



SECOND HOME BAROMETER

Financial year 2023

26-06-2024

READY FOR YOUR WORLD



BNP PARIBAS
FORTIS

The bank
for a changing
world



PROGRAMME

Real estate landscape **in Belgium**

Top trends for second homes

Top trends for second homes in Belgium

Top trends for second homes abroad

Climate impact and taxation for
second homes abroad



Section 1

REAL ESTATE LANDSCAPE IN BELGIUM IN 2023

READY FOR YOUR WORLD





29.9

Total amount of mortgages taken out*

billion euro

(-30% between 2022 and 2023)





-30%
2022-2023

Real estate landscape in Belgium Number of loans granted

270,000
2021

255,000
2022

180,000
2023



Real estate landscape in Belgium

Median price for buying a home



Houses with 2 or 3 facades (closed + semi-closed)

€260,000

+2%

Houses with 4 or more facades (open)

€369,000

+2.5%

Apartments

€239,000

+3.9%

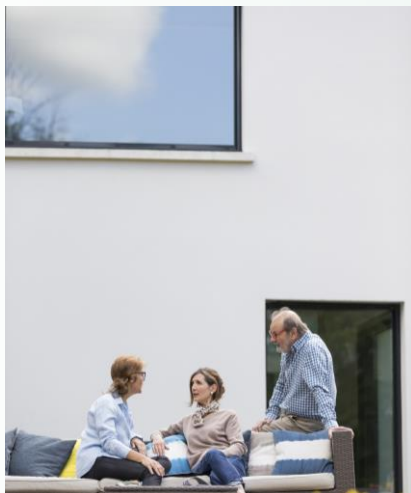


Section 2

TOP TRENDS FOR SECOND HOMES IN 2023

READY FOR YOUR WORLD





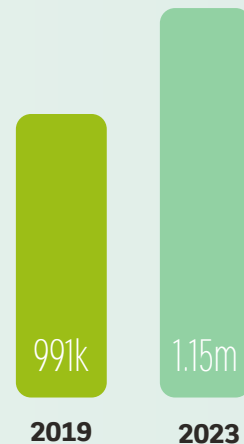
Top trends for second homes

The number of Belgian multi-owners continues to rise

~1.15 m

This is the estimated number of Belgian multi-owners in Belgium and abroad.

An increase of 7% compared with 2022 and 16% over the past five years*.



* Source: number of declarations of second homes - FPS Finance and estimate by BNP Paribas Fortis



-36%

2022-2023

In terms of the number of applications, the second-home market has shrunk compared with 2022.

Top trends for second homes

Market slowdown

25%

One in four BNP Paribas Fortis loans is for a second home.

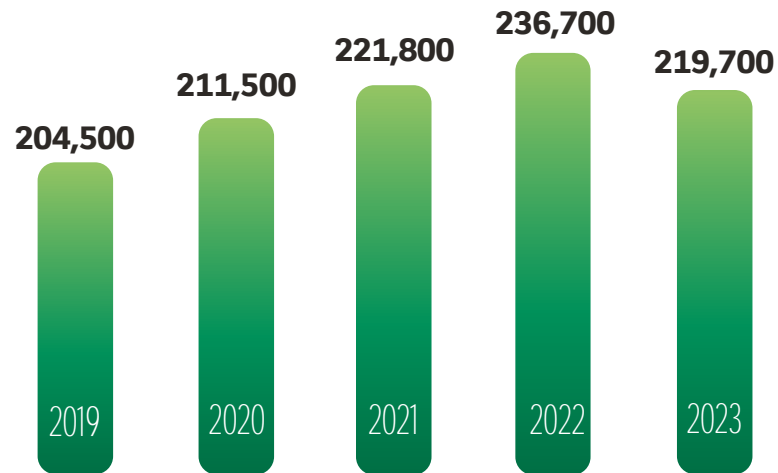
8%

of loans for the purchase of a second home are 'bullet loans'.



Top trends for second homes

Average amount borrowed (EUR)

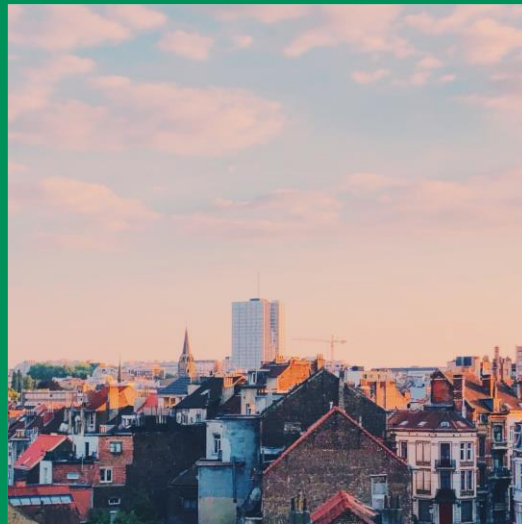


> Changes in the **average** amount borrowed (EUR), regardless of the purpose (rental or own use) or location (Belgium or abroad).

Section 3

TOP TRENDS FOR SECOND HOMES IN BELGIUM

READY FOR YOUR WORLD





The top trends for second homes in Belgium

The number of multi-owners in Belgium continues to rise

931,000

This is the estimated number of Belgians who have at least one secondary home in Belgium in 2023, up 7% on 2022*.

* Source: number of declarations of secondary homes in Belgium – FPS Finance and BNP Paribas Fortis estimate



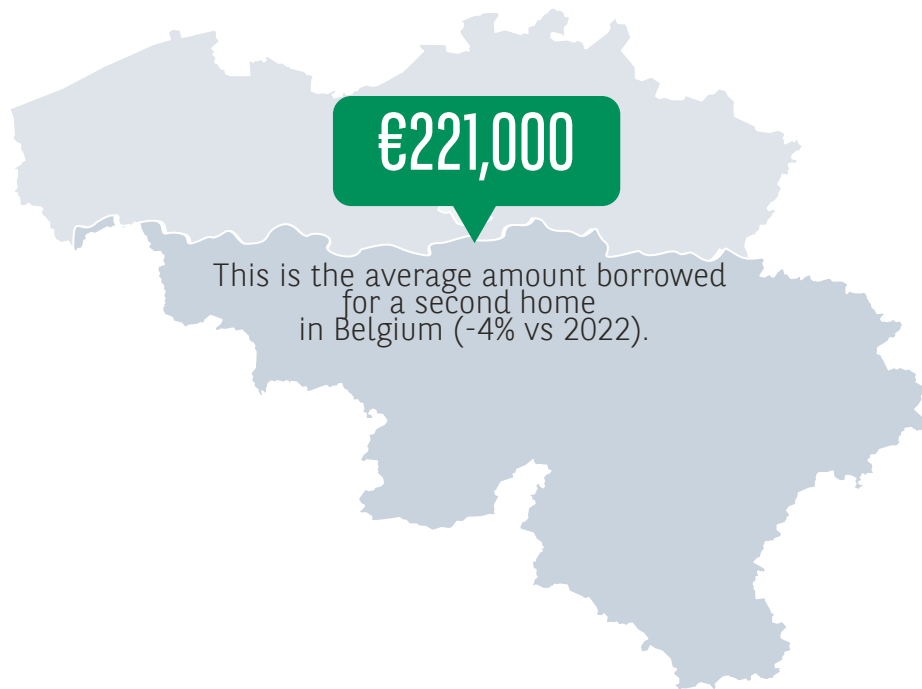
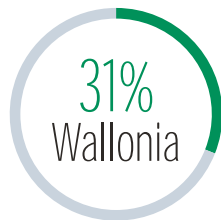
The top trends for second homes in Belgium

Purchases in Belgium



More than 9 in 10 second-home mortgages at BNP Paribas Fortis are for purchases in Belgium.

