

VALUE PERCEPTIONS OF MIX-USE IN AN ENFORCING DISTRICT

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ABSTRACT

A lot of social, economic and physical problems are found within the 40 problem Districts (Enforcing Districts) located across the Netherlands. A possible way to tackle some of the safety and employment problems is the application of Mix-Use strategy proposed by the Dutch government. Within this research project the perceptions on what Value Characteristics of a district should be realized when applying Mix-Use in an Enforcing District are collected. The value perceptions of the Inhabitants, Housing Corporations and applicable Entrepreneurs for Mix-Use are brought together to one ranking list by the use of the Analytical Hierarchy Process. This ranking list then provides the Value Proposition for the district which, when realized, ensures a bigger chance of success for Mix-Use, the tackling of Enforcing District problems and creating and capturing value for the district. On the basis of the value proposition, a business model is developed to illustrate a win-win situation for the enforcing district projects.

Key words: Value Characteristics, Value Proposition, Mix-Use, Enforcing District, Analytical Hierarchy Process

INTRODUCTION

Litter all over the streets, neighbour brawl, people hardly knowing each other, drug users and prostitutes in the streets, cheap housing, abandoned shops, youth causing disturbance, unemployment, dealers taking care of 'business', poor education; a lack of future for the district... These are some of the problems found in the Problem Districts within the Netherlands. In 2007 around 40 Dutch suburban districts were marked as districts with a low level of life quality. These so-called Problem Districts (Dutch: 'aandachtswijken') located across the Netherlands within 18 municipalities are known for their numerous social, economic and physical problems such as high unemployment figure and high crime rates.

An action plan has been formed by the Dutch government to transform these Problem Districts to Enforcing Districts (Dutch: 'krachtwijken') in order to increase the life quality and career chances of the people living in these districts. One of the indicated possibilities to transform these districts into potential districts with a higher quality of life is the strategy of developing Mix-Use areas by means of an integrative plan. These Mix-Use areas are a combination of several functions like working, living and recreation. It is seen as a promising way to tackle some of the safety and employment issues.

There are various parties involved in the value creating and capturing of such an "Enforcing District". When applying 'Mix-Use' in an Enforcing District, each party may have different perceptions in what Value Characteristics of a district should be realized. It is important to

integrate the value perceptions of different parties to create a coherent vision of the Value Proposition in order to increase the chance of success.

Value Characteristics of a district can be placed into a hierarchical structure in terms of physical (e.g. density of buildings), social (e.g. safety) and functional environmental characteristics (e.g. available services in a district). These can be further divided into value contributing factors for a district (Dam and Visser, 2006).

In this paper, we set out by delineation the main value characteristics and structure of a hierarchical framework. Next through a case study in Eindhoven with three enforcing districts and survey respondents from three parties directly involved, namely Inhabitants, Housing Corporations and Entrepreneurs, we will show the mutual understanding of the value characteristics. The perceptions of different parties of Mix-Use are brought together to one ranking list by the use of the Analytical Hierarchy Process method (Forman and Gass, 2001). This ranking list could provide the Value Proposition for the district which, when realized, ensures a bigger chance of success for solving the Enforcing District problems. On the basis of the integrated value perception, a business model is developed to illustrate a win-win situation for the Enforcing District projects.

VALUE PERCEPTION

Before the current integrative approach was initiated by the Government and municipalities, other approaches to increase the liveability of these districts have been tried. These former action plans mainly consisted of two approaches. One approach focused on increasing the quality of the public spaces, environment and housing, the other focused on the improvement of the social quality of living within these districts (VROMraad, 2006). These approaches primarily consisted of physical actions of refurbishment (Wittebrood and Dijk, 2007). In the ten years that these approaches have been used, there has been little improvement in quality of life, social cohesion and liveability of these districts (VROMraad, 2006; Kempen and Bolt 2003). This empirical experiences show that there should be more emphasis on social aspects. Moreover, literature shows that when differentiation, social cohesion, social control and inhabitant participation are taken into account when performing physical refurbishment of a district, better results can be achieved (Wittebrood and Dijk, 2007; Kempen and Bolt, 2003; Uitermark and Duyvendak, 2005; Ministerie van VROM, 2007).

