

Content:

- National house price development +0.1%
- Housing affordability increased +3.6%
- Number of transactions decreased -3.8%
- Number of foreclosures increased +10.2%
- Forecast price change fourth quarter 2011 -0.9%

The Wox® Quarterly Q3 2011

The average Dutch home price increased to 252,000 Euro during the third quarter of 2011. The year-on-year house price change is +0.1% in the third quarter. Compared to the second quarter, the average Dutch house prices increased by +0.3%. The yearly price change corrected for inflation dropped by -2.5% in the third quarter of 2011. The current value of the WOX index (Q2 1995 = 100) is 261. Based on the current developments in the Dutch housing market, Calcasa predicts a year-on-year price change of -0.9% for the fourth quarter of 2011 and year-on-year price change of -4.3% for the third quarter next year.

CALCASA WOX HPI Q2 2011

The WOX (1995 = 100)	261
Yearly price change	0.1%
Quarterly price change	0.3%
Yearly price change corrected for inflation	-2.5%

Housing affordability

Affordability index	22.8%
Yearly change in housing affordability	3.6%

House price forecast

Yearly price change in 2011Q4	-0.9%
Yearly price change in 2012Q3	-4.3%

Average house price

Average house price	252,000
Average house price single-family houses	274,000
Average house price flats	193,000

Largest price increase and decrease

Largest decrease year-on-year: corop Oost-Groningen	-3.6%
Largest increase year-on-year: corop 't Gooi en de Vechtstreek	5.1%
Largest decrease year-on-year: municipality Tilburg	-4.1%
Largest increase year-on-year: municipality Bussum	6.0%

Table 1

Price developments in the Netherlands
Source: Calcasa WOX

Average house price up by +0.1% year-on-year in the third quarter of 2011

The quarter-on-quarter rate of growth was +0.3% during the third quarter of 2011. The average price of single-family homes increased by +0.5% year-on-year to an average of 274,000 Euro. The average price of apartments decreased by -0.1% year-on-year to 193,000 Euro. As the current Dutch inflation rate is 2.6% (average third quarter, Statistics Netherlands), the inflation-adjusted house price fell by -2.5% year-on-year in the third quarter of 2011. In Figure 2, price changes for single-family houses and flats are shown.

Average house price in the Netherlands (x 1.000)

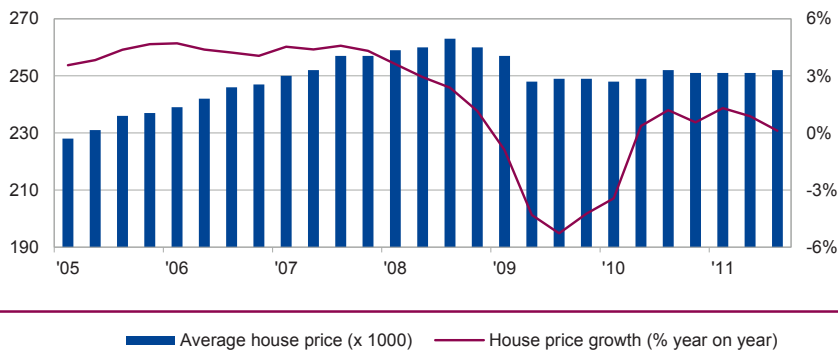


Figure 1

Average house price (x 1.000) and yearly price change per quarter in the Netherlands. Source: Calcasa WOX

Year-on-year price change (in %)

