

Dutch Housing Market Quarterly: Sales surge and prices continue to rise

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The wave of rental property sales, in which investors are selling off their rental homes, is still ongoing. Despite the increased supply of owner-occupied homes, prices continue to rise sharply. This indicates that the demand for homes remains consistently high.

Summary

- The wave of rental home sales has temporarily increased the supply of existing owner-occupied homes. This has led to more transactions and slowed the pace of price increases.
- However, the demand for owner-occupied homes remains very high, which means that the prices of owner-occupied homes are still rising faster than wages.
- We expect prices for existing owner-occupied homes to increase by 8.6% this year, followed by a 5.5% increase in 2026.
- Price growth is expected to resume in the course of next year, as the wave of sales of rental properties subsides and slightly fewer homes are built in the short term.
- We expect the number of transactions to peak at 238,000 this year, before declining slightly to 233,000 transactions in 2026.
- Buyers in big cities are more likely to stay local, as more homes become available in these cities – often at slightly more affordable prices.

Figure 1: A surge in sales and growing prices in 2025 and 2026



Source: CBS/Kadaster, RaboResearch

The wave of rental home sales is slowing down price growth

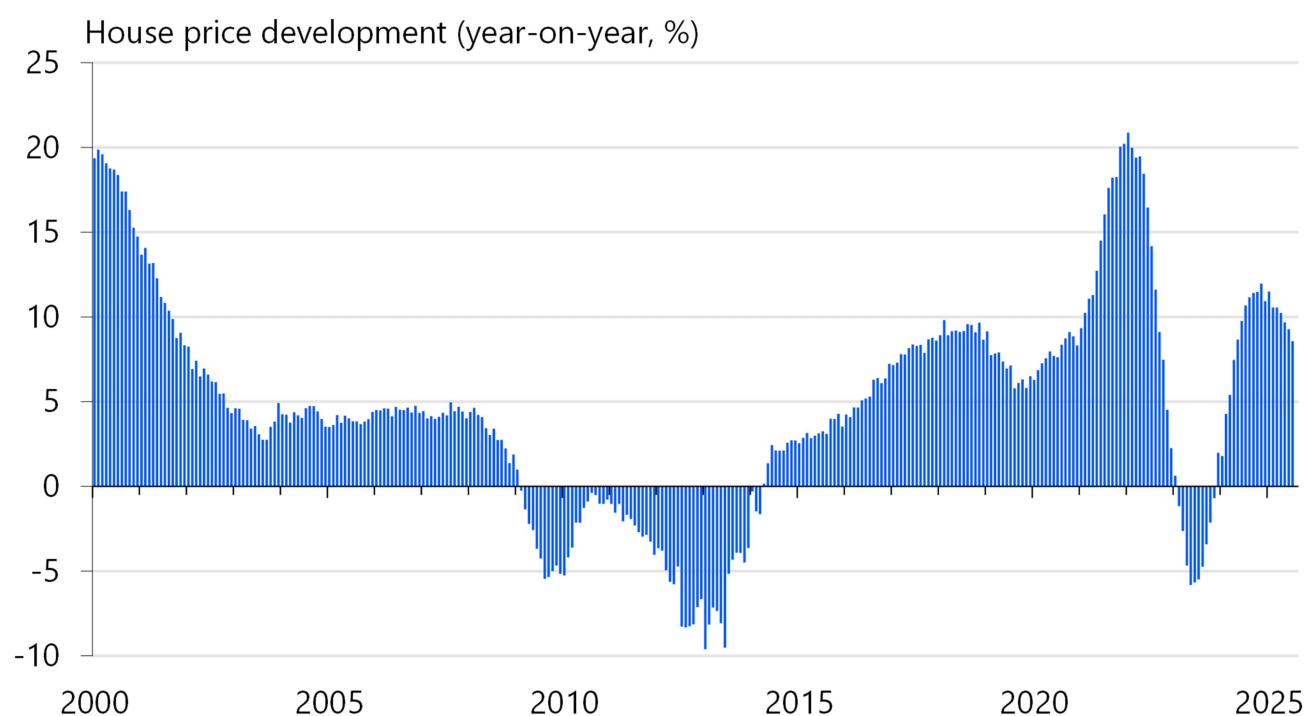
The supply of owner-occupied homes has recently seen a considerable increase. This is mainly due to investors selling their rental properties (the so-called “sell-off wave”) because of the deteriorated investment climate: Initial monthly rents have been capped by the Affordable Rent Act, and housing investments are taxed more heavily. Despite this, house prices have risen sharply in the first half of 2025. Existing owner-occupied homes were 8.6% more expensive in July – the most recent month for which CBS figures are available – than in the same month a year ago (see figure 2). This means that buyers paid more than 38,000 euros more for an average owner-occupied home sold than those who bought their home a year ago.

Increased supply and declining affordability have slowed price growth

The fact that prices are still rising rapidly despite an increase in supply illustrates the high demand for owner-occupied housing. Without the extra supply, prices would probably have risen much faster. This means that the market remains very tight: Selling times have not increased (NVM 2025; Dutch only). The extra supply also hasn’t led to a proportional decrease in the average number of people per home who contact a real estate agent via Funda. This, too, has recently remained virtually stable (Funda Index 2025; Dutch only). The sharp increase in prices implies that the demand for housing has risen faster than the supply in the past year. The increase in demand is related to both wage growth and population growth. It is also conceivable that some people are no longer looking for housing in the rental sector, but actively looking for a home to buy instead. After all, the supply in the rental sector is drying up rapidly as a result of the changing investment climate. According to housing platform Pararius (Dutch only), there were at least 36% fewer houses for rent in the private rental sector in the second quarter of this year than a year ago.

Although prices are still rising at a historically high rate (see figure 2), we have seen this growth rate slow down since November of last year. The declining growth rate can be explained by the increase in supply and by the (at least nationally) declining affordability of owner-occupied homes. Since the beginning of 2024, the price index of existing owner-occupied homes by Statistics Netherlands has once again risen significantly faster than wages, despite the price-depressing effect of the wave of sales. Former rental properties are generally cheaper than the average owner-occupied home sold (Kadaster 2025), slightly reducing the average transaction price.

