

From mono to mixed: Redevco's New Direction

Redevco is a specialist in the field of retail real estate in Europe and from this strong foundation has recently expanded into a new sector: housing. Transformation projects are also receiving more attention, together with making real estate more sustainable and mixing functions and users in one building. The emphasis lies strongly on multifunctionality and future-proofing. An interview with Vincent Bacas, Nick van de Sanden and Joep Wensveen about helping to create sustainable and liveable cities.

Quote (left picture): 'In the next few months we will expand our role and get involved with area developments over a period of several years.'

Caption (left picture): Redevco recently bought 172 rental homes in Hollandse Meesters, two sustainable residential towers in Amstelveen developed by AM.

Quote (right picture): 'Our customers are looking for flexibility and peace of mind'

Redevco

For Vincent Bacas, this interview marks a special moment: his recent appointment to Redevco on 1 March. With a background in management consultancy and a specialisation in strategic leadership from Nyenrode, Vincent previously worked for a family office that is active in the built environment and serves investors, developers and end users of real estate. This gave him a broad perspective on buildings and their specifications, relative to their users and area. He is now using that experience as Portfolio Director Netherlands with, at his side, asset manager Nick van de Sanden and project manager Joep Wensveen, both of whom have been working at Redevco since 2019. Around that time, the company embarked on a new direction that put greater emphasis on residential and the development of mixed-use projects. Vincent Bacas nuances that Redevco is by no means saying goodbye to retail, on the contrary: 'Our portfolio still consists largely of commercial real estate and we will continue to invest in it heavily to develop the properties and make them future-proof and a better fit with their situation. In addition, we are following a clear diversification strategy, which is a nice and interesting challenge. We need to make the buildings we manage on behalf of our investors and our own organisation ready for the new direction. Diversification requires consciously seeking more cooperation with other parties in the market.'

Redevco's goals – to grow invested capital from EUR 6.7 billion to EUR 10 billion and expand functions and clients - can certainly be called ambitious. With the recent acquisition of redos, a specialist in retail parks in Germany, Redevco's invested capital has grown to EUR 9.7 billion. But continued growth and diversification remain important, especially to increase the positive impact on cities. How is this transition taking shape?

Bacas: 'We want to grow our entire proposition and in various ways: autonomous growth, joint ventures but also by managing more assets for other funds. More than ever, we are open to cooperation with other parties. That is where our business development department comes in. All of us need to bring Redevco more into the limelight. This is the

most beautiful property company in the Netherlands, but it is a bit of a hidden gem. Together, we are working hard to promote our new profile. The machine is well underway.'

Van de Sanden: 'Our focus has also shifted from single assets in the high streets to encompass the surrounding urban areas. Our mission is to help urban areas become more sustainable and habitable. This is where the growth is that we want to accommodate. It requires a different use of our buildings and more connection with the surrounding areas. In Groningen, for example, an existing retail building is being redeveloped to accommodate a mixed-use infill, featuring a new top layer of homes. We are keeping a close eye on the impact on the surrounding area and the resulting improvement in liveability and attractiveness.'

Wensveen: 'In our role as a developing investor, we steer the transformation process and the parties involved, such as designers and builders. We analyse the buildings' existing qualities and characteristics and the urban fabric around them. That is the basis of our sustainability approach. In addition to continuously improving the energy efficiency of our assets, in the next few years we will place greater emphasis on the carbon embodied in our buildings, looking at opportunities to carry out renovations using sustainable materials such as wood. What is already in place will be reinforced with new sustainable materials and construction techniques.'

Van de Sanden: 'Social impact is the key. Our buildings are often in iconic locations and contribute to their streets and cityscape. Therefore, we have an important duty of care towards residents, users and visitors.'

Bacas: 'That's why in the next few months we will be expanding our role to include developing urban areas and we're aiming for long-term involvement and a mix of functions. We are really picking up momentum now. We're not only expressing the ambition to diversify, but actually putting it into practice. Put your money where your mouth is.'

The retail market is clearly changing. We're seeing a different use of space in and around buildings. How do you see this?

Van de Sanden: 'The dynamic is unmistakable. Larger retail chains are experiencing lower demand so they are centralising their locations. At the same time, we are noticing many opportunities as new players emerge. Smaller companies are entering the market for the first time, together with companies that previously operated only online who now want to establish a physical presence, for example. New business models and new income streams are emerging. We see a clear need among our customers for flexibility and a desire for a hassle-free experience. In part, there is a shift from buying to being and content: presence and visibility.'

