

Housing market developments – 3rd quarter 2020

Strong house price growth outside the Randstad

Average house prices increased the most in the province of Groningen with 11.3% year on year. The municipality of Groningen is currently registering the fastest growth of all the municipalities in the Netherlands with 11.6%. The two largest cities, Amsterdam and Rotterdam, show average house price increases of respectively 5.7% and 9.3%. The Hague and Utrecht show average house price increases of respectively 10.3% and 9.6%.

Transactions remain stable and number of homes for sale drops

The annual number of sales increased in six years from 137 thousand to 279 thousand houses. The number of homes for sale continues to decline. The ratio between the number of sales and supply has reached a factor 0.2 (sales > supply).

Housing affordability improves

On average, 14.0% of net household income was required to service housing costs, in 2008 the housing affordability peaked with 27.0%. The relatively good affordability is mainly the result of the current low mortgage interest.

CALCASA INDEXES 2020 Q3

Calcasa House Price Index (WOX) (1995Q1=100)	362
Calcasa WOX Top 15 Cities Index (1995Q1=100)	425
Residential price change	
WOX price change (year-on-year)	8.9%
WOX price change (quarter-on-quarter)	2.9%
WOX price change corrected for inflation (year-on-year)	7.7%
House price forecast	
Yearly price change 2020 Q4	6.2%
Quarterly price change 2020 Q4	0.5%
Housing affordability	
Affordability index	14.0%
Yearly change in housing affordability	3.4%
Quarterly change in housing affordability	-3.4%
Transactions	
Number of transactions on a yearly basis (x 1,000)	279
Yearly change in the number of transactions	5.3%
Quarterly change in the number of transactions	1.7%

*Housing stock January 1st, 2020, municipal reclassification 2019

Content WOX:

Introduction	1
House prices and development	2
Segment analyses and forecast	3
House prices by region	4
Affordability	5
House sales	6
Market liquidity	8
Mortgage market	11
Foreclosures	11
Dutch housing market summary	13
Appendices	14

Table 1

Calcasa key numbers Q3 2020
Source: WOX Monitor Calcasa

Visit calcasa.co.uk for more information

Average house price keeps rising

- The WOX (1995 = 100) currently stands at 362 points.
- Average house price: 355 thousand euro.
 - » Q-O-Q price development: +2.9%.
 - » Y-O-Y price development: +8.9%.
- The current Dutch inflation rate is 1.2% (which is the average rate for Q3 2020 according to Statistics Netherlands). In the third quarter of 2020, inflation-adjusted house prices rose by 7.7% y-o-y.

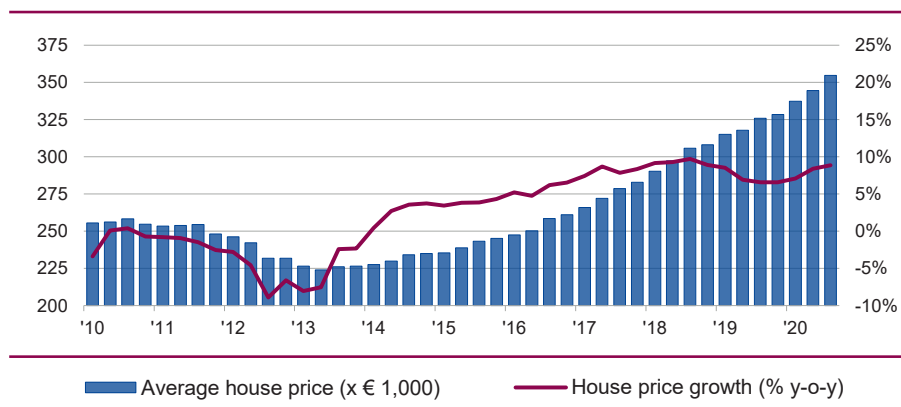


Figure 1

Average house price (x EUR1,000) and yearly price change per quarter in the Netherlands.
Source: WOX Monitor Calcasa

- Average price of a single-family house: 371 thousand euro.
 - » Q-O-Q price development of single-family houses: +3.1%.
 - » Y-O-Y price development of single-family houses: +8.7%.
- Average price for apartments: 311 thousand euro.
 - » Q-O-Q price development of apartments: +2.3%.
 - » Y-O-Y price development of apartments: +9.3%.

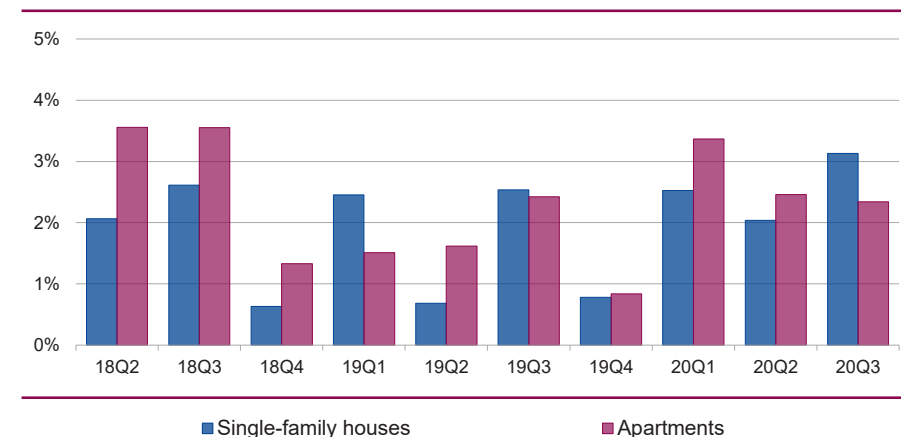


Figure 2

Q-O-Q price change per housing type in the Netherlands.
Source: WOX Monitor Calcasa

Highest price increase for less than 150,000 euro class

- Based on house price levels, Calcasa has divided the market into five price classes. Homes in the price class less than 150 thousand euros performed best with an annual average house price rise of 11.9%.
- The most expensive houses - worth 500k or more - increased the least in value; over the past year these homes increased in value by 5.7%.

Price class (euro)	Price development y-o-y
Less than 150,000	11.9%
150,000 to 250,000	10.8%
250,000 to 350,000	9.5%
350,000 to 500,000	7.9%
More than 500,000	5.7%
All residential properties	8.9%

Table 2a

Netherlands - price development per price class and transaction distribution over the last year.
Source: Calcasa

Older apartments show biggest price increase

- The value of apartments saw the biggest price growth in the past year; their average price rose by 9.3%.
- Apartments built between 1945 and 1979 are registering the fastest growth. Their value increased by 10.7% in the past year.