Figure 2: House prices continue to rise

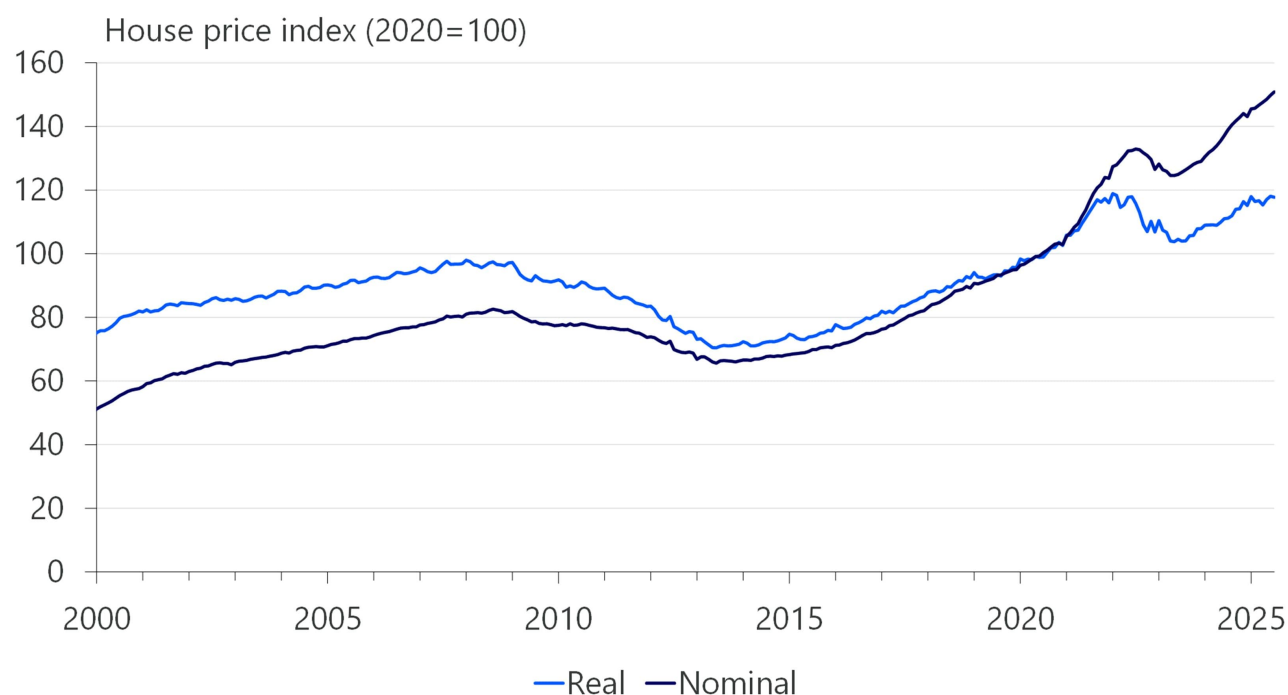


Source: CBS/Kadaster

House prices are back at peak levels

In the Netherlands, existing owner-occupied homes are now 13.5% more expensive than at the time of the previous house price peak in July 2022. The brief period of declining house prices, triggered by rapidly rising mortgage rates, has long since been reversed. That is, if we do not take into account the effect of inflation. Consumer prices have risen sharply in recent years, partly as a result of the energy crisis and the covid-19 pandemic. If we adjust nominal house prices for the effect of inflation, it turns out that house prices in real terms are actually around the level of the previous peak in house prices (see figure 3). Real wages are now several percent higher than in the summer of 2022, but due to higher interest rates, the affordability of owner-occupied homes has deteriorated since then.

Figure 3: In real terms, the previous peak in house prices has only just been matched

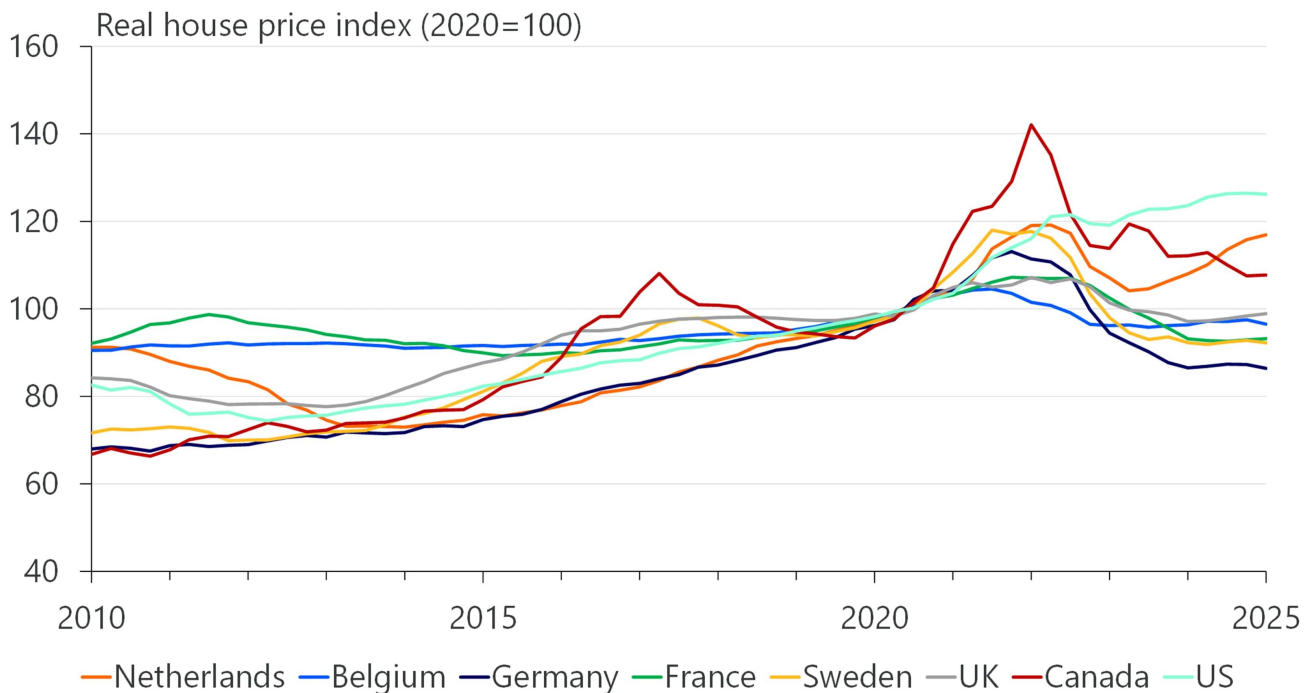


Source: CBS/Kadaster (house prices), CBS (inflation)

In many other countries, prices are still below the previous peak

As in the Netherlands, house prices in many other countries have also dropped since 2022 (see figure 4). However, there are exceptions to this. For example, house prices in the US – which was less affected by the energy crisis – have continued to rise, albeit at a slower pace. House prices have also risen sharply in some southern and eastern European countries (not shown in the figure). In some countries – including Germany and Canada – prices fell for a significantly longer period than in the Netherlands. In these countries, the recovery from the dip has barely started. In Germany, real house prices in the first quarter of this year were as much as 24% lower than at the peak in early 2022. Possible explanations for the relatively rapid recovery of the Dutch housing market lie in the significant housing shortage, the relatively good performance of the Dutch economy (with above-average wage growth compared to other countries in the eurozone), and the mortgage interest deduction, which dampens the effect of rising interest rates on housing costs and the maximum borrowing capacity.

