vesteda

annual report 2017

On our way forward

At home with Vesteda

Our mission is to make sure that all our stakeholders feel at home with us. That is especially true for our tenants, the investors who invest in our fund and our employees.

Contents

About Vesteda

Dutch residential rental market

Mid-rental sector

Primary regions

High-quality commercial residential investor

Vesteda is an entrepreneurial and service-oriented institutional residential investor with a sizeable and varied portfolio of homes in attractive neighbourhoods in the Netherlands. With a portfolio of almost 22,500 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 real estate
- Well-diversified portfolio consisting of 355 residential complexes
- Focus on economically strong regions.
- Focus on the mid-rental segment: monthly rents of between €711 and approximately €1,000 (€1,200 for G4 cities)

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 (2016-2017) can be found in the section Tenant Survey.

2 An overview of the MSCI residential benchmark results (2013-2017) can be found in the section Key developments.

Key milestone dates in the life of the fund

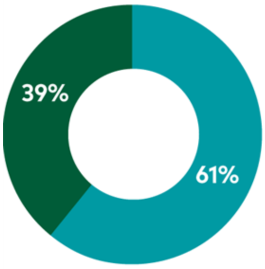
2017	• Two Amsterdam offices and Maastricht office combined in one new head office in Amsterdam (De Boel) • Entire property management in-house after assuming full management of the North Netherlands portfolio, consisting of around 1,200 homes • 853 residential units acquired in 2017 • Vesteda participants invested €280 million for continued growth in mid-rental segment; €185 million in commitments plus €95 million in additional investments • Focus on tenant satisfaction • Awarded GRESB Green Star rating with four out of five stars
2016	• New fully integrated organisational structure • 1,147 residential units acquired in 2016 • Awarded GRESB Green Star rating with three out of five stars • S&P credit rating upgrade to BBB+
2015	• Focus on growth and sustainability of our portfolio; 550 residential units acquired and added to committed pipeline • €600 million equity raise: two new leading international investors in Vesteda; termination CMBS programme • Commitment to invest €23 million over next five years to improve the sustainability of our 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 Wonen

Key portfolio characteristics

Key portfolio characteristics (year-end 2017)

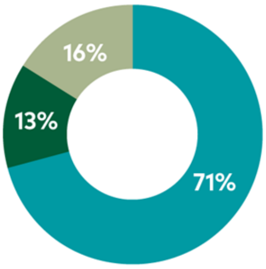
Number of residential units	Investment portfolio value	Physical occupancy rate	Gross rental income (for 2017)
22,454	€4.8 bln	97.6%	€247 mln

Portfolio by type of residential unit (in units)



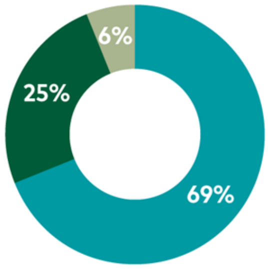
- Apartment
- Family house

Portfolio by rental segment (weight in value)



- Mid-segment
- Regulated segment
- Higher segment

Portfolio by region (weight in value)

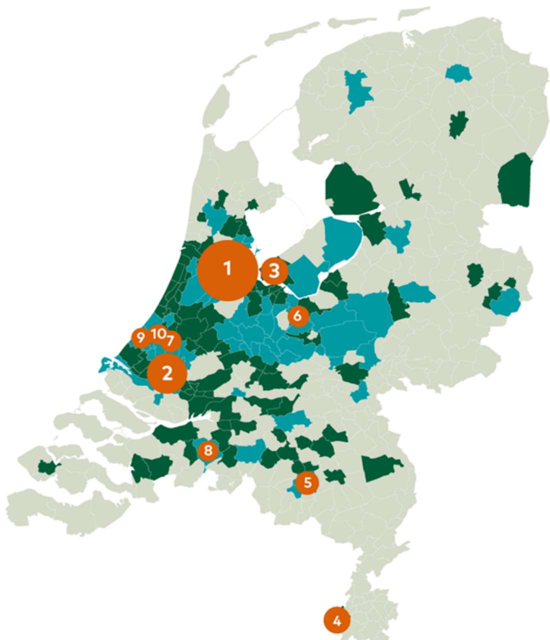


- Primary [1]
- Secondary [2]
- Other

Portfolio distribution (year-end 2017)

- Primary regions [1]
- Secondary regions [2]
- Other

		Value YE 2017 in million (% of total investment portfolio)	
1	Amsterdam (primary)	€1,117	23%
2	Rotterdam (primary)	€485	10%
3	Almere (secondary)	€229	5%
4	Maastricht (secondary)	€214	4%
5	Eindhoven (primary)	€166	3%
6	Amersfoort (primary)	€139	3%
7	Zoetermeer (secondary)	€139	3%
8	Breda (primary)	€127	3%
9	The Hague (primary)	€125	3%
10	Leidschendam-Voorburg (secondary)	€122	3%



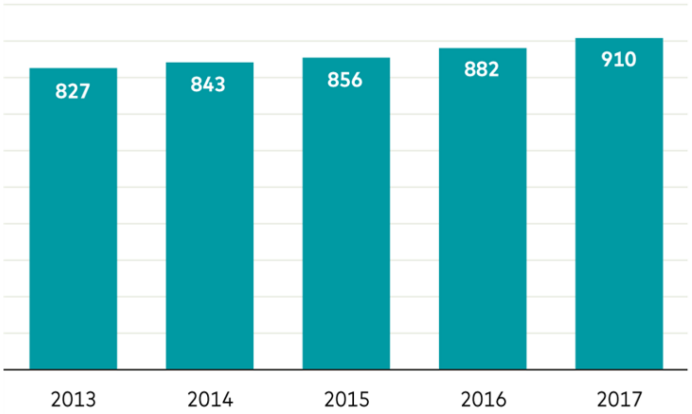
€1,200 mln €600 mln €120 mln

1 Primary regions are regions that offer the highest market potential for the non-regulated rental sector. These regions are characterised by a high market potential and low market risks.

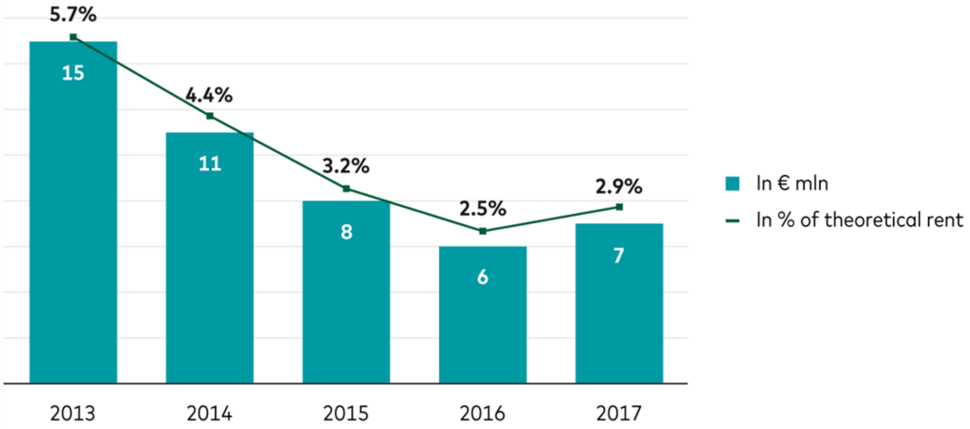
2 Secondary regions have a lower score than primary regions but have a positive economic and demographic outlook.

Highlights 2017

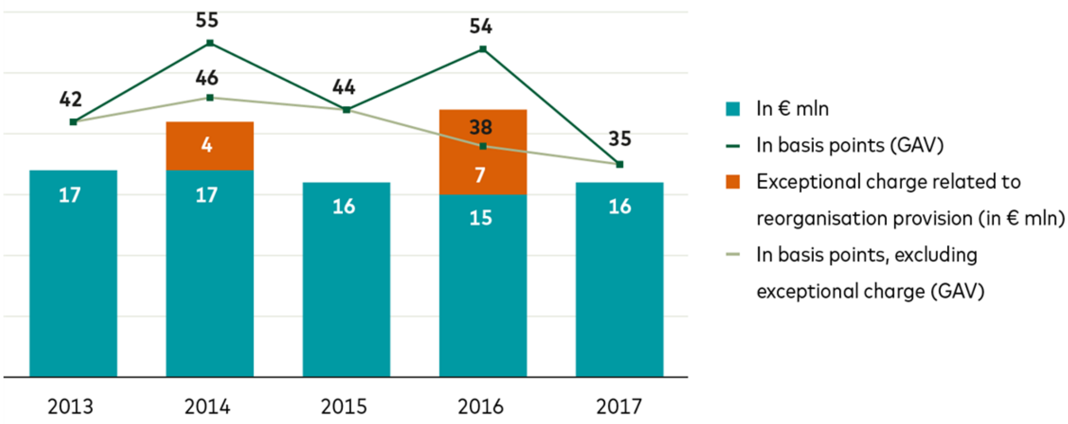
Average monthly rent (year-end in € per residential unit)



