



Is an establishment in Utrecht for Perfect Housing a realistic proposition considering the market situation and market attractiveness?

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Padualaan 101
3508 AA Utrecht

Client Perfect Group
Dhr. F. Tromp / Dhr. M. Russell
Prins Hendrikkade 139
1011AS. Amsterdam

Graduation mentor Dhr. G. Lijkendijk

Author Jeanne Verweij - student number: 1507786,
Geertekerkhof 16, 3511 XC Utrecht,
+31646386076, jeanneverweij@hotmail.com

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Foreword

I would like to present to you this graduation thesis in order to be able to graduate in International Business and Languages, a Bachelor Degree at the Utrecht University - Faculty of Applied Science.

I completed an internship of twenty weeks for Perfect Housing, an organization with ambition to grow. The main topic within this thesis investigation is the following 'Is an establishment in Utrecht a realistic proposition considering the market situation and market attractiveness?'

In this foreword I would like to thank several people who made the assignment and internship possible; Mr. F. Tromp and Mr. M. Russell for giving me the opportunity to learn and work within Perfect Housing. The team of Perfect Housing in The Hague: Mr. M. Haijkens, Mrs. Y. de Booij and Mr. J. Luttge, they taught me a lot during this internship. The activities were diverse and instructive. The responsibilities of the activities made me really involved in Perfect Housing.

Last but not least I would like to thank Mr. G. Lijkendijk, my graduation mentor, for the guidance and support during this thesis investigation.

I hope you will enjoy reading the report.

Kind regards,

Jeanne Verweij
Student BA International Business and Languages
Utrecht University, Faculty of Applied Science

Utrecht, 6 May 2010

Executive summary

Perfect Housing is founded in 2001 by the two directors Mr. Fred Tromp and Mr. Mike Russell. Perfect Housing is a rental real estate agent in Amsterdam, The Hague and Rotterdam. An organization with ambitions, and they are growing fast. After the start in The Hague they wanted to investigate new markets in the Netherlands. The main topic within this investigation is: “Is an establishment in Utrecht a realistic proposition considering the market situation and market attractiveness?”

Perfect Housing is a rental real estate agent in Amsterdam, The Hague and Rotterdam. The organization is a part of Perfect Group, a group of four organizations divided into: Perfect Financial, Perfect Visit, Perfect Real Estate and Perfect Housing. Perfect Housing has a management team with two directors, a personnel manager and an IT-manager, 18 employees in total (chapter 2: organization). They are a flexible organization, with a business attitude but informal and presentation minded. They maintain a “no cure, no pay” satisfaction rule. The financial situation of Perfect Housing has high peaks and lows, which means that the financial situation is not stable. Perfect Housing is a company with two target groups. The expat who will come to Utrecht and searches for a property to live. They want to be helped as fast as possible with a place to live. This target group does not have the time to wait for a social rental property, nor do they want to wait for the owner to rent out the property. The properties of the private residence sector have an rent above € 647,53. At this moment there are around the 2500 properties for sale and rent in Utrecht. The property owner is the other target group for Perfect Housing (chapter 3.1: Demographic Facts).

Utrecht has 301.632 inhabitants and the city is very popular for students and expats. The amount of immigrants grew higher in the last few years as apposed to the amount of emigrants. Looking at number of inhabitant, Utrecht is at this moment the 4th largest city in the Netherlands. The borough Leidsche Rijn is very important in Utrecht. In this area Utrecht started to build a new-construction project in 1997, with residential areas, business locations and pleasure grounds.

Utrecht has one international school for children with an age between 12 - 19 years. This is a school where they teach students who speak a little bit to no Dutch. There is no International school in Utrecht for children younger than 12.

Utrecht and Zeeland are compared to other states in the Netherlands and other European countries the most successful states in the economic crisis. In Utrecht the economic index grown with 15 points. The financial, building, production and telecommunication sectors are the causes of this growing index.

Utrecht has a high power of attraction to expats and international organizations. Mainly because of the central location in the Netherlands, the infrastructure, a large number of knowledge-intensive companies, highly educated and young professional population and strong commercial service sector. Interesting in Utrecht is also the developing district Papendorp. This project will create 30.000 residential houses for 80.000 inhabitants, 720.000 square meter offices, in total for 40.000 employees. Capgemini, Atos Origin, Grontmij en KPN are names of large companies that are already located in Papendorp (chapter 3.1 and 3.2).

Every property in Utrecht above €647,53 per month belongs to the private sector residential. To be able to rent such a residential no accommodation licences are needed. Utrecht has many different properties; rooms, studios, apartments, student houses, one family houses, family houses and mansions. The prices of these properties are variable, with regard to every target group. The main competitors of Perfect Housing are; Atrius, Quwest Housing, GuntenaarWonen, Cover Housing and B&S Rental Service. These competitors have many experiences but small supply of properties and they cooperate with other agencies (chapter 6: competitor analysis).

Utrecht is already familiar with organizations like Perfect Housing and there are a lot of competitors who already operate on the market of Utrecht. This means that Perfect Housing operates on an existing market with an existing product: Market Penetration. My advice is for Perfect Housing to find an office in Utrecht from which they can operate. With this they will not loose control of their operation and an office will result in the best profit. Perfect Housing has to rent out every month 5 apartments to be break even with an office in Utrecht (Chapter 7: business in Utrecht).

To be successful in Utrecht I made several recommendations for Perfect Housing

- Internally looking at Perfect Housing; the financial situation is not stable. It is important when a company decides to grow that there is financial capacity. The office in The Hague is not independent enough. The internal situation of Perfect Housing has to be stable before Perfect Housing decides to grow.
- Database; When Perfect Housing adds up the supply of properties in Utrecht the capacity of the database is really too small. Perfect Housing has to invest money in the technology of the company.
- Brand awareness in Utrecht; Start with a marketing campaign in Utrecht. Develop a website for the expat who wants to live in Utrecht and with enough supply of properties. The target groups need to be able to find Perfect Housing easily on the web.
- The owner; Find the property owner in Utrecht through marketing activities and find them on the internet (websites like funda, huislijn ect). Make Perfect Housing attractive for the owner.
- Supply; When Perfect Housing decides to start with their activities in Utrecht it is important to start with a supply of properties in every price arrange. Invest in the supply.
- Companies; In Utrecht many companies are located that can be of interest for Perfect Housing. Perfect Housing has to make appointments with them to talk about their services and maybe make 'deals for housing' more understandable.

Perfect Housing can be very successful in Utrecht if they start by stabilizing their internal situation. The office in The Hague has to function independently enough; furthermore they need sufficient turnover every month. When Perfect Housing decides to start an office in Utrecht my advice is to not start this as a franchising. They will loose control and when there is enough financial capacity they can earn a lot more money when keeping the office in Utrecht in own hands of Perfect Housing.

Index

1. Introduction	6
1.1 Definition of the problem	6
1.2 Objective	6
1.3 Central question	6
1.4 Research	7
2. Internal Analysis Perfect Housing	8
3. External analysis Utrecht	12
3.1 Demographic Facts	12
3.2 Economic Factors	155
3.3 Social-Cultural Factors	166
3.4 Technologic Factors	177
Technology projects	177
3.5 Ecological factors	188
3.6 Political-Juridical	199
4. Target Group analysis	20
4.1 The Expat	20
4.2 The property owner	211
5. Conclusion and relation inquiry	222
6. Competitor analysis	233
7. Business in Utrecht	30
7.1 Office	30
7.2 Franchising	322
8. Marketing models	344
8.1 Ansoff-matrix	344
8.2 Five forces model, Porter	355
8.3 SWOT analysis	377
8.4 Confrontation matrix	388
9. Conclusion and recommendation	399
10. Appendix	40
10.1 Information Utrecht	41
10.2 Kennisimmigrant	41
10.3 Inquiry	42
11. Acknowledgement	444

1. Introduction

In 2001 the two directors Fred Tromp and Mike Russell founded the organization Perfect Housing. Perfect Housing is a rental real estate agent located Amsterdam, The Hague and Rotterdam. The organization is part of the Perfect Group, a group of four organizations divided into Perfect Financial, Perfect Visit, Perfect Real Estate and Perfect Housing. Perfect Housing gives advice and acts like an intermediary for rent properties for expats. The organization started their activities in Amsterdam and in 2007, with the ambition to grow, an office in The Hague. The Hague is very interesting for Perfect Housing because of the many expats and the low rent price for properties. They have a large market share in Amsterdam and The Hague and a growing market share in Rotterdam. Perfect Housing has more than 1500 properties in those areas. Their ambition is to become the biggest rental real estate agent in this urban agglomeration. The main value of Perfect Housing is be be result orientated, client orientated and flexibility.

1.1 Definition of the problem

Perfect Group is an organization with ambitions, they are growing fast. After the start in The Hague, Perfect Group wants to investigate new markets in the Netherlands. The city Utrecht is number one to investigate because of its positive local economy.

The philosophy of Perfect Group is to start their activities with the most important subsidiary, Perfect Housing. Perfect Group wants to start with a market investigation for the Perfect Housing service, with a five year forecast.

1.2 Objective

The objective in this investigation is to analyse the internal and external situation. Another part of the objective is to investigate the needs and habits on the market. My motive is to give a correct and suitable recommendation for Perfect Housing.

The main topic exists out of the following central questions:

- What does the organization Perfect Housing look like?
- What does the external situation of Perfect Housing in Utrecht look like?
- Who are the competitors and what are their strengths and weaknesses?
- What are the specific needs of the expats in Utrecht?

1.3 Central question

Is an establishment in Utrecht for Perfect Housing a realistic proposition considering the market situation and market attractiveness?

1.4 Research

The research for Perfect Housing is based on desk research and field research. I worked 20 weeks for Perfect Housing in The Hague. During this internship I got to know the organization and the work Perfect Housing does. By asking questions about the organization and by visiting the head quarters in Amsterdam I made the internal analysis. For the external analysis director Mr. Joost Luttge and I visited the Utrecht Investment Agency (UIA) in Utrecht. Furthermore I visited websites of the competitors and other related websites. The field research is done by an inquiry within social networks in Utrecht.

Used marketing models are:

- The DESTEP
- Product/market matrix Ansoff
- Five forces model, Porter
- SWOT analysis
- Confrontation matrix

2. Internal analysis Perfect Housing

Organization

In 2001 the two directors Fred Tromp and Mike Russell founded the organization Perfect Housing. Perfect Housing is a rental real estate agent located Amsterdam, The Hague and Rotterdam. The organization is part of the Perfect Group, a group of four organizations divided into Perfect Financial, Perfect Visit, Perfect Real Estate and Perfect Housing. Perfect Housing gives advice and acts like an intermediary for rent properties for expats. The organization started their activities in Amsterdam and in 2007, with the ambition to grow, an office in The Hague. The Hague is very interesting for Perfect Housing because of the many expats and the low rent price for properties. They have a large market share in Amsterdam and The Hague and a growing market share in Rotterdam. Perfect Housing has more than 1500 properties in those areas. Their ambition is to become the biggest rental real estate agent in this urban agglomeration. The main value of Perfect Housing is be result orientated, client orientated and flexibility.