Geographical breakdown of second-home purchases in Belgium



The top trends for second homes in Belgium

House or apartment?



Apartment

28%

House

68%

Land, parking, etc.

4%

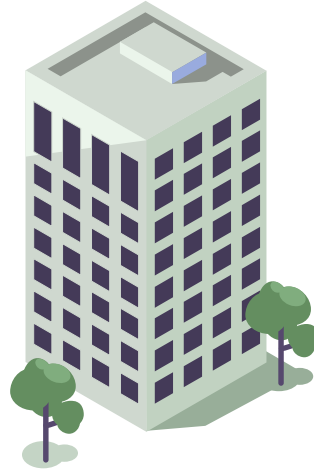


The top trends for second homes in Belgium

House or apartment?

56%

> On the **Belgian coast***, loans granted for a second home are more for apartments (56%) than for houses (39%).



83%

> In the **Ardennes*****, loans for second homes are mainly for houses (83%).

50%

> In **Brussels****, loans granted for a second home are more likely to be for apartments (50%) than houses (46%).



* Belgian Coast: taking into account the 10 seaside resorts.

** Brussels: including the 19 municipalities.

*** Ardennes: including 56 municipalities wholly or partially located in the Ardennes.

The top trends for second homes in Belgium

Focus on key figures for 2023



Amount

221,000
euros
(vs €234,000 in
2022)



Term

216
months
(vs 201 in 2022)



Monthly payments

1,295
euros
(vs €1,173 in 2022)



Debt

47%
(vs 46% in 2022)



Share

71%
(vs 71% in 2022)



Fixed rate

96%
(vs 87% in 2022)

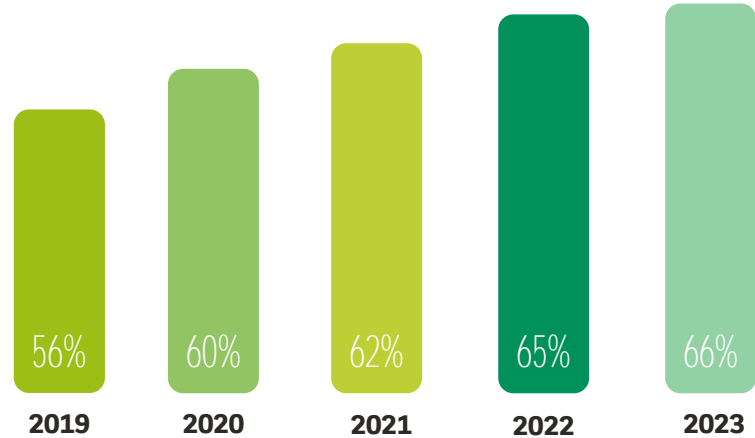
The top trends for second homes in Belgium



A second home in Belgium for rental purposes

66%

> Most second homes in Belgium financed by BNP Paribas Fortis generate **rental income**.



> **Average amount** borrowed for a second home with the aim of generating **rental income**.



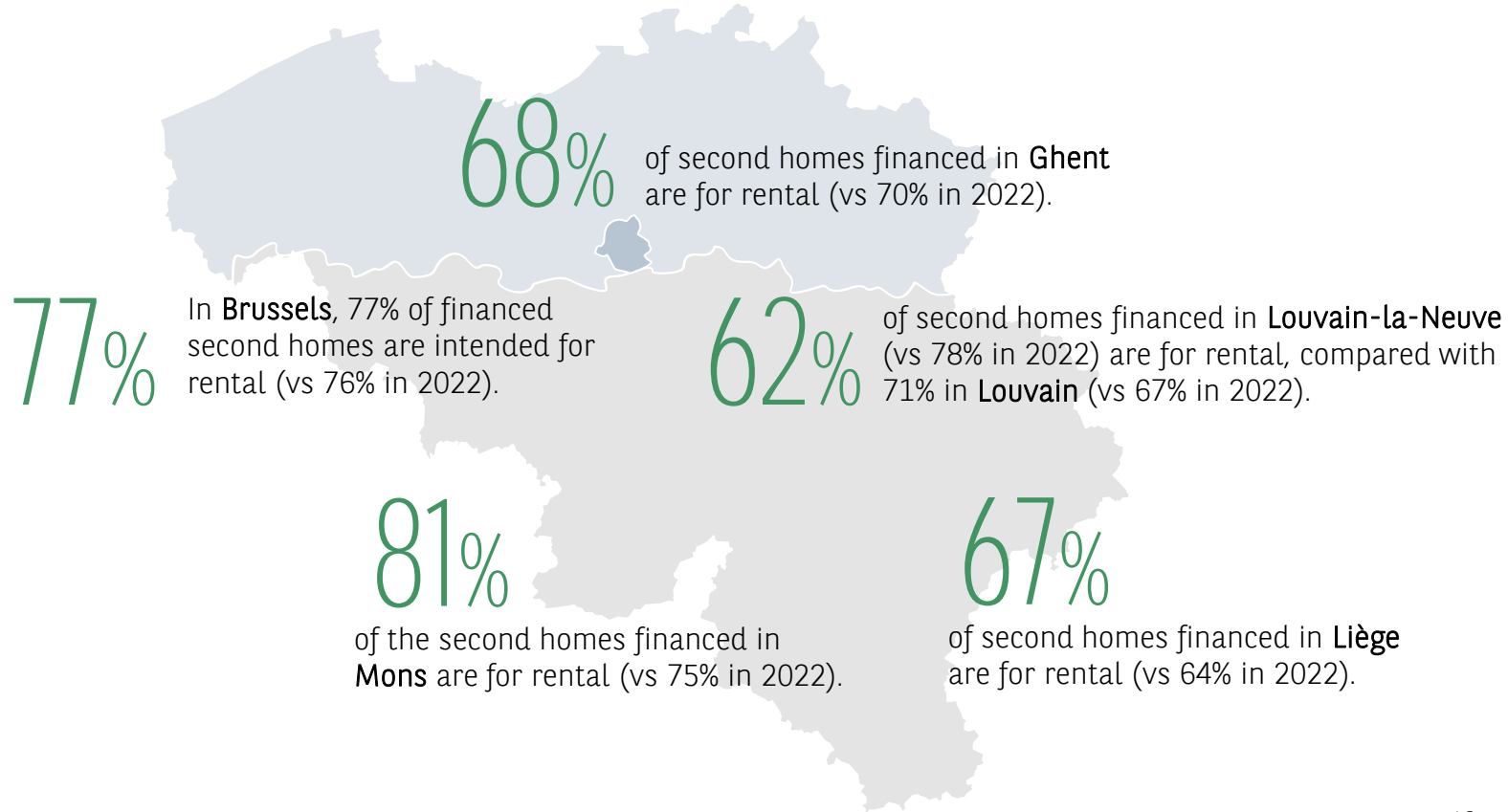
225,500

euros
(vs €234,700 in 2022)