Bacas: 'We are clearly going through that transition ourselves: from just leasing retail space, it is much more about understanding the DNA of our end users and by doing so, delivering our added value.'

Van de Sanden: 'Entrepreneurs will furnish their spaces much more from a marketing point of view, focusing on community building and branding. Real estate and location in a city are increasingly seen as aspects of a company's advertising value.'

Bacas: 'The costs involved are also quite different from those for development, construction and operation.'

A development you already mentioned is the focus on sustainability. What is Redevco's position on this?

Wensveen: 'We know what challenges all our assets are facing. By 2040, we want to be completely climate-neutral. With this in mind, we are making our existing buildings more sustainable and setting the bar as high as possible for new buildings. We have developed a generic design brief which is further elaborated per location and provides the starting points for the design team we work with.'

Wensveen: 'Energy is obviously an important theme in this approach, but we also look more widely and holistically at, for example, well-being and health.'

Bacas: 'This also applies to the residential projects that we acquire, for example. We expressly include our purchasing team in this.'

Wensveen: 'In addition, we relieve our tenants by increasingly taking care of the interior and exterior design. In the event of a change of tenant, this prevents the unnecessary loss of materials. We keep an integral materials passport and use it to steer explicitly towards reuse and circularity.'

Quote (bottom right picture): 'We know what challenges all our assets are facing. We want to be completely climate-neutral by 2040.'

Caption (bottom right picture): De Porseleinen Toren is a 40-metre high, energy-efficient residential tower in Delft, purchased from developer Synchron.

Character Profiles

Do we have a housing PROBLEM or a housing CRISIS in the Netherlands?

Historically, the current housing shortage is very small in absolute terms. However, there is a large mismatch between the type of housing and the target group (source: CBS). The longer it takes to add suitable housing to the housing stock, the greater the chance that we will move from a problem to a crisis.

Are investors driving up house prices?

In addition to low interest rates, we have higher incomes, older people moving into care homes at a later age, strong growth in the number of young adults, and private investors who buy up existing owner-occupied homes to rent out. Investors who add homes to the stock actually contribute to a solution to the housing problem.

Will the new Housing Minister make a difference?

Yes, the pressure from a central body may not speed up processes but it can provide more opportunities in terms of development sites and change of use.

The battle for space? Where do we build?

Everywhere and nowhere. The various stakeholders and interest groups will have to give and take.

Which innovation is really going to make a difference?

Housing factories (prefab) that offer a circular solution will make a significant difference. Housing concepts that optimally respond to current and future needs also play an important role. Think of homes that are fully upholstered and furnished with all kinds of additional services that can be purchased as 'pay-per-use', such as cleaning, laundry service, etc.).

If you had to name one group that needs help first in the housing market, which group would it be?

Young adults.

What will be the most important feature of living in the future?

An inclusive programme with a mixture of functions.

What could parties in the Dutch housing market do differently and better?

Try to listen to each other better.

Does the city need bigger houses?

No, we don't think that's where the greatest need lies. As a resident of the city, you can make use of the city's facilities and amenities and often also of shared communal space in buildings. This justifies a more efficient division of the living space. For example, do you still need your own kitchen? Room for a washing machine? In addition, the average household is smaller than before so it is a question of space efficiency rather than more surface area.

Does the affordable home not exist?

Yes, it does. Smarter construction and an appropriate supply of housing offer a lot of relief.

Vincent Bacas

How old are you: 45

Where did you grow up: The Rotterdam-The Hague region

In which city/village does your heart lie: Rotterdam. I was born there and still happily live in the neighbourhood

Did you become what you wanted to be: Yes and no, because I never had a very clear idea about that. I always aimed to keep developing myself.

Did you become who you wanted to be: Yes, the people in my environment are happy with me and I am satisfied with myself. But there will always be room for further development (quote from my wife)

Where do you like to be when you need some time for yourself: Out in the fresh sea air

Indoor or outdoor person: Outdoor person

Introvert of extrovert: Extrovert

Athlete or student: Student athlete. While studying, I always played sports at a high level. Still passionate about sports

Socialist or capitalist: Not specifically one or the other, I am just myself

Take or avoid risks: Taking risks responsibly, avoiding risks if I have to

To listen or speak: Depends on the setting, I think I can do both well

Who is your role model: I have always admired Michael Jordan. He was my idol when I was young and he always has been. I admire him both as an athlete and businessman. It's incredibly clever how the Jordan brand has been trending for decades.

