

Uncertainty is slowing the housing market

- We expect home prices to rise 3% in 2026 and 4% in 2027
- Income growth and limited supply still outweigh rising mortgage rates
- We expect the number of transactions to fall 3% in 2026 and 4% in 2027
- The decline in the number of transactions is linked to growing uncertainty and a limited number of newly added homes



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2025 was a strong year for the housing market, while 2026 is expected to be somewhat more subdued. Last year was a strong year for the Dutch housing market, with home prices rising by [8.6%](#) and the number of transactions increasing by 15.6%. However, toward the end of the year the outlook became less favourable as mortgage rates started to climb. All major mortgage lenders began raising interest rates for mortgages with long fixed-rate periods. As a result, financing costs for buyers began to rise, at a time when affordability is already under pressure and many buyers [are](#) close to their maximum borrowing capacity. Regional price trends also show that prices in [rural](#) areas are rising faster than in urban areas. Drenthe and Groningen saw the largest price increases, at around 11%. This indicates that the recent sharp price increases can mainly be explained by a catch-up effect in rural areas. From the past, we know that catch-up effects are a sign that the housing market boom is (slowly) coming to an end.

Uncertainty leads to higher mortgage rates in 2026. The first quarter of 2026 was a turbulent period for the global economy due to the conflict surrounding Iran and uncertainty regarding U.S. trade policies. Uncertainty has increased, and energy prices continue to rise. Higher energy prices mean that inflation this year is likely to be higher than initially [expected](#). To limit the price increase, we believe the ECB will raise the deposit rate by 25 basis points at least once, but likely twice, in 2026. As a result, mortgage rates will rise and borrowing will become more expensive, which will dampen housing demand. As noted above, rates for mortgages with long fixed-rate periods (e.g., 10 years) have already risen last year. However, until now, households have been able to limit the cost increase by opting for shorter fixed-rate periods, benefiting from lower mortgage interest rates. This alternative will become less attractive if interest rates on mortgages with shorter fixed-rate periods also begin to rise.

We are maintaining our forecast for price increases at 3% for 2026 and 4% for 2027. We expect upward and downward pressures to largely balance each other out. On the one hand, rising interest rates and increased uncertainty are weighing on demand. Higher inflation expectations are also weighing on [consumer confidence](#), particularly regarding major purchases. On the other hand, the housing shortage has widened further in recent years as supply has contracted. Household incomes have also risen in real terms over the past few quarters, which supports purchasing power. Since we forecast nominal house price growth, higher inflation could also have an upward effect on home prices itself. For 2027, we expect a price increase of 4%. Economic uncertainty is expected to normalize, while this year's higher inflation will likely be factored into wage negotiations, for example through collective bargaining rounds. As a result, wage growth could turn out to be higher than previously expected. Furthermore, buyers and sellers who are postponing their decisions this year due to uncertainty may make up for this in 2027 when the economic situation stabilizes.

For the number of transactions, we are lowering our forecast for 2026 from -1% to -3%. Transaction volume is already declining. Sellers, particularly homeowners, may hold onto their properties if the asking price is not met. Furthermore, the low number of new-build homes in recent years is limiting market turnover. On the other hand, the increased sale of investment properties by landlords (“uitponden”) is not yet over and is expected to continue until the summer. The financial situation for private investors has deteriorated further: higher mortgage rates not only increase financing costs but also the required return (opportunity costs). Rent growth, however, is limited, especially in the mid-range rental segment. Although

the new government plans to review and possibly [expand](#) price caps in the mid-range rental market, no rapid policy changes are expected. For 2027, we maintain our forecast of a 4% decline in the number of transactions.

The restrictions on interest-only mortgages have little impact on the market as a whole. Following Rabobank and ASN Bank, ABN AMRO has also announced restrictions on interest-only [mortgages](#). As with the other banks, these changes only affect new mortgage applications and refinancing. The policy is very similar across all banks: the interest-only portion is limited to a maximum of 30% of the home's value, with a cap of €150,000 for homes valued up to €1 million.¹ These steps were foreseeable, as both the ECB and [DNB](#), consider interest-only mortgages as risky and have urged banks to reduce their exposure to them. However, the effect on home prices will be limited for two reasons. First, interest-only mortgages are not very common among first-time buyers, who [make up](#) the majority of homebuyers. Second, the average interest-only debt of existing homeowners is close to or even below the stated maximum, meaning that most households will experience almost no significant increase in costs due to the policy changes when refinancing or moving.² Of course, there are also households with a large proportion of interest-only mortgages, who might try to postpone moving decisions in order to avoid higher mortgage cost. However, we expect this group to be too small to influence national home prices.

The housing supply forecast for 2026 is concerning. In the first two months of the year, the number of newly added homes was 7.6% lower than in the same period in 2025, a year in which supply itself did not grow. Given the historically strong correlation between first-quarter supply and the full-year outcome, we do not expect any significant growth in supply in 2026. The recent upward trend in building permits suggests that the bottlenecks are not due to missing permits, but lie elsewhere, such as in planning processes and construction capacity. In addition to private investors, institutional investors also appear to be losing interest in the Dutch housing market, even though they are needed to finance the housing supply of new homes. A first major sign is the request by investors in [Vesteda](#), the largest institutional landlord in the Netherlands, to cash out €4.1 billion in shares, which represents approximately 52% of the fund's equity. If this happens, Vesteda will likely be forced to sell a large portion of its 28,000 homes. Vesteda now has three years to address the request and is attempting to mitigate the demands. Reasons for the declining interest are high transaction costs associated with buying and selling, unfavourable tax rules, and, ironically, the sharp price increase itself, as investors have suddenly found themselves overexposed to real estate.

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¹ For more expensive homes, the maximum is higher. In addition, existing customers whose fixed-rate mortgage period is coming to an end can often still borrow up to 50% interest-only.

² The impact of changes in market interest rates at the end of the term is usually greater.