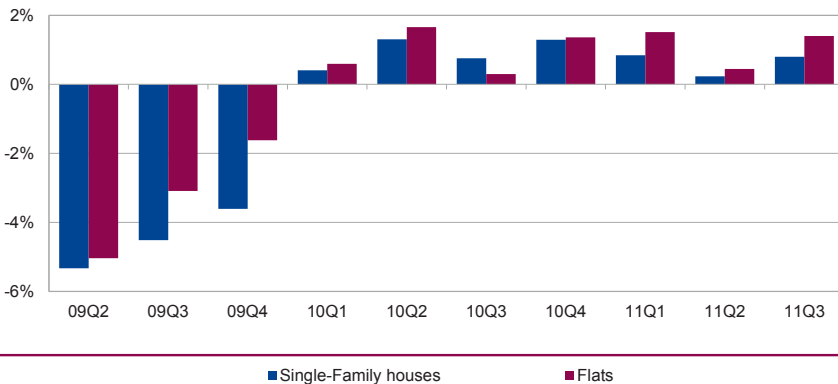


Figure 2

Yearly price change per housing type per quarter in the Netherlands. Source: Calcasa WOX

For further information visit www.calcasa.co.uk

House prices forecasted to decrease by -4.3% year-on-year in third quarter of 2012

The current value of the WOX index (1995 = 100) is 261. Based on the current developments in the Dutch housing market, Calcasa predicts a year-on-year price change of -0.9% for the fourth quarter of 2011. Specifying developments by property type, Calcasa predicts a year-on-year price change of -0.9% for single-family homes and -1.0% for flats in the fourth quarter of 2011. For the third quarter of 2012, Calcasa predicts a price decline of -4.3% compared to the third quarter of 2011.

Region specific forecasts

For the Netherlands, Calcasa predicts a year-on-year price change of -0.9% for the next quarter. However, house price developments generally differ among different parts of the Netherlands. Therefore, Calcasa also publishes region specific forecasts for four specific parts of the Netherlands. The lowest price development is expected in the southern part of the Netherlands with an expected year-on-year price development of -2.0%. Price development is expected to be the highest in the northern part of the Netherlands with a decline of -0.4% year-on-year. In the eastern and western part of the Netherlands the year-on-year price developments are expected to be -0.7% and -0.6% respectively.

Number of properties for sale versus number of properties sold

In the third quarter of 2011 there were around 253 thousand existing properties for sale in the Netherlands. The number of sold properties on a yearly basis was 141 thousand in the same quarter. This means that the supply is higher than the demand. This phenomenon exists since the second half of 2009. Compared to the third quarter of 2010, the number of properties for sale increased by 15%, while the number of sold properties decreased by -4.5% during the same period.

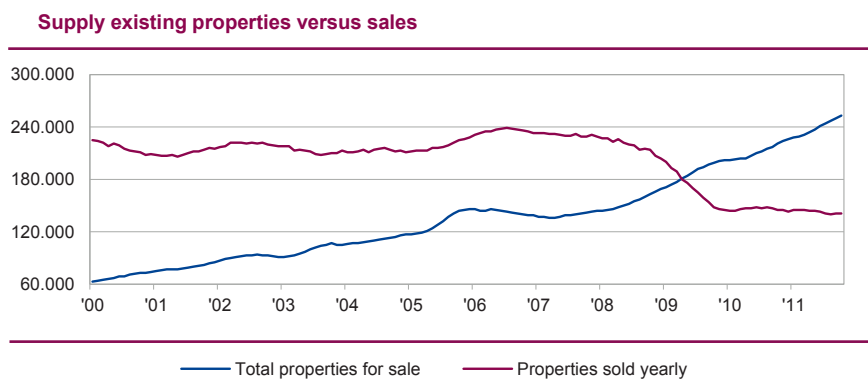


Figure 3

Number of properties for sale versus number of properties sold.
Source: Calcasa WOX

Housing market segments

Over the last three years, house prices decreased by -4.0% on a national level. Calcasa divided the market in five segments based on price. Table 2 shows the price development of these five segments over the last three years. The cheapest segment (less than 150 thousand euro) performed worst with -5.6%, while the most expensive segment performed best with -3.2% (more than 500 thousand euro).

