Dutch Living Outlook 2026-2028

Bouwinvest Real Estate Investors

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Index

Living Outlook 2026-2028
Economy & capital markets

Van Heekplein 52, Enschede

Cautious recovery and solid foundations for Dutch real estate

Global economy faces challenges yet maintains steady growth

The world economy shows resilience, while it remains under strain from geopolitical tensions. Over the past year, an escalation in trade protectionism, notably new US import tariffs and retaliatory measures, has begun to drag on global trade volumes and investment. Business confidence has been dented by these policies, as well as conflicts such as the war in Ukraine and conflicts in the Middle East, pushing global uncertainty to its highest level in decades.

As a result, global growth is slowing, but importantly a broad recession still appears unlikely. In the United States and other major markets, domestic demand has held up better than expected. Meanwhile, inflation pressures, that spiked worldwide last year, are gradually easing, allowing central banks to step back from aggressive tightening. In Europe, for example, the ECB has begun cutting interest rates, now that Eurozone inflation is back near 2-3%. This gentler monetary backdrop is improving sentiment in equity and bond markets. Overall, despite myriad risks in 2025 the global economy is managing a slower but positive growth path, and policymakers are cautiously shifting from fighting inflation to supporting growth.

Dutch economy: resilient fundamentals with strings attached

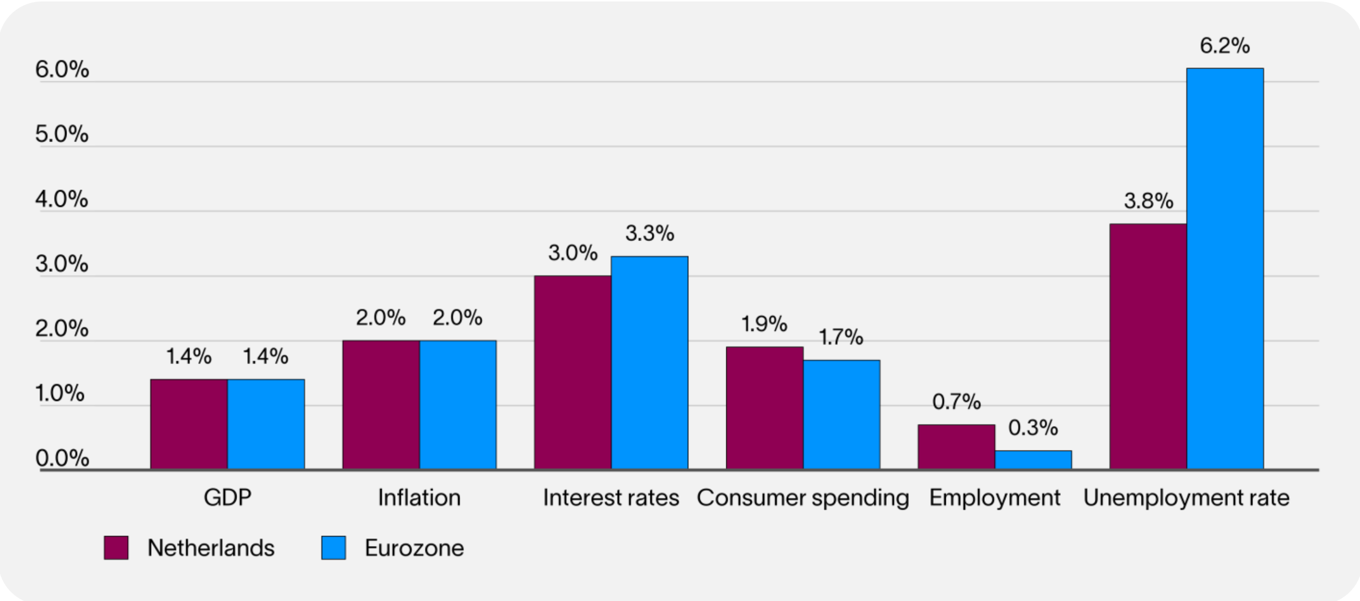
The Dutch economy enters the second half of the decade with a cautiously optimistic outlook, shaped by a mix of global headwinds and domestic stabilisation. After a subdued performance in 2025, marked by weak external demand and trade-related uncertainty, growth is expected to gradually pick up over the 2026-2028 horizon. GDP is forecast to grow by 0.7% in 2026, with a modest acceleration to around 1.5% by 2028, supported by easing monetary conditions and recovering real incomes.

One of the key drivers of this recovery will be the normalisation of inflation. Following a sharp decline from double-digit levels in 2022–2023, Dutch inflation is projected to average 2.0% in 2026 and stabilise near the European Central Bank's target thereafter. This disinflationary trend is underpinned by falling energy prices, cooling wage growth, and the dampening effect of global trade frictions on demand. As inflation pressures ease, the ECB has already begun trimming interest rates, and further cuts are expected through 2026. This shift will gradually reduce financing costs for businesses and households, improving conditions for investment and consumption.

Rising structural spending pressures, particularly on defence and healthcare, are expected to push public debt levels higher across Europe, including in the Netherlands. Although the Dutch fiscal position remains relatively strong, markets are increasingly pricing in long-term expenditure commitments that may limit future budgetary flexibility. This contributes to a higher neutral interest rate, as governments compete for capital in an environment of sustained borrowing needs. As a result, Dutch long-term interest rates are likely to remain above previous forecasts, even as inflation moderates.

Private investment, previously hampered by trade uncertainty and geopolitical volatility, is poised to recover as confidence improves. The anticipated formation of a centrist coalition government after the October 2025 elections should bring greater policy clarity and prudent fiscal management, supporting key sectors. This stability is expected to encourage firms to revive delayed capital projects, notably in infrastructure, energy transition, and digitalisation. Nevertheless, the fragmented Dutch political landscape may prolong any cabinet formation, potentially delaying the anticipated rebound.

Figure 2: Average annual growth rates* (2026-2028) for key economic indicators



Source: Oxford Economics, edited by Bouwinvest Research (2025)
**Note: interest rate and unemployment rate are no growth figures*

Labour market dynamics will also play a central role in shaping the medium-term outlook. While wage growth has cooled from its post-pandemic highs, it remains elevated enough to support household purchasing power. Unemployment is expected to remain low, hovering around 4.0% through 2026–2028, reflecting the resilience of the Dutch labour market and demographic pressures. However, structural challenges, such as an ageing workforce and skills mismatches, will require targeted policy responses to sustain productivity and participation rates.

Externally, the Netherlands remains exposed to global trade tensions and the evolving geopolitical landscape. The country's open economy is particularly sensitive to shifts in tariff regimes and supply chain realignments. While the worst of the trade disruptions may be behind us, the medium-term outlook assumes continued volatility in global trade flows. Dutch exporters will need to adapt to a more fragmented global trading system, with increased emphasis on regionalisation and strategic partnerships.

> 'The Dutch economy is poised for a gradual recovery supported by easing inflation, accommodative monetary policy, and a more stable political environment. The underlying fundamentals suggest a return to moderate, sustainable growth.'

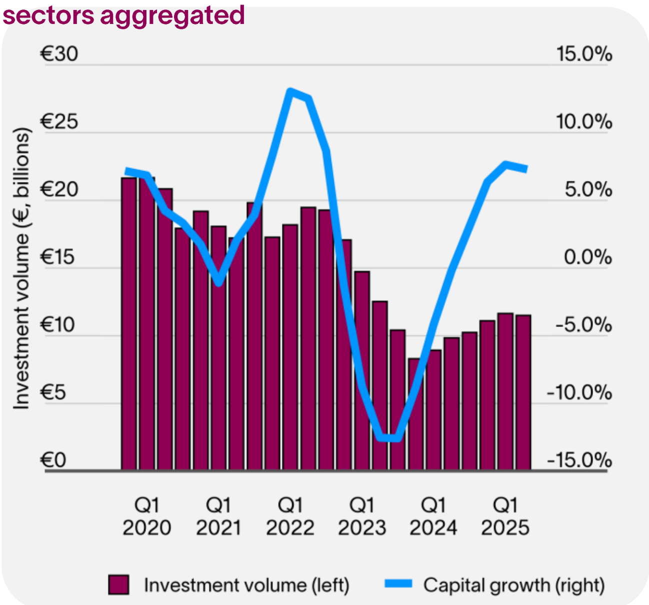
Cautious optimism and a subdued recovery in the real estate investment market

After a sharp downturn in 2024, when global real estate fundraising fell to the lowest level in a decade, investor sentiment remains cautious in 2025. High interest rates and geopolitical turbulence have kept transaction volumes subdued. Investor strategy has turned defensive: investors are prioritising secure income over speculative yield compression. This means increased demand for debt funds and credit strategies, which offer attractive risk-adjusted yields in an environment with high interest rates. Capital raising by real estate debt funds has accelerated markedly this year. In contrast, equity flows into traditional real estate funds remain weak.

Regional preferences are also shifting: North America is seeing reduced appetite, as major institutional investors (e.g. Canadian pension funds) have 'put the brakes' on U.S. real estate investments, citing rising construction costs, labour shortages (worsened by immigration curbs), and policy uncertainties like tariffs and tax changes. Some are reallocating capital to Europe and Asia, which are seen as more stable. Also, cross-border investment within Europe is picking up to fill the gap left by waning U.S. activity.

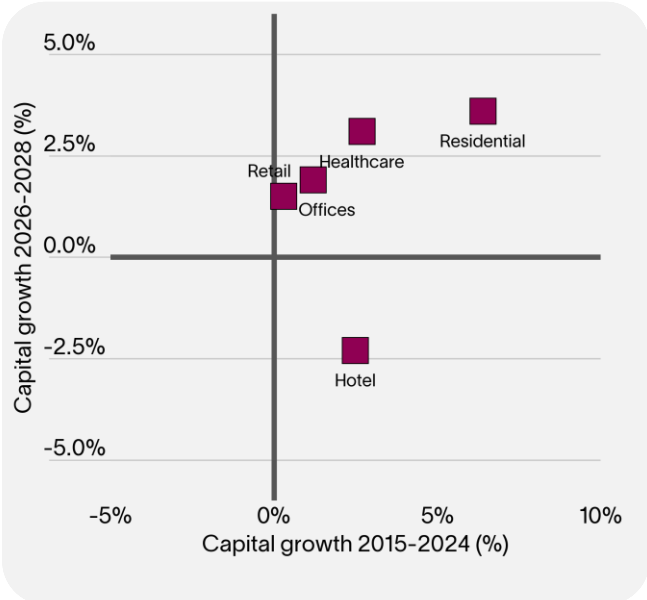
Dutch investment volumes saw a moderate rebound in 2024 after a very slow 2023 (e.g. Dutch transactions totalled nearly €2.6 billion in H1 2025, up 8% compared with H1 2024). Data for the 2025 year-to-date show a mixed picture: some sectors are recovering strongly while others are lagging. Notably, retail investments have more than doubled in the first half of 2025 compared with 2024, thanks to several mid-sized shopping centre deals and strong demand for grocery-anchored assets. In addition, residential, healthcare and hotels are in favour, but logistics investments remain subdued. Investments in the office sector remained stable compared with last year.

Figure 3: Investment volume (€ billion, 12-month rolling) and capital growth (%, y-o-y) for all Dutch sectors aggregated



Source: CBRE, MSCI, edited by Bouwinvest Research (2025)

Figure 4: Realised vs expected capital growth per sector (annualised, base scenario)



Source: MSCI, Bouwinvest Research (2025)

Overall market sentiment in the Netherlands has improved – more buyers and sellers are coming to terms, and full-year 2025 investment volumes are expected to be slightly higher than in 2024. However, investors are maintaining a cautious stance, focusing on high-quality, well-leased properties in prime locations. In uncertain times, investors value stable rental income streams, which has made sectors like rental housing, grocery retail, and healthcare real estate relatively popular thanks to their resilience. The market is highly polarised: core assets (e.g. modern prime residential, convenience retail and sustainable offices in city centres) are attracting more interest, giving them more pricing stability than secondary assets.

