



Real estate outlook

Etat du marché, quelles prévisions?

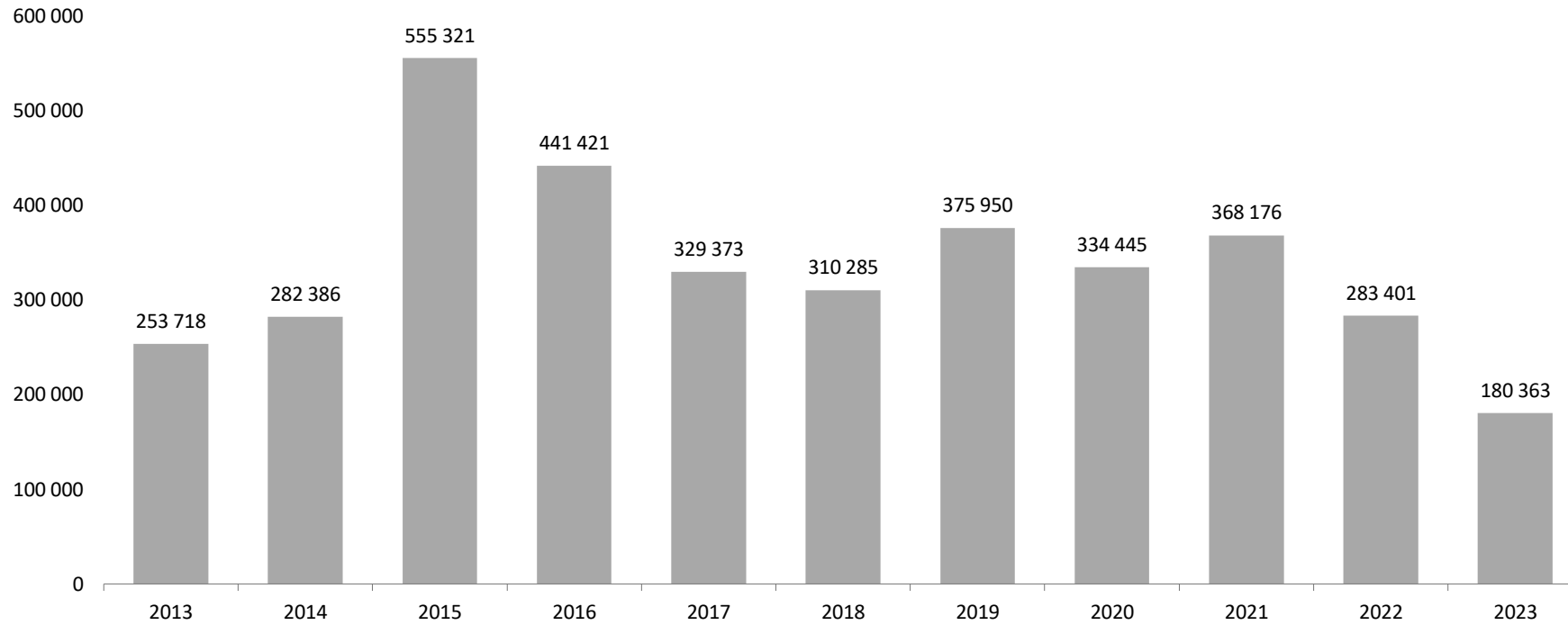
Philippe Ledent
Expert Economist, ING Research
December 2023



