CURATIVE HEALTHCARE REAL ESTATE

RESILIENT AND PROFITABLE

Position Paper - June 2025

achmea Real Estate

INTRODUCTION

Healthcare real estate is rapidly gaining popularity among institutional investors. It not only offers an attractive and stable return with a relatively low risk profile, but also contributes to broader societal goals. Traditionally, the Dutch investment focus has been strongly oriented towards elderly care and senior housing. Other healthcare segments, such as primary and secondary care real estate, remain underexposed — unjustly so, as these categories also present compelling opportunities for investors.

This position paper outlines why both primary care real estate — such as health centres and general practitioner practices — and secondary care real estate — such as independent treatment centres and specialist clinics — can form valuable components of a diversified investment portfolio. We highlight not only the financial and risk profiles of these segments, but also their societal impact and strategic relevance for institutional investors.

Medical Centre Iepenhof – Woerden

SUMMARY

- Curative healthcare real estate offers investors an attractive profile: stable cash flows, a high net direct return, and limited sensitivity to economic fluctuations make it a resilient investment category.
- The structural demand for healthcare continues to rise:
  - Ageing and the increase in chronic conditions are putting pressure on primary care services.
  - Simultaneously, secondary care is shifting to independent treatment centres that provide more efficient and scheduled services.
  - Policy pressure, such as the Integrated Care Agreement (IZA), encourages the strengthening of primary care.
  - Digitalization and hybrid care models are changing the spatial and functional requirements of healthcare real estate.
- Practical data confirm the investment potential:
  - Curative healthcare real estate has delivered higher net returns over multiple years than other real estate segments.
  - Volatility is low and cash flows are predictable, partly due to long-term lease agreements.
- Its societal value is evident:
  - Investments in this type of real estate contribute to better access to care, shorter waiting times, and more sustainable healthcare locations.
- There are also strategic opportunities:
  - The market is relatively small and less competitive, creating space for specialized investors.
  - It requires active acquisition and cooperation with healthcare providers, aligning well with long-term and ESG objectives.

Healthcentre Zeehos – Katwijk

CONTENTS

1. THE INDISPENSABLE LINK IN THE HEALTHCARE SYSTEM: CURATIVE CARE

Primary and secondary healthcare services form the backbone of a well-functioning healthcare system. Curative care helps prevent more intensive treatment pathways, supports cost containment, and enables independent living for longer. The associated real estate — from health centres to treatment clinics — is thus a strategic component of a future-proof healthcare infrastructure. While investors are often more familiar with the care segment, the cure segment also presents compelling opportunities. This section explores the role of curative healthcare real estate and explains why this segment is becoming increasingly important — both socially and as an investment category.

1.1 Segmentation of healthcare

Key point: Healthcare can broadly be divided into 'care' and 'cure'. Care focuses on long-term support and housing, while cure is oriented towards healing and medical treatment.

Care: The long-term residential segment

Care real estate includes life-cycle-proof housing, intramural care facilities, and institutional and private care housing. This segment targets seniors and vulnerable populations in need of light to intensive care. Many investors traditionally focus on this segment due to long-term lease contracts, predictable demand, and its similarity to residential investments. Financing is often secured via the Long-term Care Act (WLZ), making the risks relatively manageable.

Cure: Focus on treatment and recovery

Cure real estate includes medical facilities aimed at treatment and rehabilitation. This segment is growing due to the need for efficient care, technological innovation, and the shift from hospitals to independent treatment centres. Funding largely falls under the Health Insurance Act (Zvw), where insurers play a central role in care financing and contracting. Locations that meet demands for efficiency, lower costs, and improved patient throughput are attractive for both care providers and investors.

1.2 Primary and secondary healthcare real estate

Key point: Both primary and secondary care are moving toward clustering and specialisation, creating investment opportunities in modern, future-proof care facilities with stable rental income.

Primary care: Efficiency and clustering

Primary care includes care providers directly accessible to patients, such as general practitioners, physiotherapists, and pharmacies. These functions are increasingly clustered in primary care centres, which also house disciplines like psychologists, dietitians, and dentists. This trend is expected to continue, contributing to more efficient care delivery and improved interdisciplinary collaboration.

In some cases, medical specialists from hospitals hold regular consultation hours in these centres under the coordination of the GP. This is particularly common for chronic conditions such as COPD and diabetes, where close collaboration leads to faster follow-up and more efficient care. This model — known as intermediate (1.5-line) care — avoids unnecessary hospital referrals and improves continuity of care.

Primary care centres may operate independently or be integrated within multifunctional buildings, sometimes in combination with senior housing. They are usually centrally located within service areas and embedded in urban environments. Investors show increasing interest in these clustered concepts due to their future-proof nature — through scale, cost efficiency, mixed use, and stable cash flows.

Secondary care: Specialist services with growth potential

Secondary care includes hospitals, independent treatment centres (ITCs), and specialized clinics. ITCs and private clinics are gaining ground due to their efficient operations and shorter wait times, especially in specialties such as ophthalmology, orthopaedics, and surgery. They rely less on complex hospital infrastructure and are located in diverse settings — urban clusters, business parks, or peripheral areas — depending on property availability and patient access. Many current clinics and ITCs are housed in former office buildings, which demonstrates the flexible reuse of this real estate. A combination of strong, predictable healthcare demand, long-term leases, and alternative usability makes this an attractive investment category.

Alongside ITCs, hospitals are increasingly setting up internal focus clinics for non-complex, plannable care. This helps them remain competitive and improves access to care. Day hospitals — regional centres without 24/7 care but with surgical facilities for outpatient procedures — are also on the rise. These facilities are less capital-intensive and contribute to a more flexible care system.