The current strategy proposed by the Dutch Government involves an integrative approach that consists of close cooperation between diverse social partners like Housing Corporations, Entrepreneurial Organizations (e.g. MKB Nederland, VNO NCW), Health Care Institutions, Educational Institutions, Religious Organizations, Voluntary Organizations, sport clubs, and several governmental departments like the department of Economic Affairs, the department of Education Culture and Science (OCW), the department of Public Health, Well-being and Sport (VWS), the department of Agriculture, Nature and Food quality and SenterNovem (Ministerie van VROM, 2007). Support from all of these parties are needed because problems found within the Enforcing Districts are of all sorts, related to the themes of living, work, education,

integration and safety (Ministerie van VROM, 2007). Therefore it is hard to solve these problems by the inhabitants and/or government alone.

Integrative approach of Mix-Use

As the term Mix-Use already suggests, it is about an area that is used in multiple ways, or mixing various usage of a location. A good overview is given by Grant (2002). He argues that mixing can be achieved on three levels. The first level concerns mixing various housing types within a district, which is about mixing various social backgrounds within an area (also called differentiation). The second level involves increasing the diversity of use within the same district, such as residential, commercial, office, services and leisure facilities. Finally, the third level is about overcoming regulatory barriers, which are mostly concerned by environmental impact, noise, or traffic. The three levels make clear the various contexts of Mix-Use (Hoppenbrouwer and Louw, 2005).

Existing research indicates various reasons why Mix-Use should be realized. It has been stated that diversity within districts will increase viability and liveability of that area. Furthermore it is believed to positively influence the social security, social cohesion and social control of that area. It makes the area more attractive, provides a higher quality life and in turn makes it more desirable (Hoppenbrouwer and Louw 2005; Wittebrood and Dijk, 2007).

Even greater value is realized when besides mixing of housing types, mixing of offices and commercial properties are also realized. Value is then created by an increased availability of jobs in the area, a better environment for new entrepreneurs, increased support on public transport, and more efficient land use. It generates a better environment for the workers because of the availability of public spaces, which in turn contributes to job satisfaction. In other words, Mix-Use areas contribute to the economic perspective for the people in these areas and it will also deliver a valuable contribution to the city economics (Storteboom and Uyl, 2003; Hoppenbrouwer and Louw, 2005).

Of course there are some considerations to take into account when thinking of applying Mix-Use. First of all, when applying Mix-Use, the development of the area should not only be focused on housing and the liveability of the area. The perceptions and demands of the concerned Entrepreneurs should also receive serious attention. There might be a deviation between the demands and perceptions of involved parties such as inhabitants, housing cooperation and entrepreneurs. They may have different view regarding built, social, functional environment (e.g. accessibility by car and public transport, building structure and density, quality of the surroundings and public spaces, suitable office spaces and etc). These different demands by inhabitants, housing cooperation and entrepreneurs imply that there should be an integrative approach to realizing a Mix-Use area (Storteboom and Uyl, 2003).

Secondly, too much diversity within one area may lead to urban stress. Some cohesion among the real estate should be realized. This argument is supported by Hirt (2007) who states that function mixing on its own does not contribute anything at all, whereas it is the cohesion and interaction between functions that creates value. Getting the perceptions of the involved

parties right, and finding the right balance between these demands will give the Mix-Use area a head start on being successful.

Value tree

In short, value is subjective, influenced by time and location, changeable, and hierarchical. It consists economic, psychological and social drivers. As a result, an object or service can go through a value change influenced by these various circumstances as time and location (Hilgers, 2008).

In our context, we are interested in how value can be created and captured in an urban district. Following Dam (2006) in his research on value contributing factors for a district, the Value Characteristics of a district can be divided into physical (e.g. density of buildings), social (e.g. safety) and functional environmental characteristics (e.g. available services in a district), and can be placed into a hierarchal tree structure. With the focus on Enforcing District, a modified tree structure was set up (shown in Fig 1), in order to bring the perceptions of the involved parties together towards the Value Proposition for an Enforcing District. The Value proposition of a district is considered as the offering or value a party would like to see realized within a district in terms of Value Characteristics of a district.

