

NETHERLANDS PROPERTY



Current rental market trends across the Netherlands.

This issue of the Netherlands Market Watch focuses on the city of Amsterdam, a frequent location for international assignees. We discuss Amsterdam's rental market trends and popular expatriate neighbourhoods. The issue also looks at other major cities such as The Hague, Rotterdam, Utrecht and Eindhoven.

AMSTERDAM RENTAL MARKET

The rental market in the Netherlands is divided into social housing and free sector housing. The free sector housing market is the most viable option for international assignees looking to rent.

RENTAL MARKET TRENDS

In the last 12 months, demand has continued to outstrip the available supply of rental stock in Amsterdam. This supply-demand imbalance has pushed up rental rates, which has been exasperated by a rise in demand from international assignees relocating to the city and surrounding areas. When compared to the first quarter of the year, the average rental price per square metre for Q2 2019 stands at €16.33, an increase of 4.9%. In terms of monthly payments, below are the average rents for apartments and houses in Amsterdam:

Bedroom	Apartment	House
1	€1,650-1,800	N/A
2	€1,850-2,000	€1,900+
3	€2,500+	€2,500+
4	€3,000+	€3,000+

* Correct at time of publication

The fast moving market has meant that vacancy rates – the length of time between rental property tenancies – are declining, with properties being taken very quickly. With this in mind, once a property is found, to avoid losing out to someone else, assignees should try to make quick decisions to secure it and ensure they have all the necessary funds and paperwork to sign the lease as soon as possible.

In terms of availability, smaller property-types (one to two bedrooms) are currently low in availability, whilst larger apartments (three and four bedrooms) are more readily available. In general, assignees relocating to Amsterdam will need to be flexible when searching for a home, as having property criteria that is too strict, will make it challenging to source suitable accommodation.

POPULAR NEIGHBOURHOODS

The Jordaan neighbourhood is found in Amsterdam's city centre and is typically frequented by singles and couples. Apartments are the primary property-type in this area, although its central location means that properties are popular and therefore challenging to source. Rental rates for a one or two-bedroom apartment start at €1,900.

The Pijp in the Old South attracts many single assignees and couples, offering good quality one and two bedroom properties. Due to its popularity, availability in the Pijp area is relatively low and can be challenging to source. In terms of price, a one bedroom property starts at €1,900. Towards the east of Amsterdam, the Oost neighbourhood is another area popular with single assignees and couples. Currently, there are properties widely available with a one bedroom property costing around €1,700.

Another neighbourhood that offers mainly apartments is the Old West (Oud West). Popular with all assignee-types (singles, couples and families), availability in this area is a little higher than Jordaan and Pijp, but good quality housing remains limited. A one bedroom apartment is let for around €1,700 per month and a two bedroom is approximately €1,950.

NETHERLANDS PROPERTY

Families looking for a larger property typically look outside of the city centre, to neighbourhoods like Vondelbuurt and the Old South (Oud Zuid). Houses and apartments are available in these areas, with a two bedroom property starting at around €2,500 per month. Relocating families should be mindful that properties with a garden are extremely limited, however, Amsterdam has a number of large, green open spaces including Vondelpark.

PARKING

Amsterdam is a relatively small city by world standards and, as such, parking is a major challenge. Many neighbourhoods include parking permits for residents, but there can be long waiting lists for these. In general however, many properties do not come with parking included and assignees should be mindful of this before deciding to drive whilst on assignment. Indeed, Amsterdam has an excellent public transport system, so driving is not a necessity and bicycles are also a very popular way to travel, with dedicated cycle lanes around the city.

ACROSS THE NETHERLANDS

Just over 40 percent of Dutch people rent their homes, with the market split between rent-controlled social housing and free sector housing. Rents just above the rent-controlled sector continue to increase, making it more challenging for locals and expatriates to find affordable housing. Companies should be mindful of this when setting an assignee's housing allowance, as it could have a big impact on the quality of accommodation that the assignee can afford.

Years of limited development in residential housing activity has also led to ongoing rent increases, which is a particular problem in Amsterdam. Housing developers in the capital city are currently building thousands of small apartments (around 30sqm) to meet demand. Despite these recently new housing developments, experts suggest that the shortage in rental supply will continue in the years ahead, and experienced most in the Netherlands' major cities.