do your thing

Mortgage lending down 51% from 2021

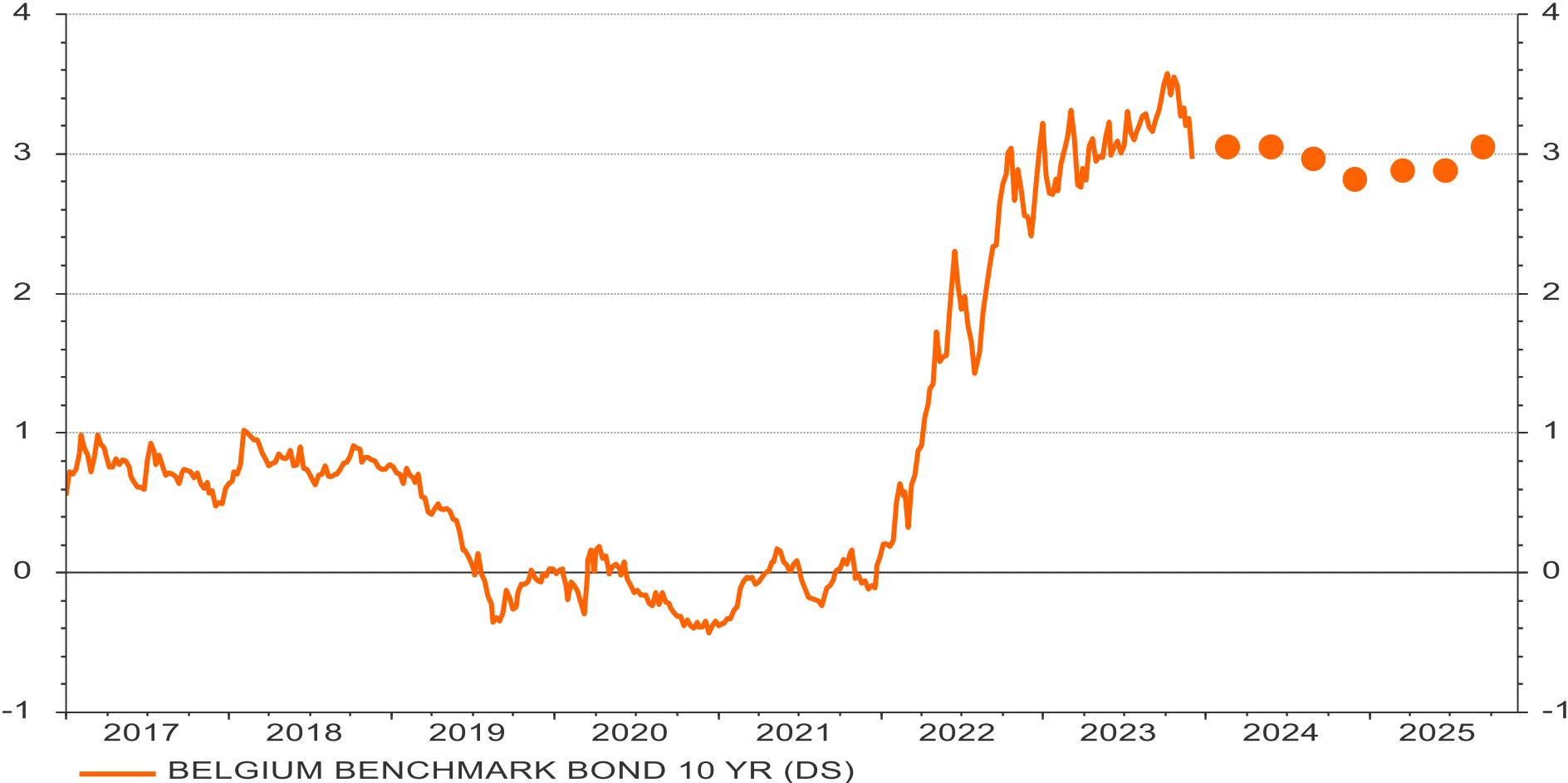
Number of mortgages granted in the first 10 months of the year (in thousands)



Source: NBB

Long-term interest rates cooled somewhat recently, but we should not expect a sharp fall