Organization structure

They hold a management team with two directors, one personnel manager and one IT-manager. The two directors have different responsibilities;

- Financial cases and marketing.
- Relationship management with investors and judicial cases.

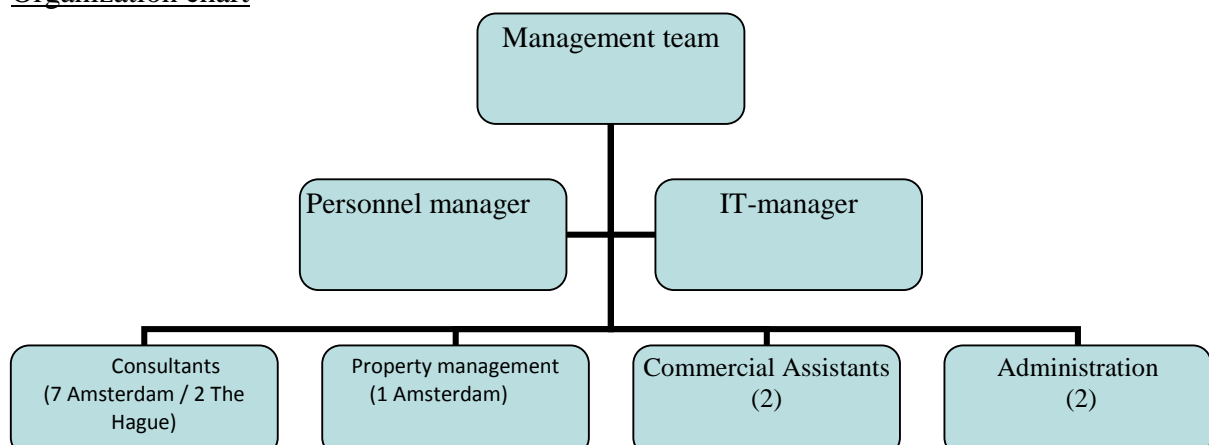
The IT-manager is responsible for the IT-cases and for the IT-marketing activities. Other activities like management consulting and personnel cases are the responsibilities of the personnel manager.

The consultants of Perfect Housing are managed in teams with a team leader who reports to the personnel manager. The consultants have their own account with clients and the new clients are hand out by the personnel manager. The teams have weekly contact about the turnover and the progress. The personnel manager visits The Hague once or twice a week, to have meetings with the two consultants. They discuss the same cases as the consultants in Amsterdam.

The consultants work on commission base and for every deal they receive a share of the amount. Working on commission base helps to motivate both consultants. This is also necessary for a healthy competition amongst the consultants. Every month the personnel manager sends an overview with the amount of deals made from each consultant.

Their main office is in Amsterdam where they have the administration department. The commercial assistants are responsible for the contracts and salaries of Perfect Housing's employees. The administration department handles the administration for The Hague and Rotterdam also. In Amsterdam are two call-center employees who are responsible for the incoming phone calls, also for the offices in the other Dutch cities, when consultants are unavailable.

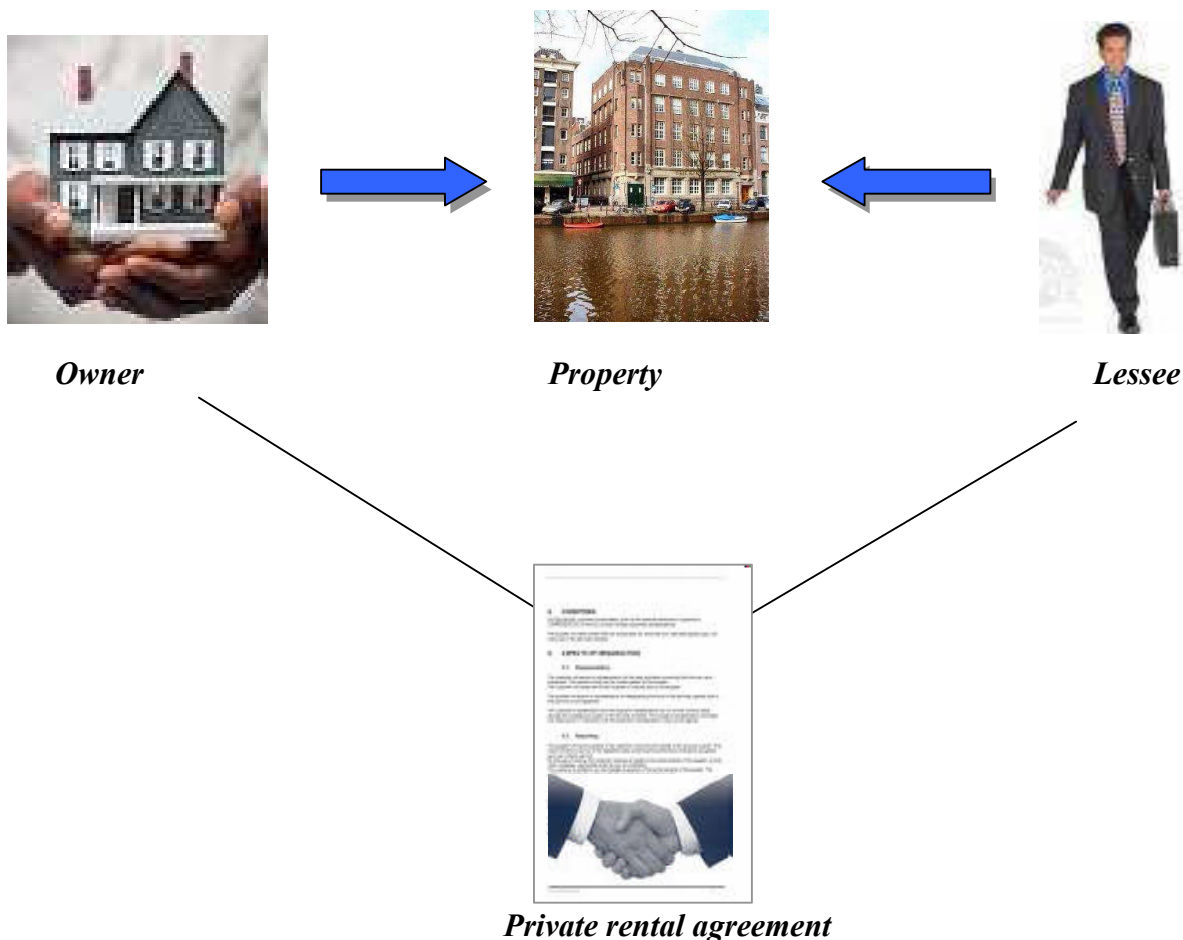
Organization chart



Corporate culture

Perfect Housing is a flexible organization with a business attitude, but also informal and presentation minded. Consultants are formal or informal depending on the client and their preference. Expats are the target group who needs a living option immediately after they arrive in the city. The contact between and amongst colleagues and the management team is informal. Perfect Housing works on “no cure, no pay” basis – in other words, when Perfect Housing does not find a suitable tenant for the property, there are no fees involved. And again I would like to point out that the consultants work on commission base. In Amsterdam they work in teams that receive a bonus if they make their monthly target. For every deal a consultant makes there is a 10% commission of the deal.

Work Processes



Owner

Perfect Housing looks for properties through marketing activities in the areas they work in. Properties in every stage of growth are usable and therefore are welcome. Owners call Perfect Housing to introduce and present their property, this is also possible by filling in the form on the website. They maintain the “no cure, no pay” rule – meaning; when Perfect Housing does not find a suitable tenant for the property, there are no fees involved. The Owner will describe the property details as precisely as possible by using the property registration form which is part of the agreement.

Properties located in Amsterdam and The Hague will be visited and viewed upon appointment by one of the employees. During this appointment they arrange the agreement, complete the description form and photos are being made. If there is an agreement, signed by both parties, the owner gives Perfect Housing the right to publish information with photographs of the property. The information will be published on the website of Perfect Housing and on the websites of third parties: www.pararius.com and www.expatica.com. Properties with other locations will not be personally visited; they send the agreement by local or e-mail. In these situations the owner has to make photos which he will send to Perfect Housing together with the signed agreement. The owner has to make an inventory list describing the contents of the property. Upon request, Perfect Housing can also provide a inventory list template to be completed by the owner. Another alternative is for Perfect Housing to complete the inventory list, for which there is a fixed charge of €250 (ex. VAT).

The next step in the process is for Perfect Housing to hold a key of the property, this is very important because of necessary planning with the client. If Perfect Housing finds a potential tenant for the property there will be a viewing with the client in every area. Perfect Housing will inform 24-hours in advance for each viewing unless the owner indicates that this is not required. It is of critical importance that the property is tidy and well cleaned for the viewing. Feedback from rental clients in which they confirm lack of tidiness and cleanliness is the most significant reasons that interest in the property fails.

When the client decides to rent the property, Perfect Housing will make the contract and will arrange the check-in. The meter readings for gas, water and electricity will be recorded on the date that the expat will move in. The available soft furniture and other items of inventory will be specified in a check-in report and when relevant on the inventory list. The check-in document and the inventory list will be signed by both parties, for they are considered part of the rental agreement. This will be used at the commencement at the termination of the rental period, after assessing the condition of the rented accommodation. When the property will be rented out the owner will pay a fee. In Amsterdam this fee is 5% for the first year and 2% for the 2nd year. For the property owners in The Hague and Rotterdam the fee is 8% during the first year and 2% for the second year.

The Tenant

Potential tenants find Perfect Housing usually by the medium internet. They complete the registration form or call the offices in Amsterdam or The Hague. The consultant will contact the potential tenant by email or phone. The database of Perfect Housing contains standard emails with an introduction of the company. The potential client receives an overview with properties that are available and that match with the criteria. If the potential client likes a property the consultant makes a viewing appointment with the owner. If the potential client wants to rent an apartment they have to pay one month commission fee, one month deposit fee and one month rent in advance. These conditions are explained in the introduction mail. The commercial assistant will make the contract which needs to be signed by the owner and the tenant. The payment needs to be completed before the tenant can enter the property. And finally the tenant needs to sign the check-in paper before he or she can start the happy stay in the property. When the rental period is over there will be a check-out. Important during the check out is checking if the property contains the same conditions it had before the rental period started. The consultant will check gas, water and electricity meters and will list this on the check-out form. The tenant will sign this and receives a bill of with figures. If the conditions of the property are still the same the owner will pay back the deposit.

