vesteda

annual report 2016

at home with vesteda

Our vision

Vesteda is the expert in residential living. We have direct contact with our tenants. This is why we know their current and future living requirements better than anyone. We use our knowledge to constantly improve our services and our existing residential portfolio. We also add residential complexes that are tailored to the living requirements of our tenants now and in the future. We do so in sustainable and innovative ways. Together with our tenants, we create an environment in which they feel at home.

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Profile Vesteda

Dutch residential rental market

Mid-rental sector

Primary regions

High-quality institutional residential investor

Vesteda is an entrepreneurial and service-oriented institutional residential investor with a sizeable and varied portfolio of houses in attractive neighbourhoods in the Netherlands. With a portfolio of more than 22,600 residential units, we are the largest Dutch independent institutional residential investor. Vesteda is internally managed, is cost-efficient and has in-house property management.

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 (target <30%)
- Active investor relations policy
- Internally managed: no management fee structures and carried interest arrangements
- In-house property management
- Transparent for tax purposes (fund for the joint account of participants; FGR fund structure)
- GRESB Green Star rating

Assets

- Vesteda offers sustainable housing and operates in a socially responsible manner
- All in the Netherlands, all in residential and related properties
- Well-diversified portfolio consisting of approximately 350 residential complexes
- Focus on economically strong regions such as the Randstad, the Brabant metropolitan area, the Arnhem / Nijmegen City Region and Groningen City
- Focus on the mid-rental segment (monthly rents of between € 710.68 and approximately € 1,200)

Targets

- Tenant satisfaction score of at least 7.0 [1]
- Improve sustainability of portfolio; outperform the Energy Agreement: 80% green energy ratings (A, B or C) and maximum 20% rating D (2020)
- Stable annual distributions to participants of realised return, excluding proceeds from property sales
- Outperformance of the three-year MSCI IPD/ROZ Netherlands 'All Residential' benchmark [2]

1 An overview of the tenant survey results (2012-2016) can be found in the section Tenant Survey.

2 An overview of the MSCI residential benchmark results (2012-2016) can be found in the section Key developments core departments.

Key milestone dates in the life of the fund

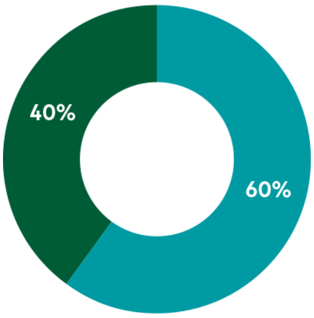
2016	• New fully integrated organisational structure • Decision to combine two Amsterdam offices and Maastricht office in one head office in Amsterdam in 2017 • 1,147 residential units acquired in 2016 • Awarded GRESB Green Star status • S&P credit rating upgrade to BBB+
2015	• Focus on growth and sustainability of the portfolio; 550 residential units acquired and added to committed pipeline • € 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 and regulated rental segment • New, more transparent, commercial, legal and fiscal structure (mutual fund for the joint account of the participants) • Relocation of the head office from Maastricht 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
2003	• Property management brought in-house • Start of project development
2001	• 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	• Vesteda established as Vesteda Woningen

Key portfolio characteristics

Key portfolio characteristics (year-end 2016)

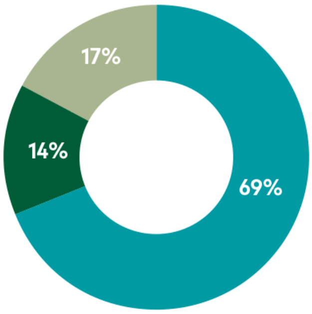
Number of residential units	Investment portfolio value	Physical occupancy rate	Gross rental income (for 2016)
22,629	€ 4.2 bln	97.8%	€ 242 mln

Portfolio by type of residential unit (in units)



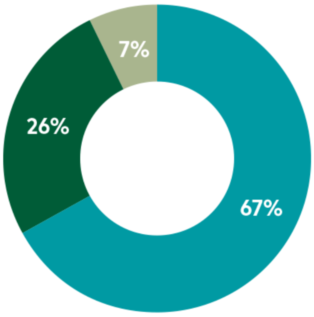
- Apartment
- Single family house

Portfolio by rental segment (weight in value)



- Mid-segment
- Regulated segment
- Higher segment

Portfolio by region (weight in value)



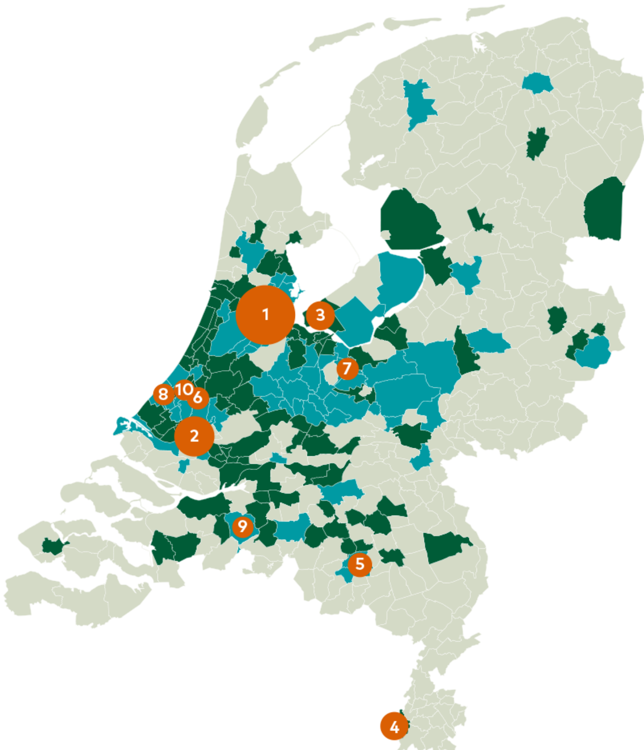
- Primary
- Secondary
- Other

Portfolio distribution (year-end 2016)

- Primary regions
- Secondary regions
- Other

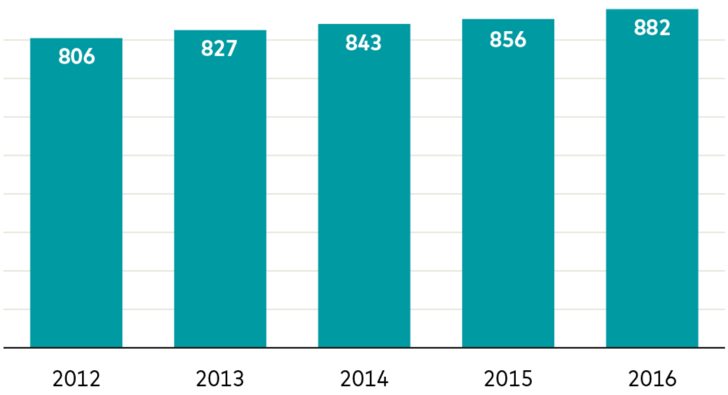
		Value YE 2016 in € million (% of total investment portfolio)
1	Amsterdam (primary)	894 (21%)
2	Rotterdam (primary)	409 (10%)
3	Almere (secondary)	212 (5%)
4	Maastricht (secondary)	200 (5%)
5	Eindhoven (primary)	150 (4%)
6	Zoetermeer (secondary)	127 (3%)
7	Amersfoort (primary)	125 (3%)
8	The Hague (primary)	117 (3%)
9	Breda (primary)	115 (3%)
10	Leidschendam-Voorburg (secondary)	112 (3%)

€ 900 mln € 450 mln € 90 mln

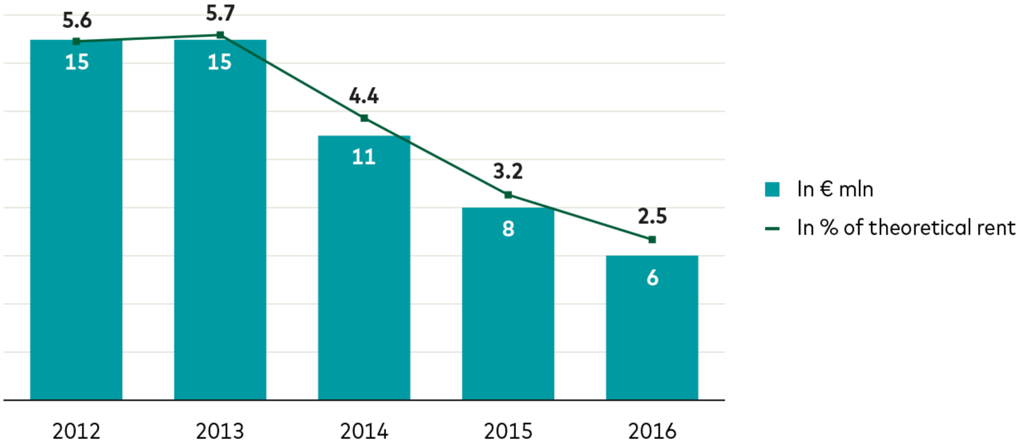


Highlights 2016

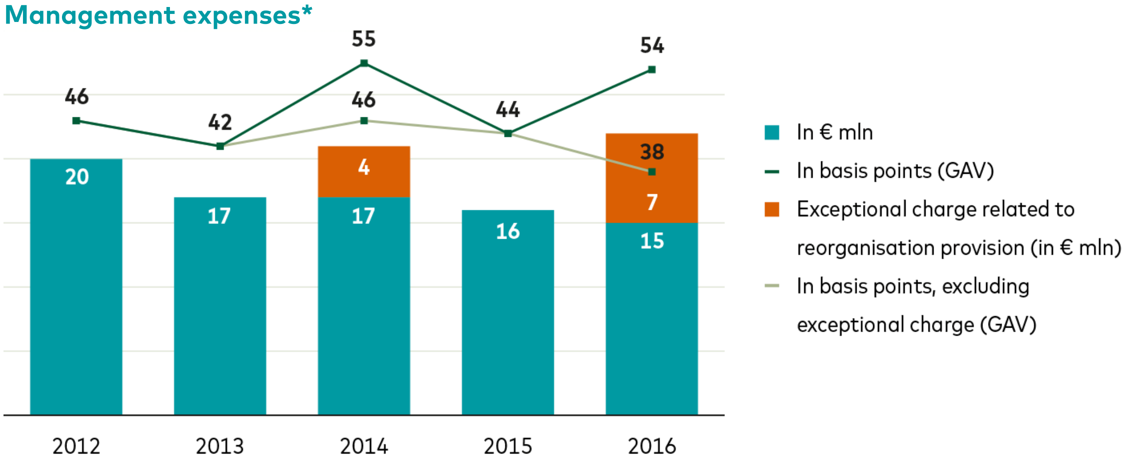
Average monthly rent (in € per residential unit)



Loss of rent

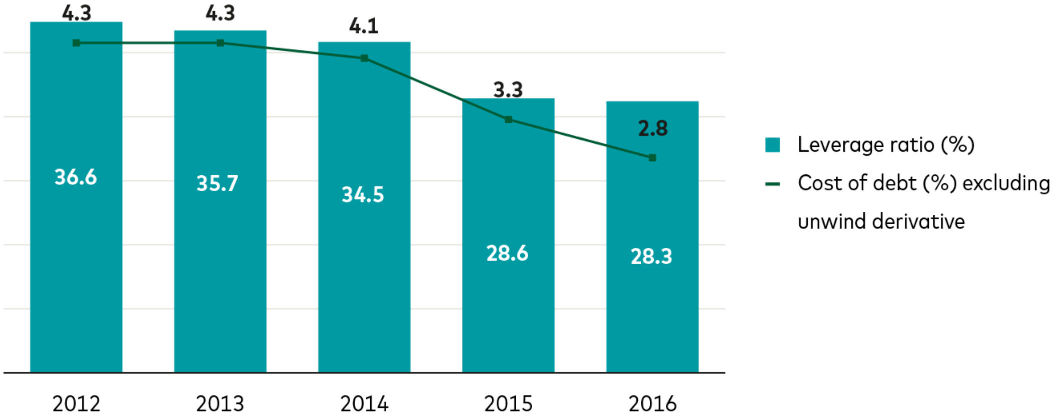


Management expenses*

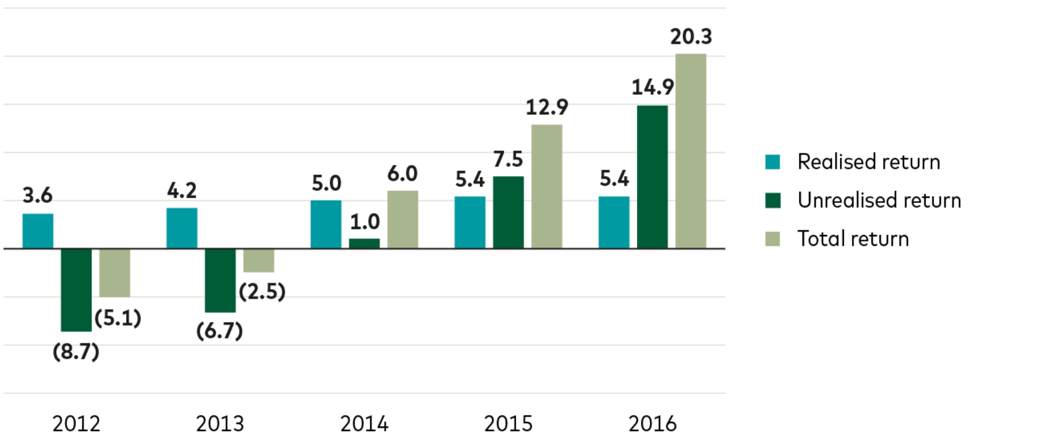


* In 2016, management expenses were positively impacted by a € 1 million release of provision, compared to a € 0.4 million release of provision in 2015.

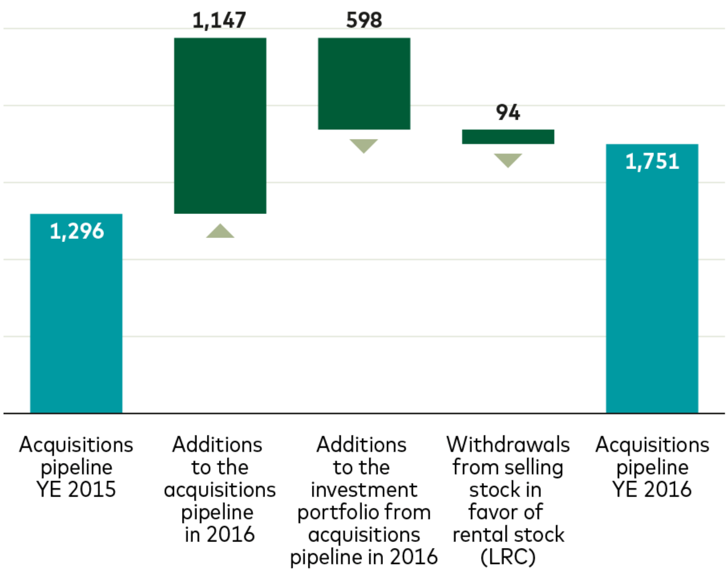
Leverage and cost of debt



Total return (in % of opening equity; excl. revaluations on derivatives)



Acquisitions pipeline (number of units)



Key developments 2016

Result

- Realised result increased to € 142 million in 2016 from € 122 million in 2015.
- Total comprehensive income amounted to € 537 million in 2016, compared with € 316 million in 2015.
- Total return as a percentage of opening equity came in at 20.4% in 2016 (2015: 14.0%), which is the sum of a realised return of 5.4% (2015: 5.4%), an unrealised return of 14.9% (2015: 7.5%) and a positive revaluation of derivatives of 0.1% (2015: 1.1%).

Portfolio

- Like-for-like rent increase of 2.4% versus inflation of 1.0% (December y-o-y).
- Average occupancy rate increased to 97.9% in 2016, compared with 97.3% over 2015. Occupancy rate was 97.8% at year-end 2016.
- 1,147 residential units acquired in 2016: 880 new build units added to the committed pipeline and 267 existing units added directly to the investment portfolio. Committed pipeline stood at 1,751 residential units at year-end 2016, representing an indicative market value at completion of nearly € 425 million.
- 570 individual residential units sold, generating net proceeds of € 14 million (net margin of 15.9%).
- 598 residential units added to the investment portfolio.
- Positive revaluation of 10.1%; third consecutive year of positive revaluations after six years of negative revaluations.

Organisation

- Management expenses amounted to € 22 million in 2016 and were significantly higher than in 2015 (€ 16 million). This increase was due to an exceptional charge for a reorganisation provision of € 7 million taken in connection with the restructuring programme and relocation of the offices to a single centralised location in Amsterdam.
- IT infrastructure outsourced.
- Frits Vervoort appointed as CFO as per 1 November 2016.
- Kees de Boo and Maarten de Groof stepped down as members of the Supervisory Committee. Peter Kok appointed Chairman of the Supervisory Committee as per 25 January 2017.

Funding

- S&P credit rating upgraded to BBB+.
- Leverage ratio of 28.3% at year-end 2016 (target <30%).
- Reduction of overall interest costs to 2.8%.
- New 10-year € 100 million Private Placement transaction.

Corporate Sustainability and Social Responsibility (CSSR)

- CSSR fully integrated into business.
- Significant improvement of the average energy label of our investment portfolio.
- GRESB Green Star classification (2015: Green Talker); ranking increased to 5th out of 10 from 11th out of 11 in 2015.
- GRI-G4 compliant.

Foreword Managing Board

2016: once again a year of exceptionally good results...

The past year was an exceptionally good one for investors in the Dutch residential market. The total return we recorded in 2016 exceeded the already exceptionally high total return of 2015, thanks to the strong increase in the value of the portfolio.

...but also of serious shortages in the non-regulated rental market

At the same time, the public debate about the functioning of the Dutch residential market has become quite heated in recent months. We are clearly seeing the consequences of the postponement of new residential construction during the crisis. The shortages we are now seeing, together with a historic low in interest rates, have resulted in a strong increase in house prices, especially in the owner-occupier segment, with price rises particularly strong in the country's major cities.

A large group of people are struggling to find suitable accommodation due to the combination of expensive owner-occupier houses and the relatively limited supply in the mid-rental segment. Local authorities play a key role in facilitating the construction of more rental houses in the non-regulated sector. Cities and local councils often have the ambition to offer more rental properties in the non-regulated sector. But they could certainly be more effective in terms of realising those houses by setting more stringent requirements on what actually gets built instead of focusing primarily on maximising the yield of land prices. Our cities will not benefit in the long term by concentrating on the construction of small rental apartments where families simply do not fit in. If cities and local councils truly want middle-income earners who work in the city to be able to continue living in their city, they will have to accept that their requirements and wishes may yield lower land prices. In the long term, however, this will certainly improve the liveability and diversity in the city and will consequently increase the city's social and financial position.

New organisational structure: effective, efficient, fully integrated and centralised where possible

In 2016, we took a number of decisions that had a significant impact on our organisation. We have taken the decision to centralise our three main locations in our new head office De Boel in Amsterdam. This means that we will close our former head office in Maastricht in 2017 and that we reluctantly will be saying goodbye or have already said goodbye to most of our colleagues from the south. Working towards a single integrated organisation also required changes to our organisational structure. As part of this move, over the past year we incorporated most of the Asset Management and Fund Management activities in other departments within the organisation.

Our organisation now consists of three core departments: Portfolio Strategy, Operations and Acquisitions. The Management Team is formed by the directors of those three core departments and the two members of the Managing Board. We expect to complete the implementation of the new organisational structure in the coming summer. We believe that this reorganisation will ultimately contribute to better services to our tenants. We realise that this decision had a very significant impact on our employees. We want to thank our employees for their commitment to Vesteda also during this transition phase and we wish our colleagues who will leave Vesteda or have already left a bright future.

Increased focus on our tenants

In addition to our new organisational structure, we devoted a great deal of attention to our mission, vision and core values, as part of the Vesteda Improves programme (*Vesteda Verbetert*). The basic premise of our revised mission is that together with our tenants, we create an environment in which they feel at home. We strive to constantly improve our services and our existing residential portfolio. And we also add residential complexes that are tailored to the living requirements of our tenants today and in the future.

We have also started the process of adjusting our corporate identity to bring it in line with our new mission, vision and core values. Our previous corporate identity was designed in 2004. A lot has changed at Vesteda in the intervening period. For one, we are more service-oriented now and we have focused on the mid-rental segment rather than the higher rental segment since 2011. Our portfolio is back on track to growth and we will move to one central head office this year. All these changes were reason enough to redefine our corporate identity. The roll out of our new corporate identity will be gradually and completed after the move to our new head office.

Much attention for acquisition and CSSR

Our Acquisitions department was able to acquire ten projects in 2016, adding a total of 1,147 residential units, despite the fierce competition we faced. All of these projects are an excellent fit with our portfolio strategy of expanding in the mid-rental segment of the market with a primary focus on the Randstad, the Brabant metropolitan area and the strong cities in the periphery of the Netherlands.

Corporate Sustainability and Social Responsibility (CSSR) really took off within our organisation in 2016. We are seeing a growing awareness and as investors in the residential market we can have a major impact on the sustainability front. We took a number of measures after our disappointing GRESB score in 2015. And we have made our CSSR targets an integrated part of our Business Plan. In other words, CSSR is for everyone. After successfully implementing the action plan to enhance our overall GRESB performance, in 2016 GRESB awarded Vesteda 'Green Star' classification, with three stars out of a maximum of five. This is an important (but not the only) stimulus to assess how we can continue to further embed CSSR in our organisation.

Structurally healthy housing market

A healthy and well-functioning housing market is of crucial importance to Dutch residents and investors in the Dutch residential market. Housing is a basic need and everyone ought to have the right to a safe and affordable house. However, that healthy balance has been missing from the Dutch residential market for many years, thanks to decades of subsidies in the regulated and owner-occupier segments of the market. At the same time, the ageing of the population makes finding a solution even more complicated. The over-65 age group is set to account for 2.9 million households by 2030. Where and how will this large group of older people, most of whom are house owners, choose to live in the future? At the time of the writing of this annual report, the debate about the shortage of affordable housing in the middle segment is receiving a great deal of attention in the run-up to the parliamentary elections in March 2017. That is a positive thing, but the debate is also muddied and often suffers from a one-sided approach to the problem.

Our relatively modest contribution to a healthier housing market is the further expansion of our investment portfolio in the years ahead. We believe that our strong focus on future developments in the Dutch residential market puts us in an excellent position to differentiate our offering and to offer our tenants lifetime housing opportunities that meet their changing and evolving demand. Vesteda's property management is performed internally, resulting in highly efficient management of our portfolio and a deep insight in our tenant base. Our internal property management also has proved to be a valuable asset in assessing acquisition opportunities. Our primary focus remains on the Randstad, the Brabant metropolitan area and the strong cities in the periphery of the Netherlands. In these regions, Vesteda targets attractive, high-quality residential units in the mid-rental price segment of the liberalised rental market. Through entrepreneurship and operational excellence in sourcing, selecting and executing transactions, we aim to acquire attractive projects in which we have a relatively large influence on the design, life-cycle costs and sustainability of the product.

Vesteda Managing Board

Gertjan van der Baan (CEO) and Frits Vervoort (CFO)

Members of the Management Team

From left to right: Hans Touw (*director Portfolio Strategy*), Astrid Schlüter (*director Operations*), Frits Vervoort (*CFO*), Gertjan van der Baan (*CEO*) and Pieter Knauff (*director Acquisitions*).

The Managing Board of Vesteda consists of Gertjan van der Baan (CEO) and Frits Vervoort (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 Strategy, Acquisitions, HR Management, Investor Relations and Corporate Sustainability and 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 for nearly nine years at merchant bank Kempen & Co in the field of Corporate Finance.

Frits Vervoort (1962)

Member of the Managing Board (since 1 November 2016. First term of office ends in October 2020).

As CFO of Vesteda, Frits Vervoort's responsibilities include accounting, control & reporting, risk, legal/compliance, Operations, IT and Treasury.

Frits Vervoort has extensive background in finance and management and more than 10 years of experience as CFO. His previous employers include Vedior NV, where he was CFO and a member of the Board of Management from 2001 to 2008, when Vedior was acquired by Randstad NV. Before joining Vesteda, Frits Vervoort was CFO and a member of the Executive Board of Grontmij NV.

The Management Team of Vesteda further consists of Hans Touw, Astrid Schlüter and Pieter Knauff:

Hans Touw (1958)

Hans Touw joined Vesteda in 2010 as director Asset Management and was appointed as director Portfolio Strategy in October 2016. Before joining Vesteda, Hans Touw worked in senior management positions at various other real estate firms including Amvest, Jones Lang LaSalle and Wereldhave. Hans Touw studied commercial economics and is very experienced in residential- and commercial property investments, as well as in Portfolio-, Asset- and Property Management.

Astrid Schlüter (1969)

Astrid Schlüter joined Vesteda in 2013 as director Property Management and was appointed as director Operations in October 2016. Astrid Schlüter studied econometrics and started her career at EY. After EY, Astrid Schlüter worked at Jacobus Recourt B.V. where she held the position of Managing Director/Owner in the last five years.

Pieter Knauff (1977)

Pieter Knauff (1977) joined Vesteda in 2015 and was appointed as director Acquisitions in July 2016. Before joining Vesteda, Pieter Knauff has long been employed by Van Herk Group where his last position was Chief Investment Officer. Pieter Knauff is a business economist and started his career at merchant bank Kempen & Co in the field of Corporate Finance and Equity Research (Property & Construction).

Management Report

Market developments

Economy moves full steam ahead

Last year, the Dutch economy continued to firm and we saw upward adjustments of growth forecasts for both the economy and household purchasing power. Economic growth eventually amounted to 2.4% [3] , above the average for the past 20 years. At the same time, the predictions for purchasing power in 2016 were adjusted upwards twice [4] and consumer spending increased rapidly, especially in the second half of the year [3] . The main drivers of these positive developments were the 15% drop in unemployment (down by 90,000 to below 500,000) [3] and the rise in consumer confidence, which has risen to a level last seen in 2007 [3] .

Major regional differences in demographic changes

The number of households in the Netherlands currently stands at more than 7.7 million, with family households accounting for around one third of this figure. The number of households is expected to grow by around 700,000 to 8.4 million in 2030 [5] . This growth will be driven almost exclusively by the ageing of the population. The number of 65+ households is set to grow by some 750,000, while the number of family households will see virtually no growth in the same period. The number of <30 households will actually fall, but there will be major regional differences in this trend. The number of <30 households will increase in Vesteda's primary region, especially in the four largest Dutch cities. Due to the continuing migration to the country's largest cities, we will see a marked increase in the number of one-person and two-person households in the years ahead.

Prognosis households according to composition and age for the three regions and the G4 (Amsterdam, Rotterdam, The Hague, Utrecht) as a whole

	All households	Family	Singles <30	Couples <30	Singles 65+	Couples 65+	Singles & Couples 30-65
2016	7,730,000	2,574,000	619,000	230,000	947,000	993,000	2,367,000
2016-2030	+695,000	+21,000	(3,000)	(44,000)	+468,000	+285,000	(32,000)
Primary	+265,000	+5,000	+30,000	(14,000)	+128,000	+89,000	+27,000
Secondary	+172,000	+4,000	(9,000)	(7,000)	+123,000	+76,000	(15,000)
Other	+257,000	+12,000	(24,000)	(22,000)	+217,000	+119,000	(45,000)
G4	+155,000	+15,000	+31,000	+10,000	+51,000	(20,000)	+68,000

* Source: Socrates 2016

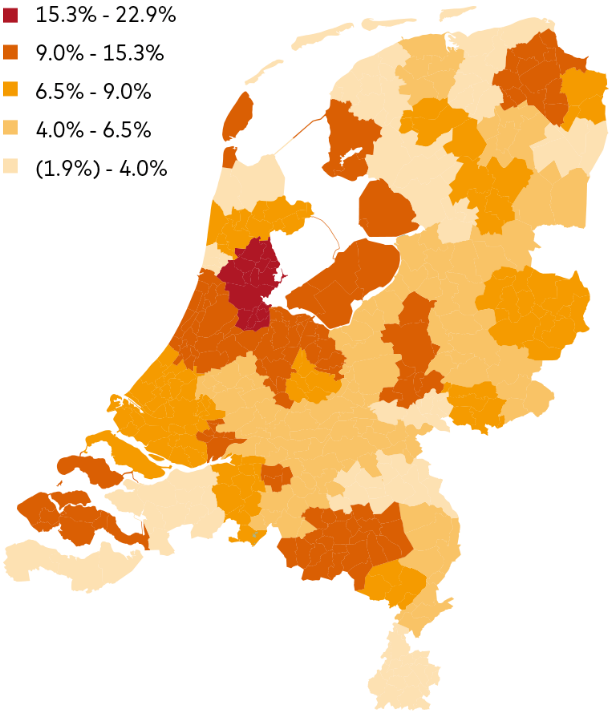
Stable growth owner-occupier market; some signs of overheating

It was already clear in 2015 that the owner-occupier market was recovering and was once again showing signs of stable growth. In the course of 2016, this stable growth moved in the direction of overheating of the residential market at a regional level. Last year saw the sale of around 215,000 [3] existing houses. The number of houses sold outpaced the number of houses offered to the market. As a result, at year-end 2016 there were 28% fewer houses for sale than at the end of 2015. This means that consumers (house buyers) had an average of six houses to choose from at the end of 2016, compared with a choice of 10 at the end of 2015 [6] .

3 CBS Statline
4 CPB
5 Socrates 2016
6 NVM press release 4th quarter figures

The number of new-build houses was also insufficient to meet the burgeoning demand. All these factors led to an annual average rise in house prices of 8.9% for the Netherlands as a whole [7] . The average sales price for houses is currently 20% above prices at the bottom of the market in 2013. But there are major regional differences. In the Amsterdam region, house prices were up by some 22.9% year-on-year, while transaction prices actually fell in the northern-most parts of the Noord-Holland and Overijssel provinces last year [7] .

Price developments houses sold last year



Continued demand on rental market

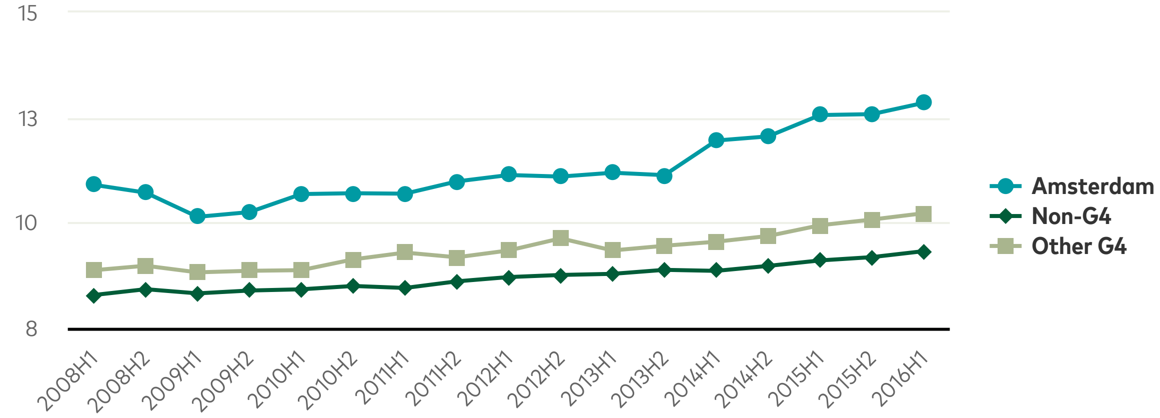
Like the owner-occupier market, the residential rental market also saw a number of positive developments last year, including an increase in the number of tenant movements compared with 2015 [8] . The supply of rental houses was once again outstripped by demand. This was due to the fact that last year saw a relatively modest increase in the number of new-build rental houses and the fact that housing corporations now have to allocate houses strictly according to income levels and are steadily withdrawing from the liberalised rental sector. This resulted in a very low vacancy rate of 2.65% [9] in existing stock. The increase in the number of freelancers and the stricter requirements for mortgages are also increasing the pressure on the rental market, and more specifically in the mid-rental segment, which is in turn pushing up rental prices. As it does in the owner-occupier segment, this pressure varies regionally. The graph below clearly shows that in Amsterdam the prices are higher and are rising more quickly than in other parts of the country. The increasing urbanisation and the rise in the number of households with an above-median income will also continue to increase demand in the years ahead.

7 NVM

8 MSCI Transaction monitor

9 MSCI 2016 Q3

Rental prices per square metre



Sharp rise of investments in Dutch residential real estate market

In 2016, investments in Dutch residential rental houses totaled over € 4 billion, a rise of 33% compared to the previous year. Dutch institutional investors accounted for the lion's share of this amount, as they invested more than € 3 billion, a sharp rise on the € 850 million they invested in 2015. Mid-rental segment new-build houses accounted for the bulk of these investments in 2016 [10] . As in 2015, the burgeoning demand for residential real estate investments led to a narrowing of gross initial yields in popular regions in 2016. Value growth was also seen in a larger part of the country last year. The main drivers of value growth were the declining supply on the owner-occupier market and the continued demand for real estate investments.

Strategy and long-term objectives

In early 2016, we started a project to redefine our mission, vision and core values, as part of the Vesteda Improves (Vesteda Verbetert) programme. To this end, we set up a key group of around 10 people from various Vesteda departments.

Following a number of sessions chaired by an external agency, this group drew up a draft mission, vision and core values statement. The group then shared this statement with the organisation and the Supervisory Committee. Once they had processed and incorporated the feedback from both the organisation and the Supervisory Committee, in December the group presented the revised and definitive mission, vision and core values statement to the organisation and participants as part of our Business Plan.

Our mission

At home with Vesteda. This applies to our tenants, investors who invest in our fund and employees who work at our company. Our mission is to make sure our key stakeholders feel at home with us.

Our vision

Vesteda is the expert in residential living. We have direct contact with our tenants. This is why we know their current and future living requirements better than anyone. We use our knowledge to constantly improve our services and our existing residential portfolio. We also add residential complexes that are tailored to the living requirements of our tenants now and in the future. We do so in sustainable and innovative ways. Together with our tenants, we create an environment in which they feel at home.

10 Capital value

Our core values

Service-oriented	Ambitious	Entrepreneurial	Trusting	Cooperative

At Vesteda, our tenants, investors and employees are our highest priority. This requires **service-oriented** and **entrepreneurial** employees. We listen and learn and look for the best solutions. We see and seize opportunities and take our responsibility.

Vesteda is **ambitious.** We make the most of everything. And do better every time and with total conviction. We **trust** our people and give them much freedom and responsibility. We **cooperate** with each other across various disciplines and come from different backgrounds.

Strategic and portfolio objectives

Vesteda's mission and vision 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 of this report.

