

# ACHMEA MORTGAGES

Quarterly Update Q4 2025



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# 1. Summary and outlook

Swap rates continued their move upwards in the fourth quarter. Long-end swap rates noted the most significant increase, caused by an increase in government bond supply and a further pricing in of geopolitical risk. The swap market instability that was predicted to happen due to the shift to the *Wet Toekomst Pensioenen* has been more muted than expected, as pension funds have decided to hedge more interest rate risk than the market has predicted.

In a lagged tandem with swap rates mortgage rates increased too. The rise for a 10-year mortgage with NHG was 16 basis points. Even though mortgage rates increase the market performed well in terms of volume and mortgage loan principal. The number of mortgage loan applications increased by 10.2% quarter-on-quarter and the average mortgage loan principal rose by 1.5%.

Developments in the housing market were marked by a large number of transactions and a further price cooling. As mortgage rates rose further and prospective buyers had more choice the year-on-year price growth fell to 5.8%. During the coming quarters this housing market cooling is set to continue, as mortgage rates remain high and wage growth slowly declines.

This quarter's ESG chapter focuses on flood risk for properties outside water barriers. While these properties lack standard insurance and direct government protection, portfolio analysis shows minimal exposure: just 1.1% of properties are affected, with fewer than 10 facing genuinely elevated risk.

## 10 YEAR NHG MORTGAGE RATE

Q4: 3.69%

Previous quarter: 3.53%

## # OF MORTGAGE LOAN APPLICATIONS

Q4: 147,843

Previous quarter: 134,214

## AVERAGE MORTGAGE LOAN PRINCIPAL

Q4: €282,377

Previous quarter: €278,108

## PRICE DEVELOPMENT HOMES YEAR-ON-YEAR

Q4: 5.8%

Previous quarter: 7.0%

# 2. Mortgage Market Update

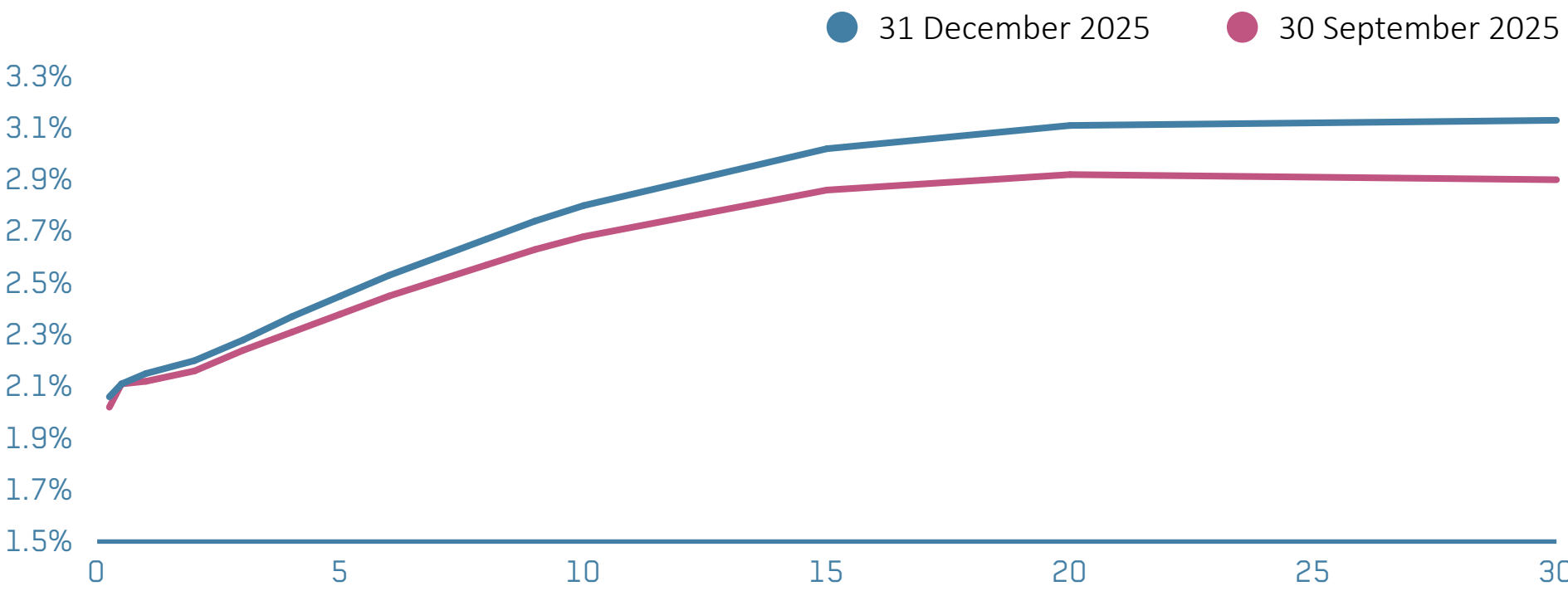
## INTEREST RATE MARKET

The increase in swap rates that started in the third quarter continued during the fourth quarter, with the most significant increases happening at the longer end of the curve. This organic growth in swap rates seems to be bond traders further pricing in the increase in government bond supply that is expected to hit the market in 2026, combined with a further pricing in of possible geopolitical risks.

This growth in supply is caused by continuously high budget deficits in key European countries, with the German budget deficit rising from 3.1% in 2025 to 4.0% of gross domestic product in 2026 (source: [Eurostat](#)). Higher defence spending, as mandated by the 3.5% NATO norm for defence spending, has in most countries within the Eurozone not yet been budgeted for, making it possible that budget deficits can grow even more than expected in coming years. Higher yields on long-term bonds are forcing governments to shift toward shorter-maturity debt. An example of this is the Dutch State Treasury

EURO SWAP CURVE

Source: Achmea Mortgages



Agency publishing in their 2026 outlook that they intend to shorten the average duration of outstanding Dutch government debt to a minimum of 7.5 years (source: [DSTA](#)). This provides a slight relief to further upwards pressure on swap rates on the longer end of the curve, which have risen the most in the past two quarters.

A further curve flattening could be provided by the shift to the *Wet Toekomst Pensioenen* proving to be less intensive than predicted by the market, as pension funds transitioning are hedging more interest rate risk than expected. This increases the demand for longer-end swaps slightly, but with interest rate hedges still falling from the previous pension fund system, swap curves should steepen further (source: [ING](#)).

Doubts about the independence of the US central bank have increased now that the Trump administration has launched an inquiry into Federal Reserve Chair Powell. This heightens uncertainty surrounding future monetary policy in the United States. As a result, yields on US treasury bonds are rising, as investors factor in the possibility of political pressure on the Fed's independence and decision-making. Through arbitrage and higher risk premiums, this is feeding into higher swap rates (source: [WSJ](#)).

Downwards risk to inflation rates makes that there seems to be an upwards ceiling to swap rates. Inflation in the Netherlands was 3% (HICP) over 2025 and Eurozone inflation turned out to be 2.1%. This is still above the European Central Bank (ECB) target rate of 2%, but with Dutch TTF natural gas futures pricing falling drastically during the fourth quarter (source: [ICE](#)) and oil prices also falling substantially, there is a possibility of inflation rates surprising downwards in 2026.

