

Interview with

Luc Joosten of ASR

Fund Director of ASR Dutch Science Park Fund

What inspired you to launch the ASR Dutch Science Park Fund?

We have a strong commitment to future-proof investing. We create perpetual value for our investors and society by investing responsibly in high-quality real estate as we like to call it. Science parks fit in this strategy as they are unique places where frontrunners in the knowledge economy are working on new solutions and innovations for our society.

We started in 2017 researching how the ecosystems work in the Dutch science parks and how we can add value to these ecosystems. Knowledge companies and workers have specific needs for working spaces ranging from modern office space, lab-space, makerspace to meeting space. With our long-term real estate investment experience, we are convinced we can make a positive impact and launched the ASR Dutch Science Park Fund in March 2019.

Can you explain what you mean by a positive impact? Is the fund an impact fund?

We have positioned the fund as a positive impact investment as we want to create perpetual value for our investors and society by investing in sustainable high-quality real estate. Our philosophy is to have a positive impact on science park ecosystems. We achieve that through sustainable buildings with limiting effect on the environment in line with the Paris Proof Roadmap. In our opinion impact is about



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facilitating and cooperating with the users in the ecosystem to achieve their goals in good health and satisfaction. We have formulated the impact policy of the fund (Impact Policy 2022-2024) and are reporting about it in a separate Annual Impact Report.

From an SFDR (Sustainable Finance Disclosure Regulation) perspective the fund is classified as an Article 8 Fund. This means that the fund promotes environmental and social characteristics and follows good governance practices.

Can you tell us anything about the shareholders which have already committed to invest?

Current shareholders are institutional investors such as insurance companies and pension funds. It is important that the current and future shareholders have the same long-term focus and share the beliefs about this market segment.

What is the vehicle's target size and approximately what level of gearing do you expect to apply?

The fund has now over €100 million invested and has created a substantial secured pipeline of future investments. Our main objective is to grow the portfolio towards at least €500 million.

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The policy of the fund is not to use gearing as a structural way of financing. It is possible to use gearing when it is needed for specific reasons. For example, on a temporary basis to finance an acquisition. We think flexibility is important to achieve our goals.

You are seeking regional diversification. Do you have specific target allocations in mind?

There are no specific targets at the moment for regional diversification. Diversification is an important topic. Currently we are invested in Delft and Enschede, but it is also important that there is a good diversification in science/business sectors, tenants and buildings ranging from single tenant, multi-tenant to co-working.

The fund will focus on investments with a core and core+ risk profile but may also invest in newly developed pipeline assets. Why is this flexibility important to you?

The fund can invest in standing investments and also in developments. The fund applies Build-to-Core strategies which means that developments can be done through forward funding or turn key. It is important to have the flexibility between standing investments and developments to accommodate the needs of an ecosystem. This means that in some cases you need to plan different phases, such as is the case with the building Next Delft. The first phase of this new developed building opened in March 2022, but it is foreseen that it can be extended. We believe that flexibility in this market segment is a key element for success.

You aim to source properties that provide space to scientific institutes and technology companies. Can you give examples of your ideal tenant-type?

The ideal tenant-type is always related to the building type and the position of the tenant in the ecosystem. A single tenant building requires a tenant that fits in the ecosystem and has a solid corporate profile for example a(n) (inter)national company with a strong balance sheet. Our aim is to have a suitable real estate solution for every company profile. We also facilitate company growth as we know that start-ups can become scale-ups and beyond.

Is there a specific sector focus (e.g. biotech) you are targeting?

The fund does not have a specific focus on biotech or life sciences. We do see that some science parks are more focused on a specific sector, such as Leiden Bio Science Park. We see that in Delft and Enschede there are also many companies active in medical technologies. We see that technologies can be applied in different sectors and therefore there is in our opinion not a strict sector focus. So biotech, life sciences and medical technologies among others are all in scope of the fund.

The focus of current use must be on research and development – why is this important?

Focus on research and development is important. Science parks are all about sharing of knowledge, technology transfer and transforming research into viable new products. The ecosystems on science parks are dedicated to knowledge

development and knowledge transfer to develop new solutions.

Third party usability of the assets is important – why is that?

Third party usability is especially valuable to create meeting places and co-working opportunities. Flexibility of buildings is key to cater to the needs of different types of users, now and in the future, especially since we are a long-term investor.

Other sectors where ASR currently invests may also feature in the mix such as housing?

There are other sectors that can be considered as fund investments outside commercial real estate. A typical sector could be student housing or short stay accommodation as long as they support local ecosystems. Housing as part of the strategy of the ASR Dutch Core Residential Fund is not considered, but specific housing concepts on science parks are in scope. The same holds for the specific strategy of the ASR Dutch Mobility Office Fund, where investments are focused on the five largest cities in the direct vicinity of railway stations.

What else are you doing to create value in the science parks?

We are actively involved in the community management. We can be co-operating in the community management, but also organise the community management ourselves. Community management is still a young profession, but it is an essential part of the long-term success of a science park.