

\*Vision

# Solutions needed growing shortage of senior housing



Using the strength, expertise  
and network of institutional  
investors

Care-related housing

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Bouwinvest

Real  
Estate  
Investors

# More housing for seniors is urgently needed

There is a pressing shortage of appropriate housing for seniors, with or without specific care needs, which will only become more acute in the future.

The separation of housing and care, and the decentralisation of care services have made it essential that local authorities and service providers take the right steps to meet current and future demand. The expertise, strength and societal targets set by institutional investors such as Bouwinvest offer a way forward.

## Shortage increasing as population ages

The number of senior citizens in the Netherlands has been increasing since the 1990s. First of all, the group born during the baby boom of the 1960s and 1970s will soon start reaching pension age. And secondly, life expectancy is rising – from an average of 79.5 years in 1990 to 85.5 years by 2040. This will result in an increase of one million 65+ households by 2040. But the shortage of housing also has a qualitative side – many of the current buildings used for nursing homes or sheltered housing no longer meet today's standards and are insufficiently flexible to take changing needs into account.

## Local authority challenges

The government has made self-reliance a cornerstone of policy since 2010, and encourages the elderly to remain living independently, rather than move to pensioners' homes. Changes in legislation in 2013 have placed responsibility for housing the elderly with local authorities and those who have limited care needs are no longer entitled to residential accommodation. In effect, the traditional pensioners home no longer exists. This is, in turn, putting pressure on local authority budgets, particularly the allocation for home care services, known as the WMO budget. This budget is currently also being used to adapt existing homes to meet the needs of the elderly who require some form of care. Such work is expensive, and the cost will only increase in the future.

Bouwinvest believes there are alternatives to investing the WMO budget on home alterations. This is where institutional investors come in. With their capital and expertise in senior and care-oriented real estate, as well as their networks, they can pick up a great deal of the necessary investment themselves.

Life expectancy is rising – from an average of 79.5 years in 1990 to **85.5** years



Hildebrand, Haarlem

## Finding solutions through collaboration

Making existing property future proof, and adding new homes with care functions to the housing stock, requires collaboration between local authorities, care institutions and investors, as well as housing corporations, developers and construction companies. The market for healthcare real estate is a complex one, and all of these parties have a role to play.

Institutional investors like Bouwinvest are backed by Dutch pension funds and insurance companies. They have the capital to invest and are looking for long-term investments which offer both stable returns and have a beneficial impact on society. Pension funds have reserved capital to invest in senior housing outside the rent-controlled sector and in care-related real estate. There is currently a shortage of appropriate property.

Local authorities which draw up a longer-term vision for senior housing and care-related real estate, and then translate this into policy and a focused plan of action, are to be welcomed. After all, they are responsible for determining what real estate is developed and where.

Some of this investment can be provided by institutional investors. And by concentrating on senior housing and other care-related real estate, local authorities are helping to meet the target of building 850,000 new homes, optimizing the concept of the inclusive city, helping more people to move up the housing ladder and boosting the supply of affordable homes.

If institutional investors focus on investing in care-related housing outside the social rental sector, housing corporations and healthcare institutions can focus on their key tasks, as well as investing their capital in making their existing portfolios more sustainable.

By collaborating and by investing in senior and residential care housing for the future, everyone in the chain benefits.

### Healthcare institutions

- Focus on providing care
- No outmoded buildings
- No unexpected expenditure on real estate (less risk)

### Institutional investors

- Meeting care investment targets
- Stable returns
- Social impact

### Local authorities

- Lowering expenditure on real estate
- Improving inclusivity
- More movement in the housing market
- Helping meet 850,000 home target
- Affordable homes for seniors

### Residents

- Supply meets their needs
- Housing suitable for future care needs
- Modern facilities
- Affordable, sustainable homes



## Care home complex De Gijsbrecht

These sheltered homes in the village of Ouderkerk aan de Amstel outside Amsterdam are specifically targeted at the elderly and people with limited care needs. This means the building and the individual units must be accessible to people who use walking aids or a wheelchair. By creating an environment which is both socially and physical suitable for seniors, residents are able to live independently for longer. Care services are available on demand. Next door is the Zonnehuis Theresia nursing home, which has been set up so that residents do not have to change locations if they need more serious care.

