

‘With every building we invest in, we want to make an impact’

Pieter Vandeginste, fund director of the ASR Dutch Mobility Office Fund, discusses the developments and trends for the years ahead.

Pieter Vandeginste has been involved for more than 13 years on the real estate side of a.s.r. real estate, more than six years of which have been as fund director of the ASR Dutch Mobility Office Fund. As such, he has followed the changes in the market very closely. Working from home and flexible workstations have become part of the landscape, sustainability demands have been introduced and increasing attention is being paid to a healthy working environment.

In your strategy you clearly choose to invest solely in offices in big cities within walking distance of a major intercity railway station. Can you explain why?

We believe that the future lies in big-city locations, within walking distance of a major intercity railway station. One of the big advantages of these locations is that tenants can substantially cut CO2 emissions generated by their employees' daily commute, because employees have more options than the car alone.

Research shows that organisations can achieve a 28% reduction in CO2 emissions of commuter traffic by setting up office in the vicinity of a major railway station. That is considerable, given that commuter traffic accounts for the highest CO2 emissions for office tenants, after the building itself. At the locations we invest in, the use of the car can fall by a third because people use public transport or a bike more often.

What does this mean in practice for your portfolio?

The majority of offices are in the Netherlands' big five cities: Amsterdam, Rotterdam, The Hague, Utrecht and Eindhoven. In those cities, our office

The ASR Dutch Mobility Office Fund is part of a.s.r. real estate and invests in sustainable office buildings in easily accessible locations in the Netherlands, close to major intercity stations. The fund manages €760 million in office real estate, primarily located in the five largest Dutch cities.

buildings are situated within 300 metres of the major intercity station. We are looking exclusively at these locations for future investments. That gives a clear focus, both for our fund and for our investors, and offers the benefit of a high occupancy rate in addition to CO2 reductions. One of the results of this strategy is that we have acquired new office buildings in the Zuidas district of Amsterdam and the station area in Utrecht that will be completed in the next two years.

You invest in office buildings in the Netherlands. How does your office fund differ from all the other investors in the sector?

With every office building we invest in, we want to make an impact and add value to the surrounding area. For instance, by adding facilities to the building that can be used by the tenants of the building, but that are also accessible to the public. And also by challenging building developers to opt for

innovative, sustainable construction methods and techniques for monitoring the energy consumption and interior climate of the buildings, to create the right indoor climate and to further reduce CO2 emissions.

It goes without saying that sustainability is now the norm in the sector. What steps are you taking to innovate in your sustainability practices?

We are getting steadily better at reducing energy consumption of buildings in use. So the challenge is to reduce emissions during the construction and renovation of offices. Consequently, we focus also on reducing the emissions associated with the construction process by challenging the project developer to opt for other techniques and materials.

For example, in the Amsterdam Zuidas district, CubeHouse is being constructed with a timber load-bearing structure. We expect this to make a big difference in the embodied carbon of building materials and the building process.

There is also a lot to be gained from renovation projects. For instance, we look at biobased alternatives to traditional insulation materials, such as wood chips, flax and hemp, and reusing old materials such as concrete. Using these materials makes a huge difference to the CO2 emissions of renovation projects.

‘Becoming more sustainable and the next generation workforce will have a significant effect on the way we build offices.’

Pieter Vandeginste, a.s.r

▼ Pieter Vandeginste at a.s.r real estate's Wonderwoods building in Utrecht



What challenges and opportunities do you see in the market?

The market is constantly changing. There are several developments that we expect to remain relevant in the years ahead. Implementing those trends in our strategy is an interesting challenge that we talk about frequently. Take the next generation workforce: younger generations have totally different expectations and wishes when it comes to work. An inspiring work environment, for instance, is an essential prerequisite for attracting young talent.

A great example of that is CubeHouse, for which the most sustainable construction possible has been taken into consideration and where an environment will be created in which people will want to meet one another.

Another development that has a major effect on the use of office buildings is hybrid working, which has become the norm for many companies even after the coronavirus pandemic. We have seen in the last few years that a fixed workplace is no longer the standard, and people are looking for flexibility a lot more.

The need for office space still exists, but the use is changing from fixed workplace to meeting place. This has a considerable effect on how we set up offices: more flexible workplaces, more and more meeting places and attention to a healthy environment. A cafe, where people can work and discuss business, is therefore increasingly included in plans. We expect such meeting places to become even more important in the future.

At many companies, accommodation is still the major source of CO2 emissions. How do you see this?

Naturally, it makes a big difference whether you have a new office building, with low energy consumption, or an older building. We invest in buildings that already comply with the latest standards for achieving the climate targets.

With existing buildings we look at how we can make each building more sustainable in pursuit of those targets. We take the familiar technical measures for that purpose, as well as improving our understanding of performance ratings. We use a digital platform to analyse consumption data and we are constantly refining the route map to reduce consumption still further in future.

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Healthy office spaces are increasingly in the spotlight. What responsibility do you feel in that regard?

We have many ways of contributing to a healthy work environment and we see this as an essential prerequisite for renting out an office. A healthy environment has a proven effect on preventing absenteeism and fostering happiness at work.

The ways we put this into practice include ensuring plenty of greenery and daylight, and encouraging people to move around the office by putting stairs in a prominent position and placing lifts out of sight.

What project are you looking forward to personally?

In 2024, we will add Wonderwoods near Utrecht Central Station to our portfolio. It's a completely green tower, you might say 'a vertical forest', 105 metres high, in surroundings dominated by concrete. The plants and trees from the Utrechtse Heuvelrug were the main source of inspiration for this building – only native species are being planted and the tower will have the same diversity that can be found in a hectare of woodland. This provides an attractive living environment, and less heat stress and waterlogging in the immediate vicinity.

It's an extremely ambitious project that gives us and our stakeholders a lot of energy because it shows that, if you have that ambition, you can really add value to the environment. It will become the latest eye-catching building in Utrecht, in terms of sustainability and of aesthetics. ■

Future trends

Next generation workforce

Future generations will shape the workplace. By 2040, Gen Y and Z will make up 73% of the workforce in the Netherlands. These workers prioritise tech-savvy mobility solutions such as Mobility as a Service. They prefer public transport over car ownership, especially those residing in urban areas. They're younger, educated, climate-conscious, and public transport-dependent, so flexible mobility solutions are a perfect fit.

Mobility

Covid-19 has shifted mobility patterns, as a result of the rise in remote working and online meetings. Train usage decreased the most, but researchers now predict train travel will exceed 2019 levels by 2026, despite supply shortages. Multimodal forms of transportation make up 15% of total distance travelled, with trains being the primary choice.

Hybrid working

The next-generation workforce values networking as well as the ability to work efficiently anywhere. While working from home has been embraced, the office plays an essential role in terms of collaboration and innovation. In future, the office will transform from a workplace to a social meeting place, with accessibility a key feature of this transition. Mobility hubs that enhance sustainability and offer multifunctionality will thus become attractive.

Sustainability and wellbeing

Both the Paris Agreement and Dutch legislation aim to minimise the effects of climate change. Large companies must report the carbon emissions from their employees' commuting and travel. ESG ambitions are increasingly important for institutional investors, while organisations' impact on employees' physical and mental health will increasingly be measured, to encourage happier and healthier employees.