Loss of rent

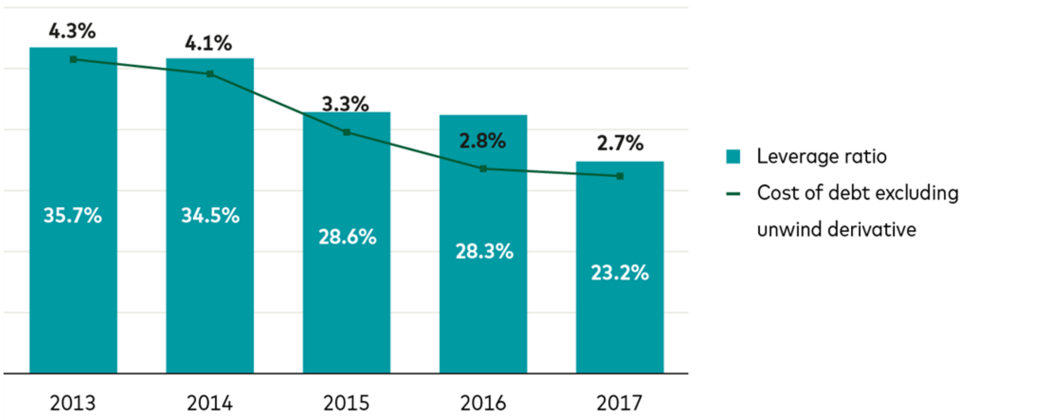


Management expenses*

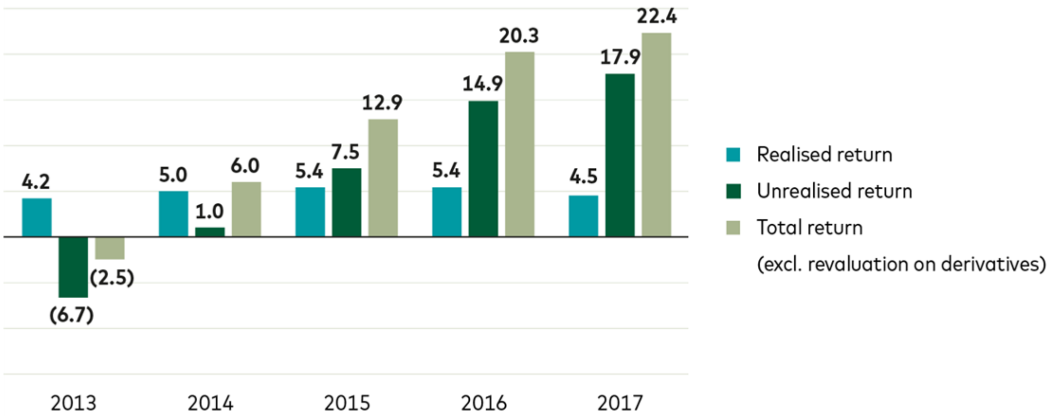


* In 2017, the release of €0.9 million from provisions had a positive impact on management expenses (2016: €1.0 million).

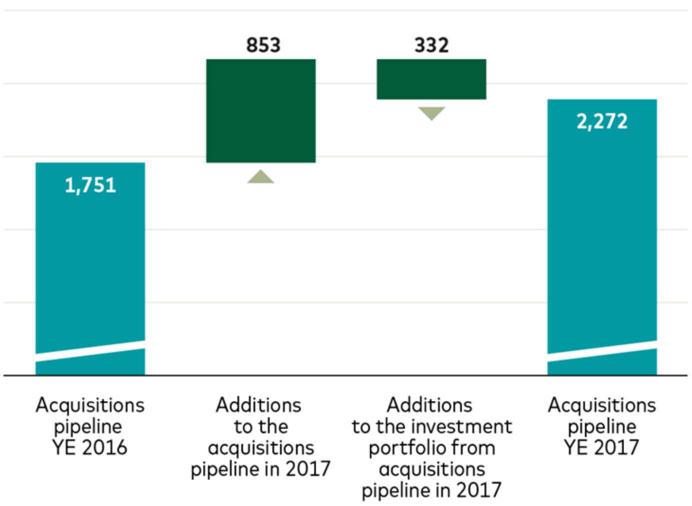
Leverage and cost of debt



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



Acquisitions pipeline (number of units)



Key developments 2017

Result

- The realised result amounted to €138 million in 2017 (2016: €142 million). Excluding the €12 million loss on the unwinding of the derivative position in 2017 and the reorganisation provision of €7 million in 2016, the realised result in 2017 was slightly higher than the 2016 result.
- Value growth of the investment portfolio amounted to 12.7% in 2017, compared with 10.1% in 2016. The unrealised result amounted to €544 million compared to €391 million in 2016.
- Total comprehensive income amounted to €701 million in 2017, compared with €537 million in 2016.
- Total return as a percentage of opening equity came in at 23.0% in 2017 (2016: 20.4%). The total return is the sum of a realised return of 4.5% (2016: 5.3%), an unrealised return of 17.9% (2016: 14.9%) and a positive revaluation of derivatives of 0.6% (2016: 0.1%).

Portfolio

- Outperformance of the MSCI Netherlands “All Residential” benchmark on both direct return (+0.2%) and indirect return (+0.8%).
- Like-for-like rent increase of 2.8% versus inflation of 1.3% (December y-o-y).
- Average occupancy rate remained high at 97.9% in 2017, unchanged from 2016. The occupancy rate was 97.6% at year-end 2017, compared with 97.8% at year-end 2016.
- 853 new build units added to the committed pipeline in 2017. The committed pipeline amounted to 2,272 residential units at year-end 2017, representing an indicative market value at completion of €566 million.
- 507 individual residential units were sold, generating net proceeds of €13 million (net margin of 15.9%).
- 332 residential units added to the investment portfolio from acquisitions pipeline.
- Positive revaluation of 12.7%; fourth consecutive year of positive revaluations after six years of negative revaluations.

Organisation

- Management expenses amounted to €16 million in 2017 compared with €22 million in 2016. In 2016 management expenses were significantly higher 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. The Total Expense Ratio (TER) declined to 35 basis points over GAV compared with 54 basis points over GAV in 2016.
- Peter Kok appointed as chairman of Vesteda's Supervisory Committee as per 25 January 2017 and Jaap Blokhuis appointed as a member of Vesteda’s Supervisory Committee as per 11 September 2017.

Funding

- Participants invest €280 million for continued growth in mid-rental segment.
- Leverage ratio of 23.2% at year-end 2017 (target <30%).
- Reduction of overall interest costs to 2.7%.
- Investment grade corporate credit rating (BBB+) maintained.
- New 15-year €65 million and 10-year €35 million Private Placement transaction.

Corporate Sustainability and Social Responsibility (CSSR)

- Significant improvement of the average energy label of our investment portfolio.
- GRESB Green Star rating with four out of five stars (2016: three out of five stars); Vesteda ranked 6th out of 13 in 2017, compared with 5th out of 10 in 2016.
- GRI compliant.

Foreword Managing Board

Residential market very dynamic in 2017

Last year was once again an extremely good year for investors in the Dutch residential real estate market. This was thanks to a strong economy, confidence in the residential market and low mortgage interest rates. As in 2016, the value growth in Vesteda's portfolio was significantly higher than the long-term average. Largely thanks to the strong market development, the value of our portfolio increased by 13.6% to €4.8 billion in 2017. This strong increase in value took the average value of the homes in our portfolio back to levels last seen in 2007, just before the start of the financial crisis. The demand for rental homes also remained very strong last year. As a result, we maintained our relatively high occupancy rate, in line with the trend seen over the past few years. The realised result excluding one-offs for 2017 was slightly higher when compared with the result for the previous year, while the realised return declined as a result of the sharp increase in the value of our portfolio.

In the markets for both owner occupier homes and for rental homes we are observing the development of bottlenecks, the likes of which were unimaginable in the years immediately after the financial crisis. The main topics in the current discussions on the residential market are the lack of mid-segment rental homes and the difficult position of middle-income households.

Serious housing shortage in the mid-segment

The number of liberalised sector rental homes is much smaller than the number of owner occupier homes and regulated (social) sector rental homes. This situation is the result of 50 years of government policies and incentives aimed at the owner occupier and government-regulated social rental sectors. On top of this, the demand for liberalised sector rental homes has also increased due to demographic trends such as the ageing of the population, an increase in the number of one and two-person households, ongoing urbanisation and increasing mobility on the labour market. The country's 1.5 million middle-income households are therefore increasingly dependent on the liberalised rental sector.

How can we increase the supply of mid-segment rental homes, so we can offer this target group suitable homes? This is a major task for Vesteda, just as it is for other residential investors. Dutch residential investors invest largely on behalf of major institutional investors with a long-term investment horizon and based on a high degree of corporate social responsibility. Not only do we provide good homes and a good living climate, we also enable our institutional investors to make stable and inflation hedged payments for pension fund participants and (life) insurance policy holders.

Rental homes remain a highly popular investment product, due to the low risk profile and stable returns of residential real estate. But due to the lack of supply, we are seeing both the returns for institutional investors and affordability for tenants coming under increasing pressure.

A very significant challenge for the years ahead will be to find a sustainable balance between supply and demand on the Dutch residential market. The huge demand we are now seeing does seem to have short-term benefits for residential investors, but in the long term this trend carries the risk of a stagnating market. The sector will have to take measures quickly to help keep the market active. If the sector fails to take these measures in time, there is a danger of an uptick in government-driven legislation. We have to work together as a sector and do everything we can to realise more homes in the mid-rental segment. Only if we do so we will be able to offer suitable homes to this very large group of middle-income households, who constitute a major bastion of our society.