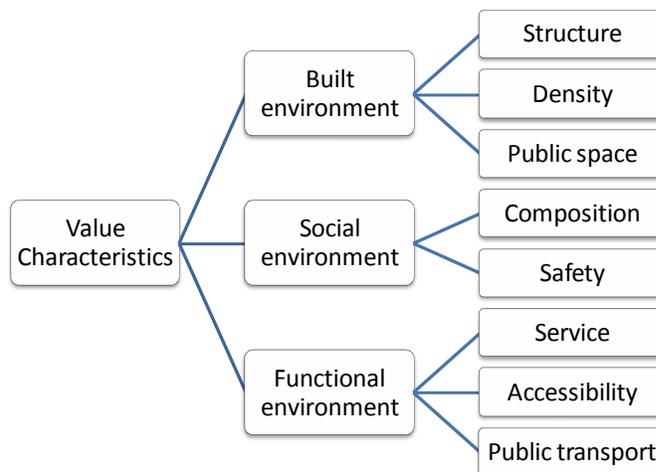


Figure 1 The Modified Value Tree Model

At the lower level, there are eight basic value characteristics, which include more specific sub-level characteristics and explain in the following. Within built environment value characteristic, *Building structure* is about what kind of buildings are in the area, which features they have and how they look. Examples are row houses, two semi-detached houses, offices or flats with on the ground floor shops. It also contains aspects such as size, location, height and quality of the building. *Buildings Density* is about the amount of residential, office or retail space that is built in an area. It gives the ratio of covered area and not covered space. Not built area (public space) can be filled in several ways. *Public space* refers to the layout of the space available for parks, roads, parking etc. Public space is not only where parking spots and roads are, but also includes grass pitches, parks and playing fields (green).

Within social environment value characteristic, *Composition* of the district reflects the diversity of the kind of houses (e.g., Buy vs. rent) and the type of people (e.g., multiple generations—age, income, ethnic background and training). *Safety* covers three aspects, namely building security (e.g., burglary and fire protection), road safety and safety in public space (e.g., safety in shops and / or parks).

Within functional environment value characteristic, *Services* refers to functions that could be realized in buildings. There are many types of services that can be grouped broadly here: Care facilities, Sports and recreation, culture, shopping and education. *Accessibility* refers to the accessibility of the area by the public transport, car and bicycle. It also includes the image of openness of the area and the accessibility of housing, office or a service. *Public Transport* is a value addition to accessibility, in particular about trains, buses, trams, etc. about its comfort, speed, convenience.

Three directly involved parties

The parties that will be reviewed on their perceptions of the value proposition of Mix-Use application within an Enforcing District are the Inhabitants of these districts, the Housing Corporations currently participating within these districts and the Entrepreneurs that are considered appropriate for settlement within a district. Numerous other stakeholders participating within these districts could be considered within the research as well, i.e. the municipality, voluntary organizations involved in the districts and health organizations. The stakeholders chosen for this research can be considered as the most important parties which will be confronted with the Mix-Use application within the districts.

The Inhabitants will be simply confronted with it, as they live within these districts; if a poor value proposition is offered, the needs of inhabitants will not be satisfied nor will their problems be solved. The Housing Corporations will mainly have to facilitate, exploit and realize the Mix-Use Districts; without a proper value proposition little money will be earned within these districts as demand will be low. Entrepreneurs are included since they must be willing to exploit their companies within the Enforcing Districts. If no facilities are created that satisfy their perception on what needs to be created in a Mix-Use area, there will be little chance for success of a Mix-Use district.

GETTING A MUTUAL PERCEPTION ON VALUE CHARACTERISTICS

As a pilot project, this research is limited to the three Enforcing Districts found in Eindhoven. For further deployment of Mix-Use within these districts the perceptions on Mix-Use of the three involved parties was collected and transformed into one ranked list of Value Characteristics.

Case study in Eindhoven

The three indicated Enforcing Districts within Eindhoven are Woensel West, De Bennekel, and Doornakkers shown in the map below figures 2. Each of them all face unique problems, but all

have issues related to unemployment and social cohesion (or safety). The unemployment and social cohesion figures found in the districts are significantly deviating in comparison with the rest of Eindhoven.