Development (y-o-y)	Construction year				Total
	<1944	1945-1979	>1980	>2000	
(semi) detached	8.0%	8.8%	7.1%	7.3%	7.9%
Terraced/corner house	8.8%	9.6%	9.1%	9.3%	9.2%
Apartment	8.4%	10.7%	9.4%	8.7%	9.3%
Total	8.4%	9.7%	8.6%	8.6%	8.9%

Table 2b

Netherlands - annual price development per construction year and housing type.
Source: Calcasa

Forecast house price development in Q4 2020

- Q-O-Q price change: +0.5%.
- Y-O-Y price change: 6.2% (Q4 2019 - Q4 2020).
 - » Y-O-Y price change single-family homes: 6.5%.
 - » Y-O-Y price change apartments: 5.0%.

Calcasa publishes region-specific house price forecasts for four specific areas of the Netherlands, reflecting the diversity and variety displayed across the region.

- Western part: 6.1%
- Eastern part: 6.6%
- Northern part: 7.8%
- Southern part: 5.2%

Strong house price growth in Groningen

- Average house prices increased the most in the province of Groningen, with an annual increase of 11.3% in value.
- Apartments in North-Brabant and Groningen are in demand, with values going up by 12.4% and 11.6% respectively.
- The lowest price increase was measured for houses in the provinces of Limburg (7.8%) and Zeeland (7.2%).

Q3 2020	Average price	Average price	Price change
	single-family houses	apartments	(year-on-year)
Groningen	257,000	246,000	11.3%
Friesland	309,000	302,000	8.9%
Drenthe	252,000	220,000	8.8%
Overijssel	286,000	236,000	8.5%
Flevoland	295,000	210,000	9.8%
Gelderland	361,000	254,000	9.1%
Utrecht	512,000	343,000	9.3%
North-Holland	481,000	440,000	7.9%
South-Holland	415,000	284,000	9.2%
Zeeland	258,000	247,000	7.2%
North-Brabant	372,000	273,000	9.6%
Limburg	277,000	210,000	7.8%
The Netherlands	371,000	311,000	8.9%

Table 3

Average price and y-o-y price development on province level
Source: WOX Monitor Calcasa

Overig Groningen fastest growing region

- The largest annual price increase of 11.4% is measured for houses in the NUTS III region of Overig Groningen. In this region the value of single-family homes rose by 11.2% and the value of apartments by 11.8%.
- Second-largest annual price increase is seen in the NUTS III region Oost-Groningen with an annual growth rate of 11.0%, here the value of single-family homes rose by 11.1% and the value of apartments by 9.9%.
- The NUTS III regions with the smallest price increases are Groot-Amsterdam (6.8%) and Midden-Limburg (6.6%).
- In 6 of the 40 NUTS III regions the annual increase for houses prices is more than 10%.

Housing affordability

On average, 14.0% of net household income was required to service housing costs in the third quarter of 2020, compared to mid-2008 when housing costs represented 27.0% of net income.

- Q-O-Q change in net housing costs: 3.4%.
- Y-O-Y change in net housing costs: -3.4%.

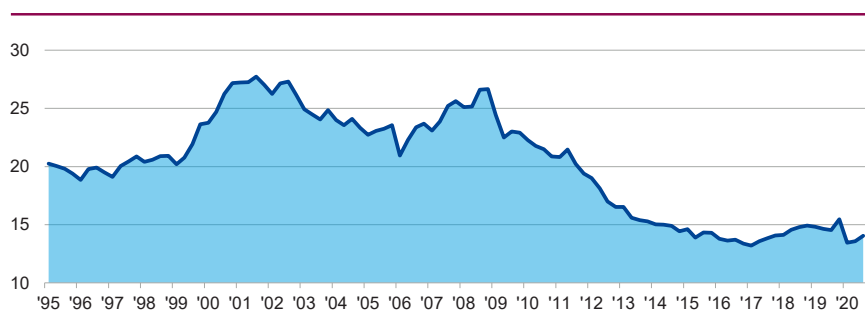


Figure 3

Housing affordability index* (in % of household income) in the Netherlands.
Source: WOX Monitor Calcasa

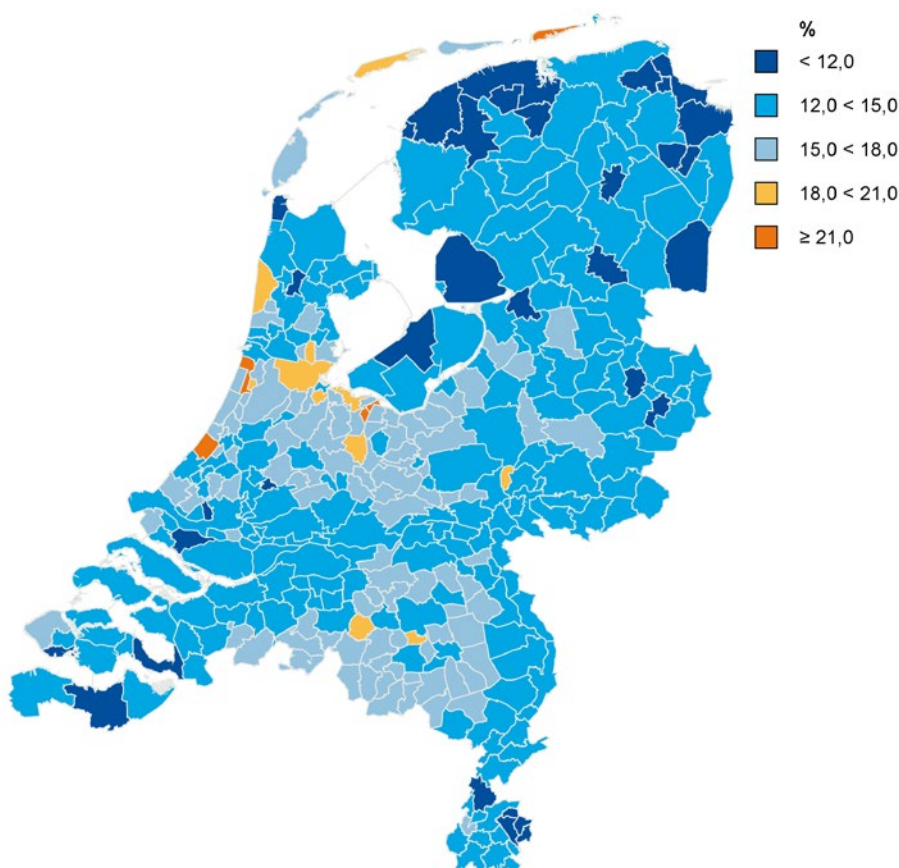


Figure 4

Affordability index per municipality (in %).
Source: WOX Monitor Calcasa

*The index measures the affordability of Dutch owner-occupied houses. It is calculated taking into account net housing costs, current average mortgage costs (current interest rate, maintenance costs, local taxes and fiscal treatment).

Number of sales

The annual number of transactions has increased. 279 thousand residential properties were sold during the past year.

- Y-O-Y development, number of annual sales: +5.3%.
- Q-O-Q development, number of annual sales: +1.7%.

