

Making the Housing Market Transparent with Land Registry Data: the Role of Buy-To-Let in the Dutch Housing Market

Frank Harleman and Marion Plegt (Netherlands)

Key words: Affordable housing; Digital cadastre; Legislation; Professional practice; Housing market ; transfer tax; homeownership

SUMMARY

Low mortgage interest rates, combined with housing prices that have increased steeply since 2015, have attracted investors to purchase houses and let them to households. This limits the opportunities for first-time buyers, while also driving up house prices. Statistics from the Dutch Land Registry provided factual substantiation for the widely reported role of investors in the housing market. With this information the government intervened and took action: they increased the transfer tax for investors, while lowering this tax for first-time buyers. Furthermore, based on the data, various local governments imposed an obligation of self-occupancy or implemented policies that prevented investors from buying houses.

Objectives

- To show how to transform registration data of ownership into useful insights about developments on the housing market
- To give an overview of the role of investors in the Dutch housing market.

Results

We show that private investors have bought more houses since 2015. Their share in home purchases grew from 2.9 % in 2010 to 7.7 % in 2020. When the government increased transfer taxes, private investors' market share fell to 4.0 % in 2021. Actions from local governments facilitated a further decline in investors' market share in municipalities that took further action. In the paper we will also update the results with statistics of

Making the Housing Market Transparent with Land Registry Data: the Role of Buy-To-Let in the Dutch Housing Market (12037)

Frank Harleman and Marion Plegt (Netherlands)

FIG Working Week 2023

Protecting Our World, Conquering New Frontiers

Orlando, Florida, USA, 28 May–1 June 2023

2022.

Additionally, in the paper (and presentation), we show how we transform and enrich the registration data, resulting in a detailed dataset suitable for the analysis of such housing market issues.

Conclusions

Analysis of enriched registration data of the Dutch Land Registry allows for a transparent housing market and serves the Dutch government in political decision-making.

Significance

Insight in the development of the market share of investors in the Dutch housing market allowed the Dutch government to act and implement appropriate policies. Various local governments asked the Dutch Land Registry for local overviews of the role of investors. Using data to make the housing market transparent allows governments to make informed decisions and act accordingly.

With the presented information we also attracted a lot of media attention which led to follow-up questions and comprehensive articles.

Making the Housing Market Transparent with Land Registry Data: the Role of Buy-To-Let in the Dutch Housing Market (12037)

Frank Harleman and Marion Plegt (Netherlands)

FIG Working Week 2023

Protecting Our World, Conquering New Frontiers

Orlando, Florida, USA, 28 May–1 June 2023