

## ABP and bpfBOUW join forces to create affordable housing in Netherlands



By [Razak Musah Baba](#) | 16 November 2023

Dutch pension funds ABP and bpfBOUW have established a €400m partnership to bolster affordable housing options in the Netherlands, specifically targeting the social and low-middle rental segments.

Civil service scheme ABP has committed €250m to the Dutch Social Impact Real Estate Partnership alongside a €150m contribution from the construction industry's pension fund bpfBOUW.

The partnership, managed by [Bouwinvest](#), will invest the capital to add and preserve affordable homes in the social and low-middle rental segment.

Speaking to IPE Real Assets, Mark Siezen, Bouwinvest's CEO, said there were "several societal challenges" in the Netherlands, but one of the most important was "the shortage of affordable housing and the related affordability problems".

He said the partnership aimed to address this shortage by providing affordable housing and care facilities. “Additionally, the partnership will work to improve the quality of life in certain neighbourhoods that are struggling due to a lack of social cohesion and community amenities,”

Siezen said. “Despite having a high percentage of social housing in the Netherlands, there is a gap in housing options for low and middle-income earners, as well as vulnerable groups.

“This partnership aims to address these needs by providing housing for low and middle-income families, particularly essential workers like teachers and nurses, as well as older adults who require care. This is where we’re focusing our efforts to make a significant impact.”

Robert-Jan Foortse, head of real estate at APG, the asset manager of ABP, expects the €400m to be committed in the next two and a half years. Foortse said there was significant opportunity for investment in affordable housing, due to a severe shortage of housing in the Netherlands, surrounding European countries and most of the Western world.

“However, there are also challenges associated with this investment opportunity,” he said. “In today’s market, with high land values, construction costs, interest rates and inflation, it is difficult to make a profit. Therefore, it is crucial to be selective in choosing investment opportunities.”

Foortse was confident that, with the combined “expertise and resources of bpfBOUW, ABP, APG and Bouwinvest, we can identify the right investment opportunities and attract the necessary attention for these initiatives”.

He added: “Moreover, I believe that announcing this partnership will open up new opportunities, as people will recognise our capabilities and approach us with promising investment proposals.”

The partnership expects to add and preserve affordable homes in the social and low-middle rental segment, as it targets housing for groups of people who are currently finding it difficult to find a home.

Maya Savelkoul, Director Dutch Impact Investments at Bouwinvest, said: “An increasing number of pension fund participants want the funds they invest to not only generate good returns but also to make a positive contribution to society and the environment. In addition, the participants and pensioners themselves can also benefit from affordable homes and senior homes, along with social amenities in their neighbourhood.”

Harmen van Wijnen, ABP’s board chairman, said ABP’s aim was to “provide good pensions” in a liveable world. “To that end, we look for attractive long-term investments. And it is even better if these investments can also help solve social problems.” Van Wijnen added that the Netherlands has a “housing shortage and our participants feel that too”.

He said: “The impact partnership enables us to do something about this problem by investing in affordable and sustainable rental or care-related homes. So, thanks to this investment, the premiums we receive pay off twice for our participants.”

Eline Lundgren, bpfBOUW board chairman, said: “By joining the Impact Partnership, we as bpfBOUW are demonstrating our commitment to realising affordable housing and improving people’s wellbeing. With this partnership, we are investing €150m to help solve the housing shortage and strengthen local communities.”

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