

Amsterdam or the Netherlands?

The rise of urban strength in the Dutch living market

Introduction

This paper explores how the Dutch capital both shapes and depends on the wider national living market. By analysing economic, demographic, and investment dynamics, it highlights how Amsterdam's influence extends across the Big 5 cities, the Holland Metropole region, and beyond (Figure 1). The strength of the Dutch living market is not defined by competition between city and country, but by connection.

1. Amsterdam and the Dutch real estate market

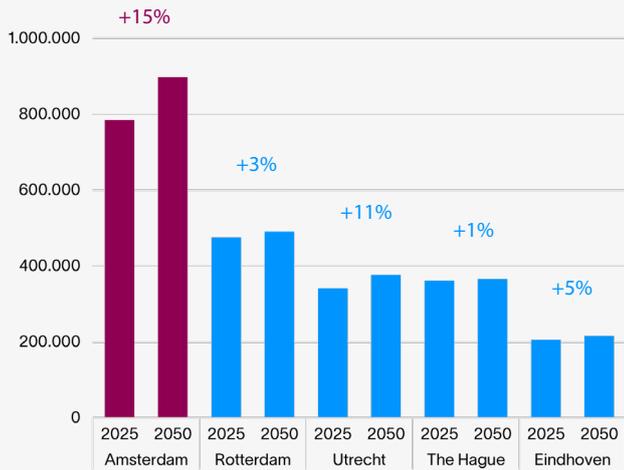
Understanding the Dutch living market begins with Amsterdam's pivotal role in national investment activity. Over the past decade, the city has accounted for roughly 25% of all real estate transactions, a significant share, yet far more balanced than in other European capitals. In France, Paris represents 64% of national volume; in the UK, London accounts for 34%; in Spain, Madrid for 35% and in Germany, Berlin captures 19% (CBRE, 2025). The Netherlands is characterised by an even distribution of investment across several major cities, strengthening both diversification and resilience. This structure offers investors a broad range of opportunities, supported by high-quality infrastructure, strong regional connectivity, and deep institutional markets.

'Regional depth defines the Dutch market, Amsterdam leads, but does not dominate.'

Figure 1. Big 5 cities and Holland Metropole region

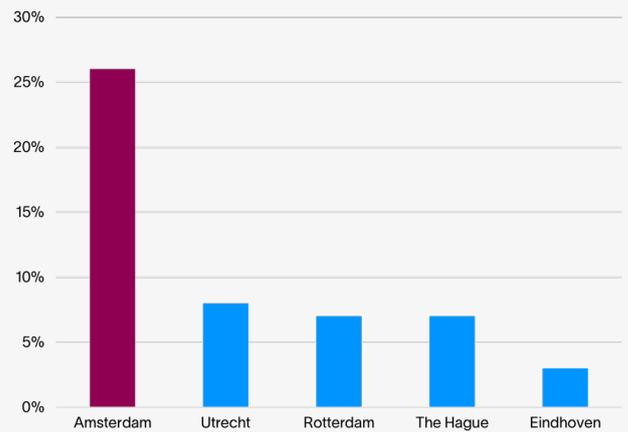


Figure 2a. Total employment Big 5 cities



Source: ABF Research (2025)

Figure 2b. Share Big 5 cities on total market size*



* Based on 5-years average market capitalisation Dutch institutional residential sector

Source: MSCI (2024)

'Amsterdam is driving job growth and innovation across the Holland Metropole region and beyond.'

2. Amsterdam and the Dutch economy

Holland Metropole ranks as Europe's third-largest metropolitan economy, with a GDP of €710 billion and around 11 million inhabitants (Business of Cities, 2025). The region's strength lies in the leading role of Amsterdam, which anchors this dynamic urban network linking the Big 5 cities and their surroundings (Figure 1). Employment growth highlights Amsterdam's pivotal role in the Dutch economy: as shown in Figure 2a, the city is projected to add 113,800 jobs (+15%) by 2050, well ahead of Rotterdam, Utrecht, The Hague, and Eindhoven. Its innovation-driven economy attracts global firms in technology, finance, and creative industries, reinforcing its position as the nation's primary growth engine. Figure 2b further illustrates Amsterdam's strong concentration of institutional market size, accounting for over 25% of the Dutch residential market, a clear indicator of its leading investment appeal.

