Annual Report 2015

"2015 rocked the house"

In Q1 2015, Vesteda signed a turnkey agreement covering all 192 apartments in the 100-metre (328 ft) high Amstel Tower building adjacent to the Amsterdam Amstel Dutch railway station.

2015 rocked the house. We saw the total return more than double to 14.0% and we raised €600 million in equity; an exceptionally high return for a low-risk core residential fund and a record amount of funding.

The outlook for 2016 is favourable. The anticipated economic growth and increase in financial resources will make the residential market even more dynamic in 2016.

The biggest challenge for Vesteda in 2016 will be to further optimise our portfolio, both organically and through acquisitions. We are still fully committed to high-quality growth against reasonable returns, which enables us to continue to offer our tenants good quality and affordable living.

Gertjan van der Baan, *CEO*

Our total return is

14.0 %

This is more than double the return realised in 2014 (5.8%).

550 units have been added to the pipeline portfolio. All projects are an

excellent fit

for Vesteda's portfolio in terms of region, rental range and energy label.

The occupancy rate is

97.9 %

This is a sizeable increase of 1.3% compared to the occupancy rate at year-end of 2014.

This year we have successfully

raised €600 mln and refinanced €900 mln

further optimising our capital structure, reducing our future interest costs and significantly increasing the duration of our loan capital.

Vesteda to invest over

€20 mln

extra in boosting sustainability of its portfolio.

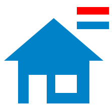
www.vestedareport.com

Contents

Profile Vesteda

HIGH-QUALITY PLATFORM FOR INSTITUTIONAL INVESTORS

With a portfolio of more than 22,500 residential units, Vesteda is the largest independent residential fund in the Netherlands. Vesteda is internally managed, is cost-efficient and has in-house property management.



Dutch residential rental market

Mid-rental sector

Primary regions

KEY CHARACTERISTICS

Vesteda

- Established in 1998 as Vesteda Woningen (Vesteda Residential Fund) as a spin-off of the residential portfolio of Dutch pension fund ABP
- Open-end core residential real estate fund
- Broad institutional investor base with a long-term horizon
- Attractive risk profile
- Governance in accordance with best practice guidelines, including INREV, with the emphasis on transparency and alignment of interests
- Limited use of leverage (28.6% at year-end 2015, target <30%)
- Active investor relations policy
- Internally managed: no management fee structures and carried interest arrangements
- Transparent for tax purposes (fund for the joint account of participants; FGR fund structure)

Assets

- Vesteda offers sustainable housing and operates in a socially responsible manner
- The Netherlands only, residential and related properties only
- Well-diversified portfolio consisting of 340 residential buildings
- Focus on economically strong regions such as the Randstad, the Brabantine City Row, the Arnhem Nijmegen City Region and Groningen City
- Focus on the mid-rental segment (monthly rents of between €710.68 and approximately €1,200)

Target

- Outperformance of the three-year MSCI IPD/ROZ Netherlands 'All Residential' benchmark [1)]
- Stable annual distributions to participants of realised return, excluding proceeds from property sales
- Stable tenant satisfaction score [2)]
- GRESB Green Star (2017)
- Improve sustainability of portfolio; outperform the Energy Agreement: 80% green energy ratings (A, B or C) and maximum 20% rating D (2020)

1 Vesteda Residential Fund versus MSCI residential benchmark on page 24 provides an overview of the MSCI residential benchmark results (2011-2015).
2 The tenant survey on page 36 provides an overview of the tenant survey results (2011-2015).

KEY MILESTONE DATES IN THE LIFE OF THE FUND

2015
- €600 million equity raise: two new leading international investors in Vesteda; termination CMBS programme
- €20 million additional investment in next five years to improve the sustainability of the portfolio

2011
- Focus on mid-rental segment: gradual reduction of the proportion of investments in the higher rental segment
- New, more transparent, commercial, legal and fiscal structure (FGR)
- Relocation of the head office to Amsterdam

2010
- Strategic decision to terminate project development activities; focus on investment activities

2008
- Start of financial crisis: first downward revaluation of portfolio in Vesteda's history
- Completion of New Amsterdam at Amsterdam Zuidas business district, largest project to date
- New participants invest in the fund

2007
- New participants invest in the fund

2003
- Property Management brought in-house
- Start of project development
- New participants invest in the fund

2002
- New participants invest in the fund

2001
- Focus on inner city (area) development
- Legal and fiscal restructurings to allow new investors to participate
- 30% of shareholders' equity converted into CMBS funding programme

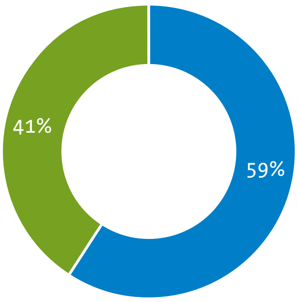
1999
- Focus on higher rental segment

1998
- Establishment Vesteda Wonen (currently Vesteda)

KEY PORTFOLIO CHARACTERISTICS (YEAR-END 2015)

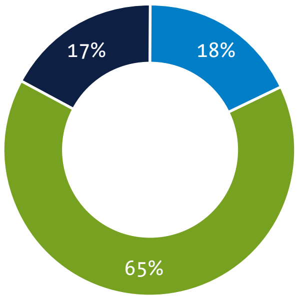
NUMBER OF RESIDENTIAL UNITS	INVESTMENT PORTFOLIO VALUE	PHYSICAL OCCUPANCY RATE	GROSS RENTAL INCOME (FOR 2015)
22,599	€3.7 bln	97.9%	€237 mln

Portfolio by type of residential unit
(IN UNITS)



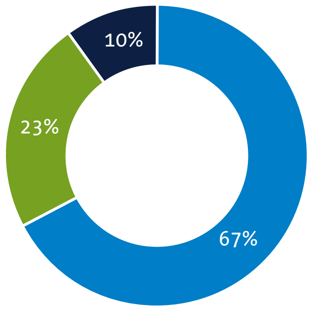
- Apartment
- Single family home

Portfolio by rental segment
(WEIGHT IN VALUE)



- Regulated segment
- Mid-segment
- Higher segment

Portfolio by region
(WEIGHT IN VALUE)



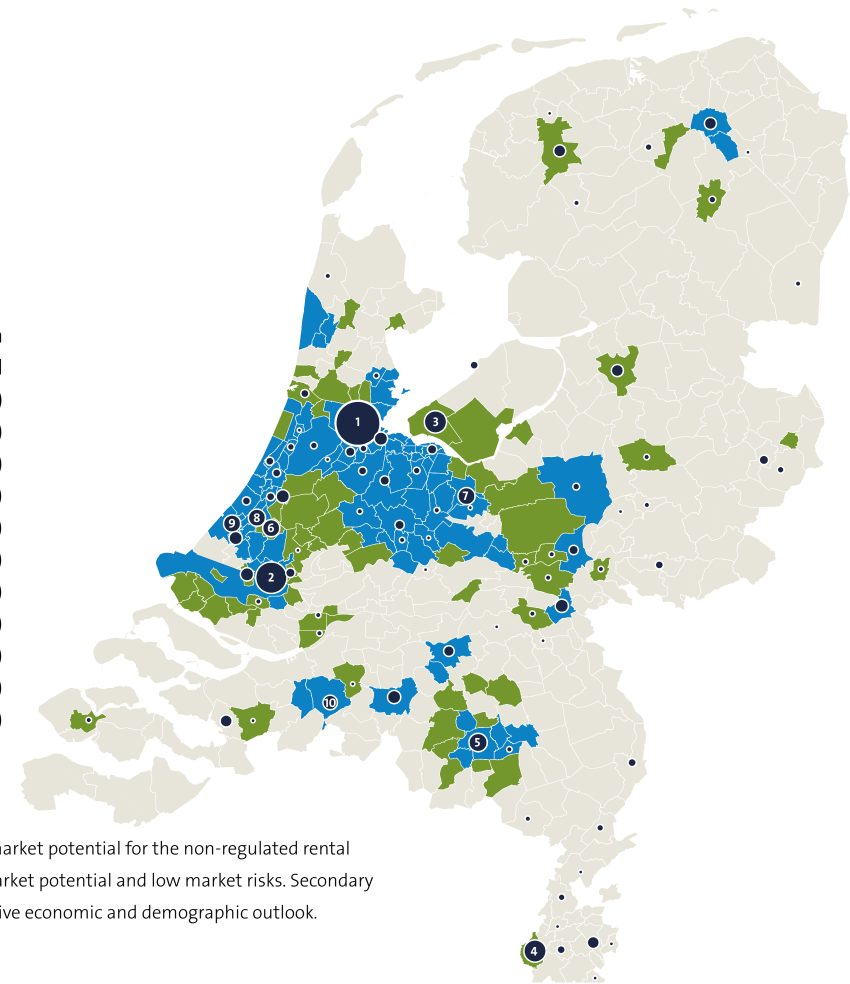
- Primary [1]
- Secondary [1]
- Other

Portfolio distribution (year-end 2015)

- Primary regions
- Secondary regions
- Other

€700 mln
€350 mln
€70 mln

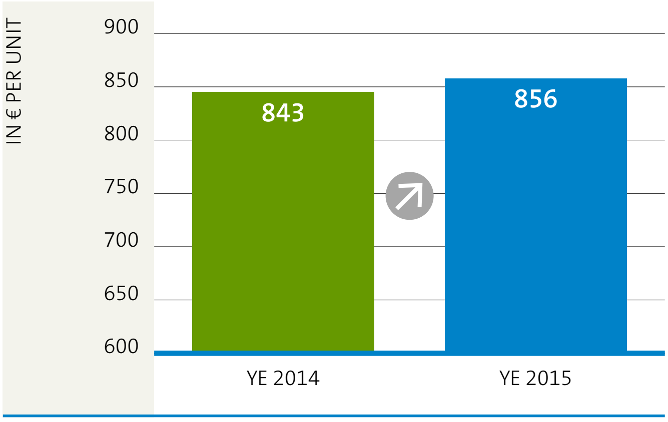
		Value YE 2015 in € million (% of total investment portfolio)
1	Amsterdam	668 (18%)
2	Rotterdam	375 (10%)
3	Almere	195 (5%)
4	Maastricht	191 (5%)
5	Eindhoven	139 (4%)
6	Zoetermeer	119 (3%)
7	Amersfoort	114 (3%)
8	Leidschendam-Voorburg	106 (3%)
9	The Hague	99 (3%)
10	Breda	89 (2%)



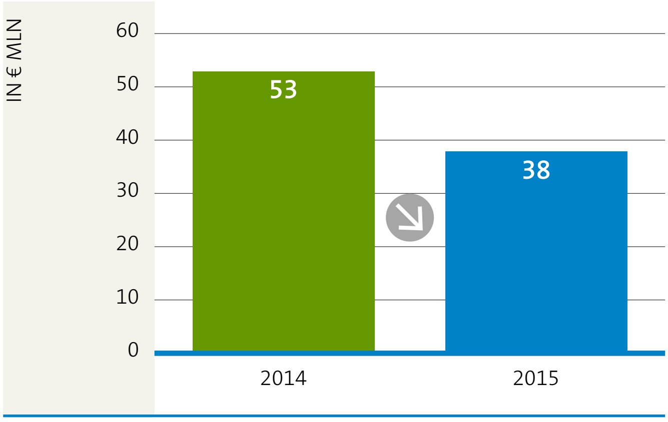
1 Primary regions are regions that offer the highest market potential for the non-regulated rental sector. These regions are characterised by a high market potential and low market risks. Secondary regions score less in some respects but have a positive economic and demographic outlook.

Highlights 2015

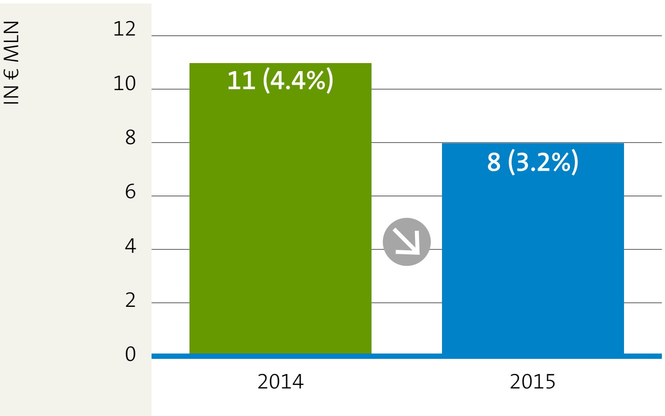
Average monthly rent



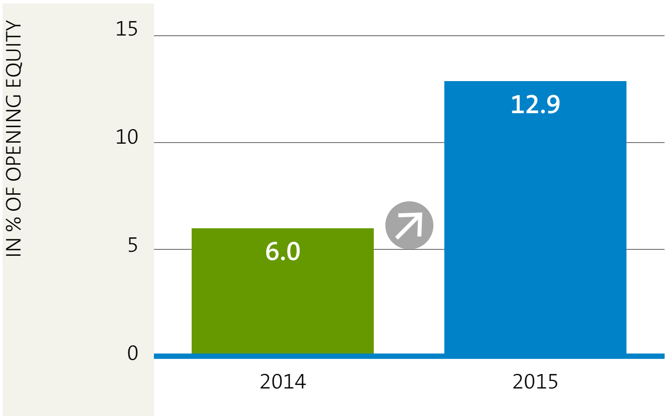
Interest expenses (including amortised fees)



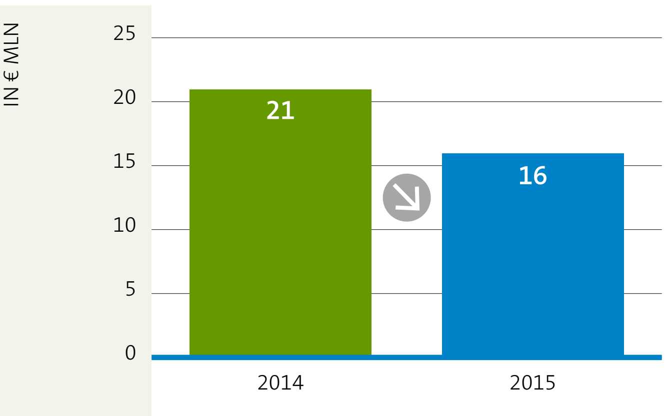
Loss of rent



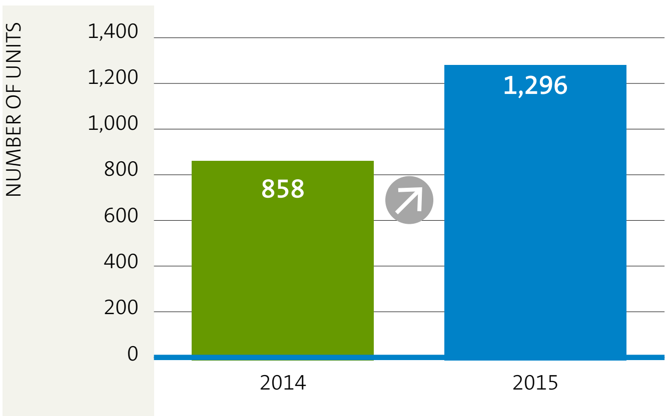
Total return (excl. revaluations on derivatives)



Management expenses



Investment pipeline



Key developments 2015

TOTAL RESULT

- Total result in 2015 amounted to €316 mln positive, compared to €132 mln in 2014.
- Total return as a percentage of opening equity was 14.0% (2014: 5.8%), which is the sum of a realised return of 5.4% (2014: 5.0%), an unrealised return of 7.5% (2014: 1.0%) and a positive revaluation of derivatives of 1.1% (2014: 0.2% negative).

PORTFOLIO

- Like-for-like rent increase of 1.3% versus inflation of 0.7%.
- Average occupancy rate in 2015 increased to 97.3%, compared to 96.4% over 2014. Occupancy rate at year-end 2015 amounted to 97.9%.
- 520 individual residential units sold generating net proceeds of €14 million (net margin of 18.0%).
- Structural reduction of management expenses following the positive impact of the completed restructuring at Property Management. Management expenses amounted to €16.4 million compared to €20.5 million in 2014.
- New developments into operation: De Amazones (Den Bosch), De Ooievaar (Purmerend), Helioshof (Arnhem). Representing a total of 101 residential units and a market value of €22 million at completion.
- 550 residential units added to the committed pipeline. Committed pipeline at year-end 2015 amounted to 1,296 residential units representing an indicative market value at completion of €286 million.
- Positive revaluation of 4.7%; second consecutive year of positive revaluation after six years of negative revaluation.

ORGANISATION

- Successful completion of restructuring programme at Property Management.
- Introduction of organisation-wide cultural and organisational change programme called ‘Vesteda Verbetert’ (‘Vesteda Improves’).
- Announcement that Hélène Pragt will step down as CFO of Vesteda, effective 1 January 2016.
- Rob Vroom appointed as interim CFO (January 2016).
- Hans Pars and Jeroen Drost stepped down as members of the Supervisory Committee; Maarten de Groof, Seada van den Herik and Hans Copier (February 2016) appointed as members of the Supervisory Committee of Vesteda.

FUNDING

- €600 million equity investment by two leading international investors; €415 million directly invested and €185 million as a commitment. €255 million used to meet redemption requests of current participants.
- Termination of CMBS programme and redemption of last €300 million of CMBS notes with bridge facility (April 2015).
- S&P Corporate Credit Rating reaffirmed at BBB, stable outlook (May 2015).
- New €600 million senior unsecured revolving credit facility (June 2015).
- €300 million second bond issue (October 2015); transition to corporate unsecured debt structure fully completed.

CSR

- Vesteda is rated as a Green Talker (position 11 out of 11 in the Netherlands) in the GRESB Benchmark Report 2015. This has prompted Vesteda to update its CSR policy and develop strategies to regain a leading position regarding sustainability.

CEO Foreword

Last year rocked the house. We saw the total return more than double to 14.0% and we raised €600 million in equity; an exceptionally high return for a low-risk core residential fund and a record amount of funding.

CONSIDERABLE INCREASE IN OCCUPANCY RATE

Lifted by the positive market conditions and a constant focus on fund optimisation, the total return was boosted by both the realised and the unrealised return. The occupancy rate at the end of 2015 had risen to 97.9%, a sizeable increase of 1.3% compared to the occupancy rate at year-end 2014.

INVESTOR BASE BROADENED BY ADDITION OF TWO LEADING INTERNATIONAL INVESTORS

In April 2015, we raised €600 million in equity. Two leading international investors, Allianz Real Estate and an Asian investor, invested a total of €415 million directly in Vesteda, of which €160 million is intended for acquisitions and €255 million was used to fully meet the redemption requests of existing participants. Additionally, the new investors committed a further €185 million for investment. This transaction is one of the most significant foreign investments in Dutch residential real estate in recent years. Furthermore, two existing participants increased their interest in Vesteda, both through a secondary transaction.

OPTIMISATION FINANCING STRUCTURE

Interest expenses declined considerably as a result of Vesteda's continued optimisation of its financing structure. The year 2015 marked the end of Vesteda's reliance on funding via CMBS notes and the completion of the transition to corporate unsecured funding initiated in 2011. Vesteda managed to successfully source €900 million in new debt capital during 2015 in the form of bank facilities and capital market issuance. At the beginning of the last quarter in 2015, we issued a second bond in the market, which further optimised our financing structure, reduced our future interest expenses and considerably extended the duration of our debt capital.

LIMITED NUMBER OF ACQUISITIONS, BUT ALL SPOT ON

The competition for the acquisition of rental homes increased once again last year. In addition to our usual Dutch competitors, an ever increasing number of foreign investors are now showing interest in the Dutch residential market. Until recently, this interest was limited to mainly existing residential real estate, but now we are seeing foreign investors entering the market for new-build homes. As a result of low interest rates, increased competition on the residential investment market and the somewhat lagging supply, initial yields have been under pressure for some time. This is also putting pressure on the pace at which Vesteda is able to increase its portfolio in a controlled manner. Despite this pressure, we were able to add eight projects with a total of 550 homes to our pipeline in 2015. All of these projects were acquired at acceptable conditions and are fully in line with our strategy of expansion in the mid-rental segment in economically strong regions and have energy label A or higher.

INCREASED ATTENTION FOR CSR

Vesteda paid insufficient attention to sustainability in recent years, with the result that we have fallen to the last position in the GRESB benchmark for the Netherlands in 2014, from a leading position in 2011. This was clearly disappointing, though was taken very seriously and has prompted Vesteda to update its CSR policy. CSR is fundamental to achieving Vesteda strategic goals and our CSR (ESG) objectives contribute directly to our other business goals. Increasing the sustainability of the residential portfolio is one of the six strategic projects in Vesteda's newly-tightened CSR strategy. At the end of 2015, Vesteda's participants unanimously approved a proposal to invest an additional sum of over €20 million in the coming years to boost the sustainability of the residential portfolio. With these investments, Vesteda will be able to surpass the agreements laid down in the Dutch government's Energy Agreement in 2020. Our strengthened CSR strategy gives us a clear road map for the creation of a more sustainable Vesteda in the years ahead.

PROPERTY MANAGEMENT ORGANISATION IN PLACE

In 2015, we successfully completed the restructuring of our in-house property management organisation. This restructuring has structurally increased tenant focus and reduced the cost level of the Vesteda organisation. The restructuring also included the investment in our client portal, a web-based solution for client interaction. This new portal was well received by the vast majority of our tenants.

OUTLOOK 2016

The outlook for 2016 is favourable. The anticipated economic growth and increase in financial resources will make the residential market even more dynamic in 2016. The number of residential transactions will continue to increase and the prices of existing owner-occupier homes are expected to increase by some four percent. We also expect to see a continued increase in the demand for rental homes, which will in turn lead to higher rent levels. These developments will be most visible in the economically strong regions of the Netherlands.

However, the Dutch housing market also suffers from structural issues such as the ongoing shortage of mid-market rental housing, particularly in the big cities. And then of course there is the refugee crisis. More than a million migrants and refugees crossed into Europe in 2015, sparking a crisis as countries struggle to cope with the influx, and creating division in the EU and within the European countries over how best to deal with resettling people and providing (temporary) accommodation.

At the same time, the investment appetite for the Dutch residential rental market among institutional investors is large. The supply, however, of both new-build and existing residential units is insufficient, resulting in increasing competition and lower initial yields. The solution of the shortage of mid-market rental housing therefore largely seems to lie in the hands of municipalities and the Dutch government, who can influence their tender processes by introducing more qualitative criteria rather than price alone. At too high land prices, investors in rental housing cannot compete against developers for the owner-occupied housing market, which is often reality now.

The biggest challenge for Vesteda in 2016 will be to further optimise our portfolio, both organically and through acquisitions. We are still fully committed to high-quality growth against reasonable returns, which enables us to continue to offer our tenants good quality and affordable living.

Gertjan van der Baan – *CEO Vesteda*

Material aspects

GRI G4

Vesteda has been reporting on Corporate Social Responsibility in its annual report since 2013. Vesteda reports on CSR aspects using the Global Reporting Initiative (GRI) guidelines. These are the most globally accepted guidelines for the planning and preparation of CSR reports. In the year under review, Vesteda drew up its CSR report in accordance with the latest version of the GRI guidelines (G4). The G4 guidelines give organisations the opportunity to add focus to their reporting, to make the reports more relevant, more credible and more user-friendly. Vesteda reported at GRI CRESS 3.1 level C and B for the reporting years 2011 and 2012 respectively and B+ for 2013 and 2014.

The GRI G4 guidelines consist of two parts: (1) the general criteria and (2) the specific criteria. The first part are universal G4 guidelines for all reporters and are related to general subjects, such as the profile of the company, the steering process related to non-financial disclosures, as well as the company's strategy. The second part of the G4 guidelines (the specific criteria) lays down how a so-called materiality definition is used to determine which company-specific aspects reporters must report on (in figures). A materiality definition is a process to determine which are the most relevant and significant aspects from the perspective of the company and its stakeholders.

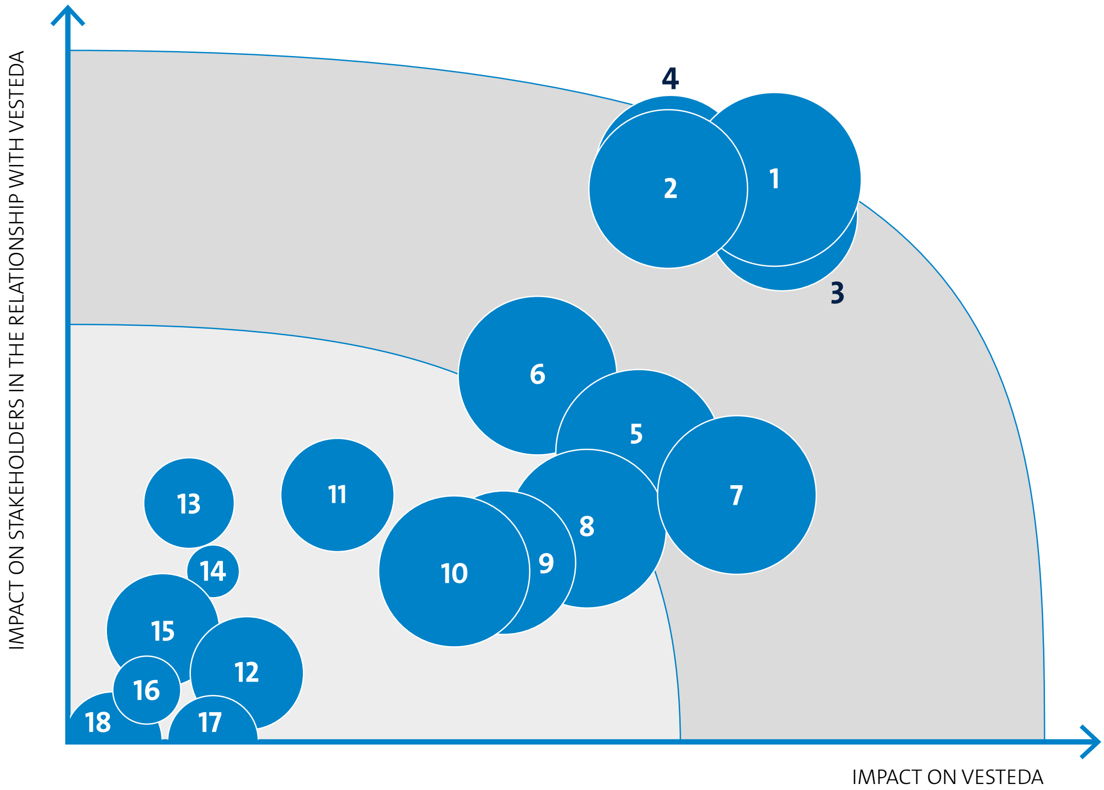
Vesteda defined its material aspects in early 2014 with the help of an external consultant. This process defined all potentially relevant aspects that are significant specifically in Vesteda's context.

The following overview of Vesteda's key stakeholders shows which stakeholders were approached for the prioritisation of the material aspects. The respondents were asked to score the material topics both on impact on their own organisation, as on impact on Vesteda. We believe it provides valuable insight for us and the materiality process.

Key stakeholder	Respondent
Tenants	Vesteda tenants' association.
Participant	Three participants with a combined stake of more than 60% were interviewed.
Employees	Works Council, Management Team and Managing Board.
Property managers	Vesteda has in-house property management. For a limited part of our portfolio, we make use of two external property managers, of which one was interviewed.
Buyers/sellers	Mid-sized private residential property investor.
Municipality	Not represented.

Vesteda used the results to draw up a so-called materiality matrix. The x-axis of the matrix was determined on the basis of the scores related to the impact on Vesteda and the y-axis was determined on the basis of the impact on Vesteda's stakeholders. The size of the 'bubble' was determined on the basis of the degree of importance to Vesteda. If an aspect occurs more frequently and higher in the ranking (prioritisation), the 'bubble' is larger.

Materiality Matrix



1 Good reputation
2 Tenant satisfaction
3 Healthy homes
4 Business Integrity
5 Sustainable maintenance and renovation
6 Compliance
7 Corporate Governance
8 Stakeholder engagement
9 Real estate CO_2 footprint
10 Demographic trends
11 Selection of participants
12 Transparency in stakeholder engagement
13 Procurement policy real estate
14 Company CO_2 footprint
15 Financial performance of the company
16 Talent development
17 ESG reporting
18 CSR partnerships

As stated above, the G4 guidelines stipulate that a company should focus its reporting on the most material aspects. Vesteda has therefore decided to take the seven most relevant material aspects (from an internal and an external perspective) from the materiality matrix as its starting point for the annual reporting on 2015. In the above matrix, these material aspects are shown to the right of the curve and relate to: 1) Good reputation, 2) Tenant satisfaction, 3) Healthy homes, 4) Business Integrity, 5) Sustainable maintenance and renovation, 6) Compliance, and 7) Corporate Governance.

The G4 guidelines stipulate that companies need to report on the performance related to each of the seven material aspects, preferably in figures. The GRI table on page 140 of this report shows the link between the seven material aspects and the so-called GRI G4 aspects and indicators. The table also includes a so-called DMA (Disclosure of Management Approach) per material theme, which provides insight into how Vesteda manages a specific material aspect, what the targets are, how progress is safeguarded, who is responsible for same and how this aspect is measured.

SCOPE

Vesteda also assessed the scope (boundaries) of the various material aspects. All material aspects have boundaries that go beyond the borders of the Vesteda organisation. It is obvious that Vesteda's good reputation and the satisfaction of its tenants are also influenced by the performance and the service quality of our external service providers, such as painters and decorators and maintenance companies. Sustainable maintenance and renovation is a key priority for the Vesteda organisation, but it is not possible to guarantee good performances on this front without the cooperation and solid execution by contractors, building firms and other Vesteda partners. Corporate governance is a focus area that can only be realised in the triangle formed by participants, supervisors and Vesteda. The centre of gravity is within Vesteda, but the participants and supervisors also have a role to play, and have their own responsibilities. Business integrity is a matter of attitude and conduct that Vesteda employees convey in their day-to-day activities. But the scope is broader on this front, too. External real estate agents and appraisers are important players who can have an impact on Vesteda's business integrity. In its efforts to deliver a good performance in terms of these material aspects, it is not sufficient for Vesteda to focus on its own organisation; it also has to involve its partners, service providers and stakeholders in this effort. Compliance is a material aspect that in its implementation should predominantly be secured within our organisation. We have designed and implemented a control framework that provides for this.

For more information on how this annual report has been prepared and what reporting criteria have been applied, please refer to the section About this report on page 74.

Members of the Managing Board and Management Team

From left to right: Ruud Spee, Gertjan van der Baan, Nico Mol, Rob Vroom, Astrid Schlüter, Hans Touw and Trudy van Twuijver.

The Managing Board of Vesteda consists of Gertjan van der Baan (CEO) and Rob Vroom (interim CFO).

Gertjan van der Baan (1968)

Chairman of the Managing Board (since 1 January 2014. First term of office ends in December 2017).

As Chief Executive Officer, Gertjan van der Baan is responsible for Portfolio Management, Property Management, Acquisitions & Development, HR Management and Corporate Social Responsibility. Before joining Vesteda, Gertjan van der Baan was chairman of the Managing Board of Dutch residential property investor Nationaal Grondbezit 'Nagron'. Nagron is part of the Rotterdam-based investor Van Herk Group, where he also served as CEO from 2009. Prior to joining Van Herk Group, Gertjan van der Baan worked nearly nine years at merchant bank Kempen & Co in the field of Corporate Finance.

Rob Vroom (1955)

Member of the Managing Board (since 18 January, 2016).

As interim Chief Financial Officer, Rob Vroom is responsible for Treasury, Investor Relations, Risk & Compliance, Control & Finance, Tax, IT and Legal Affairs. Rob Vroom has extensive experience as a financial director in the real estate sector, including positions as financial director at Dutch office fund KFN (Kantoren Fonds Nederland) and as CFO and statutory director at Bouwinvest REIM. For the past two years, Vroom has acted as interim CFO and statutory member of the Executive Board of Q-Park.

The Management Team of Vesteda consists of the following five persons:

Hans Touw (1958)

Director Portfolio Management. Joined Vesteda in 2010.

Astrid Schlüter (1969)

Director Property Management. Joined Vesteda in 2013.

Nico Mol (1953)

Director Acquisitions & Development. Joined Vesteda in 2002.

Ruud Spee (1964)

Director Fund Management. Joined Vesteda in 2006.

Trudy van Twuijver (1959)

Manager Human Resources. Joined Vesteda in 2011.

Management Report

MARKET DEVELOPMENTS

General

The pivotal year 2013, when we saw the first signs of a fragile recovery, was followed in 2014 by a year of steady growth and in 2015 by a year of optimism in the market. The economic recovery firmed up and this created a strong dynamic on the owner-occupier and rental housing markets, which in turn led to more transactions and higher prices. This dynamic was also evident on the investment market, which saw numerous transactions and lower average gross initial yields [1].

Demographic developments

The number of households is set to grow to 8.5 million by 2030, an increase of 775,000. Although families are still the largest group in the Netherlands, their proportion is no longer increasing. Growth is coming from households of people aged 65 and up, and in particular single-person households [2]. There are major regional differences in this trend. The prognosis does not yet take into account the growing influx of refugees. In practice, the number of households in the Netherlands is set to grow a little faster. The housing shortage will remain unchanged in the coming years, especially in the Randstad region and in the larger Dutch cities (see map Housing shortage in 2020).

Table prognosis households 2015 – 2030

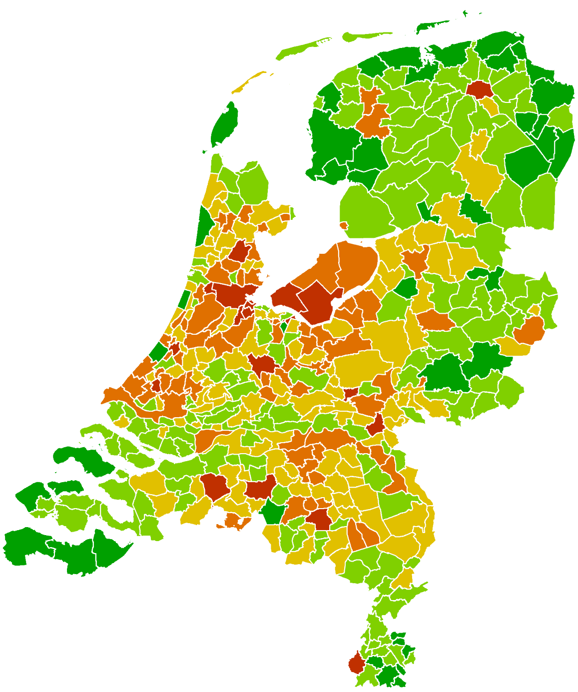
Period	All households	Families (incl. single parent)	Single 65+	Couple 65+
2015	7,670,000	2,570,000	920,000	965,000
2015-2030	+775,000	+30,000	+510,000	+295,000

Economic recovery firms up

In 2015, the economic recovery continued. For the first time since the crisis, the economy grew by more than 2% [3]. Inflation remained low and household purchasing power increased [4]. The number of jobs increased and unemployment fell by 8.6% to below 590,000 jobless [5]. The consumer confidence index increased throughout the year to 106 from 94. Since November 2015, the consumer confidence index started to decrease to 99 in February 2016 [6]. The economic outlook for 2016 is positive. The Dutch central planning bureau (CPB) expects 2016 to see another drop in unemployment figures, continued growth in the residential market, as well as in consumer spending, purchasing power and wages [7].

Housing shortage in 2020 (as % of housing stock) [8]

- > 2.4%
- 2.4% to (1.6%)
- (1.6%) to (4.9%)
- (4.9%) to (11.6%)
- > (11.6%)



1 Vastgoedmarkt, Woningspecial December 2015.
2 Socrates 2015.
3 CPB Policy note 2015/17 December estimate 2015.
4 CPB Policy note 2015/17 December estimate 2015.
5 CBS Statline.
6 CBS Statline.
7 CPB Policy note 2015/17 December estimate 2015.
8 Socrates 2015.

Strong recovery on the owner-occupier property market

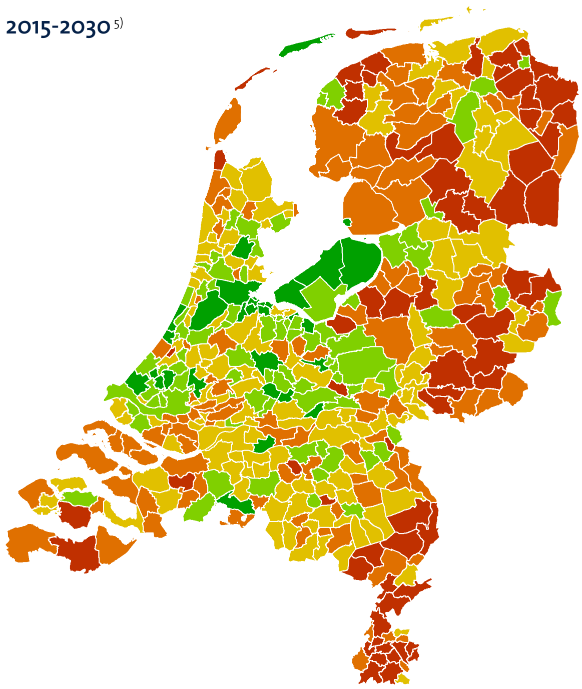
The economic recovery in 2015 was accompanied by a continued recovery on the residential property market. The drop in unemployment, low interest rates, rising wages and purchasing power all boosted the dynamic on the market. In 2015, a total of around 180,000 homes changed hands, an increase of 16% compared with 2014[1]. The average purchase price for existing owner-occupier homes increased by 5%. The new-build segment is also showing healthy growth. Some 20,800 new-build homes were sold in 2015, compared with 18,300 in the previous year[2]. The number of permits issued for new-build projects increased strongly, by 45% to more than 50,000[3].

Increasing dynamic also good for the rental home market

The economic recovery and the increasing dynamics on the residential market generated a lot of movement in the housing market, which in turn increased demand for rental homes in 2015. The turnover rate increased and rental prices in the market saw a clear rise[4]. Due to the shortage of mid-rental segment homes (which is not yet being met with new-build homes), we expect to see continued pressure on the rental market in 2016 and beyond. Shortage on the mid-rental segment is also increasing as a result of government policy measures. Housing associations are forced to withdraw from the segment and home buying is slowly becoming more difficult (more information on this in the next section). The pressure on the rental market does differ per region. Due to ongoing urbanisation, the number of households with median or high incomes is primarily increasing in the country's urban centres (see map Forecast growth households with middle or high income 2015-2030).

Forecast growth households with middle or high income 2015-2030[5]

- > 23.8%
- 13.4% to 23.8%
- 7.7% to 13.4%
- 2.6% to 7.7%
- < 2.6%



Changes in legislation have a positive impact on position of investors

Dutch housing associations are currently implementing the revised housing act. This act stipulates:

- a tight demarcation of the tasks of the corporation to DAEB-activities (social activities)
- the de-regulation limit of €710.68 (monthly rent) to be frozen for three years
- that from 1 January 2016 onwards, in home allocations, corporations have to offer 95% of householders receiving housing benefits a home with a rental price below the de-regulation limit.
- that over the next five years, at least 80% of the property of a housing association must be allocated to households with an annual income of up to €34,911 and at least 10% must be allocated to households with annual income of between €34,911 and €38,950.

1 CBS Statline.

2 NVM Annex PB Macro-economic analysis 14 January 2016.

3 CBS Statline.

4 IPD/MSCI Transaction monitor.

5 Socrates 2015.

Due to these requirements, housing association homes will be almost entirely restricted to low-income households and middle income households will be looking for homes in the non-regulated rental market. In addition, the focus on DAEB activities and the administrative or legal separation of market activities (such as renting out non-regulated rental homes) creates opportunities for investors to acquire non-regulated rental homes from housing associations.

The House of Representatives also approved the bill 'Circulation rental market' (Doorstroom huurmarkt) in February of 2016 and the bill has now been sent to the Senate. This bill includes the following provisions:

- A rental sum approach (inflation +1%) will be introduced for housing associations as per 2017
- From 2017, tenants will be subject to an annual income test. An additional rent increase of maximum the rate of inflation plus four percent may be imposed on households with an income above €38,950. Pensioners and large families of four persons or more are exempt from this.
- Introduction of new rental contracts for defined short periods

Introduction of the 'Circulation rental market' legislation will have a limited positive impact for investors, as the rent increases in the regulated segment may remain similar as those investors have realised in past years. The effort to tackle the problem of middle-income households living in regulated homes by means of higher rent increases will also continue. In addition, the bill creates more possibilities for temporary rental contracts, which will boost circulation in the sector to non-regulated rental homes.

For 2016, the policy on rental prices of non-regulated rental homes is as follows:

- For housing associations, the maximum rent increase has been set at 2.1% (applicable to independent housing)
- For households with an income up to €34,678, the maximum rent increase has been set at 2.1%
- For households with an income between €34,679 to €44,360, the maximum rent increase has been set at 2.6%
- For households with an income above €44,360 the maximum rent increase has been set at 4.6%

The various policy measures aimed at the owner-occupier market will on balance have a limited impact in the residential rental market. On the one hand, the continued low interest rates and the increase in gift tax exemption are reasons for households to buy homes. On the other hand, the reduction of the LTV (loan-to-value ratio) to 102% (up to 100% in 2018 and there is pressure from DNB to reduce the LTV to 90%) and the lowering of the national mortgage guarantee (NHG) to €225,000 from 1 July 2016 will discourage some households from buying homes.

Overview of main changes in rental and owner-occupier housing market legislation in 2015

Date	Theme
1 January 2015	Adjustment de-regulation limit to €710.68
1 July 2015	Introduction of new housing act: associations will have to focus on their core task (division of DAEB / non-DAEB, or social / commercial), more appropriate allocation of rental homes, de-regulation limit of €710.68 (monthly rent) to be frozen for three years per 1 January 2016
1 July 2015	The maximum mortgage amount has been cut for mortgage interest rates of below 3.5%.
1 July 2015	The maximum mortgage covered by the National Mortgage Guarantee drops to €245,000 from €265,000.
1 July 2015	Reduced VAT rate back from 6% to 21% for renovations, repair and garden maintenance at homes
1 October 2015	Introduction of new WWS (home valuation) system amendment

Pressure on residential investments reduces initial yields

The total residential real estate investment volume was €3 billion in 2015 [1], compared with €3.25 billion in 2014 [2]. In addition to foreign investors (€800 million in 2015, €1.65 billion in 2014), in 2015 private individuals invested some €600 million (€650 million in 2014) and institutional investors invested around €1.6 billion (€850 million in 2014) [3]. The biggest transactions of 2015 were overshadowed by those in 2014, as no major portfolios were available last year. This was partly compensated by the major flow of medium-sized transactions. Last year saw some 23 transactions worth €40 million or more. Amsterdam was the favourite target for investors in 2015: more than €600 million in residential investments (20% of the total) [4]. The pressure on the market did lead to investments in secondary locations and less favourable product-market combinations [5]. The increased demand also translated into a further drop in gross initial yields [6]. In top locations, initial yields are averaging between 4.5 and 4.8 percent (4-4.5% in Amsterdam, 4.5% in The Hague and 4.75% in Rotterdam) [7].

1 Capital Value, Analysis of the Dutch residential (investment) market 2016.
2 Vastgoedmarkt, Woningspecial December 2015.
3 Capital Value, Analysis of the Dutch residential (investment) market 2016.
4 Vastgoedmarkt, Woningspecial December 2015.
5 Vastgoedmarkt, Woningspecial December 2015.
6 Capital Value, Analysis of the Dutch residential (investment) market 2016.
7 Vastgoedmarkt, Woningspecial December 2015.

STRATEGY AND LONG-TERM OBJECTIVES

Mission statement
Vesteda is a reliable housing company offering good quality and affordable living for the entire residential lifecycle of its tenants.

Ambition
Our ambition is to be the best performing core residential investment fund in the Netherlands.

Strategy
Our strategy is focused on consolidating our leading position in the mid-rental segment market in the economically strong regions of the Netherlands. We aim for qualitative and sustainable growth of the portfolio and improvement of our performance, resulting in satisfied tenants and increased returns and liquidity for our participants.

Strategic and portfolio objectives
Vesteda's ambition and strategy are translated into strategic and portfolio objectives. For our long-term targets, please see the key performance indicators table in the section 'Outlook and management agenda' on page 37 of this report.

Strategic objectives

Offering an attractive fund profile
- Consolidating our leading position in the Dutch residential investment market: large and well-diversified portfolio
- Attractive risk-return ratio: core residential investment fund with a low risk character
- Offering liquidity and fiscal transparency
- Conservative use of leverage with optimal diversification by market, type of financing and maturity
- Competitive management expenses

Optimal portfolio management
- Focus on the mid-rental segment
- Acquisitions in economically strong market segments
- Gross/net ratio ≤ 25% (excluding landlord levy)
- Increased sustainability of the portfolio
- Structural outperformance of the three-year MSCI IPD/ROZ Netherlands 'All Residential' benchmark

Maintaining a professional and efficient organisation
- Professional and result-focused activities
- Maintaining tenant satisfaction and tenant focus
- Attracting and retaining talented employees

Optimising total return
- Stable distribution (realised result less result on property sales) and real long-term value growth

Based on these strategic objectives, Vesteda has identified the following five building blocks for value creation:
- Portfolio management
- In-house property management
- Acquisitions
- Property sales
- Funding

For each of these five building blocks, the strategy has to be simple, focused and agile. Well-designed processes should result in high-performing operations and a performance-driven organisation. The key values of both the organisation and its employees are results-oriented, cooperation, professionalism and entrepreneurial spirit. The operational developments 2015 and the management agenda 2016 for each of these five building blocks are described on pages 24 to 29 and 37 of this report.