Both globally and in the Netherlands, the road to recovery is proving longer than last year's outlook anticipated. In late 2024, consensus was that real estate values would start picking up by mid-2025, but persistent macro headwinds, geopolitical risks and pension fund's full allocations to real estate have delayed that rebound. We have reduced our three-year forecast for capital growth slightly, anticipating a slower and longer recovery. This is primarily due to higher interest rates than anticipated, but also an unsupportive fiscal environment in the Netherlands. In general, we remain positive-but-prudent: the Netherlands is still seen as a safe haven with solid fundamentals. Patience is required and 2026 can be seen as an attractive entry point for Dutch real estate investments.

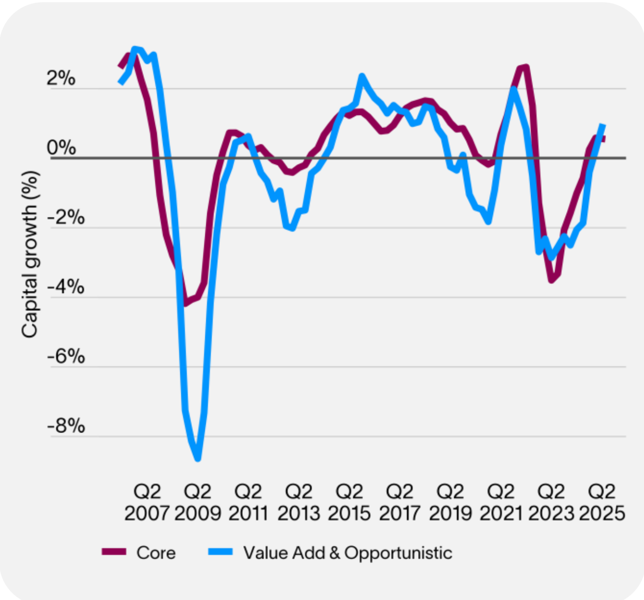
Balancing risk and return: why core strategies lead the way

In the current economic climate, core real estate strategies present a compelling proposition for investors seeking stability, reliable income, and long-term resilience. Recent performance data from European non-listed real estate vehicles indicate that core portfolios consistently deliver mid-single-digit returns with relatively low volatility. This is supported by high occupancy rates, long lease terms, and robust tenant covenants, which together generate predictable cash flows and help to preserve capital.

Analysis of capital growth data demonstrates that real estate in core strategies has outperformed that of value-add* strategies. Over the past decade, core assets have achieved average quarterly capital growth of approximately 0.5%. In contrast, value-add assets have shown a flat average growth of 0.0% over the same period. Not only are average returns notably higher, but the range between the upper and lower quartile is much narrower for core strategies than for value-add and opportunistic approaches. This wider dispersion in value-add returns underscores a significantly higher risk profile. To emphasise this, value-add funds frequently employ leverage at the fund level, which serves to amplify both potential gains and inherent risks. Given the current uncertain macroeconomic backdrop, the more stable risk-return characteristics of core strategies stand out as an especially attractive alternative.

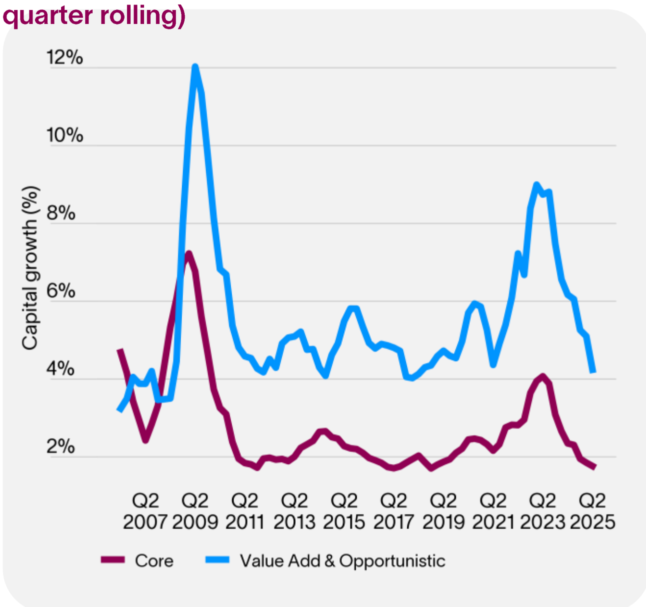
Investor preference data further illustrates a broader shift in sentiment, as market participants respond to higher interest rates, still tight credit conditions, and a slower-than-anticipated economic recovery. In these circumstances, the risk-adjusted returns provided by core strategies become ever more appealing. Additionally, the wider macroeconomic context—marked by high global national debt levels, elevated borrowing costs, and constrained supply pipelines—favours income-generating assets with strong fundamentals. Core real estate fits this profile exceptionally well, offering diversification, inflation hedging, and a defensive stance within multi-asset portfolios.

Figure 5: Capital growth at asset level per strategy (four-quarter rolling)



Source: INREV, edited by Bouwinvest Research (2025)

Figure 6: Spread between upper and lower quartile capital growth at asset level per strategy (four4-quarter rolling)

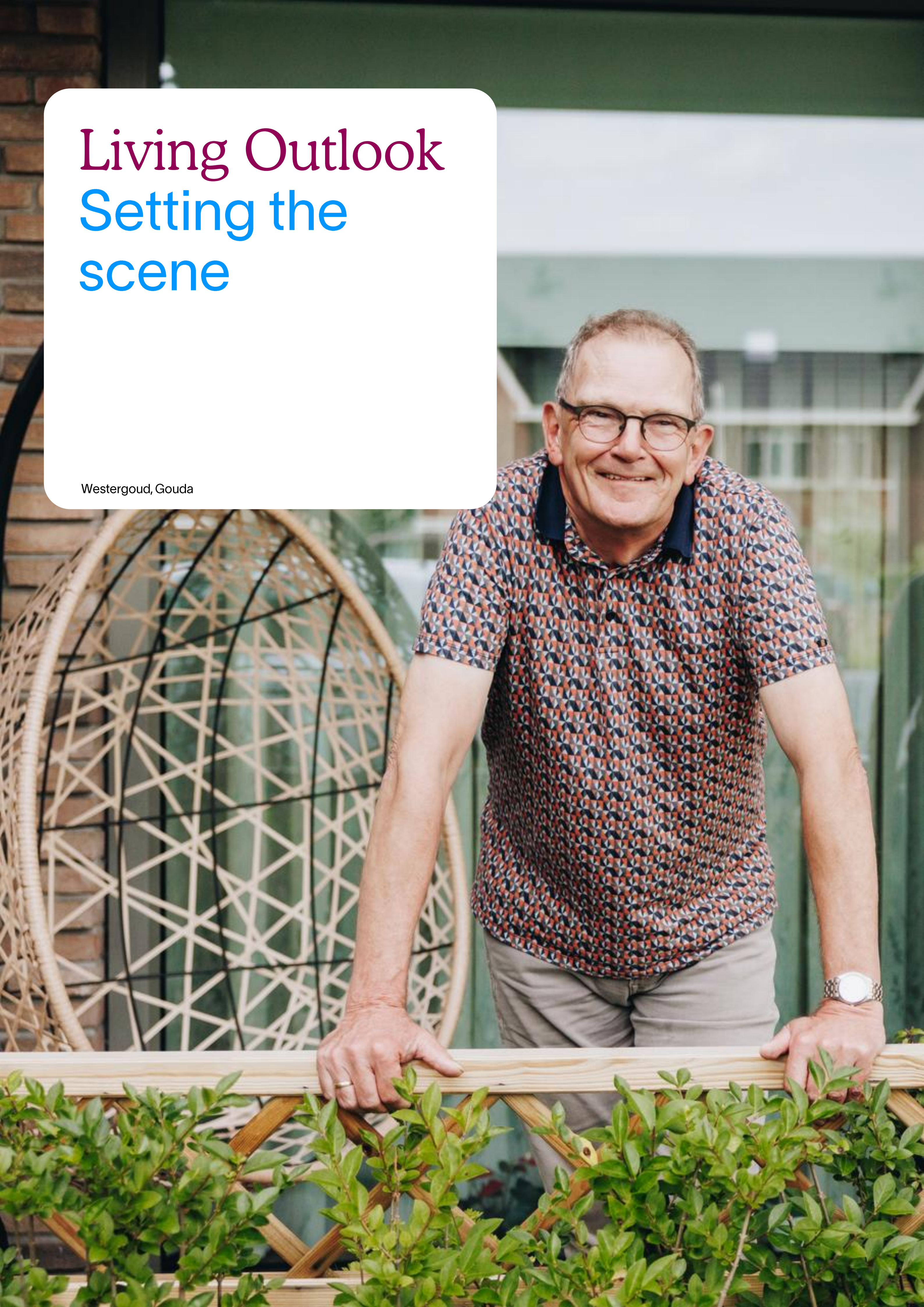


Source: INREV, edited by Bouwinvest Research (2025)

* Note: In this analysis, value-add is defined as a strategy that combines higher leverage with the deployment of capital expenditures (capex) aimed at enhancing the value of real estate assets through targeted improvements.

Living Outlook
Setting the scene

Westergoud, Gouda



Living Outlook | Setting the scene

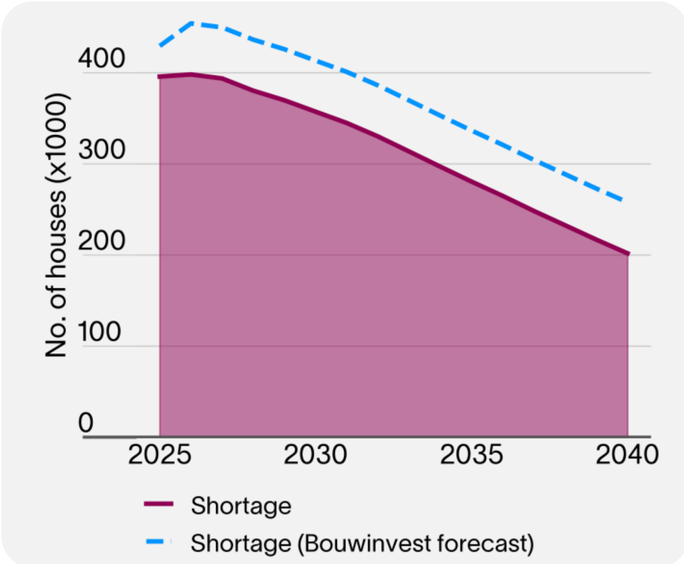
- **Overall demographic fundamentals remain strong with stable and positive forecast household growth**
- **Growing housing shortage; household growth continues to outpace the number of newly built homes**
- **Demographic shifts have significant implications for housing demand, both in terms of quantity and types of housing needed**

The housing shortage continues to dominate the public and political debate in the Netherlands. The numbers are pressing and the call for more housing is loud and clear. Yet behind these figures lies a more nuanced reality. The composition of the population is shifting due to ageing, smaller households and changing migration patterns, and as a result housing preferences are evolving. Understanding these underlying dynamics is essential to create a future-proof and sustainable housing stock. In this outlook, we explore the data and trends from both a demand and supply perspective. We then go on to examine what this means for investors and the investment opportunities that emerge from this deeper insight.

That said, the Netherlands is currently facing a severe housing shortage of approximately 396,000 homes, equivalent to 4.8% of the total housing stock. This shortage is unlikely to be resolved in the short term. In fact, we expect the housing deficit to worsen in the coming years. Household formation is expected to increase by an average of 80,000 per annum over the next two years, while our forecast indicates that only 57,000 newly built houses will be added annually to the housing stock during the same period. After accounting for demolitions, this means the housing shortage will grow by approximately 58,000 homes over the next two years, rising from 396,000 to 454,000 (figure 1).

This growing imbalance will lead to increased pressure on the housing market, resulting in further price increases in both the owner-occupied and rental segments. While the housing shortage is a nationwide issue, there are regional differences. The deficit is most acute, both in absolute and relative terms, in and around the G5 cities (Amsterdam, Rotterdam, The Hague, Utrecht, and Eindhoven), and this trend is expected to persist in the future.