Strategic objectives

Improve operations

- Increase tenant service level with further front office automation
- Introduce additional third party services and more flexible renting structures
- Increase topline rental income
- Decrease gross/net ratio

Optimising investment portfolio

- Improve portfolio quality by acquisitions, operations, targeted investments and property sales
- Advance sustainability of the portfolio
- Grow portfolio by acquisition of complexes and portfolios in targeted segments
- Structural outperformance of the three-year MSCI IPD/ROZ Netherlands 'All Residential' benchmark

Continuously improving organisation

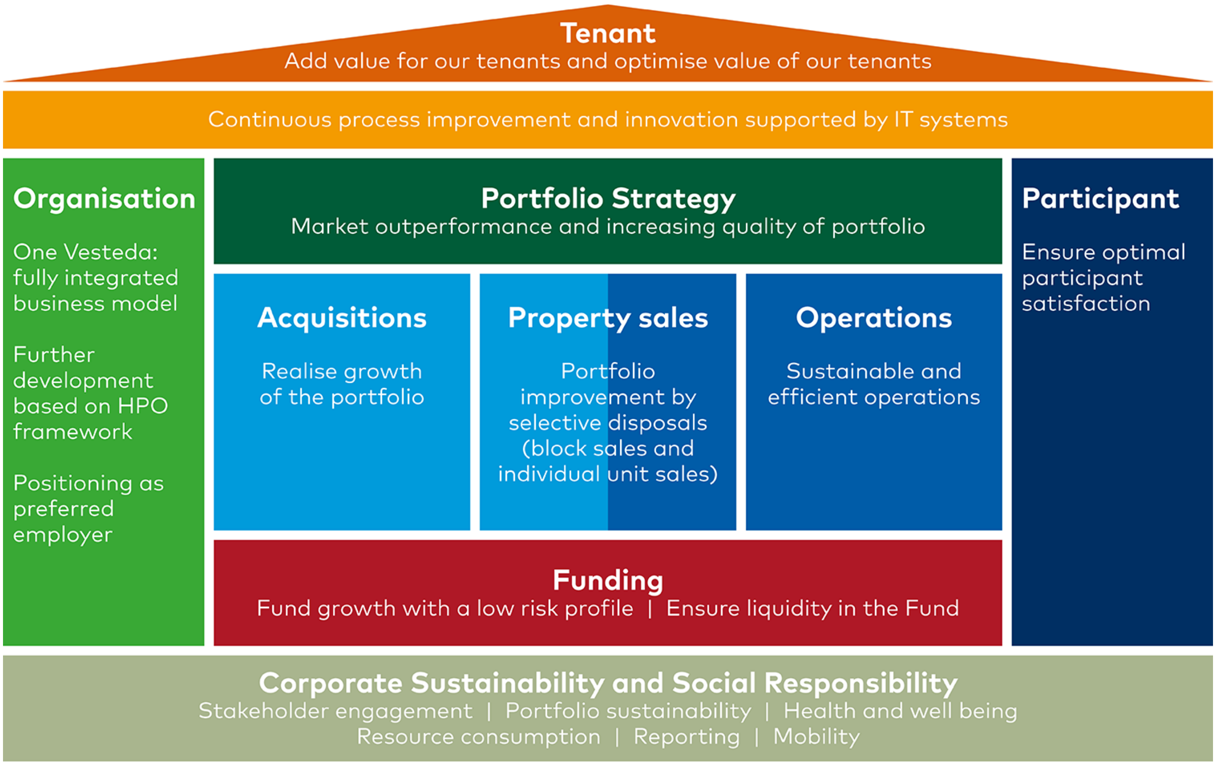
- Create platform for performance: High Performance Organisation
- Renew IT platform
- Integrate sustainability into daily operations

Offering an attractive fund profile

- Attractive risk-return ratio: core residential investment fund with a low-risk character
- Consolidate our leading position in the Dutch residential investment market: large and well-diversified portfolio
- Offering liquidity and fiscal transparency
- Maintain a conservative leverage profile with optimal diversification by market, type of financing and maturity
- Competitive management expenses
- Stable distribution (realised result less result on property sales) and real long-term value growth

Based on these strategic objectives, Vesteda has developed an integrated strategy framework:

Vesteda integrated strategy framework



For each of these 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 operational developments in 2016 and the management agenda for 2017 for our core departments Portfolio Strategy, Operations and Acquisitions are described in the sections Key developments core departments and Outlook and management agenda of this report.

Portfolio objectives

The housing shortage 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). In the years ahead, we will continue to prudently sell assets outside these regions and those that do not meet our other investment criteria.

Vesteda's acquisition strategy is focused on both individual complexes 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 focus on the mid-rental segment, largely in Vesteda's primary regions.

Key developments core departments

Vesteda's new organisational structure consists of the following three core departments: Portfolio Strategy (previously Portfolio Management), Operations (previously Property Management) and Acquisitions (previously Acquisitions & Development). This section details the main developments within these three departments in the year under review. For the main priorities of these departments for 2017, see the section Outlook and management agenda of this report. You will find more information on our new organisational structure in the section Organisation of this annual report.

Portfolio Strategy

Improving the quality of the investment portfolio through acquisitions, operations and property sales

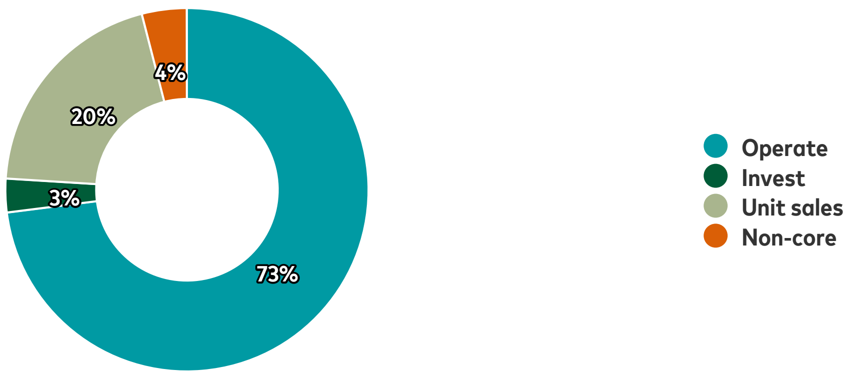
Portfolio Strategy is responsible for all strategic decisions regarding the portfolio, including value growth. Our strategic objectives are translated into guidelines and benchmarks for our two other key departments: Acquisitions and Operations (property management and individual unit sales).

In 2016, we devoted a great deal of time to updating our portfolio plan and we introduced a more sophisticated tenant approach. We used in-depth segmentation to define our most important tenant groups. This improves our ability to provide (potential) tenants with the most in-demand housing concepts in the various regions. We (re)determined the most attractive cities, areas and neighbourhoods to focus our investments on, based on economic, demographic and social developments.

Subsequently, we (re)determined our tactics for each and every property in order to optimise the performance of our investment portfolio based on our annual in-depth hold/sell analysis.

The circle diagram below shows the current tactics for the complexes in our investment portfolio. The tactic 'operate' applies to almost three-quarters of our investment portfolio. This translates into a focus on value creation through rental growth, optimal occupancy rates and effective and sustainable maintenance. Some 3% of our portfolio has been earmarked for the creation of additional value through refurbishments and sustainable investments. For roughly 20% of our portfolio we use the tactic unit sales. This involves the generation of additional value through the sale of individual apartments and houses. We have classified around 4% of our investment portfolio as non-core. These are complexes that in our opinion and analysis have only limited potential in the medium and long term due to their location and/or condition and/or particular product-market combination (PMC). We may sell these complexes in the future through block sales.

Current tactics (% of total portfolio)



Please see the section Key portfolio developments of this report for a detailed explanation of the main changes in our portfolio.

Relative performance (MSCI benchmark)

In 2016, Vesteda outperformed the MSCI Netherlands "All Residential" benchmark in terms of direct return (+0.4%) and performed in line with the benchmark in terms of indirect return (0.0%). [11]

Vesteda Residential Fund versus MSCI residential benchmark

	Annual average					Average of past	
	2016	**2015**	**2014**	**2013**	**2012**	**3 yrs**	**5 yrs**
Direct return							
Vesteda Residential Fund	4.6	5.0	5.0	4.9	4.5	4.9	4.8
MSCI-benchmark	4.2	4.5	4.5	4.4	4.2	4.4	4.4
Outperformance	0.4	0.4	0.5	0.4	0.2	0.4	0.4
Indirect return							
Vesteda Residential Fund	10.6	5.0	0.8	(3.8)	(5.1)	5.4	1.3
MSCI-benchmark	10.5	6.3	0.6	(4.0)	(3.7)	5.7	1.7
Outperformance	0.0	(1.2)	0.1	0.2	(1.4)	(0.3)	(0.4)
Total return							
Vesteda Residential Fund	15.7	10.2	5.8	0.9	(0.8)	10.5	6.2
MSCI-benchmark	15.2	11.0	5.2	0.2	0.3	10.4	6.2
Outperformance	0.4	(0.8)	0.6	0.6	(1.2)	0.1	0.0

Percentages MSCI Netherlands "All Residential" benchmark, computed using MSCI definitions.

Operations

The introduction of a new organisational structure also affected Operations (previously Property Management). The main change for Operations in the new structure is that the district managers are now responsible for both tactical and technical asset management. One of the key advantages of these changes is that the responsibility for the exploitation of the investment portfolio has now been placed in the Operations department. This move has also created room for the personal growth of a number of employees. Naturally, the new structure did create a number of challenges. The decision to relocate to a single head office in 2017 meant that we had to set up a completely new Commercial Support team, as the old team operated from our Maastricht office.

The rental market was booming in 2016, especially in Amsterdam. Consequently, our overall vacancy was historically very low in 2016. Thanks to the successful (re)letting of our standing portfolio and newly-acquired properties, we were able to improve our average occupancy rate in 2016, which in turn resulted in lower loss of rent. We improved the lettability of the properties in question considerably by making investments in new kitchens, bathrooms and toilets. Like-for-like rental growth exceeded inflation, once again proving the solid inflation hedge our portfolio offers. Active procurement management also enabled us to make considerable cost savings on maintenance. The gross/net ratio improved slightly compared with 2015.

Focus on tenants and sustainability

We have started on the implementation of our investment plan 2020, to improve the overall sustainability of our portfolio and to outperform the agreements laid down in the Dutch Energy Agreement. Taking into account the acquisition of the Olympia portfolio in Amsterdam, which consists of three older residential complexes and is therefore by definition less sustainable, and our greater ambition for the Schuilenburg apartment building in Amersfoort (net-zero energy), we are well on track.

Please see the Notes to the results section and the Key performance indicators section of this report for more detailed information on our results.

11 Direct return and indirect return might not add up to total return as a result of time weighted averages on a monthly basis.

Apart from the annual tenant satisfaction benchmark survey which is described in the Tenant Survey section of this report, Operations also conducts annual research specifically into the quality of its services. This research revealed that tenants gave our services an average overall satisfaction score of 7.0 (2015: 6.9). Despite a slight improvement compared to 2015, this figure also shows there is room for improvement. This is why we introduced a new survey in 2016, to learn more about the 'home feeling' of our tenants. Our ambition is to translate the needs they express into knowledge about how to improve our services and the quality of our houses. Basically, we are trying to learn what our tenants find most important about their houses and their local surroundings. We also ask our tenants for feedback on our services. In 2017, we will take a closer look at the results from our most recent survey and identify any opportunities to improve our products and services.

Quality of service: average tenant rating

Acquisitions

Vesteda aims to continue the growth of its investment portfolio in the years ahead. Our primary focus for acquisitions is on the Randstad, the Brabant metropolitan area and the strong cities in the periphery of the Netherlands. In these regions, Vesteda targets attractive, high-quality residential units in the mid-rental price segment of the liberalised rental market. The foundation of our growth strategy is the acquisition of new-build projects in which we have a relatively large influence on the design, life-cycle costs and sustainability of the product. We will add these to our investment portfolio in the coming years. In addition, we aim to acquire existing real estate, residential complexes or entire portfolios, which can be added to the investment portfolio and generate immediate returns.

In 2016, we once again expanded our Acquisitions team and acquisition pipeline. At year-end 2016, the team consisted of 10 (2015: 7) dedicated commercial and technical professionals, plus support staff. As of 1 July 2016, Pieter Knauff was appointed as Director Acquisitions. He succeeded Nico Mol, who remains committed to the Acquisitions department and will focus entirely on external relationships and current development projects.

The market for residential investment products was fiercely competitive last year. The majority of the residential complexes on offer were sold through public or private tenders and pricing was the sole selection criterion most of the time. However, Vesteda successfully secured a number of exclusive transaction opportunities thanks to our entrepreneurship and operational excellence in sourcing, selection and execution of transactions. We were selective in terms of participating in tender processes. Vesteda acquired 10 projects that included 1,147 residential units in 2016 (2015: 550 units). Around 75% of this volume was turnkey acquisitions of new-build properties, which we have added to our pipeline. The remaining 25% of this volume involved the acquisition of existing properties that we have immediately added to our investment portfolio.

Additions to the investment portfolio 2016

In 2016, Vesteda added a total of 598 residential units to the investment portfolio. The table below is an overview of the units added to the portfolio. The majority of these units are recently completed new-build properties acquired in previous years. The existing properties, Olympia Portfolio and Paradium III, were both acquired in 2016 and were immediately added to the investment portfolio.

Additions to the investment portfolio 2016

Residential building	Location	Total number of units	Apartment/ Family house	Region	Rental segment	Quarter of completion/ delivery
14Noord	Amsterdam	14	Apartment	Primary	Mid	Q1
Nieuw Princenhof	Leusden	25	Family house	Primary	Mid	Q2
De Boel	Amsterdam	154	Apartment	Primary	Mid	Q2
Olympia Portfolio	Amsterdam	205	Apartment	Primary	Reg. / Mid / Higher	Q2
Lunahof	Arnhem	31	Family house	Primary	Mid	Q3
De Wachters	Breda	75	Apartment	Primary	Mid	Q3/Q4
De Hagen I	Amsterdam	32	Apartment	Primary	Mid	Q4
Paradium III	Dordrecht	62	Apartment	Secondary	Reg. / Mid	Q4
Total inflow		**598**				

Pipeline year-end 2016

In 2016, Vesteda added a total of eight new-build projects, totalling 880 residential units, to its pipeline. All of these projects are an excellent fit with Vesteda's portfolio strategy in terms of region, rental segment and energy label. The majority of the projects are located in the urban expansion sites of the larger cities in the Netherlands, where Vesteda can benefit from the promising continued development of the area.

In the first quarter, Vesteda signed a turnkey agreement covering the Tango project in Haarlem (55 apartments). In the second quarter, Vesteda acquired 25 apartments in the De Goudsbloem project in Den Bosch, 235 apartments in the De Staatsmannen project in Kanaleneiland Utrecht and 64 apartments in the Schinkelhof project in Amsterdam. In the third quarter, Vesteda purchased the Langs de Rijn project in Arnhem, which includes 94 apartments. In the fourth quarter, Vesteda signed a turnkey agreement for 84 apartments in Purmerend (the Apollo project) and 134 mid-rental segment apartments in Leiden (the Alpha project). In the fourth quarter, Vesteda also expanded the number of apartments to be added to the investment portfolio from the Leidsche Rijn Centrum Project in Utrecht with 189 units.

The total committed acquisition pipeline at the end of 2016 consisted of 1,751 residential units, which together represented an indicative market value on delivery of nearly € 425 million.

Pipeline year-end 2016

Residential building	Location	Total number of units	Region	Apartment/Family house	Rental segment	Expected completion
De Hagen II	Amsterdam	32	Primary	Apartment	Mid	2017
De Diemer	Diemen	98	Primary	Apartment	Mid	2017
De Generaal	Amsterdam	56	Primary	Apartment	Mid	2017
De Goudsbloem	Den Bosch	25	Primary	Apartment	Mid	2017
Dunantstraat	Amsterdam	73	Primary	Apartm. & Fam. house	Mid	2017
Seattle Boston	Rotterdam	48	Primary	Apartment	Mid	2017
Tango	Haarlem	55	Primary	Apartment	Mid	2017
Amstel Tower	Amsterdam	192	Primary	Apartment	Mid	2017/2018
Leidsche Rijn Centrum (for rent)	Utrecht	440	Primary	Apartment	Mid	2017/2018
Leidsche Rijn Centrum (for sale)	Utrecht	121	Primary	Apartment	Mid	2017/2018
Langs de Rijn	Arnhem	94	Primary	Apartment	Mid	2018
Schinkelhof	Amsterdam	64	Primary	Apartment	Regulated-Higher	2018
Apollo	Purmerend	84	Primary	Apartment	Mid	2018
Alpha	Leiden	134	Primary	Apartment	Mid	2018
De Staatsmannen	Utrecht	235	Primary	Apartment	Mid	2018
Total committed pipeline		**1,751**				


Apollo, Purmerend
Tango, Haarlem
De Diemer, Diemen
Schinkelhof, Amsterdam
De Staatsmannen, Utrecht
De Hagen II, Amsterdam
Leidsche Rijn Centrum, Utrecht
Dunantstraat, Amsterdam
Langs de Rijn, Arnhem
Amstel Tower, Amsterdam
Seattle Boston, Rotterdam
De Generaal, Amsterdam
Alpha, Leiden
De Goudsbloem, Den Bosch

Notes to the results

Key figures

	FY 2016	FY 2015
Income (in € million)		
Theoretical rent	248	245
Loss of rent	(6)	(8)
Gross rental income	**242**	**237**
Service charges income	10	10
Gross rental income (including service charges income)	**252**	**247**
Property operating expenses	(55)	(53)
Service charges	(15)	(17)
Other income	-	(1)
Net rental income	**182**	**176**
Result on projects in progress	1	-
Result on property sales	14	14
Management expenses	(22)	(16)
Interest expenses (including amortised fees)	(33)	(38)
Unwind derivative position	-	(14)
Realised result (before tax)	**142**	**122**
Unrealised result	**391**	**169**
Total operating result	**533**	**291**
Revaluation of derivatives	4	25
Total comprehensive result	**537**	**316**

	31 December 2016	31 December 2015
Statement of financial position (in € million)		
Total assets	4,375	3,839
Equity	3,045	2,629
Debt capital	1,238	1,098
Leverage ratio (in %)	28.3	28.6

	FY 2016	FY2015
Debt capital (in € million)		
Interest expenses (excluding amortised fees)	31	36
EBITDA	160	160

	FY 2016	FY 2015
Return on Equity (in % of opening equity)		
Realised return	**5.4**	**5.4**
- return from letting	4.9	5.4
- return form project development	-	-
- return from property sales	0.5	0.6
- return from unwind transaction derivatives	-	(0.6)
Unrealised return	**14.9**	**7.5**
Total return excluding revaluation on derivatives	20.3	12.9
Revaluation on derivatives (including unwind transaction derivatives)	0.1	1.1
Total comprehensive return	**20.4**	**14.0**
Total return (in € per participation based on number of participations at year-end)	**20.81**	**12.24**
Proposed distribution to investors (in %)	4.2	4.6
Proposed distribution to investors (in € per participation)	4.96	4.71

	31 December 2016	31 December 2015
Non-Financial Figures		
Number of residential units managed	22,629	22,599
- apartments	13,602 (60%)	13,387 (59%)
- single family houses	9,027 (40%)	9,212 (41%)
Number of residential units inflow	598	118
Number of units outflow	570	520
- individual unit sales	570	520
- residential building sales	-	-
Occupancy rate (in % of units)	97.8	97.9
Number of employees (in FTEs)	181	179

	FY 2016	FY 2015
Loss of rent (in % of theoretical rent)	2.5	3.2
Tenant satisfaction (rating out of 10)	7.0	6.9

Gross rental income: higher theoretical rent and lower loss of rent

Gross rental income increased due to higher theoretical rent, lower loss of rent and inflow of acquisitions. Theoretical rent came in at € 248 million, a slight increase compared to the € 245 million recorded in 2015. This increase was mainly due to a 3.0% increase in average rent (€ 882 at year-end 2016, from € 856 at year-end 2015). On a like-for-like basis, the increase was 2.4%, well above the average inflation rate of 1.0% for the same period.

Improved market conditions, swift letting of the inflow of new residential complexes in the portfolio, continuous mark-to-market of rents and a strong focus on immediate re-letting of upcoming vacancies contributed to both the average occupancy rate and the improved loss of rent. We were able to improve our average occupancy rate to 97.9% in 2016 from 97.3% in 2015. This resulted in lower loss of rent of € 6 million or 2.5% of theoretical rent, compared to € 8 million or 3.2% of theoretical rent in 2015.

Net rental income: higher planned maintenance expenses and lower non-recoverable service charges

Net rental income developed in line with gross rental income. Net rental income amounted to € 182 million, compared to € 176 million in 2015. Higher property operating expenses were largely compensated by lower non-recoverable service charges. The property operating expenses excluding service charges came in at € 55 million, slightly higher than the property operating expenses of € 53 million recorded in 2015. This difference was largely due to the higher planned maintenance last year (€ 16 million versus € 13 million in 2015). Non-recoverable service charges amounted to € 5 million, compared to € 7 million in 2016.

The gross/net ratio including landlord levy was 24.9% in 2016, compared to 25.5% in 2015. Excluding landlord levy, the gross/net ratio was 23.3%, compared to 23.6% in the previous year.

Realised result: higher management expenses and lower interest expenses

Realised result totaled € 142 million, an increase of € 20 million compared to the realised result of € 122 million in 2015. Excluding the loss of € 14 million on the unwind of the derivative position in 2015, realised result increased from € 136 million in 2015 to € 142 million in 2015.

In 2016, Vesteda sold a total of 570 residential units, compared to 520 in 2015. These were all individual unit sales. Despite the higher number of houses sold, the result of € 14 million from property sales was similar to the result in 2015. This was due to the lower net sales margin on property sales of 15.9% in 2016, compared to 18.0% in 2015.

Management expenses increased to € 22 million, from € 16 million in 2015. This increase was mainly due to an exceptional charge for a reorganisation provision of € 7 million taken in connection with the restructuring programme and relocation of the offices to a single centralised location in Amsterdam. In 2016, management expenses were positively impacted by a € 1 million release of provision, compared to a € 0.4 million release of provision in 2015.

Interest expenses declined significantly to € 33 million, from € 38 million in 2015, despite our higher outstanding debt position. This was the result of € 900 million in refinancing transactions at improved interest rates in 2015. Standard & Poor's has upgraded Vesteda's credit rating to BBB+ with a stable outlook on the back of Vesteda's strengthened credit status, thanks also to the refinancing transactions.

Unrealised result

The strong positive sentiment in the housing market resulted in a positive revaluation of 10.1% on the investment portfolio. The revaluation of projects in progress was also positive and led to an increase in the unrealised results. The total unrealised result amounted to € 391 million, compared with € 169 million in 2015.

Total comprehensive result

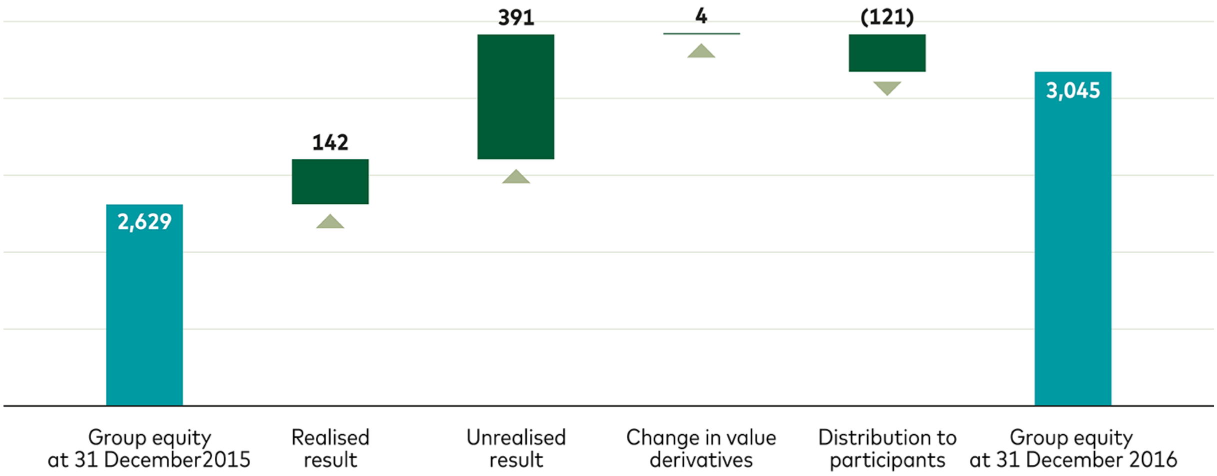
Vesteda's total comprehensive result amounted to € 537 million, compared with € 316 million in 2015. This increase was largely due to the positive revaluation of our investment portfolio. Total return on opening equity (ROE) was 20.4% (2015: 14.0%), 5.4% of which was realised return (2015: 5.4%), 14.9% of which was unrealised return (2015: 7.5%), and 0.1% of which was revaluation of derivatives (2015: 1.1%).

Equity

Changes in equity

At 31 December 2016, equity stood at € 3,045 million, compared with € 2,629 million at 31 December 2015. This increase in equity totalling € 416 million was the balance of a positive realised result of € 142 million, a positive unrealised result of € 391 million, a € 4 million positive change in the value of derivatives and a distribution to participants totalling € 121 million.

Changes in equity (in € million)



Distribution proposal
The participants' meeting in December approved the following two-fold proposal for a change in the timing of the distribution:

- Change to an interim distribution policy as of financial year 2017, whereby approx. 60% of budgeted distribution is paid out in three instalments during the year, each two weeks after quarter end. The remaining approx. 40% will be paid out in two instalments after the close of the financial year, one in January, shortly after Q4 quarter end and one after the adoption of the distribution proposal in April;
- Distribute result over financial year 2016 in one payment, immediately after the adoption of the financial statements (April 2017).

The realised result less the result on property sales amounted to € 128 million in 2016. Vesteda will therefore propose to the General Meeting of Participants on 12 April 2017 a total distribution of € 128 million, which represents a dividend yield of 4.2% for the 2016 financial year (based on 2017 opening equity).

Number of issued participations
No participations were issued or redeemed in 2016. At 31 December 2016, Vesteda Residential Fund had issued a total of 25,795,084 participation rights, equal to the number of participation rights at year-end 2015.

List of institutional investors (participants)
At year-end 2016, Vesteda's participant base consisted of 14 institutional investors, participating in the fund via the following 19 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
- PGGM Private Real Estate Fund
- Stichting Bedrijfstakpensioenfonds voor de Media PNO
- Stichting Pensioenfonds ABP
- Stichting Pensioenfonds Delta Lloyd
- Stichting Pensioenfonds Openbaar Vervoer
- Stichting Pensioenfonds voor de Grafische Bedrijven
- Stichting Pensioenfonds voor Fysiotherapeuten
- Stichting Pensioenfonds Xerox
- Stichting Spoorwegpensioenfonds
- Stichting TKPI European Real Estate Fund

Debt capital
2016 in review
The year 2016 represented the first full year after the end of the CMBS programme. As all refinancing obligations until 2018 had already been addressed in previous years, the debt target for 2016 was the further optimisation of Vesteda's debt portfolio in line with its debt funding strategy by:

- Reduction of interest costs
- Maintaining long-term leverage target of 30% of total assets
- Ensuring diversification of funding sources
- Extension and diversification of maturity profile
- Maintaining sufficient liquidity headroom to allow for acquisitions and refinancing short-term debt maturities
- Further reduction of asset encumbrance for secured debt

At year-end 2016, Vesteda's drawn debt capital amounted to € 1,238 million. In 2016, we continued to reduce average interest costs to 2.8% from 3.3% in 2015. Despite an increase in drawn debt per year-end 2016 of € 140 million compared to year end 2015, Vesteda maintained a leverage ratio of 28% per year-end 2016 compared to 29% a year earlier, still meeting our long-term leverage target of a leverage ratio below 30%.

The continuous improvement of our credit profile as a result of refinancing transactions and the termination of our CMBS programme, was followed by a credit rating upgrade by Standard and Poor's to BBB+ with stable outlook in Q2 2016.

In addition, in Q2 2016 we requested the extension option of our € 600 million revolving credit facility, which extended maturity of the facility from 2020 to 2021.

In Q4 2016, Vesteda sourced a new 10-years € 100 million private placement transaction with Pricoa, which was used to prepay existing mortgage debt of € 50 million with Berlin Hyp AG and reduce the drawn amounts under our revolving credit facility.

Through these transactions, Vesteda maintained its average weighted maturity profile of 4.5 years, above its long-term minimum target of four years. The prepayment of the Berlin Hyp mortgage debt decreased asset encumbrance to 4% of asset value at year-end 2016, from 8% at year-end 2015. As per year-end 2016, Vesteda retained € 238 million of headroom under its revolving credit facility, providing flexibility and liquidity headroom to cover potential acquisitions and refinancing obligations.

Throughout 2016, we comfortably met all the financial covenants of our financing arrangements.

Vesteda debt portfolio at year-end 2016

Facility	Type	Security	Recourse	Committed	Drawn	Average Amortisation	Maturity Date	Margin / Spread
Revolving Credit Facility	Bank Facility	Unsecured	Guarantors	€ 600,000,000	€ 362,000,000	Bullet	6/1/2021	0.90%*
FGH 1 Mortage Loan	Bank Mortgage Loan (CVF 5)	Mortgages	None	€ 33,950,000	€ 33,950,000	1.50% p.a.	1/1/2018	1.775%
FGH 2 Mortage Loan	Bank Mortgage Loan (CVF 5)	Mortgages	None	€ 21,206,250	€ 21,206,250	1.50% p.a.	1/1/2018	2.50%
FGH 3 Mortage Loan	Bank Mortgage Loan (CVF 5)	Mortgages	None	€ 20,374,159	€ 20,374,159	1.50% p.a.	1/1/2018	2.50%
Pricoa Private Placement	Private Placement Loan	Unsecured	Guarantors	€ 100,000,000	€ 100,000,000	Bullet	12/16/2026	1.13%
Pricoa Private Placement	Private Placement Loan	Unsecured	Guarantors	€ 100,000,000	€ 100,000,000	Bullet	5/8/2021	1.80%
Bond Issue 1.75% 2019	Bond, issued under EMTN programme	Unsecured	Guarantors	€ 300,000,000	€ 300,000,000	Bullet	7/22/2019	1.25%
Bond Issue 2.50% 2022	Bond, issued under EMTN programme	Unsecured	Guarantors	€ 300,000,000	€ 300,000,000	Bullet	10/27/2022	1.95%

* Margin grid: applicable margin per year-end 2016: 0.70% margin plus 0.20% utilisation fee.

Tenant Survey

Introduction

Vesteda has an annual tenant satisfaction survey carried out by an external agency specialised in the measurement of customer satisfaction. In addition to the survey carried out for Vesteda, this agency also measures tenant satisfaction for eight other investors in Dutch residential properties [12] . Together, these results form a benchmark we can use to measure the satisfaction of the current tenants. In 2016, a total of 3,055 tenants participated in the Vesteda tenant survey (16% response rate). Vesteda has chosen to report three out of six categories (namely services, surroundings and house) as these categories provide most insight into the services provided by Vesteda [13] . The survey identifies potential opportunities for improvement with respect to various processes (such as the intake process, follow-up on requests for repairs, customer-friendliness and handling of complaints). Vesteda uses the information from the survey to further improve its services.

Key results

Vesteda's KPI for the assessment of customer satisfaction is the average score for services, surroundings and house. In 2016, this score came in at 7.0, an improvement of +0.1 compared to 2015. Both surroundings and house were given a higher score than in the previous year.

Ratings tenant satisfaction survey

Rating (out of 10)	Vesteda			Benchmark		
(out of 10)	2016	2015	Δ	2016	2015	Δ
Services (S)	6.2	6.3	(0.1)	6.6	6.6	0.0
Surroundings (S)	7.5	7.2	0.3	7.6	7.4	(0.2)
House (H)	7.4	7.2	0.2	7.5	7.4	0.1
KPI Vesteda - Average SSH	**7.0**	**6.9**	**0.1**	**7.2**	**7.1**	**0.1**

Rating services

Vesteda's services in general were rated lower than in the previous year and lagged the benchmark figure. Particularly availability and personal contact were less appreciated.

Vesteda is looking to increase its digital communications with tenants via its client portal. This enables us to provide more self-service contact options. Tenants were more satisfied with certain elements of our services, such as honouring commitments, the handling of requests for repairs and how we handle complaints. Improved self-service does therefore result in a better score for elements of our services, but does not automatically result in a better score for the perception of our services in general. In addition to increased digitisation of our services, in the year ahead we will therefore also be looking to improve Vesteda's availability and devote more personal attention to our tenants. We expect this to result in a further increase in the rating of our services in general.

Thanks to Vesteda's efforts aimed at increasing the digitisation of its services and the monitoring of processes, we are now able to act more quickly and in a more targeted fashion. The survey shows there is a clear connection between the speed at which tenants can arrange an appointment for repairs and the level of their satisfaction with this element of our services. How often Vesteda honours its commitments also has a considerable impact on client satisfaction. If a repair is resolved in a single appointment, this creates high satisfaction, while the need for subsequent appointments to resolve an issue has a significant negative impact on satisfaction.

Rating surroundings

Tenants rate their surroundings relatively highly. The survey revealed that creating more tidiness in the surroundings can raise this rating even higher. Tenants aged 35 to 55 and tenants with children are the least satisfied with their surroundings.

12 Altera, Amvest, ASR, Bouwinvest, CBRE, Dela, Delta Lloyd and Syntrus Achmea.

13 The other categories are commonly used by investors in the benchmark to measure performance of external property managers and for service level agreements. In contrast to other residential investors who work with external property managers, Vesteda is an internally managed fund with its own property management and approach.

Rating house

The rating for the extent to which houses still suit the tenants' current housing requirement is slightly below the benchmark. The rating for houses will be higher when the facilities in the house are improved and when houses respond more effectively to tenants' requirements. Vesteda will devote more attention to these aspects.

In 2016, Vesteda made extra investments in energy efficiency measures that have raised the quality of a number of Vesteda houses and improved comfort for tenants. The survey shows that one in five Vesteda tenants is open to energy efficiency measures, provided the total cost of rent and energy-related costs remains unchanged.

Tenants aged 35 to 55 and those with children also prove to be more critical than other tenants when it comes to the rating of their house.

Conclusion

Vesteda works continuously on improving its services. The survey gives important information on how Vesteda can improve its service. We are grateful to the respondents for their cooperation and feedback in 2016.

Outlook and management agenda

Outlook and management agenda

General

The outlook for 2017 is positive. Economic growth is expected to come in at 2.1%, thanks to the ongoing rise in consumer spending, investments in houses, business investments, public sector spending and exports. However, despite falling unemployment figures, the rise in household purchasing power is expected to be more modest this year (0.7%) compared with 2016. This is largely due to the fact that the one-off tax reduction of € 5 billion in 2016 will no longer play a role, together with the increase in healthcare insurance premiums and rising inflation [14] .

Despite this positive outlook, there are still a number of factors that may have a negative impact on economic growth. Prime point of uncertainty is the upcoming parliamentary elections. International developments are also likely to lead to more uncertainty with questions like what is the likely outcome of the elections in Germany and France, what impact will the new US president have, how will the Brexit negotiations go and what impact will refugee flows and terrorism have this year?

Residential market

Like the economic outlook, the forecast for the residential market is positive for 2017. Economic growth combined with low unemployment will ensure undiminished demand for both rental and owner-occupier houses. The shrinking residential supply and the limited additions to new-build stock are expected to lead to house price increases in 2017. These price increases will be considerably higher in strong urban areas. This will lead to pressure on affordability in the longer term and more and more families are forced to abandon the city altogether for surrounding areas or to accept to live in houses that do not meet all their requirements, but are affordable.

Investment market

The residential real estate market will continue to be an attractive asset class to invest in this year. The supply of rental houses is smaller than the demand and these houses are therefore scarce. This is due to the fact that too few new-build rental houses are being built to meet demand. On top of this, housing corporations now have to allocate houses in the regulated segment on a strict income basis. This means that the majority of rental houses are not accessible to households with lower median incomes above the social threshold. At the same time, these households earn too little to qualify for an owner-occupier house. This is putting pressure on the liberalised rental sector. Thanks to the increasing demand and the plentiful supply of capital, the prices of rental houses are expected to continue to increase. And thanks to low interest rates, the growth in the number of households and the attractive risk-return profile, an increasing number of investors are expected to enter the market, including both foreign investors and new Dutch investors.