Portfolio objectives
The shortage of homes is expected to continue to increase in the years ahead, especially in the economically stronger regions and in the mid-rental segment. Vesteda will increase the portfolio's concentration on the mid-market rental segment (monthly rents of between €710.68 and approximately €1,200). On top of this, the main focus will be on regions that are well positioned (primary regions) or regions that have a positive economic and demographic outlook (secondary regions). We will continue to prudently sell assets outside these regions and those that do not meet our other investment criteria in the years ahead.

Vesteda's acquisition strategy is focused on both individual buildings and portfolios of residential properties, both new-build and existing residential units.

This in combination with our property sales strategy should in the longer term result in a portfolio with an ever-increasing part in the mid-rental segment, largely in Vesteda's primary regions.

OPERATIONAL DEVELOPMENTS

Portfolio Management

Thanks to an active letting policy through continuous mark-to-market of letting prices and a strong focus on immediate re-letting of upcoming vacancies, dedicated investments to further improve the quality of the investment portfolio and the continuing recovery of the rental market, Vesteda managed to increase the occupancy rate in 2015. The number of rental movements increased slightly in 2015, especially in the second half of the year. The turnover rate increased to 13.2%, compared with 12.5% in 2014.

Relative performance (MSCI benchmark)
In 2015, Vesteda outperformed the MSCI IPD/ROZ Netherlands 'All Residential' benchmark for the direct return (+0.4%) but underperformed the indirect return (-1.2%).

Vesteda Residential Fund versus MSCI residential benchmark [1]

Percentages, MSCI IPD/ROZ Netherlands 'All Residential' benchmark, computed using MSCI definitions.

	Annual average					Average of past	
	2015	2014	2013	2012	2011	3 yrs	5 yrs
Direct return							
Vesteda Residential Fund	5.0	5.0	4.9	4.5	4.1	4.9	4.7
MSCI-benchmark	4.5	4.5	4.4	4.2	4.1	4.5	4.3
Outperformance	0.4	0.5	0.4	0.2	0.0	0.5	0.3
Indirect return							
Vesteda Residential Fund	5.0	0.8	(3.8)	(5.1)	(3.4)	0.6	(1.4)
MSCI-benchmark	6.3	0.6	(4.0)	(3.7)	(2.2)	0.8	(0.7)
Outperformance	(1.2)	0.1	0.2	(1.4)	(1.2)	(0.3)	(0.6)
Total return							
Vesteda Residential Fund	10.2	5.8	0.9	(0.8)	0.6	5.5	3.2
MSCI-benchmark	11.0	5.2	0.2	0.3	1.8	5.3	3.6
Outperformance	(0.8)	0.6	0.6	(1.2)	(1.2)	0.2	(0.3)

Please refer to Key portfolio developments on page 49 of this report for a detailed explanation of the main changes in our portfolio.

In 2015, Portfolio Management put a great deal of time and effort into redefining its portfolio plan, which led to a comprehensive and in-depth portfolio plan for the period 2016-2025. Significant changes in the plan are the differentiations that have been made between so-called A, B and C locations (A=excellent, B=attractive, C=not attractive) for the primary and secondary regions , the shift in the focus from improving occupancy rates towards maximising net rental income and the more stringent goals set on the portfolio sustainability front.

In-house Property Management

The reorganisation of Property Management was successfully completed in mid-2015. Property Management is now a more customer-oriented organisation, which aims for combining operational excellence and tenant focus.

The annual tenant satisfaction survey that Vesteda has conducted is an important instrument for improving the service we provide for our tenants. In 2015, we carried out a number of improvement actions based on the points identified in the 2014 survey (communication with Vesteda and maintenance of our homes). We have made the first improvements in changing how we communicate with our tenants and suppliers. For instance, we introduced an online tenant's guide 'Clear about renting', informing our (new) tenants about all the facets of renting and living in our properties.

1 Direct return and indirect return might not add up to total return as a result of time-weighted averages (monthly).

In addition, we have significantly improved the management of our suppliers. We reduced the number of suppliers drastically from approximately 1,900 suppliers to just 25 preferred (contracted) suppliers. They have fully committed to Vesteda's conditions, which means that they are subject to the high standards of sustainability and tenant satisfaction that we have set ourselves. We also improved our financial processes. For example, we have eliminated backlogs and reduced accounts receivable positions.

In 2015, the average satisfaction score of our current tenants stood at 6.9, the same score we registered in 2014. Please see the section Tenant survey on page 36 of this report for a detailed explanation of this survey.

On top of this, we have automated several key processes, such as inspections, repairs and information requests, resulting in more efficient and professional operations. The additional research into satisfaction with the automated service commissioned by Property Management revealed that tenants appreciate the professionalism and ease of service, giving it a score of 7.6 out of 10.

Acquisition

Acquisitions and Development's task in 2015 was to fill the pipeline with new-build projects, which can flow into the portfolio in the years ahead, plus the acquisition of existing real estate, residential buildings or entire portfolios, which can be added to the portfolio with immediate returns. The premise in all of this is that acquisitions have to be spot on in terms of both the location (primary region), and the rental price segment (mid-rental).

We increased our pipeline with 550 residential units to around 1,300, largely located in the strong markets of Amsterdam and Utrecht. Construction has already started on some 600 homes. All of these acquisitions also meet the criteria we have formulated for the mid-rental segment. The exclusive negotiations we are involved in are also at a good level, with 420 homes. The number of projects offered remained at a high level.

The acquisition of existing properties did not meet the expectations we had last year. Housing associations put far fewer properties on the market than expected. Also, the number of competitors has increased, especially the number of foreign investors. The residential buildings offered are generally sold through tenders and can only be acquired at very low yields. The few portfolios that did come on to the market seldom met our requirements, due to both the location and the quality of the product itself.

As the acquisition of existing properties lagged last year, we failed to meet our target for the inflow of residential buildings into the portfolio in 2015. The acquisition of new-build residential buildings will provide a significant inflow in our pipeline.

Additions to the investment portfolio 2015

In 2015, we added a total of 118 residential units to the investment portfolio. In the first quarter, we added a total of 72 apartments to the portfolio, including 30 apartments following the acquisition of the existing residential building De Ooievaar in Purmerend from housing association Wooncompagnie . The remaining 42 apartments are part of the development project De Amazones in Den Bosch. In the second quarter, we added a total of 29 family homes from the Helioshof project in Arnhem. All three projects are located in the primary region and have rents in the mid-rental segment.

Residential building, location	Total number of units	Apartment / Family home	Region	Rental segment
De Amazones, Den Bosch	42	Apartment	Primary	Mid/Higher
De Ooievaar, Purmerend	30	Apartment	Primary	Mid
Helioshof, Arnhem	29	Family home	Primary	Mid
Reclassifications to regular apartments	17	Apartment	Primary	Mid / Higher
Total inflow	**118**			

Pipeline year-end 2015

In 2015, Vesteda added a total of eight projects, totalling 550 residential units, to its pipeline. Four of these projects are located in (larger) Amsterdam. All projects are an excellent fit for Vesteda's portfolio in terms of region, rental range and energy label. In the first quarter, Vesteda signed a turnkey agreement covering all 192 apartments in the 100-metre high Amstel Tower building adjacent to the Amsterdam Amstel Dutch railway station. In the second quarter, Vesteda successfully completed a number of exclusive negotiations, including the acquisition of 25 family homes in the Nieuw Princenhof project in Leusden, 98 apartments in the De Diemer project in Diemen and 56 apartments in the De Generaal project in Amsterdam. In the third quarter, Vesteda bought two residential towers that are still under construction from housing association AlleeWonen. These are located on the centre side of the new 'Public Transport Terminal' railway station in Breda. The towers called De Wachters consist of 75 apartments. In the fourth quarter Vesteda signed two more contracts. The first of these was a turnkey agreement for the construction of 31 family homes in the urban expansion neighbourhood of Schuytgraaf in Arnhem (Lunahof). The second was a contract for the realisation of 73 mid-rental segment homes in the New-West area of Amsterdam (Dunantstraat). Vesteda acquired the project from housing association de Alliantie.

Building location	Total number of units	Apartment / Family home	Region	Rental segment	Expected completion/ into operation
New residential development					
CZAN 14noord, Amsterdam	14	Apartment	Primary	Mid	2016
Nieuw Princenhof, Leusden	25	Family home	Primary	Mid	2016
Lunahof, Arnhem	31	Family home	Primary	Mid	2016
CZAN De Hagen, Amsterdam	64	Apartment	Primary	Mid	2016
De Wachters, Breda	75	Apartment	Primary	Mid	2016
De Diemer, Diemen	98	Apartment	Primary	Mid	2017
Dunantstraat, phase I Amsterdam	45	Apartment and family home	Primary	Mid	2017
De Generaal, Amsterdam	56	Apartment	Primary	Mid	2017
Dunantstraat, phase II Amsterdam	28	Apartment	Primary	Mid	2017
Seattle Boston, Rotterdam	48	Apartment	Primary	Mid	2017
Leidsche Rijn Centrumplan, Utrecht [1]	466	Apartment	Primary	Mid	2017/2018
Amstel Tower, Amsterdam	192	Apartment	Primary	Mid	2017/2018
Existing units					
De Boel, Amsterdam	154	Apartment	Primary	Mid	2016
Total	**1,296**				

1 A total of 251 apartments will be added to the investment portfolio, 215 apartments will be sold.


CZAN De Hagen, Amsterdam
De Boel, Amsterdam
De Diemer, Diemen
CZAN 14noord, Amsterdam
Nieuw Princenhof, Leusden
Dunantstraat, phase I Amsterdam
Lunahof, Arnhem
Dunantstraat, phase II Amsterdam
Leidsche Rijn Centrumplan, Utrecht
Amstel Tower, Amsterdam
Seattle Boston, Rotterdam
De Generaal, Amsterdam
De Wachters, Breda

Property sales

In 2015, Vesteda's property sales strategy was focused on the optimisation of its investment portfolio and realising an attractive net property sales margin. Residential buildings that no longer meet our criteria in terms of quality or returns qualify for individual unit sales. The number of sales is closely aligned with the number of homes acquired, to realise the growth of the total portfolio (investment portfolio and pipeline portfolio).

The recovery of the residential market (both rental and owner-occupier) continued in 2015. Prices rose in all parts of the country, led in absolute terms by the rise in owner-occupier house prices in Amsterdam. On top of this, transaction times were shorter and the property sales related vacancy has decreased. The shortage of rental homes continued to increase, especially in mid-rental segment.

The net result of all these factors is that Vesteda continuously assesses whether residential buildings that qualify for property sales should be put on the market or should actually be taken off the market.

We have decided to reduce or terminate the individual unit sales in various residential buildings, as thanks to the improved market conditions they can (once again) make an attractive contribution to our portfolio result.

Due to these changes, we sold fewer homes than originally anticipated and consequently result on property sales in 2015 was lower than in 2014. The net margin on residential units sold remained stable and the expected increase in valuation of unsold residential units has indeed occurred.

Funding

Equity

Equity raise

In 2015, we continued our intensified investor relations policy. In the first quarter of 2015, we completed Vesteda's first international roadshow which was started mid-2014, familiarising potential investors with the Vesteda investment proposition. Partly as a result thereof, Vesteda welcomed two new leading international investors that have joined the fund with a total of three legal entities. Allianz Real Estate, one of the world's largest real estate investors, and a leading Asian institutional investor joined the fund in April 2015. Of the total investment of €600 million, a total of €415 million was invested directly and a total of €185 million was committed.

	Directly drawn	Committed	Total
Acquisitions	€160 million	€185 million	€345 million
Redemption of participants	€255 million	-	€255 million
Total	**€415 million**	**€185 million**	**€600 million**

One participant reduced its interest in full and exited the fund, while two participants partially reduced their interest in Vesteda.

During the year, a total of three so-called specified terms transactions took place. These secondary transactions were all initiated by existing participants, and resulted in two additional participants exiting the fund.

Intensified investor relations

Last year, we devoted considerable time and attention on strengthening the dialogue and relationship with our participants. For example, during our Annual Participants' Day, we have held discussions on a number of substantive topics, such as Corporate Social Responsibility, fund leverage and development risk. The outcome of these discussions served as important input for our 2016 Business Plan. In addition, we introduced quarterly results calls and added the INREV Standard Data Delivery Sheet (SDDS) to our reporting. We have also introduced public quarterly updates.

Participant satisfaction survey

Another part of our intensified investor relations efforts was a satisfaction survey among our participants. The aim of the survey is to determine the participants' current perception of Vesteda, with a focus on strategy, senior management and the investor relations/communications programme and efforts. The survey was conducted by an independent agency and was anonymous. This was Vesteda's first participant satisfaction survey and we now intend to repeat this every year.

The survey included a total of 13 anonymised telephone interviews in the period from 25 September through 21 October. Participants were asked a total of 17 questions, nine of which were assigned scores and relevance ranging from 1-5 (5 being the best score) and eight of which were open questions.

The outcome of the survey was shared with our participants and the Supervisory Committee and provided Vesteda with valuable feedback and some clear areas for improvement or attention, such as extra attention for sustainability and a continuation of a sound and cautious implementation of the acquisitions strategy. The 'Vesteda' scores in the first section of questions (questions 1-9 with scores ranging from 1-5) received a generally very positive response, with an overall average score of 4.1. On the whole, participants said they saw strong overall progress and a favourable outcome from the changes made under the new management.

Debt

In 2015, we saw a continuation of the attractive conditions for sourcing new debt, but the market proved to be more volatile than in 2014. Markets started the year with a very strong environment for new issuance at record low rates. However, sentiment changed during the second quarter, mainly as a result of the Greek economic crisis. Markets reopened cautiously after the summer period and were followed by a new rally to low interest levels in the fourth quarter of 2015, mainly as a result of renewed quantitative easing by the European Central Bank.

Vesteda managed to successfully source €900 million in new debt during 2015 in the form of bank facilities and capital market issuance. Please see page 34 of this report for a detailed explanation.

As a result of our debt funding actions in 2015, we have addressed all our refinancing obligations up to the first quarter of 2018. By the end of 2015, Vesteda's overall leverage had fallen to 28.6%, in line with its long-term target.

NOTES TO THE RESULTS

Key figures

	FY 2015	FY 2014	Change (%)
Income (in € million)			
Theoretical rent	245	248	1%
Loss of rent	(8)	(11)	28%
Gross rental income	**237**	**237**	**0%**
Property operating expenses	(60)	(62)	3%
Other income	(1)	1	>100%
Net rental income	**176**	**176**	**0%**
Result on projects in progress	-	4	>100%
Result on property sales	14	20	31%
Management expenses	(16)	(21)	20%
Interest expenses (including amortised fees)	(38)	(53)	27%
Unwind derivative position	(14)	(12)	9%
Realised result (before tax)	**122**	**114**	**7%**
Unrealised result	**169**	**22**	**>100%**
Total operating result	291	136	>100%
Revaluation of derivatives	25	(4)	>100%
Total comprehensive result	**316**	**132**	**>100%**

	31 December 2015	31 December 2014
Balance sheet (in € million)		
Total assets	3,839	3,667
Equity	2,629	2,262
Debt capital	1,098	1,265
Leverage ratio (in %)	28.6	34.5

	FY 2015	FY 2014	Change (%)
Debt capital (in € million)			
Interest expenses	36	47	23%
EBITDA	160	156	3%

	FY 2015	FY 2014
Return on Equity (in % of opening equity)		
Realised return	**5.4**	**5.0**
- return from letting	5.4	4.6
- return from property sales	0.6	0.9
- return from unwind transaction derivatives	(0.6)	(0.5)
Unrealised return	**7.5**	**1.0**
Total return excluding revaluation on derivatives	12.9	6.0
Revaluation on derivatives (including unwind transaction derivatives)	1.1	(0.2)
Total comprehensive return	14.0	5.8
Total return (in € per participation)	**12.24**	**5.48**
Proposed distribution to investors	4.6	4.7
Proposed distribution to investors (in € per participation)	4.71	4.43

	31 December 2015	31 December 2014
Non-Financial Figures		
Number of residential units managed	22,599	22,990
- apartments	13,387 (59%)	13,574 (59%)
- single family homes	9,212 (41%)	9,416 (41%)
Number of residential units inflow	118	169
Number of units outflow	520	1,012
- individual unit sales	520	746
- residential building sales	-	266
Occupancy rate (in % of units)	97.9	96.6
Number of employees (in FTEs)	179	189

	2015	2014
Loss of rent (in % of theoretical rent)	3.2	4.4
Tenant satisfaction (rating out of 10)	6.9	6.9

Lower vacancies

The theoretical rent came in at €245 million, down slightly from €248 million recorded in 2014. This decline was due to the slightly smaller size of the portfolio. Average rent increased to €856 at year-end 2015, from €843 at year-end 2014. On a like-for-like basis, the increase was 1.3%, well above the average inflation rate for the same period (0.7%).
The lower theoretical rent was offset by a reduction in the loss of rent, which came in at €8 million, compared to €11 million in 2014. Improved market conditions, the swift letting of the inflow of new residential buildings in the portfolio, continuous mark-to-market of letting prices and a strong focus on immediate re-letting of upcoming vacancies all contributed to these positive occupancy results. Average occupancy in 2015 was 97.3%, almost a percentage point above the 2014 figure (96.4%). This resulted in gross rental income of €237 million, the same amount as 2014, despite the smaller portfolio.

Lower property operating expenses

The property operating expenses came in at €60 million, slightly lower than the property operating expenses in 2014 (€62 million). Lower fixed costs due to lower taxes and lower non-recoverable service charges thanks to lower vacancies and cost savings on the maintenance programmes all helped to reduce costs compared to 2014. This effect was partly offset by slightly higher maintenance cost following the ending of the favourable VAT treatment of the labour component in mid-2015. Other cost was lower due to one off corrections for previous year cost.

This is also reflected in the gross/net ratio (including landlord levy), which was 25.5% compared to 25.9% in 2014. Excluding the landlord levy, the gross/net ratio came in at 23.6%.

Other income
Other income came in at €1 million negative due to a provision for the possible settlement of a contingent liability related to one of the residential buildings. Of the total provision of €6 million, €2 million is charged to other income, while the remainder has been accounted for as unrealised result (loss).

Result on property sales
In 2015, Vesteda sold a total of 520 residential units. These were all individual unit sales. In 2014, Vesteda sold a total of 1,012 residential units, of which 746 were individual unit sales and the remaining 266 part of residential building sales. In 2015, Vesteda reconsidered its sales strategy and moderated its sales volume targets in the light of the strongly improving market conditions and the value growth of the portfolio.

Due to the reduced number of residential units sold, the income from these sales, which came in at €14 million, was lower than in 2014 (€20 million). The net sales margin on property sales improved to 18.0% in 2015, from 16.9% in 2014.

Management expenses
Management expenses came in at €16 million, significantly lower than the €21 million recorded in 2014. This reduction was primarily due to the positive impact of the completed reorganisation at property management, which resulted in a structural downward adjustment of expenses.

Interest expenses
The improved cost of funding as a result of the corporate refinancing programme for Vesteda, combined with a net debt repayment of in total €170 million in 2015, resulted in a decline in interest expenses including amortised fees in 2014 to €38 million in 2015, from €53 million in 2014. The average interest rate was reduced to 3.3% from 4.1% in 2014.

Unwind of derivative position
The fixed rate refinancing and deleveraging activities required Vesteda to adjust its hedging position. We decided to reduce the notional of the €490 million Interest Rate Swap by €150 million at an unwinding cost of €14 million. This transaction took place in October and had a neutral impact on the fund's net asset value.

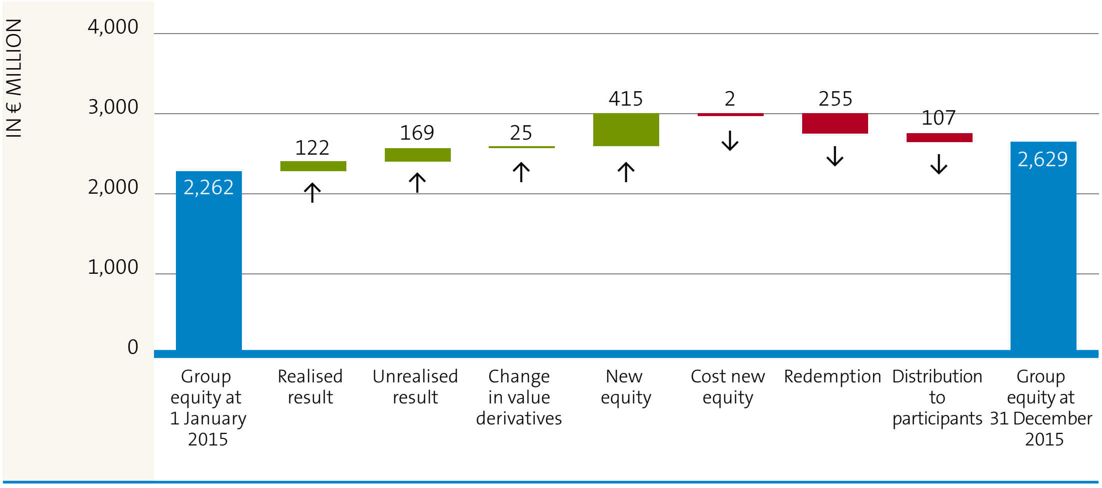
Realised result
Vesteda recorded a realised result of €122 million in 2015, compared with €114 million in 2014. This improved result was primarily driven by lower management expenses, lower property operating expenses, and lower interest charges.

Unrealised result
Due to a positive revaluation of 4.7%, Vesteda's unrealised result came in at €169 million, compared with €22 million in 2014. Value growth accelerated in 2015, mainly due to the improved market conditions, with rising vacant value growth expectations and lower discount rates.

Total comprehensive result
The total comprehensive result amounted to €316 million, compared with €132 million in 2014. The total return on equity (ROE) came in at 14.0%, compared with 5.8% in 2014. The difference of 8.2% in the ROE was due to a slightly higher realised result (+0.4%), a considerably higher unrealised result (+6.5%), plus a positive revaluation of Vesteda's interest derivatives position (+1.1% compared to -0.2% in 2014).

Equity
Changes in equity
At 31 December 2015, equity stood at €2,629 million, compared with €2,262 million at 31 December 2014. This increase in equity totalling €367 million was the balance of a positive realised result of €122 million, a positive unrealised result of €169 million, a positive change in the value of derivatives of €25 million, new equity inflow totalling €415 million, a cost of new equity of €2 million, redemption of a total of €255 million, and a distribution to participants totalling €107 million.

Changes in equity (in € million)



Distribution proposal

Vesteda's distribution policy is to pay the realised result less the result on property sales from the previous financial year. The realised result less the result on property sales amounted to €108 million in 2015. As a result of the one-off character of the derivative unwinding transaction, Vesteda proposes not to take the unwinding cost into account for the 2015 distribution calculation. Vesteda will therefore propose to the General Meeting of Participants the pay-out of a total distribution of €122 million, which represents a dividend yield of 4.6% for the 2015 financial year.

Number of issued participations

At 31 December 2015, Vesteda Residential Fund had issued a total of 25,795,084 participations, compared with a total of 24,045,495 participations at year-end 2014. The increase of 1,749,589 participations was the balance of the issue of 4,535,007 participations and the redemption of a total of 2,785,418 participations.

List of institutional investors (participants)

At year-end 2015, Vesteda's participant base consisted of 14 institutional investors joining the fund with the following 18 entities (in alphabetical order):

- Allianz Benelux
- APG Strategic Real Estate Pool
- AZ Jupiter 10
- Bouwfonds Nationale Nederlanden
- Delta Lloyd Levensverzekering
- Delta Lloyd Life
- Loyalis Leven
- Loyalis Schade
- Non-disclosed Asian institutional investor
- Pensioenfonds voor de Grafische Bedrijven
- PGGM Private Real Estate Fund
- Stichting Bedrijfstakpensioenfonds voor de Media PNO
- Stichting Pensioenfonds ABP
- Stichting Pensioenfonds Openbaar Vervoer
- Stichting Pensioenfonds voor Fysiotherapeuten
- Stichting Pensioenfonds Xerox
- Stichting Spoorwegpensioenfonds
- Stichting TKPI European Real Estate Fund

Debt capital

Long-term financing strategy

Vesteda's financing strategy is based on creating and maintaining a well-diversified debt portfolio with the mitigation of refinancing risk through access to multiple source markets that provide debt funding alternatives. Consequently, Vesteda ended its reliance on debt funding via the CMBS market through gradual redemption of its outstanding CMBS notes and refinancing with corporate unsecured funding transactions comprising bank facilities, bond issues and private placements. Through refinancing, Vesteda aims to reduce its average cost of funding, increase its funding options flexibility, and optimise the maturity profile of its debt capital. Vesteda maintains low leverage and has a long-term target of 30%.

2015 in review

The year 2015 marked the end of Vesteda's reliance on funding via CMBS notes and the completion of the transition to corporate unsecured funding initiated in 2011. New transactions and further deleveraging contributed to the successful achievement of Vesteda's long-term funding targets:

- Termination of CMBS programme
- Reduction of interest costs
- Achieving long-term leverage target of 30% of total assets
- Further diversification of funding sources
- Extension and diversification of maturity profile
- Sufficient liquidity headroom to allow for acquisitions and refinance short-term debt maturities
- Reduction of asset encumbrance for secured debt

At year-end 2015, Vesteda's drawn debt capital amounted to €1,098 million. In 2015, Vesteda continued along its path of reducing average interest costs to 3.3% from 4.1% in 2014. Vesteda reduced its leverage to 29% per year-end 2015 from 35% a year earlier and we are now below our long-term leverage target.

In 2015, Vesteda refinanced €900 million of its existing debt capital with two new transactions:

- €600 million of bank facilities were refinanced with a new five-year €600 million revolving credit facility
- €300 million of CMBS notes were replaced with a second seven-year €300 million bond issue

Through these transactions, Vesteda extended its average weighted maturity profile to 4.7 years from 2.9 years in 2014. The redemption of its CMBS notes decreased asset encumbrance to 8% of asset value at year-end 2015, from 36% at year-end 2014. Vesteda also added two new lenders to its existing bank group, contributing to a further diversification of funding sources. The new revolving credit facility offers flexibility and liquidity headroom, as this is partially undrawn to cover potential acquisitions and refinancing obligations.

Throughout 2015, Vesteda met all the financial covenants of its financing arrangements. Further covenant headroom was created by a higher realised result, a positive portfolio revaluation and a net equity inflow, lowering the leverage, and allowing the renegotiation of the covenant levels of the revolving credit facility to reflect Vesteda's improved credit profile.

Vesteda debt portfolio year-end 2015

Facility	Borrower (Guarantors)	Type	Security	Recourse	Committed	Drawn	Average Amortisation	Maturity Date	Margin/ Spread
Revolving Credit Facility	Vesteda Finance (Custodian Vesteda Fund (CVF) 1, 3, 4)	Bank Facility	Unsecured	Guarantors	€600 mln	€270 mln	Bullet	1-6-2020	0.90% [1]
Berlin Hyp Mortgage Loan	CVF 2	Bank Mortgage Loan	Mortgage	None	€50 mln	€50 mln	Bullet	19-7-2018	1.80%
FGH 1 Mortgage Loan	CVF 5	Bank Mortgage Loan	Mortgage	None	€34,475,000	€34,475,000	1.50% p.a.	1-1-2018	1.775%
FGH 2 Mortgage Loan	CVF 5	Bank Mortgage Loan	Mortgage	None	€21,543,750	€21,543,750	1.50% p.a.	1-1-2018	2.50%
FGH 3 Mortgage Loan	CVF 5	Bank Mortgage Loan	Mortgage	None	€21,589,185	€21,589,185	1.50% p.a	1-1-2018	2.50%
Pricoa Private Placement	Vesteda Finance (CVF 1, 3, 4)	Private Placement Loan	Unsecured	Guarantors	€100 mln	€100 mln	Bullet	8-5-2021	1.80%
Bond issue 1.75% 2019	Vesteda Finance (CVF 1, 3, 4)	Bond, issued under EMTN programme	Unsecured	Guarantors	€300 mln	€300 mln	Bullet	22-7-2019	1.25%
Bond issue 2.50% 2022	Vesteda Finance (CVF 1, 3, 4)	Bond, issued under EMTN programme	Unsecured	Guarantors	€300 mln	€300 mln	Bullet	27-10-2022	1.95%

1 Margin grid: applicable margin per year-end 2015: 0.70% margin plus 0.20% utilisation fee.

TENANT SURVEY

Introduction

This year, the Vesteda tenant survey consisted of approximately 2,460 current tenants, 590 new tenants and 400 former tenants. The response rates were 26%, 24% and 16% respectively. The research was carried out by an external agency specialised in customer satisfaction measurements. This agency also measures customer satisfaction of current tenants at Vesteda's peers, resulting in a benchmark for current tenants amongst institutional residential investors. The benchmark consists of Altera, Amvest, ASR, Bouwinvest, CBRE, Dela Vastgoed, Delta Lloyd, Syntrus Achmea, Van der Vorm and Vesteda.

Vesteda's customer satisfaction of current tenants is measured twice a year and customer satisfaction of new tenants and tenants who decide to terminate their lease (former tenants) are measured on a monthly basis. The results of the survey provide Vesteda with valuable input for better services. The potential improvements identified will be made in various processes (intake, follow-up on repair requests, improvements in know-how and client-friendliness, etc.).

Current Tenants

Vesteda's KPI for measuring tenant satisfaction is the average score for Service (S), Surroundings (S) and Home (H) of current tenants (average SSH), which came in at 6.9 in 2015. This equals the rating recorded in 2014. In 2015, Vesteda devoted extra attention to improving service levels by designing and constructing a client-friendly tenant portal. As a result, overall service satisfaction levels (S) were given a rating of 6.3 in 2015, up from 6.2 in 2014. Where the benchmark indicates a decline in appreciation of service in 2015, the Vesteda results indicate an improvement in satisfaction of service. The growth in number of tenants submitting a repair request by the tenant portal increased from 15% in 2014 to 27% in 2015. This is an important underlying factor causing the improved service satisfaction score. Tenants are also more satisfied than last year about the handling of repair requests (6.2 in 2015 compared with 6.1 in 2014). Tenants' perceptions of local surroundings (S) were rated at 7.2, slightly lower than the 2014 result of 7.3. The rating recorded for home (H) was 7.2, in line with 2014.

Rating (out of 10)	2015 Vesteda	2015 Benchmark	2014 Vesteda	2014 Benchmark	2013 Vesteda	2013 Benchmark
KPI Vesteda - Average SSH	**6.9**	**7.1**	**6.9**	**7.2**	**6.9**	**7.0**
Service (S)	6.3	6.6	6.2	6.7	6.3	6.5
Surroundings (S)	7.2	7.4	7.3	7.4	7.1	7.2
Home (H)	7.2	7.4	7.2	7.4	7.2	7.2
Total satisfaction	**6.7**	**7.0**	**6.8**	**7.0**	**6.8**	**6.9**

The total satisfaction rating from current tenants is measured by a separate question and can best be seen as an image score. Total satisfaction by current tenants for renting a home from Vesteda declined slightly to 6.7 in 2015 from 6.8 in 2014. Vesteda scores 0.3 lower in comparison with the benchmark. Underlying factors that cause this difference include a different composition of the Vesteda portfolio, with for instance a relative higher proportion of older homes and single family homes.

Tenants rate the durability of the house a 6.3. Of tenants, 35% indicates that the energy label of a home is becoming more important when choosing a future home. For 9% of tenants, the energy label is even decisive in choosing a home.

In 2015, 29% of current tenants indicated that they wished to move within five years, compared with 33% in 2014.

New tenants

Total satisfaction by new tenants for renting a home from Vesteda declined from 7.3 in 2014 to 6.7 in 2015. New tenants gave their newly-occupied homes an average rating of 7.5, compared to 7.8 in the previous year. New tenants rated the immediate surroundings 7.6 in 2015, which is lower rated than 7.8 in the previous year. All together new tenants were more critical in 2015 compared with 2014, especially on the intake and transfer procedures. New tenants gave the intake procedure a rating of 6.9 and rated the transfer procedure a 7.1. These were both considerably lower than the respective rating of 7.5 and 7.6 in 2014 and will be points to focus on to improve our service in 2016. Furthermore, the maintenance of the homes was given a lower rating by new tenants (6.7, down from 7.0 recorded in 2014).

As in 2014, the reason most cited for relocating by new tenants was the sale of a home. This reason was given by 17% of new tenants in 2015, down from 19% of new tenants in 2014. The number of homes viewed before tenants accepted a new home in 2015 came in at 3.3 viewings, compared with 2.7 viewings in 2014. Of these, 2.1 viewings were homes offered by other residential investment managers. The specific location of the home was seen as the deciding factor in choosing a home, followed by the rapid availability.

Former tenants

In 2015, 65% of tenants that terminated their lease stated that they were fully satisfied living in a Vesteda home, compared with 68% in 2014. Total satisfaction rate from departing tenants is 7.0 on average. The main reasons departing tenants gave for relocation were purchase of a home (40%) and accommodation costs (41%).

As in 2014, half of the departing tenants purchased a home. Among departing tenants under 35 years, this percentage is significantly higher (69%). Also 62% of departing tenants in the age group 35-54 years departs to purchase a home. Reasons tenants gave for buying a home included the opportunity for a good investment and the pleasant surroundings of the new home. Former tenants moved more frequent to an apartment (29%) than to a single family home (19%).

Conclusion

The survey gives important information on how Vesteda can improve its service. It shows that considerable improvements can be made by digitalization of services and clear communications. For this reason, we will further develop our client portal. Moreover, we will increasingly make use of social media. In addition to this, we will continue to closely monitor our direct client contacts and will, if necessary, take actions.

Furthermore, speeding up the repair procedure, effective handling of complaints and the intake procedure will be points to focus on to further improve our service in 2016.

Vesteda also takes additional energy measures. Amongst others more old boilers will be replaced by high efficiency boilers and more insulation and double glazing will be fitted.

Vesteda would like to express its gratitude to all its tenants for their valuable cooperation and feedback in this survey in 2015.

OUTLOOK AND MANAGEMENT AGENDA

The outlook for the Netherlands is positive. The economy is expected to grow by more than 2%, investments are increasing sharply and inflation will remain low due to falling commodity and energy prices [1]. The limited drop in unemployment, rising wages and the €5 billion in tax cuts announced on last year's budget day will all boost purchasing power and stimulate consumer spending. The main uncertainties that may affect the Dutch economy all come from outside the country. The Dutch economy is more than average dependent on international trade. And this is about more than the policies of bodies such as the FED and the ECB and the development of oil prices; it is also about the consequences of terrorist attacks and the influx of refugees.

The improved financial outlook (low interest rates, fewer unemployed, higher wages) will make the residential market even more dynamic in 2016. The number of residential transaction will once again increase this year and house prices for existing properties are expected to increase by some 4%. However, there are enormous regional differences. In strong locations such as Amsterdam house price rises are expected to be substantially higher than in more peripheral parts of the country. We also expect to see demand for rental homes increase in 2016, which will result in higher rental prices. These developments will be most visible in economically strong regions in the Netherlands. Legislative changes that have restricted the tasks of housing corporations will increase demand for non-regulated sector rental homes in the short term. On top of this, qualitative demand will increase in the longer term due to certain long-term trends, such as the increase in the number of one person households, retirees, individualisation and living requirements.

1 CPB Policy brief 2015/17 December estimate 2015.

Foreign investors have an investment war chest of more than €3 billion for 2016, roughly the same as they spent last year[1]. Due to the lack of available residential portfolios, they are expected to turn even more to new-build real estate and participations in funds. Investments in Dutch residential real estate remains interesting for foreign investors, largely due to the attractive risk return ratio on Dutch residential real estate compared to 10-year government bonds.

The outlook for 2016

Economy	• Economic growth boosts purchasing power • Low inflation and oil prices are good for consumer purchasing power • Low interest rates boost investments producers and consumers	• Consumer confidence stabalising	• Slight drop in unemployment • Global developments, such as terrorism and refugee flows create a climate of uncertainty • Uncertain international economic situation
Rental market	• Shortage of homes in the non-regulated rental segment, especially in strong regions • Qualitative living requirements (increase in singles and retirees) • Legislative proposals to improve circulation in the rental market and the implementation of the revised housing act make the rental property market more attractive for investors • Freezing liberalisation limit	• Segment above €1,000 remains a (regional) niche market outside the Randstad • Production construction sector gains pace	• Long-term perspective of shrinking regions • Low inflation limits annual rental growth in regulated segment
Owner-occupied market	• Economically strong regions recover more strongly and see more value growth • Low interest rates still make buying more attractive than renting	• Number of households with negative equity is falling • Mortgage lending more generous for two-income households and tighter for single people	• Lower LTV and NHG mortgage guarantees make buying a home more difficult for larger number of households
Investment market	• Investment appetite for the Dutch residential rental market among institutional investors is large	• Limited supply of complexes and portfolios from housing associations	• Competition from foreign investors with other risk/return profile • Competition from institutional and private investors

1 Capital Value, Analysis of the Dutch residential (investment) market 2016.

Key performance indicators

	Actual 2015	Target 2015	Target 2016	Long-term target
Portfolio				
Average occupancy rate (in % of units)	97.3	96.6	97.3	≥ 97.0
Loss of rent (as a % of theoretical rent)	3.2	4.0	3.5	<3.5
Annual rent increase	2.2% (inflation 0.7%)	at least average inflation	>2.0	at least average inflation
Property operating expenses (in % of gross rental income excluding landlord levy)	24	24	24	≤ 25
Net rental income (in % of the value of the portfolio, at start of year)	4.9	4.9	4.8	≥ 4.5
Average energy classification in portfolio	68.3% ≥ C 24.0% D 7.7% ≤ E	C (EI: ≤1.50) 92% ≥ D 8% ≤ E	74% ≥ C 20% D 6% ≤ E	80% ≥ C (D ≤ 20%)
Management/Letting				
Total management expenses related to average GAV (TER) (basis points)	44	45-55	44 bps	< 35 bps
Real Estate Expense Ratio related to GAV (REER)	1.61	NA	1.77	< 1.95
Tenant satisfaction	6.9	7.0	7.0	≥ 7.0
Leverage	28.6%	≤ 35%	≤ 30%	≤ 30%
Return				
Three-year MSCI benchmark	total return +0.2%	above benchmark	above benchmark	above benchmark
Realised return (in % of opening equity)	5.4%	6.2%	5.4%	≥ 4.5
Distribution to investors	realised return excluding result on property sales and excluding result derivative unwind	realised return excluding result on property sales	realised return excluding result on property sales	realised return excluding result on property sales

Optimisation of net rental income; slight increase in loss of rent

Loss of rent over 2016 is estimated at 3.5% of the theoretical rent, a slight rise compared with the loss of rent of 3.2% recorded in 2015. One of Vesteda's main priorities is to improve net rental income. The measures we take to achieve this goal include: investments in the quality of our homes, increase top line rental income, active marketing efforts and a focus on renting out homes immediately once these are vacated. The occupancy rate is high at the moment and is close to the unavoidable friction vacancy rate. The slight increase in loss of rent is due to the relatively higher than average inflow of projects from the pipeline into the investment portfolio compared with 2015. In addition, the focus on optimising net rents may have a limited negative impact on the occupancy rate.

Rent increases

The potential for rent increases in the regulated segment of the residential portfolio is determined by government policy and has been set at inflation plus a maximum of 2.5% within the parameters of the so-called rental sum approach. Vesteda's policy for this part of its portfolio is focused on using annual rent increases to achieve the Maximum Reasonable Rent. We expect to be able to increase rents in this segment by 2.3% in 2016.

Although rent increases in the non-regulated rental segment are not limited by legislative measures, they do depend on general rental market developments. The current portfolio is partly over-rented. This limits the potential for rent increases in the non-regulated part of the residential portfolio. We expect the adjustment of rents in mid-2016 to be around 2% for our non-regulated sector properties. We expect the overall rent increase to be on average above inflation.

Property operating expenses
The gross/net ratio, excluding the landlord levy, is expected to come in at 24% in 2016, in line with 2015.

Total management expenses related to average GAV (TER)
Vesteda expects total management expenses related to average GAV over 2016 to be approximately 44 basis points, equal to the TER in 2015 of 44 basis points and 55 basis points in 2014.

Realised return
Realised return is expected to come in at 5.4%, in line with the realised return in 2015. Although the realised result is expected to increase by fourteen percentage points, the return will be tempered by the increased net asset value of the portfolio.

Management agenda 2016

Portfolio Management
In the year ahead, our strategic targets will focus on:
- Maximising top line rental growth
- Improving the quality and composition of our portfolio
- Making our portfolio more sustainable

Maximising top line rental growth
By responding to trends in the Dutch and international residential market, we will be able to offer our (future) tenants attractive living. Via the growth of our portfolio and active in-house property management, we will create extra value in the portfolio. To achieve this, we will devote extra attention to maximising rental income, by making active use of opportunities and responding to the opportunities the market offers.

Improving the quality of our portfolio
In the year ahead, we will focus on mid-rental segment family homes and apartments in our so-called primary and secondary regions. Our decisions on this front will be driven by the classification of areas, neighbourhoods and streets in these regions produced by our own Research department. We will come up with alternative tactics for residential buildings that fail to meet our criteria. We will make targeted investments in our portfolio to meet the requirements of our (potential) tenants and by doing so create additional rental and value growth.

We have appointed an Advisory Committee to support the continued development of our portfolio strategy, together with the development and assessment of (new) living concepts and acquisition opportunities. This Advisory Committee consists of people specialised in important aspects of the residential market. We will initiate dialogues with the Advisory Committee on a regular basis for inspiration and to exchange ideas on the developments that will be important to our tenants in the future.

Making our portfolio more sustainable
In 2020, we will outperform the requirements laid down in the Dutch government's so-called Energy Agreement. The effect should be that at least 80% of the properties in our portfolio will have energy labels A to C. On top of this, the remaining 20% of our residential units will have energy label D or higher. To achieve this, we will be investing some €23 million in our existing portfolio in the years ahead. All our new-build acquisitions will come with at least energy label A. And any acquisitions of existing residential buildings will need to have at least energy label C. To meet these requirements, we will make additional investments if necessary. Our suppliers and other contractors will also have to comply with our CSR targets.

In-house property management
In 2016, Property Management will focus on increasing tenant satisfaction, improving the gross/net margin and increasing the top line rental income (like-for-like rental growth).

In 2016, Property Management will continue to increase the focus on our tenants. The main change we are targeting how we communicate with our tenants and suppliers. Communication with our tenants is one of the main areas of improvement according to the tenant survey in both 2014 and 2015.

We will also continue the process of automating the rental process through the website and various innovations in other processes in 2016. For example, we will evaluate the pilot for remote desktop inspections (employee at the office performs inspections using voice and visual connection with and operated by the tenant) and implement this if the outcome is positive.

Vesteda intends to improve the gross/net margin by further professionalising our procurement and supplier management and by reducing the maintenance costs by use of innovative (sustainable) products.

We aim at increasing the top line rental growth for instance by finding an optimal balance between rent level and occupancy rate, increasing the non-residential income (income from commercial spaces and parking), and by streamlining the first letting process of acquisitions coming into operation.

Acquisitions

Vesteda's target for the year ahead is to continue expanding its portfolio. Our target for 2016 is to add more than 1,000 homes to our pipeline, both new-build and existing properties. We will also be focusing on the potential acquisition of portfolios. Primary locations and mid-rental segment homes will continue to be the key criteria of our acquisition strategy.

Thanks to the rapid market recovery, we are likely to see an increase in competition from other investors, but primarily from the owner-occupier market. As long as mortgage interest rates remain low, buying a home is a more attractive option. The rental market will be driven for the main part by more mobile one or two-person households in the country's major urban centres.

Property sales

To realise the targeted growth of the portfolio, the number of unit sales will be closely aligned with the progress we make in our acquisition strategy. We will dispose of units in residential buildings that no longer meet our portfolio criteria. This will make a gradual contribution to the realisation of our targeted portfolio.

To generate the highest possible proceeds from property sales, we will make the maximum use of the developments in the market for owner-occupier homes. And we will make the targeted investments necessary to achieve the best sales prices. We will closely monitor and assess the performance of our external real estate agents. In addition to this, we will be doing our utmost to reduce sales costs (i.e. vacancies) to the minimum.

Funding

In 2016, Vesteda will continue to professionalise and intensify its investor relations policy, with the aim of generating permanent positive interest in Vesteda participations, and ultimately strengthening Vesteda's strategic position and the liquidity of the fund.

In 2016, Vesteda will continue to optimise its debt funding profile with the aim of further extending the maturity profile of its debt and diversifying its funding sources by entering into long-term financing options at favourable terms.

Finally

We are pleased that our tenants and buyers have chosen Vesteda's services and homes. We are grateful for the trust our participants continued to place in us in 2015 and appreciate the input, expertise and contributions from the members of the Supervisory Committee. Most of all, we would like to thank our employees for their dedication, commitment and hard work in the past year.

Amsterdam, 16 March 2016

Vesteda Managing Board

Gertjan van der Baan (CEO) and Rob Vroom (interim-CFO)

Members of the Supervisory Committee

From left to right: Maarten de Groof, Seada van den Herik, Kees de Boo, John de Die and Peter Kok. Not inluded on this picture: Hans Copier.

Kees de Boo (1944), chairman
Dutch. Former Chairman of the Managing Board of NS Vastgoed.

Areas of expertise: management, finance (including property investment), project development, asset management.
Ancillary positions: member of the Supervisory Board of Propertize, member of the Supervisory Board of Artis (Amsterdam Zoo), member of the Supervisory Board of Stichting Pro Senectute, member of the Integrity Committee of Neprom.

Hans Copier (1957)
Dutch. CEO of Propertize, former member of the European Executive Committee and Country Manager Netherlands of CBRE Global Investors.