The dynamics within the hospital landscape present opportunities for investors. The shift toward day hospitals and in-house specialty clinics reflects a growing trend toward efficiency and cost control in healthcare. Many hospitals are currently facing the challenge of how to shape regional care for the future. These changes are creating new investment opportunities in the healthcare real estate market, allowing investors to capitalise on the evolving property needs of secondary care and position themselves for sustainable returns within a future-proof healthcare system.

Medical Centre Caberg – Maastricht

Tertiary care: Niche market without investment focus

Tertiary care includes academic hospitals and specialized research centres, where healthcare demand is more complex. This segment focuses on treatments that are more specialized than those provided in secondary care. Given the large capital requirements and limited alternative use of these facilities, this is not an obvious segment for investors. As a result, funding primarily comes from government and university sources, leaving limited room for commercial investment. In our view, investor focus should therefore remain on primary and secondary care, where scalability, predictability, and real estate-related risks are better aligned with institutional investment criteria.

1.3 Cornerstone of an efficient healthcare system

Key point: A well-organised primary and secondary care system prevents unnecessary costs and contributes to a more sustainable healthcare system.

Primary care: Prevents unnecessary treatment pathways

As the first line of defence, primary care plays a crucial role in avoiding unnecessary, heavier care trajectories. GPs, physiotherapists, and pharmacies handle a large portion of healthcare needs directly, reducing hospital admissions and relieving pressure on specialist care. The clustering of care providers in health centres enhances this function and improves patient access.

Secondary Care: Specialized, tailored healthcare

Secondary care is essential for specialized treatments and complex medical needs. The growth of independent treatment centres and day hospitals makes this care more efficient and better aligned with actual healthcare demand. This not only contributes to higher quality and shorter waiting times but also helps contain rising healthcare costs.

Enabling independent living

A well-functioning primary and secondary care system directly supports independent living for the elderly and vulnerable groups. By delivering timely and well-coordinated medical care, the need for intensive care can be delayed or even avoided. This eases pressure on the long-term care segment — such as nursing homes — and strengthens the sustainability of the overall care system.

The social and economic value of healthcare real estate

Studies by ING, Nivel, and Gupta show that well-organised primary care contributes to healthier populations, lower healthcare costs, and a more sustainable care system. The added value of primary healthcare real estate is therefore substantial. Modern and efficient real estate solutions in secondary care also improve infrastructure, enabling faster and more targeted treatment. Investors in these segments not only generate financial returns but also support the development of a future-proof and accessible care system.

Healthcentre Severen – Maastricht

2. TRENDS, DEVELOPMENTS AND MARKET OPPORTUNITIES

Healthcare demand is rising due to population ageing and an increase in chronic illnesses, while staff shortages and financial pressures are intensifying. Primary care centres respond to these challenges by offering a setting for efficiency, clustering, and multidisciplinary collaboration. At the same time, part of secondary care is shifting to independent treatment centres (ITCs), which offer shorter waiting times and lower costs. Growing digitalization and sustainability requirements are increasingly shaping real estate needs. This creates investment opportunities in modern, efficient healthcare facilities that are aligned with these trends, as they attract a stable tenant mix with long-term lease agreements.

2.1 Demographic and societal developments

Key point: Investors can capitalise on the growing demand for modern, integrated healthcare centres.

The ageing population and rise in chronic illnesses are driving a structurally increasing demand for healthcare. The number of people aged 65 and older in the Netherlands is expected to increase from 3.5 million in 2024 to 4.8 million in 2040 (CBS, 2024). This leads to a higher number of patients with multiple chronic conditions, increasing the need for well-organised primary and specialized secondary care (Nivel, 2024).

Policy initiatives like the Integrated Care Agreement (IZA) aim to shift care to the primary level and reduce hospital admissions. This calls for a strong infrastructure of primary healthcare centres and independent treatment centres (Gupta Strategists, 2024).

2.2 Labour market and capacity challenges

Key point: Real estate concepts can support efficient workflows, staffing, and attractive workspaces.

The healthcare sector is facing a structural labour shortage. Demand is growing faster than the supply of professionals, increasing pressure on continuity of care. This affects both primary and secondary care, where more efficient care models are essential (Gupta Strategists, 2024). Solutions lie in digitalization but also in optimising real estate to improve work environments and inter-professional collaboration.

> "Healthcare demand is growing, healthcare is evolving – and that creates momentum for investors with vision."

Urban outpatient clinic Healthpark Scharn – Maastricht

2.3 Primary care: Health centres and intermediate care

Key point: Development of health centres housing multiple disciplines.

General practices face spatial shortages, especially in urban areas where high commercial rents threaten accessibility (Nivel, 2024). According to the Dutch GP Association (LHV), nearly 50% of practices report insufficient space.

Care clustering is becoming increasingly important. Intermediate care centres, where specialists and GPs collaborate, improve care quality and reduce hospital pressure. Examples include initiatives like ZIO Maastricht's 'Stadspoli', offering specialist care without hospital referrals (Achmea Dutch Health Care Property Fund, 2024).

2.4 Secondary care: The rise of independent treatment centres

Key point: Real estate for specialized treatment centres and multidisciplinary primary care offers stable tenants and long-term contracts.

Health insurers like Zilveren Kruis, Menzis, and CZ support the growth of independent treatment centres (ITCs) by contracting low-complexity care outside hospitals. This has created increasing demand for facilities, particularly in orthopaedics, ophthalmology, and planned surgery.

