The silver tsunami on the housing market

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In the United States, we often read about the Great Wealth Transfer, referring to the estimated 70-85 trillion dollars that the Baby Boom generation will transfer in the coming decades. Never before has a generation been so wealthy. Wealth that soon will trigger an unprecedented wave of inheritances, not just in the United States but also here in the Netherlands. Here, too, household wealth has grown considerably. But how big is the variation in this expected inheritances? What role does home ownership play in this transfer of assets and who will receive what? In this article, we will highlight some relevant backgrounds, consequences and follow-up questions about the Dutch *Great Wealth Transfer*.

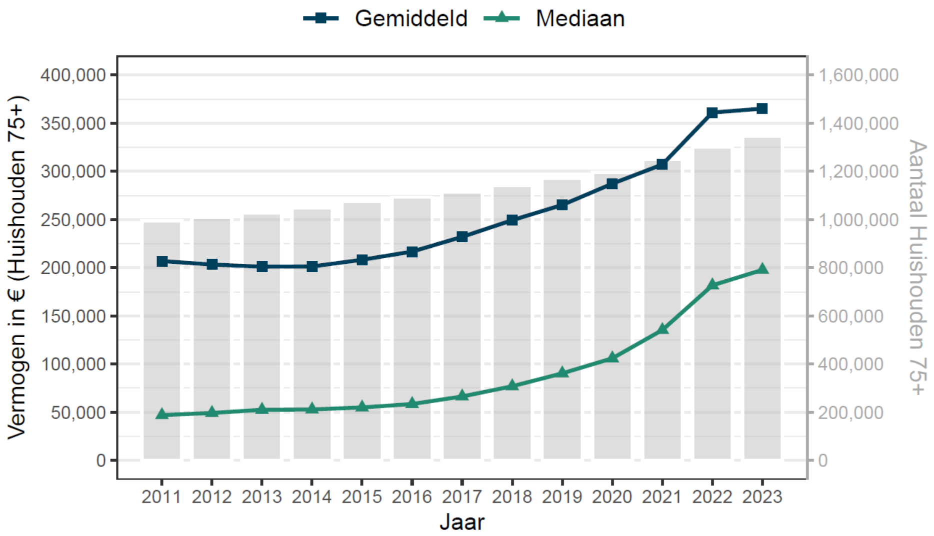
You don't talk about money, do you?

While we wish each other a happy new year on January 1, Chinese people start their new year wishing each other that they may become rich. Whether and how money is thought and talked about is culturally determined. In some cultures, money equals success, while in other parts of the world, money has long been synonymous with worries that you would rather not share openly. But money matters also change over time. In the past, for example, it was logical that there was little talk in the Netherlands about inheritances, for example, because the lion's share of the Dutch hardly had to deal with an inheritance that was worth sharing. In 1985, the head of a Dutch household died at the age of 73, leaving €9,500 in inheritance per recipient[1]. Money that was simply distributed among the next of kin after the funeral and on average remained well below the tax exemption for inheritance tax. Such amounts had little influence on family relationships, did not immediately necessitate adjusting one's own financial planning or having long conversations at the family table.

But the amounts and interests have changed rapidly. For example, the net wealth of the average Dutch household – i.e. assets after deducting debts – amounted to a whopping €327,000 in 2023, a doubling since 2011. That net household wealth is considerably higher for the oldest generations – the over-75s – at around €375,000. Figure 1 shows the development of the net household wealth of the baby boom generation over time. In addition to an increase in average wealth, the 75+ generation has also grown in size, according to the right axis. Since 2023, the number of households over 75 has risen to 1.34 million -- collectively accounting for assets of 491 billion euros.

[1] See CBS Statline: History of income, wealth and consumption; 1900-1998, https://opendata.cbs.nl/#/CBS/nl/dataset/37662/table?ts=1760694480229

