DYNAM/C CREDIT

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Contents

Dutch Housing Market Update 2025-Q1

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Dynamic Credit originates and manages tailored portfolios of Dutch residential and consumer BTL mortgage loans for institutional investors in an easy, cost-efficient and transparent way. As always, we welcome the opportunity to discuss the housing market and investing in Dutch mortgages.

"A significant outflow from the rental market is evident, with 20% of owner-occupied transactions nationwide and 40% in the four largest municipalities are former rental properties. The Spring Budget's (voorjaarsnota) announcement of a two-year freeze on social rents has raised concerns among housing corporations about the potential undermining of capital investment for new social housing and sustainability upgrades. The projected investment shortfall over the next decade is estimated at EUR 47.4 billion, which is equivalent to either the construction of 181,000 new homes or sustainability upgrades for 1.58 million existing homes. Additionally, there is further concern regarding housing supply. Despite a rise in building permits expected in 2024, the rate of new construction continues to lag behind the government's annual target of 100,000 new homes. Preliminary figures for early 2025 suggest a decline in the issuance of new permits."

Jasper Koops,
Head of Portfolio Management

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1. Executive Summary

The Dutch housing market: House prices increased by 10.9% YoY and 1.8% QoQ in 2025-Q1, reflecting continued upward pressure from supply constraints. Transactions totaled approximately 51,000, up 15.8% YoY but down 14.1% QoQ, driven partly by former rental properties making up 20% of nationwide and 40% of big-city sales.

Housing price expectations: House prices are expected to continue rising in 2025, with most forecasts indicating an increase of 5% to 9%, followed by moderate growth in 2026. The ongoing mismatch between housing supply and dem and remains the primary driver, alongside supportive factors such as rising incomes and decreasing mortgage rates.

Housing shortage: New home completions fell to 15,630 in 2025-Q1, well below targets. Only 6,538 permits were issued in January and February, signaling weaker forward supply. In contrast, 2024-Q4 saw strong new-build sales, up 38.1% YoY.

Buy-to-let market: Regulatory pressure continues to drive rental property sell-offs. In 2024, 37,000 former rental homes were sold, contributing to increased supply. Pararius reported a 35.5% YoY drop in rental listings and intensified competition, especially for affordable units. Buy-to-let mortgage rates rose by 13 bps QoQ, with spreads widening in April.

Rates and spreads: In 2025-Q1, residential mortgage rates rose by an average of 24 basis points across all fixed-rate periods, driven by steep increases in Euro swap rates. Despite uniform rate increases, spreads diverged by tenor: 5- and 10-year segments saw spreads widen by approximately 9 bps QoQ, while 20- and 30-year spreads tightened by around 10 bps. By April, spreads had widened again across all segments by an average of 11 bps.

Sustainability: Heat pump sales in the Netherlands dropped by 27% YoY in 2024 due to lower gas prices, reduced subsidies and policy uncertainty. The government extended the nitrogen reduction deadline to 2035.

Mortgage originations: In 2025-Q1, mortgage inscriptions fell to EUR 37 billion, a 14% QoQ decline but 37% higher YoY. Application volumes increased by 23.4% YoY, with average mortgage amounts up 7% to EUR 371,000.

Funding update: RMBS issuance rebounded in 2025-Q1 to EUR 2.8 billion, while covered bond issuance reached EUR 2 billion. Spreads tightened until April, when US trade policy volatility caused a sharp widening in senior RMBS spreads to 60 bps.

Consumer confidence: Consumer confidence deteriorated further to -37 in April 2025, the lowest in 1.5 years, driven by a worsening outlook on the economic climate.

Macro update: Inflation stood at 3.7% YoY in March 2025, down from 3.8% in February, as fuel prices declined. GDP grew 0.4% QoQ in 2024-Q4, with annual growth of 1.9% driven by investments and trade. Unemployment rose to 3.9% in March.

2. Dutch Housing Market Update

Key take-aways WoON 2024 Survey

The outcomes of the WoON 2024 survey[1] provide insights into the living conditions, affordability, and preferences of Dutch households. This survey, conducted on behalf of the Dutch Ministry of Housing and Spatial Planning is based on data from 41,000 individuals.

It reports that the number of households in the Netherlands has grown to 8.4 million, an increase of 23% versus the year 2000. One-person households now account for 40% of the total, because of ageing and social individualization. Over the past decades, the owner-occupied sector has remained relatively constant and represents almost 60% of the housing stock, while the social rental sector has gradually shrunk.

Between 2021 and 2024, the total monthly housing expenses for renters rose by an average of EUR 155, largely due to increases in energy and other additional charges. Although net rents as a share of income slightly declined, overall housing costs increased relative to disposable income. The net housing cost ratio reached 34.4% for renters, compared to 22.9% for owner-occupiers. Renters under 35 are most affected, spending on average 34.4% of their income on rent (excluding other housing costs).

Nearly one in four renters now live in mid-market or high-rent properties versus 16% in 2018. Particularly young households in particular, are increasingly dependent on the private rental sector, as access to social housing has become more limited. Households in high-rent homes (with monthly rents above EUR 1,123) not only face the greatest cost pressure, but also express the strongest desire to relocate.

In the owner-occupied segment, house prices have continued to rise. The average WOZ[2] value increased by close to 60% in the period 2018 to 2024. Net income of owner occupiers increased around 30% during the same period. The share of first-time buyers that rely on a gift from their parents increased to more than a third in 2024, versus less than a quarter in 2018. While more first-time buyers were able to purchase a home, they also face the highest housing cost burdens, with cost-to-income ratios reaching over 30%. This is especially the case for those without the benefit of equity from a previously owned home.

Mobility within the housing market is under pressure. Fewer older households and families with children have moved compared to earlier years, due in part to limited supply and rising prices. In total, 3.6 million households express a desire to move, with nearly half actively searching for a new home. The most frequently cited obstacles are high house prices and a lack of available housing in desired locations.

The quality and sustainability of housing are significant topics. One in five households reports experiencing moisture or mold problems, an increase from 15% in the 2021 survey. This may be due to higher energy prices leading to reduced use of heating and ventilation, as well as increased insulation. These issues are particularly common in rental housing.

Energy efficiency in the rental corporation owned housing stock has improved; fewer than 10% of these homes still carry a poor energy label (E, F or G). Homeowners are willing to invest in energy-saving measures, motivated primarily by cost savings and comfort, rather than environmental concerns.

Despite affordability pressures and supply shortages, general satisfaction levels remain high. Approximately 84% of Dutch residents say they are satisfied or very satisfied with their home and surrounding area. Satisfaction is consistently higher among homeowners than among renters.

1 Woononderzoek.nl - Het Woononderzoek Nederland (WoON)
2 Value calculated under the Real Estate Valuation Act for taxation purposes

Mortgage originations

The Dutch land registry ("Kadaster") reports on the total inscription amount for mortgage loans in the Netherlands, which gives insight in the total mortgage origination balance in the Netherlands.

From 2014 to 2021, yearly mortgage originations steadily increased. However, in the second half of 2022, a notable decrease in origination volumes was observed due to a sharp rise in interest rates. These higher rates caused refinancing origination volumes to shrink substantially, almost reaching zero. As a result, the total origination amount decreased from EUR 163 billion in 2022 to EUR 107 billion in 2023. In 2024 the total origination amount was EUR 139 billion, 30% higher compared to 2023.

The yearly origination is visualized in Figure 1.

In the first quarter of 2025, mortgage inscriptions amounted to approximately EUR 37 billion, which was a 14% QoQ decrease compared to EUR 43 billion in the previous fourth quarter, but a 37% increase compared with the first quarter of 2024. This QoQ drop was primarily due to a decrease in the number of mortgage inscriptions, which fell by 12%[1].

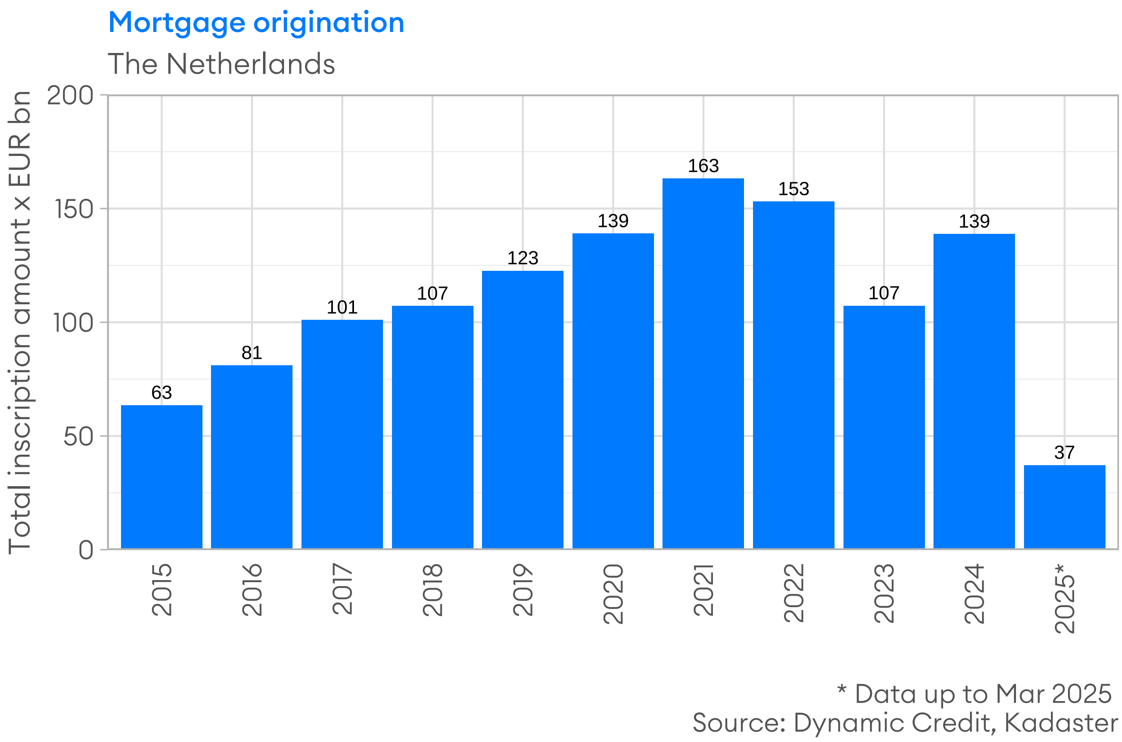

Figure 1: The graph above shows the total amount of mortgage inscriptions in the Netherlands per year sourced from the Dutch land registry ("Kadaster") up to and including 2025-03.

1 Kadaster - Vastgoed dashboard

Update housing shortage

The Dutch housing market continues to face pressure amid ongoing efforts to address the national housing shortage. Despite a pickup in building permits in 2024, the pace of new construction remains well below the government's target of 100,000 new homes per year. Early 2025 figures point to a slowdown in new permits, while sales of newly built homes remain relatively strong. Below is an overview of recent trends in new construction activity, including issued permits, sold homes, and completed properties.

Issued Permits

In the first two months of 2025-Q1, a total of 6,538[1] permits were issued, with 3,144 permits in January and 3,394 in February. While we await the data for March 2025, it is important to note that in 2024-Q4, a total of 20,068 permits were issued (6,998 in October, 5,458 in November, and 7,612 in December). The low issuance in the first two months of 2025 will lead to fewer finished properties and missed government targets going forward. In 2024, 68,000 permits were issued, marking a 23% increase compared to 2023.

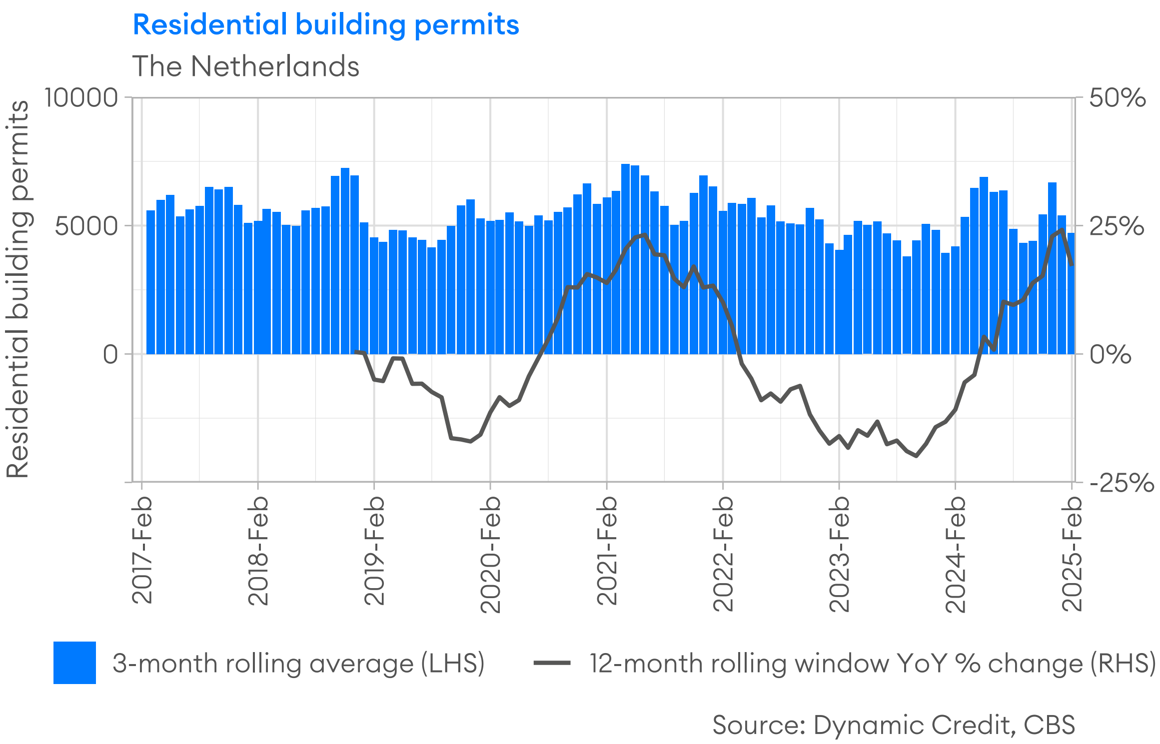

Figure 2: Number of issued building permits as of February 2025 and the percentual YoY change in the number of issued building permits excluding transformations i.e., repurposing office spaces to residential homes. Source: CBS, Dynamic Credit.