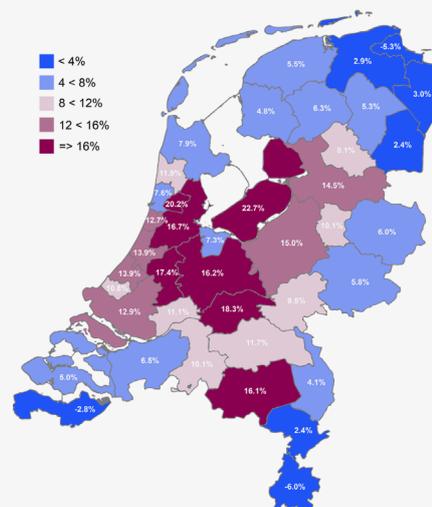
Summary

1. The Netherlands has a distinct real estate market structure, compared to the UK, France and Spain
2. Amsterdam leads the national economy with strong employment and market growth (Figures 2a and 2b), while forming the core of the wider Holland Metropole region (Figure 1)

3. Regional economic and demographic growth

Building on these trends, economic and demographic growth in the Netherlands continues to cluster around the Big 5 cities and their surrounding regions through 2040. As shown in Figure 3a, the strongest household growth, over 16%, is projected in and around Amsterdam, Utrecht, and Eindhoven, driven by urbanisation, innovation, and access to employment, with additional steady expansion visible across central and southern parts of the country. GDP growth is expected to exceed 32% in both Amsterdam and Eindhoven (Figure 3b). Amsterdam's diversified economy, anchored in finance, business services, and the creative industries, ensures stability and international connectivity, while Eindhoven's role as the country's technology hub fuels productivity and exports.

Figure 3a. Total household growth per region 2024-2040*



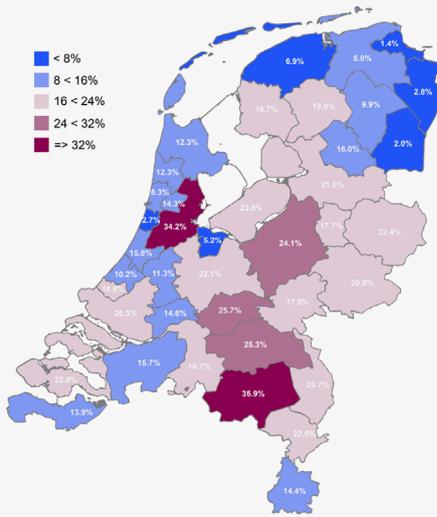
* Based on COROP-regions, a division of the Netherlands for statistical purposes

Source: ABF Research (2025)



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Figure 3b. Total GDP growth per region 2024-2040



Source: ABF Research (2025)

4. Relocation patterns Amsterdam region

Amsterdam’s strong demographic and economic momentum has translated into substantial capital value growth, placing it well ahead of the other Big 5 cities over the past decade. High demand for smaller dwellings and a limited housing supply have pushed rental-to-vacant value ratios sharply lower, particularly in smaller units, reflecting faster appreciation in underlying property values. This surge has intensified affordability pressures, prompting many residents, especially young professionals and single-person households, to relocate toward surrounding municipalities such as Almere, Haarlem, Amstelveen, and Zaanstad. These areas, supported by strong transport links and expanding amenities, are increasingly functioning as an extension of Amsterdam’s living market. The result is a wider metropolitan housing ecosystem, where growth and investment potential extend beyond the city’s core, demonstrating how Amsterdam’s success continues to drive development across the entire metropolitan region and beyond.