Figure 1: Expected housing shortage, 2025-2040



Source: ABF Research, Bouwinvest Research, 2025

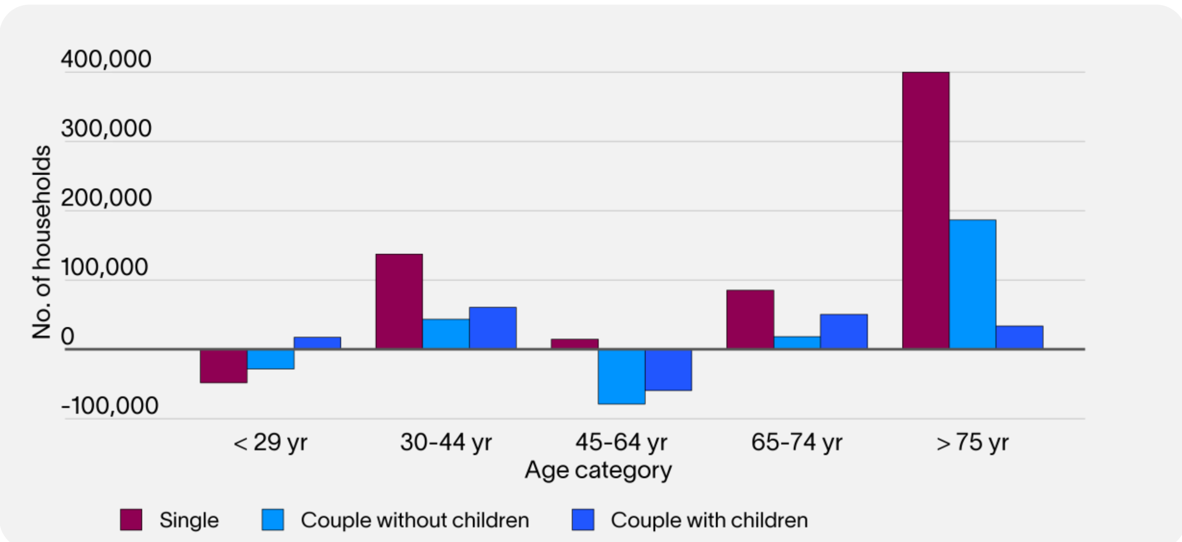
We need to look beyond the housing shortage

The housing shortage is driven not only by insufficient new construction, but also, perhaps even more so, by the rapid growth in the number of households. Projections indicate that the number of households will have increased by 829,000 by 2040, representing a growth of 9.8%. When we break down this growth by age group and household composition, two key trends stand out (figure 2):

- The strongest growth is expected among households aged 75 and older (+619,000 households)
- The number of single-person households is rising across nearly all age categories (+587,000 households)

These demographic shifts have significant implications for housing demand, both in terms of quantity and the types of housing needed. Understanding these patterns is essential for anticipating future market dynamics and making informed investment decisions.

Figure 2: Household growth by age and type, 2025-2040

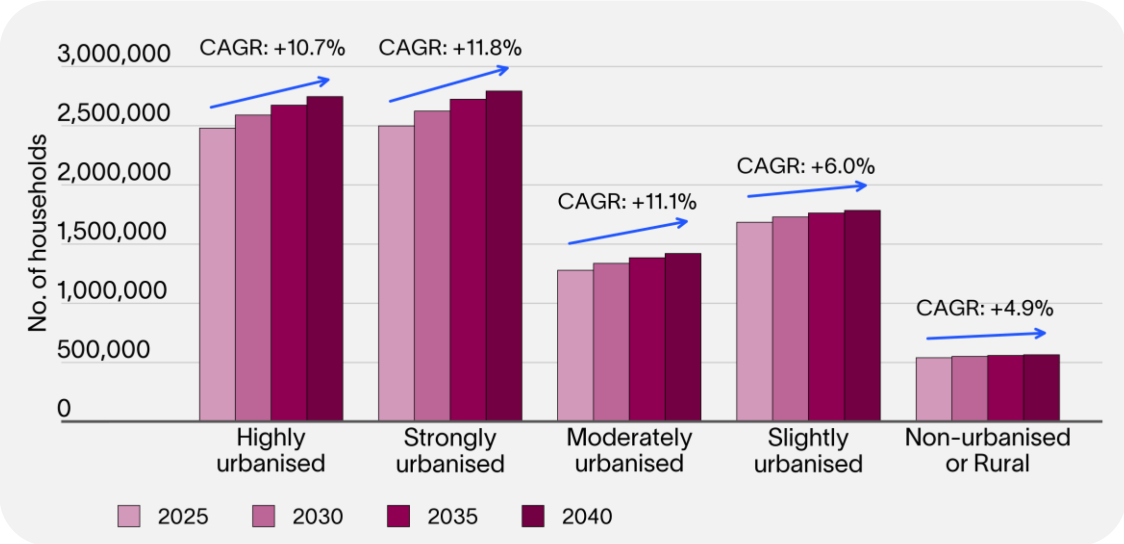


Source: ABF Research, 2025

- **Largest absolute increase is expected to occur in highly urbanised and strongly urbanised areas**
- **Housing mobility is highest at the edges of the housing journey**
- **In a dynamic housing market, it is essential to align supply with the evolving preferences of different age groups**

As shown in figure 3, the number of households is increasing across the board. However, as in the trends in age groups and household composition, there are clear regional differences in this growth. The largest absolute increase is expected to occur in highly urbanised and strongly urbanised areas. These regions are projected to grow by approximately 560,000 households, accounting for two-thirds of the total household growth. The vast majority of these areas fall within the spheres of influence of the G5/Holland Metropole.

Figure 3: Household growth degree of urbanisation, 2025-2040



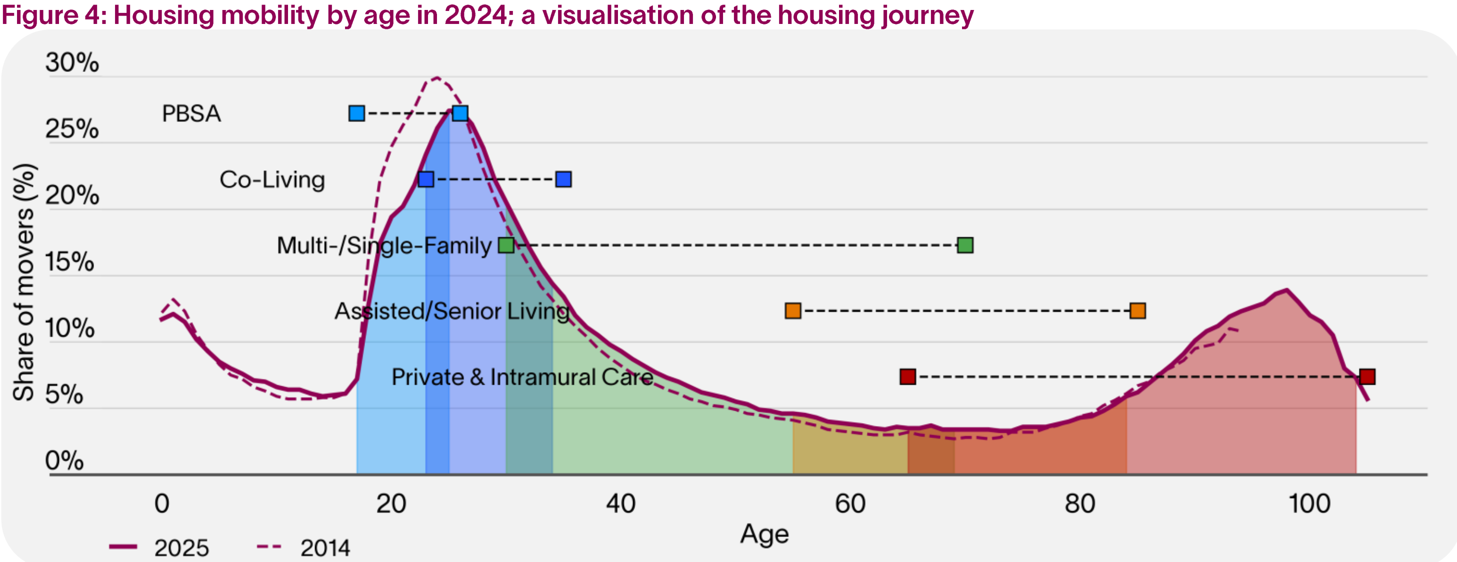
Source: ABF Research, 2025

One size does not fit all when it comes to living products

The previous paragraphs outlined a rough framework identifying which demographic groups are expected to drive housing demand and where this growth is likely to occur. The next key question is: what types of housing products best meet the needs of these households? In a dynamic housing market, it is essential to align supply with the evolving preferences of different age groups. Each stage of life brings distinct needs in terms of housing type, location, and affordability. Figure 4 presents Bouwinvest's conceptual overview of the housing journey, linking various life stages to corresponding living segments that can meet these diverse requirements. This housing journey forms the central theme of this outlook, and we will discuss key trends affecting each phase of the housing journey.

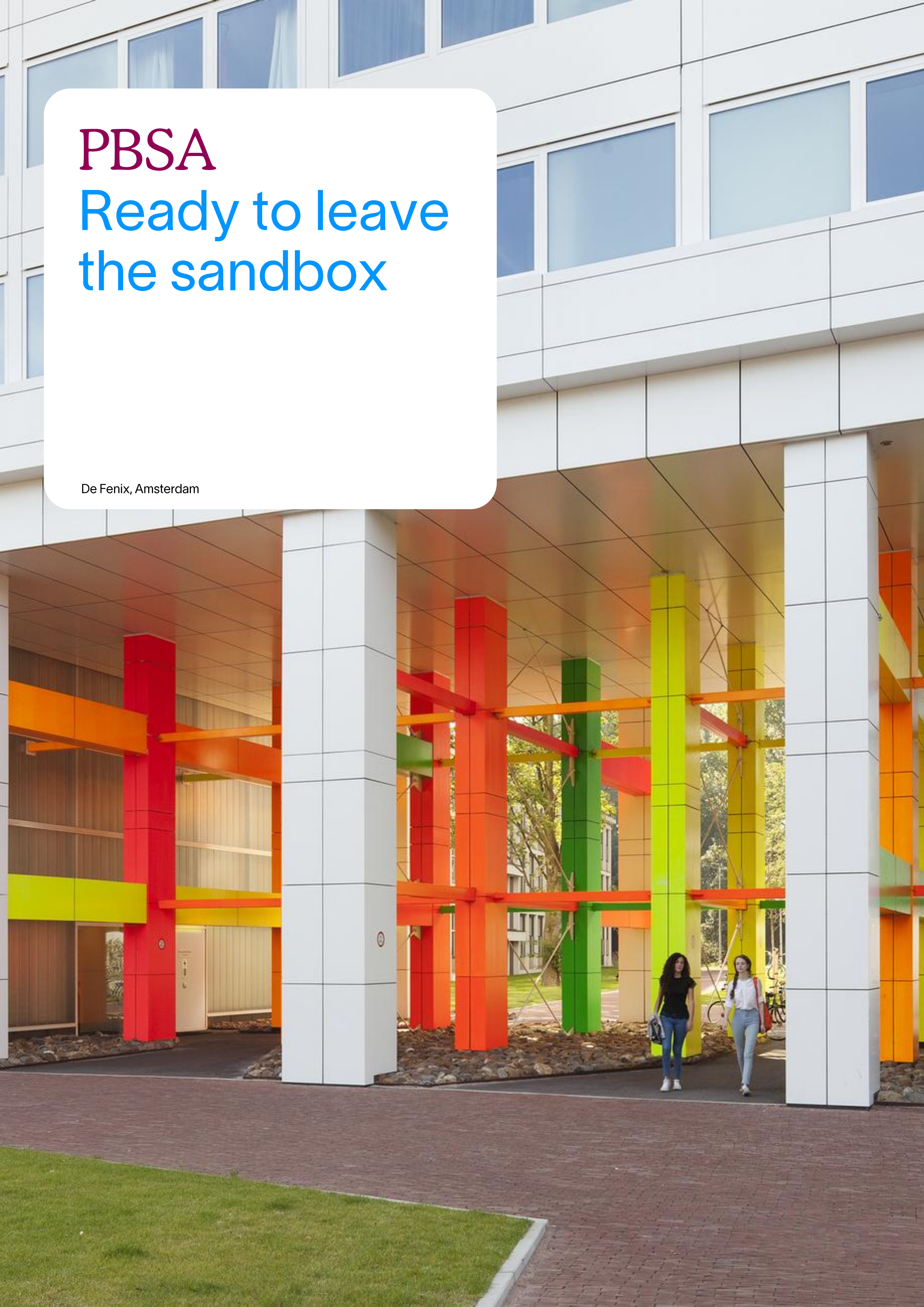
Figure 4 also provides insight into housing mobility by age. This clearly shows that the highest levels of mobility occur at the edges of the housing journey. People in their twenties and thirties move the most. In 2024, the peak was among 26-year-olds, of whom 27.4 percent changed address that year. They leave home, relocate for education or work, move in together, or move to a larger home. In 2014, the peak was among 24-year-olds, which points out the disrupted flow on the housing market. Mobility is traditionally lowest among middle aged adults (and their children). From age 80, people start moving more frequently again, by choice or driven by care problems to a smaller home or to a care facility.

