

NETHERLANDS

Living Q1 2024

17,810,000

Population in 2023

€ 432,000

Average transaction price

€ 18.30

Average rent per sqm per month

YoY Chg

12-Mo. Forecast



ECONOMIC INDICATORS Q1 2024

1.1%

GDP Growth forecast 2024

3.7%

Unemployment Rate Forecast 2024

5.0%

Prime yield (GIY, excl. buyers' costs)

Source: DNB, Cushman & Wakefield

LOCAL MARKET RESEARCH LEAD

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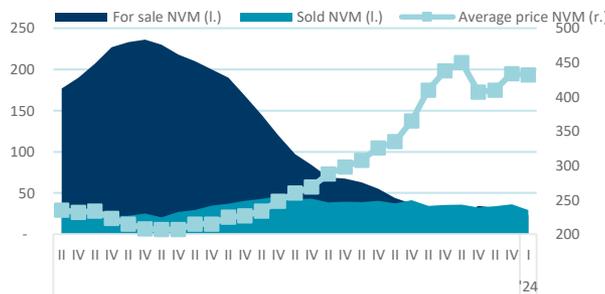
INVESTMENT MARKET: sentiment improving while investment activity shows first signs of stability

During the first three months of 2024, EUR 517 was invested in the Dutch housing market. This is 116% higher compared to the same period last year, when EUR 238 million was invested. The residential investment volume seems to show first signs of stability. Despite the investment volume of 2023 is 27% below the volume of 2022, sentiment from Dutch and foreign investors became more positive again. The invested volume in the first quarter of 2024 is mainly supported by transactions in Amsterdam (7) and in The Hague (4). The tempered transaction dynamics are not only a result of rising interest rates and construction costs. Policy and fiscal uncertainty specifically is resulting in a wait-and-see attitude among (international) investors. In recent times, the government has introduced both policy and fiscal measures that are either stimulative or regulatory in nature, which housing investors need to anticipate. Policy measures such as the building incentives (startbouwimpuls) and housing deals (Woondeals) have been introduced, while policies such as the intended Affordable Rent Act and capping rent increases are again regulatory in nature. Besides policy measures, changes have also taken place on the tax-legal front, making the Netherlands less attractive as an investment country for (foreign) investors. Examples of changes include abolishing the real estate investment trust (REIT) structure and increasing the transfer tax. Whereas (suitable) investment product was very scarce until more than a year ago, currently both investors and financiers are looking more critically. Whereas the initial yield of Core products is at 5.0% in Q1 2024, the gap to Core+ (6.0%) and Value-Add (7.5%) is widening.

OCCUPIER MARKET: The desired Housing construction is limited, and prices continue to rise.

There is a severe tightness in the Dutch housing market. The number of households is rising, while the number of houses for sale is limited and the inflow of new-build dwellings is limited. Despite increased interest in new-build dwellings, there does not yet seem to be a structural increase in supply. The average number of new build homes that were put on sale per quarter continues to hover around a low level of 7,000 homes. The biggest threat to the dynamics in the housing market is the lagging housing production of (owner-occupied) houses, which has been under severe pressure for almost two years now. Moreover, future supply will also lag behind given the number of building permits for new (owner-occupied) homes. The desired scale-up of housing construction is limited and prices will continue to rise.

OWNER-OCCUPIER MARKET | Supply and demand



LIVING YIELD DEVELOPMENT | GIY, excl. buyers' costs