Price segment	Price development over three years	Distribution transactions
Less than €150.000	-5.6%	18.0%
€150.000 to €250.000	-3.8%	45.0%
€250.000 to €350.000	-3.6%	22.0%
€350.000 to €500.000	-4.2%	10.0%
more than €500.000	-3.2%	5.0%

Tabel 2

Price development per segment and distribution transactions over the last three years in the Netherlands
Source: Calcasa WOX

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3th Quarter 2011	Average price Single-family houses	Average price Apartments	Price change (year-on-year)
Groningen	202,000	157,000	1.6%
Friesland	203,000	142,000	-1.2%
Drenthe	223,000	151,000	-0.2%
Overijssel	226,000	155,000	-0.3%
Flevoland	211,000	190,000	-0.4%
Gelderland	280,000	187,000	0.3%
Utrecht	354,000	221,000	1.8%
Noord-Holland	329,000	253,000	1.1%
Zuid-Holland	298,000	170,000	-0.1%
Zeeland	209,000	166,000	0.4%
Noord-Brabant	282,000	195,000	-1.2%
Limburg	217,000	154,000	-1.7%
The Netherlands	274,000	193,000	0.1%

Table 3

Average price single-family houses and apartments per province and yearly price change all houses per quarter per province
Source: Calcasa WOX

Price declines in seven provinces

In the third quarter of 2011, average house prices decreased in seven out of twelve provinces in the Netherlands (see Table 3). In the provinces of Limburg, Friesland, and North-Brabant prices decreased compared to a year ago by more than -1.0%. On the other hand, there were price increases of more than +1.0% in Utrecht, Groningen, and North-Holland.

Number of sales existing properties decreases by -35% in three years

The number of transactions decreased by -3.8% compared to the third quarter of 2010. A total of 147,000 residential properties were sold during the past year. Prior to 2009 on average 200,000 to 250,000 properties were sold. Compared to three years ago the number of sales is down by -35%.

Number of sales

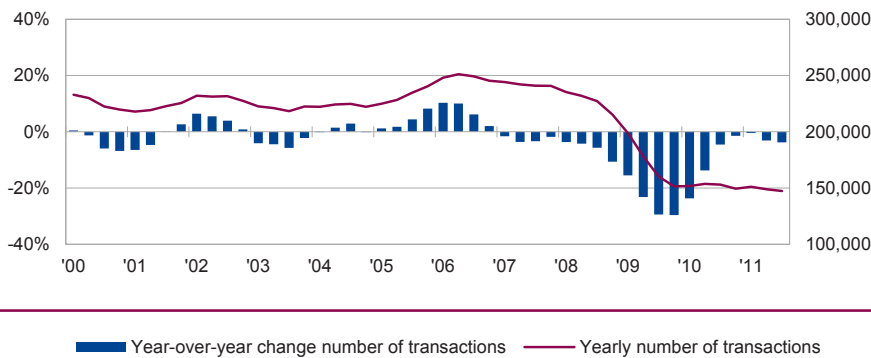


Figure 4

Number of sales (yearly amount) and year-over-year change number of sales in the Netherlands

Source: Statistics Netherlands, Land Registry, adaptation by Calcasa

Number of sales newly built properties decreased in first half of 2011

The number of sold newly built properties decreased to 5,000. A large decrease compared to the final quarter of 2010 when 7,500 properties were sold.

The average price of newly built houses increased to an average price of 285,000 Euro in the first quarter of 2011 and remained the same in the second quarter of 2011. In the fourth quarter of 2007 the average price of newly built houses reached its peak at 310,000 Euro. The average price of newly built houses has dropped by -8.1% since.