Figure 4: Housing mobility by age in 2024; a visualisation of the housing journey



Source: CBS, Bouwinvest Research, 2025

PBSA
Ready to leave the sandbox



De Fenix, Amsterdam

PBSA | Ready to leave the sandbox

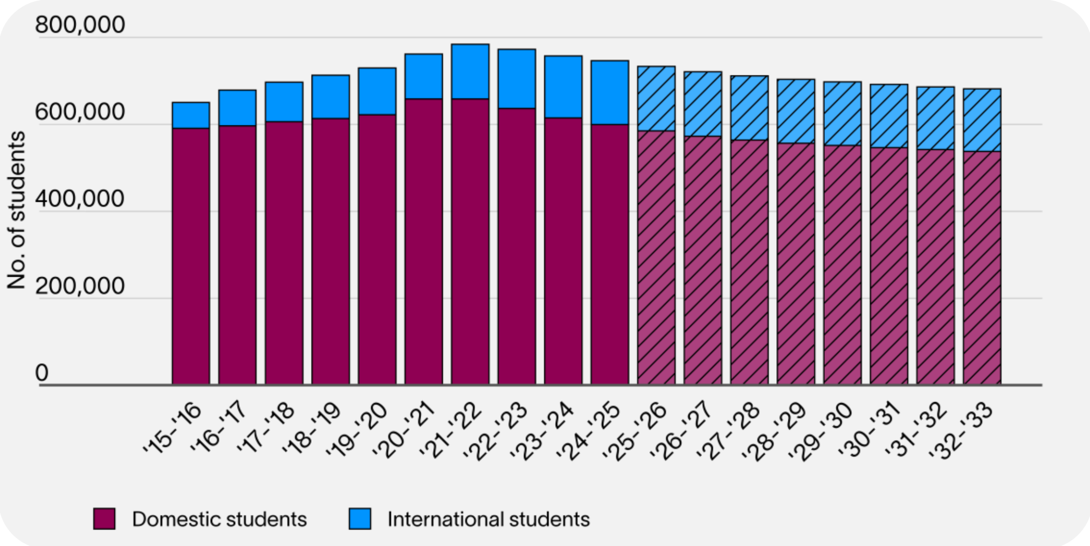
- **The Netherlands continues to be a highly attractive destination for international students**
- **Finding suitable housing is becoming more and more challenging for students due to a declining supply of student housing**
- **Despite the declining student population, the shortage of student housing is expected to worsen**

Currently, over 727,000 students are enrolled in higher education in the Netherlands. Based on future projections, the total number of students is expected to decline by 8.7% by 2033 (see figure 5). This decline will be driven primarily by a 10.2% drop in domestic student numbers, attributed to lower demographic growth and shorter study durations.

The Netherlands continues to be a highly attractive destination for international students; a trend clearly reflected in the data. Over the past decade, the international student population has experienced unprecedented growth, averaging +14.5% annually. Currently, one in five students in Dutch higher education comes from abroad. Looking ahead, the number of international students is expected to remain relatively stable, ranging between 143,000 and 148,000.

In the '24–'25 academic year, 393,200 students lived in a form of student housing, representing 54% of the total student population. However, the number of students who wish to live independently (i.e., the demand) stands way higher at 419,200, a mismatch of 21,500 beds. Students who would prefer to move out of their parental home state that the affordability and availability of student housing are the primary barriers preventing them from doing so.

Figure 5: Number of domestic and international students in the Netherlands



Source: Kences, 2025

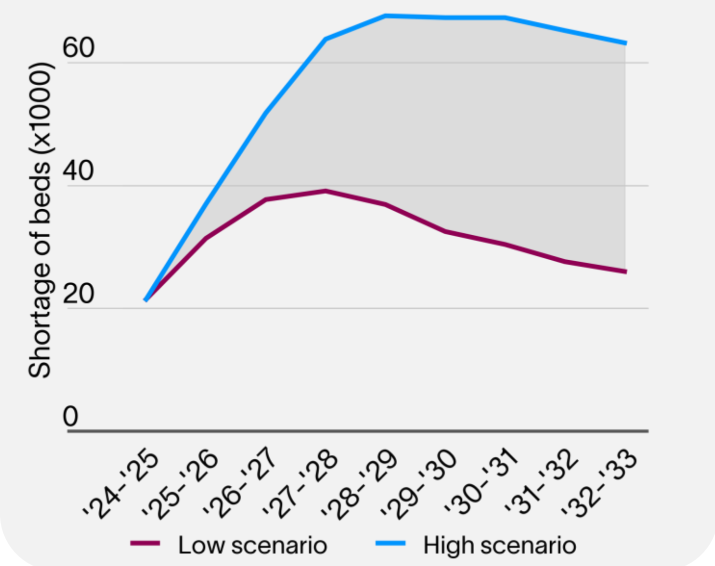
New market dynamics due to changing composition of supply and demand for student housing

Finding suitable housing is becoming more and more challenging for students, due to the declining supply of student housing. A significant portion of students rely on private rental properties for accommodation (50%), but tightened regulations have made it less attractive for property owners, particularly small-scale investors , to continue renting out these homes. Over the past year, these investors have sold approximately 5,430 properties, which were estimated to house around 10,000 students.

Bouwinvest expects this trend to continue in the coming years, putting further strain on the student housing market. We expect that of the 10 biggest student cities the impact will be the greatest in Amsterdam, Rotterdam and The Hague, due to the specific composition of student housing supply in these cities.

In conclusion, although the student population is projected to decline, the shortage of student housing is anticipated to intensify due to the continued decline in available supply. The latest estimates indicate that by 2032–2033, the shortfall in student housing will range between 26,000 and 63,200 beds (see figure 6).

Figure 6: Expected shortages in beds, 2024-2033



Source: Kences, 2025

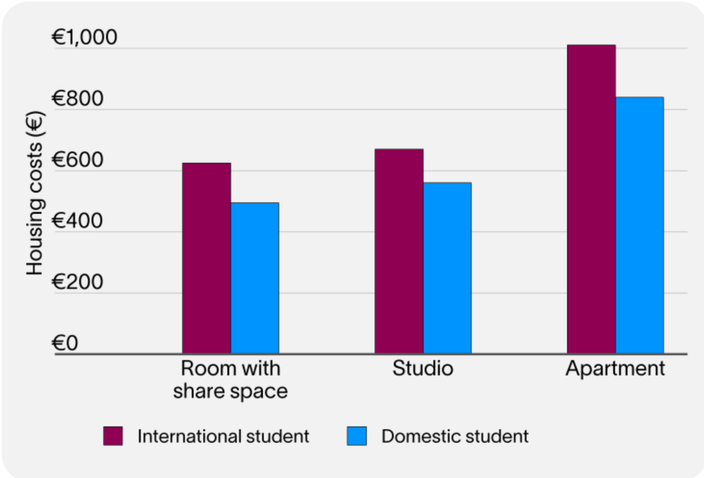
PBSA | Ready to leave the sandbox

- **The continued growth and presence of international students is significantly reshaping the demand profile for student housing**
- **PBSA-operators can play a key role, by stepping into the void left by private investors**
- **Demand for student housing is expected to shift to more full-serviced PBSA**

The continued growth and presence of international students is significantly reshaping the demand profile for student housing. This evolving dynamic introduces both strategic opportunities and operational challenges for stakeholders. A thorough understanding of the international student demographic is therefore critical to effectively align supply with emerging needs.

Unlike domestic students, internationals often lack informal networks (friends, family, or community ties) that could help them navigate the housing market. This disadvantage is partially offset by their higher willingness to pay, as many are prepared to spend more to secure suitable accommodation (figure 7). However, with this financial flexibility comes elevated expectations: they are looking for housing in prime locations, ideally close to campus or public transport, and prefer furnished, full-service student residences that offer convenience and comfort from day one. Addressing these needs requires a more tailored and inclusive approach to student housing policy and development.

Figure 7: Average housing costs, domestic vs. international



Source: Kences, 2025

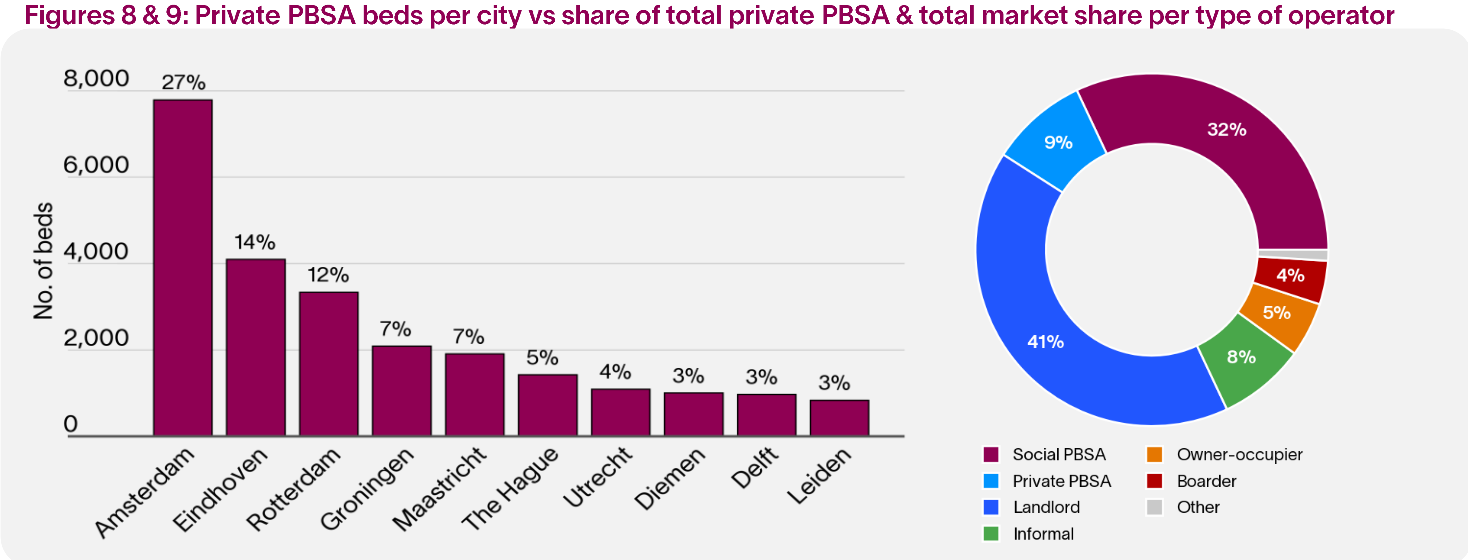
Unlocking the market potential of PBSA

Due to shifting market dynamics, an opportunity is emerging in which private PBSA operators, in particular, can play a key role with their product offering. At present, private PBSA in the Netherlands remains an underdeveloped niche in a very transparent and mature residential market. The current supply of professional PBSA stands at roughly 28,800 beds spread over 30 cities across the Netherlands and representing only 8.9% of total student housing stock (figure 9). The Amsterdam region hosts by far the largest number of PBSA beds (approximately 7,800), representing 15.4% of the local student housing stock (see figure 8).

PBSA, as a real estate category, offers inflation protection since property values generally rise with price levels. Due to the use of campus and short-stay contracts, tenant turnover tends to be relatively high. This gives investors more frequent opportunities to adjust rental income to current market levels. On the flip side, PBSA is typically more operationally intensive. This is partly due to the high turnover of tenants and partly due to elevated service levels. As such, its operational profile closely resembles that of the hotel segment.