14 CPB Policy paper December 2016

The outlook for 2017

Economy	• Economic growth and low interest rates will help increase consumer spending and investments • Drop in unemployment	• Higher purchasing power • High consumer confidence	• Global developments such as terrorism and refugee flows create a climate of uncertainty • Uncertain international economic situation due to factors such as the new US President, Brexit and elections in several European countries • Increase in inflation and long-term interest rates
Rental market	• Shortage of houses in the mid rental segment, especially in strong regions • Qualitative living requirements (increase in singles and retirees) • Housing corporations are increasingly focusing on their primary task and allocate houses according to strict criteria (houses with a rental cap) • Liberalisation limit has been frozen • Increase in the number of target groups looking to rent	• Segment above € 1,000 remains a (regional) niche market outside strong urban areas • Production construction sector is gaining pace	• Long-term perspective of shrinking regions • Relatively low inflation limits annual rental growth
Owner-occupier market	• Economically strong regions recover more strongly and see more value growth than other regions • Low interest rates	• Number of households with negative equity is falling	• Mortgage rules will be tightened even further
Investment market	• Interest from private investors makes complex sales easier	• Limited supply of complexes and portfolios from housing corporations	• Competition from foreign investors with different risk/return profile • Competition from institutional and private investors

Key performance indicators

	Actual 2016	Target 2016	Target 2017	Long-term target
Portfolio				
Average occupancy rate (in % of units)	97.9	97.3	97.2	≥ 97.0
Loss of rent (as a % of theoretical rent)	2.5	3.5	3.1	<3.5
Annual rent increase (in %)	2.6 (inflation 1.0%)	>2.0	>2.0	at least average inflation
Property operating expenses (in % of gross rental income excluding landlord levy)	23	24	24	≤ 25
Net rental income (in % of the value of the portfolio, at start of year)	4.9	4.8	4.5	≥ 4.5
Average energy classification in portfolio	75% ≥ C 17% D 8% ≤ E	74% ≥ C 20% D 6% ≤ E	80% ≥ C 15% D 5% ≤ E	80% ≥ C (D ≤ 20%)
Acquisitions (in number of units)	1,147	560	> 800	> 1,100 on average per year
Management/letting				
Total Management Expenses related to average GAV (TER) (basis points)	54*	45-55	< 40	< 35
Real Estate Expense Ratio related to GAV (REER)	1.48	1.77	<1.50	< 1.95
Tenant satisfaction	7.0	7.0	7.0	≥ 7.0
Leverage	28.3%	≤ 30%	≤ 30%	≤ 30%
Return				
Three-year MSCI benchmark	total return +0.1%	above benchmark	above benchmark	above benchmark
Realised return (in % of opening equity)	5.4	5.4	4.9	≥ 4.5
Distribution to investors	realised return excluding result on property sales	realised return excluding result on property sales	realised return excluding result on property sales	realised return excluding result on property sales

* Including € 7 million provision for reorganisation charges.

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

Loss of rent over 2017 is estimated at just over 3% of the theoretical rent, a slight rise compared with the loss of rent of 2.5% recorded in 2016. The slight increase in loss of rent is due to the relatively higher than average inflow of new-build projects from the pipeline into the investment portfolio compared with 2016. In addition, the focus on optimising net rents may have a limited negative impact on the occupancy rate.

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.

Although rent increases in the non-regulated rental segment are not limited by legislative measures, they do depend on general rental market developments.

On average, we expect the overall rent increase to be above inflation, in view of the expected increase in market rents due to the strong demand for houses in the mid-rental segment.

Property operating expenses

The gross/net ratio, excluding the landlord levy, is expected to come in around 24% in 2017, compared with 23% in 2016. The main reason for the increase in the gross/net ratio is the projected increase in planned maintenance costs.

Total management expenses related to average GAV (TER)

Vesteda expects total management expenses related to average GAV over 2017 to be below 40 basis points, significantly lower than the TER of 54 basis points in 2016. Excluding the € 7 million provision for reorganisation charges, the TER amounted to 38 basis points in 2016.

Realised return
Despite the fact that the realised result is expected to be slightly higher than 2016, we expect the realised return to decline as a result of the increased net asset value of the portfolio. Realised return is expected to come in at 4.9%, compared with 5.4% in 2016.

Management agenda 2017
Portfolio Strategy
Strengthening focus on (future) tenants
Our strong focus on future developments in the Dutch residential market, such as the declining size of households, changing housing demands etc., puts us in a much better position to differentiate our offering and to offer our clients lifetime housing opportunities that meet their changing and evolving needs and demands. We will continue to adjust the alignment of our product market combinations (PMCs) to the demands of our (potential) tenant groups. Through the growth of our portfolio and our unique integrated business approach, we aim to create additional value for both our tenants and our shareholders.

Growing and improving quality of our portfolio
We will focus on value-enhancement and sustainable investments in our portfolio, targeting significant improvements in rent and value. We will introduce alternative strategies and tactics for underperforming properties. Block sales will be considered when the size of our portfolio has grown. We will be accelerating investments in energy modernisations to outperform the Dutch government's energy agreement 2020. When possible, we will install solar panels to provide for energy in the public areas of our properties. We will acquire new complexes only when they exceed the regulatory energy standards, as required under the national building decree (*Bouwbesluit*). If necessary, we will make additional investments to outperform the decree. All suppliers must be CSSR compliant.

The growth and management of our portfolio is aimed at yield compression and the maximisation of performance. We update and closely monitor risk adjusted required rates of return for investments. We will make increasing use of big data to support our research and decision making.

Operations
In 2017, we plan to continue with the optimisation of our processes and cooperation with Portfolio Strategy and Acquisitions.

We will focus on like-for-like rental growth and we will improve the efficiency of Operations, while at the same time devoting a great deal of attention to the continued professional and personal development of our employees.

We will be looking for new innovations and we will also focus on further digitisation. We aim to introduce smart solutions that will make life easier for our tenants and simultaneously provide support in the letting process for the large projects currently in our acquisition pipeline and that are due to be delivered in the years ahead. For instance, this year we will start our 'online letting' pilot project. Other initiatives we are planning to introduce or roll out further this year include the installation of smart meters, car sharing, and Well certification. On top of this, we are also planning to introduce an English version of our tenant portal My Vesteda (Mijn Vesteda) in response to the demand expressed by (future) tenants.

Acquisitions
Vesteda's target for the year ahead is to continue expanding its investment portfolio. Our target for 2017 is to add more than 800 houses to our pipeline, both new-build and existing properties that meet our strict investment criteria. Through entrepreneurship and operational excellence in sourcing, selecting and executing transactions, we aim to acquire attractive projects in which we have a relatively large influence on the design, life-cycle costs and sustainability of the product.

Our primary focus remains on the Randstad, the Brabant metropolitan area and the strong cities in the periphery of the Netherlands. In these regions, Vesteda targets attractive, high-quality residential units in the mid-rental price segment of the liberalised rental market. The foundation of our growth strategy remains the acquisition of new-build projects, but we also acquire existing real estate, residential complexes or entire portfolios, which can be added to the investment portfolio and generate immediate returns.

Organisation

In 2017, we will continue the implementation of the restructuring, which we expect to complete in the second quarter of 2017. We will subsequently relocate to our new head office, De Boel in Amsterdam, at the end of the summer.

Digitisation and innovation

Vesteda has to improve the current status quo of its IT landscape and the expert level of IT staff in order to be ready for further growth. We aim to offer a reliable IT infrastructure and accelerate innovation and solutions to support tenant intimacy and facilitate operational excellence for the entire lifecycle of our business.

Improve supporting systems and services

In 2017, we will be devoting considerable attention to the redesign and optimisation of our Enterprise Architecture. The aim of this initiative is to reduce the number of systems we use in the future to increase the manageability of the system. We also want to maximise the use of standard systems and minimise the use of customised IT programmes. We expect to complete the selection process and to proceed to the implementation phase for a new ERP system in 2017. In addition, the entire technical infrastructure is reviewed and various initiatives are examined.

Inspiration is key to innovation

In February 2017, we launched the Vesteda Inspiration Platform. This platform consists of monthly inspiration sessions, where Vesteda employees discuss and update each other on a wide range of subjects, such as efficient working practices, special complexes, innovation, CSSR and market developments.

Funding

In 2017, we aim to raise new equity to finance our acquisition pipeline.

Vesteda has no refinancing obligations for 2017, while we are actively managing the headroom under Vesteda's Revolving Credit Facility to ensure adequate headroom to cover refinancing commitments for 2018. The focus in 2017 will therefore continue to be on the optimisation of Vesteda's financing structure. This could include looking at the possibility of extending the average term of our facilities at relative low interest charges.

Amsterdam, 17 March 2017

Vesteda Managing Board

Gertjan van der Baan *(CEO)* and Frits Vervoort *(CFO)*

Members of the Supervisory Committee

Peter Kok (1954) – Chairman

Dutch. Former interim CFRO of APG and former CFO of Delta Lloyd.

Areas of expertise: management, finance, risk management, real estate.

Ancillary positions: 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.

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 Supervisory Board of Pink and Nelson B.V.

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, Board member of Stichting VUmc Fonds, chairman of the Governing Body of Stichting Sportbedrijf Amstelveen, lecturer at Amsterdam Business School (UVA).

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.

Ancillary position: member of the Supervisory Board of SPF Beheer*

* As of 1 February 2017.

Report of the Supervisory Committee

Chairman's Statement

We are pleased that the upward trend that resulted in a very successful 2015 was continued in 2016, with an excellent result of € 537 million. This result was based on solid operational management, as well as on the strong development of the Dutch residential market.

In our 2015 report, we indicated that we believed that Vesteda should continue along the path of improvement in order to achieve its long-term ambitions. In 2016, we noted that the Managing Board and the Management Team were committed to implementing and executing changes needed to continue to achieve such improvements.

A notable highlight in this respect was Vesteda's Green Star status following the GRESB Benchmark Report 2016. After a disappointing last place in 2015, the management wanted to do better in 2016 and the results of this effort were excellent. CSSR (Corporate Sustainability and Social Responsibility) is now embedded in all of Vesteda's business processes and projects and the Supervisory Committee is committed to making sure Vesteda continues to focus on this topic.

Improving a business can also mean doing things differently. Consequently, 2016 was a year in which Vesteda took the difficult decision to restructure its organisation and to close the office in Maastricht. Whilst the Supervisory Committee endorses the rationale for the decision and approved it, we are fully aware of the negative consequences this move had for a significant part of Vesteda's staff. The Supervisory Committee will continue to closely supervise the execution of the transition throughout 2017.

Vesteda's achievement of its goals and objectives is underpinned by sound governance. We devote considerable time and attention to the reshaping of Vesteda's top-level governance to align with the changes in the organisation. In addition, the Supervisory Committee followed a sound and successful process to recruit a new CFO, while engaging an experienced interim CFO in the meantime.

The Supervisory Committee itself also went through a number changes last year. Per 1 April 2016, we bade farewell to Chairman Mr. De Boo, a major contributor to the functioning of the Supervisory Committee for a period of nine years. We also welcomed Mr. Copier as a new member. At the end of the year, Mr. De Groof (successor to Mr. De Boo) stepped down as Chairman due to his acceptance of a full-time executive position outside the Netherlands, which he felt was incompatible with his supervisory role at Vesteda.

Last but not least, the Supervisory Committee received a considerable number of investment proposals throughout the year. We were impressed with the number of transactions that were successfully pursued last year.

Overall, Vesteda is on a solid path towards making its business future proof and will continue along this path in 2017.

I would like to conclude by thanking my fellow Supervisory Committee members for their commitment and diligence during 2016. Together, we would like to thank the Company's CEO, Gertjan van der Baan, the CFO, Frits Vervoort, the interim CFO, Rob Vroom, and the members of the Management Team and all employees for making 2016 another successful year.

Peter Kok
Chairman of the Supervisory Committee

Supervisory Committee

Focal Points

The main task of the Supervisory Committee is to supervise the management carried out by the manager and the general course of the fund, as described in more detail in the section 'Governance and risk management' of this annual report.

In exercising its tasks in 2016, the Supervisory Committee placed special emphasis on the following topics:

- Recruitment: the process of recruiting an interim CFO and a new CFO
- Reorganisation & governance: the restructuring of Vesteda's management organisation, the related governance changes and the closing of the Maastricht office
- Acquisitions and Strategy: the review of investment proposals

The above-mentioned topics will be set out below in more detail, in addition to further matters addressed by the Supervisory Committee throughout the year.

Meetings and Attendance Record

The Supervisory Committee comprises of Mr. Copier, Mr. De Die, Mrs. Van den Herik and Mr. Kok (Chairman), all of whom are deemed independent in the sense described in the Supervisory Committee's by-laws. Mr. Copier joined the Supervisory Committee in February, while Mr. De Boo's tenure ended on 1 April 2016. Mr. De Groof was the Chairman throughout 2016. He stepped down as per 31 December 2016, due to his acceptance of a full time executive position outside the Netherlands, which he felt was incompatible with his supervisory role at Vesteda.

In 2016, the Supervisory Committee met 15 times, 10 times in person and five times via conference call. All of these meetings were attended by the Managing Board and 11 were attended by (members of) the Management Team. In addition, the Supervisory Committee met without the Managing Board present, among other things to perform its self-assessment.

Below you will find an overview [15] of the attendance record per member [16] of the Supervisory Committee:

Overview of attendance record Supervisory Committee

	Supervisory Committee	Audit Committee	Nomination & Remuneration Committee
Hans Copier	10 out of 14	n.a.	2 out of 3
John de Die	13 out of 15	6 out of 6	n.a.
Seada van den Herik	15 out of 15	n.a.	3 out of 3
Peter Kok	12 out of 15	4 out of 6	n.a.
Maarten de Groof	14 out of 15	n.a.	1 out of 1
Kees de Boo	2 out of 2	n.a.	1 out of 1

15 Attendance is expressed as the number of meetings (including conference calls) attended out of the number eligible to attend.

16 Mr. De Groof resigned per 31 December 2016.

The activities of the Supervisory Committee in 2016 are summarised in the schedule below:

Supervisory Committee activities 2016

Q1	Q2	Q3	Q4
• M&A Strategy	• Reorganisation and governance	• Nomination CFO	• Investment proposals
• Targets and bonus managing board and MT	• Recruitment CFO	• Investment proposals	• Business plan 2017-2021
• Organisation and governance	• Acquisition larger portfolios	• Q2 report	• Q3 report
• Internal Audit	• Targets and bonus managing board & MT	• Acquisition larger portfolios	• Litigation
• Financial statements and allocation of net income	• Q1 report	• Compliance	• Compliance
• Q4 2015 report	• Risk management	• CSSR	• Departure and replacement Chairman
• Search CFO	• IT strategy		
• CSSR	• High Performance Organisation		
	• Investment proposal		

You will find additional information on the role and functioning of the Supervisory Committee and its committees in the section 'Governance and risk management' of this annual report.

Recruitment

At the end of 2015, it was announced that Vesteda's CFO and managing director at the time would be stepping down in good mutual consultation with Vesteda. The Supervisory Committee recognised the urgency to find an immediate replacement to ensure the continuity of the overall management of the company and initiated an intense process to engage an experienced interim CFO. This resulted in the nomination of Mr. Rob Vroom, who has an extensive record in real estate, for appointment by the participants. The participants voted unanimously in favour of this appointment. By ensuring this expeditious succession for a period of a year, the Supervisory Committee gave itself ample time to search for a long-term successor.

The Supervisory Committee decided to engage an external search agency to find ample candidates from which it could make a selection. Together with the recruiter, the Supervisory Committee drafted a profile for the position of CFO, taking into account the profile set out in the Terms and Conditions of the fund. In addition to professional competences, the focus of this profile was on personal qualities, personality and fit with the current management. The Supervisory Committee followed a diligent interview process to find the most suitable candidate for the position. This resulted in the unanimous appointment of Mr. Vervoort as the new CFO by the participants.

Following the resignation of Mr. De Groof, the Supervisory Committee has appointed Mr. Kok as new Chairman and started the recruitment process for a new member of the Supervisory Committee, which at the time of this report is still in progress. The Supervisory Committee is expected to be back at full strength of five members in the course of 2017.

Reorganisation & Governance

At the beginning of Q2, the Managing Board presented the Supervisory Committee with a concrete proposal for the restructuring of the Vesteda Investment Management B.V. organisation, which included the following measures: a) maintaining a statutory Managing Board of two managing directors (CEO and CFO) and decreasing the Management Team to three persons; b) integrating tactical asset management activities and property management into one division, Operations; c) creating the division Portfolio Strategy; d) integrating financial processes and departments, and e) relocating activities from Maastricht to Amsterdam.

The Supervisory Board recognised the rationale behind the proposal, which included: cultural change to High Performance Organisation, the enhancement of management focus, centralisation, the clear assignment of responsibilities and tasks and the introduction of shorter lines of communication. Following detailed discussions, the Supervisory Committee approved the proposal at the end of May, after which the Managing Board informed employees. At the time of writing this report, the execution of the reorganisation is in full progress. The Supervisory Committee will continue to monitor this process closely in 2017, particularly the impact on the organisation and its employees.

In light of the reorganisation, the Supervisory Committee also reviewed the structure of the top management of the fund manager. In consultation with the Managing Board, the Supervisory Committee approved the retention of two managing directors while reducing the Management Team to three persons. The Managing Board consulted the Supervisory Committee on the proposed Management Team members and the Supervisory Committee deemed them a good fit for their respective positions.

Acquisitions and Strategy

At the beginning of the year, the Supervisory Committee was presented with Vesteda's portfolio strategy, elaborating on the acquisition targets that were set out in the Business Plan 2016-2020 as approved by the participants in the December 2015 meeting. The targets are ambitious and in addition to the acquisition of residential complexes, also require the acquisition of portfolios and potentially the acquisition of peer companies. The Supervisory Committee approved plans to pursue certain opportunities as identified by management.

The Supervisory Committee also received a more detailed explanation of the annual return rates as set for new investments and to what extent they are competitive in the market.

The Supervisory Committee was also presented with concrete investment proposals in line with the fund's Terms and Conditions, which require the approval of the Supervisory Committee for investments exceeding € 10 million. These proposals included, among others, the acquisition of a large portfolio in Amsterdam and projects in Purmerend, Haarlem, Arnhem, Leiden and the additional purchase of property in the Leidsche Rijn Centrum project, which the Supervisory Committee visited. While the Supervisory Committee was pleased to see the success of the Acquisitions team, it has reiterated that management should remain critical of each investment opportunity.

Finance and reporting

The 2015 financial statements and the 2015 annual report were discussed in the presence of Vesteda's auditor. The auditor was very positive regarding the cooperation with Vesteda's management. There were no material accounting differences. The auditor informed the Supervisory Committee of the impact of the AIFMD license on the reporting to the AFM, resulting in the need to provide the AFM with stand-alone financial statements. In addition, the Supervisory Committee supported the more extensive, accrual-based reporting on remuneration.

The Supervisory Committee discussed the performance versus the budget on a quarterly basis. One notable development that was discussed was the increase of IT-related costs. The budget for 2016 did not sufficiently take into account the phased outsourcing of Vesteda's IT to a third party, which resulted in unbudgeted costs. The Supervisory Committee received periodic updates on the IT transition throughout the year. With the recruitment of a new IT manager, the Supervisory Committee believes that the IT costs will be managed in a more structured way going forward. However, management did inform the Supervisory Committee that the structural costs of IT are likely to be higher than in past years, due to significant investments in improvements to the systems and the digitisation of processes.

The Supervisory Committee has also taken note of and discussed the one-off costs related to the reorganisation.

The Supervisory Committee discussed the results of the MSCI IPD/ROZ Residential Benchmark 2015. While Vesteda's income return outperformed the MSCI benchmark, Vesteda's capital growth underperformed. The Supervisory Committee was provided with an analysis of the results and underlying causes.

Following the actions taken in 2015 by Vesteda's management, under direct supervision of the CEO, to improve Vesteda's ranking in the GRESB Benchmark Report 2016, the Supervisory Committee was pleased to be informed that Vesteda had achieved Green Star status. Management has integrated CSSR throughout its Business Plan 2017 and the Supervisory Committee will continue to monitor the integration of CSSR in plans, investment proposals, etc.

In the fourth quarter of the year, the Managing Board consulted the Supervisory Committee on the content of the Business Plan for 2017-2021. The Supervisory Committee was able to provide its advice and deemed this to be a very efficient process. The Supervisory Committee supported the fact that the Managing Board also gave the participants the opportunity to express their views on certain strategic topics, such as the policy regarding the distribution of fund's net income and the raising of equity at the informal Annual Participants' Day.

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

In 2015, Vesteda's management initiated an improvement plan (Vesteda Verbetert), which was rolled out throughout the organisation. The aim of this programme is to transform Vesteda into a High Performance Organisation focused on quality and improved business processes. The Supervisory Committee was informed of several projects, focusing on the improvement of processes within the finance and procurement departments. In addition, the Supervisory Committee was pleased to be informed of the project to redefine Vesteda's mission, vision and company values. An update was necessary in light of Vesteda's position in the market and its long-term ambitions. The Supervisory Committee was able to provide feedback on the initial results and fully supports the final outcome, as further outlined in the section Strategy and long-term objectives of this report.

The Supervisory Committee devoted considerable time and attention to the recruitment processes and organisational changes as described above. At Supervisory Committee level, the composition of the committees of the Supervisory Committee was adjusted due to the fact that Mr. Copier joined and Mr. De Boo left the Supervisory Committee. As part of his introduction, Mr. Copier was 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. Mrs. Van den Herik paid one-day working visits to four local offices to further acquaint herself with Vesteda's business.

A recurring activity of the Supervisory Committee is determining the bonuses of the Managing Board and the Management Team and setting targets for the year ahead. The Supervisory Committee further approved the amendment of one company target (which applies to all employees), due to the fact that this target was affected by a decision of the Managing Board over which the employees had no influence. The Supervisory Committee deemed this a fair decision and ensured that the target in question did not apply to the Managing Board and Management Team.

In light of its 'permanent education', the Supervisory Committee met off-site with the Managing Board and the Management Team, focusing on innovation and developments relevant for Vesteda. Members of the Supervisory Committee also attended seminars for members of supervisory boards on a broad range of topics, such as innovation and governance.

Risk Management & Compliance

As a regulated real estate fund, risk management is an essential part of Vesteda's day-to-day business. As such, the Supervisory Committee ensured that this topic was periodically addressed in the Audit Committee and that it was updated on this topic by the chairman of the Audit Committee. Further to the proposal of the Audit Committee, the Supervisory Committee approved creation of the position of Internal Auditor (who was appointed later in 2016).

Back in 2015, the Supervisory Committee was informed of certain deficiencies in the IT framework and the actions that had been taken to solve these issues. In 2016, the Supervisory Committee continued to monitor the developments in this respect, in particular the outsourcing of certain IT functionalities to a third party, plans to move to a "best of suites" landscape and the recruitment of a new IT manager.

The Supervisory Committee received periodic updates from the newly appointed Compliance Officer on regulatory and legal matters related to the business. The Supervisory Committee supports the enhanced focus on compliance in the year ahead.

Miscellaneous

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 gain information on current matters. Several members attended meetings of the Works Council and emphasised their availability for discussions in light of the reorganisation that was announced in mid-2016.

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. The Supervisory Committee agreed on a number of principles for all members to adhere to when interacting with the participants, such as informing the Managing Board of the outcome of these meetings.

The Supervisory Committee performed a self-assessment at the end of 2016, which was supported by an external advisor. 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 improve the efficiency of meetings by pre-discussing matters to focus on during the meetings and reduce the number of staff at meetings.

Overall, the Supervisory Committee and the Managing Board worked well together in 2016. Information was provided in a timely fashion and was clear and sufficient enough for the Supervisory Committee to perform its duties. In addition, 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 six times in the year under review. It discussed in detail the periodic and annual financial statements and the management letter and early warning memorandum of the auditor in the presence of the Fund's CEO, CFO and external auditor. The committee discussed accounting issues and principal assumptions, judgments and valuations, 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 discussed in more detail the effects of the AIFM license on the reporting requirements of the manager and the reporting on the remuneration of the Managing Board in the annual report. The latter has become more transparent as a result.

In the year under review, Vesteda appointed a new auditor, Deloitte. The Audit Committee led and supervised the transition from EY to Deloitte and was presented with Deloitte's audit plan. For practical reasons, it was agreed that EY would continue to audit the ISAE process for 2016. Deloitte provided the Audit Committee with an update of its audit activities in the course of the year and stated that so far there were no material findings.

At the advice of the Audit Committee, the Managing Board presented an internal audit charter and related proposal to create an Internal Auditor position within Vesteda. The Audit Committee emphasised the importance of focusing on the cooperation between the Internal Auditor, the Risk Management Officer and the Compliance Officer. The proposal was eventually approved by the Supervisory Committee.

The Audit Committee devoted considerable time and attention to supervising the Fund's refinancing activities in 2016 and the Supervisory Committee provided it with a mandate to do so. The Audit Committee approved the issuance of notes to the amount of € 100 million to refinance secured loans within the applicable framework and guidelines. This has contributed to a reduction of the asset encumbrance, the improvement of Vesteda's corporate funding profile and increased disposal flexibility.

Every year the Fund is supposed to evaluate and, if required, adjust its risk management policy. The Audit Committee took note of some minor changes proposed and the general proposal not to amend the leading risks identified. The Audit Committee was pleased with the incorporation of CSSR in all aspects of the organisation and established the policy. The Audit Committee was periodically provided with Risk Management reports and was able to consult the Risk Management Officer on the results. Based on the reports, the Audit Committee advised the Managing Board to pay continuing attention to tax matters relating to all aspects of the Fund. The Audit Committee subsequently observed that the Managing Board took adequate measures in this respect.

The Audit Committee was periodically provided with reports drawn up by Intertrust, the mandatory depositary of the manager pursuant to the Alternative Investment Fund Managers Directive. On the basis of these reports, the Audit Committee ascertained that the cooperation with Intertrust is satisfactory.

A recurring topic on the agenda of the Audit Committee was the status of the Fund's IT framework. The Audit Committee supervised the outsourcing of IT activities to an external service provider. Overall, the transition was successful, albeit with a number of operational hiccups in the process. The Audit Committee was also updated on the progress of the recruitment of a new IT manager. The Audit Committee fully supported the idea that a highly experienced manager should be recruited to take IT to a higher level within the organisation and make it the internal business partner it should be.

The Audit Committee discussed the outcome of several internal audits and took note of the Internal Audit Plan for 2016. The newly appointed Internal Auditor presented her first findings and plans to further improve the risk/control framework.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee ("NR Committee") comprises of Mrs. Van den Herik and Mr. Copier and met four times in 2016.

The members of the NR Committee were heavily involved in the recruitment of the new CFO. The NR Committee evaluated the process and deemed that it was executed diligently with the right checks and balances.

In preparation for the meetings of the Supervisory Committee, the NR Committee discussed with the Managing Board the proposed amendments to the organisational structure. The reorganisation was eventually approved by the Supervisory Committee. The NR Committee will continue to monitor the transition to the new organisational structure, and in particular the impact on the employees and the mitigation of operational risks related to the transition.

The NR Committee was informed by the HR director on the progress made with the "Vesteda Verbetert" improvement programme, which was introduced in 2015 and is aimed at transforming Vesteda into a High Performance Organisation ("HPO"). This led to the improvement of several processes within the organisation. The NR Committee has emphasised that it is important that the HPO concept forms an integral part of the organisation and the workforce. Due to the reorganisation, the programme will be adjusted accordingly.

The CEO and HR Director have periodically updated the NR Committee on their meetings with the Works Council, particularly in light of the reorganisation that was announced mid-year and the general terms of employment that were negotiated in the year under review. The NR Committee was informed that the Works Council was critical, yet cooperative.

In light of succession planning, the NR Committee extensively discussed the high potentials within the organisation and the development of high-quality employees. The NR Committee was pleased to see that the reorganisation provided an opportunity to promote several of the high potentials within the organisation.

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 2016. The targets are aimed at generating long-term benefits for Vesteda. The NR Committee approved the reduction in the number of targets and the amendment of the qualitative targets to make them more ambitious.

Meeting of Participants

Vesteda convened two regular Participants' Meetings in the year under review. These included the annual meeting in April, 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 in December, the participants discussed and approved the Business Plan 2017. Furthermore, Vesteda convened two extraordinary Participants' Meetings related to i) the appointment of Mr. Copier as a member of the Supervisory Committee and ii) the acquisition of a large portfolio in Amsterdam. The Participants were also given the opportunity to vote, via a proxy granted by Stichting Administratiekantoor Vesteda, in an extraordinary general meeting of shareholders of Vesteda Investment Management B.V. on the appointment of Mr. Frits Vervoort as managing director of said company. In addition, participants were able to attend the annual informal Participants' Day in September.

Amsterdam, 17 March 2017

Supervisory Committee

Peter Kok (*Chairman*), Hans Copier, John de Die and Seada van den Herik

Key portfolio developments

Introduction

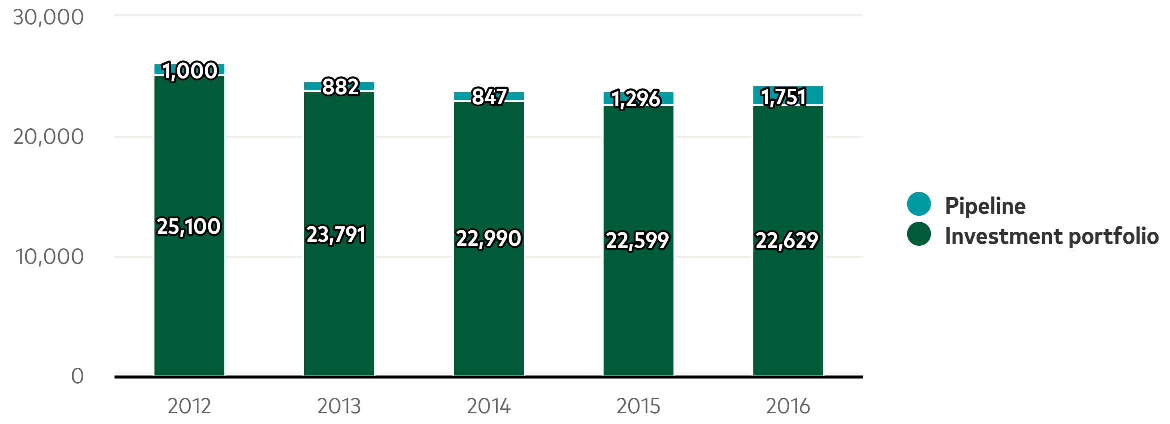
The composition of the portfolio is based on the following three pillars:

- 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 five years, based on market segmentation and strategic portfolio criteria.

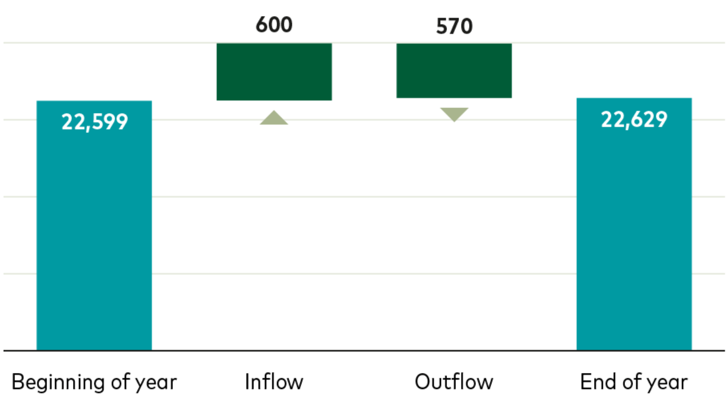
Units

Total number of units in investment portfolio and acquisition pipeline



Please see the section Key portfolio characteristics of this report for the segmentation of our portfolio by type of residential unit.

Changes in investment portfolio (number of units)

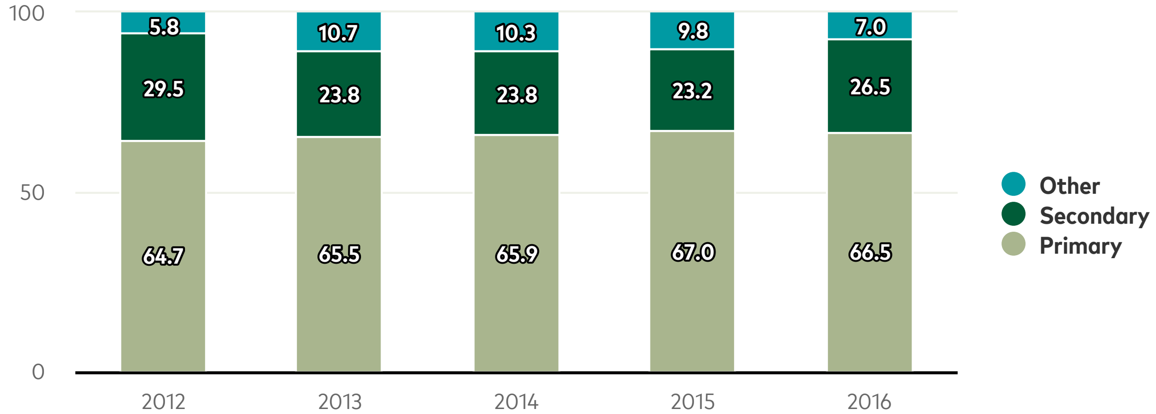


The total number of residential units stood at 22,629 at year-end 2016, a small increase of 0.1% compared to year-end 2015.

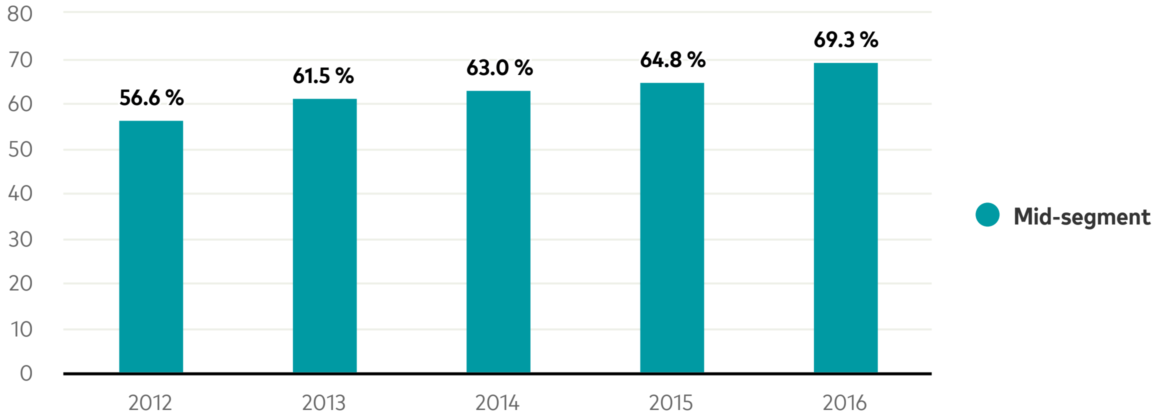
At year-end 2016, 66.5% of the investment portfolio is located in the primary part of the portfolio compared to 67.0% at year-end 2015. This slight drop is due to the fact Vesteda no longer considers a number of regions as primary region.

In line with our strategy of focusing on the mid-rental segment of the market, the percentage of our investment portfolio in this segment had increased to 69.3% at the end of 2016, from 64.8% at the end of 2015.

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 rents and theoretical rent

The market rent was 0.6% below the theoretical rent at year-end 2016. Although still negative, the reversionary potential has improved to -0.6% from -0.9% in 2015 on the back of strong market rent growth which underlines the quality of our portfolio.

