# Dutch housing market quarterly: No signs of cooling even as supply grows

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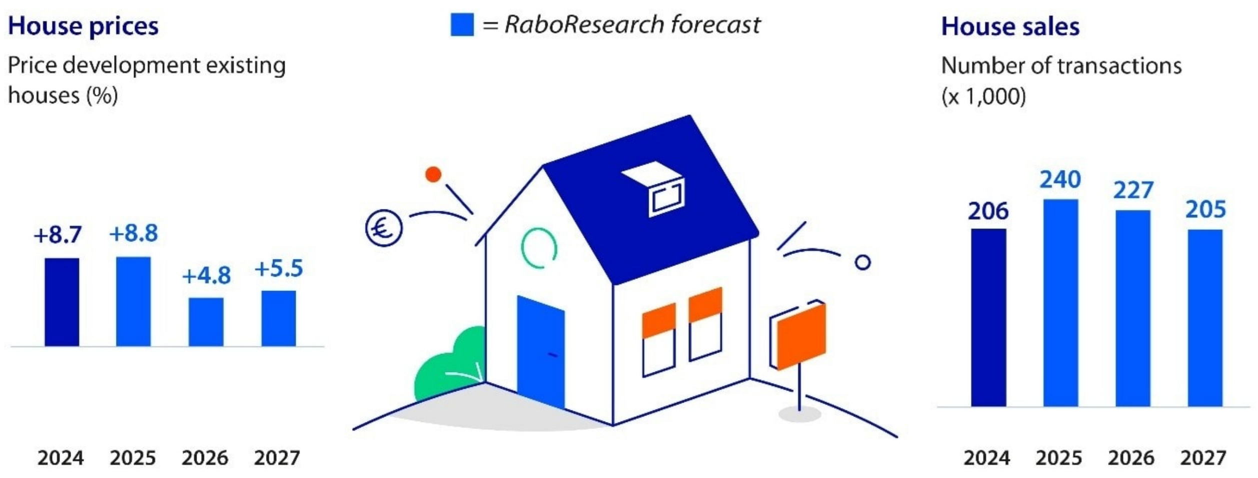
*The sell-off of former rental homes remains strong, with about 34,000 sold to owner-occupiers in the past year. This extra supply is expected to slow house price growth from 8.8% this year to 4.8% next year. The pace of sales is easing, and by 2027, prices are projected to rise again, averaging 5.5% as the market tightens.*


*Summary*

- Over the past four years, according to estimates by Kadaster (Land Registry), on balance, around 34,000 former rental homes have been sold to owner-occupiers.
- This extra supply boosts the number of home purchases and moderates price growth, but there are no clear signs of market cooling.
- During 2026, the wave of rental property sales is expected to decline, causing the housing market to gradually tighten again. This has an impact on the number of transactions, while the pace of house price increases is expected to pick up again after 2026.
- For 2025, we expect an average house price increase of 8.8%. In 2026 and 2027, we expect further increases of 4.8% and 5.5%, respectively.
- This year, an estimated 240,000 existing homes will change hands. Next year, that number will be 227,000, and in 2027 205,000.
- Former rental properties are generally cheaper than non-ex rental properties. As a result, first-time buyers have been purchasing more homes again since 2024. However, affordability remains a problem.
- Prospective buyers under 35 who rent in the mid- or high-end segment often cannot finance these ex-rental homes based on household income. On average, they fall short by EUR 120,000.

Figure 1: Fewer transactions and slower house price growth in the coming years



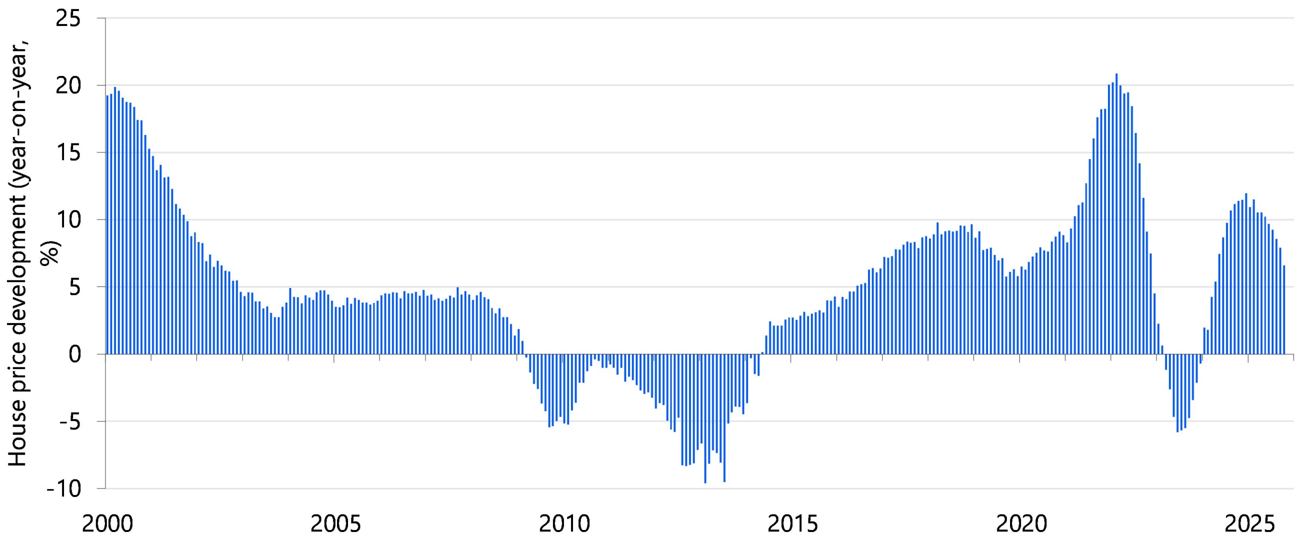

Source: CBS, Land Registry, RaboResearch 2025

## *Impact of investor sell-off becoming increasingly visible in the housing market*

For almost a year now, house price growth has clearly been slowing (see figure 1). At the beginning of this year, we were seeing double-digit growth rates, but by October, existing owner-occupied homes were “only” 6.6% more expensive than in the same month a year ago (see figure 1). The slowdown in price growth can be explained by the increase in supply: more houses are on the market because landlords are selling their properties. According to our estimates, in the first three quarters of 2025, more than 30,000 more homes were put up for sale than in the same period last year: a 19% increase. The laws of supply and demand dictate that more supply puts downward pressure on price growth.

There are also some signs that demand is coming under slightly more pressure, possibly because affordability is tightening (see also the chapter “Are first-time buyers getting another chance at homeownership?”). For the first time in twelve years, we see a decline in purchase intent among house hunters. And the Funda purchase intent index has also shown a slight downward trend for five quarters in a row. That said, underlying demand for owner-occupied homes still appears strong. Despite the extra supply, homes are selling at about the same rate as last year. Broker association NVM still classifies the market as very tight; there is no real cooling.