5. Risk and return Dutch residential investments

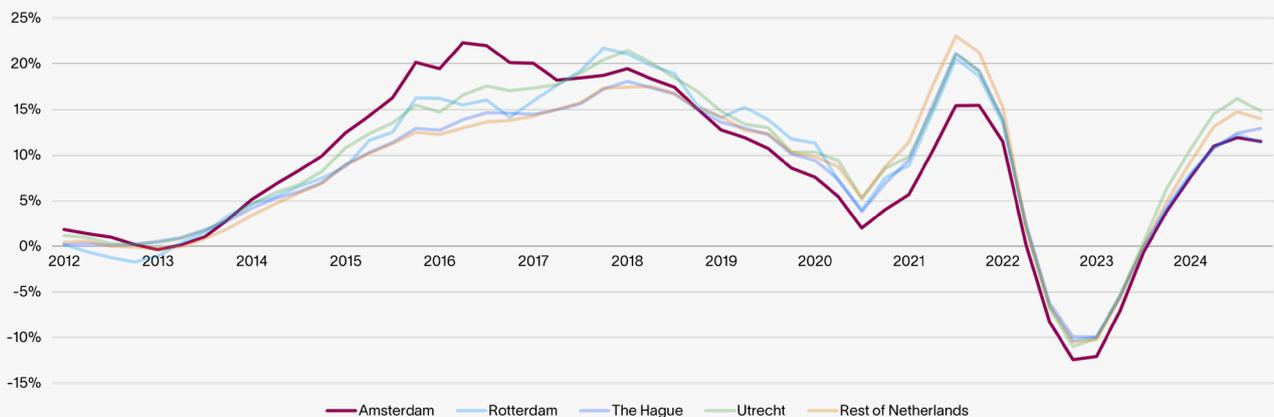
Figure 4 highlights Amsterdam’s earlier capital growth, showing a pronounced upswing between 2014 and 2018 driven by strong demand and limited supply. Since then, other Dutch regions have steadily caught up, supported by comparable fundamentals and rising investor confidence. Between Q3 2012 and Q2 2025, total Dutch residential property returns have averaged 8.3% annually, underscoring the market’s strength and resilience. These trends confirm the Netherlands as a highly attractive and cohesive residential investment market with aligned regional performance. Within this landscape, Amsterdam distinguishes itself by offering the broadest range of investment opportunities and deepest liquidity, while other major cities attract attention for favourable pricing, strong rental markets, and expanding institutional interest, reflecting a market where opportunities are now more geographically diversified across the Netherlands.

Dutch residential investments have delivered annual property returns of 8.3% since 2012.'

Summary

- 3. Economic and demographic growth is concentrated around the Big 5 cities and their surrounding areas (Figures 3a and 3b)
- 4. As Amsterdam is the most sought-after market, households are more often searching for housing in surrounding municipalities and the Holland Metropole region based on relocation patterns
- 5. Based on risk and return the Netherlands is considered one homogeneous market with investment opportunities beyond Amsterdam (Figure 4)

Figure 4. Total return Dutch residential annualised (Q3 2012 - Q2 2025)