Marketing target group of Perfect Housing

Perfect Housing is completing a market research for their activities in Utrecht in with maintain a forecast for the upcoming five years. Perfect Housing wants to extend their activities in other parts of the Netherlands also. At this moment several trainees are working on a market research in different cities in the Netherlands.

Strategy of Perfect Housing

Perfect Housing gives advice and acts as intermediary for rent and rental properties. They carry a no cure – no pay base. If an owner decides to rent out a property then Perfect Housing will not calculate any costs for the process. This procedure is also being used for the potential client.

The potential client of Perfect Housing is called an expat. An expat is a foreign person who works temporarily for a company in the Netherlands. Or a foreign person comes to the Netherlands to visit our country. The stay needs to be a period of one month or more. The expats are career orientated and are searching for a house in The Netherlands. Perfect Housing will help the client on a professional, informal, relation aimed and flexible way. They do this by considering their busy schedules. Also the staff of Perfect Housing speaks fluent English and they help negotiating the price. The organization chose to maintain a formal approach towards the property owners, concerning the mediation contracts. This means that they can offer their properties to other agencies also. This is a large benefit for the owner, and gives more opportunities also. Perfect Housing has a good relationship with other expat organizations like Expatica.com and other relocation agencies. These relationships cost a lot of time and sensitivity.

Financial situation

The financial situation of Perfect Housing had large ups and down from August 2009 till December 2009. Consultants have a target to make every month. Largest turnover in the history of the company was in August 2009. Unfortunately the turnover was really very bad in September. Conclusion is that they have a very unstable financial situation.

SWOT

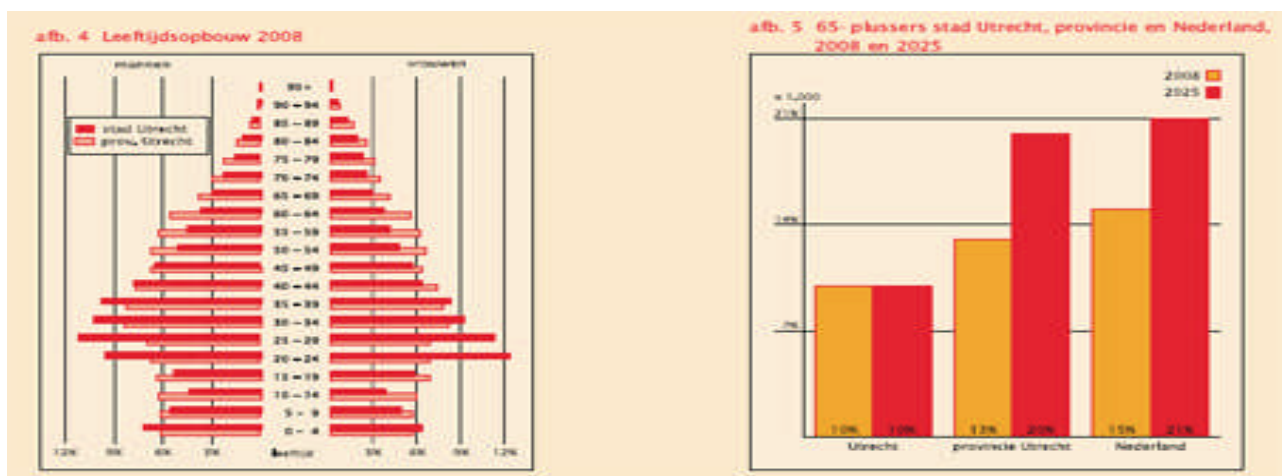
<i>Strengths</i>	<i>Weaknesses</i>
Flexible and dynamic organization	No stable financial situation
Motivated personnel with knowledge of the market and languages	Internal problems – for example their database
Bonus system	Bonus system
Marketing on the internet	No training for consultants
Division of responsibilities	No autonomy office The Hague
Experience of the management team	No marketing plan or budget
Good relationship with other expat organisations	
Friend and very client focussed	

3. External analysis Utrecht

This chapter will give an explanation and analysis of the city Utrecht. This is analyzed with the DESTEP-method. DESTEP is an abbreviation of Demographic, Economic, Social-Cultural, Technologic, Ecological and Political-Juridical. The DESTEP-analysis gives a clear image of the external environment where the organization operates. Awareness of the external environment is the value to make effective use of the opportunities and threats caused, which is by the landscape the organization operates. The DESTEP is important for the success of the organization.

3.1 Demographic Facts

Utrecht has 301.632 inhabitants and the city is very popular to students. They live in the city for a few years and most students leave after their college years. Trough this situation Utrecht stays “green” in contrast to the aging environment. More than 14% of all the inhabitants are between 18 and 24 years old (almost 42.000 persons).



The amount of elderly in Utrecht from 65 years and older (10 % of the inhabitants) increased the past 5 years with 148 persons. In 2025 the amount of elderly will be still around the 10%. Because of this reason there is no obsolescence in Utrecht. In the Netherlands and the province Utrecht this situation is different. Between 2008 and 2025 the amount of elderly will increase from 15% till 21%. The obsolescence in the province is not only because of the amount of elderly but also through the suburbanization (people leave the city to move in smaller villages). Suburbanization was mainly created in the seventies and eighties¹.

The amount of immigrants is the last few years higher than the amount of emigrants. In 2007, 4714 immigrants came to the city, 3205 inhabitants left their country. Almost half of the immigrants has a western origin, like the European Union and the USA. These are high educated people who come for the high-quality service sector in Utrecht. From the new European countries, like Bulgaria and Poland, there are more immigrants than emigrants. The immigrants from Turkey and Morocco are relatively low and are barely higher than the emigration to these countries.

Binnenlandse en buitenlandse migratie, 2007			
	vestiging	vertrek	groei
Totaal	24,911	21,331	3,580
Totaal binnenland	20,197	18,126	2,071
w.v. uit/naar			
Nieuwegein	1,233	1,093	140
Amsterdam	976	1,661	-685
Maarsse	902	740	162
Zeist	680	828	-148
De Bilt	575	828	-253
Groningen	506	185	321
Totaal buitenland	4,714	3,205	1,509
w.v. uit/naar			
Europese Unie	1,446	1,471	-25
Ver.St.v. Amerika	215	281	-66
Bulgarië	191	23	168
India	161	44	117
Polen	155	53	102
Turkije	123	111	12
Marokko	110	67	43

¹ www.utrecht.nl/smartsite.dws?id=278616

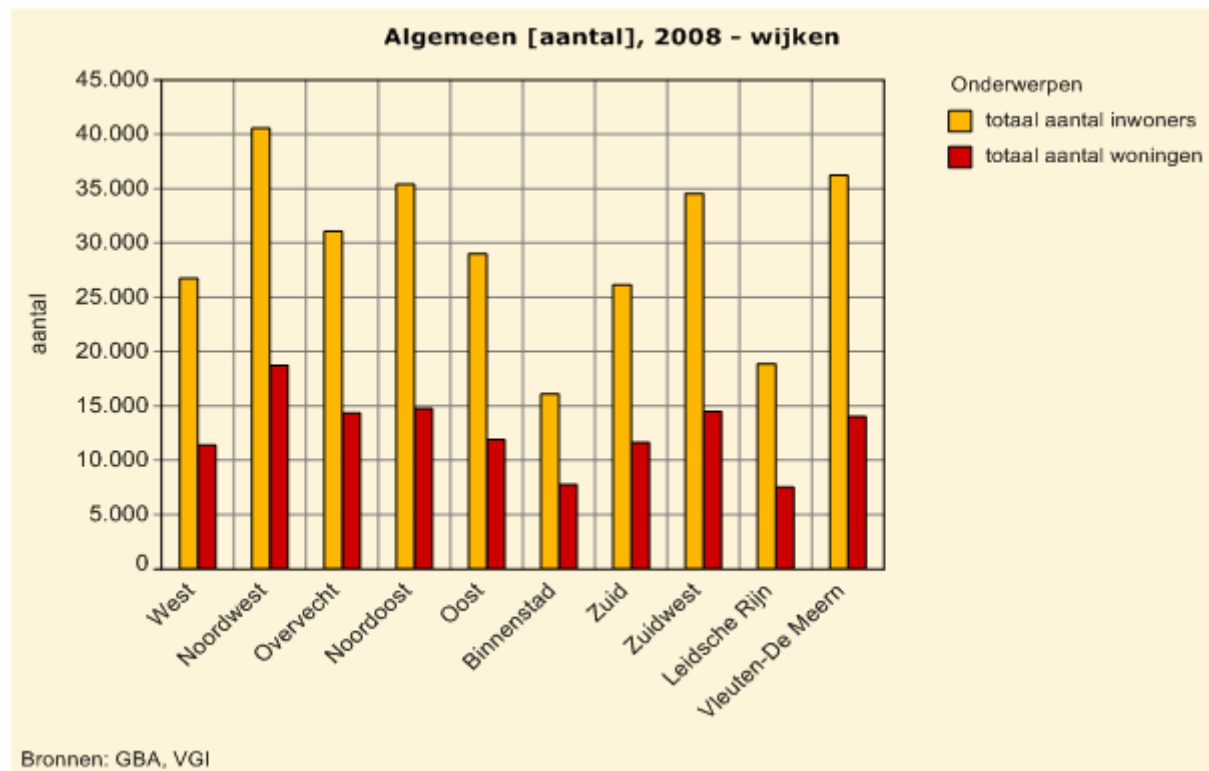
Utrecht is at this moment, looking at inhabitants, the fourth largest city in the Netherlands. Number one city is Amsterdam with 747.093 inhabitants. Second city is Rotterdam with 582.951 inhabitants and third is The Hague with 475.681 inhabitants. Those four large cities are the G4 of The Netherlands. Utrecht will grow very fast if the building of the cities continues. With this sturdy progression Utrecht will, in the future, maintain being fourth largest city in The Netherlands.

The Netherlands is a very popular country for the expat. 82% of the expat stays in The Netherlands for more than three years².

The average rent price of a property in Utrecht is €15,39 per square meter. This is a decrease of 3,57% compared to last month (January 2010).

Utrecht is classified in ten districts called:

West, Noordwest, Overvecht, Noordoost, Oost, Binnenstad, Zuid, Zuidwest, Leidsche Rijn, Vleuten-De Meern.



² <http://huizen.trovit.nl/792/huurprijs-utrecht>

The district Leidsche Rijn is very important for Utrecht. In this area Utrecht started to build a new-construction project with; residential areas, business locations and pleasure grounds, in 2007. Leidsche Rijn will be finished up in 2025. Leidsche Rijn (total of 2100 hectare) will consist out of ;

- 30.000 residential for 80.000 inhabitants
- 270 hectare company ground with 720.000 m2 offices, for a total of 40.000 employees.
- 95.000 square meter for shopping centres
- 390 hectare for recreational ground.

