

## Case Study ESG

# Net zero: Insights and experiences in Paris Proof residential renovations



PROJECT:  
Paris Proof Renovation Houten



COMPANY:  
a.s.r. real estate



LOCATION:  
Netherlands

## Challenge

The built environment is a significant driver of climate change, accounting for 37% of global greenhouse gas (GHG) emissions.

The ASR Dutch Core Residential Fund acknowledges its responsibility and has dedicated itself to achieving a net zero portfolio by 2045, at the latest.

Achieving this ambitious goal requires substantially reducing energy consumption and GHG emissions across its residential portfolio.

Renovating existing dwellings to meet Paris Proof standards presents technical, financial, and logistical complexities, including integrating new installations, ensuring project feasibility, and securing tenant approval for disruptive works.

## Solution / Approach

The ASR Dutch Core Residential Fund's solution involves a comprehensive approach guided by a Paris Proof roadmap, developed using CRREM pathways to align with the Paris Agreement.

The strategy is built upon four main pillars:

1. Reducing energy consumption through tailored asset-level action plans based on property archetypes;
2. Increasing on-site renewable energy generation, primarily via PV panels;
3. Engaging tenants to encourage reduced energy use and participation in sustainability projects; and
4. Purchasing 100% renewable energy for landlord-controlled areas.



This dynamic roadmap is continuously refined using insights from completed projects, energy performance data, and evolving technologies. The approach prioritises assets with the highest energy demands for earlier upgrades.

## Results

The ASR Dutch Core Residential Fund has already improved the energy performance of over 1,300 dwellings to at least energy label A. The ASR Dutch Core Residential Fund is a frontrunner, being the first institutional investor to make rental dwellings built in the 1980s Paris Proof on a significant scale.

In a successful pilot project in Houten an existing dwelling has been upgraded to Paris Proof standards, from energy label D to A+++ (see an informative video [here](#)). Post-pilot testing showed CO<sub>2</sub> emissions below Paris Proof target figures after implementing sustainability measures.

**Future-proof and sustainable dwellings are an essential part of our strategy.**

**Marsha Sinninghe**  
Senior Fund Manager of the ASR Dutch Core Residential Fund



## a.s.r. real estate

a.s.r. real estate has been investing in real estate on behalf of institutional investors and managing real estate portfolios for over 130 years. The platform has six non-listed sector funds which invest in residential and retail properties, offices, real estate on science parks, agricultural land and renewable energy.

The ASR Dutch Core Residential Fund invests in sustainable, high-quality residential rental assets in the strongest economic and demographic regions of the Netherlands.



Following the pilot, the ASR Dutch Core Residential Fund renovated all 69 dwellings in the neighbourhood to the Paris Proof standard. In the meantime, tenant approval has been secured for further projects, with an anticipated 180 dwellings renovated to Paris Proof by the end of 2025.

## Outcome

The ASR Dutch Core Residential Fund's journey towards a net zero portfolio by 2045 involves extensive renovation programmes, culminating in a successful Paris Proof pilot project that has become a blueprint for future initiatives. Historically, the ASR Dutch Core Residential Fund used a two-step approach for renovations, but the urgency of the 2045 target necessitated a shift to a comprehensive one-step renovation to the Paris Proof standard.

A crucial element of the approach is building a feasible business case for these renovations. This involves a detailed financial analysis comparing expected investments with anticipated revenues from rent increases (expected upside in contract and market rent) and savings on long-term maintenance, as well as the impact on property valuation. Beyond financial metrics on fund level, factors like energy cost savings for tenants, energy label improvement, and on-site renewable energy generation are assessed.

Tenant participation is essential, as major renovations require activities in their homes.

Currently approval of at least 70% of tenants is required to start a renovation project.

The ASR Dutch Core Residential Fund engages in a continuous dialogue and a participation programme with tenants, aiming for open communication and minimising inconvenience. Tenant enthusiasm for sustainability is growing, although financial incentives remain important, such as ensuring the rent increase is balanced by energy savings.

Challenges encountered include finding the right balance between ambitious sustainability goals and financial feasibility, integrating necessary installations like heat pumps into dwellings with limited space, managing uncertainties around government subsidies for technologies like PV panels, and minimising embodied carbon emissions from construction materials used in renovations. The ASR Dutch Core Residential Fund actively explores solutions, such as energy storage options and leveraging experience to optimise renovations in assets with lower initial energy demands. The roadmap is dynamic, continuously updated with lessons learned from projects and market insights to improve speed and feasibility towards the 2045 net zero target.

To learn more read the [Insights and Experiences in Paris Proof Residential Renovations – Whitepaper ASR Dutch Core Residential Fund](#).

