



Press release

Statistics Netherlands

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Mortgage market breaks all records

New mortgages worth nearly 50 billion guilders were registered in the third quarter of this year, according to Statistics Netherlands the highest amount ever recorded in one quarter. The total outstanding mortgage debt also rose strongly: by 22 billion guilders. The number of registered mortgages and the average amount per mortgage also reached new records. In the previous quarter, 183 thousand new mortgage loans were granted. Only 40% of these loans were used to finance the purchase of a home.

Continuous growth for years now

The amount of new mortgages was 44% higher in the third quarter than in the same quarter last year. The increase is substantially larger than that in previous quarters. The amount of new mortgage loans has been increasing continuously since the end of 1995.

House prices leap up

The average house price (excl. newly built homes) was 324 thousand guilders in the third quarter of this year, 17% more than in the same quarter in 1998. The average mortgage amount rose by 12% in the same period, and - at 266 thousand - is substantially lower.

Interest rates rising again

Capital interest rates have been increasing since January of this year. Banks and institutional investors have put up their rates by 0.8 of a percent point. However, as it takes some time before this has an effect on the average interest rates for new mortgages, these rates were the same in the third quarter as in the first quarter of this year.

Statistics Netherlands
Press Office

P.O. Box 4000
2270 JM Voorburg
The Netherlands
tel. +31 70 337 58 16
fax +31 70 337 59 71
e-mail:
persdienst@cbs.nl

Statistics Netherlands
is a department of
the Ministry of
Economic Affairs

Total debt increasing strongly

The total outstanding mortgage debt rose by 22 billion guilders to 544 billion guilders in the third quarter. This increase is considerably larger than the 15 billion guilder increase in the same quarter last year.

Re-mortgages still popular

In the third quarter 183 thousand new mortgages were granted on homes, an absolute record. Only 40% of these loans were intended to buy new homes. The still high number re-mortgages often make use of the surplus value that has developed in recent years.

Consumer credit also rising strongly

Statistics Netherlands' figures also show that consumers took out private loans for a 15% higher amount than in the same period last year. The total amount of consumer credit in this period was 6 billion guilders, again a new record. The total outstanding amount in consumer credit was nearly 30 billion guilders at the end of September. At the same time consumers were in the red for a total of 9.5 billion guilders on their current accounts.

For further information, please contact Mr. W. Vissers, tel. +31 70 337 45 76.; e-mail: wvss@cbs.nl.