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“The effectiveness of policy induced gentrification: Evidence from large-scale urban renewal projects in the Netherlands”

Abstract

In this paper, I examine the causal impacts of large-scale urban renewal projects in the Netherlands that aim to induce gentrification in low-income neighborhoods. I specifically focus on the impacts of these renewal projects on the socioeconomic composition of the targeted neighborhoods. Using parcel level registry data from 2013 up to 2020 and a novel clustering methodology, I identify the universe of urban renewal projects in which at least at least 50 housing units were demolished and constructed. I use a difference-in-difference approach combined with propensity score matching to estimate the causal impacts of these projects at the neighborhood level. Preliminary findings suggest that the renewal projects change the socioeconomic composition of the neighborhoods in which they are located. Average income in the targeted neighborhoods increases, as well as the percentage of high-income households. Simultaneously, the percentage of low-income households seems to decrease. The total number of residents and households in the targeted neighborhoods does not seem to change. This could indicate that low-income residents are displaced from the targeted neighborhoods.