The top trends for second homes in Belgium



University towns and rental





-42%
2022-2023

The second home market on the Belgian coast fell compared with 2022 in terms of the number of applications.

The top trends for second homes in Belgium

The Belgian coast

7%

of second homes purchased in Belgium are located on the Belgian coast*.

59%

Almost 6 in 10 second homes on the Belgian coast are intended for recreational use.

TOP 3

Ostend (18%), **Knokke** (7%) and **Bruges** (6%).

This is the trio of beach resorts most sought-after by borrowers for a second home, regardless of the purpose (rental or own use).

* Including the 10 seaside resorts.
Source: 2023 figures - BNP Paribas Fortis



-37%
2022-2023

The second-home market in the Ardennes fell compared to 2022 in terms of the number of applications.

The top trends for second homes in Belgium The Ardennes

4.5%

of second homes purchased in Belgium are in the Ardennes*.

61%

Six in 10 second homes are for rental purposes.

TOP 3

Bastogne (10%), **Verviers** (9%) and **Spa** (4.5%).

This is the trio of Ardennes towns most sought-after by borrowers for a second home, whatever the purpose (rental or own use).

** Including 56 municipalities wholly or partially located in the Ardennes.*

Source: 2023 figures - BNP Paribas Fortis

Section 4

THE TOP TRENDS FOR SECOND HOMES ABROAD

READY FOR YOUR WORLD



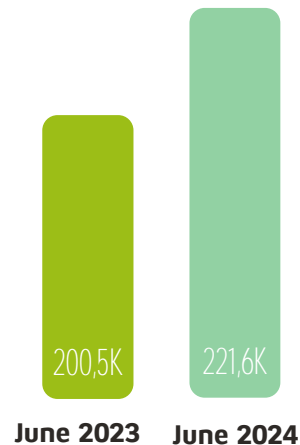


The top trends for second homes abroad

More and more Belgians abroad

221,679

This is the number of Belgians who have at least one secondary home abroad in June 2024. This is up 10% on June 2023.



* Source: number of declarations of secondary homes abroad - FPS Finance and estimate by BNP Paribas Fortis