Areas of expertise: management, risk management and audit, compliance, personnel and organisation.
Ancillary positions: chairman of BREEAM-NL In-Use, member of the Committee of Experts of the Dutch Green Building Council and member of the Committee of Experts of Stichting Stimuleringskader Integere Organisatie.

John de Die (1960)
Dutch. CFO-COO of AAC Capital Partners, former CFO of Rodamco Europe, Geveke, Kempen & Co, former Head of Finance at KLM.

Areas of expertise: risk management & control, corporate finance, investments, reporting.
Ancillary positions: member of the Supervisory Board of Stichting Waarborgfonds Eigen Woningen, member of the Supervisory Board of Diamond Tools Group, acting chairman of the Supervisory Board of Stichting VUmc Fonds, Chairman of the Supervisory Board of Stichting Sportbedrijf Amstelveen, lecturer at Amsterdam Business School (UVA).

Maarten de Groof (1957)
Dutch. Executive Vice President & Chief Commercial Officer of Schiphol Group (until 1 April 2016).

Areas of expertise: management, personnel and organisation, commerce.
Ancillary position: Vice-chairman of the Supervisory Board of Eindhoven Airport.

Peter Kok (1954)
Dutch. Former interim CFRO of APG and former CFO of Delta Lloyd.

Areas of expertise: management, finance, risk management.
Ancillary positions: member of the Supervisory Board of Mn Services, member of the Supervisory Board of Optimix Investment Funds, member of the Supervisory Board of DAS Rechtsbijstand and member of the Supervisory Board of ANWB.

Seada van den Herik (1972)
Dutch. Former CEO of Zwitserleven and former board member of Vivat Verzekeringen.

Areas of expertise: personnel and organisation, finance, risk management.

The table below provides an overview of the composition of the Supervisory Committee as per 1 April 2016 and the rotation schedule.

Name	Committee	Date of first appointment	End of current term
Hans Copier	NomRem Committee	12 February 2016	12 February 2020 (first term)
John de Die	Chairman Audit Committee	1 April 2011	1 April 2019 (second term)
Maarten de Groof *(Chairman)*		1 August 2015	1 August 2019 (first term)
Seada van den Herik	Chairman NomRem Committee	9 December 2015	9 December 2019 (first term)
Peter Kok	Audit Committee	1 July 2011	1 July 2018 (second term)

Report of the Supervisory Committee

Introduction

Following the positive results achieved in 2014, we are pleased that the Managing Board was able to report an even more positive total result of €316 million for 2015. This excellent result was due to both the positive developments in the Dutch real estate market, which led to positive property revaluations, and the hard work of Vesteda's employees, Management Team and Managing Board. They improved direct returns by decreasing vacancies and controlling costs. Last year, Vesteda also made considerable progress on improving the quality of its organisation and successfully initiated and completed a number of transactions that will increase its portfolio for the long term. On top of this, Vesteda further optimised its debt structure, which resulted in lower future interest rates, while extending the average maturity of Vesteda's overall debt. On the financing side, Vesteda's strong business case resulted in inflow of equity from two major international investors for the Fund.

While we are pleased with the results presented by the Managing Board, we believe Vesteda should expand on this and continue along the path of improvement to achieve its long-term ambitions.

Supervisory Committee

Introduction

The Supervisory Committee comprises Mr. De Boo (Chairman, stepping down per 1 April 2016), Mr. Copier, Mr. De Die, Mr. De Groof, Mr. Kok and Mrs. Van den Herik, all of whom are deemed independent in the sense described in the Supervisory Committee's by-laws. In 2015, the committee met seven times, either in person or by teleconference. There were no notable absences of members of the Supervisory Committee.

You will find additional information on the role and functioning of the Supervisory Committee and its committees in the Corporate Governance chapter on page 65.

Funding

In 2015, Vesteda's Managing Board conducted a very successful equity raise, transforming previous redemption requests to an investment queue. The equity raise eventually resulted in two international investors joining the Fund, while committing to further investments in the amount of €185 million. The Supervisory Committee was in continuous dialogue with the Managing Board during this process and was very pleased with the final result.

The Supervisory Committee also discussed in detail Vesteda's Debt Policy and Funding Strategy as presented by the Managing Board. The Supervisory Committee underwrote the objectives presented by the Managing Board (which were compared with peers), such as extending the maturity profile, reducing asset encumbrance, reduction of fixed interest and maintaining a diversified funding profile. An improved €600 million senior unsecured revolving credit facility was negotiated with the approval of the Supervisory Committee. The Supervisory Committee agreed with the Managing Board's proposal to aim at a leverage ratio below 30%. In line with the advice on options provided by the Managing Board, the Supervisory Committee further approved the early repayment of the entire outstanding A4 CMBS note, which enabled a second bond issue of €300 million for seven years at a 2.58% yield.

Acquisitions and Strategy

The Supervisory Committee discussed the positioning of Vesteda and its focus on both the participants as a fund and on tenants as a residential real estate owner on a number of occasions.

Considering the opportunities in the Dutch real estate market in 2015, and in light of the ambitions set out in the Business Plan for 2015, the committee devoted extra attention to the fund's acquisition strategy. The Supervisory Committee discussed the parameters that management set to assess potential acquisitions and the risk management measures that are applied to control the risks involved in such projects. The Supervisory Committee approved the aim to increase development activities, also with third parties, although with the caveat that zoning exposure should be avoided.

During the course of the year, the Supervisory Committee approved various investment proposals, such as Zeeburgereiland and Amstel Tower in Amsterdam. Prior to asking the Supervisory Committee for approval of such projects, the Managing Board gave the committee the opportunity to comment on the projects at an early stage, so as to ensure its advisory function and an efficient decision-making process.

In addition to replicating previous successes, the Supervisory Committee finds it important that Vesteda's management learns from less successful ventures from the past. With a view to this, the Managing Board gave a presentation to the Supervisory Committee on the lessons learned from the Leidsche Rijn project, which to date has incurred substantial losses. The Supervisory Committee will continue to ensure that the Managing Board reports on this matter to the committee.

Finance and reporting

The 2014 financial statements and the 2014 annual report were discussed in the presence of Vesteda's auditor. The auditor was very positive regarding the cooperation with Vesteda's new Managing Board. Furthermore, the Supervisory Committee supported the decision of the Managing Board to calculate the net asset value in accordance with INREV standards when executing transactions involving participation rights.

In 2015, the Supervisory Committee discussed the results of the MSCI IPD/ROZ Residential Benchmark 2014 and the quarterly results in 2015. While Vesteda had increased its outperformance over 2014, the company started to lag the benchmark on the unrealised returns in the second, third and fourth quarter of 2015. The Supervisory Committee emphasized the importance of making a thorough analysis to ensure continuous improvement.

The Supervisory Committee was disappointed with Vesteda's low GRESB score last year and discussed this matter with the Managing Board. The Supervisory Committee was pleased that the CEO took up the challenge not only to improve this score in 2016 but also to formulate ambitious CSR goals and objectives that are now part of the Business Plan approved by the participants. The Supervisory Committee underwrites the importance of CSR for Vesteda and its stakeholders and is pleased that this matter has the management attention it deserves. The Supervisory Committee will continue to monitor the implementation of the goals and targets defined in the Business Plan throughout 2016.

In 2015, the Managing Board consulted extensively with the Supervisory Committee in the process of drafting the Business Plan. The Supervisory Committee was able to provide its input and advice on two occasions and this deemed to be a very efficient process. The Supervisory Committee supported the fact that the Managing Board also gave the participants the opportunity to show their views on certain strategic topics, such as leverage and development risk, at the informal Annual Participants' Day.

The Supervisory Committee addressed the auditor's Management Letter, which did not show major issues.

In general, the Supervisory Committee deemed the reporting of the Managing Board on ongoing issues and actions taken adequate and had no reason to initiate further audits or investigations.

Organisation

With the departure of Mr. Drost and Mr. Pars, and the upcoming end of the tenure of Mr. De Boo as per 1 April 2016, the Supervisory Committee, with the help of an external executive search expert and upon the recommendation of the Nomination and Remuneration Committee, submitted a proposal to the participants to appoint Mr. De Groof and Mrs. Van den Herik as new members, and the participants voted unanimously in favour of the proposal. In February 2016, Mr. Copier was appointed as a member of the Supervisory Committee.

The Supervisory Committee recognises the importance of a diversified composition and takes this into account when selecting potential Supervisory Committee nominees. With the appointment of Mrs. Van den Herik, Mr. De Groof and Mr. Copier, Vesteda has taken a further step in diversifying the Supervisory Committee in terms of customer orientation, real estate expertise, organisational development and gender diversification.

As part of their introduction, the new Supervisory Committee members were provided with background information on Vesteda, its structure, operations and terms, and followed an introduction programme, which included meetings with executives and other staff members to learn about Vesteda and its specifics.

Towards the end of 2015, the Supervisory Committee was increasingly involved in the discussions regarding the role and position of Vesteda's CFO, Mrs. Pragt. While the Supervisory Committee acknowledged Mrs. Pragt's positive contributions to Vesteda, the difference in views on how the Vesteda organisation should be managed resulted in Vesteda and Mrs. Pragt parting ways. An experienced interim CFO, Mr. Vroom, has been appointed at the beginning of 2016, which provides the Supervisory Committee with ample time to search for a permanent replacement.

On an organisational level, the Supervisory Committee discussed two major issues. Firstly, the Supervisory Committee approved the proposal of the Managing Board to move the head office to a new location: De Boel in Amsterdam. As part of this move, the property management division will also relocate to the new location.

The Supervisory Committee shares the opinion that this will be beneficial for the efficient cooperation between the various departments within Vesteda. Secondly, management initiated an improvement plan (Vesteda Verbetert) which has been rolled out throughout the organisation. The aim of this programme is to turn Vesteda into a high-performance organisation focusing on quality and improving business processes. Members of the Supervisory Committee were present at the successful kick-off of this programme at the annual Vesteda Day to show its strong support and will continue to monitor the programme to make sure momentum is maintained in 2016.

Furthermore, the Supervisory Committee held meetings in the absence of the management, including meetings with the Risk Management Officer and the auditor. On various occasions, individual members of the Supervisory Committee met with senior officers of Vesteda to be informed about current matters. Mr. De Boo attended a meeting of the Works Council in which the members of the Works Council asked questions about the Supervisory Committee's view on development activities and acquisitions. Mr. De Boo, amongst others, received feedback from the Works Council on the "Vesteda Verbetert" project. The Supervisory Committee will continue to be updated periodically on discussions with the Works Council.

In light of its 'permanent education', the Supervisory Committee met off-site for a day to learn more about Vesteda's property management, its organisation and executed and ongoing improvements. The day was very informative and enhanced the Supervisory Committee's understanding of certain parts of Vesteda's organisation. On top of this, individual meetings with a key player in the German real estate market contributed to the know-how and creation of new ideas within the Supervisory Committee. Members of the Supervisory Committee also attended seminars for members of supervisory boards on a broad range of topics such as IT, innovation and governance.

The Supervisory Committee performed a self-assessment at the end of 2015. The Supervisory Committee came to the conclusion that they work well together as a team and that they have sufficient access to Vesteda's organisation to execute their duties. As a point of improvement, the members of the Supervisory Committee would like to interact more with Vesteda employees outside the Management Team.

Risk Management

As a regulated real estate fund, risk management is an essential part of Vesteda's day-to-day business. As such, the Supervisory Committee assured that it was periodically updated on this topic by the Risk Management Officer, who attended all meetings of the Supervisory Committee. Furthermore, the Risk Management Officer presented Vesteda's risk management policy and framework. The Supervisory Committee had the opportunity to comment on the risk management framework and the various risks identified in the framework, which are assessed on a quarterly basis. The Supervisory Committee approved the risk management policy and in addition decided that the Audit Committee would continue to conduct periodic discussions on identified risks. In view of this, the Supervisory Committee discussed the status of Vesteda's IT framework, which required some improvements. The Supervisory Committee has assured itself that the Managing Board has tackled the issues adequately, by taking some short-term measures and by having a long-term improvement plan. Progress is monitored in each Audit Committee meeting.

Miscellaneous

Looking to the future development of the Fund, the Supervisory Committee deems it important that the Fund's management keeps track of developments in the rental market in particular and the real estate market in general. Only this will ensure that the Fund is on top of its game and stays ahead of its competitors. In order to enhance in-house knowledge, focusing on quality of the portfolio in the broadest sense, at the initiative of the Supervisory Committee and with the support of the CEO, Vesteda has set up an Advisory Committee, which comprises of a broad range of market experts. While this Advisory Committee has no formal role in the Fund's governance, it will serve as a sparring partner for the Fund's management on market developments in general and more specific projects in particular.

The Supervisory Committee periodically discussed matters related to the Fund's investor relations. In view of this, the Supervisory Committee joined the Annual Participants' Day, which was attended by a large number of representatives of the Fund's participants. On several occasions, members of the Supervisory Committee met with representatives of the participants on an individual basis. Furthermore, the Supervisory Committee was very pleased with the outcome of a participants' satisfaction survey, which reflected the enormous progress Vesteda has made in terms of communications and reporting over the past few years.

Overall, the Supervisory Committee and the Managing Board worked well together in 2015. The provision of information was timely, clear and sufficient for the Supervisory Committee to perform its duties and the Supervisory Committee has noted ongoing improvements in the management of the Fund, its organisation and (financial) reporting.

Audit Committee

The Audit Committee comprises Mr. De Die and Mr. Kok and met five times in the year under review. It discussed the periodic and annual financial statements and the management letter and early warning memorandum of the auditor in detail in the presence of the Fund's CEO, CFO and external auditor. Accounting issues and main assumptions, judgments and valuations were discussed, and the external auditor reported his findings. The Chairman of the Audit Committee also met and spoke with the external auditor on several occasions in the absence of the Managing Board, in order to remain directly informed. The Audit Committee was leading in the selection of Deloitte as the new proposed auditor for a period of four years as of the financial year 2016, which was approved by the participants. The Audit Committee, together with the CFO, also made sure that Deloitte was sufficiently involved in EY's activities, to ensure a smooth transition.

The Audit Committee devoted considerable time and attention to the Fund's operational and financial objectives, which management developed based on (sensitivity) studies, peer analyses and expertise within the company and its stakeholders. The objectives included the LTV ratio, the hedging level, debt maturity, diversification and liquidity headroom. The Audit Committee agreed overall with the presented objectives, though sometimes had points for management to further consider.

In connection with this, the Audit Committee was heavily involved in the Fund's refinancing activities in 2015, as described above in detail.

Every year, the Fund has to evaluate and, if necessary, adjust its risk management policy. The Audit Committee took note of some minor changes proposed and passed on some substantive comments, which were taken on board by the Risk Management Officer. The Audit Committee was also periodically informed about specific risk categories, such as tax, investor relations, portfolio management and treasury.

A recurring topic on the agenda of the Audit Committee is the status of the Fund's IT framework. Several major deficiencies came to light in 2015, as put forward by the CFO and these required immediate attention. Apart from short-term fixes, the Audit Committee was presented with a plan for long-term solutions. The Audit Committee has sufficient assurance that the issues have been addressed adequately, though will continue to monitor this process closely in 2016.

The Audit Committee discussed the outcome of several internal audits, including audits on management costs, property sales and treasury. Overall, the Audit Committee agreed with the presented recommendations. It also took note of the Internal Audit Plan for 2015. The Audit Committee underwrites the importance of conducting internal audits and having a dedicated officer in place to coordinate and monitor such internal audits. As such, it has asked management to present the Audit Committee with a proposal on a revision of the internal auditor role within the fund.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises Mr. De Boo, Mr. Pars (until his resignation), Mr. De Groof and Mrs. Van den Herik (from the date of appointment) and met four times in 2015.

One of the main tasks of the Nomination and Remuneration Committee in 2015 was finding suitable candidates for the vacancies within the Supervisory Committee, with a focus on diversification in background, knowledge and gender. The Nomination and Remuneration Committee is of the opinion that with Mr. De Groof, Mrs. Van den Herik and Mr. Copier, who were appointed by a unanimous vote of the fund's participants, the fund has gained highly qualified professionals who are expected to make significant contributions to the Supervisory Committee. In addition, the Nomination and Remuneration Committee was engaged with finding a candidate to fill the CFO position on an interim basis.

At the request of the Supervisory Committee, the Nomination and Remuneration Committee devoted considerable time and attention to organisational development and cultural changes. Management initiated the 'Vesteda Verbetert' programme, which is aimed at transforming Vesteda into a high-performance organisation. The Nomination and Remuneration Committee deems this programme of great importance to the fund's organisation as a whole and strongly supports the programme's objective to effectuate changes from within the organisation. The Nomination and Remuneration Committee will continue to follow the developments of this programme and will ensure that the Supervisory Committee receives regular reports on the progress made.

The Nomination and Remuneration Committee reviewed the performance of the Managing Board and monitored the targets of the Managing Board and the Management Team throughout 2015. The targets are aimed at generating long-term benefits for Vesteda and include targets on deleveraging, optimising net rental income, increasing sales margins and lowering interest costs.

The Nomination and Remuneration Committee worked on the legal and fiscal implementation of a phantom share plan for the Managing Board and members of the Management Team, for which it engaged an external expert. The Nomination and Remuneration Committee (and the Supervisory Committee) believe that this plan is a good addition to the restrained variable remuneration of the directors and officers involved and that its supports the alignment between management and participants in the long term.

Meeting of Participants

Vesteda convened two regular Participants' Meetings. These included the annual meeting, in which the financial statements and the annual report were discussed and adopted, and the execution of the Business Plan was evaluated. In the bi-annual meeting, the participants discussed and approved the Business Plan 2016. Furthermore, Vesteda convened three extraordinary Participants' Meetings related to the appointment of two new members to the Supervisory Committee and the accession of two new participants to the fund. Some resolutions were adopted in writing. In addition, participants were able to attend the above-mentioned informal Participants' Day.

Amsterdam, 16 March 2016

Supervisory Committee Vesteda

Kees de Boo, *Chairman*
Hans Copier
John de Die
Maarten de Groof
Seada van den Herik
Peter Kok

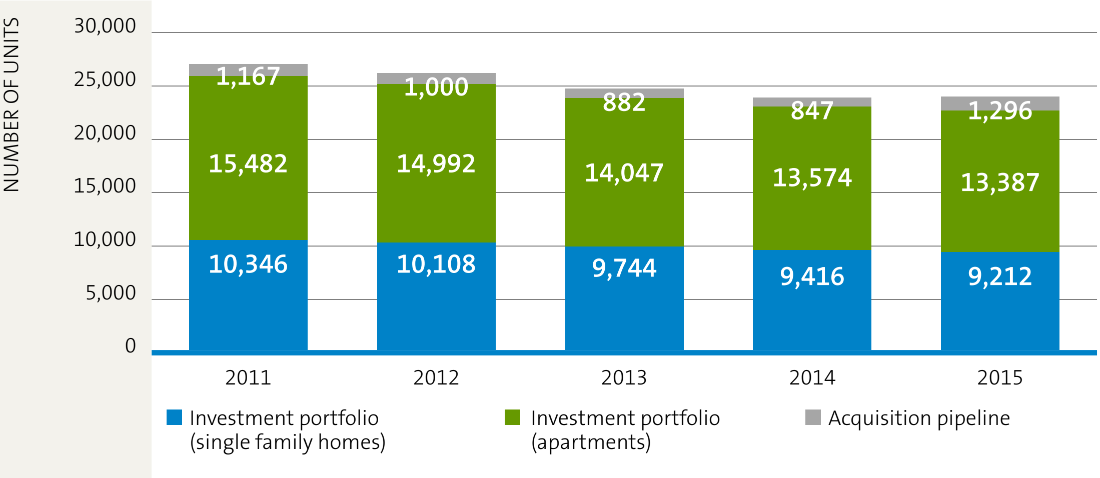
Key portfolio developments

The composition of the portfolio is based on the following three pillars:
- Return: contribution of property returns to the overall portfolio return;
- Location: focus on economically strong regions;
- Rental segment: focus on the mid-rental sector.

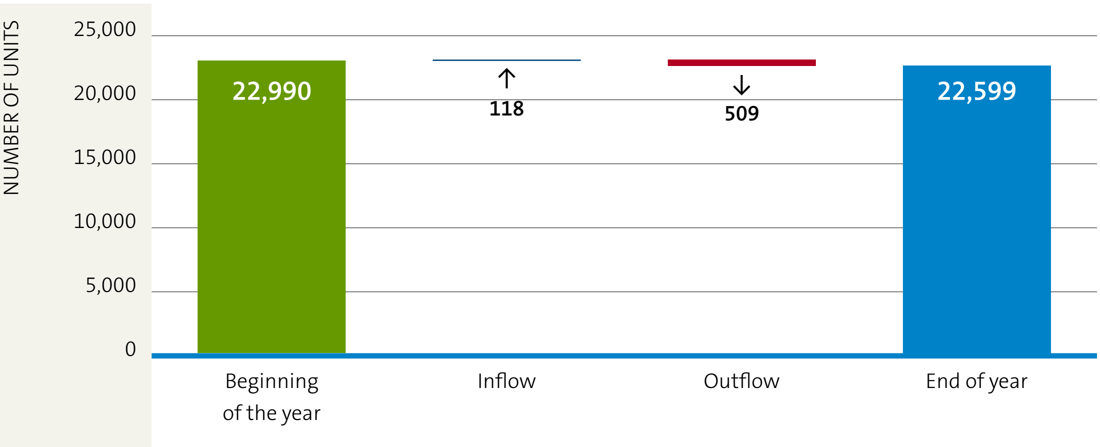
This section describes the key portfolio developments over the last (few) year(s), based on market segmentation and strategic portfolio criteria.

UNITS

Total number of units in investment portfolio and acquisition pipeline



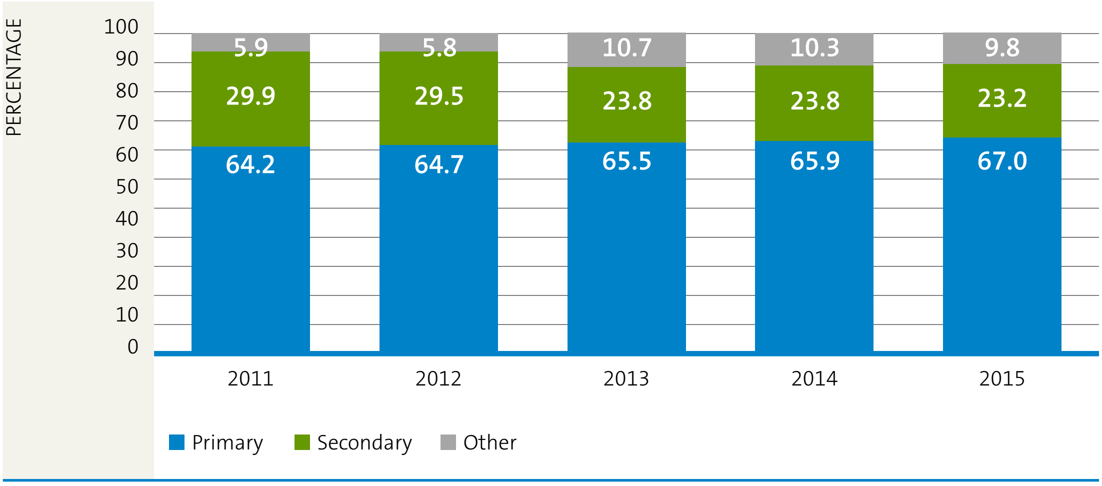
Changes in investment portfolio



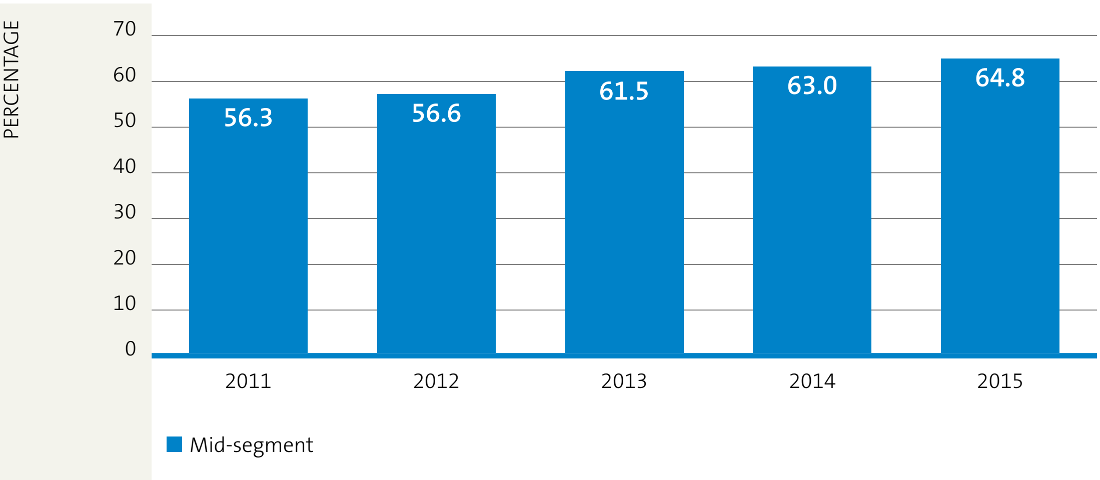
The total number of residential units stood at 22,599 at year-end 2015, a drop of 1.7% from year-end 2014.

The primary part of the portfolio in terms of value increased to 67.0% from 65.9%. This was the result of the contribution of realised acquisitions and property sales to the composition of the portfolio and due to higher revaluations in the primary part of the portfolio (primary: 5.0% versus the portfolio: 4.7%).

Composition of the investment portfolio by region (percentage in terms of value)



Composition of the investment portfolio (mid-segment, in terms of value)



INCOME FROM INVESTMENT PORTFOLIO

Market rent and theoretical rent

The theoretical rent at year-end 2015 was 0.9% higher than the market rent. Although still negative, the reversionary potential has improved significantly when compared with the previous two years, when the reversionary potential was 1.6% negative and 2.5% negative respectively for 2014 and 2013.

Investment portfolio, market rent and theoretical rent

Year-end (€ million)	2015	2014	2013	2012	2011
Market rent	243	244	243	260	266
Theoretical rent	244	248	249	259	262

Rental income trends

Investment portfolio, average monthly rent

Year-end (€)	2015	2014	2013	2012	2011
Average monthly rent	856	843	827	806	793

The average rental income per unit rose 1.5% to €856 in 2015. The main driver of this increase was the annual rent increase on 1 July 2015 (+2.0%) which was dampened by the impact of lower realised rents from re-lettings (-0.7%) and slightly accelerated by the inflow and outflow of residential units (+0.2%).

Investment portfolio, average rental increase by source

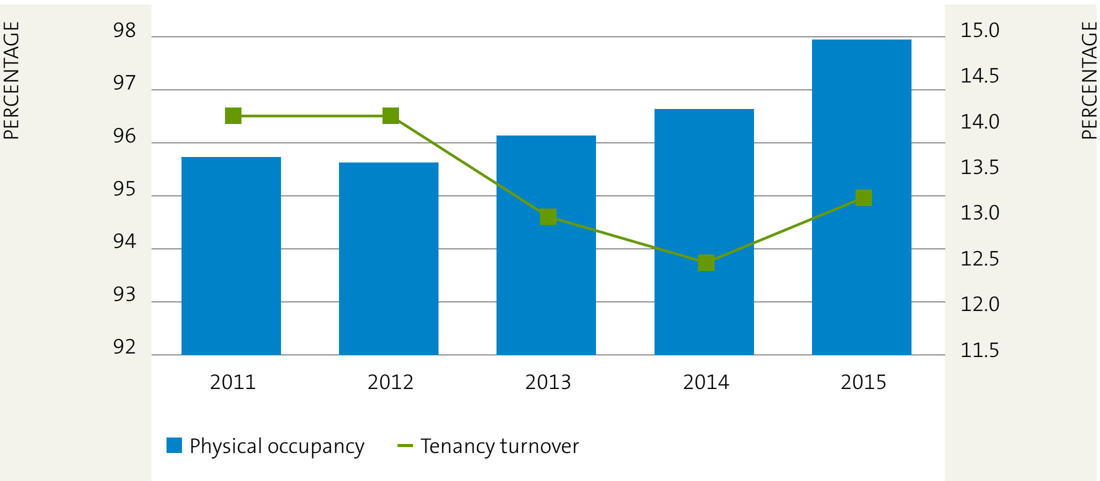
Beginning of year compared with year-end	2015	2014
Inflow and outflow of properties in the portfolio	0.2%	0.5%
Re-letting	(0.7)%	(1.1)%
Average rental increase for current tenants	2.0%	2.5%
Total increase in average rent	**1.5%**	**1.9%**

On a like-for-like basis, rental income increased by 1.3% (2.0%-0.7%). The like-for-like average rent increase is above inflation (0.7% average year CPI Q4-2015), which confirms the sound inflation hedge of the fund.

Occupancy rate and tenancy turnover

The occupancy rate (in units, year-end) rose to 97.9% due to Vesteda's additional efforts to reduce vacancy. Tenant turnover increased to 13.2% for the year. The strongest increase was seen in the mid-rental segment.

Physical occupancy rate and tenancy turnover



Realised rental income

Investment portfolio, realised rental income

(€ million)	2015	2014	2013	2012	2011
Gross rental income	237	237	240	243	245
Net rental income	176	176	181	177	171
Gross/net rental income	25.5%	25.9%	24.8%	27.5%	30.3%
Gross/net rental income excl. landlord levy	23.6%	24.0%	24.7%	-	-

In 2015, the gross/net ratio slightly improved to 25.5%, despite (the increase in) the landlord levy to 0.449% from 0.381%. The income-related rent increase for the regulated sector did not fully compensate for the additional costs resulting from the landlord levy. Excluding the landlord levy, the gross/net ratio came in at 23.6%, compared to 24.0% in 2014.

VALUE

The table below shows the movement in the value of the investment portfolio, which increased to €3,726 million at 31 December 2015.

Investment portfolio, value

Year-end (€ million)	2015	2014	2013	2012	2011
Single family homes [1]	1,474	1,399	1,429	1,528	1,626
Apartments [1]	2,252	2,193	2,226	2,441	2,622
Total	**3,726**	**3,593**	**3,655**	**3,970**	**4,248**
Total number of residential units	22,599	22,990	23,791	25,100	25,828

Value changes in detail

The positive revaluation of 4.7% was the main driver of the 3.7% net increase in the value of the investment portfolio. The table below shows the changes and the impact of revaluation.

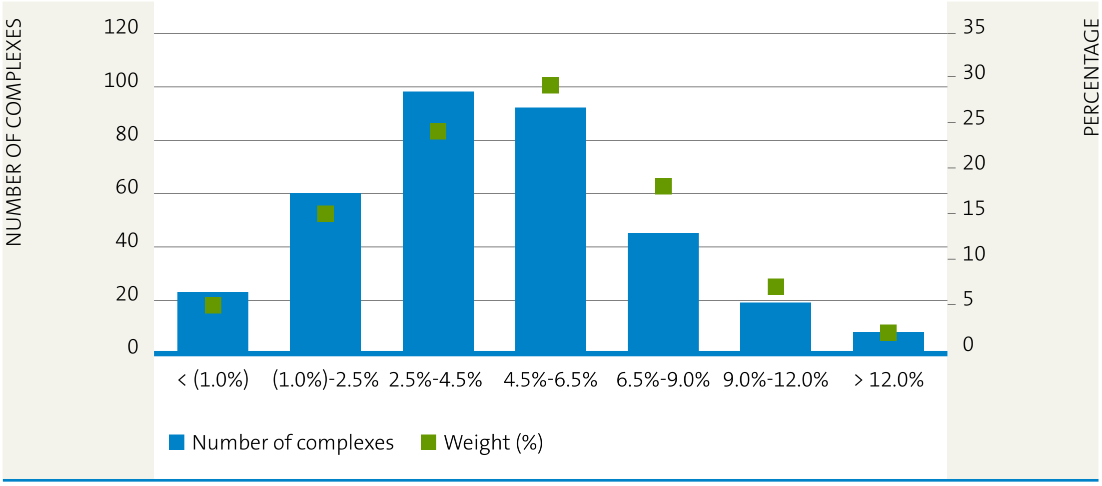
Investment portfolio, changes in value

(€ million)	2015	% value	2014	% value
Value at start of year	3,593	100	3,655	100
Inflow	23	0.6	45	1.2
Capex	20	0.5	18	0.5
Outflow	(75)	(2.1)	(142)	(3.9)
Revaluation	165	4.7	17	0.5
Value at year-end	3,726	103.7	3,593	98.3

Capital expenditures were slightly higher than in 2015, largely due to the increased investments in kitchens, bathrooms and toilets. Inflow and outflow led to a net reduction of €52 million or 1.5% in the value of the portfolio. Property revaluations added €165 million, or 4.7%, to the value of the portfolio.

1 Including value of associated parking/garage spaces and commercial space in projects.

Revaluation (number of residential buildings)



Portfolio revaluation amounted to 4.7% for 2015. This positive result was largely related to the primary region (+5.0%) and the regulated-segment (+4.7%), which profited from the introduction of a new points system. Residential buildings in the mid and higher rental segment saw an increase of 4.6% in value.

Average value per residential unit

The average value per residential unit in the portfolio has increased by 5.3% to €160,000 at year-end 2015. This increase was the result of the revaluation of 4.7% on the total investment portfolio and an average lower value of the units sold compared to the average value in the total portfolio.

Investment portfolio, average value per residential unit

Year-end (€ thousand)	2015	2014	2013	2012	2011
Average value per residential unit	160	152	151	154	161

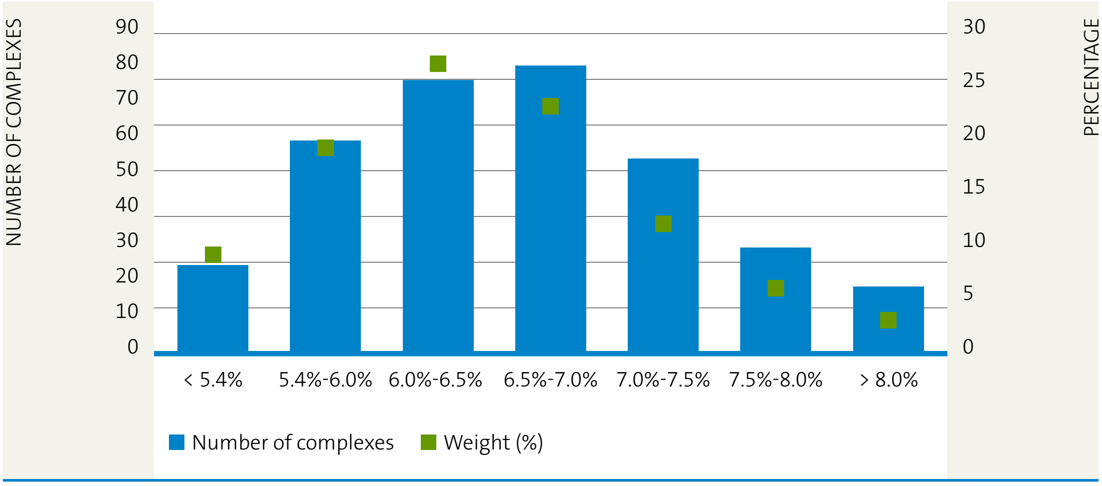
Gross initial yield

The gross initial yield on the portfolio, defined as the theoretical rent at year-end divided by the value of the portfolio at year-end, declined (first time in seven years) by 30 basis points due to the higher valuation of our portfolio.

Portfolio, gross yield

(in %)	2015	2014	2013	2012	2011
Gross yield	6.6	6.9	6.8	6.5	6.2

Distribution gross initial yield (number of residential buildings)



SEGMENTATION

The tables below provide insight into the distribution of our properties and their characteristics in the portfolio on the two levels of segmentation (rental segment and region).

	Weight in units	Weight in value	Average year of construction	Energy label A-B-C % total value	Energy label D+ % total value
Fund	100%	100%	1992	74%	26%
Primary	61%	67%	1994	51%	16%
Secondary	26%	23%	1990	17%	7%
Other	13%	10%	1990	6%	4%
> €1,200	9%	17%	2007	16%	0%
Non-regulated - €1,200	64%	65%	1991	49%	17%
Regulated	27%	18%	1983	9%	9%

	Gross/ net ratio	Gross financial vacancy	Occupancy rate	Rent 2015 vs 2014	Rent index increase 2015	Revaluation 2015
Fund	26%	3.5%	97.9%	1.5%	2.0%	4.7%
Primary	25%	3.5%	98.0%	1.3%	2.0%	5.0%
Secondary	26%	3.3%	98.1%	1.7%	2.1%	4.2%
Other	27%	3.5%	97.3%	1.6%	2.1%	2.9%
> €1,200	24%	6.7%	95.8%	(0.3%)	1.2%	4.6%
Non-regulated - €1,200	23%	2.3%	98.2%	1.4%	2.1%	4.6%
Regulated	34%	3.7%	97.9%	2.1%	2.3%	4.7%

CSR and sustainability

GENERAL

Corporate Social Responsibility (CSR) is an important part of Vesteda's long-term vision and strategy. Vesteda's CSR goals are an integral part of its Business Plan and are therefore expressed in its business operations. Vesteda believes that all its efforts on the CSR front help to strengthen and improve the fund, both directly and indirectly, and help to enhance its social responsibility.

In 2015, Vesteda updated its CSR goals. Vesteda's new CSR goals are documented in the CSR plan 2016-2020. The CSR plan is based on the ESG model : Environmental, Social, Governance. In the CSR plan, Vesteda has formulated six strategic projects in order to achieve its CSR objectives.

Vesteda CSR plan 2016-2020

Name	Environmental	Social	Governance
Strategies	• Reduce consumption of energy and resources • Improve sustainability of maintenance and construction	• Increase engagement of employees and local communities	• Achieve highest accreditation levels of corporate governance
Projects	• Portfolio Sustainability Improvement • Procurement • Mobility	• Organisation / Behaviour	• GRI-G4 • GRESB
Goals	• Outperform Energy Agreement Rental Sector • Develop improved sustainability requirements • Decrease CO_2 emissions produced by employees	• Increase awareness • Increase responsibility • Increase participation	• Achieve GRI-G4 compliance for Annual Report 2015 • Achieve GRESB Green Star status
Actions	• Improve energy labels of portfolio: 80% green (label A, B, C) and max 20% label D • Improve energy performance of common areas; support tenants with the reduction of their energy consumption • Develop mobility plan	• Implement HPO programme 'Vesteda Verbetert' • Start employee vitality program • Develop community engagement programme	• GRI-G4 readiness assessment • Implement Data Management System (DMS) • Implement Environmental Management System (EMS)

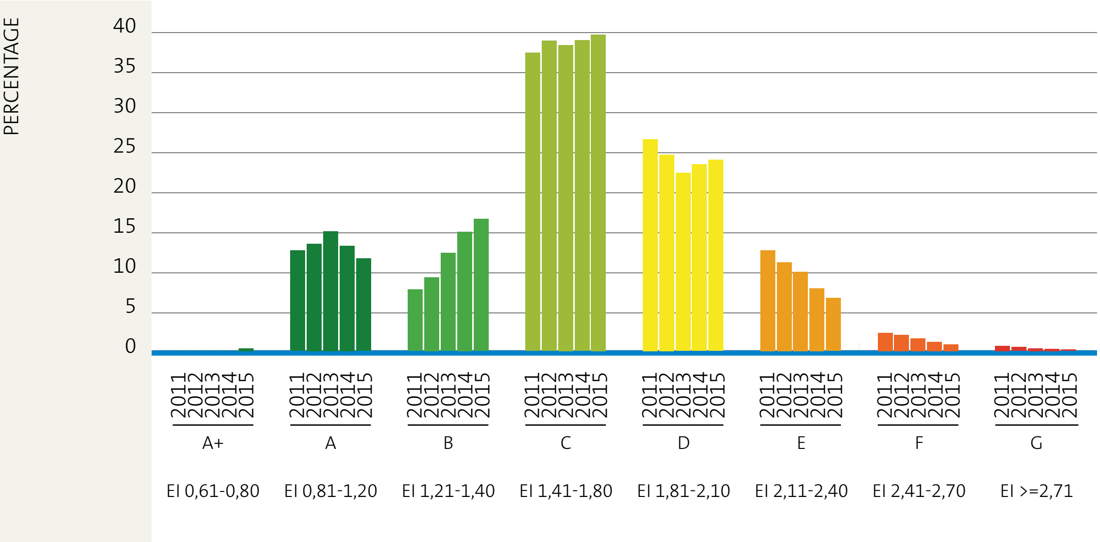
Environmental - Improve sustainable performance

In the CSR plan 2016-2020, Vesteda has expressed the desire to continually improve its performance on the sustainability front. Vesteda believes that an improved sustainability performance will help to maintain an attractive fund profile and optimise long-term total returns.

Strategic project: Portfolio Sustainability Improvement

In 2015, Vesteda's participants have approved a plan to allocate €23 million over five years to improve the energy performance of Vesteda's buildings in order to surpass the agreements laid down in the Dutch government's Energy Agreement Agreement in 2020. By the end of 2020, at least 80% of Vesteda's homes will have energy label A, B or C and no more than 20% of Vesteda's homes will have energy label D. The measures will consist of exterior insulation, high yielding installations, water saving fixtures and the installation of solar panels. The figure below shows the energy label improvement over the past five years.

Overview energy labels 2011-2015



In 2015, Vesteda took the following measures to improve the energy labels of its buildings:

Number of properties	2015	2014	2013	2012	2011
Under-floor insulation	1	-	8	40	6
High-efficiency glazing	555	481	186	402	410
Cavity-wall insulation	-	66	-	1	2
Roof insulation	-	74	57	100	7
High-efficiency boilers	1,026	663	489	746	638
DC ventilators	364	-	-	-	-
Water saving measures	685	-	-	-	-
Total	**2,631**	**1,284**	**740**	**1,289**	**1,063**

Healthy and safe homes

We aim for providing our tenants with safe and healthy homes. To ensure this as well as possible, we have taken a number of precautionary measures, which are described below.

Asbestos

Up until 1994, the use of materials containing asbestos was very common in the construction industry. Despite the fact that there is no legal obligation for asbestos-related inspections, outside roofs and any plans for demolition or renovation, Vesteda intends to conduct asbestos inspections at the properties in its portfolio that have not yet been inspected in the next two years (2016-2017). If any asbestos is found in these inspections, Vesteda will take appropriate action, including potential clean-ups and providing information for tenants and third parties.

Central heating installations

To make sure all our individual central heating installations operate as smoothly and safely as possible, we have closed maintenance contracts with specialist technical installation companies, for periodic maintenance of the installations. Periodic means one or twice a year in the case of closed installations and once per 18 months for open combustion devices.

Lifts

Since legislation stipulates that lifts must be inspected and certified once every 18 months, Vesteda has closed a contract with a certified inspection firm, which conducts periodic inspections and issues inspection reports.

Combined heat and power installations

To ensure the smooth operation of its combined heat and power installations and a healthy interior climate, Vesteda has closed maintenance contracts with specialist technical installation companies, which carry out periodic maintenance and checks on these installations. This maintenance includes cleaning the exchanger, the replacement of the filter set, plus checking spare filter sets and replacing these if necessary.

Legionella
Vesteda has drawn up general instructions on how to deal with legionella.

Risk map
In addition to the above-mentioned subjects, Vesteda uses an internal risk map to visualise potential residential building risks. The subjects covered in this map include construction safety of facades, concrete gallery floors, Manta and/or Kwaaitaal floors and fire safety. The completed risk map provides input for the residential building policy plan and the related multi-year budget, so that we can draw up budgets to deal with risks in the future.

Strategic project: Sustainable procurement
In 2015, Vesteda took measures to ensure that the construction of its new buildings and the maintenance of its existing buildings is sustainable and environment friendly. Vesteda has updated its construction requirements in order to assess and monitor its new acquisitions. Additionally, Vesteda has imposed improved maintenance sustainability requirements on its business partners and suppliers.

Improved Data Management System (DMS)
In 2015, Vesteda improved its process of measuring and managing the energy and water consumption of the common areas of its residential buildings. This process will be further refined in 2016 with the instalment of smart meters. The goal is to acquire data of the highest possible quality, in order to manage and reduce Vesteda's energy- and water use. We aim to reduce the energy consumption of the common areas in our investment portfolio by 20% between 2016 and 2020. The results are shown in the figure below.

