The number of tenants who participate in a questionnaire has tripled over the past 10 years, as tenants are now more eager to participate in tenant surveys. New tenants give the companies quality an average score of 7.7, while outgoing tenants award an average score of 7.4. These figures have remained stable over the last few years. The Customer Effort Score (CES) fell from 59.2 in 2022 to 58.0 in 2023. The CES is the difference between the proportion of tenants who had to put in (very) little effort and the proportion of tenants who had to put in (very) much effort to get things done, such as arrangement for incoming and outgoing tenants, and repair services. The higher the CES, the better. The main reason for the decrease in score is the increase in social associations outsourcing repairs. When repairs are carried out by in-house services, the CES is higher.

FACTS

- Tenant rating of the dwelling and the housing association: 7.6 in 2022 and 7.6 in 2021
- Customer effort score (CES): 58.0
- Ratio average rental cost to national rent index: 69.3%
- Percentage of households living in subsidized housing: 26.4%
- Share of household disposable income spent on social housing costs: 21.9% in 2022 and 22.4% in 2020
- Maximum rental price up to the liberalisation limit: €763 in 2022 and €808 in 2023
- Maximum price of the rental property up to the allocation limit: €633 in 2022 and €647 in 2023

SDG RELATED



AVAILABILITY

SUFFICIENT, SUITABLE SOCIAL HOUSING EVERYWHERE



Adequate social housing everywhere is the second pillar of social housing associations. Social housing associations have committed themselves to building 250,000 houses by 2030. In addition, the target for each municipality is to have at least 30% social housing. Currently, there are several challenges. In some regions, residents have to wait years to find a house; in other regions, the population is shrinking and ageing, leading to impoverishment. In addition, the general housing market in the Netherlands does not provide enough homes for the lower middle class, which means there is a role and a responsibility for the social housing sector.

In 2023, there were 2,312,981 social housing units in the Netherlands. This is an increase of 12,931 houses compared to 2022, when there were 2,300,050 social housing units. More than 16,000 new dwellings were built, and the cost of new construction increased by more than 23 million. However, the total increase in dwellings is lower, because houses were also demolished. Although this is a significant increase, it is not yet in line with the increase required by the Performance Agreements. This is mainly due to high construction costs, nitrogen legislation, and a shortage of new sites. Unfortunately, this is not expected to change in the coming years.

In 2023, 57% of all dwellings were owner-occupied and 28.5% were owned by a housing association. These proportions have not changed in the past year. The match between the housing stock and the target group has been 79.5% in 2022. This does not mean that the target group always lives in the right housing, because there is also a significant group in the Netherlands that lives in a social dwelling but their income is too high to qualify, given the current income limits.

FACTS

- Number of dwellings: 2,312,981
- New-build dwellings (social housing): 16,015 in 2022 and 16,925 in 2021
- Percentage of housing associations dwellings to all properties: 28%
- Match stock and target group: 79.5% in 2022 and 84.9% in 2021
- New-build costs: €3,355,311,797 in 2022 and €3,332,661,789 in 2021
- New-build costs per dwelling: €209,511 in 2022 and €196,908 in 2021

SDG RELATED



SUSTAINABILITY

SUSTAINABLE RENTAL HOUSES WITHOUT EXTRA COSTS FOR TENANTS



When it comes to sustainable housing, social housing associations are currently at the forefront, with an average energy label B. Because they own large parts of neighbourhoods, they can apply economies of scale. Close cooperation with local authorities is essential. Tenants benefit from the social housing associations' investments by living in a more comfortable home with lower energy costs.

The sustainability performance of housing associations has improved significantly in recent years. Looking at dwellings, we see that annual net heat demand decreased from 118.0 kWh/m² to 112.2 kWh/m² between 2022 and 2023. This is a reduction of 5.8 kWh/m² or 4.9%. This might be due to improvements in insulation, ventilation, and crack sealing.

The insulation performance indicator measures the average distance between net heat demand and the nationally set insulation target ([the standard](#)). It is determined at the dwelling level and depends on the type of dwelling, the time of construction, and the compactness. In particular, post-war dwellings built between 1945 and 1974 are relatively far from that standard. Most of the housing association stock, around 39%, was built in this period. Therefore, within this segment challenges are greatest. One explanation for the decrease in energy use is the increase in the proportion of houses with solar panels over the past year. Currently, 19.9% of the social housing stock has solar panels, compared to 16.2% last year. The number of dwellings with an E, F or G energy label (poor energy label) has also fallen significantly over the past year. In 2022, there were 247,400 homes with a poor energy label. Now there are 180,700. In addition, the average amount spent by housing associations on home improvements rose to €1.330 in 2022, probably due to the terms of the National agreement. As of 2023, 38.6% of the dwellings of housing associations have energy label A or higher.