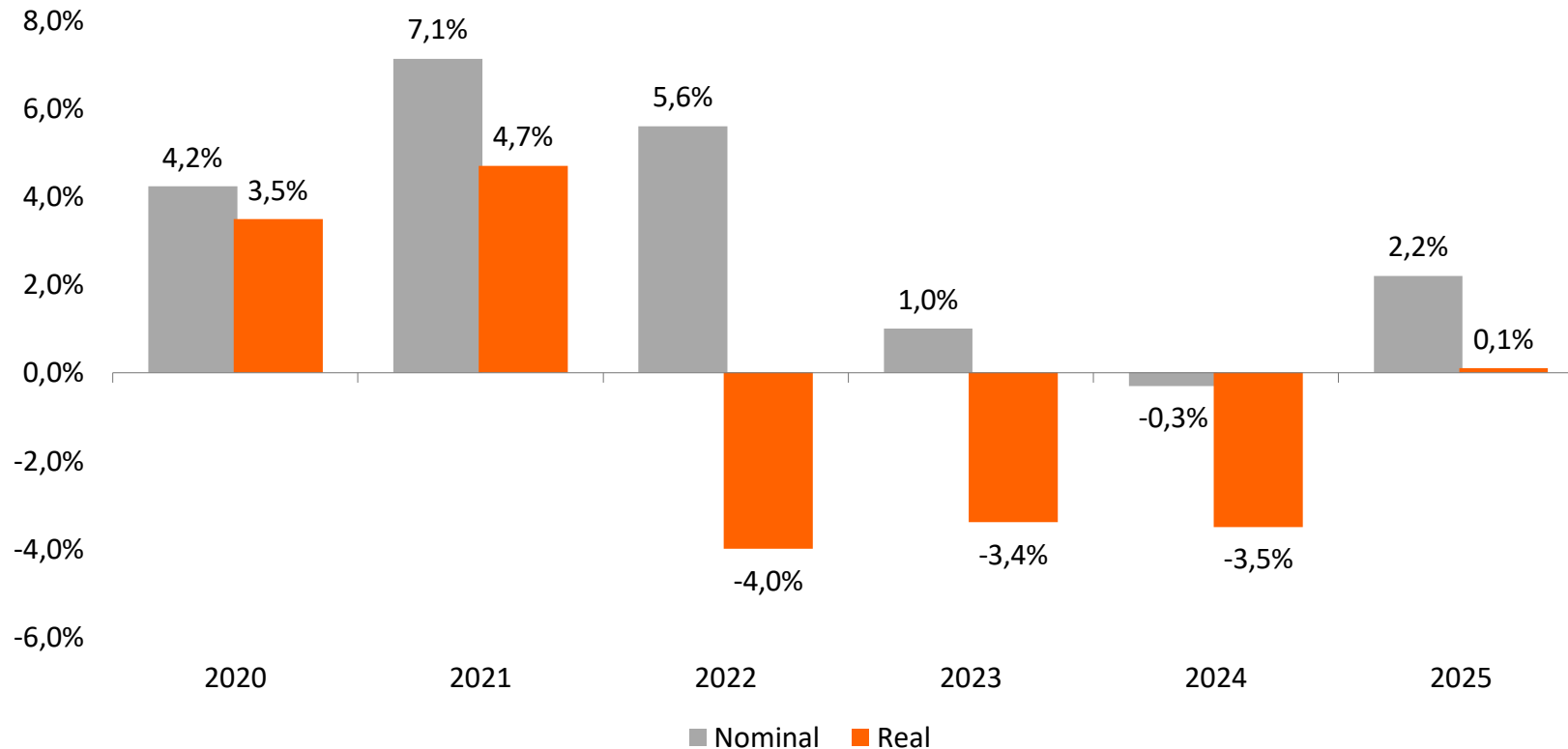
Yields on 10-year Belgian government bonds



