

# Housing Market Monitor

- We expect house price growth of 8% by 2025 (was 7%)
- Price growth is driven primarily by income growth and supply shortage
- Housing transactions are expected to increase by 12.5% in 2025 (was 5%)
- Sales of investment properties boost housing transactions



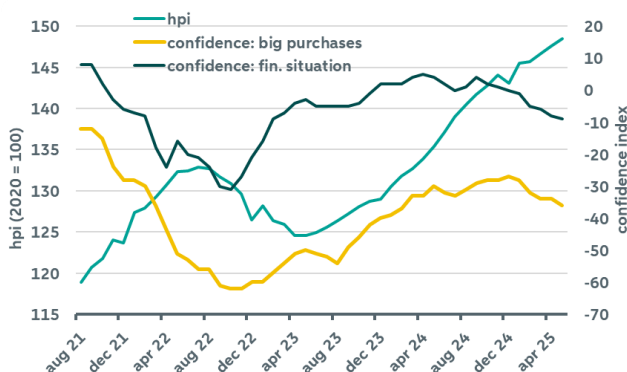
**Mike Langen**  
Senior housing market economist  
[mike.langen@nl.abnamro.com](mailto:mike.langen@nl.abnamro.com)

**The Dutch housing market shows resilience in the face of global uncertainty.** Also in the second quarter of this year, the rise in house prices has continued. The driving factors behind the increase are rising household incomes (increasing demand) and the shortage of new homes (low supply). In addition, we saw a slight decrease in mortgage rates at the beginning of the year, making home purchases cheaper to finance. Surprisingly, global economic uncertainty around conflicts and trade tariffs seems to be less effective than expected. Although [consumer confidence is low](#), house price growth suggests that the relationship between the two is weakening. House prices are up 6.6% over the first five months, compared to the 2024 average price level. Reflecting this strong increase, we revise our price growth forecast upward to 8% for 2025 (was 7%). This implies an average monthly price growth of 0.25% for the rest of the year. For 2026, we keep our forecast constant at 3% price growth. The lower growth can be explained by lower wage growth and the fact that we don't expect mortgage rates to fall much further in 2026.

**The number of transactions is near record highs, thanks to investor sales.** The number of transactions is rising even faster than prices, showing that there is a lot of liquidity in the market. In the first five months of the year, the number of transactions was 15.8% higher than in the same period of 2024. In total, there were 90,000 transactions. This is the third highest number in the past 10 years. Only in 2021 (101,707) and 2017 (92,595) we saw more transactions in the first five months of the year. The years 2021 and 2017 are also in the top three of the total number of transactions per year. This really shows that the market is active and we can potentially expect a record year again. The main reason is that many [investors](#) are selling their rental properties due to the new tax rules and market rent caps (affordable rent act). We expect this trend to continue and adjust our transaction forecast for 2025 upward from 5% to 12.5%. For 2026, we keep our forecast at 1%. We expect sales of rental properties by investors to continue until early 2026. From then onwards, we don't expect further boosts of transactions, leading to the lower growth number.

## 1. House prices and consumer confidence

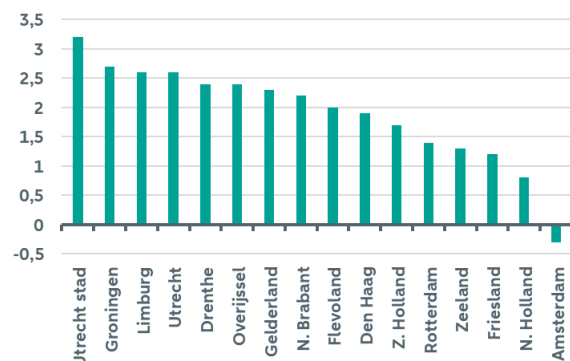
House price index and consumer confidence over time



Source: CBS

## 2. Regional house price growth

House price growth 2025q1 vs 2024q4 (%)



Source: CBS

**Higher incomes, low interest rates and supply shortages drive up prices.** As mentioned above, the main drivers of house price growth are rising household incomes, lower interest rates and supply shortages. In the first quarter of 2025, real disposable household income rose [2.2%](#) compared to the first quarter of 2024. Many (already negotiated) wage increases are still expected to realize over the summer. Looking at the financial planning, we see an increase in [mortgage volume](#),

saving, and investment rate. This indicates that households are building up a buffer, which might also eventually enter the housing market through purchases or family loans. Mortgage rates fell slightly at the beginning of the year and we expect them to fall a little further by the end of 2025. All of these factors are increasing demand. On the supply side, the number of newly built homes [is the same](#) in the first quarter of 2025 as in the first quarter of 2024. This indicates that the annual target of adding 100,000 new homes per year will again be missed (as in 2024) and the supply shortage grows.

**Price growth is highest in rural areas.** Looking at underlying sentiment, corner houses (2.4%), semi-detached houses (2.1%) and row houses (2.0%) increased the most in price in the first quarter of 2025. Apartments (1.6%) and free-standing houses (1.4%) grew the least. Looking at the big four cities and provinces, the city of Utrecht shows the highest price growth (3.2%), followed by the rural provinces of Groningen (2.7%) and Limburg (2.6%). Amsterdam is last with an average price decrease of 0.3%.

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