Investment portfolio, market rent and theoretical rent

Year-end (€ million)	2016	2015	2014	2013	2012
Market rent	250	243	244	243	260
Theoretical rent	251	244	248	249	259

Rental income trends

Investment portfolio, average monthly rent

Year-end (€)	2016	2015	2014	2013	2012
Average monthly rent	882	856	843	827	806

In 2016, the average rental income per unit rose by 3.0% to € 882. The main driver of this increase was the annual rent increase on 1 July 2016 (+2.6%). Vesteda's ability to successfully increase rents is a confirmation of the success of our strategy of focusing on primary regions and the mid-rental segment. The result of the rental increase was dampened by the impact of lower realised rents from re-lettings (-0.2%) and was positively impacted by the inflow and outflow of residential units (+0.6%).

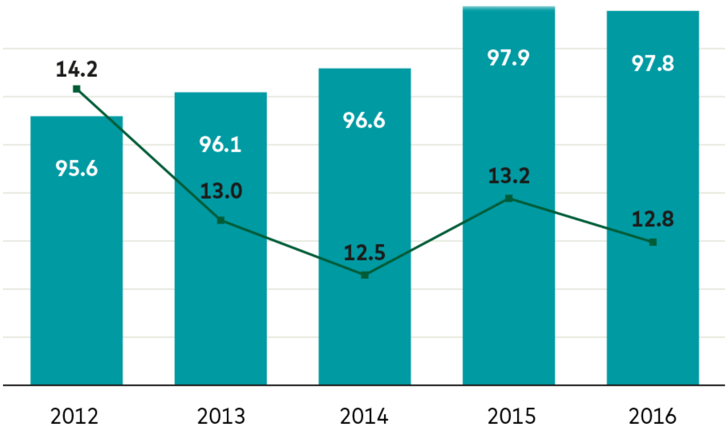
Investment portfolio, average rental increase by source

	2016	2015
Beginning of year compared with year-end		
Like-for-like rental increase	2.4%	1.3%
- Average rental increase for current tenants	2.6%	2.0%
- Re-letting	(0.2%)	(0.7%)
Inflow and outflow of properties in the portfolio	0.6%	0.2%
Total increase in average rent	**3.0%**	**1.5%**

On a like-for-like basis, rental income increased by 2.4%. The like-for-like average rent increase is above inflation (1.0% December 2016 y-o-y) and confirms the sound inflation hedge provided by the portfolio.

The occupancy rate (in units, year-end) fell slightly to 97.8% in 2016, from 97.9% in 2015. This was mostly due to the refurbishment of units in order to achieve higher rents, in line with our strategy of rent optimisation. Tenancy turnover dropped slightly to 12.8%.

Physical occupancy rate and tenancy turnover



Realised rental income

Investment portfolio, realised rental income

(€ million)	2016	2015	2014	2013	2012
Gross rental income	242	237	237	240	243
Net rental income	182	176	176	181	177
Gross/net ratio	24.9%	25.5%	25.9%	24.8%	27.5%
Gross/net ratio landlord excl landlord levy	23.3%	23.6%	24.0%	24.7%	-

In 2016, the gross/net ratio improved to 24.9%, despite the increase in the landlord levy to 0.491% from 0.449%. 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 improved to 23.3%, compared with 23.6% in 2015.

Value of investment portfolio

The table below shows the value growth of the investment portfolio, which increased to € 4,207 million as at 31 December 2016, an increase of 12.9% compared with the previous year (2015: € 3,726 million).

Investment portfolio, value

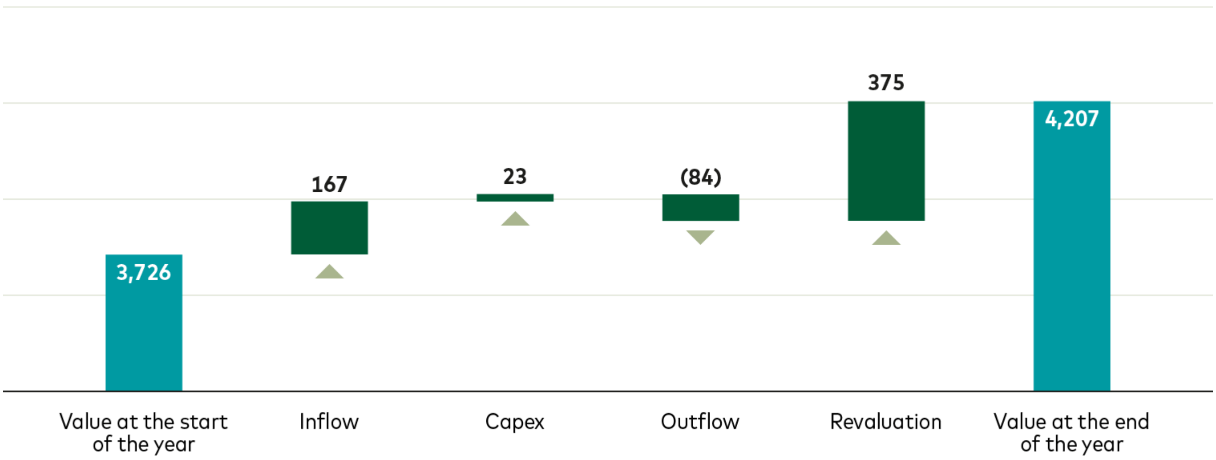
Year-end (€ million)	2016	2015	2014	2013	2012
Single family houses*	1,578	1,474	1,399	1,429	1,528
Apartments*	2,629	2,252	2,193	2,226	2,441
Total	**4,207**	**3,726**	**3,593**	**3,655**	**3,970**
Total number of residential units	22,629	22,599	22,990	23,791	25,100

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

Value changes in detail

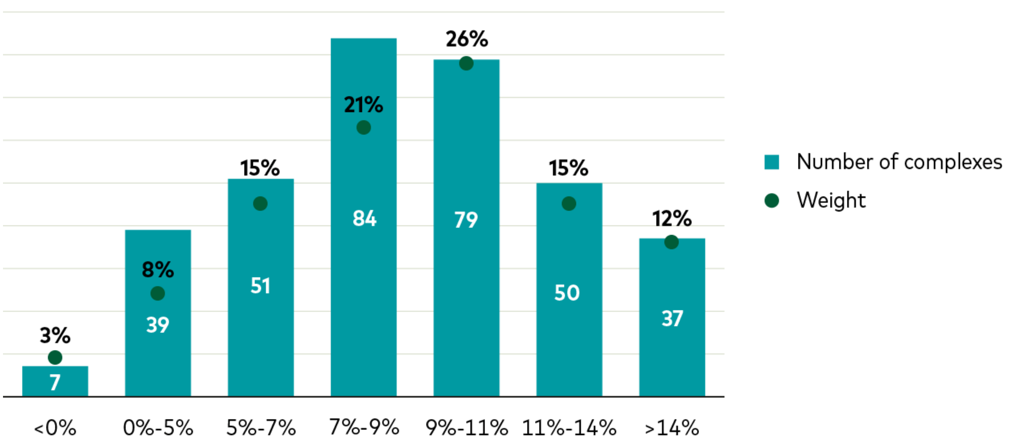
Based on the value at the beginning of 2016, the revaluation of the investment portfolio was 10.1%. This positive revaluation of 10.1% was the main driver of the 12.9% net increase in the value of the investment portfolio. The graph below shows the changes and the impact of revaluation.

Investment portfolio, changes in value (in € million)



Capital expenditures were slightly higher than in 2015 (€ 23 million versus € 20 million), largely due to the increased investments in improvements to the sustainability of our portfolio. Inflow and outflow led to a net inflow of € 83 million or 2.2% in the value of the portfolio. Property revaluations added € 375 million, or 10.1%, to the value of the portfolio.

Revaluation (number of residential complexes)



The portfolio revaluation amounted to 10.1% for 2016. This positive result was largely related to the primary region (+10.8%) and the mid-rental segment (10.2%). Residential complexes in the higher and regulated segment saw an average value increase of 10.1% and 9.4% respectively.

Average value per residential unit

The average value per residential unit in the portfolio increased by 16.2% to € 186,000 at year-end 2016. This increase was largely the result of the revaluation of 10.1%. Additionally, there was a (portfolio) mix effect due to the addition of new units with a higher value and the lower value of the units sold.

Investment portfolio, average value per residential unit

Year-end (€ thousand)	2016	2015	2014	2013	2012
Average value per residential unit	186	160	152	151	154

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 for the second consecutive year. In 2016, the gross initial yield declined by 70 basis points to 5.9%. This decline in yield is the result of favourable market circumstances and increased competition as also reflected in the positive revaluation of the portfolio.

Portfolio, gross yield

(in %)	2016	2015	2014	2013	2012
Gross yield	5.9	6.6	6.9	6.8	6.5

Segmentation of investment portfolio

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).

Segmentation investment portfolio, rental segment and region

	Weight in units	Weight in value	Average year of contruction
Fund	100%	100%	1990
Primary	61%	67%	1991
Secondary	30%	26%	1988
Other	9%	7%	1986
> € 1,200	9%	17%	2006
Non-reg. - € 1,200	68%	69%	1988
Regulated	23%	14%	1981

	Gross/net ratio	Gross financial vacancy	Occupancy rate	Rent 2016 vs 2015	Average rent increase	Revaluation 2016
Fund	25%	2.8%	97.8%	3.0%	2.6%	10.1%
Primary	26%	3.1%	97.6%	5.7%	2.5%	10.8%
Secondary	24%	2.1%	98.4%	0.4%	2.4%	9.3%
Other	28%	3.2%	97.2%	(4.4%)	2.6%	6.8%
> € 1,200	24%	3.2%	95.5%	0.8%	2.5%	10.1%
Non-reg. - € 1,200	24%	2.7%	97.9%	5.2%	2.5%	10.2%
Regulated	33%	2.7%	98.3%	(1.6%)	2.3%	9.4%

Corporate Sustainability and Social Responsibility

General

Corporate Sustainability and Social Responsibility (CSSR) is of vital importance for the long-term value development of the portfolio of Vesteda and our organisation as a whole. We believe that our efforts in the field of CSSR improve and strengthen Vesteda, both directly and indirectly. And that they result in future-proof returns on our investments. Our CSSR targets are an integral part of our Business Plan and are therefore firmly embedded in our business operations.

To shape our CSSR strategy, we use the three pillars of the ESG model: Environmental, Social and Governance. We defined six projects in the context of these pillars in 2016: Organisation / Behaviour, Portfolio Sustainability Improvement, Procurement, Mobility, GRI G4 and GRESB.

Environmental - Improve sustainable performance

As a fund, we seek to constantly improve our performance in the field of sustainability. We believe that this helps us safeguard the attractiveness of the fund and optimise our long-term risk return ratio. Our objective is to reduce our consumption of energy and water, and cut waste and CO2 emissions as much as possible. We also aim to use materials that have no harmful effect on the environment, and we want to work with business partners who share our own high standards in terms of sustainability.

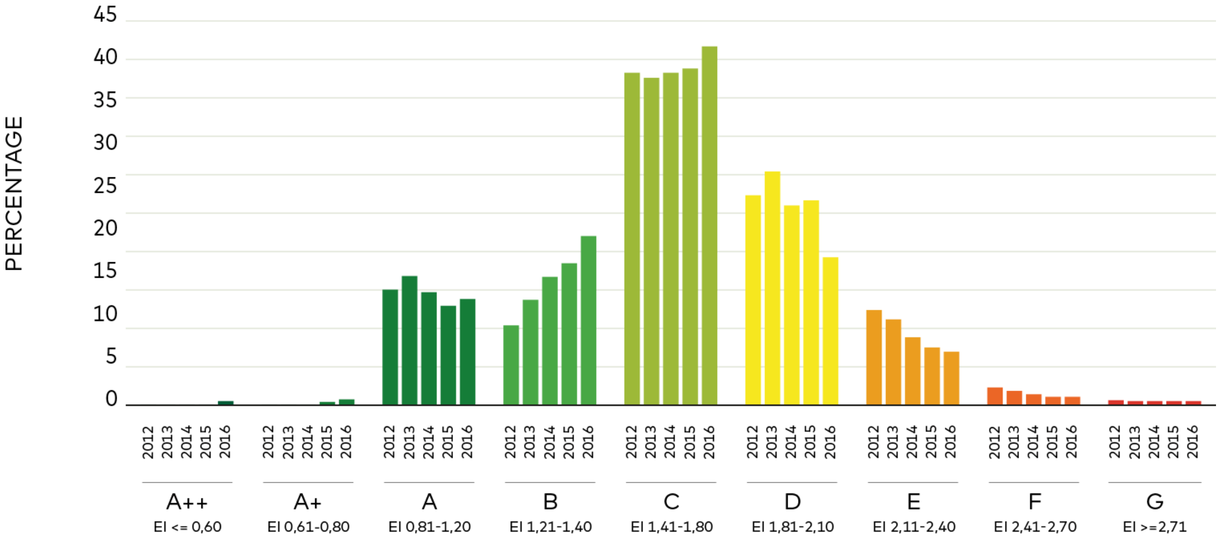
Strategic project: Portfolio Sustainability Improvement

In 2015, Vesteda's participants approved a plan to allocate € 23 million over five years to improving the energy performance of Vesteda's complexes, with the ultimate aim of surpassing the agreements laid down in the Dutch government's Energy Agreement for 2020. By the end of 2020, at least 80% of Vesteda's houses will have energy label A, B or C; no more than 20% of Vesteda's houses will have energy label D; and Vesteda will have zero houses with labels E, F, or G.

In 2016, we improved the energy performance of the first 15 complexes, which include a total of 1,161 houses. We spent € 1.9 million of the budget of € 23 million on these improvements.

- The percentage of houses in our portfolio with a green energy label (A++, A+, A, B, of C) increased to 75% in 2016 from 68% the previous year. This meant that we exceeded our target of 74% for the end of 2016.
- The percentage of houses with a D level declined to 17%, from 24% the previous year.
- The percentage of houses with an E or worse energy label remained at 8%. This is due to the acquisition of the Olympia portfolio (205 houses). At the end of 2016, Vesteda had 1,709 houses with energy label E or worse.

Changes energy labels houses 2012 through 2016



In 2016, Vesteda introduced the following measures to improve the energy performance of the houses in its portfolio:

Overview of energy performance measures 2016

	2016	2015	2014	2013	2012
High efficiency boilers	1564	1026	663	489	746
DC ventilators	550	364	-	-	-
High efficiency glazing	531	555	481	186	402
Roof insulation	273	-	74	57	100
Cavity-wall insulation	87	-	66	-	1
Under-floor insulation	21	1	-	8	40
LED lighting (complexes)	2				
Solar panels (complexes)	3				

In 2016, we fitted solar panels at three complexes.

- At the Rechterenborg complex in Renkum, we fitted 128 solar panels to supply sustainable energy for the public spaces.
- At the 14Noord complex in Amsterdam we fitted 56 solar panels for the energy supply to the houses (four solar panels per house).
- At the De Hagen complex in Amsterdam we fitted 158 solar panels for the energy supply to the houses (four solar panels per house), and 30 solar panels for the energy supply of the public spaces.

We allocated an additional sum of € 10.0 million to the Schuilenburg complex in Amersfoort, to make this complex energy-neutral. Thanks to these efforts, this complex will make the leap to energy label A++. The necessary work will be carried out in 2017.

In 2016, we applied for the SDE grant for the exploitation of solar panels. This subsidy was allocated to 12 complexes for a total of € 0.10 per kWh. We are currently drawing up an implementation plan for the fitting of the solar panels.

Healthy and safe houses

Our aim is to provide our tenants with safe and healthy houses. To ensure we do this as effectively 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, beyond roofs and in the event of any plans for demolition or renovation work, Vesteda plans to conduct asbestos inspections at all the properties in its portfolio that have not already been inspected. If any asbestos is found during these inspections, Vesteda will take appropriate action, including potential clean-ups and providing information for tenants and third parties.

Asbestos inspections

	Status end-2016 based on number of complexes	Status end-2015 based on number of complexes
No inspection necessary based on construction year	40%	39%
Inspected	47%	34%
To be inspected	13%	27%

The percentage of complexes yet to be inspected amounts to 13% at year-end 2016.

In 2016, we carried our various asbestos clean-up activities at 10 complexes. These involved clean-up operations in a total of 257 houses and two public spaces.

Central heating installations

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

In 2016, we used statements from the specialist technical installation companies over 2015 and 2016 to determine the percentage of central heating installations and combined heat and power installations (see below) that received timely maintenance.

These percentages are not yet at the desired level of 100%. One of the problems the technical installation companies encounter is that they cannot always plan maintenance appointments with all of our tenants on time. We will now work with the installation companies to determine what measures we can take to improve this process. For instance, we can stress the importance of timely maintenance work in our communications with tenants. We can also look at how we can simplify the process for tenants to make appointments with the specialist technical installation companies.

Combined heat and power installations

To ensure the smooth operation of its combined heat and power installations and a healthy interior climate, Vesteda has signed 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 checks on spare filter sets and the replacement of sets if necessary.

Lifts

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

In 2016, Vesteda closed a contract with a Dutch specialist firm in the field of lift safety. The company tests the correct operation of the speak-listen connection in the elevator every three days. This means that in the event of someone getting stuck in a lift, it is possible to reassure them and call in assistance to free them. In 2016, more than 100 lifts were inspected and tested. We will continue the roll out of this system in 2017.

Legionella

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

Risk map

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

Fire safety

In 2016, Vesteda had a total of 48 complexes surveyed by an organisation specialised in building safety and regulations, based on the risks identified in the risk maps. The outcome of these surveys has been incorporated in the maintenance plans and the maintenance budgets of those complexes.

This survey was in addition to the structural maintenance and checks Vesteda has carried out annually in the field of fire safety. These include annual visual inspections of fire extinguishing equipment, water pipes and emergency lighting. On top of this, the dry risers are pressure-tested every five years.

Replacement of steel gas pipes

The steel gas pipes in three complexes were replaced with copper pipes as a preventative measure by order of the Lelystad municipal authorities. In addition, we also replaced the steel gas pipes in a complex in Leeuwarden. In total, we had gas pipes replaced in more than 200 houses in 2016.

Sustainability in the chain

At the end of 2016, we asked our largest suppliers and a number other preferred suppliers to sign the sustainability declaration suppliers (*duurzaamheidsverklaring leveranciers*) of the association of institutional property investors in the Netherlands (IVBN). We consider suppliers to include parties who are under contract with the Operations department and who provide goods and services that have an impact on one or more complexes. This may involve either one-off activities or recurring periodical activities. By signing the IVBN declaration, our suppliers endorse and declare they will act in accordance with the IVBN's vision of sustainability and social responsibility.

We have asked a total of 34 suppliers to sign the IVBN's sustainability declaration for suppliers. These suppliers represent more than 80% of the activities the Operations department contracted out in 2016. Of the 34 suppliers, 31 signed the declaration (score in February 2017). We will enter into a dialogue with those suppliers who have not yet signed the declaration. If the consultations do not lead to a satisfactory outcome, Vesteda may decide to terminate the cooperation.

In 2017, Vesteda's procurement department was given a more central role within our organisation. On the basis of our top 20 suppliers in terms of revenues in 2016, we see that suppliers who have not signed the IVBN declaration are mainly suppliers whom we gave one-off assignments.

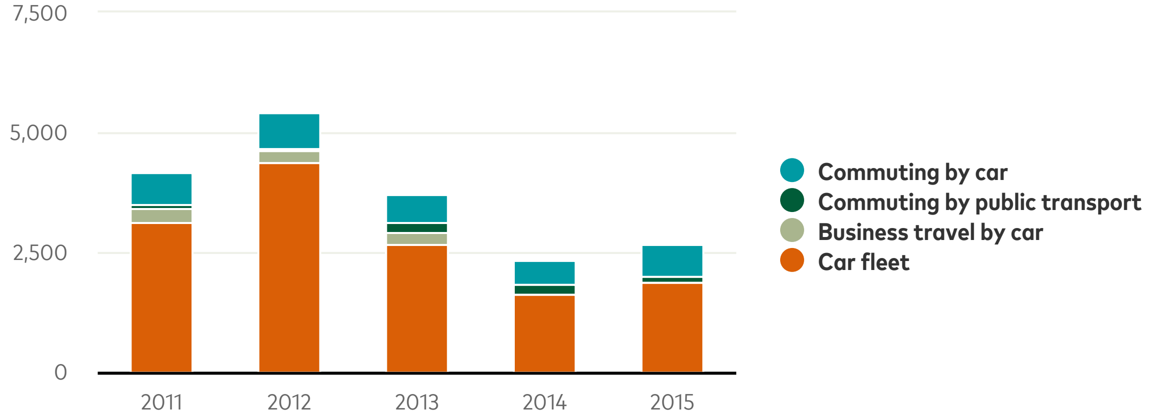
We have therefore decided that in 2017, the IVBN sustainability declaration will be an integral part of our tender process and part of Vesteda's standard conditions for one-off assignments for work in our buildings. This means that at the start of the process Vesteda will determine and consider whether it is important that the supplier underwrites the sustainability terms for the outsourced work in question or whether Vesteda can deviate from this condition in this particular instance.

In 2016, we introduced fixed suppliers criteria for the signing of new (framework) contracts. Sustainability is now one of the standard criteria for these contracts.

Strategic project: Mobility

The goal of this project is to reduce our CO2 emissions due to mobility. In 2015, the total CO2 footprint of our organisation was 805 tonnes of CO2, which was a reduction of 1% compared to 2014. Transport accounted for 59% of our CO2 footprint, or a total of 478 tonnes of CO2. This was an increase of 14% compared to 2014, and was probably due to an increase in employee traffic between our offices in Amsterdam, Maastricht and the regions. The figure below shows the transport-related CO2 emissions between 2010 and 2015. The results for 2016 were not available at the writing of this report.

Transport-related CO2 emissions between 2011-2015



- In 2016, we made a start with a modified mobility policy. Our new organisational structure will lead to less employee traffic.
- We modified our parking policy to stimulate the use of public transport.
- We improved our use of teleworking, based on the 'anytime, anywhere' principle.
- We developed a business case for the use of electric cars at our future Amsterdam head office De Boel. The electric cars will be operated on the basis of a ride sharing principle, and will be available for both our employees and our tenants.

Strategic project: Sustainable procurement

Our goal is to manage and reduce our use of resources (energy, water) and to reduce the production of waste and greenhouse gases. In order to measure our use of resources, we initiated a project to install smart meters in the common areas of our complexes so that we can acquire data of the highest possible quality. We have now installed smart meters in approximately 70% of the common areas of the complexes in which we are the sole owner, and in approximately 40% of complexes in which we are not the sole owner. These complexes are operated by the residents' association (VVE), which means that the association must approve any measures. We expect to increase the number of smart meters in 2017. In addition, we have initiated a process to centralise our energy procurement. This will enable us to choose the suppliers with the most sustainable energy sources for our entire portfolio.

We aim to reduce the energy consumption of the common areas in our investment portfolio by 20% between 2016 and 2020. In 2016, our energy use decreased by 3.2% on a like-for-like basis. The results are shown in the figure below.

Energy, GHG and Water public areas

	absolute		like-for-like		Δ %
	2016	2015	2016	2015	
Energy (common areas)					
Total energy consumption (x 1,000 kWh)	12,879	11,886	10,929	11,293	(3.2%)
Corresponding properties	163	134			
Percentage covered in investment portfolio	78%	64%			
Greenhouse gas emissions (x 1,000 kg CO2)	1,696	1,344	1,004	1,133	(11.4%)
Water (common areas)					
Total water (x1,000 m3)	124	78	74	74	0.1%
Corresponding properties	74	26			
Percentage covered in investment portfolio	35%	12%			
Natural gas (residential units)					
Total natural gas consumption (x 1,000 m3)	2,638	2,322	2,309	2,185	5.7%
Corresponding properties	27	20			
Percentage covered in investment portfolio	87%	65%			
Greenhouse gas emissions (x 1,000 kg CO2)	4,978	4,382	4,358	4,123	5.7%

99.8% of the natural gas consumption in 2016 relates to complexes in which heating of the residential units is provided by a central installation.

Social - Engaged stakeholders and socially engaged organisation

We believe it is important to engage in sustainable relationships with our tenants, participants, employees and our other stakeholders. We communicate openly and transparently about our activities in the field of CSSR and consider it a part of our social responsibility to encourage and increase the awareness, engagement and responsibility of both our employees and our other stakeholders in the field of sustainability. In addition, as a fund we want to contribute to society as a whole and to the neighbourhoods where our complexes are located in particular.

Strategic project: Organisation / Behaviour

In 2016, we integrated CSSR fully into our Business Plan and used the Vesteda Verbetert (Vesteda Improves) programme to make CSSR an integral part of our new organisational structure. This yielded a number of sustainability initiatives, such as the fitting of smart meters in all our public spaces and the kick-off of a process of transition towards centralised energy purchasing. We also launched the following initiatives in 2016:

- We organised a residential conference with two residential real estate investors from the UK and one from Finland. The purpose of the conference was to exchange best practices in various fields, including sustainability.
- We signed a covenant with the Blue Building Institute, in which we pledged to help implement the WELL Building Standard™ [17] in the Netherlands via a pilot project. We have since launched the first phase of this pilot project.
- We organised a workshop on sustainability, with the purpose of developing 10 ‘rules of the game’ that can serve as a guideline for our employees in the execution of their tasks. Some examples:
  - Vesteda is working on energy-neutral complexes and neighbourhoods
  - Vesteda focuses on healthy living
  - Vesteda adds green
  - Vesteda encourages social cohesion

- We installed a roof garden that enables social interactions between our tenants and also acts as a water reservoir, on the roof of our future head office De Boel. We developed the roof garden in close consultation with the local water board and the Amsterdam city council.

Governance - Responsible business and transparent organisation

Our aim is to be open and transparent about our progress on the sustainability front, and we strive to meet the highest possible standards in reporting on CSSR-related activities.

Strategic project: GRI-G4

In both 2015 and 2016, Vesteda used the GRI-G4 standards to report on its CSSR policy in its annual report. For more information, please see the section About 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 sustainability performance of the real estate sector and is now a widely-recognised and well-respected initiative. The environmental benchmark rates environmental management practices and their implementation, making it possible to compare the ratings of different real estate investments with both their national peer group and the GRESB global average. 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 real estate funds. To contribute to the continued evolution of the benchmark, Vesteda joined GRESB as a member in 2013. After successfully implementing the action plan to enhance overall GRESB performance, in 2016 Vesteda was awarded a ‘Green Star’ classification by GRESB, with three stars out of a maximum of five.

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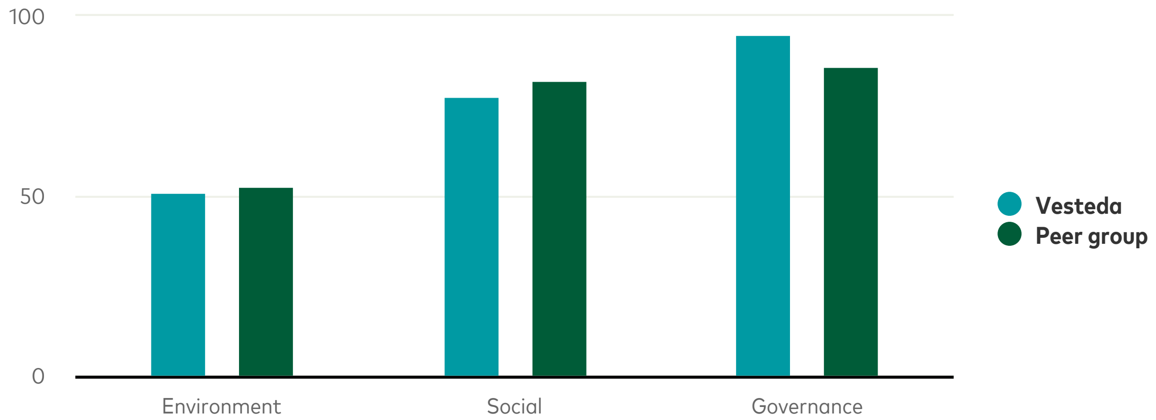
17 "The WELL Building Standard™ is an evidence-based system for measuring, certifying and monitoring the performance of building features that impact health and well-being. WELL is administered by the International WELL Building Institute™ (IWBI), a public benefit corporation whose mission is to improve human health and well-being through the built environment." (source: www.wellcertified.com).

Vesteda remains committed to being in the top quartile nationally by 2020.

In 2016:

- Our ranking increased to 5th out of 10 from 11th out of 11.
- Our overall score increased by 76% to 67 points out of 100 (peer average: 67 points, global average 60 points).
- Our Environment score increased by 264% to 51 points out of 100 (peer average 53, global average 53 points).
- Our Social score increased by 24% to 78 points out of 100 (peer average 82, global average 64 points).
- Our Governance score increased by 32% to 95 points out of 100 (peer average 86, global average 74 points).

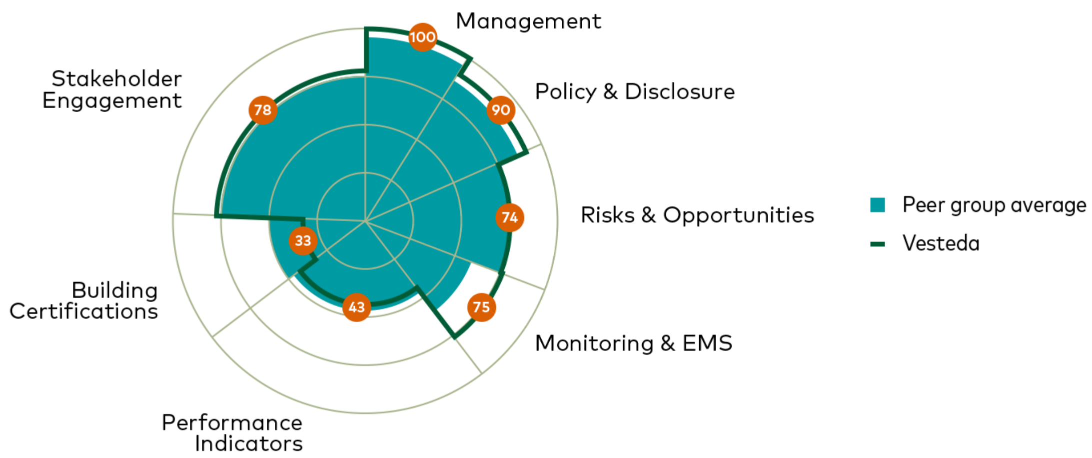
ESG breakdown GRESB 2016



GRESB uses the ESG model in order to rank the environmental score of the participating entities. The ESG model is further divided into eight aspects in order to calculate the overall GRESB score.

Our GRESB score 2016 per aspect is visible in the graph below.

GRESB score 2016



Organisation

Organisational structure

Vesteda is an internally managed fund with in-house property management. At year-end 2016, Vesteda employed a total of 181 FTEs.

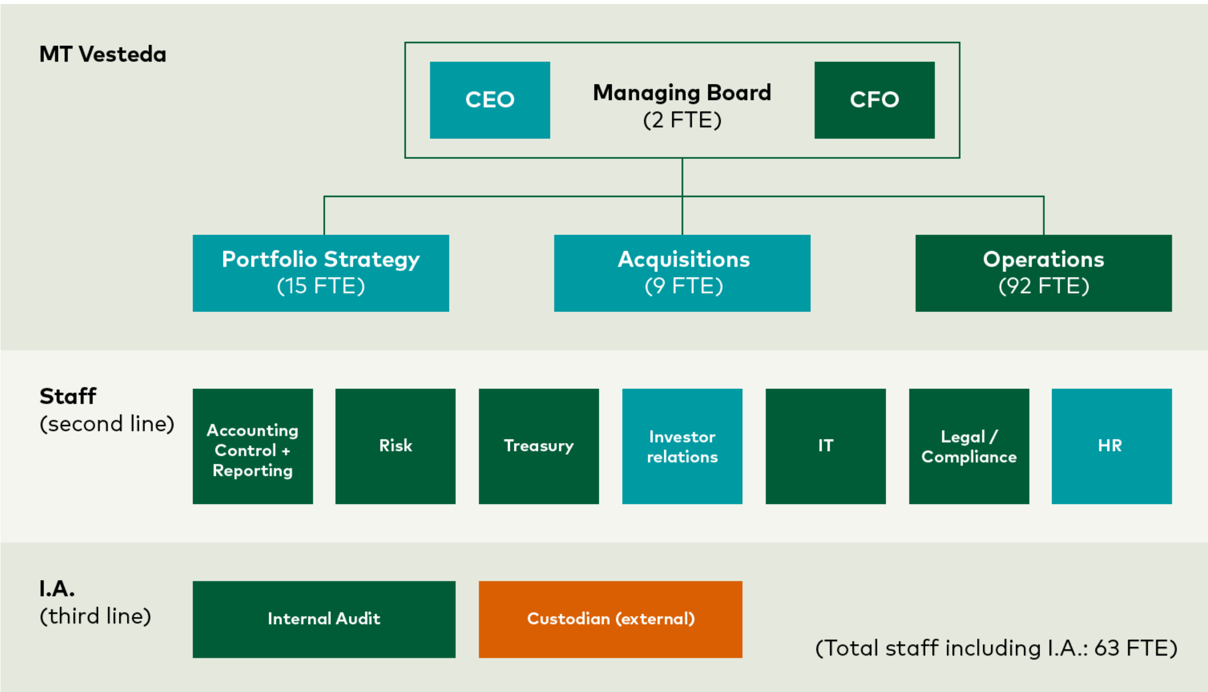
In 2016, we decided to combine our three main offices in one head office in Amsterdam. The former head office in Maastricht, the current head office in Amsterdam and the office in the Amsterdam Zuidoost district will be centralised in the new head office in Amsterdam. Vesteda is maintaining its five regional offices and added one more in 2016 for a total of six regional offices. Our new head office will be located on De Boelelaan in Amsterdam Buitenveldert, directly opposite Amsterdam's Zuidas business district and is located on the first floor of the completely refurbished and recently completed apartment complex De Boel. Vesteda expects to complete the relocation to the new head office after the summer of 2017.

At the same time, we decided to change its organisational and operational structure to create the best possible conditions for the realisation of our strategic targets.

The new organisational structure consists of three core departments: Portfolio Strategy, Acquisitions and Operations. The three directors of these core departments together with the two-person statutory Managing Board form Vesteda's Management Team.

The Portfolio Strategy department is responsible for the desired portfolio development, monitoring and continuous optimisation of the quality and value growth of the portfolio. The Acquisitions department bears responsibility for the execution of the portfolio strategy through the purchase and sale of residential complexes and portfolios. The Operations department is responsible for the quality of our services, the maintenance of the portfolio, individual unit sales and technical and operational asset management.

New organisational structure



Workforce

At year-end 2016, Vesteda employed 181 FTEs, an increase of 1.1% compared to the number of employees at year-end 2015 (179 FTEs). The number of employees had increased to 202 at year-end 2016 from 199 at year-end 2015.

FTEs

FTEs	2016	2015	2014	2013	2012
Year-end	181	179	189	227	253
Annual average*	179	179	211	235	275

* Average of 12x month-end balances

Employees

Employees	2016	2015	2014	2013	2012
Year-end	202	199	213	256	287

The average age of Vesteda employees remains approximately the same as the previous year and stood at 42.7 years of age in 2016. The largest portion (39%) of the workforce is between 35 and 45 years of age. The representation of the group between 45 and 55 years of age increased to 28%.