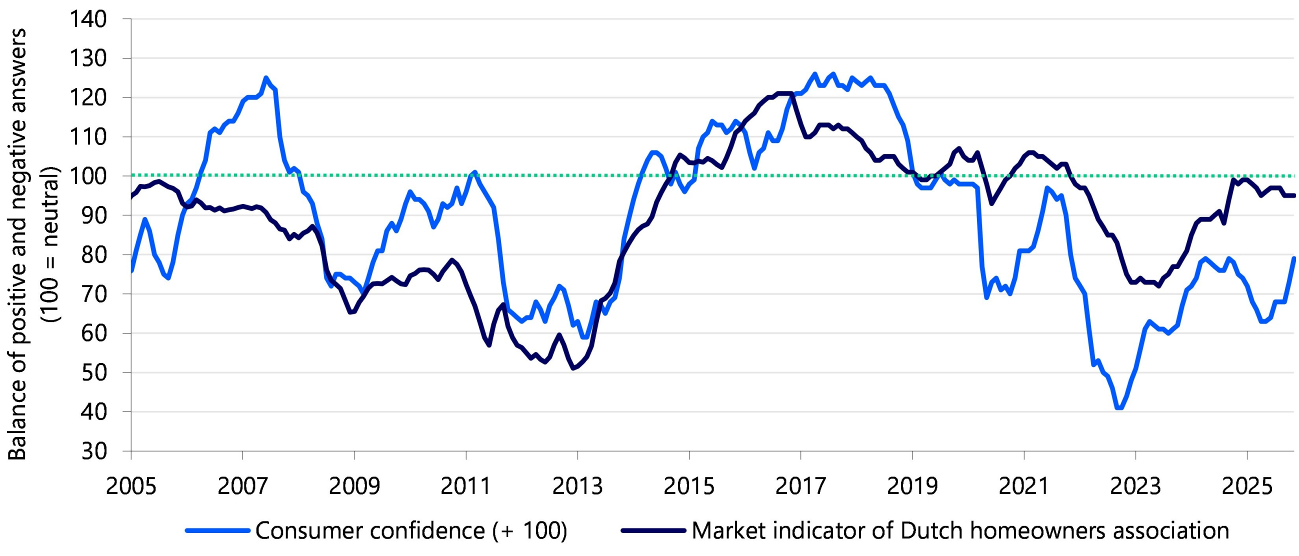
Figure 2: House prices growing less rapidly




Source: CBS/Land Registry 2025

The housing market is a confidence-driven market: people's confidence in the future value development of homes plays an important role in market dynamics. Nevertheless, geopolitical (and the associated economic) uncertainty does not appear to have a significant or lasting impact on confidence in the housing market (see figure 3). Although consumer confidence remains low despite a recent uptick, the market indicator of the Dutch homeowners association (Vereniging Eigen Huis) is almost neutral. This likely relates to strong wage growth and a tight labor market. While people have less confidence in the economy, their confidence in their own (current and future) financial situation has remained much more positive.

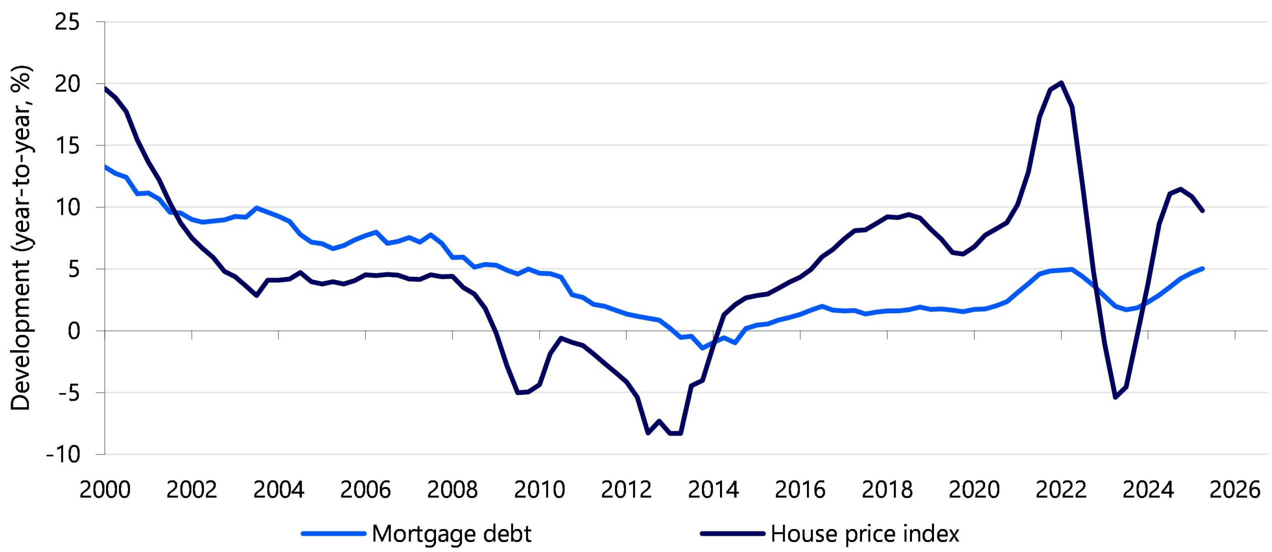
Figure 3: Rising confidence in the housing market




Source: CBS, Vereniging Eigen Huis market indicator/TU Delft 2025

Developments in the mortgage market also provide insight into the state of the housing market. Since the introduction of mandatory repayments and the cap on the minimum mortgage debt at 100% of the collateral value, the increase in total mortgage debt has clearly lagged behind the rise in house prices (see figure 4). Recently, we have seen the total mortgage debt continue to grow, even as house price growth levels off. This is, however, easily explained by the increase in home purchases by first-time buyers, a group that borrows relatively more compared to the purchase price. At present, there are no indications that the rise in house prices is credit-driven – and therefore potentially unsustainable.

Figure 4: Total mortgage debt rising faster despite slowing house price growth




Source: CBS and CBS/Land Registry 2025

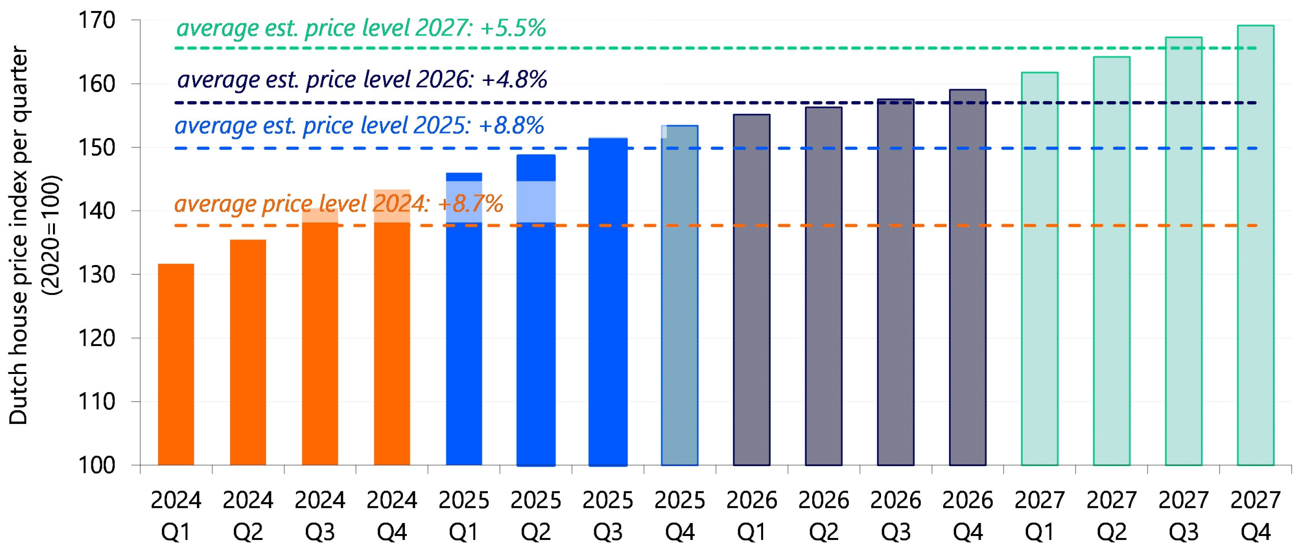
## *House prices expected to keep rising*

