Edmond de Rothschild REIM – Amsterdam

Case Study ESG

From Single-tenant Asset to Sustainable Multi-Tenant Office Landmark

PROJECT:
Herengracht 258–266

COMPANY:
Edmond de Rothschild REIM

LOCATION
Amsterdam, Netherlands

Challenge

Edmond de Rothschild REIM completed the redevelopment of the Herengracht 258–266 office building, situated along the iconic canals in Amsterdam's city centre. The project aimed to unlock the value of a historic office asset by repositioning it as premium sustainable office space.

Located within a UNESCO World Heritage Site, the redevelopment required careful balancing of heritage preservation with modern functionality.

Also, energy efficiency measures needed to be incorporated in such a way, that it was allowed within the guidelines for listed monument and the UNESCO World Heritage site.

The addition of a penthouse office and rooftop terrace introduced further increased regulatory complexity.

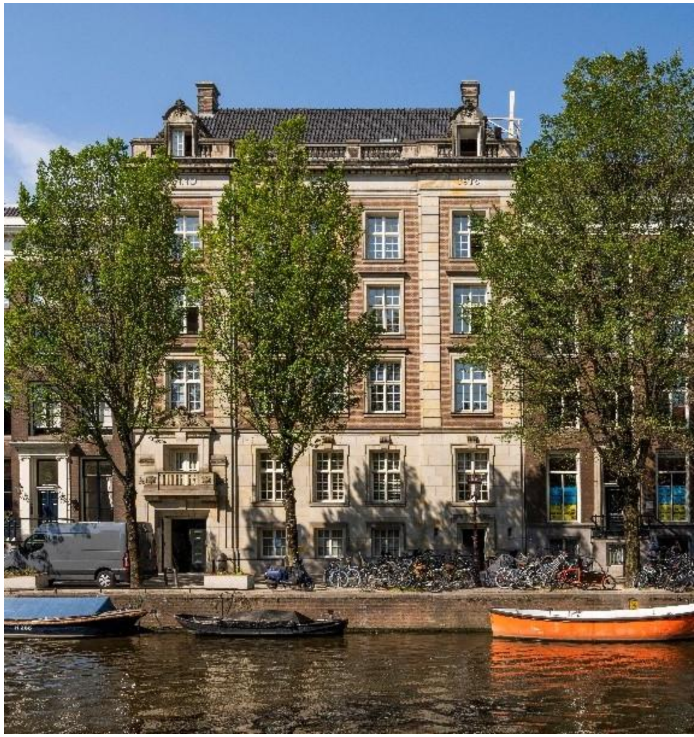
Structural reinforcement was essential, as the canal-side quay walls could only support limited crane and heavy equipment loads.

Solution / Approach

The COVID-19 pandemic prompted the existing tenant to downsize. As the building had an outdated interior and was substantially under-rented, this situation created a strategic opportunity to reposition the asset and served as a catalyst for its transition from a single-tenant occupancy to a multi-tenant configuration, unlocking greater flexibility and long-term revenue potential.

A comprehensive renovation was undertaken with a clear focus on modern workplace standards, sustainability, and improved energy performance. Key upgrades included office layouts, enhanced accessibility, and the installation of energy efficient HVAC systems, all designed to meet the evolving tenant demands.

The project was structured to unlock long-term asset value, ensuring that the building can remain competitive in Amsterdam's prime office market while preserving its historic character.



Results

Key improvements[1]:

> Modern, flexible workspaces with maximised natural daylight behind a monumental façade;

> Reconfigured floor plans for flexibility and greater efficiency;

> A premium penthouse office with rooftop terrace.

Sustainability and energy performance:

> Upgraded energy efficiency, due to insulation and high-performance glazing, an energy-efficient HVAC system, LED lighting and PV panels;

> The EPC label improved from G to A, and the theoretical energy usage reduced by 45% (from 321 to 176 kWh/sqm/yr);

> The actual energy reduction was even stronger with a 48% reduction (from 298 to 154 kWh/sqm/yr);

> The carbon emissions decreased by 59% (from 76 to 31 kgCO_2/sqm/yr).