1 CBS - Bouwvergunningen woonruimten; aantal en index

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Transactions Newly Builts

In the fourth quarter of 2024, 8,500[1] newly built homes were sold, 38.1% more than in 2023-Q4 and nearly 30% higher than in 2024-Q3. The index for sale prices of newly built dwellings rose 4.8% over 2023-Q4, with an average purchase price reaching close to EUR 500,000.

Finished Properties

The number of finished homes showed a weak quarter with 15,630 units finished in 2025-Q1[2], well below the levels needed for the construction of 100,000 homes per year, a level deemed necessary to address the housing shortage. In 2024 a total of around 69,000 units were completed.

1 CBS - House Prices: new and existing dwellings price index 2020=100
2 CBS - Voorraad woningen en niet-woningen; mutaties, gebruiksfunctie, regio

Offer volumes

In 2025-Q1, Hypotheken Data Netwerk ("HDN", a provider of infrastructure for mortgage loan requests) reports continued momentum in the Dutch mortgage market[1]. A total of 142,000 mortgage applications were recorded in 2025-Q1, reflecting a 23.4% increase compared to the same period in 2024. Of these, 82,000 applications were for home purchases, marking an 18.1% rise YoY, while 60,000 were for purposes like refinancing and further advances, an increase of 31.6%. According to HDN, this increase is likely caused by a front-loading effect in mortgage offers as a result of the sudden and steep mortgage interest rate increases observed in the mortgage market in 2025-Q1 (which is further discussed in section 6 of this quarterly report).

The average market value of homes reached EUR 508,000, up approximately 9.4% from EUR 464,000 in 2024-Q1. Consequently, the average mortgage amount for purchases rose by 7% YoY, reaching EUR 371,000 (from EUR 346,000). Notably about 22,000 of all mortgage offers made use of the portability option. Lastly, HDN reports a decrease in the number of mortgage offers that include financing of energy improvement measures. Approximately 12,000 mortgage offers included this type of financing, a decrease of about 4% YoY. The next paragraphs will elaborate on the developments of housing prices.

House prices and property sales

CBS reports on house price developments in the Netherlands using the Dutch House Price Index ("HPI"), which tracks price changes based on purchase agreements registered by the Dutch land registry. As of 2025-Q1, house prices in the Netherlands increased by 10.9% YoY compared to 11.5% YoY as of 2024-Q4. The reported quarterly growth was 1.8%, compared to 2.1% in the previous quarter, thus roughly maintaining the same growth rate. As of March 2025, the House Price Index for existing owner-occupied dwellings rose by 0.7% MoM. The consistent rise in Dutch housing prices reflects ongoing demand and limited supply in the Dutch housing market. Additionally, the total number of housing transactions recorded in 2025-Q1 was 51,000, marking an increase of over 15.8% YoY, but a decrease of 14.1% QoQ. Please consider Figure 3 displayed below for a historic overview of Dutch housing prices and the number of housing transactions.

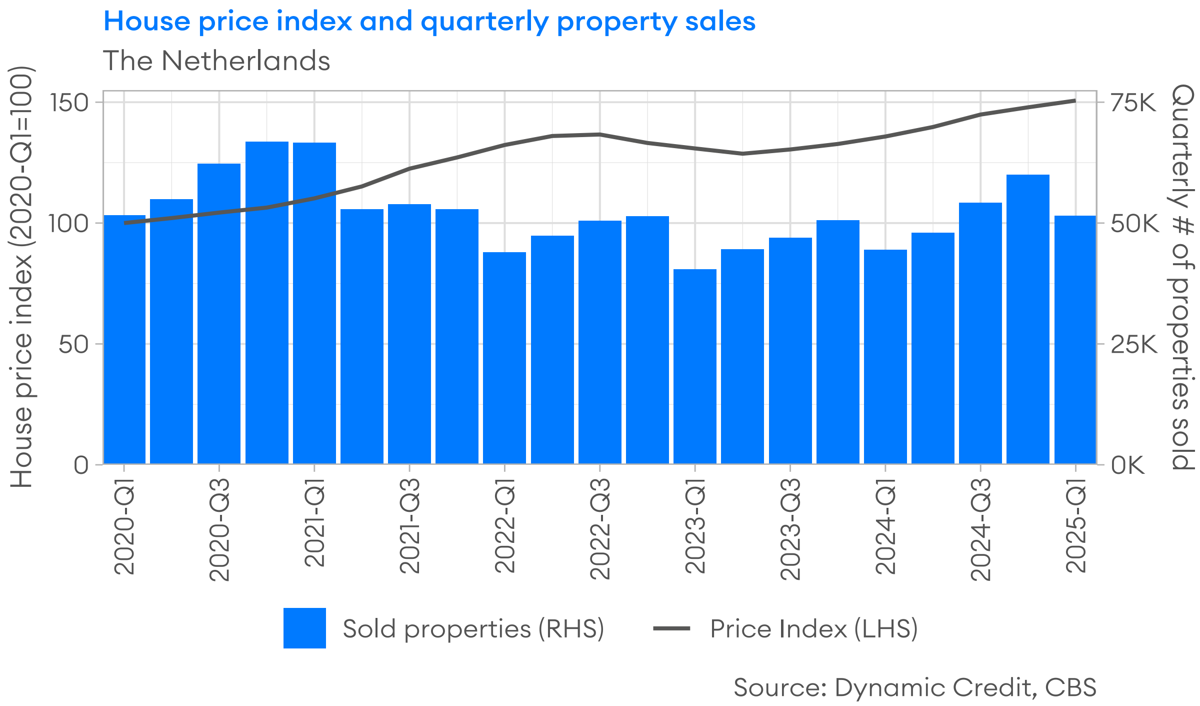

Figure 3: House Price Index of the Netherlands ("HPI") (2020-Q1 = 100) and monthly property sales. HPI until 2025-Q1. Source: CBS, Dynamic Credit.

1 HDN - Kwartaaloverzicht 2025-Q1

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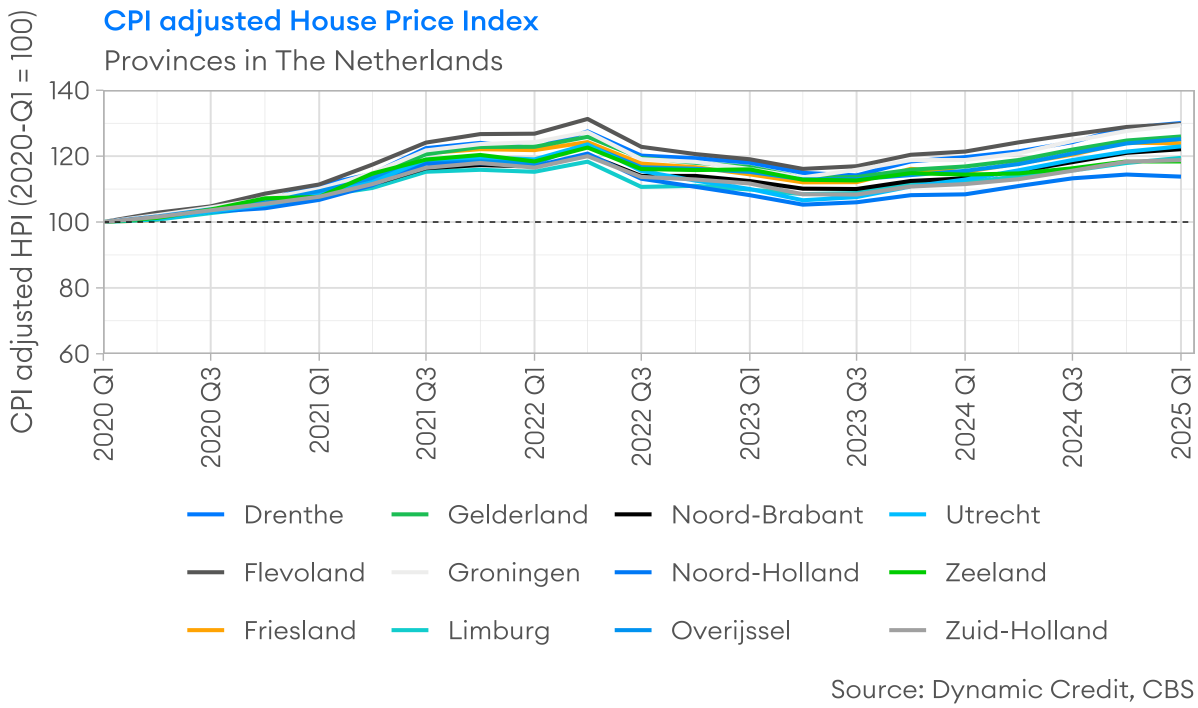


Figure 4: CPI Adjusted House price index per province in the Netherlands up to and including 2025-Q1 (2020-Q1=100). Source: CBS, Dynamic Credit.

Transactions driven by rental property sell-off

In recent years, renting out homes has become less attractive in the Netherlands due to factors such as higher transfer taxes, rising interest rates, increased wealth taxation, and stricter rental regulations, as discussed in previous editions of this report. This has led to a wave of investors selling off rental properties, about 24,000 homes were sold to owner-occupiers in 2024, compared to just 4,000 purchases[1]. Including smaller landlords that own less than three properties, the total number of homes shifted to the for-sale market is even higher. The resulting increase in supply, especially in lower-priced segments like apartments, has boosted transactions. Data from NVM[2] shows that former rental homes sold off by landlords (uitpondwoningen) accounted for 20% of all home sales in late 2024, and even 40% in the major cities. In total, 37,000 such homes were sold in 2024, driven by tax pressures, new rent controls, and the phase-out of temporary rental contracts. This trend is expected to continue in 2025 and 2026.

1 Rabobank - Kwartaalbericht woningmarkt
2 NVM - Flink meer verkopen in 2025-Q1

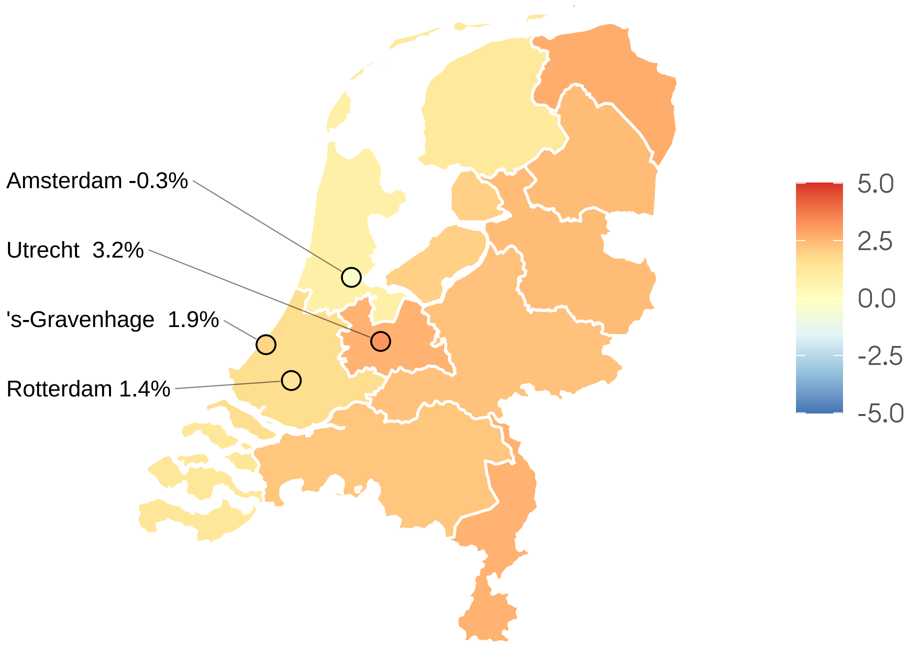
Regional differences

As of 2025-Q1, housing prices and transaction volumes continued to exhibit pronounced regional disparities across the Netherlands. Provincially, Utrecht and Groningen led price appreciation with a 13% YoY and 12.9 YoY increases respectively, followed closely by Drenthe (2.4% QoQ; 12.6% YoY) and Overijssel (2.4% QoQ; 12.3% YoY). Among the four monitored municipalities, Utrecht again topped the YoY price growth chart at 14.2%, while Amsterdam saw a slight quarterly dip of 0.3% despite a 6.4% YoY rise. Transaction activity remained concentrated in the Randstad provinces: Zuid-Holland saw approximately 10,700 sales and Noord-Holland about 8,900 sales, together accounted for roughly 38% of all recorded sales in 2025-Q1, with both provinces experiencing double-digit YoY increases in volumes, 14.7% and 14.8%, respectively. Flevoland, though smaller in scale (1,400 sales), posted a robust 20.5% YoY jump in transactions. The four featured municipalities (Amsterdam, 's-Gravenhage, Rotterdam, and Utrecht) together represented some 15% of national sales. Please refer to Table 1 for the full breakdown of HPI movements and sales figures by province and municipality.