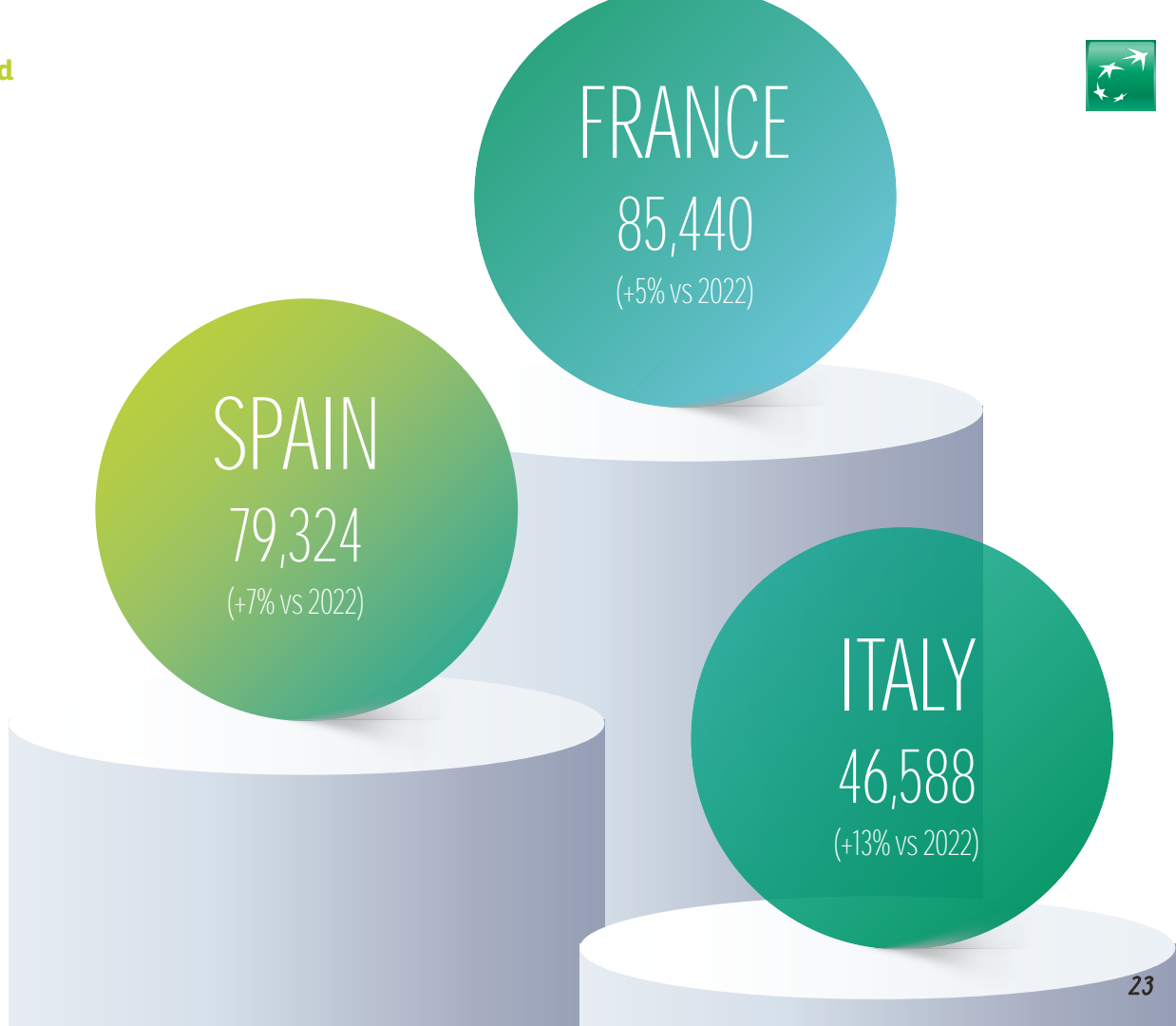
The top trends for second homes abroad

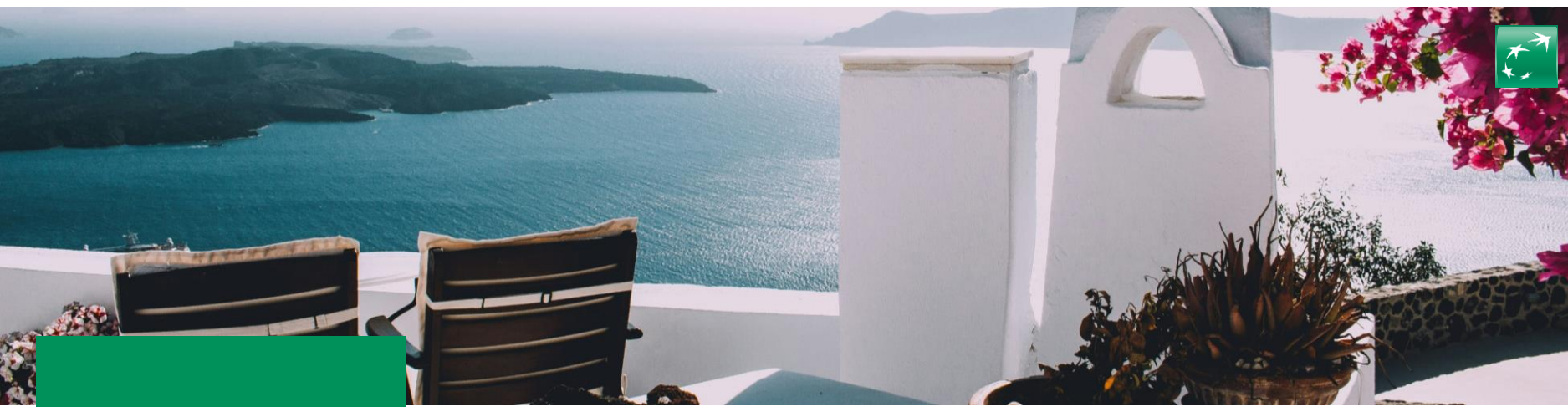
TOP 3 assets abroad

By matching all properties held by Belgians abroad, Belgian taxpayers hold 85,440 properties in France, or 26.95% of properties abroad.

Spain remains second, with 79,324 properties in Belgian hands (25.02%).

With 46,596 properties owned by Belgians (14.69%), Italy completes the podium.





7%

In 2023, secondary homes represented 7% of all mortgages granted for second homes abroad.

The top trends for second homes abroad Belgians abroad

-33%

At BNP Paribas Fortis, the second-home abroad market fell by 33% in terms of the number of applications compared to 2022.

The top trends for second homes abroad

Focus on key figures for 2023



Amount

197,600

euros
(vs €265,700 in 2022)



Term

164

months
(vs 155 in 2022)



Monthly payments

1.185

euros
(vs €1,198 in 2022)



Debt

45%

(vs 45% in 2022)



Share

73%

(vs 70% in 2022)



Fixed Rate

97%

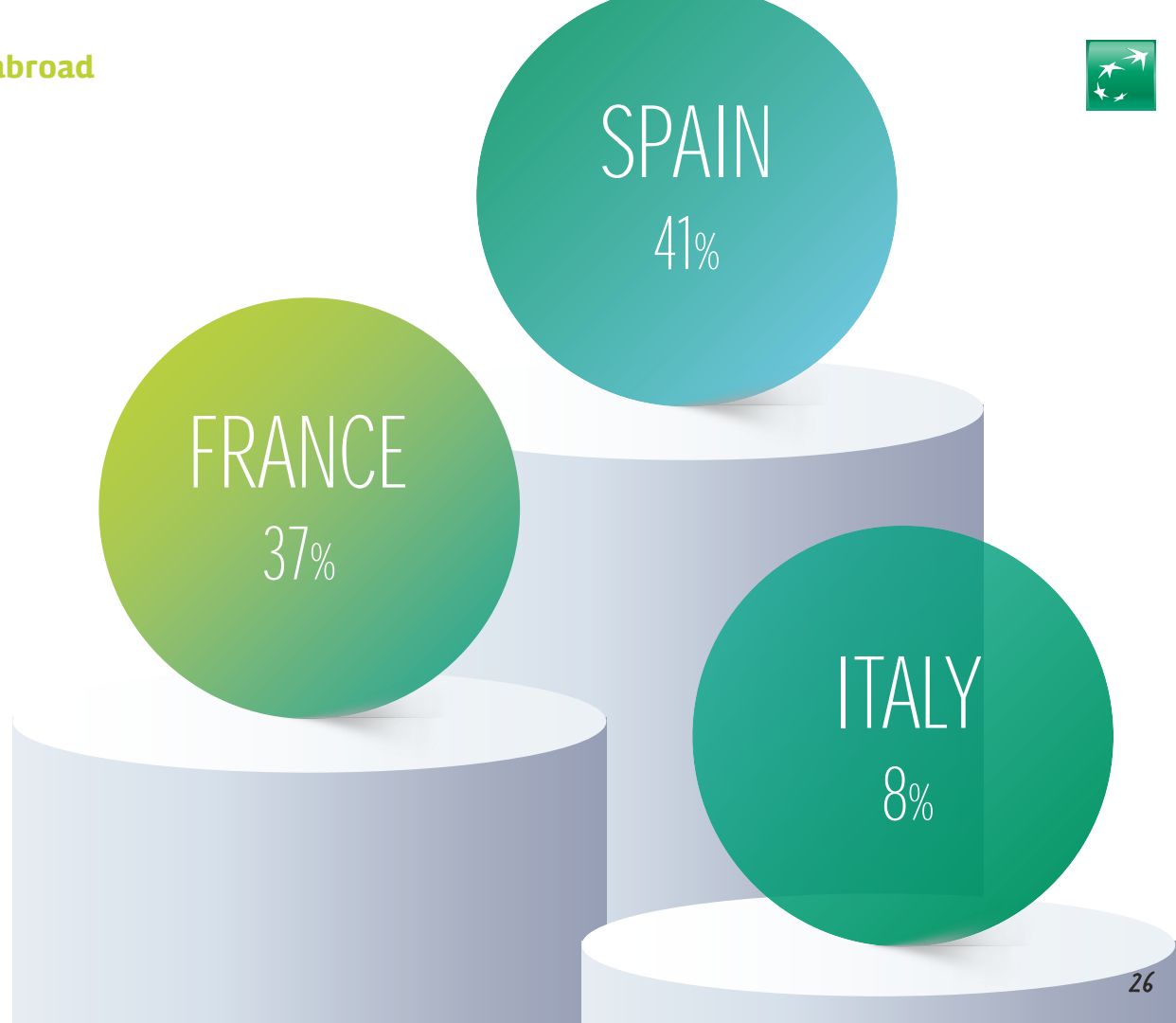
(vs 95% in 2022)

The top trends for second homes abroad

TOP 3 destinations abroad

These are the top three foreign destinations preferred by borrowers in 2023 for a second home, whatever the purpose (own use and/or rental).