Figure 4: Many countries have not yet recovered from the house price dip



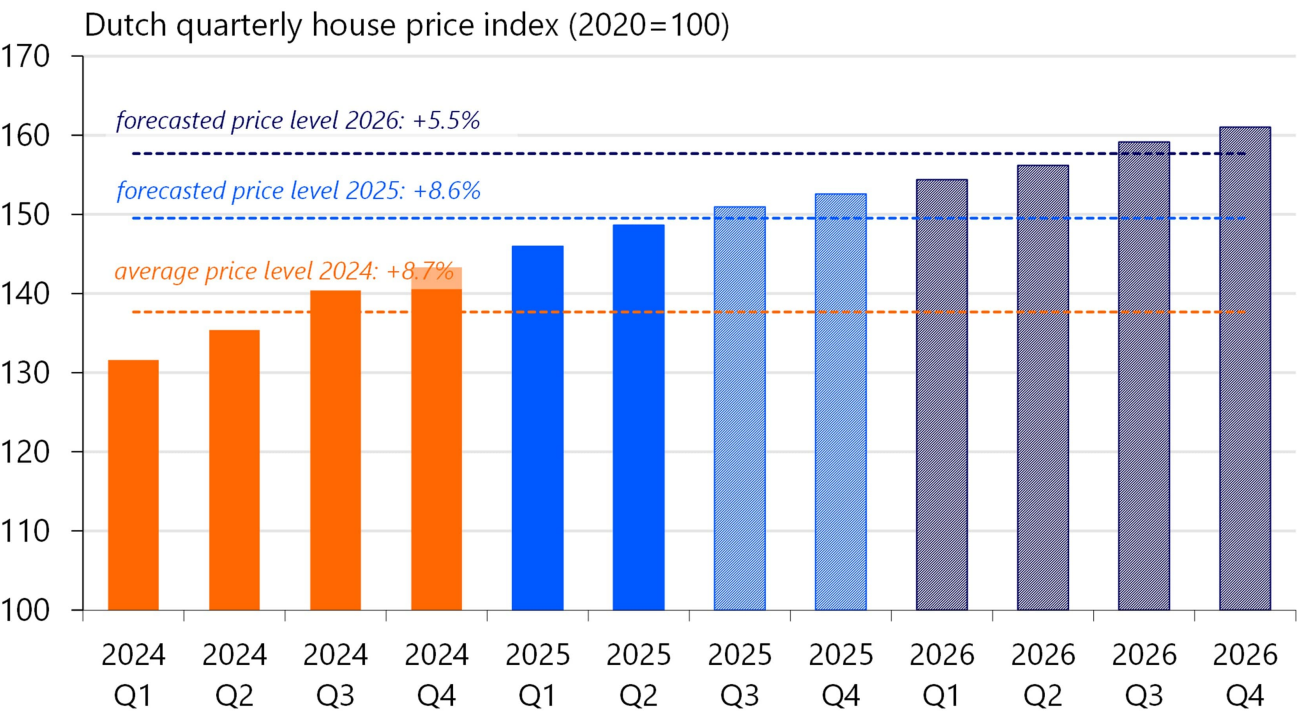
Source: Federal Reserve Bank of Dallas

House prices will continue to grow

We expect existing owner-occupied homes to be 8.6% more expensive this year than in 2024 (see figure 5). This projection is the same as our previous estimates from March and June. For 2026, we have tempered our expectations slightly: We expect an average price growth of 5.5%. Three months ago, our growth projection for 2026 was 6.6%. We have adjusted our projection mainly due to the fact that the sales of rental homes are going faster than previously thought. This will lead to more supply of owner-occupied homes in the short term, which will put pressure on the development of house prices. Toward the end of 2026, price growth will slowly pick up again. We expect the market to tighten again from the second half of that year. At that point, the sell-off wave will probably have passed its peak.

The new construction prospects aren't very hopeful either, which does not bode well for the supply of existing owner-occupied homes. We will come back to this in more detail in the section "Housing: Little new construction, despite doubling the number of homes in the pipeline". Finally, the macroeconomic forecast does not show any major shifts compared to the previous quarterly report, so we do not foresee a significant impact on the housing market.

Figure 5: Sharp rise in house prices expected later this year and in 2026

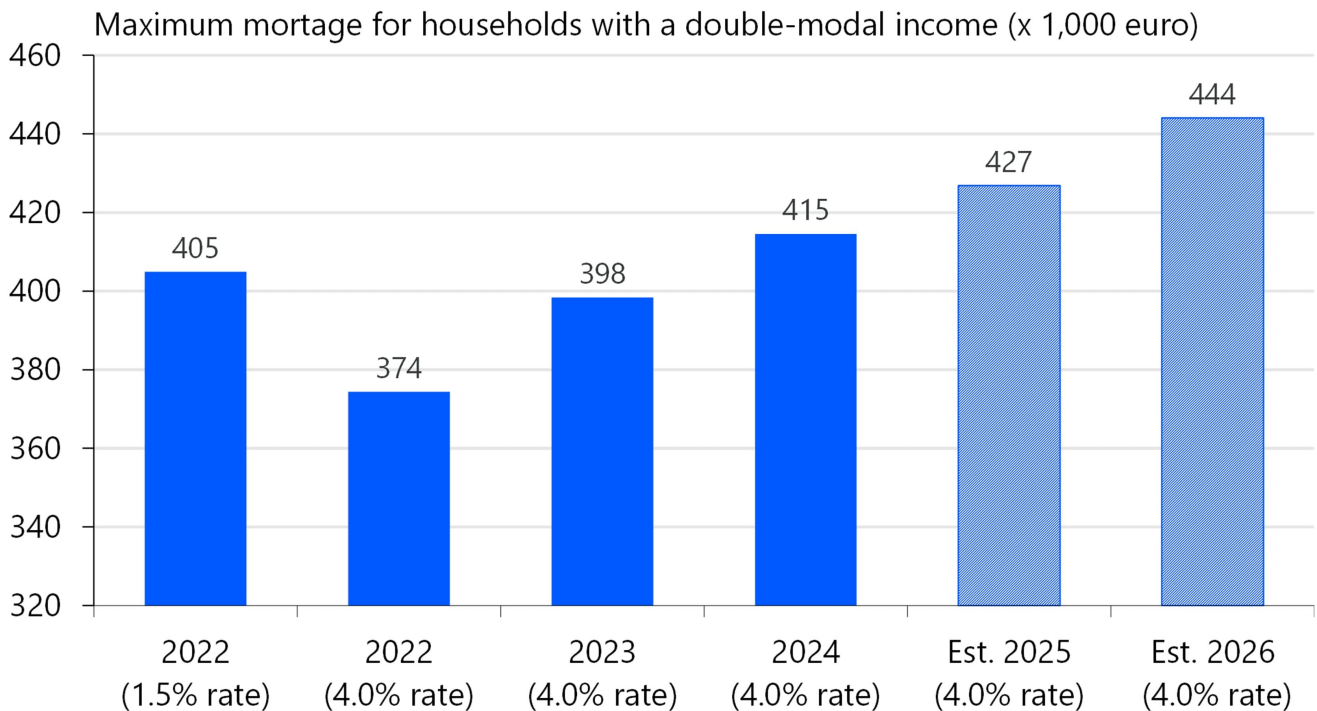


Source: CBS/Kadaster, RaboResearch 2025

Labor market tightness, higher wages, and relatively stable interest rates support demand

The economy will cool down somewhat next year as a result of geopolitical trade tensions. However, the shortage in the labor market is persistent: Unemployment should rise only very slightly from 3.8% now to 4% by the end of the year. In the wake of the tightness in the labor market and in response to high inflation, wages are expected to rise relatively quickly as well this year. Higher wages are fueling demand for owner-occupied homes and are translating to additional price pressure. For 2025, we foresee an average collective labor agreement wage increase of 5%, followed by 4.1% in 2026. Higher wages allow households to borrow more when bidding on a house. With a mortgage interest rate of 4%, households with two average incomes can borrow about 12,000 euros more this year than they could in 2024. We expect this amount to increase by almost 17,000 euros in 2026 (see figure 6).

Figure 6: Borrowing capacity to increase sharply in 2025 and 2026 due to rapidly rising wages