In addition to students, the PBSA segment can service a wider group than just students, namely young professionals (see the housing journey figure 4). This group is increasingly affected by the decline in privately rented housing stock, particularly in major cities. Moreover, at this stage of life, they often seek the flexibility of renting and the convenience of location and amenities, something the PBSA segment can offer with short stay contracts.

Figures 8 & 9: Private PBSA beds per city vs share of total private PBSA & total market share per type of operator



Source figure 8: Bouwinvest Research, 2025

Source figure 9: Kences, Bouwinvest Research, 2025

Residential
Pressure valve of the housing market

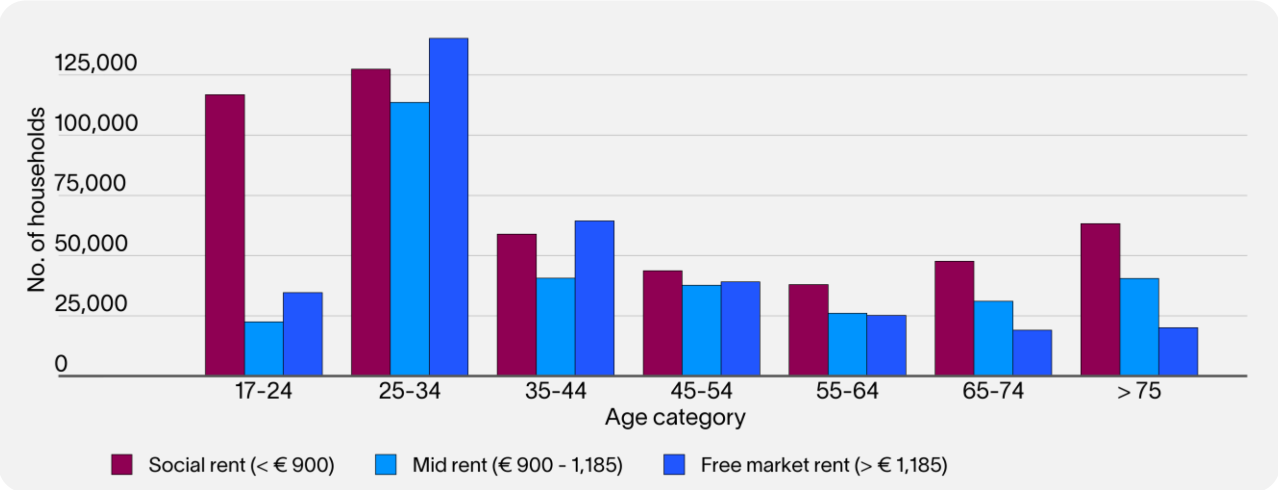
Bastion, Velserbroek

Residential | Pressure valve of the housing market

- **Supply of private rental properties is declining due to a sell-off of rental properties on the owner-occupied market, driving upward price pressure, spillover effects and constraining housing mobility**
- **The catchment areas of major cities are becoming increasingly important and interesting in housing market dynamics, as demand spills over into surrounding municipalities**

Privately rented single-family and multi-family homes play a crucial role in the Dutch housing market, often acting as a pressure valve within the broader housing system. This segment consists of approximately 1.15 million dwellings, owned by a wide spectrum of investors, from large institutional investors to individual private landlords. As illustrated in figure 10, this part of the rental market is predominantly occupied by younger households. Nearly 48% of these homes are rented by households aged between 17 and 34. And as figure 4 already illustrated, the mobility within this age group is significantly higher than among older demographics, driven by factors such as changes in employment, household composition, relationships, and education. However, for many young households, securing suitable rental accommodation is becoming increasingly challenging. This chapter explores the underlying causes of this trend and its broader implications for the housing market.

Figure 10: Number of households renting in the private market by rental segment



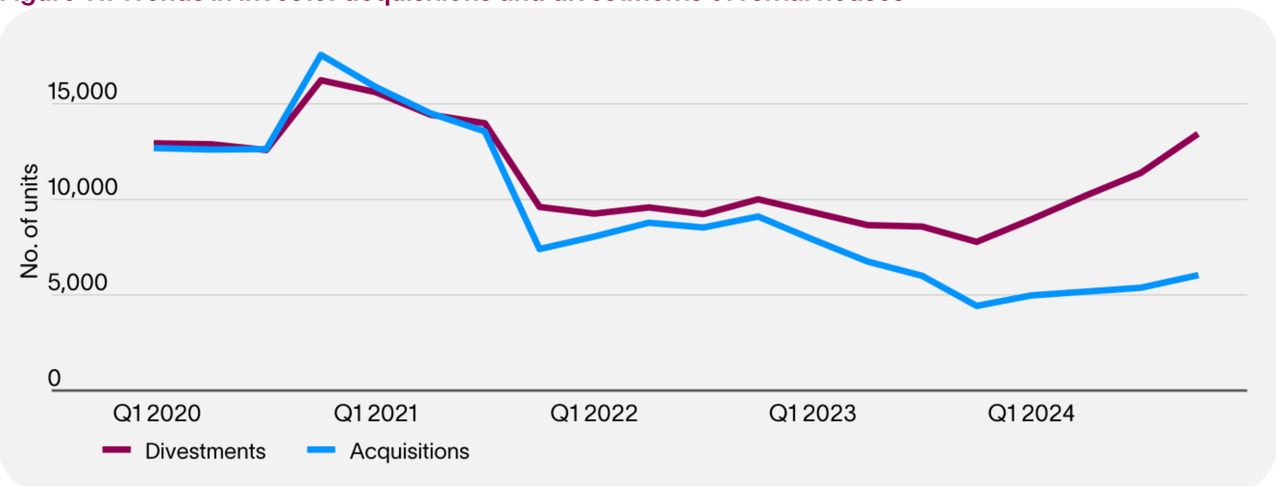
Source: WoON 2024, 2025

Young people face growing challenges in finding rental housing

Since the introduction of the Affordable Rent Act and higher taxes on property investments, private investors have increasingly been selling rental properties on the owner-occupied housing market. As a result, more rental homes are being sold than acquired, leading to a structural decline in the rental housing stock. According to data from the Dutch Land Registry (Kadaster), approximately 43,000 rental homes were sold in 2024, resulting in a net decrease of around 22,000 rental units (figure 11). This trend is expected to continue in the coming years, further reducing the supply of rental housing.

The ongoing wave of rental property divestments is compounding existing challenges in the Dutch housing market, including limited supply, reduced mobility and declining affordability. Urban areas are particularly affected, accounting for the majority of all rental transactions, 61% in highly urbanised and 26% in strongly urbanised areas (figure 12). It is precisely these areas where young households are most actively seeking rental homes that suit their current stage of life.

Figure 11: Trends in investor acquisitions and divestments of rental houses



Source: Kadaster, 2025

Residential | Pressure valve of the housing market

Recent data shows a sharp decline in the number of rental transactions, pointing to stagnating mobility and an increasingly tight market (figure 12). In 2024, the number of transactions was 29.4% lower than in 2021. This is an important indicator that is largely driven by both lower tenant turnover and continued sell-offs by private landlords. As a result, finding rental housing in urban areas, where demand is highest, is becoming increasingly difficult.

At the same time, the number of households in urban regions continues to grow, while the availability of housing is rapidly declining. This imbalance is driving up rental prices across the board, as illustrated in figure 13. Notably, in all urban areas, the median rent now exceeds the legal threshold of the mid-rental segment. It also shows that the number of rental transactions in the mid-rental segment is declining.

Figures 12 & 13: Number of rental transactions, & Transaction levels from first to third quartile, 2021–2025

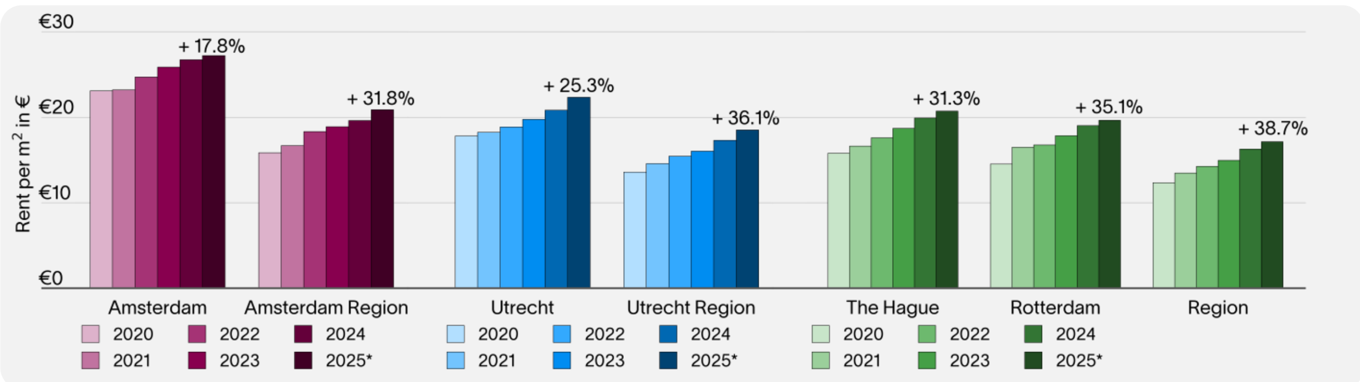
Source: Watson+Holmes, Calcasa, Bouwinvest Research, 2025

A wider investment horizon due to spillover effects

Demand for rental housing in major Dutch cities continues to outstrip supply. At the same time, available space for new residential developments within these urban centres is limited, making it unlikely that future construction will be sufficient to meet growing demand. As a result, young households are increasingly relocating to municipalities surrounding the major cities. Relocation data confirms that this spillover trend is already underway, with a notable rise in single-person households settling in these peripheral areas, largely because housing costs are more manageable there. However, as a result of this spillover effect, rental prices in surrounding municipalities are also rising rapidly. As shown in figure 14, rental prices in the metropolitan fringe have increased more sharply over the past five years than in the core city itself.

This demographic shift, driven by the growing number of single-person households across both younger and older age groups, is expected to further accelerate this trend and will therefore also accelerate the demand for smaller apartments. It will also reshape urban dynamics, gradually narrowing the gap between city centres and surrounding municipalities in terms of rental values and investment potential. Looking ahead, these peripheral areas are likely to offer more attractive opportunities for investors. The recently published Draft Spatial Planning Memorandum identifies 130 residential development locations, many of which are situated in and around major urban centres.