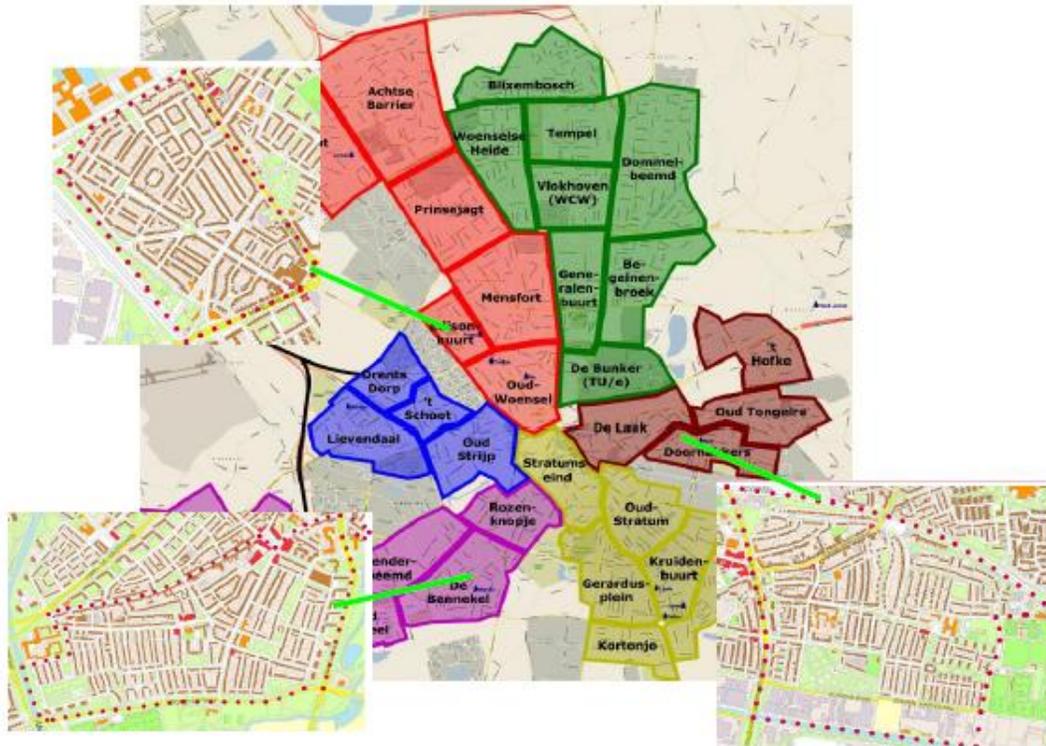


Figure 2 Map with Enforcing Districts in Eindhoven (Municipality Eindhoven, 2008)

Woensel-west is a pre-war district, located in the north-west corner of Eindhoven. It has about 4000 inhabitants and 2000 houses and is known as a district for the working class. It was founded by the company Philips as a housing district for its employees (Gemeenten Eindhoven, 2007; Polyground, 2007). This district has been getting attention for over 25 years since the problems found here appear to be harsh (Bestuursinformatie en Onderzoek, 2002).

De Bennekel located in the southwest of Eindhoven. The district is build in the thirties with cheap rent housing, has over 6000 inhabitants and can be seen as a working-class neighbourhood. It is getting attention since 1991, mainly for the social problems found in this district.

Doornakkers located in the East of the city. The district is enclosed by the canal, railway track and the city's ring road and the new district currently being founded Tongelrese Akkers. The suburb of Doornakkers has been getting governmental attention since 1997, because of its social economic problems. The district accounts over 6000 inhabitants and 3190 households. The district however doesn't have 'tremendous' physical problems like the other two districts and therefore hasn't got a physical development vision for the coming years.

Concerning Entrepreneurial activities, a distinction between the three districts is noticeable. Within Woensel West and Doornakkers firms are mostly active within services, whereas Bennekel is known for their many small contractors (Polyground, 2007, 2008a, 2008b). But there are also similarities. Over 50% entrepreneurs in these districts don't have any personnel, and set up within their own home. They are between 30 and 45 years of age and mostly are settled within the district for less than 5 years (Polyground, 2007, 2008a, 2008b).

Survey

In order to create a mutual understanding of the value perception, a survey is conducted within these three Enforcing Districts for the three parties, namely inhabitants, housing cooperation and entrepreneurs. The questionnaire is developed on the basis of the proposed value tree (see Fig 1). Analytical Hierarchy Process (AHP) is used to generate true or approximate weights of relevance for the value characteristics through its mathematical structure of consistent matrices and their associated right-eigenvectors.

The questionnaire was split up in three different parts: A, B and C. Part A introduces the Value Characteristics to the respondents and uses choice task to gain more insight in the answers given in part B. Parts B and C are set up for the AHP method where the respondents prioritize the Value Characteristics with respect to each other. In part B the eight basic characteristics (i.e. building structure, density, public space, social composition, safety, service, accessibility and public transport) are pair wise compared and in part C three Value Characteristics on a higher level (i.e. built, social and functional environment) are pair wise compared in order to check for consistency (i.e. when safety and composition are considered more important, then social environment characteristic on the higher level should also be more essential).

The required data was collected from local Inhabitant representatives, Housing Corporations active within the districts of Eindhoven and Entrepreneurs applicable for Mix-Use. Each group includes similar size of eleven respondents. Since the limited time available to contact a greater number of respondents, it was tried to increase reliability by contacting representatives of each respondent group.