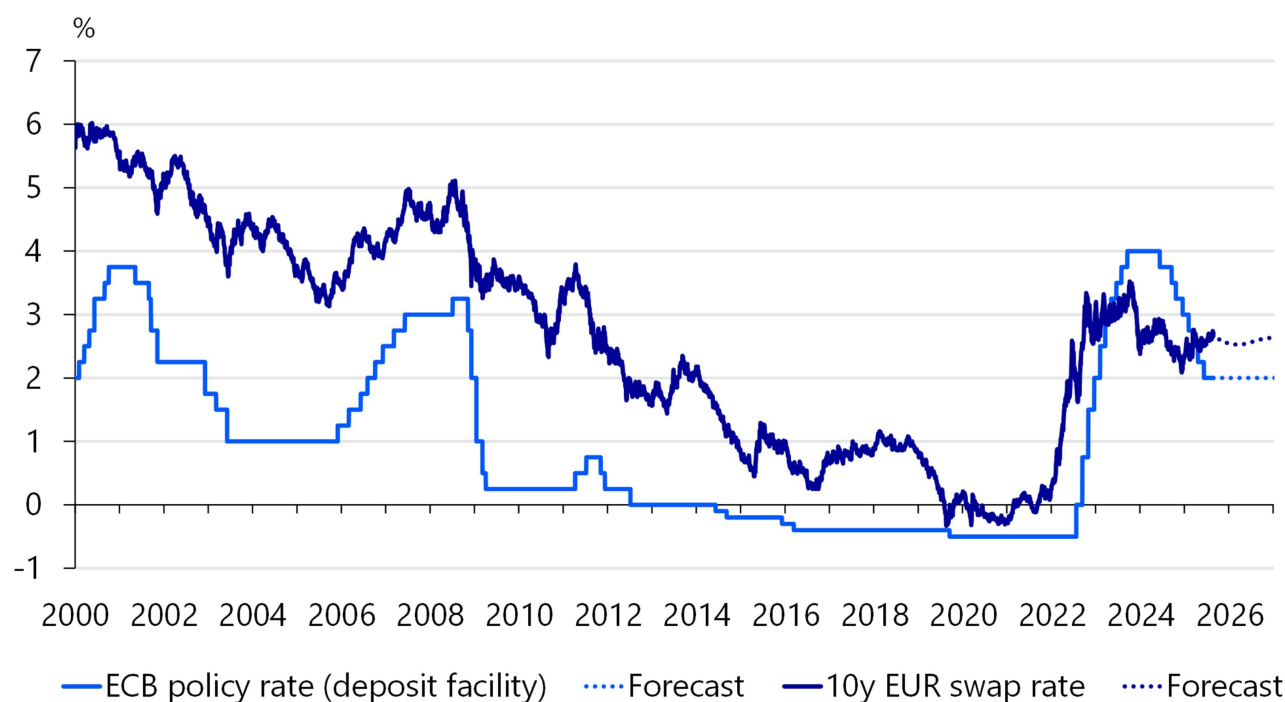


Note: When calculating the maximum borrowing capacity, we assumed a household income of twice the modal income (44,000 euros in 2024, 46,000 euros in 2025, and 48,000 euros in 2026, respectively). This takes into account the estimated increase in collectively agreed wages in 2025 and 2026. The income limits for determining the maximum financing costs percentages for 2026 have been indexed on the basis of the average inflation from 2022, 2023, 2024 and our forecast for 2025, to take into account the gradual weighting in accordance with the Nibud system. Source: CPB, Nibud, RaboResearch 2025

Currently, more than half of mortgage applicants fix their mortgage interest rate for ten years (HDN 2025 ; Dutch only). In the past year, the average interest rate for newly taken out mortgages with a long fixed-rate period remained relatively stable. This is related to the development of capital market interest rates. This is because capital market interest rates are an important indicator for mortgage rates, as the interest rates on long-term (capital market) loans determine the financing costs of mortgage lenders.

The 10-year capital market interest rate (the swap rate) is expected to change little in the coming years. In the short term, following a very slight decline, 10-year swap rates are expected to return to their current level in the second half of 2026 (see figure 7). Previously, our interest rate experts assumed a slight decline in swap rates. At the same time, there was a lot of uncertainty about capital market interest rates and the macroeconomic outlook, partly due to geopolitical developments. That economic uncertainty also translated into uncertainty in the housing market.

Figure 7: We foresee little movement in capital market interest rates



Source: Macrobond, RaboResearch 2025

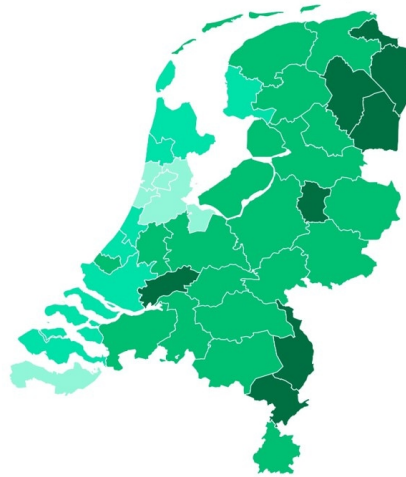
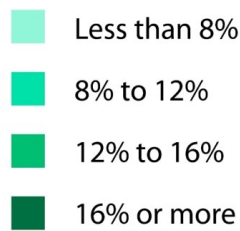
Regional distribution: House prices outside the Randstad see the sharpest increase

Especially outside the Randstad, houses have become considerably more expensive in recent years. In various regions in Groningen and Drenthe, existing owner-occupied homes were on average more than 16% more expensive in the second quarter of 2025 than during the previous house price peak in 2022 (see figure 8). In the frontrunner region of Delfzijl and the surrounding area, existing owner-occupied homes were up to about 20% more expensive than in 2022.

Regions in the west of the country are experiencing more subdued price growth. This is probably related to the sale of former rental properties. These sales are happening especially rapidly in the Randstad (NVM 2025; Dutch only), and this extra supply slows down price growth locally. The city of Utrecht is the odd one out. Although many former rental properties are also being sold in this city, a relatively strong price increase has been recorded in recent quarters. Not only in comparison with the Netherlands as a whole, but also with the three other largest Dutch cities: Amsterdam, Rotterdam, and The Hague. As we wrote in our previous Housing Market Quarterly: It is unclear why Utrecht is different.

Figure 8: House price index H2 2025 compared to previous peak in 2022 (%)

House price development price peak 2022 –
Q2 2025



Source: CBS, adaptation by RaboResearch 2025

For the entire calendar year of 2025, we expect the regional increase in house prices to be highest outside the Randstad (see figure 9). This includes regions in Drenthe, Groningen, and Limburg: The prices of existing owner-occupied homes there are expected to be on average more than 10% higher in 2025 than in they were in 2024. We also estimate a double growth rate for the Utrecht region. In the west of the country, price growth is significantly lower. For the Metropolitan Region Amsterdam, we expect the lowest price increase at 4%. The capital is characterized by a relatively large supply of owner-occupied homes and many transactions. At the beginning of this year, we even saw a quarter-on-quarter house price decline. In the second quarter, house prices resumed their slight growth, but the year-on-year increase lags far behind the national average.

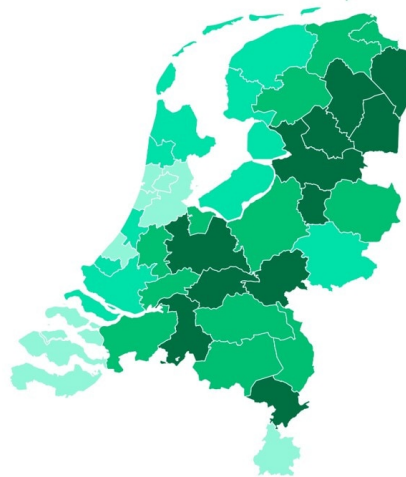
Due to the large differences in the starting level of house prices, the absolute price increase in euros is also relevant. Despite the high percentage increase in Delfzijl, the price increase of the average owner-occupied home sold was the lowest there between the second quarter of 2024 and 2025 – at 19,000 euros. Due to the high prices in Amsterdam, the average price increase in euros there is closer to the national average than in Delfzijl, despite the fact that house prices there have risen much faster in terms of percentage.

For 2026, we also expect the highest average price increase in regions outside the Randstad (see figure 10). We do expect the difference in pace between the Randstad and other regions to decrease, due to the wave of rental home sales decreasing in 2026. In our estimate, the greater Groningen region will have the highest price growth next year. There, existing owner-occupied homes will yield about 7% more on average than in 2025. Randstad regions and regions bordering the Randstad will see more moderate growth.