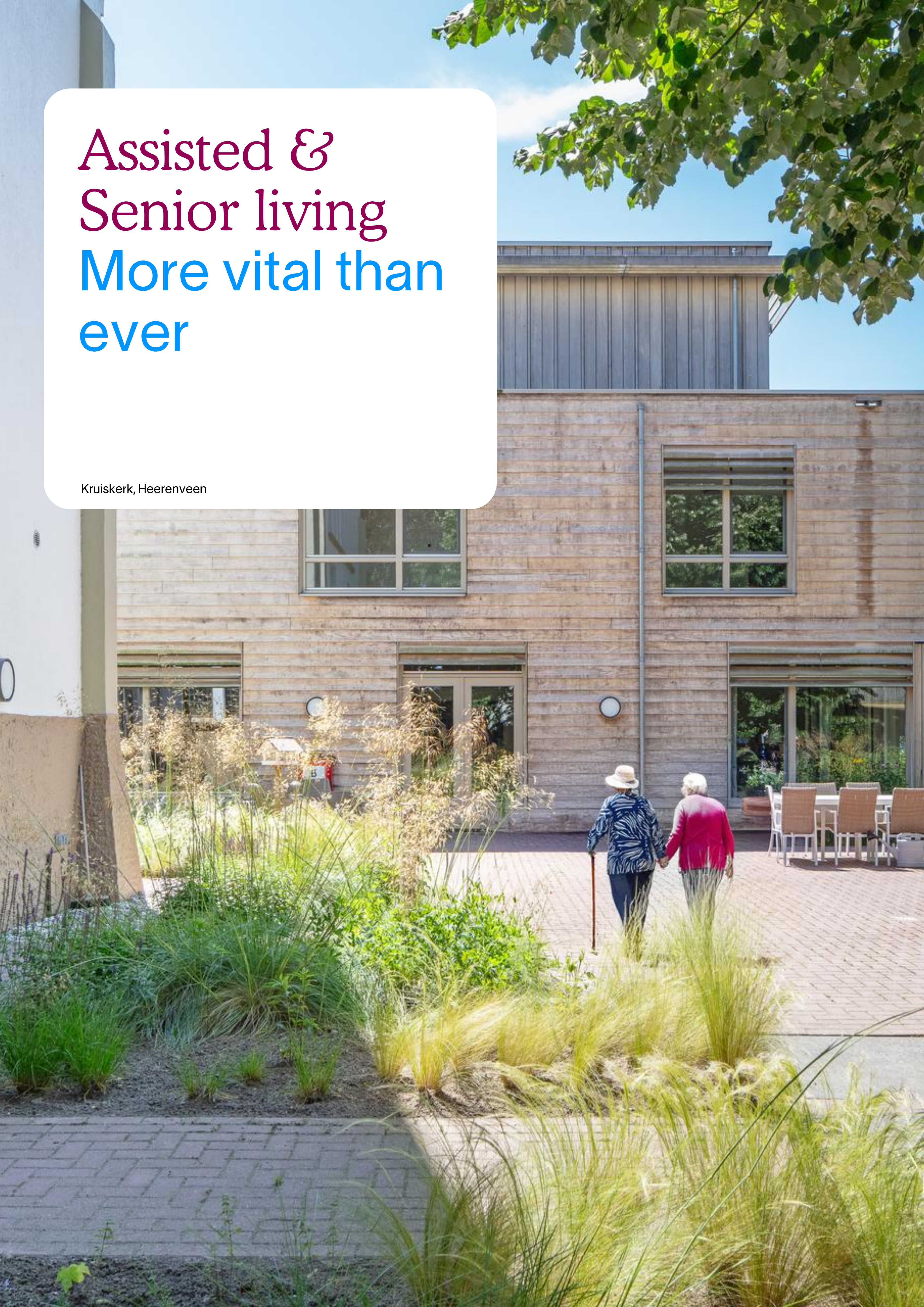
Figure 14: Development of rent per square metre in metropolitan areas, 2020-2025



Source: Watson+Holmes, Calcasa, Bouwinvest Research, 2025

Assisted & Senior living
More vital than ever

Kruiskerk, Heerenveen



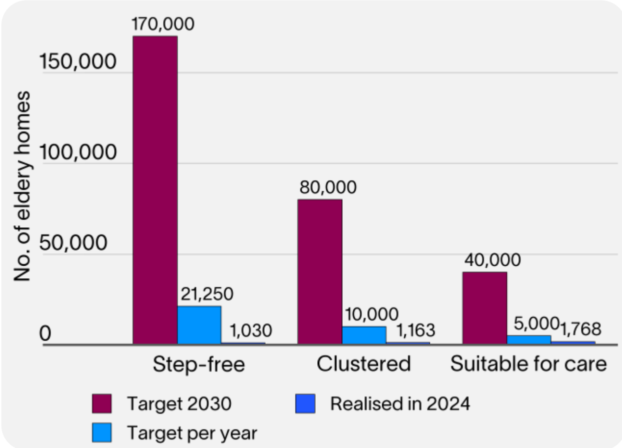
Assisted & Senior Living | More vital than ever

- The ambition to build 290,000 new senior housing units by 2030 is far out of reach
- Highest growth will take placed in the most urbanised areas
- Living independently for as long as possible is the biggest preference among the elderly

In the Netherlands, Assisted & Senior Living refers to clustered, independent housing designed for older adults, with or without care needs, who may now or in the future require support with daily activities. These housing concepts offer a blend of autonomy, community, and light-touch care services, without the intensive 24-hour medical and nursing care found in traditional nursing homes. As such, this segment forms a vital complement to both the mainstream residential market and the institutional and private care sectors.

The societal value of Assisted & Senior Living is significant, not only for the elderly themselves. When seniors relocate to more suitable housing, it often initiates the longest possible chain of residential moves. At the same time, it helps reduce pressure on nursing homes by enabling older adults to live independently for longer. A high-quality and sufficiently scaled offering in this segment is therefore essential to stimulate mobility within the housing market and to future-proof the care infrastructure. However, it is precisely this scale that is currently lacking.

Figure 15: Target and realisation of elderly homes



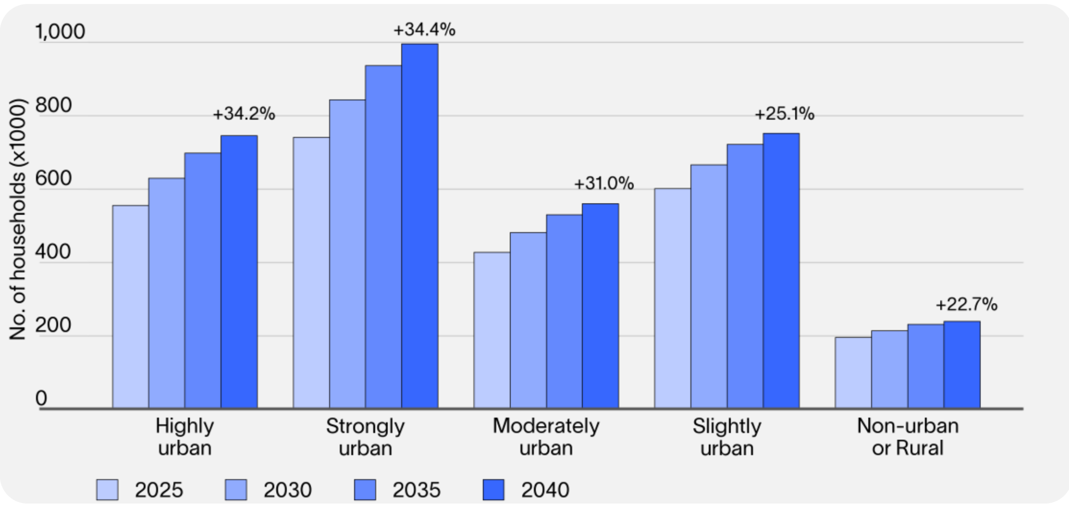
Source: CoBouw Bouwberichten, 2024

A robust and high-quality assisted living sector is essential for the whole living sector

Demographic trends clearly underline the urgency of the issue. By 2040, 35.4% of all households in the Netherlands will be aged 65 and over, compared to 29.7% today, an increase of approximately 772,000 households. The 75+ age group is expected to grow particularly rapidly, with a projected increase of 50%. Societal individualisation is also continuing: the number of single-person elderly households is set to rise by over 41% in the coming years. This growth is especially concentrated in urban areas. In highly and strongly urbanised regions, the number of 65+ households is expected to increase by 34.2% and 34.4% respectively (see figure 16). In these areas, older adults will account for between 71% and 87% of total household growth. This makes the development of suitable housing for the elderly a major urban challenge.

Research conducted by Cobouw indicates that only 4,000 senior homes were delivered in 2024 (figure 15). However, data quality in this area remains limited, and we suspect that the actual number is likely to be higher. Nevertheless, this figure signals that, despite the evident need, supply continues to fall short. The Dutch government has set an ambitious target to build 290,000 homes for elderly by 2030. The gap between demand and realised output underscores the need for targeted policy interventions. We expect the government to increasingly prescribe the number of elderly houses required per new-build development, based on housing quality, mirroring its current approach to regulated rental segments. In addition, minimum standards will need to be established for each housing typology to enable accurate monitoring of how many homes for older adults are actually being delivered.

Figure 16: Household growth > 65 years by degree of urbanisation, 2025-2040



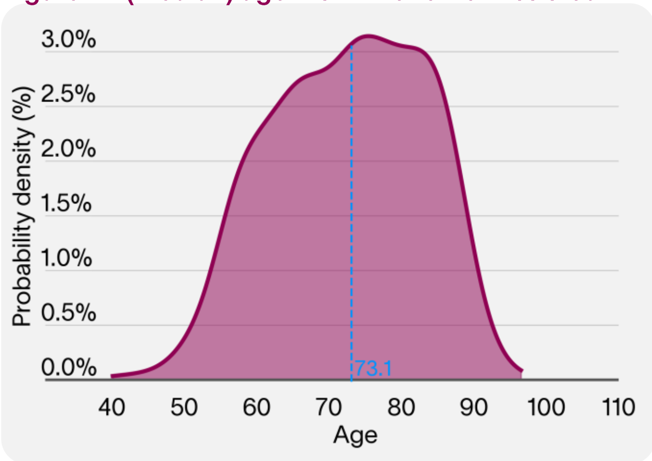
Source: ABF Research, 2025

Assisted & Senior Living | More vital than ever

- Target group for Assisted & Senior living varies between 55 and 88 years old
- Supply, pricing and quality are the three main obstacles in finding suitable housing among this target group
- Assisted Living is not a necessity driven by care needs, but a conscious choice for residential happiness in a new phase of lfe

The median age at which households begin renting in Assisted or Senior Living is 73.1 years, with a range between 55 and 88 years (see figure 17). There is little difference in the number of one and two-person households opting for Assisted or Senior Living, and market data shows that their demand for living space is also quite similar (between 70 and 80 m²). However, older adults clearly desire significantly more square metres of living space compared to, for example, young professionals. As it is for young professionals, location is also important to older adults, but the value they place on location differs. While younger households tend to prioritise proximity to work, cultural amenities and hospitality, older adults prefer to live close to their existing social networks (family and friends) and daily amenities. Data shows that older adults most often relocate within their current municipality.

Figure 17: (Median) age first-time renter Assisted Living



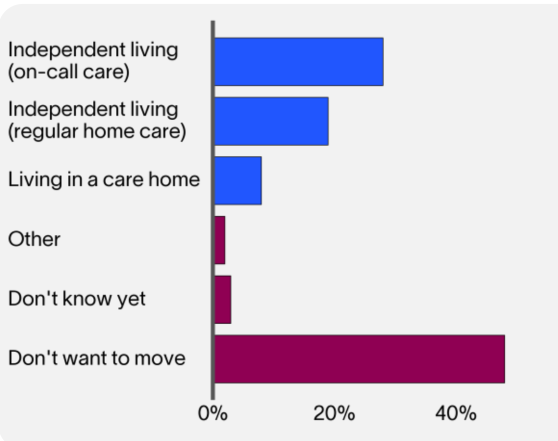
Source: Bouwinvest Research, 2025

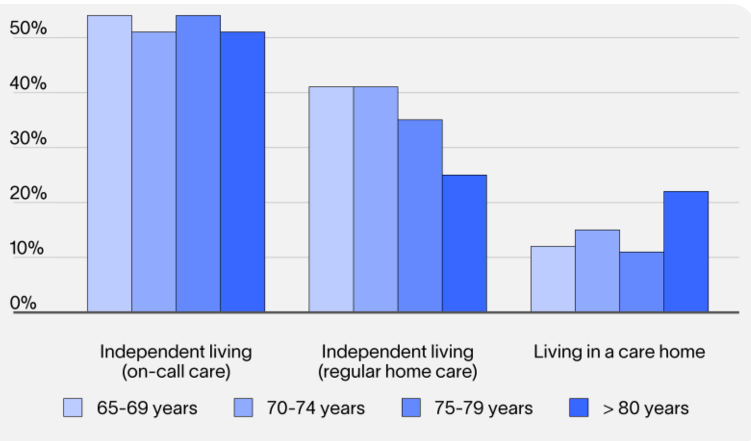
Living independently for as long as possible is the biggest preference among the elderly with care needs

Findings from the WoON 2024 survey show that active older home seekers face three main barriers when searching for suitable housing. First and foremost, limited housing supply in their preferred location plays a major role: 25% of older adults report that there is simply too little available housing in the area they are looking in, significantly more than younger age groups (11–20%). Secondly, 20% of older adults cite high prices as an obstacle. While this figure is lower than among younger households, where affordability is a barrier in 31–38% of cases, it suggests that older adults are, on average, more financially resilient. This is often due to accumulated equity in their current homes and lower fixed expenses, allowing them to allocate a larger portion of their pension income to housing. At the same time, older adults tend to be more discerning: 14% report not being able to find a home that meets their preferences, such as a single-level, sustainable, low-maintenance property. This combination of location preference, financial capacity, and higher housing expectations makes the supply of suitable homes for older adults particularly complex.