Source: LSEG Datastream, ING Economic Research

We expect house prices to stagnate nominally over the next 2 years

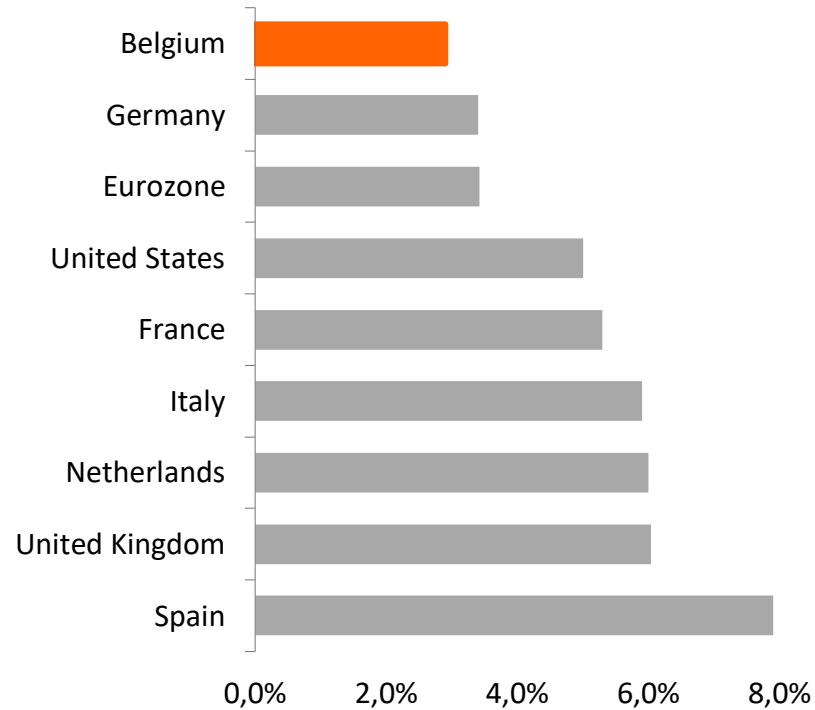
House price growth in nominal and real terms, incl. forecasts ING Research



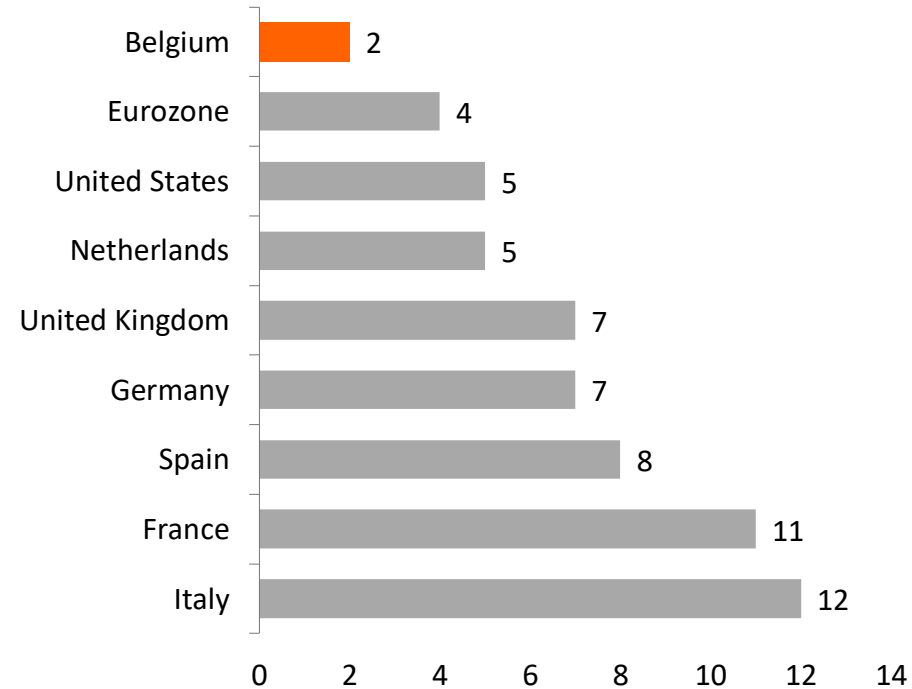
Source: Statbel, forecasts ING Research

Belgium has one of the most stable property markets of any major OECD country

House price volatility since 1990



Number of years with falling house prices since 1990



Source: OECD, calculations ING Reserach

Most Belgians remain firm believers in further price increases, which is an important stabilising factor for the market



