

## A guide to Dutch mortgages

Thinking of taking that big step and buying a home in the Netherlands? Here is the expert guide brought to you by Expat Financial Services.



In order to take out a mortgage of up to five times your gross salary you have to have permanent employment (i.e. you are not a contractor on short term contracts), or if self-employed you can produce a minimum of three years accounts (prepared by a recognised accountant) detailing your taxable earnings over that period. If you are a non EU citizen, a valid residence permit is required. It is interesting to note that under current EU regulations it is no longer a legal requirement for an EU citizen to have a residence permit to live in The Netherlands.

If you are self-employed you are required to produce "proof of earnings" over three years when applying for a mortgage. Make sure a recognised accountant endorses the accounts you produce. A word of caution: look for a person trading as an accountant and not a "boekhouder", which in Dutch translates to bookkeeper. Nearly all banks refuse accounts prepared by a bookkeeper.

If you are employed you must supply a recent salary slip and a statement from your employer stating that you are permanently employed and confirming details of your annual gross salary([click here to download this form](#)).

You will eventually be required to produce a valuation of the property("taxatierapport"). This report must be produced by a recognised assessor (taxateur) who is not involved in the sale. The assessor should be a member of an association such as a Dutch association of estate agents, namely the NVM or RVT. We can arrange this valuation for you in any region in the Netherlands.

The sale agreement (“koopovereenkomst”) must be registered at a certified notary. It is standard practice for the selling party to demand 10 percent deposit be paid to the notary once the mortgage has been accepted by the bank. This is generally the case when there is a long period (longer than a month) between the purchase agreement and the signing of the official papers at the notary. An alternative to this is to ask the bank to produce a statement of intent which has to be deposited at the notary within the period agreed in the sale agreement.

Nowadays, it is possible, and advisable, to request the tax relief on your mortgage to be paid directly into your bank account by the tax office on a monthly basis. In the past you had to wait until the end of the tax year to claim the relief. In the first year it is also possible to deduct all costs relating to the purchase of the property. This includes the mortgage administration fees, valuation fees, house registration costs and part of the solicitors fees. At the start of the following tax year you must then complete a full tax return. **We will gladly assist you with filling in these forms.**

### **Additional Costs**

Buying a house is not cheap, as a rough guide the additional costs are approximately 5% of the buying price. This includes 2% tax (stamp duty), solicitors fees, valuation fees, house registration costs, estate agent fees, mortgage administration fees. These costs can however be added to your mortgage if necessary.