Figure 1: Net household wealth 2011-2023, Avg 75+ wealth versus median 75+

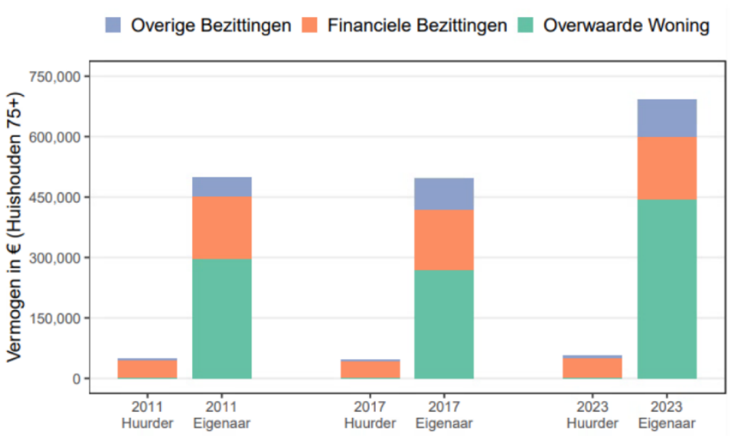


However, the above refers to average wealth and few of us are average, especially when it comes to our financials. Wealth appears to be quite skewed. Many have less and a few have much more. Figure 1 shows that the median wealth of 75+ households is almost two hundred thousand euros lower at €205,000, although it has tripled since 2011. It is therefore clear that a lot of capital growth has also taken place in the median. We are certainly not all rich, but we are all a lot richer.

Homeownership, the wealth accelerator

Searching for the most important source in wealth variation and development is not complicated. Wesselius (2025) recently showed how the owner-occupied home has come to predominate in household wealth. Dutch house prices have increased fivefold in the past thirty years, so everyone who had access to an owner-occupied home in the past thirty years has almost automatically built up considerable home equity, even without having to repay the mortgage.

Figure 2: Composition of household wealth 75+ households in 2011 and 2017, tenants versus homeowners.

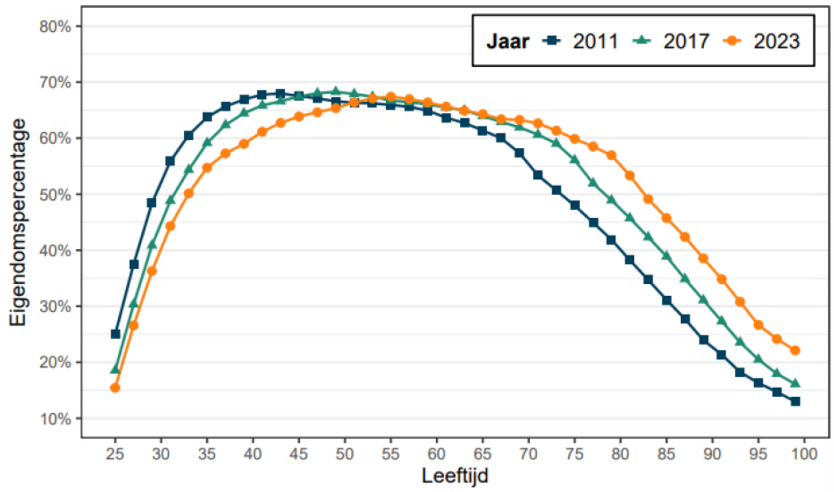


This is also shown in Figure 2, in which we compare the composition of the net household wealth of 75+ households with and without an owner-occupied home for the years 2011, 2017 and 2023. Here we clearly see the influence of the owner-occupied home. While the net wealth of 75+

households with rental properties has grown from €37,000 to €50,000, these amounts are not only higher for homeowners, they have also risen a lot faster – from €472,000 in 2011 to €690,000 in 2023. Not only does the equity of the owner-occupied home make up the vast majority of this total, it is also the part that rose the fastest. Without their own home, 75+ households remained practically stagnant in terms of their wealth development, measured in real terms[2].

Home ownership among the over-75s is also rising steadily. Whereas in 2011 only 48 percent of the 75+ cohort were homeowners, we see in Figure 3 that this curve has shifted considerably in the past twelve years -- this percentage is now above 60 percent. We are buying our first home later and later in life, but we are also owning an owner-occupied home for longer and longer, partly as a result of the policy that has been implemented to allow seniors to live at home. In short, in the future we will see more and more of the 75+ end up in an owner-occupied home, which also has a substantial surplus value.

Figure 3: Home ownership by age category in 2011 versus 2023.



Owning your own house as Piketty catalystor

At first glance, these differences in wealth and wealth development are reminiscent of the work of Thomas Pikkety, who showed us in his 2013 "Capital in the Twenty-First Century" that wealth inequality occurs more rapidly when the return on capital (r) is higher than economic growth (g). In these circumstances, wealthy households with large assets can benefit from relatively high returns (r), which means that their high wealth will grow faster towards the future. Households with low wealth have more limited access to this high return and will have to grow their wealth mainly through their wage/income, which grows with the relatively low (g). This increases wealth inequality.

In this case, it seems that we need to make an additional distinction in the return (r) of Pikkety. For example, in our figures we see a r_w – the return on the owner-occupied home, measured in the growth in equity – that has been more than 14% per year in the Netherlands over the past fifteen years[3]. A high return that homeowners largely owe to rapidly rising house prices, which were

[2] The average net household wealth without home ownership for 75+ households rose from €105,000 in 2011 to €190,000 in 2023.