Area	Type	HPI (2020=100)	YoY Price %	QoQ Price %	Properties Sold in Quarter	QoQ Properties Sold %	YoY Properties Sold %
Nederland	Country	146.0	10.9	1.8	51,474	-14.1	15.8
Amsterdam	Municipality	130.4	6.4	-0.3	2,908	-28.3	23.4
's-Gravenhage	Municipality	139.1	10.7	1.9	1,766	-16.8	27.5
Rotterdam	Municipality	139.3	8.9	1.4	1,851	-10.0	26.4
Utrecht	Municipality	148.1	14.2	3.2	1,278	-17.0	26.5
Groningen	Province	155.2	12.9	2.7	1,561	-18.4	14.1
Friesland	Province	149.5	11.5	1.2	1,913	-15.0	23.6
Drenthe	Province	156.6	12.6	2.4	1,419	-14.2	7.8
Overijssel	Province	150.9	12.3	2.4	3,167	-10.6	12.5
Flevoland	Province	154.6	10.8	2.0	1,426	-13.5	20.5
Gelderland	Province	152.0	11.7	2.3	5,952	-9.9	15.6
Utrecht	Province	149.0	13.0	2.6	4,047	-13.5	15.0
Noord-Holland	Province	138.0	8.8	0.8	8,941	-20.5	14.8
Zuid-Holland	Province	143.5	10.4	1.7	10,722	-13.3	14.7
Zeeland	Province	142.4	7.3	1.3	1,407	-8.3	17.9
Noord-Brabant	Province	147.8	11.8	2.2	7,818	-12.2	18.1
Limburg	Province	145.2	10.6	2.6	3,101	-13.5	19.8

Table 1: House Price Index of the Netherlands ("HPI") (2020-Q1 = 100) and number of property sales changes in Dutch provinces and major municipalities 2025-Q1 Source: CBS, Dynamic Credit.

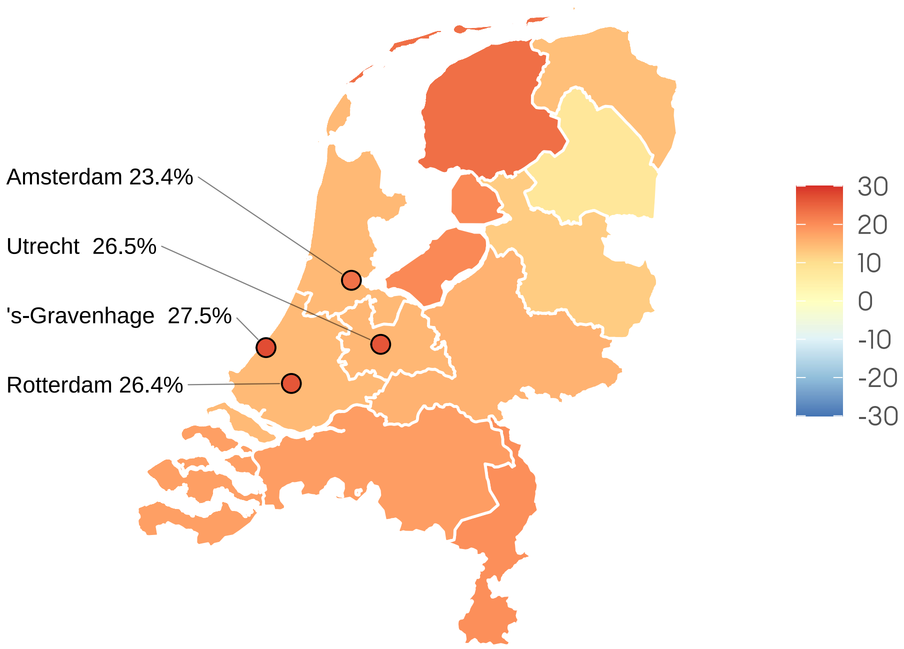
House Price Index QoQ change



Source: Dynamic Credit, CBS (2025 Q1)

Figure 5: Dutch House Price Index QoQ change in percentages, 2025-Q1.

Number of sold properties YoY change



Source: Dynamic Credit, CBS (2025 Q1)

Figure 6: Sold properties YoY change in percentages, 2025-Q1.

Expected house price and property sales developments

In publications released during the first quarter of 2025, financial institutions reiterated their expectations that Dutch housing prices will continue to rise. The Rabobank expects[1] housing prices to rise by an average of 8.6% in 2025, followed by a 5.7% increase in 2026, driven by a mismatch in housing supply and housing demand that is expected to persist in the coming years. With only about 70,000 new homes added in 2024, supply is not expected to improve in the short term, which puts upwards price pressure on housing. Consider page 5 of this report for an elaboration. Similarly, ABN AMRO forecasts[2] a 7% increase in house prices for 2025 and a 3% rise in 2026, attributing the growth to low mortgage rates, higher incomes, and the persistent housing shortage. ING[3] predicts a 5.5% increase in house prices for 2025, with a 10% rise in housing transactions, emphasizing that higher wages and improved market sentiment are boosting demand for owner-occupied homes while the supply remains historically low. For a comprehensive overview of how expectations have shifted over recent quarters, see Figure 7 below. The figure shows that historically, housing price forecasts have missed actual price movements due to unforeseen shifting market trends. This quarter, the aggregated forecasts are mostly the same as previous quarter.

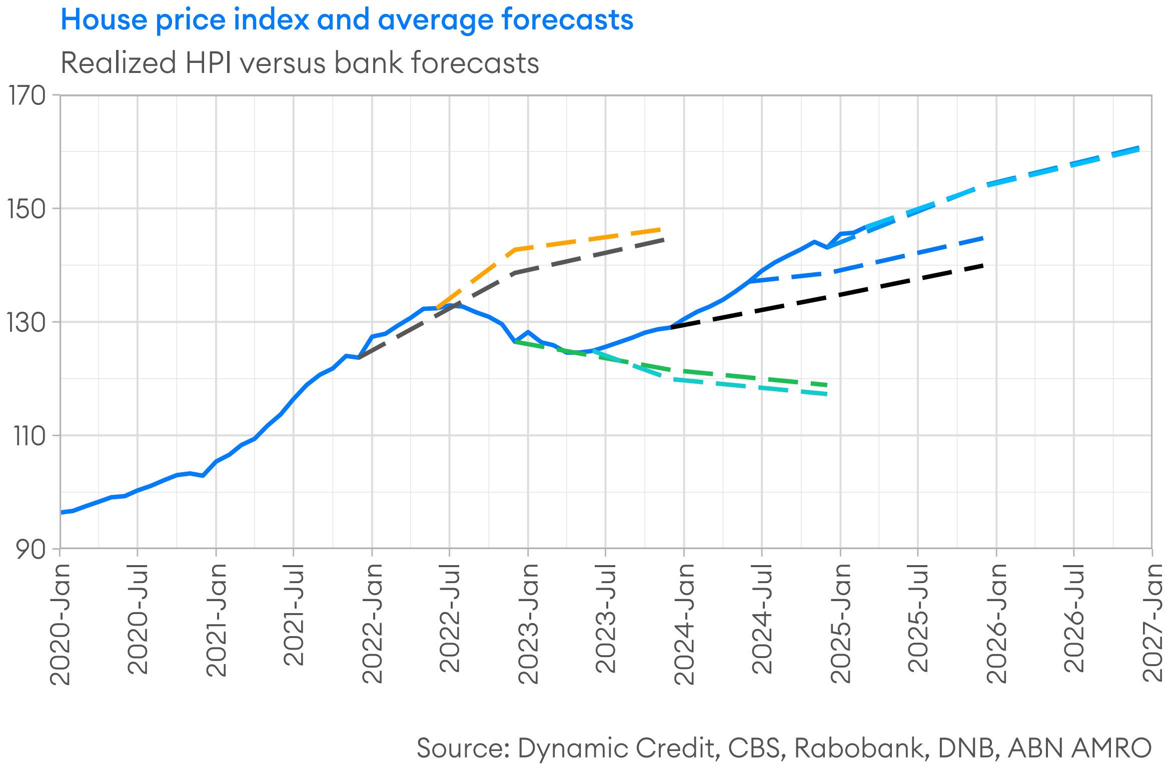


Figure 7: Realized house price index and average house price forecasts made at different points in time as of 2025-Q1. The interrupted lines represent forecasted developments, uninterrupted line represents realized HPI developments. Source: Dynamic Credit, CBS, Rabobank, DNB, ABN AMRO, ING and Fitch.

1 Rabobank - Kwartaalbericht woningmarkt
2 ABN AMRO - Woningmarktmonitor april 2025
3 ING - De Nederlandse woningmarkt

CBS Consumer confidence

Statistics Netherlands ("CBS") tracks consumer confidence by assessing Dutch consumers' views and expectations on various topics, including the general economic environment, personal financial situations, and willingness to make purchases. This indicator is measured in percentage points of negative or positive responses and can range from -100 to 100, with 0 indicating an equal number of positive and negative responses.

In April 2025[1], consumer confidence in the Netherlands dropped to -37 from -34 in March, marking its seventh consecutive month of decline. This continued downturn is primarily due to increasingly negative views on the economic climate. Although consumer confidence had recovered after reaching an all-time low in October 2022, the April level is the lowest in a year and a half. It remains significantly below the long-term average of -10, indicating a weaker mood compared to historical norms.

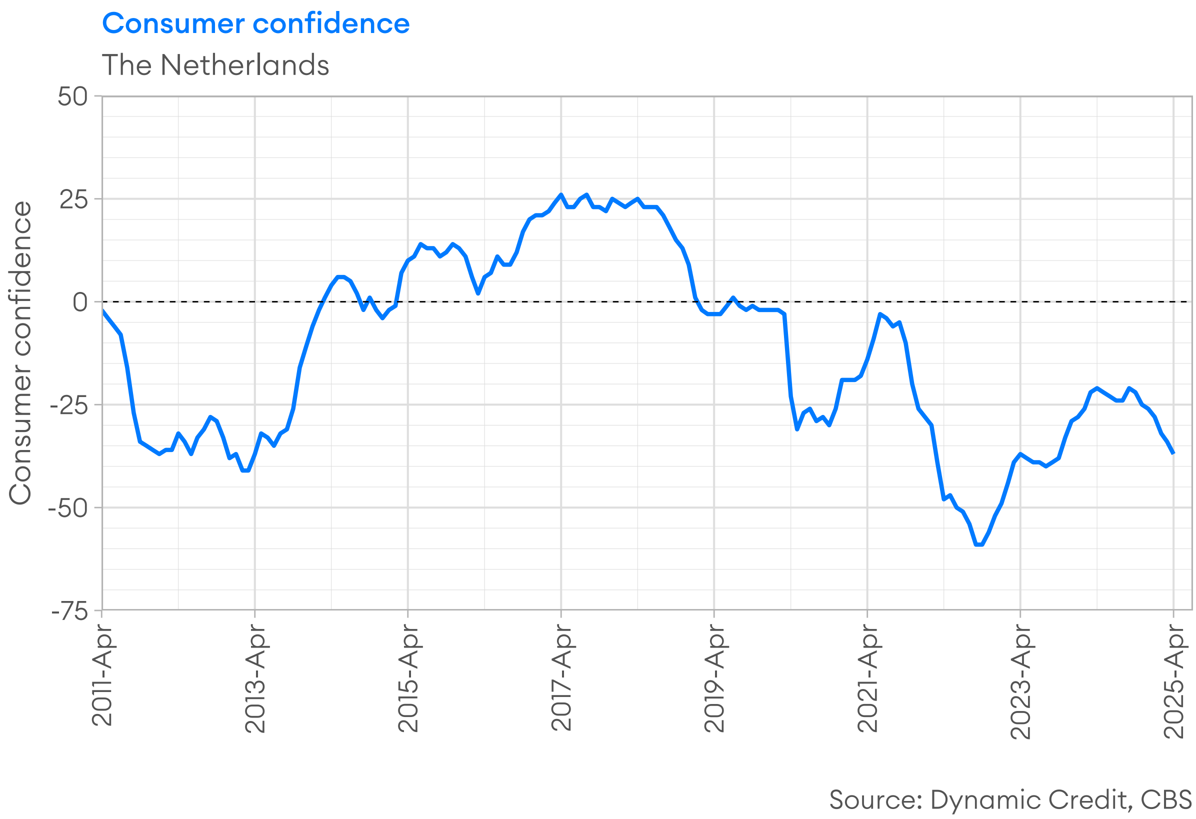


Figure 8: CBS total consumer confidence in the Netherlands as of April 2025.

1 CBS - Consumer confidence falls for seventh consecutive month

CBS household consumption

According to Statistics Netherlands (CBS)[1], household consumption in the Netherlands rose by 2.1% in February 2025 compared to the same month in 2024, after adjusting for price changes and shopping-day patterns. Households increased their spending on both goods and services. Specifically, spending on durable goods was up by 3.1%, with higher purchases of electrical appliances and cars driving the increase. Spending on other goods, such as energy and personal care products, rose by 9.3%, and expenditures on food, beverages, and tobacco increased by 0.7%. Consumers also spent 0.7% more on services, with notable increases in transportation, communication, recreation, and cultural services. Services account for more than half of total household consumption. Figures show that conditions for household consumption in March 2025 were less favorable than in February. This decline was primarily due to manufacturers' increased pessimism about future hiring and employment. Also, the year-on-year increase in share prices and house prices was smaller. While factors such as consumer expectations and financial conditions influence household consumption, changes in these factors do not always translate directly into shifts in spending.