Energy, GHG and Water use public areas 2014-2015

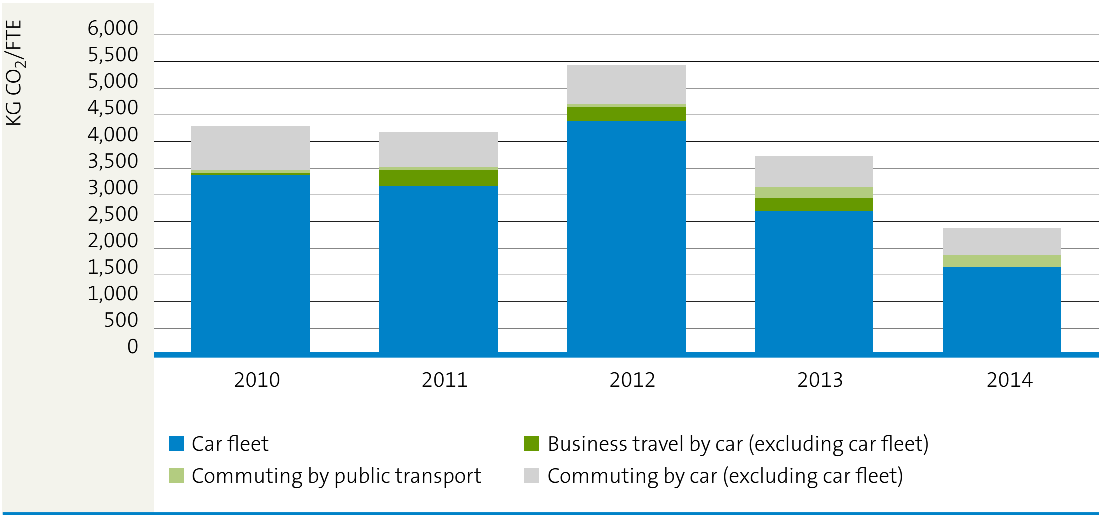
	absolute		like-for-like		
	2015	2014	2015	2014	Δ %
Energy					
Total energy consumption (x 1,000 kWh)	11,787	7,187	6,585	6,800	(3.2)%
Corresponding properties	135	91	83	83	
Percentage covered in portfolio	64%	43%	40%	39%	
Total natural gas consumption (x 1,000 m3)	2,206	1,659	1,771	1,657	6.9%
Corresponding properties	20	18	17	17	
Percentage covered in portfolio	54%	49%	46%	46%	
Greenhouse Gas					
Direct greenhouse gas emissions (x 1,000 kg CO_2)	4,157	3,126	3,337	3,122	6.9%
Indirect greenhouse gas emissions (x 1,000 kg CO_2)	6,200	3,781	3,464	3,577	(3.2)%
Total greenhouse gas emissions (x 1,000 kg CO_2)	10,357	6,906	6,801	6,699	1.5%
Water					
Total water (x1,000 m3)	48	101	30	29	3.5%
Corresponding properties	22	56	8	8	
Percentage covered in portfolio	10%	26%	4%	4%	

In addition to the improved measurement of its own energy consumption, Vesteda has started a pilot project to monitor the energy use of its tenants in the new acquisition project 'De Boel'. The standard lease contract of Vesteda has been modified in order to enable tenants to grant permission to participate in the measuring process.

CO_2 emissions offices & transport

In 2014, the total CO_2 footprint of our organisation was 810 tonnes of CO_2. Transport accounted for the bulk (54%) of this CO_2 footprint. In 2014, Vesteda realised a decrease of 37% in the CO_2 emissions per employee due to transport. The figure below shows the transport CO_2 emissions between 2010 and 2014. The results for 2015 were not available when this report went to print.

Vesteda's transport CO_2 emissions 2010-2014



NB: due to an adaptation of the methodology in 2014, there has been a conversion of the numbers of 2010-2013.

Strategic project: Mobility

In 2015, Vesteda developed a new mobility policy, which will be implemented in 2016. The new mobility plan will enable employees to choose sustainable transport and thereby help to further reduce Vesteda's CO2 emissions. Employee lease car and parking privileges will be partially phased out, and instead a mobility budget will be introduced for non-ambulant employees. In addition Vesteda will facilitate sustainable transport methods like e-bikes. A pilot project under consideration is the implementation of electrical pool cars at Vesteda's new office De Boel.

Social - Engaged employees and socially engaged organisation

Vesteda has expressed the desire to increase the awareness, participation and responsibility in the fields of sustainability and CSR. First of all, Vesteda aims to increase the awareness and engagement of its employees in the achievement of its CSR goals, as an integral part of its business goals. Secondly, Vesteda wants to increase its social contribution to the communities it serves.

Strategic project: Organisation / Behaviour

In 2015, Vesteda conducted an employee survey, using a validated questionnaire, based on the High Performance Organisation (HPO) framework, which is aimed at the continuous improvement of an organisation's performance. This survey enables Vesteda to benchmark its results. By measuring its organisation and culture annually, Vesteda will be able to bring focus to bear on the development of its organisation and identify key programmes that will help to improve its organisational performance in both financial and non-financial terms. The results of the first survey led to the programme 'Vesteda Verbetert'. Following preparations in 2015, Vesteda will further implement the programme in 2016.

Governance - Responsible business and transparent organisation

Vesteda aims to be transparent regarding the progress on the sustainability front, and to meet the highest possible standards in reporting on CSR-related activities.

Strategic project: GRI-G4

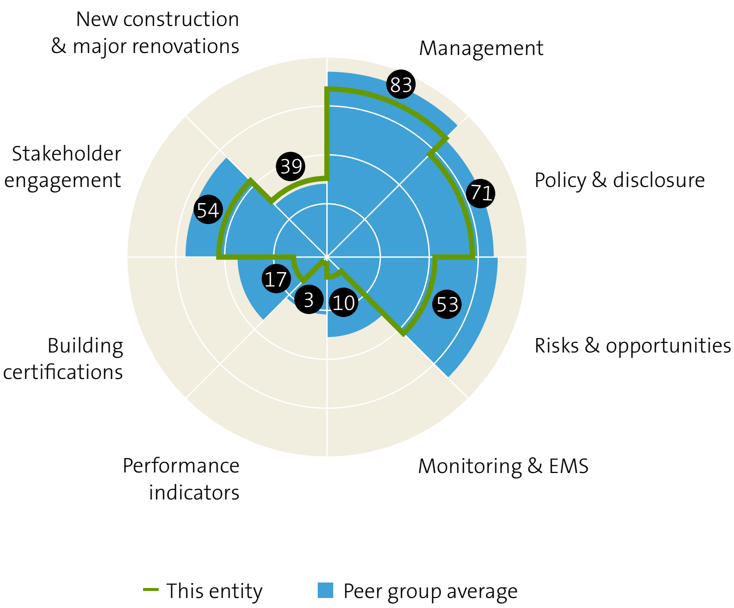
In 2015 Vesteda has implemented the GRI-G4 standard to report on its CSR policy in the annual report. For more information, please see the section Material aspects on page 13 of this report.

Strategic project: GRESB

Since 2010, the Global Real Estate Sustainability Benchmark (GRESB) has provided a tool to compare the sustainability of property investment funds. GRESB is designed to identify the environmental and social performance of the property sector and has developed into a widely-recognised initiative in that sector. The environmental benchmark rates environmental management practices and their implementation, making it possible to measure the ratings of different property investments against corporate sustainability targets. Vesteda has been a part of the Benchmark since its inception. Vesteda believes that GRESB is helping to increase transparency in terms of the sustainability of property funds. To contribute to the continued evolution of the benchmark, Vesteda joined the GRESB as a member in 2013.

In the GRESB Benchmark Report 2015, Vesteda is rated as a Green Talker (position 11 out of 11 in the Netherlands). This has prompted Vesteda to update its CSR policy and develop strategies to regain a leading position regarding sustainability. Vesteda's CEO is personally leading the ambition to become a Green Star by 2017, and to be part of the top quartile nationally by 2020.

GRESB score 2015

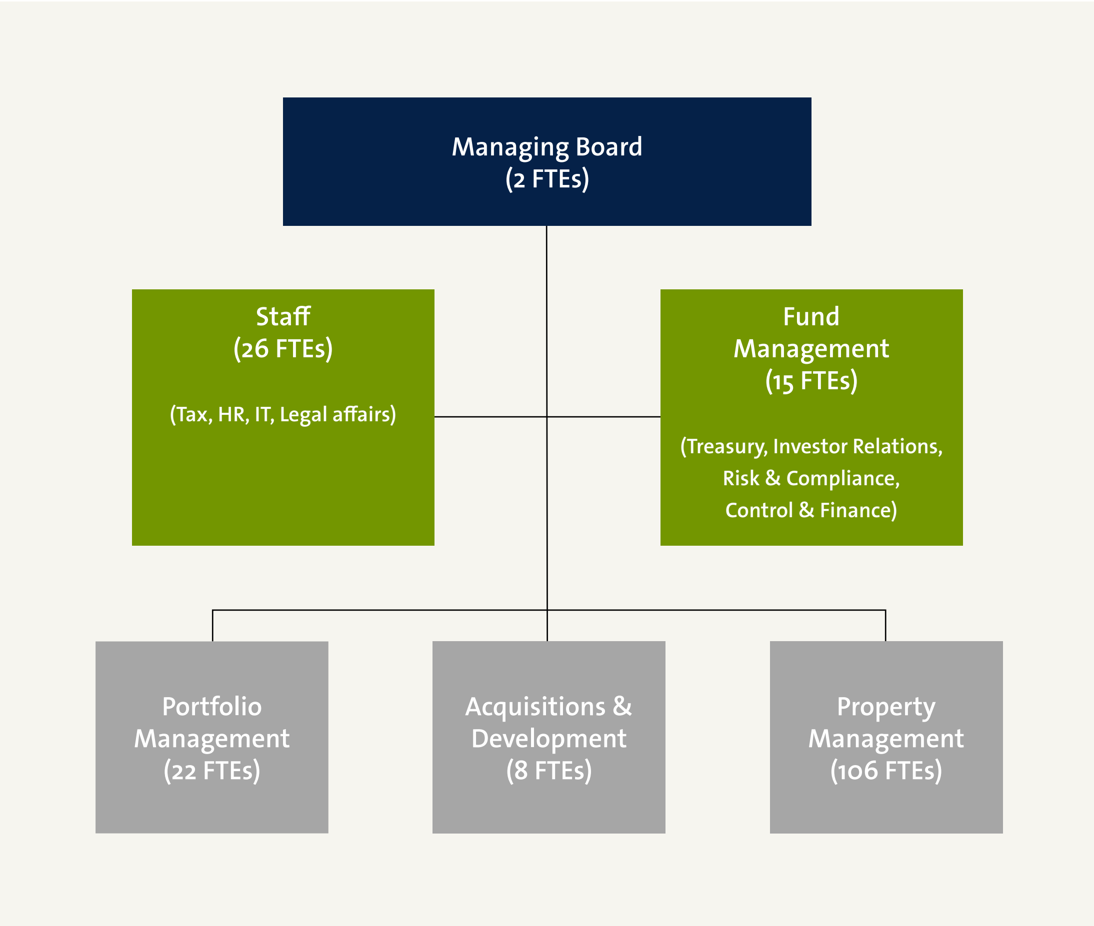


Organisation

ORGANISATIONAL STRUCTURE

Vesteda is an internally managed fund with in-house property management. At year-end 2015, Vesteda employed a total of 179 FTEs.

The Managing Board consists of two members (CEO and CFO). The Management Team, excluding the Managing Board, consists of five team members responsible for Portfolio Management, Fund Management, Acquisitions & Development, Property Management and Human Resources.



WORKFORCE

The total number of FTEs fell slightly last year. At year-end 2015, Vesteda employed 179 FTEs, a drop of 5.3% compared to the number of employees at year-end 2014 (189 FTEs).

Employees

FTE	2015	2014	2013	2012	2011
Year-end	179	189	227	253	305
Annual average [1]	179	211	235	275	322

FTEs (year-end)	2015	2014	2013	2012	2011
Investment Management [2]	73	69	69	76	99
Property Management	106	116	153	168	189
Project Development	-	4	5	9	17
Total Vesteda	**179**	**189**	**227**	**253**	**305**

Employees (year-end)	2015	2014	2013	2012	2011
Investment Management	80	75	75	84	108
Property Management	119	133	176	193	221
Project Development	-	5	5	10	17
Total Vesteda	**199**	**213**	**256**	**287**	**346**

The number of employees fell to 199 at year-end 2015 from 213 at year-end 2014.

The average age of Vesteda employees remains approximately the same as the previous year and stood at 42.6 years of age in 2015. The largest portion (41%) of the workforce is between 35 and 45 years of age. The representation of the group younger than 35 years of age increased slightly to 20%.

Workforce by age

Percentage of employees	2015	2014	2013	2012	2011
Younger than 35 years	20	19	20	20	23
35 to 45 years	41	39	37	38	36
45 to 55 years	24	26	27	28	27
Over 55 years	15	16	16	14	14
Total	**100**	**100**	**100**	**100**	**100**

1 Average of 12x month-end balances.

2 Includes Managing Board, Staff, Fund Management, Portfolio Management and Acquisitions & Development.

The male/female ratio changed slightly in favour of the male population. At the end of 2015, 49% of the workforce was male, which was an absolute increase of 2%.

In 2015, the male/female ratio within the Managing Board of Vesteda was 50/50. However, with the departure of Mrs. Hélène Pragt as CFO of Vesteda and the appointment of Mr. Rob Vroom as interim-CFO, the male/female ratio from January 2016 is 100/0. Vesteda's Supervisory Committee consists of five members, four male and one female.

Vesteda recognises the importance of an equal distribution of male and female members of its Managing Board and Supervisory Committee, taking into account that the candidate's qualification and suitability for the function profile are always the leading principle. Given the current composition and remaining term periods of the members of Supervisory Committee and the relatively fewer female candidates in the real estate sector we do not foresee an equal distribution in the medium term.

Percentage of employees	2015	2014	2013	2012	2011
Male	49	47	45	47	46
Female	51	53	55	53	54
Total	**100**	**100**	**100**	**100**	**100**

In 2015, 25 new employees joined Vesteda (52% female/48% male) and 39 employees left the company (64% female/36% male). Most of the departing employees had to leave because of fixed-term contracts that were not renewed or as a result of the reorganisation at Property Management, which was fully implemented in the first quarter of 2015.

Total remuneration

Total remuneration fell to €11.9 million (91% fixed and 9% variable) in 2015, compared with €13.1 million for the previous year. Total remuneration was down for the fourth year in a row as a result of the implementation of the final phase of the restructuring.

Bonuses

Vesteda has a bonus scheme with a collective component including criteria such as the realised operational result, tenant satisfaction and average occupancy rate. The variable remuneration also includes an individual component and in some cases a team component. Variable remuneration is only paid, in full or in part, if Vesteda's realised results meet the targets sufficiently. This requirement was met in 2015.

Organisation, employee development and training

In October 2015, Vesteda started a company-wide culture and organisation change programme called 'Vesteda Verbetert' (Vesteda Improves), with the aim of transforming Vesteda into a High Performance Organisation (HPO). The HPO philosophy has been shared with and is supported by all employees. Activities are carried out for and by the staff members, guided and coached by twenty 'Verbetercoaches' (improvement coaches from within the organisation). Vesteda Verbetert covers and has influence on all departments, teams and individual employees. It will lead to further synergies and continuous improvement in all business chains and processes. The concrete actions we took in 2015 included identifying and realising quick wins in the financial and technical chain, which should result in intensified cooperation and increased efficiency.

In 2016, Vesteda Verbetert will continue as part of our efforts to further streamline the organisation and processes. The relocation in September 2016 to one headquarter in Amsterdam will contribute to enhance cooperation. The current regional satellite offices will be maintained.

In 2015, Vesteda invested €372,000 (or 3.1% of the gross payroll) in the education and development of individual employees, the teams and the project Vesteda Verbetert.

Absenteeism

Absenteeism fell to 3.1% in 2015 from 4.4% in 2014.

Percentage	2015	2014	2013	2012	2011
Total absenteeism leave	3.1	4.4	3.9	5.5	3.9
Absenteeism leave excluding long-term leave (> one year)	3.1	4.4	3.6	4.8	3.6

Works Council

In June 2015, the Works Council and the Managing Board reached an agreement to develop and modernise working conditions and regulations. Vesteda and the Works Council held several discussions about the importance of sustainability with regard to matters such as organisational topics, working conditions, non-employee discrimination, employee development and mobility. Agreement was reached on new collective working conditions, a code of conduct and an integrated mobility policy, to be implemented as of 2016.

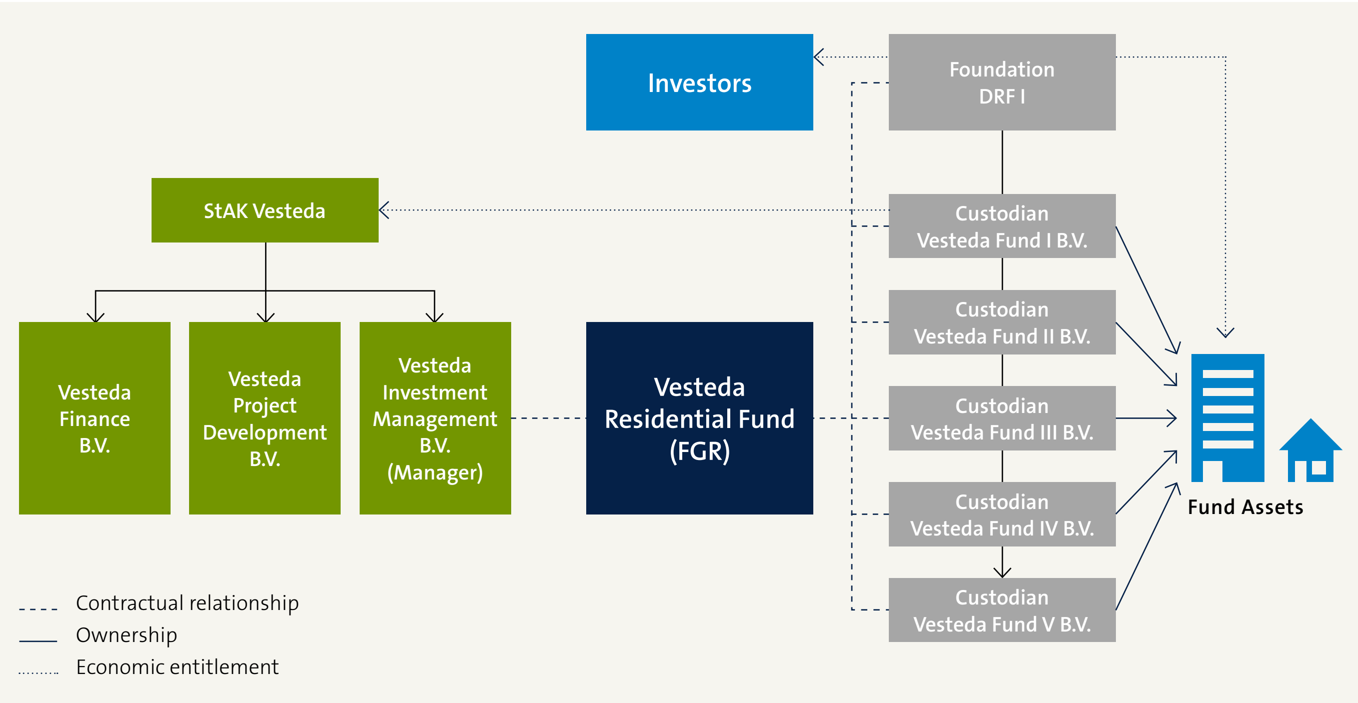
The Works Council was asked for an opinion on the strategic reorientation of the department Business Solutions and Information Management, including the outsourcing of the operational IT processes (employees, infrastructure, maintenance and support) in December 2015. The Works Council issued a positive opinion in January 2016.

The meetings and negotiations between the Managing Board and the Works Council were constructive and successful.

Governance and risk management

LEGAL STRUCTURE

Vesteda has the legal structure shown below, as set out in the Vesteda Residential Fund Terms and Conditions. Investors may join at one level.



Vesteda Residential Fund

Vesteda is a mutual fund for the joint account of the participants. The fund is joined by taking an interest in the fund. The fund is transparent for tax purposes. For this reason, participants can participate in Vesteda through an entity with its own legal and fiscal structure. Participants always join or exit the fund through the fund manager: Vesteda Investment Management B.V. The rights and obligations of the manager, the Supervisory Committee and the participants are set out in the fund's Terms and Conditions.

StAK Vesteda

Participants' rights and obligations in respect of the manager, Vesteda Project Development B.V. and Vesteda Finance B.V., are exercised through Stichting Administratiekantoor Vesteda (StAK Vesteda). Participants are granted a power of attorney to attend and exercise voting rights in the general meeting of shareholders of these three companies by Stichting Administratiekantoor Vesteda at their request.

Vesteda Investment Management B.V. (the manager)

The fund Terms and Conditions instruct the manager to manage the fund under the specified conditions. The manager is responsible for day-to-day operations and implementation of the strategy. The Managing Board and the staff are employed by the manager.

Vesteda Finance B.V. and Vesteda Project Development B.V.

Vesteda Finance B.V. will undertake Vesteda's unsecured financing activities on behalf of the fund. Vesteda Project Development B.V. holds the remaining development projects in the pipeline.

Custodians

The custodians are the legal owners of the property in the fund, while the fund is the beneficial owner. It is possible to reallocate individual properties to the various custodians for financing purposes in a tax neutral manner, making it possible to finance the fund flexibly, if desired, by allocating collateral to one of the custodians.

CORPORATE GOVERNANCE

Vesteda Residential Fund

Vesteda Residential Fund is a contractual investment fund (beleggingsfonds) as defined in section 1:1 of the Dutch Financial Supervision Act (AFS). It is an unlisted fund for the joint account of the participants. As such, the economic title to the fund assets is held by the participants pro rata to their participation rights. The purpose of the fund is to make investments, and in particular (but not limited to) to invest capital, indirectly or directly, in property mainly designated for residential purposes located in the Netherlands, for the account and at the risk of the participants. The strategy of the fund is further set out in the investment guidelines which form part of the fund's Terms and Conditions.

The Terms and Conditions of Vesteda Residential Fund govern the fund and they can only be amended by a resolution of the participants. They have entrusted the manager, Vesteda Investment Management B.V., with the management and operation of the fund. The manager carries out its task in the sole interest of the participants and within the boundaries described in the fund's Terms and Conditions. The manager, in its capacity as manager (beheerder) and operator of the Fund, is subject to regulation by the Dutch Financial Markets Authority (Autoriteit Financiële Markten) and the Dutch Central Bank (De Nederlandsche Bank). The manager obtained a license to act as manager of alternative investment funds in accordance with article 2:67 of the AFS on 17 February 2014. The participation rights can only be acquired by professional investors as defined in section 1:1 of the AFS.

Participants

Governance

The participants do not take part in the operation of the fund or the management or control of its affairs, and have no right or authority to bind the fund assets, or to vote on matters relating to the fund other than as set forth in or pursuant to the Terms and Conditions.

At least two participants' meetings are convened by the manager each year. If a participant or two or more participants jointly holding at least 10% of the total participation rights deem(s) any additional meeting of participants desirable, the manager is required to call such a meeting. Participants shall be entitled to cast the number of votes pro rata to their respective participation rights.

A participant may request that its participation rights be redeemed by the fund in accordance with the Terms and Conditions.

Subject to the retention of reserves as reasonably deemed necessary by the manager to meet the current and anticipated expenses of the fund, the realised result excluding the result on property sales shall be allocated for distribution to the participants pro rata to their respective participation rights.

Role

The participants are the beneficiaries of the fund and, as such, have a final say in material matters regarding the fund, as specified in the fund Terms and Conditions.

Supervisory Committee

Composition and Governance

The Supervisory Committee supervises how the manager executes its task, as well as the general course of the fund, on behalf of the participants in the fund. The Supervisory Committee has established rules regarding the processes and governance in the By-Laws.

The Supervisory Committee shall have at least five members, such number to be determined by the participants. At present, the Supervisory Committee comprises six members, including a chairman, who are listed on page 43 of this Annual Report. All members of the Supervisory Committee are independent in the sense of the Dutch Corporate Governance Code.

The Supervisory Committee has an Audit Committee and a Nomination and Remuneration Committee, which are governed by by-laws. The Supervisory Committee shall meet as often as it deems necessary, but at least four times a year, to discuss the results of the fund, the quarterly un-audited financial statements and the valuation of the fund's portfolio.

The members of the Supervisory Committee are appointed, suspended and dismissed by the participants with due observance of any nominations made and a profile as set forth in the Terms and Conditions. They are appointed for a period of four years, which term may be extended once by four years. Each participant that individually holds and each group of two or more participants that jointly holds at least 25% of the participation rights is entitled to nominate one member of the Supervisory Committee. The fund strives to achieve the best possible balance among its members in terms of gender, expertise and experience in the fields of management, compliance, risk management, financial reporting and real estate and knowledge related to institutional investments.

All resolutions of the Supervisory Committee are adopted by a simple majority. Each member of the Supervisory Committee is entitled to one vote. In the event of a tied vote, the resolution at issue will be rejected. The Supervisory Committee may also pass resolutions in writing. A member of the Supervisory Committee will not participate in deliberations or decision-making within the Supervisory Committee, if with respect to the matter concerned he has a direct or indirect personal interest that conflicts with the interests of the joint participants.

Role

The Supervisory Committee supervises the policies and functioning of the manager and the general affairs of the fund. The manager is responsible for involving the Supervisory Committee, ensuring that the fund is managed and operated in an optimal manner. The manager holds regular consultations, both formally and informally, with the Supervisory Committee and its sub-committees on the strategy and policies of Vesteda as a whole. In the context of these meetings with the Supervisory Committee, the sub-committees and, on an ad hoc basis the members of the Supervisory Committee, members of the Supervisory Committee have multiple opportunities to meet other Vesteda executives and employees.

Remuneration of Supervisory Committee members

The annual remuneration amounts to €44,000 for the chairman of the Supervisory Committee and €31,000 for each of its members. Each member of the Supervisory Committee receives an expenses allowance of €2,500. These amounts are fixed, not indexed and paid semi-annually.

The Manager and its Managing Board

Composition and Governance

The Terms and Conditions entrust the manager with the management and operation of the fund. The manager is a private company with limited liability, incorporated and existing under the laws of the Netherlands. As such, the manager has a Managing Board, which in 2015 comprised two managing directors, these being the CEO and the CFO. The managing directors have the responsibilities and liabilities that derive from the Dutch Civil Code and other related legislation. In case of more than one managing director is appointed, two directors acting jointly may represent the manager.

Managing directors will be appointed, dismissed or suspended in accordance with the articles of association of the manager and the Terms and Conditions.

Role

The manager has been appointed as manager of the fund and is responsible for ensuring that the fund is always managed and operated, and that the fund assets are always managed, on a discretionary basis, in accordance with the Terms and Conditions and with due observance of the Investment Guidelines, the Business Plan and, on a best effort basis, the INREV Guidelines.

The manager shall, subject where relevant to the Terms and Conditions, the Business Plan, any finance documentation and the prior approval of the Supervisory Committee or participants, carry out the following functions, among others:

(a) establish and implement the Investment Guidelines and the Business Plan;

(b) identify, evaluate and negotiate investment opportunities, to (or to agree to) purchase or otherwise acquire, alone or together with others (in a syndicate), investments within the scope of the Investment Guidelines and the Business Plan;

(c) sell, exchange or otherwise dispose of and to refinance Investments within the scope of the investment guidelines and the business plan.

In light of the above, the manager may enter into such legally binding agreements or other arrangements as the manager may, in its sole discretion, determine in respect of any investments and divestments by the fund, to the extent permitted under the Investment Guidelines, the Business Plan and the Terms and Conditions. A Managing Board member shall not take part in any discussion or decision-making that involves a subject or transaction in relation to which he or she has a conflict of interest with the joint participants.
All costs incurred by the manager in its capacity as manager of the fund, all normal operating expenses incidental to the day-to-day management of the manager in its capacity as manager of the fund, including its own overheads, any costs relating to outsourcing and the Supervisory Committee, fees payable to its members and the reimbursement of any reasonable costs incurred by members of the Supervisory Committee are reimbursed out of the fund assets.

In the Manager Rules, the manager and the Supervisory Committee have established rules regarding decision-making processes and the working methods of the manager.

Remuneration
The purpose of a periodic review of the annual remuneration of the members of the Managing Board is to achieve remuneration in line with the market on the basis of a labour market benchmark survey, which was last conducted in 2012 by an external agency under the supervision of the Supervisory Committee. The benchmark group comprises Dutch institutional residential fund managers. In addition, for the appointment and remuneration of the CEO and CFO, the Supervisory Committee sought external advice. Based on the aforementioned, the Supervisory Committee believes that Vesteda has a competitive remuneration policy for its Managing Board. In 2015, Vesteda had a bonus scheme that entitled the CEO to 26.6% of fixed income for ‘on target’ performances, with a maximum of 40% and the CFO to 20% of fixed income for ‘on target’ performance, with a maximum of 30%.

The bonus is divided into a direct and a deferred component. The direct component is paid immediately after the one-year performance period, and the deferred component is paid out after a period of three years. Both the direct component and the deferred component are paid out 50% in phantom shares and 50% in cash. The deferred component is subject to an appropriate retention policy which is aimed at balancing financial rewards with Vesteda’s long-term interests. The retention policy includes a claw-back provision, applying to both the direct component and the deferred component.

The employment contracts of members of the Managing Board include provisions related to severance. With effect from 2010, the amount of the severance as laid down in these contracts has been maximised at one year’s fixed salary, in line with the Dutch Corporate Governance Code. The total remuneration of the Managing Board, as stated on page 110 of the annual report, comprises the base salary, the variable bonus, pension expenses and other employer charges.

Custodians
At present, Vesteda has five custodian companies. The duty of each custodian is to be the legal owner of fund assets and acquire legal title of such fund assets for safekeeping for the account and at the risk of the participants. A custodian will always acquire assets for the purpose of management and custody (ten titel van beheer) on behalf of the participants and will only act in the interest of the participants and shall not acquire assets or assume any obligations for its own account and risk or for the account and risk of third parties (other than the participants) and shall not carry out any business and will not be involved in any other activity which may cause it to incur liabilities that are not directly related to the fund. A custodian shall act in accordance with all instructions in relation to the fund assets given by the manager, and shall only be entitled to acquire, dispose of, transfer or otherwise deal with any fund assets on the instructions of the manager. To safeguard this, the Managing Boards of the custodians comprise the manager only.

Depositary
The manager has appointed Intertrust Depositary Services B.V. to act as depositary for the fund and has concluded a depositary services agreement with the depositary for the benefit of the fund and the participants in accordance with article 4:37f AFS. The depositary is responsible for the supervision of certain aspects the Fund’s business in accordance with the applicable law and the depositary services agreement.

Dutch Corporate Governance Code
All listed companies with a statutory seat in the Netherlands are legally obliged to comply with the Dutch Corporate Governance Code (the “Code”), in accordance with the ‘apply or explain’ principle. As Vesteda Residential Fund is not a listed company, it is not mandatory for the fund or the manager to apply the Code. Nevertheless, the Managing Board and the Supervisory Committee endorse the Code in all material aspects, to the extent applicable and practical in respect of the fund.

ETHICS AND INTEGRITY

Code of Conduct

Vesteda's ambition is to be the best performing residential real estate fund in the Netherlands. Our strategy is focused on the growth of our portfolio and improving its performance, resulting in increased returns and liquidity for its participants, together with satisfied tenants. To achieve our ambitions, we focus in our daily operations on cooperation, professionalism and an entrepreneurial spirit. We strive for continuous improvement, as we wish to distinguish ourselves from our competitors and demonstrate our added value to our participants and tenants. Achieving results is important, but the manner in which those results are achieved is just as important.

While we trust our employees will adhere to our values and principles, Vesteda has laid down principles and guidelines as a framework for acting in a careful, diligent and ethical manner. These principles and guidelines are set out in Vesteda's Code of Conduct (the Code). The Code gives rules on how we expect employees to interact with each other, how they should act in the event of conflicts of interest, how they should interact with third parties and how they should handle Vesteda's property and confidential information.

As a member of the Dutch Association of Institutional Investors in Real Estate (IVBN), Vesteda has used the IVBN's sample code of conduct as a basis for its own Code. In 2015, the Code was entirely revised and tailored to Vesteda, its values and its employees. The new Code was launched in early 2016.

Vesteda is aware that merely having a Code will not prevent unethical behaviour. Therefore, it encourages its employees to adhere to the Code on the basis of their own conviction that this is the right thing to do. Furthermore, Vesteda expects employees to set the right example and to confront each other with respect to undesired behaviour, if conditions permit. Managers are expected to register, intervene and take action. The overriding principle is: you can make mistakes, as long as the rules of conduct that we have set have been adhered to.

Each year, Vesteda employees are sent a request to reaffirm that they comply with the Code and to confirm their awareness of the whistle blower procedure as described below.

Reporting by employees

Employees are obliged to report any intentional or unintentional unethical behaviour to Vesteda's Integrity Officer. If the employee in question does not do so him/herself, other employees who have knowledge of the incident are expected to report to the Integrity Officer.

Other matters that need to be reported include:

- potential conflicts of interest
- accepting corporate gifts
- invitations to events abroad

Register

Any report to the Integrity Officer will be included in a confidential register.

Counsellor

Counsellors are available to employees who are the victim of undesirable behaviour, such as (sexual) intimidation, aggression or violence, bullying, etc. The counsellors offer a safe place to discuss an incident and, where necessary, can refer an employee to external professional agencies.

Whistle blower

To avoid incidents not being reported, employees should be able to rely on the fact that a report is treated in a confidential manner and with the utmost care. In view of this, Vesteda has a whistle blower policy in place which sets out who to report to, what happens with a report (management escalation) and how persons involved are expected to act.

Integrity Policy

In view of the AIFM-D license, Vesteda has an extensive integrity policy in place to address issues such as Corporate Due Diligence (CDD) and pre-screening of employees. Whenever deemed necessary under the policy, a CDD report is requested from an external professional party, which provides insight into potential integrity issues on the part of a potential business partner. During the course of 2015, Vesteda received various CDD reports. None of these provided any reason for Vesteda to not enter into a business relationship with a third party.

Reporting by the Integrity Officer

The Integrity Officer keeps a register of reports under the Code. The Integrity Officer reports to the Managing Board and periodically to the Audit Committee and the Supervisory Committee. No material incidents were reported in the year under review.

RISK MANAGEMENT

Vesteda has fully incorporated risk management in its strategic and operational processes. It has defined its risk management policy and implemented a risk management framework in line with the core fund risk profile, as defined in the Terms and Conditions of Vesteda Residential Fund, extending to all levels and lines of business. The Vesteda Managing Board assesses its proper functioning on a regular basis and continues to pursue further improvement and optimisation of the internal risk management and control procedures.

Focus on achieving organisational targets

Risk management and internal control are dynamic processes designed to provide reasonable assurance regarding the achievement of strategic goals and objectives relating to operations, reporting and compliance. Vesteda believes it is extremely important that risk management is an integral part of effective operations at strategic and operational levels. As a result, Vesteda's stakeholders, such as employees, tenants, investors and financiers, can accept that the business is run in a controlled way, focused on the achievement of strategic goals and objectives, with results that justify the risk profile.

Risk appetite

The INREV core fund risk profile implies that Vesteda has a relatively low risk profile since it typically invests in income producing real estate investments. Vesteda employs relatively low levels of leverage and has limited exposure to real estate development. A significant and stable proportion of return is generated through rental income. Overall, Vesteda has a relatively low risk appetite.

Integral part of business operations

Risk management is an integral part of Vesteda's business operations and process management. To put this into practice, Vesteda identifies the risks associated with business operations and - if the Managing Board believes it is necessary – reduces these risks to the desired level through control measures. Vesteda regularly identifies and evaluates the strategic, operational, compliance and financial risks and has defined the relevant risk limits. Vesteda has developed its internal control systems on the basis of the recommendations of the Committee of Sponsoring Organisations of the Treadway Commission (COSO), the aim of which is to create a reasonable level of assurance on the achievement of organisational targets. These enable management to assess the proper functioning of the control measures that have been adopted. The internal control systems cannot, however, offer absolute assurance due to the possibility of unforeseen circumstances, human errors of judgement and mistakes, collusion by employees, breaches of regulations, cost/benefit considerations or the occurrence of inherently minor incidents with significant consequences.

Managing Board's responsibility and the four lines of defence.

The Managing Board is ultimately responsible for managing the control environment and the risks inherent in Vesteda's business activities. It is also responsible for ensuring that the company complies with relevant legislation and regulations.

Senior management and the designated process owners have day-to-day responsibility for continuous monitoring of the design and operation of the risk management measures. They represent the first line of defence in the framework. Risk Management Officer (RMO) has been appointed to design and maintain the overall framework, to coordinate and advise on the measures to be implemented, and to evaluate the assessment and reporting of senior management with regard to the proper functioning of the measures. Together with the control staff, the RMO represents the second line of defence in the risk management framework.

The so-called third line of defence is the internal audit role, which audits the operational processes and reports to the Managing Board and the Supervisory Committee.

External supervision constitutes the fourth line of defence. The Supervisory Committee, the external auditor and the depositary together establish this fourth line.

2015: sixteen risks

In the first quarter of 2015, the Managing Board evaluated the list of most relevant and significant risks for Vesteda. This risk assessment resulted in the following list of sixteen risks that were considered the most relevant and significant risks for Vesteda:

a Strategic vision;
b Portfolio Management;
c Asset Management;
d Acquisitions & Development;
e Property sales;
f Property Management;
g Treasury;
h Investor Relations;
i Financial reporting;
j Human Resource Management;
k Integrity;
l Continuity of IT;
m Tax;
n Contractual obligations;
o Corporate Social Responsibility;
p Valuations.

One of the criteria for selecting these 16 risks is that they should satisfactorily cover ongoing strategic, operational, compliance and financial risks. Vesteda conducts an annual evaluation of the extent to which the set of identified risks covers Vesteda's risk universe. In other words, this is an assessment of whether new risks should be added to the existing list, or whether risks can be removed from the list based on operational developments, the real estate and financial markets, stakeholders, etc. The impact of the assessment on the control activities is also evaluated and changes are made when necessary. In 2015, Property Management was added to the list because of the changed strategic perception with regard to the in-house management of our properties. And Valuations was spun off from Portfolio Management on account of the necessary segregation of duties. The sixteen risk areas are addressed in detail below.

a Strategic vision

Description of the risk The risk that Vesteda's strategic vision is not in line with external developments, not in line with investors' visions, or is not translated into effective implementation measures.

Control measure(s) Developing and updating the strategic vision using internal and external research information in consultation with the investors. Shaping this strategic vision, using all available knowledge and expertise and monitoring of implementation measures. For example, in 2015, Vesteda invited all participants to reflect on the cornerstone Business Plan subjects before establishing and presenting the final plan to the participants in the General Meeting of Participants.

b Portfolio Management

Description of the risk The risk that Vesteda's strategy is not properly translated into an effective portfolio strategy, due to lack of alignment with investor objectives, incorrect market development expectations or unqualified sources of information upon which the portfolio strategy is built.

Control measure(s) The portfolio strategy is designed, implemented, monitored, analysed, evaluated and benchmarked continuously. Shareholder alignment is created through the annual Business Plan process, in which the portfolio strategy and investment criteria are discussed and approved by the participants. In 2015, Vesteda thoroughly redefined the relative attractiveness of regions, which led to segmentation even within the larger cities.

c Asset Management

Description of the risk The risk that Vesteda's asset management activities are not aligned with the defined portfolio strategy compiled in close consultation with participants and the Supervisory Committee, and may fail to achieve optimal operating results or may lead to lower appreciation of the portfolio. Asset Management should have sufficient tenant satisfaction focus in the deployment of its activities.

Control measure(s) By performing hold/sell analyses and defining the tactics for the Vesteda properties, Asset Management can achieve the predefined objectives. The execution of the tactics is closely managed and monitored. The returns are compared to the industry benchmark MSCI.

d Acquisitions & Development

Description of the risk The risks that may arise from having inadequate control with regard to the acquisition process of (new or existing) projects, focusing on the financial consequences and quality of the projects.

Control measure(s) Vesteda no longer engages in new project development activities, but seeks to acquire turnkey projects and existing projects or portfolios. Secured forward funding is considered to be an effective measure in the acquisition process. Customer due diligence, external independent valuation checks and a standardised programme of project requirements are also part of the control framework.

e Property sales

Description of the risk The risk that the sales volume and margins aimed for in the Business Plan are not (properly) achieved in business operations.

Control measure(s) Continuous reconciliation and fine-tuning of projects in the sales phase in line with the requirements of the target portfolio. Close monitoring of the sales process as compared to the Business Plan objectives. Pre-sale CDD screening of buying parties is standardised in the sales process of residential buildings. In 2015, Vesteda reviewed its sales strategy and moderated the sales volumes in the light of the strongly improving market conditions and the value growth of the portfolio.

f Property Management

Description of the risk The risk that Vesteda cannot effectively manage its properties via its in-house Property Management organisation, which might lead to a decline in tenant satisfaction and potentially lower operating results.

Control measure(s) Operations are planned based on a long-term plan, which is established in close cooperation with Asset Management. Rent levels are continuously marked to market, performance of suppliers is monitored and evaluated, tenant satisfaction is measured and reported upon. Lean and mean processes are increasingly based on web-based client interaction.

g Treasury

Description of the risk The risk that Vesteda cannot attract the necessary debt capital on competitive terms and conditions to achieve its strategy and targets. Obtaining debt capital involves an interest rate risk and a volume risk. The interest rate risk may confront Vesteda with undesirable fluctuations in the interest rate charges. Treasury also deals with the risk that Vesteda does not generate sufficient cash in order to meet its financial obligations or financial covenants.

Control measure(s) Vesteda has reduced the refunding risk by extending the average maturity in the current funding. Multiple sources and types of financing are used to avoid dependence on single segments or providers. Furthermore, Vesteda aims to gradually reduce the level of debt capital to 30%. At least 70% of interest rate risks are hedged. Control measures have been adopted to assure compliance with the financial covenants and a Treasury Policy Statement. Stress testing is one of the measures taken to monitor the risks involved. In 2015, Vesteda performed an ALM study, which strengthened the treasury risk framework even further.

h Investor Relations

Description of the risk The risk that Vesteda cannot attract the necessary equity funding to achieve its strategy and targets.

Control measure(s) Researching investor preferences through increased interaction with investors, the structuring of the sales and redemption process and continuous information flows to current and potential new investors. In 2015, Vesteda significantly increased the frequency and methods of communications with current and potential participants. Furthermore, Vesteda introduced an annual satisfaction survey among its participants. This is part of the intensified investor relations efforts and is used to determine participants' current perception of Vesteda, with a focus on strategy, senior management and the IR/communications programme and efforts.

i Financial reporting

Description of the risk The risk that Vesteda presents incorrect and/or incomplete and/or late financial reports to its stakeholders. In addition to this: the risk of incorrect determination of the net asset value of the fund.

Control measure(s) A complete set of internal control and compliance measures have enabled the Managing Board to issue an 'in control' statement on financial reporting risks since 2007.
Control measures are implemented to ensure a transparent and professional administrative and reporting process, compliant with relevant legislation and regulations. In 2015, Vesteda implemented quarterly AIFM-D reporting to the AFM and standardised an improved INREV Standardised Data Delivery Sheets for all participants.

j Human Resource Management

Description of the risk The risk that Vesteda has insufficient qualified staff and/or too few people to achieve its targets.

Control measure(s) Vesteda has many measures in place related to selection, appraisal, remuneration and the development of its staff. These measures are primarily executed through Vesteda's ongoing performance management programme. In the last quarter of 2015, Vesteda introduced a programme called Vesteda Verbetert (Vesteda Improves) with the aim of transforming the company into a High Performance Organisation (HPO).

k Integrity

Description of the risk The risk that Vesteda focuses insufficiently on controlling integrity risks, which might lead to extra costs and reputation damage.

Control measure(s) Vesteda uses a set of procedures and measures to reduce the risk in processes related to conflict of interest situations, to avoid fraud, or to avoid improper social behaviour. All staff must act in accordance with a code of conduct and there is a whistle blower procedure in place for recording and reporting fraudulent action to the Managing Board and Supervisory Committee, under which corrective measures are taken when necessary. In 2015, all Vesteda employees reconfirmed the Code of Conduct as a basis for their professional behaviour.

l Continuity of IT

Description of the risk The risk that one or more business processes cannot be performed or are hindered as a result of the non-performance, insufficient or non-availability of key systems or the inappropriate use of the systems by unauthorised persons.

Control measure(s) A control environment using specific ITIL (Information Technology Infrastructure Library) processes, such as service level management, change management, availability and capacity management, security management and other management tools must safeguard the specific IT control objectives. In 2015, Vesteda thoroughly investigated the IT platform for continuity and security risks and implemented measures to further mitigate these risks. Vesteda has defined a strategic IT policy made preparations for the outsourcing of the service delivery function in 2016.

m Tax

Description of the risk The risk of non-compliance with tax regulations and with the obligations stemming from Vesteda's corporate structure.

Control measure(s) Permanently safeguarding and monitoring the tax and other conditions for the tax status as stated in rulings and law. In order to do so, Vesteda has a continuous dialogue with the Dutch Tax Authorities via so called Horizontaal Toezicht (horizontal monitoring).

n Contractual obligations

Description of the risk The risk that flawed contracts are drawn up and that there is a lack of adequate checks and balances in contract preparation or lack of insight into outstanding obligations.

Control measure(s) Proper contract preparation and monitoring that is in line with the mandatory policy, strategy and frameworks and signatory authority of management, Managing Board and Supervisory Committee.

o Corporate Social Responsibility

Description of the risk The risk of insufficient focus on corporate social responsibility, which may lead to inadequate increases in the value of the investments over time, reduced attractiveness for current or potential tenants, investors and employees, potential loss of income and damage to image.

Control measure(s) Identifying the requirements and wishes of stakeholders to set up, implement and maintain a clear CSR strategy. Close monitoring of and reporting on the execution of the policy and benchmarking of the results.

p Valuations
D*escription of the risk* The risk of an improper process of valuation of the real estate portfolio, which hinders the timely and reliable determination of the fund's net asset value and is crucial for valuation, pricing decisions and performance measurement.

Control measure(s) Creating a standardised periodically external and objective valuation process using selected professional external appraisers. Control environment safeguarding valuation process in line with valuation principles approved by the participants, as well as relevant legislation and regulation.

Dynamic and continuous process

The above risk management framework is embedded in the planning and control cycles. The internal control systems include other measures for achieving adequate segregation of duties, prompt recording of significant transactions and data security. Internal accountability and management reports, management reviews and other internal research into the design and operation of the internal controls are an integral part of this approach.
The Managing Board regularly assesses the effectiveness of the risk management and internal control systems. Internal reporting on the risk management framework by the RMO and of the findings of the internal auditor is part of the relevant input for the Managing Board. The Managing Board reports at least quarterly to the Audit Committee and Supervisory Committee on the main business risks and the structure and operation of the risk management and internal control systems and continuously seeks to improve and optimise the framework.