Analysis

The software package Expert Choice was used to carry out the AHP analysis for the data collected in Part B and C. Some statistical analysis in SPSS was conducted for the data of Part A. In the following, first the ranking on the higher level three value characteristics are reported. The individual results of the three parties (Inhabitants, Entrepreneurs and Housing Corporations) are revealed. Second, the overall ranking of the eight basic Value Characteristics are shown. Third, the extra insights gained from Part A are discussed.

The overall ranking list of the mutual perception on the higher level three value characteristics is shown in the figure 3. It shows that social environment is almost considered twice as important as the functional and the physical environment. There is small difference in importance between functional and physical environment.

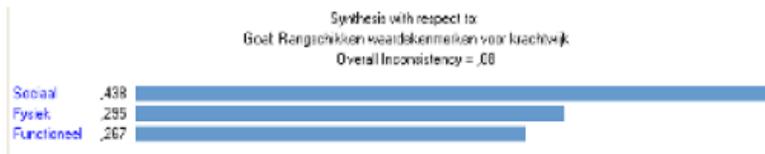


Figure 3 Overall results of three environmental value characteristics

When looking at the three parties separately, there are distinctive differences between the outcomes of the different parties. The following three figures show the preferences of the Inhabitants, the entrepreneurs and the Housing Corporations regarding three higher level environment value characteristics. As can be seen in the figures, the Inhabitants and Housing Corporations have clear preferences for social environment, whereas the Entrepreneurs are more favour functional environment.



Figure 4 Results of Inhabitants



Figure 5 Results of Entrepreneurs



Figure 6 Results of Housing Corporations

The outcomes show the preferences of Housing Corporations and Inhabitants are in line with each other, and the Housing Corporations have a stronger preference on Social aspects. Even though the Entrepreneurs value Social aspects as least important, the difference between Physical and Social here is really small. This clarifies the dominance of Social Environment over Physical and Functional Environment in the overall ranking (Fig 3). Concerning Functional environment, it is valued slightly more important by entrepreneurs and by the Inhabitants and the Housing Corporations as the least important, therefore it stands in the overall ranking on the third place.

The overall ranking of the mutual perception on the eight value characteristics is shown in the Figure 7. The two most import value characteristics on Mix-Use-use for Enforcing Districts in Eindhoven are Safety and Buildings structure. Public Space, Public Transportation and Building

density of the area are considered much less important. Composition of the district, Accessibility and Services in the area are judged reasonably important.

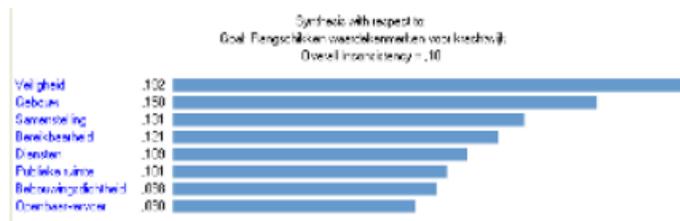


Figure 7 Overall results of eight basic value characteristics

In line with Fig 3, Safety and Composition are judged among the top four. The other two from the top four, Building structure and Accessibility, are almost evenly judged and are part of two different environmental characteristics. The minor difference between Functional en Physical can also be seen at the lower level as the values of Services (5th), Public space (6th), Public Transport (7th), and Building Density (8th) are closely evaluated.

When looking into eight basic value characteristics for the three parties individually, a more clear difference is exposed. For the Inhabitants, Safety and Public Transport are the main issues; the Entrepreneurs have a focus on Accessibility and Building Structure. The Housing Corporations have a minor preference on Building structure and Safety. This indicates that the preference of the Housing Corporations is standing in between the Inhabitants and the Entrepreneurs when it comes to the eight value characteristics.

Comparing the individual outcomes one can also observe that Safety is one of the prominent Value Characteristics because it is ranked by all three parties within the top three of their results. In the same way, the Value Characteristic of Building Structure is important since it gained votes by two of the three parties in the top three. This is inline with the results of the overall ranking (Fig 7). To conclude, Safety and Building Structure are the two primary elements judged most valuable within a Mix-Use area. Public Transport and Building density are the least important, where Public Transport might be questionable because of the high importance valued by the Inhabitants.

