

REAL ESTATE

Dutch rental market

Increasing interest from abroad to invest

By Joost Donkersloot

There is increasing interest from abroad to invest in the Dutch rental market. Minister Block (Housing and Civil Service) confirmed that recently in the House of Parliament. "I receive those signals in discussions with market participants and investors," says Block. "The Netherlands has the image of a reliable country and you can sense that there is perception that this is the time to take action." Of course also the Netherlands suffered from the effect of the economic crisis which has lowered prices for real estate. But there is a growing feeling that this now has come to a stop. This combination is said to be the cause of the increased interest. Of course, investors expect that the economic recovery will prevail and that prices will rise again.

Block responded to a message on

the website "Vastgoedmarkt" (Property Market) stating that foreign investors want to invest in Dutch housing and office space. A director of a real estate consultant had said to "Vastgoedmarkt": "In the twenty years that I am active in the housing market, I have never seen so many direct interest of foreign investors: German and Anglo-Saxon parties are about to close major deals. Before the end of 2013 or the beginning of 2014 transactions up to 100 million euros each will come off."

According Block it would be interesting for the Netherlands if there would be invested in the mid-market of housing, with rental prices between 680 and 900 euros. Especially in the mid-market of housing there is a shortage. Mid-market is the part where you pay rent from about € 680 and up. In Holland this is called "geliberaliseerde huur" (liberalized rent). That is called so, because

there are no strict regulations concerning the rental prices from this amount and higher. For the rental prices lower than that, there are stringent regulations for the amount of rent and the way in which the rent can be adjusted. The Minister further said he was happy with the fact that there was 20 percent more interest last Saturday for the "open huizendag" (organised day for viewing housing that is for rent).

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