

A decade of growth and evolution



When Dick van Hal took over as CEO at Bouwinvest in March 2008, he knew it was time for some changes. Bouwinvest, which had been investing in real estate on behalf of the Dutch Construction Workers pension fund bpfBOUW for nearly 65 years, became a stand-alone investment manager in 2003, but was still focused entirely on its parent client.

'The €5 bn we were managing for bpfBOUW was mostly in Dutch real estate; in total, they had a 20% exposure to property assets in their investment portfolio, which was quite high. We needed to diversify and de-leverage to lower the risk profile, so we decided to increase our international investments in urban regions all over the world,' explains Van Hal.

Another key issue was professionalising Bouwinvest itself by strengthening the checks and balances in the management organisation and growing the business by attracting external investors. But just a few short months later, crisis struck as Lehman Brothers collapsed and real estate investors all over the world woke up to a rapidly changing economic outlook.

'We stuck to our strategy although the speed at which we could execute it was reduced,' says Van Hal. 'We had to address the risks that emerged in the Dutch portfolio and in international markets. There were also opportunities. We had already decided to

strengthen our approach to compliance, risk management and improve governance, and suddenly the crisis fully vindicated that decision. We also had plenty of equity in a buyer's market, so we could continue to invest and enjoy greater choice by going world-wide.'

Attracting third-party investors had also been identified as a key strategy, but the recession threatened to halt those plans.

as it evolves for the future. 'During the crisis we learned that not only financial criteria are important, but also social ones. We take both stakeholders and shareholders into consideration when we make decisions,' Van Hal notes, 'so municipalities, government, tenants and employees of our management organisation all count.'

Geopolitical shocks such as Brexit or terrorism also call for attention. 'We're happy



'We have learned that social criteria are as important as financial criteria'

DICK VAN HAL, CEO BOUWINVEST

'We launched a Dutch Residential fund in 2010,' says Van Hal, 'but didn't find the first external investor for that fund until 2014. It was a sign of the times,' he adds. 'Now that same fund has a queue of investors with a three-year waiting list. And institutional investors particularly appreciate being able to put money into the same funds as the anchor investor. That way, there's no competition for assets – everyone can access the same funds,' he says, 'It's proved a winning strategy.'

Bouwinvest today has to address other issues

that a low risk profile is at the heart of our strategy,' he says. 'We think that physical real estate is always going to be required whatever happens, and if you own good assets in good locations you will always have tenants for them, and an income from that.'

Overall, the outlook is bright. 'We now have €8 bn in assets under management, and our international portfolio has increased by €2 bn since 2008. We've gone from one account a decade ago to being an international and multi-client investment manager today,' he adds. 'And further growth is on the cards.'

What about the next 10 years?

'Bouwinvest's approach over the past 65 years has been that of specialising in low-risk, core assets, to fit our clients' liability hedging strategy,' says CEO Dick van Hal. 'That will continue to be our focus, but we'll keep evolving.' With some funds gaining 10% per year in recent times, Bouwinvest anticipates further growth by attracting more external investors, also for its international investments. Van Hal is confident that the portfolio will exceed the €10 bn barrier within the next decade. 'Our primary goal is always that of producing good returns at acceptable risks for our clients. If you successfully execute that strategy, then growth in your assets under management is the natural outcome.'