Work or be free: Work has always had a positive association for me: a setting to meet new people, to develop myself and to make an impact. I have always enjoyed my work. Time off is especially nice when you've worked hard. Always having time-off would not give me satisfaction

Car or bike: Car when I work, bike in my spare time

Cooking at home or eating out: Eating out

Passionate about: Anything I want to be fully committed to. This ranges from building successful and future-proof organisations to passion for sport. Partial commitments don't exist for me

Biggest inspiration: Cities like San Francisco, Shanghai and Rotterdam

This touches me personally: People's personal stories

Favourite Netflix series: Ozark

Favourite mode of transport: Car

Ultimate relaxation: Day at the beach with my family

Best sports achievement: Winning games when we're way behind - that's the most satisfying. Often more satisfying than winning a tournament

Guilty pleasure: Apple pie with whipped cream

Best business advice: I don't have much business advice, but I have received some general advice that has become a life motto for me. One is 'Don't regret the things you didn't do'. Another is 'Trust yourself and rely on your own strengths'

A perfect day consists of: Waking up, showering, going to the gym, making breakfast and then either relaxing at home with the family or going out together

Most grateful for: My family, parents and brothers

Is there anything you have dreamed of for a long time: A family trip to Australia

If you could wake up tomorrow with one good quality or talent, what would that be: Being able to enjoy the 'now' even better. And some extra golf-skills would be welcome too

What makes the city smart: The ability to adapt to constantly changing needs for living, working, shopping and recreation. And at the same time become an even better version of itself

Joep Wensveen

How old are you: 48

Where did you grow up: Oost-Graftdijk

In which city/village does your heart lie: Amsterdam

Did you become what you wanted to be: No, I didn't become a fighter pilot in the end

Did you become who you wanted to be: Yes, in general I am satisfied with who I have become, but of course there is always room for improvement

Where do you like to be when you need some time for yourself: Somewhere in nature or in the polder on a bike

Indoor or outdoor person: Outdoor person

Introvert or extrovert: Introvert

Athlete or student: Athlete

Socialist or capitalist: Social Capitalist

Take or avoid risks: Take risks

To listen or speak: Speak

Who is your role model: Johan Crujff

Work or vacation: Work

Car or bike: Bicycle

Cooking at home or eating out: Eating out

Passionate about: Technological developments in the field of sustainability

Biggest inspiration: People with a talent or enormous drive

This touches me personally: How humans treat the earth and everything that lives on it

Favourite Netflix series: Peaky Blinders

Favourite mode of transport: Bicycle

Ultimate relaxation: Kicking a ball around the Noordermarkt with my daughters

Best sports achievement: Cycled up Mauna Kea (toughest climb in the world) in Hawaii

Guilty pleasure: Nonsense! Why feel guilty about something you enjoy!

Best business advice: Build a network of lasting relationships

A perfect day consist of: A long summer day in Tuscany with my two best friends and our families

Most grateful for: My two beautiful daughters

Is there anything you have dreamed of for a long time: Unfortunately I am not much of a dreamer

If you could wake up tomorrow with one more good quality or talent, what would it be: A little more patience wouldn't hurt

What makes the city smart: Increasing sustainability, in the broadest sense of the word, raises the standard of living of all its inhabitants

Nick van de Sanden

How old are you: 38

Where did you grow up: Veghel

In which city/village does your heart lie: Eindhoven

Did you become what you wanted to be: With an eye test of -6, pilot training was not an option.

Did you become who you wanted to be: Hard to say now. Give me another 10 years and I'll probably know.

Where do you like to be when you need some time for yourself: At home

Indoor or outdoor person: Both

Introvert or extrovert: Introvert

Athlete or student: Athlete

Socialist or capitalist: Social Capitalist

Take or avoid risks: Take

To listen or speak: Listen

Who is your role model: Many sports heroes and successful entrepreneurs

Work or vacation: Financial independence is the goal

Car or bike: Car

Cooking at home or eating out: Eating out

Passionate about: Working out and analysing business plans

Greatest inspiration: Startups and successful entrepreneurs

This touches me personally: Animal suffering

Favourite Netflix series: Breaking Bad & The Office

Favourite mode of transport: Car

Ultimate relaxation: Summer festival

Best sporting achievement: Recently being held in high regard by my colleagues for achieving the highest score in shuffleboard

Guilty pleasure: Crunchy buns (preferably from Knorr)

Best business advice: If you can't share, you can't multiply

A perfect day consists of: Day trip/holiday with my girlfriend

Most grateful for: My parents who I have always been able to fall back on (financially)

Is there anything you have dreamed of for a long time: A house with its own sports facilities on premises

If you could wake up tomorrow with one good quality or talent, what would it be: Singing (well)

What makes the city smart: Location in the Brainport region