

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
17,810,000 Population	▲	▲
€473,000 Average transaction price	▲	▲
14.498 Newly build availability	■	■

Source: CBS, NVM

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
0.6% GDP Growth 2024 F	▲	▲
3.7% Unemployment	▼	▼
6.6% Wages collective agreement 2024 F	▲	▲

Source: CPB

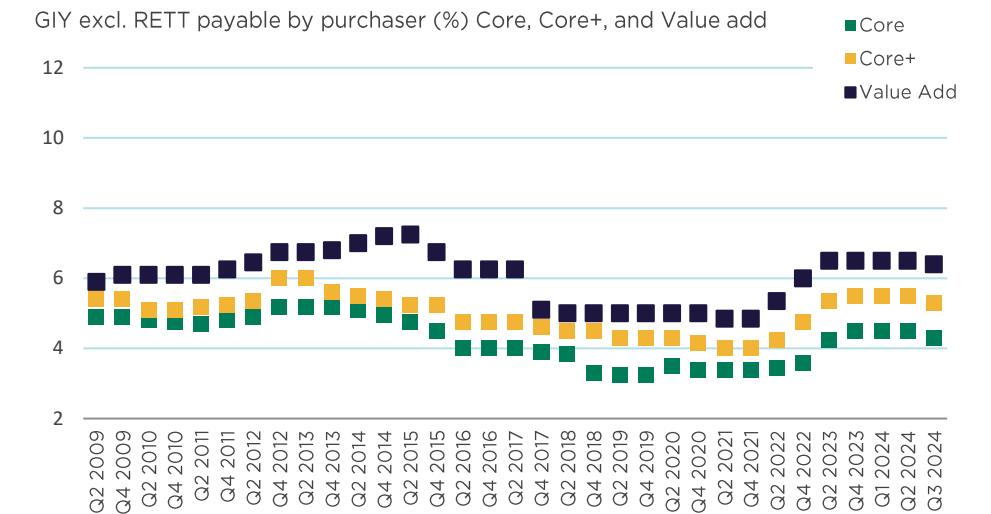
INVESTMENT MARKET: SENTIMENT IMPROVING WHILE INVESTMENT ACTIVITY SHOWS FIRST SIGNS OF STABILITY

During the three quarters of 2024, EUR 3.22 billion is invested in the residential investment market. This 109% higher compared to the same period last year. After 2023, when dynamics on the investment residential market was tempered, the sentiment is improving again. Central banks are starting to lower their interest rates, and core yields are slightly compressing again. The initial yield of core products is at 4.3% in Q3 2024, for core+ products and Value Add products are at 5.3% and 6.4%. Transactions especially took place in the existing segment. Outdated complexes are offered to the market, and private investors and fund managers actively purchase these complexes to perform their unit sales strategy. Investors currently choose for this strategy since the unit sale strategy is more lucrative than the exploitation scenario. In recent times, the government has introduced both policy and fiscal measures which limit the attractiveness of the Netherlands for residential investments. Examples include the abolishing real estate FBI, the strictly implemented earnings stripping measure and the transfer tax of 10.4%. The latter will however be 8% from the first of January 2026.

OCCUPIER MARKET: THE DESIRED HOUSING CONSTRUCTION IS LIMITED, AND PRICES CONTINUE TO RISE

With the positive sentiment and confidence returning, market dynamics in the owner-occupier housing market increased. Due to the continued tightness of the market, good financing conditions, income increases and associated consumer confidence, prices have moved to 473,000 on average. With the increasing scarcity and rising prices in existing stock, more house seekers are opting for new construction. Purchases of new construction often takes place outside the largest cities, as dynamics within the cities suffer from limited availability. Due to the renewed interest in newly build dwellings, it seems that postponed project have re-entered the market. However, the number of building permits granted remain a topic of concern.

Development gross initial yields - residential



Supply and demand owner-occupiers

