

Smart Cities & Social Care

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Impulsrede von Marleen Bikker-Bekkers

- My name is Marleen Bikker-Bekkers, Fund Manager for PATRIZIA Sustainable Communities PATRIZIA's first IMPACT FUND, a fund with a dual return purpose, both financial and social and environmental. I am an Urban Planner from Education with a purpose in life of making the world and particularly cities a little more sustainable and nicer for people every day.
- I am a big believer that private capital has a big role to play in this, as governments or public capital cannot do it on their own. There is a lot of private capital in the market that wants to be invested and if we allocate it a little differently it would really make a lot of difference.
- I strongly believe that if investors were to look at their investments with a different mind-set adding impact to their risk return analysis - we would no longer be talking about Sustainable Development goals or Climate Goals that we are not reaching fast enough, but we would be talking about how we are progressing on our goals. So how do we do that within PATRIZIA Sustainable Communities:
- PATRIZIA Sustainable Communities - in short: SuCo - is PATRIZIA's first impact fund, it is a real estate investment fund where we have clearly stated that our investment strategy has a dual return purpose. A financial target return of 10% net IRR - which is the net gain of an investment over a certain period of time as percentage of the investment cost - to our investors.
- But most importantly: 7 Social and environmental results that we are targeting for our investors within three themes: 1. creating social and affordable homes for lower to middle income people who are in need, 2. create net zero homes, 3. Inclusion and connectivity tackling loneliness and social isolation by investing in public facilities, community space and social programs that are being run in here.
- We defined these clear themes by looking closer at the challenges that we see in the major cities in Europe and where we with our real estate investments can be part of the solution. For example, the latter theme of inclusion and connectivity.
- Let's dive a little deeper in that: In Europe more than 75 million people are socially isolated, 18% of the population, they meet with others (friends, relatives or work colleagues) at most once a month and 7% feel lonely, this is based on a study from the European Commission in 2019, with Covid this has further increased. This is a problem but also causes pressure on our healthcare system and can be prevented if we create more inclusive and connected communities.
- That is what we are doing within PAT SuCo portfolio: focusing on providing affordable homes for middle- and lower-income people and specific underserved groups of people and providing public space and communities space and facilities where people can meet and where social programs are being run.
- Our goal with the PAT SuCo is to raise 500m EUR, we achieved our initial close with 125m EUR from two Danish investors, but our target is to build XX (number to be confirmed) of affordable homes in 25 European cities. With the initial close we are able to build 290 affordable apartments in Dublin where 60.000 people are on the waiting list for social housing.
- Can put an example here but can also leave it to the panel discussion? What do you think? As PATRIZIA it took us two years to get this off the ground, fortunately we found some very supportive investors who believed in making an impact and most importantly: they believed in PATRIZIA, to make it happen. The biggest hurdles for us have and still are:

- Convincing investors that we need to make this shift in mind-set if we want to make a change in some areas. And particularly that we need to do it now even though.... regulation, comparability etc. are not yet there – the carbon crisis will not be solved by itself, and the issue of inequality is bigger than ever and ever growing.
- Finding the right way to measure and report on the social and environmental goals that we are targeting and achieving and how we are exactly contributing with our intervention. We are very much used to measuring financials, but how do you measure someone feeling less lonely because of the investment that we are making. How do you measure and report that outcome?! That is something where we have put a lot of time and effort in to create a framework around our 7 social and environmental KPI's, where we are now working on integrated reporting and very much still learning by doing.
- Transforming the investments into purposeful investments that we can measure and judge on their sustainable contribution in line with our own KPI's and measurement 3 framework, impact investments you not just find but requires a lot of work structuring them properly.
- Using KPIs for social impact performance sounds perhaps odd in the beginning, but our learning curve was that measurability is key for investors to make an investment decision. And we need to help them define social return and the value we create with impact investing so they can explain this to their clients and convince them that this is money well spent.
- You can imagine that I am very proud that we at PATRIZIA have pulled it off to have our first impact fund up and running. I see a lot of investment opportunities where we can really make a change for citizens of European cities making them more sustainable and equal.
- So, I very much hope, and it is also my personal conviction that a lot of investors will join our mind-set shift and consider impact investing as one of the future main routes to invest with a social purpose, to do good and have a financial return and see the real value in achieving both at the same time.



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