In terms of the number of applications, Spain accounts for 41% of mortgage applications for a second home abroad, followed by France on 37%. Italy comes in at 8%.



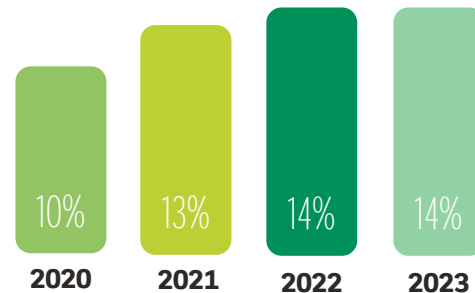


The top trends for second homes abroad

Secondary homes to (sometimes) generate income

14%

Second homes abroad are less often used to generate rental income.





The top trends for second homes abroad

Typical profile

14%

While the over-55s account for just over one in two borrowers for a second home abroad (54%), the under 40s represent 1 in 7 buyers (14% versus 9% in 2022).

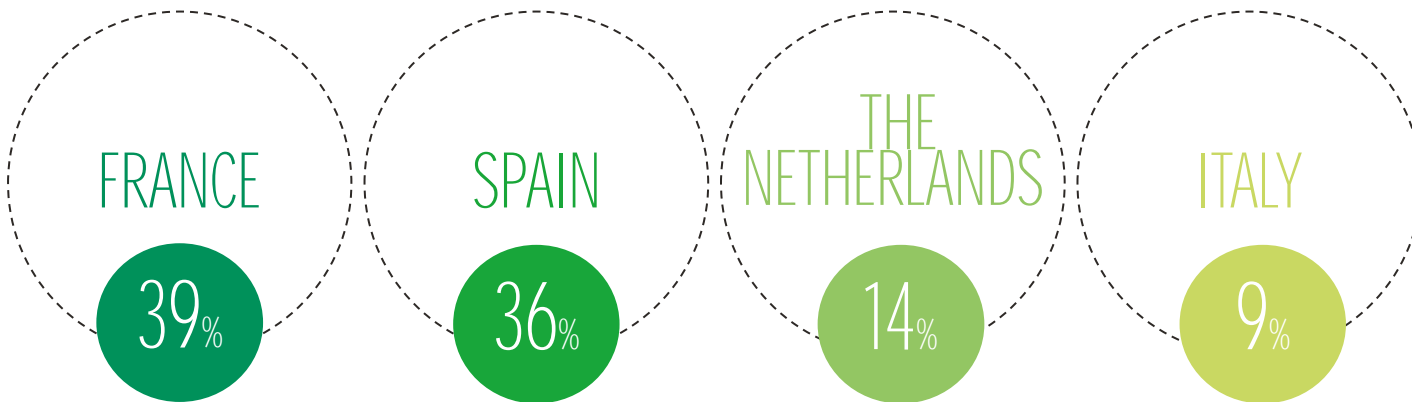
30%

of borrowers who bought a second home in Spain are under 45 years old (20% in 2022).



The top trends for second homes abroad

Second homes abroad for rental purposes: where?



When the second home is for **rental purposes**, **France** is emerging as the leading destination abroad in 2023, followed by **Spain**, the **Netherlands** and **Italy**.

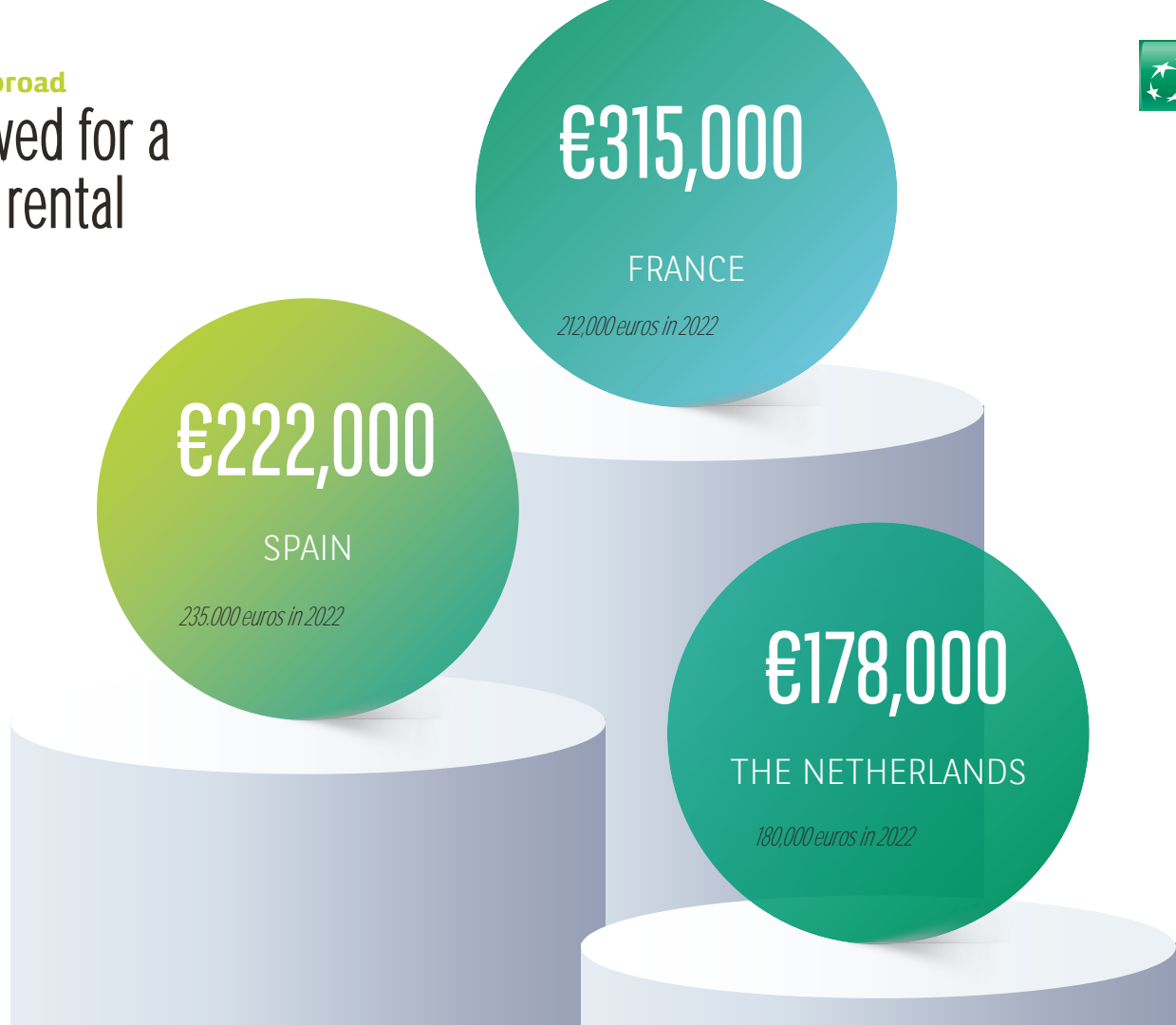
* Note: Mortgage with rental income declaration