The company ground is called Haarrijn, De Wetering, Papendorp en Strijkviertel. Papendorp is because of the central location and the recreational ground known as the perfect location for offices and companies in Utrecht. Capgemini, Atos Origin, Grontmij en KPN are names of large companies that are already located in Papendorp³.

International Schools

Utrecht has one international school for children with an age of 12 till 19 years. This is a school where they teach students who can speak a little bit to no Dutch. There is no International school in Utrecht for children younger than 12.

Nearby Utrecht in the city called Hilversum there are two international schools. Alberdingk Thijm is a school for children from 4 till 19 years and The Violenschool is an international primary school for children from 3 till 12 years⁴.

³ <http://www.utrecht.nl/smartsite.dws?id=184941>

⁴ <http://www.isk-utrecht.nl/>
<http://www.ishilversum.nl/InternationalSchoolHilversum/Home/tabid/164/Default.aspx>
<http://ipsviol.nl/>

3.2 Economic Factors

In the middle of 2008 there was a special situation where the economic growth decreased. In the past years the economy in Utrecht was excellent and grew very fast. In 2007 there was a growth of 3.5% but after the second quarter of a year in 2008 the economy had a declining line. This decreasing growth happened because of the economic worldwide crisis where Utrecht, the Netherlands and the rest of the world have to deal with. The consequences in Utrecht, with regard to the economic crisis, are visible when looking at the facts of the labour market.

In January 2009 the amount of job-seekers increased, this was the first time in three years. After all, the amount of new starting companies caused a big growth. On the other hand the self-employed confidence decreased. The state Utrecht and the state Zeeland are compared to other Dutch states and Europe countries the most successful states in the economic crisis. In Utrecht the economic index grew with 15 points. The financial, building, production and telecommunication sectors are the causes of growing index⁵.

	aantal bedrijfsvestigingen		aantal banen
West	2.293	West	29.154
Noordwest	2.238	Noordwest	10.999
Overvecht	1.380	Overvecht	13.748
Noordoost	2.395	Noordoost	8.468
Oost	2.400	Oost	47.375
Binnenstad	3.007	Binnenstad	39.504
Zuid	1.059	Zuid	5.597
Zuidwest	1.779	Zuidwest	30.363
Leidsche Rijn	1.220	Leidsche Rijn	20.371
Vleuten-De Meern	2.011	Vleuten-De Meern	12.242
Totaal	19.782	Totaal	217.821

The businesses are spread all over Utrecht. The most popular place to establish a business is the city centre and those are good for 217.821 jobs. In 2009 7 new foreign companies were established in Utrecht. Very popular places are Papendorp and Leidsche Rijn because of the logistic benefits. There are many reasons to establish a business in Utrecht;

- The city is located in the heart of the Netherlands
- Has a sound infrastructure
- Has a large number of knowledge-intensive companies
- Has a highly educated and professionally young population
- Has impressive new construction projects and high quality existence of office locations
- Has a strong commercial services sector

To sum up, Utrecht is positive and has ambitions for the future. Utrecht wants to become the top location in 2010 for all the (inter)national headquarters. The city offers locations like Centrum & Central Station area, Papendorp and Leidsche Rijn Centre. Combined with the A2 highway the city has the most important infrastructure for The Netherlands⁶.

⁵ <http://utrecht.buurtmonitor.nl/>

⁶ <http://www.utrechtinvestmentagency.nl/idbbe/welkom>

<http://www.utrecht.nl/smartsite.dws?id=15260>

Dhr. Menno de la Vienne – Utrecht Investment Agency

3.3 Social-Cultural Factors

For Utrecht the relation between the people and their environment is important. Utrecht has many cultures, different standards and values. Their focus is on seven values; Social coherence and identity. Participation, development, culture, health, safety, housing conditions and education.

Social coherence and identity:

This is an important condition for cohesion in the society. Social Coherence is about what people commits, amongst family members, but also between individuals and the pressure group. This is very important because it can lead to creativity and innovation. Social coherence and identity gives Utrecht a positive image.

Participation and development

Participation is meant for the social, economic and politic relation between Utrecht and the inhabitant of the city. Every inhabitant has equal rights and duties. The city has a few demands for the inhabitant.

Every inhabitant;

- is capable to take care of themselves
- has the right to vote, and is encouraged to vote
- can further develop themselves, economically and socially

Culture

Utrecht protects the cultural capital and activities. It is important for the city to have cultural activities because of the social coherence with inhabitants, but also to keep the culture alive. Inhabitants don't know very much of the city and aren't aware of the beauty that the City Utrecht holds. Inhabitants have to visit cultural programmes, make amateur art and read more.

Health

The conditions of the durable society are a healthy population, in both physical and psychological way. The inhabitants have to feel happy in their environment they live. This is important for the economy and the society. Utrecht has a condition that inhabitants have to take care of and care for others.

Safety

Every individual in the society needs certainty of safety to function. Over the last ten years safety became more important. For example terrorism, violence, crimes are better taken care of. Everybody wants to live somewhere where it is safe. Inhabitants need to cooperate with the city Utrecht to live safe.

Housing conditions

In this topic there is attention to the availability and the quality of the houses. In every community are enough facilities like a supermarket, police station, and railway station etcetera.

Utrecht is supporter of "green" in her communities. Inhabitants can enjoy the parks and the lovely trees.

Education

Education is important for our society for practical cases but also for the economy. Utrecht has very high standards in education. The universities and schools will be checked every 6 months for the high quality Utrecht wants. Good education is also import for the youth unemployment⁷.

⁷ <http://www.samenopwegnaar2040.nl/Staat+van+Utrecht/default.aspx>

3.4 Technologic Factors

Technology development is for Utrecht very important, that way the city will constantly be extended. Utrecht wants to be interesting for the inhabitants, national and international businesses. That is one of the main reasons that Utrecht executes expansive research to several technologies.

Technology projects

- Several railway extensions for faster train transport are planned for both Amsterdam and Utrecht. For this extension Movares needs to build four stations, a bridge, two crossings and viaducts. To complete this complex project Movares will plan every phase, furthermore they will make a newsletter for the inhabitants of The Netherlands.
- On the ground of the sewer sewage treatment plant in Overvecht, new houses will be built. Through the new technology 17 hectares are no longer need, in the future only 2 hectares are needed for the sewage treatment plant. The province Utrecht is doing research with regard to the feasibility of this plan. This project is very important because of the shortage of houses in this area. The project is also very suitable for the new future plans of Utrecht; the project is called the “green” project.
- Especially for the elderly people Utrecht will, in the future, work with the new technology of images. When elderly people have a problem they connect with the doctor and they can see each other and that way they expect the problem to be solved easier⁸.

⁸ <http://www.utrecht.nl/smartsite.dws?id=12564&persberichtID=256408&type=pers>

3.5 Ecological factors

Environmental history is the study of humans and nature and their past interrelationships. Environmental historians base their understanding of human and nature relations primarily on historical methodology, but often borrow from the work of scientists and scholars in fields outside of history. As a result, many scholarly contributions pertinent to environmental history are written by scholars who typically would not identify themselves as historians.

At the moment there are no policies for ecological standards in the Netherlands. The Kaderrichtlijn Water demands that The Netherlands has to make ecological standards before 2025. The RIVM will help and support the government with making ecological standards. Every state has their own standards. The pursuit for the city Utrecht is 75% renewable purchasing in 2010 and 100% in 2012. There are national criteria for renewable products. The company Senternovem defines these criteria. The ministry of VROM collects all the details of the purchasing and gives a rapport to Utrecht at the end of the year. Every year Utrecht has to improve their renewable purchasing. Utrecht already uses renewable wood for building.

Utrecht has a bio-washing machine underneath its central station; this is a washing machine with a combination of warm-cold storage and groundwater decontamination. This machine controls the spread of environmental pollution in the bottom and stimulates the biologic demolition. This is one of the biggest versions of warm-cold storage in The Netherlands⁹.



⁹ [http://www.utrecht.nl/images/DSB/Aanbestedingen/Nota%20aanbestedingsbeleid%202008%20v1.6%20\(def%20raadsbesluit\).pdf](http://www.utrecht.nl/images/DSB/Aanbestedingen/Nota%20aanbestedingsbeleid%202008%20v1.6%20(def%20raadsbesluit).pdf)

3.6 Political-Juridical

Since April 10th 2009 Utrecht has a new political college with the PvdA, CDA, Christen Union and the VVD. The college governs the city till the council general elections in March

Politiek	
Burgemeester (lijst)	Aleid Wolfsen (PvdA)
Bestuur	PvdA, VVD, CDA en ChristenUnie
Zetels	45
PvdA	14
GL	8
VVD	5
CDA	4
SP	4
D66	3
Leefbaar Utrecht	3
ChristenUnie	2
Groep Mossel	1
Burger&Gemeenschap	1

2010. The college has an important agreement; they will encourage the program of 100 million euro to catch up with the economic crisis.

The local authority invests extra in projects to help inhabitants who lost their job in the economic crisis. There is special attention also for unemployment amongst the youth. The inhabitants of Utrecht have lower costs for real estate and garbage tax.

This way Utrecht helps its inhabitants through the economic period of difficulty and on the other hand Utrecht finances a lot of cases.

Utrecht has a cooperation of nine local authorities in the region Utrecht. They work together for the improvement of accessibility, liveability and the economic development. The local authority Bunnik, De Bilt, Houten, IJsselstein, Maarssen, Nieuwegein, Utrecht, Vianen and Zeist are all together the authority region of Utrecht¹⁰.

¹⁰ <http://www.utrecht.nl/smartsite.dws?id=250>

4. Target Group analysis

Perfect Housing is a company with two target groups. As mentioned before these target groups are the expat people, who live in the Netherlands for a certain period of time. The other target group are the owners who have their properties available for rent.

4.1 The Expat

Definition of Expat: An expatriate (in abbreviated form, expat) is a person temporarily or permanently residing in a country and culture other than that of the person's upbringing or legal residence. The word expat comes from the Latin term *expatriātus*.

<http://en.wikipedia.org/wiki/Expatriate>

The expat who is planning on coming (temporarily moving) to Utrecht searches for property to live in. They want a place to live as fast as possible and they don't have the time to wait for a social rent property. Social rent properties are properties with a rent price above € 647,53 and are rented out by a government resident corporation. The properties above this rent price we call the private residence sector. In most of the cases the expat is not qualified for this waiting list. An expat who will work in Utrecht for a company in general won't have a problem with paying over €647,53 rent.

Within the private residence sector the owner can offer a few extra services like; furnished properties, special agreements and technical services.

