

**MARKET FUNDAMENTALS**

	YOY Chg	12-Month Forecast
<b>17,810,000</b> Population	▲	▲
<b>€473,000</b> Average transaction price	▲	▲
<b>14,498</b> Newly built availability	▬	▬

Source: CBS, CPB

**ECONOMIC INDICATORS**

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

Source: ING, CBS

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

During the first three quarters of 2024, EUR 3.22 billion was invested in the residential investment market. This is 109% higher compared to the same period last year. After 2023, when dynamics on the investment residential market were tempered, 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%.

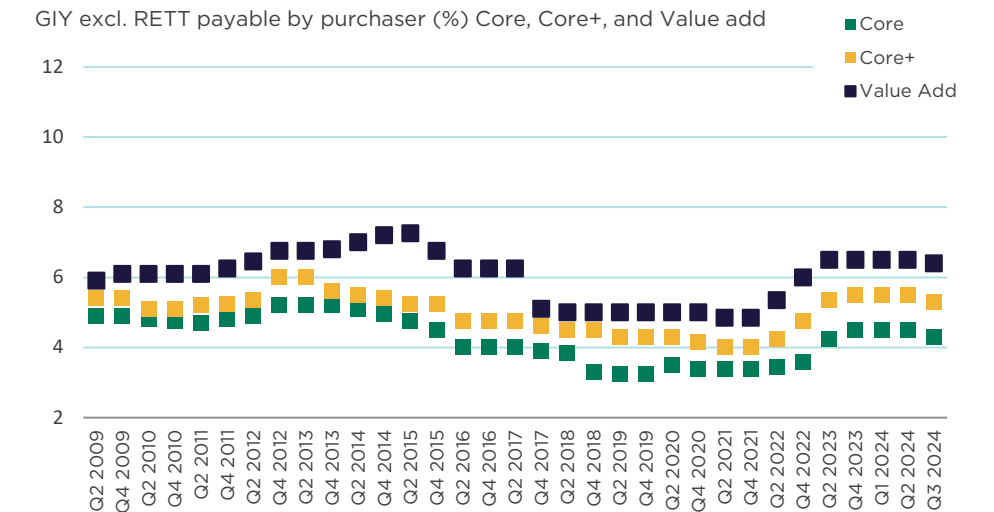
Transactions especially took place in the existing segment. Outdated complexes are offered to the market, and private investors and fund managers actively purchase these complexes to perform their unit sales strategy. Investors currently choose the unit sale strategy since it is more lucrative than the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

Recently, 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 real estate FBI, the strictly implemented earnings stripping measure and the 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 €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 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**