Overall, this target group is well-positioned financially. Older adults tend to be more affluent than younger generations and are willing to invest in housing quality. For vital seniors, Assisted and Senior Living is not a necessity driven by care needs, but rather a conscious choice for residential happiness in a new phase of life. When asked whether they would consider relocating if their care needs increased - but were still too light for Intramural or Private Care - around half of respondents (47%) indicated they would prefer to remain at home with the help of home care, or were unsure about their future plans (figure 18). Among the remaining respondents, 53% expressed interest in living independently within a care-integrated housing complex. This preference highlights the importance of housing concepts that combine privacy and independence with care-appropriate housing and/or proximity to care, aligned with the expectations of a financially capable and discerning target group.

Figures 18 & 19: Housing preferences in the event of increased care needs & Housing preferences by age





Source: ANBO PCOB, 2025

Private & Intramural care

Future directions in care

Grote Lijster, Uithoorn

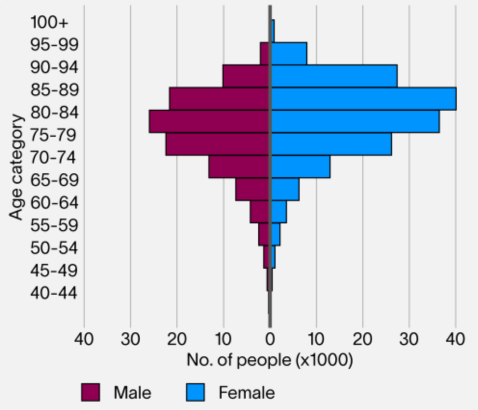
Private & Intramural Care | Future directions in care

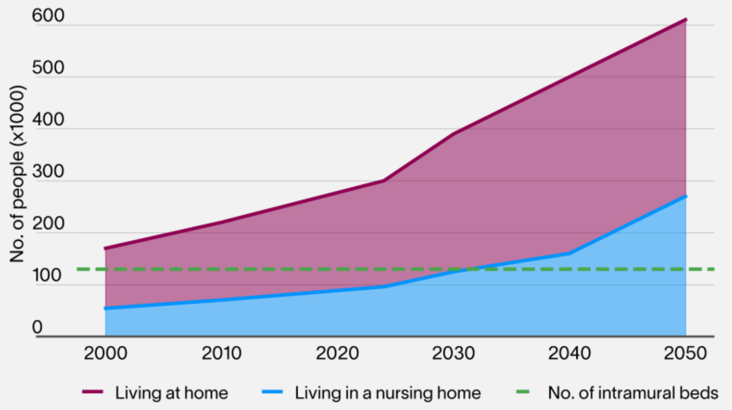
- **The number of older people requiring nursing home care is forecast to grow by 92,010 by 2040, an increase of 38.4%**
- **Policy: The guiding principle is that elderly, now and in the future, should be able to live independently for as long as possible**
- **As a result, more often long-term care is provided in private care, assisted living or traditional residential**

It is well known that older individuals typically have greater care needs than younger people. At a certain stage, these needs may become so extensive that living independently at home is no longer viable, forcing a relocation into a care facility where care can be received 24 hours a day. Over the coming decade, the number of people making this transition is expected to rise significantly. As previously outlined, demographic ageing is projected to result in an increase of approximately 777,000 households aged 65 and over, from 2.5 million to 3.3 million. Furthermore, the number of older people requiring nursing home care is forecast to grow by 92,010 by 2040, an increase of 38.4% (ABF Research, 2025).

Dementia is one of the primary conditions that often leads older individuals to eventually relocate to a care facility. Currently, around 310,000 people in the Netherlands are living with dementia, with three out of four of these people aged between 75 and 94 (figure 20). Of all the people with dementia, 230,000 still live at home, while the remaining 80,000 live in care institutions. According to Alzheimer Nederland, the number of people with dementia is expected to rise to around 500,000 by 2040 (figure 21). This would imply a need for approximately 160,000 care beds, resulting in a shortfall of roughly 50,000 beds compared to the current capacity.

Figures 20 & 21: Number of people with dementia in 2023, by age & Forecast number of people with dementia





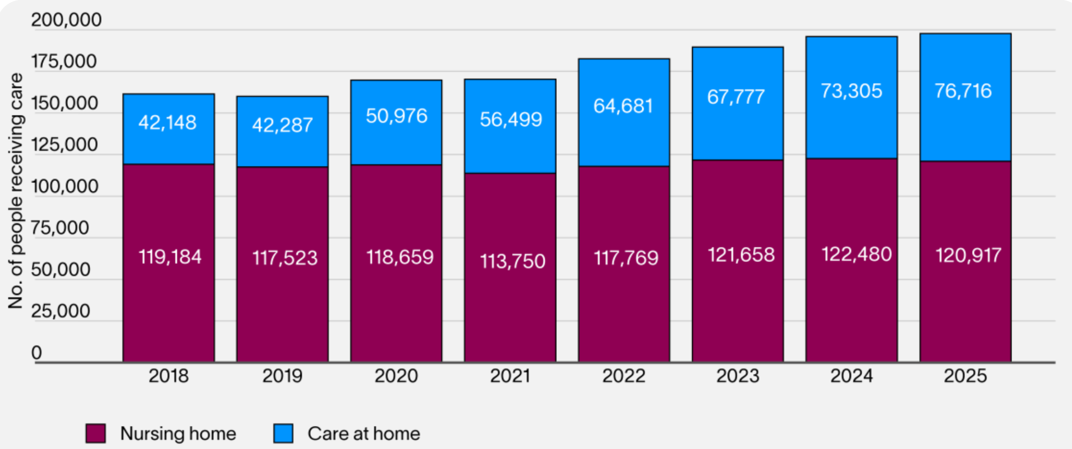
Source figure 20: Vektis, 2024

Source figure 21: Alzheimer Nederland, Vektis, 2024.

This trend calls for a fundamental transformation in how nursing home care for the elderly is organised. In the Netherlands, the shift towards separating housing and care has gained considerable momentum since the introduction of the Long-term Care Act (Wlz) in 2015. Subsequent government policies have aimed to cap the number of residential nursing home placements at 130,000. As a result, two key developments have emerged in the market. Firstly, there is a growing emphasis on enabling older people to live at home for longer. Secondly, we are witnessing the rise of Private Care as a complement to Intramural Care.

In the summer of 2025, shortly before the fall of the cabinet, the Ministry of Health, Welfare and Sport (VWS) submitted the coalition agreement on elderly care (Dutch: HLO). This agreement is a continuation of the policy aimed at separating of housing and care. The guiding principle of the HLO is that elderly, now and in the future, should be able to live independently for as long as possible, with access to support and care when needed. This is intended to ease the growing pressure on intramural care. As figure 22 shows, the number of people receiving care at home has increased every year since 2018.

Figure 22: Trends in receiving long-term care



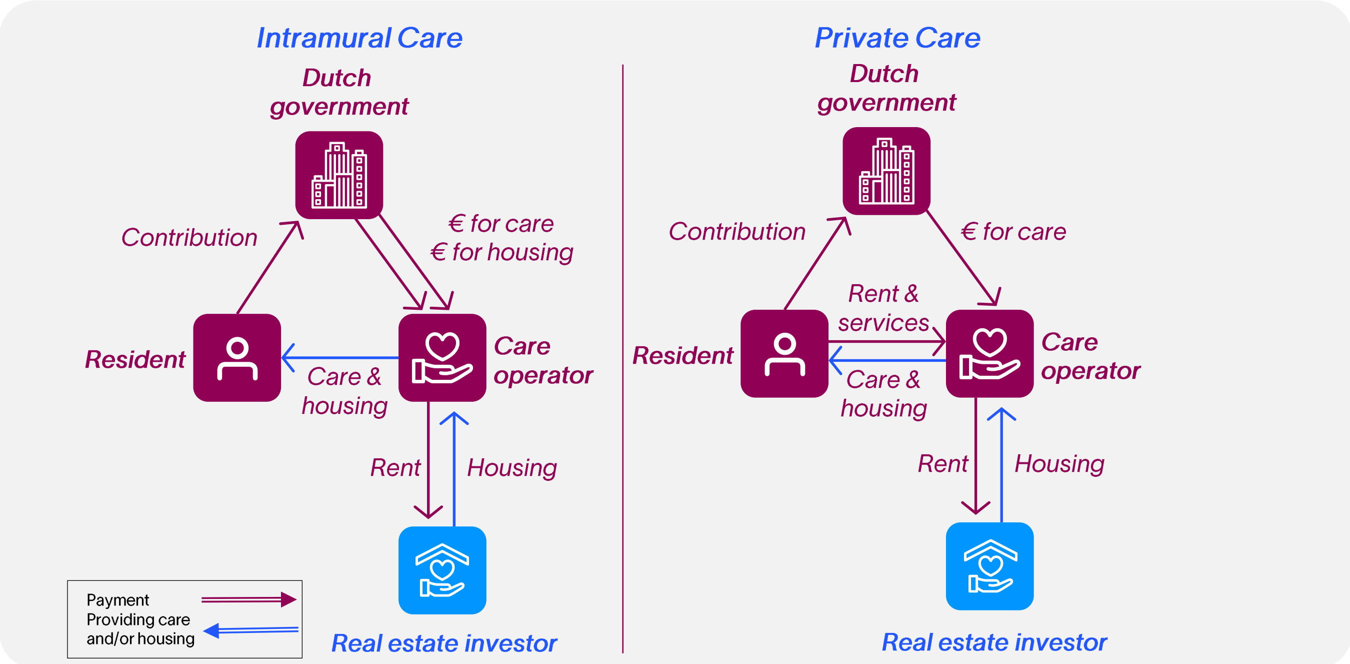
Source: Actiz, 2025

Private & Intramural Care | Future directions in care

- **We expect a broader range of care options to emerge within the care domain, driven both by care needs and affordability**
- **intramural care is likely to become increasingly focused on individuals with the most intensive care needs**
- **To reduce staff shortages in healthcare, greater emphasis will be placed on the use of technology**

The fact that more people are receiving care at home does not mean that pressure on residential care has eased. Quite the opposite in fact. Around 18,500 individuals with a long-term care indication (Wlz) remain on the waiting list for residential care, representing approximately 9.3% of all those with such an indication. However, regional variations exist in demand, and in some areas there is even temporary vacancy. While demand is expected to rise, the number of available residential care beds will remain unchanged. As a result, new initiatives are emerging to provide elderly care outside of traditional nursing homes, alongside a growing number of private nursing care facilities stepping in to fill the gap. The number of private nursing homes has more than doubled, from approximately 291 in 2018 to around 632 in 2025. Notably, in recent years, the private care sector has evolved from catering exclusively to the high-end market to offering a broader range of price points, leading to increasingly blurred lines between private and traditional residential care.

Figure 23: Financing streams for Private and Intramural Care in the Netherlands



Source: Bouwinvest Research, 2025

Towards a broader care landscape

Looking ahead, we expect a broader range of care options to emerge within the elderly care domain, driven both by care needs and affordability. This trend is already becoming visible in practice. While private care was once primarily targeted at the wealthiest households, we are now seeing greater diversity in pricing, making it accessible to a wider audience. We anticipate that this trend will continue to evolve.

At the same time, intramural care is likely to become increasingly focused on individuals with the most intensive care needs. As a result, a growing number of older people will receive care at home. In addition, a new group is emerging: individuals whose care needs are too complex to remain at home, yet not severe enough to qualify for traditional residential care. This group will likely drive further innovation and diversification in the care landscape.

The demand fundamentals for the care sector are undeniable. However, the segment faces a significant operational risk: staffing. The industry is grappling with severe workforce shortages, projected to reach approximately 266,000 by 2035, which are driving up labour costs and placing increasing pressure on the quality of care. By promoting the use of technology, the deployment of staff could become more efficient in the future.