Workforce, by age

% of employees	2016	2015	2014	2013	2012
Younger than 35 years	20	20	19	20	20
35 to 45 years	39	41	39	37	38
45 to 55 years	28	24	26	27	28
Over 55 years	13	15	16	16	14
Total	**100**	**100**	**100**	**100**	**100**

The male/female ratio changed slightly in favour of the female population. At the end of 2016, 52% of the workforce was female, an increase of 1% compared to year-end 2015 (51%).

In 2016, 29 new employees joined Vesteda (45% female/55% male) and 26 employees left the company (35% female/65% male). Most of the departing employees either had to leave because they chose not to relocate to Amsterdam following the decision to close our Maastricht office or had to leave because of fixed-term contracts that were not renewed.

Following the appointment of Mr. Frits Vervoort as CFO of Vesteda, the male/female ratio within the Managing Board is 100/0. In 2016, Vesteda's Supervisory Committee consisted 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.

Workforce, by gender

% of employees	2016	2015	2014	2013	2012
Male	48	49	47	45	47
Female	52	51	53	55	53
Total	**100**	**100**	**100**	**100**	**100**

Total remuneration

Total remuneration came in at € 11.9 million (92% fixed and 8% variable) in 2016, which was unchanged from the previous year (total remuneration 2015: € 11.9 million).

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 to a sufficient degree. This requirement was met in 2016.

Organisation, employee development and training

The implementation of the new organisational structure started in October 2016. Vesteda's organisational structure has been brought into line with the fully integrated business concept. Strategy, focus, core values and core activities were leading in the design of the new organisational structure. Processes have been clustered into departments based around our three core activities, Portfolio Strategy, Operations and Acquisitions. In 2017, we will continue the implementation of the restructuring, which we expect to complete in the second quarter of 2017. Employees who lose their position as a result of the new structure and the closure of our Maastricht office are eligible for the social plan, which provides for redundancy pay and outplacement.

In 2016, we continued with our 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, our management and our employees. Activities are carried out for and by the staff members, guided and coached by 'Verbeter coaches' (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 2016 included the integration of the financial and technical departments, identifying Vesteda's mission, vision and core values and the further empowerment of all employees, including Verbeter coaches and management.

In 2016, Vesteda Verbetert will continue as part of our efforts to further streamline the organisation and its processes and stimulate and enable cooperation. The relocation in 2017 to one head office in Amsterdam will help to enhance cooperation.

In 2016, Vesteda invested € 505,000 (or 4.2% of the gross payroll) in the education and development of individual employees, the teams and the project Vesteda Verbetert.

Absenteeism

Absenteeism fell to 2.3% in 2016 from 3.1% in 2015.

Absenteeism

Percentage	2016	2015	2014	2013	2012
Total absenteeism	2.3	3.1	4.4	3.9	5.5
Absenteeism excluding long-term leave (> one year)	2.3	3.1	4.4	3.6	4.8

Works Council

In the course of 2016, the Works Council and the Managing Board had various scheduled meetings. The meetings between the Managing Board and the Works Council were constructive and successful. Topics addressed were labour conditions and variable remuneration, implementation of the mobility policy, sustainability, and the whistle blower policy.

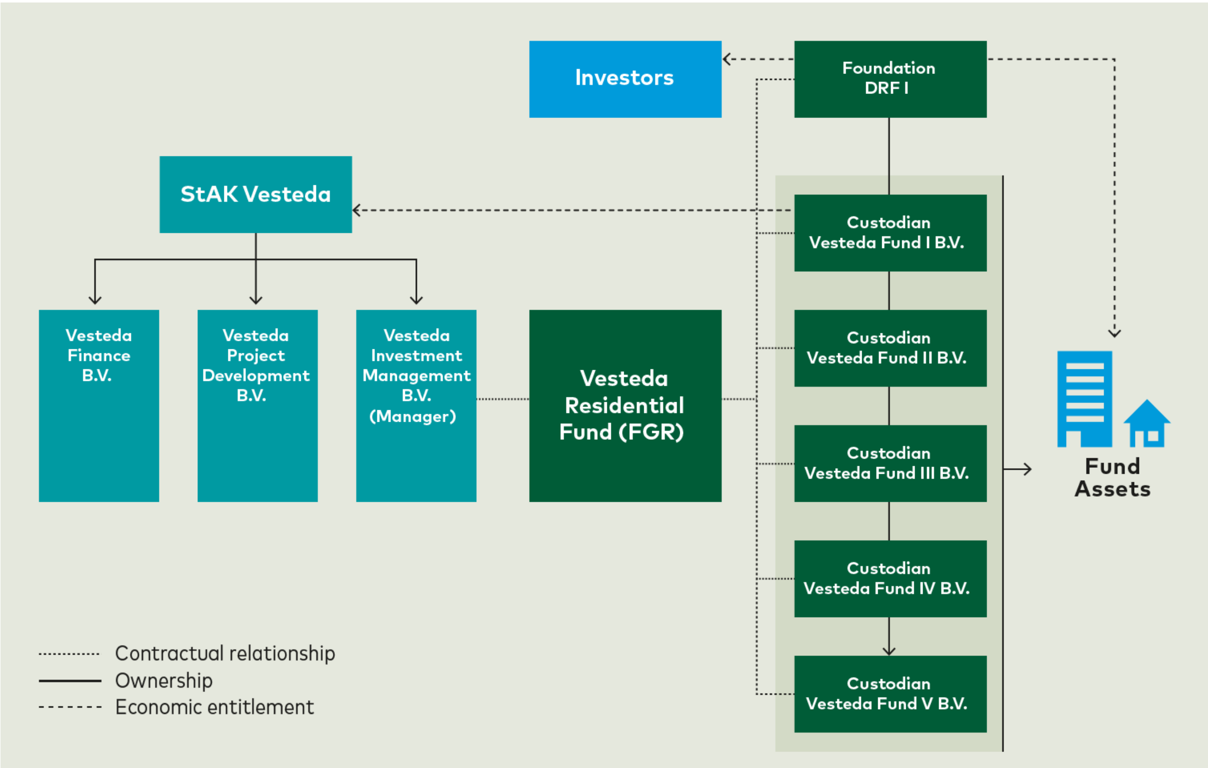
In June 2016, the Works Council was asked for an opinion on the new integrated structure, including the centralisation of the former head office in Maastricht and both locations in Amsterdam into one new head office in Amsterdam. The Works Council advised in September 2016. In December, preparations started for the election of a new Works Council in February 2017.

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 legal structure



Vesteda Residential Fund

Vesteda is a mutual fund for the joint account of the participants. Investors may join the fund by taking an interest in the fund. The fund is transparent for tax purposes. For this reason, participants can participate in Vesteda via 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 fund 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.

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 of 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 solely in the interests 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 the supervision of the Dutch Financial Markets Authority (*Autoriteit Financiële Markten*) and the Dutch Central Bank (*De Nederlandsche Bank*). The manager obtained a license to act as a manager of an alternative investment fund 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
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.

The manager convenes at least two participants' meetings 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 a 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, with the exact number to be determined by the participants. At present, the Supervisory Committee temporarily comprises four members, who are listed in the section Members of the Supervisory Committee of this Annual Report. Vesteda expects a new member to be appointed in the course of 2017. 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, both of 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 they have a direct or indirect personal interest in the matter concerned 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 and informing the Supervisory Committee, ensuring that the fund is supervised 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 and on an ad hoc basis, the 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 2016 comprised two managing directors, 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 the event that 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.

The Managing Board is supported by its Management Team, comprising of the director Operations, director Acquisitions and the director Portfolio Strategy.

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 and the Dutch Corporate Governance Code.

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, including:

(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 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, at 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 2016, 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 cash component can optionally be converted into phantom shares. 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, which applies to both the direct component and the deferred component.

The employment contracts of members of the Managing Board include provisions related to severance. 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 in note 32 in the section Notes to the consolidated financial statements of this 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 respective 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 of the fund's business in accordance with 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 neither Vesteda Residential Fund nor the manager is 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 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 lays down 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 Compliance 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 Compliance Officer. Other matters that need to be reported include: potential conflicts of interest, accepting corporate gifts, invitations to events abroad.

Any report to the Compliance 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. Counsellors are subject to a duty of confidentiality and will not share information without the employee's consent.

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. At the end of 2016, Vesteda introduced Speakup. Speakup facilitates anonymous reporting, by phone or email, via a third party. Any Speakup report will be sent to the Compliance Officer, who is in charge of handling the incident, together with the Internal Auditor.

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 it is 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 2016, 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 Compliance Officer
The Compliance Officer keeps a register of reports under the Code. The Compliance Officer reports to the Managing Board and periodically to the Audit 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 of the organisation and all lines of business. The Vesteda Managing Board assesses the proper functioning of the framework 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 rely on the fact 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 its returns are 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 - at least annually - identifies and evaluates the strategic, operational, compliance and financial risks and has defined relevant risk limits. Vesteda has developed its internal risk management framework 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 risk mitigating measures that have been adopted. The internal controls 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 the continuous monitoring of the design and operation of the risk management measures. They represent the first line of defence in the framework. A 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. In 2015, the role of the internal auditor was strengthened by defining the Vesteda Internal Audit Charter, designing and implementing an Internal Audit Plan and improving the coordination of its activities with the risk management role. In 2016, the internal audit role was transferred from the control department to an appointed Internal Auditor.

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

2016: sixteen risks areas

In the first quarter of 2016, the Managing Board evaluated the list of most relevant and significant risks for Vesteda. This risk assessment resulted in the following list of sixteen risk areas that were considered the most relevant and significant risk areas for Vesteda:

One of the criteria for selecting these sixteen risk areas 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 risk areas should be added to the existing list, or whether risk areas 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 2016, no changes were made to the set of the risks identified. The sixteen risk areas are addressed in detail below.

a. Strategic vision;
b. Portfolio Strategy;
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 Sustainability and Social Responsibility;
p. Valuations.

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 2016, at the informal Annual Participants Day, Vesteda invited all participants to reflect on relevant Business Plan subjects before establishing and presenting the final plan to the participants in the General Meeting of Participants. We also organised regular inspiration sessions with our Advisory Committee to exchange ideas on the developments that will be important to our tenants in the future.

b Portfolio Strategy

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 2016, Vesteda thoroughly redefined the sustainability goals with regard to its portfolio and started the transition and realisation phase.

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 and the targets outlined in the Business Plan every quarter.

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, financial guarantees 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 and taking into account market developments. 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 complexes. In 2016, Vesteda 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 or higher vacancy and potentially lower operating results.

Control measure(s)
Operations are planned based on a long-term plan, which is established in close cooperation with Vesteda's asset management activities. Rent levels are continuously marked to market, performance of suppliers is monitored and evaluated and 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 is the risk that Vesteda may be confronted with undesirable fluctuations in interest rate charges. Treasury also deals with the risk that Vesteda does not generate sufficient cash 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 keep the level of debt capital below 30%. At least 70% of interest rate risks are hedged. Control measures have been adopted to assure compliance with the financial covenants and the Treasury Policy Statement. Stress testing is one of the measures taken to monitor the risks involved. Furthermore, periodic reporting on KPIs such as leverage, cost of debt, hedging levels and average maturity dates ensure that Vesteda is alerted about any deviations from risk limits set.

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 issue and redemption process and continuous information flows to current and potential new investors. Since 2015, Vesteda has been strengthening the frequency and methods of communications with current and potential participants. For example, Vesteda introduced an annual satisfaction survey among its participants. In 2016, based on participants' feedback, Vesteda adapted the distribution policy with regard to the frequency of payments. As of 2017, quarterly distributions will be made to the participants.

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 2016, Vesteda adjusted its annual reporting in line with new INREV guidelines, and improved a number of its financial reports based on wishes expressed by management and other stakeholders.

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 2016, Vesteda decided to reshape the organisation into a more effective, efficient, fully integrated and centralised company. The migration to this new organisation in 2017 poses risks that require careful management attention. Measures have been put in place to monitor the reorganisation process.

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 any instances of fraud to the Managing Board and Supervisory Committee, under which corrective measures are taken when necessary. In 2016, all Vesteda employees received a request to affirm the amended 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 2016, Vesteda improved the level of control with regard to these processes through the outsourcing of the service delivery function. Furthermore, last year the company hired a new IT manager, who is drawing up a new plan for the IT department aimed at taking it to a higher quality level in the face of continuous changes in standards and practice.

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 legislation. 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 Sustainability and Social Responsibility

Description of the risk
The risk of insufficient focus on corporate sustainability and 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 CSSR strategy. Close monitoring of and reporting on the execution of the policy and benchmarking of the results.

p Valuations

Description 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, impairing the valuation, pricing decisions and performance measurement.

Control measure(s)
Creating a standardised periodic 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 compliance with relevant legislation and regulations, such as the NRVT guidelines.

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 this framework.

Evaluation and adjustments to the risk management framework

Vesteda evaluates its internal risk management and control system annually, or whenever necessary. As a result of the announcement of the reorganisation and restructuring, the risk assessments have to be updated to bring them in line with these internal changes. This process was started at the end of 2016 and will be finalised during 2017.

In 2016, Vesteda initiated closer coordination of the work of the Internal Auditor and the Risk Management Officer. This will be continued in 2017, to further improve efficiency and effectiveness in internal control systems.

'In control' statement

The Managing Board is responsible for implementing and maintaining adequate risk management and internal control systems and for assessing the effectiveness of these systems.

During the year under review, we evaluated and monitored our risk management and internal control systems, as further described in the Risk Management section of this report. Based on this assessment we have concluded with reasonable, but not absolute, assurance that:

i. the annual report provides sufficient insights into any failings in the effectiveness of the internal risk management and control systems;
ii. the aforementioned systems provide reasonable assurance that the financial reporting does not contain any material inaccuracies;
iii. based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis; and
iv. the annual report states those material risks and uncertainties that are relevant to the expectation of Vesteda's continuity for the period of twelve months after the preparation of the report.

It is important to note that effective risk management, with embedded internal control, no matter how well designed and implemented, provides the Managing Board with only reasonable assurance regarding the achievement of Vesteda's objectives. The achievement of objectives is affected by limitations inherent in all management processes. Therefore, in this context 'reasonable assurance' refers to the degree of certainty that would be satisfactory for a prudent manager in the management of his business and affairs in the given circumstances.

Amsterdam, 17 March 2017

Vesteda Managing Board

Gertjan van der Baan *(CEO)* and Frits Vervoort *(CFO)*

About this report

Content report

The aim of this report is to inform Vesteda's most important stakeholders. By identifying the parties that exert influence on Vesteda and the parties that Vesteda exerts influence on, the company has defined the following key stakeholders: tenants, participants, employees, lenders/debt investors, partners/business partners, advisors/real estate experts and local authorities.

Material aspects

GRI G4

Vesteda has been reporting on Corporate Responsibility and Social Responsibility (CSSR) in its annual report since 2013. Vesteda reports on CSSR in line with the guidelines of the Global Reporting Initiative (GRI). These are the most globally accepted guidelines for designing and drawing up CSSR reports. Vesteda has reported according to the GRI G4-guidelines since 2015.

The GRI G4 guidelines consist of two parts: (1) the general criteria and (2) the specific criteria. The first 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.

In 2016, Vesteda worked with a third party to draw up a new materiality definition according to the requirements of the G4 guidelines.

Vesteda based its definition of the stakeholder groups to be approached for the external prioritisation on the following selection of stakeholders: tenants, participants, employees, lenders/debt investors, partners/business partners, advisors/real estate experts and local authorities. A total of 208 stakeholders participated in the process.

Overview stakeholders

Stakeholder group	Number approached	Number participated	% particpated
Tenants	Approx. 500	128	26%
Participants	23	8	35%
Employees	Approx. 200	47	24%
Lenders/debt investors	6	2	33%
Partners/business partners	43	16	37%
Advisors/real estate experts	19	4	21%
Local authorities	7	0*	n.a.

* The stakeholders in the group of local authorities who were sent a request to fill out the survey also failed to respond after being sent a reminder. To still take into account the interests of this group, we decided to have these statekeholders represented by three Vesteda employees who have regular contacts with local authorities.

Vesteda applies a two-tier structure to divide up its stakeholders. Tenants, participants and employees are all part of the tier-1 group. Lenders/debt investors, partners/buisiness partners, advisors/real estate experts and local authorities make up the tier-2 group. We have chosen to give the tier-1 group a weighting of 75%, and the tier-2 group a weighting of 25% in terms of materiality. We did this because those in the tier-1 group are seen as the most important stakeholders and these groups have the greatest impact on Vesteda.

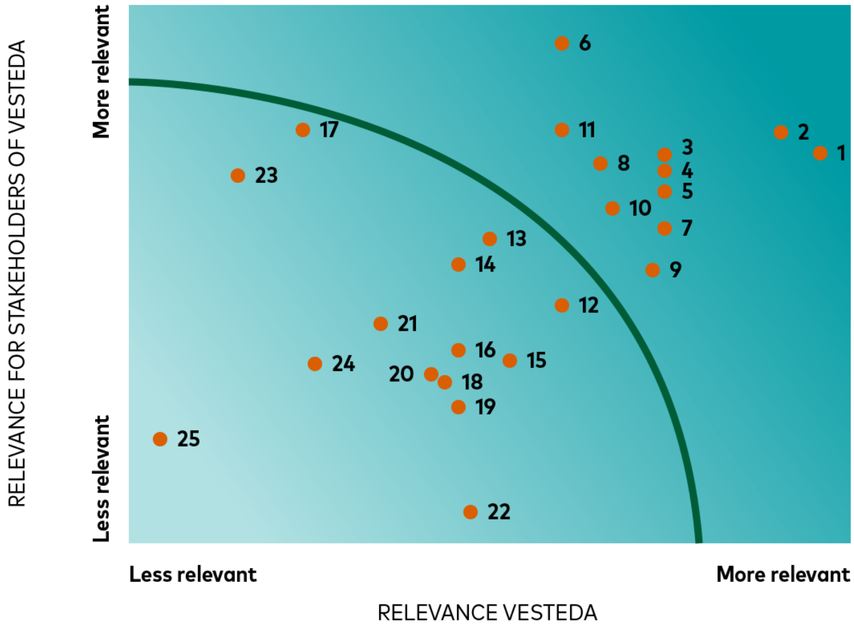
We asked the stakeholders to assign a score to each aspect on a scale of 1 to 10 (1 less relevant relevant, 10 most relevant). To guarantee that the shortlist of aspects was complete, we also asked stakeholders to cite any other relevant aspects. The aspects *maintenance* and *rental price* were raised relatively frequently by the tenants stakeholder group. Due to the fact these these aspects were raised exclusively by this one particular stakeholder group, these will not be added as material aspects. We will however deal with these items in the 2016 annual report. The various stakeholder groups did not cite any other relevant aspects.

On the basis of the above, Vesteda has drawn up a so-called materiality matrix. The x axis of the matrix is determined on the basis of the score related to the impact on Vesteda, while the y axis is determined on the basis of the impact on Vesteda's stakeholders.

The G4 guidelines stipulate that companies should focus reporting on the most material aspects. Vesteda has therefore decided to base its 2016 reporting on the 11 most relevant aspects (from both an internal and an external perspective). In the matrix below, these material aspects are shown to the right of the curve and relate to: 1) Tenant satisfaction, 2) Economic performance, 3) Business integrity, 4) Sustainable innovations, 5) Sustainability in the supply chain, 6) Transparency, 7) Green certification, 8) Sustainable construction and maintenance, 9) Corporate Governance structure, 10) Compliance and, 11) Healthy complexes.

Whenever possible, these 11 aspects have been combined with and linked to (GRI) aspects included in last year's reporting.

Materiality matrix



Number	Aspect
1	Tenant satisfaction
2	Economic performance
3	Business integrity
4	Sustainable innovations
5	Sustainability in the supply chain
6	Transparency
7	Green certification
8	Sustainable construction and maintenance
9	Corporate governance structure
10	Compliance
11	Healthy complexes
12	Participant satisfaction
13	Promoting sustainable consumption by tenants
14	Employee satisfaction & engagement
15	Environmental performance of company's own operations
16	Employee training and education
17	Good reputation
18	Employee awareness for sustainability
19	Diversity and equal opportunity
20	Employee health & well-being
21	Sustainable public policy
22	Mobility emissions - Vesteda
23	Laws & regulations
24	Community involvement
25	Discrimination and vulnerable groups

The G4 guidelines stipulate that companies need to report on the performance related to each of the material aspects, preferably in figures. The GRI table in Annex 2 of this report shows the link between the 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 aspect, which provides insight into how Vesteda manages a specific material aspect, what the targets are, how progress is safeguarded and who is responsible and how this aspect is measured.

Scope

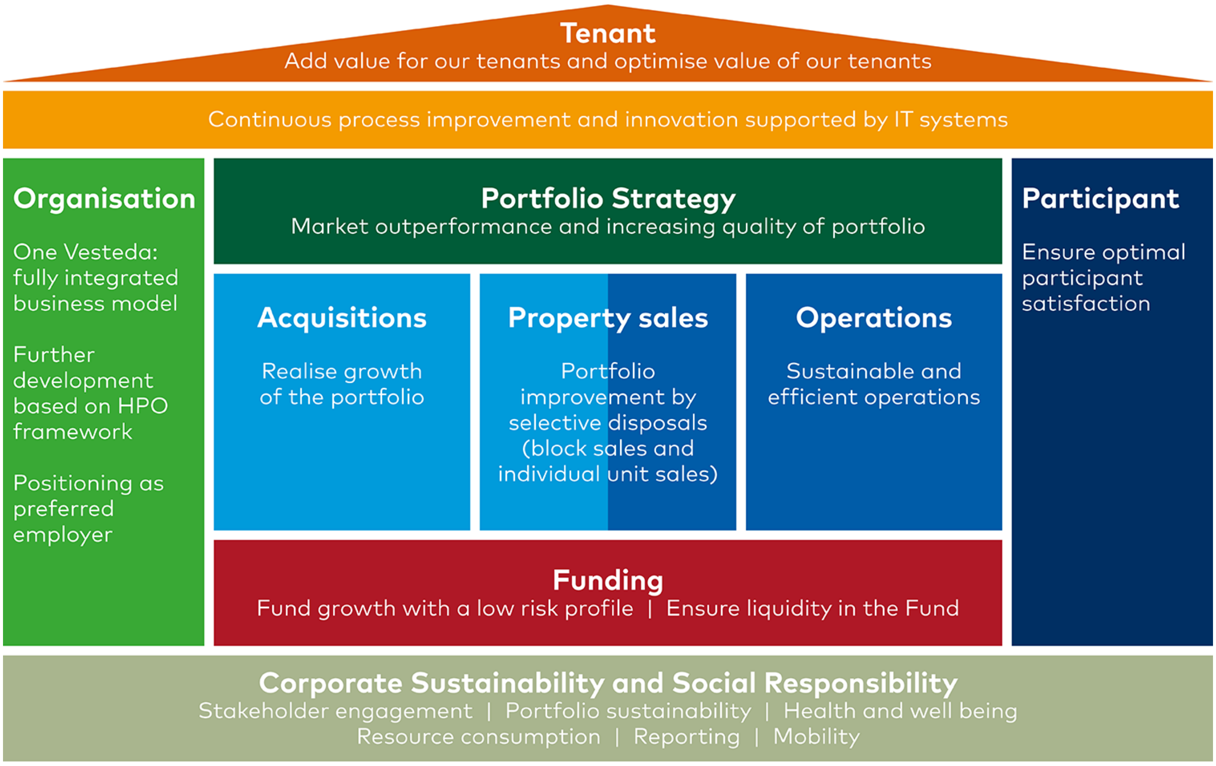
Vesteda also assessed the scope (boundaries) of the various material aspects. All material aspects have boundaries that go beyond the borders of the Vesteda organisation. It is obvious that the satisfaction of our tenants is also influenced by the service quality of our external service providers, such as painters and decorators and maintenance companies. Transparency and corporate governance is a focus area that is mainly related to the triangle formed by participants, Supervisory Committee and Vesteda. The centre of gravity is within Vesteda, but the participants and the Supervisory Committee 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. The scope of sustainability in the supply chain lies particularly beyond our own organisation. As an organisation, however, we will impose certain requirements in respect of sustainability to the partners we choose to do business with. Healthy buildings is a focus area that is mainly related to the triangle formed by Vesteda, service providers and tenants. Vesteda is responsible for the policy and monitioring regarding healthy buildings, service providers are responsible for the proper and timely maintenance of the properties and tenants are responsible for the proper use of the house and the timely disclosure of any defects in the house. With regard to sustainable innovations, Vesteda is dependent on the developments in this field in the market. Keeping track of developments and applying relevant sustainable innovations is within the scope of our organisation. 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 should be secured predominantly within our organisation in terms of implementation. We have designed and implemented a control framework that provides for this. Our sphere of influence regarding economic performance lies particularly in the realised result. The realised result is largely determind by rental income less property expenses and management expenses. The unrealised results (value of the portfolio) is largely dependent on general market conditions. The requirements for green certification and sustainable construction are largely determined by law and are therefore largely outside our scope.

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, CSSR, 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 relevant 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). We identify the risks associated with business operations and - if the Managing Board deems it necessary - reduce 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. We use the INREV Sustainable Guidelines and the GRI to determine the sustainability data. In terms of sustainability data, this report contains both quantitative and qualitative data for the calendar year 2016.

Value chain

Vesteda integrated strategy framework



The Portfolio Strategy department is responsible for the desired portfolio development, monitoring and continuous optimisation of the quality and value growth of the portfolio. In the acquisition phase (Acquisitions), Vesteda acquires new-build or existing real estate. In the case of existing real estate, the number of parties involves 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 complexes owned by developers and/or sellers. Contractors, developers or investors are the main parties in this scenario. Through entrepreneurship and operational excellence in sourcing, selecting and executing transactions, we aim to acquire attractive projects in which we have a relatively large influence on the design, life-cycle costs and sustainability of the product.

Once it has been added to the portfolio, the real estate enters the management phase (Operations). With the exception of certain peripheral regions, Vesteda carries out the portfolio and property management in-house. Operations strives to increase top-line rental income, decrease the gross/net ratio and increase tenant satisfaction.

Vesteda's Operations department 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.

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 (Property sales). 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 gives an overview of the structural dialogue between Vesteda and its key stakeholders.

Dialogue with stakeholders

Stakeholders	Dialogue	Content dialogue	Impact dialogue on policy Vesteda
Tenant	• Vesteda Tenants platform • Individual tenant associations per residential building • Day-to-day contact through Operations • Tenant satisfaction survey • Social media/webcare • Mijn Vesteda (My Vesteda) • Vesteda website	• Rent policy, maintenance policy, sustainability measures, quality of life in residential complexes	• Knowledge sharing and transparency • Improved management of suppliers • Improved communications • English version of My Vesteda • Digitisation of rental process
Employees	• Questionnaire (HPO) • Vesteda Improves project • Regular meetings (for example presentation Business Plan; informal lunch meetings with Managing Board) • Via Intranet • Through Works Council	• Restructuring and relocation to one head office, CSSR initiatives, new mission, vision and company values, Vesteda Improves	• 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 conference calls • Annual informal Participants' Day • Annual independent Participant satisfaction survey (annually) • Property Tours • InvestorWeb (for participants	• Strategy • Pipeline funding • Portfolio acquisitions • Timing of distribution • CSSR • KPIs • ISAE • Changes in Managing Board and Supervisory Committee	• Clear boundaries for development risk • Clear criteria to improve reporting • Increased attention for CSSR
Lenders/Debt investors	• Annual credit review meetings • Regular debt investor/lender meetings • Debt investor roadshows • Property tours • Information for debt investors on website • Financial covenant reporting	• Strategy • Leverage • Reporting • Governance • Cash management • CSSR	• Transparent reporting standards; improved reporting • Funding strategy (long-term leverage) • Development risk

Stakeholders	Dialogue	Content dialogue	Impact dialogue on policy Vesteda
Partners/business partners and local authorities	• (Regular) meetings	• Discuss propositions for acquisitions	• Translation of market developments into our Business Plan
	• Attending/giving lectures at business events/conferences	• Discuss local policies and market develoments	• Investing in knowledge of disruptive technologies for residential real estate investments
	• Attending conferences such as Expo Real, Provada and INREV	• Discuss relevant developments, such as sustainability, increasing mid-rental market supply, positioning of investors in relation to social housing associations, urban development, regulations, mobility, disruptive technologies, technical innovations and smart buildings	• Adopting and improving best practices
	• Through membership and meetings of NeVaP, NEPROM, IVBN, INREV and ULI • Joining expert meetings and working groups		
Advisors/real estate experts	• Regular meetings with Vesteda Advisory Committee	• Sustainability	• Research into CSSR and continued embedding in policy
	• Conference with international residential investors	• KPIs	
	• Covenant signed	• Healthy living	
	• Workshop on sustainability	• Social cohesion	
	• Attending/giving lectures at business events		

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 2016, 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. Our overall compliance rate with the INREV guidelines based on six out of six modules is 68%.

Compliance with the INREV Guidelines Assessment Results

Results for	Level of adoption or compliance
Corporate Governance (65%)	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.
Reporting (82%)	The manager has to a large extent complied with all the requirements of the Reporting module.
INREV NAV (89%)	The manager has to a large extent complied with all the requirements of the INREV NAV module.
Fee and expense metrics (58%)	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. Vesteda has complied with all other requirements and recommendations.
Liquidity (62% score)	Vesteda is to a large extent 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. In addition, some questions were not applicable for Vesteda
Sustainability reporting (51% score)	We are to a large extent compliant with the INREV Sustainability guidelines. We failed to comply on a limited number of aspects. These aspects relate to the level of detail of the information we disclose. For example, Vesteda does not disclose ESG action plans at individual asset level.

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 investors with insight into 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 the section Vesteda Residential Fund FGR financial overviews in accordance with INREV valuation principles of this report.

Assurance

This report has been provided with external assurance. You will find the assurance report of the independent auditor and the conclusion in the following section Assurance report of the independent auditor 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 participants of Vesteda Residential Fund FGR

Our conclusion

We have reviewed the accompanying Annual Report for the year ended 31 December 2016 (hereafter: the Report) of Vesteda Residential Fund FGR ("the Company") at Amsterdam.

The Report comprises a representation of the policy of the Company with regard to corporate social responsibility and the thereto related business operations, events and achievements during the year.

Based on our procedures performed nothing has come to our attention that causes us to believe that the Report does not present, in all material respects, a reliable and adequate view of:

- the policy and business operations with regard to corporate social responsibility; and
- the thereto related events and achievements for the year ended 31 december 2016.

in accordance with the Sustainability Reporting Guidelines version G4 of GRI and the internally applied reporting criteria as disclosed in section "About this Report".

Based on our procedures performed nothing has come to our attention that causes us to believe that the Report is not prepared, in all material respects, in accordance with the Sustainability Reporting Guidelines version G4 of GRI and the internally applied reporting criteria as disclosed in section "About the Report".

The Report includes prospective information such as ambitions, strategy, plans, expectations and estimates. Inherent to this information is that the actual results may differ in the future and are therefore uncertain. We do not provide any assurance on the assumptions and achievability of prospective information in the Report.

Basis for our conclusion

We have performed our review on the Report in accordance with Dutch law, including Dutch Standard 3810N 'Assurance engagements relating to sustainability reports'. This review engagement is aimed to obtaining limited assurance. Our responsibilities under this standard are further described in the 'Our responsibilities for the review of the Report' section of our report.

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

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

Responsibilities of the Managing Board and the Supervisory Committee

The Managing Board of the Company is responsible for the preparation of the Report in accordance with the Sustainability Reporting Guidelines version G4 of GRI and the internally applied reporting criteria as disclosed on in section "About this Report", including the identification of stakeholders and the definition of material matters. The choices made by the Managing Board regarding the scope of the Report and the reporting policy are summarised in section "About this Report".

The Managing Board is also 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 errors. The Supervisory Committee is responsible for overseeing the company's reporting process.

Our responsibilities for the review of the Report

Our responsibility is to plan and perform the review assignment in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

We apply the 'Nadere voorschriften accountantskantoren ter zake van assurance opdrachten (RA/AA)' and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Misstatements can arise from fraud or errors 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 this Report. The materiality affects the nature, timing and extent of our review procedures and the evaluation of the effect of identified misstatements on our conclusion.

A review is aimed to obtain limited level of assurance. Procedures performed to obtain a limited level of assurance are aimed to determining the plausibility of information and are less extensive than a reasonable assurance engagement. The procedures performed consisted primarily of making inquiries of staff within the entity and applying analytical procedures on the information in the Report. The level of assurance obtained in review engagements are therefore substantially less than the assurance obtained in an audit engagement.

We have exercised professional judgement and have maintained professional skepticism throughout the review, in accordance with the Dutch Standard 3810N, ethical requirements and independence requirements.

Our assurance engagement included amongst others:

- Performing a media analysis to obtain insight into relevant social themes and issues.
- Evaluating the appropriateness of the reporting policy and its consistent application, including the evaluation of the results of the stakeholders' dialogue.
- Evaluating the design and implementation of the reporting systems and processes related to the information in the Report.
- Interviewing relevant staff responsible for providing the information in the Report, carrying out internal control procedures on the data and consolidating the data in the Report.
- An analytical review of the data and trends submitted for consolidation at corporate level.

From the matters communicated with the Company we determine those matters that were of most significance in the review of the Report and are therefore the key review matters. We describe these matters in our assurance report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not mentioning it is in the public interest.

Amsterdam, 17 March 2017

Deloitte Accountants B.V.