FACTS

- **Energy demand:** 112.2 kWh/m² in 2023 and 118.0 kWh/m² in 2022
- **Percentage of dwellings with solar panels:** 19.9% in 2023 and 16.2% in 2022
- **Number of dwellings with energy label E, F, G:** 180,700 in 2023 and 247,300 in 2022
- **Average improvement costs per dwelling:** €1,330 in 2022 and €1,263 in 2021

SDG RELATED



LIVEABILITY

RENTAL HOUSES IN MIXED NEIGHBOURHOODS WHERE TENANTS FEEL AT HOME



Social housing associations aim to support and create vibrant, mixed neighbourhoods, both in terms of the type of housing (socially rented, normally rented, and owner-occupied) and in terms of the people who live in the neighbourhood. Companies actively work with local authorities to invest in housing, the environment, tenants' well-being, and social cohesion.

Housing associations spend an average of €130 per dwelling on liveability costs in 2022. This is an increase of €14 compared to last year. In the performance agreements, housing associations have agreed to invest €275 million more annually in liveability in homes (tackling damp, mould, asbestos, and fire safety) and liveability in the living environment, such as clean, safe, and social neighbourhoods. No causal link can be drawn between actual spending on liveability and developments of a cleaner, more social, and safer neighbourhood. However, it can be plausibly argued that investments at the very least make a positive contribution in this regard.

Quality of life has improved in recent years. For example, total particulate matter (PM2.5) emissions have fallen by 155,472 kg from the year 2021 to 2022. This is partly due to greater awareness and reductions by large companies, but also to a reduction in traffic (during the COVID 19 pandemic). The average percentage of public green space in neighbourhoods is 9.6%. On the other hand, the crime rate has increased slightly. This is probably related to an increase in common crimes (such as pickpocketing) associated with larger crowds. In addition, the willingness to report crime has increased in the Netherlands, mainly because of the #MeToo movement.

As for a healthy and active living environment, this has moved up the agenda, which is also reflected in the score, which is 65 on a scale of 0 to 100 in 2022, compared to 60 in 2020.

FACTS

- **Liveability cost per dwelling:** €130 in 2022 and €116 in 2021
- **Emissions of particulate matter (PM2.5):** 16,843,573 kg in 2022 and 16,999,045 kg in 2021
- **Percentage of public green space:** 9.6%
- **Number of crimes (property crimes, vandalism, violent crimes, and sexual crimes):** 29 per 1,000 inhabitants
- **Score (0-100 scale) for exercise-friendly environment:** 65 in 2022 and 60 in 2020

SDG RELATED



FINANCIAL VIABILITY

GOOD PRECONDITIONS AND BUSINESS OPERATION



For housing associations to be able to work on and achieve the abovementioned goals, affordability, availability, liveability, and sustainability, certain preconditions are crucial: efficient and effective associations, a well-functioning association system, and a healthy investment climate.

The average ICR (interest coverage ratio; the extent to which interest payments can be covered by operating cash flows) increased to 2.33. The minimum value as demanded by the Social Housing Guarantee Fund (WSW) is 1.4.

The extent to which properties are externally financed based on realization figures (Loan to Value ratio) is 38% (2 percentage points less than last year). The maximum limit demanded by the WSW is 85%. The lower the ratio, the wider housing associations' scope for investment.

The solvency ratio also increased from 56 to 57. This must be at least 15% in line with the rules of the WSW.

FACTS

- Interest Coverage Ratio (ICR): 2.33 in 2022 and 2.20 in 2021
- Loan to Value (LTV): 38 in 2022 and 40 in 2021
- Solvency Ratio: 57 in 2022 and 56 in 2021

SDG RELATED



IN-DEPTH RESULTS SDGS

Dutch social housing associations contribute most directly to SDGs 1, 4, 7, 10, and 11 with their expenditures funded by the BNG social housing bonds proceeds. The contributions to these SDGs will be demonstrated by the progress on a couple of indicators. In these examples we will always refer to the most recent year of data availability. In order to transform individual indicator scores into a uniform system of sustainability scores, Het PON & Telos has developed an approach using sustainability norms for each indicator by which ranges of sustainability goal achievement are defined. Once goal achievement scores of indicators have been derived, these are aggregated by giving them equal weight to goal scores.

1 NO POVERTY



45.7



The performance score for SDG 1 has shown a consistent upward trend over the last five years, indicating significant progress in addressing poverty. Social housing associations play a crucial role in combating poverty in the Netherlands, as they provide affordable housing for households with a low socio-economic status. On average, tenants are paying a smaller proportion of their income towards rent, than other households, which confirms the contribution to affordable housing. Furthermore, there is an ongoing positive trend regarding poverty noticeable in the Netherlands. In 2022, 4.4% of households were at risk of poverty, compared to 6.3% in 2021. From a [European perspective](#), the Netherlands also performs well, only four European countries have a lower percentage of poor households than the Netherlands. This demonstrates the positive development and progress being made to combat poverty, in line with the objectives of SDG 1.