We expect that existing owner-occupied homes will be on average 8.8% more expensive this year than in 2024 (see figure 5). This is largely consistent with our earlier estimates this year (March, June and September). For 2026, we anticipate average house price growth of 4.8%. Our price forecast has therefore been revised slightly downward for the second time in a row. In September, we were still expecting an average price growth of 5.5%. This adjustment is related to the updated expectations regarding unemployment and capital market interest rates, which are projected to be slightly higher in the coming years than we had projected.

For the first half of 2026, we expect the supply of former rental properties to exert downward pressure on the price development of owner-occupied homes. As 2026 progresses, the sell-off wave – and thus the extra supply – is expected to gradually subside. In combination with relatively low housing construction (see also chapter “No signs yet of a short-term boost in housing construction”), the market will become somewhat tighter again. This will result in upward pressure on house prices in 2027. For

2027, we expect an average price growth of 5.5%.

Figure 5: House price growth expected to pick up again from 2027



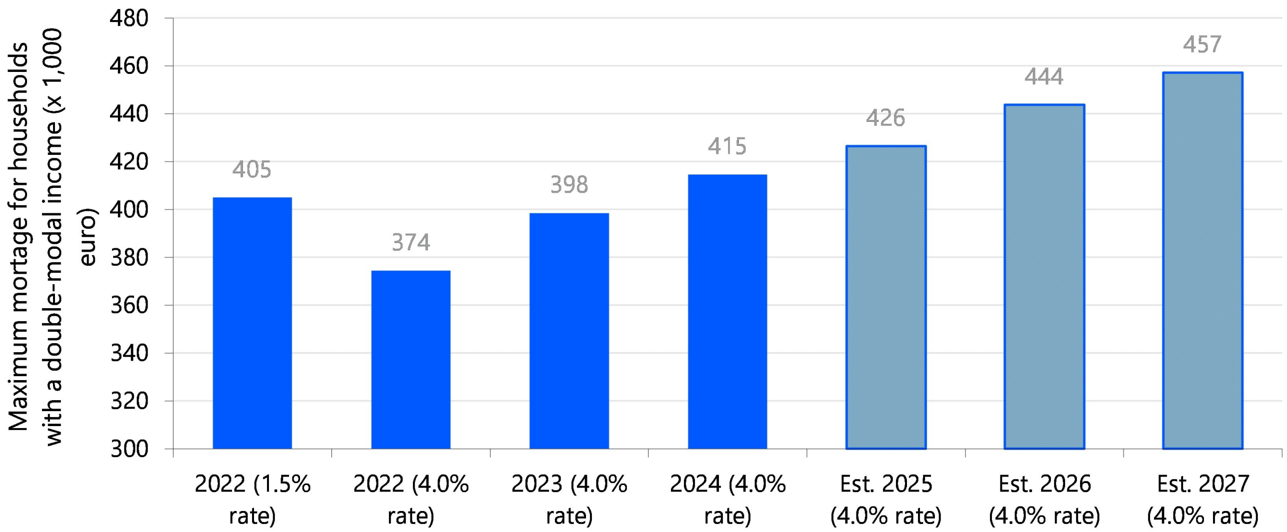

Source: CBS/Land Registry, RaboResearch 2025

## *Unemployment rises slightly, but so are wages*

The growth of the Dutch economy is expected to ease somewhat in the coming years, from 1.7% this year to 1.3% in both 2026 and 2027. At the same time, we expect unemployment to increase from an average of 3.9% in 2025 to 4.1% in 2026 and 4.3% in 2027. Although unemployment is rising slightly more than we anticipated a quarter ago, it remains historically very low.

In the wake of declining inflation, wage growth is also slowing – a trend that will continue in the coming years. For 2025, we still expect an average collective wage increase of 4.9%, followed by 4.1% in 2026 and 3.1% in 2027. When people earn more, they can borrow more and bid higher on a home, assuming mortgage rates remain the same. Assuming a 4% mortgage rate, households with two typical "average Joe" incomes (the modal income, as defined by CPB at about EUR 96,000) will be able to borrow about EUR 444,000 for a home next year (see figure 6). That is about EUR 17,000 more than this year, and in 2027, this amount will increase by more than EUR 13,000.

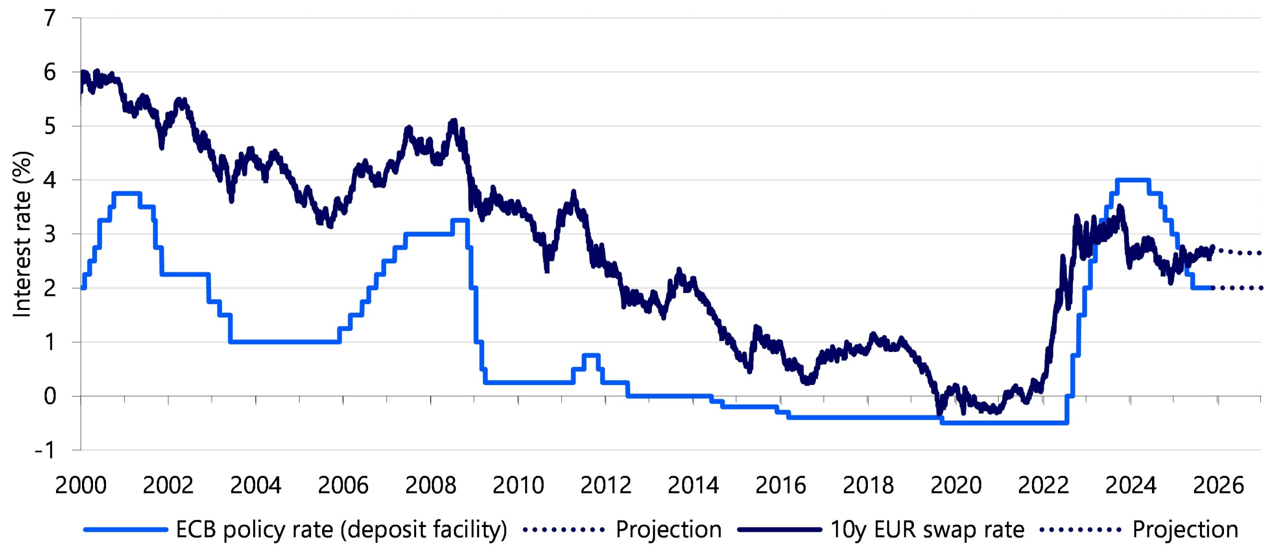
Figure 6: Higher wages, higher maximum mortgages