Hospitals are also opening ITCs to retain patients within their own networks. This shifts demand for real estate and fosters new collaboration models between hospitals and ITCs.

2.5 Digitalization and remote care

Key point: Investments in hybrid care real estate respond to structural healthcare trends and are increasingly relevant to future-proof portfolios.

Technology enables more care delivery outside hospitals. E-health and digital triage reduce physical consultations and admissions (ING, 2020). Healthcare facilities now require flexible, hybrid spaces supporting both digital and physical care.

Xpert Clinics, for example, aims to deliver at least 40% of treatments digitally or in hybrid form. Their Digital Clinic integrates online pre-screenings, home exercises, and follow-up, reducing the need for in-person visits.

This trend demands different real estate: smaller waiting areas, more flexible treatment rooms, and robust ICT infrastructure. Together with insurers like Zilveren Kruis and VGZ, Xpert Clinics relocates care to more efficient settings. This improves accessibility while reducing hospital pressure — and drives demand for digitally enabled real estate.

2.6 Sustainability and hospital real estate

Key point: Making hospital real estate more sustainable is a strategic challenge and offers investors opportunities to contribute to future-proof, socially relevant assets.

Hospitals face a major sustainability challenge. The Green Deal Sustainable Healthcare 3.0 aims for a 55% CO_2 reduction by 2030 and climate neutrality by 2050. Due to outdated buildings, high energy costs, and stricter regulations, urgent action is required. Investment needs are expected to reach €6.2 billion for the cure segment by 2050.

Meanwhile, specialist and acute hospital care is concentrating in regional hubs, while less complex treatments shift to day clinics and ITCs. This requires flexible, energy-efficient buildings aligned with modern care models and technology.

Many institutions cannot fund these investments alone and seek partnerships with external financiers. This creates opportunities for investors to back long-term leases with social impact — aligning sustainable hospital real estate with both financial and ESG-driven portfolio goals.

2.7 Financial pressure and affordability

Key point: Investing in affordable, clustered primary care centres and sustainable financing models for secondary care supports the need for accessible housing and funding.

Rising costs in the healthcare sector are challenging the affordability of traditional real estate. Many primary care providers struggle with high rents, particularly in cities, making it hard to find suitable locations. Clustered primary care centres offer lower operating costs and greater accessibility.

Sale-and-leaseback models and public-private partnerships are increasingly used to ease financial pressure on providers. These structures enable investors to secure long-term, stable contracts with care organisations.

.

2.8 Policy frameworks: The role of the integrated care agreement

Key point: The IZA accelerates existing trends and guides investment in future-proof healthcare real estate.

The Integrated Care Agreement (IZA), signed in 2022, responds to rising healthcare demand, staff shortages, and financial strain. It involves the Ministry of Health and 13 key healthcare stakeholders — including hospitals, insurers, municipalities, and patient groups. IZA promotes the principle of 'the right care in the right place', shifting services from hospitals to the first line and enhancing regional network care.

The agreement strengthens demand for primary care centres, ITCs, and hybrid locations. These types of real estate are becoming structurally more attractive to investors.

Key IZA policy drivers include:
- Substitution of hospital care to primary care: boosts demand for centres and ITCs
- Regional planning and network care: needs real estate that enables collaboration
- Digital transformation: requires locations with strong ICT infrastructure
- Cost and labour pressure: drives need for efficient, scalable, and accessible facilities

These goals align closely with earlier trends. Investors that anticipate IZA objectives — through strategic acquisitions and regional insight — will be well-positioned for the coming years.

2.9 Conclusion: Strategic opportunities in a restructured system

Curative care is undergoing fundamental transformation. Demographics, labour shortages, digitalization, funding constraints, sustainability, and policy pressures are reshaping the healthcare landscape. Primary care is becoming more clustered and scaled. Secondary care is becoming more selective and often provided outside traditional hospitals.

This shift makes curative healthcare real estate less centralised and more modular, decentralised, and adaptive. It requires major investments in new or redeveloped facilities. Concepts that embrace these shifts offer attractive, future-proof investment profiles with stable tenants and long leases.

Institutional investors have a clear opportunity to invest in the necessary renewal of the healthcare system — combining solid returns with strategic and social relevance.

Oosterwal clinic – Alkmaar

3. INVESTMENT CHARACTERISTICS

Curative healthcare real estate offers institutional investors an attractive combination of financial stability and social value. Despite a strongly growing demand for healthcare, the allocation to this asset class within real estate portfolios remains relatively limited. This is striking, given that the segment aligns exceptionally well with a long-term investment horizon. Curative healthcare real estate is characterised by regulated and predictable demand, long-term indexed lease contracts, and low sensitivity to economic cycles. In addition, the sector makes a tangible contribution to ESG and impact objectives by improving the quality and accessibility of care. This makes curative healthcare real estate a distinctive and valuable addition to institutional investment strategies.

3.1 Distinctive features of curative healthcare investments

Key point: Curative healthcare real estate stands out due to functional use, social anchoring, and stable cash flows.

Curative healthcare real estate — such as health centres, intermediate care, and clinics — has a functional profile that differs from traditional commercial property. Location choices are driven by local care demand and care programming rather than footfall or visibility. Tenants — often GPs, pharmacies, or specialists — operate in a regulated system with predictable income and strong ties to their location.

There are also interesting parallels with neighbourhood shopping centres: where supermarkets serve as anchor tenants, GPs and pharmacies often fill that role in health centres — ensuring daily traffic, continuity, and a platform for other care disciplines.