2017: Continued optimisation of our residential portfolio and services

In 2017, we recorded major progress in the continuing optimisation of our portfolio, by means of targeted acquisitions, the sale of assets and investments.

Last year, we added 853 homes to our acquisition pipeline. At end-December 2017, our acquisition pipeline stood at 2,272 residential properties. Virtually all of these homes are located in and around the largest Dutch cities and in the scarce mid-rental segment and they will all be added to our portfolio in the years ahead.

We also improved our homes thanks to a range of energy-saving measures, increasing the percentage of homes assigned a green energy label (A, B or C) to 81% at year-end 2017, from 75% a year earlier. This puts us well on track to achieve our target to have at least 80% of our homes assigned a green energy label and a maximum of 20% of our homes with energy label D before the end of 2020.

Last year, we also centralised our three head offices in a single office adjacent to Amsterdam's Zuidas business district. Having all the various disciplines from our core departments Portfolio Strategy, Operations and Acquisitions under one roof will enable us to further improve reciprocal cooperation and the services to our tenants.

CSSR rooted more deeply in the organisation

In 2017, Vesteda took a number of major steps in the field of Corporate Sustainability and Social Responsibility (CSSR) and we once again improved our performance on the sustainability front. We have further increased awareness and engagement and taken additional steps in the professionalisation of our reporting on our CSSR-related activities and the progress we have made. The extra attention we have devoted to sustainability also had a positive impact on our total Global Real Estate Sustainability Benchmark (GRESB) score, which climbed to 76 points in 2017, up from 67 points a year earlier. Thanks to this, we were rated Green Star with four stars out of a maximum of five.

Feel at home: On our way forward

Our mission is to make sure that all our stakeholders feel at home with us. That is especially true for our tenants, the investors who invest in our fund and our employees. We have set ambitious targets for 2018 and these will help us achieve our overall ambition to become the preferred Dutch residential fund.

This year, we face a number of major challenges, including our continuing efforts to increase the sustainability of our portfolio and the roll-out and implementation of our new ERP system. This platform will, among others, rationalise the current landscape and ensure more efficient business processes and support the growth ambition of Vesteda. We will continue full steam ahead with our ongoing efforts to optimise our portfolio and our organisation, so we can improve our services to our tenants and our investors. We have every confidence that we will continue to make progress in 2018.

We would like to conclude by thanking all our stakeholders for their commitment and making 2017 another successful year.

Vesteda Managing Board

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

Members of the Managing Board and Management Team

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

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. Second term of office ends in December 2021).

As Chief Executive Officer, Gertjan van der Baan is responsible for portfolio strategy, acquisitions, HR Management, Investor Relations and Corporate Sustainability, Social Responsibility and Internal Audit..

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 Chief Financial Officer of Vesteda, Frits Vervoort's responsibilities include accounting, control & reporting, risk, legal/compliance, operations, IT and treasury.

Frits Vervoort has extensive experience in finance and management and more than 10 years of experience as a 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 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 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 joined Jacobus Recourt B.V. where she held the position of Managing Director/Owner for her last five years with the company.

Pieter Knauff (1977)

Pieter Knauff (1977) joined Vesteda in 2015 and was appointed as director Acquisitions in July 2016.

Before joining Vesteda, Pieter Knauff worked for many years at 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

Dutch economy continues growth

In 2017, the Dutch economy recorded growth of 3.2%[3], the highest level of growth for the past 10 years. Unemployment continued to fall last year, dipping to 4.9% at year-end 2017. This in turn led to a sharp drop in the number of job seekers to 397,000. This was the first time since 2009 that the number of unemployed had fallen below the 400,000 mark. One of the main drivers of this drop in unemployment was the growth in the number of jobs in the Netherlands, which increased by more than 2% in 2017. Hand in hand with last year's economic growth, consumer confidence increased again in 2017. Purchasing power and consumer spending were both higher than in the previous year.[4]

Increase in number of one and two-person households to 2030

In 2017, the Netherlands added around 100,000 households to arrive at a total population of 17.2 million, the same rise as the previous year. The number of households increased to around 7.8 million (+1%). This figure is expected to grow by more than 600,000 households in the period to 2030, almost entirely due to the ever-growing group of one-person and two-person households (mainly in the 65+ age group). The number of families will see modest growth in the period to 2030, while the number of households in the under-30 age group is actually set to decline in that period. This trend will be subject to distinct regional differences.

While the impact of the ageing population is relatively lower in Vesteda's core regions, the increase of smaller households is still a factor in these regions. The table below shows the forecasts for household growth. In the core regions, the total number of households (all compositions, with the exception of under-30 couples) is expected to rise in absolute terms. Due to the continuing migration of young people to the larger cities, the growth in the number of one and two-person households will be largely confined to urban areas, including the G4 (Amsterdam, Rotterdam, The Hague and Utrecht). This combined with the pressure on the urban residential market will generate increasing demand for small apartments in most urban areas.

Forecast household growth according to composition and age for the 3 regions and the G4 (Amsterdam, Rotterdam, The Hague and Utrecht) as a whole

	All households	Families	Singles <30	Couples <30	Singles 65+	Couples 65+	Singles & Couples 30-64
2017	**7,811,000**	**2,578,000**	**630,000**	**233,000**	**976,000**	**1,015,000**	**2,379,000**
Δ 2017-2030	614,000	18,000	(15,000)	(46,000)	439,000	262,000	(43,000)
Δ Primary	325,000	15,000	15,000	(28,000)	172,000	114,000	37,000
Δ Secondary	168,000	27,000	(14,000)	(11,000)	118,000	68,000	(19,000)
Δ Other	120,000	(24,000)	(16,000)	(7,000)	149,000	79,000	(61,000)
Δ G4	141,000	(6,000)	23,000	(11,000)	60,000	37,000	36,000

* Source: Socrates 2016

Increase in regional home sales, decline in large cities

The Dutch residential market is remarkably dynamic at the moment, mainly driven by low interest rates. The full-year 2017 saw the sale of more than 234,000 existing owner-occupier homes. The fourth quarter did see a dip in the number of homes sold, as home sales declined by some 6% compared with the fourth quarter of 2016. This was almost entirely due to overheating at a local level, which led to a sharp drop in the number of homes available.

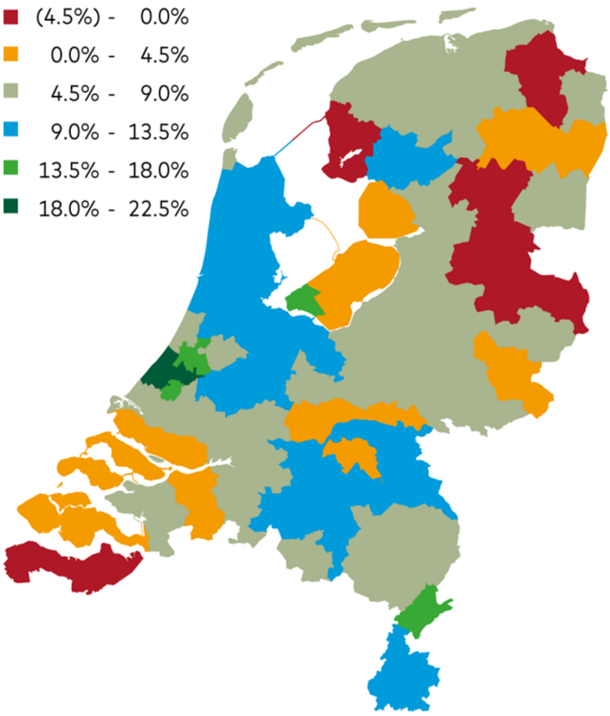
3 CPB - December estimate 2017

4 DNB - Economic Developments and Outlook

On average, buyers had a choice of around four homes in 2017, compared with a choice of 10 homes in 2015. In cities like Utrecht, Amsterdam and Almere, the choice for buyers was even more limited, at just two homes.[5] This obviously also led to a drop in the number of transactions in these cities. In relative terms, the biggest increase in the number of transactions was seen in regions such as Flevoland and Drenthe.[6]

The number of completed new build homes has been increasing steadily every year since 2014. In 2017, we saw the completion of more than 55,000 new build homes, compared with 45,000 in 2014. However, total new build production is still lagging way behind the current demand for homes. This combined with developments on the market for existing buildings resulted in an average increase in home prices of 9% in 2017 compared with the previous year.[7] However, there are marked regional differences. Urban regions are still accounting for the strongest rises in home prices. Peripheral regions, such as Friesland, Groningen, Drenthe, Overijssel and Zeeland, have actually seen a dip in home prices at a local level.

Price development (y-o-y) in owner-occupier home sales on the basis of NVM regional division



* Source: NVM 2018, edited by Stec 2018

Rental homes still very popular, scarcity impedes tenants flows

The developments on the owner-occupier market, combined with the withdrawal of housing corporations from the higher-end rental segment, are driving demand in the residential rental sector. Over the past few years, mortgage requirements have become a lot stricter. First-time buyers have suffered the most from these measures, as they tend to have very little of their own capital to invest, so they have quickly turned to other alternatives, such as the liberalised rental sector.[8] As on the owner-occupier market, demand is way outstripping supply, which has created a major shortage of rental homes. As in previous years, this shortage once again led to an increase in rental prices per square metre in 2017.