Note: In calculating the maximum borrowing capacity, we assumed a household income of twice the modal income. For 2025, 2026 and 2027, we factored in the projected collective wage increases. The income thresholds used to determine the maximum financing costs percentages for 2027 have been indexed based on the average (estimated) inflation over 2023, 2024, 2025 and 2026. Source: CPB (Netherlands Bureau for Economic Policy Analysis), Nibud (National Institute for Family Finance Information), RaboResearch 2025

The maximum mortgage depends not only on income but also on the mortgage interest rate. Over the past year, there has been hardly any movement in the average rate for new mortgages with a fixed-interest period of ten years or longer. Capital market rates – which determine mortgage rate development – are also expected to remain relatively stable in the coming years (see figure 7). We anticipate that capital market rates will be slightly lower next year than this year. For 2027, we expect only a very modest increase in capital market rates.

Figure 7: Little movement in capital market rates expected




Source: Macrobond, RaboResearch 2025

## ***Impact of potential reduction in mortgage interest tax relief uncertain***

During the last parliamentary elections, much attention was given to the future of the mortgage interest tax relief. The close winner of the elections, D66, strongly favors a gradual phasing out the tax relief on mortgage interest. The same applies to CDA and GroenLinks-PvdA. PVV, VVD and JA21, on the other hand want to maintain the tax relief. Depending on the phase-out and any potential compensatory measures, eliminating the mortgage interest tax relief – even if done gradually – could affect house prices and new construction. It is currently unclear which parties will form a coalition. Therefore, it is uncertain whether the new government will actually proceed with phasing out the tax relief. In our price forecast for 2027, we therefore have not factored in any potential impact of such a phase-out on house price developments.

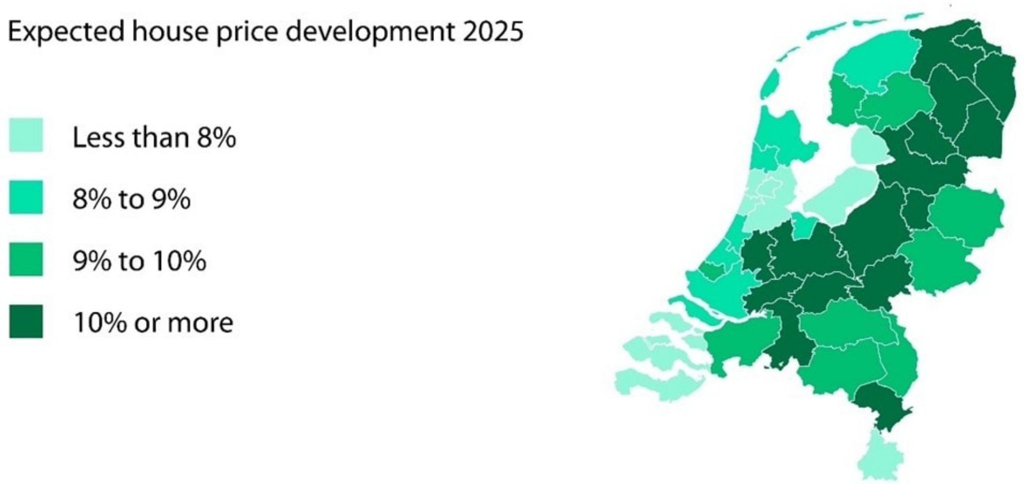
# *Significant regional differences in house price trends*

As the end of the year draws close, it is becoming increasingly clear how average house price increases have played out across different regions. We expect the highest price increases – around 13% – this year in Delfzijl and its surrounding area in the far northeast of the Netherlands. House prices have also risen sharply in other parts of the northeastern Netherlands and in the central regions. In contrast, price growth is much lower in the western part of the country and in the province of Flevoland (see figure 8). The lowest growth is in the Amsterdam region, where we expect an average increase of 5%. The relatively modest price increase in this region is related to the wave of rental property sell-offs. In metropolitan areas, the private rental sector is larger, and therefore – relative to the size of the regional market – the sell-off wave is also more pronounced

A strong percentage increase in house prices does not automatically mean that the rise in absolute euros is also high: a lower percentage increase starting from a high price level can still result in a substantial increase in euros. In Delfzijl and surroundings, the expected increase this year is EUR 37,000, which is much lower than the EUR 52,000 we foresee for Utrecht. In the previously mentioned lowest-price-growth region, Amsterdam, the increase in absolute euros is also relatively modest, at just over EUR 27,000.

For next year, we expect house prices to continue rising in all regions, ranging from about 4% in northern North Holland to 7% in Groningen (see figure 9). In regions where the sell-off wave plays a major role, 2026 will be a transitional year. We expect the sell-off wave of rental properties to weaken considerably as the year progresses (see also section “Gradual decline in transactions after this year”). The housing market will then gradually tighten again; a trend that will be more pronounced in metropolitan areas. Nevertheless, we expect the highest regional price growth next year to occur in regions outside the Randstad (the Netherlands’ main metropolitan region).

Figure 8: Highest price increases this year in northeastern and central Netherlands