Clinics and ITCs are generally less location-dependent, but once investments are made in medical infrastructure, such as operating theatres, location loyalty increases significantly. Many offer insured care, which supports stable income, while some also offer uninsured services, which come with different risk profiles.

Key investment features include:

- Tenants are care providers with strong ties to location and region (especially in health centres);
- Long-term leases (10+ years), often linked to care programming and inter-disciplinary collaboration;
- Demand is demographically driven, not cyclical;
- Rent payments are stable and often tied to public funding structures (insured care).

This mix of functional specificity, social embedding, and predictable income streams makes curative healthcare real estate a unique and attractive segment within institutional investment portfolios.

3.2 Risk analysis: Where do the real risks lie?

Key point: Risks in curative healthcare real estate are mainly policy-related and organisational — but manageable within a stable investment environment.

As with any investment product, curative healthcare real estate carries risks. However, these differ significantly from those in more cyclical segments like retail and offices. Due to its regulated nature, healthcare is less sensitive to sudden market swings.

Public funding and policy risks

Tenant income is often tied to insured care, funded through the Health Insurance Act. Policy changes may affect reimbursement levels or care priorities, though abrupt revenue drops are rare. In primary and acute care, funding is largely safeguarded through the basic package and public guarantees.

There is also a broader systemic risk that investors should not overlook. The sustainability of the Dutch healthcare system is under pressure due to population ageing, rising demand for care, and persistent labour shortages. In countries such as the United Kingdom and the United States, similar pressures have led to major reforms with direct implications for healthcare real estate. In the UK, hundreds of smaller NHS sites were closed or consolidated, while capital investments were frozen for years. In the US, the introduction of Obamacare shifted care from hospitals to outpatient settings, causing some properties to lose their function or value. Political changes also introduced uncertainty around reimbursement flows and operating models.

Although the Dutch system is relatively robust, comparable reforms cannot be ruled out. Examples include care services being excluded from the basic healthcare package, lower reimbursement rates, or shifts in funding mechanisms and regional care coordination. Such policy decisions can alter demand for specific types of healthcare facilities.

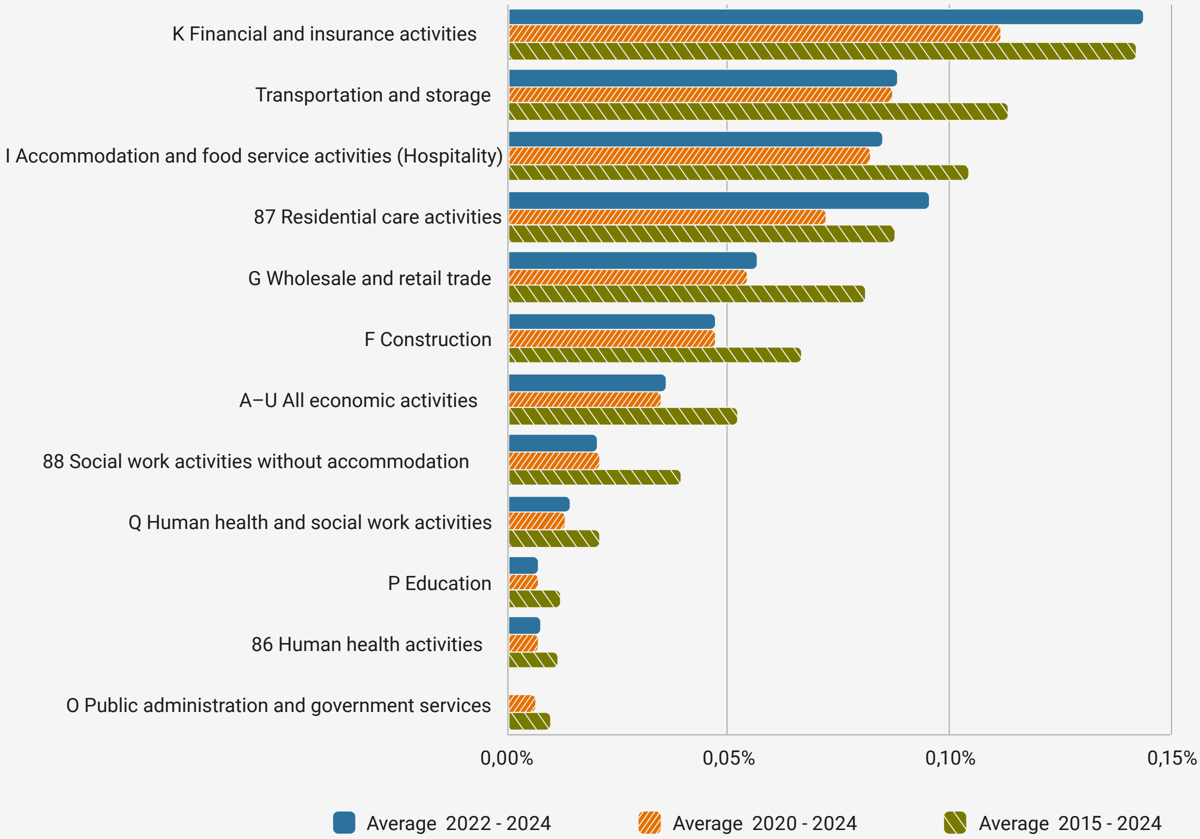
For investors, this constitutes a latent political risk that requires active policy monitoring, strategic diversification within the healthcare portfolio, and a focus on future-proof care concepts. Investments aligned with the direction set by the Integrated Care Agreement (*Integraal Zorgakkoord*, see section 2.8) are, in that sense, more resilient to policy-driven changes.