The EU-migrant holds the right of open residence and labour within a EU-member countries. They don't need a special residence permit or working visa (guideline 2004/38/EG). After their passport and personal data check the expat is an official inhabitant of the local government. Because of this process it is easy and attractive for expat people to come to the Netherlands. In 2008 almost 143.00 people from the EU established themselves in the Netherlands. Most of the immigrants came from Poland (10%), Germany (6%), Bulgaria (4%) and China (3%). Of the entire EU-migrants 63% was between the age of 20 and 40 years. In 2007 these were the reasons of immigration to the Netherlands: work, family, study and asylum.

4714 immigrants came to Utrecht in 2007 to live in the city. Almost half of the immigrants in Utrecht are from western countries like, European Union or the United States. These groups are high educated people who work in the services sector In Utrecht¹¹.

Binnenlandse en buitenlandse migratie, 2007			
	vestiging	vertrek	groei
Totaal	24.911	21.331	3.580
Totaal binnenland	20.197	18.126	2.071
w.v. uit/naar			
Nieuwegein	1.233	1.093	140
Amsterdam	976	1.661	-685
Maarssen	902	740	162
Zeist	680	828	-148
De Bilt	575	828	-253
Groningen	506	185	321
Totaal buitenland	4.714	3.205	1.509
w.v. uit/naar			
Europese Unie	1.446	1.471	-25
Ver.St.v. Amerika	215	281	-66
Bulgarije	191	23	168
India	161	44	117
Polen	155	53	102
Turkije	123	111	12
Marokko	110	67	43

For non EU-residents coming to Utrecht is an interesting place to work, this is possible through the "kennisimmigrantenregeling" (introduction migrant) which started in 2004. This fast and simple procedure for EU-migrants makes our country attractive for non EU-migrants, part of the category introduction migrant "kennisimmigrant". An introduction migrant is a migrant who will come to the Netherlands to work. The gross year salary of a introduction migrant exists out of two qualifications: younger than 30 years €35.997, 30+ years old €49.087.

¹¹ http://www.rivm.nl/vtv/object_document/o3110n21016.html
<http://www2.utrecht.nl/smartsite.dws?id=278616>

This table shows the first 11 months in 2009, 5260 expats outside the EU, called introduction migrants “kennisimigrant”, came to the Netherlands. Almost half of all those expats were Indian. For Perfect Housing high-educated EU-migrants and non EU-migrants the most important target group.

Cijfers 2009 MVV

MVV (aantal geregistreerde aanvragen)	Jan.	Feb.	Maart	April	Mei	Juni	Juli	Aug.	Sep.	Okt.	Nov.	Dec.	Totaal
Gezinsvorming/hereniging	2.160	1.930	2.210	2.230	2.070	2.360	2.540	2.030	2.740	2.840	2.790		25.900
Arbeid	350	250	300	220	220	300	240	180	220	240	170		2.690
Studie	480	130	100	90	240	1.710	3.260	870	370	160	390		7.800
Kennismigrant*	400	360	370	340	350	400	510	320	370	280	390		4.090
Overige verblijfsdoelen	340	370	380	420	360	530	640	420	580	660	560		5.260
Totaal	3.730	3.040	3.360	3.300	3.240	5.300	7.190	3.820	4.280	4.180	4.300		45.740

* Enkele specifieke categorieën hoger opgeleide vreemdelingen die in Nederland in loondienst komen werken

4.2 The property owner

The properties of the private residence sector have an after-tax rent above € 647,53. Each year in July they complete a re-calculation of the rental amount. In the private residence sector the tenant isn't qualified for rental grants.

In 2009 the private residence sector share is 13% in Utrecht. These are 16807 properties for rent. The properties are 7731 family houses, 6386 flats and 2686 studios¹².

Wonen en nieuwbouw		
Woningvoorraad 1-1-2009	129.281	100%
Huur en koopwoningen		
Koopwoningen		50%
sociale huurwoningen		37%
particuliere huurwoningen		13%
Woningtypen		
Eengezinswoningen		46%
Flats		38%
boven-/benedenwoningen		16%
Woningmarkt		
	2007	2008
mediane verkoopprijs (euro's)	245.000	252.000

Each property owner that has their property for rent in Utrecht is interesting for Perfect Housing. At the moment in Utrecht there are 41 family houses and 205 apartments for rent. For sale there are 1053 family houses and 1421 apartments. The properties in Utrecht are the most expensive properties in the Netherlands. Also in Utrecht the sales of properties decreased. This is a positive outcome for Perfect Housing because they can encourage the owner to rent out their property.

¹² <http://www.wegwijs.nl/3145/>
<http://www.funda.nl/koop/utrecht/>
<http://m.utrecht.nl/smartsite.dws?id=256399>
<http://www2.utrecht.nl/smartsite.dws?id=278616>

5. Conclusion and relation inquiry

Almost every large city in the Netherlands has an expat office. This service desk will help expats with questions and information. Utrecht does not have an expat service desk, therefore it is difficult to find the expat.

Utrecht has social networks for expats and they filled the inquiry in. (appendix 10.3)

The social networks are;

- Rotary Club Utrecht International
- Utrecht Toastmasters
- The International Women's Contact Utrecht

The low responds of 46 inquiries didn't affect the investigation because the responses that i did receive gave a clear overview. The interview questions are placed in the appendix.

Amongst the 46 interviewees were in total 30 Man and 16 women. 14 Persons are single, 27 persons are married and 5 are in a relationship. 93% of all interviewees work in Utrecht and also 93% sees Utrecht as an attractive city for expats.

Ten questions in comparison to other questions with interesting connections.

Relation between question 2 and 5:

52% of the single live in the city centre of Utrecht. Other popular areas are Leidsche-Rijn and Vleuten-De Meern.

Relation between question 2 and 13:

82% of the single people live in an apartment, amongst the married people this is 76%. The rest of the people live in a family home.

Relation between question 2 en 15:

39% of the single people live in properties with a price-range between €1500 and €2000 per month. Married couples have more to spend and 46% live in a property with a price-range between the €2000 and €2500 per month.

Relation between question 7 en 14:

From the interviewees who will stay in Utrecht for less than 12 months 59% will choose a furnished property. 65% of the interviewees who will stay less than 36 months in Utrecht will also choose for a furnished property, only 36% will choose for an unfurnished property.

Question 10:

www.expatica.com and www.pararius.com are very popular websites for housing information. Justlanded.com is for expats a good third website to find information. Not much of them chose the website of Perfect Housing.

6. Competitor analysis

When a company decides to extend their services in another city it is very important to know its competitors. Important topics are the products they offer and what their strengths and weaknesses are. When the company has a clear overview of the competitors the chances to succeed are bigger.

Utrecht has many competitors that offer the same services as Perfect Housing does. Every property in Utrecht above the €647,53 per month is a private sector residential. To rent a private sector residential there are no accommodation licences needed. Utrecht has a lot of different properties like: rooms, studios, apartments, student houses, one family houses, family houses and mansions. The prices from these properties are variable and available to every target group.

To get a clear overview of Perfect Housing's competitors I selected four main criteria.

- Competitors that offers most of their properties in Utrecht and area.
- Competitors with expats as main target group.
- Competitors that offers more than 20 properties in Utrecht
- Competitors that work with an no cure – no pay base

Atrius

Since 2003 Atrius acts like a negotiator between the tenant and owner. They search properties in the area of Utrecht that are available for rent. The rent period can be a short stay or for a long time. Atrius has houses in their portfolio that are furnished or unfurnished. Atrius has three different target groups; the company that rents a house for the foreigner employee. In most of the times the company also pays the rent. Another target group are the expat that comes to the Netherlands for several reasons. Their third target group are the owners that want to rent out their property.

The company is established in the village Den Dolder. They have 22 rental properties in their portfolio from €700 - €2300. This company works with a no-cure-no-pay method. Clients that search for a house can fill in the registration form with their criteria. After they complete the form they sent the conditions and service terms. These need to be signed by the client before cooperation can start.

If the client rents any of their properties they have to pay one month of rent (including service an utilities) and one month in deposit. The client has to pay this amount before they enter the property, this including one month rent in advance. Atrius works only with clients that can show a valid copy of their passport, a copy of their employment contract and a bank statement or salary statement. If the client is a company, a valid copy of the registration with the Chamber of Commerce number in the Netherlands is required.



Atrius also informs the client that the properties they offer are intended as temporary rentals, permanent residency is not allowed in any of their properties. Most properties require a minimum lease term of three or six months. Extension of a lease is only possible with the written approval of the owner. Properties that may be rented for a shorter term will be listed on their website. Most owners have a standard no smoking and no pets policy.

When an owner offers their property to Atrius they make an appointment to view the property. Atrius wants to see the property with a good rental price advice and they make professional photos. The owner has to sign an order to rental contract. In this contract the owner gives Atrius commission to rent out their property. Atrius will place the property on several websites like; Pararius, Expatriates, Huislijn, Jaap.nl and Houselink. These are very popular websites that expats uses and they are easy to find on google.com. When Atrius rents out the property to an expat, the property owner pays 275 euro excl. utilities. This fee is for making the contract, viewing with the client, looking for client details and placing the property on the websites. Atrius does not offer any supervision management¹³.

¹³ <http://www.atruius.nl>
Telephone confrontation with employer of Atrius

Quwest is specialized in dealing with expats who want to rent a house or apartment. The properties are available for long and short stays. Most of the stays in their properties are for six months till three years. The properties are furnished, unfurnished, semi-furnished, modern or authentic and located in the city or on the countryside. The tenants are usually expats or companies but also immigrants. Tenants that sold their properties and search for a short stay will also be helped by Quwest.

The company is established in Groningen. They offer properties in every Dutch state. They pay their attention to companies who search a house for their employee and they also pay attention to the expat. The website is in Dutch and English. The company gives explanation about practical things like; taxes, education, economy, duties and more. Quwest answers your questions by email or phone. Registration is free of charge. Quwest has three different target groups; the company that rents a house for the foreign employee (in most of the times the company also pays the rent), the expat that comes to the Netherlands for own reasons and the owner that wants to rent out their property.

Registration by Quwest is free of charge and their offers are free without any obligations. If the tenant decides to rent a property from Quwest they pay the rent price of one month in commission. This month fee is the amount of the non-negotiated price. Rental agreements are drawn up between the tenant and the landlord of the accommodation. The price of the property is ranged from €850 - €6500 Euros excluding utilities and local taxes. The tenant will pay one or two months rent in advance as a deposit payment.