Source: RaboResearch 2025

Figure 9: Groningen expected to lead house price rise next year

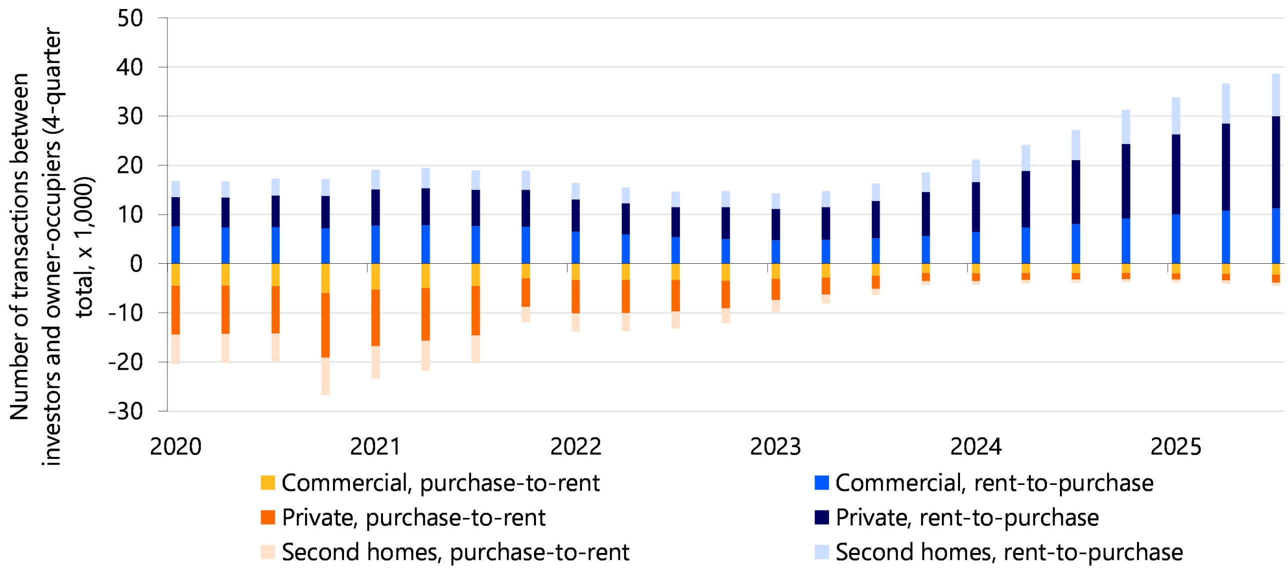

Source: RaboResearch 2025

## *House sales surge due to wave of rental property sell-offs*

Ater the sharp decline in home sales between May 2021 and January 2024, the number of owner-occupied homes sold has rebounded strongly since last year. In October, nearly 22,000 existing owner-occupied homes changed hands, an increase of 20.5% compared to a year earlier. In the first ten months of this year, more than 193,000 existing owner-occupied homes were sold, almost 29,000 more than in the same period last year.

The increase in home sales is directly related to the sell-off wave. Over the past four quarters, on balance, some 34,000 rental properties moved from residential investors to the owner-occupied sector (see figure 10). In the chapter “Are first-time buyers getting another chance at homeownership?” we take a closer look at the consequences for (potential) first-time buyers. The fact that landlords are selling their properties in large numbers suggests that selling these homes yields more than future rental income and expected price appreciation. According to SEO (2025) (in Dutch), the mid-range rent regulation (via the Affordable Rent Act) has had a major impact on the investment climate. For private landlords, lower average rental income is compounded by higher tax pressure in Box 3. To limit this tax burden, the notional rate (currently 5.88%) will not rise to 7.78% next year but will instead increase to 6%. Likewise, the planned reduction of the tax-free allowance will not go ahead. However, it remains unclear whether – and to what extent – these adjustments will curb the sell-off wave.

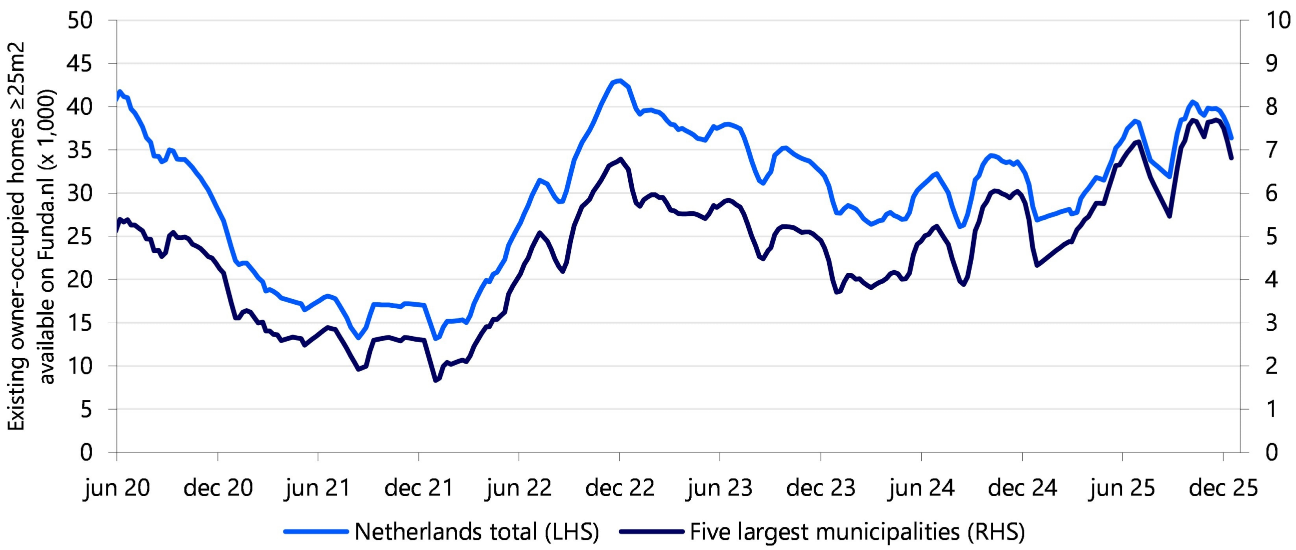
Figure 10: Nearly 40,000 ex-rental homes sold to regular homebuyers in one year




Note: The figures for second homes are subject to greater uncertainty; they represent a rough estimate. Source: Land Registry 2025

Due to the sell-off wave, far more homes are for sale than last year (see figure 11). After the summer, supply initially remained fairly stable, but the seasonal drop in the fall is now clearly visible in NVM's figures. The market still seems to be absorbing the extra supply well. In the first three quarters of this year, homes have generally sold almost as quickly as during the same period last year. The average time on the market (including homes not yet sold) has also barely changed.

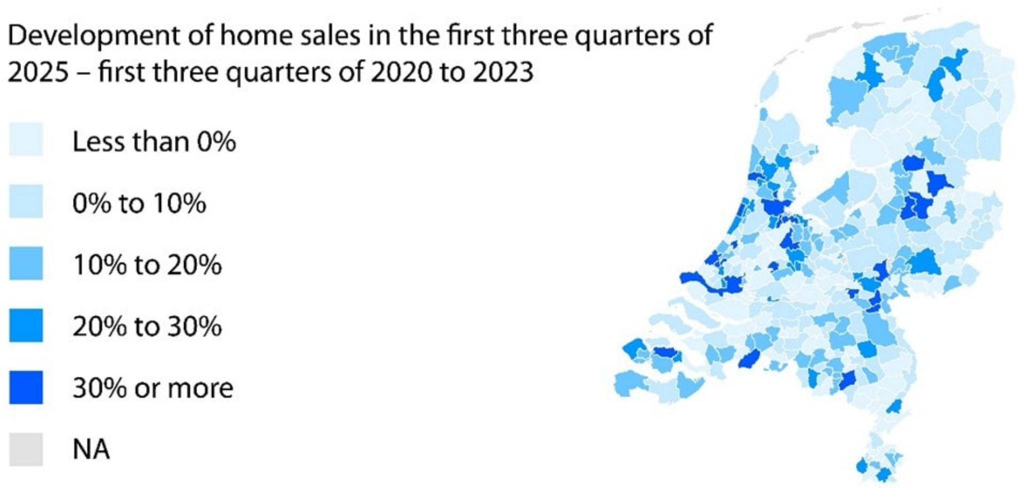
Figure 11: Significantly more homes for sale




Source: Funda 2025

The sell-off wave is hitting hardest in (and around) the largest cities in the Randstad, and outside the Randstad also in typical college towns. This is clearly reflected in home sales (see figure 12). For example, in the first nine months of this year, more than 30% more homes were sold in Amsterdam, Rotterdam, and The Hague compared to the average number of home sales in the first nine months of 2020 through 2023, when the sell-off wave had not yet gained momentum. Outside the Randstad, cities such as Nijmegen, Arnhem, and Maastricht recorded a solid increase in sales. And in municipalities near major Randstad cities – such as Leiden, Rijswijk, Delft, Ouder-Amstel, and Castricum – many more homes were sold.