Against this picture of substantial economic and geopolitical volatility, central bank policy has proved to be surprisingly stable in the fourth quarter, with the ECB remaining with their "meeting-by-meeting" strategy (adjusting policy based on incoming data rather than pre-committing to a path) and market expectations of the ECB deposit rate staying stable during 2026 not changing. Market expectations for the Fed, which cut rates once during the fourth quarter to 3.50% - 3.75%, are for no cuts in the first

quarter of 2026 and a slow shift downwards to 3.00% - 3.25% at the end of 2026 (source: [CME FedWatch](#)). The economic and political risks mentioned above could however change the policy of the central banks.

The continued steepening of the swap curve is visible in the Euro Swap Curve chart. In the third quarter the 30-year rate was slightly below the 20-year rate, but rate developments have meant that this "final" inversion has also now ended.

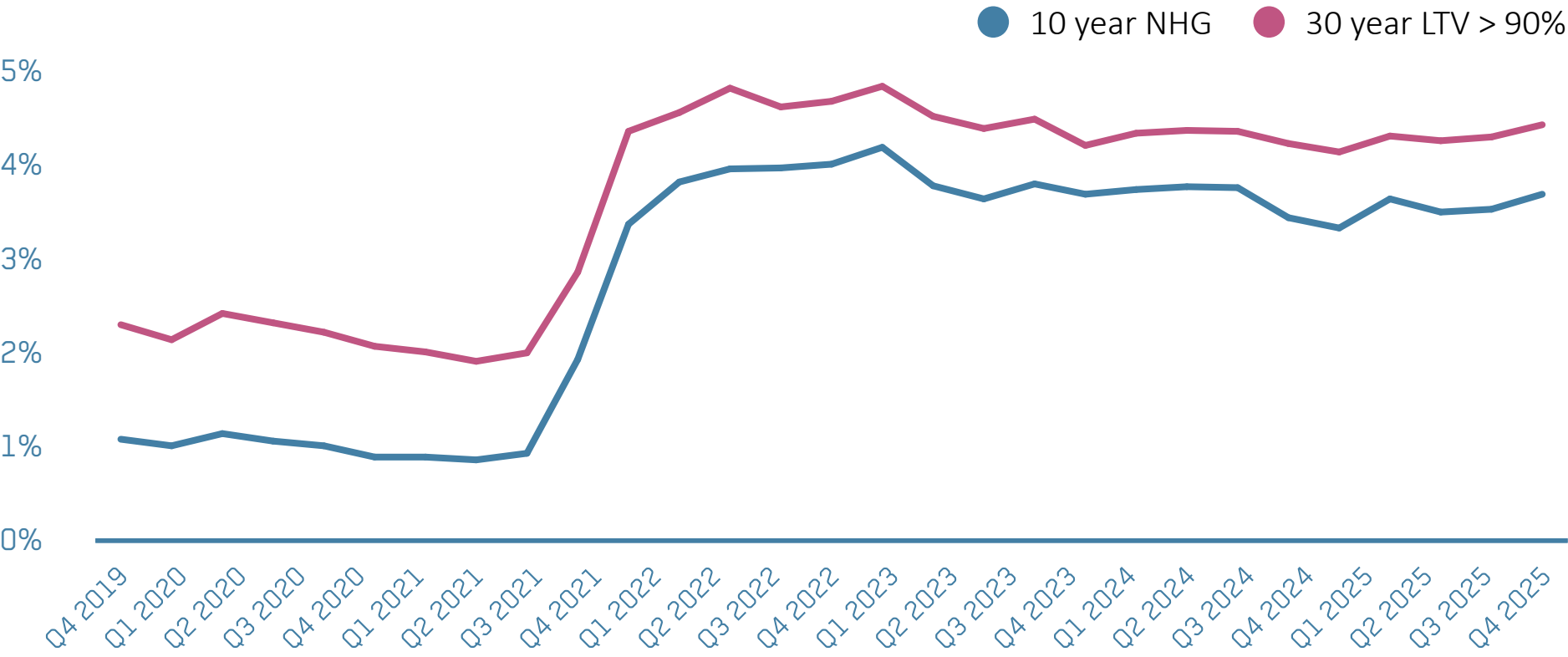
Mortgage interest rates and margins

The increase in swap rates in the third and fourth quarter of 2025 has meant that mortgage rates have similarly risen almost across the board, but the lag with which mortgage rates respond has resulted in swap rate increases not fully having been priced in yet. The largest increases were once again visible with longer fixed-rate periods, as mortgage rates for 20-year and 30-year fixed-rate periods rose by 16 to 18 basis points on average across all risk classes.

Lower risk classes noted a stronger rise than the average for the fixed-rate period. The average interest rate for a 10-year fixed-rate mortgage with National Mortgage Guarantee (NHG), the mortgage type with the highest market share, increased by 16 basis points to 3.69%, based on data from the top 10 providers.

MORTGAGE INTEREST RATES

Source: Achmea Mortgages



This while the average rise for the 10-year fixed rate period across all risk classes was 12 basis points. The same picture was visible for longer fixed-rate periods. The average interest rate for a 30-year fixed-rate mortgage with a loan-to-value (LTV) greater than 90% increased by 13 basis points, from 4.30% to 4.43%. Interest rates for a 30-year fixed period NHG mortgage rose by 16 basis points.

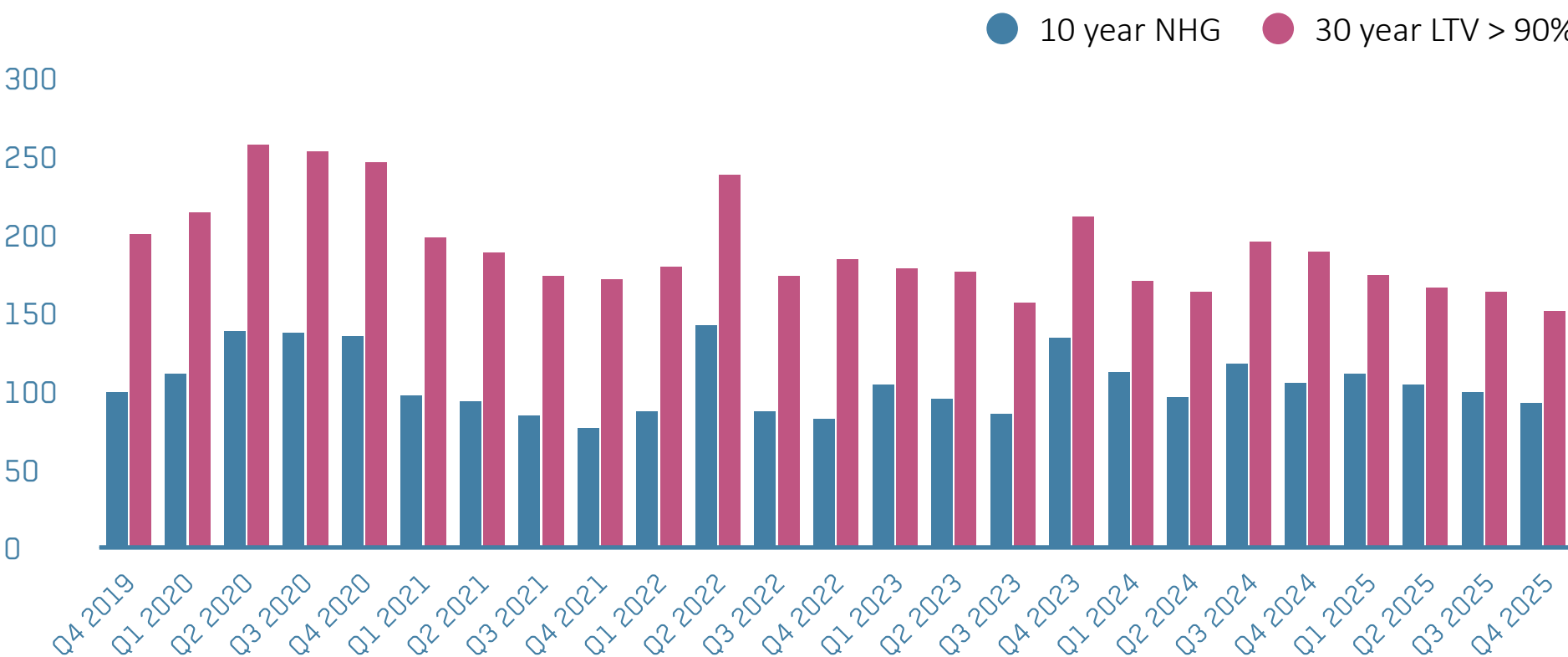
As swap rates increased further during the fourth quarter the picture of pressure on margins, which was visible during the third quarter, remained in the fourth quarter. For all fixed-rate periods longer than 3 years margins fell for all risk classes. The average compression was 7 basis points. Margins for the 3-year fixed-rate period stayed stable and for the 1-year fixed-rate period margins increased by 8 basis points.

