



Press release

Statistics Netherlands

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Substantial increase in new mortgages

In 1999 the number of new mortgages registered increased substantially. According to the latest figures by Statistics Netherlands the number is up 15% on 1998. This was an all-time record number of mortgages issued for private homes in a single year.

By the end of the fourth quarter, however, the trend started to change, showing the first decrease in a long time in the number of new mortgages. This decrease is entirely due to the fact that there were fewer renegotiated mortgages. The average mortgage now amounts to 259 thousand guilders, up 13% in 1999.

Fourth quarter turn

In 1999 some 665 thousand mortgages for private homes were registered. A record number, up 15% on 1998. There was a change in the fourth quarter when the number of newly registered mortgages was down 7% on the fourth quarter of 1998.

Interest rate up

Between May and December of 1999 the interest rates of several major money suppliers went up 1.4 percentage points. This was a consequence of the rise in the interest rate on the capital market. A drop in the number of new mortgages is often related to an increase in the interest rate. The development is in line with this.

More renegotiated mortgages

In 1999 more than half (56%) of the 665 thousand newly registered mortgages for private dwellings was not for financing the purchase of a house. This percentage is far higher than in 1998. Here too the fourth quarter is different from the rest: in the

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fourth quarter only half of the new mortgages were not intended for the purchase of houses. This means that the number of renegotiated mortgages is still high, but not as high as in the previous quarters.

Higher house prices

The average price for existing owner-occupied dwellings in 1999 was 316 thousand guilders. This is a hefty 16% up on 1998. The average amount for which a mortgage was issued likewise increased substantially, by 13%.

Two hundred thousand guilders owed per dwelling

The amount owed in the outstanding mortgages increased by 73 billion guilders in a single year to a total of 559 billion guilders by the end of 1999. This increase is much higher than in 1998, when the amount outstanding went up by 60 billion guilders. Currently the debt for mortgaged dwellings averages 200 thousand guilders.

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