Amount of sold newly built houses in the Netherlands

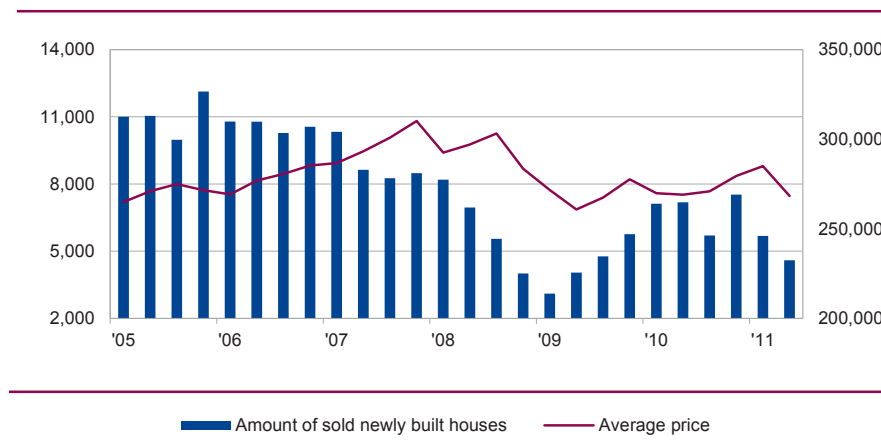


Figure 5

Average sales price newly built houses per quarter in the Netherlands compared to the amount of sold newly built houses.
Source: MNW, adaptation Calcasa

Decrease of number of approved mortgages compared to last quarter

The number of approved mortgages decreased this quarter after two quarters of increase. However, compared to the same quarter last year, the number of approved mortgages rose by +4.7%. Compared to three years ago, the number of approved mortgages decreased by -34%.

Number of approved mortgages

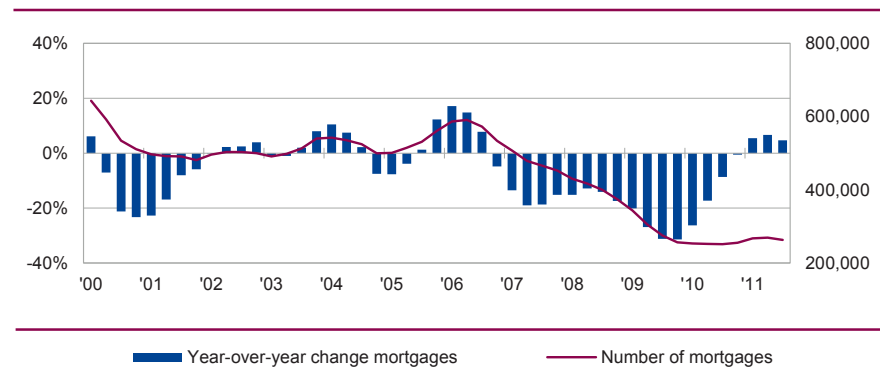


Figure 6

Number of approved yearly mortgages per quarter and year-over-year change number of approved mortgages in the Netherlands
 Source: Land Registry, Statistics Netherlands and adaptation Calcasa

Number of foreclosure sales increased by 15% during last two years

The number of forecloses increased in the second quarter with +10.2% compared to a year ago. Over the last four quarters, 2,260 foreclosures were registered as such by the land registry. If we have a look at the number of foreclosures as a percentage of the total number of transactions, this number stands at 1.5% in Q3 2011, in contrast to 0.8% three years ago. Compared to two years ago the number of forclosures increased by 15%.

Number of foreclosures

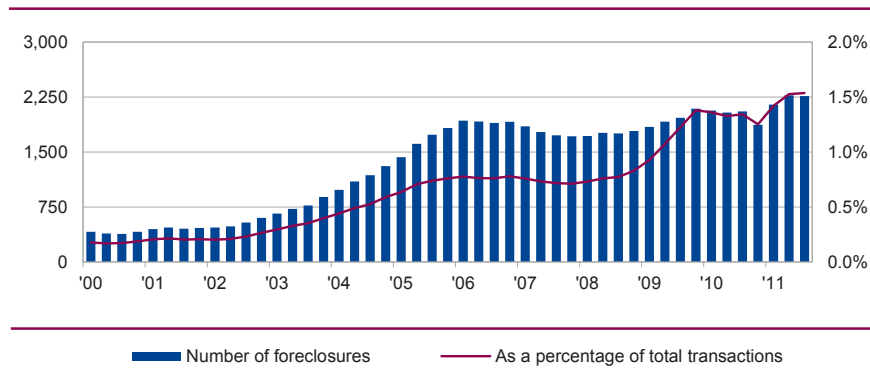


Figure 7

Number of yearly foreclosures per quarter and the amount of foreclosures as a percentage of the total number of transactions in the Netherlands