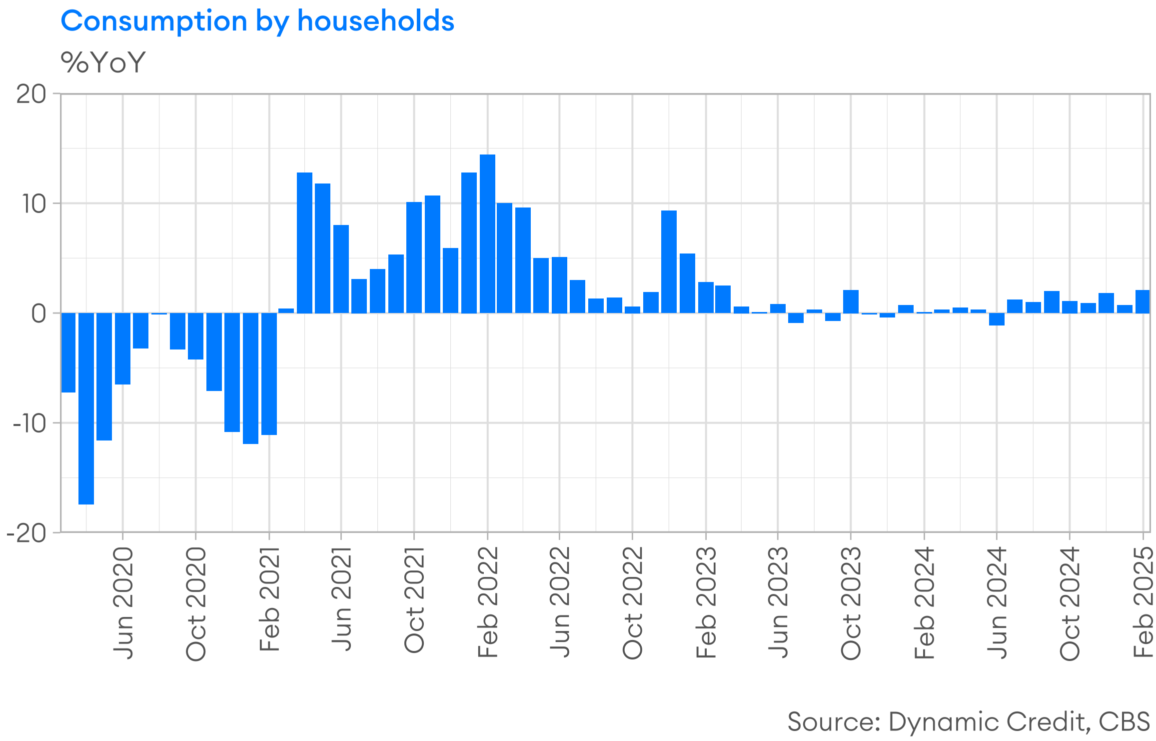


Figure 9: Percentual YoY domestic household consumption in the Netherlands adjusted for price changes up until February 2025.

1 CBS - Household consumption up by over 2 percent in February

NHG

Stichting Waarborgfonds Eigen Woningen ("WEW"), a central, privatized entity, is responsible for the administration and granting of the Nationale Hypotheek Garantie ("NHG Guarantee"). The NHG Guarantee covers the outstanding principal, accrued unpaid interest, and disposal costs of mortgage loans. Irrespective of scheduled repayments and prepayments made on a mortgage loan, the NHG Guarantee is reduced monthly by an amount equal to the principal repayment part of the monthly installment, as if the mortgage loan were to be repaid on a thirty-year annuity basis. Financial support from the Dutch government is formalized in a backstop agreement, under which the State is responsible for providing interest-free loans in case of need.

New NHG guarantees[1]

According to HDN, a total of 49,528 offers featuring NHG guarantees were requested in 2025-Q1, amounting to an aggregate amount of EUR 12.4 billion, a substantial increase from EUR 10.4 billion in 2024-Q1. The rise in NHG application volume can be attributed to a 12% increase in the number of applications and a 4.9% increase in the average loan amount per application. The 2025-Q1 figures reflect an NHG market share of around 33% in terms of total mortgage loan balance, a continuation of the 2024 share.

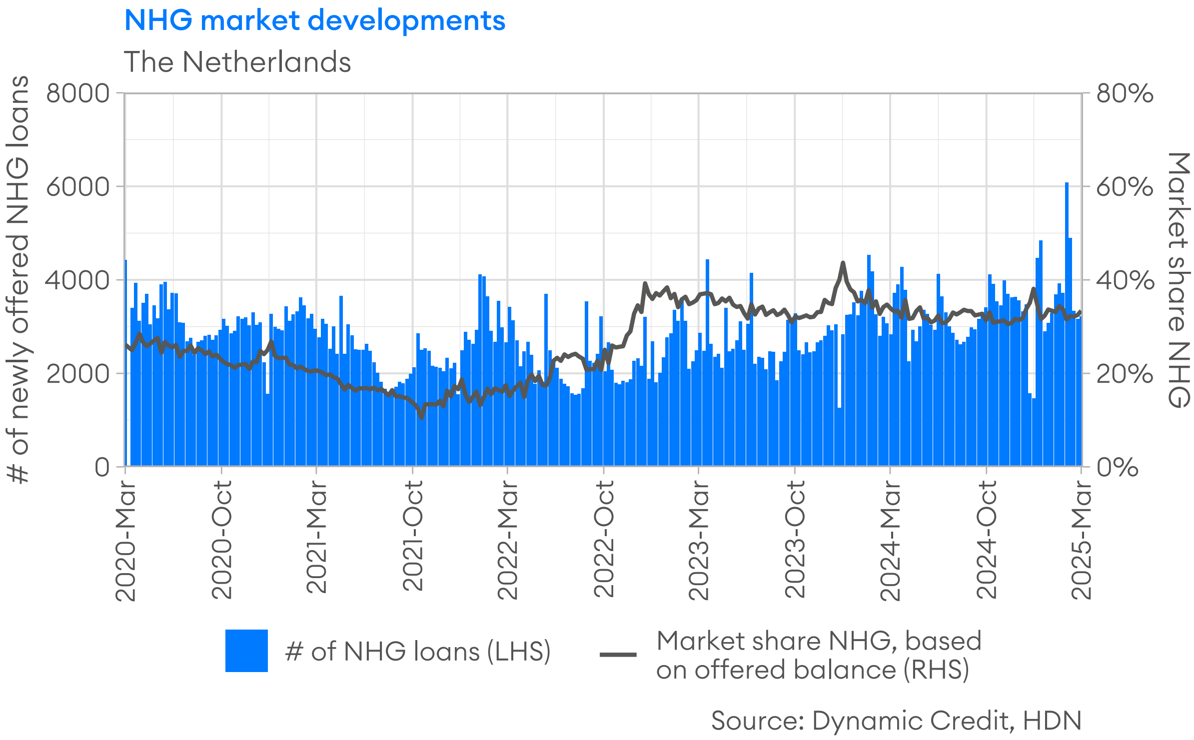


Figure 10: Number of new NHG guarantees and market share of NHG loans as a percentage of total originated balance through time. The x-axis refers to year and month.

Loss declarations[2]

Seven loss declarations were submitted in the fourth quarter, of which five were reviewed and approved and two are still pending. The average loss amount was EUR 55,000 with a payout ratio of 100%.

Financials

The number of guarantees is 1.4 million by the end of 2024 and the assets totalled EUR 1.75 billion. The amount guaranteed by WEW (the total outstanding balance of mortgages with an NHG guarantee) is approximately EUR 214 billion. This is set against an estimated total collateral value of over EUR 449 billion. The capital ratio, defined as the available capital as a percentage of the amount guaranteed by WEW, is 0.82%.

1 HDN - Kwartaaloverzicht 2025-Q1
2 NHG Kwartaalcijfers 4e kwartaal 2024

3. Owner-Occupied Mortgages

Mortgage interest rate and spread developments

Mortgage interest rates

In the first quarter of 2025, mortgage interest rates increased as volatility in the underlying Euro swap rates picked up. In 2025-Q1, mortgage rates increased by 24 bps QoQ on average across the various fixed-rate-period and LTV segments displayed in Table 2 below. In contrast to the previous quarter, the increases were relatively equal across the fixed-rate periods. Compared to a year earlier, mortgage interest rates in the shorter fixed-rate-period segments (5Y and 10Y) ended relatively on the same level on average. Mortgage interest rates in the longer segments (20Y and 30Y) on the other hand were 10 bps higher than a year earlier. After the quarter had ended, mortgage interest rates saw a modest decrease of 7 bps QtD.

The table below contains an overview of the interest rate development for the respective risk classes and fixed rate periods.

Mortgage rate development for average of top 6 mortgage rates								
Fixed rate period	Risk class	2024-03-31	2024-12-31	2025-03-31	2025-04-23	QoQ	YoY	QtD
5-year	NHG	3.50%	3.21%	3.46%	3.36%	0.25%	-0.04%	-0.09%
	60% LTMV (non-NHG)	3.57%	3.32%	3.61%	3.47%	0.29%	0.04%	-0.14%
	80% LTMV (non-NHG)	3.66%	3.42%	3.68%	3.57%	0.27%	0.02%	-0.12%
	100% LTMV (non-NHG)	3.82%	3.49%	3.75%	3.62%	0.26%	-0.07%	-0.13%
10-year	NHG	3.69%	3.33%	3.63%	3.56%	0.30%	-0.06%	-0.07%
	60% LTMV (non-NHG)	3.75%	3.53%	3.82%	3.74%	0.29%	0.07%	-0.08%
	80% LTMV (non-NHG)	3.82%	3.61%	3.89%	3.80%	0.28%	0.07%	-0.09%
	100% LTMV (non-NHG)	4.05%	3.79%	4.01%	3.86%	0.22%	-0.04%	-0.15%
20-year	NHG	3.81%	3.59%	3.92%	3.85%	0.33%	0.11%	-0.07%
	60% LTMV (non-NHG)	3.92%	3.75%	4.01%	4.00%	0.27%	0.10%	-0.02%
	80% LTMV (non-NHG)	3.97%	3.84%	4.06%	4.05%	0.21%	0.08%	-0.01%
	100% LTMV (non-NHG)	4.18%	4.01%	4.21%	4.19%	0.20%	0.03%	-0.02%
30-year	NHG	3.92%	3.85%	4.04%	3.99%	0.19%	0.12%	-0.05%
	60% LTMV (non-NHG)	3.94%	3.85%	4.06%	4.04%	0.22%	0.13%	-0.02%
	80% LTMV (non-NHG)	4.01%	3.93%	4.11%	4.10%	0.18%	0.11%	-0.01%
	100% LTMV (non-NHG)	4.16%	4.11%	4.27%	4.25%	0.16%	0.11%	-0.02%

Table 2: Average top-6 mortgage rates (excluding action rates) for mortgage loans with different fixed rate periods for four risk classes. Source: Dynamic Credit, Hypotheekbond. Reference date is 2025-04-23.

Swap and Spread developments[1]

In 2025-Q1, volatility in Euro swap rates picked up as uncertainty around macroeconomic factors increased. Please consider section 6 of this quarterly report for details about these developments. Euro swap rates increased by 25 bps on average during 2025-Q1, but substantial swings occurred as can be observed in Figure 11 displayed below, substantial swings occurred. Notably, swap rates suddenly increased in the first week of March by approximately 30 bps. Since then, swap rates have been gradually declining again, but with widened gaps between the different tenors. The steepening of the swap curve likely reflects impact of Germany's announcement to ramp up military and infrastructure spending amid geopolitical uncertainty[2]. Similar to longer-dated bond yields, Euro swap rates up 20- and 30-year tenors also increased more than the 5- and 10-year, leaving the swap curve more steepened.

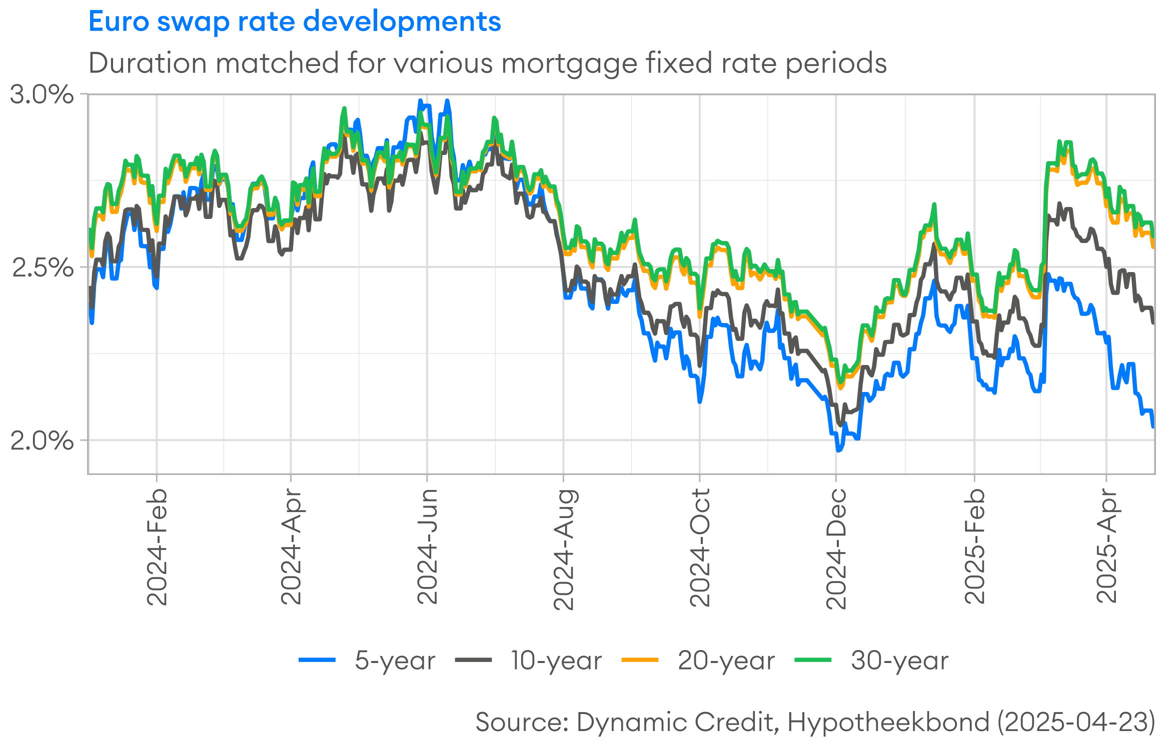


Figure 11 : Historic developments of annuity duration matched Euro swap rates. The time series includes data starting 2024 up to and including 2025-04.