The margin on a 10-year fixed-rate NHG mortgage declined during the fourth quarter from 99 basis points to 92 basis points, see the *Spreads* chart. The margin on a 30-year fixed-rate mortgage with a LTV greater than 90% also decreased, from 163 basis points to 151 basis points.

Although margins declined further in the fourth quarter, they continue to hover around their long-term average. Mortgage rates typically move with swap rates, but with a lag, which can temporarily widen or compress the margin. As swap-rate volatility diminishes, this effect tends to normalise.

SPREADS (IN BPS)

Source: Achmea Mortgages



Looking ahead, margins may show modest fluctuations as market conditions shift, but are expected to remain broadly stable over time.

Number and distribution of mortgage loan applications

According to the Mortgage Data Network ([HDN](#)), just over 148,000 mortgage loan applications were registered this quarter, an increase of 10% compared to the previous quarter, see graph *Distribution of mortgages type*. This increase between the third and fourth quarter is a recurring pattern that was also observed in 2024 (133,000 applications in Q4 2024). Compared to the same period last year, this represents an increase of approximately 11%. The rise in housing supply is partly driven by landlords selling their properties (so-called "ex-rental sales"). For example, the supply of private rental homes declined by approximately 37% over the past year (source: [NVM](#)). The number of disposals is expected to remain elevated until mid-2026, when the last temporary rental contracts introduced under the “Wet vaste huurcontracten” enacted in July 2024 will expire.

The buyers’ market, consisting of starters and trade-uppers, accounted for 93,000 applications, representing a 11% increase from the previous quarter. In particular, applications among trade-uppers grew strongly (12% quarter-on-quarter). The majority of these applicants are trade-uppers above the NHG limit: households selling their current home and purchasing a more expensive property above the NHG limit. This upward trend continued throughout 2025. HDN reports that trade-uppers formed the largest segment in the buyers’ market in 2025, increasing by approximately. 24% compared to 2024 (source: [HDN](#)).

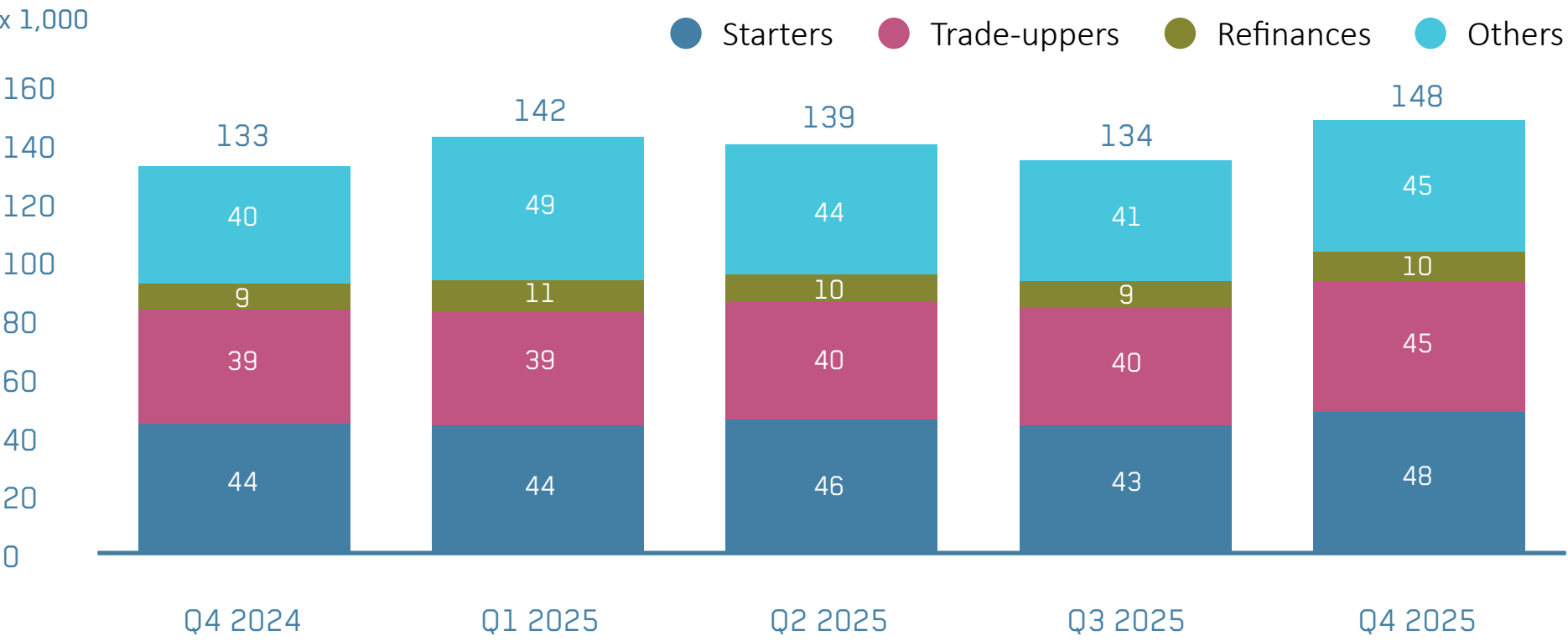
In the non-buyers’ market (refinances and other), the number of applications increased by 9% to around 55,000 this quarter. Within this segment, renovators continued to represent the largest share.

Development of mortgage loan principal (applications)

As illustrated in the graph *Mortgage loan principal and market value houses*, the average mortgage loan principal for buyers, the amount that the mortgagee intends to finance, increased slightly to €375,000 this quarter. This reflects an increase of 2% compared to the same period last year.