'In control' statement

The Managing Board issues an 'in control' statement on the reporting and on the strategic and operational processes at Vesteda. The Managing Board is responsible for adequate risk management and internal control systems and for assessing the effectiveness of these systems. The Vesteda Managing Board continues to pursue further improvement and optimisation of the internal risk management and control procedures.

Based on its assessment of the risk management and internal control systems, the Managing Board states that:

- these systems provide a reasonable level of assurance that the reports contain no material errors;
- these systems functioned properly in 2015;
- there is no indication that these systems will not function properly in 2016.

Vesteda identified no significant shortcomings in these systems that could have a material effect in 2015, nor to the date of signing this annual report in 2016.

Amsterdam, 16 March 2016

Vesteda Managing Board

Gertjan van der Baan (CEO) and Rob Vroom (interim CFO)

About this report

CONTENT REPORT

The aim of this report is to inform Vesteda's most important stakeholders. By identifying the parties that influence Vesteda and the parties that exert influence on Vesteda, the company has defined the following key stakeholders: participants, tenants, property managers, buyers and sellers, local authorities and employees. The matters that have a material impact on Vesteda, such as market developments, legislation and regulations, corporate governance, tenant satisfaction, compliance and energy usage, have all helped to determine the subjects addressed in this report. In early 2014, Vesteda conducted a materiality analysis and a stakeholder dialogue. Please see section Material aspects on page 13 of this report for more information on this.

FINANCIAL AND NON-FINANCIAL INFORMATION

The financial information included in this report is derived from or in line with the financial statements. The non-financial information relates to areas such as market developments, portfolio and organisational developments, our tenants, CSR, governance and risk management. These data are the result of Vesteda's own analysis and systems, market research and legislation and regulations, such as MG-circulars (residential rental market rules and regulations). Vesteda endorses the Dutch Corporate Governance Code in all material aspects applicable and practical to a non-listed fund, in line with the 'apply or explain' principle. Vesteda has designed its internal control systems on the basis of the recommendations of the Committee of Sponsoring Organisations of the Treadway Commission (COSO). Vesteda identifies the risks associated with business operations and - if the Managing Board believes it necessary - reduces these risks to the desired level through control measures. Vesteda regularly identifies and evaluates the strategic, operational, compliance and financial risks and has defined the relevant risk limits. The EPRA Best Practice Recommendations (BPR), the INREV Sustainable Guidelines and the GRI are used to determine the sustainable data. In terms of sustainability data, this report contains both quantitative and qualitative data for the calendar year 2015.

VALUE CHAIN

Vesteda's value chain broadly consists of the following steps:

- Acquisition of real estate
- Management of real estate
- Property sales

In the acquisition phase, Vesteda acquires new-build or existing real estate. In the case of existing real estate, the number of parties involved is generally limited and the selling party is the most important partner. In the case of new-build real estate, Vesteda has chosen to no longer develop real estate under its own management, instead opting for turnkey agreements for residential buildings of developers and/or seller. Contractors, developers or investors are the main parties in this scenario.

Once it has been added to the portfolio, the real estate enters the management phase. With the exception of certain peripheral regions, Vesteda carries out the portfolio and property management in-house.

Vesteda's property management organisation makes use of selected service providers for the technical management and maintenance of the portfolio. These are the most important partners in the phase of a residential building's life. In addition, tenants are obviously the primary customer base in this phase.

The portfolio is valued each quarter by external appraisers, to arrive at the most objective and transparent calculation of the net asset value of the fund.

In the context of a dynamic portfolio strategy, Vesteda may decide to dispose of real estate on the basis of a hold/sell analysis. In this case, Vesteda aims to generate the maximum return from the portfolio and manages the quality of the portfolio. When it decides to sell individual residential units, the main buyers are generally private individuals. If Vesteda decides to sell at residential building level, for market-related or other reasons, then the buyers are generally professional investors (family-owned or institutional).

The ultimate beneficiaries of Vesteda's value chain are the participants, who are entitled to the economic benefits of the fund.

DIALOGUE WITH STAKEHOLDERS

The table below shows an overview of the structural dialogue between Vesteda and its key stakeholders.

Stakeholders	Dialogue	Content dialogue	Impact dialogue on policy Vesteda
Tenant	• Vesteda Tenants platform • Individual tenant associations per residential building • Contact through Property Management • Tenant satisfaction survey • Mijn Vesteda (My Vesteda) • Vesteda website	• Rent policy, maintenance policy, sustainability measures, quality of life in residential building	• Knowledge sharing and transparency • Improved communication • Improved management of suppliers
Employees	• Questionnaire (HPO) • Vesteda Verbetert project • Regular meetings (for example presentation Business Plan; informal lunch meetings with Managing Board) • via Intranet (in 2014, Vesteda launched a new intranet) • Annual employee day • Through Works Council	• Quality of management and employees, continues improvement, culture and process improvement	• Employee satisfaction score in HPO framework • Identification of integral improvement programmes • Clear quarterly information about business progress and plans
Participants	• General Meeting of Participants (at least twice a year) • Regular investor meetings / quarterly calls • Annual informal Participants' Day • Annual independent Participant satisfaction survey (annually) • Property Tours • InvestorWeb	• CSR, development risk, leverage, reporting, governance	• Increased attention for CSR • Clear boundaries for development risk • Clear criteria to improve reporting
Property Managers	• Regular meetings • Director Vesteda Property Management member of Vesteda Management Team • Through membership NeVaP • Through joining working groups VGM NL	• Regular meetings with regard to the exploitation of the investment portfolio • Active participation in NeVap. Platform to discuss developments in property management and various technical- and facility subjects • Participation in the property management benchmark	• Possible improvements regarding property management and product development • Direct involvement of the director of Vesteda Property Management on the strategy and day-to-day business of Vesteda • Adopting and improving best practices
Buyers/sellers	• (Regular) meetings • Attending/giving lectures at business events • Attending Expo Real Munich/Provada • Joining expert meetings	• Meetings with brokers and (potential) buyers and sellers regarding latest (market) developments • Attending / giving lectures about specific market developments and their consequences on buying and selling	• Translation of market developments in our buying and selling strategy • Meeting key players in the market
Local authorities	• (Regular) meetings • Attending/giving lectures at business events • Attending Expo Real Munich/Provada • Joining expert meetings	• Propositions, local policies for market developments	• Impact on acquisition policy

INREV GUIDELINES

INREV is the European Association for Investors in Non-Listed Real Estate Vehicles. Its goal is to improve transparency, professionalism and best practices across the sector, making the asset class more accessible and attractive to investors. INREV provides practical guidelines that create consistency, enable benchmarking and foster transparency for the industry. Vesteda deems it important to adhere to these guidelines and seeks to comply wherever this is possible or practical for a fund with the open-ended internally managed structure characteristics of Vesteda. In 2015, Vesteda performed a self-assessment with regard to the level of compliance with the INREV guidelines. The table below shows the results of this self-assessment.

INREV Module	Guidelines	Level of adoption or compliance
1	Corporate Governance	Vesteda is to a large extent compliant with the INREV Corporate Governance guidelines at a good or satisfactory level, but fails to comply on a limited number of aspects. These aspects relate to participant defaulting clauses, appointment of appraisers, co-investments, key man clauses, fee structures and conflict of interest issues due to the fact that Vesteda is an internally managed fund without key man clauses, capital call structures, performance fee structures and with exclusive focus on the fund only. These aspects are therefore not applicable to Vesteda.
2	Reporting	The Vesteda annual report is compliant with the INREV reporting guidelines where applicable.
3	Property valuation	Vesteda has defined and adheres to a valuation policy fully in line with INREV valuation best practices. The level of compliance with the guidelines was last formally assessed during the financial year, when it was determined that the vehicle was fully compliant.
4	Performance measurement	Vesteda complies with the basic INREV principles with regard to performance measurements. However, not all measures have been adopted (yet), as these were only published recently or have limited relevance to a fund such as Vesteda.
5	INREV NAV	The manager has complied with all the requirements of the INREV NAV module.
6	Fee and expense metrics	Vesteda has included the TER and REER in the annual report and the annual report is fully compliant with the requirements and recommendations of the INREV fee and expense metrics module. Vesteda intends to calculate and disclose forward-looking TER/REER in the fund documentation. All other requirements and recommendations have been complied with.
7	Liquidity	Vesteda is fully compliant with the INREV liquidity guidelines, with the exception of disclosure of investment or redemption requests/queues. This information is available only to participants or potential participants subject to an NDA.
8	INREV quarterly data delivery sheet to participants	Vesteda is in compliance with the INREV data delivery module as from the third quarter 2015. From the first quarter of 2016, Vesteda will prepare the Standard Data Delivery Sheet (SDDS) for each participant on a quarterly basis.

The Vesteda annual report is drawn up in accordance with IFRS principles unless otherwise stated. However, for transparency purposes, Vesteda deems it important to provide insight to investors on the fund's net asset value and metrics on the basis of the INREV principles. For that reason, Vesteda has added an additional segment to this report on the INREV NAV and metrics. Please see page 121 of this report.

ASSURANCE

This report has been provided with external assurance. You will find the assurance report, the selected parts, and the conclusion on page 77 of this report. Vesteda believes this assurance is important as it provides additional certainty regarding the accuracy of the information included.

Assurance report of the independent auditor

To: the Stakeholders, Participants, the Supervisory Committee and the Managing Board of Vesteda Residential Fund FGR

We have reviewed the non-financial information in the chapters 'Key developments 2015', 'CEO Foreword', 'Material aspects', 'Management Report', 'Report of the Supervisory Committee', 'Key portfolio developments', 'CSR and sustainability', 'Organisation', 'Governance and risk management', 'About this report' (excluding the paragraph 'INREV Guidelines') and Annexes 1, 2 and 5 in the Annual Report for the year 2015 (hereafter: the Report) of Vesteda Residential Fund FGR, Amsterdam (hereafter: Vesteda).

Limitations in our scope

The Report contains prospective information, such as ambitions, strategy, targets, expectations and projections. Inherent to this information is that actual future results may be different from the prospective information and therefore may be uncertain. We do not provide any assurance on the assumptions and feasibility of this prospective information.

We do not provide assurance regarding the corresponding non-financial information for the years 2012 and earlier.

References in the Report (to www.vesteda.com, www.vestedareport.com, to external websites, to sections in the Annual Report 2015 not mentioned in the introduction of this assurance report, and to other documents) are outside the scope of our assurance engagement.

Management's responsibility

Management of Vesteda is responsible for the preparation of the Report in accordance with the 'Sustainability Reporting Guidelines' G4 (option Core) of the Global Reporting Initiative (GRI) and the reporting criteria developed by Vesteda as disclosed in the chapter 'About this report' of the Report, including the identification of the stakeholders and the determination of material issues. The disclosures made by management with respect to the scope of the Report are included in the chapter 'About this report' of the Report.

Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the Report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the Report based on our review. We conducted our review in accordance with Dutch law, including the Dutch Standards 3000 'Assurance engagements other than audits or reviews of historical financial information' and 3810N 'Assurance engagements relating to sustainability reports'. This requires that we comply with ethical requirements and that we plan and perform the review to obtain limited assurance about whether the Report is free from material misstatement.

A review is focused on obtaining limited assurance. The procedures performed in obtaining limited assurance are aimed on the plausibility of information which does not require exhaustive gathering of evidence as in engagements focused on reasonable assurance. The performed procedures consisted primarily of making inquiries of management and other within the entity, as appropriate, applying analytical procedures and evaluating the evidence obtained. Consequently a review engagement provides less assurance than an audit.

PROCEDURES PERFORMED

Our main procedures included the following:

- Performing an external environment analysis and obtaining an understanding of the sector, relevant social issues, relevant laws and regulations and the characteristics of the organisation;
- Evaluating the acceptability of the reporting policies and their consistent application, such as assessment of the outcomes of the stakeholder dialogue and the reasonableness of accounting estimates made by management;
- Evaluating the contents of the Report in accordance with the 'Sustainability Reporting Guidelines' G4 (option Core) of GRI and the reporting criteria developed by Vesteda as disclosed in the chapter 'About this report' of the Report;
- Evaluating the design and implementation of the systems and processes for data gathering and processing of information as presented in the Report;
- Interviewing management (or relevant staff) at corporate and business division level responsible for the strategy and policies;
- Interviewing relevant staff responsible for providing the information in the Report, carrying out internal control procedures on the data and the consolidation of the data in the Report;
- Evaluating internal and external documentation, in addition to interviews, to determine whether the information in the Report is reliable;
- Analytical review of the data and trend explanations submitted for consolidation at group level.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

CONCLUSION

Based on our procedures performed, and with due consideration of the limitations described in the paragraph 'Limitations in our scope', nothing has come to our attention that causes us to conclude that the non-financial information in the Report is not correctly presented, in all material respects, in accordance with the 'Sustainability Reporting Guidelines' G4 (option Core) of the Global Reporting Initiative (GRI) and the reporting criteria developed by Vesteda as disclosed in the chapter 'About this report' of the Report.

Amsterdam, 16 March 2016

Ernst & Young Accountants LLP

Signed by: J.M. Heijster

Signed by: H. Hollander

Vesteda Residential Fund FGR financial statements 2015

Contents

Consolidated statement of comprehensive income

(Amounts in € million)

	NOTES	2015	2014
Gross rental income	5	237	237
Property operating expenses	6	(60)	(62)
Other income	7	(1)	1
Net rental income	8	**176**	**176**
Result on projects in progress		-	4
Result on property sales	9	14	20
Management expenses	10	(16)	(21)
Financial results	11	(52)	(65)
Realised result before tax		**122**	**114**
Unrealised result	12	**169**	**22**
Result before tax		**291**	**136**
Tax	13	-	-
Result after tax (attributable to equity holders of the parent)		**291**	**136**
Net gains (losses) on cash flow hedges arising during the year			
(may be classified to profit or loss in future periods)	14	25	(4)
Other comprehensive income, net of tax		**25**	**(4)**
Total comprehensive income (attributable to equity holders of the parent)		**316**	**132**
Earnings per participation right (result after tax) in €	23	11.52	5.53
Comprehensive income per participation right in €		12.52	5.36

Consolidated balance sheet

(Amounts in € million)

	NOTES	31 December 2015	31 December 2014
ASSETS			
Non-current assets			
Intangible fixed assets	15	1	-
Investment property	16	3,726	3,593
Investment property under construction	17	77	9
Property, plant and equipment	18	5	6
Financial assets	19	1	9
		3,810	**3,617**
Current assets			
Inventory property	20	-	5
Trade and other receivables	21	9	10
Cash and cash equivalents	22	20	35
		29	**50**
Total assets		**3,839**	**3,667**
EQUITY AND LIABILITIES			
Equity			
Group equity	23	2,629	2,262
Non-current liabilities			
Financial liabilities	24	1,089	961
Investment property under construction	17	-	1
Provisions	25	42	52
Derivative financial instruments	26	23	48
		1,154	**1,062**
Current liabilities			
Financial liabilities	24	-	298
Provisions	25	7	2
Trade and other payables	27	49	43
		56	**343**
Total liabilities		**1,210**	**1,405**
Total equity and liabilities		**3,839**	**3,667**
Net Asset Value (NAV) per participation right in €			
Basic IFRS NAV	23	101.92	94.07

Consolidated statement of changes in equity

(Amounts in € million)

	Fund Equity	Reserve				Total equity
		General paid in surplus	Property	Derivatives	Other reserve	
As at 1 January 2014	**25**	**1,877**	**411**	**(44)**	**11**	**2,280**
Result for the year	-	-	16	-	120	136
Other comprehensive income	-	-	-	(4)	-	(4)
Total comprehensive income	**-**	**-**	**16**	**(4)**	**120**	**132**
Realised from property sales	-	-	(9)	-	9	-
Redemption	-	(50)	-	-	-	(50)
Dividend	-	(100)	-	-	-	(100)
As at 31 December 2014	**25**	**1,727**	**418**	**(48)**	**140**	**2,262**
Result for the year	-	-	115	-	176	291
Other comprehensive income	-	-	-	25	-	25
Total comprehensive income	**-**	**-**	**115**	**25**	**176**	**316**
Realised from property sales	-	-	(7)	-	7	-
Capital paid in	-	415	-	-	-	415
Costs new equity	-	(2)	-	-	-	(2)
Redemption	-	(255)	-	-	-	(255)
Dividend	-	(107)	-	-	-	(107)
As at 31 December 2015	**25**	**1,778**	**526**	**(23)**	**323**	**2,629**

Other comprehensive income may be classified to profit or loss in future periods.

Consolidated cash flow statement

(Amounts in € million)

	NOTES	2015	2014
Operating activities			
Result for the year after tax		291	136
Adjustments to reconcile result before tax to net cash flow from operating activities			
Unrealised result	12	(169)	(22)
Depreciation of property, plant and equipment	18	1	1
Financial assets	19	(4)	(2)
Amortisation of financing costs	24	2	6
Provisions	25	2	(2)
Interest expense	11	36	47
Unwind transaction derivatives	14	14	12
		(118)	**40**
Working capital adjustment		13	18
Net cash flow from operating activities		**186**	**194**
Investing activities			
Capital expenditure in investment property	16	(31)	(18)
Sales of investment property	16	75	142
Capital expenditure on intangible fixed assets	15	(1)	-
Capital expenditure on property, plant and equipment	18	(1)	(1)
Capital expenditure on investment property under construction	17	(69)	(46)
Net cash flow from investing activities		**(27)**	**77**
Financing activities			
Loans drawn	24	570	735
Disagio	24	(1)	(2)
Financing costs	24	(4)	(3)
Loan repayment	24	(737)	(820)
Capital paid in	24	415	-
Costs new equity	24	(2)	-
Dividend paid		(107)	(100)
Redemption	23	(255)	(50)
Interest paid		(39)	(47)
Unwind transaction derivatives paid	14	(14)	(12)
Net cash flow from financing activities		**(174)**	**(299)**
		(15)	**(28)**
Net increase/decrease in cash and cash equivalents		(15)	(28)
Cash and cash equivalents at the beginning of the period	22	35	63
Cash and cash equivalents at 31 December	22	**20**	**35**

Non-cash transactions

In 2015 and 2014, no non-cash transactions have been done.

Notes to the consolidated financial statements

1 CORPORATE INFORMATION

The consolidated financial statements of Vesteda Residential Fund FGR and the affiliated entities (the Vesteda Companies) for the year ended 31 December 2015 were authorised for issue in accordance with a resolution of the Managing Board on 16 March 2016. Vesteda Residential Fund FGR (the fund) is a mutual fund. Vesteda Investment Management BV is the fund manager, its registered office is located at Claude Debussylaan 15, Amsterdam, the Netherlands.

The principal activity of the Vesteda Residential Fund is investments in Dutch residential properties.

The fund and its manager are subject to the Financial Supervision Act (Wet financieel toezicht 'Wft').

2 BASIS OF PREPARATION

Vesteda Residential Fund FGR (the Fund) is not a legal entity. These financial statements present the consolidated financial information of the Fund and its affiliated companies (together referred to as the Vesteda Companies). Management considered whether the Vesteda Companies represent a reporting entity. Although no legal parent company exists, management believes that the Vesteda Companies meet the definition of a reporting entity under IFRS, taking into account the discussions held by IFRIC and the IASB in prior years and the ED Conceptual Framework for Financial Reporting as issued by the IASB in May 2015. The ED states that if a reporting entity is not a legal entity, the boundary of the reporting entity needs to be set in such a way that the financial statements: (a) provide the relevant financial information needed by the existing and potential investors, lenders and other creditors who rely on the financial statements; and (b) faithfully represent the economic activities of the entity.

The Vesteda Companies represent a defined area of economic activities whose financial information provides relevant information to users of financial statements. Furthermore, the economic activities can be objectively distinguished from those of other entities and from the economic environment in which the Vesteda Companies operate.

The ED of May 2015 discusses the distinction between consolidated and combined financial statements. Management is of the opinion that this distinction is not relevant for the users of the financial statements of the Vesteda Companies and as such uses the term 'consolidated' financial statements.

As a result management believes that this basis of preparation results in a true and fair presentation of the Vesteda Companies' financial position, financial performance and cash flows, and that the consolidated financial statements comply in all material aspects with International Financial Reporting Standards as endorsed by the European Union and Part 9 of Book 2 of the Dutch Civil Code and the Financial Supervision Act.

The consolidated financial statements of the Vesteda Companies have been prepared on a historical cost basis, except for investment property, property, plant and equipment, investment property under construction and derivative financial instruments which have been measured at fair value. The consolidated financial statements are presented in euro and all amounts are rounded to the nearest million, except where otherwise indicated.

As a result of the license obtained from the AFM, Vesteda needs to comply with the Alternative Investment Fund Managers Directive (AIFMD). As a consequence, Vesteda needs to adhere to the requirements of Part 9 of Book 2 of Dutch Civil Code. Based on these requirements Vesteda needs to apply IFRS as adopted by the European Union as a basis of preparation for the 2015 consolidated financial statements. Prior to 2015, Vesteda applied IFRS as issued by the International Accounting Standards Board (IASB) to prepare the consolidated financial statements. Vesteda has analysed the impact of the transition to IFRS as adopted by the European Union and determined that this transition does not lead to changes in the financial statements, as the existing carve outs that the European Union allowed were not applied by Vesteda in the past.

In addition, based on the requirements of Part 9 of Book 2 of Dutch Civil Code, Vesteda prepared 2015 company financial statements for Vesteda Residential Fund FGR. These financial statements will be reported to the DNB and are available for other users upon request.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Fund and its affiliated companies as at 31 December 2015. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Vesteda Companies obtain control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.
The following entities are included in the consolidated financial statements:

- Vesteda Residential Fund FGR, Amsterdam - Parent entity
- Vesteda Investment Management BV, Amsterdam - 100%
- Stichting Dutch Residential Fund I, Amsterdam - 100%
- Custodian Vesteda Fund I BV, Amsterdam - 100%
- Custodian Vesteda Fund II BV, Amsterdam - 100%
- Custodian Vesteda Fund III BV, Amsterdam - 100%
- Custodian Vesteda Fund IV BV, Amsterdam - 100%
- Custodian Vesteda Fund V BV, Amsterdam - 100%
- Vesteda Finance BV, Amsterdam - 100%
- Vesteda Project Development BV, Amsterdam - 100%
  - HOG Heerlen Onroerend Goed BV, Heerlen - 100%
  - Gordiaan Vastgoed BV, Heerlen - 100%

All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Subsidiaries are entities (directly or indirectly) controlled by the Fund. Control exists when the Fund is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Fund controls an investee if, and only if, the Fund has all of the following:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. When the Fund has less than a majority of the voting, or similar, rights of an investee, it considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The relevant activities are those which significantly affect the subsidiary's returns. The ability to approve the operating and capital budget of a subsidiary and the ability to appoint key management personnel are decisions that demonstrate that the Fund has the existing rights to direct the relevant activities of a subsidiary.

The Fund re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Fund obtains control over the subsidiary and ceases when the Fund loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Fund gains control until the date the Fund ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Vesteda Companies' financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, as at the reporting date. However, uncertainty concerning these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Assets and liabilities are classified as current (short-term) if Vesteda expects them to be realised or settled within twelve months of the reporting date.

Judgements other than estimates

In the process of applying Vesteda's accounting policies, management has made judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements

Revenue recognition

A property sale is recognised when the beneficial ownership including the financial rights and risks of the ownership has been transferred.

Classification of property

The Vesteda Companies use the following criteria to determine the classification of a property:

- Investment property comprises land and buildings (principally residential properties) are held primarily to earn rental income and capital appreciation with the exception of properties which are not occupied substantially for use by, or in the operations of, the Vesteda Companies, or for sale in the ordinary course of business (we also refer to note 18 investment property).
- Investment property under construction comprises land and buildings (principally residential properties) under construction with the aim of adding to the investment property portfolio upon completion.
- Inventory property comprises property that is held for sale in the ordinary course of business. Principally, this is residential property that the Vesteda Companies have developed with the intention to sell on completion of construction.

Operating lease contracts – the Vesteda Companies as lessor

The Vesteda Companies have entered into property leases on their investment property portfolio. Vesteda has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and so accounts for the leases as operating leases.

Lease contracts – the Vesteda Companies as lessee

The Vesteda Companies have entered into land leases as a lessee. Vesteda has determined, based on an evaluation of the terms and conditions of the arrangements, that in most cases, the land lease is an operating lease, as the Vesteda Companies do not retain the significant risks and rewards incidental to ownership.

Tax status

Vesteda is a mutual fund for the joint account of the participants (fonds voor gemene rekening/FGR). The fund is tax transparent and investors can join or leave the fund through the Manager. Participants can hold their partnership contribution in Vesteda through an entity with its own legal and tax structure.

Each participant is therefore responsible for their individual tax liabilities and individual tax compliance obligations as a result of the issue, holding or redemption of participation rights.

The Manager is responsible for compliance with the tax rulings relating to the holding, issue and redemption of participation rights.

Vesteda Investment Management BV, Vesteda Project Development BV, Vesteda Finance BV, Custodian Vesteda Fund (CVF) I BV, CVF II BV, CVF III BV, CVF IV BV, CVF V BV, HOG Heerlen Onroerend Goed BV and Gordiaan Vastgoed BV are taxable for Dutch corporate income tax.

Furthermore the fund reached an agreement with the Tax authorities known as 'Horizontaal toezicht' and several tax rulings exist regarding VAT and transfer tax.

The Vesteda Companies recognise liabilities for current taxes based on estimates of whether corporate income taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will affect the corporate income and deferred tax provisions in the period in which the determination is made. Any deferred tax asset relating to income tax on the possible offset of losses for tax purposes and differences between accounting policies for commercial and tax purposes is recognised at current tax rates to the extent that it is probable that they can be utilised.

Estimates

Estimation of net realisable value for inventory property

Inventory is stated at the lower of cost and net realisable value (NRV).

NRV for inventory property is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Vesteda Companies after taking suitable external advice and in the light of recent market transactions, as well as the estimated cost to complete the construction.

Investment Property

Investment property is measured at fair value. The fair value of investment property is determined by independent real estate valuation experts using recognised valuation techniques as defined in the standards of the Royal Institution of Chartered Surveyors (RICS) and other professional bodies. The fair values of properties are determined on the basis of recent real estate transactions – if available - with similar characteristics and locations to those of the Vesteda Companies' assets.

The Discounted Cash Flow Method is used to determine the fair values of the investment property.

The Discounted Cash Flow Method involves the projection of a series of periodic cash flows associated with either an operating property or a development property. An appropriate, market-derived discount rate is applied to this projected cash flow series, to establish an indication of the current value of the income stream associated with the property. The calculated periodic cash flow is typically estimated as gross rental income less vacancy and collection losses and less operating expenses/outgoings. A series of periodic net operating incomes, along with an estimate of the reversion/terminal/exit value (which uses the traditional valuation approach) anticipated at the end of the projection period, are discounted to current value. The aggregate of the net current values equals the market value of the property.
The total portfolio is appraised comprehensively by external appraisers in the course of the year. Vesteda 's goal is to conduct comprehensive appraisals on approximately 25% of the portfolio each quarter. The remainder of the quarterly appraisals comprise a desktop update by the external appraisers.

Investment property under construction

Investment property under construction is also measured at fair value; for the method of determination of fair value reference is made to Investment Property.
Equal to Investment Property, the basis for the fair value determination including the necessary estimates involved is the valuation by independent real estate valuation experts using recognised valuation techniques.

The fair value is assessed by reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and less an estimate of the time value of money to the date of completion. Development risks (such as construction and letting risks) are taken into consideration when determining the fair value of investment properties under construction.

Provisions for contractual obligations

Provisions for the development of investment property under construction but not yet started are calculated as the difference between the estimated market value of the investments and the cost to come.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Legal and tax structure for the financial statements

Vesteda Residential Fund is a contractual investment fund (beleggingsfonds) as defined in section 1:1 of the Netherlands Act on the Financial Supervision ("AFS"). It is an unlisted fund for the joint account of the participants (fonds voor gemene rekening). Vesteda Residential Fund is licenced by AFM and as a result Vesteda Investment Management BV appointed Intertrust Depositary Services B.V. to act as depositary for the fund and has concluded a depositary services agreement with the depositary for the benefit of the fund and the participants in accordance with article 4:37f AFS. The depositary is responsible for the supervision of certain aspects the Fund's business in accordance with the applicable law and the depositary services agreement.

The fund is transparent for tax purposes. For this reason, investors can participate in Vesteda through an entity with its own legal and fiscal nature structured as they require. Investors always join or leave the fund through the fund manager: Vesteda Investment Management BV. The rights and obligations of the manager, the Supervisory Committee and the investors are set out in the fund Terms and Conditions Participants' rights and obligations in respect of the manager, Vesteda Project Development B.V. and Vesteda Finance B.V., are exercised through Stichting Administratiekantoor Vesteda (StAK Vesteda).

Participants are granted a power of attorney to attend and exercise voting rights in the general meeting of shareholders of these three companies by StAK Vesteda at their request.

There is no other role as mentioned above for StAK Vesteda.

Vesteda Investment Management BV (the manager)

The Terms and Conditions entrust the manager with the management and operation of the fund within the framework as set out in aforementioned Terms and Conditions The manager is a private company with limited liability, incorporated and existing under the laws of the Netherlands. As such, the manager has a management board, which, during 2015, comprised of two managing directors, being the CEO and the CFO.

Vesteda Finance BV and Vesteda Project Development BV

Vesteda Finance BV is entrusted with the fund's corporate unsecured financing activities. Vesteda Project Development BV is responsible for completing the development projects in the pipeline.
Within Vesteda Project Development BV end of 2015 there are only three projects remaining: two residential projects in Amsterdam to be completed in 2016 and the last one is Leidsche Rijn Centrumplan in Utrecht to be completed in 2018.

Custodians Vesteda Funds

At present, Vesteda has five custodian companies. The duty of each custodian is to be the legal owner of such fund assets and acquire legal title of such fund assets for safekeeping for the account and at the risk of the participants. A custodian will always acquire assets for the purpose of management and custody (ten titel van beheer) on behalf of the participants. Individual properties can be allocated to the various custodians, making it possible to finance the fund flexibly if desired by allocating collateral to one of the custodians.

Vesteda Residential Fund FGR is a mutual fund, which is not a legal entity under the laws of the Netherlands.

Accounting policies

Rental income

Rental income from operating leases is recognised when it becomes receivable. Incentives for lessees to enter into lease agreements are spread evenly over the lease term, even if the payments are not made on such a basis.

Property operating expenses

Operating expenses comprise costs directly attributable to a specific property. These costs are mainly maintenance costs, property tax and other levies, insurance premiums, management and letting fees and service costs not chargeable to tenants.

Other income

Other income is recognised when realised.

Net rental income

Net rental income is the rental income plus other income less property operating expenses.

Result on projects in progress
Profit is recognised in proportion to the amount of the project that has been completed.

Result on property sales
A property (or property under construction) is regarded as sold when the significant risks and returns have been transferred to the buyer, which is normally upon the unconditional exchange of contracts. For conditional exchanges, sales are recognised only when all the significant conditions are contented. The result on property sales is the proceeds from sales (less any facilitation costs) less the most recent carrying value of the properties sold, established each quarter.

Management expenses
Any expenses that cannot be allocated directly to the various properties are regarded as management expenses.

Financial results
Interest income and expense is recognised as it accrues using the effective interest method. Financial results also includes amortisation of financing costs and the cost of the unwind transaction derivatives.

Realised result
The realised result is the sum of the net rental income and result on property sales and projects in progress less management expenses and financial result.

Unrealised result
The unrealised result is made up of unrealised gains and losses related directly to property investments.

Corporate income tax
Entities within the Vesteda Companies which are subject to corporate income tax, have no difference between accounting and taxable income. As such, taxation on income is calculated by applying the standard rate of tax to the taxable amount. If such a taxable amount is negative, Vesteda only recognises a benefit if there is a possibility to carry back the loss to years where taxes have been paid and if a refund is expected. Where relevant, the Vesteda Companies may recognise deferred tax assets in relation to losses carry forward. For purposes of clarity, the fund itself is exempt from corporate income taxes.

Intangible fixed assets
Intangible fixed assets are recognised at cost less straight-line depreciation and any impairment. Depreciation is based on the estimated useful contribution of the assets concerned, which is three years.

Investment property
Investment property is measured initially at cost including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for operational purpose. The carrying amount also includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met.

Subsequent to initial recognition, investment property is stated at fair value. Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction, where parties traded in an informed, diligent way and without compulsion. Gains or losses arising from changes in the fair values are included in the income statement in the year in which they arise.

The determination of the fair value for investment property is based on the income approach in line with IFRS 13. Considering the limited public data available, the complexity of real estate asset valuations, as well as the fact that appraisers use in their valuations the rents and property operating expenses of Vesteda's assets, Vesteda believes it appropriate to classify its investment property under Level 3. In addition, unobservable inputs, including appraisers' assumptions on discount rates, dates, rates, inflation and exit yields, are used by appraisers to determine the fair value of Vesteda's investment property.

Investment property under construction
Investment property under construction, subsequent to initial recognition, is also stated at fair value.

Equal to Investment Property, the basis for the fair value determination including the necessary estimates involved is the valuation by independent real estate valuation experts using recognised valuation techniques.
For the method of determination of fair value reference is made to investment property.

Development risks (such as construction and letting risks) are taken into consideration when determining the fair value of investment properties under construction.

Investment property is derecognised when it has been sold or permanently withdrawn from use and no future economic benefit is expected from its property sales. Any gains or losses on the withdrawal or sales of investment property are recognised in the income statement in the year of withdrawal or sale.

Property, plant and equipment

The former head office in Maastricht is recognised at fair value, reappraised annually by an external appraiser. The revaluation is taken directly to group equity and recognised through other comprehensive income. Any revaluation losses in excess of the positive revaluation reserve in group equity is recognised directly in the income statement. Straight-line depreciation is applied, based on an estimated useful life, over the depreciable amount, being the carrying amount less residual value.

Other property, plant and equipment are recognised at cost less straight-line depreciation and any impairment. Depreciation is based on the estimated useful life of the assets concerned, which is between three and ten years.

During 2015 lifetime of equipment is shortened due to movement to Boelelaan in 2016. Accordingly the amount of depreciation is raised with €0,1 million.

An asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement.

Financial assets

- Associates; if significant influence is exercised on the commercial and financial policy of participating interest, those interests are accounted for using the equity method based on net asset value.
- Other participating interests are recognised at fair value.
- Loans receivable are recognised at amortised cost. Where necessary, there is a write-down for doubtful debts.

Leases – Vesteda Companies as lessee

Lease payments are apportioned between the finance charges and the reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the income statement as they arise.

Other leases are classified as operating leases, unless they are leases of investment property (see investment property above). Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term, except for contingent rental payments which are expensed when they arise.

Inventory property

Property acquired or constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and net realisable value.
Costs include:

- Freehold and leasehold rights for land.
- Amounts paid to contractors for construction.
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

Non refundable commissions paid to sales or marketing agents on the sale of real estate units are expensed when paid.

Net realisable value is the estimated selling price in the ordinary course of business, based on market prices at the reporting date and discounted for the time value of money if material, less the estimated costs of sale.

The cost of inventory recognised in profit or loss on sales is determined by reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

Receivables

Receivables are recognised at amortised cost, which is generally in line with face value, less a provision for doubtful debts.

Cash and cash equivalents
Cash is cash on hand and at bank. Cash is recognised at face value.

Financial liabilities
Loans are initially recognised at cost, which is the fair value of the amount received, less transaction costs. After initial recognition, loans are subsequently measured at amortised cost using the effective interest method. Interest expense is attributed to the period to which it relates and recognised through the income statement. Financing costs are recognised at cost less straight-line depreciation. Depreciation is parallel to the maturity of the inherent loans.

Derivatives
The Vesteda Companies use derivatives such as interest rate swaps to hedge changes in interest rates. The derivatives are used to hedge the risk of uncertain future cash flows. In the financial statements, these relate to the revolving credit facility and the mortgage loans.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

At the inception of the hedge relationship, the Vesteda Companies formally designate and document the hedge relationship to which the Vesteda Companies wish to apply hedge accounting together with the risk management objective and the strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk.
Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The determination of the fair value for derivatives is based on the discounted cash flow approach in line with IFRS 13. Fair value hierarchy Level 2 is applied. The risk free interest rate as used for the valuation of the derivative portfolio can be observed in the market.

Provisions
Provisions are recognised if Vesteda has an obligation from a past event and it is probable that the obligation will have to be settled and a reliable estimate can be made of the amount of the obligation. The amount of a provision is set using the best estimate of the amount that will be required to settle the obligations and losses at the reporting date.

Pensions
Vesteda has arranged for its pension obligations through joining Stichting Pensioenfonds ABP (ABP). The ABP pension arrangement is a Multi employer plan in which actuarial and investment risks are almost in full for the account of the employees. Employers who joined this arrangement have no obligation to contribute additional premium in case of a deficit. Vesteda's obligations are limited to contribution of the premium set by the pensionfund. The Managing Board of ABP determines this premium annually on the basis of their own datafiles and with reference to the parameters and requirements specified by the supervising authority of ABP (the Dutch Central Bank).
The premium obligation arises from being a participant in the pension arrangement in the current year and does not originate from having joined the pension plan in previous years. The ABP pension arrangement qualifies as a defined contribution (DC) plan. Consequently the premium is recognised as an expense for the year.

ABP has indicated that it is unable to provide the kind of company-specific information required by IFRS for defined-benefit pension schemes. As such, this scheme is treated as if it were a defined contribution scheme. In 2016 Vesteda expects to contribute €2 million to the multi-employer scheme administered by the ABP in the Netherlands. In 2008 the funding ratio of the ABP pension fund deteriorated. Consequently ABP introduced a recovery plan in 2009. In accordance with this recovery plan, ABP evaluates how recovery is progressing at the start of each year. Progress is measured by means of the funding ratio at the end of the preceding year. A new method of calculating the funding ratio was effective from 2015. This method calculates the 12-month moving average of the nominal funding ratio (called policy funding ratio). ABP's policy funding ratio as at 31 December 2015 is 98.7% (2014: 104.7%). As per year-end 2015, ABP has approximately 2.8 million participants. Therefore, the Vesteda employees constitute an insignificant portion of the total ABP fund.

Current liabilities
Trade payables and other current liabilities are recognised at amortised cost, which is generally in line with face value.

5 GROSS RENTAL INCOME

	2015	2014
Theoretical rent	245	248
Loss of rent	8	11
Gross rental income	**237**	**237**

The theoretical rent has declined due to the smaller size of the portfolio. The number of units declined in 2015 from 22,990 to 22,599. The loss of rent declined because of improved market conditions, swift letting of the inflow of new complexes in the portfolio, continuous mark-to-market of letting prices and strong focus on immediate reletting of upcoming vacancies.

6 PROPERTY OPERATING EXPENSES

Operating expenses is made up as follows:

	2015	2014
Property (and related) taxes	10	11
Landlord levy	4	4
Property management costs	7	6
Maintenance costs	21	20
Fitting out costs	2	2
Letting and marketing fees	4	4
Non-recoverable service charges	7	8
Miscellaneous operational costs	5	7
Total	**60**	**62**

Operating expenses amounted to 25.5% of gross rental income in 2015 (2014: 25.9%).

Maintenance cost was higher partly because the favourable VAT treatment of the labour component ended mid 2015 (from 6% to 21%). But, lower fixed cost due to lower taxes and lower non recoverable service charges due to lower vacancies and cost savings on maintenance programs contributed to the reduction in operating expenses compared to 2014. In addition to this miscellaneous operational costs were lower due to one off corrections for previous year costs.

Taxes consist primarily of property taxes. The property management costs and letting and marketing fees are management expenses allocated to the property operating expenses.

7 OTHER INCOME

The other income is made up as follows:

	2015	2014
Settlement costs	(2)	-
Other	1	1
Total	**(1)**	**1**

The settlement costs are due to a provision with regard to the settlement of a contingent liability related to one complex. Of the total provision of €6 million, €2 million is accounted for as negative other income, the remainder is accounted for as negative unrealised result.

8 NET RENTAL INCOME

Net rental income (gross rental income plus other income less property operating expenses) for the financial year 2015 was €176 million (2014: €176 million).

9 RESULT ON PROPERTY SALES

The result on property sales is made up as follows:

	2015	2014
Result on property sales of investment property	14	20
Total	**14**	**20**

The total result of €14 million (2014: €20 million) is related to the individual unit sales.

10 MANAGEMENT EXPENSES

The management expenses comprise:

	2015	2014
Salaries	18	22
Social security charges	1	2
Pension charges	2	2
Depreciation expenses	1	1
Other operating expenses	7	7
Gross property management costs	**29**	**34**
Presented within net rental income	(13)	(13)
Total	**16**	**21**

Management expenses came in at €16 million, significantly lower than the €21 million recorded in 2014. This reduction is primarily due to the positive impact of the completed reorganisation at property management, which has resulted in a structural downward adjustment of expenses.
The Vesteda Companies employed an average of 206 people (2014: 235) during the year; this was an average of 183.9 FTE's (2014: 207.8 FTE's).

11 FINANCIAL RESULTS

The financial results are made up as follows:

	2015	2014
Interest expenses	36	47
Amortisation of financing costs	2	6
Unwind transaction derivatives	14	12
Total	**52**	**65**

12 UNREALISED RESULT

The unrealised results are made up as follows:

	2015	2014
Revaluation investment property	165	17
Revaluation investment property under construction	13	10
Revaluation property, plant and equipment	(1)	-
Additions provisions for contractual obligations	(4)	(5)
Additions other provisions	(4)	-
Total	**169**	**22**

13 TAX

No deferred tax asset for tax loss carry forwards and differences in measurement for tax and commercial purposes has been recognised in view of the losses expected to be incurred by Vesteda Project Development BV in the future.

The total tax loss carry forward can be specified as follows:

2007	1
2009	3
2010	45
2011	14
2012	13
2015	2
Total	**78**

The tax loss can be carried forward for nine years after the loss is recognised. The negative result of 2015 of €2 million has been added as no positive result is expected in the future. This deferred tax asset has not been capitalised.

14 NET GAINS (LOSSES) ON CASH FLOW HEDGES ARISING DURING THE YEAR

The net gains (losses) on cash flow hedges arising during the year are made up as follows:

	2015	2014
Positive revaluation derivatives	11	14
Negative revaluation derivatives	-	(30)
Unwind transaction derivatives	14	12
Total	**25**	**(4)**

In October 2015 the notional of a €490 million Interest Rate Swap was reduced by €150 million to €340 million at an unwinding cost of €14 million. This transaction has a neutral impact on the Fund's NAV.

15 INTANGIBLE FIXED ASSETS

	Software
As at 1 January 2015	**-**
Investments	1
Depreciations	-
As at 31 December 2015	**1**

The investment comprises the 'Klantportaal' ('My Vesteda') system, which is a web-based client portal solution for client interaction. The remaining amortisation period is 2 years.

16 INVESTMENT PROPERTY

The investment property is made up as follows:

	2015	2014
Investment property as at 1 January	**3.593**	**3.655**
Acquisitions	11	-
Capital expenditure on owned property	20	18
Transfer from inventory property	1	-
Transfer from property under construction	11	45
Property sales	(75)	(142)
Revaluation (fair value adjustment)	165	17
Investment property as at 31 December	**3,726**	**3,593**

The fair value of completed investment property has been determined on a market value basis in accordance with International Valuation Standards (IVS), as set out by the IVSC. The valuation is prepared on an aggregated ungeared basis. As set out in Note 4, in arriving at their estimates of market values, the appraisers have used their market knowledge and professional judgement rather than relying exclusively on comparable historical transaction data.

Vesteda continuously seeks to optimise its portfolio of investment properties, which includes the sale of investment properties if this is considered the most optimal strategy; however it appeared not possible under current market conditions to identify that investment properties meet the 'held-for-sale' definition. Consequently, no investment properties are presented as held-for-sale as per 31 December 2015.

The valuations were performed by accredited independent appraisers with a recognised and relevant professional qualification and with recent experience in the location and category of the investment property being appraised. The fair value of the assets is driven by the net cash flows generated by the assets, which are taken into account by the market, in combination with the discount rate development. The generated cash flow is the net rental income plus the net sales revenues from selling individual units.

The following main inputs have been used in the valuation of the investment property:

	2015	2014
Discount rate (%)	6.7	7.2
Exit yield (%)	7.0	7.2
Rental growth (%)	1.8	2.1
Vacant value growth (%)	1.8	1.5

These inputs are considered to be the most important drivers in the valuation of investment property.

The fair values are determined by external appraisers using discounted cashflow models with a 10 year period. Discount rates are used in the DCF models to account for the time value of money and reflect the inherent risk with regard to the cashflows in the model when calculating the present values. Exit yields are indicators used to detemine the exit values that can be achieved at the end of the DCF lifetime. Rental growth is the average rental growth in the 10 year period of the discounted cashflow model. Vacant value growth is the average vacant value growth in the 10 year period that is assumed in the cashflow model.

Sensitivity analysis

The table below presents the sensitivity of the valuation to changes in the significant parameters driving the underlying valuation of investment property.