During this period, spreads across all segments ended approximately at the same level as the start of 2025-Q1. However, when differentiating between fixed rate periods, shorter fixed-rate-period segments (5Y and 10Y) saw an average spread widening of 9 bps QoQ whereas the spreads of the longer segments (20Y and 30Y) tightened by 10 bps QoQ. That divergence makes sense with the aforementioned developments in mind: mortgage interest rates rose similarly across all tenors, but Euro swap rates jumped more at the long end. Lastly, during April spreads widened by approximately 11 bps QtD on average across the different segments.

1 The EUSWxV3 swap is used, which uses quarterly resets and the floating leg is 3-month EURIBOR.
2 Bloomberg - Germany's Bond Sale Plans Reignite Jitters in EU Periphery

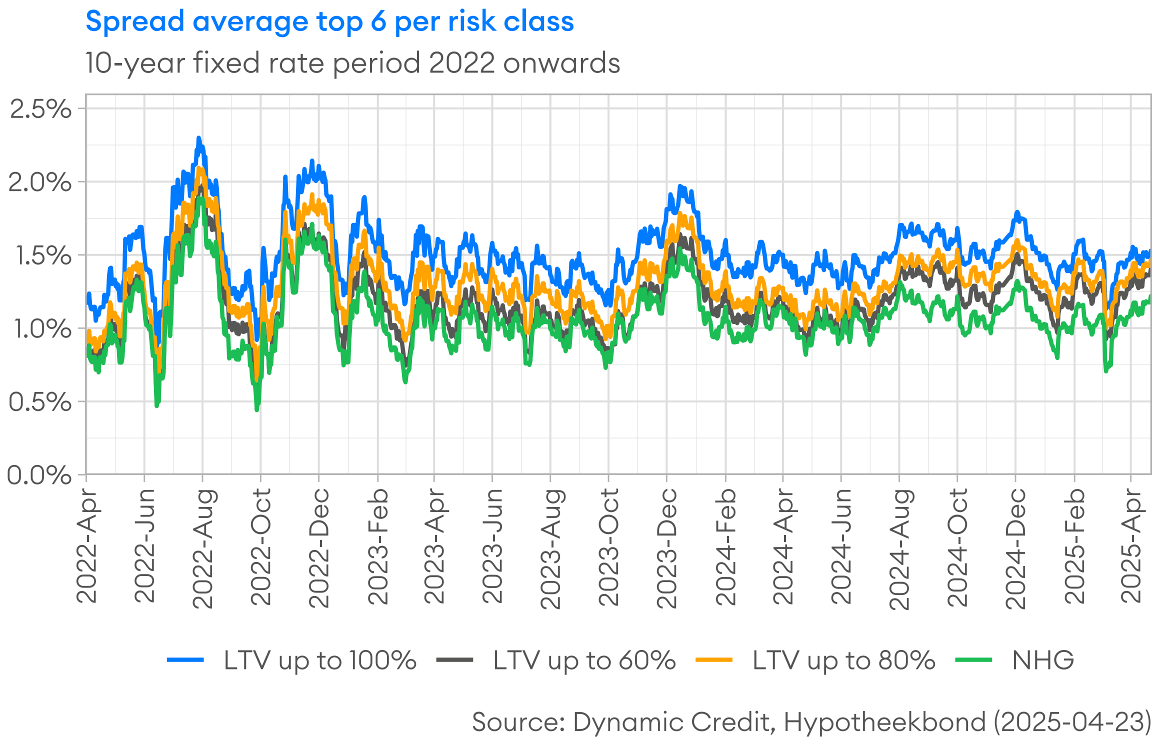


Figure 12 : Spread of the average top-6 price leader mortgage rates (excluding action rates) for mortgage loans with a 10-year fixed rate period for four risk classes up to and including April 2025.

For a broader overview of the spread developments, see Table 3 displayed below. The information should be interpreted as representative gross spread for newly originated Dutch residential mortgage loans over time.

Spread development for average of top 6 mortgage rates								
Fixed rate period	Risk class	2024-03-31	2024-12-31	2025-03-31	2025-04-23	QoQ	YoY	Qtd
5-year	NHG	0.87%	1.02%	1.15%	1.29%	0.13%	0.28%	0.14%
	60% LTV (non-NHG)	0.93%	1.14%	1.30%	1.40%	0.16%	0.37%	0.10%
	80% LTV (non-NHG)	1.03%	1.23%	1.37%	1.49%	0.14%	0.35%	0.12%
	100% LTV (non-NHG)	1.19%	1.31%	1.44%	1.55%	0.14%	0.26%	0.11%
10-year	NHG	1.14%	1.03%	1.09%	1.20%	0.06%	-0.05%	0.11%
	60% LTV (non-NHG)	1.20%	1.23%	1.28%	1.38%	0.05%	0.08%	0.10%
	80% LTV (non-NHG)	1.27%	1.31%	1.35%	1.44%	0.04%	0.08%	0.09%
	100% LTV (non-NHG)	1.50%	1.50%	1.48%	1.51%	-0.02%	-0.02%	0.03%
20-year	NHG	1.19%	1.18%	1.20%	1.28%	0.02%	0.01%	0.08%
	60% LTV (non-NHG)	1.30%	1.33%	1.29%	1.43%	-0.04%	-0.01%	0.14%
	80% LTV (non-NHG)	1.35%	1.43%	1.33%	1.48%	-0.10%	-0.02%	0.15%
	100% LTV (non-NHG)	1.56%	1.59%	1.49%	1.63%	-0.10%	-0.07%	0.14%
30-year	NHG	1.28%	1.43%	1.28%	1.39%	-0.14%	0.00%	0.11%
	60% LTV (non-NHG)	1.30%	1.43%	1.31%	1.44%	-0.12%	0.01%	0.13%
	80% LTV (non-NHG)	1.37%	1.51%	1.36%	1.50%	-0.15%	-0.01%	0.14%
	100% LTV (non-NHG)	1.53%	1.69%	1.52%	1.66%	-0.17%	-0.01%	0.14%

Table 3: Spread of the average top-6 mortgage rates (excluding action rates) over duration matched swap rates for four risk classes. Source: Dynamic Credit, Hypotheekbond. Reference date is 2025-04-23.

4. Funding Update

RMBS

The first quarter of 2025 showed an increase in RMBS issuance, totaling EUR 2.8 billion, including EUR 806 million in retained issuance. Dutch senior RMBS spreads fluctuated within the 45-48 basis point range but saw a jump to 60 basis points by mid-April (after the US tariffs announcements shook markets). In the covered bond sphere, total issuance of EUR 2 billion was fully distributed (EUR 1.5 billion ABN AMRO and EUR 500 million NN Bank), with spreads declining from 51 to 44 basis points by the end of Q1.

DOMI 2025-1

DOMI 2025-1 is a RMBS deal fully backed by residential buy-to-let mortgages for professional landlords, originated by Domivest BV. The pool balance is EUR 302.4 million, spread across 881 loans with an average loan size of EUR 343,265. The provisional pool includes EUR 107.9 million from the callable DOMI 2020-1. The pool has a weighted average current loan-to-value (CLTV) of 68.1%, and is moderately seasoned at 28.75 months.

Solitaire II

Solitaire II B.V., or SLTR 2, a securitization of Dutch prime mortgages originated for Bunq through Tulp Hypotheken (Tulpenhuis 2 B.V.) and with the Bunq brand. The closing portfolio features around 83% NHG guaranteed loans, originated from 2022 onwards. The total deal size was EUR 711 million and both ttanches were retained.

Green Storm 2025

The Green Storm 2025 is the newest issue in the Green Storm series with loans originated through Obvion. The pool has a net principal balance of EUR 526 million (net of the savings balance of EUR 5.95 million). The pool comprises a total of 1,792 loans, with an average principal balance of EUR 297,072. The portfolio has a weighted average maturity of 25.65 years, and a weighted average time to reset of 9.78 years, and a seasoning of 3.05 years. The portfolio's weighted average current loan-to-market value is 68.41%. A total of 12% of the pool has the benefit of an NHG guarantee.

WESER 2025-1

WESER 2025-1 is the inaugural RMBS of OLB (Oldenburgische Landesbank), with a focus on Dutch prime owner-occupied NHG mortgages. The loans were originated through Tulp Hypotheken. The pool features a net principal balance of approximately EUR 552 million (net of construction deposits), and 2,085 loans while the average loan size amounts to EUR 266,050. The portfolio has a weighted average maturity of 28.72 years and a remaining fixed-rate period averaging 19.77 years. The weighted average seasoning is 1.12 years. The loan-to-value ratios is 89.84%. The A tranche has been placed publicly, the B and C tranches have been retained.

JPMF 7

JPMF 7 is a RMBS deal in the Jubilee Place series, fully backed by residential buy-to-let mortgages for professional landlords. It securitizes a portfolio of mainly interest-only, fixed-rate mortgages totaling EUR 299.4 million as of November 2024. The portfolio has a CLTV of 68.22%. The proportion of the pool with interest only payment type is 96.8%.

Delphinus 2025-1

DELPH 2025-1 features a portfolio with a principal balance of approximately EUR 625 million, encompassing 2,044 loans, with an average principal balance per borrower of EUR 305,773. The portfolio consists of 84.4% amortizing loans. The weighted average current loan-to-market value is 81.9%. It maintains a weighted average maturity of 34 years, with 18.4 years remaining fixed rate period. The senior tranche has been placed publicly, the B and C tranches have been retained.

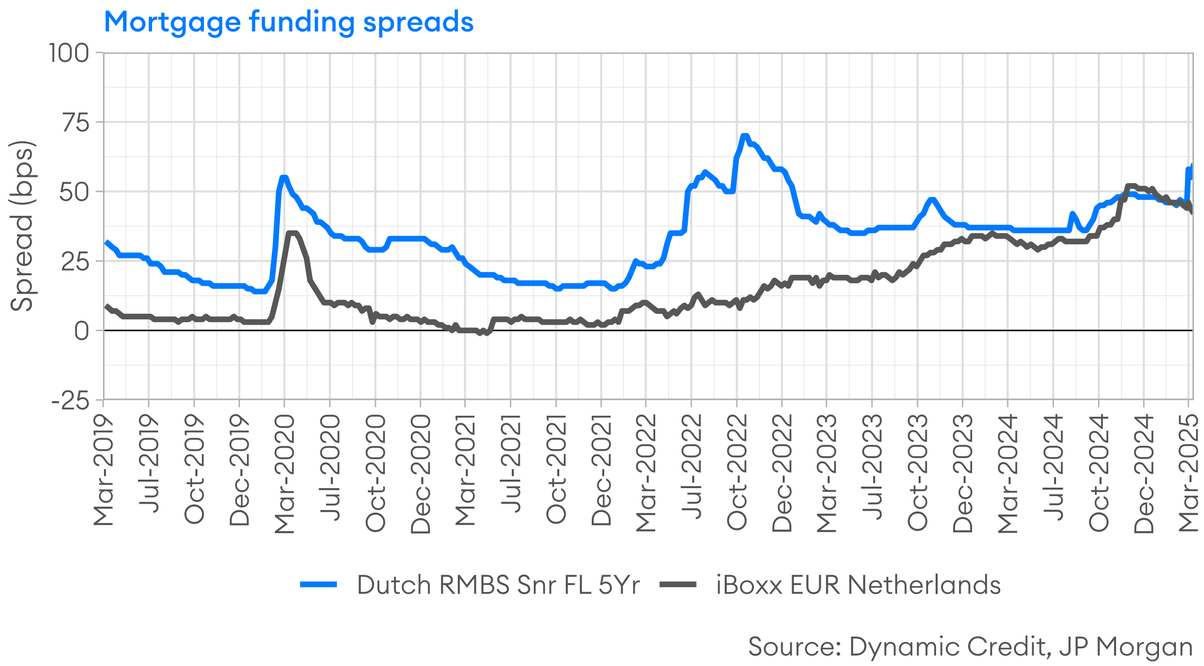


Figure 13: RMBS spread refers to indicative mid spread (DM) for representative generic RMBS bonds. iBoxx EUR Netherlands spread refers to spread versus mid swap rates. The data is as of 2025-Q1.