Figure 12: Significant increase in home sales, especially in larger cities



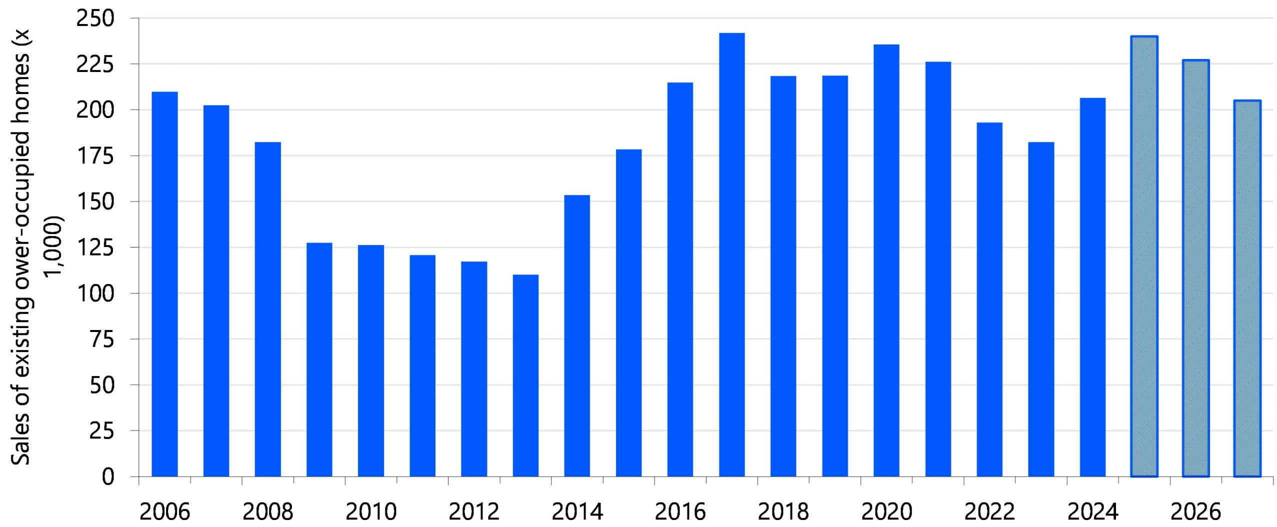

Note: This analysis is based on the municipal boundaries as of 2025. The analysis excludes municipalities that averaged fewer than fifty home sales per year in the first nine months of 2020 through 2023. Source: Land Registry, RaboResearch 2025.

## *Gradual decline in transactions after this year*

This year, an estimated 240,000 existing owner-occupied homes will change hands (see figure 13). That is about 34,000 more than last year. Our forecast for this year has remained roughly in line with the previous estimate of 238,000 home sales from our previous quarterly report. For 2026, we anticipate 227,000 housing transactions – slightly fewer than the 233,000 we projected in September. On the one hand, we saw a slight drop last quarter in the number of homes put up for sale. On the other hand, we have become somewhat more pessimistic about new construction. If fewer new homes are completed, there will also be less movement in the market for existing owner-occupied homes.

After 2026, we expect a clear decline in the number of transactions. For 2027, we anticipate 205,000 home sales. The latest figures from the Land Registry show that more former rental properties were sold to regular homebuyers last quarter. However, the pace seems to be slowing. Unlike last year, double-digit growth rates have not materialized so far this year. We therefore still assume that the sell-off wave is nearing its peak. Since the Affordable Rent Act and restrictions on temporary leases took effect on July 1, 2024 – and temporary rental contracts could last a maximum of two years – we expect particularly private investors to sell fewer homes starting this summer. Selling off is more difficult when tenants have a permanent rental contract. In that case – unless the tenant wants to buy the property themselves – it is a matter of waiting until the tenant terminates the lease.

Figure 13: Many existing owner-occupied homes are expected to be changing hands this year and next




Source: CBS/Land Registry, RaboResearch 2025

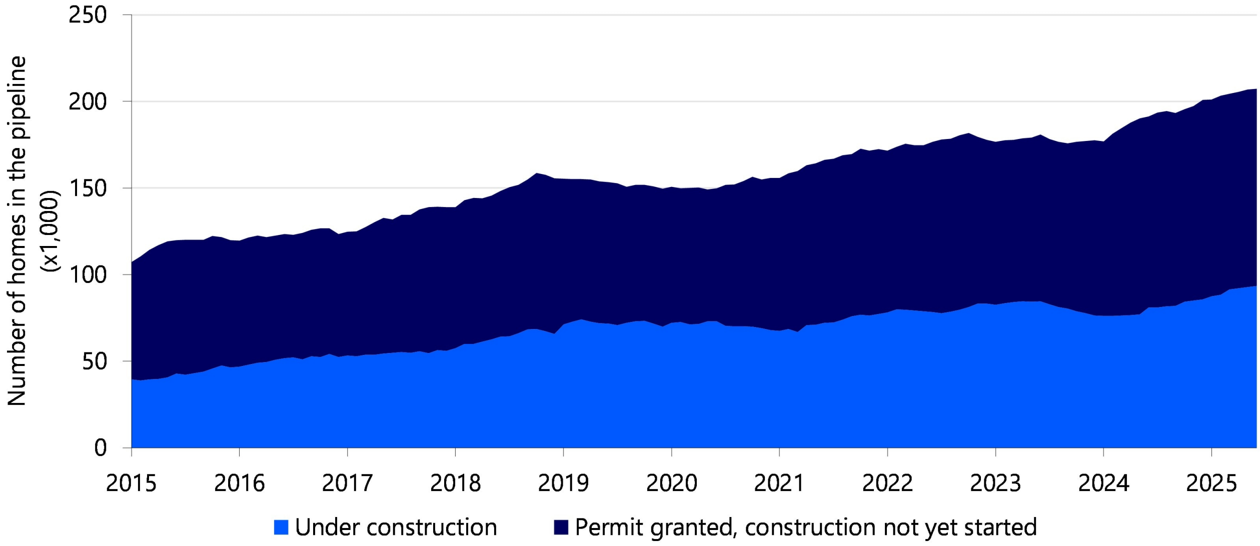
## *No signs yet of a short-term boost in housing construction*

Increasing housing production remains a key goal of housing policy. However, in recent years, the target of adding 100,000 homes annually has consistently not been met. Last year, for example, only 82,000 homes were added to the housing stock. For now, it does not appear that housing construction will gain significant momentum before 2028. While there are a large number of new homes in the pipeline – an average of about 205,000 over the past twelve months (see figure 14) – it is often not possible to begin construction in the short term. For some of the houses in the pipeline, permits are not yet final, and lengthy objection and appeal procedures may still be underway. We estimate that about one-third of planned homes in the Netherlands face this issue (Sweco, 2024 (in Dutch)).