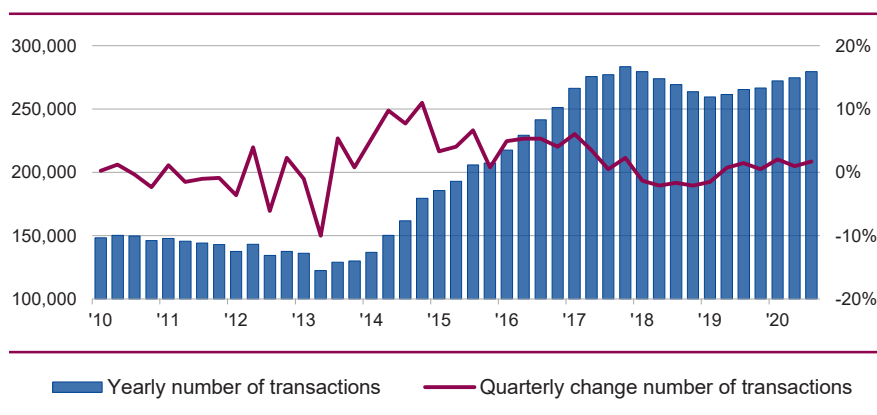


Figure 5

Number of annual sales* and y-o-y change in number of sales in the Netherlands.
Source: Statistics Netherlands, Land Registry, adaptation by Calcasa

* Calcasa shows the number of housing sales on an annual basis for a reliable picture of the long term trend (corrected for seasonal effects).

Number of sales by housing type

- Transactions of detached and semi-detached houses increased with 8.7% in the last quarter.
- Apartments sales increased the least this quarter with 0.2% year-on-year. This is partly caused by a shrinking supply of apartments.

Transaction development y-o-y

Housing type	2019Q3	2019Q4	2020Q1	2020Q2	2020Q3
Detached	2.6%	3.2%	5.8%	7.7%	8.7%
Semi-detached	3.2%	6.4%	9.3%	8.9%	8.7%
Corner house	1.0%	3.4%	8.4%	7.6%	6.7%
Terraced house	-2.7%	0.2%	4.4%	5.4%	5.7%
Apartment	-6.0%	-2.7%	0.6%	-0.1%	0.2%
Total	-1.5%	1.2%	4.8%	5.1%	5.3%

Table 4

Y-o-y transaction development by period and property type
Source: WOX Monitor Calcasa

Sales in expensive price class increased

- The sale of homes in the price range 350 to 500 thousand euros increased by 18.6% in the past year, whilst homes above 500 thousand euros increased by 20.3%.
- Especially in the east (24.9%) and in the north (24.3%) of the Netherlands more expensive homes (>500 thousand euros) were sold.
- In the south the highest increase in sales was measured for houses in the price range above 500 thousand euros (26.2%).
- The lowest price segment (75 to 150 thousand euros) decreased the most in the western part of the Netherlands by 33.7%.

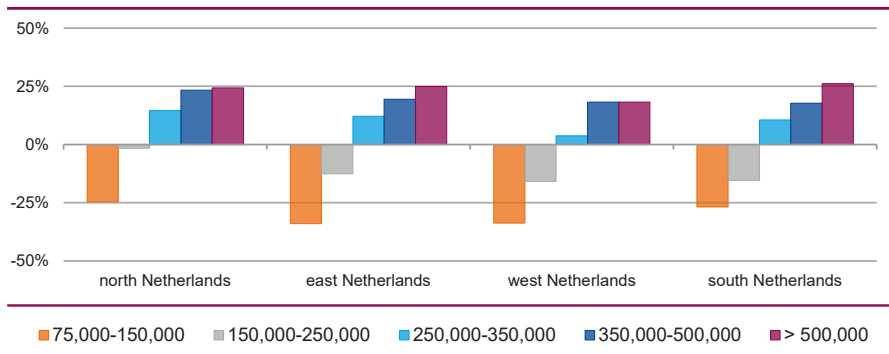


Figure 6

Growth (%) of share of housing sales per price class in North, East, West and South Netherlands in Q3 2020 compared to Q3 2019.

Source: WOX Monitor Calcasa

30% of housing sales within 150 to 250 thousand euros

- In the past year 30% of housing sales were within the price class of 150 to 250 thousand euros.
- The percentage of transactions in the price class 75 to 150 thousand euros decreased in four years time from 22% to 7%.
- The price segment 350 to 500 thousand euros increased in four years time from 10% to 20%.
- 14% of housing sales were within the price class of 500 thousand euros or more. Four years ago this was 6%.

Share of housing sales per price class

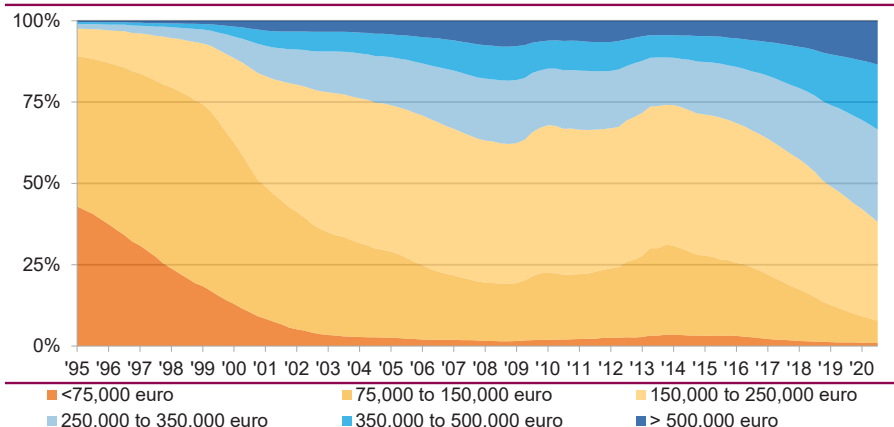


Figure 7

Share of housing sales per price class

Source: WOX Monitor Calcasa

Visit calcasa.co.uk for more information

Groot-Amsterdam highest market liquidity

- In the NUTS III region Groot-Amsterdam 7.2% of the housing supply was sold during the past year. The regions of The Hague and Groot-Rijnmond follow with 7.0% and 7.0% respectively.
- The NUTS III regions IJmond and Noord-Limburg had the lowest market liquidity: 5.4%.