DISTRIBUTION OF MORTGAGES TYPE\*

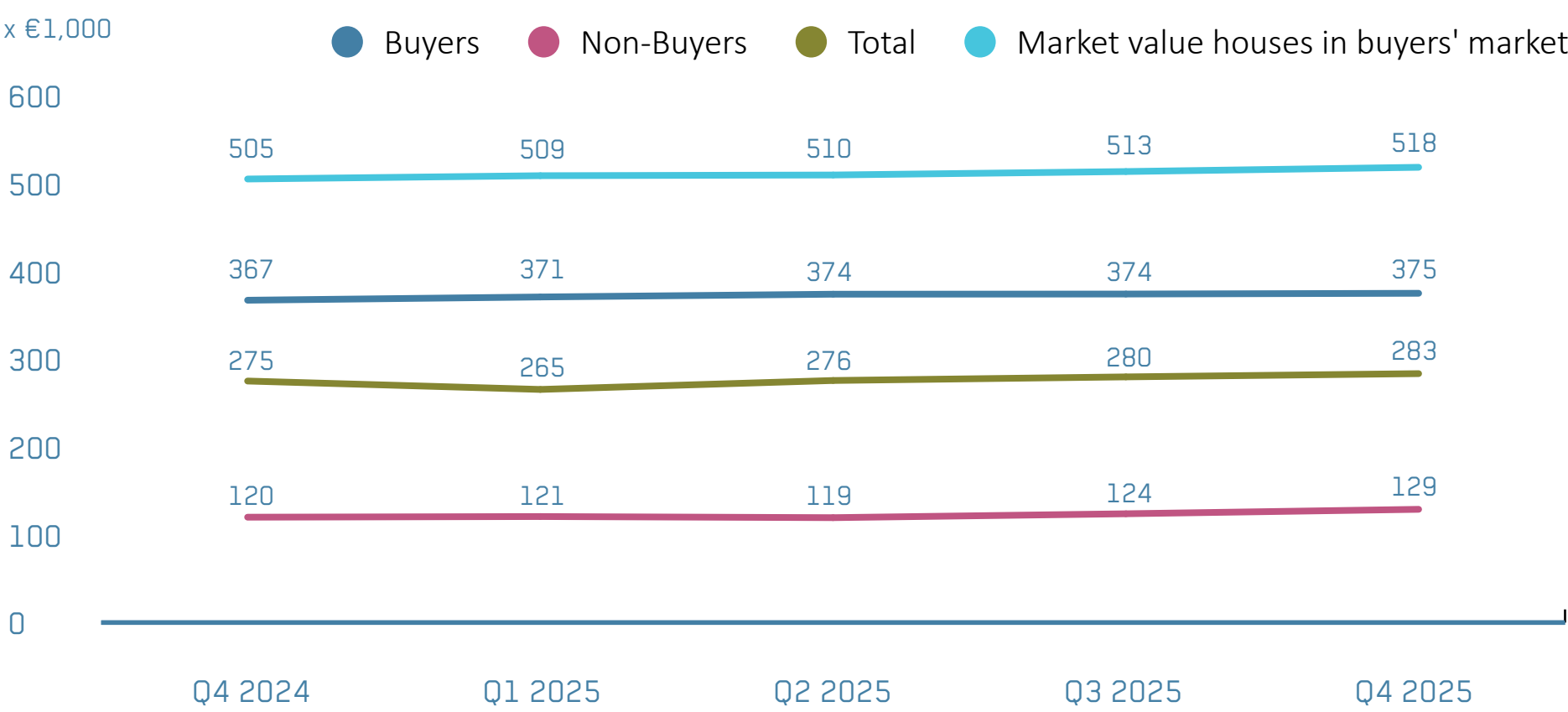
Source: HDN, Achmea Mortgages adaptation (2025)



\*Rounding errors may occur.

MORTGAGE LOAN PRINCIPAL AND MARKET VALUE HOUSES

Source: HDN, Achmea Mortgages adaptation (2025)





The underlying property value in the buyers’ market rose to a new record of €518,000 this quarter, a 5% year-over-year increase and a 1% rise compared to the previous quarter (€513,000). Although property values continue to increase, this growth has slowed down in recent months, particularly in December (average €514,000). This moderation is primarily driven by lower income growth compared to early 2025, disposals with relatively lower property values and rising interest rates in recent months. While these factors exert downward pressure on property values, the supply of owner-occupied homes is still not increasing sufficiently to alleviate the current market tightness. CBS reports that 31,600 new-build homes were completed in the first half of 2025 (source: [CBS](#)). Full-year figures are not yet available, but total completions for 2025 are expected to amount to approximately 70,000 homes, well below the target of 100,000. In addition, the number of building permits issued in 2025 declined by around 5% compared to 2024, indicating that the shortage is unlikely to improve in 2026 (source: [HDN](#)). Lastly, as of 1 January 2026, the NHG limit will be increased to €470,000 (from €450,000). This expansion has a positive effect on borrowing capacity. As a result of these factors, house prices are expected to increase slightly in 2026, in line with expectations from banks such as ING, which projects a 3.5% rise in 2026 (source: [ING](#)).

The average mortgage loan principal in non-buyers’ market increased with 4% to €129,000 this quarter. Across both segments—buyers and non-buyers—the total average mortgage loan principal reached approximately €283,000 this quarter, representing a 1% increase compared to the previous quarter (€280,000).

Market size of granted mortgage loans

HDN figures show that approximately €30.6 billion in mortgage loans were granted this quarter, reflecting a 6% increase compared to the previous quarter (€28.8 billion). This rise in granted mortgages is partly attributable to a surge in applications in November following the announcement of interest rate increases. The average mortgage loan principal of granted mortgages increased to €282,000 this quarter (previous quarter: €278,000). Due to slightly rising house prices, the average mortgage loan principal is expected to increase further in the coming quarters.