Additional results

The top three overall ranking stated in the previous paragraph are Safety, Building Structure and Composition. In the survey, besides parts B and C used for the AHP analysis, part A was added for the introduction of the eight Value Characteristics and providing more insight. Through SPSS there are some additional results that could explain in more detail for the overall ranking and the individual rankings. These findings are mainly based on the frequency of choice task answers.

Concerning the first listed value characteristic of Safety, our research is limited to the following three aspects: Building Safety, Safety in the Public areas and Traffic Safety. In part A, Traffic Safety is valued more important than Building Safety and that Safety of the Public Area is

accessed more important than Traffic Safety. Consequently, we can conclude that on the whole the Safety of the Public Area is valued as the most important. This is also corresponding to the research of Vette (2008).

For the Value Characteristic of Building structure, there are three questions asked in Part A. The first question gives insight on the ratio of Houses vs. Office vs. Shops that should be realized within a district. All the three parties prefer the ratio of 60% living, 10% working and 30% shops. When asked to choose the best combination in terms of two out of the three, remarkably the combination of “living and working” has the highest preference, somewhat inconsistent with the above ratio result. Further the ranking results of the sub-aspects of the building structure show that Quality is valued as the most important, Price second, Space third, Sustainability fourth and finally Type.

For composition there are four preference questions related to this value characteristic in part A of the questionnaire, respectively rent vs. private ownership, higher diversity vs. minimal diversity, high-rise vs. low buildings, low population density vs. high population. The results show that the Inhabitants, Entrepreneurs and Housing Corporations all favor rent above private ownership, higher diversity above minimal diversity, low buildings above high-rise buildings and low density above high density. Figure 8 provides detailed information about what is preferred within the value characteristic both for the viewpoint of all respondents and the individual viewpoint of the three respondents group.

<i>Overall</i>	<i>What is preferred within this Value Characteristic</i>
1. Safety	Public Area
2. Building	Quality, and combination of Living/Working
3. Composition	Rent / High diversity / low rise / low population density
<i>Inhabitants</i>	
1. Safety	Public Area
2. Public Transport	Bus within: 250/500m / functional / access to downtown / speed
3. Services	Education
<i>Entrepreneurs</i>	
1. Accessibility	Grid access / by car / access to shops
2. Building	Price / Quality, and combination of Living/Shopping
3. Safety	Public Area
<i>Housing Corporations</i>	
1. Composition	Rent / High diversity / low rise
2. Building	Quality and Price, and combination of Living/Working
3. Safety	Public Area

Figure 8 Summary of Preferred Value Characteristic

BUSINESS MODEL FOR AN ENFORCING DISTRICT

Useful applications of the Business Model mainly emphasized that it helps a firm to gain insight in the way it makes money, but it also helps to look forward in its possible future. As such we would like to take the redevelopment of an Enforcing District as a business case, and build up a business model to gain insight in the possible application for Mix-Use in the Enforcing Districts. This perspective consists out of a business type approach which tries to capture and create value in a district. By creating and capturing value, this particular business will achieve more

profit (personal or economic) for all parties. A win-win situation is then at hand, which could then be useful for the Municipality of Eindhoven for more insight in further future value development of the Enforcing Districts.

Nine building blocks

Adapted from the basic Business Model scheme, a modified Business Model for a district is developed and presented in figure 9. The proposed Business Model for a district contains nine Business Model building blocks (Morrissa, et al. 2005), and the following interpretations are given to these nine building blocks in relation to a district.