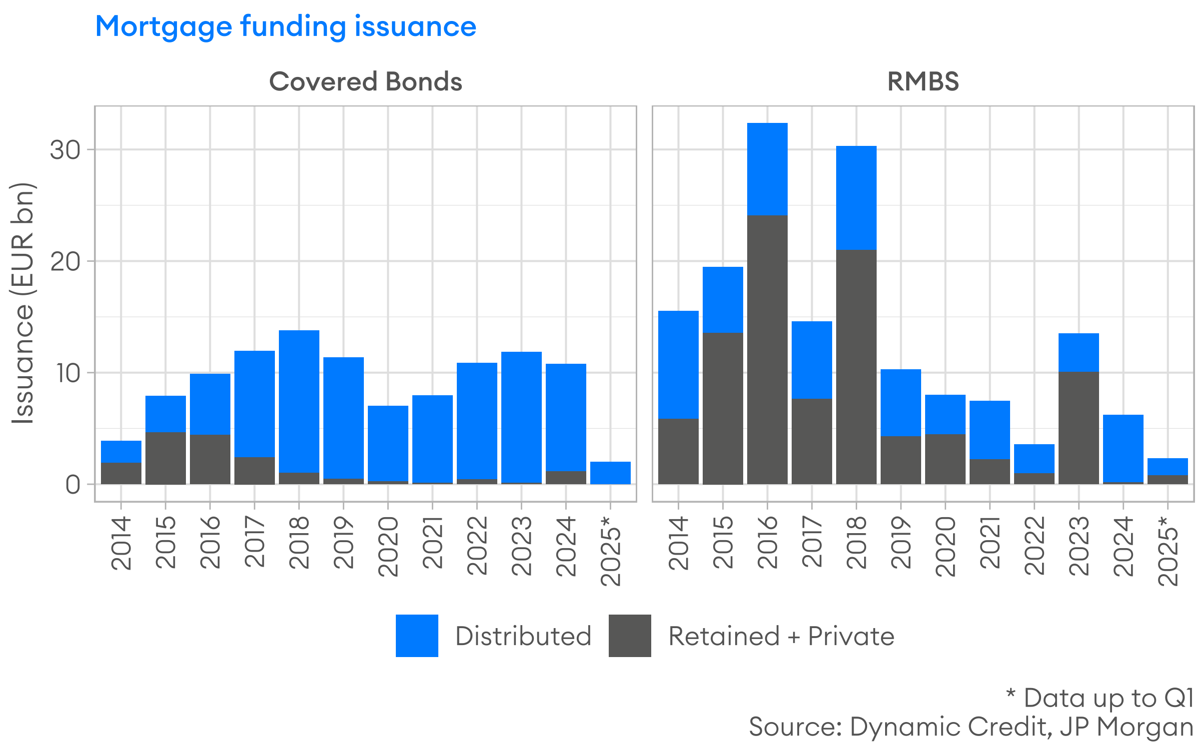


Figure 14: Issuance of Dutch RMBS and covered bonds. The data is as of 2025-Q1.

5. Buy-to-let Mortgages

Buy-to-let news and market developments

Rental market regulation

On April 10, Minister of Housing and Spatial Planning Keijzer announced[1] measures that *seek* to preserve mid-rental housing amidst the sell-off of properties by private landlords. The Affordable Rent Act of 2024 has made mid-rental investments less attractive, accelerating property sales. This is especially true for private landlords, as the fiscal position has also materially deteriorated. The WWS would be changed through lifting the "WOZ cap" (the part of which the value of the property could influence the WWS points), valuations for small monuments, and removal of outdoor-space penalties. In addition, it would reintroduce temporary contracts for all students. All measures would apply only for new rental contracts.

On the same day[2], Keijzer's proposal to raise private rents was met with firm opposition in the House of Representatives. Despite the minister's intention to keep mid-rent homes in the market, coalition parties–including NSC and PVV–argue that increasing rents now could strain tenants and that selling properties might benefit first-time homebuyers. Critics consider it premature to amend the Affordable Rent Act, which has been in place less than a year, suggesting it is too early to gauge the full impact of current rent caps.

On 16 April, the coalition announced[3] the Spring Budget (voorjaarsnota), which includes a freeze on social rents for the next two years, triggering outrage among housing corporations. Aedes, the sector's umbrella group, warns[4] that eliminating future rental income undermines capital investment for new social housing and sustainability upgrades – challenges that further jeopardize the goal of building 100,000 homes per year. The National Performance Agreements (NPA) signed in December 2024 are now in doubt, as corporations and developers say the freeze severely cuts into their ability to maintain large-scale construction plans. They stress that a moderate rent increase was already part of the NPA to balance affordability with sufficient investment capacity. By halting rent growth without robust compensation, the entire housing chain–from social to mid-rental–risks a decline in construction volume. Institutions warn that new projects, often reliant on a mix of housing types, could simply stall, leaving fewer affordable and energy-efficient homes for future tenants.

The Spring Budget contained three other points relating to the rental market. Firstly, the potential lowering of the WWS points threshold for unregulated rent (now 187 points). Then, the amendment of the WOZ cap, as proposed by Minister Keijzer (see first paragraph of this article). Finally, there seems to be an intention to investigate if the rent regulation could exempt small private investors.

Analysis by Ortec[5] of financial projections of housing corporations underscores how freezing rents for 2025 and 2026 would dramatically erode operating cash flows. The loss of investment capacity for the coming 10 years is estimated at EUR 47.4 billion (equivalent of 181,000 newly builts or sustainability upgrades of 1.58 million homes). Even with a EUR 1.1 billion compensation fund in the Spring Budget, the sector's Interest Coverage Ratio and Loan-to-Value would deteriorate to points that typically trigger cuts in building and sustainability plans, as ompensation only increases investment capacity by EUR 1.4 billion. Abolishing corporate tax (VPB) for social housing organizations is floated as a potential offset, though Ortec calculates that only full removal of this tax would nearly restore lost investment capacity. The loss of investment capacity is then estimated at EUR 8.6 billion. Without additional stimulative measures, the freeze jeopardizes the long-term supply and sustainability upgrades of social rental homes, raising concerns for future tenants.

1 Rijksoverheid - Maatregelen voor behoud middenhuurwoningen
2 NOS - Toch geen hogere particuliere huren, Kamer keert zich tegen plan Keijzer
3 Rijksoverheid - Voorjaarsnota 2025
4 Aedes - Partners Woontop: Huurbevriezing slaat gat in nieuwbouwambitie
5 Ortec Finance - Huurbevriezing is zonder passende compensatie dramatisch

Kadaster update[1]

In the fourth quarter of 2024, investors sold 20,150 properties (+63% YoY), bringing the total number of sales for the year to 53,275 (+71% YoY). Investors purchased 9,575 properties in Q4 2024 (+35%), contributing to a total of 23,975 purchases for the year (+35%). In Q4 2024, investors sold more properties than they purchased. Professional landlords acquired 70% of their properties from other investors, while private investors bought 50% of their properties from other investors.

In Q4, professional landlords in the four largest cities sold 2,800 properties (+138% YoY) and bought 2,100 (+37% YoY). Private investors in these cities sold 2,975 (+64% YoY) properties and bought 375 (+50% YoY). The yearly total for all investors was 14,525 sales (+86% YoY) versus 5,950 purchases (+38% YoY).

In Q4 2024, 65% of the properties sold by investors to owner occupants, were purchased by first-time buyers, who paid an average of EUR 344,000. In aggregate, the sale prices of former rental properties are lower than the wider purchase market (EUR 383,000 versus EUR 460,000). The difference could be explained by the smaller sizes and worse energy labels.

Several factors have influenced the trend of investors selling more properties than they buy. These include increased transfer tax, changing interest rates, Box 3 rules, purchase protection, and the Affordable Rent Act. These regulatory changes have made it more attractive for investors to sell properties rather than hold onto them.

Pararius update[2]

One of the most striking aspects of the current rental market is the ongoing discrepancy between supply and demand. According to a data analysis by Pararius, the total number of available free-sector rental properties across the Netherlands fell by 35.5%, from 19,646 in the first quarter of 2024 to just 12,677 in 2025-Q1. During the same period, demand surged as evidenced by an average of 47 responses per listing in 2025-Q1 compared to 32 a year earlier. Consequently, this growing scarcity and heightened competition among renters continue to exert upward pressure on rental prices.

The rental market pressure is especially intense in the more affordable bracket, with listings priced up to EUR 1,500 per month. Despite representing only 30.1% of the total supply, this segment generated 44.2% of all responses in 2025-Q1 – indicating heavy competition for entry - level unregulated rentals. Meanwhile, the mid-range unregulated bracket (EUR 1,500– EUR 2,000 per month) is becoming increasingly tight, as more renters, pushed out of the cheaper segment, opt for higher-priced properties. The top tier of the market (above EUR 2,000 per month) still draws fewer responses relative to its share of the supply (18.3% of demand vs. 36.5% of supply), indicating that the segment remains out of reach for most potential tenants.

A notable factor fueling the supply crunch is the ongoing shift of rental homes into the for-sale market, a process often referred to as (uitponding). In the first quarter of 2025, Pararius calculates that about 7.7% of the properties sold originated from the rental market. That is a notable difference from the NVM numbers as reported in section [6], even though the direction is similar, the effect of NVM is much more pronounced (20% nationwide and 40% in the four largest municipalities). Many of the homes being sold rather than re-leased are smaller units, which intensifies the shortage of affordable rentals and heightens competition among increasingly constrained tenants.

Local dynamics vary considerably depending on the city and composition of available properties. In the five largest Dutch cities–Amsterdam, Rotterdam, The Hague, Utrecht, and Eindhoven–rental prices continued to climb in 2025-Q1, but at different rates. Amsterdam, previously experiencing declines, rebounded to a modest 1.2% year-on-year rise. Rotterdam posted the highest growth among the five largest cities, at 8%, while The Hague (+6.4%), Utrecht (+4%), and Eindhoven (+4.5%) also recorded notable increases.

1 Investeerders 4e kwartaal 2024: Stijging aantal verkopen zet door
2 Pararius - Huurprijzen vrije sector stijgen harder dan inflatie

Rate and spread developments

During the first quarter of 2025, buy-to-let mortgage rates increased across the different fixed-rate-period and LTV segments by 13 bps on average. After the quarter ended, mortgage rates for buy-to-let remained relatively unchanged. Buy-to-let mortgage spreads widened in the 1- and 5-year LTV segments, but tightened in the 10- and 20-year segments in 2025-Q1. In April, spreads widened across all segments by 20 bps on average. Buy-to-let mortgage interest rates are relatively sticky compared to Dutch residential mortgage interest rates. This can partially be explained by the relatively limited number of active buy-to-let mortgage lenders. Please refer to Table 4 below for a more detailed overview of buy-to-let mortgage rate and spread developments.

During 2025-Q1 buy-to-let rates increased, spreads widened in April.

Market rate and spread development for consumer buy-to-let rates

		BTL rates					Spreads				
Fixed rate period	LTV	2024-12-31	2025-03-31	2025-04-23	QoQ	QtD	2024-12-31	2025-03-31	2025-04-23	QoQ	QtD
1-year	50%	5.30%	5.34%	5.24%	0.04%	-0.10%	3.08%	3.20%	3.40%	0.12%	0.20%
	60%	5.41%	5.46%	5.36%	0.05%	-0.10%	3.19%	3.32%	3.52%	0.13%	0.20%
	70%	5.45%	5.48%	5.38%	0.03%	-0.10%	3.23%	3.34%	3.55%	0.11%	0.21%
	80%	5.47%	5.47%	5.32%	0.00%	-0.15%	3.25%	3.33%	3.49%	0.08%	0.16%
5-year	50%	4.83%	5.00%	4.97%	0.17%	-0.03%	2.65%	2.70%	2.94%	0.05%	0.24%
	60%	4.90%	5.08%	5.06%	0.18%	-0.02%	2.72%	2.78%	3.03%	0.06%	0.25%
	70%	4.93%	5.11%	5.08%	0.18%	-0.03%	2.75%	2.80%	3.05%	0.05%	0.25%
	80%	4.80%	4.98%	4.95%	0.18%	-0.03%	2.62%	2.68%	2.92%	0.06%	0.24%
10-year	50%	4.96%	5.14%	5.11%	0.18%	-0.03%	2.67%	2.62%	2.80%	-0.05%	0.18%
	60%	5.06%	5.27%	5.24%	0.21%	-0.03%	2.78%	2.75%	2.93%	-0.03%	0.18%
	70%	5.09%	5.28%	5.25%	0.19%	-0.03%	2.80%	2.77%	2.95%	-0.03%	0.18%
	80%	5.01%	5.24%	5.19%	0.23%	-0.05%	2.72%	2.72%	2.88%	0.00%	0.16%
20-year	50%	5.38%	5.51%	5.51%	0.13%	0.00%	3.00%	2.82%	2.99%	-0.18%	0.17%
	60%	5.51%	5.64%	5.64%	0.13%	0.00%	3.14%	2.95%	3.13%	-0.19%	0.18%
	70%	5.56%	5.68%	5.68%	0.12%	0.00%	3.19%	2.99%	3.17%	-0.20%	0.18%
	80%	5.55%	5.68%	5.68%	0.13%	0.00%	3.18%	2.99%	3.17%	-0.19%	0.18%

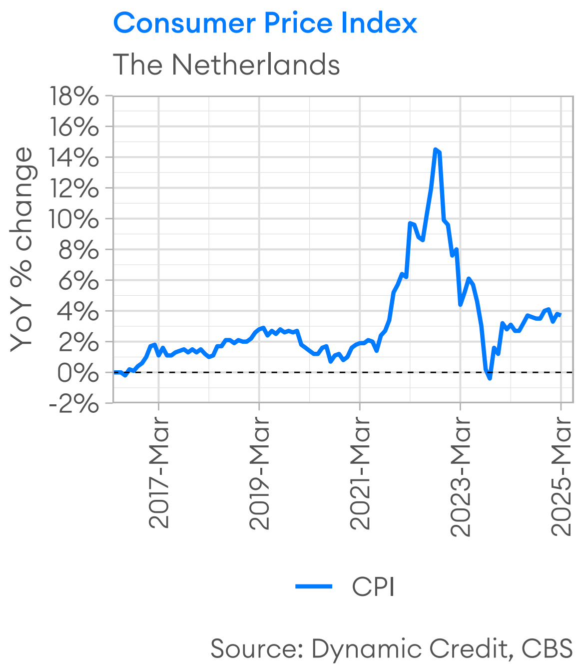
Table 5: Interest rate and spread development for buy-to-let rates in the Netherlands. Source: Dynamic Credit, Hypotheekbond. Reference date is 2025-04-23. Note that the overview shows rates for consumer buy-to-let products, it excludes products that are targeted to professionals.