J. Holland

Vesteda Residential Fund FGR financial statements 2016

Consolidated statement of comprehensive income

(Amounts in € million)

	notes	2016	2015
Gross rental income	5	242	237
Service charge income	6	10	10
Revenues		**252**	**247**
Property operating expenses (excluding service charges)	7	(55)	(53)
Service charges	6	(15)	(17)
Other income	8	-	(1)
Net rental income	9	**182**	**176**
Result on projects in progress		1	-
Result on property sales	10	14	14
Management expenses	11	(22)	(16)
Financial results	12	(33)	(52)
Realised result before tax		**142**	**122**
Unrealised results	13	391	169
Result before tax		**533**	**291**
Tax	14	-	-
Result after tax (attributable to equity holders of the parent/participants)		**533**	**291**
Other comprehensive income that will be reclassified subsequently to profit or loss			
- Unwind transaction derivatives	15	-	14
- Positive revaluation derivatives	15	4	11
Other comprehensive income, net of tax	15	**4**	**25**
Total comprehensive income (attributable to equity holders of the parent)		**537**	**316**
Earnings per participation right in €			
Basic and diluted earnings, on result after tax	24	20.65	11.52
Comprehensive income per participation right in €			
Basic and diluted earnings, on total comprehensive income		20.81	12.52

Consolidated statement of financial position

(Amounts in € million)

	notes	31-12-2016	31-12-2015
ASSETS			
Non-current assets			
Intangible fixed assets	16	-	1
Investment property	17	4,207	3,726
Investment property under construction	18	135	77
Property, plant and equipment	19	4	5
Financial assets	20	1	1
		4,347	**3,810**
Current assets			
Inventory property	21	-	-
Trade and other receivables	22	11	9
Cash and cash equivalents	23	17	20
		28	**29**
Total assets		**4,375**	**3,839**
EQUITY AND LIABILITIES			
Equity			
Group equity	24	3,045	2,629
Non-current liabilities			
Financial liabilities	25	1,231	1,089
Provisions	26	18	42
Derivative financial instruments	27	19	23
		1,268	**1,154**
Current liabilities			
Provisions	26	14	7
Trade and other payables	28	48	49
		62	**56**
Total liabilities		**1,330**	**1,210**
Total equity and liabilities		**4,375**	**3,839**
Net Asset Value (NAV) per participation right in €			
Basic IFRS NAV	24	118.05	101.92

Consolidated statement of changes in equity

(Amounts in € million)

			Reserve			
	Fund equity	General paid-in surplus	Property	Derivatives	Other reserve	Total equity
As at 1 January 2015	**25**	**1,727**	**418**	**(48)**	**140**	**2,262**
Result for the year	-	-	124	-	167	291
Other comprehensive income	-	-	-	25	-	25
Total comprehensive income	**-**	**-**	**124**	**25**	**167**	**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**	**535**	**(23)**	**314**	**2,629**
Result for the year			270		263	533
Other comprehensive income				4		4
Total comprehensive income	**-**	**-**	**270**	**4**	**263**	**537**
Realised from property sales			(11)		11	-
Dividend		(121)				(121)
As at 31 December 2016	**25**	**1,657**	**794**	**(19)**	**588**	**3,045**

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

Consolidated cash flow statement

(Amounts in € million)	notes	2016	2015
Operating activities			
Result for the year after tax		533	291
Adjustments to reconcile result after tax to net cash flow from operating activities			
Unrealised result	13	(391)	(169)
Depreciation of property, plant and equipment	19	1	1
Financial assets	20	-	(4)
Amortisation of financing costs	25	2	2
Provisions	26	6	2
Interest expense	12	31	36
Unwind transaction derivatives	15	-	14
Result on property sales	10	(14)	(14)
		(365)	**(132)**
Working capital adjustment		(3)	13
Net cash flow from operating activities		**165**	**172**
Investing activities			
Capital expenditure in investment property	17	(122)	(31)
Sales revenues of investment property	17	98	89
Capital expenditure on intangible fixed assets	16	-	(1)
Capital expenditure on property, plant and equipment	19	-	(1)
Capital expenditure on investment property under construction	18	(117)	(69)
Capital expenditure in participation LRC BV	26	(15)	-
Net cash flow from investing activities		**(156)**	**(13)**
Financing activities			
Loans drawn	25	192	570
Disagio on bonds	25	1	(1)
Financing costs	25	-	(4)
Loan repayment	25	(53)	(737)
Capital paid in	25	-	415
Costs new equity	25	-	(2)
Dividend paid		(121)	(107)
Redemption	24	-	(255)
Interest paid		(31)	(39)
Unwind transaction derivatives paid	15	-	(14)
Net cash flow from financing activities		**(12)**	**(174)**
		(3)	**(15)**

(Amounts in € million)	notes	2016	2015
Net increase/decrease in cash and cash equivalents		(3)	(15)
Cash and cash equivalents at the beginning of the period	23	20	35
Cash and cash equivalents at 31 December	23	**17**	**20**

Non-cash transactions

In 2016 and 2015, 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 2016 were authorised for issue in accordance with a resolution of the Managing Board on 15 March 2017. Vesteda Residential Fund FGR (the fund) is a mutual fund. Vesteda Investment Management BV is the fund manager, its registered office is located at Gustav Mahlerlaan 50 A-B, Amsterdam, the Netherlands.

The principal activity of Vesteda Residential Fund FGR is to invest 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 the 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 2016 consolidated financial statements.

In addition, based on the requirements of Part 9 of Book 2 of the Dutch Civil Code, Vesteda prepared 2016 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 2016. 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%

In 2016, HOG Heerlen Onroerend Goed BV (100%) and Gordiaan Vastgoed BV (100%) have been liquidated.

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 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 recognized 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

General

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.

Considerations

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 comprising 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 17 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 its 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 and CVF V 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. Vestedas goal is to conduct comprehensive appraisals on approximately 25% of the portfolio each quarter. The remainder of the quarterly appraisals comprises 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 recognized 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

A provision for future construction contracts is recognised if, as a result of a past event, the Group has a present constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

4. Summary of significant accounting policies

Legal and tax structure for the financial statements

Vesteda Residential Fund FGR is a contractual investment fund (beleggingsfonds) as defined in section 1:1 of the Dutch Financial Supervision Act (AFS**).** Vesteda Residential Fund is licensed 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 of the Fund's business in accordance with the applicable law and the depositary services agreement.

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 FGR govern the Fund and they can only be amended by a resolution of the participants.

Participants' rights and obligations in respect of the manager, Vesteda Project Development BV and Vesteda Finance BV, 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.

Vesteda Investment Management BV (the manager)

The participants have entrusted the manager, Vesteda Investment Management BV, 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 supervision of the Dutch Financial Markets Authority (Autoriteit Financiële Markten) and the Dutch Central Bank (De Nederlandsche Bank). The manager obtained a license to act as a manager of an alternative investment fund 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.

Vesteda Finance BV and Vesteda Project Development BV

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

Custodians Vesteda Funds

At present, Vesteda has five custodian companies. The custodians are the legal owners of the property of 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.

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 recognized 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.

Service charges

Service charges comprise service charges income which are charged at tenants and service charges which are non-recoverable.

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 recognized when realized.

Net rental income

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

Result on projects in progress

Profit is recognized 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 recognized 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.

The strategy of Vesteda is to achieve higher returns by selling individual units, rather than the sale of a total property, if this would result in a higher return. Vesteda is valuing its investment property per complex instead of per individual unit. As indicated in note 17, potential revenues from selling individual units are taken into account in the valuation. In determining the book value of an individual unit, the last determined valuation by an external valuer of the property as a whole is allocated to the number of units in the property. In this allocation the size of the specific unit and specific characteristics of the unit, such as floor level, corner unit, garden, balcony, etc, are taken into account. In this allocation the sales revenues from selling individual units (so called vacant values) in the Discounted Counted Cash flow model of the external appraiser is not taken into account. The allocation criteria per property is set at the moment the first unit is sold.

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 recognized as it accrues using the effective interest method. Financial results also includes amortization of financing costs and the cost of the unwind transaction derivatives.

Realised result

The realized 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 unrealized result is made up of unrealized 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. The Vesteda Companies recognise deferred tax assets in relation to losses carry forward to the extent that it is probable that taxable profits will be available. 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 statement of comprehensive income in the year in which they arise.

A property interest that is held under an operating lease is classified and accounted for as investment property if the property interest would otherwise meet the definition of an investment property.

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 statement of comprehensive income 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. Any revaluation losses in excess of the positive revaluation reserve in group equity is recognised directly in the statement of comprehensive income.

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.

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 statement of comprehensive income.

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 through profit or loss.
- Loans receivable are recognized at amortised cost. Where necessary, there is a write-down for doubtful debts.

Leases – Vesteda Companies as lessee

Financial 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 statement of comprehensive income 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 recognized as an expense in the statement of comprehensive income 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 statement of comprehensive income. 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, they 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 pension fund. The Managing Board of ABP determines this premium annually on the basis of its own data files 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. From reporting point of view the ABP pension arrangement qualifies as a defined contribution (DC) plan. Consequently the premium is recognised as an expense for the year, and no further explanation is required.

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

	2016	2015
Theoretical rent	248	245
Loss of rent	6	8
Gross rental income	**242**	**237**

The theoretical rent has increased due to growth of the portfolio. The number of units increased in 2016 from 22,599 to 22,629. The loss of rent declined because of improved market conditions, 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. Service charges

Service charges are made up as follows:

	2016	2015
Total service charges	15	17
Non-recoverable service charges	5	7
Service charges income	**10**	**10**

7. Property operating expenses

Operating expenses is made up as follows:

	2016	2015
Property (and related) taxes	10	10
Landlord levy	4	4
Property management costs	7	7
Maintenance costs	23	21
Fitting out costs	2	2
Letting and marketing fees	3	4
Miscellaneous operational costs	6	5
Total	**55**	**53**

Operating expenses including non-recoverable service charges, amounted to 24.9% of gross rental income in 2016 (2015: 25.5%).

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

8. Other income

The other income is made up as follows:

	2016	2015
Settlement costs	-	(2)
Other	-	1
Total	**-**	**(1)**

9. Net rental income

Net rental income (gross rental income plus other income less property operating expenses) for the financial year 2016 was € 182 million (2015: € 176 million).

10. Result on property sales

The result on property sales is made up as follows:

	2016	2015
Result on property sales of investment property	14	14
Total	**14**	**14**

The total result of € 14 million (2015: € 14 million) is related to individual unit sales.

As indicated in the accounting policies, the results on the sale of individual units is based upon the book value which is derived from a specific allocation of the last determined property value before the sale. The sales price (excluding sales expenses) of all units sold is approximately 2% higher than the average vacant value of the complex (of which the sold units are part of) as per the latest external valuation.

11. Management expenses

The management expenses comprise:

	2016	2015
Salaries	24	18
Social security charges	1	1
Pension charges	2	2
Depreciation expenses	1	1
Other operating expenses	7	7
Gross property management costs	**35**	**29**
Presented within net rental income	(13)	(13)
Total	**22**	**16**

Management expenses came in at € 22 million, significantly more than the € 16 million recorded in 2015. This increase is due to a reorganisation provision amounting to € 7 million. All activities of the Vesteda organisation will be centralised to the Amsterdam office and the Maastricht office will be closed. Also, the organisational structure will be optimised and restructured.

The Vesteda Companies employed an average of 201 people (2015: 206) during the year; this was an average of 180.3 FTE's (2015: 183.9 FTE's).

All employees are employed in the Netherlands.

12. Financial results

The financial results are made up as follows:

	2016	2015
Interest expenses	31	36
Amortisation of financing costs	2	2
Unwind transaction derivatives	-	14
Total	**33**	**52**

13. Unrealised result

The unrealised results are made up as follows:

	2016	2015
Revaluation investment property	375	165
Revaluation investment property under construction	9	13
Revaluation property, plant and equipment	-	(1)
Movements in provisions for contractual obligations	8	(4)
Additions other provisions	(1)	(4)
Total	**391**	**169**

14. Tax

The income tax expenses for the year can be reconciled to the accounting profit as follows:

	2016	2015
Result before tax	533	291
Income tax expense calculated at 25%	133	73
Effect of income that is exempt from taxation	(131)	(73)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	(2)	-
Income tax expense recognised in profit or loss	**-**	**-**

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 carry forward can be specified as follows:

2009	3
2010	45
2011	14
2012	13
2015	2
2016	0
Total	**77**

The tax loss can be carried forward for nine years after the loss is recognised. This deferred tax asset has not been capitalised.

15. Net gains (losses) on cash flow hedges

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

	2016	2015
Positive revaluation derivatives	4	11
Unwind transaction derivatives	-	14
Total	**4**	**25**

16. Intangible fixed assets

	Software
As at 1 January 2015	-
Investments	**1**
Depreciations	-
As at 31 December 2015	**1**
Depreciations	(1)
As at 31 December 2016	**-**

The investment comprises the 'Klantportaal' ('My Vesteda') system, which is a web-based client portal solution for client interaction. The remaining amortisation period is less than 1 year.

17. Investment property

The investment property is made up as follows:

	2016	2015
Investment property as at 1 January	**3,726**	**3,593**
Acquisitions	99	11
Capital expenditure on owned property	23	20
Transfer from inventory property	-	1
Transfer from property under construction	68	11
Property sales	(84)	(75)
Revaluation (fair value adjustment)	375	165
Investment property as at 31 December	**4,207**	**3,726**

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 2016.

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:

	2016	2015
Discount rate (%)	6.2	6.7
Exit yield (%)	6.4	7.0
Rental growth (%)	1.7	1.8
Vacant value growth (%)	1.9	1.8

	2016		
	primary	secondary	other
Discount rate (%)	6.1	6.3	6.6
Exit yield (%)	6.4	6.7	7.3
Rental growth (%)	1.8	1.7	1.7
Vacant value growth (%)	2.0	1.8	1.7

	2016		
	<700	>700 < 1200	> 1200
Discount rate (%)	6.3	6.2	6.2
Exit yield (%)	7.2	6.5	6.2
Rental growth (%)	1.7	1.7	1.7
Vacant value growth (%)	1.8	1.9	2.0

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 cash flow 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 cash flows in the model when calculating the present values. Exit yields are indicators used to determine 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 cash flow model. Vacant value growth is the average vacant value growth in the 10 year period that is assumed in the cash flow 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
As at 1 January 2016			
Discount rate	3,948	3,726	3,497
Exit yield	3,942	3,726	3,546
Rental growth	3,571	3,726	3,879
Empty value growth	3,675	3,726	3,778
As at 31 December 2016			
Discount rate	4,451	4,207	3,955
Exit yield	4,450	4,207	4,009
Rental growth	4,047	4,207	4,366
Empty value growth	4,141	4,207	4,275

18. Investment property under construction

	2016	2015
As at 1 January	**77**	**8**
Capital expenditure on property under construction	117	69
Transfer to investment property	(68)	(11)
Revaluation (Fair value adjustment)	9	13
Transfer from provisions	-	(2)
As at 31 December	**135**	**77**

	2016	2015
Positive balance	135	77
Total projects under construction	**135**	**77**

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 includes the net rental income plus the net sales revenues from selling off individual homes.

The costs to come amount up to € 142 million (2015: € 77 million). This amount is included in construction contracts in Note 35.

19. Property, plant and equipment

	Buildings	Others	Total
As at 1 January 2015	**4**	**2**	**6**
Investments	-	1	1
Depreciations	-	(1)	(1)
Revaluation	(1)	-	(1)
As at 31 December 2015	**3**	**2**	**5**
Investments	-	-	-
Depreciations	-	(1)	(1)
As at 31 December 2016	**3**	**1**	**4**

The former head office in Maastricht is valued at fair value by an independent valuer for an amount of € 3 million. For the determination of the fair value we refer to the explanation provided in Note 4. The value of the office building based on the historical cost model amounts to € 5 million (2015: € 5 million). The value of the other property, plant and equipment amounts to € 1 million (2015: € 2 million). The remaining amortisation period of the other property, plant and equipment is 1 year.

20. Financial assets

The financial assets are made up as follows:

	Loans
As at 1 January 2015	**9**
Investments	4
Transfer to Provisions	(12)
As at 31 December 2015	**1**
Investments	-
As at 31 December 2016	**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.

21. Inventory property

Inventory property is made up as follows:

	2016	2015
As at 1 January	**-**	**5**
Transfer to investment property	-	(1)
Disposals	-	(4)
As at 31 December	**-**	**-**

Inventory property are residential properties to be sold directly by Vesteda Project Development BV to third parties.

22. Trade and other receivables

The trade and other receivables are made up as follows:

	2016	2015
Loans receivable	4	4
Trade receivables	5	2
Other receivables	2	3
Total	**11**	**9**

Loans receivable relate to amounts overdue for an amount of € 17 million (2015: € 17 million), for which a provision for doubtfulness is recorded for an amount of € 13 million (2015: € 13 million). The trade receivables includes a provision for doubtfulness of € 1.2 million (2015: € 1.6 million) for overdue amounts.

23. Cash and cash equivalents

The cash and cash equivalents are made up as follows:

	2016	2015
Cash at bank and on hand	17	20
Total	**17**	**20**

With the exception of € 0.2 million blocked cash (2015: € 0.2 million), cash and cash equivalents are at the free disposal of the Fund. The blocked cash covers bank guarantees that were issued as rent guarantees for offices that are in use by Vesteda.

24. Group equity

The participation rights issued can be specified as follows:

	2016	2015
As at 1 January	**25,795,084**	**24,045,495**
Issued in the year	-	4,535,007
Redeemed in the year	-	2,785,418
As at 31 December	**25,795,084**	**25,795,084**

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 2016, € 121 million distribution, € 4.71 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 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.

In each financial year participants may request that their participation rights be redeemed in accordance with the Terms and Conditions and the fund manager will seek to satisfy these redemption requests for which an amount of € 50 million will be made available in each financial year. If no redemption requests are made by the participants during the year, the amount available for redemption requests of € 50 million in that particular year will be rolled over to the next year, unless the participants by participants' ordinary consent determine otherwise.

In 2016 no redemption requests have been made by the participants. It will be proposed to the annual participants meeting to be held on 12 April 2017 that the amount of € 50 million made available for redemption requests in 2016 will not be rolled over to the financial year 2017.

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/participants 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:

	2016	2015
Result after tax attributable to equity holders	533	291
Weighted average number of participation rights	25,795,084	25,224,670
Earnings per participation right in €		
Basic and diluted earnings, on result after tax	20.65	11.52

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/participants 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:

	2016	2015
NAV attributable to equity holders of the parent	3,045	2,629
Participations at year-end	25,795,084	25,795,084
Net Asset Value (NAV) per participation right in €		
Basic and diluted IFRS NAV	118.05	101.92

There is no difference between basic and diluted IFRS NAV.

25. Financial liabilities

The financial liabilities are made up as follows:

	Term facilities	Mortgage	Bonds	Total
As at 1 January 2015	**835**	**130**	**300**	**1,265**
Discount			(2)	(2)
Financing costs	(1)	(1)	(2)	(4)
Value net of financing costs	**834**	**129**	**296**	**1,259**
Drawn	270	-	300	570
Discount	-	-	(1)	(1)
Repayments	(735)	(2)	-	(737)
Additions	(3)	-	(1)	(4)
Amortisation	1	-	1	2
As at 31 December 2015	**367**	**127**	**595**	**1,089**
Drawn	192			192
Discount			1	1
Repayments		(53)		(53)
Additions				-
Amortisation	1	1		2
As at 31 December 2016	**560**	**75**	**596**	**1,231**

Financing costs amount up to € 4 million as at 31 December 2016, from which € 2 million is related to Term facilities 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, this 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 private placement transactions sourced via Vesteda Finance BV
2. Secured mortgage loans, borrowed by 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 2016, 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:

- A € 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. In 2016 the first one-year extension was granted and legal maturity increased from 2020 to 2021. The remaining legal term is 4.42 years. At year-end 2016 from the total facility of € 600 million an amount of € 362 million is outstanding and an amount of € 238 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%. Utilised commitments exceeding 66.7% equate to a utilisation fee of 0.40%

- A € 100 million private placement borrowing with funds 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 4.35 years.
- During 2016 Vesteda Finance BV arranged a second € 100 million borrowing under a € 100 million private placement transaction. Funds for this second private placement transaction are also provided by PRICOA Capital Group under a note purchase agreement. The senior notes have a fixed annual coupon of 1.80%, payable on a semi-annual basis and are due on December 16, 2026. The intended remaining term to maturity of the notes is 9.96 years.

2) Mortgage funding

In 2016, Vesteda Residential Fund FGR continued mortgage borrowing under its existing financing arrangements.

Mortgage loans of € 75.6 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:

- € 34.0 million 3-year H1 tranche on 3-Months Euribor, with a margin of 1.775% and intended remaining term to maturity of 1.0 years;
- € 21.2 million 5-year H2 tranche on 3-Months Euribor, with a margin of 2.50% and intended remaining term to maturity of 1.0 years;
- € 20.4 million 5-year H3 tranche on 3-Months Euribor, with a margin of 2.50% and intended remaining term to maturity of 1.0 years.

Custodian Vesteda Fund II BV repaid its € 50.0 million mortgage loan facility with lender Berlin Hyp AG in December 2016.

Investment Property with a fair value of € 172 million is pledged as collateral for the mortgage loan facilities.

3) Bonds

In 2016 Vesteda Finance BV continued its borrowing of senior unsecured notes that were issued under its programme for the issuance of Euro Medium Term Notes (EMTN). The notes were rated BBB at time of issuance by Standard & Poor's. The credit rating of the notes were upgraded to BBB+ in 2016 in line with the credit rating upgrade of Vesteda Residential Fund by Standard & Poor's:

- A first tranche of € 300 million senior unsecured notes was issued in July 2014. The notes 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 2.55 years;
- A second tranche of € 300 million senior unsecured notes was issued in October 2015. The notes 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 5.83 years.

26. Provisions

The non-current provisions are made up as follows:

	2016	2015
As at 1 January	**42**	**52**
Additions	-	4
Decrease	(9)	-
Investments	(15)	-
Transfer to investment property under construction	-	(2)
Transfer from financial assets	-	(12)
As at 31 December	**18**	**42**

These provisions are made for developments that 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 35 for an amount of € 144 million (2015: € 162 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 in 2015 of € 12 million related to participation in Leidsche Rijn Centrumplan BV (€ 4 million provided as paid capital and € 8 million provided in loans). In 2016 an additional € 9 million capital contribution was made and € 7 million loan was provided. 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 € 46 million (2015: € 54 million), which is netted with a € 28 million (2015: € 12 million) financial asset position, resulting in a net provision of € 18 million (2015: € 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 561 housing units are involved.

The amendment in the LRC provision from € 54 million year-end 2015 to € 46 million year-end 2016 is caused by multiple reasons: shorter discounting period, estimated investments costs are lower than last year, raise of the expected market value at delivery due to positive developments on the housing market.

The current provisions are made up as follows:

	2016	2015
As at 1 January	**7**	**2**
Additions	8	7
Used	(1)	(1)
Released	-	(1)
As at 31 December	**14**	**7**

The provision as at 1 January 2016 relates to an amount of € 6 million related to the settlement of a liability and € 1 million to the change of two existing offices to the new head office De Boel. The provision related to the relocation to the new head office is partly released in 2016.

As at year-end the provision relates to the settlement of a liability (€ 7 million) and to a reorganisation provision (€ 7 million).

The change in the provision is partly recorded in the unrealised result (€ 1 million) and partly in the realised result (€ 7 million).

27. Derivative financial instruments

The derivatives financial instruments are made up as follows:

	2016	2015
As at 1 January	**23**	**48**
Fair value gain	(4)	(11)
Unwind transaction	-	(14)
As at 31 December	**19**	**23**

Derivatives

Ref.	Instrument type	Notional amount	Fixed rate	Effective date	Termination date	Fair value 2016
1)	IRS	340	1.999%	27.10.2015	20.07.2020	19
		340				**19**

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 and in October 2015 € 150 million of notional of the IRS was unwound for a total consideration of € 14 million.

As a result the notional amounted to € 340 million during 2016, decreasing to € 215 million in 2017. The Vesteda Finance IRS has a weighted remaining term of 2.45 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 2016 92% 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 lower interest curve in 2016 and reducing remaining maturity, fair value of financial instruments decreased by € 4 million and amounted to € 19 million negative.

28. Trade and other payables

The trade and other payables are made up as follows:

	2016	2015
Trade payables	8	8
Amounts received in advance	15	13
Interest	6	6
VAT integration levy	3	5
Holiday days and holiday pay	1	1
Tax and social security contributions	5	5
Other	10	11
Total	**48**	**49**

29. Transactions with related parties

Vesteda has a pension plan with ABP; during 2016 premiums were paid for an amount of € 2 million (2015: € 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 32 and Note 33.

30. 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 FGR 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 strengthen '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 its 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 FGR 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 FGR 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 2016, after taking into account the effect of interest rate swaps, 92% of Vesteda's borrowings are hedged or subject to fixed interest (2015: 95%).

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 2016 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 statement of comprehensive income 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 2016 would increase the theoretical annual interest expense by € 1.0 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 2016 would have an impact on the fair value of derivative financial instruments used in interest hedge relationships. As a result, the amount in the derivatives would increase by € 8.5 million.

In terms of value hierarchy all of Vesteda's derivatives can be qualified as Level 2. The value of these derivatives 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 which 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. In addition, (3) Vesteda must at all times meets its obligations under the loans it has taken out including the interest cover ratio and loan-to-value covenant.

Vesteda limits these risks by conservative use of loan capital, ensuring sufficient headroom under its financial covenants and hedging min 70% of its interest risk in order to mitigate adverse effects of interest rate volatility.

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.

Vesteda's objective is to maintain a balance between continuity of funding and flexibility. Vesteda funds itself with a diversity of financing instruments through banks loans and capital markets. Debt maturities are chosen in line with the long-term character of Vesteda's assets taking into account a well spread maturity profile of its debt portfolio.

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

Liquidity risk

Year ended 31 December 2016

	On demand	< 3 months	3-12 months	1-5 years	Total
Interest-bearing loans and borrowings	-	-	-	1,237	1,237
Interest		9	26	170	205
Deposits from tenants	12	-	-	-	12
Finance leases	-	-	-	-	-
Financial derivatives	-	-	-	19	19
Trade and other payables	10	24	-	2	36
	22	**33**	**26**	**1,428**	**1,509**

Year ended 31 December 2015

	On demand	< 3 months	3-12 months	1-5 years	Total
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**

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 multiannual 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 recognized 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	633	1
Senior private notes	200	209	2
	800	**842**	

The € 600 million senior public notes represent an equivalent fair value estimate per year-end 2016 of € 633 million.

The € 200 million of senior private notes represent an equivalent fair value estimate per year-end 2016 of € 209 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.

31. Capital management

The primary objective of the Vesteda Companies' capital management is to ensure that the Fund 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 50% on VRF level (corporate unsecured debt).

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

	2016	2015
Carrying amount of interest-bearing loans and borrowings	1,231	1,089
Unamortised issuing costs	6	9
Principal amount of interest-bearing loans and borrowings	**1,237**	**1,098**
External valuation of completed investment property	4,207	3,726
External valuation of investment property under construction	135	77
Total valuation of investment property	**4,342**	**3,803**
Loan to value ratio	28.5%	28.9%

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 4.1 percentage points would lower the value of the investment property to such extent that a LTV of 50% would be reached.

32. Managing Board and other identified staff remuneration

With regard to remuneration 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 four risk/compliance members (The Risk Officer, the HR Manager, the Compliance Officer and the Internal Auditor).

In 2016 the company was charged € 972,000 (2015: € 905,000) for the remuneration of the Managing Board.

In addition social security charges and pension contributions were € 70,000 (2015: € 112,000) for the Managing Board.

The 2016 remuneration charges below include reservations for variable remuneration over 2016 to be awarded in 2017. The variable remuneration to be rewarded will partly have a deferred component. After approval of the annual accounts 2016, the Supervisory Committee will grant the target rewards for the Managing Board for the year 2016.

	Managing Board	Other Identified Staff**
Charged to the company in 2016 (accrual basis)		
Base salary charges *	790,000	916,000
Variable remuneration charges 2016 (for future cash or shares)	121,000	178,000
Phantom share appreciation charges	61,000	39,000
Total variable remuneration charges (for future cash or shares)	182,000	217,000
Subtotal remuneration charged to the company	**972,000**	**1,133,000**
Social security charges & pension contributions	70,000	200,000
Total charged to the company in 2016	**1,042,000**	**1,333,000**

* Includes management fee interim CFO for the period 15.01/1.11.2016

** Other identified staff as per 31.12.2016

# phantom shares granted before 2015	**-**	**544**
# phantom shares granted in 2015	1,966	835
# phantom shares cashed in 2015	-	326
# phanton shares granted end of 2015	**1,966**	**1,053**
# phantom shares granted in 2016	1,140	982
# phantom shares cashed in 2016	-	241
# phantom shares granted end of 2016	**3,106**	**1,794**
# phantom shares not locked up end of 2016	1,200	349
# phantom shares locked up until May 2017	782	349
# phantom shares locked up until May 2018	-	218
# phantom shares locked up until May 2019	766	486
# phantom shares locked up until May 2020	358	392

As per year end 2016 one phantom share represents a value of € 111.44.

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 Internal Auditor has no bonus scheme whereas the risk/compliance members are entitled to the performances with a maximum of 12% or 20% of base salary. All other Identified Staff are entitled to 20% of base salary for 'on target' performance, with a maximum of 30%. The composition of Other Identified staff has changed in 2016.

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 board. 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 and an indirect (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 component is paid immediately after the one-year performance period, and an indirect, deferred component is paid out or received after a period of 3 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 Fund the Identified Staff is entitled to exchange the cash component for phantom shares.

The variable remuneration policy for Identified Staff also includes clawback provisions. Up and until 2016 these provisions have not been applicable.

33. Supervisory Committee remuneration

The remuneration for the Supervisory Committee members in 2016 (January: five, February and March: six, April until December: five) was € 224,000 (2015: January until May: five, June until November: four and December: five was € 195,000).

34. Service fees paid to external auditors

Management expenses include the following amounts recognised as fees to Deloitte € 273,900 (EY 2015: € 316,000) for audit services and to Deloitte € 39,875 for audit-related services and to EY € 125,000 for audit-related services (EY 2015: € 179,000). All amounts are excl. VAT.

Deloitte did not charge fees for tax advice in either year.

35. Contingencies and commitments

The total liabilities for obligations entered into for construction contracts, rental and lease instalments are € 290 million (2015: € 259 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	204	1	1
Due between 1 and 5 years	83	-	1
	287	**1**	**2**

As provisions in Note 26 are applicable for future investment portfolio and portfolio for sale, the liabilities are also adapted for both future investment portfolio and portfolio for sale.

36. New and amended standards and interpretations

Changes in accounting policies and disclosures

Vesteda applied certain standards and amendments for the first time in 2016. 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:

- Amendments to IAS 1 Presentation of Financial Statements – Disclosure Initiative, effective 1 January 2016
- Annual Improvements to IFRSs - 2012-2014 Cycle (Issued September 2014), effective 1 January 2016

Amendments to IAS 1 Presentation of Financial Statements – Disclosure Initiative

Vesteda has applied these amendments for the first time in the current year. The amendments clarify that an entity need not provide a specific disclosure required by an IFRS if the information resulting from that disclosure is not material, and give guidance on the bases of aggregating and disaggregating information for disclosure purposes. However, the amendments reiterate that an entity should consider providing additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users of financial statements to understand the impact of particular transactions, events and conditions on the entity's financial position and financial performance.

In addition, the amendments clarify that an entity's share of the other comprehensive income of associates and joint ventures accounted for using the equity method should be presented separately from those arising from the Group, and should be separated into the share of items that, in accordance with other IFRSs: (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met.

As regards the structure of the financial statements, the amendments provide examples of systematic ordering or grouping of the notes. The application of these amendments has not resulted in any impact on the financial performance or financial position of Vesteda.

Improvements to IFRSs - 2012-2014 Cycle (Issued September 2014)

Vesteda has applied these amendments for the first time in the current year. The amendments clarify that an entity need not provide a specific disclosure required by an IFRS if the information resulting from that disclosure is not material, and give guidance on the bases of aggregating and disaggregating information for disclosure purposes. However, the amendments reiterate that an entity should consider providing additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users of financial statements to understand the impact of particular transactions, events and conditions on the entity's financial position and financial performance.

In addition, the amendments clarify that an entity's share of the other comprehensive income of associates and joint ventures accounted for using the equity method should be presented separately from those arising from the Group, and should be separated into the share of items that, in accordance with other IFRSs: (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met. As regards the structure of the financial statements, the amendments provide examples of systematic ordering or grouping of the notes.

The application of these amendments has not resulted in any impact on the financial performance or financial position of Vesteda.

New and amended standards and Interpretations, effective for financial years starting after 1 January 2016

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[2]
IFRS 15	Revenue from Contracts with Customers (and the related Clarifications)[2]
IFRS 16	Leases[3]
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions[2]
Amendments to IAS 7	Disclosure Initiative[1]

1 Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.
2 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
3 Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.

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 2016, 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 single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related Interpretations when it becomes effective. The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

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 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 will supersede the current lease guidance including IAS 17 Leases and the related interpretations when it becomes effective. IFRS 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases (off balance sheet) and finance leases (on balance sheet) are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognized for all leases by lessees (i.e. all on balance sheet) except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. Furthermore, the classification of cash flows will also be affected as operating lease payments under IAS 17 are presented as operating cash flows; whereas under the IFRS 16 model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flows respectively.

In contrast to lessee accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by IFRS 16.

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 requirements, 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 IFRS 2 Classification and Measurement of Share-based Payment Transactions

The amendments clarify the following:

1. In estimating the fair value of a cash-settled share-based payment, the accounting for the effects of vesting and non-vesting conditions should follow the same approach as for equity-settled share-based payments.
2. Where tax law or regulation requires an entity to withhold a specified number of equity instruments equal to the monetary value of the employee's tax obligation to meet the employee's tax liability which is then remitted to
   the tax authority, i.e. the share-based payment arrangement has a 'net settlement feature', such an arrangement should be classified as equity-settled in its entirety, provided that the share-based payment would have been classified as equity-settled had it not included the net settlement feature.
3. A modification of a share-based payment that changes the transaction from cash-settled to equity-settled should be accounted for as follows:
   i. the original liability is derecognised;
   ii. the equity-settled share-based payment is recognised at the modification date fair value of the equity instrument granted to the extent that services have been rendered up to the modification date; and
   iii. any difference between the carrying amount of the liability at the modification date and the amount recognized in equity should be recognised in profit or loss immediately.

The amendments are effective for annual reporting periods beginning on or after 1 January 2018 with earlier application permitted. Specific transition provisions apply. The directors of the Company do not anticipate that the application of the amendments in the future will have a significant impact on the Group's consolidated financial statements as the Group does not have any cash-settled share-based payment arrangements or any withholding tax arrangements with tax authorities in relation to share-based payments.

Amendments to IAS 7 Disclosure Initiative

- The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments apply prospectively for annual periods beginning on or after 1 January 2017 with earlier application permitted. Vesteda do not anticipate that the application of these amendments will have a material impact on the consolidated financial statements..

37. Other information

Proposals to investors

Proposed appropriation of result for 2016

The Managing Board proposes that the profit for the year of € 532,709,815 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 € 128 million for the year 2016. The annual accounts will be presented for adoption at the General Meeting of Participants on 12 April 2017.

Independent auditor's report

To the participants of Vesteda Residential Fund FGR

Report on the financial statements 2016 included in the annual accounts

Our Opinion
We have audited the consolidated financial statements 2016 of Vesteda Residential Fund FGR, based in Amsterdam.

In our opinion The consolidated financial statements included in these annual accounts give a true and fair view of the financial position of Vesteda Residential Fund FGR as at 31 December 2016, and of its result and its cash flows for 2016 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.

The consolidated financial statements comprise:

1. The consolidated statement of financial position as at 31 December 2016.
2. The following statements for 2016: the consolidated statements of comprehensive income, changes in equity and cash flows.
3. The notes comprising a summary of the significant accounting policies and other explanatory information.

Basis for our 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 financial statements" section of our report.

We are independent of Vesteda Residential Fund FGR 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
Based on our professional judgement we determined the materiality for the financial statements as a whole at € 30 million. The materiality is based on 1% of group equity. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Supervisory Committee that misstatements in excess of € 1,5 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 judgement, were of most significance in our audit of the 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 financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Audit Response
Fair value of investment property	
The valuation of the investment properties in operation and investment properties under construction (Investment Properties) is significant to our audit due to their magnitude and their valuation is complex and highly dependent on a range of estimates (amongst others, rental value, vacancy rates, yields, vacant value). The valuation is performed in accordance with IAS 40 / IFRS 13 which is based on an extensive internal valuation process and determined by external appraisers.The valuation of the investment property is set out in Note 17 of the financial statements.	Management uses external appraisers to support its determination of the individual fair value of the Investment Properties. Amongst others, we have considered the objectivity, independence and expertise of the external appraisers, assessed the appropriateness of the property related data, including estimates as used by the external appraisers (amongst others, rental value, vacancy rates, yields, vacant value). In addition we used our real estate and valuation specialists to assist us in challenging the external valuations. We have challenged management and the external appraisers about the appropriateness of the property related data, used estimates and the (movements in) fair value of the Investment Properties. Furthermore, we discussed with the external appraisers their valuation reports and our findings. We also assessed the appropriateness of the disclosures relating to the assumptions, as we consider them likely to be important to users of the financial statements given the estimation uncertainty and sensitivity of the valuations.
Significant estimates related to provisions for contractual obligations in respect to real estate projects	
Vesteda's disclosures about non-current provisions are included in Note 26 of the financial statements and are mainly related to expected losses on contractual obligations for real estate projects. The determination of these provisions requires significant management judgment. Movements in these provisions are also influenced by changes in the project plans, the underlying contractual agreements and changes in the fair value of the underlying Investment Properties which will be developed. 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 in accordance with IAS 37 furthermore we compared the estimated future results used in the calculation with the project plans. We reviewed the changes in the project plans and challenged whether these changes have been properly addressed in the new calculations. In addition we used our real estate and valuation specialists to assist us in challenging the external valuations as if completed. We challenged the estimated project cost to complete.
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 27 of the financial statements. 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. We made use of specialist in this process.

