

THE STATE OF HOUSING IN EUROPE – 2025

NETHERLANDS

- ➡ Social Housing
- ➡ Private Rental
- ➡ Owner Occupied
- ➡ Other
- ➡ Total

| # OF DWELLINGS | % OF TOTAL |
|------------------|------------|
| 2,246,108 | 28.6 |
| 1,056,905 | 13.5 |
| 4,548,444 | 57.9 |
| 4,934 | 0.1 |
| 7,856,391 | |



SOURCE: Housing Europe estimates, based on CBS Statline.

NOTES: Housing stock on the 1st of January, 2024. Excludes vacant dwellings.

THE ROLE OF PUBLIC, COOPERATIVE, AND SOCIAL HOUSING PROVIDERS

The Netherlands boasts the largest social housing sector in Europe (in relative terms). The latest figures show that the country's non-profit housing associations (*woningcorporatie*) provide 2.25 million homes; nearly 30% of all primary dwellings. This provides housing to approximately 3.6 million people. At the national level, 256 housing associations are represented by Aedes, the sectoral federation. Overall, Aedes and its members employ nearly 29,000 in the Netherlands.

DYNAMICS OF HOUSING SUPPLY

The long-term target is that housing associations deliver around 27,000 homes per year, via both new build and acquisitions (e.g., turnkey). The, annual delivery has been moving towards this target recently.

| Year | New builds | Acquisitions | Total |
|--------|------------|--------------|--------|
| 2020 ➡ | 15,199 | 11,938 | 27,137 |
| 2021 ➡ | 16,925 | 2,278 | 19,203 |
| 2022 ➡ | 16,015 | 11,693 | 27,708 |
| 2022 ➡ | 17,801 | 6,775 | 24,576 |

SOURCE: dVi/dPi & Aedes Database

However, the housing associations had agreed with the Government (prior to the recent elections) to significantly increase annual production in the coming years. This would see them build over 270,000 social homes—excluding

acquisitions—in the period 2025-2034.¹ It is not clear yet what impact, if any, the elections may have on this objective.

In terms of renovations, according to Aedes there were 31,800 fewer social dwellings in the worst performing energy categories (i.e., E,F,G) in 2022, followed by a further 37,800 reduction in 2023. Aedes members have the objective of effectively eliminating all such housing by 2029, when a ban on renting poor performing dwellings is meant to take effect. For context, there were nearly 250,000 EFG rated social dwellings in 2022, so the expected scale and pace of improvement is objectively very impressive.

HOUSING NEEDS TODAY

The most recently published figures prepared for the Dutch government suggest that there is an existing unmet need for 395,000 homes in the Netherlands.² The report highlights a particularly acute shortage of social housing, with lower-income households facing the greatest barriers to finding affordable accommodation.

In total, around 1.8 million households are seeking a new home, and even with continued construction of roughly 80,000 homes annually, the supply of housing is expected to remain well below demand over the coming decade. The previous Dutch government had been targeting the delivery of 100,000 new homes per year.

RECENT DEVELOPMENTS IN HOUSING

The revised National Performance Agreement (NPA)—signed between the outgoing Dutch government, the Dutch association of municipalities, and Aedes—set very ambitious

1 _ The new agreement [Nationale Prestatieafspraken 2025 - 2035] can be viewed at: <https://www.rijksoverheid.nl/documenten/rapporten/2024/12/02/nationale-prestatieafspraken-2025-2035>

2 _ <https://open.overheid.nl/documenten/a639725d-2ae1-4fef-b4ee-0023c6b62f4a/file>

targets for new supply and renovations. However, an (ultimately unsuccessful) attempt by the previous government to impose a rent freeze on all housing associations challenged the realisation of the NPA. Had it been successfully implemented, the freeze would have reduced the investment capacity of housing associations to the point that the already very ambitious targets would have become absolutely impossible to achieve.

There are a number of headwinds facing the social housing sector in the Netherlands; uncertainty related to the collapse of the previous government and the subsequent elections aside. This includes a number of structural bottlenecks, including shortages of skilled labour, a lengthy permitting process, limited availability of developable land, stalled projects due to the nitrogen crisis, congested electricity grids, and rising construction costs.

In addition, while not a recent issue, the continued application of the EU's 'Anti-Tax Avoidance Directive' [2016/1164] to housing associations is a clear obstacle to the proposed marked increase in new construction in the coming years. This is because such developments will necessitate increased borrowing, and under the "interest limitation rule" the corporation tax liability of social providers will jump significantly. Aedes has noted that ATAD led to an increase in the corporation tax liability of its members of €314 million in 2023. This could jump to €531 million by 2027 and €620 million by 2029. This is money that is, thus, not going to support the development of new social housing.

POLICY GUIDELINES FOR PUBLIC, COOPERATIVE, AND SOCIAL HOUSING



The legislative framework during the previous government mandate appeared generally favourable, with the NPA recognising the social housing sector's role and a pending housing law requiring two-thirds of new developments to be social or affordable housing. Yet two key gaps remained:

- the lack of a sustainable long-term financial model, as the €110 billion NPA investments rely on loans without financial returns, and
- restrictions on using the Social Housing Guarantee Fund (WSW) for middle-income housing. As a result, only 26,000 of the planned 50,000 homes can be financed; with adjusted state aid rules, this could rise to 68,000.

When we look at what is currently missing in the Netherlands; two key elements stand out:

- additional financing instruments for large-scale building renovations, and
- an exemption of social housing providers from corporate tax (including ATAD requirements).

THE EU'S ROLE IN BETTER SUPPORTING THE SECTOR

At the EU level, key actions could provide meaningful support.

- In the Dutch case a review of the SGEI decision should help to unlock the delivery of additional affordable (mid-rent) housing, helping those who are caught between the existing social rental and market housing segments;
- The EU should specifically earmark dedicated funding for building renovations, as current funding schemes that can theoretically be used for this purpose are often allocated to other types of projects, and
- Social housing providers must be exempted from ATAD requirements as part of the upcoming revision process.

