

Renting and letting in the Netherlands

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The Netherlands has a good investment climate, which makes it attractive to invest in Dutch real estate. Reasons that investors give are the high payment morale, the low vacancy rates and the relatively low taxes on rental income. However, there are numerous rules. If you want to invest in Dutch real estate and rent out the property, you must take into account the legal rent protection rules and other laws and regulations, local and otherwise.

What rental rules apply in the Netherlands?

Residential property

The precise rules depend on the type of property. The housing market is more strongly regulated than other

rental markets. This means that tenants of housing enjoy rent protection and their lease can only be terminated with due regard for a legal ground for termination. If a tenant does not agree, the lease must be terminated through the courts. The only exception to this is temporary rental, such as renting a vacation home or a hotel room, or rental agreements that explicitly state that they are temporary and end by operation of law within one or two years.

In addition, there are rules for the rent: rents of €763.47 or less are highly regulated, and may only be increased in accordance with the law, and then only by increments similarly determined in accordance with the law. There is a possibility that rents for more expensive homes will also be more regulated in the future.

Stores, restaurants, hotels and craft enterprises

Tenants with “location-bound” businesses, such as stores, food and beverage establishments, hotels and craft enterprises, also enjoy rent protection. In principle they rent for a period of 5 years, with a further 5 years’ extension, their lease can only be terminated with due regard for a legal ground for termination, and if the tenant does not agree to termination the lease must be terminated



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through the courts. The only exception is if a temporary lease is concluded for less than two years.

Rules also apply to the rent: the tenant and the landlord may agree on whatever initial rent they want, but after the expiry of the first term (usually 5 years) the rent may be adjusted to the market rent. This can lead to a rent increase or a rent reduction.

Other business space

For other business spaces such as offices, factories, etc., few rent protection rules apply. Leases are terminated in accordance with the appropriate rules. The tenant may only apply to the court for an extension of the vacating period. The judge may grant a maximum of one year, and the tenant may submit a maximum of three requests.

What other laws and regulations should you take into account?

In addition to rent and lease laws, other laws and regulations should also be taken into account. For example, an owner must have an energy label for all properties, building standards apply under the Dutch Buildings Decree, there is a maximum number of

people who may live in a property, and in some cities and municipalities there are laws under which certain properties require a permit for letting. If the property is rented out in violation of these rules, a fine might be imposed. The advice is therefore to always research the applicable laws and regulations carefully.

If you have any questions about real estate, please contact [Iris Reidsma](mailto:reidsma@dvdw.nl).

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