Recently, municipalities have begun issuing more permits for new homes again (see figure 15). This usually signals an increase in completed new homes a few years later. However, in recent years, completions have been slow. Over the past five years, new housing production has fluctuated around 72,000 homes per year. Since 2023, the number of completed new homes has even declined somewhat. As more homes are under construction, this suggests delays during the building process. Figures of

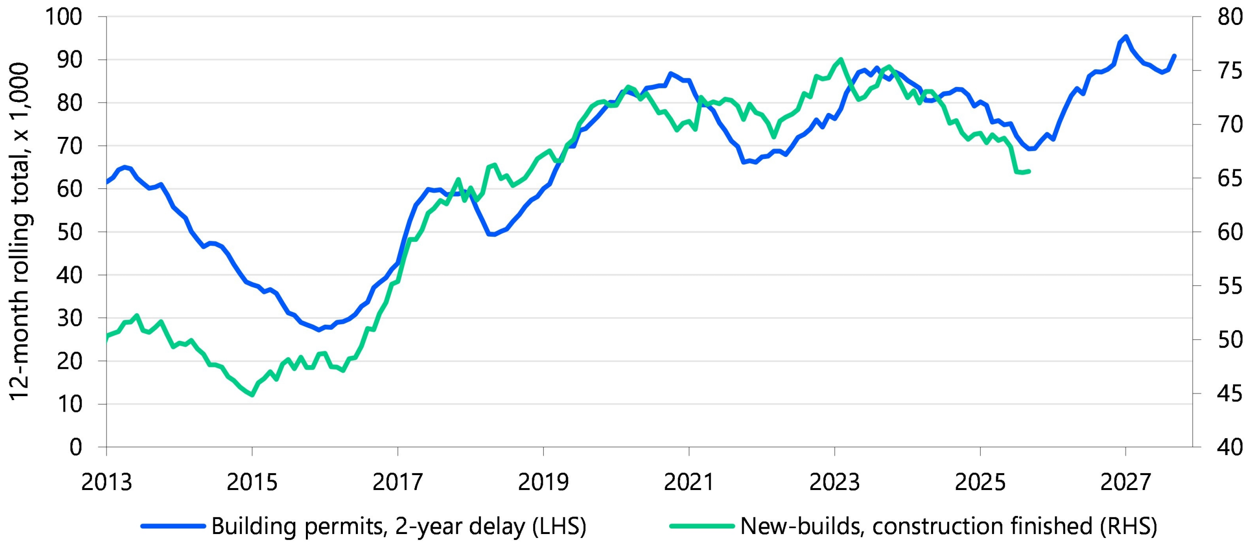
WoningBouwersNL also indicate signs of stagnation in the sale of new-build homes. The twelve-month total for new-build home sales has remained stuck at just under 34,000 homes for seven consecutive months.

Figure 14: Many homes in the pipeline




Source: CBS 2025

Figure 15: More permits, less new construction




Source: CBS 2025

## *Ambitious housing plans, but major obstacles ahead*

During the recent parliamentary elections, accelerating and increasing housing production was a key topic. Proposals included additional funding for housing development, speeding up and/or limiting objection procedures, standardizing requirements, and creating more opportunities to build homes outside the existing urban areas. However, many of these plans are unlikely to result in (significantly) more housing development in the short term.

According to a recent study by the Association of Provinces in the Netherlands (IPO) (in Dutch) among the twelve Dutch provinces, grid congestion and the deadlock surrounding nitrogen emissions are currently the largest bottlenecks for housing development. For example, more than 50% of the homes scheduled to be built by 2030 are located within five kilometers of nitrogen-sensitive nature areas. Bouwend Nederland, the largest Dutch trade association for construction and infrastructure companies, also expects housing development to encounter major challenges starting in 2027 due to the EU Water Framework Directive (WFD). The purpose of this directive is to improve water quality, including groundwater and surface water, by preventing contamination from harmful substances. Projections indicate that the Netherlands will fall short of meeting the WFD targets by 2027, which will also affect the permitting process. For example, an estimated 25% of housing projects may not be granted permits because of water discharge during soil remediation (Witteveen+Bos, 2022 (in Dutch)).

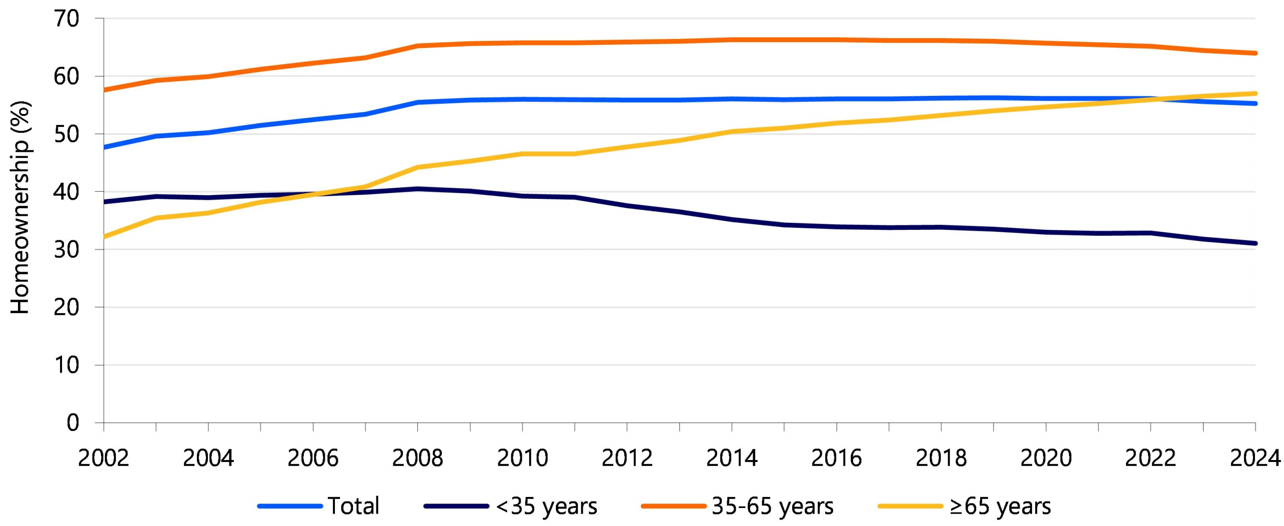
## *Are first-time buyers getting another chance at homeownership?*

### ***Downward trend in homeownership***

Homeownership among young adults has shown a sharp downward trend since the financial crisis (see figure 16). In 2008, 40% of households under the age of 35 owned a home; by 2024, that had dropped to just 31%. Since 2019, overall homeownership (across all households) has also been trending downward. In particular prospective buyers with lower incomes seem to be dropping out of the owner-occupied housing market. However, due to the sell-off wave of investor-owned properties, many homes have come onto the market since 2024. Data from the Land Registry shows that about two-thirds of these former rental properties have been purchased by first-time buyers. Does this signal an upcoming recovery in homeownership among young adults?