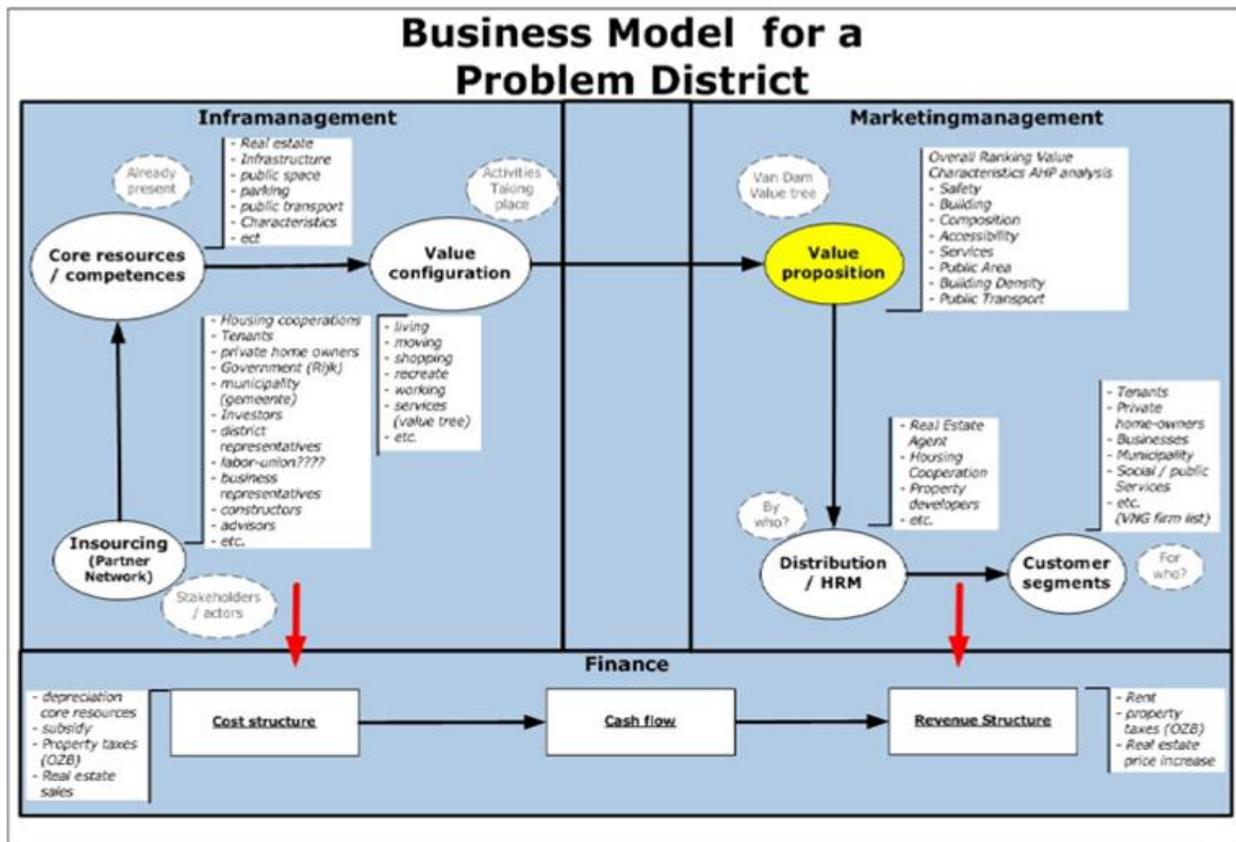


Figure 9 The Business Model with the Ranked Value Proposition

In sourcing (partner network): The partner network of a firm is described by Osterwalder (2004) as 'A Partnership is a voluntarily initiated cooperative agreement between two or more companies in order to create value for the customer'. Within a district this could be seen as a network of partners making a district possible. This beholds partners responsible for foundation, execution, maintenance, use, supervising etc. The partner network of a district thus beholds all the involved stakeholders and actors within the district involved by the several development phases of such a district. Examples of such parties are: housing corporations, tenants, private home owners, investors, municipality, constructors, police officers etc.

Core resources / competences: The core resources of a firm represent the capability of a firm for executing the Business Model. Within a district, or an Enforcing District in this case, Value Characteristics are already present within a district. Although not all of the mentioned characteristics may be present within a district or equally provided and/or of cumbersome quality, they are the resources that are available to the inhabitants and other parties with which they have to live with. Therefore the competences of a district are described here as the Value Characteristics currently present within a district.

Value configuration: The value configuration of a business is described as the arrangement of activities and resources in order to create value for the customer. Within a district this can be seen as the activities that can be found here, for example, the possibility for recreation, shopping, sports and other facilities. If only one 'activity' within a district is found the value configuration can be considered low.

Distribution / HRM: When talking about the distribution or Human Resource Management (HRM) of a company often channelling and sales service is meant: by what means the customer is reached and what kind of relationship the company has with its customers. As such, one could imagine that in the context of a district this can be stated by what means the three involved parties are offered their value to a district. This is related to the questions such as, how does an inhabitant get his access towards his house? Is it by a real estate agent or a housing corporation? The same holds for an entrepreneur of a small business within such a district. For a housing corporation however access towards real estate could also be provided by a project developer or contractor.

Customer segments: Within a Business Model of a firm, the building block customer segment consists of two aspects: payer(s) and end-users. It makes a clear distinction between who pays for the created value and who is the user, since these two do not necessarily have to be the same. When making customer segments applicable in a district, the three parties involved can be seen as both the payers and the users. Moreover, social and public services as well as possible future Mix-Use occupants can also be seen as 'customers' of a district.