We are also noticing major regional differences in the market for rental homes. The next graph shows that prices per m² in Amsterdam are on average higher than prices in the other G4 cities. Outside the G4 cities, the average price per m² is even lower. Rising rental prices together with ongoing urbanisation and an increase in the number of one-person households is adding pressure on the market for small homes.

5 NVM - Residential market figures 2017 - Q4

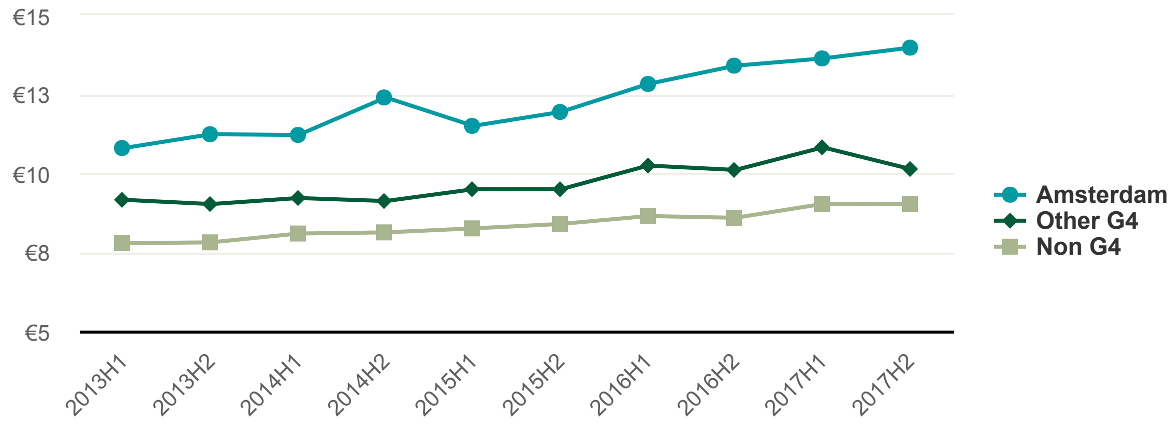
6 DNB - Economic Developments and Forecast

7 NVM - Residential market figures 2017 - Q4

8 Rabobank - Quarterly report Residential market

Local governments are therefore increasingly focused on the construction of the social and mid-segment rental homes. Some local authorities – such as Utrecht and Amsterdam – are introducing quotas for the number of homes built that must be affordable for lower and middle-income households. They are also drawing up rules for maximum rent increases, all in an effort to make sure homes remain affordable.[9]

Six-monthly measurement of rent levels per m², broken down into Amsterdam, other G4 cities (Utrecht, The Hague, Rotterdam) and outside the G4



* Source: MSCI 2018

Competition driving up prices, depressing initial yields

In 2017, investments in the Dutch residential rental market passed the €5 billion mark, compared with €4 billion in 2016). This is a quadrupling of investments compared with five years ago. Never before has so much money been invested in Dutch rental properties. These investments cover both existing homes and new build rental properties in the mid-rental segment. Rental properties continue to be a popular investment product thanks to the low risk profile and stable returns. This is attracting a growing number of investors, both from the Netherlands and abroad.

In 2017, investors acquired 35% more new build properties than in 2016, taking the total last year to 17,000 new build homes.[10]And yet demand is still outstripping supply and the market offers too few investment opportunities for the available capital. This led to another hike in prices in 2017 and further compression of initial yields, mostly in popular cities and regions. This trend is also expected to continue in 2018.[11]

Strategy and long-term objectives

Our mission

At home with Vesteda. Our mission is to make sure that all our stakeholders feel at home with us. That is especially true for our tenants, the investors who invest in our fund and our employees.

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. And 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.

9 Colliers - Sector report Residential market

10 Capital Value - Record investments in Dutch rental homes

11 Colliers - Sector report Residential market

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 accept our responsibility.

Vesteda is **ambitious.** We make the most of everything. And do better each and every time and with total conviction. We **trust** our people and give them a great deal of 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.

Strategic objectives

Improve operations

- Increase tenant satisfaction
- Focus on process standardisation and embedding sustainability
- Optimise net rental income

Optimising investment portfolio

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

Continuously improving organisation

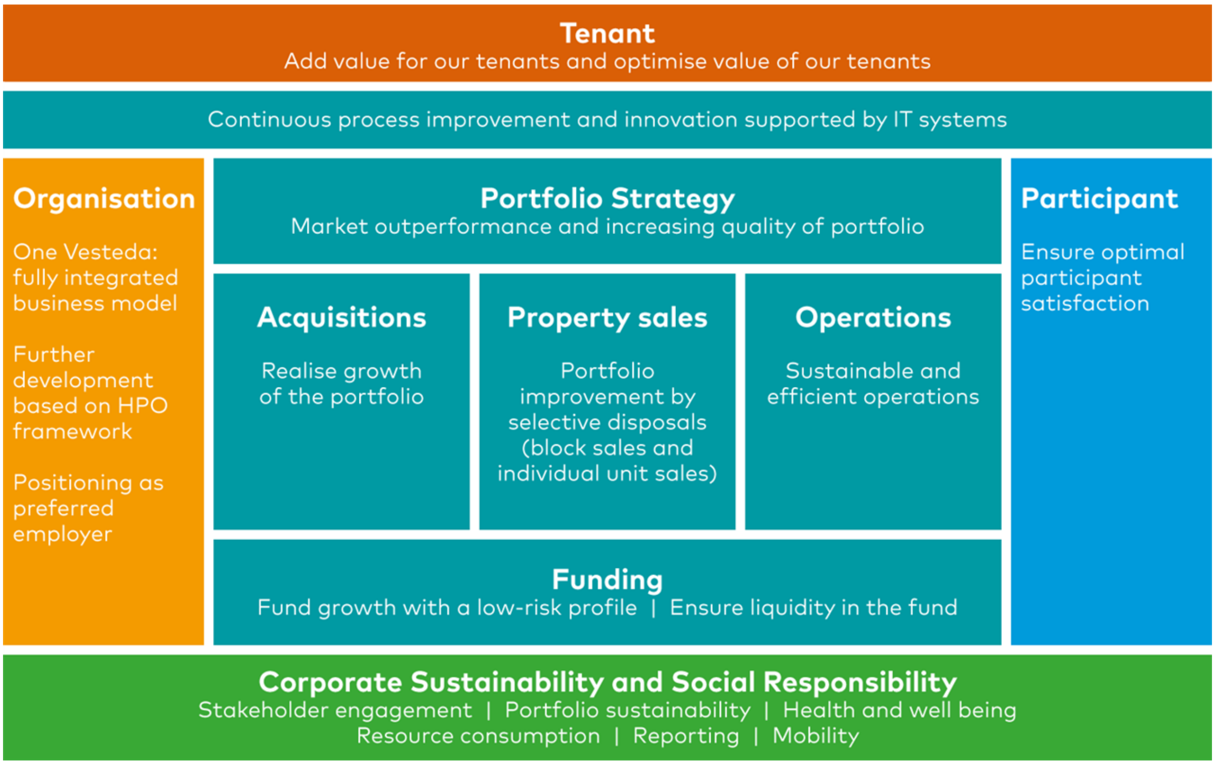
- Continued development of organisation based on HPO framework
- Renew IT platform
- Integrate sustainability into daily operations

Offering an attractive fund profile

- Retain 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



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 €711 and approximately €1,000 and €1,200 for G4 cities). On top of this, the main focus will be on regions that are well positioned (focus and primary regions) in terms of economic and demographic growth.

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 2017 and the management agenda for 2018 are described in the sections Key developments and Outlook and management agenda of this report.

Portfolio objectives

In the years ahead, we will continue with our prudent sale of 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

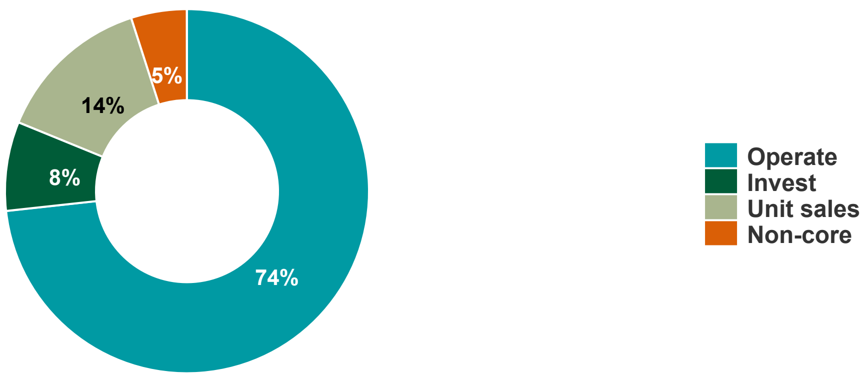
Portfolio Strategy

Growth and improving the quality of the investment portfolio

The Dutch residential investment market was very strong in 2017. Competition was fierce and several large portfolios were sold to local and foreign investors against sharp returns. Despite these challenging market conditions, our Acquisitions department was able to secure a number of exclusive transaction opportunities. This led to the acquisition of a total of 853 high-quality residential units, almost 70% of which are concentrated in the mid-rental segment in our core regions.