Source: 2023 figures - BNP Paribas Fortis



The top trends for second homes abroad

Average amount borrowed for a property purchased for rental purposes*



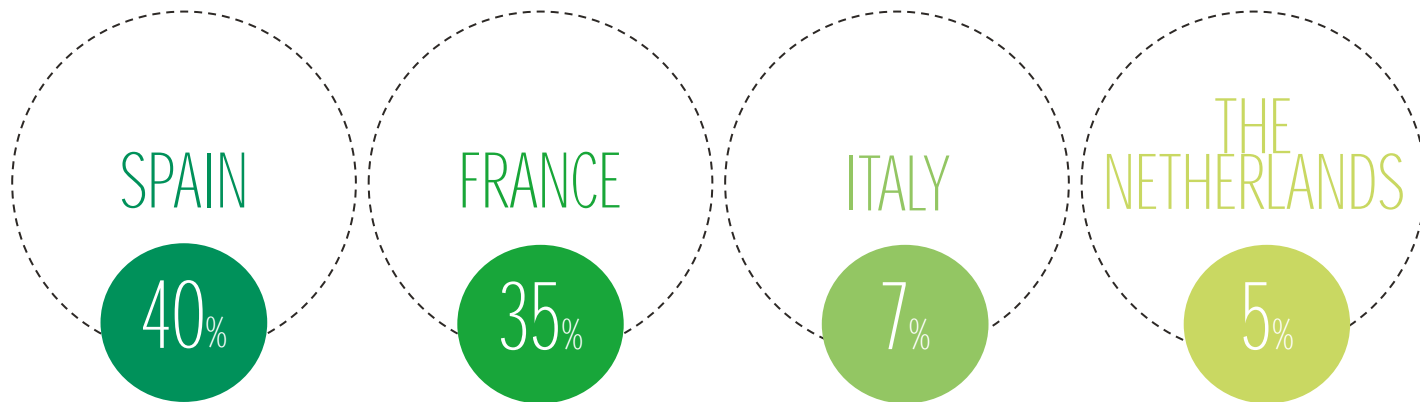
* Note: Mortgage with rental income declaration

Source: 2023 figures - BNP Paribas Fortis



The top trends for second homes abroad

Second homes abroad for own use: where?



When the second home is for **own use**, **Spain** is emerging as the leading destination abroad in 2022, followed by **France**, **Italy** and the **Netherlands**.

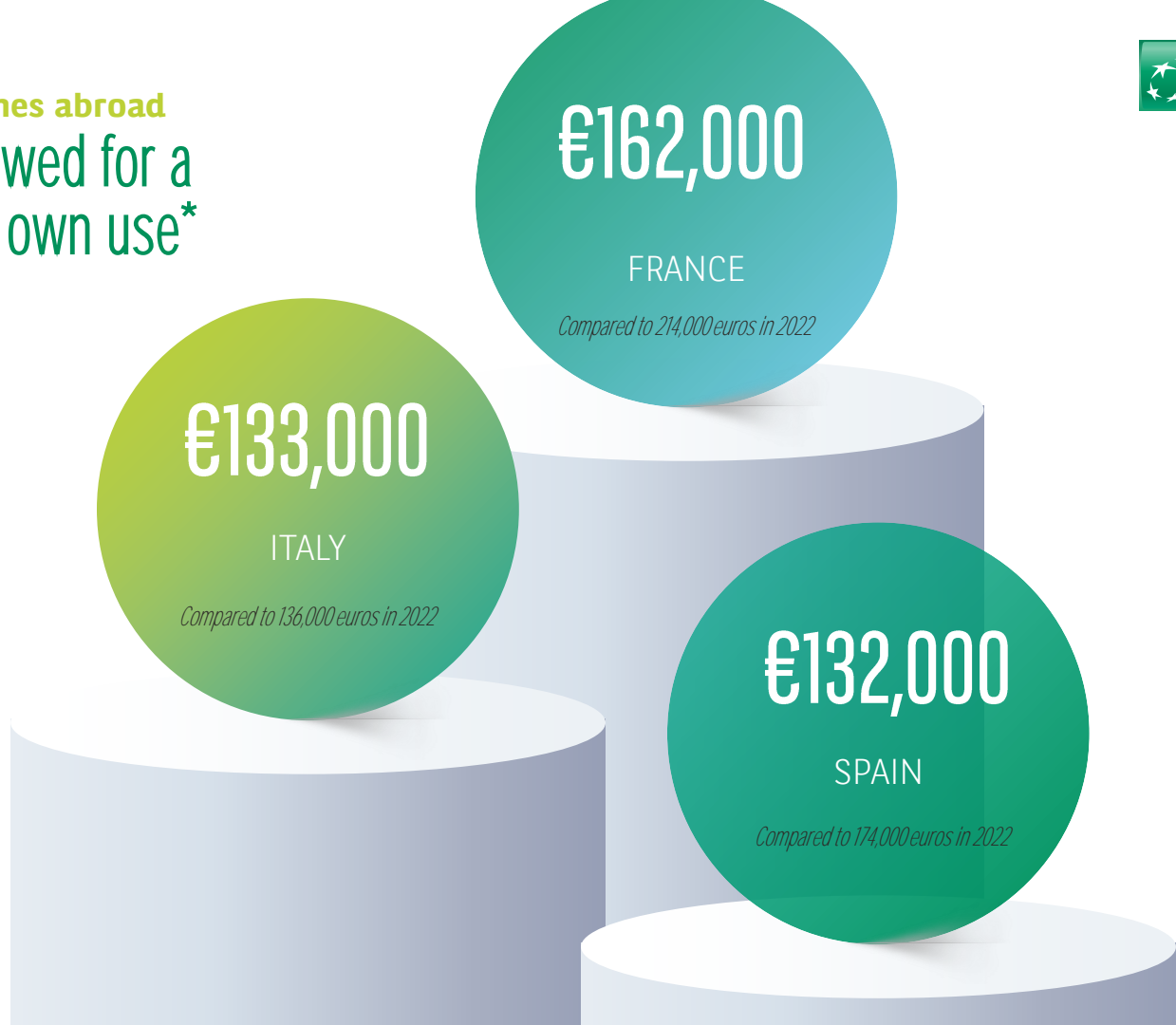
* Note: Mortgage without rental income declaration

Source: 2023 figures - BNP Paribas Fortis



The top trends for second homes abroad

Average amounts borrowed for a property purchased for own use*



* Note: Mortgage without rental income declaration

Source: 2023 figures - BNP Paribas Fortis

Section 5

CLIMATE IMPACT AND TAXATION FOR SECOND HOMES ABROAD

READY FOR YOUR WORLD





Climate impact and taxation for second homes abroad

Climate impact and secondary homes

Northern or southern Europe?