De Gijsbrecht, Ouderkerk aan de Amstel

## What does investment in senior housing deliver institutional investors?

- It meets the growing need for appropriate housing for seniors with or without care needs
- It contributes to the target of building 850,000 new homes by 2035
- It helps reduce pressure on local authority care budgets
- It ensures housing corporations and care institutions can invest their capital in their primary tasks
- It helps people move up the housing ladder and contributes to a pleasant and inclusive city
- Pension fund capital can be used in ways that make both financial and societal sense

## The Bouwinvest Healthcare Fund

The Bouwinvest Healthcare Fund invests in healthcare real estate on behalf of bpfBOUW. We focus on three segments in the market: sheltered housing, residential care and healthcare centres. We believe these three sectors offer the best financial and societal returns, enabling us to create *real value for life*.

Investments per year

€100 million

2023 target:

€600 million

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# What can Bouwinvest do and what do we commit to?

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## 1

### We offer insights

Bouwinvest has the strength, expertise and relevant network to ensure that the right housing is developed at the right location. Bouwinvest can help both local authorities and developers in gaining insights into specific challenges.

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## 2

### We have social targets

Bouwinvest primarily invests on behalf of Dutch pension funds, which want to generate long-term, stable returns. By investing pension capital, we are improving the supply of care-related real estate and enhancing many people's pensions.

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## 3

### We are a partner for the long term

As a long-term investor, we want to contribute towards the development of attractive, inclusive and sustainable neighbourhoods. These are the places where people will want to live and work in the future.

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## 4

### We invest for people with middle incomes

There is an increase in demand for senior housing for people with middle incomes, but the current supply focuses on social housing for low-income households and senior housing for the well-off. By choice, Bouwinvest invests in the middle-income sector.

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## 5

### Focus on quality and sustainability

Bouwinvest invests for the long term, and this means its real estate must be both high quality and sustainable. After all, it will still be rented out in 20 to 30 years. For us, quality means sustainable, well-appointed and properly maintained housing.

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## 6

### We understand real estate and have an outstanding network

Bouwinvest has been investing in real estate since 1952. Our team has expertise in both pensions and real estate, and this is why we are able to realise the right real estate to meet demand. Our network has an essential role in this, which is why we focus on developing lasting relationships with our stakeholders and partners.

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## 7

### Satisfied residents

Ultimately, local authorities, housing corporations, healthcare institutions and institutional investors have a common interest, to create a healthy and pleasant living environment, in which both residents and tenants are happy. What can be more satisfying than helping to meet this need?

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# Growing shortage of senior housing

## Causes



## Problem

Solving the housing shortage by using the capital strengths, networks and expertise of institutional investors

## Solution

Solve the housing shortage using the strength, networks and expertise of institutional investors

## Result







# Real Value for Life

Bouwinvest is an international real estate asset manager which aims to add value in a sustainable way. We are fascinated by the city of the future and we focus on *Creating real value for life*. Our investments contribute to sustainable, liveable and inclusive metropolitan areas and enhancing pension benefits.

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## Circularity

The earth's supply of raw materials is limited and, in some cases, is already running out. Clever recycling in the construction sector reduces the use of building materials, cuts the production of waste and boosts the sustainability of the real estate sector.

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## Climate adaptation

The different weather patterns emerging through climate change pose a challenge in urban areas. They influence our health, our quality of life, and home and office comfort and this, in turn, can cause economic damage. By making sure our buildings are adapted to these developments, we are reducing our vulnerability to the current and future impact of climate change

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## Paris Proof

We counteract climate change by investing in gas-free and energy-neutral property. By focusing on Paris-Proof real estate, we are creating *real value for life*.

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## Affordable homes

We provide both affordable housing and a stable return for our shareholders. We do this by investing in mid-market rental homes to create *real value for life*.

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## Metropolitan regions

Successful metropolitan regions are not defined by their size but by the balance between growth and liveability. This is why we create *real value for life*.

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## Senior housing

The demand for housing for senior citizens and for healthcare-related property is only going to increase. By investing in this specific sector, we are creating both stable financial returns and having a social impact.



Oranjewoud, Heerenveen

## Further information

To find out more about  
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