NUTS III region	Percentage	NUTS III region	Percentage
	of housing supply sold last year		of housing supply sold last year
Groot-Amsterdam	7.2%	IJmond	5.4%
's-Gravenhage	7.0%	Noord-Limburg	5.4%
Groot-Rijnmond	7.0%	Achterhoek	5.7%
Flevoland	7.0%	Leiden en Bollenstreek	5.7%
Overig Groningen	6.8%	Midden-Limburg	5.7%
Zuidoost-Drenthe	6.8%	Zuid-Limburg	5.7%
Veluwe	6.8%	Delft en Westland	5.8%
Zuidwest-Drenthe	6.7%	Twente	5.9%
Zeeuwsch-Vlaanderen	6.7%	Arnhem/Nijmegen	6.0%
Overig Zeeland	6.7%	Alkmaar en omgeving	6.0%

Table 5

Top 10 NUTS III regions with highest and lowest percentage of housing supply sold last year
Source: WOX Monitor Calcasa

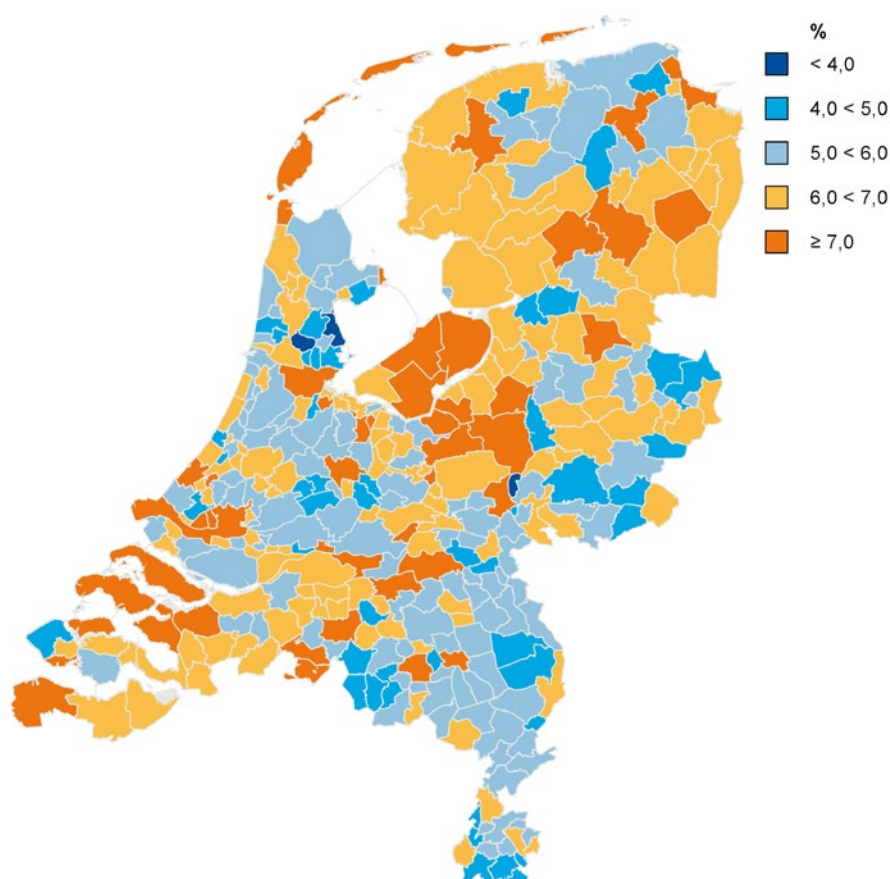


Figure 8

Market liquidity: sold homes as percentage of total number of owner occupied housing stock for previous year per municipality
Source: WOX Monitor Calcasa

Market liquidity: number of sales surpassed supply

- The annual ratio of houses for sale vs. sold has decreased to 0.2. This is an improvement compared to last year when this ratio was still 0.3.
- The annual number of houses sold: 279 thousand.
 - » Y-O-Y development: 5.3%
- Homes for sale in Q3 2020: 66 thousand
 - » Y-O-Y development: -22.9%
- The market liquidity is best in the municipality of Den Helder with a factor of 0.15.
- In the municipality of Wassenaar the market liquidity is highest (worst) with a factor of 0.55, followed by the municipality of Wijdemeren with a factor of 0.41.

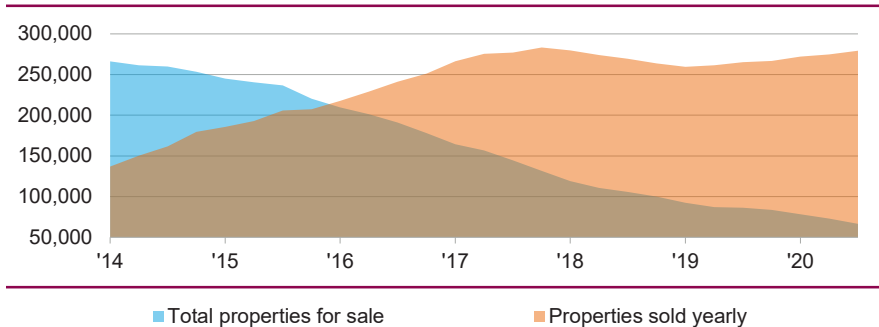


Figure 9a

Annual number of properties for sale versus number of properties sold over the period 2014-2020 in the Netherlands. Source: Multiple real estate agents, adaptation Calcasa

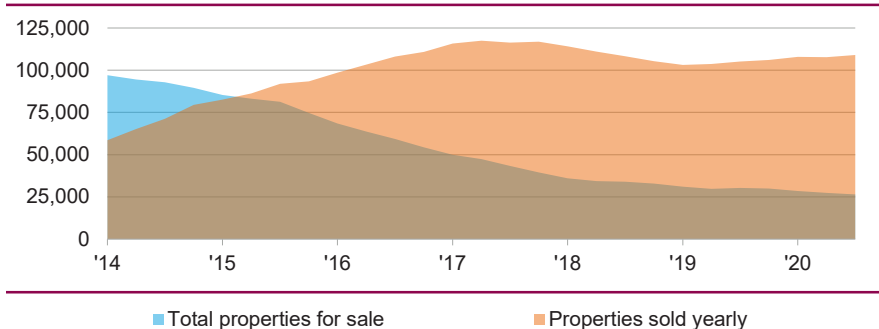


Figure 9b

Annual number of properties for sale versus number of properties sold over the period 2014-2020 in the Randstad. Source: Multiple real estate agents, adaptation Calcasa

- The relationship between the supply of owner-occupied housing and total owner-occupied housing stock is also a component of market liquidity. The percentage of the total owner-occupied housing stock that sold last year is 6.3% for the Netherlands.
 - o The percentage of family homes sold previous year: 6.7%.
 - o The percentage of apartments sold previous year: 5.5%.
- The share of owner occupied housing stock which was sold last year is highest in the city of Zeewolde with 13.8%.
- In the municipality of Edam-Volendam only 3.7% of the existing stock of owner-occupied homes has changed owners.