Droughts, heat waves, coastal erosion, forest fires and repeated floods do not seem to weigh too much on the choice of destinations for a secondary home abroad for the time being, even though some regions that are less impacted by climate change are doing well.

Examples include the two most popular foreign markets for second homes, France and Spain (78% of mortgage applications for second homes abroad in 2023).

Comparison of mortgage applications for a second home between 2019 and 2023.



Focus on French regions in 2019 and 2023

7%

7% of loan applications for the purchase of a second home were for properties in **Normandy**, compared with 6% in 2019.

6%

Barely 6% of loan applications for the purchase of a second home were for properties in **Hauts-de-France**, compared with 14% in 2019.

7%

7% of loan applications for the purchase of a second home were for properties in **Ile de France (Paris)**, compared with 6% in 2019.

14%

14% of loan applications for the purchase of a second home were for properties in **Grand-Est**, compared with 8% in 2019.

8%

8% of loan applications for the purchase of a second home were for properties in **New Aquitaine**, compared with 9% in 2019.

14%

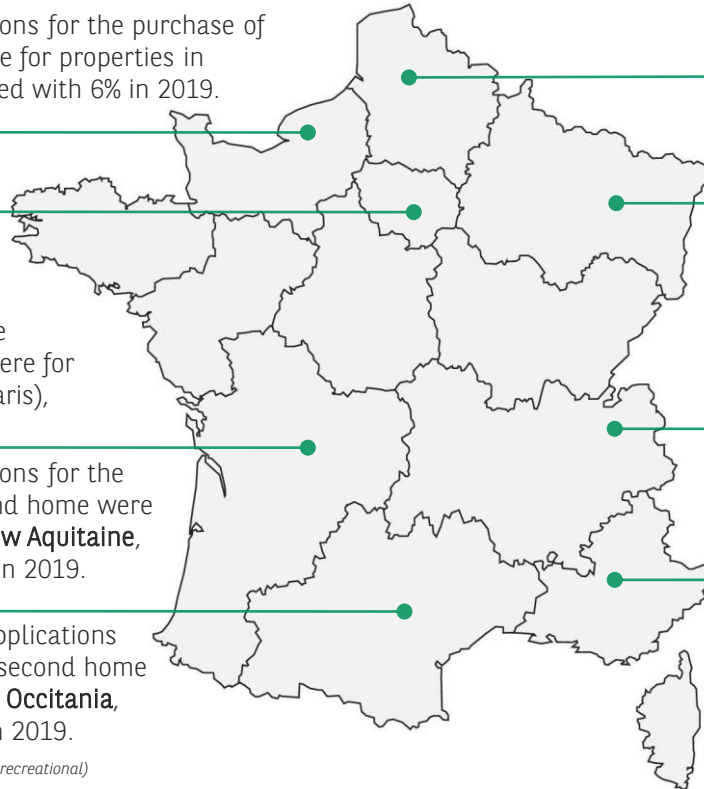
14% of loan applications for the purchase of a second home were for properties **Auvergne-Rhône-Alpes**, compared with 12% in 2019.

9%

Almost 1 of 10 loan applications for the purchase of a second home were for properties in **Occitania**, compared with 11% in 2019.

25%

One in four loan applications for the purchase of a second home was for properties in **Provence-Alpes-Côte d'Azur**, compared with 22% in 2019.





Energy performance diagnosis – 'DPE'

The [DPE](#) provides information on the energy and climate performance of a dwelling or building (labels A to G), assessing its energy consumption and its impact in terms of greenhouse gas emissions.

It is part of the energy policy defined at European level in order to reduce the energy consumption of buildings and limit greenhouse gas emissions and is used, in particular, to identify energy sinks (DPE labels F and G, i.e. the dwellings that consume the most energy and/or emit the most greenhouse gases).

Its purpose is to inform the purchaser or tenant about the "green value", to recommend work to improve it and to estimate the energy costs.

The Energy performance diagnoses are public and a [search](#) can be made on the basis of their unique number.





Measures supported by the DPE

Energy-wasting properties (DPE classes F and G) are a priority target for public policies concerning the renovation of the housing stock, given their high energy consumption and the exposure of their occupants to risks of energy insecurity. Property classified as F or G is thus gradually subject to regulation.

Requirement of energy audits to be carried out for all sales of single-family houses and collective dwellings in single ownership. Applicable from 1 April 2023.

Prohibition of substandard housing on the rental market:

- dwellings consuming more than 450 kWh of total energy per m² per year from 1 January 2023;
- dwellings classified as G from 2025;
- dwellings classified as F from 2028;
- E-rated dwellings from 2034 onwards.

2023

Freezing of rent increases. Applied since August 2022.

2022



European Green Deal
2019

Paris climate agreement.

2015

2021

European Climate Law



2023-2034

2050

Europe is becoming the first climate-neutral continent





Valuation of real estate transactions

The « [Demande de valeurs foncières](#) » provides information on real estate transactions in France during the last 5 years. The data are taken from notarial documents and cadastral information.

Properties can be found via the [simulator](#) on an interactive map or by typing the address.

It is a tool that allows prospective buyers to value nearby and recent real estate transactions, or property on sale if it has been the subject of a previous transaction during the last 5 years.





The donation of real estate located in France

- The donation of a building located in France requires the intervention of a French notary.
- France has the power of taxation in the event of a donation with intervention of a notary of real estate located on its territory, and Belgium has no power of taxation in this case.

However, the French rules are more advantageous than the Belgian rules in certain respects. Indeed:

- In France, in the event of the donation of the bare ownership of a building, the fiscally determined value of the usufruct can be deducted from the value of the full ownership. Only the value of the bare ownership is therefore subject to donation tax;
- The valuations of usufructs are generally quite high in France and only decrease by 10% every 10 years (for example the usufruct of a man aged 55 will still reach 50% of the total value of the property in France until he turns 61);
- Reductions are possible, in particular a reduction of €100,000 every 15 years for donations between parents and children (for example, a building belonging to a couple whose bare ownership is worth €400,000 could be donated without donation tax with retention of usufruct);
- Donations of buildings located in France that are realised and taxed (or exempt of it taking into account the reductions) in France come immediately into effect and are therefore not reincorporated in the estate of the deceased donor in Belgium, regardless of the time elapsed between donation and death.