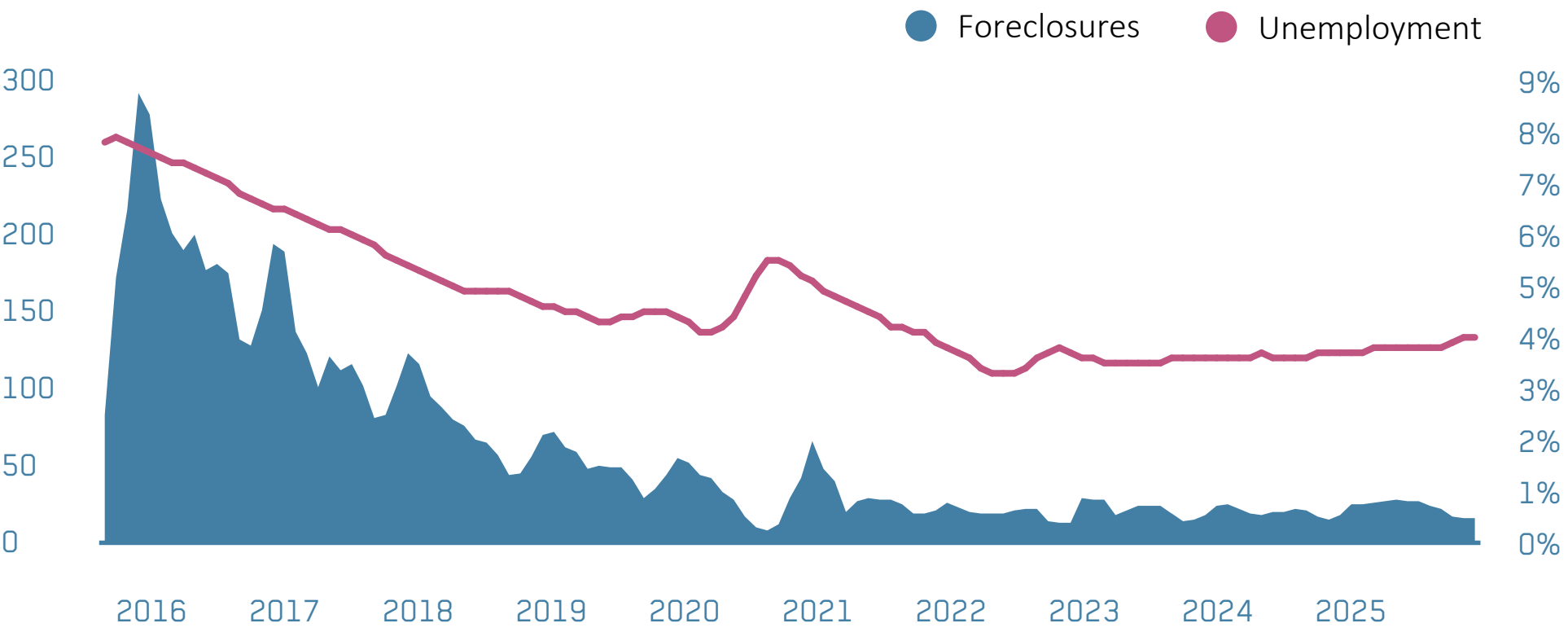
<sup>1</sup> Land Registry foreclosure sales figures are one month behind.

In 2025, the mortgage market grew by 25% compared to the previous year. For 2026, we expect a modest further expansion, as both the number of mortgage loan applications (driven by the final wave of disposals) and the average mortgage loan principal are expected to increase slightly. However, the growth in 2026 is likely to be less than the strong growth observed in 2025.

Number of foreclosure auctions, bankruptcies and unemployment rate

By the end of November, the number of foreclosure auctions, based on a three-month moving average, decreased to 16 per month<sup>1</sup> (August 2025: 22), see graph *Foreclosure auctions and unemployment rate*. The unemployment rate also remains low in this quarter, averaging 4.0% (source: [CBS](#)). This reduces the likelihood of foreclosures as mortgagees are better positioned to meet their obligations.

FORECLOSURE AUCTIONS AND UNEMPLOYMENT RATE (3 MONTH MOVING AVERAGE)



Source: [CBS](#) and [Dutch Land Registry](#) with Achmea Mortgages edit (2025)

# 3. Housing Market Update

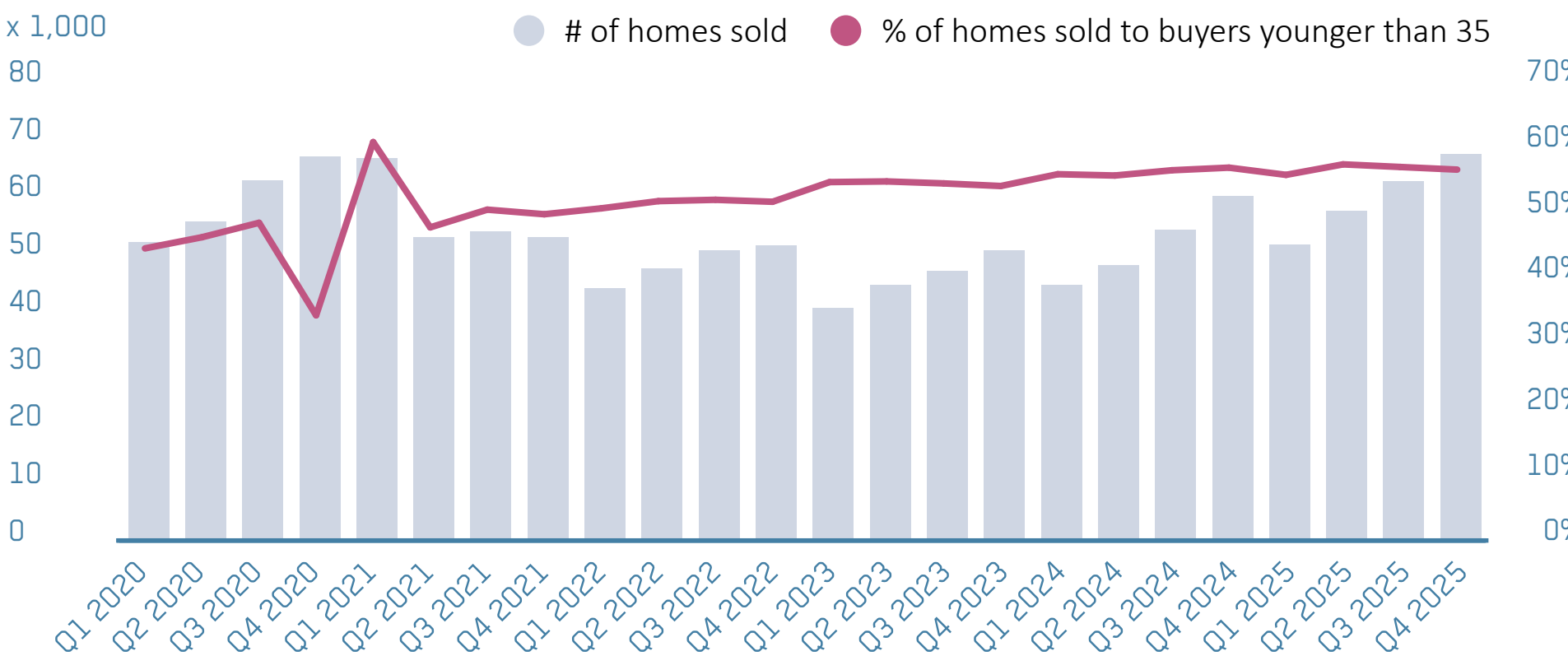
## AS THE NUMBER OF HOMES SOLD RISES FURTHER, THE QUARTER-ON-QUARTER PRICE DEVELOPMENT TURNS NEGATIVE FOR THE FIRST TIME SINCE THE 2022 HOUSING MARKET SLUMP

The last quarter of 2025 saw further housing market cooling, driven by rising mortgage rates and persistently high supply. Data from the Dutch Association of Realtors (NVM) shows that year-on-year the supply of homes available rose by 16%, with the number of apartments for sale leading the charge with a 26% growth year-on-year. For apartments the rise in supply keeps being associated with landlords offloading rental properties. This source of supply is expected to dampen in coming quarters. The data already shows this development. Quarter-on-quarter the supply stagnated, showing that the peak in supply seems to have been reached. For future quarters this could gradually reduce the degree of looseness in the market. Ex-rental sales are however not the only reason for the extra supply, with more terraced homes also being offered for sale, dampening the possible tightening.