Source: Land Registry, Statistics Netherlands and adaptation Calcasa

Housing affordability increased on a yearly basis

The yearly change in the housing affordability index has been positive over the last two years. Compared to a year ago the housing affordability improved by +3.6%. The reason for this improvement is mainly the lowering of the real estate transfer tax by the Dutch government. On average 22.8% of the average net household income is required for housing costs in the third quarter of 2011.

Housing affordability index (in % of household income)

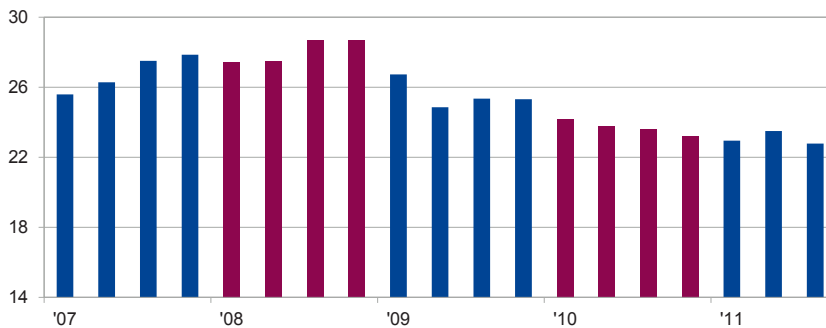


Figure 8

Housing affordability index in the Netherlands (in %).
Source: Calcasa

The index presents a measurement for the affordability of Dutch owner-occupied houses. It is calculated by dividing the net housing costs to the mean net household income. In the calculation of the net housing costs, the current average mortgage costs (current interest rate: 4.6%), maintenance costs, local taxes, and fiscal treatment are taken into account.

Yearly change in the housing affordability index in %

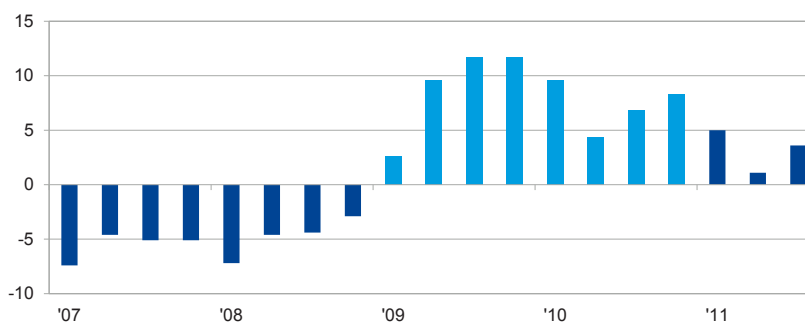


Figure 9

Yearly change in the housing affordability index per quarter in the Netherlands (in %).
Source: Calcasa