	-100 bps	Fair value	+100 bps
1 January 2015			
Discount rate	3,806	3,593	3,370
Exit yield	3,797	3,593	3,420
Rental growth	3,439	3,593	3,744
Vacant value growth	3,547	3,593	3,639
31 December 2015			
Discount rate	3,948	3,726	3,497
Exit yield	3,942	3,726	3,546
Rental growth	3,571	3,726	3,879
Vacant value growth	3,675	3,726	3,778

17 INVESTMENT PROPERTY UNDER CONSTRUCTION

	2015	2014
As at 1 January	**8**	**(3)**
Capital expenditure on property under construction	69	46
Transfer to investment property	(11)	(45)
Fair value adjustment	13	10
Transfer from provisions	(2)	-
As at 31 December	**77**	**8**

	2015	2014
Positive balance	77	9
Negative balance	-	(1)
Total projects under construction	**77**	**8**

As set out in Note 4, in arriving at their estimates of market values, the appraisers used their market knowledge and professional judgment, rather than relying exclusively on comparable historical transaction data.

The fair value of the assets under construction is driven by the net future cash flow generated by the assets, in combination with the discount rate development. The generated cash flow, the net rental income plus the net sales revenues from selling off individual homes.

For the main inputs for the fair value of investment property under construction, we refer to Note 16.

The cost to come amount up to €77 million. This amount is included in construction contracts in Note 34.

18 PROPERTY, PLANT AND EQUIPMENT

	Buildings	Other	Total
As at 1 January 2014	**4**	**2**	**6**
Investments	-	1	1
Depreciations	-	1	1
As at 31 December 2014	**4**	**2**	**6**
Investments	-	1	1
Depreciations	-	1	1
Revaluation	(1)	-	(1)
As at 31 December 2015	**3**	**2**	**5**

The former head office in Maastricht is valued at fair value by an independent valuer for an amount of €3 million (2014: €4 million), which results in a fair value adjustment in the current period of €-1 million (2014: nil). For the determination of the fair value we refer to the explanation provided in Note 16. The value of the office building based on the historical cost model amounts to €5 million (2014: €5 million). The economic life of the office building is set at thirty years, and the accumulated depreciation amounts to nil. The value of all the other property, plant and equipment amounts to €2 million (2014: €2 million). The remaining amortisation period of the other property, plant and equipment is 2 years.

19 FINANCIAL ASSETS

The financial assets are made up as follows:

	Loans
As at 1 January 2014	**7**
Investments	2
As at 31 December 2014	**9**
Investments	4
Transfer to Provisions	(12)
As at 31 December 2015	**1**

In circumstances where provisions for onerous contracts arise at the same time that financial assets are presented at balance sheet date for the related contract, these balances are netted at balance sheet date. In case of a positive balance the net position is presented as a financial asset. In case of a negative balance the net position is presented as a provision. Transfer to provisions of €12 million relates to participation in Leidsche Rijn Centrumplan BV (€4 million provided as paid capital and €8 million provided in loans).

Leidsche Rijn Centrumplan BV is the development vehicle in which ASR and Vesteda Project Development BV together develop the LRC plan in Utrecht. Vesteda Project Development BV holds 22% in this entity.

20 INVENTORY PROPERTY

Inventory property is made up as follows:

	2015	2014
As at 1 January	**5**	**16**
Transfer from projects in progress	-	2
Transfer to investment property	(1)	-
Disposals	(4)	(13)
As at 31 December	**-**	**5**

Inventory property are residential properties to be sold directly by Vesteda Project Development BV to third parties. In 2015 Vesteda Project Development BV transferred three remaining residential units to the fund.

21 TRADE AND OTHER RECEIVABLES

The trade and other receivables are made up as follows:

	2015	2014
Loans receivable	4	4
Trade receivables	2	3
Other receivables	3	3
Total	**9**	**10**

Loans receivable relate to amounts overdue for an amount of €17 million (2014: €17 million), for which a provision for doubtfulness is recorded for an amount of €13 million (2014: €13 million). The trade receivables includes a provision for doubtfulness of €1.6 million (2014: €1.6 million), for overdue amount €1.3 million and for other €0.3 million.

22 CASH AND CASH EQUIVALENTS

The cash and cash equivalents are made up as follows:

	2015	2014
Cash at bank and on hand	20	23
Short-term deposits	-	12
Total	**20**	**35**

With the exception of €0.2 million blocked cash (2014: €0.2 million), cash and cash equivalents are at the free disposal of the company. The blocked cash covers bank guarantees, that were issued as rent guarantees for offices that are in use by Vesteda.

23 GROUP EQUITY

The participation rights issued can be specified as follows:

	2015	2014
As at 1 January	**24,045,495**	**24,580,770**
Issued in the year	4,535,007	-
Redeemed in the year	(2,785,418)	(535,275)
As at 31 December	**25,795,084**	**24,045,495**

The participation rights carry a nominal value of €1, all participation rights are fully paid. There are no restrictions relating to dividend and capital distribution. For further information on movements reference is made to the consolidated statement of changes in equity. In April 2015 three new international participants invested €600 million equity; of the total investment €345 million was intended for acquisitions. Of this value, €160 million was immediately drawn. Additionally there is a commitment for the investment of another €185 million. The remaining €255 million was used to meet redemption requests of existing participants. In 2015, three participants were fully redeemed. In 2015, €107 million dividend, €4.43 per participation, was paid out.

Vesteda Residential Fund FGR is a mutual fund, which is not classified as a legal entity under Dutch law. Vesteda Residential Fund FGR does therefore not have legal requirements relating to reserves. However the fund has decided to present its statement of changes in equity as recorded on page 84 as if the fund were subject to the rules for the determination of revaluation reserves.

Property reserve is the difference between the market value and historical book value. Revaluation of property is accounted for in case of positive revaluations. Negative revaluation is deducted from this reserve as long as the reserve is positive on an individual basis.

Derivatives reserve contains the value fluctuations of derivatives by applying hedge accounting.
The cash flow hedge reserve may be reclassified to profit or loss should the underlying hedged item not be kept until its expected maturity.

The result for the year with exception of the property reserve and the derivatives reserve will be added to the other reserve.

Earnings per participation right

Basic earnings per participation right are calculated by dividing result after tax for the year attributable to equity holders of the parent by the weighted average number of participation rights outstanding during the year. The following reflects the income and number of participation rights used in the basic earnings per participation right computations:

	2015	2014
Result after tax attributable to equity holders	291	136
Weighted average number of participation rights	25,224,670	24,579,303
Earnings per participation right (result after tax) in €	11.52	5.53

There have been no other transactions involving participation rights or potential participation rights between the reporting date and the date of completion of these financial statements.

Net asset value (NAV) per participation right

Basic IFRS NAV per participation right is calculated by dividing net assets in the balance sheet attributable to ordinary equity holders of the parent by the number of participation rights at year-end. The following reflects the net asset and number of participation rights used in the basic NAV per participation right computations:

	2015	2014
NAV attributable to equity holders of the parent	2,629	2,262
Participations at year-end	25,795,084	24,045,495
Net Asset Value (NAV) per participation right in €		
Basic IFRS NAV	**101.92**	**94.07**

There is no difference between basic and diluted IFRS NAV.

24 FINANCIAL LIABILITIES

The financial liabilities are made up as follows:

	Term facilities	Mortgage	Bonds	Total
As at 1 January 2014	**1,205**	**145**	**-**	**1,350**
Financing costs	(6)	(1)	-	(7)
Value net of Financing costs	**1,199**	**144**	**-**	**1,343**
Drawn	400	35	300	735
Disagio	-	-	(2)	(2)
Repayments	(770)	(50)	-	(820)
Additions	(1)	-	(2)	(3)
Amortisation	6	-	-	6
As at 31 December 2014	**834**	**129**	**296**	**1,259**
Drawn	270	-	300	570
Disagio	-	-	(1)	(1)
Repayments	(735)	(2)	-	(737)
Additions	(3)	-	(1)	(4)
Amortisation	1	-	1	2
As at 31 December 2015	**367**	**127**	**595**	**1,089**

Financing costs amount up to €6 million as at 31 December 2015; from which €3 million is related to Term facilities, €1 million to Mortgage and €2 million to Bonds. An amount of €2 million of the financing costs should be classified as current liabilities but relates to loans which are classified as non-current liabilities. Therefore also the amount of €2 million is classified as non-current liabilities.

Debt Funding

The information below is provided for explanatory purposes with regard to the Vesteda Companies' long-term funding.

The Vesteda Companies obtain their debt funding through various sources:

1) Term Facilities, comprising corporate unsecured bank funding and senior unsecured notes issued under a private placement transaction sourced via Vesteda Finance BV
2) Secured mortgage loans, borrowed by Custodian Vesteda Fund II BV and Custodian Vesteda Fund V BV
3) Bonds, issued as senior unsecured notes by Vesteda Finance BV

1) Term Facilities

Corporate unsecured funding

Vesteda Finance BV acts as borrower and issuer of all corporate unsecured debt on behalf of Vesteda Residential Fund FGR. As per 31 December 2015, Custodian Vesteda Fund I BV, Custodian Vesteda Fund III BV and Custodian Vesteda Fund IV BV act as guarantors for all obligations of the corporate unsecured debt that is borrowed or issued by Vesteda Finance BV.

In April 2015 Vesteda Finance BV drew €300 million under an existing €300 million corporate revolving bridge facility provided by the lenders ABN Amro, Rabobank and BNP Paribas. Vesteda Finance BV was the Borrower of the corporate revolving bridge facility and lended proceeds to Custodian Vesteda Fund IV BV. This entity used these proceeds to refinance the Term A4 Facility of €300 million that was provided by Vesteda Residential Funding II BV as part of the CMBS funding programme. The corporate revolving bridge facility was fully repaid in October 2015 with proceeds from Vesteda's second bond issue. The revolving bridge facility was funded on 1-Month Euribor with a margin of 0.95% including 0.10% utilisation fee) and subject to a margin step-up of 0.20% on 1 January 2015 and 1 July 2015 respectively. The corporate revolving bridge facility has expired by the end of 2015.

Repayment of CMBS Funding - Vesteda Residential Funding II BV
As per 20 April 2015 the final €300 million of variable-rate notes consisting of the class A4 secured floating rate notes (2005) were redeemed. Vesteda's CMBS funding program through a specifically incorporated company to manage the CMBS financing, Vesteda Residential Funding II BV, was subsequently terminated and Custodian Vesteda Fund IV BV was released from the CMBS funding structure.

In June 2015 Vesteda Finance BV refinanced the corporate unsecured borrowing under its existing bank financing comprising a €300 million 3-year term loan and a €300 million 5-year revolving loan tranche with a new €600 million revolving credit facility.

The €600 million revolving credit facility is funded on 3-Months and 1-Month Euribor and has a 5-year initial term plus two 1-year extension request options and is provided by the lenders ABN Amro, Rabobank, BNP Paribas, Deutsche Bank and ING with an initial margin of 0.70% and remaining legal term of 4.42 years. At year-end 2015 from the total facility of €600 million an amount of €270 million is outstanding and an amount of €330 million has not been drawn.

Pricing of the revolving credit facility is subject to a margin grid, whereby an LTV below 32.5% equates to a margin of 0.70% and utilised commitments exceeding 33.3% but less or equal to 66.7% equate to a utilisation fee of 0.20%.

During 2015 Vesteda Finance BV continued its €100 million borrowing under a €100 million private placement transaction. Funds are provided by PRICOA Capital Group under a note purchase agreement. The senior notes have a fixed annual coupon of 3.18%, payable on a semi-annual basis and are due on May 8, 2021. The intended remaining term to maturity of the notes is 5.35 years.

2) Mortgage funding
In 2015, Vesteda Residential Fund FGR continued mortgage borrowing under its existing financing arrangements. Mortgage loans of €127.6 million were outstanding at year-end. The mortgage is secured on company owned property.

Custodian Vesteda Fund V BV has three mortgage loans in place with lender FGH Bank:
- €34.5 million 3-year H1 tranche on 3-Months Euribor, with a margin of 1.775% and intended remaining term to maturity of 2.0 years;
- €21.5 million 5-year H2 tranche on 3-Months Euribor, with a margin of 2.50% and intended remaining term to maturity of 2.0 years;
- €21.6 million 5-year H3 tranche on 3-Months Euribor, with a margin of 2.50% and intended remaining term to maturity of 2.0 years.

Custodian Vesteda Fund II BV has one mortgage loan in place with lender Berlin Hyp AG:
- €50.0 million mortgage loan facility, with a margin of 1.80% and intended remaining term to maturity of 2.55 years.

Investment Property with a fair value of €285 million is pledged as collateral for the mortgage loan facilities.

3) Bonds
In 2015 Vesteda Finance BV continued its borrowing of a first tranche of €300 million senior unsecured notes issued in July 2014 under its programme for the issuance of Euro Medium Term Notes (EMTN). The notes are rated BBB by Standard & Poor's, pay an annual fixed coupon of 1.75% and are due on 22 July 2019. The intended remaining term to maturity of the notes is 3.55 years.

In October 2015 Vesteda Finance BV issued a second tranche of €300 million senior unsecured notes under its programme for the issuance of Euro Medium Term Notes (EMTN). The notes are rated BBB by Standard & Poor's, pay an annual fixed coupon of 2.50% and are due on 27 October 2022. The intended remaining term to maturity of the notes is 6.83 years. The proceeds were used for redemption of the bridge facility.

25 PROVISIONS

The non-current provisions are made up as follows:

	2015	2014
As at 1 January	**52**	**47**
Additions	4	5
Transfer to investment property under construction	(2)	-
Transfer from financial assets	(12)	-
As at 31 December	**42**	**52**

Provisions have been recognised for contractual obligations for the developments of investment property under construction but not yet started or for turn key projects without forward funding (and joint transfer of ownership of the land). The provisions are calculated as the difference between the market value at the balance sheet date of the investment property and the estimated net present value of the investment amount.

These developments will take place in the period up to and including 2018, under uncertain market conditions. The provisions are related to the contingencies and commitments as referred to in Note 34 for an amount of €162 million (2014: €172 million).

In circumstances where provisions for onerous contracts arise at the same time that financial assets are presented at balance sheet date for the related contract, these balances are netted at balance sheet date. In case of a positive balance the net position is presented as a financial asset. In case of a negative balance the net position is presented as a provision. Transfer from financial assets of €12 million relates to participation in Leidsche Rijn Centrumplan BV (€4 million provided as paid capital and €8 million provided in loans). Leidsche Rijn Centrumplan BV is the development vehicle in which ASR and Vesteda Project Development BV together develop the LRC plan in Utrecht. Vesteda Project Development BV holds 22% in this entity. The provision for the LRC plan amounts to €54 million, which is netted with a €12 million financial asset position, resulting in a net provision of €42 million. Vesteda only has exposure on the development risk with regard to the residential units in this project, and has made a provision for the expected losses. In total 466 housing units are involved.

The amendment in the LRC provision from €51 million year-end 2014 to €54 million year-end 2015 is caused by multiple reasons: shorter discounting period, delay of constructing period and decreasing of the WACC from 5.6% to 5.4%. Finally estimated investments costs are slightly higher than last year.

The current provisions are made up as follows:

	2015	2014
As at 1 January	**2**	**4**
Additions	7	1
Used	(1)	(2)
Released	(1)	(1)
As at 31 December	**7**	**2**

The provision as at 1 January 2015 relates to severance payments, relocation compensations and other costs directly related to restructuring. End of 2015 the remaining provision was almost nil.

An amount of €6 million relates to the settlement of a liability and €1 million to the change of two existing offices to the new head office De Boel.

The change in the provision is partly recorded in the unrealised result (€8 million) and partly in the realised result (€2 million).

26 DERIVATIVE FINANCIAL INSTRUMENTS

The derivatives financial instruments are made up as follows:

	2015	2014
As at 1 January	**48**	**44**
Fair value gain	(11)	(14)
Fair value loss	-	30
Unwind transaction	(14)	(12)
As at 31 December	**23**	**48**

In October 2015 the short overhedge situation following the refinancing activities was ended through a derivative unwinding transaction. The notional of a €490 million Interest Rate Swap was reduced by €150 million to €340 million at an unwinding cost of €14 million. This transaction has a neutral impact on the Fund's NAV.

Derivatives

Ref.	Instrument type	Notional amount	Fixed rate	Effective date	Termination date	Fair value 2015
1)	IRS	340	1.999%	27-10-2015	20-07-2020	23
		340				**23**

1) Hedging of Loan Portfolio

Vesteda Finance BV held a long-term interest rate swap contract with Rabobank at a rate of 1.99% for an original notional amount of €625 million, decreasing in 2017 to €500 million, to hedge interest rate exposure on the remaining loan portfolio of VRF with floating interest exposure, comprising the corporate credit facility and mortgage loans.
In September 2014 €135 million of notional of the IRS was unwound for a total consideration of €12 million.

In order to avoid a hedging level of floating interest in excess of 100%:
In October 2015 €150 million of notional of the IRS was unwound for a total consideration of €14 million.

As a result the notional was reduced to €340 million, decreasing to €215 million in 2017. The Vesteda Finance IRS has a weighted remaining term of 3.45 years.

According to the VRF Terms and Conditions, Vesteda is required to hedge a minimum of 70% of existing interest rate exposure. At 31 December 2015 95% of interest rate exposure was either hedged through derivatives or through fixed rate interest loans.

As a result of a further decrease of Euribor Interest rates, a steepening of the interest curve in 2015 and reducing remaining maturity, fair value of financial instruments increased by €11 million and together with the €14 million positive effect of the derivative unwinding to €23 million negative.

27 TRADE AND OTHER PAYABLES

The trade and other payables are made up as follows:

	2015	2014
Trade payables	8	5
Amounts received in advance	13	11
Interest	6	9
VAT integration levy	5	7
Holiday days and holiday pay	1	1
Tax and social security contributions	5	2
Other	11	8
Total	**49**	**43**

28 TRANSACTIONS WITH RELATED PARTIES

Vesteda has a pension plan with ABP; during 2015 premiums were paid for an amount of €2 million (2014: €2 million). This counterparty is also a participant in the Fund. All transactions are at arm's length.

The Managing Board and the Supervisory Committee are identified as key management personnel in accordance with IAS 24. The remuneration of these managers is explained in Note 31 and 32.

29 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Vesteda's principal financial liabilities, other than derivatives, are loans and borrowings. The main purpose of Vesteda's loans and borrowings is to finance the Vesteda Companies property portfolio. As part of its business strategy, Vesteda uses debt financing to optimise its equity return by utilising a conservative level of debt leverage.

The Vesteda Companies also have trade and other receivables, trade and other payables and cash and short-term deposits that arise directly from their operations.

Vesteda Residential Fund is exposed to market risk, interest rate risk, credit risk and liquidity risk.

Vesteda fully incorporates risk management in its strategic and operational processes. The risk management framework addresses all levels and lines of business in order to strenghten 'in control' performance.

The Vesteda Managing Board assesses its proper functioning on a regular basis and continues to pursue further improvement and optimisation of the internal risk management and control procedures.

In addition to the risk management framework, Vesteda also actively manages market risk, interest rate risk, credit risk and liquidity risk as part of it's treasury policy.

1) Market risk

Market risk is the risk that the fair value of financial instruments will fluctuate because of changes in market prices. The financial instruments held by Vesteda Residential Fund that are affected by market risk are principally the derivative financial instruments that are used for hedging interest risk on its loan portfolio.

2) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Vesteda's exposure to the risk of changes in market interest rates relates primarily to the Vesteda's long-term debt obligations with floating interest rates.

According to the VRF Terms and Conditions, Vesteda is required to hedge a minimum of 70% of existing interest rate exposure.

To manage its interest rate risk, Vesteda Residential Fund enters into interest rate swaps. With respect to the interest rate swaps, Vesteda agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. These swaps are designated as hedges of underlying debt obligations. At 31 December 2015, after taking into account the effect of interest rate swaps, 95% of Vesteda's borrowings are hedged or subject to fixed interest (2014: 94%).

Sensitivity analyses of market and interest rate risk

Vesteda used an immediate increase by one percent point in the interest rate curve as at 31 December 2015 for an interest rate risk sensitivity scenario. The analysis has been prepared on the basis that the amount of net debt, the ratio of fixed-to-floating interest rates of the debt and derivatives are all constant and using the hedge designations in place as at the reporting date.

- The sensitivity of the income statement is the effect of the assumed changes in interest rates on the net interest income for one year, based on the floating rate financial liabilities held at the reporting date, including the effect of hedging instruments.
- The sensitivity of equity is calculated by revaluing swaps designated as cash flow hedges, for the effects of the assumed changes in interest rates.

An immediate increase of one percent point in the interest rates as at 31 December 2015 would increase the theoretical annual interest expense by €0.6 million, assuming that the composition of the financing is unchanged.

An immediate increase of one percent point in the interest rates as at 31 December 2015 would have an impact on the fair value of derivative financial instruments used in interest hedge relationships. As a result, the amount in the hedge reserve would increase by €11.5 million.

In terms of value hierarchy all of Vesteda's derivatives can be qualified as Level 2. The value of these derivates is determined based on inputs other than quoted prices. All inputs that have significant effect on the recorded fair value are observable, either directly or indirectly.

3) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Vesteda is exposed to credit risk from its leasing activities and its financing activities, including deposits with banks and financial institutions and derivatives.

Tenant receivables

Credit risk is managed by requiring tenants to pay rent in advance. The credit quality of tenants is assessed using an extensive credit rating scorecard at the time of entering into a lease agreement. Vesteda regularly monitors outstanding tenants' receivables. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of financial asset.

Credit risk related to financial instruments and cash deposits

Vesteda's treasury department manages credit risk from balances with banks and financial institutions. As part of its treasury policy, Vesteda maintains a formal counterparty policy in respect of those organisations from which it may borrow or with whom it may enter into other financing or investment arrangements. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

Vesteda's Managing Board reviews counterparty credit limits at least on an annual basis, and may update these at any time in the year should market conditions require any changes to the counterparty credit limits. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty failure.
As part of its treasury policy Vesteda strives for adequate diversity in Vesteda's counterparties and limit concentration risk.

4) Liquidity risk

Liquidity risk is the risk that (1) Vesteda will not be able to refinance maturing debt funding, or (2) if debt is refinanced, the maturity and interest rate of the financing will have a significant unplanned adverse effect on Vesteda's cash flow and liquidity position. Vesteda limits this risk by conservative use of loan capital.

Vesteda's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.

Liquidity risk is managed by the treasury department with the objective of ensuring that Vesteda has sufficient funds available to meet its financial obligations. As part of its treasury policy, Vesteda aims to have adequate though not excessive cash resources, borrowing arrangements and overdraft or standby facilities to enable it at all times to have the level of funds available necessary for the achievement of its business objectives.

The table below summarises the maturity profile of the Vesteda's financial liabilities based on contractual undiscounted payments.

Liquidity risk

	On demand	< 3 months	3-12 months	1-5 years	Total
Year ended 31 December 2015					
Interest-bearing loans and borrowings	-	-	-	1,097	1,097
Interest	-	10	28	185	223
Deposits from tenants	10	-	-	-	10
Finance leases	-	-	-	-	-
Financial derivatives	-	-	-	23	23
Trade and other payables	11	25	-	-	36
	21	**35**	**28**	**1,305**	**1,389**

	On demand	< 3 months	3-12 months	1-5 years	Total
Year ended 31 December 2014					
Interest-bearing loans and borrowings	-	-	300	965	1,265
Interest	-	13	32	207	252
Deposits from tenants	7	-	-	-	7
Finance leases	-	-	-	-	-
Financial derivatives	-	-	3	45	48
Trade and other payables	9	23	1	-	33
	16	**36**	**336**	**1,217**	**1,605**

The disclosed amounts for financial derivatives in the above table are the net undiscounted cash flows.

Interest calculations are based on the estimated drawings of the revolving credit facility in accordance with the multi-annual budget.

Fair value of financial Instruments

This section describes the comparison between the carrying amounts of Vesteda Companies' financial instruments and their estimated fair values. Trade and other receivables and Trade and other payables are carried at amortised cost, but given their short duration, the fair value does not significantly deviate from the carrying amount (Level 3 valuation). Cash and cash equivalents are recognised at fair value. With respect to financial assets, management concluded that the carrying amount is an appropriate estimate of the fair value. The derivatives are carried at their fair values (Level 2 valuation). With respect to the floating rate financial liabilities (both short term and long term), these are carrying a variable interest based on Euribor plus a mark-up, which does also take into account the perceived credit risk of the Vesteda Companies. As a result, their carrying amount approximates the fair value.

The fair value measurement of senior public notes that are issued by Vesteda Finance BV can be qualified as Level 1 valuation. Inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

The fair value measurement of the senior private notes that were placed by Vesteda Finance BV can be qualified as Level 2 valuation with inputs other than quoted market prices included within Level 1 that are observable for the asset or liability. In this case, interest rates and yield curves that are observable at commonly quoted intervals.

The senior public notes as well as the senior private notes are both fixed rated.

Fixed rate debt is initially recognised at fair value net of transaction costs and subsequently measured at amortised cost using the effective interest method.

Financial instruments

Type	Notional amount	Estimated fair value amount	Level valuation
Senior public notes	600	606	1
Senior private notes	100	107	2
	700	**713**	

The €600 million senior public notes represent an equivalent fair value estimate per year-end 2015 up to €606 million.

The €100 million of senior private notes represent an equivalent fair value estimate per year-end 2015 up to €107 million.

In terms of value hierarchy the senior public notes can be qualified as Level 1 and the senior private notes can be qualified as Level 2. The fair value of the senior public notes is determined based on quoted prices, the fair value of the senior private notes is determined based on inputs other than quoted prices.

30 CAPITAL MANAGEMENT

The primary objective of the Vesteda Companies' capital management is to ensure that the company remains within its quantitative banking covenants and maintains a strong credit rating. The Vesteda Companies monitor capital primarily using a loan to value (LTV) ratio, which is calculated as the amount of outstanding debt divided by the valuation of the investment property portfolio.

Vesteda's loan facilities with exception of CVF V have LTV covenants of 45% on borrower level and 50% on VRF level (corporate unsecured debt) respectively.

In the year under review the Vesteda Companies did not breach any of their loan covenants, nor did they default on any other of their obligations under their loan agreements.

Capital management

	2015	2014
Carrying amount of interest-bearing loans and borrowings	1,089	1,259
Unamortised issuing costs	9	6
Principal amount of interest-bearing loans and borrowings	**1,098**	**1,265**
External valuation of completed investment property	3,726	3,593
Internal valuation of investment property under construction	77	8
Total valuation of investment property	**3,803**	**3,601**
Loan to value ratio	28.9%	35.1%

Vesteda has performed a sensitivity stress test with regard to changes in required gross yield in relation to the loan to value. An increase of the required gross yield of 4.6 percentage points would lower the value of the investment property to such extent that a LTV of 50% would be reached.

31 MANAGING BOARD AND OTHER IDENTIFIED STAFF REMUNERATION

With regard to the remunerations, Vesteda is in compliance with the Financial Supervision Act (WfT) regulation on remuneration of Identified Staff. The Managing Board together with the Management Team members are identified as Identified Staff, including two risk/compliance members (The Risk Management Officer and the HR Manager).

In 2015, the company was charged €905,000 (2014: €596,000) for the remuneration of the Managing Board and nil (2014: €234,000) for the former Managing Board.

In addition social security charges and pension contributions were €112,000 (2014: €83,000) for the Managing Board and nil (2014: €133,000) for the former managing Board. Mrs. Pragt departed the Managing Board on January 1st 2016 and was a member of the Managing Board throughout 2015.

The 2015 remuneration charges include reservations for variable remuneration over 2015 to be awarded in 2016. This variable remuneration to be rewarded will partly have a deferred component after approval of the annual accounts 2015, the Supervisory Committee will grant the target rewards for the Managing Board for the year 2015. The 2015 salary charges also include the termination benefits granted to Mrs. Pragt which will be effectuated after year end closing.

	Managing Board	Other identied staff
Charged to the company in 2015 (accrual basis)		
Base salary charges including termination benefits	761,000	826,000
Variable remuneration charges 2015 (for future cash or shares)	126,000	122,000
Phantom share appreciation charges	18,000	19,000
Total variable remuneration charges (for future cash or shares)	144,000	141,000
Subtotal remuneration charged to the company	905,000	967,000
Social security charges & pension contributions	112,000	194,000
total charged to the company in 2015	**1,017,000**	**1,161,000**
# phantom shares granted before 2014	-	-
# phantom shares granted in 2014	-	544
# phantom shares cashed in 2014	-	-
# phanton shares granted end of 2014	-	544
# phantom shares granted in 2015	1,966	1,655
# phantom shares cashed in 2015	-	326
# phantom shares granted end of 2015	1,966	1,873
# phantom shares not locked up end of 2015	-	-
# phantom shares locked up until may 2016	1,200	841
# phantom shares locked up until may 2018	-	218
# phantom shares locked up until may 2019	766	814

As per year end 2015 one phantom share represents a value of €101.92.

The variable bonus scheme for Identified Staff is designed in compliance with the WfT regulation.

In principle the bonus scheme for Identified Staff entitles the CEO to 26.6% of base salary for 'on target' performances, with a maximum of 40%. It entitles the CFO to 20% of base salary for 'on target' performances, with a 30% maximum. The risk/compliance members are entitled for 'on target' performance to 13.3% of base salary, with a maximum of 20% and all other Identified Staff to 20% of base salary for 'on target' performance, with a maximum of 30%.

The bonus component is paid based on the achievement of preset qualitative and quantitative goals related to the strategic objectives in the Business Plan, which are set and evaluated by the remuneration committee of the Supervisory Commitee. For the risk/compliance members, a relatively larger portion of the variable remuneration is based on qualitative goals.

The bonus remuneration is divided into a direct (60%) and an indirect (40%, deferred) component. Both the direct component and the deferred component are paid out half in so-called phantom shares and half in cash.

The direct cash component is paid immediately after the one-year performance period, and an indirect, deferred component is paid out or received after a period of three years. The direct phantom share component and the indirect component are subject to an appropriate retention policy which is aimed at balancing financial rewards with Vesteda's long-term interests.

To achieve even a stronger commitment of the management with the strategy and the business of the company the Identified Staff is entitled to exchange the cash component for phantom shares.

The employment contracts of the members of the Managing Board include provisions related to severance packages. The amount of the severance package laid down in these contracts has been maximised at one year's salary on the basis of the fixed component of the salary, in line with the Dutch Corporate Governance Code.

The variable remuneration policy for Managing Board and other Identified Staff also includes claw back provisions. Up and until 2015 these provisions have not been applied.

32 SUPERVISORY COMMITTEE REMUNERATION

The remuneration for the Supervisory Committee members in 2015 (five January until May, four June until November and five December; 2014: four January until October and five November and December) was €195,000 (2014: €185,000).

33 SERVICE FEES PAID TO EXTERNAL AUDITORS

Management expenses include the following amounts recognised as fees to Ernst & Young Accountants LLP: €316,000 (2014: €289,000) for audit services and €179,000 (2014: €207,000) for audit-related services. All amounts are excl. VAT. Ernst & Young Accountants LLP did not charge fees for tax advice in either year.

34 CONTINGENCIES AND COMMITMENTS

The total liabilities for obligations entered into for construction contracts, rental and lease instalments are some €259 million (2014: €209 million). Vesteda has not provided security for these liabilities. The liabilities are made up as follows:

	Construction contracts	Property leases	Car leases
Due within 1 year	108	1	1
Due between 1 and 5 years	147	-	2
	255	**1**	**3**

As provisions in Note 25 are applicable for future investment portfolio and portfolio for sale, the liabilities are also adapted for both future investment portfolio and portfolio for sale.

35 NEW AND AMENDED STANDARDS AND INTERPRETATIONS, EFFECTIVE FOR FINANCIAL YEARS STARTING ON 1 JANUARY 2015

Changes in accounting policies and disclosures

Vesteda applied certain standards and amendments for the first time in 2015. However, they do not impact the annual consolidated financial statements of the consolidated financial statements of the Vesteda.

The nature and the impact of each of the following new standards, amendments and/or interpretations are described below:

- IFRIC 21 Levies, effective 17 June 2014
- Annual Improvements to IFRSs - 2011-2013 Cycle (Issued December 2013), effective 1 January 2015

IFRIC 21 Levies

IFRIC 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. Retrospective application is required. This interpretation did not have any impact on the Vesteda's financial position and performance as it has applied the recognition principles under IAS 37 Provisions, Contingent Liabilities and Contingent Assets consistent with the requirements of IFRIC 21 in prior years. The interpretation became effective for financial years beginning on or after 17 June 2014.

Improvements to IFRSs - 2011-2013 Cycle (Issued December 2013)

The IASB issued the 2011-2013 cycle improvements to its standards and interpretations, primarily with a view to removing inconsistencies and clarifying wording. The improvements become effective for financial years beginning on or after 1 January 2015.

- IFRS 3 Business Combinations: This improvement is applied prospectively and clarifies for the scope exceptions within IFRS 3 that:
  - Joint arrangements, and not just joint ventures, are outside the scope of IFRS 3
  - This scope exemption applies only to the accounting in the financial statements of the joint arrangement itself.
- IFRS 13 Fair Value Measurement: This improvement is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IAS 39 Financial Instruments: Recognition and Measurement
- IAS 40 Investment Property: The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e. property, plant and equipment). This improvement is applied prospectively and clarifies that IFRS 3 Business Combinations, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or a business combination. In previous periods, Vesteda has relied on IFRS 3, not IAS 40, in determining whether an acquisition is of an asset or is a business acquisition. Thus, this amendment does not impact the accounting policy of the Group.
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New and amended standards and Interpretations, effective for financial years starting after 1 January 2015

Standards issued but not yet effective

Standards and interpretations issued but not yet effective up to the date of issuance of the Vesteda's financial statements are listed below. The listing of standards and interpretations issued are those that Vesteda reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. Vesteda intends to adopt these standards and interpretations when they become effective.

- IFRS 9 Financial Instruments, effective 1 January 2018
- IFRS 15 Revenue from Contracts with Customers, including amendments to IFRS 15: Effective date of IFRS 15, effective 1 January 2018
- IFRS 16 Leases, effective 1 January 2019
- Amendments to IAS 1 Presentation of Financial Statements – Disclosure Initiative, effective 1 January 2016
- Amendments to IFRS 7 Statement of Cash Flows – Disclosure Initiative1, effective 1 January 2017
- Annual Improvements to IFRSs - 2010-2012 Cycle (Issued December 2013), effective 1 February 2015
- Annual Improvements to IFRSs - 2012-2014 Cycle (Issued September 2014), effective 1 January 2016

IFRS 9 Financial Instruments

The final version of IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for financial years beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

Vesteda plans to adopt the new standard on the required effective date. During 2015, Vesteda has performed a high-level impact assessment of all three aspects of IFRS 9. This preliminary assessment is based on currently available information and may be subject to changes arising from further detailed analyses or additional reasonable and supportable information being made available to Vesteda in the future. Overall, Vesteda expects no significant impact on its balance sheet and equity except for the effect of applying the impairment requirements of IFRS 9. Vesteda expects a higher loss allowance resulting in a negative impact on equity and will perform a detailed assessment in the future to determine the extent.

(a) Classification and measurement

The Group does not expect a significant impact on its balance sheet or equity on applying the classification and measurement requirements of IFRS 9.

Loans as well as trade receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. Thus, the Group expects that these will continue to be measured at amortised cost under IFRS 9.

(b) Impairment

IFRS 9 requires the Group to record expected credit losses on all of its debt securities, loans and trade receivables, either on a 12-month or lifetime basis. The Group expects to apply the simplified approach and record lifetime expected losses on all trade receivables. Given the amounts involved no significant impact is expected.

(c) Hedge accounting

The Group believes that all existing hedge relationships that are currently designated in effective hedging relationships will still qualify for hedge accounting under IFRS 9. As IFRS 9 does not change the general principles of how an entity accounts for effective hedges, the Group does not expect a significant impact as a result of applying IFRS 9. The Group will assess possible changes related to the accounting for the time value of options, forward points or the currency basis spread in more detail in the future.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for financial years beginning on or after 1 January 2018. Early adoption is permitted.

Vesteda plans to adopt the new standard on the required effective date using the full retrospective method. Given the nature of Vesteda's business, no significant impact is expected from the adoption of IFRS 15, but Vesteda will need to perform a more detailed analysis in the upcoming year. Some impact is expect when it relates to separating the service component from the lease arrangements.

IFRS 16 Leases

IFRS 16 requires lessees to account for all leases under a single on-balance sheet model (subject to certain exemptions) in a similar way to finance leases under IAS 17 with recognition exemptions for leases of 'low-value' assets and short-term leases. Lessees recognise a liability to pay rentals with a corresponding asset, and recognise interest expense and depreciation separately. Reassessment of certain key considerations (e.g., lease term, variable rents based on an index or rate, discount rate) by the lessee is required upon certain events. Lessor accounting is substantially the same as today's lessor accounting, using IAS 17's dual classification approach. IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17.

Vesteda is currently assessing the impact of IFRS 16, but the impact is expected to be limited to the commercial investment property portfolio, where Vesteda currently has longer term contracts and lessees may be confronted with the effects of IFRS 16. Most residential lessees will not be impacted by the new accounting requirments, and the residential portfolio is more than 90% of Vesteda's current portfolio. The new standard is effective for financial years beginning on or after 1 January 2019, with certain transition reliefs permitted. Early application is permitted, but not before an entity applies IFRS 15 'Revenue from Contract with Customers'.

Amendments to IAS 1 Presentation of Financial Statements – Disclosure Initiative

The amendments to IAS 1 clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify:

- The materiality requirements in IAS 1
- That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated
- That entities have flexibility as to the order in which they present the notes to financial statements
- That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and other comprehensive income. Vesteda is currently assessing the impact of these improvements, but expects limited implications. These amendments are effective for financial years beginning on or after 1 January 2016. Early adoption is permitted.

Amendments to IFRS 7 Statement of Cash Flows – Disclosure Initiative

The amendments require a reconciliation of the amounts in the opening and closing statements of financial position for each item classified as financing in the statement of cash flows. The reconciliations will be included in the notes to the financial statements once the amendments become effective. The amendments are effective for financial years beginning on or after 1 January 2017. Early application is permitted.

Improvements to IFRSs - 2010-2012 Cycle (Issued December 2013)

The IASB issued the 2010-2012 cycle improvements to its standards and interpretations, primarily with a view to removing inconsistencies and clarifying wording. The improvements become effective for financial years beginning on or after 1 February 2015.

- IFRS 3 Business Combinations: This improvement is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IAS 39 Financial Instruments: Recognition and Measurement (or IFRS 9 Financial Instruments, as applicable). This is consistent with the Vesteda's current accounting policy, and thus this amendment does not impact the Vesteda's accounting policy.
- IAS 16 Property, Plant & Equipment and IAS 38 Intangible Assets: This improvement is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data on either adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying amount and adjusting the the gross carrying amount proportionately so that the resulting carrying amount equals the market value. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset. Vesteda did not record any revaluation adjustments during the current period.
- IAS 24 Related Party Disclosures: This improvement is applied retrospectively and clarifies that a management entity - an entity that provides key management personnel services - is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. This amendment is not relevant for Vesteda as it does not receive any management services from other entities.

Improvements to IFRSs - 2012-2014 Cycle (Issued September 2014)
The IASB issued the 2012-2014 cycle improvements to its standards and interpretations, primarily with a view to removing inconsistencies and clarifying wording. These improvements cover the following standards and subjects. The improvements become effective for financial years beginning on or after 1 January 2016. Only those amendments that Vesteda reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date are included in the summary below.

- IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations - Changes in methods of disposal: Assets (or disposal groups) are generally disposed of either through sale or distribution to owners. This improvement is applied prospectively and clarifies that changing from one of these disposal methods to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in IFRS 5. This amendment must be applied prospectively.

36 OTHER INFORMATION

Proposals to investors
Proposed appropriation of result for 2015
The Managing Board proposes that the profit for the year of €290,552,189 be added to equity. This proposal has been incorporated in the annual report.

Proposed distribution to participants
The Managing Board proposes a distribution to participants of €121.5 million for the year 2015. The annual accounts will be presented for adoption at the General Meeting of Participants on 6 April 2016.

Independent auditor's report

To: the participants of Vesteda Residential Fund FGR

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS 2015

Our opinion
We have audited the consolidated financial statements 2015 which are part of the financial statements of Vesteda Residential Fund FGR (hereafter: Vesteda), based in Amsterdam.

In our opinion the consolidated financial statements give a true and fair view of the financial position of Vesteda as at 31 December 2015 and of its result and its cash flows for 2015 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code and with the Act on financial supervision ('Wet op het financieel toezicht').

The consolidated financial statements comprise:
- The consolidated balance sheet as at 31 December 2015
- The following statements for 2015: the consolidated statements of comprehensive income, changes in equity and cash flows
- The notes comprising a summary of the significant accounting policies and other explanatory information

Basis for Opinion
We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the Our responsibilities for the audit of the consolidated financial statements section of our report.

We are independent of Vesteda in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Materiality

Materiality	€22.6 million
Benchmark used	1% of group equity
Additional explanation	Equity is used as a basis to determine the materiality, since this is the main focus of the participants and over the years this is a relatively stable financial indicator of the performance of Vesteda.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the consolidated financial statements for qualitative reasons.

We agreed with the supervisory committee that misstatements in excess of €1.2 million, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Our Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements. We have communicated the key audit matters to the supervisory committee. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our audit response
Fair value valuation of investment property	
The valuation of investment property is important to our audit as it is Vesteda's most significant asset and is highly dependent on estimates. In line with IAS 40, Vesteda values its investment property at fair value, which is based on an extensive internal valuation process and determined by independent real estate valuation experts. The process of revaluation of the investment property is performed on a quarterly basis, in which each property is valued by an independent real estate valuation expert. At least once a year the valuation is based on an external valuation report, the other quarterly valuations are based on external desktop updates. The valuation of the investment property is set out in Note 16.	We have assessed Vesteda's valuation process as effective based on our control testing procedures. We verified that the fair value as per 31 December 2015, reconciles with either an external valuation report or a desktop update by an independent real estate valuation expert. We performed procedures to determine the quality and objectivity of the independent real estate valuation experts, the appropriateness of the parameters used and the correct recording of the revaluation.
Significant estimates related to provisions for contractual obligations	
Vesteda's disclosures about non-current provisions are included in Note 25 and are mainly related to expected losses on contractual obligations. The determination of these provisions requires significant management judgment. Movements in these provisions are also influenced by changes in the project plans and the underlying contractual agreements. The amounts involved are deemed significant to the financial statements.	We verified whether the methodology used for determining the non-current provisions has been applied consistently over the years. We compared the estimated future results used in the calculation with the project plans. Further, we reviewed the changes in the project plans and challenged whether these changes have been properly addressed in the new calculations.
Derivatives	
Net gains and losses on cash flow hedges arising during the year are recognized directly in equity through other comprehensive income, as set out in Note 26. This accounting treatment depends on the relation between the underlying hedged item (the borrowing) and the hedge instrument. Changes in the fair value of the hedge instrument are recognized in other comprehensive income when this relation is deemed effective.	We audited the critical terms match and verified that the calculation has been accurately performed, evidencing an effective relation between the borrowings and the interest rate swaps. We verified that the hedge documentation is in accordance with IAS 39.

Consolidated financial statements as part of the (complete) financial statements

The financial statements include the consolidated financial statements and the company financial statements. The company financial statements have been included in a separate report. For a proper understanding of the financial position and result the consolidated financial statements must be considered in connection with the company financial statements. On 16 March 2016 we issued a separate auditor's report on the company financial statements.

Responsibilities of management and the supervisory committee for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with EU-IFRS and with Part 9 of Book 2 of the Dutch Civil Code and with the Act on financial supervision ('Wet op het financieel toezicht'), and for the preparation of the management board report in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the consolidated financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the consolidated financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the consolidated financial statements.

The Supervisory Committee is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the consolidated financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all errors and fraud.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included, e.g.:

- Identifying and assessing the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the consolidated financial statements, including the disclosures.
- Evaluating whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the supervisory committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

We provide the supervisory committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the supervisory committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Report on other legal and regulatory requirements

Report on the management board report and the other information

Pursuant to legal requirements of Part 9 of Book 2 of the Dutch Civil Code (concerning our obligation to report about the management board report and other information):

- We have no deficiencies to report as a result of our examination whether the management board report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code, and whether the information as required by Part 9 of Book 2 of the Dutch Civil Code has been annexed
- We report that the management board report, to the extent we can assess, is consistent with the financial statements

Engagement

We were appointed as auditor of Vesteda for the 2015 year audit by the Supervisory Committee on 18 March 2015, which was approved by the participants at the annual meeting held on 1 April 2015. We have been statutory auditor of Vesteda for an uninterrupted period since 1997.

Amsterdam, 16 March 2016

Ernst & Young Accountants LLP

Signed by: J.M. Heijster

Vesteda Residential Fund FGR financial overviews in accordance with INREV valuation principles

Contents

General introduction

In order to give investors information on the transition from the Net Asset Value (NAV) according to IFRS to the adjusted NAV based on INREV valuation principles, the Vesteda Residential Fund FGR (VRF FGR) also publishes the accounts according to the INREV valuation principles.

The fundamental assumption underlying the adjusted INREV NAV of VRF FGR is that it should give a more accurate reflection of the economic value of VRF FGR and a participation in VRF FGR as it would be realised by a participant in a theoretical sale, as of the balance sheet date, assuming an arm's length transaction, a willing buyer/seller and an adequate time to market.

The adjusted INREV NAV is based on the IFRS valuation principles plus the deviations, as described below.