The market once again seemed to be able to absorb the extra past supply quite well, with data from the Netherlands' Cadastre (Kadaster) showing a quarter-on-quarter increase in the total number of homes sold of 7.4%, year-on-year the increase was 12.2%. For apartments the increase was even larger at 15.5% year-on-year, showing the bump caused by ex-rental sales. Given current supply levels, Q1 sales are expected to exceed the seasonal norm for that typically quiet quarter.

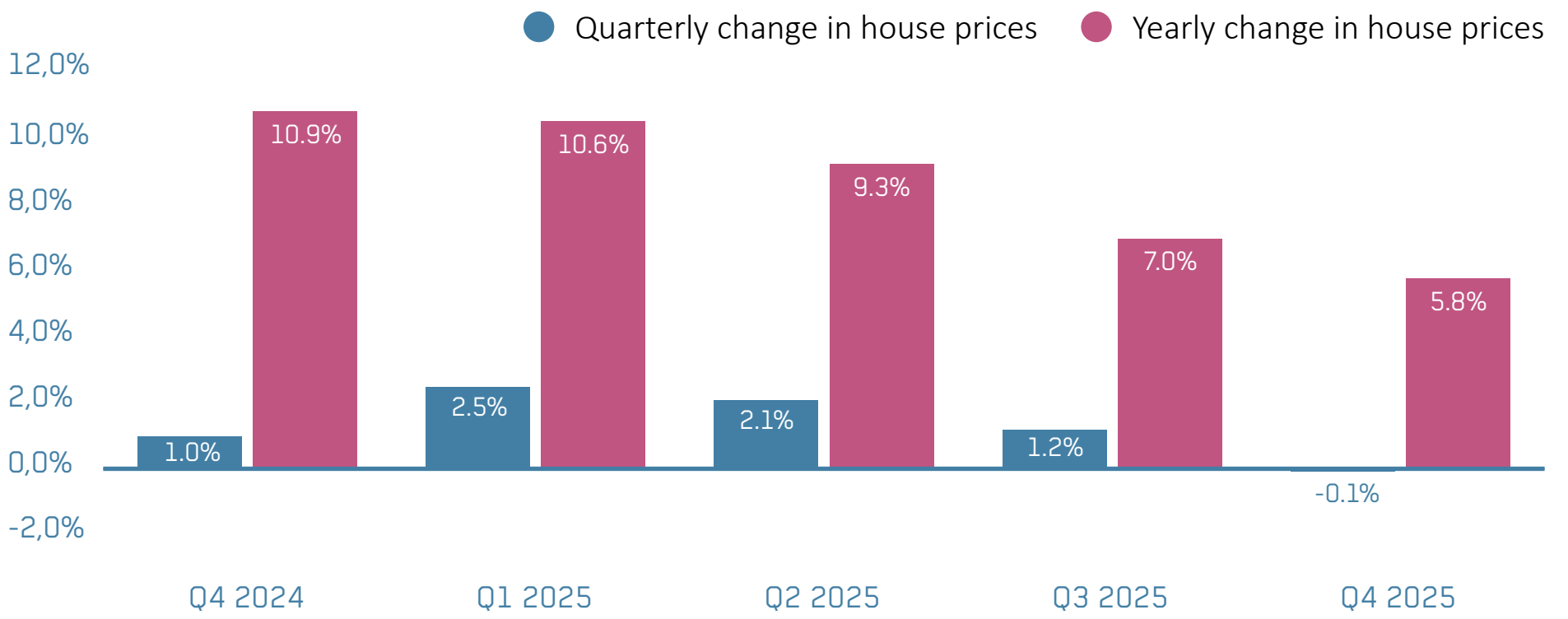
First-time buyers continue to play a large role in the market. During the fourth quarter 56.5% of homes sold went to buyers younger than 35 years old, which are often first-time buyers. This is a decline however from the third quarter, when 56.9% of homes sold were sold to younger buyers. This suggests limited further upside in first-time buyer market share and as the extra supply of cheaper ex-rental apartments tapers off the market share could show a slight decline.

NUMBER OF HOMES SOLD AND MARKET SHARE FIRST-TIME BUYERS (BUYERS YOUNGER THAN 35)



HOUSE PRICE CHANGE

Source: CBS, Achmea Mortgages





While strong demand absorbed most, if not all, of the additional inventory, it did provide prospective buyers with more choice. This shows in the data by NVM on the average number of bids received per home. The average was 2.8 during the fourth quarter, which is less than during the fourth quarter of 2024, when it was 3.7. The average time to sale however remained low, with most homes being sold after around four weeks. The extra choice was one of the factors impacting price growth.

The fourth quarter of 2025 was the first quarter that showed negative price growth quarter-on-quarter since the second quarter of 2023. The price index for existing homes (PBK) by the Kadaster and CBS noted a 0.1% decline quarter-on-quarter. Year-on-year the price growth remained relatively high at 5.8%.

Factors impacting price growth were, as mentioned earlier, the increased choice for homebuyers and higher mortgage rates. The higher mortgage rates work through in the borrowing capacity of prospective buyers, making it more difficult to buy a home. Income growth during the fourth quarter however remained high, at 4.6% (source: CBS), offsetting part of this decline in borrowing capacity.

Whether the negative price growth remains a blip or is the start of a new trend remains to be seen. It however shows a level of price growth that is closely aligned with the prognoses by banks of around 3 to 4% Q4 on Q4 price growth in 2026 (source: [ABN AMRO](#), [ING](#), [Rabobank](#)). Price growth data from NVM, which registers transactions at the point of sale and not at notarial passage, also showed quarter-on-quarter price growth in the fourth quarter, after a decline in the third quarter, giving indications that the PBK decline, which due to registering transactions as notarial passage has a three month lag, is temporary.