Healthcentre Scala Medica – Bunschoten

Bankruptcy risk

Most care providers operate under stable and insured income models. In health centres, tenants often work through foundations or cooperatives. In ITCs, the risk varies depending on their specialisation and reliance on uninsured care. Market-based rents and conditions help mitigate these risks, as do fallback scenarios when tenants change. According to CBS, the relative number of bankruptcies in the 'Healthcare' sector — which includes curative care — is among the lowest in the Netherlands (see figure 3.1).

Figure 3.1 Relative Number of Bankruptcies by Sector



Source: CBS (2025), edited by Achmea Real Estate

Functional obsolescence

Healthcare real estate must evolve with medical and technological progress. While modern facilities are usually designed with flexibility in mind, new developments and acquisitions require a clear future-proofing strategy. Many existing centres lag in functionality, sustainability, or adaptability — increasing the risk of value loss or requiring major reinvestment for repositioning.

Healthub South, De Ratelaar – Nieuwegein

Liquidity risk: limited market size

Institutional investors face limited liquidity in this segment. The market is small, with few active buyers, leading to longer transaction timelines and less price transparency. Although curative real estate has growth potential — as seen in senior housing — it remains at this moment in a niche. This necessitates an active acquisition strategy, a long-term view, and sufficient risk-bearing capacity.

Investors are well advised to explicitly factor this liquidity risk into their allocation decisions, especially in comparison to more liquid segments such as residential real estate.

Tenant diversification and scale

A multi-tenant centre generally offers a more resilient profile than single-tenant assets. This is particularly true for larger healthcare centres that host multiple medical disciplines under one roof. Centres anchored by one or more strong general practices and a well-functioning pharmacy offer additional robustness, as these functions act as anchor tenants and ensure continuity of use and cash flow. In contrast, smaller independent treatment centres (ITCs) typically involve greater concentration risk.

Most of the associated risks can be clearly identified, managed, and priced within a real estate portfolio. Precisely because of the structural demand for healthcare and its societal importance, curative healthcare real estate is relatively insensitive to economic shocks. This makes its risk profile well aligned with the long-term investment horizon of institutional investors.

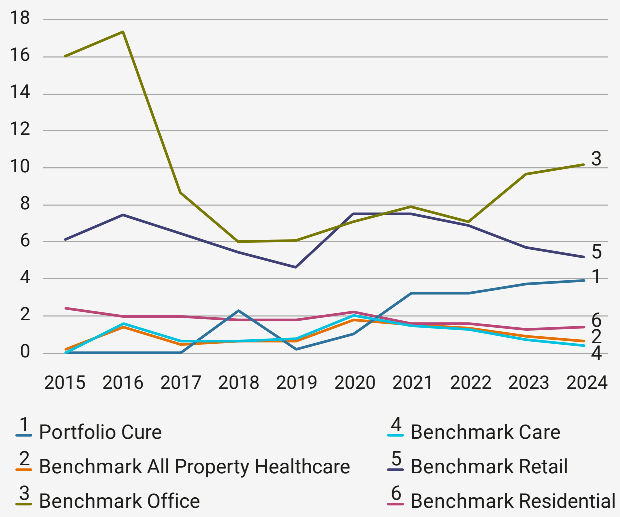
3.3 Lease structures and cash flows

Key point: Long-term indexed lease agreements with financially solid tenants result in predictable cash flows — making this segment attractive for institutional investors.

Stable Cash Flows

One of the strongest characteristics of curative healthcare real estate is the stability of its cash flows. While commercial markets face short lease terms, rental pressure, and higher vacancy rates, healthcare real estate benefits from long-term agreements, relatively stable rental levels, and low vacancy rates.

Figure 3.2 Financial Vacancy



Source: MSCI (2025), edited by Achmea Real Estate

Some defining elements of the lease structure include:

Long-term lease agreements:

For anchor tenants such as general practitioners or pharmacies, lease terms of typically 10 years—or sometimes longer—are standard. This aligns with their strong practice attachment and investments in the premises. For smaller tenants, such as independent care providers, shorter lease terms are more common, matching their scale and need for flexibility. The downside is that this requires more intensive asset management.

Creditworthy tenants:

Most care providers operate within the insured healthcare system, with predictable revenues based on fixed reimbursements per treatment, and high demand for care. Tenants in healthcare centres are often organised as foundations or cooperatives. In the case of independent treatment centres (ITCs), private equity-type structures may be involved, necessitating more stringent due diligence. Applying market-based rental terms and conditions further helps to mitigate letting risks.

Indexation and guarantees:

Rents are generally indexed to the consumer price index (CPI) or a sector-specific healthcare index. Landlords may choose to fully implement this indexation, but in times of exceptionally high inflation, a more moderate application may be used to shield care providers from sudden cost increases. In some cases, lease contracts are additionally guaranteed by health insurers or care groups, further reducing counterparty risk.

Anchor tenant structure:

In multi-tenant healthcare centres, an anchor tenant may sublet space to individual care providers. This structure simplifies property management and reduces vacancy risk.

The combination of long-term leases, stable tenants, and low vacancy risks makes curative healthcare real estate highly suitable for institutional investors seeking stable returns and effective risk control.

3.4 Investability and availability

Key point: The main challenge in curative healthcare real estate lies not in the risk profile, but in the limited scale and availability of suitable investment opportunities.

