



Press release

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More mortgages in second quarter

In the second quarter of 2003, 134 thousand new house mortgages were registered with the Netherlands' land registry office. According to figures from Statistics Netherlands this is 6 percent more than twelve months previously. The increase is completely accounted for by increase in renegotiated mortgages, prompted by the reduction in the mortgage interest rate. The mortgage interest rate is now at its lowest since 1956.

More renegotiated mortgages, fewer new houses

There was a 6 percent rise in new house mortgages in the second quarter of 2003 compared with the same period in 2002. The increase was caused entirely by the number of renegotiated mortgages, which was 17 percent higher. The number of homes sold fell by 6 percent compared with twelve months previously. This decrease is connected with the increasing uncertainty among consumers, as reflected in the low consumer confidence.

Lowest mortgage rates since 1956

The average rate of interest for mortgage loans is 4.5 percent, the lowest level since 1956. Mortgage lending rates have fallen by 1 percent point in the last twelve months. This decrease is in line with developments on the capital market in this period.

Recent developments on the capital market have prompted a number of banks and institutional investors to increase their mortgage interest rates. Since mid June 2003 interest on government loans with a term of 5 to 8 years has risen by 0.9 of a percent point. However, it will take a while before this has filters through to the average mortgage rate.

House prices hardly up on last year

The average house price was 203 thousand euro in the second quarter of this year. Compared with the second quarter of 2002 the average house price has increased by 32.3 percent. The average amount of a new mortgage loan in the second quarter was 172 thousand euro. This is nearly 9 percent more than in the same period last year.

Outstanding mortgage rose to 113 thousand euro on average

The total outstanding mortgage debt rose to 363 billion euro in the second quarter. The average outstanding debt per home under mortgage was 113 thousand euro. Nearly 90 percent of homes in the Netherlands are mortgaged.