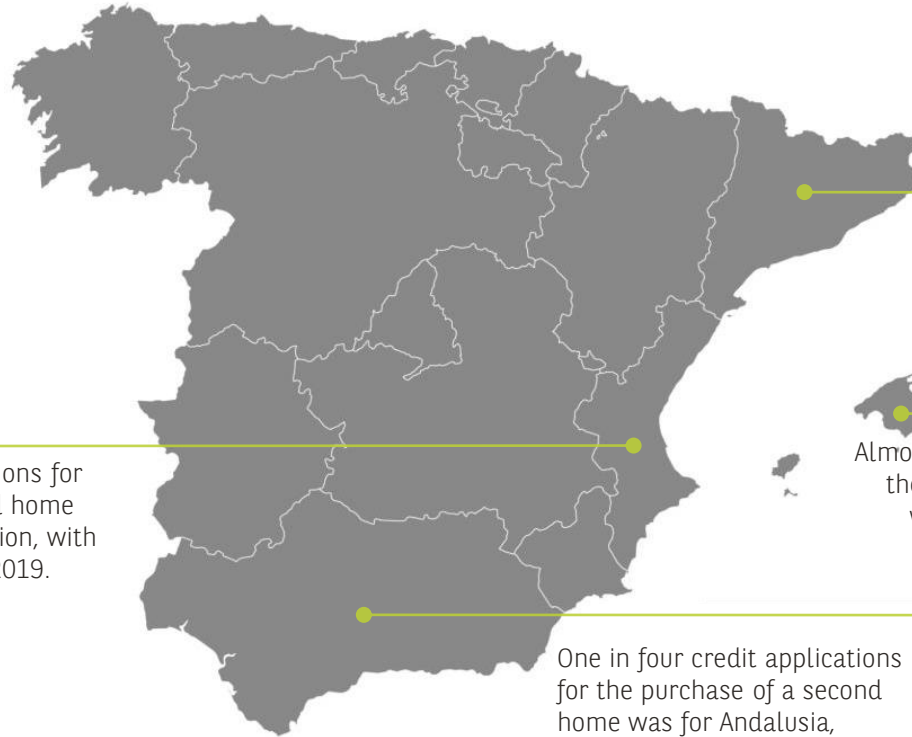




Focus on Spanish regions in 2019 and 2023

50%

One in two loan applications for the purchase of a second home was for the Valencia Region, with a similar percentage in 2019.



10%

One in 10 loan applications for the purchase of a second home was in Catalonia, a similar percentage in 2019.

4%

Almost 4% of loan applications for the purchase of a second home were for the Balearic Islands, compared with 3% in 2019.

25%

One in four credit applications for the purchase of a second home was for Andalusia, compared with 17% in 2019.



Calendar of the 'Certificado de Eficiencia Energética'

The « [Géoportail des certificats de performance énergétique des bâtiments](#) » provides information on the energy and climate performance of a home or building (labels A to G), by evaluating its energy consumption and its impact in terms of greenhouse gas emissions. It is part of the European energy policy to reduce the energy consumption of buildings and limit greenhouse gas emissions. The portal aims to inform the **purchaser** or **tenant** about a building's 'green value', to recommend work to be carried out for improvement and to estimate energy costs.

From 1 January 2028, all **new public buildings** or buildings used by **public administrations** must be zero-emission.

2028

Requirements for new buildings
(BOE law 08/05/2024 source CTE)

From 1 January 2030, all **new non-public buildings** (residential and non-residential) must be zero-emission.

2030

(New

Public buildings and non-residential private buildings.

From 1 January 2027, these buildings are required to have the energy label E or better. By 2030, the minimum label is D.

2027-2030

Private residential buildings. From 1 January 2030, these buildings must minimally have the label E. By 2033, the minimum label is D.

2033

Requirements for existing buildings *



Buying real estate abroad: be watchful of boomerang effects

TYPE OF FINANCING

The most common solution is to obtain financing via a loan in Belgium, as foreign banks very often require a guarantee. If you already own a dwelling in Belgium, the guarantee is only taken on a mortgage-free property.

If you do not have any income deposited in an account in the country where you wish to acquire a property, obtaining a mortgage loan there may be very complicated.

However, if the loan is taken out from a local bank, the mortgage is taken out on the foreign property. In Spain, the financing covers 70% of the officially estimated value of the property.

TAX EXEMPTION

Are you at risk of being double taxed on your property?

Check if there is a double taxation prevention agreement ('CPDI') between Belgium and the country in which you are acquiring property: it guarantees that the goods and benefits acquired abroad are taxed only once.

The good news: there are agreements with more than twenty countries: Spain, France, Italy, Portugal, Germany, the Netherlands...

Noteworthy also is the fact that real estate taxes in Belgium are based on cadastral income, while in France they are based on the cadastral rental value.

INHERITANCES AND TAXES

It is important to keep an eye on taxable activities as well as inheritance rules. The laws that apply in the event of decease vary from one country to another, in Spain from one Autonomous Community to another.

For example, for France, the national taxes relating to real estate activity that may apply are: [Property Tax](#) and the [Housing Tax](#). [Rental income](#) is also taxed. In the event of resale of the property, there can be a tax on the [real estate capital gain](#). Finally, depending on the amounts of assets held in France, even as a non-resident you may be subject to the [Real Estate Wealth Tax](#). As a last advice, do not forget to declare in [what capacity the property is occupied](#) (main residence, secondary residence, etc.)

In Spain, the national taxes relating to real estate activity that may apply are '[Impuesto sobre Bienes Inmuebles](#)' as well as a tax on second residences for non-residents (Rentas imputadas de bienes inmuebles urbanos). Rental income is also taxed.

On resale, a capital gains tax is also possible.

TAX RETURNS

Since the fiscal year 2022, it is obligatory to declare your foreign real estate to the Belgian tax authorities.

In 2024, a 5.3% rate applies on the market value; the cadastral income for a property of, for example, €100,000, amounts therefore to €337.02.

If a bank account is opened in the country of purchase of the second residence, it must be declared to the [Point de Contact \(PCC\)](#) of the Belgian National Bank..



ANY QUESTIONS?

ANSWERS

READY FOR YOUR WORLD

THANK YOU



READY FOR YOUR WORLD



BNP PARIBAS
FORTIS

The bank
for a changing
world



MEDIA RELATIONS

Annelore Marynissen

annelore.marynissen@bnpparibasfortis.com
+32 (0)479 01 60 58

Hilde Junius

hilde.junius@bnpparibasfortis.com
+32 (0)478 88 29 60

Valéry Halloy

valery.halloy@bnpparibasfortis.com
+32 (0)475 78 80 97

Jeroen Petrus

jeroen.petrus@bnpparibasfortis.com
+32 (0)498 32 14 94



BNP PARIBAS
FORTIS

<https://www.bnpparibasfortis.com/newsroom/>



READY FOR YOUR WORLD



BNP PARIBAS

FORTIS