6. Macro update

The following sections provide an update on the (macro)economic environment.

Inflation and Harmonized Index of Consumer Prices[1]

As of March 2025, consumer goods and services in the Netherlands experienced a YoY price increase of 3.7%, down from 3.8% in February, according to Statistics Netherlands ("CBS") as measured by the Consumer Price Index ("CPI"). This slight decrease in inflation is mainly due to lower motor fuel prices, particularly petrol, which was substantially lower than in March 2024, a decrease of 3.4% YoY. Conversely, prices in the category food, beverages and tobacco keep exerting upward pressure, with an average price increase of 7.1% YoY (down from 7.5% YoY as of February 2025). The Harmonized Index of Consumer Prices ("HICP") for the Netherlands stood at 3.4% in March, down from 3.5% in February 2025. In comparison, the Eurozone HICP came in at 2.2% (compared to 2.3% as of February 2025), indicating that inflation in the Netherlands remains above the Eurozone average. Please consider Figure 15 displayed below for CPI and HICP developments through time.



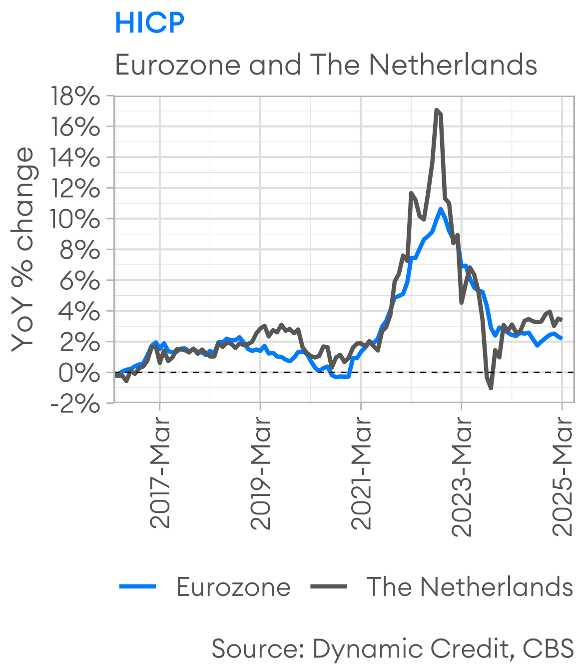


Figure 15: The consumer price Index in the Netherlands (left) and the Harmonized Index of Consumer Prices ("HICP") (right) both as of March 2025.

Economic Growth[2]

As of the fourth quarter of 2024, the Dutch economy expanded by 0.4% compared to the previous quarter according to CBS. This growth was primarily driven by an improved trade balance, exports of goods and services rose by 0.4% while imports declined by 0.6%. Additionally, fixed asset investments increased by 3.0%, notably in passenger cars and aircraft. Both household and public consumption also contributed positively, each increasing by 0.9% QoQ. Lastly, Dutch GDP grew by 1.9% YoY as of 2024-Q4 with investments making the largest contribution, followed by household consumption and a positive trade balance.

1 CBS - Inflatie daalt naar 3,71 procent in maart
2 CBS - Economie groeit met 0,4 procent in vierde kwartaal 2024

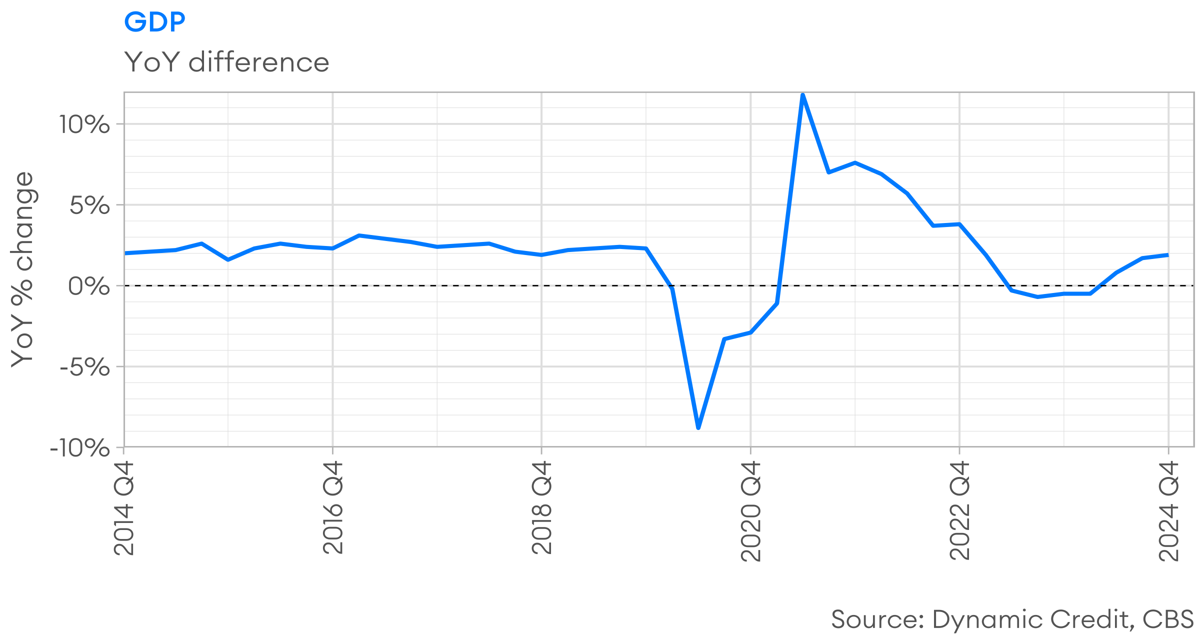


Figure 16: YoY GDP growth in The Netherlands as of 2024-Q4.

Unemployment[1]

As of March 2025, the Netherlands recorded 395,000 unemployed individuals, which translates to an unemployment rate of 3.9%, up from 3.8% in February, according to CBS. Over the past three months, unemployment has increased by an average of 7,000 people per month. Conversely, the number of people in paid employment has seen a modest rise, averaging an increase of 1,000 per month during the same period. Additionally, the Employee Insurance Agency ("UWV") reported 190,000 current unemployment ("WW") benefits at the end of March.

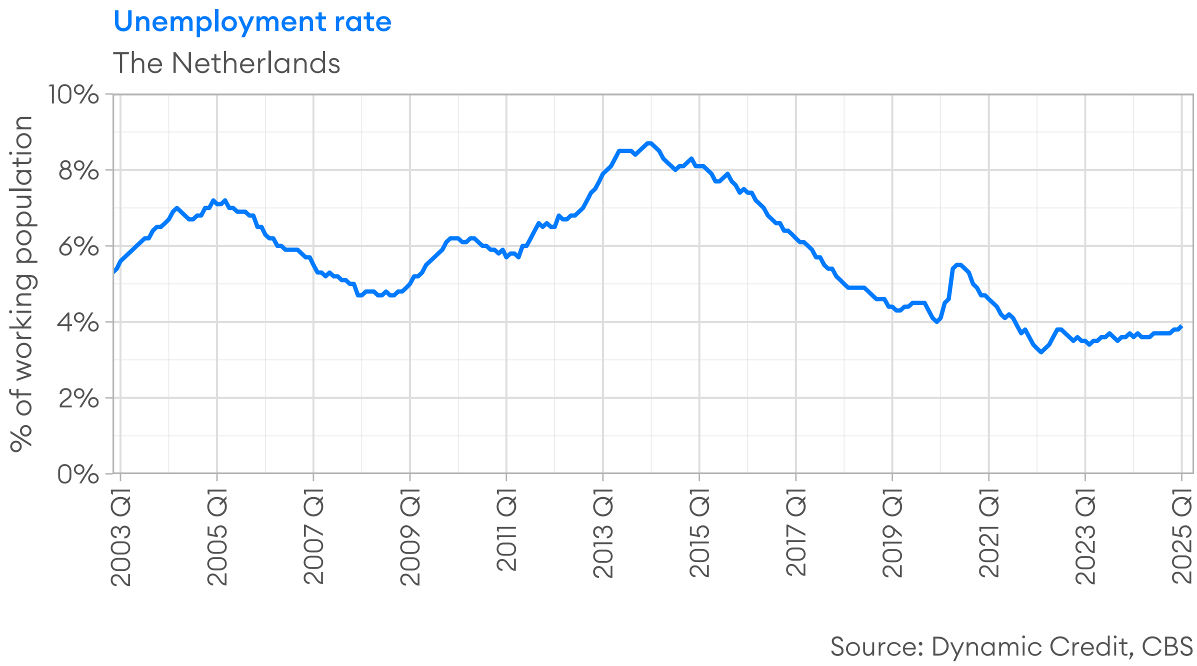


Figure 17: Unemployment rate in The Netherlands as of 2025-Q1.

1 CBS - Verdere toename werkloosheid in maart

Monetary policy[1]

As of the Governing Council meeting on 17th of April 2025, the European Central Bank ("ECB") confirmed that its 2% inflation target for the Eurozone remains in view. For the seventh consecutive meeting, the Council reduced its key interest rates by 25 basis points: the deposit facility rate was lowered to 2.25%, the main refinancing operations rate to 2.40% and the marginal lending facility rate to 2.65%. These decisions are supported by the continued disinflationary momentum and a desire to support subdued GDP growth in the Eurozone. Nonetheless, geopolitical risks including potential US tariff measures on European exports and the US Federal Reserve's own policy stance add complexity to the outlook. The ECB's path forward will therefore balance the progress toward price stability against these external headwinds.

In addition, ECB Governing Council members will hold discussions on May 6–7 in Porto to debate improving their monetary-policy strategy[2], aiming for more nimble responses to possible more frequent supply shocks in a volatile global environment. Two work-streams and the Monetary Policy Committee have prepared reports assessing past strategy, particularly the July 2021 review that failed to prevent a delayed response to the 2021–22 inflation spike and recommend clearer guidance on which indicators trigger action rather than rigid forward guidance. While all existing instruments (rates, quantitative easing, emergency facilities) remain "fit for purpose", the review suggests greater use of long-term lending to banks and more flexible deployment of tools. The final revised strategy is expected in the second half of 2025.

Bankruptcies[3]

In March 2025, the Netherlands recorded 271 business bankruptcies, marking the lowest monthly total in over a year and a half. This figure represents a 20% decrease compared to March 2024 and a 25% decline from February 2025. The bankruptcy rate, defined as the number of bankruptcies per 100,000 businesses, fell to 7.4 in March, down from 9.5 a year earlier. Since peaking at 24.8 in March 2015, the bankruptcy rate has generally trended downward, reaching a record low of 3.4 in August 2021. While the rate increased through 2024, it has since stabilized at relatively low levels. Notably, the accommodation and food services sector experienced the highest relative number of bankruptcies in March, with nearly 40 out of every 100,000 businesses going bankrupt, up from over 28 per 100,000 in March 2024. This sector also saw the most significant increase in bankruptcy rate YoY, whereas most other sectors experienced a decline.

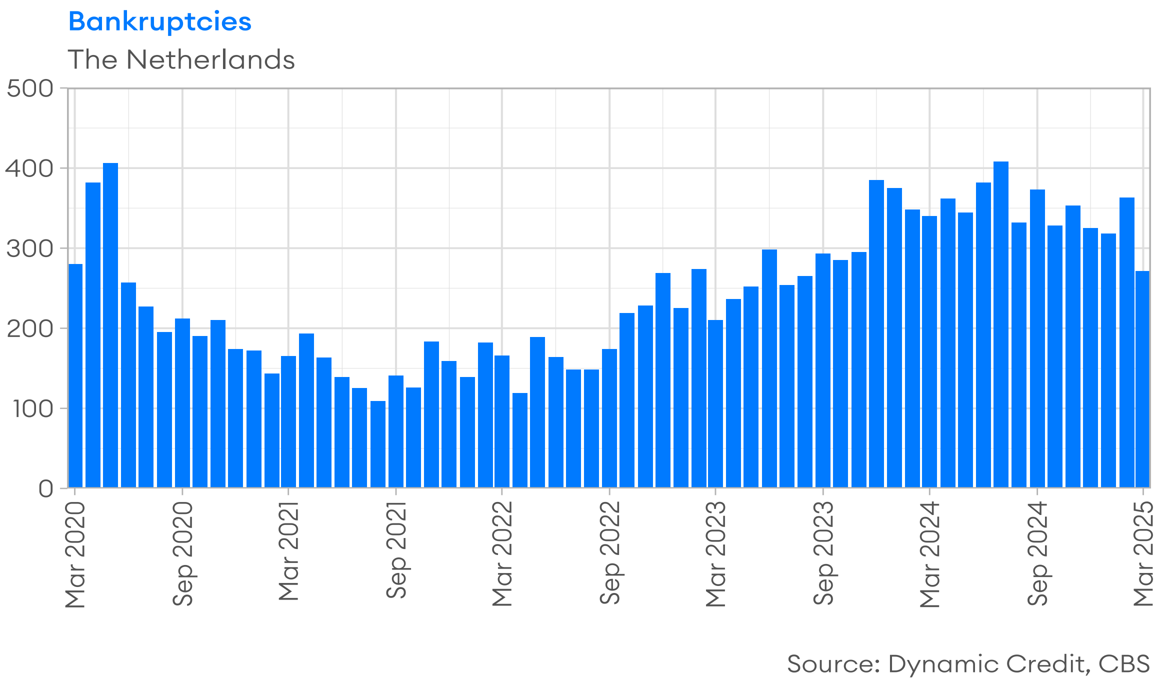


Figure 18: Monthly bankruptcies in The Netherlands as of March 2024.