If the owner has a property that is decent for an expat and for Quwest there is a registration form that needs to be completed. The owner has to sign the agreement to lease the property contract. The properties Quwest has for rental are on their website (www.quwest.com), but also on www.pararius.com and www.huislijn.nl. When Quwest find a client who matches with the apartment they contact the owner and make a viewing appointment. Quwest is not joining this viewing, only upon owner requests. Quwest is not present because it is important for the owner and client to get to know each other. When the client decides to rent the property Quwest ask a €250 fee excluding VAT for making the contract and to find a client¹⁴.

¹⁴ <http://www.quwest.com>

Telephone confrontation with employer of Quwest



GuntenaarWonen has two establishments, one in Utrecht and one in Driebergen. The company offers properties in Utrecht and area between €850 and €10.000. The website is only in Dutch and they pay attention to the Dutch property owner. They make promotion on twelve other websites for the property with as main target group the expats. GuntenaarWonen offers properties that are and are not furnished. They are specialized in mediation and advice since year 1997 not only to rent out apartments but also to sell or buy properties. GuntenaarWonen has a large network of colleagues and international companies who can help in finding a fast and good client-apartment match. Quwest has three different target groups; the company that rents out a house to foreign employees (in most of the times the company also pays the rent), the expat that comes to the Netherlands for own reasons and the owner that wants to rental his property.

GuntenaarWonen has no waiting list and the client doesn't have to pay entry fee. This company works with on "No cure – no pay" base for both parties. The client can walk into the office with no appointment; this is one of the strengths of the company GuntenaarWonen stands for.

The fee is one month of commission and one month of deposit when the client rents a property of GuntenaarWonen.

GuntenaarWonen helps the owner to make an apartment attractive for the client with a good rental price and professional photos. This cases will be done when one of the employers visit the property and discus the contract with the owner. The owner has to sign an agreement to lease property contract and can also chose for a supervision contract. When there are problems in the property the client can call GuntenaarWonen and they will solve it. This will cost the owner one month of the rent price for one year. If GuntenaarWonen rent out the apartment they don't ask any fee of the owner¹⁵.

¹⁵ <http://www.guntenaarwonen.com>
Telephone confrontation with employer of GuntenaarWonen

Cover Housing rents out and manages properties since 1973 in Utrecht and Amsterdam. In those places Cover Housing has offices to help the client sufficiently. The properties have a rent price between €850 and €10.000. The client has to sign in first before they can see the register. Signing up is free of charge and the client will get a username and password. Cover Housing is working on a “no cure – no pay” basis. Cover Housing has three different target groups; the company that rents a house for the foreign employee (in most of the times the company also pays the rent), the expat that comes to the Netherlands for own reasons and the owner that wants to rent out his property.

The fee is one month of commission and one month of deposit when the client rents a property of Cover Housing. If the client wants a property that Cover Housing can't offer there is a network with other colleague and Cover Housing will find a property through another agency. The properties will be placed on different websites that are very popular for expats. Cover Housing will also send the new properties to all the clients that match with the property and they send the apartments to other agencies too.

Cover Housing will make an appointment with the owner to visit the property to decide what the rental prices will be and will make 150 to 200 photos. The owner has to sign an agreement to lease the property and can chose for a supervision contract. The management costs are 4% of the total year in rental price. The fee that the owner needs to pay when the property is rented out will be discussed when one of the employers of Cover Housing has a viewing appointment in the property. Cover Housing will view with the client to give a professional advice to the client¹⁶.

¹⁶ <http://www.coverhousing.com>
Telephone confrontation with employer of Cover Housing

B&S Rental Service

Sixteen years B&S Rental Service searches properties for expats. The properties that the company offers are mainly in the area of Utrecht. The client can find the properties on many websites that are very popular to expats. B&S Rental Service

offers the client a modern way to stay informed about their offer. The client can become a registered user of the website. B&S Rental Service has three different target groups; the company that rents out a house for the foreign employee (in most of the times the company also pays the rent), the expat that comes to the Netherlands for own reasons and the owner that wants to rental his property.



B&S Rental Service is specialised in assisting expats who are looking for temporary accommodation. Based on the client wishes the company selects a number of properties. The client can visit as many properties they wish on a “No cure – No pay” basis with an employee of B&S Rental Service.

When the client chooses one of the properties, B&S Rental Service will lead the negotiation of the lease price and will make the contracts. By the time the client puts the key in the door, everything is settled. Most homes B&S Rental Service has on their file are fully furnished. The prices of the apartment are between €700 and €10.000 per months. The fee that the client has to pay is one month rent excluding VAT.

B&S Rental Service has connections with a large network of companies and institutes in the region, from banks and insurers to IT companies and the health sector. In request of these international companies B&S Rental Service find accommodation for their expat employee. The company will make a rent price for the property that matches with the market. B&S Rental Service will make the contract with the wishes of the client and those of the owner. They also make an inventory list and do the check-in and check out. Mediation is free of charge. Management fees are charged only if B&S Rental Service is supervisor of the property¹⁷.

¹⁷ <http://www.bnsrentalservice.nl>
Telephone confrontation with employer of B&S Rental Service

SWOT

Strengths	Weaknesses
Perfect Housing has a lot of experience in renting out apartments.	The 8% fee that Perfect Housing charges to the owner of a property is much higher than the competitors.
Some of the competitors have a lot of experiences but a small supply of properties; they have to work with other agencies.	Perfect Housing has less knowledge in Utrecht and its surrounding areas.
Perfect Housing will view all properties with the clients.	

7. Business in Utrecht

Perfect Housing can choose between two different methods to operate on the Utrecht market. Every method has advantages and disadvantages.

7.1 Office

Definition: An office is generally a room or other area in which people work, but may also denote a position within an organization with specific duties attached to it (see officer, office-holder, official); the latter is in fact an earlier usage, office as place originally referring to the location of one's duty. When used as an adjective, the term *office* may refer to business-related tasks. In legal writing, a company or organization has offices in any place that it has an official presence, even if that presence consists of, for example, a storage silo rather than an office¹⁸.

After market research an organization can decide to start an office somewhere national or international.

Advantages for an office for Perfect Housing

- Perfect Housing has the experience to establish a office
- Perfect Housing keeps the control of their own office
- Perfect Housing can be very flexible with making appointments
- No extra travelling costs and time
- With an office in Utrecht Perfect Housing is in the middle of their network
- Perfect Housing closer on the market with an office in Utrecht
- The secret of success stays within the organization
- Train and educate the employees

Disadvantages office Perfect Housing

- To start a new office cost a lot of money and time
- A bigger business risk and it is difficult to get cash from the bank in these financial times

The Netherlands is still in the middle of the economic crisis and at this moment the organization needs to be very strong to survive the crisis. To start an office the organization needs money, at the moment it is not easy to get a credit loan from a bank, but with a good business plan there is a good change.

Invested capital of a office

For the office of Perfect Housing they can start with two employees in Utrecht. One in charge of answering the phone, help the client and plan viewings with the client. It is important that they help the client fast. Send them an email immediately with the introduction of Perfect Housing and an overview with currently available properties. The second employee will also answer the phone, help the client and plan overviews but will also view with the client. When the office has a large enough turnover there is space for more employees but to keep the costs low Perfect Housing has to start with a small office.

¹⁸ <http://en.wikipedia.org/wiki/Office>

	Quantity	Price	Total
Furniture:			
Work place	3	€ 200,-	€ 600,-
Bureau chairs	3	€ 75,-	€ 225,-
Client chairs	2	€ 75,-	€ 75,-
Data-box	1	€ 100,-	€ 100,-
Floor			
Parquet	50 m2	€ 20,95 per m2	€ 1047,5
Inventory			
Computers	2	€ 395,-	€ 1185,-
Key box	1	€ 100,-	€ 100,-
Furnishing (lights, calculators ect)			€ 500,-
Coffee machine	1	€ 49,99	€ 49,99
Unpredictable costs			€ 1500,-
Transport			
Scooter	1		€ 1075,-
Total investment			€ 6457,49

monthly costs	Costs
Depreciation costs (furniture, floor and inventory (1,7%))	€ 17,-
Depreciation Scooter (1,5 %)	€ 15.72
Rent office	€ 1750,-
Costs of energy (light, water and electricity)	€ 120,-
Promotion (flyers, leaflets, papers)	€ 500,-
Staff expenses x 2	€ 3000,-
Total	€ 5402,72

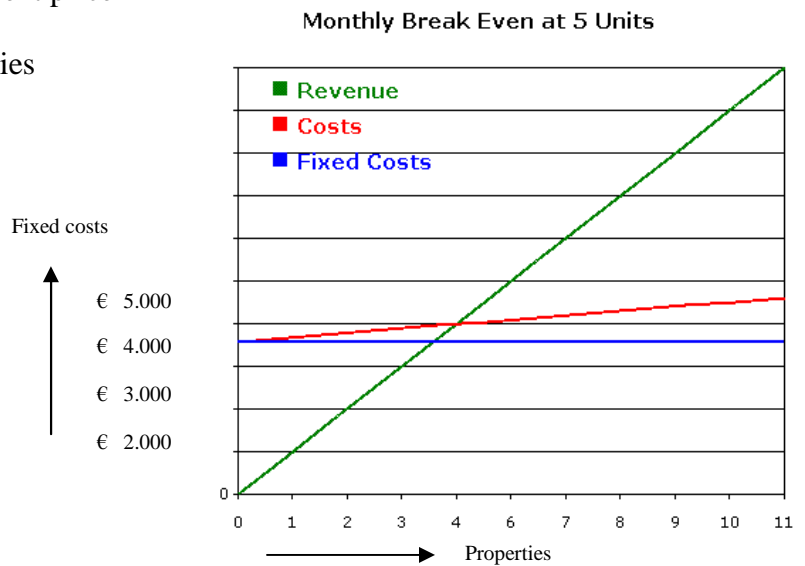
Breakeven point

Fixed costs: Depreciation costs (inventory and scooter), rent office and staff expenses

Variable costs: promotion and costs of energy

Formula break-even point: $\frac{\text{Fixed costs} + \text{Variable costs}}{\text{Average rent price}}$

$$\frac{€ 4782,72 + € 620,-}{€ 1214,-} = 4.4 \text{ So } 5 \text{ properties}$$



Perfect Housing has to rent out 5 properties with an average price of €1214,- each month to break even.

7.2 Franchising

Definition franchising: “Franchising is the practice of using another person's business model. The word franchise is of Anglo-French derivation and is used both as a noun and as a (transitive) verb. The franchisor grants the independent operator the right to distribute its products, techniques, and trademarks for a percentage of gross monthly sales and a royalty fee¹⁹.”