__Intramural nursing care (or intramural care)__ in the Netherlands refers to nursing home care provided in an institutional setting. This type of care is designed for individuals who require continuous (24-hour) medical supervision and support, often due to chronic illnesses such as dementia, disabilities, or severe (mental) health conditions. In intramural care institutions, housing and care costs are integrated and financed from the Long-term care act (Wlz) and often lead to a high income-dependent personal contribution.

__Private nursing care (or private care)__ provides housing, (24-hour) care and services for elderly people with care needs who cannot or no longer wish to live independently. With private nursing care, residents pay for their own housing costs and care is mostly reimbursed from the Wlz in the form of Full package at home (VPT), which is subject to a lower income-related personal contribution.

__See also figure 23__

Dutch Living Sector
Investor view

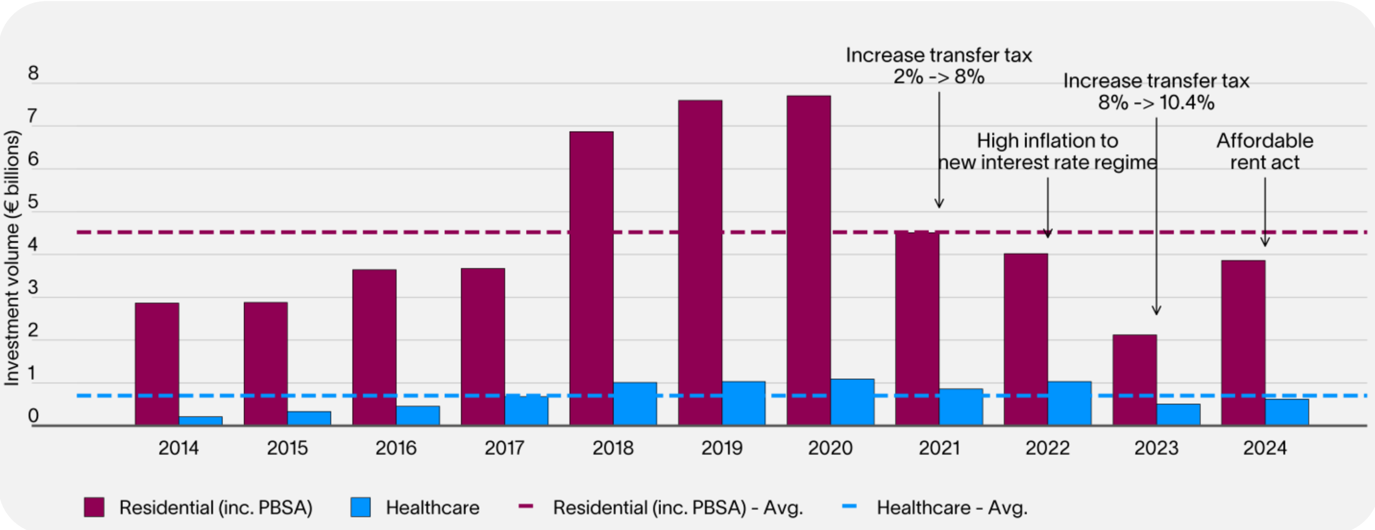
Amerika & Suriname, Haarlem

Dutch Living Sector | Investor view

- **The living segment has proven to be a resilient and well-performing investment category**
- **Occupational factors are driving returns while yields have stabilised**
- **The living sector offers strong long-term return potential across most subsegments, given the right product-market fit**

The living investment market has experienced turbulent times over the past four years but now appears to have returned to calmer waters. This is reflected in investment volumes over the past five years (figure 24). Following the record year of 2020, volumes declined sharply, initially due to the increase in transfer tax in 2021. In 2022, the entire real estate sector was hit by soaring inflation and subsequent interest rate hikes by central banks. Another transfer tax increase to 10.4% followed in 2023, and in July 2024, the Affordable Rent Act came into effect. The announcement of this legislation had already led to a noticeable decline in investment activity. The living investment market now seems to be stabilising. Investment volumes in 2024 are back around the historical average, and yields, like interest rates, have remained relatively stable since the summer of 2023 (see figure 25).

Figure 24: Investment volume residential and healthcare, 2013-2025

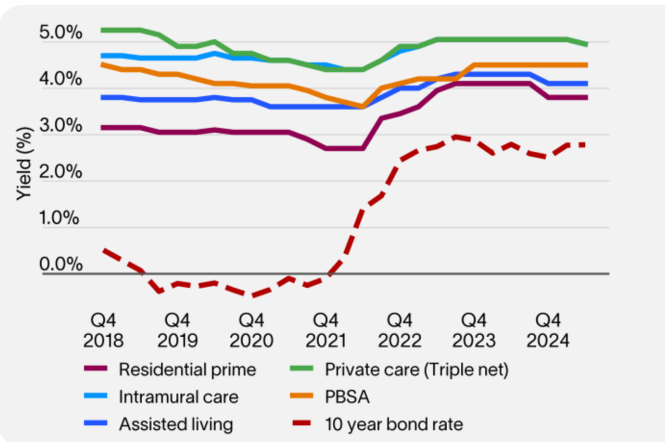


Source: CBRE, 2025

Despite the challenging market conditions of recent years, the living segment has proven to be a resilient and well-performing investment category. Within this segment, Private and Intramural Care have shown relative insensitivity to interest rate fluctuations, underscoring their stability (see figure 25). Residential and Assisted Living have also demonstrated a strong and swift recovery in capital growth, driven by a robust user market, supported in particular by rising vacant possession values and market rents.

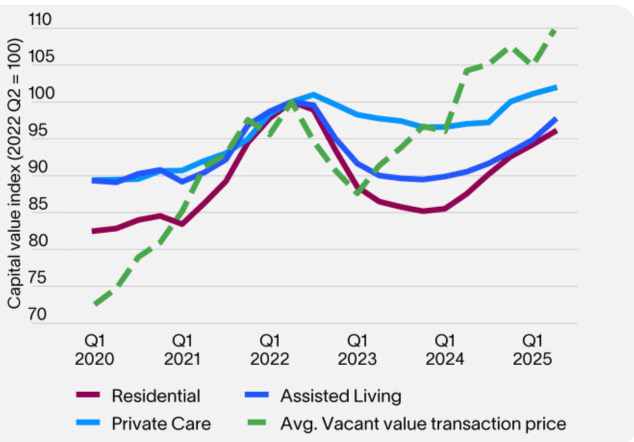
These results are partly attributable to the strong underlying fundamentals of the living segment. Based on the trends and outlook discussed in the previous chapters, we are confident that this resilience will continue in the years ahead. For investors, the segment offers opportunities to achieve strong, stable long-term returns across nearly all subsegments, provided they opt for the right product-market combinations.

Fig. 25: Development of Net Initial Yields for living segments



Source figure 25: CBRE, 2025

Fig. 26: Capital value and vacant value development



Source figure 26: MSCI, NVM, 2025

Dutch Living Sector | Investor view

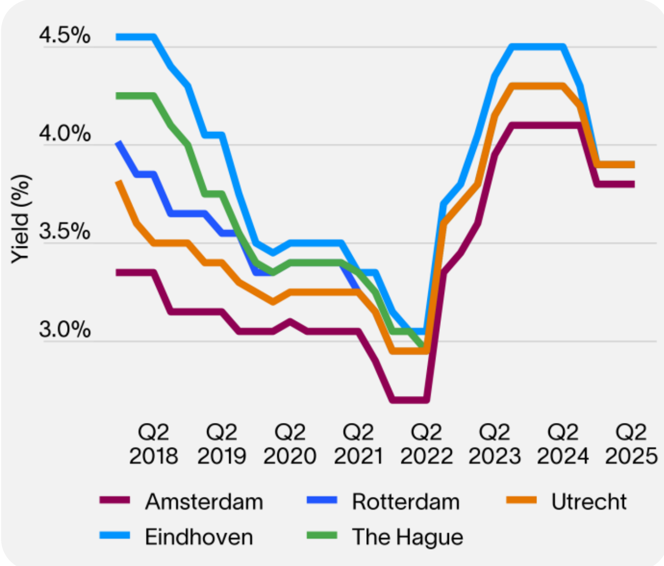
- **Potential for yield compression in certain living segments that are currently underdeveloped, such as PBSA and Private Care**
- **Spillover effects are blurring boundaries between urban centres and their fringes, leading to converging price levels**
- **A more diverse demand base calls for ongoing innovation and diversification of living concepts**

For the coming period, we expect limited interest rate reductions, leaving little room for yield compression (figure 25). But we do see potential for yield compression in certain living segments that are currently underdeveloped, that show above-average growth potential and therefore offer an attractive risk-return profile, such as PBSA and private care.

Regional yields within the living segments are increasingly converging, particularly across the G5 cities (see figure 27). We are also seeing a blurring of boundaries between urban centres and surrounding municipalities, driven by the ongoing spillover trend. This is reflected in above-average rental growth in these areas. We expect this trend to continue in the coming years, further narrowing the price gap between cities and their neighbouring regions.

So geographically, the living segment is becoming more homogeneous. However, living consumers have become more demanding and diverse. This calls for continued development and diversification of living concepts tailored to the specific needs of different target groups and their budgets and designed around operational models that offer amenitised common space to meet demand and drive revenue. This is already more common among younger age groups (PBSA). But future seniors, who have (home) wealth and a decent built-up pension, will drive a need for more aspirational and serviced assisted housing.

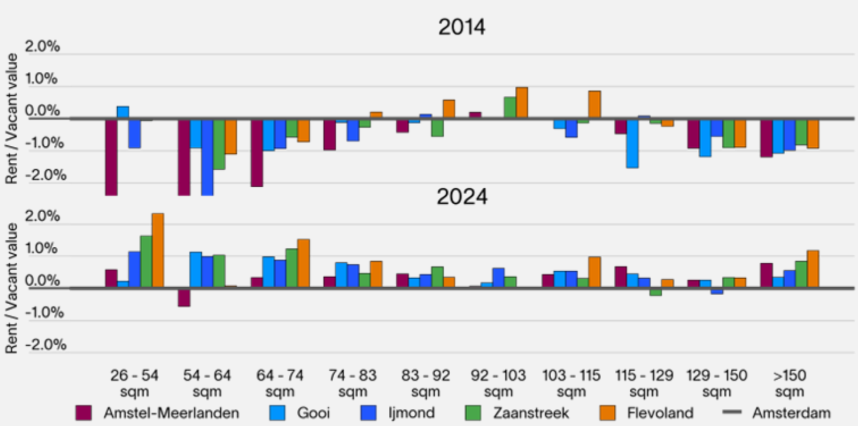
Figure 27: Residential Prime Net Initial Yields G5 cities, 2017-2025*



Source: CBRE, 2025
**As per Q2 2024 the definition of prime has changed from fully unregulated to a mix of unregulated and regulated, which has a lower yield.*

After several turbulent years, the Dutch living investment market shows stable performance. However, a lingering sense of political uncertainty remains, mirroring conditions in other European countries which are grappling with structural housing shortages. The so-called stroke-of-the-pen risk, where sudden policy changes can significantly impact market dynamics, continues to make investors cautious about allocating additional capital to the Dutch Living segment. By investing in new-build developments, investors can actually help expand supply and improve accessibility within the housing market. But to unlock this potential, it is essential to ensure a level playing field for all market participants, supported by a predictable and encouraging investment climate. A competitive tax framework would further strengthen the appeal of the sector. Should these conditions be met, increased investment activity is likely, and yield compression may once again become a realistic prospect.

Figure 28: Spread in rent-to-vacant value ratio Amsterdam vs Region in 2014 and 2024



Explainer
The rent-to-vacant value ratio is a percentage that indicates how the annual rent compares to the vacant value of a property. A high rent-to-vacant value ratio suggests that rental income is relatively high in relation to the underlying vacant value. In the left-hand figure, the ratio in Amsterdam is used as the reference point and compared to the ratios in surrounding regions. The data shows that in 2014, the ratio in Amsterdam was relatively high compared to the region. By 2024, this picture has shifted, and the ratio in the surrounding areas is often higher than in Amsterdam. The most significant changes are particularly noticeable for smaller homes.

Source: Watson+Holmes, Calcasa, Bouwinvest Research, 2025

Reach out for more detailed insights

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