To continue to optimise the quality and performance of our investment portfolio, we have also (re)defined our tactics for each and every property in our investment portfolio based on our annual in-depth hold/sell analysis. The circle diagram below shows the tactics for the complexes in our investment portfolio in 2017. 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 8% of our portfolio has been earmarked for the creation of additional value through refurbishments and investments in sustainability. We have designated roughly 14% of our portfolio for the tactic unit sales. This involves the generation of additional value through the sale of individual apartments and family houses. In 2017, we sold a total of 507 residential units through individual unit sales. We have classified around 5% 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). During the course of 2017, Vesteda initiated a portfolio sale consiting of 19 complexes. Closing of the transaction is subject to certain conditions being met and is expected around the publication date of this annual report.

Current tactics (percentage of total portfolio in terms of value)



Vesteda invested a total of €4,8 million to improve the quality of kitchens, bathrooms and toilets. We also made significant progress in our sustainability goals for 2020. By the end of 2017, we had managed to gain a label C or higher for 81% of our portfolio through renovations and investments in the likes of solar panels.

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

New regional classification

Based on trends in the Dutch residential real estate market we also redefined the attractiveness of locations for investments. This resulted in an adjusted regional classification of primary, secondary and other regions. We will use this new classification from 2018 onwards. Within the primary region, we defined 14 so-called 'focus areas'. In order to enhance our investment opportunities in these areas, we will invest in a better network of relevant decision- and policy makers in these municipalities.

Relative performance (MSCI benchmark)

In 2017, Vesteda outperformed the MSCI Netherlands "All Residential" benchmark in terms of both direct return (+0.2%) and indirect return (+0.8%).

Vesteda Residential Fund versus MSCI residential benchmark*

	Annual average					Average of past	
	2017	**2016**	**2015**	**2014**	**2013**	**3 yrs**	**5 yrs**
Direct return							
Vesteda Residential Fund	4.1	4.6	5.0	5.0	4.9	4.6	4.7
MSCI-benchmark	3.8	4.2	4.5	4.5	4.4	4.2	4.3
Outperformance	0.2	0.4	0.4	0.5	0.4	0.4	0.4
Indirect return							
Vesteda Residential Fund	13.5	10.6	5.0	0.8	(3.8)	9.6	5.0
MSCI-benchmark	12.6	10.5	6.3	0.6	(4.0)	9.8	5.0
Outperformance	0.8	0.0	(1.2)	0.1	0.2	(0.1)	0.0
Total return							
Vesteda Residential Fund	18.1	15.7	10.2	5.8	0.9	14.6	9.9
MSCI-benchmark	16.9	15.2	11.0	5.2	0.2	14.3	9.5
Outperformance	1.0	0.4	(0.8)	0.6	0.6	0.2	0.4

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

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

Operations

The demand for rental homes remained as high as ever in 2017. Consequently, our overall vacancy was once again historically low in 2017. Thanks to the successful (re)letting of our standing portfolio and newly-acquired properties, we were able to maintain our high average occupancy rate of 97.9% in 2017. At 2.8%, like-for-like rental growth was well above inflation, once again proving the solid inflation hedge our portfolio offers.

We considerably improved the lettability of the properties in question by making investments in new kitchens, bathrooms and toilets. We also made considerable progress in our efforts to make the homes in our portfolio more sustainable. Please see the CSSR section of this report for more information on this subject. The gross/net ratio increased to 25.7%, which was in line with our target.

In 2017, we successfully completed the integration of three head offices into one head office in Amsterdam. We set up the Commercial Support department, which was previously located in Maastricht, and this is now based in our new head office. Last year, we also assumed full management of the North Netherlands portfolio, which consists of around 1,200 residential units in Friesland, Groningen and Drenthe. This means that Vesteda now manages its entire portfolio in-house.

The Operations department conducted a digital rental pilot in the first half of last year, at De Generaal in Amsterdam and De Goudsbloem in Den Bosch. In this pilot, the entire rental process, from registration to the signing of the rental contract was conducted digitally. Using this new system, Vesteda has made it possible for its future tenants to run through the entire rental process in a user-friendly and efficient manner. Potential tenants were even able to view the home remotely using virtual reality. This initial pilot was very successful and gave a number of valuable insights into the digital rental process. On the basis of this pilot, Vesteda will now continue with the roll-out and optimisation of the digital rental process.

Focus on tenant satisfaction

Vesteda sees increasing tenant satisfaction as one of its main priorities. The annual tenant satisfaction benchmark survey and the continuous research we conduct on our services in the fields of intake, repair requests and complaint handling provide us with a range of important insights and potential improvements. Please see the section Tenant Survey for more information. On top of this, in 2017 we surveyed a representative sample of all our tenants to measure how much they felt 'at home' in our rental units. Our tenants gave that 'at home' feeling an average score of 6.7 out of 10. One example of an initiative we launched as a result of the feedback from this survey is the DoeGroen dagen (GoGreen days). Vesteda employees and tenants are working together to clean up and add to the green in the local environment (gardens, trees and back alleys) to make it more attractive. In 2017, we organised these 'GoGreen days' in two regions. We have also put together a task force to brainstorm continuously on potential improvements (on process and policy fronts) to increase our tenant satisfaction. One example of a new initiative is getting our tenants more involved in kitchen, bathroom and toilet renovations

Acquisitions

In the years ahead, Vesteda will continue to focus on increasing the size of its investment portfolio through acquisitions. Our primary focus is on the Randstad, the Brabant metropolitan area and the strong cities in the peripheral regions of the Netherlands. In these regions, Vesteda targets high-quality residential units in the mid-rental price segment of the liberalised rental market. The acquisition of new build projects forms the foundation of our growth strategy. Thanks to our involvement in the early stages of these projects, which will flow into the portfolio in the years ahead, we can exert a relatively large influence on the design, life-cycle costs and sustainability of the product. In addition, we aim to acquire existing real estate, residential buildings or entire portfolios, which we can then add to the investment portfolio and generate immediate returns.

In 2017, Vesteda once again expanded its Acquisitions team. At year-end 2017, the team consisted of 12 (2016: 10) dedicated commercial and technical professionals and support staff.

Competition for the acquisition of residential projects was fierce last year. Prices are high and the majority of the residential buildings offered were sold through public or private tenders and in most cases pricing was the sole selection criterion. Despite this competition, Vesteda managed to secure a number of exclusive transaction opportunities, thanks to our entrepreneurship and operational excellence in sourcing, selection and the execution of transactions. Vesteda acquired a total of 11 projects last year, including 853 residential units (2016: 1,147 units). All of these projects are turnkey acquisitions of new build properties, which we have added to our pipeline. Virtually all of these projects are located in or around major Dutch cities in the increasingly scarce mid-rental segment and will be added to our portfolio in the next few years. Family houses accounted for 46% of the volume last year.

Additions to the investment portfolio in 2017

In 2017, Vesteda added a total of 332 residential units to its investment portfolio. We refer to the table below for an overview. The majority of these units were recently completed new build properties acquired in previous years.

Additions to the investment portfolio in 2017

Residential building	Location	Total number of units	Apartments/Family houses	Region	Rental segment	Quarter of completion/ delivery
CZAN, De Hagen II	Amsterdam	32	Apartments	Primary	Mid	Q1
De Diemer	Diemen	98	Apartments	Primary	Mid	Q1
De Generaal	Amsterdam	56	Apartments	Primary	Mid	Q2
De Goudsbloem	Den Bosch	25	Apartments	Primary	Mid	Q2
Dunantstraat	Amsterdam	73	Apartments/Family houses	Primary	Mid	Q4
Seattle-Boston	Rotterdam	48	Apartments	Primary	Mid	Q4
Total inflow		**332**				

Pipeline year-end 2017

In 2017, Vesteda added a total of 11 new build projects with a total of 853 residential units to its pipeline. All projects are fully in line with Vesteda's portfolio strategy in terms of region, rental segment and energy label. The majority of the projects are located in 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 half of 2017, Vesteda signed turnkey agreements for three family house projects in Arnhem (Schuytgraaf, 54 units), Breda (Bouverijen, 36 units) and Assen (Diepstroeten, 45 so-called 'nul-op-de-meter' (NOM or Zero-energy) family houses).

In the second half of 2017, Vesteda acquired 139 apartments in Groningen (Kolenpark) and 202 apartments in Diemen (Punt Sniep). With an average Energy Peformance Coefficient (EPC) of -0.107, Diemen (Punt Sniep) will make a major contribution to Vesteda's high sustainability ambitions.

In addition, at the end of last year Vesteda acquired a total of six projects including 377 units, in a single transaction with construction firm Heijmans ("Heijmans portfolio"). These projects include 119 apartments in Zutphen and a total of 258 family houses in Berkel-Enschot (65 units), Culemborg (42 units), Gorinchem (40 units), Pijnacker (39 units), Voorhout (65 units) and Zutphen (7 units). This acquisition has enabled Vesteda to expand its portfolio in an efficient manner, adding affordable rental homes in attractive locations in or around major Dutch cities.