Figure 9: Lowest growth expected in the west of the country in 2025

Expected house price development 2025

- Less than 8%
- 8% to 9%
- 9% to 10%
- 10% or more

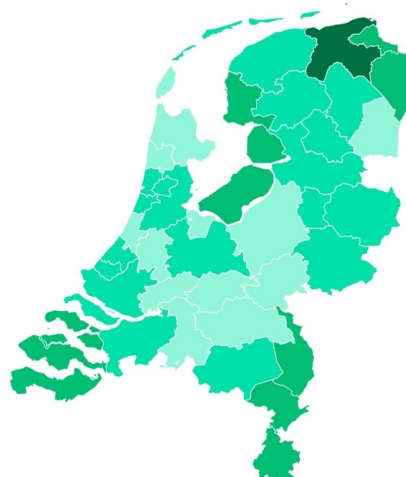


Source: RaboResearch 2025

Figure 10: Groningen will be in the lead next year

Expected house price development 2026

- Less than 5%
- 5% to 6%
- 6% to 7%
- 7% or more



Source: RaboResearch 2025

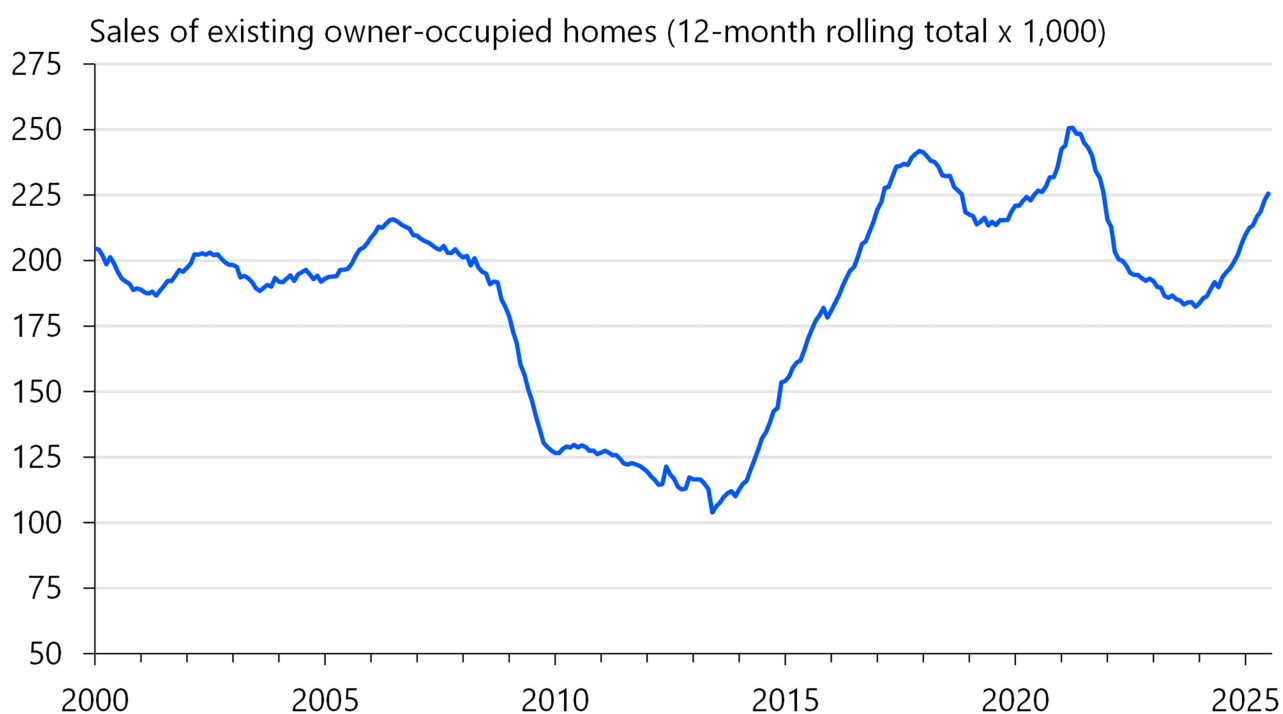
Considerably more transactions on the horizon due to the wave of rental home sales

In the first seven months of this year, more than 130,000 existing owner-occupied homes changed hands. This is about 19,000 more than in the same period last year (see figure 11). Landlords – especially private landlords – are increasingly selling their rental properties to people who are going to live in these houses as owner-occupiers. In other words, they are selling to “ordinary” buyers. The latest figures from the Dutch Land Registry (Dutch only) show that in the second quarter of 2025, residential investors sold

no fewer than 7,350 rental homes on the owner-occupied housing market, more than double the number of two years ago (see figure 12). Housing investors who buy existing owner-occupied homes to then rent out have become rare: The current *buy-to-let* numbers are dwarfed by the numbers we saw until 2021, and are only a fraction of the flow in the opposite direction. The wave of sales is partly related to the increased regulation in the mid-rental segment (the Affordable Rent Act), the fact that temporary rental contracts are no longer allowed, the tax treatment of private rental properties in box 3, and the increased interest rates.

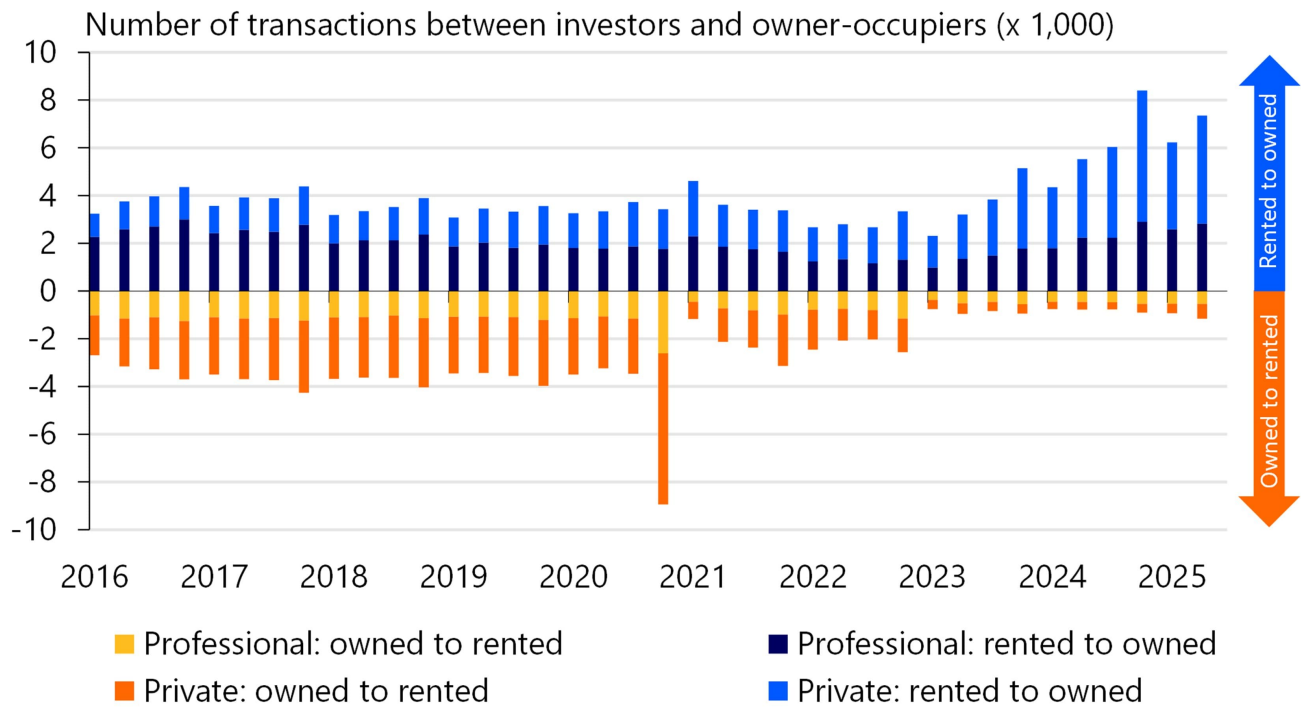
On balance, investors sold almost 6,200 more rental homes than they bought in the second quarter. In the past four quarters, the sales balance amounted to more than 24,000 homes, accounting for about 11% of the total number of transactions. This figure only includes homes from private investors with at least three homes (as also shown in figure 12). It is not known whether owners with two homes are using these second homes to rent or to use recreationally, or whether they purchased them to eventually live in themselves (after renovating them, for example). On balance, owners of second homes also sold homes to owner-occupiers: In the last four quarters, they sold 7,500 homes. Many of these homes were probably rental properties (Dutch only).