A key practical challenge for investors in curative healthcare real estate is not so much the risk profile, but rather the availability and scalability of suitable assets. Four aspects play a critical role in this context:

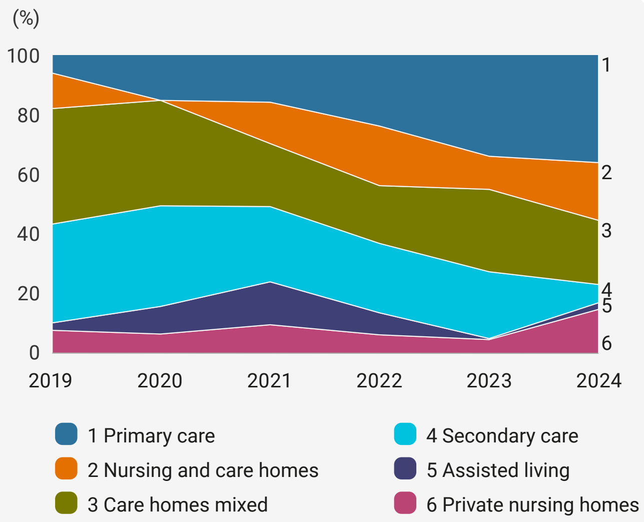
Limited market availability

Many healthcare centres are owned by housing associations, private investors, or care providers with no intention to sell. This significantly limits the supply accessible to institutional investors.

Limited supply of new developments

New construction of healthcare centres remains relatively scarce. High construction costs result in higher rents and lower initial yields, putting pressure on both financing and feasibility. Since measurements began in 2019, curative healthcare real estate—both existing and newly built—has accounted for approximately 14% of the annual investment volume in healthcare real estate (see Figure 3.3). In monetary terms, this equates to an average annual investment volume of €157 million. There are opportunities for investors to initiate primary care facilities by integrating them into new residential developments.

Figure 3.3 Distribution of healthcare real estate investment volume



Source: Capital Value (2025), edited by Achmea Real Estate

Small-scale investment sizes

The individual size of healthcare centres is often modest (e.g. €3–7 million per centre), which makes rapid scaling within portfolios a challenge. Opportunities for faster growth exist in larger secondary care facilities or in curative facilities combined with residential care real estate.

Outdated stock and fragmented landscape

Much of the existing curative healthcare real estate is outdated in both functional and energy terms. The required investments to meet sustainability and future-proofing standards are substantial. Additionally, healthcare provision remains fragmented across many regions, complicating clustering and integration. Investor involvement brings capital and expertise to help address these challenges.

Expertise and first-mover advantage are critical

Accessing the investment market for curative healthcare real estate requires in-depth knowledge of curative care, active sourcing through the right networks, and collaboration with care providers and healthcare offices. This makes it a niche segment that is not easily accessed through standard acquisition channels. At the same time, this limited accessibility provides a certain degree of market protection: competition is lower, and price pressure is less dominant than in more liquid real estate segments. This is one reason why initial yields in this segment tend to be higher than in other (healthcare) real estate categories. It therefore offers a strong foundation for long-term investment performance.

3.5 Conclusion: Attractive but limited in availability

Curative healthcare real estate offers institutional investors several attractive characteristics: stable cash flows, low volatility, and clear societal value. It stands out positively compared to more cyclical real estate segments, partly due to long-term contractual certainty and regulated financing structures. Although limited scalability and availability remain key challenges, specialized knowledge, active collaboration, and strategic decision-making present tangible opportunities to successfully combine financial returns with social impact.

A more in-depth analysis of the return profile and the strategic role that curative healthcare real estate can play within a balanced real estate portfolio will be the focus of the next chapter.

Healthcentre De Flair – Gilze

4. RETURN AND PORTFOLIO STRATEGY

For institutional investors, the balance between risk and return is a key factor in real estate portfolio decisions. Curative healthcare real estate occupies a distinctive position in this regard: it offers stable cash flows and relatively high net returns, with limited sensitivity to economic cycles. At the same time, this segment requires specialized knowledge and active access to high-quality investment opportunities. This chapter focuses on the return profile and the strategic integration of curative healthcare real estate within institutional property portfolios.

4.1 Risk and return profile

Key point: Curative healthcare real estate offers stable cash flows and an attractive net return with low long-term volatility.

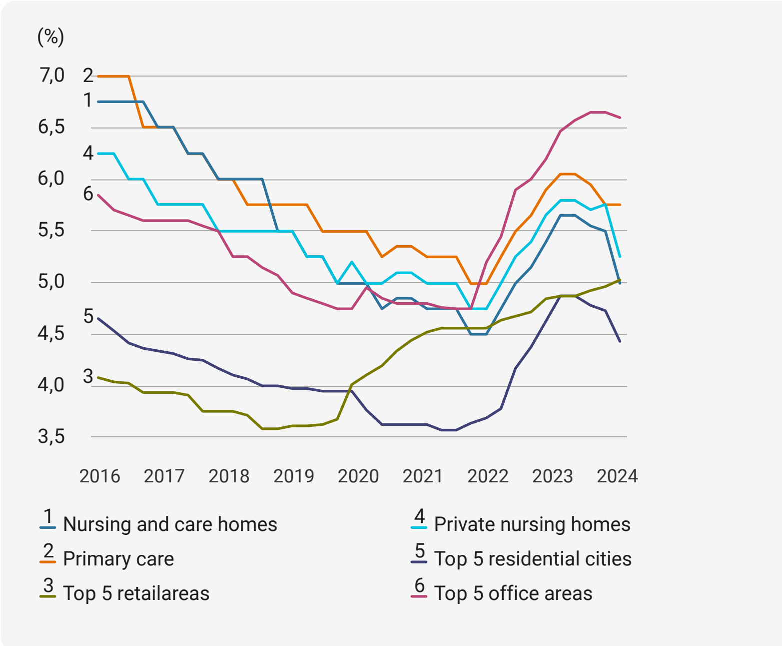
Risk profile

Curative healthcare real estate is generally classified as 'core', depending on the tenant profile. Healthcare centres with core tenants such as general practitioners and pharmacies fall under this category due to their stable, long-term lease contracts and predictable cash flows. In contrast, smaller tenants with shorter lease terms and less secure funding carry a higher risk profile.