## 4. ESG

### Properties outside of water barriers and flood risk

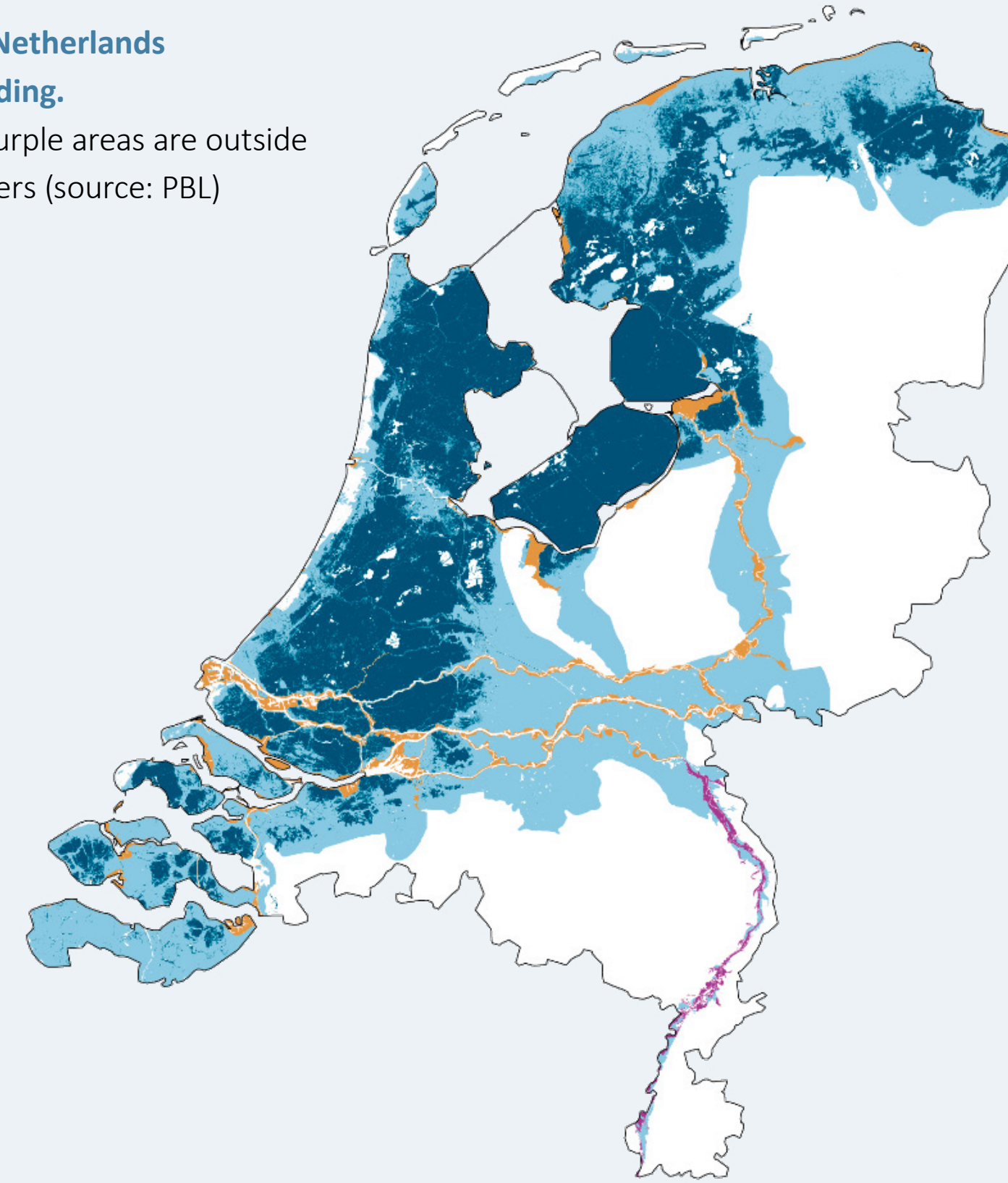
As more than half of the country is vulnerable for flooding (source: Planbureau voor de Leefomgeving, PBL), The Netherlands has an expansive system of water barriers. These barriers protect a large part of the country from flooding. In case a flooding episode does happen there are also compensation schemes in place, but these differ per type of water barrier.

- Primary water barriers are the largest water barriers, protecting large parts of the country. When these break the government is mandated to provide support. After flooding in Limburg in 2021 the government decided to cover up to 90% of the euro value of damage to primary homes (source: [Rijksoverheid](#)).
- Secondary water barriers tend to be smaller barriers behind the primary barrier, or barriers protecting from flooding from regional rivers or streams. When a flood is caused by a secondary water barrier breaking most, if not all, insurers cover the damage under home insurance (source: [Verbond van Verzekeraars](#)).
- The third category is homes that fall outside of water barriers. Flood damage for these properties is not covered under home insurance and there is no government mandated support. The government however does have a duty of care.

This suggests that the primary flood risk for homes in the Netherlands is concentrated with homes outside of water barriers. Around 4% of the Netherlands is flood prone and is not covered by water barriers (source: [PBL](#)).

#### Areas of the Netherlands prone to flooding.

Orange and purple areas are outside of water barriers (source: PBL)





Yet this statistic requires important context. The actual picture is however more nuanced, with substantial areas outside of water barriers being flood plains with no homes on them, areas outside of water barriers with homes quite often having such an elevation that they are not that flood prone (source: [Verbond van Verzekeraars](#)) and flood risk coming down due to government projects for flood protection (the so called *Ruimte voor de Rivier* projects) (source: [Rijkswaterstaat](#)). This has also become visible after an analysis of flood risk for properties outside of water barriers within the Achmea Mortgages portfolio, demonstrating that the risk of outside water barrier properties is very much limited for residential mortgage investors.

#### Around of 1.1% of properties in the Achmea Mortgage portfolio are outside of water barriers

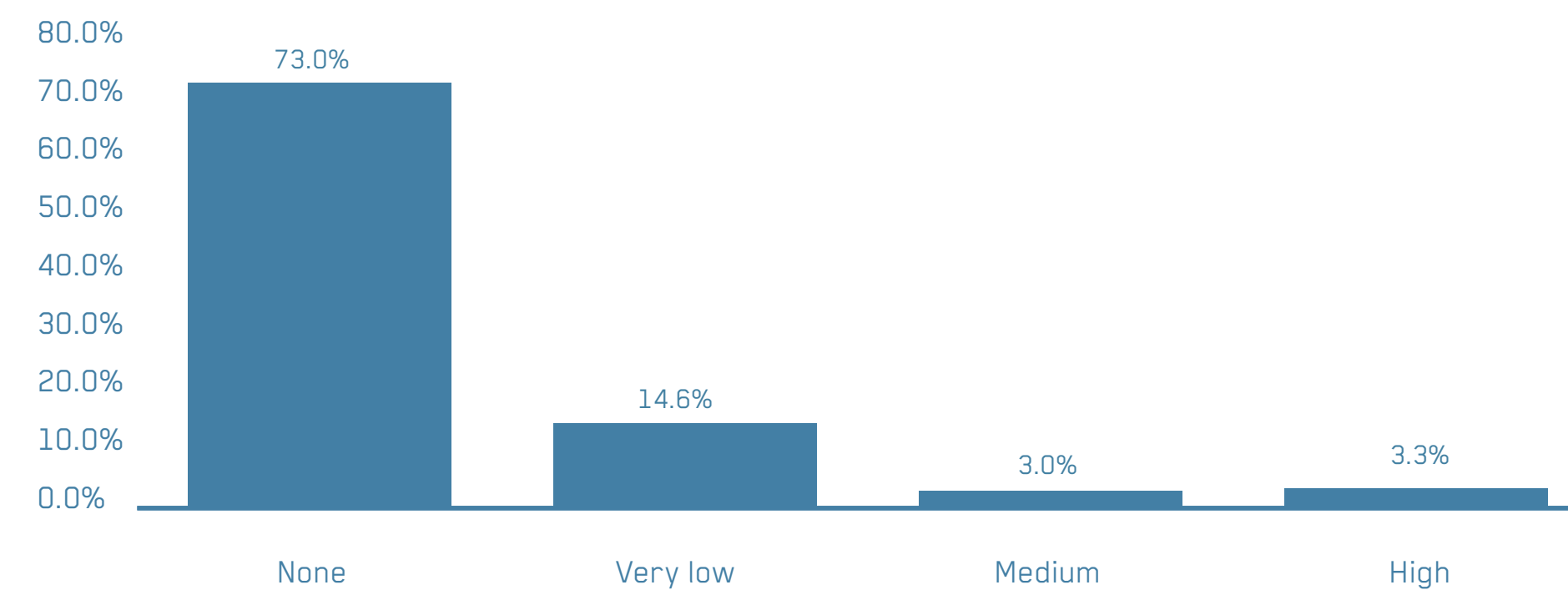
Using data from the ministry of Infrastructure and Water Management it is possible to analyse which homes within the Achmea Mortgages portfolio are outside of water barriers. The results show that around 1.1% of the portfolio is not protected by either a primary or a secondary water barrier.