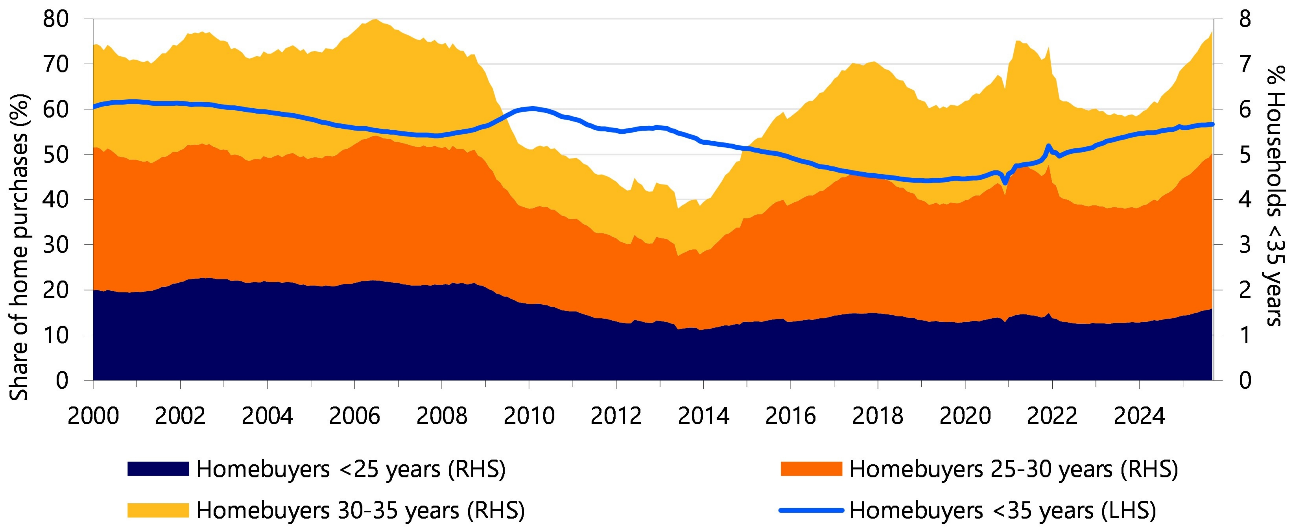
Since 2024, the share of buyers under 35 has indeed risen sharply (see figure 17). In the last twelve months (as of September 2025), nearly 8% of households under the age of 35 bought an owner-occupied home – either as first-time buyers or movers. This percentage is comparable to the previous peak just before the financial crisis. However, the average young adult homebuyer today, is much older than back then. While households under the age of 25 still buy about 25% fewer homes than before the financial crisis, purchases among those aged 25 to 30 have increased by 13%, and among those aged 30 to 35 by as much as 17%. Compared to late 2023, the increase in home purchases is strongest among older young adults. Still, we see a clear increase in purchases among both younger and older young adults . As a result, after years of decline, homeownership among young adults is expected to rise again – at least temporarily.

Figure 16: Declining homeownership among young adults




Source: CBS, RaboResearch 2025

Figure 17: Recovery of home purchases by young adults



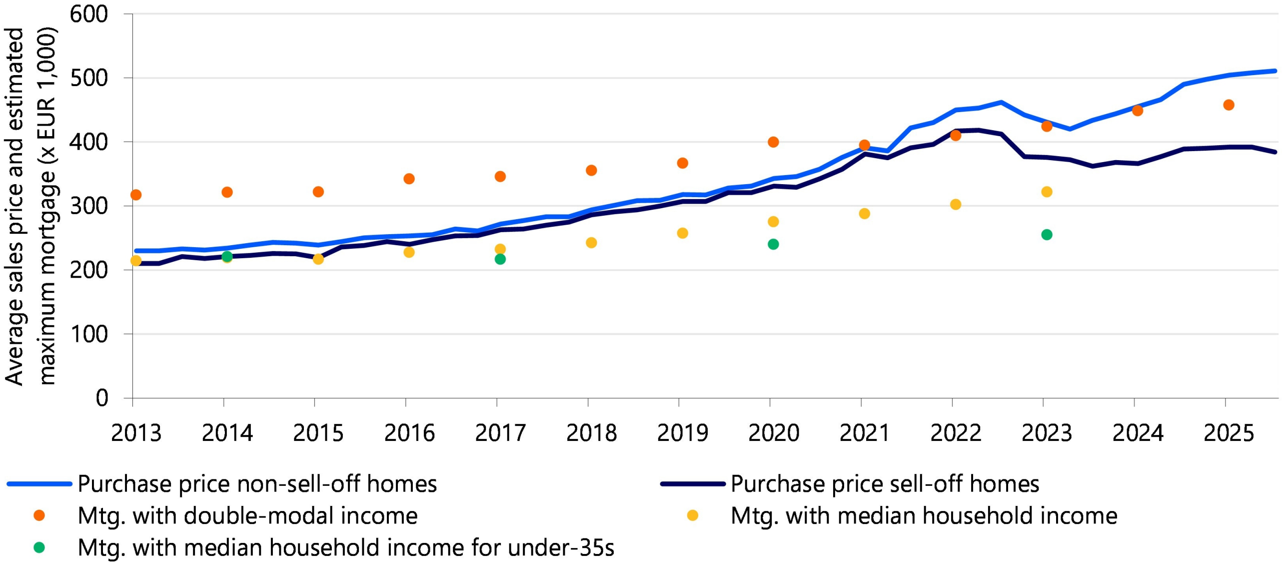

Source: RaboResearch 2025 based on microdata Land Registry

## *Implications for affordability*

An important question is to what extent the wave of investor sell-offs has improved the affordability of owner-occupied homes for first-time buyers. The fact that home prices are still rising faster than incomes and the maximum borrowing capacity implies that overall affordability has continued to deteriorate. At the same time, former rental properties are on average cheaper than homes that were not sold off by landlords. This is because they tend to be smaller and often have a poorer energy rating. People who bought a home from a residential investor paid an average of EUR 384,000 in the third quarter of this year (see figure 18). That is almost EUR 130,000 less than what buyers pay when purchasing from an owner-occupant.

Although these former rental homes are somewhat cheaper, households under 35 renting in the mid- or high-end segment often cannot finance these properties based solely on household income. In 2023, they could finance an estimated 255,000 on average – more than 120,000 euros less than the average sales price of a former rental home. This mismatch is also evident from data on the buyers of these properties: They typically have significantly higher incomes than the tenants who would otherwise have lived in these homes (in Dutch). So, housing affordability remains a problem.

Figure 18: Much cheaper former rental homes are still beyond the reach for under-35s




Note: For under 35s, we specifically look at people renting a home in the mid- or high-end segment. Source: Land Registry (Investors Q3 2025), CBS, Nibud, DNB, WoonOnderzoek Nederland, RaboResearch 2025

## *Source*

https://www.rabobank.com/knowledge/d011508452-dutch-housing-market-quarterly-no-signs-of-cooling-even-as-supply-grows