THE HAGUE

Located in the mid-west, The Hague is home to many global organisations and as such, attracts both expatriates and Dutch graduates, with many universities in the area including Leiden University. This has meant demand for good quality rental properties is very high. There are not many modern apartments available, with most properties reflecting a more traditional style. In terms of property-types, there is a large selection from studio apartments to large villas. Furnished options can also be sourced, although they are more readily available in smaller properties (two bedrooms or less). In contrast to Amsterdam, parking is easier to secure in The Hague but residents typically still require a permit.

The average rental rates for apartments and houses in The Hague, per calendar month, are outlined below:

Bedroom	Apartment	House
1	€1,100	€1,500
2	€1,400	€1,800
3	€1,800	€2,250
4	€2,300	€2,750

** Correct at time of publication*

Popular expatriate neighbourhoods include the centrally located Willemspark, Statenkwartier (between the city and coast), as well as Bezuidenhout and Benoordenhout to the north of the city. The latter of which is popular for relocating families as the area offers large apartments and houses.

ROTTERDAM

Rotterdam in the south of the Netherlands is the second most populous city after Amsterdam. The most popular expatriate neighbourhoods in the city centre, are made up of predominantly one and two bedroom modern apartments. The rental market is mainly furnished, with an unfurnished apartment quite challenging to find. Popular expatriate areas for couples and families include Blijdorp (north west), Kop van Zuid (south west) and Kralingen (east).

The average rental rates for apartments and houses in Rotterdam, per calendar month, are outlined below:

Bedroom	Apartment	House
1	€1,250	€1,500
2	€1,500	€2,000
3	€2,000	€2,500
4	€2,500	€2,000

** Correct at time of publication*

UTRECHT

Utrecht is one of the Netherlands's oldest cities and as such, apartments and houses are more traditional in style. Furnished options are more readily available for smaller properties, with larger family homes typically let as unfurnished. Assignees should be mindful that most properties have very narrow staircases, especially in the medieval city centre, which means large pieces of furniture will be difficult to move to floors above ground level. In most cases, street parking requires a permit and the more centrally located the property is, the longer the waiting list will be to secure one.

NETHERLANDS PROPERTY

The average rental rates for apartments and houses in Utrecht, per calendar month, are outlined below:

Bedroom	Apartment	House
1	€1,250	N/A
2	€1,500	€1,700
3	€1,800	€2,000
4	€2,150	€2,500

* Correct at time of publication

EINDHOVEN

Located in the south of the Netherlands, Eindhoven is known as a centre of high-tech research and industry. The current rental market in Eindhoven is very competitive, with prospective tenants outnumbering available properties. There are no property-types high in availability, although they can be sourced. In general, furnished options are only available for studio, one bedroom or two bedroom apartments. Likewise, small furnished houses can be sourced, but larger, family homes are only available as unfurnished. Street parking can be secured with a permit, although the costs of permits vary by the location of the property.

The average rental rates for apartments and houses in Eindhoven, per calendar month, are outlined below:

Bedroom	Apartment	House
1	€1,250	N/A
2	€1,450	€1,350
3	€1,750	€1,500
4	N/A	€1,600

* Correct at time of publication

GRONINGEN

The largest city in the north, Groningen's most popular expatriate neighbourhoods include the centrally located Oosterpoort, which offers apartments to singles and couples. Whereas families typically look to the south of the city, in the areas of Helpman and Haren, where larger three to five bedroom properties can be found. However, larger properties can be low in availability and assignees should be mindful of this when searching for a family home, as it can take some time to find one.

Groningen's rental rates are cheaper than the Netherlands' southern cities, with average prices, per calendar month outlined below:

Bedroom	Apartment	House
1	€900	€1,000
2	€1,100	€1,300
3	€1,300	€1,500
4	€1,800	€1,800

* Correct at time of publication

GOING FORWARD

At Cartus, we have experienced a continuing increase in demand for rental properties across the Netherlands, especially in Amsterdam. As this trend looks set to continue, we ask that assignees ensure they are flexible when searching for a property and once they do find suitable accommodation, they act quickly to secure it.

WHAT WE DO

The relationships that we have built with real estate agents across the Netherlands are key and help us to successfully find international assignees and their families a suitable home. In a crowded market, it is these strong relationships that can give assignees an advantage. Allowing us access to all available properties, more negotiation power and ensuring effective and timely communication between all parties.

As an important part of our Destination Services support, our Field Consultants are on the ground to provide help and guidance, and act as an intermediary between the real estate agent and the prospective tenant. We recommend that assignees keep in regular contact with their Cartus representative throughout their period of relocation.