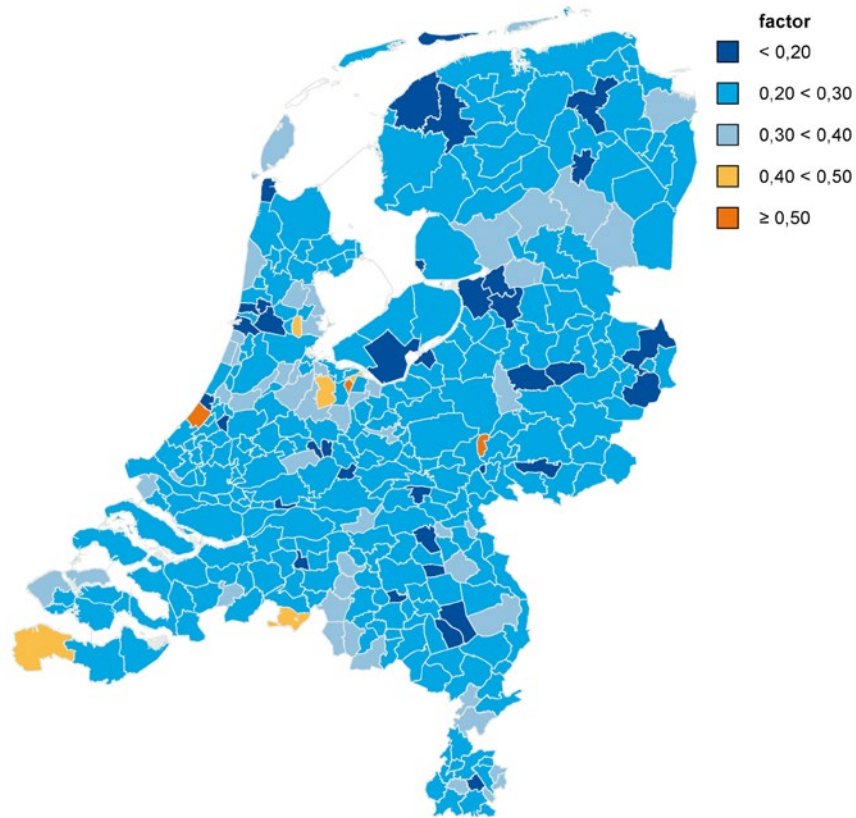


Figure 10

Supply/Sales ratio all properties per municipality

Source: WOX Monitor Calcasa

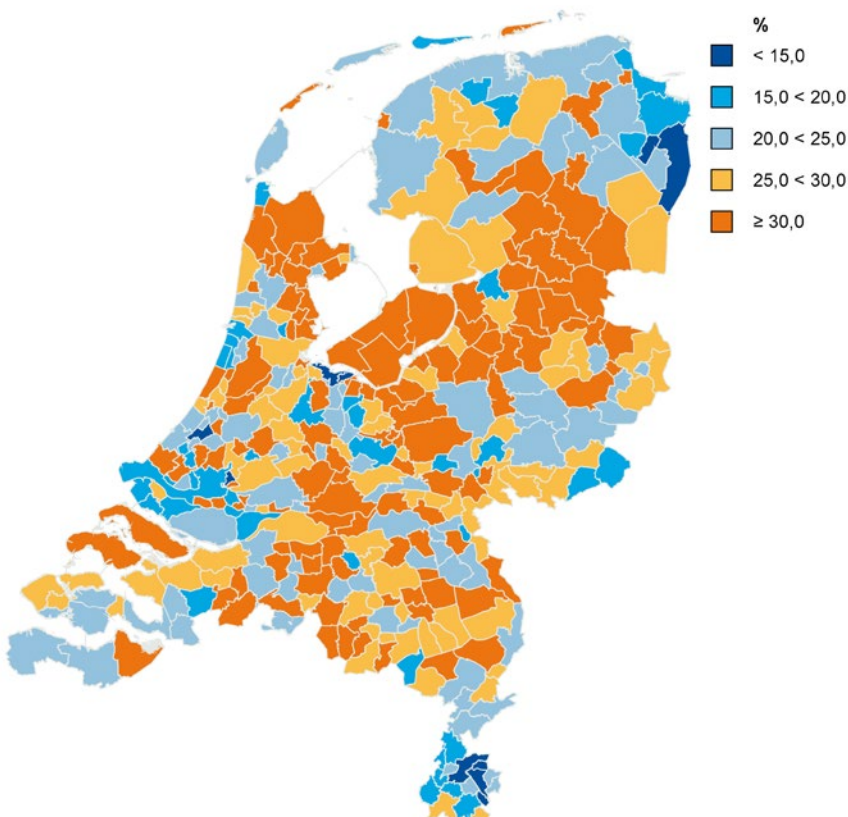


Figure 11

Percentage of properties with energy label A per municipality

Source: WOX Monitor Calcasa

Mortgage approvals

Approximately 438 thousand mortgages were approved last year.

- Y-O-Y development, number of annual mortgages: 21.6%.
- Q-O-Q development, number of annual mortgages: 5.2%.

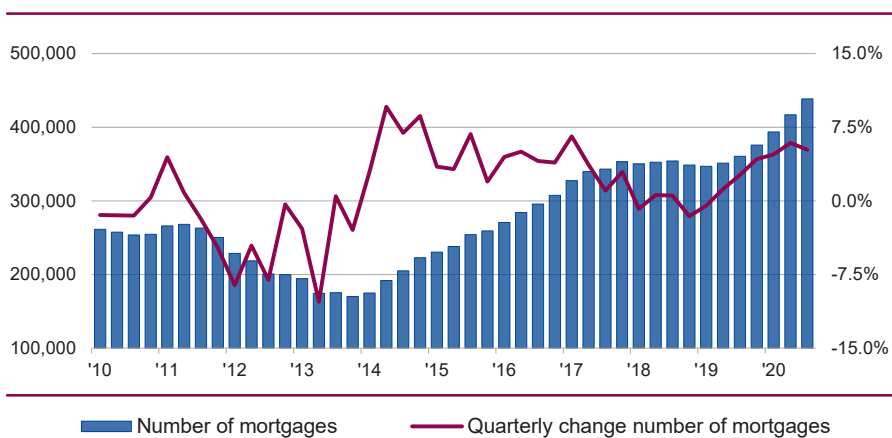


Figure 12

Number of mortgages
Source: Statistics Netherlands, Land Registry and adaptation Calcasa

Number of foreclosures

Over the last four quarters, 325 foreclosures have been registered by the land registry.

- o Y-O-Y development amount of annual foreclosures: -38.7%.
- o Q-O-Q development amount of annual foreclosures: -12.4%.
- The share of foreclosure sales versus total sales is 0.1%.
- The highest share of foreclosure sales to total sales is 1.0% in the municipality of Meerssen.
- 214 municipalities had no foreclosure sales in the past year. The largest municipality without foreclosure sales is Amersfoort.

Note that many foreclosed properties will be sold via the public market and not via auction. The reason is that proceeds of a sale of a home through a forced auction can be up to 40 percent less compared to a sale via the public market.

Due to the increase in the number of foreclosures after the crisis, the NHG has come up with stricter regulations allowing banks to only sell homes via auction if the selling price is less than 5% below market value. This is to avoid big losses.

