

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
18,04M Population	▲	▲
€483,000 Average transaction price	▲	▲
15,116 Newly built availability	▬	▬

Source: CBS, CPB

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
1.5% GDP Growth 2025 F	▲	▲
3.8% Unemployment rate	▶	▲
6.6% Wages collective agreement 2024	▲	▲

Source: ING, CBS

INVESTMENT MARKET: CAUTIOUSLY PURSUING GROWTH

In 2024, EUR 4.46 billion was invested in the residential investment market. This is 58% higher compared to the same period last year. After 2023, when dynamics on the investment residential market were tempered, sentiment is improving once again. Central banks have been lowering their interest rates, enabling core yields to slightly compressing again. The initial yield of core products is at 4.25% in Q3 2024, for Core+ products and Value Add products are at 5.25% and 6.3% respectively.

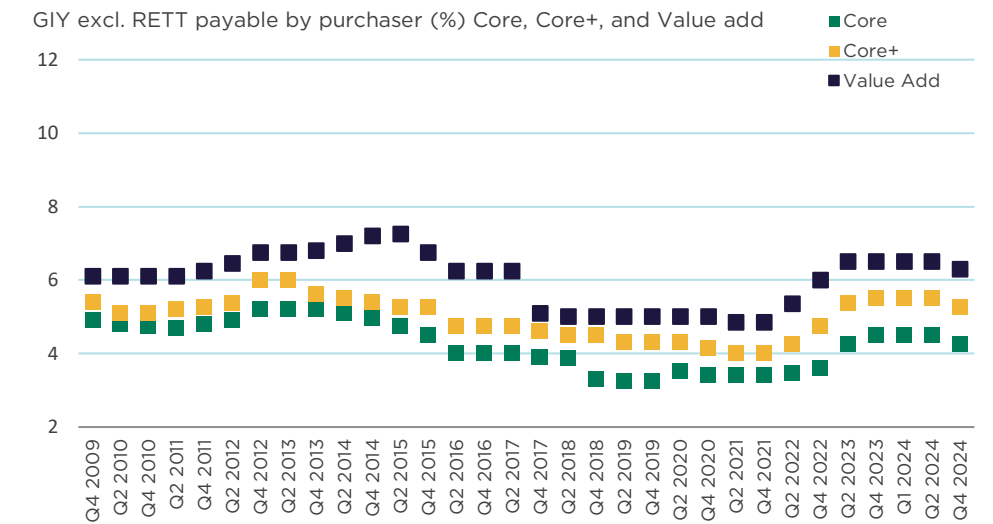
Transactions especially took place in the existing segment. Outdated complexes are offered to the market, and private investors and fund managers actively purchase these complexes to perform their unit sales strategy. Investors currently choose the unit sale strategy since it is more lucrative than the exploitation scenario.

Over the recent past years, the government has introduced both policy and fiscal measures which limit the attractiveness of the Netherlands for residential investments. Examples include the abolition of the REIT scheme, the strictly implemented earnings stripping measure and imposing a 10.4% transfer tax. Incidentally, the latter will be 8% from the first of January 2026.

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

With positive sentiment and confidence returning, market dynamics in the owner-occupier housing market have increased. Due to the continued tightness of the market, good financing conditions, income increases and associated consumer confidence, prices have moved to EUR 483,000 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 built dwellings, it seems that postponed projects have re-entered the market. However, the number of building permits granted remains a topic of concern.

DEVELOPMENT GROSS INITIAL YIELDS - RESIDENTIAL



SUPPLY AND DEMAND OWNER-OCCUPIERS