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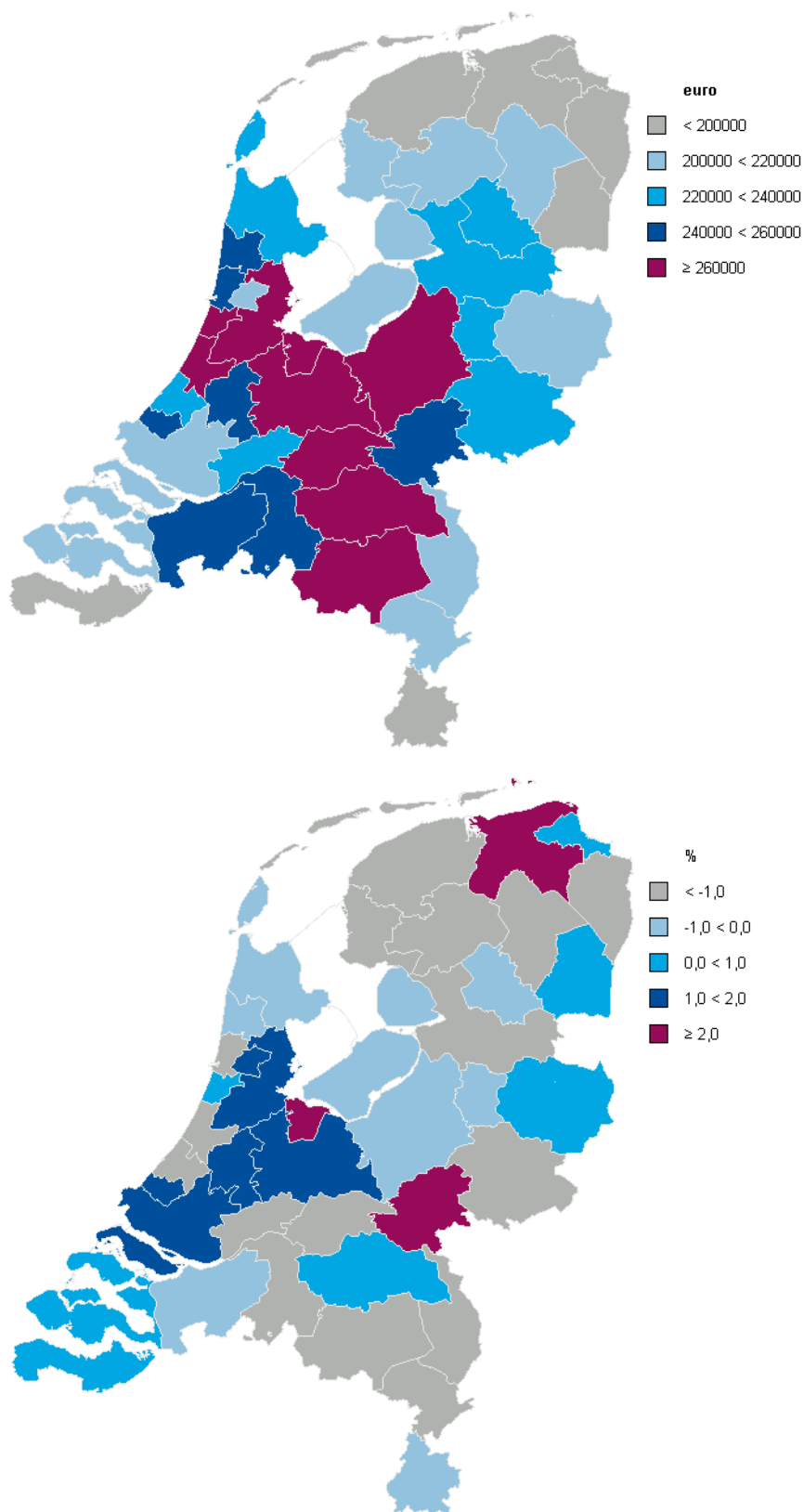


Figure 10

Average house price per corop region (euro)
Source: Calcasa

Figure 11

Year-on-year price change per corop region (%)
Source: Calcasa

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CALCASA®

The WOX® Quarterly Q3 2011

About Calcasa

Calcasa is a home price research company and the market leading AVM provider in the Netherlands. Our clients include mortgage lenders, brokers, surveyors, estate agents, developers, housing associations, investors, government institutions and real estate funds.

Our mission

“Helping our clients increase their profitability and risk management capabilities by providing reliable, factual and unbiased statistically valid automated valuation products and services of superior and market leading quality, whilst ensuring our people’s reasonable personal objectives.”

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