

Syntrus Achmea realises outperformance in 2019, acquiring more than 2,000 new residential units

14 May 2020 – Syntrus Achmea Real Estate & Finance once again exceeded the MSCI benchmark last year with its return on residential properties. The average return on the managed residential portfolios was 14.8 percent, 1.2 percent higher than the MSCI residential property index (13.6 percent). The largest part of Syntrus Achmea's assets under management in real estate is invested in residential properties.

In the healthcare real estate sector, for which there is no specific MSCI benchmark yet, the return was 13.1 percent, once again comfortably above the absolute return benchmark (7.0 percent). For offices, higher valuations in particular led to a return of 14.5 percent. For retail properties, the income return was slightly better than the benchmark thanks in part to a high occupancy rate, but write-downs resulted in a total yield of -2.7 percent.

Last year, Syntrus Achmea bought more than 2,000 residential units on behalf of its clients, the majority of which were in the mid-range segment. In total, Syntrus Achmea acquired new and existing real estate worth more than 650 million euro in the Netherlands and Germany in 2019. For example, a unique, prize-winning residential and healthcare complex in Apeldoorn was also acquired. This complex was realised in accordance with passive architecture principles, and thanks to excellent insulation, the complex will require barely any energy for heating.

Due to the effects of the coronavirus outbreak and the new 1.5m society, Syntrus Achmea is expecting lower returns this year than last year. "How much lower is difficult to predict at the moment, but it is clear that there will be a corona effect," says CEO Arthur van der Wal. "After years of double-digit results, a lower return is not surprising. That's all part of a normal cycle in the market."

At the same time, many of the underlying foundations in the real estate market remain solid, according to Van der Wal. "There is still a great shortage of affordable and sustainable housing, particularly in the Randstad. This remains a segment in which Dutch institutional investors are keen to invest, with an eye on long-term prospects. The same applies to healthcare real estate. The social challenge in this segment and the interest shown by investors continue, despite the crisis."

For more information: Erik van der Struijs, Marketing & Communications manager, Syntrus Achmea Real Estate & Finance: tel. +31 (0)6 1354 3102 and erik.van.der.struijs@achmeavastgoed.nl

Syntrus Achmea Real Estate & Finance

On behalf of more than sixty pension funds and other institutional investors, Syntrus Achmea Real Estate & Finance manages over 24 billion euro in real estate and mortgages. We choose to invest in sustainable real estate that offers financial and social returns. This means helping our clients (and their clients) build a solid financial foundation and vibrant and thriving communities. For now, the near future and the longer term.

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