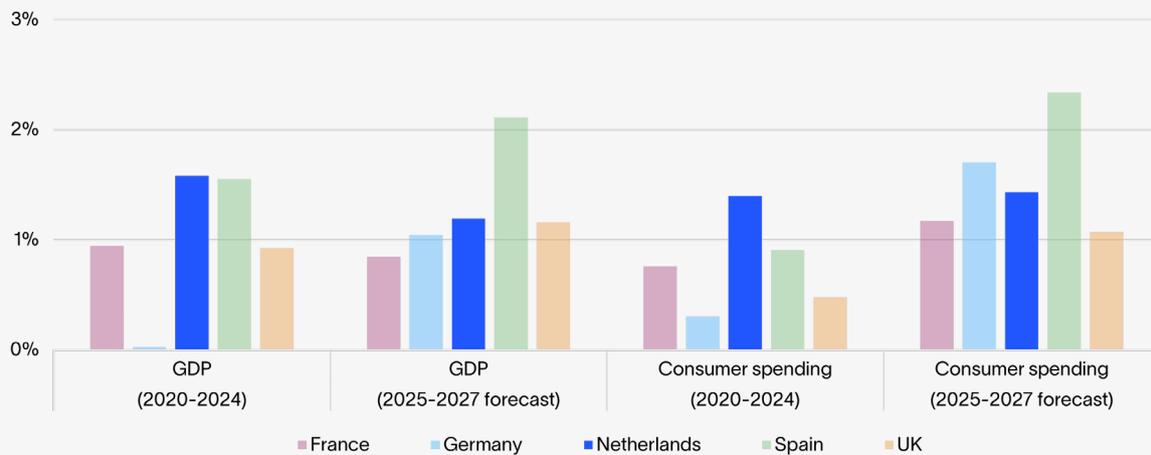


Source: MSCI Quarterly Index (2025)



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Figure 5. Economic growth and consumer spending major European economies



Source: Oxford Economics, Bouwinvest Research (2025)

6. Economic outlook

The Dutch economy remains one of the most stable in Europe, demonstrating resilience even through the COVID-19 pandemic. Between 2020 and 2024, GDP grew by 1.6% annually, the highest among major European economies and well above the Eurozone average of 1.0% (Figure 5). Consumer spending also remained stable throughout this period, reflecting a diversified, open structure based on trade, logistics, and high-value services, supported by innovation, sound public finances, and strong employment. Together, these factors create a reliable foundation for investment and underpin the Dutch living market’s strength.

7. Demographic fundamentals

Demographic trends provide enduring support for the Dutch living market. Between 2025 and 2030, the Dutch population is projected to increase by 2.5%, compared with roughly 0% in the EU-27 (OECD, Oxford Economics, 2025). The rapid rise of single-person households is reshaping housing demand towards smaller, flexible, centrally located dwellings, particularly in the Big 5 cities and their surrounding regions. With 0.6% annual household growth, well above the European average of 0.4% (Oxford Economics, 2025), the Netherlands stands out for sustained long-term demand and market absorption.

8. Investment market

The Netherlands ranks among Europe’s leading real estate markets. Its reputation for transparency, liquidity, institutional maturity and investment preferences places it overall just behind the “Big 3” markets Germany, the UK, and France, together with Spain which is also characterised by strong economic and demographic fundamentals. The Netherlands is ranked **third** within Europe in the JLL Transparency Index 2024, ranked **fifth** based on residential transaction volumes over the past 10 years (CBRE, 2025), ranked **second** based on institutional residential market size (MSCI, 2025) and ranked **fourth** based on investment intentions (INREV, 2025).

9. Regulatory environment

Across Europe, regulatory developments continue to shape the investment landscape, and the Netherlands is no exception. Measures aimed at improving affordability, sustainability, and tenant protection increasingly influence market dynamics and investor strategies. These frameworks can create uncertainty and require careful navigation, particularly in the living sector. At the same time, the Dutch government has shown willingness to attract more foreign capital into the living market. This combination of tighter regulation and policy openness defines the current investment environment in one of Europe’s most mature and core living markets.

‘With a stable and diversified economy, Dutch economic resilience stands out in Europe.’