Pipeline year-end 2017

Residential building	Location	Total number of units	Apartment/Family house	Region	Rental segment	Completion/ delivery
Aan de Rijn	Arnhem	94	Apartments	Primary	Mid	2018
Alpha	Leiden	134	Apartments	Primary	Mid	2018
Amstel Tower	Amsterdam	192	Apartments	Primary	Mid	2018
Apollo	Purmerend	84	Apartments	Primary	Mid	2018
Bouverijen	Breda	36	Family houses	Primary	Mid	2018
Diepstroeten	Assen	45	Family houses	Secondary	Mid	2018
Leidsche Rijn (for sale)	Utrecht	121	Apartments	Primary	Mid	2018
Leidsche Rijn Centrum (for rent)	Utrecht	440	Apartments	Primary	Mid	2018
Parijsch	Culemborg	42	Family houses	Secondary	Mid	2018
Parnassushof	Arnhem	54	Family houses	Primary	Mid	2018
Schinkelhof	Amsterdam	64	Apartments	Primary	Regulated - Higher	2018
Tango	Haarlem	55	Apartments	Primary	Mid	2018
De Staatsmannen	Utrecht	235	Apartments	Primary	Mid	2019
Hoog Dalem	Gorinchem	40	Family houses	Primary	Mid	2019
Hooghkamer	Voorhout	65	Family houses	Secondary	Regulated - Mid	2019
Keijzersveste	Pijnacker	39	Family houses	Primary	Mid	2019
Kolenpark	Groningen	139	Apartments	Primary	Mid	2019
Koningsoord	Berkel-Enschot	65	Family houses	Primary	Mid	2019
Punt Sniep	Diemen	202	Apartments	Primary	Mid	2019
Noorderhaven	Zutphen	126	Apartments/Family houses	Other	Mid	2020
Total committed pipeline		**2,272**				


Apollo, Purmerend
Kolenpark, Groningen
Diepstroeten, Assen
Tango, Haarlem
Punt Sniep, Diemen
De Staatsmannen, Utrecht
Schinkelhof, Amsterdam
Leidsche Rijn Centrum, Utrecht
Amstel Tower, Amsterdam
Langs de Rijn, Arnhem
Parnassushof, Arnhem
Alpha, Leiden
Bouverijen, Breda
Heijmans Portfolio

Notes to the results

Key figures

Income

(in € million)	FY 2017	FY 2016
Theoretical rent	254	248
Loss of rent	(7)	(6)
Gross rental income	**247**	**242**
Service charges income	10	10
Revenues	**257**	**252**
Property operating expenses (excluding service charges)	(57)	(55)
Service charges	(16)	(15)
Other income	-	-
Net rental income	**184**	**182**
Result on projects in progress	-	1
Result on property sales	13	14
Management expenses	(16)	(22)
Interest expenses (including amortisation of financing costs)	(31)	(33)
Unwind transaction derivatives	(12)	-
Realised result before tax	**138**	**142**
Unrealised result	544	391
Result before tax	**682**	**533**
Tax	-	-
Result after tax	**682**	**533**
Revaluation of Property Plant and Equipment (PPE)	1	-
Unwind transaction derivatives	12	-
Revaluation of derivatives	6	4
Total comprehensive income	**701**	**537**

Statement of financial position

(in € million)	31 December 2017	31 December 2016
Total assets	5,084	4,375
Equity	3,819	3,045
Debt capital	1,177	1,237
Leverage ratio (in %)	23.2	28.3

Debt capital

(in € million)	FY 2017	FY2016
Interest expenses (excluding amortisation of financing costs)	30	31
EBITDA	168	160

Return on equity

(in % of opening equity)	FY 2017	FY 2016
Realised return	**4.5**	**5.4**
- return from letting	4.5	4.9
- return form project development	0.0	0.0
- return from property sales	0.4	0.5
- return from unwind transaction derivatives	(0.4)	0.0
Unrealised return	**17.9**	**14.9**
Total return	**22.4**	**20.3**
Return from other comprehensive income	0.6	0.1
Total comprehensive return	**23.0**	**20.4**
Total comprehensive income in € per participation right (based on number of participations at year-end)	**25.58**	**20.81**
Proposed distribution to investors (in % of equity at year-end)	3.6	4.2
Proposed distribution to investors (in € per participation)	4.89	4.96

Non-financial figures

	31 December 2017	31 December 2016
Number of residential units managed	22,454	22,629
- apartments	13,605 (61%)	13,602 (60%)
- single family houses	8,849 (39%)	9,027 (40%)
Number of residential units inflow	332	598
Number of units outflow	507	570
- individual unit sales	507	570
- residential building sales	-	-
Occupancy rate (in % of units)	97.6	97.8
Number of employees (in FTEs)	176	181

Loss of rent

	FY 2017	FY 2016
Loss of rent (in % of theoretical rent)	2.9	2.5
Tenant satisfaction (rating out of 10)	6.9	7.0

Higher gross rental income

Theoretical rent amounted to €254 million in 2017, an increase of €6 million compared with the theoretical rent of €248 million recorded in 2016. Despite a slight drop in the size of the portfolio compared with 2016, the theoretical gross rental income was higher due to a higher average rent (€910 at year-end 2017, from €882 at year-end 2016). The like-for-like rent increase was 2.8% in 2017.

The loss of rent came in at 2.9% in 2017, a slight increase on the 2.5% loss of rent in 2016. This was largely due to the inflow of new complexes in our investment portfolio and the refurbishment of units in order to achieve higher rents, in line with our strategy of rent optimisation.

Gross rental income amounted to €247 million in 2017, compared with €242 million in 2016.

Increase in net rental income, despite higher planned maintenance expenses

Property operating expenses came in at €57 million in 2017, €2 million higher than the property operating expenses of €55 million recorded in 2016. This increase was largely due to higher planned maintenance costs. The gross/net ratio amounted to 25.7% in 2017, compared with 24.9% for the previous year. The non-recoverable service charges (service charges less service income) increased to €6 million in 2017, compared with €5 million in 2016. Despite the relatively higher property operating expenses and the increase in non-recoverable service charges, net rental income rose to €184 million in 2017, compared with €182 million in 2016.

Realised result
The realised result amounted to €138 million in 2017, a decline of €4 million compared with the realised result of €142 million recorded in 2016. Excluding the €12 million loss on the unwind of the derivative position in 2017, plus the reorganisation provision of €7 million in 2016, the realised result in 2017 was slightly higher than the result recorded in 2016.

Sales proceeds
In 2017, Vesteda sold a total of 507 homes from its investment portfolio, compared with the sale of 570 homes in 2016. These were all individual unit sales in both 2016 and 2017. The proceeds from the sales declined slightly to €13 million in 2017, from €14 million in 2016, with the sales margin stable at 15.9%.

Management expenses
Management expenses came in at €16 million in 2017, compared with €22 million in 2016. Excluding the one-off expense of €7 million for the reorganisation provision, taken in connection with the restructuring programme and relocation of the offices to a single centralised location in Amsterdam, management expenses amounted to €15 million in 2016. The slight increase in management expenses was due to the planned increase of IT expenses as a consequence of the transition from Maastricht to Amsterdam and the new ERP system. In 2017, a €0.9 million release from provisions had a positive impact on management expenses, compared with a €1.0 million release from provisions in 2016.

Interest expenses
Interest expenses declined to €31 million in 2017, compared with €33 million in 2016. The equity investment of €280 million on 29 May was partly used to reduce the Vesteda's Revolving Credit Facility, as a result of which the average debt position was lower in 2017 than in 2016. The average interest rate declined slightly to 2.7% from 2.8% in 2016. This drop was the result of refinancing of mortgage loans at lower interest rates and a reduction of the notional of the interest rate swap during the year.

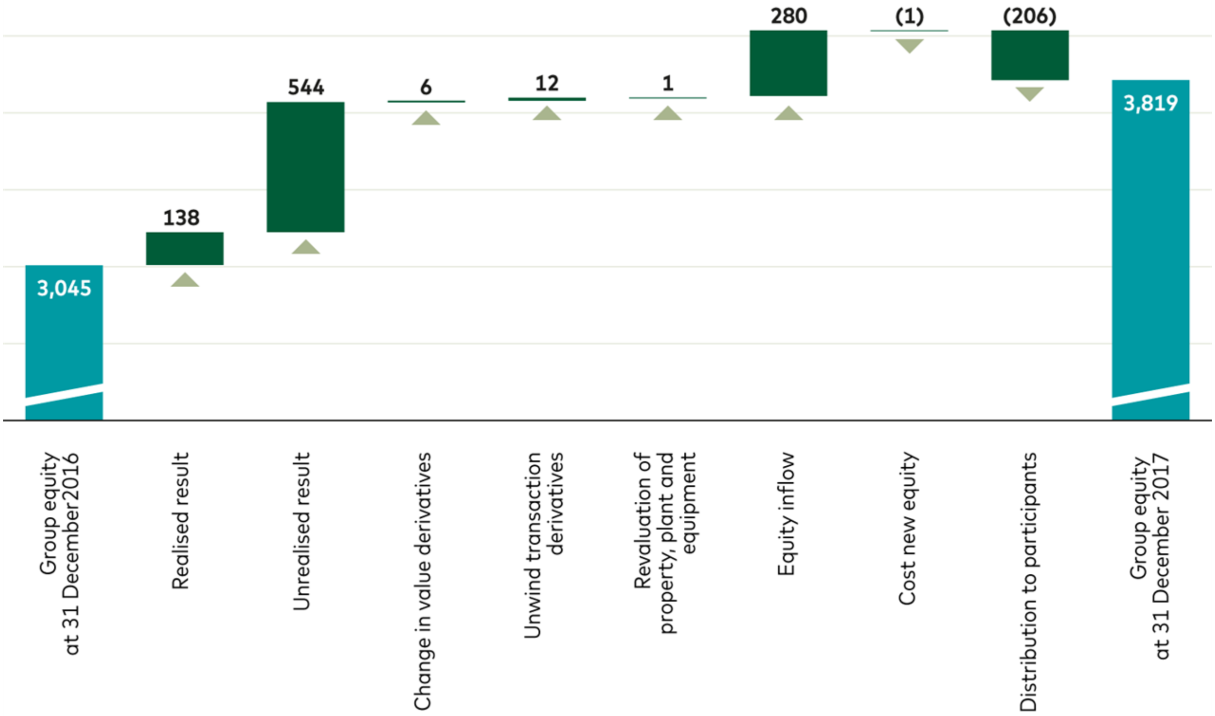
Unwind transaction derivatives
In December 2017, the remaining €215 million notional of the interest rate swap (IRS) was unwound for a total consideration of €12 million. As a result of the unwind in 2017, Vesteda had no interest derivatives for the hedging of its loan portfolio outstanding at year-end 2017.