	NOTES	Actual impact on 2015 figures	Actual impact on 2014 figures
NAV per the IFRS financial statements			
Reclassification of certain IFRS liabilities as components of equity			
Effect of reclassifying shareholder loans and hybrid capital instruments (including convertible bonds) that represent shareholders long term interests in a vehicle	1	N/A	N/A
Effect of dividends recorded as a liability which have not been distributed	2	N/A	N/A
NAV after reclassification of equity-like interests and dividends not yet distributed			
Fair value of assets and liabilities			
Revaluation to fair value of investment properties	3	N/A	N/A
Revaluation to fair value of self-constructed or developed investment property	4	N/A	N/A
Revaluation to fair value of investment property held for sale	5	N/A	N/A
Revaluation to fair value of property that is leased to tenants under a finance lease	6	N/A	N/A
Revaluation to fair value of real estate held as inventory	7	N/A	N/A
Revaluation to fair value of other investments in real assets	8	N/A	N/A
Revaluation to fair value of indirect investments not consolidated	9	N/A	N/A
Revaluation to fair value of financial assets and financial liabilities	10	**Yes**	**Yes**
Revaluation to fair value of construction contracts for third parties	11	N/A	N/A
Set-up costs	12	N/A	N/A
Acquisition expenses	13	N/A	N/A
Contractual fees	14	N/A	N/A
Effects of the expected manner of settlement of sales/vehicle unwinding			
Revaluation to fair value of savings of purchaser's costs such as transfer taxes	15	N/A	N/A
Revaluation to fair value of deferred taxes and tax effect of INREV NAV adjustments	16	N/A	N/A
Effect of subsidiaries having a negative equity (non-recourse)	17	N/A	N/A
Other adjustments			
Goodwill	18	N/A	N/A
Non-controlling interest effects of INREV adjustments	19	N/A	N/A
INREV NAV			

Consolidated statement of comprehensive income in accordance with INREV valuation principles

(Amounts in € million)

	2015 IFRS	Adj.	2015 INREV	2014 IFRS	Adj.	2014 INREV
Gross rental income	237		237	237		237
Property operating expenses	(60)		(60)	(62)		(62)
Other income	(1)		(1)	1		1
Net rental income	**176**		**176**	**176**		**176**
Result on projects in progress	-		-	4		4
Result on property sales	14		14	20		20
Management expenses	(16)		(16)	(21)		(21)
Financial results	(52)		(52)	(65)		(65)
Realised result before tax	**122**		**122**	**114**		**114**
Unrealised result	**169**		**169**	**22**		**22**
Result before tax	**291**		**291**	**136**		**136**
Tax	-		-	-		-
Result after tax (attributable to equity holders of the parent)	**291**		**291**	**136**		**136**
Net gains (losses) on cash flow hedges arising during the year	25		25	(4)		(4)
Fair value adjustment on liabilities	-	3	3	-	(16)	(16)
Other comprehensive income, net of tax	**25**		**28**	**(4)**		**(20)**
Total comprehensive income (attributable to equity holders of the parent)	**316**		**319**	**132**		**116**

Consolidated balance sheet in accordance with INREV valuation principles

(Amounts in € million)

	31 December 2015 IFRS	Adj.	31 December 2015 INREV	31 December 2014 IFRS	Adj.	31 December 2014 INREV
ASSETS						
Non-current assets						
Intangible fixed assets	1		1	-		-
Investment property	3,726		3,726	3,593		3,593
Investment property under construction	77		77	9		9
Property, plant and equipment	5		5	6		6
Financial assets	1		1	9		9
	3,810		**3,810**	**3,617**		**3,617**
Current assets						
Inventory property	-		-	5		5
Trade and other receivables	9		9	10		10
Cash and cash equivalents	20		20	35		35
	29		**29**	**50**		**50**
Total assets	**3,839**		**3,839**	**3,667**		**3,667**
EQUITY AND LIABILITIES						
Equity						
Group equity	2,629	(13)	2,616	2,262	(16)	2,246
Non-current liabilities						
Financial liabilities	1,089	13	1,102	961	16	977
Investment property under construction	-		-	1		1
Provisions	42		42	52		52
Derivative financial instruments	23		23	48		48
	1,154		**1,167**	**1,062**		**1,078**
Current liabilities						
Financial liabilities	-		-	298		298
Provisions	7		7	2		2
Trade and other payables	49		49	43		43
	56		**56**	**343**		**343**
Total liabilities	**1,210**		**1,223**	**1,405**		**1,421**
Total equity and liabilities	**3,839**		**3,839**	**3,667**		**3,667**

Consolidated statement of changes in equity in accordance with INREV valuation principles

(Amounts in € million)

	Fund Equity	General paid in surplus	Reserve Property	Reserve Derivatives	Reserve Other reserve	Total equity
As at 1 January 2014	**25**	**1,877**	**411**	**(44)**	**11**	**2,280**
Result for the year	-	-	16	-	120	136
Other comprehensive income	-	-	-	(4)	-	(4)
Total comprehensive income	**-**	**-**	**16**	**(4)**	**120**	**132**
Realised from property sales	-	-	(9)	-	9	-
Redemption	-	(50)	-	-	-	(50)
Dividend	-	(100)	-	-	-	(100)
Changes according to INREV	-	-	-	-	(16)	(16)
As at 31 December 2014	**25**	**1,727**	**418**	**(48)**	**124**	**2,246**
Result for the year	-	-	115	-	176	291
Other comprehensive income	-	-	-	25	-	25
Total comprehensive income	**-**	**-**	**115**	**25**	**176**	**316**
Realised from property sales	-	-	(7)	-	7	-
Capital paid in	-	415	-	-	-	415
Costs new equity	-	(2)	-	-	-	(2)
Redemption	-	(255)	-	-	-	(255)
Dividend	-	(107)	-	-	-	(107)
Changes according to INREV	-	-	-	-	3	3
As at 31 December 2015	**25**	**1,778**	**526**	**(23)**	**310**	**2,616**

INREV expense metrics

	2015	2014
Total Expense Ratio (NAV)	0.68%	0.84%
Total Expense Ratio (GAV)	0.44%	0.55%
Real Estate Expense Ratio (GAV)	**1.61%**	**1.66%**

Fund expenses are the management expenses in the consolidated statement of comprehensive income.
Property specific cost are the property operating expenses in the consolidated statement of comprehensive income.

The weighted average INREV NAV is calculated as the closing INREV net asset value of five individual quarters (Q4 2014 – Q4 2015), divided by five. The quarterly figures of Q1, Q2 and Q3 2015 are unaudited.

The weighted average INREV GAV is calculated as the closing INREV gross asset value of five individual quarters (Q4 2014 – Q4 2015), divided by five. The quarterly figures of Q1, Q2 and Q3 2015 are unaudited.

The Total Expense Ratio (NAV) is calculated by dividing the fund expenses by the weighted average INREV net asset value.

The Total Expense Ratio (GAV) is calculated by dividing the fund expenses by the weighted average INREV gross asset value.

The Real Estate Expense Ratio (GAV) is calculated by dividing the property specific cost by the weighted average INREV gross asset value.

Notes to the INREV financial statements

	NOTES	31 December 2015	31 December 2014
NAV per the IFRS financial statements		2,629	2,262
Reclassification of certain IFRS liabilities as components of equity			
Effect of reclassifying shareholder loans and hybrid capital instruments (including convertible bonds) that represent shareholders long term interests in a vehicle	1		
Effect of dividends recorded as a liability which have not been distributed	2		
NAV after reclassification of equity-like interests and dividends not yet distributed		**2,629**	**2,262**
Fair value of assets and liabilities			
Revaluation to fair value of investment properties	3		
Revaluation to fair value of self-constructed or developed investment property	4		
Revaluation to fair value of investment property held for sale	5		
Revaluation to fair value of property that is leased to tenants under a finance lease	6		
Revaluation to fair value of real estate held as inventory	7		
Revaluation to fair value of other investments in real assets	8		
Revaluation to fair value of indirect investments not consolidated	9		
Revaluation to fair value of financial assets and financial liabilities	10	(13)	(16)
Revaluation to fair value of construction contracts for third parties	11		
Set-up costs	12		
Acquisition expenses	13		
Contractual fees	14		
Effects of the expected manner of settlement of sales/vehicle unwinding			
Revaluation to fair value of savings of purchaser's costs such as transfer taxes	15		
Revaluation to fair value of deferred taxes and tax effect of INREV NAV adjustments	16		
Effect of subsidiaries having a negative equity (non-recourse)	17		
Other adjustments			
Goodwill	18		
Non-controlling interest effects of INREV adjustments	19		
INREV NAV		**2,616**	**2,246**

1 Effect of reclassifying shareholder loans and hybrid capital instruments (including convertible bonds) that represent shareholders' long term interest in a vehicle

Investors' capital can take various forms aside from equity – examples include shareholder loans and hybrid capital instruments such as convertible bonds. Some vehicles are structured via a combination of equity participations and shareholder loans.

Shareholder loans and hybrid capital instruments are generally seen as part of the investors' overall interest in the vehicle.

Since investors in VRF FGR only invest via participation rights according to the Terms and Conditions, no adjustment is applicable.

2 Effect of dividends recorded as a liability which have not been distributed

Under certain circumstances dividends are recorded as a liability but have not yet been legally distributed. For the determination of INREV NAV, these accrued dividends should be reversed to the NAV.

As per 31 December 2015, no distributions are recorded as a liability, no adjustment is applicable.

3 Revaluation to fair value of investment properties

After initial recognition, investment property is valued at fair value under the fair value option of IAS 40.

As investment properties are valued at fair value, no adjustment has to be made as per 31 December 2015.

4 Revaluation to fair value of self-constructed or developed investment property

Development property is IPUC (investment property under construction) and valued at fair value under the fair value option of IAS 40.

As IPUC is valued at fair value, no adjustment has to be made as per 31 December 2015.

5 Revaluation to fair value of investment property held for sale

Assets in this category should be measured under IFRS at the lower of cost or net realisable value in the financial statements. The adjustment represents the impact on NAV of the revaluation of the property intended for sale, measured at cost, to fair value.

As per 31 December 2015, no properties intended for sale have been identified and all investment properties have been valued at fair value, therefore no adjustment is applicable.

6 Revaluation to fair value of property that is leased to tenants under a finance lease

Property that is leased to tenants under a finance lease is initially measured on a net investment basis and subsequently re-measured based on an amortisation pattern reflecting a constant rate of return. The adjustment represents the impact on NAV of the revaluation of the finance lease receivable to fair value.

As per 31 December 2015, no adjustment has been made since no property is held that is leased to tenants under a finance lease.

7 Revaluation to fair value of real estate held as inventory

Properties intended for sale and accounted for under IAS 2 (Inventory) are measured at the lower of cost or net realisable value in the financial statements. This adjustment represents the impact on the NAV of the revaluation of such properties to net realisable value (fair value less disposal costs). This adjustment should be included under the caption 'revaluation to fair value of real estate held as inventory'.

As per 31 December 2015, no adjustment is applicable since the inventory property is valued at lower of cost and net realisable value, which is equal to fair value.

8 Revaluation to fair value of other investments in real assets

Under IAS16 other investments in real assets are normally accounted for at cost. The adjustment represents the impact on NAV of the revaluation of other investments in real assets to fair value in accordance with the fair value assumptions under IFRS 13.

As per 31 December 2015, no adjustment has been made since VRF FGR has no investments in real assets.

9 Revaluation to fair value of indirect investments not consolidated

Indirect investments in real estate, such as investments in associations and joint ventures, have different accounting treatments and carrying values under IFRS. Such investments can be valued at cost, fair value or NAV.

The adjustment represents the impact on NAV of the revaluation of indirect investments to fair value if not yet accounted for at fair value.

As per 31 December 2015, no adjustment had been made since all indirect investments in real estate are valued at fair value.

10 Revaluation to fair value of financial assets and liabilities (including revaluation to fair value of debt obligations)

Financial assets and liabilities such as debt obligations are generally measured at amortised cost, taking into account any impairment when applicable. The adjustment represents the impact on NAV of the revaluation of financial assets and financial liabilities to fair value as determined in accordance with IFRS.

As per 31 December 2015, an adjustment has been made for the revaluation to fair value of the fixed interest debt financial liabilities of €13 million (2014: €16 million). This adjustment relates specifically to the senior unsecured notes (bonds issued in July 2014 and October 2015) and the private placement borrowing with PRICOA Capital Group.

No adjustments have been made for other financial assets and liabilities as these were already valued at fair value in accordance with IFRS principles.

11 Revaluation to fair value of construction contracts for third parties

Under IAS11, construction contracts for third parties are normally accounted for based on the stage of completion. The adjustment represents the impact on NAV of the revaluation of construction contracts for third parties to fair value in accordance with the fair value principles of IFRS 13.

As per 31 December 2015, no adjustment has been made since VRF FGR has no construction contracts for third parties.

12 Set-up costs

Under IFRS, vehicle set-up costs are charged immediately to income after the inception of a vehicle. Such cost should be capitalized and amortised over the first five years of the term of the vehicle. The rationale for capitalizing and amortising set-up costs is to better reflect the duration of the economic benefits to the vehicle. The adjustment represents the impact on NAV of capitalizing and amortising set-up costs over the first five years period instead of charging immediately to the income statement.

No set-up costs for VRF FGR have been made in the last five years, therefore no adjustment for set-up costs has been made.

13 Acquisition expenses

Under the fair value model, acquisition expenses of an investment property are effectively charged to income when fair value is calculated at the first subsequent measurement date after acquisition. This results in the fair value of a property on subsequent fair value measurement being lower than the total purchase price of the property, all other things being equal. Property acquisition expenses should be capitalised and amortised over the first five years after acquisition of the property.

The rationale for capitalising and amortising acquisition expenses is to better reflect the duration of the economic benefits to the vehicle of these costs.

When capitalising and amortising acquisition costs, a possible impairment test should be taken into account every time the adjusted NAV is calculated when market circumstances change and it is not expected that the capitalised acquisition costs can be recovered through the sale of units of a vehicle. When a property is sold during the amortisation period or is classified as held for sale, the balance of capitalised acquisition expenses of that property should be expensed.

This adjustment represents the impact on NAV of the capitalisation and amortisation of acquisition expenses over the period from acquisition of the specific asset to five years after initial closing.

Vesteda's interpretation of the INREV guidelines is that acquisition expenses should only be taken into account in the first five years after closing (acquisition phase). Since Vesteda is not in the acquisition phase, no adjustment has been made for acquisition expenses.

14 Contractual fees

A liability represents a present obligation as a result of past events. A fee payable at the end of the life of a vehicle or at any other time during the life of a vehicle may not meet the criteria for recognition as a provision or liability in accordance with IFRS at reporting date.

Examples of such fees include performance fees, disposal fees, or liquidation fees, representing a present obligation from contractual arrangements.

Most of these fees are normally accrued under IFRS accounting rules. The adjustment represents the impact on the NAV of the amount of the estimated contractual fees payable based on the current NAV of the vehicle in the rare circumstances in which these fees are not already recognized in financial statements produced under IFRS and it is probable that they will be incurred. In order to determine the amount of the adjustment, reference should be made to IFRS standards for the measurement (but not necessarily the recognition) of provisions or deferred liabilities.

As per the balance sheet date, all contractual fees and contingent liabilities are recognised in accordance with IFRS.

VRF FGR did not enter into any other contractual fees or contingent liabilities that are not presented in the accounts as per the balance sheet date.

15 Revaluation to fair value of savings of purchaser's costs such as transfer taxes

Transfer taxes and purchaser's costs which would be incurred by the purchaser when acquiring a property are generally deducted when determining the fair value of investment properties under IAS 40. The effect of an intended sale of shares in a property-owning vehicle, rather than the property itself, should be taken into account when determining the amount of the deduction of transfer taxes and purchaser's costs, to the extent this saving is expected to accrue to the seller when the property is sold.

The adjustment therefore represents the positive impact on the NAV of the possible reduction of the transfer taxes and purchaser's costs for the benefit of the seller based on the expected sale of shares in the property-owning vehicle.

VRF FGR has no investment property structured in special purpose vehicles.

16 Revaluation to fair value of deferred taxes and tax effect of INREV NAV adjustments

Under IFRS, deferred tax assets and liabilities are measured at the nominal statutory tax rate. The manner in which the vehicle expects to realise deferred tax (for example, for investment properties through share sales rather than direct property sales) is generally not taken into consideration.

The adjustment represents the impact on the NAV of the difference between the amount determined in accordance with IFRS and the estimate of deferred tax which takes into account the expected manner of settlement (i.e., when tax structures and the intended method of disposals or settlement of assets and liabilities have been applied to reduce the actual tax liability).

As per 31 December 2015, no adjustment has been made as VRF FGR has not valued deferred tax assets and liabilities on the balance sheet. Furthermore VRF FGR is transparent for tax purposes therefore no adjustment for the INREV NAV adjustments is required.

17 Effect of subsidiaries having a negative equity (non-recourse)

The NAV of a consolidated group under IFRS may include the net liability position of subsidiary undertakings. In practice, however, the group may have neither a legal nor a constructive obligation to fund the accumulated losses in situations where the financing of the subsidiaries is non-recourse to the vehicle. In this scenario it is appropriate to make an adjustment when calculating the INREV NAV in order to recognise the group's interest in such subsidiaries at nil or an adjusted negative amount rather than at a full net liability position, to the extent there is no intention or obligation on the vehicle to make good those losses.

The adjustment represents the positive impact on the NAV of the partial or full reversal of the negative equity of the specific subsidiary. If the vehicle has granted shareholder loans to the subsidiary, these should be taken into account.

As per 31 December 2015, no adjustment has been made since VRF FGR has no subsidiaries with a negative equity which are valued at zero and are included in the consolidation.

18 Goodwill

At acquisition of an entity which is determined to be a business combination, goodwill may arise as a result of a purchase price allocation exercise. Often a major component of such goodwill in property vehicles reflects the difference between the full recognition of deferred tax, purchaser's costs or similar items in the IFRS accounts (which does not generally take account of the likely or intended method of subsequent exit), and the economic value attributed to such items in the actual purchase price. Except where such components of goodwill have already been written off in the NAV as determined under IFRS, they should be written off in the INREV NAV.

As per 31 December 2015, no adjustment has been made since VRF FGR has no goodwill valued on the balance sheet.

19 Non-controlling interest effects on the above adjustments

This adjustment represents the impact on the NAV of the recognition of non-controlling interests on all of the above adjustments.

As per 31 December 2015, no adjustment has been made since VRF FGR has no material adjustments that arise from its non-controlling interests.

Independent auditor's report

To: the participants of Vesteda Residential Fund FGR

We have audited the accompanying financial overviews 2015 of Vesteda Residential Fund FGR, Amsterdam, in accordance with INREV valuation principles as set out on page 130 up to and including page 134, which comprise the balance sheet as at 31 December 2015, the profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation of the financial overviews in accordance with the accounting policies selected and disclosed by the fund (INREV valuation principles). Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of financial overviews that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial overviews based on our audit. We conducted our audit in accordance with Dutch Law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial overviews are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial overviews. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial overviews, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial overviews in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial overviews.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial overviews are prepared, in all material respects, in accordance with the accounting policies selected and disclosed by the fund (INREV valuation principles).

Amsterdam, 16 March 2016

Ernst & Young Accountants LLP

Signed by: J.M Heijster

Annexes

Annex 1: Key figures past ten years

	2015 IFRS	2014 IFRS	2013 IFRS	2012 IFRS	2011 IFRS	2011 DG	2010 DG	2009 DG	2008 DG	2007 DG	2006 DG
BALANCE SHEET > PAGE 83											
Year-end, amounts in € million											
Total assets	3,839	3,667	3,782	4,158	4,497	4,513	4,707	4,932	5,107	5,077	4,630
Equity	2,629	2,262	2,280	2,423	2,670	2,671	2,793	2,941	3,264	3,288	3,169
Debt capital	1,098	1,265	1,350	1,523	1,649	1,649	1,695	1,758	1,725	1,650	1,300
Leverage (%)	29	35	36	37	37	37	36	36	34	32	28
PORTFOLIO VALUE > PAGE 52											
Year-end, amounts in € million											
Development portfolio	77	13	23	12	24	76	163	254	279	135	176
Investment portfolio	3,726	3,593	3,655	3,970	4,265	4,248	4,402	4,484	4,699	4,799	4,306
Total portfolio	**3,803**	**3,605**	**3,678**	**3,982**	**4,289**	**4,324**	**4,565**	**4,738**	**4,978**	**4,934**	**4,482**
UNITS > PAGE 49											
Year-end											
Number of residential units	22,599	22,990	23,791	25,100	25,828	25,828	26,732	27,243	27,624	28,334	27,990
Number of commercial m²	34,319	36,359	36,640	50,491	55,410	55,410	57,515	51,663	43,179	39,789	41,725
Number of parking/garage spaces	9,293	9,335	9,527	10,217	10,427	10,427	10,177	9,699	9,457	8,984	8,185
OCCUPANCY RATE > PAGE 51											
Year-end											
Investment portfolio (%)	97.9	96.6	96.1	95.6	95.7	95.7	95.2	95.3	97.1	97.2	96.8
NET RENTAL INCOME > PAGE 52, 82, 95											
Amounts in € million											
Investment portfolio, at start of year	3,593	3,655	3,970	4,265	4,402	4,402	4,484	4,699	4,799	4,306	4,034
Net rental income	176	176	181	177	173	173	175	180	176	168	159
Net rental income (%)	4.9	4.8	4.6	4.2	3.9	3.9	3.9	3.8	3.6	3.8	3.9
TENANT SATISFACTION > PAGE 36											
Rating (out of 10)											
Investment portfolio	6.9	6.9	6.9	7.0	7.0	7.0	6.9	7.0	7.0	7.1	7.1
OPERATING RESULT > PAGE 30, 82											
Amounts in € million											
Realised result from letting	122	110	104	98	88	89	110	109	110	137	147
Realised result from project development	-	4	(1)	(1)	(4)	(13)	(27)	-	(3)	(4)	2
Unrealised result	169	22	(163)	(234)	(138)	(123)	(177)	(372)	(119)	178	285
Total operating result	**291**	**136**	**(60)**	**(137)**	**(49)**	**(47)**	**(94)**	**(263)**	**(12)**	**311**	**434**

	2015 IFRS	2014 IFRS	2013 IFRS	2012 IFRS	2011 IFRS	2011 DG	2010 DG	2009 DG	2008 DG	2007 DG	2006 DG
OPERATING RETURN > PAGE 31											
As % of opening equity											
Realised return from letting	5.4	4.8	4.3	3.6	3.1	3.2	3.7	3.4	3.3	4.3	4.9
Realised return from project development	-	0.2	(0.1)	-	(0.1)	(0.5)	(0.9)	-	(0.1)	(0.1)	0.1
Unrealised return	7.5	1.0	(6.7)	(8.7)	(4.9)	(4.4)	(6.0)	(11.4)	(3.6)	5.6	9.7
Total operating return	**12.9**	**6.0**	**(2.5)**	**(5.1)**	**(1.9)**	**(1.7)**	**(3.2)**	**(8.0)**	**(0.4)**	**9.8**	**14.7**
EMPLOYEES > PAGE 61											
Year-end											
FTE	179	189	227	253	305	305	332	346	337	318	322
RESULT > PAGE 30, 82											
Amounts in € million											
Total operating result	291	136	(60)	(137)	(49)	(47)	(94)	(263)	(12)	311	434
Revaluation of derivatives	25	(4)	41	(30)	11	11	21	(35)	(92)	18	11
Total comprehensive result	**316**	**132**	**(19)**	**(167)**	**(38)**	**(36)**	**(73)**	**(298)**	**(104)**	**329**	**445**
RETURN > PAGE 31											
As % of opening equity											
Total operating return	12.9	6.0	(2.5)	(5.1)	(1.9)	(1.7)	(3.2)	(8.0)	(0.4)	9.8	14.7
Revaluation of derivatives	1.1	(0.2)	1.7	(1.1)	0.4	0.4	0.7	(1.1)	(2.7)	0.6	0.3
Total return	**14.0**	**5.8**	**(0.8)**	**(6.2)**	**(1.5)**	**(1.3)**	**(2.5)**	**(9.1)**	**(3.1)**	**10.4**	**15.0**
DISTRIBUTION TO INVESTORS > PAGE 31											
Amounts in € million											
Opening equity	2,262	2,280	2,423	2,670	2,799	2,793	2,941	3,264	3,368	3,169	2,956
Paid distribution to investors	107	100	74	120	109	109	84	146	80	232	130
Distribution to investors (%)	4.7	4.4	3.1	4.5	3.9	3.9	2.9	4.5	2.4	7.3	4.4
DISTRIBUTION TO INVESTORS > PAGE 31											
Amounts in € per participation											
Opening equity	94.07	92.77	96.47	104.15	109.29	109.06	114.87	127.49	131.52	126.74	118.23
Paid distribution to investors	4.43	4.07	2.95	4.68	4.25	4.25	3.28	5.69	3.12	9.28	5.20
Distribution to investors (%)	4.7	4.4	3.1	4.5	3.9	3.9	2.9	4.5	2.4	7.3	4.4

Annex 2: GRI Content Index for 'In accordance' - Core

General Standard Disclosures		Description	Page number
GENERAL STANDARD DISCLOSURES			
Strategy and Analysis			
G4-1	a.	Statement from the most senior decision-maker of the organisation (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organisation and the organisation's strategy for addressing sustainability.	CEO Foreword, page 11.
Organisational Profile			
G4-3	a.	The name of the organisation.	Profile Vesteda, page 6.
G4-4	a.	The primary brands, products, and services.	Profile Vesteda, page 6.
G4-5	a.	The location of the organisation's headquarters.	Claude Debussylaan 15, 1082 MC Amsterdam
G4-6	a.	The number of countries where the organisation operates, and names of countries where either the organisation has significant operations or that are specifically relevant to the sustainability topics covered in the report.	Vesteda operates exclusively in the Netherlands.
G4-7	a.	The nature of ownership and legal form.	Legal structure page 64.
G4-8	a.	The markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	Vesteda operates exclusively in the Netherlands. Portfolio distribution, page 8.
G4-9	a.	The scale of the organisation.	Notes to the results page 30.
G4-10	a.	Organisational profile – composition of workforce.	Workforce, page 61. Information on: - employment contract/permanent/self-employed - by region - by supervised workers - significant variations in employment numbers is not deemed relevant for Vesteda, since Vesteda exclusively operates in the Netherlands.
G4-11	a.	The percentage of total employees covered by collective bargaining agreements.	The percentage of total employees covered by collective bargaining agreements was 90% at year-end 2015.
G4-12	a.	Describe the organisation's supply chain.	Value chain, page 74.
G4-13	a.	Significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain.	Equity raise, page 28.
G4-14	a.	Precautionary approach or principle.	Strategic project: Sustainable procurement, page 57; Risk Management, page 69.
G4-15	a.	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses.	INREV Guidelines, page 76; IVBN, page 68; MSCI, page 24.
G4-16	a.	List memberships of associations.	Participant in the sustainability taskforce of the Association of Dutch Institutional Property Investors in the Netherlands (IVBN), participant in the Dutch Green Building Council (DGBC), member of the National Renovation Platform (NRP) and a Founding partner of the Green Business Club Zuidas (GBC-Z).

General Standard Disclosures		Description	Page number
Identified material aspects and boundaries			
G4-17	a.	All entities included in the organisation's consolidated financial statements or equivalent documents.	Governance and risk management, page 64; All entities included in the financial statements are also in scope for the rest of the report.
	b.	Whether any entity included in the organisation's consolidated financial statements or equivalent documents is not covered by the report.	
G4-18	a.	The process for defining the report content and the Aspect Boundaries.	About this Report, page 74. Material aspects, page 13. Vesteda Residential Fund FGR financial statements 2015, page 79.
	b.	How the organisation has implemented the Reporting Principles for Defining Report Content.	
G4-19	a.	All the material Aspects identified in the process for defining report content.	About this Report, page 74. Material aspects, page 13.
G4-20	a.	Aspect Boundary within the organisation.	GRI G4, page 140. Material aspects, page 13.
G4-21	a.	Aspect Boundary outside the organisation.	GRI G4, page 140. Material aspects, page 13.
G4-22	a.	The effect of any restatements of information provided in previous reports, and the reasons for such restatements.	None.
G4-23	a.	Significant changes from previous reporting periods in the Scope and Aspect Boundaries.	2015 is Vesteda's first report according to the GRI G4 Reporting principles. No significant changes compared to previous year have occurred in the scope & aspect boundaries.
Stakeholder engagement			
G4-24	a.	A list of stakeholder groups engaged by the organisation.	About this report - Content report, page 74.
G4-25	a.	The basis for identification and selection of stakeholders with whom to engage.	About this report - Content report, page 74.
G4-26	a.	The organisation's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	Dialogue with stakeholders, page 75.
G4-27		Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	Dialogue with stakeholders, page 75.
Report profile			
G4-28	a.	Reporting period (such as fiscal or calendar year) for information provided.	January - December 2015.
G4-29	a.	Date of most recent previous report (if any).	The previous annual report was published 2 April 2015.
G4-30	a.	Reporting cycle (such as annual, biennial).	Annually.
G4-31	a.	The contact point for questions regarding the report or its contents.	For additional information or questions about this report you can contact our Investor Relations Officer Mirjam Witteman. E-mail: m.witteman@vesteda.com
G4-32	a.	The 'in accordance' option the organisation has chosen and GRI-table	Core; Assurance report of the independent auditor, page 77.
G4-33	a.	Organisation's policy and practice with external assurance	About this report, page 74; Assurance report of the independent auditor, page 77.

General Standard Disclosures		Description	Page number
Governance			
G4-34	a.	Whether the organisation has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	Managing Board's responsibility and the four lines of defence, page 69. Corporate governance, page 65.
Ethics and integrity			
G4-56	a.	Describe the organisation's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	Ethics and Integrity, page 68.

Material Aspects	DMA	Indicators
SPECIFIC STANDARD DISCLOSURES: MATERIAL INDICATORS WHICH VESTEDA REPORTS IN LINE WITH GRI		
Good reputation (G4 aspect: Product & service labelling)	Vesteda offers institutional investors a long-term investment with low risk and a stable dividend pay-out. A good reputation is vital in this context. We conduct annual participant satisfaction surveys to measure our reputation among investors. We conducted the first survey in 2015, to give us a baseline measurement. You will find the results of the 2015 survey on page 29. Our goal is to improve this score this year. To this end, we have translated the findings into improvement actions. The Investors Relations department is responsible for the progress of the improvement actions and for the management of the good reputation aspect. This department is responsible for the operational execution. In addition, the progress is safeguarded due to the fact that the Supervisory Committee uses the results of the participants' survey to evaluate the Managing Board. In addition to this, a good reputation among our tenants is vital to us. Tenant satisfaction plays a very significant role in safeguarding our reputation. You will find more information on this in the material aspect tenant satisfaction. A good reputation among our partners, such as municipal authorities and developers, is also very important. After all, they have to trust that we will abide by our agreements.	PR5: Results of surveys measuring customer satisfaction, page 29, 36. Sector supplement PR5: Report who the organisation's customers are (such as occupants and visitors), page 13, 75 (value chain).
Tenant satisfaction (G4 aspect: Product & service labelling)	Satisfied tenants are very important to us. After all, they are our clients. A home is a basic need and we want to provide our tenants with a safe home and good service. Our tenants provide us with monthly cash flow, which we use to guarantee our liquidity. It is therefore very important that tenants are satisfied with the homes we provide and our service. Our target is a tenants satisfaction score of at least 7. Because tenant satisfaction is so important we conduct twice-yearly image surveys. The Portfolio Management department is responsible for this. We also conduct surveys to assess satisfaction with our service. We conducted the first of these surveys in 2015. You will find the outcome of the tenant satisfaction survey and the service survey on page 36. We use the findings of these surveys for a process of continuous improvement in our service levels.	PR5: Results of surveys measuring customer satisfaction, page 29, 36. Sector supplement PR5: Report who the organisation's customers are (such as occupants and visitors), page 13, 75 (value chain).

Material Aspects	DMA	Indicators
Business integrity (G4 aspect: Anti-corruption)	Business integrity is closely linked to our reputation, given that acting with integrity also protects our reputation and guarantees safe investments. To safeguard our integrity, we have our own integrity policy. We strive to guarantee our integrity on all fronts. For instance, all new participants have to undergo an integrity test, employees have to abide by our code of conduct, we have a whistle blower scheme and we comply with the Law on the prevention of money laundering and terrorist financing (Wwft). The goal of our integrity policy is to prevent either Vesteda or any of our employees getting involved in incidents, unlawful acts and legal violations that might damage the trust in the organisation or the financial markets and as a consequence could lead to reputation damage. The Integrity Officer is responsible for safeguarding and the implementation of our integrity policy. The Integrity Officer firstly draws up the policy and any changes to said policy for approval by the senior management. The Integrity Officer ensures the correct implementation of the approved policy and reports on this each quarter. The senior management is partly responsible for the correct implementation of and compliance with the policy Business Integrity. In 2015, no incidents were reported. Last year, 100% of our employees also confirmed compliance with our Code of Conduct.	SO3: Total number and percentage of operations assessed for risks related to corruption and the significant risks identified, page 68, 72. SO4: Communication and training on anti-corruption policies and the significant risk identified. Our employees affirm the code of conduct annually. In addition, we organise an annual awareness event to draw attention to integrity. O5: Confirmed incidents of corruption and actions taken, page 69.
Sustainable maintenance & renovation (G4 aspect: Products and services)	We use sustainable maintenance and renovation to improve the living environment of our tenants. This can include getting rid of draughts in homes and the removal of mould. We also strive, among other things, to improve the energy labels of our homes. By aiming for sustainable maintenance and renovation, we also try to play our part in global developments such as the government's Energy Agreement and agreements reached at the climate summit COP21. Our goal is to make sure that 80% of Vesteda's portfolio has a green label (at least energy label C; Energy Index maximum 1.8) by 2020. The remaining 20% should have at least energy label D (Energy Index maximum 2.1). Portfolio Management is responsible for the progress in and supervision of our energy labels. Labels are updated following energy-related measures and on expiry dates (10 years). An overview is drawn up each quarter and sent to Property Management. In 2015, we decided to invest more than €20 million extra in making our residential portfolio more sustainable. This will enable Vesteda to surpass the agreements made in the Energy Agreement by 2020. Vesteda will use this investment to improve the energy labels of around 1,800 homes. This ambitious package of measures includes building insulation, the replacement of installations with energy-efficient variants and the generation of sustainable energy through the placement of solar panels. We will make these changes on a residential building by residential building basis and in phases in the year 2016 through 2020. You will find the results of the number of homes per energy label and GRESB assessment on page 56 and 59.	CRE8: Type and number of sustainability certification, rating and labelling schemes for new construction, management occupation and redevelopment, page 56.

Material Aspects	DMA	Indicators
SPECIFIC STANDARD DISCLOSURES: MATERIAL INDICATORS THAT VESTEDA REPORTS WHICH ARE PARTLY IN LINE WITH GRI		
Healthy homes (G4 aspect: Health & Safety)	Vesteda believes it is important that the homes in our portfolio are healthy. This implies that they are free of high-risk asbestos, are checked for legionella, that central heating boilers are checked regularly, lifts are checked regularly, that thermal energy installations are provided with new filters and that risk maps have been drawn up for every residential building. Although these measures are of a more technical nature, their impact can have a high social impact on the lives and wellbeing of our tenants. **Asbestos** Homes built before 1983 and between 1983 and 1993 can contain asbestos. This not necessarily a health threat, provided it is not damaged and is removed correctly if it is damaged. We periodically check all buildings built in this period for asbestos-related risks. Our technical manager is responsible for the execution of these checks and reports the results to the Portfolio Management department. **Central heating boilers** All central heating boilers are checked periodically for maintenance purposes (so these will last longer) and to mitigate any risks from the emission of carbon monoxide due to inefficient combustion. The Property Management department is responsible for this. **Lifts** All lifts that are fully-owned by Vesteda (so not owned by third parties or by owners' associations) are certified by accredited certification bodies. The Property Management department is responsible for the execution and for updating all certificates. **Thermal energy installations** To safeguard the air quality in our residential buildings, it is necessary to replace filters in our thermal energy installations regularly. All filters in our residential buildings are replaced annually. The Property Management department is responsible for this. **Legionella** Vesteda has drawn up general instructions on how to deal with legionella prevention in the event of extended vacancy. **Risk map** Our ambition is to draw up a risk map for every residential building. We use these map to identify the most significant risks and follow these up. At this point in time, approximately 90% of our residential buildings are equipped with a risk map. Property Management is responsible for the execution of this aspect and Portfolio Management manages the process.	PR 1: Percentage of significant products and service categories for which health and safety impacts are assessed for improvement, page 144.

Material Aspects	DMA	Indicators
SPECIFIC STANDARD DISCLOSURES: OTHER MATERIAL INDICATORS THAT VESTEDA REPORTS BUT WHICH ARE NOT FOUND IN GRI		
Compliance	In addition to having a good reputation, to be a good and reliable investment we also have to comply with all relevant laws and regulations. Compliance is therefore a part of our Corporate Governance policy. For additional information on our Corporate Governance policy, see DMA Corporate Governance. With respect to compliance, we aim to incur no (monetary) sanctions. To guarantee this, compliance is embedded in large parts of our organisation. For instance, the Compliance Officer AIFMD (Alternative Investment Fund Manager Directive) is responsible for compliance with the laws and regulations supervised by the AFM, the CFO is responsible for fiscal compliance and our General Council is responsible for Legal compliance. We have appointed an RMO (Risk Management Officer) to manage the risk management framework, which also covers compliance risks. Since 2007, Vesteda has issued an 'in control' statement regarding the financial reporting risks and since 2012 we have issued a general 'in control' statement.	Own indicator, page 64.
Corporate Governance	To be a good and reliable investment, we have to make sure our organisation is well managed and controlled. For this purpose, we have drawn up a Corporate Governance policy. Within the Vesteda organisation, corporate governance has been structured in accordance with best practice guidelines, with an emphasis on transparency and engagement and this has been laid down in the Terms and Conditions of the fund. Vesteda Residential Fund FGR is a fund for general account under Dutch law. The fund is managed by Vesteda Investment Management B.V. The manager is responsible for the long-term strategy, the daily management and administration of the fund and the assets under management. The Supervisory Committee, comprising a minimum of five members, is responsible for the supervision of the fund. The Supervisory Committee has also set up an Audit Committee and Nomination and Remuneration Committee. Every Supervisory Committee member is independent in the sense defined in the Dutch Corporate Governance Code. With respect to its composition, Supervisory Committee strives to achieve the best possible balance between know-how and experience in the fields of management, compliance, risk management, financial reporting and knowledge of real estate and investments.	Own indicator, page 64.

Annex 3: Definitions

Acquisitions and development pipeline	All properties in which Vesteda has an agreement to invest but which are still under construction and/or not yet transferred to the investment portfolio.
AFM	Autoriteit Financiële Markten (Financial Markets Authority).
AIFM-D	Alternative Investment Fund Managers Directive.
CBS	Centraal Bureau voor Statistiek (Central Bureau of Statistics).
CMBS	Commercial mortgage-backed securities (CMBS) are a type of mortgage-backed security that is secured by the mortgage right on a commercial property.
Committed pipeline	See Acquisitions and development pipeline.
Core fund	Core fund according to the INREV Style Classification.
CSR	Corporate Social Responsibility.
DAEB-acitivities	Services of General Economic Interest (SGEI) also called social or regulated activities.
Dividend yield/distribution to investors (%)	Annual distribution per participation right in year t-1, paid in year t, divided by the opening equity per participation in year t.
DNB	De Nederlandsche Bank (Dutch Central Bank).
EBITDA	Gross rental income less property operating expenses less management expenses.
ECB	European Central Bank.
ESG	The three central factors in measuring sustainability: Environmental, Social and Governance.
Exclusive negotiations	Potential acquisitions for which Vesteda is in exclusive negotiations.
FGR	Fonds voor gemene rekening (a fund for the joint account of the participants under Dutch law, see section legal structure).
Fund Management	The part of the organisation responsible for the processes focused on the investors and the providers of debt capital. In addition, Fund Management handles risk management and compliance, the control function and the financial administration.
GAV	Gross Asset Value (GAV) is the value of total assets (balance sheet).
GRESB	The Global Real Estate Sustainability Benchmark (GRESB) is an industry-driven organisation committed to assessing the sustainability performance of real estate portfolios (public, private and direct) around the globe. The dynamic benchmark is used by institutional investors to engage with their investments with the aim to improve the sustainability performance of their investment portfolio, and the global property sector at large.
GRI	Global Reporting Initiative (GRI) is an international independent organisation that helps businesses, governments and other organisations understand and communicate the impact of business on critical sustainability issues such as climate change, human rights, corruption and many others.
Gross initial yield	Theoretical rent (on a given reference date) from a residential building divided by the total investment in that residential building.
Gross rental income	Theoretical rent less loss of rent.
Gross/net ratio	The percentage of property operating expenses relative to gross rental income.
Higher rental segment	Sector of the residential property market for rental properties with a net monthly rent of over approximately €1,200, excluding service charges.
INREV	INREV is the European Association for Investors in Non-Listed Real Estate Vehicles. They are Europe's leading platform for the sharing of knowledge on the non-listed real estate industry. Their goal is to improve transparency, professionalism and best practices across the sector, making the asset class more accessible and attractive to investors.
Investment pipeline	See Committed acquisitions and development pipeline.
Investment portfolio	All fully-completed and for rent available properties owned by Vesteda.
Investor (or Participant)	Holder of a direct interest in Vesteda Residential Fund.
IVBN	Vereniging van Institutionele Beleggers in Vastgoed (Association of Institutional Property Investors).
Leverage	Debt capital/total assets.
Like-for-like rent increase	Comparison of this year's rent to last year's rent, taking into consideration only those rental properties that were in portfolio during both time periods.
Loss of rent	Net financial vacancy plus incentives.
LTV (loan to value)	Debt capital/investment portfolio.

Management expenses	Any expenses that can not be allocated directly to the various properties are regarded as management expenses.
Mid-rental segment	Sector of the residential property market for rental properties with a net monthly rent from the regulated level to approximately €1,200, excluding service costs.
NAV	Net asset value (NAV) is the value of Vesteda's assets minus the value of Vesteda's liabilities.
Net financial vacancy	Gross financial vacancy less vacancy charged to results on property sales.
Net rental income	Gross rental income minus property operating expenses and other income.
NeVap	Nederlands Vastgoedexploitatie Platform (independent Dutch Property Management Platform).
NHG	Nationale Hypotheek Garantie (National Mortgage Guarantee).
Non-DAEB activities	Services of non-General Economic Interest (SGEI) also called commercial activities.
Non-regulated sector or liberalised segment	Residential properties with rents above the deregulation limit (€710.68 in 2015 and 2016). These properties are in the mid and higher rental sectors.
Occupancy rate	The number of residential properties actually generating rental income as a percentage of the number of properties that could generate rental income.
Other region	Regions that are not primary or secondary.
Participant (or Investor)	Holder of a direct interest in Vesteda Residential Fund.
Portfolio Management	The part of the organisation responsible for drawing up the portfolio strategy in line with the risk-yield profile of the fund and for translating the portfolio strategy to property level and optimising the portfolio yield.
Primary region	Primary regions are regions that offer the highest market potential for the non-regulated rental sector. These regions are characterised by a high market potential and low market risks.
Property Management	Local commercial, administrative and technical management of properties.
Property operating expenses	All expenses that can be directly allocated to the various properties in the investment portfolio.
REER	Real Estate Expense Ratio: Total property operating expenses divided by average GAV expressed in basis points.
Regulated segment	Residential properties with rents below the deregulation limit (€710.68 in 2015 and 2016).
Return on equity (ROE)	Return on equity (ROE) is the amount of total comprehensive income divided by opening equity.
Reversionary potential	The difference between market and theoretical rent divided by theoretical rent.
Secondary region	Secondary regions have a lower score than primary regions but have a positive economic and demographic outlook.
TER (NAV/GAV)	Total Expense Ratio: Total management expenses divided by average NAV or average GAV expressed in basis points.
Theoretical rent	Passing rent for rented units and market rent for vacant units.
Vesteda Finance B.V.	See section legal structure.
Vesteda Investment Management B.V.	See section legal structure.
Vesteda Project Development B.V.	See section legal structure.
Vesteda Residential Fund	The Vesteda mutual fund, see section legal structure.
WSW	Waarborgfonds Sociale Woningbouw (Housing Association Guarantee).
WWS	Woningwaarderingssysteem (Points System of Rent Regulation).

Annex 4: External appraisers

APPRAISAL PROCESS OF INVESTMENT PROPERTIES

The purpose of the appraisal is to gain an accurate and independent valuation of the assets by the end of each quarter. The valuation of the residential properties in the investment portfolio meets the relevant legislation and regulations (AIFM Directive, IFRS and Dutch legislation and regulations).

The appraisal is conducted in accordance with the prevailing recommendations for appraisals and appraisal reports of the Appraisers and Accountants Platform, PTA, the prevailing valuation guidelines and valuation models as laid down by the Dutch property index, IPD, and the RICS Appraisal and Valuation Standards, or the Red Book (including the International Valuation Standards, IVS). The valuations of the residential properties are conducted using the Reaturn TM valuation system.

The basis of the appraisal is the fair value calculated using the Discounted Cash Flow method. Two possible future scenarios for each asset are appraised and the highest value is recorded as the value of the asset. The first scenario assumes a continuation of letting for the next ten years, followed by the sale of the asset in one piece to a third party. The second scenario also assumes a continuation of letting for the next ten years, but also includes the scenario that single houses or apartments that become vacant are sold to homeowners (residential unit sales); after ten years the remainder is sold to a third party. The appraisals are corrected for the fact that buyers pay transfer taxes and other costs to acquire a property. Capital expenditures on the assets are also taken into account in the cash flow by the appraisers. Capital expenditures are reported to the appraiser and used as a basis to determine normalised cash flows. Appraisers decide on the appraisal assumptions taking into account the specific property, comparable properties, market transactions and standard references.