#### Flood probability risk classes

Data on location-specific flooding probability from Climate Adaptation Services and Rijkswaterstaat shows that around three-quarters of the properties that are outside of water barriers have no location-specific flooding probability. This as the locations the properties most often are located in are above sea level. Only around 3.3% of properties outside of water barriers (so 3.3% of the 1.1% outside of water barriers) have a high location-specific flooding probability, meaning that on average there is one flood episode of more than 20 centimetres every 30 years.

The second part of calculating flood risk consists of looking at the maximum water depth that is possible when a location floods. This shows a similar picture as location-specific flooding probability. Around 10.1% of properties outside of water barriers face a maximum water depth of more than 2.6 metres, meaning that the first floor of the home is flooded. The high maximum water depth within the portfolio is 7.6 metres, with one home having that maximum water depth.

#### % OF PROPERTIES OUTSIDE OF WATER BARRIERS BY LOCATION-SPECIFIC FLOOD PROBABILITY CLASSIFICATION



#### FLOOD PROBABILITY RISK CLASSES

	Probability	Description
Location-specific probability of flooding of more than 20 cm in 2050	Low	Not susceptible to flooding
	Very low	<1/3,000 per year
	Low	Between 1/300 – 1/3,000 per year
	Medium	Between 1/30 – 1/300 per year
	High	>1/30 per year



## Water depth classes

### Fewer than 10 properties outside of water barriers have a high flood risk and high possible water depth

To properly calculate the flood risk it is necessary to combine location-specific flooding probability and the maximum water depth. This results in a flood risk matrix, showing which properties within the portfolio face flood risk.

#### FLOOD RISK MATRIX

		Maximum water depth				
		None	Very low	Low	Medium	High
Location-specific flooding probability	None	54.1%	8.5%	8.9%	1.3%	0.1%
	Very low	0.0%	1.7%	8.9%	3.3%	0.7%
	Low	0.0%	0.3%	2.6%	3.0%	0.2%
	Medium	0.0%	0.3%	1.2%	1.1%	0.3%
	High	0.1%	0.0%	1.3%	1.3%	0.6%

Reading the matrix: rows represent flooding probability; columns represent maximum water depth

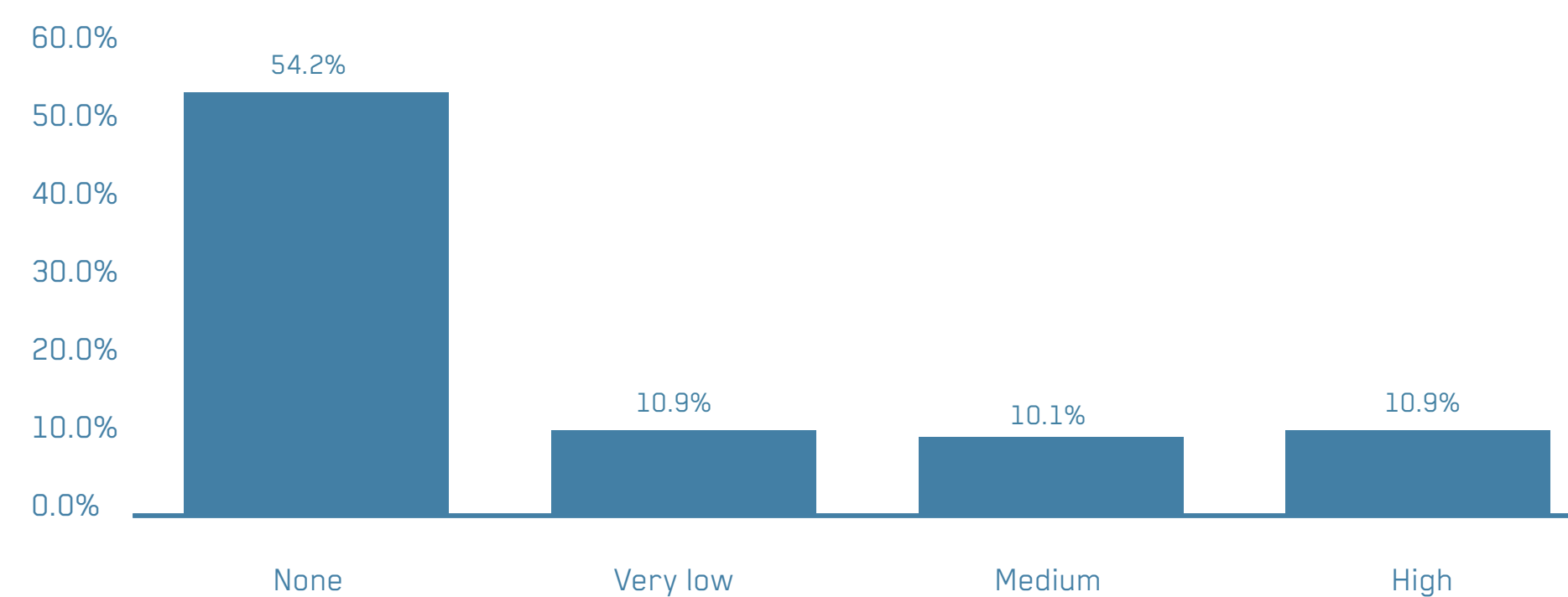
#### Flood risk matrix properties outside of water barriers

The data shows that only a very limited number of properties face a high maximum water depth and a high location-specific flooding probability (0.6% of properties outside of water barriers). This corresponds to fewer than 10 properties, less than 0.01% of the total portfolio. Achmea Mortgages will continue to monitor flood risk developments and incorporate updated climate scenarios as they become available.

#### WATER DEPTH CLASSES

	Water depth	Description
Maximum water depth during flooding	None	Not susceptible to flooding
	Very low	<0.2 metres
	Low	Between 0.2 metres and 1 meter
	Medium	Between 1 meter and 2.6 metres
	High	>2.6 metres

#### % OF PROPERTIES OUTSIDE OF WATER BARRIERS BY MAXIMUM WATER DEPTH CLASSIFICATION





# 5 . Mortgage Market in Numbers

Indicator	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025
General unemployment <sup>2</sup>	3.7%	3.9%	3.80%	3.80%	4.00%
Inflation <sup>2</sup>	4.1%	3.7%	3.10%	3.30%	2.80%
Number of originated mortgages <sup>3</sup>	111,707	98,195	109,137	115,028	126,038
Mortgage applications <sup>3</sup>	132,528	142,076	139,455	134,214	147,843
Foreclosures <sup>1</sup>	74	82	82	50	56
Price index (2020=100) <sup>1</sup>	143.0	146.7	148.7	151.6	151.4

Source: <sup>1</sup>Kadaster, <sup>2</sup>CBS, <sup>3</sup>HDN





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