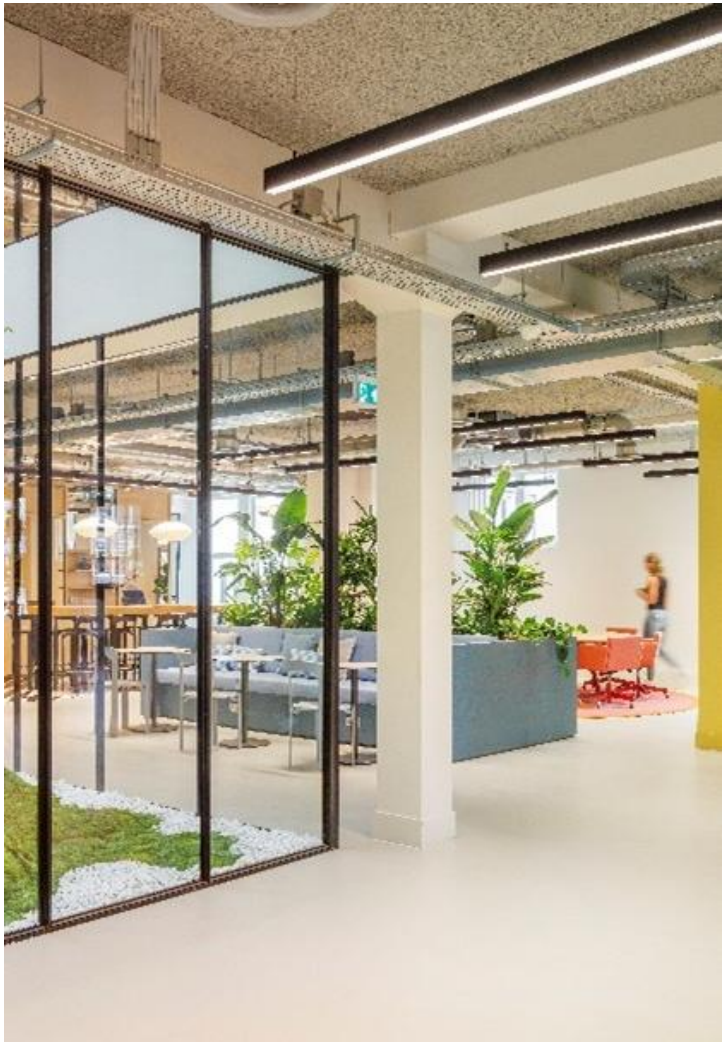
Energy and carbon data were benchmarked against 2019 (the last pre-COVID year) and re-measured in 2024, one year after completion.

Outcome

The redevelopment of Herengracht 258-266 highlights a successful investment approach, centered around the sustainable transformation of a historic office building located in Amsterdam's prestigious canal district. The enhancements elevated the building's energy performance, elevating it from EPC G to A, significantly improving its sustainability profile and future-proofing the asset against regulatory and market risks.

Tenant demand for the renovated space was high and as a result, the repositioned spaces were fully pre-let before completion, confirming market appetite for high-quality, centrally located, sustainable office environments. This leasing success has resulted in a diversified tenant base and a resilient, long-term cash flow, underscoring the investment's strong fundamentals and strategic execution.

The achieved market rents for the renovated space are 26% higher than before the renovation and the actual rent for the total building increased by 76%, as the leased area was underrented.



[1] Between the discussed redevelopment period 2019-2024.

Herengracht 258–266 is a compelling example that shows how targeted investments in quality and sustainability can generate measurable benefits—yielding increased rental performance, significantly reduced energy consumption, and lower carbon emissions.

This creates enduring value for investors, occupiers, and the broader environment, which is in line with our own sustainability ambition and the GRESB European office sector leader status of this strategy.

Martijn Vlasveld, Head of ESG at Edmond de Rothschild REIM

Edmond de Rothschild

With a long history of managing alternative investments, such as Real Estate, Infrastructure and Private Equity, Edmond de Rothschild has a dedicated real estate investment management platform with 140+ real estate professionals spread across 9 offices in the largest markets in Europe. The platform manages over 718 assets with an aggregate value of over EUR 13.1bn. Of this amount, over EUR 3.4bn represents office properties giving the team real-time data on the latest capital and occupier markets.