Summary:

- 6. Within Europe the Netherlands has been one of the most stable economies, historically and looking forward (Figure 5)
- 7. The Netherlands has compelling demographics with strong growth of total and single-person households from a European perspective
- 8. The Netherlands is one of the leading real estate markets based on transparency, maturity, liquidity and investment preferences following the Big 3 markets closely
- 9. Regulation and investment climate is challenging across Europe, the Netherlands is no exception



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10. Households trends by age and type

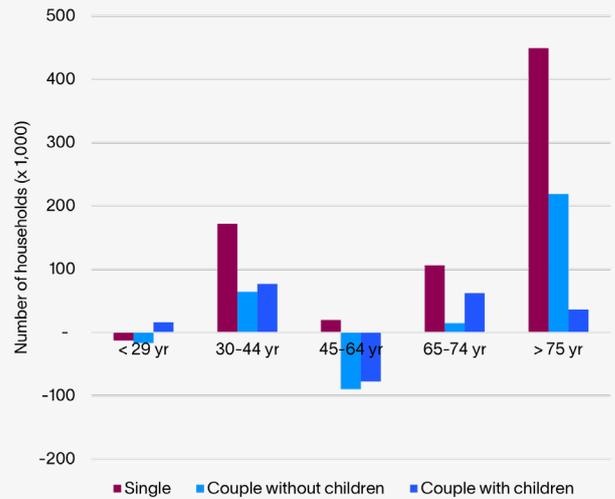
The Dutch housing market faces an acute shortage, driven primarily by the rapid growth of single-person households and an ageing population. Figure 6 illustrates that demographic pressures span multiple age groups, from young professionals to seniors seeking suitable housing solutions. These demand trends place upward pressure on both the rental and owner-occupied sectors. While government efforts aim to accelerate new construction, structural undersupply remains a critical constraint. For investors and policymakers alike, addressing this shortage through diverse housing typologies and innovative delivery models is key to maintaining affordability and supporting sustainable urban growth across the Netherlands.

'Demographic change is reshaping demand across all age groups, from students to seniors.'

11. Living subsectors

Driven by strong demographic shifts and a persistent housing shortage, the Dutch living sector is expanding rapidly across multiple subsegments. Formats such as student housing, co-living, and senior or assisted-living concepts are gaining momentum, reflecting the need for more flexible and specialised housing solutions. Institutional interest in these alternative residential asset classes continues to grow, as investors seek demographic-driven demand and stable, long-term income streams. Supported by policy attention and solid fundamentals, these niche sectors provide opportunities for diversification and socially impactful investment. The Dutch living market is evolving beyond traditional rental housing into a diverse, future-proof ecosystem aligned with changing lifestyles. For more insights, please read our **Dutch Living Outlook 2026-2028**.

Figure 6. Household growth by age and type



Source: ABF Research (2025)

12. Market momentum

The Dutch residential investment market has experienced a period of value declines starting in 2022. This was primarily driven by surging inflation and the subsequent interest rate hikes from 2022 onwards, which placed upward pressure on yields. Since mid-2023, both interest rates and yields have stabilised, marking a period of renewed stability. At the same time, capital growth has shown a strong rebound, supported by rising vacant values and market rents. These developments signal a more balanced market environment after a period of adjustment. With housing demand still underpinned by solid fundamentals, our conviction is that the Dutch living sector remains structurally resilient, offering a favourable outlook for long-term investors seeking stable income and future value appreciation.

'Rising vacant values and rents are driving renewed capital growth since mid-2023.'



Summary

- 10. Acute housing shortage with strong growth of single-person households, but also an ageing population as main demand drivers (Figure 6)
- 11. Living sector is growing strongly across all subsectors, including student housing and senior living
- 12. Good entry moment based on recent peak-through capital values Dutch living sector



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So, Amsterdam or the Netherlands?

The Dutch living market demonstrates notable balance between national stability and urban dynamism. Amsterdam remains the country's economic and investment centre, setting benchmarks for innovation, employment, and living demand. Yet its strength drives growth across the Big 5 cities, the Holland Metropole region and beyond, where demographic expansion and evolving living concepts are reshaping the Dutch living landscape. For diversification purposes, the Netherlands is regarded as one coherent investment market, supported by strong fundamentals and policy focus on affordability and sustainability, offering a resilient and attractive long-term environment. Rather than competition between city and country, the future of Dutch housing reflects a shared momentum, an integrated story of **Amsterdam and the Netherlands!**

Further information

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