Clinics and independent treatment centres (ITCs) involve relatively higher risks. These facilities operate more independently from other healthcare functions, are less location-dependent, and generate more diversified income—often including non-insured care and direct payments. As a result, revenue fluctuations are more likely. This higher risk profile is accompanied by higher gross yields but requires stricter risk assessment.

.

Figure 4.1 Prime Gross Initial Yield by Real Estate Segment



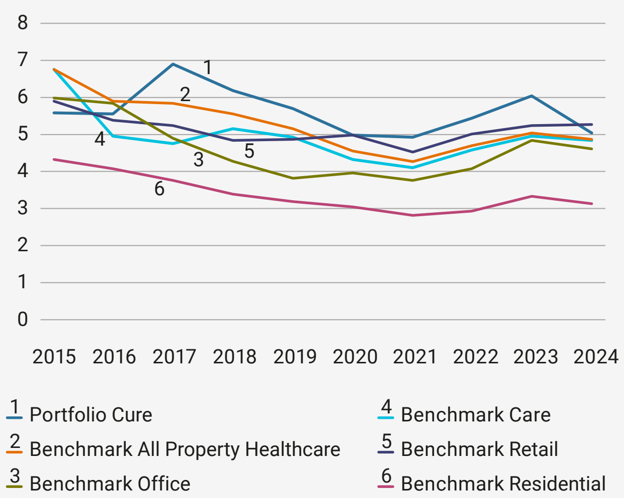
Source: Cushman & Wakefield (2025), edited by Achmea Real Estate

> "Curative healthcare real estate offers a structurally higher net return than other real estate segments."

High net return for curative healthcare real estate

Top-tier healthcare centres and clinics offer gross initial yields that fall between the prime segments of residential and office real estate (see Figure 4.1). These yields vary by location, building quality, and rental level. The MSCI index—which better reflects market averages—confirms this pattern.

Figure 4.2 Net Operating Income Yield (NOIY)



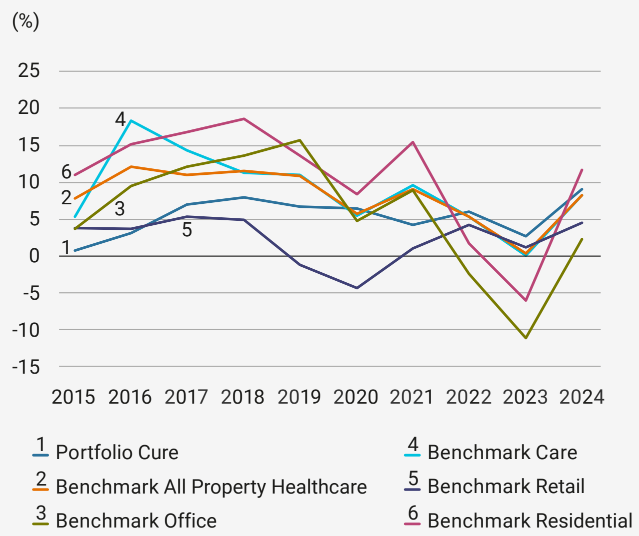
Source: MSCI (2025), edited by Achmea Real Estate

The step from gross to net return is essential: net figures provide a clearer view of actual cash flows and form a stronger basis for strategic decision-making than gross yields. As MSCI does not offer a specific benchmark for curative healthcare real estate, Figure 4.2 compares net returns from Achmea Real Estate's portfolio to the MSCI benchmarks for senior housing real estate ('total' and 'cure'), offices, retail, and residential property. This comparison shows that curative healthcare real estate has consistently delivered higher net returns over the long term.

Value growth in this segment is primarily driven by inflation-linked rent indexation and the sustainability improvement of buildings. Due to the regulated nature of the healthcare market, the correlation with economic cycles is low—making it attractive for defensive investment strategies.

As a result, the total return of curative healthcare real estate demonstrates a stable pattern. Unlike offices and retail, which have experienced significant price corrections in recent years, curative healthcare real estate has remained relatively resilient to market volatility. At the same time, the segment has not been subject to the sharp capital appreciation and regulatory risks that have characterised the residential—and to some extent, the senior housing—markets.

Figure 4.3 Total Return



Source: MSCI (2025), edited by Achmea Real Estate

Limited liquidity

As discussed in Chapter 3, the liquidity of the curative healthcare real estate market is limited. Transaction volumes are relatively low, and the number of institutional investors is relatively small. Smaller healthcare centres often attract private investors. This creates opportunities for institutional players with specialized expertise, a long-term investment horizon, and a proactive acquisition strategy.

At the same time, curative healthcare real estate has the potential to evolve into a mature investment segment with greater scale and broader institutional participation. As with other healthcare real estate categories—such as senior housing—this development may take time. It also took years for that market to move beyond its niche phase and become an established, liquid asset class.