Unrealised result
The continuing positive sentiment on the Dutch housing market led to a positive revaluation of 12.7% on our investment portfolio in 2017, compared with 10.1% in 2016. Appraisals of Vesteda's investment portfolio showed a further decline of exit yields and an increase of vacant value ratios. The unrealised result amounted to €544 million in 2017, compared with €391 million in 2016.

Total comprehensive result
Vesteda's total comprehensive result amounted to €701 million in 2017, compared with €537 million in 2016. This increase was largely due to the positive revaluation of our investment portfolio. Total return on opening equity (ROE) was 23.0% in 2017 (2016: 20.4%), 4.5% of which was realised return (2016: 5.4%), 17.9% of which was unrealised return (2016: 14.9%), and 0.6% of which was due to the revaluation of derivatives (2016: 0.1%).

Equity
Changes in equity
At 31 December 2017, equity stood at €3,819 million, compared with €3,045 million at 31 December 2016. This increase in equity totalling €774 million was the balance of a positive realised result of €138 million, a positive unrealised result of €544 million, a €6 million positive change in the value of derivatives, a €12 million effect related to the unwind transaction derivatives, a positive revaluation of our head-office of €1 million, a €280 million equity inflow and €1 million costs related to the new equity and a distribution to participants totalling €206 million.

Changes in equity (in € million)



Distribution proposal

The participants' meeting in December 2016 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 approximately 60% of budgeted distribution is paid out in three instalments during the year, each two weeks after quarter end. The remaining approximately 40% will be paid out in two instalments after the close of the financial year, one in January, shortly after fourth quarter end and one after the adoption of the distribution proposal in April;
- Distribution of result over financial year 2016 in one payment, immediately after the adoption of the financial statements (April 2017).

In 2017, the realised result less the result on property sales amounted to €125 million. As a result of the one-off character of the unwind transaction derivatives, Vesteda proposes not to take the unwinding cost into account for the 2017 distribution calculation. Vesteda will therefore propose to the General Meeting of Participants the pay-out of a total distribution of €138 million, which represents a distribution yield of 3.6% for the 2017 financial year.

In 2017, a total amount of €206 million was distributed to participants, of which €128 million was the 2016 full-year distribution. A total of €78 million was paid as an interim distribution for 2017 in three instalments. The fourth interim distribution for 2017 of €26 million was distributed in January 2018. Vesteda will therefore propose to the General Meeting of Participants on 4 April 2018 a final distribution payment for 2017 of €34 million.

Number of issued participations

In May 2017, Vesteda participants invested a total of €280 million in the growth of Vesteda's rental portfolio. The €280 million comprises €185 million in commitments from two international investors who entered the residential fund two years ago, plus €95 million in additional investments from existing participants, including APG Asset Management.

We will use the investment to finance the continued growth of the rental portfolio, both for the financing of the Vesteda's existing committed pipeline and for future acquisitions.

Consequently the total number of issued participation rights increased to 28,194,804 compared with a total of 25,795,084 participation rights at year-end 2016. No participation rights were redeemed in 2017.

List of institutional investors (participants)

At year-end 2017, Vesteda's participant base consisted of the following institutional investors (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 PGB
- Stichting Pensioenfonds voor Fysiotherapeuten
- Stichting Pensioenfonds Xerox
- Stichting Spoorwegpensioenfonds
- Stichting TKPI European Real Estate Fund

Debt capital

2017 in review

During the year under review, we focused on continued long-term optimisation of Vesteda's debt portfolio in line with the main targets of our debt funding strategy:

- Further reduction of interest costs
- Maintaining long-term leverage of approx. 30% of total assets
- Maintaining diversification, with at least three different funding sources
- Extension and diversification of maturity profile, while maintaining a well distributed repayment pattern
- Maintaining sufficient liquidity headroom to allow for acquisitions and the refinancing of short-term debt maturities
- Further reduction of asset encumbrance for secured debt

At year-end 2017, Vesteda's drawn debt capital amounted to €1,177 million which is below the debt capital drawn of €1,237 million at year-end of 2016, mainly as a result of our use of the new equity investment in May 2017 for a temporary reduction in drawn debt.

As a result of the lower amount of drawn debt in combination with the continued positive revaluation of Vesteda's assets, total leverage during 2017 declined to a leverage ratio of 23% at year-end 2017 from 28% at year-end 2016.

On the back of improved credit metrics, in May 2017 Standard & Poor's reconfirmed Vesteda's credit rating of BBB+ with stable outlook.

In 2017, we continued to focus on a balance between a sustainable reduction of interest expenses while increasing our debt capital's weighted average maturity. The following transactions contributed to achieving our long-term debt funding targets:

- In August 2017, Vesteda prepaid all remaining outstanding mortgage loans with FGH Bank. As a result, Vesteda has no refinancing obligations until July 2019.
- In December 2017, Vesteda issued a new €35-million 10-year private placement and a €65-million 15-year private placement transaction under the Vesteda Finance EMTN-programme, which contributed to the lengthening of the weighted average maturity of Vesteda's debt portfolio. The proceeds were used to reduce the drawn amounts under our revolving credit facility.
- In December 2017, the remaining interest rate swap with a notional of €215 million and a term until 2020 was unwound for a total consideration of €12 million, which lowered total hedged and fixed interest exposure to 76.5% at year-end 2017 and will reduce interest expenses in the future.

Through these transactions, Vesteda increased its average weighted maturity profile to 4.6 years, above its long-term minimum target of four years. The prepayment of the FGH Bank mortgage debt ended asset encumbrance compared with 4% encumbered assets at year-end 2016. As at year-end 2017, Vesteda retained €323 million of headroom under its revolving credit facility, providing flexibility and liquidity headroom to cover potential acquisitions and refinancing obligations. The average total debt interest rate at year-end 2017 was 2.2%.

Vesteda's main financial covenants, as part of its financing agreement, are a maximum loan-to-value ratio of 50% and a minimum interest cover ratio of 2.0. Throughout 2017, we comfortably met all the financial covenants of our financing arrangements.

Vesteda debt portfolio at year-end 2017

Facility	Type	Security	Recourse	Committed	Drawn	Average Amortisation	Maturity Date	Margin/ Spread
Revolving Credit Facility	Bank Facility	Unsecured	Guarantors	€600,000,000	€277,000,000	Bullet	1 June 2021	0.90%
Pricoa Private Placement	Private Placement Loan	Unsecured	Guarantors	€100,000,000	€100,000,000	Bullet	16 December 2026	1.13%
Pricoa Private Placement	Private Placement Loan	Unsecured	Guarantors	€100,000,000	€100,000,000	Bullet	8 May 2021	1.80%
Bond Issue 1.75% 2019	Bond, issued under EMTN programme	Unsecured	Guarantors	€300,000,000	€300,000,000	Bullet	22 July 2019	1.25%
Bond Issue 2.50% 2022	Bond, issued under EMTN programme	Unsecured	Guarantors	€300,000,000	€300,000,000	Bullet	27 October 2022	1.95%
Private Placement Issue	Private Placement, issued under EMTN programme	Unsecured	Guarantors	€35,000,000	€35,000,000	Bullet	15 December 2027	1.10%
Private Placement Issue	Private Placement, issued under EMTN programme	Unsecured	Guarantors	€65,000,000	€65,000,000	Bullet	15 December 2032	1.30%

Tenant Survey

Tenant satisfaction task force

In 2017, Vesteda set up a project group called the 'Tenant satisfaction task force'. This project group will help analyse tenant satisfaction and, where possible, adapt internal processes to the wishes of our tenants. For instance, in 2017 we optimised the renovation process for bathrooms, kitchens and toilets. On top of this, we organised client panels to get feedback from our tenants and we made a start on the mapping of our client journey. The aim of the latter project is to review the tone of voice in our communications with tenants and to align our services to arrive at the ideal client journey for our tenants and prospective tenants. The multi-disciplinary composition of this task force means we can make the best possible use of Vesteda's existing in-house expertise and know-how.