When an organization decides to sell their business plan to a self employed they don't have to give up the company control. In a franchise contract are many options for the franchisee to keep in charge of control;

- The franchisee has to search a proper location to start the office. Sometimes the franchise dealer rents the office
- Operate with the cooperate identity
- Observe the regulations and operate only in the district that is in the contract

Advantages franchising for Perfect Housing

- Perfect Housing can take advantage of the marketing from the franchisee
- It safes Perfect Housing a lot of money and time
- Perfect Housing can make a franchise contract with their obligations
- Small business risk for Perfect Housing

¹⁹ <http://en.wikipedia.org/wiki/Franchising>

Disadvantages franchising for Perfect Housing

- The franchisee won't observe the obligations and can damage Perfect Housing
- The profit will not be comparable with an own office
- The franchiser has to share the business plan with and self employee²⁰

Perfect Housing can offer the franchisee the brand knowledge and brand awareness.

²⁰ <http://en.wikipedia.org/wiki/Franchising>
<http://www.mkbservicedesk.nl/724/wat-franchising.htm>

8. Marketing models

8.1 Ansoff-matrix

The Ansoff-matrix is a model that is very successful in business to develop growth opportunities for the organization. The model has two dimensions: products and markets. Over these 2 dimensions, four growth strategies can be formed²¹.

Four strategies:

- Market penetration (existing markets, existing products)
- Product development (existing markets, new products)
- Market development (new markets, existing products)
- Diversification (new markets, new products)

	Existing Products	New Products
Existing Market	Market Penetration	Product Development
New Market	Market Development	Diversification

Utrecht is already familiar with organizations like Perfect Housing and there are a lot of companies who already operate on the market of Utrecht. This means that Perfect Housing operates on an existing market with an existing product: Market Penetration

The general goal of market penetration is extending the current market share. To realize this there are two methods:

- Try to win clients from competitors
- Sell more to the current clients

Considering Perfect Housing the option of selling more to the current client is not possible because they are a mediator between owner and tenant. The tenant rents most of the time only one property.

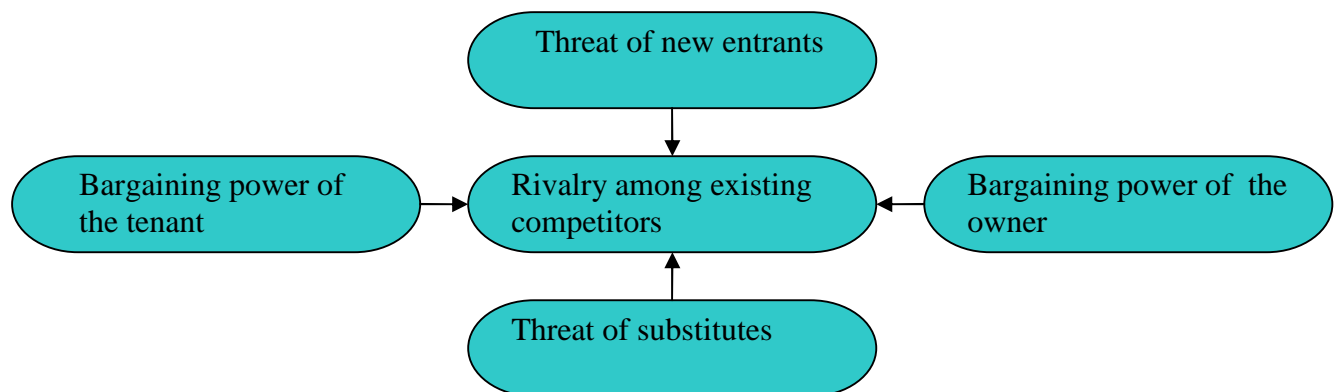
Perfect Housing has to be better than the competitors and has to get the attention of the expat who wants to live in Utrecht. Perfect Housing has to do many marketing activities in Utrecht to get brand awareness. After the attack of Perfect Housing on the Utrecht market they can expect a contra action of the competitors.

²¹ <http://www.google.nl/imgres?imgurl=http://www.franteractive.net/resources/Ansoff-Matrix.GIF&imgrefurl=http://www.franteractive.net/Matrix>

8.2 Five forces model, Porter

The Five Forces model of Porter is a business unit strategy tool that can be used to make an analysis of the attractiveness (value) of an industry structure. The five forces model is made by the 5 fundamental competitive forces:

- Threat of new entrants
- Bargaining power of the owner
- Threat of substitutes
- Bargaining power of the tenant
- Rivalry among existing competitors²²



Risk of new entrants

There are no certificates of qualification needed to be a residence mediation or house agency; this means that everyone can start a company in this sector. There are special rules or conditions besides the ones written in the law. New entrants have no entry step and this is the reason that there are many of them. The most complicated entry step is the point system and the investment costs.

Point system

In Utrecht there is a limited value for properties with a rent of € 647,53. For the properties above this limited value the price will be estimated through supply and demand. Perfect Housing doesn't have to considerate with the point system in Utrecht because their target group searches for a higher level property.

Conclusion: High risk of new entrants

Bargaining power of the owner

A house agency is completely depended on owners that want to rent out their property. The owner decides the rent price of the property. Perfect Housing can give in this case only their professional advice based on the experience and knowledge of the market. The threat of the owner is high. A good relationship with the owner is very important. The bigger the supply of a house agency, the bigger the change that a property will be rented out. On the other hand, bad promotion can lead to heavy financial consequences for the house agency.

Conclusion: High Bargaining power of the owner

²² http://nl.wikipedia.org/wiki/5_krachten_model

Threat of substitutes

Residence mediation is a sector of industry that only through house agencies can be accomplished and is not a threat known to substitute services. However property owners have the choice to rent out their property as privately-owned. If they rent out their property using this way they need to have authorization by the bank. Without authorization by a bank they cannot rent out the property, this is one of the conditions in a home loan contract. A rent out property is not easy to sell and the value of the property decreases because of the tenant risk²³.

Conclusion: Low threat of substitutes

Bargaining power of the tenant

The supply of the rent market in Utrecht is relatively high. The expat in general has many choices. Most of the expats use the internet to do research for a property before they move to the Netherlands. The internet is a source of information where they can find properties in the private residence sector. Perfect Housing must be aware of the knowledge of the expat, the supply of the competitors and the prices. The “no-cure, no pay” strategy that the house agencies use makes it easy for the clients to search properties on an informal way.

Competitors who do not use the “no-cure, no pay” strategy have the chance that the client searches formal supplies first, because they don’t want to pay for a property that is on several WebPages. The supply of house agencies and supply of properties increases the power of the tenant. The bargain power of the tenant is relative high. *Conclusion: Medium Bargaining power of the tenant*

Rivalry among existing competitors

The private residence sector in Utrecht has a wide market definition, there are relatively many competitors on the market, but the number of competitors focussing on the expat is small. The direct competitors have almost the same operation procedures as Perfect Housing. Only the supply of properties they offer are different. Generally the supply is between 20 and 100 properties. The diversity between the competitors is low but there is a difference between NVM and non-NVM house agencies. *Conclusion: Low rivalry among existing competitors*

With the perfect positioning on the market Perfect Housing can be successful in Utrecht. There are competitors but only a few in the target group of Perfect Housing. The threats are not high and can be under control very fast. If Perfect Housing operates like the way they do in Amsterdam and The Hague positioning in Utrecht won’t be a problem.

²³ http://www.nrc.nl/economie/article1827848.ece/Woning_verhuren_Let_dan_op_deze_regels

8.3 SWOT analysis

The SWOT-analysis is a method used to evaluate the Strengths, Weaknesses, Opportunities and Threats.

- Strengths: attributes of the company or person that are helpful in achieving the objective
- Weaknesses: attributes of the company or person that are harmful in achieving the objective
- Opportunities: conditions (external) that help achieving the objective
- Threats: conditions (external) which damage the objective²⁴

Strengths	Weaknesses
<ol style="list-style-type: none">1. Flexible and dynamic organization2. Motivated personnel with the knowledge of the market and languages3. Bonus system4. Good marketing on the internet5. Good division of responsibilities6. Experience of the management team7. Good relationship with other expat organizations8. Very client friendly9. Varied supply	<ol style="list-style-type: none">10. No stable financial situation11. No knowledge of the market in Utrecht12. Bonus system13. Intern problems / like the database14. No autonomy office The Hague15. No marketing plan or budget16. No training for consultants
Opportunities	Threats
<ol style="list-style-type: none">17. Utrecht is a nice place for expats to live in18. The building of Papendorp (many international offices and a suburb to live)19. A big supply of properties20. The economy in Utrecht is the most successful in the Netherlands21. Limited supply of the competitors	<ol style="list-style-type: none">22. Only one international school in Utrecht23. Competitors with much knowledge of the market and they are less expensive than Perfect Housing24. In times of financial crisis's companies don't hire expats

²⁴ <http://nl.wikipedia.org/wiki/Sterkte-zwakteanalyse>

8.4 Confrontation matrix

The confrontation matrix is a combination of the strengths, weaknesses, opportunities and threats.

*: is a relation between the variables. The relation is weak, but an alternation in the opportunities or threats will be influence the strengths and weaknesses. The influence is not big and is not a short time goal.

**: is a relation between the variables. This relation has a big influence on the strengths and weaknesses. Threats can in this relation between variables seen as a problem for the organization and will be a short time goal²⁵.

		Strengths									Weaknesses							Tot
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
O p p	17	*			**			*		*	*	**		*				9
	18	*			*				*	**	*	**		*	*	*		11
	19				**	*		**		*		*					**	9
	20	*	*		*						**	*	*	*	*	*		10
	21	*	*	*	**				*	**	*	**		*		*	**	13
T h r	22				*			**				*						4
	23	*	*		**			*	*	**	**	**		**		*	*	16
	24					*	**				*		*	*		*	**	9
Tot		5	3	1	11	2	2	6	3	8	8	11	2	7	2	5	7	

Rephrasing questions

1. How can Perfect Housing play an important role in the development of Papendorp?
2. How can Perfect Housing get a big supply of properties?
3. How can Perfect Housing improve their knowledge of the market in Utrecht?
4. How can Perfect Housing operate in Utrecht in spite of the economy?
5. How can Perfect Housing improve their marketing activities on the internet?
6. How can the consultants of Perfect Housing improve their knowledge of the market in Utrecht?

²⁵ <http://nl.wikipedia.org/wiki/Confrontatiematrix#Confrontatiematrix>

9. Conclusion and recommendation

In the last chapters I investigated the elements that are important for an establishment in Utrecht. The Dutch states Utrecht and Zeeland are compared to other cities in the Netherlands and other European countries the most successful cities with regard to the economic crisis. In the city Utrecht the economic index grew with 15 points. The financial, building, production and telecommunication sectors are the reason for the growing index. For Utrecht developing of social-cultural, technologic and ecological factors are very important, they need to stay and become an attractive city for the inhabitants and organizations.

