



Press release

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Fewer mortgages in the first quarter of 2003

According to the latest figures by Statistics Netherlands, some 106 thousand new mortgages were registered at the Land Registry Office in the first quarter of 2003. This is 8 percent less than in the first quarter of 2002.

The decrease is mainly due the fall in real estate transactions. The average selling price of dwellings was 201 thousand euro, slightly higher than a year ago. The mortgage rate was 4.7 percent, the lowest since the first quarter of 1962.

Fewer transactions

The number of new mortgages supplied for dwellings reached 106 thousand, down 8 percent on the first quarter of 2002. This decrease is mainly due to a fall in the number of real estate transactions in the housing market (-11 percent). The number of renegotiated and second mortgages did not fall by as much (-5 percent). Over half of all new mortgages on dwellings were renegotiated or second mortgages.

Lowest mortgage rate in 40 years

The average mortgage rate has been falling since June 2002. In the first quarter of 2003, it fell to 4.7 percent, the lowest rate since the second quarter of 1962. Yet the number of houses sold fell in spite of the low mortgage rate. This is due to uncertainty among consumers as expressed in the low consumer confidence levels.

Dwellings barely more expensive than a year ago

The selling price of a dwelling averaged 201 thousand euro in the first quarter of 2003. On average a dwelling cost 3 percent more than in the first quarter of 2002. This increase is almost identical to the inflation rate.

This meant the year-on-year increase in house prices fell again. In the third quarter of 2002 the average selling price for houses reached its peak, so far, at 203 thousand euro.

In the first quarter of 2003 the average new mortgage was 169 thousand euro, up 8 percent on the same period of 2002.

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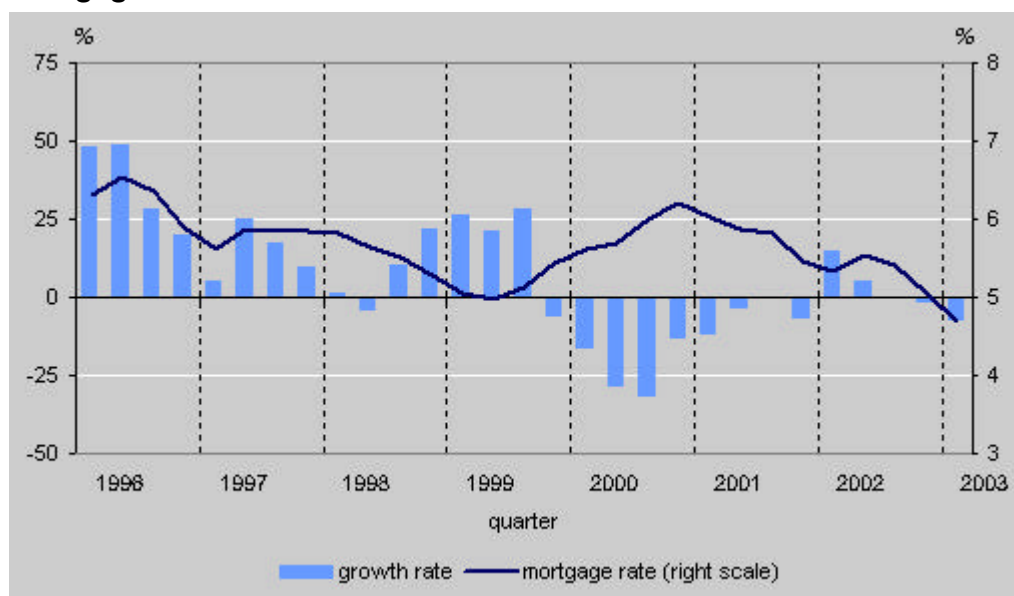
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Outstanding mortgages increased to 355 billion

The total outstanding debt in mortgages on dwellings increased in the first quarter van 2003 to an amount of 355 billion euro. The average dwelling had a mortgage of 111 thousand euro. Almost 90 percent of all dwellings owned is mortgaged.

Mortgages: growth rate on the same quarter in the previous year and mortgage rate



Average mortgage rate 1943-2003