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 March 17, 2017 we issued a separate auditor's report on the company financial statements

Report on the other information included in the annual accounts

In addition to the financial statements and our auditor's report, the annual accounts contain other information that consists of:

- Management Report
- Other included information

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements.

- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of other information, including the Management Report in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

We were engaged by the Supervisory Committee as auditor of Vesteda Residential Fund FGR on April 1, 2015, as of the audit for year 2016 and have operated as statutory auditor ever since that date.

Description of responsibilities for the consolidated financial statements

Responsibilities of management and the supervisory board 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the 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 financial statements.

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

Our responsibilities for the audit of the 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 material 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 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 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 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 financial statements, including the disclosures.
- Evaluating whether the 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 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.

Amsterdam, March 17, 2017

Deloitte Accountants B.V.

J. Holland

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

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.

	Note	Actual impact on 2016 figures	Actual impact on 2015 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)

	2016 IFRS	Adj.	2016 INREV	2015 IFRS	Adj.	2015 INREV
Gross rental income	242		242	237		237
Service charge income	10		10	10		10
Property operating expenses (excluding service charges)	(55)		(55)	(53)		(53)
Service charges	(15)		(15)	(17)		(17)
Other income	-		-	(1)		(1)
Net rental income	**182**		**182**	**176**		**176**
Result on projects in progress	1		1	-		-
Result on disposals	14		14	14		14
Management expenses	(22)		(22)	(16)		(16)
Financial results	(33)		(33)	(52)		(52)
Realised result before tax	**142**		**142**	**122**		**122**
Unrealised result	**391**		**391**	**169**		**169**
Result before tax	**533**		**533**	**291**		**291**
Tax	-		-	-		-
Result after tax (attributable to equity holders of the parent)	**533**		**533**	**291**		**291**
Other comprehensive income that will be reclassified subsequently to profit or loss						
- Unwind transaction derivatives	-		-	14		14
- Positive revaluation derivatives	4		4	11		11
Fair value adjustment on liabilities	-	(29)	(29)	-	3	3
Other comprehensive income, net of tax	**4**		**(25)**	**25**		**28**
Total comprehensive income (attributable to equity holders of the parent)	**537**		**508**	**316**		**319**

Consolidated statement of financial position in accordance with INREV valuation principles

(Amounts in € million)

	31 December 2016 IFRS	Adj.	31 December 2016 INREV	31 December 2015 IFRS	Adj.	31 December 2015 INREV
Assets						
Non-current assets						
Intangible fixed assets	-		-	1		1
Investment property	4,207		4,207	3,726		3,726
Investment property under construction	135		135	77		77
Property, plant and equipment	4		4	5		5
Financial assets	1		1	1		1
	4,347		**4,347**	**3,810**		**3,810**
Current assets						
Inventory property	-		-	-		-
Trade and other receivables	11		11	9		9
Cash and cash equivalents	17		17	20		20
	28		**28**	**29**		**29**
Total assets	**4,375**		**4,375**	**3,839**		**3,839**
Equity and liabilities						
Equity						
Group equity	3,045	(42)	3,003	2,629	(13)	2,616
Non-current liabilities						
Financial liabilities	1,231	42	1,273	1,089	13	1,102
Provisions	18		18	42		42
Derivative financial instruments	19		19	23		23
	1,268		**1,310**	**1,154**		**1,167**
Current liabilities						
Provisions	14		14	7		7
Trade and other payables	48		48	49		49
	62		**62**	**56**		**56**
Total liabilities	**1,330**		**1,372**	**1,210**		**1,223**
Total equity and liabilities	**4,375**		**4,375**	**3,839**		**3,839**

Consolidated statement of changes in equity in accordance with INREV valuation principles

(Amounts in € million)

		Reserve				
	Fund Equity	**General paid in surplus**	**Property**	**Derivatives**	**Other reserve**	**Total equity**
As at 1 January 2015	**25**	**1,727**	**418**	**(48)**	**124**	**2,246**
Result for the year	-	-	124	-	167	291
Other comprehensive income	-	-	-	25	-	25
Total comprehensive income	**-**	**-**	**124**	**25**	**167**	**316**
Realised from 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**	**535**	**(23)**	**301**	**2,616**
Result for the year	-	-	270	-	263	533
Other comprehensive income	-	-	-	4	-	4
Total comprehensive income	**-**	**-**	**270**	**4**	**263**	**537**
Realised from sales	-	-	(11)	-	11	-
Dividend	-	(121)	-	-	-	(121)
Changes according to INREV	-	-	-	-	(29)	(29)
As at 31 December 2016	**25**	**1,657**	**794**	**(19)**	**546**	**3,003**

INREV expense metrics

	2016	2015
Total Expense Ratio (NAV)	0.80%	0.68%
Total Expense Ratio (GAV)	0.54%	0.44%
Real Estate Expense Ratio (GAV)	1.48%	1.61%

Fund expenses are the management expenses in the consolidated statement of comprehensive income. Property specific cost are the property operating expenses including non-recoverable service charges 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 2015 – Q4 2016), divided by five. The quarterly figures of Q1, Q2 and Q3 2016 are unaudited.

The weighted average INREV GAV is calculated as the closing INREV gross asset value of five individual quarters (Q4 2015 – Q4 2016), divided by five. The quarterly figures of Q1, Q2 and Q3 2016 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

(Amounts in € million)

	notes	31 December 2016	31 December 2015
NAV per the IFRS financial statements		3,045	2,629
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		**3,045**	**2,629**
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	(42)	(13)
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		**3,003**	**2,616**

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 2016, 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 2016.

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 2016.

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 2016, 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 2016, 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 2016, 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 2016, 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 2016, 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 2016, an adjustment has been made for the revaluation to fair value of the fixed interest debt financial liabilities of € 42 million (2015: € 13 million). This adjustment relates specifically to the senior unsecured notes (bonds issued in July 2014 and October 2015) and the private placement borrowings with PRICOA Capital Group (as per July 2013 and December 2016).

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 2016, 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 capitalising 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 5 years period instead of charging immediately to the income statement.

No set-up costs for VRF FGR have been made in the last 5 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 5 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 5 years after initial closing.

Vesteda has not adjusted for any paid acquisition expenses on the current portfolio, due to the fact that Vesteda has made limited acquisitions over the past years as a result of which the adjustment would be less than 0.1% of total equity at year end 2016.

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 2016, 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 2016, 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 2016, 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 2016, 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

Report on the financial overviews

Our Opinion
We have audited the financial overviews 2016 of Vesteda Residential Fund FGR, based in Amsterdam.

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).

The financial overviews comprise:

1. The consolidated statement of financial position as at 31 December 2016.
2. The consolidated statement of comprehensive income account for 2016.
3. The notes comprising a summary of the accounting policies and other explanatory information.

Basis for our 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 financial overviews" section of our report.

We are independent of Vesteda Residential Fund FGR 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.

Description of responsibilities for the financial overviews

Responsibilities of management for the financial overviews
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 management determines is necessary to enable the preparation of the financial overviews that are free from material misstatement, whether due to fraud or error.

Our responsibilities for the audit of the financial overviews
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 material 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 financial overviews. 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 financial overviews, 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.
- Evaluating the overall presentation, structure and content of the financial overviews, including the disclosures.

Amsterdam, March 17, 2017

Deloitte Accountants B.V.

J. Holland

Annexes

Annex 1: Key figures past ten years

	2016 IFRS	2015 IFRS	2014 IFRS	2013 IFRS	2012 IFRS	2011 IFRS	2011 DG	2010 DG	2009 DG	2008 DG	2007 DG
Statement of financial position											
Year-end, amounts in € million											
Total assets	4,375	3,839	3,667	3,782	4,158	4,497	4,513	4,707	4,932	5,107	5,077
Equity	3,045	2,629	2,262	2,280	2,423	2,670	2,671	2,793	2,941	3,264	3,288
Debt capital	1,237	1,098	1,265	1,350	1,523	1,649	1,649	1,695	1,758	1,725	1,650
Leverage (%)	28	29	35	36	37	37	37	36	36	34	32
Portfolio value											
Year-end, amounts in € million											
Development portfolio	135	77	13	23	12	24	76	163	254	279	135
Investment portfolio	4,207	3,726	3,593	3,655	3,970	4,265	4,248	4,402	4,484	4,699	4,799
Total portfolio	4,342	3,803	3,605	3,678	3,982	4,289	4,324	4,565	4,738	4,978	4,934
Units											
Year-end											
Number of residential units	22,629	22,599	22,990	23,791	25,100	25,828	25,828	26,732	27,243	27,624	28,334
Number of commercial m2	35,406	34,319	36,359	36,640	50,491	55,410	55,410	57,515	51,663	43,179	39,789
Number of parking/garage spaces	9,094	9,293	9,335	9,527	10,217	10,427	10,427	10,177	9,699	9,457	8,984
Occupancy rate											
Year-end											
Investment portfolio (%)	97.8	97.9	96.6	96.1	95.6	95.7	95.7	95.2	95.3	97.1	97.2
Net rental income											
Amounts in € million											
Investment portfolio, at start of year	3,726	3,593	3,655	3,970	4,265	4,402	4,402	4,484	4,699	4,799	4,306
Net rental income	182	176	176	181	177	173	173	175	180	176	168
Net rental income (%)	4.9	4.9	4.8	4.6	4.2	3.9	3.9	3.9	3.8	3.6	3.8
Tenant satisfaction											
Rating (out of 10)											
Investment portfolio	7.0	6.9	6.9	6.9	7.0	7.0	7.0	6.9	7.0	7.0	7.1
Operating result											
Amounts in € million											
Realised result from letting	141	122	110	104	98	88	89	110	109	110	137
Realised result from project development	1	–	4	(1)	(1)	(4)	(13)	(27)	–	(3)	(4)
Unrealised results	391	169	22	(163)	(234)	(138)	(123)	(177)	(372)	(119)	178
Total operating result	533	291	136	(60)	(137)	(49)	(47)	(94)	(263)	(12)	311
Operating return											
As % of opening equity											
Realised return from letting	5.3	5.4	4.8	4.3	3.6	3.1	3.2	3.7	3.4	3.3	4.3
Realised return from project development	0.1	–	0.2	(0.1)	–	(0.1)	(0.5)	(0.9)	–	(0.1)	(0.1)
Unrealised return	14.9	7.5	1.0	(6.7)	(8.7)	(4.9)	(4.4)	(6.0)	(11.4)	(3.6)	5.6
Total operating return	20.3	12.9	6.0	(2.5)	(5.1)	(1.9)	(1.7)	(3.2)	(8.0)	(0.4)	9.8
Employees											
Year-end											
FTE	181	179	189	227	253	305	305	332	346	337	318
Result											

	2016 IFRS	2015 IFRS	2014 IFRS	2013 IFRS	2012 IFRS	2011 IFRS	2011 DG	2010 DG	2009 DG	2008 DG	2007 DG
Amounts in € million											
Total operating result	533	291	136	(60)	(137)	(49)	(47)	(94)	(263)	(12)	311
Revaluation of derivatives	4	25	(4)	41	(30)	11	11	21	(35)	(92)	18
Total comprehensive result	537	316	132	(19)	(167)	(38)	(36)	(73)	(298)	(104)	329
Return											
As % of opening equity											
Total operating return	20.3	12.9	6.0	(2.5)	(5.1)	(1.9)	(1.7)	(3.2)	(8.0)	(0.4)	9.8
Revaluation of derivatives	0.1	1.1	(0.2)	1.7	(1.1)	0.4	0.4	0.7	(1.1)	(2.7)	0.6
Total return	20.4	14.0	5.8	(0.8)	(6.2)	(1.5)	(1.3)	(2.5)	(9.1)	(3.1)	10.4
Distribution to investors											
Amounts in € million											
Opening equity	2,629	2,262	2,280	2,423	2,670	2,799	2,793	2,941	3,264	3,368	3,169
Paid distribution to investors	121	107	100	74	120	109	109	84	146	80	232
Distribution to investors (%)	4.6	4.7	4.4	3.1	4.5	3.9	3.9	2.9	4.5	2.4	7.3
Distribution to investors											
Amounts in € participation											
Opening equity	101.93	94.07	92.77	96.47	104.15	109.29	109.06	114.87	127.49	131.52	126.74
Paid distribution to investors	4.71	4.43	4.07	2.95	4.68	4.25	4.25	3.28	5.69	3.12	9.28
Distribution to investors (%)	4.6	4.7	4.4	3.1	4.5	3.9	3.9	2.9	4.5	2.4	7.3

Annex 2: GRI Content Index for 'In accordance' - Core

GRI G4 - Core Vesteda

Indicator	Description	Reference
General Standard Disclosure		
Strategy and Analysis		
G4-1	Statement from the most senior decision-maker	Foreword Managing Board
Organisational Profile		
G4-3	Name of the organisation	Profile Vesteda
G4-4	Primary brands, products, and services	Profile Vesteda Key portfolio characteristics
G4-5	Location of the organisation's headquarters	Gustav Mahlerlaan 50 A-B, 1070 AR Amsterdam
G4-6	Number of countries where the organisation operates	Vesteda operates exclusively in the Netherlands.
G4-7	Nature of ownership and legal form	Governance and risk management - Legal structure
G4-8	Markets served	Vesteda operates exclusively in the Netherlands. Key portfolio characteristics - Portfolio distribution
G4-9	Scale of the organisation	Key Developments 2016 Profile Vesteda - Key milestone dates in the life of the fund
G4-10	Organisational profile - composition of workforce	Workforce Information on: - employment contract/permanent/self-employed - by region - by supervised workers - signifcant variations in employment numbers is not deemed relevant for Vesteda, since Vesteda exclusively operates in the Netherlands.
G4-11	Percentage of employees covered by collective bargaining agreements	The percentage of total employees covered by collective bargaining agreements was 91% at year-end 2016
G4-12	Describe the organisation's supply chain	About this report - Value chain
G4-13	Significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain	Profile Vesteda - Key milestone dates in the life of the fund Key Developments 2016
G4-14	Precautionary approach or principle	Governance and risk management - Risk Management Corporate Sustainability and Social Responsibility - Environmental - Improve sustainable performance
G4-15	Externally developed economic, environmental and social charters	MSCI: Management report - Portfolio Strategy INREV Guidelines: About this report - Financial and non-financial information IVBN: Governance and risk management - Ethics and Integrity GRESB: Corporate Sustainability and Social Responsibility - Strategic project: GRESB
G4-16	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).
Identified Material Aspects and Boundaries		
G4-17	All entities included in the organisation's consolidated financial statements or equivalent documents	Governance and risk management Notes to the consolidated financial statements - 2: Basis of preparation All entities included in the financial statements are also in scope for the rest of the report.

GRI G4 - Core Vesteda

Indicator	Description	Reference
G4-18	Process for defining the report content and the Aspect Boundaries	About this Report Notes to the consolidated financial statements - 2: Basis of preparation
G4-19	Material Aspects identified in the process for defining report content	About this Report
G4-20	Aspect Boundary within the organisation	About this report
G4-21	Aspect Boundary outside the organisation	About this report
G4-22	Effect of any restatements and the reasons for such restatements	Vesteda Residential Fund FGR financial overviews in accordance with INREV valuations principles - Notes to the INREV financial statements
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries.	About this report In 2016, the materiality analysis was newly performed. As a consequence the scope and aspect boundaries are updated to align with the new material topics.
Stakeholder Engagement		
G4-24	List of stakeholder groups engaged by the organisation	About this report - Content report
G4-25	Basis for identification and selection of stakeholders	About this report - Content report
G4-26	Organisation's approach to stakeholder engagement	About this report - Dialogue with stakeholders
G4-27	Key topics and concerns that have been raised per stakeholder group	About this report - Dialogue with stakeholders
Report Profile		
G4-28	Reporting period for information provided	January - December 2016
G4-29	Date of most recent previous report	The previous annual report (2015) was published on 6 April 2016
G4-30	Reporting cycle	Annually
G4-31	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	The 'in accordance' option the organisation has chosen and GRI-table	GRI G4 Core Assurance report of the independent auditor
G4-33	Organisation's policy and practice with external assurance	About this report Assurance report of the independent auditor
Governance		
G4-34	Governance structure of the organisation	Governance and risk management
Ethics and Integrity		
G4-56	Organisation’s values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics	Governance and risk management - Ethics and Integrity
Specific standard disclosures: material indicators which Vesteda reports in line with GRI		
Tenant satisfaction (G4 aspect: Product & service labelling)		

GRI G4 - Core Vesteda

Indicator	**Description**	**Reference**
DMA	(a) State why the aspect is material and describe its impact. (b) Describe how the organisation deals with the material aspect and its impact. (c) Evaluation of the management approach.	Satisfied tenants are very important to us. After all, they are our clients. A house is a basic need and we want to provide our tenants with a safe house 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 houses we provide and our service. Our target is a tenant 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. You will find the outcome of the tenant satisfaction survey and the service survey in the section Management report - Tenant survey. We use the findings of these surveys for a process of continuous improvement in our service levels.
PR5	Results of surveys measuring customer satisfaction	Management report - Tenant survey
Sector supplement PR5	Report who the organisation's customers are (such as occupants and visitors)	About this report - Value chain
Economic performance (G4 aspect: Economic performance)		
DMA	(a) State why the aspect is material and describe its impact. (b) Describe how the organisation deals with the material aspect and its impact. (c) Evaluation of the management approach.	Economic performance is very relevant to our participants. Vesteda is a core residential fund with a low-risk character. We aim to offer our participants a stable distribution and real long-term value growth. The Managing Board is responsible for the organisation's economic performance and the Supervisory Committee Board supervises the fund. Part of the individual remuneration of members of the Managing Board depends on the company's economic performance. Please also refer to our Governance and risk management chapter.
EC1 (including sector supplement)	Direct economic value generated and distributed	Management Report - Notes to the results Vesteda Residential Fund FGR financial statements
Business integrity (G4 aspect: Anti-corruption)		
DMA	(a) State why the aspect is material and describe its impact. (b) Describe how the organisation deals with the material aspect and its impact. (c) Evaluation of the management approach.	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 fnancing (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.
SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	Governance and risk management - Ethics and Integrity All our employees affirm the code of conduct annually. The code of conduct is comprised of 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. We report quantitatively on this material topic under GRI indicator SO4 and SO5.
SO4	Communication and training on anti-corruption policies and the significant risk identified	Governance and risk management - Ethics and Integrity We ask all our employees to affirm the code of conduct annually. In addition, we organise an annual awareness event to draw attention to integrity.

GRI G4 - Core Vesteda

Indicator	Description	Reference
SO5	Confirmed incidents of corruption and actions taken	Governance and risk management - Ethics and Integrity No significant incidents of corruption have been confirmed. Therefore it was not deemed necessary to take any actions.
Sustainability in the supply chain (G4 aspect: Supplier Environmental Assessment, Investment & Supplier Assessment for Impacts on Society)		
DMA	(a) State why the aspect is material and describe its impact. (b) Describe how the organisation deals with the material aspect and its impact. (c) Evaluation of the management approach.	Sustainability is an integral part of our organisation and we aim to improve our performance year by year. Because a large part of our impact lays outside of our organisation, for example at our partners and tenants, we believe it is also necessary to take steps in our supply chain. As of 2016, we started asking our largest suppliers and a number of other preferred suppliers to sign the 'sustainability declaration suppliers'. Significant suppliers are asked to sign the IVBN duurzaamheidsverklaring leveranciers. This sustainability declaration covers environmental, social and ethical topics. We are in constant dialogue with our non-significant suppliers. If the consultations do not lead to a satisfactory outcome, Vesteda may decide to terminate the cooperation.
EN32	Percentage of new suppliers that were screened using environmental criteria	Corporate Sustainability and Social Responsibility - Sustainability in the chain We started measuring the signed supplier sustainability declarations in 2016. In the years to come, we will continue to report the percentage of significant suppliers that have signed the declaration instead of merely reporting the percentage of new suppliers that were screened. We believe it to be far more valuable to provide stakeholders with insight about the entire population of significant suppliers instead of only new significant suppliers.
HR10	Percentage of new suppliers that were screened using human rights criteria	
SO9	Percentage of new suppliers that were screened using criteria for impacts on society	
Green certification & Sustainable construction and maintenance (G4 aspect: Products and services)		
DMA	(a) State why the aspect is material and describe its impact. (b) Describe how the organisation deals with the material aspect and its impact. (c) Evaluation of the management approach.	We use sustainable maintenance and renovation to improve the living environment of our tenants. This can include getting rid of draughts in houses and the removal of mould. We also strive, among other things, to improve the energy labels of our houses. 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 Strategy 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 Operations. 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 2,500 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 houses per energy label and GRESB assessment in the section Corporate Sustainability and Social Repsonsibility.
CRE8	Type and number of sustainability certification, rating and labelling schemes for new construction, management occupation and redevelopment	Corporate Sustainability and Social Responsibility - Strategic project: Portfolio Sustainability Improvement Corporate Sustainability and Social Responsibility - Strategic project: GRESB
Compliance		

GRI G4 - Core Vesteda

Indicator	Description	Reference
DMA	(a) State why the aspect is material and describe its impact. (b) Describe how the organisation deals with the material aspect and its impact. (c) Evaluation of the management approach.	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.

GRI G4 - Core Vesteda

Indicator	Description	Reference
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	There were no significant fines paid out by Vesteda in 2016.
Specific standard disclosures: Material indicators that Vesteda reports which are partly in line with GRI		
Sustainable innovations and Healthy buildings (G4 aspect: Health & Safety)		
DMA	(a) State why the aspect is material and describe its impact. (b) Describe how the organisation deals with the material aspect and its impact. (c) Evaluation of the management approach.	Vesteda believes it is important that the houses 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** Houses built before 1983 and between 1983 and 1993 can contain asbestos. This is 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 Operations 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 Operations 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 Operations 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 Operations 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 signifcant risks and follow these up. At this point in time, approximately 90% of our residential buildings are equipped with a risk map. The Operations department is responsible for both the execution of this aspect and the management of the process.
PR 1	Percentage of significant products and service categories for which health and safety impacts are assessed for improvement.	Corporate Sustainability and Social Responsibility - Healthy and safe houses We do not report the percentage of significant products for which health and safety impacts are assessed for improvement. We do however aim to provide further quantitative insight into the house improvements we perform. We believe it to be far more relevant to report quantitatively about all significant improvements made, as the type and intensity of improvements vary per residential builing and unit. We will continue to monitor stakeholders' expectations about this topic and align our reporting accordingly.

GRI G4 - Core Vesteda

Indicator	Description	Reference
VES1 (own indicator)	Relevant initiatives & activities regarding sustainable innovations	Corporate Sustainability and Social Responsibility - Strategic project: Organisation/Behaviour
Specific standard disclosures: other material indicators that Vesteda reports but which are not found in GRI		
Transparency & Corporate governance		
DMA	(a) State why the aspect is material and describe its impact. (b) Describe how the organisation deals with the material aspect and its impact. (c) Evaluation of the management approach.	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 mutual fund for the joint account of participants 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 felds of management, compliance, risk management, financial reporting and knowledge of real estate and investments.
VES2 (own indicator)	Insight in Corporate governance	Governance and risk management
VES3 (own indicator)	Transparency is in accordance with INREV Guidelines	About this report - INREV Guidelines

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.
CSSR	Corporate Sustainability and 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).
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).
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 complex divided by the total investment in that residential complex.
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 complexes 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 regulation limit (€ 710.68 in 2016 and 2017). 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.
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 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 2016 and 2017).
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 for 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 complies with the relevant legislation and regulations (AIFM Directive, IFRS and Dutch legislation and regulations).

The appraisal is conducted in accordance with the guidelines and regulations of the Nederlands Register Vastgoed Taxateurs (Dutch Register of Real Estate Appraisers), NRVT, 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.

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 10 years and then selling the asset in one piece to a third party. The second scenario also assumes a continuation of letting for the next 10 years, but takes into account that individual houses or apartments that become vacant are sold to houseowners (individual unit sales); after 10 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 2016, the valuations of the properties in the portfolio were conducted by: CBRE Valuation Advisory, Dynamis Taxaties, MVGM Vastgoedtaxaties, Colliers International Consultants, Cushman & Wakefield and DTZ Zadelhoff v.o.f. Valuations are conducted by qualified appraisers of these agencies; the appraisers are registered in the NRVT, which guarantees the initial qualification of the appraiser and his/her continuous training, and preferably also in RICS. Vesteda regularly changes the appraisers it uses to guarantee their independence. On 1 October 2016, DTZ Zadelhoff v.o.f. started acting as appraiser, replacing Dynamis Taxaties. On 15 October, the merger of Cushman & Wakefield and DTZ Zadelhoff v.o.f. was announced. The original team of DTZ appraisers finished the valuation of their sub portfolio in Q4. A new appraiser appointed to replace DTZ Zadelhoff v.o.f. will start in 2017.

For the purpose of the valuations, Vesteda divides the portfolio properties into four equal sub portfolios, each with its own appraiser. Once a property has been valued by the same appraiser for 3 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 complexes in the investment portfolio. In line with the MSCI definition, all complexes 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

City, Street, Name of complex, 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) | **FH** Number of single-unit residential properties; familiy houses (units) | **APP** Number of multiple-residency properties; apartments (units) | **UA** Useable area of the residential properties (m2 x 100) | **COG** Commercial space (m2) | **P** Parking and garage spaces (units) | **RENT** Theoretical gross annual rent (as at 31 December, € x 1000)

City, Street, Name, Province, Construction year	LAND	RS	R	U	FH	APP	UA	COG	P	RENT
Aalsmeer, Edisonstraat, Proosdij, NH, 1983	100%	M	P	11	11	-	12	-	-	123
Abcoude, Ereprijs, Fluitekruid App. II, UT, 1989	100%	R	P	25	-	25	20	-	-	221
Abcoude, Ereprijs, Fluitekruid II, UT, 1989	100%	M	P	50	50	-	48	-	-	587
Abcoude, Fluitekruid, Fluitekruid App. I, UT, 1989	100%	R	P	23	-	23	18	-	-	202
Abcoude, Fluitekruid, Fluitekruid I, UT, 1989	100%	M	P	31	31	-	34	-	-	385
Almere, Dek, Noorderplassen, FL, 2004	100%	M	S	32	32	-	49	-	-	364
Almere, Fellinilaan, Fellinilaan, FL, 1998	100%	M	S	42	-	42	43	-	-	465
Almere, Gleditsiastraat, Parkwijk, FL, 1995	100%	M	S	62	62	-	85	-	-	624
Almere, Harderwijkoever, Boulevardflat, FL, 1984	100%	R	S	196	-	196	164	-	197	1,701
Almere, Havenhoofd, Havenhoofd, FL, 1986	100%	M	S	47	-	47	45	-	-	454
Almere, Jacques Tatilaan, Filmwijk, FL, 1998	100%	M	S	90	90	-	114	-	-	916
Almere, Jarenweg, Seizoenenbuurt, FL, 1999	100%	M	S	40	40	-	45	-	-	377
Almere, Koetsierbaan, Side by Side toren I, FL, 2007	100%	M	S	18	-	18	20	-	16	254
Almere, Koetsierbaan, Side by Side toren II, FL, 2007	100%	M	S	82	-	82	83	82	88	1,001
Almere, Lotusbloemweg, Bloemenbuurt, FL, 1990	100%	M	S	59	59	-	67	-	-	594
Almere, Marktmeesterstraat, Bankierbaan, FL, 1988	100%	R	S	100	-	100	91	-	-	811
Almere, Marktmeesterstraat, Marktmeesterstraat, FL, 1989	100%	R	S	33	-	33	28	-	-	267
Almere, Marktmeesterstraat, U Blok - Centrum, FL, 1989	100%	R	S	104	-	104	92	-	83	891
Almere, Messiaenplantsoen, Messiaenplantsoen, FL, 1990	100%	R	S	83	-	83	68	-	-	695

City, Street, Name, Province, Construction year	LAND	RS	R	U	FH	APP	UA	COG	P	RENT
Almere, Nova Zemblastraat, Eilandenbuurt, FL, 2003	100%	M	S	43	43	-	49	-	-	454
Almere, Preludeweg, Muziekwijk Preludeweg, FL, 1994	100%	M	S	115	115	-	145	-	-	1,195
Almere, Raaigrasstraat, Kruidenwijk, FL, 1988	LH	M	S	84	84	-	97	-	-	810
Almere, Rondostraat, Muziekwijk Rondostraat, FL, 1992	100%	M	S	25	25	-	33	146	-	281
Almere, Simon Vestdijkstraat, Literatuurwijk, FL, 1998	100%	M	S	38	38	-	47	-	-	375
Almere, Slagbaai, Waterwijk, FL, 1983	100%	R	S	23	23	-	25	-	-	201
Almere, Vrije Zeestraat, Oostvaardersbuurt, FL, 2001	100%	M	S	42	42	-	55	-	-	415
Almere-Stad, Quickstepstraat, Danswijk, FL, 1999	100%	M	S	34	34	-	38	-	-	319
Amersfoort, Amsterdamseweg, Puntenburg Hoogbouw, UT, 2011	100%	M	P	49	-	49	58	175	54	730
Amersfoort, Blekerssingel, Willem III Swaenenborgh, UT, 1988	100%	M	P	13	-	13	11	-	-	128
Amersfoort, Blekerssingel, Willem III, UT, 1988	100%	M	P	18	-	18	15	-	-	176
Amersfoort, Bombardonstraat, Zielhorst App., UT, 1990	100%	M	P	36	-	36	29	-	-	337
Amersfoort, Bombardonstraat, Zielhorst, UT, 1990	100%	M	P	20	20	-	20	-	-	203
Amersfoort, Bruggensingel-Zuid, Kattenbroek App., UT, 1991	100%	M	P	55	-	55	53	-	-	522
Amersfoort, Groote Kreek, Kattenbroek Eiland, UT, 1993	100%	M	P	101	101	-	139	-	-	1,230
Amersfoort, Grote Koppel, Zeven Provinciën, UT, 2004	100%	M	P	58	-	58	66	-	-	807
Amersfoort, Kasteel, Kattenbroek, UT, 1991	100%	M	P	79	79	-	106	-	-	909
Amersfoort, Parelvisserspad, Schuilenburg, UT, 1969	100%	M	P	116	116	-	142	-	50	1,282
Amersfoort, Zeeuwsestraat, Puntenburg Laagbouw, UT, 2010	100%	M	P	59	-	59	57	-	59	732
Amstelveen, Groenhof, Cirrus, NH, 1972	100%	M	P	80	-	80	66	-	13	715
Amstelveen, Westelijk Halfrond, Stratus; Multatuli; Meridiaan, NH, 1974	100%	R	P	175	-	175	144	-	25	1,460
Amsterdam, B. Merkelbachsingel, 14Noord, NH, 2015	LH	M	P	14	-	14	13	-	-	165
Amsterdam, Bart de Ligtstraat, Julianapark, NH, 1991	LH	H	P	40	40	-	51	-	16	639
Amsterdam, Bert Haanstrakade, IJzicht, NH, 2009	LH	H	P	120	-	120	149	995	129	2,121
Amsterdam, Bijlmerdreef, Gerenstein-Gallery, NH, 2007	LH	M	P	96	-	96	94	-	-	1,014
Amsterdam, Bonhoeffersingel, Midden Akerveldsepolder App. I, NH, 1989	LH	M	P	48	-	48	36	-	-	445
Amsterdam, Bonhoeffersingel, Midden Akerveldsepolder I, NH, 1989	LH	M	P	160	160	-	184	-	-	1,925

City, Street, Name, Province, Construction year	LAND	RS	R	U	FH	APP	UA	COG	P	RENT
Amsterdam, Brigantijnkade, Steigereiland Tjalk, NH, 2010	LH	H	P	26	-	26	32	672	46	563
Amsterdam, Ceramiquelaan, De Zeearend, NH, 2012	LH	H	P	9	-	9	10	-	16	183
Amsterdam, Churchilllaan, Churchilllaan Amsterdam, NH, 1926	LH	M	P	168	-	168	135	1,348	-	2,356
Amsterdam, Cornelis Outshoornstraat, De Drie Bouwmeesters App., NH, 2006	LH	M	P	46	-	46	43	-	48	503
Amsterdam, De Boelelaan, De Boel, NH, 1963	LH	M	P	154	-	154	112	-	-	1,975
Amsterdam, Diopter, Diopter, NH, 1998	LH	M	P	53	53	-	66	-	-	659
Amsterdam, Galjootstraat, Steigereiland Klipper, NH, 2009	LH	M	P	59	-	59	59	-	68	846
Amsterdam, Gustav Mahlerlaan, New Amsterdam, NH, 2008	LH	H	P	171	-	171	205	2,502	198	4,298
Amsterdam, Hammerbystraat, De Willem Barentsz, NH, 2012	LH	H	P	13	-	13	14	-	14	223
Amsterdam, Hooivletstraat, Steigereiland Schoener, NH, 2009	LH	M	P	59	-	59	59	-	68	842
Amsterdam, Ijburglaan, Blok 4 App., NH, 2003	LH	H	P	26	-	26	34	-	26	433
Amsterdam, Ijburglaan, Blok 4 Maisonnettes, NH, 2003	LH	H	P	11	-	11	24	-	11	245
Amsterdam, Ijburglaan, De Ontdekking, NH, 2008	LH	M	P	43	-	43	47	-	43	630
Amsterdam, Ijburglaan, De Uitkijk, NH, 2005	LH	M	P	31	-	31	37	-	34	454
Amsterdam, J.P. Kloosstraat, De Hagen, NH, 2016	LH	M	P	32	-	32	27	-	32	410
Amsterdam, Jan Puntstraat, Huizingalaan, NH, 1990	LH	M	P	167	-	167	149	-	143	2,013
Amsterdam, Jean Desmetstraat, Jean Desmetstraat, NH, 2008	LH	H	P	12	12	-	14	-	12	195
Amsterdam, Joris Ivensstraat, De Waterlinie, NH, 2004	LH	M	P	41	-	41	44	419	58	673
Amsterdam, Leusdenhof, Nellestein, NH, 1980	LH	R	P	213	-	213	191	280	260	1,877
Amsterdam, Maliebaan, Julianapark App., NH, 1991	LH	M	P	186	-	186	155	-	-	2,456
Amsterdam, Mijndenhof, Mijndenhof, NH, 1984	LH	M	P	109	109	-	102	-	-	1,173
Amsterdam, Olympiaplein, Olympiaplein, NH, 1926	LH	M	P	29	-	29	27	-	-	388
Amsterdam, Overhoeksparklaan, De Europa, NH, 2011	LH	H	P	61	-	61	72	-	91	1,403
Amsterdam, Pieter Calandlaan, Calandtoren, NH, 2004	LH	M	P	65	-	65	62	1,515	67	957
Amsterdam, Pieter Postpad, De Drie Bouwmeesters , NH, 2006	LH	M	P	37	37	-	51	-	-	514
Amsterdam, President Kennedylaan, Kennedylaan, NH, 1939	LH	M	P	8	-	8	6	-	-	69
Amsterdam, Purperhoedenveem, Boston, NH, 2006	LH	H	P	90	-	90	95	-	-	1,563