4 QUALITY EDUCATION



51.4

Progress towards the targets of SDG 4 is more or less stable, although there has been a slight decline in the last year. Social housing associations can play a role in community development and cohesion, as they often have a prominent position in the neighbourhood. They often invest in improving neighbourhood infrastructure, which includes the accessibility to schools. Educational buildings also have a public function, and educational buildings are often no longer used solely for education, but increasingly have a wider function. For example, a community school, additional childcare facilities, or social services. Housing associations have knowledge of the neighbourhood and its residents, and therefore actively contribute to the development of these multifunctional buildings.

IN-DEPTH RESULTS SDGS

7 AFFORDABLE AND CLEAN ENERGY



53.0



Significant progress has been made in achieving the targets of SDG 7. These improvements can be attributed to progress along a couple of indicators. Within the assessed housing associations in the data, we observed a noteworthy reduction in gas consumption, electricity usage, and district heating in social housing dwellings. CO2 emissions per square meter fell from 18.7 to 18.1 kg/m², a decrease of 3.7%. The number of social housing homes with an energy label of A or higher has increased by 100,000 between 2022 and 2023. In line with this, the number of dwellings with a poor label (E, F, or G) decreased from 247,300 in 2022 to 180,700 in 2023. Additionally, the average energy efficiency of all social housing associations in the data improved from 198.4 to 186.8 kWh/m² in one year, measured as the theoretical primary fossil energy consumption per square meter. To increase the use of green energy, social housing associations in the Netherlands have installed more solar panels on their dwellings. Aedes reports that the percentage of social housing association-owned dwellings equipped with solar panels has increased from 16.2% to 19.9% between 2022 and 2023.

10 REDUCED INEQUALITIES



37.5



The results of achieving the targets for SDG 10 fluctuate. Last year, the average sustainable performance score has decreased. Within the group of social housing associations, the match between the housing stock of the housing associations regarding the target group of the housing association has decreased to 79.5% on average in 2022 from 84.9% in 2021. The decrease is explained by the difference in allocations between the primary and secondary target groups for housing association properties. The secondary target group is eligible for rental housing but not subsidized because of income requirements. The rents of these houses are therefore higher than those of the primary target group. In itself, this is not a bad development, as these households are also entitled to dwellings of social housing associations. It should just not be at the expense of the primary target group, when they are also looking for dwellings. The rent-to-income ratio compares rent minus rent allowance to disposable income. This ratio fell from 22.4 per cent at the end of 2020 to 21.9 per cent at the end of 2021, with tenants spending a smaller proportion of their income on rent. This is because average household disposable income has risen relatively faster than housing association rents, which reduces inequality.

11 SUSTAINABLE CITIES AND COMMUNITIES



47.5



During the reporting period, the sustainability performance score for SDG 11 decreased slightly, but is quite stable overall. This suggests that there has been little change in the decline or improvement of certain aspects related to sustainable cities and communities. For example, the average residential satisfaction has been stable over the last 5 years with a 7.7 out of 10. Housing associations spend an average of €130 per dwelling on liveability costs. This is an increase of €14 compared to last year. Tenants generally feel safe in their neighbourhoods. Almost 9 out of 10 tenants rate the safety in the neighbourhood with a 6 or higher, with a majority of 57 per cent giving an 8 or higher. 12 per cent do not feel sufficiently safe in their neighbourhood, giving a score of 5 or lower. This percentage is generally lower in highly urbanised areas. Overall, the generally stable performance score for SDG 11 suggests that there is a need for continued efforts to enhance the sustainability, liveability, and quality of social housing communities.

RESEARCH METHODOLOGY



This chapter briefly explains the research methodology. The full methodology can be found in the full report.

Several expert meetings were used to develop the matrix between the Use of Proceed, the core tasks of social housing and the SDGs. For each core ambition, the link to different SDGs was made plausible, including a link to measurable indicators. Het PON & Telos included a set of indicators to measure the SDGs, based on a long tradition and experience with sustainable development indicators and expert judgement.

The choice of indicators is influenced by three basic principles:

- The indicator must be linked to an SDG financed by the new BNG ESG bond
- The indicator must be closely linked to core tasks of social housing associations, availability, affordability, liveability, sustainability and financial viability
- The data used must be of high quality and from a reliable source

This year, a total of 15 SDG targets and 74 indicators were measured for 275 social housing associations.

Due to insufficient data, 14 social housing associations were removed from the data, leaving 261 housing associations.

The framework for social housing associations from a sustainability perspective is based on the measurement of two aspects: the internal performance aspects of social housing associations and the external sustainability performance of the housing unit environment. Internal performance includes the challenges of financial sustainability of the organization, their contributions to availability, affordability, and sustainability. External sustainability is concerned with the local environment in which the rental housing units are located, with other words their contribution to the liveability.

The data collection used publicly available sources such as the latest DVI/DPI reports from 'Inspectie Leefomgeving en Transport', Aedes benchmark, Central Bureau of Statistics and Climate Monitor. The most recent data were used.

In order to transform the individual indicator scores into a uniform system of sustainability scores, Het PON & Telos developed an approach using sustainability norms for each indicator, which define ranges of sustainability target achievement.

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