Utrecht has a high power of attraction to expats and international organizations. Reason for this is the central location in the Netherlands, infrastructure, a large number of knowledge-intensive companies, highly educated and young professional population and strong commercial service sector. Interesting about Utrecht is also the developing district Papendorp. This project will create 30.000 properties for 80.000 inhabitants and 720.000 m² offices for 40.000 employees. Capgemini, Atos Origin, Grontmij en KPN are names of large companies that are already located in Papendorp. More companies will establish in this district which created positive opportunities for Perfect Housing.

The target group of Perfect Housing is a large group, sufficiently present in Utrecht. The expat who comes to Utrecht wants a place to live as fast as possible, they don't have the time to wait for a social residential sector. Perfect Housing is a company who has the capacity to help the expat. The amount of competitors in Utrecht who also have the capacity to help the expat is not very large and they have a small supply of properties. At the moment there are approximately 2500 properties for Sale in Utrecht. The sales of properties decreased in 2009, which turns out to be positive for Perfect Housing. Owners make a decision to rent out their property faster. The experience and the knowledge of the branch is perfectly usable for Perfect Housing in Utrecht.

To be successful in Utrecht I made several recommendations for Perfect Housing

- Internally looking at Perfect Housing; the financial situation is not stable. It is important when a company decides to grow that there is financial capacity. The office in The Hague is not independent enough. The internal situation of Perfect Housing has to be stable before Perfect Housing decides to grow.
- Database; When Perfect Housing adds up the supply of properties in Utrecht the capacity of the database is really too small. Perfect Housing has to invest money in the technology of the company.
- Brand awareness in Utrecht; Start with a marketing campaign in Utrecht. Develop a website for the expat who wants to live in Utrecht and with enough supply of properties. The target groups need to be able to find Perfect Housing easily on the web.
- The owner; Find the property owner in Utrecht through marketing activities and find them on the internet (websites like funda, huislijn ect). Make Perfect Housing attractive for the owner.
- Supply; When Perfect Housing decides to start with their activities in Utrecht it is important to start with a supply of properties in every price arrange. Invest in the supply.
- Companies; In Utrecht many companies are located that can be of interest for Perfect Housing. Perfect Housing has to make appointments with them to talk about their services and maybe make 'deals for housing' more understandable.

Perfect Housing can be very successful in Utrecht if they start by stabilizing their internal situation. The office in The Hague has to function independently enough; furthermore they need sufficient turnover every month. When Perfect Housing decides to start an office in Utrecht my advice is to not start this as a franchising. They will loose control and when there is enough financial capacity they can earn a lot more money when keeping the office in Utrecht in own hands of Perfect Housing.

Perfect Housing has the opportunity to be successful in Utrecht!!

10. Appendix

10.1 Information Utrecht

Economic boomtown

Utrecht has a powerful manufacturing infrastructure. The financial services in Utrecht are almost twice the national average. In addition, Utrecht has a relatively large non-profit sector; government, education, healthcare and other services provide 36.3% of the employment in Utrecht. A large number of careers are to be found in business services, healthcare and in trade and education. The medical cluster is one of the most important sectors in Utrecht's economy. One of five professions in Utrecht, has a bio-medical character. The ICT sector in Utrecht employs almost 24,000 persons in 3,150 establishments, and occupies a prominent position within the economy of Utrecht. According to the municipalities Atlas, Utrecht is the most creative city in The Netherlands. The employment opportunities in the creative industry are therefore increasing greatly. (Source: *Utrecht Werkt, Trendrapportage Economie 2005, Gemeente Utrecht (Employment in Utrecht, Economic Trends Report 2005, Municipality of Utrecht)*)

Goed zaken doen

Het afgelopen jaar is het aantal verhuurtransacties in Utrecht buitengewoon hoog (ruim 150.000 m² in 2006, incl. 55.000 m² stadskantoor voor de gemeente Utrecht) wat de dynamiek van de Utrechtse vastgoedmarkt goed laat zien. De nieuwe kantorenlocatie Papendorp blijft populair met meerdere transacties. Inmiddels is tweederde van de kantoorruimte op Papendorp uitgegeven. Maar ook op andere locaties in Utrecht vonden grote transacties. De huurprijzen in Utrecht zijn in vergelijking met bijvoorbeeld Amsterdam en Den Haag gunstig te noemen en variëren tussen de 90€/m² en 210€/m² afhankelijk van de locatie. (Bron: *Vastgoedmonitor 2006, gemeente Utrecht*)

Het afgelopen jaar is Utrecht, gezien het hoge opnamecijfer, wederom een zeer interessante vestigingslocatie voor kantoorgebruikers gebleken. Reeds vele gerenommeerde bedrijven gingen u voor! In Papendorp bijvoorbeeld kozen CapGemini, HP Invent, Atos Origin, Daimler Chrysler en Deloitte voor een prachtig nieuw kantoorpand. Op de centrumlocatie vindt u Axa, Rabobank, SNS Reaal en natuurlijk de Koninklijke Jaarbeurs. In Rijsweerd zijn onder andere Ernst & Young, Fortis en CMS Derkstar Busmann gevestigd.

Population (1-1-2005)	275,000 (fourth largest city of the Netherlands)
Employment (1-1-2005)	205,700
Employment growth 1991-2004	40%
Leading economic sector (1-1-2005)	Business services: 23.4%
Unemployment (December 2004)	6.7%
Percentage of highly qualified labour force (2004)	51%
Number of companies based in Utrecht (2005)	15,640
Number of start-up companies (2004)	1560
Number of students in 2003 (tertiary education)	60,000
Office space (2004)	2.3 million m ²
Vacant office space (2004)	9%
Industrial estate (2004)	323,4 net hectares
Number of shops (2004)	2000 (approximately 13,000 jobs)

10.2 Kennisimmigrant

Start toelatingsbeleid kennismigranten

Vanaf 1 oktober start de Immigratie- en Naturalisatiedienst (IND) gefaseerd met één loket, één procedure en één vergunning voor kennismigranten. Een belangrijke voorwaarde voor toelating als kennismigrant is dat de werkgever een verklaring heeft ondertekend. Werkgevers waarmee de IND reeds convenanten in het kader van de verkorte mvv-procedure heeft afgesloten, krijgen als eersten de mogelijkheid een verklaring te ondertekenen. Overige bedrijven en instellingen worden daarna in de gelegenheid gesteld om een verklaring te ondertekenen ten behoeve van de toelating van kennismigranten. Zij komen dan in aanmerking voor de verkorte procedure voor het verkrijgen van een machtiging tot voorlopig verblijf (mvv).

Een kennismigrant is een migrant die naar Nederland komt om arbeid in loondienst te verrichten en een bruto-inkomen verdient vanaf 45.000 euro of 33.000 als hij jonger is dan 30 jaar. Het inkomenscriterium geldt niet indien de betrokkene als promovendus in dienst treedt bij een onderwijs- of onderzoeksinstelling en voor post-doctoralen en universitair docenten onder de 30 jaar.

Kennismigranten, die thans tewerkstellingsvergunningsplichtig zijn, worden buiten de Wet arbeid vreemdelingen geplaatst, zodat alleen de Immigratie- en Naturalisatiedienst (IND) verantwoordelijk wordt voor de uitvoering van de toelatingsprocedure tot Nederland en de Nederlandse arbeidsmarkt. De vergunning aan kennismigranten wordt verleend voor de duur van vijf jaar indien de betrokkene in het bezit is of wordt gesteld van een contract voor onbepaalde tijd. In geval van een contract voor bepaalde tijd, wordt de vergunning verleend voor de duur van het contract met een maximum van vijf jaar.

Bedrijven en instellingen hebben een inspanningsverplichting, te weten het zorgdragen voor een volledige aanvraag, de verplichting relevante wijzigingen te melden en een zorgplicht voor de werknemer. De overheid zal zich inspannen deze aanvragen op de kortst mogelijke termijn, doch uiterlijk binnen twee weken af te doen. Studenten worden niet aangemerkt als kennismigrant. Zij worden in het bezit gesteld van een verblijfsvergunning voor de duur van één jaar, jaarlijks te verlengen.

Onderwijsinstellingen kunnen voor de toelating van studenten gebruik blijven maken van de verkorte mvv-procedure.

NB

Als u een aanvraag als kennismigrant wilt indienen, heeft u een arbeidscontract nodig bij een werkgever in Nederland. De IND raadt u ten sterkste aan eerst een verzoek om advies voor een mvv in te laten dienen door uw werkgever. Uw werkgever moet namelijk eerst een verklaring ondertekenen.

10.3 Inquiry

1. Gender?
 - ☐ Male
 - ☐ Female
 2. Marital status?
 - ☐ Single
 - ☐ Married
 - ☐ Partner
 3. Place of birth?
-

4. Do you live in Utrecht? If the answer is Yes, answer the following questions. If the answer is No, proceed with question 6.

- ☐ Yes
- ☐ No

5. In which area of Utrecht do you currently live? Use the map of Utrecht for help.

- ☐ West
- ☐ Northwest
- ☐ Overvecht
- ☐ Northeast
- ☐ East
- ☐ City Centre
- ☐ South
- ☐ Southwest
- ☐ Leidsche Rijn
- ☐ Vleuten-De Meern



6. What is the reason for emigration to The Netherlands?

- ☐ Send here by my company
 - ☐ To start my own business
 - ☐ My partner was placed here by her/his company
 - ☐ To look for job opportunities
 - ☐ Other; _____
-

7. How long will you be staying in The Netherlands?

- ☐ < 3 months
 - ☐ < 12 months
 - ☐ < 36 months
 - ☐ Other; _____
-

8. In which sector do you and/or your partner work?

9. Where did you find the information for living in The Netherlands?

- ☐ Internet
- ☐ Information centre
- ☐ Informed by the company I work for
- ☐ Informed by other expats
- ☐ Other; _____

10. On which websites did you find the information about housing?

- ☐ www.expatica.com
- ☐ www.pararius.com
- ☐ www.perfecthousing.com
- ☐ Other; _____

11. Are your living facilities arranged by the company you or your partner are working for?

- ☐ Yes
- ☐ No

12. Do you prefer to live in the city centre or in the suburbs and why?

- ☐ City centre, because _____
- ☐ Suburb, because _____

13. In which kind of house do you live?

- ☐ Apartment
- ☐ Family house
- ☐ Vila
- ☐ Other; _____

14. How do you prefer your living space?

- ☐ Furnished
- ☐ Unfurnished

15. The rent price of your living space?

- ☐ < € 1000,-
- ☐ < € 1500,-
- ☐ < € 2000,-
- ☐ < € 2500,-
- ☐ € 3000,- and more

16. Do you find Utrecht a friendly city for expats?

- ☐ Yes, because _____
- ☐ No, because _____

Thank you for fill in the inquiry!²⁶

²⁶ Database of Perfect Housing

11. Acknowledgement

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