[3] This 14% (Rw) is made up of the vacant value development of owner-occupied homes between 2011 and 2023 as calculated by Statistics Netherlands as almost 4% per year, strengthened by the relatively low mortgage interest rates in the same period and an assumed loan-to-value ratio (LTV) of 90%.

largely financed with a relatively high mortgage at a low net mortgage rate. This leverage helps turn the tailwinds of house price increases into a r_w of 14% since 2011, while households with rented properties were able to save their money at an average savings rate of 1.3%.[4] This partly explains the expanding wealth gap in figure 2.

But unlike in the work of Thomas Pikkety, we here observe a return on wealth that does not only work for the small group of rich people – after all, Pikkety aimed his arrows at the high return of the richest 1% of society. Home ownership in the Netherlands is currently over 57%.[5] So this housing return is not limited to a small group of elite, but is enjoyed by more than half of Dutch households.

Who is the inheritance for?

More than 60 percent of Dutch households die without the presence of a will[6]. In these cases, the so-called "legal division" determines the proportion in which the property of the deceased (e.g. the father) is divided between the spouse/registered partner and any children. These children then receive a claim on the surviving spouse (e.g. the mother) in the amount of their inheritance, which only becomes due upon the death of this surviving spouse. Even when there is a will, we see that the same surviving relatives are usually among the beneficiaries, probably with different proportions or conditions. In short, in the majority of cases, the inheritance will eventually end with the children.

The number of children per household that will soon divide the inheritance is steadily decreasing. For example, the CBS household statistics show that the average inheritance in 2011 was still divided among 3.2 heirs, but in the meantime the demographic change has also left its mark here. The family dilution in particular means that inheritances are distributed among fewer and fewer heirs – an average of 2.3 in 2023.

If we divide the size of future inheritances by the number of surviving relatives, the picture emerges as shown in Table 1. The average estimated future inheritance per recipient differs greatly based on the housing market position, both among testators and among heirs.

Table 1: estimated inheritances per child per housing market position

On\from	Parents with a house for sale	Parents with rental property
... child with owner-occupied home With current net worth of €450k	€ 463,000 [52.5%]	€38,000 [16.2%]
... Child with rental property With current net worth of €25k	€ 368,000 [16.3%]	€ 18,000 [15.0%]

Children with a rental home will soon inherit an average of €18,000 from parents with a rental home. Children with a rented home inherit no less than 20 times more if they inherit from parents who own a home (€368,000). And parents with an owner-occupied home whose children also own an owner-occupied home even leave an average of €463,000.

4 Source for average savings rates over the period 2011 and 2023 is www.spaarrente.nl
5 Source for homeownership evolution is the compendium for the living environment.
6 Source is the 2025 investigation by the RTL News Panel.

The percentage of parents with an owner-occupied home that passes on to children with an owner-occupied home is currently 68.8%. Children of parents who own a home are more likely to buy than children of renting parents. Results that are consistent with previous studies by Green and Painter (2012) and Choi et al. (2018) on the path dependence of intergenerational home ownership. Their American figures show that the children of homeowners have an 8 percent greater chance of buying a house before the age of 35. This path-dependent difference in housing market position among inheriting children has already caused a difference in wealth in recent years. For example, renting children currently have €25,000 at their disposal, while inheriting children with their own owner-occupied home currently already have an average of €450,000 in net assets. The upcoming inheritance will therefore further increase this wealth difference in the coming years.

Implications and recommendations.

We now know more about the scale and extent of the upcoming Great Wealth Transfer at our side of the Atlantic, but there is still a lot we don't know. This applies even more to the households themselves. With such a financial transition on the horizon, it is therefore important that we as a society prepare households more actively for what is to come.

This can be done, for example, by stimulating larger-scale and modern financial planning at a household level. Since the welfare state, Dutch households have rarely had to think about their longer term, but that will soon be different and requires good guidance. Not an easy task in a country in which the government has taken care of everything for decades and in which confidence in financial advice has been tainted for many by unethical financial malversations.

But new policy is also required, including the tax aspects. Because what will this wave of inheritance do to the (in)equality of opportunity in our country, not least within our housing market? The aim here is not to agitate for higher inheritance tax, but by using the inheritance wave productively, there are also other policy options. Think of a higher exemption for inheritance to non-homeowners, including grandchildren, bringing forward the distribution of assets through a broader exemption for study, repayment of student debt, or repayment of the mortgage on the owner-occupied home.

Encourage households to use larger parts of their illiquid assets to realize their own dreams while they are alive. To govern is to look ahead and the wave of inheritance is clearly in sight. It is time that we adjust the course in a timely and well-informed manner.