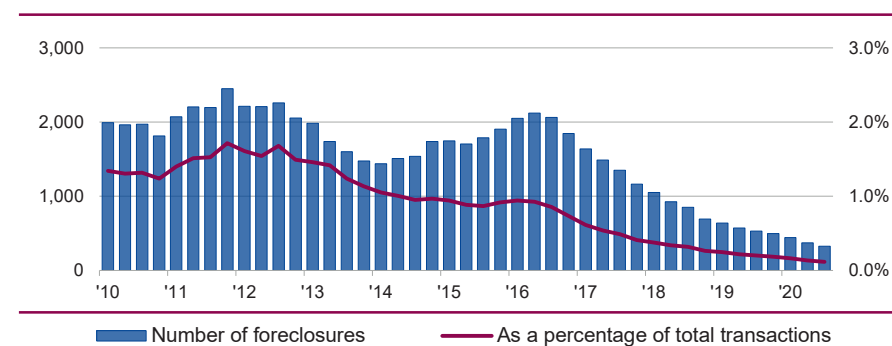


Figure 13

Number of yearly foreclosures and amount of foreclosures as a % of the total number of transactions in the Netherlands.
Source: Statistics Netherlands, Land Registry and adaptation Calcasa

Average price newly built homes increased

- In the second quarter of 2020 the total amount of sales for newly built homes was 8 thousand. This is a increase of 24.5% year-on-year.
- During the second quarter of 2020 the average price for newly built houses was 410 thousand euros. This is an increase of 2.6% compared to a year ago.

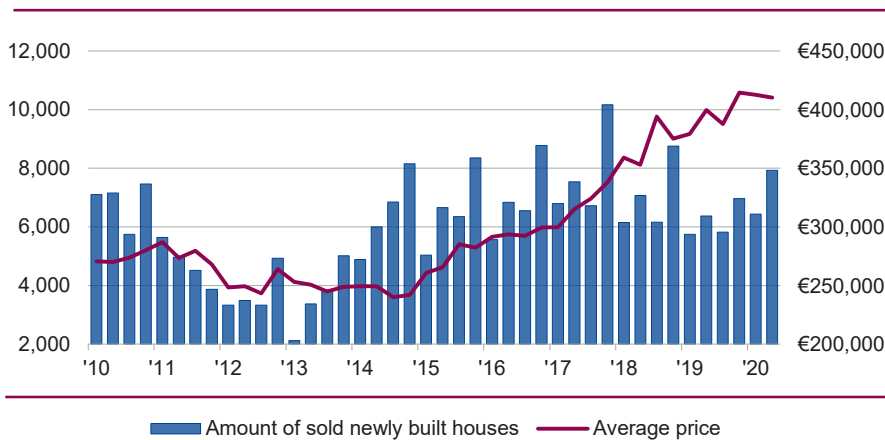


Figure 14

Average sales price for newly built houses per quarter in the Netherlands compared to the quarterly amount of newly built houses sold.

Source: CBS

Amount of households in arrears decreased

- Since 2015 the number of homeowners with payment problems decreased with 38%.
- On 1 October 2019 there were 70 thousand homeowners who had difficulty paying their mortgage: this is a decrease of 12.5% compared to a year earlier.

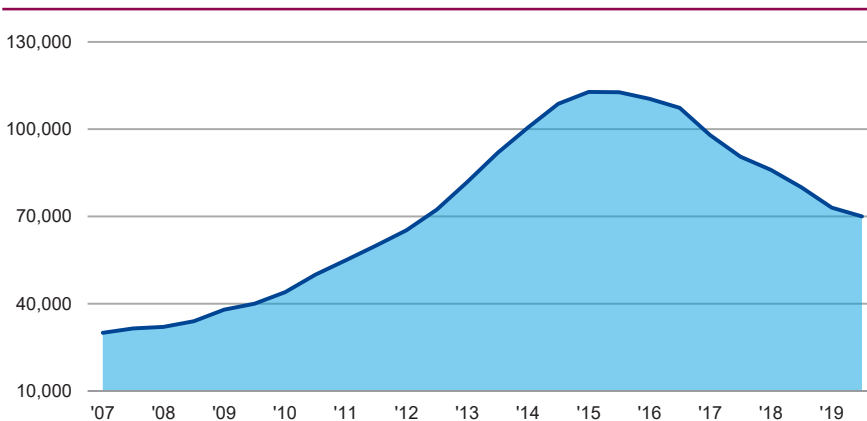


Figure 15

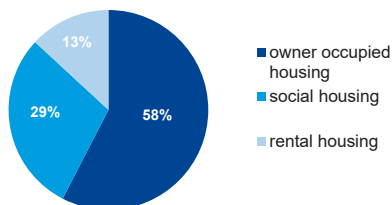
Number of borrowers with mortgage payment arrears

Source: BKR

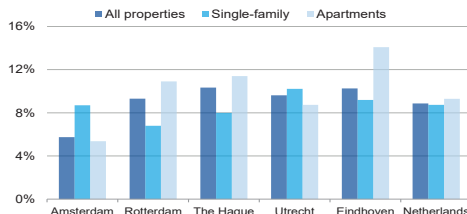
Dutch Housing Market Summary

	Largest cities	All properties	Singles-family	Apartments	Owner occupied	Rental	Total population	Total households	Annual sales	Current supply
Amsterdam	433,000	60,000	373,000	30%	70%	862,960	470,220	11,839		
Rotterdam	311,000	87,000	225,000	34%	64%	644,620	324,540	8,913		
The Hague	257,000	59,000	198,000	42%	56%	537,830	263,370	8,328		
Utrecht	151,000	66,000	84,000	45%	54%	352,870	180,370	5,314		
Groningen	113,000	46,000	67,000	42%	57%	231,300	135,080	3,972		
Eindhoven	109,000	67,000	43,000	45%	54%	231,640	119,540	3,900		
Provinces										
Groningen	277,000	183,000	94,000	55%	44%	583,990	293,740	10,264	2,185	
Friesland	298,000	243,000	56,000	61%	37%	647,670	292,170	11,589	2,549	
Drenthe	221,000	182,000	38,000	65%	33%	492,170	217,830	9,283	2,285	
Overijssel	500,000	383,000	117,000	60%	38%	1,156,430	503,840	18,367	4,089	
Flevoland	166,000	132,000	34,000	64%	35%	416,550	173,590	7,421	1,577	
Gelderland	894,000	675,000	219,000	60%	39%	2,071,970	923,360	33,725	7,803	
Utrecht	572,000	364,000	208,000	58%	41%	1,342,160	604,570	20,627	4,804	
North-Holland	1,318,000	668,000	650,000	50%	49%	2,853,360	1,362,850	43,452	11,179	
South-Holland	1,663,000	823,000	840,000	51%	48%	3,673,890	1,701,650	55,890	13,097	
Zeeland	185,000	151,000	34,000	65%	34%	383,030	175,080	8,089	2,120	
North-Brabant	1,116,000	845,000	272,000	61%	38%	2,544,810	1,146,310	42,987	10,242	
Limburg	529,000	390,000	140,000	60%	39%	1,116,140	529,710	17,703	4,517	
Netherlands	7,741,000	5,037,000	2,704,000	57%	42%	17,282,160	7,924,690	279,397	66,446	