Figure 11: Sales continue to rise



Source: CBS/Kadaster

Figure 12: Many ex-rental homes are being sold

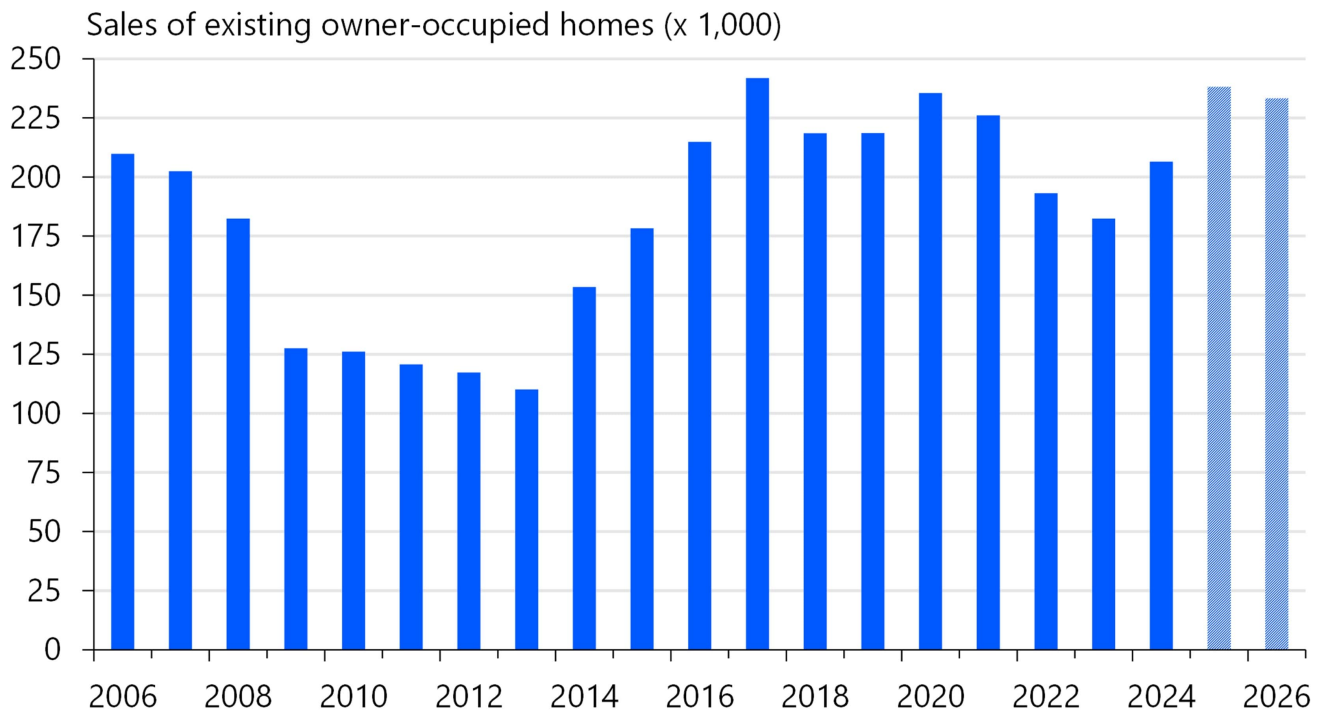


Source: Kadaster, adapted by RaboResearch 2025

Due to the wave of rental property sales, the total number of house sales this year will be significantly higher than last year. We expect a total of 238,000 existing owner-occupied homes to change hands in 2025: A whopping 31,500 more than in 2024. For 2026, we expect slightly fewer transactions with 233,000 home sales (see figure 13). We have revised our estimate upward: In June, we were still expecting 227,000 and 223,000 transactions, respectively. This adjustment is because the wave of sales of former rental properties is going faster and lasting longer than previously thought.

However, we still expect this wave of sales to gradually decrease. Since July 2024, the possibilities of offering a temporary rental contract have been legally restricted. As a result, more and more tenants have a permanent rental contract, making it more difficult for landlords to sell these rental homes. Moreover, because a temporary rental contract had a maximum duration of two years under the old legislation, the last rental properties that were rented out under a temporary contract will become available in July 2026. However, there are signs (Dutch only) that commercial landlords in particular will still sell a relatively large number of rental properties to “ordinary” buyers after the summer of 2026. Real estate companies are increasingly taking over rental properties from other landlords, with the sole aim of selling these properties one by one as soon as the tenant leaves. These homes are usually rented out under a rental contract for an indefinite period, and are therefore released more gradually than the rental properties of private individuals.

Figure 13: We foresee considerably more transactions due to the wave of rental property sales



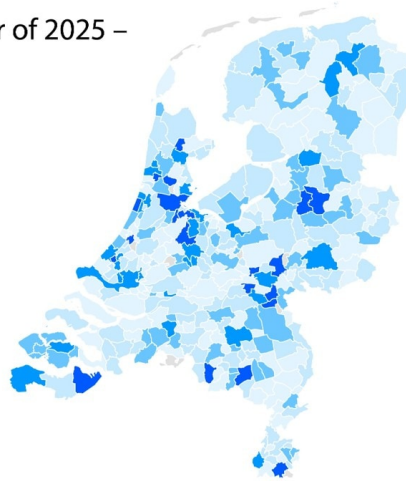
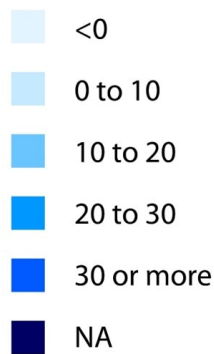
Source: CBS/Kadaster, RaboResearch 2025

More opportunities to buy a house in your own city due to the wave of rental property sales

In the wake of the wave of rental property sales, the number of transactions for existing owner-occupied homes in the country's largest cities in particular has rebounded significantly (see figure 14). In the first half of this year, over 50% more homes were sold in Amsterdam compared to the average amount of homes sold in the first half of each of the past five years. In addition to the four largest cities (Amsterdam, Rotterdam, The Hague, and Utrecht), typical student cities are noteworthy, such as Groningen, Leiden, and Maastricht. These are mostly cities where private housing investors bought a relatively high number of existing owner-occupied homes prior to 2021 and rented these out. Remarkably, sales have also risen sharply in various coastal municipalities and the more touristy municipalities such as Hulst and Sluis in Zeeuws-Vlaanderen. These sales could be second homes being sold to owner-occupiers.