81%

of Belgians believe in a further rise in property prices over the next 12 months



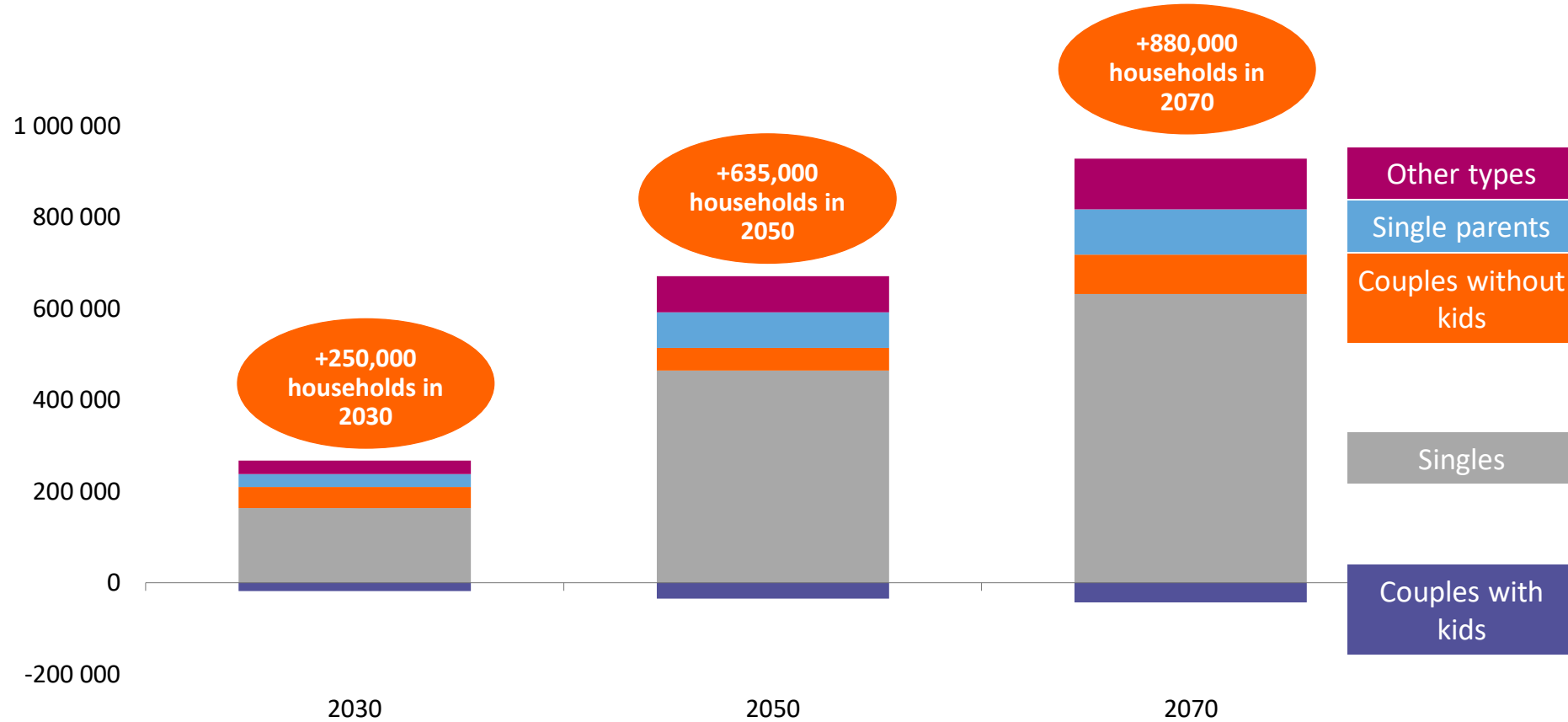
51%

of Belgians think prices in their country will never fall

Source: ING consumer survey June 2023

Challenge I: Continued growth in demand for property in coming years, but mainly by single people