Housing stock



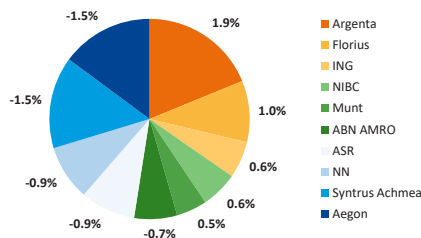
Y-O-Y price development largest cities



Mortgage developments

	Amount	Change
Sales with NHG	25,100	3.7%
Execution sales with losses	21	-77.2%
Households in arrears	70,000	-12.5%
Sold mortgages	438,457	21.6%
Total mortgage debt	740B	1.3%

Top mortgage lenders: increase/decrease market share



Macro-economic figures

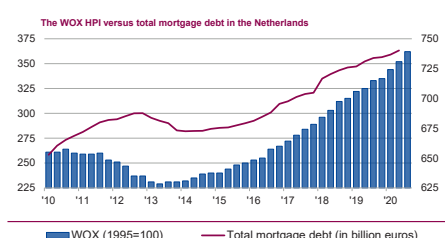


Table 6

Key figures for the Dutch housing market
Source: Statistics Netherlands, Land Registry

Figures 16 & 17

Source figure left: Statistics Netherlands
Source figure right: Calcasa

Table 7 & Figure 18

Source table left: Statistics Netherlands, NHG, BKR, Land Registry
Source figure right: Calcasa, IG&H

Figures 19 & 20

Source figure left: DNB, Statistics Netherlands
Source figure right: Calcasa, Statistics Netherlands

Appendices

Provinces	Detached houses	Semi-detached	Corner houses	Terraced houses	All single-family dwellings
Groningen	290,000	238,000	214,000	212,000	257,000
Friesland	329,000	240,000	203,000	183,000	309,000
Drenthe	370,000	260,000	218,000	193,000	252,000
Overijssel	425,000	282,000	253,000	231,000	286,000
Flevoland	519,000	337,000	265,000	245,000	295,000
Gelderland	503,000	349,000	297,000	260,000	361,000
Utrecht	800,000	555,000	415,000	383,000	512,000
North-Holland	637,000	515,000	405,000	362,000	481,000
South-Holland	630,000	478,000	369,000	338,000	415,000
Zeeland	362,000	248,000	216,000	200,000	258,000
North-Brabant	541,000	365,000	315,000	280,000	372,000
Limburg	399,000	259,000	242,000	222,000	277,000
Netherlands	479,000	354,000	319,000	298,000	371,000

Table 8

Average house price for single-family dwellings, per property type and per province in the Netherlands (in euros).
Source: Calcasa

Provinces	Porch flat	Gallery flat	Maison-nette	Up/downstairs apartment	All apartments
Groningen	218,000	194,000	212,000	224,000	246,000
Friesland	216,000	181,000	191,000	197,000	302,000
Drenthe	219,000	193,000	192,000	226,000	220,000
Overijssel	201,000	197,000	218,000	214,000	236,000
Flevoland	271,000	223,000	244,000	217,000	210,000
Gelderland	242,000	212,000	234,000	262,000	254,000
Utrecht	310,000	272,000	323,000	337,000	343,000
North-Holland	315,000	287,000	369,000	402,000	440,000
South-Holland	249,000	237,000	281,000	287,000	284,000
Zeeland	278,000	281,000	224,000	231,000	247,000
North-Brabant	270,000	234,000	259,000	271,000	273,000
Limburg	210,000	186,000	214,000	214,000	210,000
Netherlands	261,000	240,000	286,000	316,000	311,000

Table 9

Average house price for apartments, per property type and per province in the Netherlands (in euros).
Source: Calcasa

Municipalities	Highest	Municipalities	Lowest
	property values (x 1,000)		property values (x 1,000)
Bloemendaal	879	Delfzijl	185
Wassenaar	725	Oldambt	195
Heemstede	663	Heerlen	204
Gooise Meren	586	Veendam	205
De Bilt	558	Kerkrade	207
Wijdmeren	539	Brunssum	209
Zeist	524	Terneuzen	212
Bergen (NH.)	515	Leeuwarden	213
Utrechtse Heuvelrug	513	Noardeast-Fryslân	219
Huizen	501	Waadhoeke	219

Municipalities	Highest	Municipalities	Lowest
	annual price development		annual price development
Groningen	11.6%	Amsterdam	5.7%
Midden-Groningen	11.2%	Roerdalen	6.0%
Oldambt	11.1%	Maasgouw	6.0%
Stadskanaal	11.1%	Leudal	6.3%
Het Hogeland	11.0%	Tholen	6.5%
Veendam	11.0%	Echt-Susteren	6.5%
Tilburg	10.9%	Nederweert	6.6%
Westerkwartier	10.9%	Culemborg	6.7%
Westerwolde	10.9%	West Maas en Waal	6.7%
Delfzijl	10.8%	Weert	6.8%

Table 10

Top 10 highest and lowest property values, per municipality containing over 5,000 owner-occupied dwellings.
Source: Calcasa

Table 11

Top 10 highest and lowest price developments, per municipality with over 5,000 owner-occupied dwellings.
Source: Calcasa