Figure 14: Sales surge, especially in the largest cities of the Netherlands

Development of home sales in the first half year of 2025 – first half year of 2020 to 2024



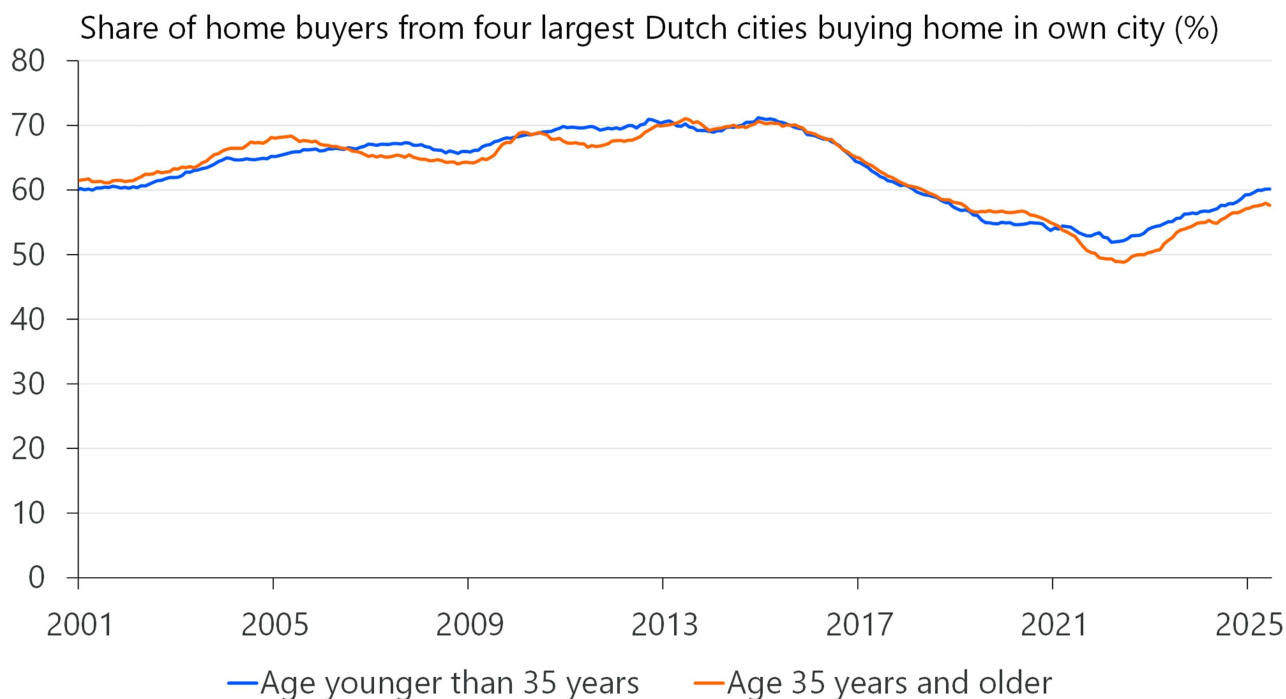
Note: Our analysis is based on the municipal boundaries from 2025. Municipalities where an average of fewer than fifty houses were sold in the first half of the year (viewed over the period H1 2020 – H1 2024) are not included in the analysis.

Source: Land Registry, processed by RaboResearch 2025

The wave of rental home sales seems to be influencing the choice of location among buyers. Buyers from Amsterdam, Rotterdam, The Hague, and Utrecht (the four largest Dutch cities) are increasingly buying a house in their own city (see figure 15). Although about two-thirds of former rental homes are bought by first-time buyers (Kadaster 2025; Dutch only), we see this trend among buyers under 35 as well as those over 35. So it is not only young adults who seem to be navigating this changing market better.

The fact that one's own city has gained in importance automatically means that fewer city dwellers are leaving their area. The migration from one's own city – a trend that characterized the period from 2015 to mid-2022 – has therefore continue to weaken. In 2023, we attributed this development (Dutch only) mainly to the declining prices we saw from 2022 to 2023. This decline was particularly sharp in the most expensive places in the country, such as in the northern wing of the Randstad. As a result, buyers with a preference for the city were less likely to move to cheaper regions. Today, the wave of rental home sales is temporarily providing a greater and more competitively priced supply in the big cities compared to the outlying areas. As a result, buyers in the four largest cities are increasingly likely to stay local when looking for a home.

Figure 15: Buyers in big cities are increasingly looking to stay local



Source: Funda.nl, RaboResearch 2025

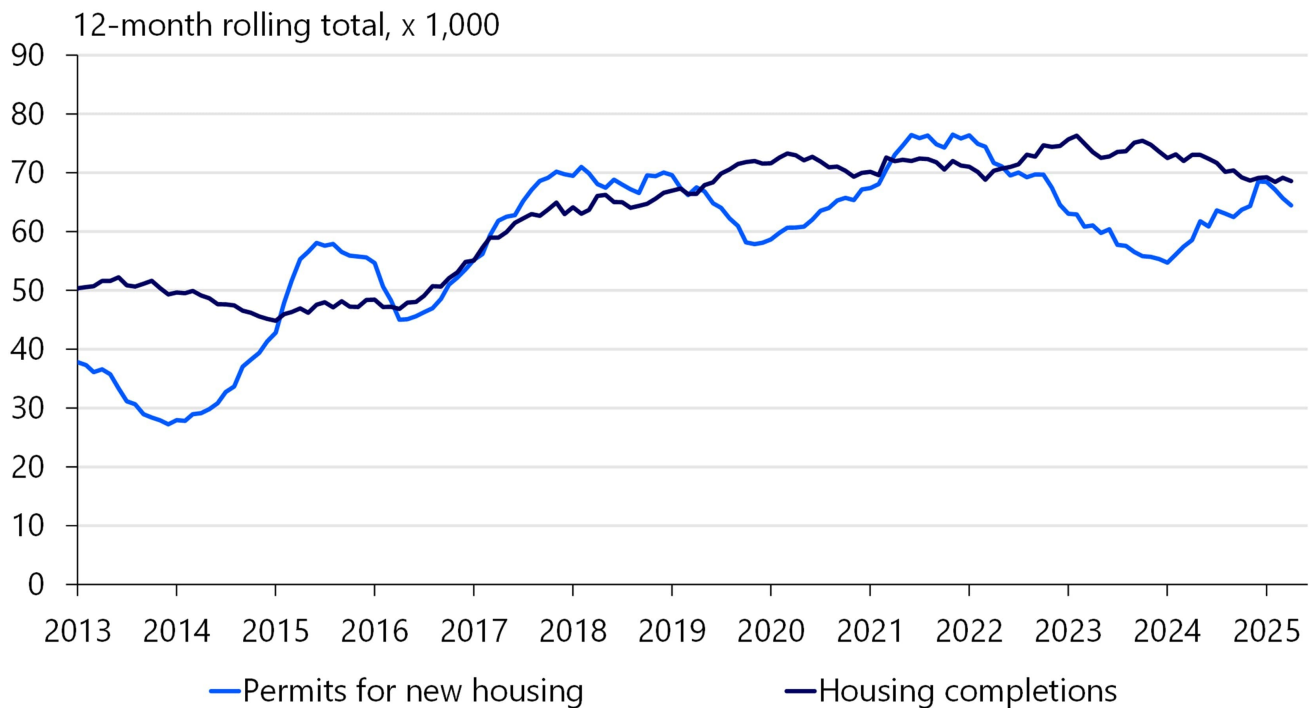
Little new construction, despite double the number of homes in the pipeline

We expect the number of newly built homes to stagnate in the coming years, which will negatively impact the flow in the market for existing owner-occupied homes. Despite the strong policy ambitions, fewer and fewer new homes have been completed since the end of 2023 (see figure 16). This trend does not seem to be changing anytime soon: There are indications that the construction chain is stalling. For example, municipalities have issued fewer housing permits in recent months and housing investments fell by 1.5% in the past quarter (seasonally adjusted). This means that fewer new homes will probably be completed in two years' time. The decline in permit granting is related to both supply factors (structural bottlenecks such as staff shortages, the availability of construction sites, the complex construction process, and grid congestion) and demand factors (less demand for rental properties from investors and mismatches between the type of owner-occupied homes that are in demand and the type of construction that gains permits).