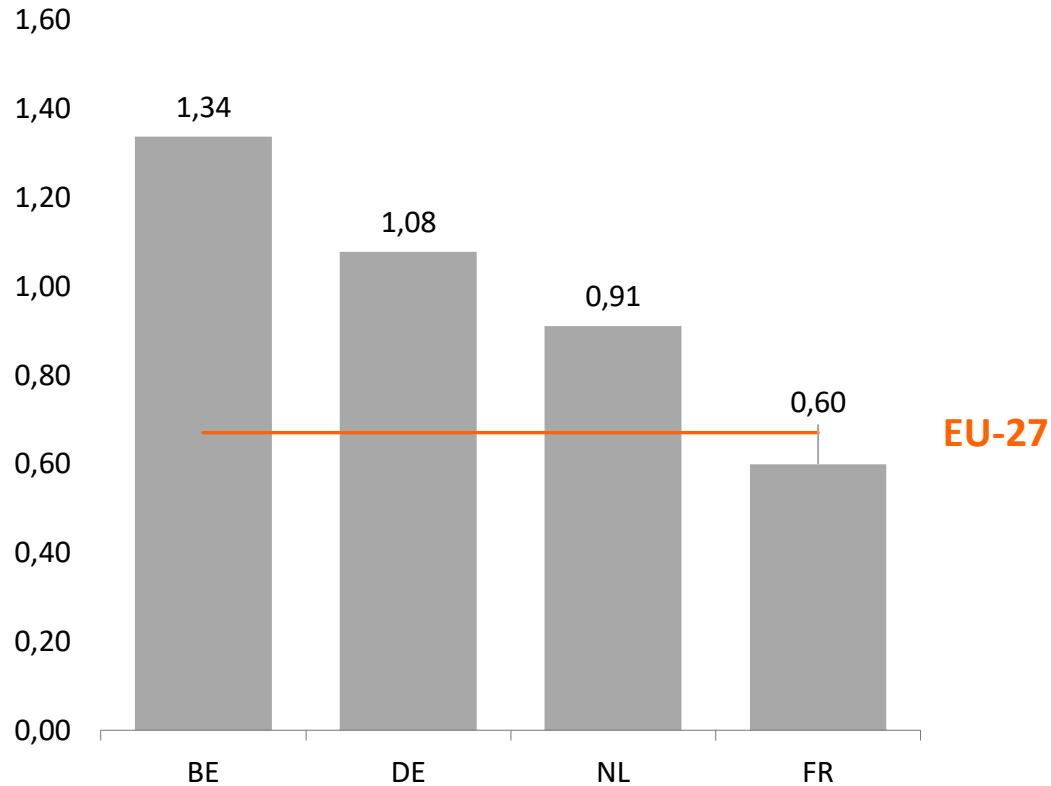
Growth in number of families compared to 2022



Source: Planning bureau, Statbel, calculations ING

Challenge II: We will have to make extra efforts compared to neighbouring countries in terms of CO2 emissions

EU CO2 emissions per capita - residential sector, 2019



Source: Statbel, Eurostat

The Belgian building stock is on average...

...older

-> 64% of our buildings were built before 1981

...larger

-> 124m² compared to 96m² in the EU

...and has a smaller proportion of flats

-> 22% compared to 46% in EU

Impact on housing market: a house with label A already sells for 17% more than an average house

What is the impact of EPC on the value of a property?

EPC value in kWh/m ²	House price increase
50	17%
150	12%
250	6%
350	0%
450	-4%
550	-7%
650	-8%
750	-9%
850	-11%
950	-11%
> 1050	-13%

Compared to a comparable house with an EPC score of 350 kWh/m², effect measured between Q3 2020 and Q2 2021

Source: NBB, KULeuven



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