1 ECB - Press releases monetary policy decisions
2 Bloomberg - ECB Drafts plan for more nimble policy moves after inflation pain
3 CBS - Een vijfde minder faillissementen in maart dan een jaar eerder

7. Sustainability Update

Sustainability news & developments

Nitrogen Emission Reduction Deadline Extended to 2035

The Dutch government has plans to extend the deadline for halving nitrogen emissions from 2030 to 2035[1]. This extension aims to give farmers more time to implement necessary measures. Femke Wiersma, Minister of Agriculture, Fisheries, Food Security and Nature presented the new nitrogen policy on the 25th of April. Former CDA leader Wopke Hoekstra and BBB leader Caroline van der Plas have previously advocated for this extension. Prime Minister Dick Schoof and a team of twelve ministers have worked on the nitrogen plan, which requires concessions from the livestock industry.

Additionally, the government plans to address water management issues, which are seen as a significant threat to vulnerable flora and fauna. The plan also includes simplifying the process for obtaining nature permits, with a new threshold that could allow many housing projects to proceed without additional permits. The estimated cost of the plan ranges from 4 to 7 billion euros, potentially rising to 20 billion euros.

European Heat Pump Sales Decline in 2024

Sales of heat pumps in Europe fell by 21% in 2024 compared to the previous year, with 2.2 million units sold versus 2.8 million in 2023[2]. The European Heat Pump Association (EHPA) attributes this decline to lower gas prices, reduced government support, and economic uncertainty. The largest drops were seen in Germany (48%) and France (39%), due to policy uncertainties and fluctuating subsidies. Conversely, the UK experienced a 63% increase in sales, driven by subsidies for heat pumps and insulation.

In the Netherlands, 110,000 heat pumps were sold in 2024, a 27% decrease from the previous year. The EHPA stresses the need for consistent policies and clear long-term plans to stabilize and grow the market. Despite the current downturn, the demand for clean heat and energy independence remains strong.

1 AD - Halvering stikstofuitstoot vijf jaar verschoven, deadline doelen naar 2035
2 EHPA - Why did heat pump sales drop in 2024?

Appendix

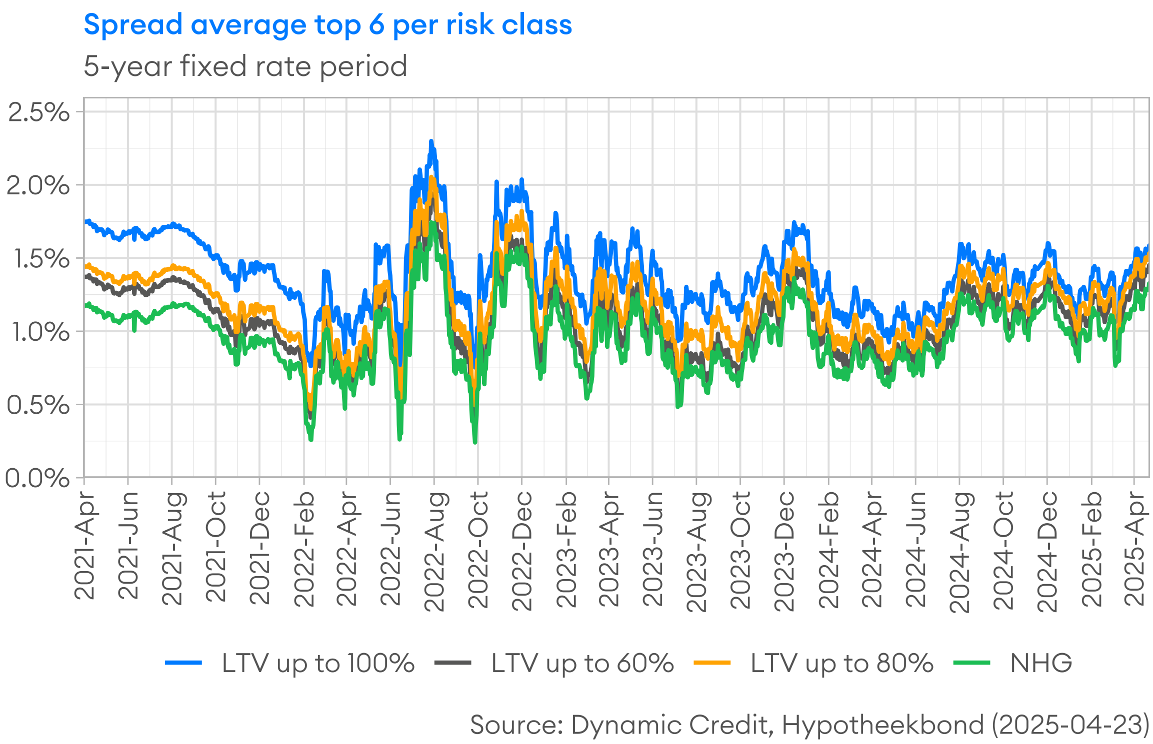


Figure A1: Spread of the average top-6 price leader mortgage rates (excluding action rates) for mortgage loans with a 5-year fixed rate period for four risk classes. Up to and including April 2025.

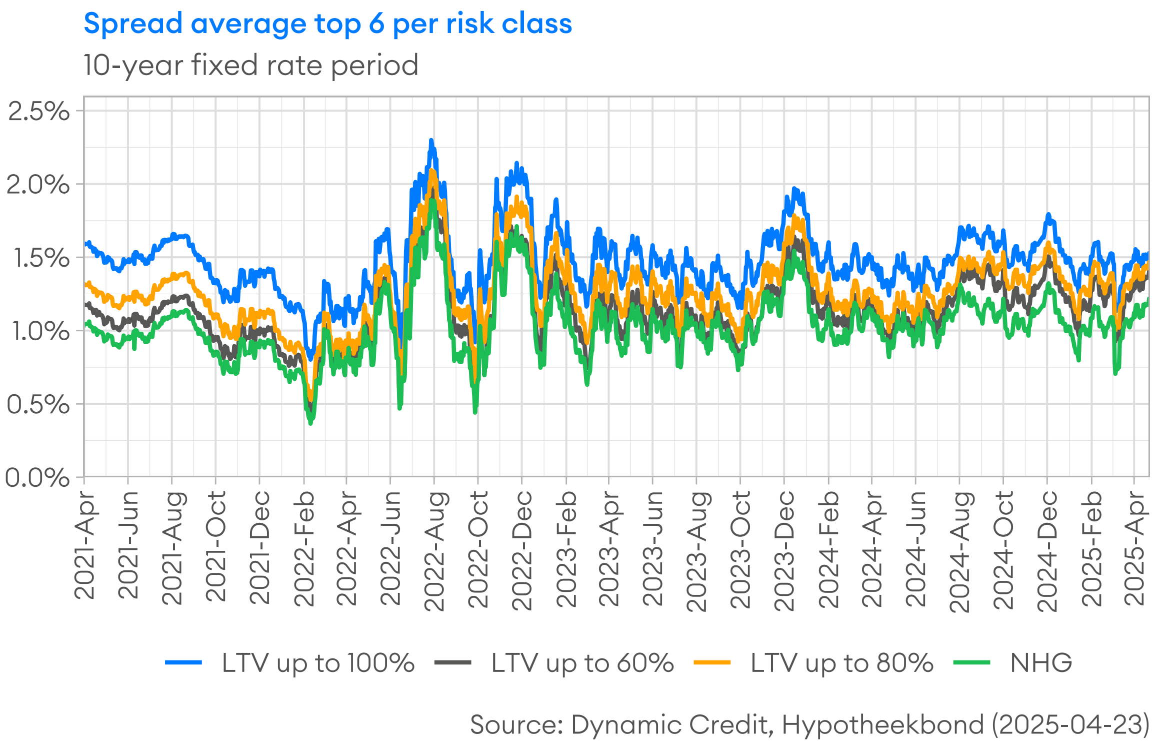


Figure A2: Spread of the average top-6 price leader mortgage rates (excluding action rates) for mortgage loans with a 10-year fixed rate period for four risk classes. Up to and including April 2025.

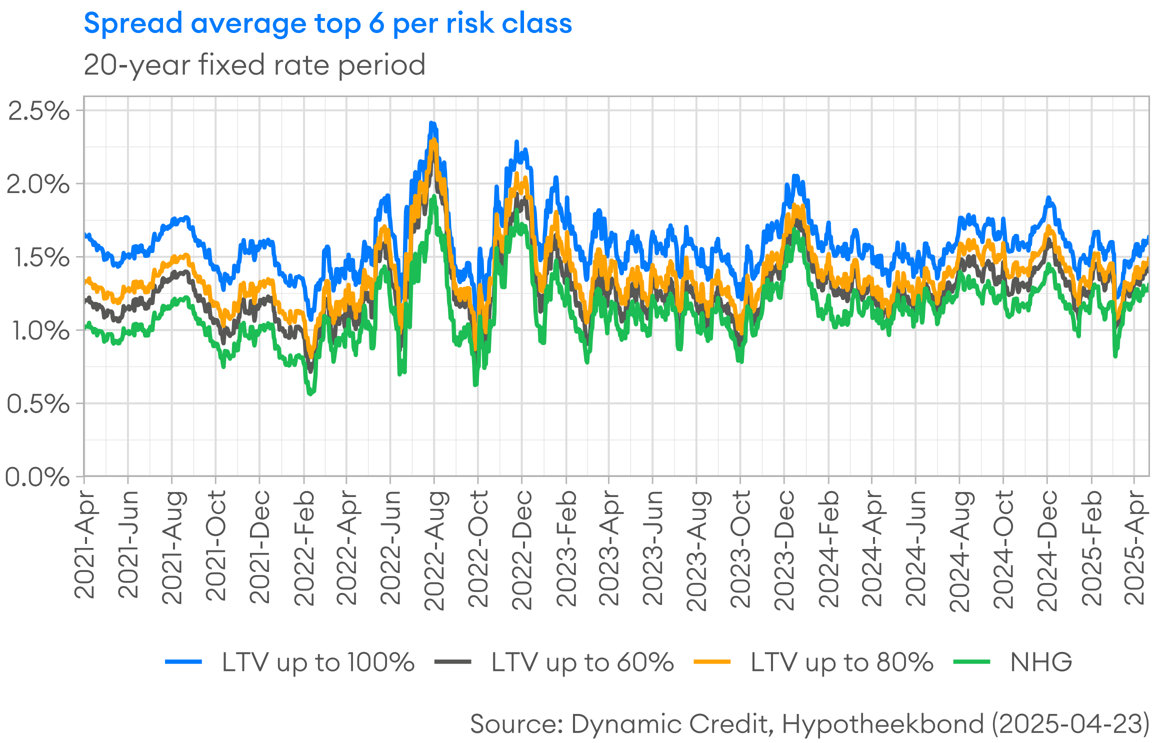


Figure A3: Spread of the average top-6 price leader mortgage rates (excluding action rates) for mortgage loans with a 20-year fixed rate period for four risk classes. Up to and including April 2025.

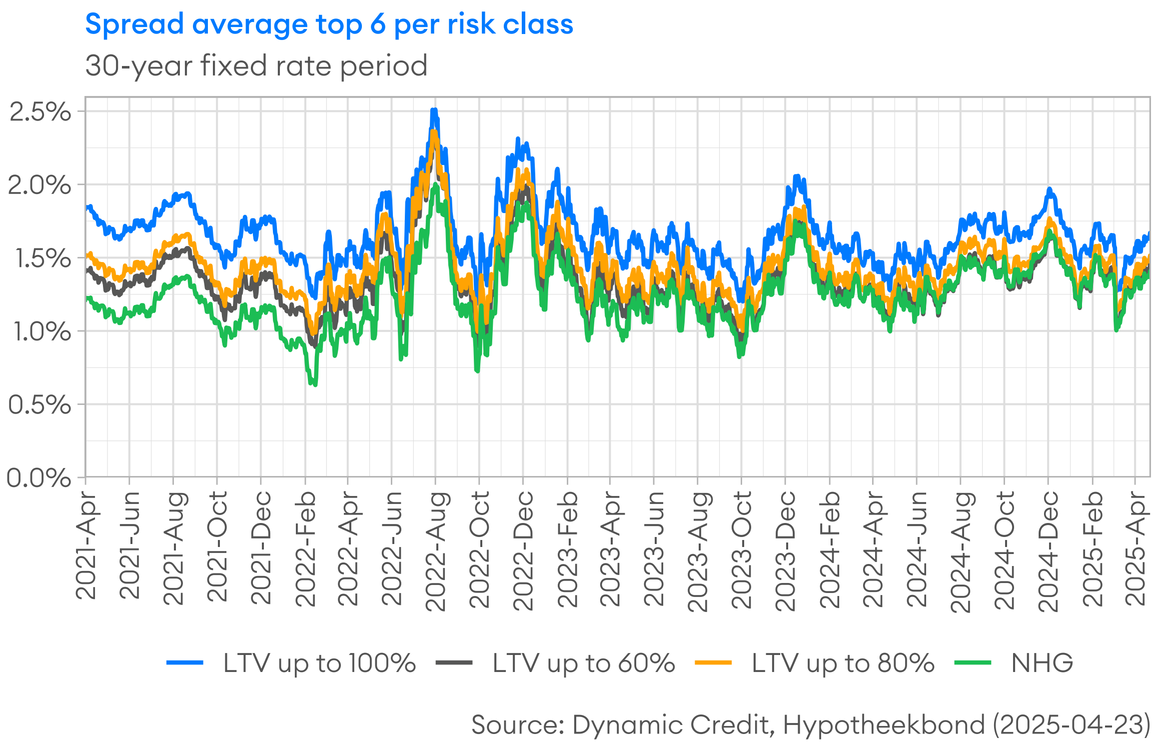


Figure A4: Spread of the average top-6 price leader mortgage rates (excluding action rates) for mortgage loans with a 30-year fixed rate period for four risk classes. Up to and including April 2025.

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