In addition, the number of new owner-occupied homes to be built has recently stabilized somewhat. In the past twelve months, just under 34,000 newly built owner-occupied homes were sold. The level of the end of 2021 is therefore still far from sight: In that period, over 39,400 of these homes were sold ([WoningBouwers.nl](https://www.woningbouwers.nl); Dutch only). There also seems to be a mismatch between supply and demand (Dutch only) in the sale of newly built homes. New construction has a strong focus on inner-city construction and affordability requirements. In line with this, there is a lot more supply of small apartments. But the

sale of these newly built apartments is faltering. Homes in this segment may be experiencing competition from the wave of rental home sales, as a result of which a relatively large number of apartments in the lower price segments is also becoming available. In other market segments, the appeal and selling potential of newly built homes is higher.

Figure 16: A slowdown in the construction of new homes

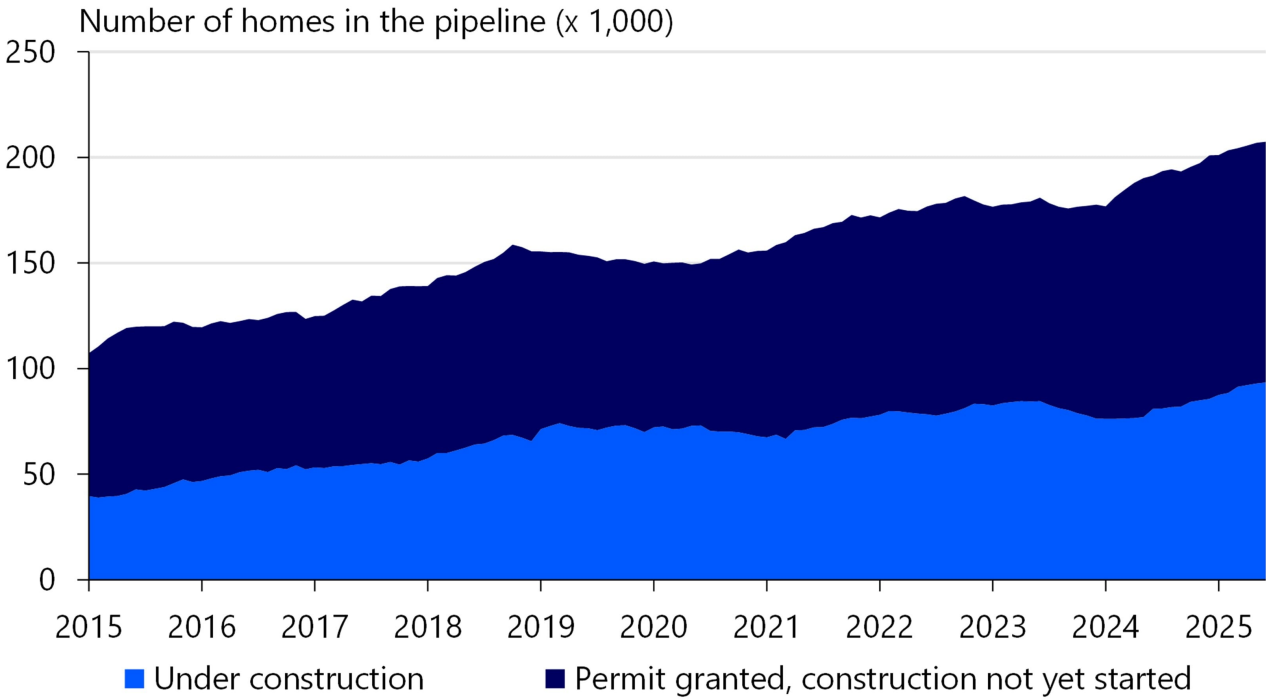


Source: CBS

Moreover, the pace at which new homes are completed is slower than the pace at which new permits are issued. As a result, more and more homes are in the pipeline: Almost twice as many as 10 years ago (see figure 17). These are licensed homes where construction has sometimes already started. Since the end of 2023, the number of homes under construction has clearly been increasing. As soon as these homes are completed, they should disappear from the pipeline. But this process does not seem to be going very smoothly, given the downward trend in the number of new homes completed.

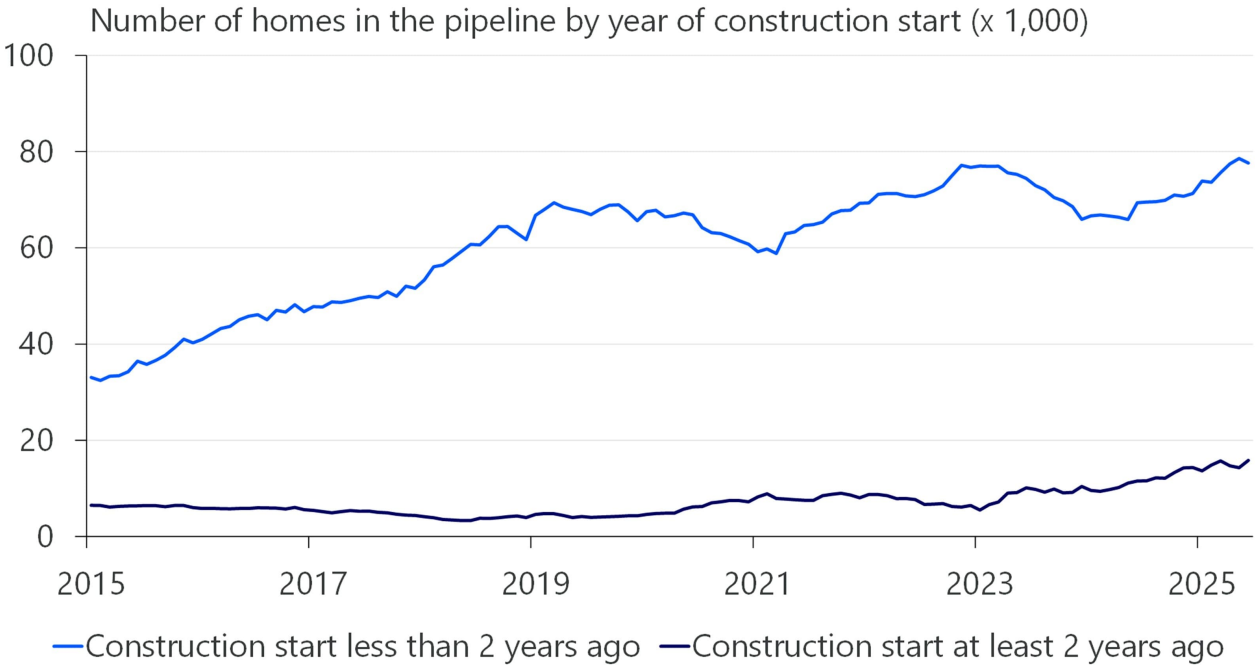
Another CBS statistic suggests that homes are being built at a somewhat slower pace. The number of homes that started construction at least two years ago has risen sharply over the past two years (see figure 18). The number of homes of which construction started less than two years ago has also increased, but less in percentage terms. The implication is that a number of generally positive trends – in addition to the number of homes in the pipeline, order books at construction companies have also been showing an upward trend for some time – are not indicative of more short-term residential construction in the current market.

Figure 17: Twice as many homes in the pipeline as ten years ago



Source: CBS

Figure 18: Construction time seems to be increasing



Source: CBS

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