In 2015, the valuations of the properties in the portfolio were conducted by: CBRE Valuation Advisory, Dynamis Taxaties, MVGM Vastgoedtaxaties, Colliers International Consultants and Cushman & Wakefield. Valuations are conducted by qualified appraisers of these agencies; the appraisers are registered in at least one independent and professional body which guarantees the initial qualification of the appraiser and his/her continuous training, e.g. RICS. Vesteda regularly changes the appraisers it uses to guarantee their independence. Starting in January 2015, Colliers International Consultants acted as appraiser, while Troostwijk Taxaties stopped acting as appraisers. In July 2015, Cushman & Wakefield started acting as appraiser, replacing MVGM Vastgoedtaxaties.

For the purpose of the valuations, Vesteda divides the portfolio properties into four more or less equal sub portfolios, each with its own appraiser. Once a property has been valued by the same appraiser for three years, it is assigned a different appraiser, to guarantee the objectivity of the appraisal. The appraisers value the properties that Vesteda assigns them at least once a year. For this valuation, the appraiser visits the property in question and incorporates, substantiates and records all the factors relevant to the value of the property in the appraisal. In the remaining quarters, the valuation is an update of the previously conducted (full) appraisal. For this update, the appraiser does not need to visit the property and will update data and references and adjust the value on the basis of market developments relevant to the property.

Annex 5: Composition of the investment portfolio

The list below sets out the properties in the investment portfolio. In line with the MSCI definition, all properties are allocated to the residential properties sector, as the residential share of the gross market rental value is greater than 50%. The units and values given for properties are fully owned.

Key

Project: City, Street, Name of investment property, Province (GR=Groningen, FR=Friesland, DR=Drenthe, OV=Overijssel, GD=Gelderland, UT=Utrecht, FL=Flevoland, NH=Noord-Holland, ZH=Zuid-Holland, NB=Noord-Brabant, ZL=Zeeland, LB=Limburg), Construction year (the year before the First year of full letting).

Y	Year
LAND	Percentage owned versus leased (LH=Leasehold)
RS	Rental segment (M=Mid-segment, R=Regulated segment, H=Higher segment)
R	Region (P=Primary region, S=Secondary region, O=Other)
U	Number of residential properties (units)
SFH	Number of single family homes (units)
APP	Number of apartments (units)
UA	Useable area of the residential properties (m²)
COG	Commercial space (m²)
P	Parking and garage spaces (units)
RENT	Theoretical gross annual rent (as at 31 December, thousands of euros)

City, Street, Name, Province, Construction year	LAND	RS	R	U	SFH	APP	UA	COG	P	RENT
Aalsmeer, Edisonstraat, Proosdij, NH, 1983	100%	M	P	12	12	-	13	-	-	132
Abcoude, Ereprijs, Fluitekruid App. II, UT, 1989	100%	R	P	25	-	25	20	-	-	213
Abcoude, Ereprijs, Fluitekruid II, UT, 1989	100%	M	P	50	50	-	48	-	-	569
Abcoude, Fluitekruid, Fluitekruid App. I, UT, 1989	100%	R	P	23	-	23	18	-	-	194
Abcoude, Fluitekruid, Fluitekruid I, UT, 1989	100%	M	P	31	31	-	34	-	-	371
Almere-Stad, Quickstepstraat, Danswijk, FL, 1999	100%	M	S	38	38	-	42	-	-	349
Almere, Dek, Noorderplassen, FL, 2004	100%	M	S	32	32	-	49	-	-	356
Almere, Fellinilaan, Fellinilaan, FL, 1998	100%	M	S	42	-	42	43	-	-	453
Almere, Gleditsiastraat, Parkwijk, FL, 1995	100%	M	S	62	62	-	85	-	-	609
Almere, Harderwijkoever, Boulevardflat, FL, 1984	100%	R	S	216	-	216	179	-	216	1,838
Almere, Havenhoofd, Havenhoofd, FL, 1986	100%	M	S	49	-	49	47	-	-	462
Almere, Jacques Tatilaan, Filmwijk, FL, 1998	100%	M	S	90	90	-	114	-	-	891
Almere, Jarenweg, Seizoenenbuurt, FL, 1999	100%	M	S	40	40	-	45	-	-	365
Almere, Koetsierbaan, Side by Side toren I, FL, 2007	100%	M	S	20	-	20	22	-	18	269
Almere, Koetsierbaan, Side by Side toren II, FL, 2007	100%	M	S	82	-	82	83	82	84	982
Almere, Lotusbloemweg, Bloemenbuurt, FL, 1990	100%	M	S	59	59	-	67	-	-	579
Almere, Marktmeesterstraat, Bankierbaan, FL, 1988	100%	R	S	100	-	100	91	-	-	790
Almere, Marktmeesterstraat, Marktmeesterstraat, FL, 1989	100%	R	S	36	-	36	31	-	-	286
Almere, Marktmeesterstraat, U Blok - Centrum, FL, 1989	100%	R	S	104	-	104	92	-	83	880
Almere, Messiaenplantsoen, Messiaenplantsoen, FL, 1990	100%	R	S	91	-	91	75	-	-	746
Almere, Nova Zemblastraat, Eilandenbuurt, FL, 2003	100%	M	S	43	43	-	49	-	-	442
Almere, Preludeweg, Muziekwijk Preludeweg, FL, 1994	100%	M	S	115	115	-	145	-	-	1,167
Almere, Raaigrasstraat, Kruidenwijk, FL, 1988	LH	M	S	84	84	-	97	-	-	786
Almere, Rondostraat, Muziekwijk Rondostraat, FL, 1992	100%	M	S	26	26	-	34	146	-	287
Almere, Simon Vestdijkstraat, Literatuurwijk, FL, 1998	100%	M	S	38	38	-	47	-	-	365
Almere, Slagbaai, Waterwijk, FL, 1983	100%	R	S	24	24	-	26	-	-	204
Almere, Vrije Zeestraat, Oostvaardersbuurt, FL, 2001	100%	M	S	42	42	-	55	-	-	407
Amersfoort, Amsterdamseweg, Puntenburg Hoogbouw, UT, 2011	100%	M	P	49	-	49	58	175	54	708
Amersfoort, Blekerssingel, Willem III Swaenenborgh, UT, 1988	100%	M	P	13	-	13	11	-	-	125
Amersfoort, Blekerssingel, Willem III, UT, 1988	100%	M	P	18	-	18	15	-	-	174

City, Street, Name, Province, Construction year	LAND	RS	R	U	SFH	APP	UA	COG	P	RENT
Amersfoort, Bombardonstraat, Zielhorst App., UT, 1990	100%	M	P	36	-	36	29	-	-	330
Amersfoort, Bombardonstraat, Zielhorst, UT, 1990	100%	M	P	20	20	-	20	-	-	196
Amersfoort, Bruggensingel-Zuid, Kattenbroek App., UT, 1991	100%	M	P	55	-	55	53	-	-	507
Amersfoort, Groote Kreek, Kattenbroek Eiland, UT, 1993	100%	M	P	101	101	-	139	-	-	1,214
Amersfoort, Grote Koppel, Zeven Provinciën, UT, 2004	100%	M	P	58	-	58	66	-	-	791
Amersfoort, Kasteel, Kattenbroek, UT, 1991	100%	M	P	79	79	-	106	-	-	892
Amersfoort, Parelvisserspad, Schuilenburg, UT, 1969	100%	M	P	116	116	-	142	-	50	1,253
Amersfoort, Zeeuwsestraat, Puntenburg Laagbouw, UT, 2010	100%	M	P	59	-	59	57	-	59	708
Amstelveen, Groenhof, Cirrus, NH, 1972	100%	M	P	83	-	83	69	-	14	736
Amstelveen, Westelijk Halfrond, Stratus; Multatuli; Meridiaan, NH, 1974	100%	R	P	183	-	183	62	-	25	1,491
Amsterdam, Bart de Ligtstraat, Julianapark, NH, 1991	LH	H	P	40	40	-	51	-	16	624
Amsterdam, Bert Haanstrakade, IJzicht, NH, 2009	LH	H	P	120	-	120	149	995	129	2,091
Amsterdam, Bijlmerdreef, Gerenstein-Gallery, NH, 2007	LH	M	P	96	-	96	94	-	-	989
Amsterdam, Bonhoeffersingel, Midden Akerveldsepolder App. I, NH, 1989	LH	M	P	48	-	48	36	-	-	432
Amsterdam, Bonhoeffersingel, Midden Akerveldsepolder I, NH, 1989	LH	M	P	160	160	-	184	-	-	1,882
Amsterdam, Brigantijnkade, Steigereiland Tjalk, NH, 2010	LH	H	P	26	-	26	32	672	46	557
Amsterdam, Ceramiquelaan, De Zeearend, NH, 2012	100%	H	P	9	-	9	10	-	16	177
Amsterdam, Cornelis Outshoornstraat, De Drie Bouwmeesters App., NH, 2006	LH	M	P	46	-	46	43	-	48	493
Amsterdam, Diopter, Diopter, NH, 1998	LH	M	P	53	53	-	66	-	-	646
Amsterdam, Galjootstraat, Steigereiland Klipper, NH, 2009	LH	M	P	59	-	59	59	-	68	833
Amsterdam, Gustav Mahlerlaan, New Amsterdam, NH, 2008	LH	H	P	171	-	171	205	2,311	198	4,132
Amsterdam, Hammerbystraat, De Willem Barentsz, NH, 2012	100%	H	P	13	-	13	14	-	14	215
Amsterdam, Hooivletstraat, Steigereiland Schoener, NH, 2009	LH	M	P	59	-	59	59	-	68	828
Amsterdam, IJburglaan, Blok 4 App., NH, 2003	LH	H	P	26	-	26	34	-	26	423
Amsterdam, IJburglaan, Blok 4 Maisonnettes, NH, 2003	LH	H	P	11	-	11	24	-	11	236
Amsterdam, IJburglaan, De Ontdekking, NH, 2008	LH	M	P	43	-	43	47	-	43	617
Amsterdam, IJburglaan, De Uitkijk, NH, 2005	LH	M	P	30	-	30	36	-	33	432
Amsterdam, Jan Puntstraat, Huizingalaan, NH, 1990	LH	M	P	167	-	167	149	-	143	1,967
Amsterdam, Jean Desmetstraat, Jean Desmetstraat, NH, 2008	LH	H	P	12	12	-	14	-	12	191
Amsterdam, Joris Ivensstraat, De Waterlinie, NH, 2004	LH	M	P	41	-	41	44	419	58	661
Amsterdam, Leusdenhof, Nellestein, NH, 1980	LH	R	P	223	-	223	199	280	268	1,941
Amsterdam, Maliebaan, Julianapark App., NH, 1991	LH	M	P	186	-	186	155	-	-	2,384
Amsterdam, Mijndenhof, Mijndenhof, NH, 1984	LH	M	P	109	109	-	102	-	-	1,142
Amsterdam, Overhoeksparklaan, De Europa, NH, 2011	LH	H	P	61	-	61	72	-	91	1,368
Amsterdam, Pieter Calandlaan, Calandtoren, NH, 2004	LH	M	P	65	-	65	62	1,515	68	934
Amsterdam, Pieter Postpad, De Drie Bouwmeesters , NH, 2006	LH	M	P	37	37	-	51	-	-	508
Amsterdam, Purperhoedenveem, Boston, NH, 2006	LH	H	P	90	-	90	95	-	-	1,541
Amsterdam, R. Bloemgartensingel, Midden Akerveldsepolder App. II, NH, 1990	LH	M	P	48	-	48	36	-	-	419
Amsterdam, R. Bloemgartensingel, Midden Akerveldsepolder II, NH, 1990	LH	M	P	177	177	-	226	-	-	2,058
Amsterdam, Snelleveldstraat, Reigersbos, NH, 1984	LH	M	P	153	153	-	144	51	-	1,595
Amsterdam, Veemkade, Detroit, NH, 2004	LH	H	P	81	-	81	107	2,457	-	1,928
Amsterdam, Wethouder Abrahamspad, Wethouderbuurt, NH, 1986	LH	M	P	178	178	-	191	59	-	1,806
Amsterdam, Wethouder Driessenstraat, Wethouderbuurt, NH, 1987	LH	M	P	155	155	-	179	-	-	1,67
Amsterdam, Withoedenveem, Parkeergarage Nieuw Amerika, NH, 2006	LH	-	P	-	-	-	-	-	292	436
Amsterdam, Wolbrantskerkweg, De Drie Wachters, NH, 2005	LH	R	P	108	-	108	76	-	82	787
Amsterdam, Zuidelijke Wandelweg, De Miranda, NH, 1998	100%	M	P	90	-	90	91	3,401	92	1,622
Apeldoorn, Disselhof, De Stadhouder, GD, 2009	100%	M	P	80	-	80	60	-	121	978
Arnhem, Amsterdamseweg, Rosorum, GD, 2009	100%	H	P	20	-	20	16	-	16	370
Arnhem, Castorstraat, Helioshof, GD, 2015	100%	M	P	29	29	-	32	-	29	279
Arnhem, Ginnekenstraat, Kroonse Wal, GD, 1988	100%	R	P	30	-	30	26	-	-	252
Arnhem, Hooghalensingel, Vredenburg, GD, 1974	100%	M	P	124	124	-	156	-	6	1,169
Arnhem, Hoogvliethof, Elderveld, GD, 1976	100%	R	P	68	68	-	78	-	15	575
Assen, Aardbeihof, Kloosterhoven, DR, 2004	100%	M	S	1	1	-	1	-	-	14
Assen, Groenkampen, Peelo, DR, 1986	100%	R	S	46	46	-	56	-	-	365
Assen, Roegoorn, Marsdijk, DR, 1990	100%	M	S	29	29	-	29	-	-	292

City, Street, Name, Province, Construction year	LAND	RS	R	U	SFH	APP	UA	COG	P	RENT
Assen, Zuidhaege, Zuidhaege, DR, 1997	100%	M	S	60	-	60	57	-	56	607
Beek, Kastanjelaan, Spaubeek, LB, 1983	100%	M	O	16	16	-	18	-	-	139
Bergen op Zoom, Agger, Bergse Plaat Agger, NB, 1993	100%	M	S	20	20	-	24	-	-	210
Bergen op Zoom, Ansjovislaan, De Weer I, NB, 1994	100%	M	S	43	-	43	47	-	48	444
Bergen op Zoom, Ansjovislaan, De Weer II, NB, 1994	100%	M	S	76	-	76	84	-	84	785
Bergen op Zoom, Ansjovislaan, Laguna, NB, 2008	100%	M	S	33	-	33	35	-	33	394
Bergen op Zoom, Ansjovislaan, Villa Murano, NB, 2009	100%	M	S	17	-	17	18	-	17	196
Bergen op Zoom, Duvenee, Bergse Plaat Duvenee, NB, 1991	100%	M	S	92	92	-	111	-	-	876
Bergen op Zoom, Statietjalk, Landmark, NB, 2004	100%	M	S	26	-	26	30	-	26	303
Bergen op Zoom, Zandstraat, Leemberg, NB, 1975	100%	R	S	24	24	-	21	-	-	180
Breda, Argusvlinder, Argusvlinder, NB, 1999	100%	R	P	64	-	64	42	-	-	396
Breda, Blauwtjes, Blauwtjes, NB, 1999	100%	M	P	36	-	36	33	-	5	382
Breda, Ceresstraat, Drie Hoefijzers, NB, 2011	100%	M	P	42	-	42	49	-	46	592
Breda, Lachappellestraat, Lachappellestraat, NB, 1961	100%	R	P	49	-	49	33	-	14	376
Breda, Lovensdijkstraat, Nieuw Vredenbergh , NB, 2011	100%	H	P	124	-	124	148	-	130	1,971
Breda, Lovensdijkstraat, Serviceresidentie Vredenbergh, NB, 2004	LH	M	P	102	-	102	65	1,734	56	1,393
Breda, Markhoek, Marckhoek, NB, 2014	100%	H	P	23	-	23	27	-	25	408
Breda, Nonnenveld, Het Paleis, NB, 2005	100%	M	P	47	-	47	63	-	48	714
Brummen, Buizerdstraat, De Enk, GD, 1974	100%	M	O	44	44	-	53	-	1	399
Bunnik, Esdoorn, Dalenoord, UT, 1989	100%	M	P	16	16	-	15	-	-	147
Bunnik, Koekoeksbloem, Dalenoord App., UT, 1989	100%	M	P	16	-	16	12	-	-	140
Capelle a/d IJssel, Doelen, Doelen en Louvre, ZH, 1983	100%	M	P	72	72	-	71	-	-	685
Capelle a/d IJssel, Librije, Hermitage, ZH, 1983	100%	M	P	49	49	-	48	-	-	460
Capelle a/d IJssel, Rigoletto, Louvre/Rigoletto, ZH, 1983	100%	R	P	66	-	66	50	-	-	527
Capelle a/d IJssel, Slotplein, Slotplein, ZH, 1997	100%	M	P	80	-	80	86	-	-	898
Culemborg, Akelei, Voorkoop, GD, 1985	100%	M	S	26	26	-	32	-	-	269
Den Bosch, A. der Kinderenlaan, Amazones, NB, 2014	100%	H	P	42	-	42	49	-	59	657
Den Bosch, Bordeslaan, Armada, NB, 2004	100%	H	P	9	-	9	10	-	12	145
Den Bosch, Hofvijver, Jheronimus, NB, 2014	100%	M	P	44	-	44	45	-	48	659
Den Bosch, Kruiskampsingel, Meanderflat, NB, 1968	100%	R	P	110	-	110	95	-	20	951
Den Bosch, Natewischstede, Maaspoort, NB, 1987	100%	M	P	48	48	-	45	-	-	459
Den Bosch, Pisastraat, Pisastaete, NB, 1989	100%	M	P	58	-	58	46	-	72	558
Den Haag, De Brink, De Brink, ZH, 1975	100%	R	P	114	6	108	80	-	100	866
Den Haag, Laakweg, Piazza, ZH, 1998	LH	R	P	73	-	73	65	-	58	658
Den Haag, Leyweg, De Leyster, ZH, 2013	LH	M	P	49	-	49	52	-	64	548
Den Haag, Noorderbrink, De Brinken, ZH, 1975	100%	M	P	224	224	-	273	-	-	2,744
Den Haag, Prins Willem Alexanderweg, La Fenêtre, ZH, 2005	LH	H	P	85	-	85	105	-	97	1,356
Den Haag, Van Hogenhoucklaan, Hubertusstaete, ZH, 2010	100%	H	P	11	-	11	14	-	14	251
Den Haag, Westkapellelaan, Westkapellelaan, ZH, 1972	100%	M	P	96	-	96	79	-	25	864
Deventer, Bitterzoet, Colmschate I, OV, 1984	100%	R	P	59	59	-	67	-	-	507
Deventer, Bitterzoet, Colmschate II, OV, 1985	100%	R	P	39	39	-	45	-	-	331
Diemen, Biesbosch, Biesbosch, NH, 1978	100%	M	P	117	117	-	151	-	-	1,428
Diemen, Hartschelp, Hartschelp, NH, 1983	100%	M	P	62	62	-	66	-	-	746
Diemen, Polderland, Polderland, NH, 1986	100%	M	P	169	169	-	183	-	-	1,834
Doetinchem, Boekweitdreef, De Huet, GD, 1983	100%	R	O	64	64	-	70	-	-	531
Doetinchem, Lorentzlaan, Boerhaavelaan, GD, 1973	100%	R	O	142	142	-	183	-	-	1,216
Dordrecht, Van Ravesteyn-erf, Groene Oever, ZH, 1995	100%	M	S	84	-	84	77	-	-	840
Duiven, Thuvinestraat, Eltingerhof, GD, 1975	100%	R	O	70	70	-	78	-	-	552
Eindhoven, Bisschopsmolen, Woenselse Watermolen, NB, 1988	100%	M	P	202	202	-	243	-	-	2,234
Eindhoven, Cassandraplein, De Ranken, NB, 2008	100%	M	P	30	-	30	35	1,004	32	580
Eindhoven, Generaal Marshallweg, Rapenland, NB, 1984	100%	M	P	25	25	-	24	-	-	235
Eindhoven, Generaal Stedmanstraat, Stedman Staete, NB, 1984	100%	R	P	59	-	59	43	-	1	491
Eindhoven, Monseigneur Swinkelstraat, Kloosterdreef, NB, 2008	100%	M	P	36	-	36	40	-	36	459
Eindhoven, Opwettensemolen, Opwettensemolen I, NB, 1986	100%	M	P	178	-	178	133	-	112	1,645
Eindhoven, Opwettensemolen, Opwettensemolen II, NB, 1989	100%	M	P	18	-	18	15	-	-	162
Eindhoven, Picushof, Picushof App., NB, 2002	100%	M	P	36	-	36	33	-	-	414
Eindhoven, Smalle Haven, Vestedatoren, NB, 2006	100%	H	P	32	-	32	42	740	71	794

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Eindhoven, Tesselschadelaan, Granida, NB, 2004	100%	H	P	27	-	27	35	-	44	503
Eindhoven, Tongelresestraat, Picushof , NB, 2001	100%	M	P	22	22	-	27	-	-	256
Eindhoven, Venbergsemolen, Venbergsemolen, NB, 1989	100%	M	P	134	-	134	113	-	-	1,272
Emmen, Eidereend, Eendenveld, DR, 1990	100%	M	S	33	33	-	35	-	-	290
Emmen, Klepel, De Klepel, DR, 1990	100%	M	S	40	-	40	36	-	45	382
Enschede, Mooienhof, Twentec, OV, 2003	100%	M	P	87	-	87	90	875	-	909
Enschede, Walkottelanden, Stroinkslanden, OV, 1982	100%	M	P	33	33	-	36	-	-	292
Geldrop, Herdersveld, Grote Bos, NB, 1978	100%	M	O	85	85	-	87	-	-	814
Geleen, Dassenkuillaan, Dassenkuil II, LB, 1988	100%	M	O	9	9	-	10	-	-	79
Geleen, Schrynwerkersd, Dassenkuil I, LB, 1987	100%	M	O	8	8	-	8	-	-	71
Grave, Estersveldlaan, Estersveld, NB, 1972	100%	R	O	38	38	-	46	-	24	332
Groningen, Bloemersmaborg, Klein Martijn, GR, 1997	100%	M	P	28	-	28	29	-	-	317
Groningen, Reitdiephaven, Reitdiep Haven, GR, 2010	100%	M	P	47	-	47	45	-	47	559
Groningen, Steenhouwerskade, Zuiderhavenring I, GR, 1982	100%	M	P	53	-	53	47	-	92	597
Groningen, Steenhouwerskade, Zuiderhavenring II, GR, 1983	100%	M	P	70	-	70	56	-	-	647
Groningen, Van Goghstraat, Waterrand, GR, 1994	100%	M	P	72	-	72	59	-	73	717
Groningen, Zuiderweg, Hoogkerk, GR, 1976	100%	R	P	108	108	-	111	-	19	840
Haarlemmermeer, Jacob Boekestraat, Warande, NH, 1969	100%	M	P	32	32	-	37	-	16	357
Heemstede, Floradreef, Prinseneiland, NH, 1990	100%	M	S	38	38	-	43	-	-	415
Heerenveen, Barten, Nye Haske, FR, 1987	100%	M	O	69	69	-	80	-	-	624
Heerlen, Dillegaard, Douve Weien Dillegaard, LB, 1983	100%	R	O	62	-	62	44	-	11	432
Heerlen, Marjoleingaard, Douve Weien Marjoleingaard, LB, 1982	100%	M	O	51	51	-	55	-	-	450
Heerlen, Palestinastraat, Giesen-Bautsch, LB, 1980	100%	M	O	30	30	-	32	-	-	263
Heerlen, Poelmanstraat, Douve Weien Oude Molenweg, LB, 1978	100%	M	O	79	79	-	81	-	-	720
Heerlen, Putgraaf, Putgraaf Parkflat, LB, 1982	100%	R	O	93	-	93	71	-	175	837
Heerlen, Putgraaf, Putgraaf Residentie, LB, 1989	100%	M	O	67	-	67	60	-	75	661
Heerlen, Sint Pietershof, Klein Vaticaan, LB, 2004	100%	M	O	17	-	17	20	-	17	240
Heerlen, Vrusschemigerweg, Douve Weien Vrusschemigerweg, LB, 1979	100%	M	O	82	82	-	93	-	-	785
Hengelo, 't Swafert, t Swafert I, OV, 2000	100%	R	S	346	-	346	199	-	-	1,85
Hengelo, het Swafert, t Swafert II, OV, 2000	100%	R	S	68	-	68	46	-	-	456
Hengelo, het Swafert, t Swafert III, OV, 2000	100%	R	S	3	-	3	1	-	-	48
Hengelo, Jan van Galenstraat, Gerarduspark, OV, 1995	100%	R	S	44	-	44	35	-	-	373
Hillegom, J.Prinsheem, Prinsheem, ZH, 1983	100%	M	S	64	64	-	67	-	-	658
Hillegom, L. van Deysselaan, L. van Deysselaan, ZH, 1983	100%	M	S	36	36	-	38	-	-	365
Hilversum, Loosdrechtse Bos, Zonnestraal App., NH, 2004	LH	H	P	42	-	42	62	-	-	1,06
Hoogezand-Sappemeer, Gerbrandyhof, Drevenborg, GR, 1991	100%	M	O	44	-	44	37	-	-	392
Huis ter Heide, Ruysdaellaan, De Horst, UT, 2003	100%	H	P	51	-	51	28	-	-	891
Huizen, Herik, Huizermaat, NH, 1976	100%	M	S	199	199	-	186	-	29	2,025
Kerkrade, Mijnwg, Straterweg, LB, 1987	100%	M	O	28	28	-	29	-	-	247
Leeuwarden, De Malus, De Malus, FR, 2007	100%	M	P	31	-	31	29	-	-	308
Leeuwarden, Frittemastate, Camminghaburen, FR, 1989	100%	M	P	18	18	-	18	-	-	177
Leeuwarden, Frittemastate, Groene Hart, FR, 1986	100%	R	P	134	134	-	155	-	4	1,143
Leeuwarden, Krommezijl, Krommezijl, FR, 2005	100%	M	P	36	-	36	44	-	36	413
Leeuwarden, Stizenflora, Aldlan Oost, FR, 1977	100%	R	P	160	160	-	165	-	11	1,375
Leeuwarden, Ubbemastins, Parkflat, FR, 1987	100%	R	P	62	-	62	54	-	-	519
Leiden, Molenzicht, Molenzicht, ZH, 1979	100%	R	P	34	-	34	25	-	1	270
Leiden, Parkzicht, Parkzicht, ZH, 1979	100%	R	P	97	-	97	75	-	-	790
Leiden, Stadzicht, Stadzicht, ZH, 1979	100%	R	P	76	-	76	56	-	1	599
Leiderdorp, Laan van Berendrecht, Parkpromenade Berendrecht, ZH, 2004	100%	H	S	72	-	72	102	527	-	1,326
Leiderdorp, Lokhorst, De Horsten, ZH, 1970	100%	M	S	63	-	63	61	-	16	572
Leiderdorp, Roodborststraat, Vogelwijk, ZH, 1972	100%	R	S	54	-	54	42	-	9	420
Leiderdorp, Rozemarijntuin, Voorhof App., ZH, 1978	100%	R	S	120	-	120	93	-	9	950
Leiderdorp, Waterleliekreek, Voorhof, ZH, 1978	100%	M	S	78	78	-	97	-	-	890
Leidschendam, Neherpark, Neherpark, ZH, 2009	100%	M	S	30	-	30	33	-	35	422
Leidschendam, Schadeken, 't Lien, ZH, 1985	100%	M	S	127	127	-	135	-	-	1,445
Lelystad, Kogge, De Kogge I, FL, 1977	100%	M	O	61	61	-	67	-	-	532
Lelystad, Kogge, De Kogge II, FL, 1977	100%	M	O	60	60	-	67	-	-	512

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Lelystad, Tjalk, Tjalk, FL, 1981	100%	R	O	112	112	-	116	-	-	841
Leusden, Hertenhoeve, Hertenhoeve, UT, 1979	100%	M	P	40	40	-	37	-	14	415
Maarssen, de Hoopkade, Hoogevecht, UT, 2010	100%	H	P	18	-	18	23	-	33	343
Maarssen, de Hoopkade, Neerbeek, UT, 2011	100%	H	P	12	-	12	15	-	18	212
Maarssen, J. Homan van der Heideplein, Cruydenborgh, UT, 2010	100%	M	P	10	-	10	11	-	12	150
Maarssen, J. Homan van der Heideplein, Nieuw Vechtevoort, UT, 2012	100%	M	P	34	-	34	34	-	35	447
Maarssen, Proostwetering, Sluisoord, UT, 2009	100%	H	P	23	-	23	28	-	33	365
Maarssen, Proostwetering, Soetendael (9a), UT, 2012	100%	H	P	7	-	7	9	-	7	121
Maarssen, Proostwetering, Soetendael, UT, 2012	100%	M	P	18	-	18	18	-	18	266
Maastricht, Akerstraat, Porta I, LB, 1993	100%	M	S	71	-	71	69	17	64	759
Maastricht, Avenue Ceramique, Toren van Siza, LB, 2001	100%	H	S	40	-	40	47	701	-	791
Maastricht, Avenue Ceramique, Wiebengahal, LB, 2006	LH	-	S	-	-	-	-	3,363	-	329
Maastricht, Bellefroidlunet, Stoa, LB, 2002	100%	H	S	66	-	66	104	95	88	1,81
Maastricht, Bergruimte, Porta II, LB, 1994	100%	R	S	66	-	66	51	-	56	574
Maastricht, Boschcour, Piazza Céramique Stadswoningen , LB, 2007	100%	H	S	4	-	4	6	-	-	69
Maastricht, Boschcour, Piazza Céramique, LB, 2007	100%	H	S	63	-	63	80	819	96	1,173
Maastricht, Ellecuylgaard, Eyldergaard, LB, 1982	100%	M	S	18	18	-	21	-	-	176
Maastricht, Erasmusdomein, Erasmusdomein, LB, 1986	100%	M	S	88	-	88	69	-	56	811
Maastricht, Heerderweg, Heerderweg, LB, 1985	100%	R	S	202	-	202	145	-	108	1,6
Maastricht, Kasteel Caestertstraat, Nazareth , LB, 1987	100%	R	S	9	9	-	10	-	-	77
Maastricht, Mosalunet, Cortile II, LB, 2003	100%	M	S	54	-	54	56	-	-	695
Maastricht, Papenweg, Terminus, LB, 2008	100%	H	S	7	-	7	9	445	1	214
Maastricht, Plein 1992, La Residence, LB, 2000	100%	M	S	29	-	29	32	-	8	404
Maastricht, Prins Bisschopsingel, Poort Waerachtig, LB, 2009	100%	H	S	25	-	25	37	-	37	529
Maastricht, Sphinxlunet, Cortile I, LB, 1999	100%	M	S	37	-	37	39	466	-	557
Maastricht, Sphinxlunet, Cortile III, LB, 2002	100%	M	S	66	-	66	70	-	-	866
Maastricht, Sphinxlunet, Cortile Parking, LB, 1999	100%	-	S	-	-	-	-	-	189	190
Maastricht, Stellalunet, Maison Céramique, LB, 2010	100%	H	S	14	-	14	16	981	25	407
Maastricht, Via Regia, Sterflat Via Regia, LB, 1977	100%	R	S	61	-	61	39	-	72	393
Middelburg, Touwbaan, Maisbaai, ZE, 1990	100%	M	S	52	-	52	53	-	48	531
Nieuw-Vennep, Haendelplein, Getsewoud, NH, 2002	100%	M	P	76	-	76	56	-	-	684
Nieuwegein, Hermesburg, Batau Noordrand, UT, 1988	100%	M	P	56	56	-	57	-	-	566
Nieuwerkerk a/d IJssel, Bladmos, Zuidplaspolder, ZH, 1979	100%	M	P	36	36	-	38	-	-	348
Nijmegen, Lankforst, Lankforst, GD, 1969	100%	M	P	70	70	-	88	-	17	638
Nijmegen, Nw Marktstraat, Kronenburger, GD, 1991	100%	M	P	134	-	134	129	334	143	1,53
Nijmegen, Rode kruislaan, Park Heyendaal, GD, 1996	100%	M	P	82	-	82	84	-	-	1,005
Nijmegen, Weezenhof 67, Weezenhof II, GD, 1973	100%	M	P	60	60	-	64	-	22	569
Nijmegen, Weezenhof, Weezenhof I, GD, 1972	100%	M	P	81	81	-	106	-	19	809
Noordwijk, Fuikhoren, Fuikhoren, ZH, 1985	100%	M	S	67	67	-	75	-	-	682
Noordwijk, Schaalhoren, Schaalhoren, ZH, 1983	100%	M	S	65	65	-	67	-	-	671
Oosterhout, Beethovenlaan, Oosterheide II, NB, 1971	100%	M	S	19	19	-	26	-	7	183
Oosterhout, Verdistraat, Oosterheide I, NB, 1969	100%	R	S	25	25	-	32	-	10	225
Oss, Kerkstraat, Boschpoort, NB, 1982	100%	R	O	11	-	11	6	955	38	166
Ouder-Amstel, Clarissenhof, Clarissenhof, NH, 1977	100%	M	P	101	101	-	101	-	8	1,166
Papendrecht, Pontonniersweg, Buitenwaard, ZH, 1991	100%	M	S	62	-	62	70	-	15	729
Purmerend, Cocqgracht, De Purmer, NH, 1983	LH	R	P	73	73	-	66	-	-	608
Purmerend, De Oeverlanden, De Ooievaar, NH, 2008	100%	M	P	30	-	30	29	-	30	299
Renkum, Graaf van Rechterenweg, Rechterenborg, GD, 1993	100%	M	O	62	-	62	57	-	39	608
Rhoon, Marskramer, Baljuw, ZH, 1982	100%	M	O	67	67	-	71	-	-	658
Rijswijk, Churchilllaan, Churchilllaan, ZH, 1969	100%	M	P	215	-	215	229	-	19	2,037
Rijswijk, Hilvoordestraat, Over De Bogaard, ZH, 1979	LH	R	P	122	-	122	63	-	-	860
Rijswijk, Prinses Beatrixlaan, Bogaardhoek , ZH, 1975	100%	R	P	60	-	60	46	107	59	478
Rijswijk, Prinses Beatrixlaan, Boshoek , ZH, 1975	100%	R	P	146	-	146	120	195	136	1,171
Rijswijk, Prinses Beatrixlaan, Middenhoek, ZH, 1975	100%	R	P	80	-	80	59	88	86	607
Roermond, Achter de Cattentoren, Casimir, LB, 2010	100%	M	O	47	-	47	52	-	57	557
Roermond, Ambachtsingel, Hoogvonderen, LB, 1981	100%	R	O	41	41	-	47	-	-	332
Roosendaal, Dolomietdijk, Kortendijk Oost, NB, 1981	100%	R	S	20	20	-	23	-	-	171

City, Street, Name, Province, Construction year	LAND	RS	R	U	SFH	APP	UA	COG	P	RENT
Roosendaal, Pastoor van Akenstraat, Molenbeekstraat, NB, 1970	100%	M	S	29	29	-	38	-	6	260
Rotterdam, Admiraal de Ruyterweg, Linker Rottekade, ZH, 1985	LH	R	P	246	-	246	149	259	158	1,789
Rotterdam, Admiraliteitskade, Oostmolenwerf, ZH, 1994	LH	M	P	86	-	86	77	490	69	1,091
Rotterdam, Bottelroos, Heydnahof, ZH, 1983	LH	M	P	161	161	-	175	-	-	1,741
Rotterdam, Buitenbassinweg, Buitenbassinweg, ZH, 1991	LH	M	P	80	-	80	67	-	-	689
Rotterdam, Cromme Meth, Cromme Meth, ZH, 1987	LH	M	P	18	18	-	18	-	-	164
Rotterdam, Den Uylsingel, Dosiotoren, ZH, 1989	LH	R	P	68	-	68	53	-	-	563
Rotterdam, Gedempte Zalmhaven, De Hoge Heren I, ZH, 2000	LH	H	P	140	-	140	167	482	330	2,649
Rotterdam, Gedempte Zalmhaven, De Hoge Heren II, ZH, 2001	LH	H	P	64	-	64	77	-	-	939
Rotterdam, Govert Terlouwstraat, Ringvaartplasbuurt I, ZH, 1990	LH	M	P	53	53	-	57	-	-	580
Rotterdam, Govert Terlouwstraat, Ringvaartplasbuurt II, ZH, 1991	LH	M	P	42	42	-	47	-	-	491
Rotterdam, Hamelpad, Sneevlietstraat, ZH, 1984	LH	M	P	52	52	-	50	-	-	478
Rotterdam, Ien Daleshof, Parktoren Prinsenland, ZH, 2009	100%	H	P	47	-	47	52	334	66	787
Rotterdam, Kouwenbergzoom, Loreleiflat, ZH, 1992	LH	M	P	53	-	53	46	-	-	542
Rotterdam, Landverhuizersplein, Montevideo, ZH, 2005	LH	H	P	58	-	58	72	-	58	1,092
Rotterdam, Maashavenkade, Parkkwartier Katendrecht, ZH, 2010	100%	M	P	27	-	27	25	-	28	326
Rotterdam, Nieuwehaven, Oude Haven, ZH, 1991	LH	M	P	89	-	89	79	601	40	942
Rotterdam, Stekelbrem, Brembuurt, ZH, 1973	100%	M	P	105	105	-	136	-	21	1,287
Rotterdam, Strevelsweg, Poort Van Zuid, ZH, 1994	LH	R	P	74	-	74	65	-	70	682
Rotterdam, Ton Wijkampstraat, Zevenkamp, ZH, 1988	LH	M	P	49	49	-	53	-	-	526
Rotterdam, van der Hoevenplein, New Orleans, ZH, 2010	100%	H	P	171	-	171	176	4,981	206	4,072
Rotterdam, Verlengde Nieuwstraat, Markthal, ZH, 2014	LH	M	P	102	-	102	111	-	102	1,415
Rotterdam, Watertorenweg, Watertorenweg, ZH, 1990	LH	M	P	98	-	98	82	-	-	840
Sassenheim, Caleche, Brik, ZH, 1986	100%	M	S	61	61	-	64	-	-	601
Sassenheim, Landauer, Berline en Landauer, ZH, 1985	100%	M	S	38	38	-	40	-	-	376
Schagen, Fazantenhof, Fazantenhof, NH, 1973	100%	M	O	58	58	-	75	-	-	573
Schiedam, Chopinplein, Groenoord I Chopinplein, ZH, 1971	100%	R	S	134	-	134	120	-	8	1,07
Schiedam, Chopinplein, Groenoord II Griegplein, ZH, 1971	100%	R	S	110	-	110	97	-	7	870
Schiedam, Chopinplein, Groenoord III Sibeliusplein, ZH, 1971	100%	R	S	118	-	118	104	35	9	941
Schiedam, Huis Te Merwestraat, Woudhoek, ZH, 1984	LH	M	S	184	184	-	195	-	-	1,946
Sittard, Blijdestein garage, Blijdestein, LB, 1986	100%	R	O	53	-	53	38	-	16	421
Sittard, Kollenberg, Kollenbergerhof, LB, 1988	100%	M	O	25	25	-	28	-	-	225
Sittard, Ruttenlaan, Kollenbergerhof App., LB, 1987	100%	R	O	52	-	52	38	-	78	436
Stiens, St. Vitusplein, Sint Vitusplein, FR, 1999	100%	R	O	30	-	30	22	-	-	201
Susteren, Raadhuisplein, Middelveld, LB, 1983	100%	R	O	6	6	-	5	-	-	48
Tilburg, Anna Paulownahof, Koningsplein, NB, 1989	100%	R	P	195	-	195	138	-	54	1,555
Tilburg, Buxusplaats, HollandCarré, NB, 2007	100%	M	P	99	-	99	112	-	107	1,24
Tilburg, Hillegomlaan, Reeshof, NB, 1990	100%	M	P	56	56	-	73	-	-	526
Tilburg, Schoolstraat, Schoolstraat, NB, 1989	100%	R	P	174	-	174	140	-	45	1,529
Vaals, Bloemendalstraat, Bloemendal, LB, 1998	100%	M	O	28	-	28	25	-	25	267
Valkenburg a/d Geul, Cauberg, Caubergklooster, LB, 2007	100%	H	O	41	-	41	27	-	-	800
Valkenburg a/d Geul, Oranje Nassau, Nassauflat, LB, 1982	100%	R	O	88	-	88	59	-	87	684
Valkenburg a/d Geul, Spoorlaan, De Valk/Spoorlaan, LB, 1994	100%	M	O	25	-	25	25	-	19	248
Velsen, Maanbastion, Maanbastion, NH, 1990	100%	M	S	113	-	113	82	-	39	1,044
Velsen, Sterbastion, Sterbastion, NH, 2001	100%	M	S	67	-	67	63	-	-	637
Venlo, Gebroeders Daelstraat, Vijverzicht, LB, 1991	100%	M	O	11	11	-	13	-	-	99
Venlo, Gruttostraat, Gruttohof, LB, 1997	100%	R	O	25	-	25	23	-	38	213
Venlo, Gruttostraat, Haegerbroek, LB, 1995	100%	M	O	26	26	-	35	-	-	259
Venlo, Harry Hollastraat, Groeneveld, LB, 1993	100%	M	O	23	23	-	28	-	-	234
Venlo, Harry Meijerstraat, Vijverzicht App., LB, 1991	100%	R	O	71	-	71	65	-	-	573
Venlo, Klingerbergsingel, Klingerberg, LB, 1984	100%	R	O	30	30	-	34	-	-	256
Venlo, Morion, Morion, LB, 2000	100%	M	O	23	23	-	27	-	-	223
Vleuten-De Meern, Molenpolder, Meiborg, UT, 2003	100%	M	P	28	-	28	43	-	42	411
Vleuten-De Meern, Molenpolder, Weideborg, UT, 2003	100%	M	P	32	-	32	33	152	31	354
Vleuten-De Meern, Ridderhoflaan, Secr.Versteeglaan, UT, 1969	100%	M	P	123	123	-	147	-	6	1,343
Voorburg, Appelgaarde, Appelgaarde, ZH, 1976	100%	M	S	74	74	-	87	-	-	945
Voorburg, Distelweide, Distelweide, ZH, 1974	100%	M	S	40	40	-	45	-	14	569

City, Street, Name, Province, Construction year	LAND	RS	R	U	SFH	APP	UA	COG	P	RENT
Voorburg, Kersengaarde, Kersengaarde, ZH, 1976	100%	M	S	118	118	-	141	-	-	1,501
Voorburg, Populierendreef, Populierendreef, ZH, 1975	100%	R	S	111	-	111	77	-	165	817
Voorburg, Rodelaan, Rodelaan, ZH, 1976	100%	R	S	132	-	132	92	-	72	1,013
Voorhout, Zwanebloemstraat, Bloemenschans, ZH, 1985	100%	M	S	46	46	-	53	-	-	471
Wageningen, Elstar, Park Haagsteeg, GD, 2010	100%	M	P	28	-	28	35	-	28	383
Wageningen, Morfelden-Walldorfplein, Nobelpark, GD, 2011	100%	M	P	28	-	28	30	-	28	341
Wassenaar, Van Polanenpark, van Polanenpark, ZH, 1972	100%	M	P	62	62	-	87	-	16	810
Wassenaar, van Wassenaer Obdamlaan, Zijlwatering, ZH, 1992	100%	H	P	32	32	-	43	-	-	522
Weert, Ceres, Ceres, LB, 2009	100%	M	O	40	-	40	41	-	40	467
Wijchen, Abersland, Abersland I, GD, 1987	100%	M	O	54	54	-	55	-	-	481
Wijchen, Abersland, Abersland II, GD, 1988	100%	M	O	34	34	-	38	-	-	303
Woerden, Hoge Rijndijk, Heeren van Woerden, UT, 2010	100%	M	P	46	-	46	37	-	69	542
Zoetermeer, Bordeauxstraat, Frankrijklaan, ZH, 1987	100%	M	S	41	41	-	42	-	-	432
Zoetermeer, Bunuelstrook, De Stroken I, ZH, 1979	100%	M	S	244	244	-	284	-	-	2,366
Zoetermeer, Disneystrook, De Stroken II, ZH, 1979	100%	M	S	94	94	-	110	-	-	889
Zoetermeer, Dunantstraat, Dunantstraat, ZH, 1973	100%	R	S	150	-	150	131	805	205	1,212
Zoetermeer, Elia Kazanstrook, De Stroken App., ZH, 1980	100%	R	S	48	-	48	49	172	9	437
Zoetermeer, Gaardedreef, Seghwaert, ZH, 1978	100%	M	S	17	17	-	19	-	-	170
Zoetermeer, Heijermanshove, De Hoven, ZH, 1979	100%	M	S	95	34	61	45	-	-	819
Zoetermeer, Reimsstraat, Reimsstraat, ZH, 1987	100%	M	S	108	-	108	82	-	108	1,064
Zoetermeer, Zilverberg, Meerzicht, ZH, 1975	100%	M	S	49	49	-	46	-	89	555
Zutphen, Verdistraat, Ravel, GD, 2007	100%	M	O	34	-	34	43	-	34	462
Zwolle, Schie, AA landen I, OV, 1969	100%	M	P	126	126	-	153	-	74	1,311
Zwolle, Stadhouderlaan, Oldenelerlanden, OV, 1988	100%	M	P	71	71	-	82	-	-	668
Zwolle, Tak van Poortvlietware, Ittersumerlanden II, OV, 1987	100%	M	P	39	39	-	44	-	5	354
Zwolle, Van Bosseware, Ittersumerlanden I, OV, 1984	100%	M	P	108	108	-	128	-	-	952
Zwolle, Zaan, AA landen II, OV, 1970	100%	M	P	55	55	-	66	-	38	572
Total				**22,599**	**9,212**	**13,387**	**22,536**	**34,319**	**9,293**	**244,329**

Colophon

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