

# Dutch commercial property – risks and returns compared to other countries



- The IVBN white paper *Rendement en risico van Nederlands vastgoed in internationaal perspectief* examines the risks and returns of commercial property investments in the Netherlands, compared to property in Continental Europe, the UK & Ireland, and the rest of the world, based on data from 2000-2009. Although the study is preliminary, as datasets are limited, a number of clear points emerge.
- During the period in question, the total returns on investments in offices and retail property in the Netherlands were very similar to those in other countries in Continental Europe, although the total returns on Dutch property were less volatile than elsewhere.
- This strong similarity among the various countries in Continental Europe suggests that the possibilities for reducing risk by spreading investments across these countries are limited. However, a greater reduction of risk can be achieved by spreading investments across various sectors.
- The markets in the UK & Ireland showed a different development compared to Continental Europe, with a higher standard deviation and a lower average total return
- Property markets in countries outside Europe showed a higher total return, but also greater volatility. Their correlation with the Dutch property market was weaker than with most other European countries.
- The risk-return ratios of the Dutch office market stand at around the European average. Over the past few years, the Dutch office market has exhibited good, direct returns and limited growth in value.
- The Dutch retail property market shows the best risk-return ratio, thanks to its high total return and relatively low volatility.

*With the assistance of:*

Bouke-Pieter van Dijk  
*Altera Vastgoed NV*

Jaap van Berkel and  
Maarten Jennen  
*ING REIM*