4.2 Strategic role in the portfolio

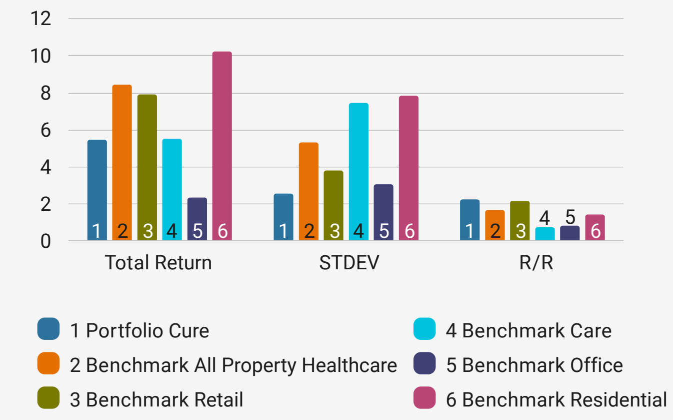
Key point: Curative healthcare real estate fits within a stable, impact-oriented, and diversified real estate portfolio.

Healthcare real estate is maturing into a full-fledged asset class within institutional portfolios. Within this broader domain, curative healthcare real estate—particularly healthcare centres and clinics—remains relatively small in scale. As a result, benchmark data are limited, and specific MSCI series are not available.

Strong risk-return ratio

As outlined in section 4.1, curative healthcare real estate demonstrates stable value development in practice, along with relatively high and predictable net income. A basic risk-return analysis shows that this segment makes a favourable contribution to portfolio performance (see Figure 4.4). In terms of risk (volatility) and net yield, it scores above average. It should be noted, of course, that residential real estate may also show positive volatility due to strong capital growth. Nevertheless, curative healthcare real estate distinguishes itself as a relatively stable and reliable income source—particularly compared to retail and office segments.

Figure 4.4 Return/Risk (Volatility)



Source: MSCI (2025), edited by Achmea Real Estate

Social impact of curative healthcare real estate

In addition to financial return, curative healthcare real estate delivers substantial social value. Investments in primary care enhance access to medical services, reduce hospital burden, and increase the efficiency of the healthcare system. By clustering healthcare functions, care provision becomes more effective and cost-efficient.

Secondary healthcare real estate, such as ITCs, also contributes to societal value. These facilities help reduce waiting times and relieve pressure on hospitals. At the same time, energy-efficient and sustainable healthcare buildings align well with the ESG objectives of institutional investors.

Selective focus enhances strategic value

Within curative healthcare real estate, primary care centres, intermediate care locations, and independent treatment centres (ITCs) are particularly attractive for institutional investors. These segments combine stable cash flows, predictable healthcare demand, and social impact. They also benefit from policy support, such as the Integrated Care Agreement (Integraal Zorgakkoord, IZA), which promotes substitution, networked care, and digital transformation.

Other subsegments—such as academic hospitals, large day clinics, or facilities heavily dependent on non-insured care—tend to involve higher risks due to their greater capital intensity, limited alternative use, or strong reliance on political and administrative decisions. For a robust and future-proof real estate portfolio, the strategic focus is therefore best placed on scalable and efficiently organised primary and secondary care locations.

4.3 Conclusion: Stable and high net return

Curative healthcare real estate stands out for its attractive net return combined with relatively low volatility. This strong risk-return profile makes the segment valuable for institutional investors seeking stable cash flows with limited downside risk. Although market liquidity is limited and specific MSCI benchmark data are lacking, real-world data confirm that curative healthcare real estate consistently contributes to returns.

A selective focus on future-proof primary care facilities and independent treatment centres further strengthens this profile. These segments combine scalability, societal relevance, and predictable rental income—making them a compelling addition to a diversified and impact-driven real estate portfolio.

Medical Centre Buitenlust – Venray

Medical Centre Dudok - Hilversum

5. CONCLUSION: CURATIVE HEALTHCARE REAL ESTATE DESERVES A PLACE IN THE PORTFOLIO

Institutional investors can no longer overlook the potential of curative healthcare real estate. Both primary care facilities such as healthcare centres and secondary care locations like treatment clinics offer solid returns, predictable cash flows, and clear societal value. In an era of demographic pressure, rising healthcare costs, and growing sustainability demands, this segment offers the opportunity to combine financial and social returns.

The position of curative healthcare real estate is compelling in terms of risk, return, and impact. Net returns are structurally higher than in many other real estate segments, while volatility remains low. Due to the regulated nature of the healthcare market, correlation with economic cycles is limited. This makes the segment well suited for portfolios with a low-risk profile and a long-term investment horizon.

There are, however, some challenges: limited availability, slow scalability, and the need for specialized expertise demand active commitment. These are not barriers but prerequisites for success. Investors who now invest in knowledge, partnerships with healthcare providers, and targeted acquisition strategies can benefit from a relatively untapped institutional market with strong long-term prospects.

Within this domain, primary healthcare centres, intermediate care locations, and independent treatment centres (ITCs) particularly deserve attention. These segments combine predictable care demand, stable tenant relationships, and societal relevance. A focused investment strategy in these care models offers the best balance between return and risk management.

As such, curative healthcare real estate is not only a valuable addition to a diversified portfolio, but also a strategic instrument to visibly contribute to future-proof healthcare. Those who invest in this segment with focus, engagement, and expertise will combine stable and attractive returns with meaningful social impact.

COLOPHON

Published by	Achmea Real Estate
Publication date	June 2025
Author	Joost de Baaij | Research Manager | Joost.de.Baaij@achmea.nl
More information	Daan Tettero | Fund Manager Healthcare | Daan.Tettero@achmea.nl
Design	Achmea Creatieve Diensten

DISCLAIMER

25030051DT