Revenue structure: Revenue structure within a firm represents the way a firm makes money. In a district this is (almost) similar to the cost structure of a district with the exception that cost for one party is revenue for the other. Rent for example is revenue for a housing corporation and a cost for an inhabitant or firm. Price increase of a house can be seen as revenue for private home-owners when he sells his house. Tenants could also have earnings if he receives subsidy for rent. Also the provision of jobs within a district can be seen as possible revenue. For a municipality revenue of a district mainly comes from various taxes. Revenue of property taxes can be raised if more value for a district is created. This happens only when a district is highly appreciated because of a proper balanced value proposition. However 'revenue' in a district is not only about economic aspect but can also be associated to a higher life satisfaction.

Cost structure: The cost structure within a district can be seen as all the costs that the involved parties have spend when participating and functioning within a district. Examples of such costs

are: the depreciation of core resources such as; footpads, sewers and other characteristics within a district of which the economic life span is finite. But also property tax, real estate sales, rent and investment in social and physical aspects are part of the cost structure of a district.

Cash flow: The cash flow of a firm is the result of the cost and revenue structure employed. If a positive cash flow is indicated, more money is earned than spent (however a firm may execute a negative cash flow and still earn profit!). Within a district this comes down to investments in a district, income tax increase and depreciation of previous investments.

Value proposition: An important aspect not yet discussed within the Business Model is the value proposition. If the value proposition is 'right' a profitable future is than at hand because it satisfies the need of a large group of customers. It is therefore an important aspect to be considered. The value proposition of a firm was found to be: 'A representation of value for one or several target customer(s) and is based on one or several capability(s). It can be further decomposed into its set of elementary offering(s). A value proposition is characterized by its attributes description, reasoning, value level and price level and an optional life cycle'. (Osterwalder, 2004). The overall ranking list of the eight Value Characteristics as described in the previous section could be taken as value proposition in a district. This ranking list is the mutual perception of the three involved parties, which means that they would like to see these aspects realized in the presented order.

The Business Model with an integrated value perception

Once this Value Proposition is realized in the Enforcing districts, it is most likely that these districts will be valued much higher than they do now. With this Value proposition realized, Entrepreneurs will be more willing to settle within the districts creating more employment. Safety will then be higher since Mix-Use is tends to create more social control bringing crime rates down. With the higher evaluation of the district, people will value the district higher which in turn will bring real estate values up which is in favour of the Municipality. Hence, a win-win situation is at hand since all parties will benefit from a proper and balanced Value Proposition within a district.

As a result, it is then important to take this Value proposition as the starting point for refurbishment, instead of the current focus on the problems found within these districts. Taking the Value Proposition as a starting point means that all other building blocks of the Business Model (In sourcing, Core resources, Value configuration, Distribution, Customer segment, Cost structure, Cash flow and Revenue structure) should commit themselves to the Value proposition and evolve around it, therefore this could be realized in the best possible way.

CONCLUSION AND DISCUSSION

Our research made use of eight predefined Value Characteristics for Mix-Use in Enforcing Districts, and collected the value perception from the three directly involved parties (Inhabitants of the Enforcing Districts, Entrepreneurs and Housing Corporations). The results of AHP analysis made clear that the three parties all have different value perceptions and value

different Characteristics as important, which is in line with our expectation. Individually, Inhabitants value Safety, Entrepreneurs value Accessibility and Housing Corporations value Composition as the most important.

Moreover, the top three of the collective ranking list of these eight Value Characteristics are Safety, Building structure and Composition. The results of our research show that social aspects are the most important Value Characteristics to realize or reconstruct within a district. With this Value Proposition taken as a starting point a win-win situation for the refurbishment project is at hand. We also found evidence through the proposed business model for the argument that when higher safety and employment rate is reached, it brings higher social cohesion which will make a district valued higher. Higher appreciation leads to higher demand and the increased benefit for all involved parties.

A question that may arise with these findings is whether all groups should be treated equally in assessing their preferences. In this project the groups are treated as equal since the influence and the power position of the three parties isn't known. Future research should therefore make clear what weights should be given to the various involved parties. Other additions to this research could be the extension of the number of parties since delineation of the project excluded several important parties like the municipality. Besides the involvement of more parties consideration should also be given to each of the districts, since each district has its own characteristics requiring its own approach. However the research provides a first insight in what is considered important to realize within an Enforcing District if Mix-Use is to be applied.

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