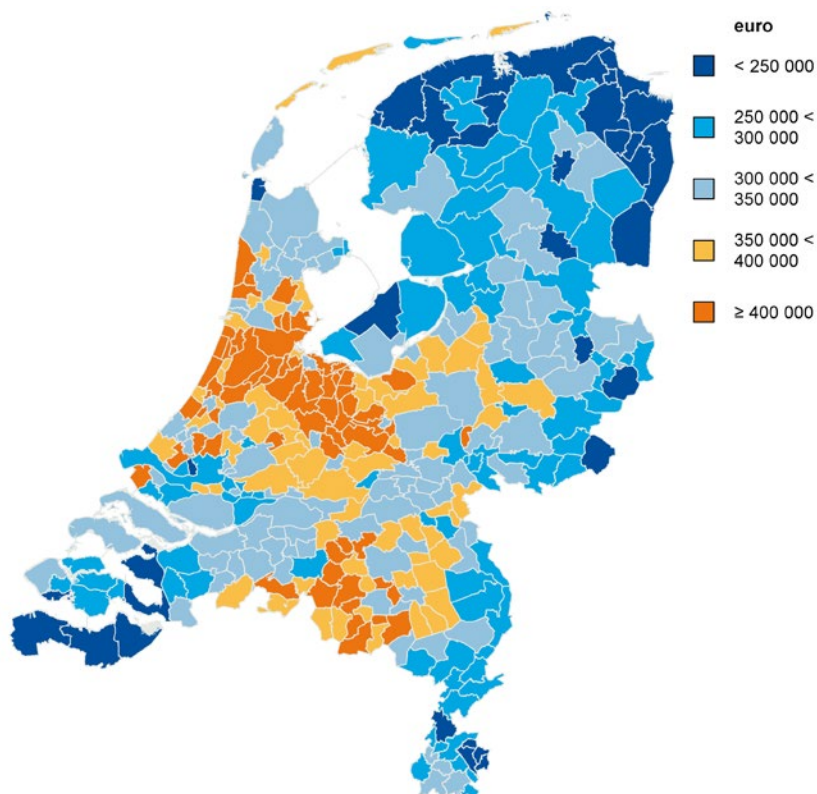


Figure 21

Average house price per municipality (EUR).
Source: Calcasa

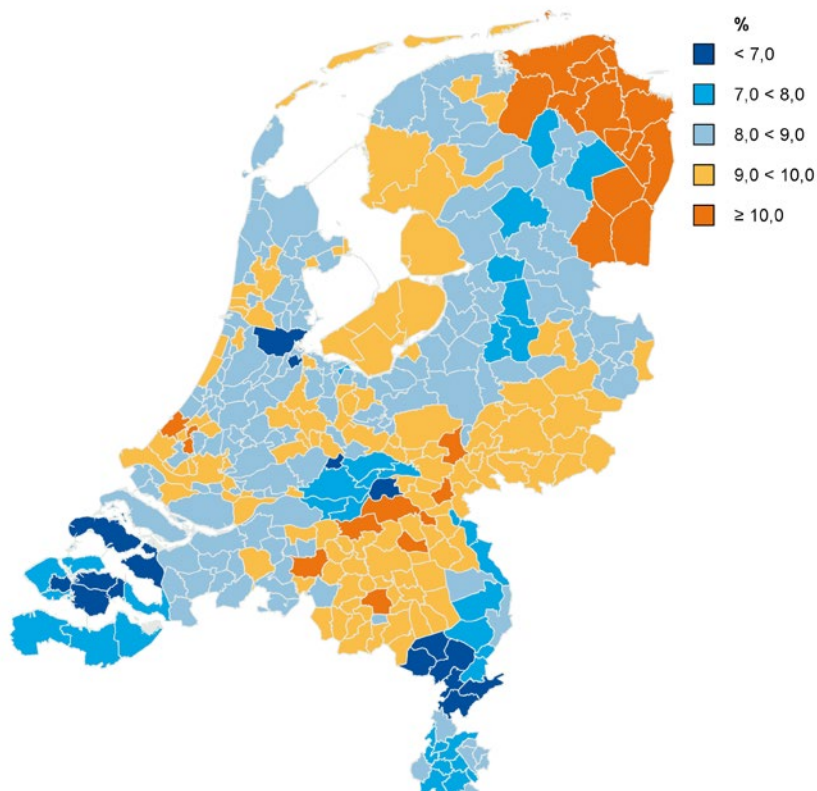
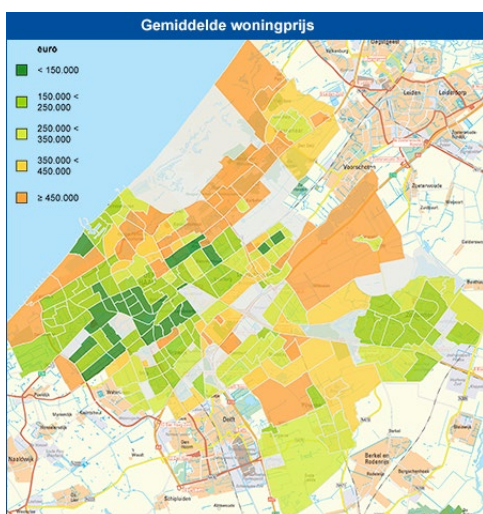


Figure 22

Year-on-year price change per municipality (%).
Source: Calcasa

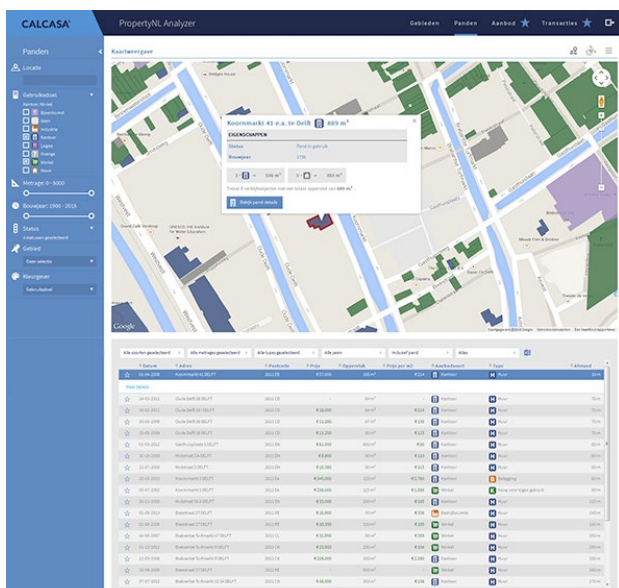
The WOX Monitor: All housing market data for every neighborhood

More information on price developments in various regional levels (neighborhood, municipality, province) is available via the WOX monitor.



Calcasa PropertyNL Analyzer

Analyzing the commercial real estate market is possible through the Calcasa PropertyNL Analyzer (“CPA”). CPA is an online application with information that is easily accessible for the office, retail and industrial markets. This tool increases the transparency in the property market. For more information contact Mr. Rogier van der Hijden: Rogier@Calcasa.nl



About Calcasa

Calcasa is an independent technology company specializing in the statistical analysis and valuation of real estate. The Calcasa Automated Valuation Model (AVM) for valuation of individual homes is unique due to its high coverage and accuracy. It is internationally recognized by the three major rating agencies and regulators. Mortgage lenders, investors, intermediaries, validation institutes, housing corporations, consumer organizations, real estate companies, broker organizations, government agencies and regulators rely daily on the solutions Calcasa. www.calcasa.co.uk

Calcasa WOX: A reliable house price index

Calcasa WOX is demonstrably the most reliable house price index in the Netherlands. Every quarter, Calcasa calculates a reliable house price index for each province, municipality, borough and neighborhood in the Netherlands. The house price index is calculated using the national data on transactions starting from 1993 and additional house and location characteristics from the database. The source data is screened for integrity, such that non-representative data is omitted for the index calculation. The developed methodology takes into account any over or under representation of sold properties, compared to the existing housing stock in that area. Unlike most house price indices, the Calcasa WOX does not simply calculate the coincidental development of sales for a specific area; rather it calculates the development of prices of the total housing stock.

European AVM Alliance (EAA)

Calcasa is a founding member of the EEA which was launched as a pan-European initiative at the end of 2012. The mission is to promote and standardize the usage of AVM's resulting in a consistent approach to automated valuations in Europe. Other members include Hometrack (UK), Eiendomsverdi (Norway), Värderingsdata (Sweden), CRIF (Italy), Tinsa (Spain), On-Geo (Germany) and On-Geo (Austria).

Calcasa

Koornmarkt 41

2611 EB Delft

The Netherlands

T 0031 15 214 88 34

Visit calcasa.co.uk for more information