

Press Release**Achmea Real Estate Outlook 2024 - 2026****Strong tenant demand in the Netherlands offers perspective for institutional real estate investors**

Amsterdam, 6 December 2023 – High tenant demand for sustainable, affordable housing, healthcare real estate and retail real estate in sought-after locations in the Netherlands offers institutional real estate investors perspective in the coming years. Provided, however, that interest rates do not rise further. This is according to Achmea Real Estate's Outlook 2024 - 2026.

The European Central Bank raised interest rates in recent years to cool the economy and inflation. Partly as a result, property markets have had a turbulent year, observes Casper Hesp, Director Investment Management at Achmea Real Estate. "Between September 2022 and September 2023, around 13 per cent of value evaporated in the Dutch property market. Such a depreciation in such a short time has not happened very often."

Stabilising further

"Now that inflation is better contained, the ECB can grab the space to first stabilise interest rates and then perhaps lower them in the second half of 2024," Hesp continued. "Lower interest rates will further stabilise property markets, in our view. This will create opportunities for institutional investors to re-enter."

He cites underlying demand for sustainable, affordable housing, appropriate care property and retail as still high. "It's more than ever about delving further into the needs of the property's target groups. For instance, retail consumers are becoming more selective and demanding. Then retail real estate has to meet that. With care real estate, that quality is in good working environments for care workers and in suitable housing for seniors, so they can live independently at home for longer."

Social and financial

At the same time, the importance of ESG for institutional investors continues to grow, both from a social and financial perspective. Hesp: "At the current rate of sustainability, we in the Netherlands are not going to meet the targets in the Paris climate agreement. EU legislation in this area is also becoming increasingly stringent. At the same time, the value development of sustainable and non-sustainable real estate is increasingly diverging. Real estate is an asset class with which institutional investors funds are ideally placed to make a difference."

For further information:

Erik van der Struijs
Strategic Communications Manager
+ 31 6 1354 3102
erik.van.der.struijs@achmea.com

About Achmea Real Estate

On behalf of more than 30 pension funds and other institutional investors, Achmea Real Estate manages around EUR 12 billion in residential, retail and healthcare real estate. We opt for investments with high social value and an appropriate financial return. By doing so, we contribute to a good income for now, later and in the future. In a sustainable, attractive living environment. www.achmearealestate.com