City, Street, Name, Province, Construction year	LAND	RS	R	U	FH	APP	UA	COG	P	RENT
Amsterdam, R. Bloemgartensingel, Midden Akerveldsepolder App. II, NH, 1990	LH	M	P	48	-	48	36	-	-	430
Amsterdam, R. Bloemgartensingel, Midden Akerveldsepolder II, NH, 1990	LH	M	P	177	177	-	226	-	-	2,111
Amsterdam, Snelleveldstraat, Reigersbos, NH, 1984	LH	M	P	153	153	-	144	51	-	1,627
Amsterdam, Veemkade, Detroit, NH, 2004	LH	H	P	81	-	81	107	2,456	-	1,927
Amsterdam, Wethouder Abrahampad, Wethouderbuurt, NH, 1986	LH	M	P	178	178	-	191	59	-	1,845
Amsterdam, Wethouder Driessenstraat, Wethouderbuurt, NH, 1987	LH	M	P	155	155	-	179	-	-	1,702
Amsterdam, Withoedenveem, Parkeergarage Nieuw Amerika, NH, 2006	LH	-	P	-	-	-	-	-	292	445
Amsterdam, Wolbrantskerkweg, De Drie Wachters, NH, 2005	LH	R	P	108	-	108	76	-	82	810
Amsterdam, Zuidelijke Wandelweg, De Miranda, NH, 1998	100%	M	P	90	-	90	91	3,401	92	1,653
Apeldoorn, Disselhof, De Stadhouder, GD, 2009	100%	M	P	77	-	77	90	-	118	946
Arnhem, Amsterdamseweg, Rosorum, GD, 2009	100%	H	P	20	-	20	16	-	16	373
Arnhem, Boreasplantsoen, Lunahof, GD, 2016	100%	M	P	31	31	-	37	-	26	324
Arnhem, Castorstraat, Helioshof, GD, 2015	100%	M	P	29	29	-	32	-	29	291
Arnhem, Ginnekenstraat, Kroonse Wal, GD, 1988	100%	R	P	30	-	30	26	-	-	256
Arnhem, Hooghalensingel, Vredenburg, GD, 1974	100%	M	P	113	113	-	142	-	5	1,096
Arnhem, Hoogvliethof, Elderveld, GD, 1976	100%	R	P	66	66	-	76	-	13	572
Assen, Aardbeihof, Kloosterhoven, DR, 2004	100%	M	S	1	1	-	1	-	-	14
Assen, Groenkampen, Peelo, DR, 1986	100%	R	S	43	43	-	52	-	-	351
Assen, Roegoorn, Marsdijk, DR, 1990	100%	M	S	25	25	-	25	-	-	260
Assen, Zuidhaege, Zuidhaege, DR, 1997	100%	M	S	60	-	60	57	-	56	620
Beek, Kastanjelaan, Spaubeek, LB, 1983	100%	M	O	13	13	-	14	-	-	115
Bergen op Zoom, Agger, Bergse Plaat Agger, NB, 1993	100%	M	S	17	17	-	21	-	-	183
Bergen op Zoom, Ansjovislaan, De Weer I, NB, 1994	100%	M	S	38	-	38	42	-	43	403
Bergen op Zoom, Ansjovislaan, De Weer II, NB, 1994	100%	M	S	76	-	76	84	-	84	806
Bergen op Zoom, Ansjovislaan, Laguna, NB, 2008	100%	M	S	33	-	33	35	-	33	402
Bergen op Zoom, Ansjovislaan, Villa Murano, NB, 2009	100%	M	S	17	-	17	18	-	17	199

City, Street, Name, Province, Construction year	LAND	RS	R	U	FH	APP	UA	COG	P	RENT
Bergen op Zoom, Duvenee, Bergse Plaat Duvenee, NB, 1991	100%	M	S	92	92	-	111	-	-	898
Bergen op Zoom, Statietjalk, Landmark, NB, 2004	100%	M	S	20	-	20	23	-	20	243
Bergen op Zoom, Zandstraat, Leemberg, NB, 1975	100%	R	S	24	24	-	21	-	-	184
Breda, Argusvlinder, Argusvlinder, NB, 1999	100%	R	P	64	-	64	42	-	-	421
Breda, Blauwtjes, Blauwtjes, NB, 1999	100%	M	P	36	-	36	33	-	41	387
Breda, Ceresstraat, Drie Hoefijzers, NB, 2011	100%	M	P	42	-	42	49	-	46	600
Breda, Johanna van Polanentoren, De Stadswachter, NB, 2016	LH	M	P	75	-	75	69	-	75	856
Breda, Lachappellestraat, Lachappellestraat, NB, 1961	100%	R	P	44	-	44	30	-	14	351
Breda, Lovensdijkstraat, Nieuw Vredenbergh , NB, 2011	100%	H	P	124	-	124	148	-	130	1,981
Breda, Lovensdijkstraat, Serviceresidentie Vredenbergh, NB, 2004	LH	M	P	102	-	102	65	1,734	56	1,406
Breda, Markhoek, Marckhoek, NB, 2014	100%	H	P	23	-	23	27	-	25	426
Breda, Nonnenveld, Het Paleis, NB, 2005	100%	M	P	47	-	47	63	-	48	722
Brummen, Buizerdstraat, De Enk, GD, 1974	100%	M	O	38	38	-	46	-	1	354
Bunnik, Esdoorn, Dalenoord, UT, 1989	100%	M	P	15	15	-	14	-	-	142
Bunnik, Koekoeksbloem, Dalenoord App., UT, 1989	100%	M	P	16	-	16	12	-	-	142
Capelle a/d IJssel, Doelen, Doelen en Louvre, ZH, 1983	100%	M	P	72	72	-	71	-	-	699
Capelle a/d IJssel, Librije, Hermitage, ZH, 1983	100%	M	P	49	49	-	48	-	-	473
Capelle a/d IJssel, Rigoletto, Louvre/Rigoletto, ZH, 1983	100%	R	P	61	-	61	47	-	-	495
Capelle a/d IJssel, Slotplein, Slotplein, ZH, 1997	100%	M	P	80	-	80	86	-	-	916
Culemborg, Akelei, Voorkoop, GD, 1985	100%	M	S	21	21	-	26	-	-	222
Den Bosch, A. der Kinderenlaan, Amazones, NB, 2014	100%	H	P	42	-	42	49	-	59	686
Den Bosch, Bordeslaan, Armada, NB, 2004	100%	H	P	7	-	7	8	-	10	121
Den Bosch, Hofvijver, Jheronimus, NB, 2014	100%	M	P	44	-	44	45	-	48	672
Den Bosch, Kruiskampsingel, Meanderflat, NB, 1968	100%	R	P	100	-	100	86	-	15	853
Den Bosch, Natewischstede, Maaspoort, NB, 1987	100%	M	P	48	48	-	45	-	-	474
Den Bosch, Pisastraat, Pisastaete, NB, 1989	100%	M	P	57	-	57	46	-	72	562
Den Haag, De Brink, De Brink, ZH, 1975	100%	R	P	110	6	104	84	-	93	848
Den Haag, Laakweg, Piazza, ZH, 1998	LH	R	P	73	-	73	65	-	58	675

City, Street, Name, Province, Construction year	LAND	RS	R	U	FH	APP	UA	COG	P	RENT
Den Haag, Leyweg, De Leyster, ZH, 2013	LH	M	P	49	-	49	52	-	64	566
Den Haag, Noorderbrink, De Brinken, ZH, 1975	100%	M	P	224	224	-	273	-	-	2,796
Den Haag, Prins Willem Alexanderweg, La Fenêtre, ZH, 2005	LH	H	P	78	-	78	97	-	89	1,273
Den Haag, Van Hogenhoucklaan, Hubertusstaete, ZH, 2010	100%	H	P	9	-	9	11	-	12	210
Den Haag, Westkapellelaan, Westkapellelaan, ZH, 1972	100%	M	P	96	-	96	79	-	25	883
Deventer, Bitterzoet, Colmschate I, OV, 1984	100%	R	P	59	59	-	67	-	-	524
Deventer, Bitterzoet, Colmschate II, OV, 1985	100%	R	P	39	39	-	45	-	-	341
Diemen, Biesbosch, Biesbosch, NH, 1978	100%	M	P	117	117	-	151	-	-	1,468
Diemen, Hartschelp, Hartschelp, NH, 1983	100%	M	P	62	62	-	66	-	-	754
Diemen, Polderland, Polderland, NH, 1986	100%	M	P	169	169	-	183	-	-	1,884
Doetinchem, Boekweitdreef, De Huet, GD, 1983	100%	R	O	54	54	-	60	-	-	458
Doetinchem, Lorentzlaan, Boerhaavelaan, GD, 1973	100%	R	O	130	130	-	168	-	-	1,142
Dordrecht, Spuiboulevard, Paradium 3, ZH, 1967	100%	M	P	62	-	62	53	-	-	657
Dordrecht, Van Ravesteyn-erf, Groene Oever, ZH, 1995	100%	M	S	84	-	84	77	-	-	850
Duiven, Thuvinestraat, Eltingerhof, GD, 1975	100%	R	O	66	66	-	74	-	-	530
Eindhoven, Bisschopsmolen, Woenselse Watermolen, NB, 1988	100%	M	P	202	202	-	243	-	-	2,288
Eindhoven, Cassandraplein, De Ranken, NB, 2008	100%	M	P	30	-	30	35	1,004	32	589
Eindhoven, Generaal Marshallweg, Rapenland, NB, 1984	100%	M	P	25	25	-	24	-	-	241
Eindhoven, Generaal Stedmanstraat, Stedman Staete, NB, 1984	100%	R	P	58	-	58	42	-	1	482
Eindhoven, Monseigneur Swinkelstraat, Kloosterdreef, NB, 2008	100%	M	P	36	-	36	40	-	36	469
Eindhoven, Opwettensemolen, Opwettensemolen I, NB, 1986	100%	M	P	178	-	178	133	-	112	1,677
Eindhoven, Opwettensemolen, Opwettensemolen II, NB, 1989	100%	M	P	18	-	18	15	-	-	165
Eindhoven, Picushof, Picushof App., NB, 2002	100%	M	P	36	-	36	33	-	-	421
Eindhoven, Smalle Haven, Vestedatoren, NB, 2006	100%	H	P	28	-	28	37	873	65	725
Eindhoven, Tesselschadelaan, Granida, NB, 2004	100%	H	P	24	-	24	31	-	41	449
Eindhoven, Tongelresestraat, Picushof , NB, 2001	100%	M	P	22	22	-	27	-	-	262
Eindhoven, Venbergsemolen, Venbergsemolen, NB, 1989	100%	M	P	134	-	134	113	-	-	1,299

City, Street, Name, Province, Construction year	LAND	RS	R	U	FH	APP	UA	COG	P	RENT
Emmen, Eidereend, Eendenveld, DR, 1990	100%	M	S	33	33	-	35	-	-	295
Emmen, Klepel, De Klepel, DR, 1990	100%	M	S	40	-	40	36	-	45	387
Enschede, Mooienhof, Twentec, OV, 2003	100%	M	P	87	-	87	90	875	-	929
Enschede, Walkottelanden, Stroinkslanden, OV, 1982	100%	M	P	30	30	-	33	-	-	273
Geldrop, Herdersveld, Grote Bos, NB, 1978	100%	M	O	67	67	-	68	-	-	659
Geleen, Dassenkuillaan, Dassenkuil II, LB, 1988	100%	M	O	7	7	-	7	-	-	63
Geleen, Schrynwerkersd, Dassenkuil I, LB, 1987	100%	M	O	7	7	-	7	-	-	64
Grave, Estersveldlaan, Estersveld, NB, 1972	100%	R	O	34	34	-	41	-	23	306
Groningen, Bloemersmaborg, Klein Martijn, GR, 1997	100%	M	P	28	-	28	29	-	-	318
Groningen, Reitdiephaven, Reitdiep Haven, GR, 2010	100%	M	P	47	-	47	45	-	47	574
Groningen, Steenhouwerskade, Zuiderhavenring I, GR, 1982	100%	M	P	53	-	53	47	-	92	615
Groningen, Steenhouwerskade, Zuiderhavenring II, GR, 1983	100%	M	P	70	-	70	56	-	-	670
Groningen, Van Goghstraat, Waterrand, GR, 1994	100%	M	P	72	-	72	59	-	74	746
Groningen, Zuiderweg, Hoogkerk, GR, 1976	100%	R	P	105	105	-	108	-	18	842
Haarlemmermeer, Jacob Boekestraat, Warande, NH, 1969	100%	M	P	32	32	-	37	-	16	365
Heemstede, Floradreef, Prinseneiland, NH, 1990	100%	M	S	38	38	-	43	-	-	428
Heerenveen, Barten, Nye Haske, FR, 1987	100%	M	O	69	69	-	80	-	-	640
Heerlen, Dillegaard, Douve Weien Dillegaard, LB, 1983	100%	R	O	58	-	58	41	-	11	412
Heerlen, Marjoleingaard, Douve Weien Marjoleingaard, LB, 1982	100%	M	O	44	44	-	48	-	-	397
Heerlen, Palestinastraat, Giesen-Bautsch, LB, 1980	100%	M	O	26	26	-	28	-	-	235
Heerlen, Poelmanstraat, Douve Weien Oude Molenweg, LB, 1978	100%	M	O	79	79	-	81	-	-	741
Heerlen, Putgraaf, Putgraaf Parkflat, LB, 1982	100%	R	O	93	-	93	71	-	175	847
Heerlen, Putgraaf, Putgraaf Residentie, LB, 1989	100%	M	O	67	-	67	60	-	75	664
Heerlen, Sint Pietershof, Klein Vaticaan, LB, 2004	100%	M	O	14	-	14	16	-	14	203
Heerlen, Vrusschemigerweg, Douve Weien Vrusschemigerweg, LB, 1979	100%	M	O	82	82	-	93	-	-	805
Hengelo, 't Swafert, t Swafert I, OV, 2000	100%	R	S	346	-	346	199	-	-	1,899
Hengelo, het Swafert, t Swafert II, OV, 2000	100%	R	S	68	-	68	46	-	-	466
Hengelo, het Swafert, t Swafert III, OV, 2000	100%	R	S	3	-	3	1	-	-	48

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Hengelo, Jan van Galenstraat, Gerarduspark, OV, 1995	100%	R	S	44	-	44	35	-	-	380
Hillegom, J.Prinsheem, Prinsheem, ZH, 1983	100%	M	S	64	64	-	67	-	-	673
Hillegom, L. van Deysselaan, L. van Deysselaan, ZH, 1983	100%	M	S	36	36	-	38	-	-	371
Hilversum, Loosdrechtse Bos, Zonnestraal App., NH, 2004	LH	H	P	42	-	42	62	-	48	1,059
Hoogezand-Sappemeer, Gerbrandyhof, Drevenborg, GR, 1991	100%	M	O	43	-	43	36	-	-	394
Huis ter Heide, Ruysdaellaan, De Horst, UT, 2003	100%	H	P	51	-	51	29	-	-	897
Huizen, Herik, Huizermaat, NH, 1976	100%	M	S	199	199	-	186	-	29	2,080
Kerkrade, Mijnwg, Straterweg, LB, 1987	100%	M	O	27	27	-	28	-	-	247
Leeuwarden, De Malus, De Malus, FR, 2007	100%	M	P	31	-	31	29	-	-	316
Leeuwarden, Frittemastate, Camminghaburen, FR, 1989	100%	M	P	16	16	-	16	-	-	163
Leeuwarden, Frittemastate, Groene Hart, FR, 1986	100%	R	P	134	134	-	155	-	4	1,170
Leeuwarden, Krommezijl, Krommezijl, FR, 2005	100%	M	P	35	-	35	43	-	35	412
Leeuwarden, Stizenflora, Aldlan Oost, FR, 1977	100%	R	P	160	160	-	165	-	11	1,409
Leeuwarden, Ubbemastins, Parkflat, FR, 1987	100%	R	P	62	-	62	54	-	-	533
Leiden, Molenzicht, Molenzicht, ZH, 1979	100%	R	P	34	-	34	25	-	1	274
Leiden, Parkzicht, Parkzicht, ZH, 1979	100%	R	P	97	-	97	75	-	-	801
Leiden, Stadzicht, Stadzicht, ZH, 1979	100%	R	P	68	-	68	50	-	1	546
Leiderdorp, Laan van Berendrecht, Parkpromenade Berendrecht, ZH, 2004	100%	H	S	72	-	72	102	441	-	1,343
Leiderdorp, Lokhorst, De Horsten, ZH, 1970	100%	M	S	58	-	58	56	-	13	531
Leiderdorp, Roodborststraat, Vogelwijk, ZH, 1972	100%	R	S	50	-	50	37	-	8	392
Leiderdorp, Rozemarijntuin, Voorhof App., ZH, 1978	100%	R	S	120	-	120	93	-	9	966
Leiderdorp, Waterleliekreek, Voorhof, ZH, 1978	100%	M	S	78	78	-	97	-	-	908
Leidschendam, Neherpark, Neherpark, ZH, 2009	100%	M	S	30	-	30	33	-	35	429
Leidschendam, Schadeken, 't Lien, ZH, 1985	100%	M	S	127	127	-	135	-	-	1,473
Lelystad, Kogge, De Kogge I, FL, 1977	100%	M	O	58	58	-	64	-	-	517
Lelystad, Kogge, De Kogge II, FL, 1977	100%	M	O	56	56	-	62	-	-	489
Lelystad, Tjalk, Tjalk, FL, 1981	100%	R	O	106	106	-	110	-	-	815
Leusden, Hertenhoeve, Hertenhoeve, UT, 1979	100%	M	P	40	40	-	37	-	14	425

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Leusden, Madelagehof, Nieuw Princenhof, UT, 2016	100%	M	P	25	25	-	28	-	-	298
Maarssen, de Hoopkade, Hoogevecht, UT, 2010	100%	H	P	18	-	18	23	-	33	355
Maarssen, de Hoopkade, Neerbeek, UT, 2011	100%	H	P	11	-	11	14	-	17	199
Maarssen, J. Homan van der Heideplein, Cruydenborgh, UT, 2010	100%	M	P	10	-	10	11	-	12	156
Maarssen, J. Homan van der Heideplein, Nieuw Vechtevoort, UT, 2012	100%	M	P	34	-	34	34	-	35	462
Maarssen, Proostwetering, Sluisoord, UT, 2009	100%	H	P	23	-	23	28	-	33	377
Maarssen, Proostwetering, Soetendael (9a), UT, 2012	100%	H	P	6	-	6	8	-	6	108
Maarssen, Proostwetering, Soetendael, UT, 2012	100%	M	P	18	-	18	18	-	18	274
Maastricht, Akerstraat, Porta I, LB, 1993	100%	M	S	61	-	61	60	17	52	661
Maastricht, Avenue Ceramique, Toren van Siza, LB, 2001	100%	H	S	40	-	40	47	701	-	804
Maastricht, Avenue Ceramique, Wiebengahal, LB, 2006	LH	-	S	-	-	-	-	3,363	-	280
Maastricht, Bellefroidlunet, Stoa, LB, 2002	100%	H	S	66	-	66	104	95	88	1,824
Maastricht, Bergruimte, Porta II, LB, 1994	100%	R	S	62	-	62	48	-	52	549
Maastricht, Boschcour, Piazza Céramique Stadswoningen , LB, 2007	100%	H	S	4	-	4	6	-	-	71
Maastricht, Boschcour, Piazza Céramique, LB, 2007	100%	H	S	58	-	58	73	817	91	1,099
Maastricht, Ellecuylgaard, Eyldergaard, LB, 1982	100%	M	S	18	18	-	21	-	-	180
Maastricht, Erasmusdomein, Erasmusdomein, LB, 1986	100%	M	S	82	-	82	65	-	50	780
Maastricht, Heerderweg, Heerderweg, LB, 1985	100%	R	S	202	-	202	145	-	108	1,616
Maastricht, Kasteel Caestertstraat, Nazareth , LB, 1987	100%	R	S	8	8	-	9	-	-	69
Maastricht, Mosalunet, Cortile II, LB, 2003	100%	M	S	54	-	54	56	-	-	709
Maastricht, Papenweg, Terminus, LB, 2008	100%	H	S	7	-	7	9	445	1	214
Maastricht, Plein 1992, La Residence, LB, 2000	100%	M	S	28	-	28	31	-	-	398
Maastricht, Prins Bisschopsingel, Poort Waerachtig, LB, 2009	100%	H	S	25	-	25	37	-	37	520
Maastricht, Sphinxlunet, Cortile I, LB, 1999	100%	M	S	37	-	37	39	466	-	564
Maastricht, Sphinxlunet, Cortile III, LB, 2002	100%	M	S	66	-	66	70	-	-	876
Maastricht, Sphinxlunet, Cortile Parking, LB, 1999	100%	-	S	-	-	-	-	-	189	193

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Maastricht, Stellalunet, Maison Céramique, LB, 2010	100%	H	S	13	-	13	15	1,012	24	397
Maastricht, Via Regia, Sterflat Via Regia, LB, 1977	100%	R	S	60	-	60	39	-	71	397
Middelburg, Touwbaan, Maisbaai, ZE, 1990	100%	M	S	48	-	48	49	-	41	498
Nieuwegein, Hermesburg, Batau Noordrand, UT, 1988	100%	M	P	56	56	-	57	-	-	583
Nieuwerkerk a/d IJssel, Bladmos, Zuidplaspolder, ZH, 1979	100%	M	P	33	33	-	35	-	-	326
Nieuw-Vennep, Haendelplein, Getsewoud, NH, 2002	100%	M	P	76	-	76	56	-	-	703
Nijmegen, Lankforst, Lankforst, GD, 1969	100%	M	P	67	67	-	85	-	16	625
Nijmegen, Nw Marktstraat, Kronenburger, GD, 1991	100%	M	P	128	-	128	122	334	137	1,475
Nijmegen, Rode kruislaan, Park Heyendaal, GD, 1996	100%	M	P	76	-	76	78	-	-	949
Nijmegen, Weezenhof 67, Weezenhof II, GD, 1973	100%	M	P	53	53	-	57	-	21	521
Nijmegen, Weezenhof, Weezenhof I, GD, 1972	100%	M	P	70	70	-	92	-	18	718
Noordwijk, Fuikhoren, Fuikhoren, ZH, 1985	100%	M	S	67	67	-	75	-	-	705
Noordwijk, Schaalhoren, Schaalhoren, ZH, 1983	100%	M	S	65	65	-	67	-	-	690
Oosterhout, Beethovenlaan, Oosterheide II, NB, 1971	100%	M	S	17	17	-	23	-	7	169
Oosterhout, Verdistraat, Oosterheide I, NB, 1969	100%	R	S	24	24	-	31	-	8	219
Oss, Kerkstraat, Boschpoort, NB, 1982	100%	R	O	10	-	10	7	956	37	161
Ouder-Amstel, Clarissenhof, Clarissenhof, NH, 1977	100%	M	P	101	101	-	101	-	8	1,195
Papendrecht, Pontonniersweg, Buitenwaard, ZH, 1991	100%	M	S	62	-	62	70	-	15	733
Purmerend, Cocqgracht, De Purmer, NH, 1983	LH	R	P	70	70	-	63	-	-	597
Purmerend, De Oeverlanden, De Ooievaar, NH, 2008	100%	M	P	30	-	30	29	-	30	312
Renkum, Graaf van Rechterenweg, Rechterenborg, GD, 1993	100%	M	O	62	-	62	57	-	39	622
Rhoon, Marskramer, Baljuw, ZH, 1982	100%	M	O	67	67	-	71	-	-	675
Rijswijk, Churchilllaan, Churchilllaan, ZH, 1969	100%	M	P	215	-	215	229	-	19	2,061
Rijswijk, Hilvoordestraat, Over De Bogaard, ZH, 1979	LH	R	P	122	-	122	63	-	-	857
Rijswijk, Prinses Beatrixlaan, Bogaardhoek , ZH, 1975	100%	R	P	58	-	58	44	135	57	463
Rijswijk, Prinses Beatrixlaan, Boshoek , ZH, 1975	100%	R	P	146	-	146	120	135	136	1,191
Rijswijk, Prinses Beatrixlaan, Middenhoek, ZH, 1975	100%	R	P	78	-	78	57	135	83	608
Roermond, Achter de Cattentoren, Casimir, LB, 2010	100%	M	O	42	-	42	47	-	52	508

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Roermond, Ambachtsingel, Hoogvonderen, LB, 1981	100%	R	O	38	38	-	44	-	-	317
Roosendaal, Dolomietdijk, Kortendijk Oost, NB, 1981	100%	R	S	18	18	-	21	-	-	160
Roosendaal, Pastoor van Akenstraat, Molenbeekstraat, NB, 1970	100%	M	S	27	27	-	35	-	5	246
Rotterdam, Admiraal de Ruyterweg, Linker Rottekade, ZH, 1985	LH	R	P	246	-	246	149	270	158	1,853
Rotterdam, Admiraliteitskade, Oostmolenwerf, ZH, 1994	LH	M	P	86	-	86	77	340	69	1,117
Rotterdam, Bottelroos, Heydnahof, ZH, 1983	LH	M	P	161	161	-	175	-	-	1,773
Rotterdam, Buitenbassinweg, Buitenbassinweg, ZH, 1991	LH	M	P	76	-	76	63	-	-	673
Rotterdam, Cromme Meth, Cromme Meth, ZH, 1987	LH	M	P	17	17	-	17	-	-	160
Rotterdam, Den Uylsingel, Dosiotoren, ZH, 1989	LH	R	P	61	-	61	48	-	-	522
Rotterdam, Gedempte Zalmhaven, De Hoge Heren I, ZH, 2000	LH	H	P	140	-	140	167	482	330	2,709
Rotterdam, Gedempte Zalmhaven, De Hoge Heren II, ZH, 2001	LH	H	P	60	-	60	72	-	-	870
Rotterdam, Govert Terlouwstraat, Ringvaartplasbuurt I, ZH, 1990	LH	M	P	53	53	-	57	-	-	594
Rotterdam, Govert Terlouwstraat, Ringvaartplasbuurt II, ZH, 1991	LH	M	P	42	42	-	47	-	-	501
Rotterdam, Hamelpad, Sneevlietstraat, ZH, 1984	LH	M	P	52	52	-	50	-	-	492
Rotterdam, Ien Daleshof, Parktoren Prinsenland, ZH, 2009	100%	H	P	47	-	47	52	334	66	801
Rotterdam, Kouwenbergzoom, Loreleiflat, ZH, 1992	LH	M	P	53	-	53	46	-	-	554
Rotterdam, Landverhuizersplein, Montevideo, ZH, 2005	LH	H	P	55	-	55	68	-	55	1,047
Rotterdam, Maashavenkade, Parkkwartier Katendrecht, ZH, 2010	100%	M	P	27	-	27	25	-	28	332
Rotterdam, Nieuwehaven, Oude Haven, ZH, 1991	LH	M	P	89	-	89	79	598	40	957
Rotterdam, Stekelbrem, Brembuurt, ZH, 1973	100%	M	P	105	105	-	136	-	21	1,313
Rotterdam, Strevelsweg, Poort Van Zuid, ZH, 1994	LH	R	P	70	-	70	62	-	69	667
Rotterdam, Ton Wijkampstraat, Zevenkamp, ZH, 1988	LH	M	P	49	49	-	53	-	-	539
Rotterdam, van der Hoevenplein, New Orleans, ZH, 2010	100%	H	P	171	-	171	176	4,981	205	4,155
Rotterdam, Verlengde Nieuwstraat, Markthal, ZH, 2014	100%	M	P	102	-	102	111	-	102	1,478
Rotterdam, Watertorenweg, Watertorenweg, ZH, 1990	LH	M	P	90	-	90	76	-	-	797
Sassenheim, Caleche, Brik, ZH, 1986	100%	M	S	61	61	-	64	-	-	616
Sassenheim, Landauer, Berline en Landauer, ZH, 1985	100%	M	S	37	37	-	39	-	-	374

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Schagen, Fazantenhof, Fazantenhof, NH, 1973	100%	M	O	58	58	-	75	-	-	587
Schiedam, Chopinplein, Groenoord I Chopinplein, ZH, 1971	100%	R	S	122	-	122	109	-	7	991
Schiedam, Chopinplein, Groenoord II Griegplein, ZH, 1971	100%	R	S	104	-	104	92	-	5	830
Schiedam, Chopinplein, Groenoord III Sibeliusplein, ZH, 1971	100%	R	S	104	-	104	91	35	9	834
Schiedam, Huis Te Merwestraat, Woudhoek, ZH, 1984	LH	M	S	184	184	-	195	-	-	1,999
Sittard, Blijdestein garage, Blijdestein, LB, 1986	100%	R	O	51	-	51	37	-	12	411
Sittard, Kollenberg, Kollenbergerhof, LB, 1988	100%	M	O	23	23	-	26	-	-	209
Sittard, Ruttenlaan, Kollenbergerhof App., LB, 1987	100%	R	O	52	-	52	38	-	78	446
Stiens, St. Vitusplein, Sint Vitusplein, FR, 1999	100%	R	O	28	-	28	20	-	-	191
Susteren, Raadhuisplein, Middelveld, LB, 1983	100%	R	O	6	6	-	5	-	-	49
Tilburg, Anna Paulownahof, Koningsplein, NB, 1989	100%	R	P	185	-	185	132	-	53	1,523
Tilburg, Buxusplaats, HollandCarré, NB, 2007	100%	M	P	100	-	100	113	-	107	1,276
Tilburg, Hillegomlaan, Reeshof, NB, 1990	100%	M	P	56	56	-	73	-	-	541
Tilburg, Schoolstraat, Schoolstraat, NB, 1989	100%	R	P	174	-	174	140	-	45	1,581
Vaals, Bloemendalstraat, Bloemendal, LB, 1998	100%	M	O	24	-	24	22	-	21	233
Valkenburg a/d Geul, Cauberg, Caubergklooster, LB, 2007	100%	H	O	41	-	41	28	-	-	807
Valkenburg a/d Geul, Oranje Nassau, Nassauflat, LB, 1982	100%	R	O	88	-	88	59	-	87	704
Valkenburg a/d Geul, Spoorlaan, De Valk/Spoorlaan, LB, 1994	100%	M	O	23	-	23	23	-	17	232
Velsen, Maanbastion, Maanbastion, NH, 1990	100%	M	S	103	-	103	74	-	35	972
Velsen, Sterbastion, Sterbastion, NH, 2001	100%	M	S	67	-	67	63	-	-	654
Venlo, Gebroeders Daelstraat, Vijverzicht, LB, 1991	100%	M	O	10	10	-	11	-	-	92
Venlo, Gruttostraat, Gruttohof, LB, 1997	100%	R	O	19	-	19	17	-	32	167
Venlo, Gruttostraat, Haegerbroek, LB, 1995	100%	M	O	15	15	-	20	-	-	156
Venlo, Harry Hollastraat, Groeneveld, LB, 1993	100%	M	O	21	21	-	25	-	-	218
Venlo, Harry Meijerstraat, Vijverzicht App., LB, 1991	100%	R	O	64	-	64	59	-	-	529
Venlo, Klingerbergsingel, Klingerberg, LB, 1984	100%	R	O	26	26	-	30	-	-	229
Venlo, Morion, Morion, LB, 2000	100%	M	O	18	18	-	21	-	-	176
Vleuten-De Meern, Molenpolder, Meiborg, UT, 2003	100%	M	P	28	-	28	43	-	42	418
Vleuten-De Meern, Molenpolder, Weideborg, UT, 2003	100%	M	P	32	-	32	33	152	31	361

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Vleuten-De Meern, Ridderhoflaan, Secr.Versteeglaan, UT, 1969	100%	M	P	123	123	-	147	-	6	1,382
Voorburg, Appelgaarde, Appelgaarde, ZH, 1976	100%	M	S	69	69	-	81	-	-	895
Voorburg, Distelweide, Distelweide, ZH, 1974	100%	M	S	40	40	-	45	-	14	584
Voorburg, Kersengaarde, Kersengaarde, ZH, 1976	100%	M	S	118	118	-	141	-	-	1,540
Voorburg, Populierendreef, Populierendreef, ZH, 1975	100%	R	S	104	-	104	71	-	161	784
Voorburg, Rodelaan, Rodelaan, ZH, 1976	100%	R	S	122	-	122	85	-	66	959
Voorhout, Zwanebloemstraat, Bloemenschans, ZH, 1985	100%	M	S	43	43	-	49	-	-	450
Wageningen, Elstar, Park Haagsteeg, GD, 2010	100%	M	P	28	-	28	35	-	28	391
Wageningen, Morfelden-Walldorfplein, Nobelpark, GD, 2011	100%	M	P	28	-	28	30	-	28	343
Wassenaar, Van Polanenpark, van Polanenpark, ZH, 1972	100%	M	P	59	59	-	83	-	14	787
Wassenaar, van Wassenaer Obdamlaan, Zijlwatering, ZH, 1992	100%	H	P	32	32	-	43	-	-	531
Weert, Ceres, Ceres, LB, 2009	100%	M	O	40	-	40	41	-	40	473
Wijchen, Abersland, Abersland I, GD, 1987	100%	M	O	45	45	-	45	-	-	411
Wijchen, Abersland, Abersland II, GD, 1988	100%	M	O	29	29	-	32	-	-	263
Woerden, Hoge Rijndijk, Heeren van Woerden, UT, 2010	100%	M	P	46	-	46	37	-	69	551
Zoetermeer, Bordeauxstraat, Frankrijklaan, ZH, 1987	100%	M	S	41	41	-	42	-	-	438
Zoetermeer, Bunuelstrook, De Stroken I, ZH, 1979	100%	M	S	244	244	-	284	-	-	2,418
Zoetermeer, Disneystrook, De Stroken II, ZH, 1979	100%	M	S	94	94	-	110	-	-	914
Zoetermeer, Dunantstraat, Dunantstraat, ZH, 1973	100%	R	S	143	-	143	124	401	-	1,143
Zoetermeer, Elia Kazanstrook, De Stroken App., ZH, 1980	100%	R	S	48	-	48	49	175	9	447
Zoetermeer, Gaardedreef, Seghwaert, ZH, 1978	100%	M	S	15	15	-	16	-	-	152
Zoetermeer, Heijermanshove, De Hoven, ZH, 1979	100%	M	S	89	32	57	80	-	-	790
Zoetermeer, Reimsstraat, Reimsstraat, ZH, 1987	100%	M	S	108	-	108	82	-	108	1,089
Zoetermeer, Zilverberg, Meerzicht, ZH, 1975	100%	M	S	44	44	-	53	-	80	514
Zutphen, Verdistraat, Ravel, GD, 2007	100%	M	O	34	-	34	43	-	34	475
Zwolle, Schie, AA landen I, OV, 1969	100%	M	P	126	126	-	153	-	74	1,352
Zwolle, Stadhouderlaan, Oldenelerlanden, OV, 1988	100%	M	P	67	67	-	78	-	-	647
Zwolle, Tak van Poortvlietware, Ittersumerlanden II, OV, 1987	100%	M	P	39	39	-	44	-	5	366

City, Street, Name, Province, Construction year	LAND	RS	R	U	FH	APP	UA	COG	P	RENT
Zwolle, Van Bosseware, Ittersumerlanden I, OV, 1984	100%	M	P	106	106	-	126	-	-	964
Zwolle, Zaan, AA landen II, OV, 1970	100%	M	P	48	48	-	59	-	31	510
				22,629	**9,027**	**13,602**	**22,660**	**35,406**	**9,094**	**251,483**

Colophon

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Please contact us if you have any questions or comments.

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