Set-up tenant satisfaction survey

Each year, Vesteda has a tenant satisfaction survey conducted by an external research firm specialised in the measurement of client satisfaction. In addition to Vesteda, this agency conducts client satisfaction surveys for eight other investors in the Dutch residential real estate sector.[12] The combined results of these surveys act as a benchmark for the measurement of the satisfaction of current tenants and any developments in these satisfaction levels. In 2017, the participants in the benchmark opted to switch to a new research firm. This switch also led to a number of minor changes in the questionnaire, field work and reports. However, the participants made sure the main survey questions remained the same, to safeguard the comparability with previous years. Vesteda's goal for 2017 was to achieve a minimum average score of 7 in its annual tenant satisfaction survey.

In addition to the benchmark survey, Vesteda also has an external research firm measure the satisfaction of our tenants with regard to services related to the likes of repair requests, complaint handling and the intake of new tenants. These measurements are taken after a contact moment with our tenants and may therefore be taken several times per year, depending on the number of contact moments with tenants. The results of this survey are first reported in our annual report.

Vesteda goal for 2017 was to achieve the following average scores:

- Repair requests a 7.6
- Intake at a least a 7.3
- Complaint handling at least a 5.7

Benchmark tenant satisfaction

In 2017, 1,674 filled in the questionnaire (43% response rate). The benchmark consisted of a total of 12,441 respondents in 2017. The survey shows how tenants rate their home, surroundings and related services and identifies any potential improvements. Vesteda uses the information from the survey to make additional improvements to its services on these fronts.

Survey results

Our tenants gave our services, their surroundings and their homes an average score of 6.9 in 2017, a slightly lower score than the 7.0 they gave in 2016. This was due to a lower score for homes. The score for homes was also lower than the previous year in the benchmark study. The tenants in the benchmark study gave services, surroundings and homes an average score of 7.1 in 2017, compared a score of 7.3 in 2016. Due to the fact that the benchmark average dipped by 0.2 points last year, we made up some ground on the benchmark in 2017.

Results benchmark survey

Indicator (score out of 10)	Vesteda			Benchmark		
	2017	2016	Δ	2017	2016	Δ
Service (S)	6.2	6.2	0.0	6.4	6.8	(0.4)
Surroundings (S)	7.5	7.5	0.0	7.6	7.6	0.0
Home (H)	7.1	7.4	(0.3)	7.3	7.5	(0.2)
KPI Vesteda – average SSH	6.9	7.0	(0.1)	7.1	7.3	(0.2)

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

Evaluation of services
Our services were given the same score as the previous year. Due to the fact that the benchmark score was considerably lower last year, the difference with the benchmark was also much smaller. This difference is now just 0.2, while Vesteda's score in 2016 was 0.6 lower. In comparison with 2016, tenants were less satisfied with the accessibility of the regional office, but were more satisfied with our meeting of commitments and our handling of repair requests and complaints. There was very little difference in satisfaction between the various tenants groups. The under-30 group were least satisfied in relative terms.

Evaluation of surroundings
Vesteda tenants are generally highly appreciative of the surroundings of the homes in our portfolio. Last year, Vesteda tenants gave surroundings a score of 7.5, very close to the benchmark score of 7.6. There were no appreciable differences between the various tenant groups.

Evaluation of homes
In 2017, the score given for Vesteda's homes declined by 0.3 points to 7.1. The benchmark declined by 0.2 points, which means the difference with the benchmark was greater last year. Compared with 2016, tenants were less satisfied with the amenities in the homes, such as bathrooms, kitchens and toilet facilities. Tenants gave the energy efficiency of the homes a score of 5.9. The most satisfied tenants were those living in homes built later than the year 2000, those living in homes with a monthly rent above €1,200, those living in an apartment and tenants in the over-65 age group.

Monitoring of daily services
In addition to the benchmark survey, we measure the satisfaction of our tenants with our daily services. The Operations department is in daily contact with our tenants. Immediately after the completion of a repair request, the handling of a complaint or an intake process (new tenants), the tenant in question is sent a questionnaire for the evaluation of our service. We use an external party to conduct this evaluation.

Thanks to our dashboard, it is possible to see results in real time and to adjust our services accordingly. In 2017, Vesteda asked 11,279 tenants to evaluate our services. A total of 4,279 tenants filled in the questionnaire, which was a response rate of 37.9%. The table below shows the results for the full year 2017.

Results monitoring daily services

	Score	Target
Repair requests		
· Overall score	7.6	7.6
· Service	7.3	7.3
· Ease of use Mijn Vesteda	7.6	7.5
Complaint handling	5.7	5.7
Intake new tenants	7.9	7.8

Repair requests

Tenants gave repair requests an overall score of 7.6 in 2017, in line with our target. On the repair requests front, tenants were the most satisfied with the execution of the repairs. In addition, tenants were satisfied with the friendliness of the employees they spoke to on the phone. In relative terms, tenants were least satisfied with our reachability (6.6).

Complaint handling

Tenants gave complaints handling a score of 5.7 in 2017. They said they felt Vesteda employees were friendly and had the required expertise, but also felt they did not always get the desired answer. It is worth noting that tenants with a complaint were more satisfied with the outcome after contact by phone than after a written response.

Intake new tenants

New tenants gave the overall intake process a score of 7.9 in 2017. Tenants found the choice of homes and the information on terms and conditions clear and easy to find. They were the most positive about the option to sign their rental contact digitally. New tenants were least satisfied with the time between application and receipt of the rental contract.

Client friendliness

Tenants gave Vesteda a score of 7.8 for client friendliness, our willingness to work with tenants to find a solution and the understanding shown by our employees in all forms of contact with tenants.

Conclusion

Vesteda works continuously on improving its services. The survey provides us with important information on what we can do to improve our services. We are grateful to the respondents for their cooperation and feedback in 2017.

Given the results of last year's survey, our focus for the upcoming year(s) will be on tenant value, digitisation and organisational culture. To be more specific, the measures will include:

- Improving our services by making more use of tenant data
- More focus on comfort as part of our energy label improvement initiatives
- Implementation of an integrated ERP system which enables our front office staff to improve the services we provide for our tenants and speed up the delivery of those services
- Develop and implement a new website with fully integrated sales funnel
- Expand online tenant communication to improve our accessibility and response time
- Additional training of our customer contact employees

By listening more closely to our tenants, we can adjust our services to the wishes of our tenants where necessary and by doing so improve our services.

Outlook and management agenda

The outlook for 2018

Economic growth set to continue

The economic outlook for the Netherlands is positive for 2018. Economic growth is expected to continue and the most recent forecasts are predicting GDP growth of 3.2%.[13] This growth is being driven by the continuing increase in business confidence and investments, household consumption, investments in houses and growing exports. Government spending is set to increase 3.5% this year, largely as a result of investments in education and increased defence spending. Employment is expected to increase by some 2% this year, taking unemployment even lower to around 3.9%, the lowest level in 10 years.[14] Companies are likely to increase wages to retain or recruit staff, which will have a positive impact on both overall wages and household spending power.

That said, although the outlook for the year ahead is positive, the current growth forecast does come with a number of upside and downside risks. On the one hand, if households spend more than expected, economic growth could come in even higher, which could boost household spending even further, business investments could rise even higher than estimated, or wages could increase more than expected. On the other hand, lower wage increases than estimated, the overvaluation of assets as a result of surplus liquidity and low interest rates, plus the impact of Brexit, could have a negative impact on economic growth and lead to a slowdown. On top of this, there is the question of whether the ECB will continue with its current (monetary stimulation) policy, and whether the government's education and defence spending will in fact boost employment growth, given the current tightness on the labour market.[15]

Pressure on owner-occupier and rental markets due to lagging supply

In 2018, we do not expect to see any alleviation of the pressure on the residential market[16], due to continued economic growth combined with the lagging supply of new build houses. The pressure on the residential market is more likely to increase, especially in the larger Dutch cities. Given the continued lack of supply and steadily increasing demand, average home prices are expected to increase by around 6% nationally in 2018. The residential supply is falling in certain regions and the total number of transactions across the country is expected to dip by 5% compared with 2017.[17] Interest rates are likely to remain low for the foreseeable future, but rates will eventually start to rise in line with any increases in inflation. A hike in interest rates will make it even more difficult to buy a home, especially for first-time buyers.

Competition in investment market pressuring initial yields

The Dutch residential real estate investment market is expected to remain attractive in 2018. The structural demand for liberalised sector rental homes, combined with the relatively limited supply, will guarantee relatively stable returns for investors. Now that the economy is picking up (and inflation is rising), there is the risk that the ECB will change its monetary policy. The announced scaling back of the ECB's bond-buying programme and any hikes in interest rates may lead to upward pressure on return requirements.

The lack of investment opportunities will be especially marked in the larger Dutch cities this year. This is likely to make medium-sized cities more and more attractive for residential real estate investors. There is certainly more supply, but investors do also run greater risks by investing in these areas. Many investors are shifting their investment focus from an individual unit sale scenario to the retention and exploitation of existing residential complexes.

Local government authorities are putting a lot more focus on the regulation of the social and mid-rental segment in new build projects in an attempt to keep homes affordable. The stricter rules could hamper the development of suitable locations in land development, which may put a partial brake on the dip in initial yields. It will be some time before we see the full impact of these rules.[18]

13 CPB - March forecast 2018: economic outlook 2018

14 CPB - December forecast 2017: economic outlook 2018

15 CPB - December forecast 2017: economic outlook 2018

16 ABN Amro - Housing market monitor January 2018

17 ABN Amro - Housing market monitor January 2018

18 Colliers - Sector report Residential market

The outlook for 2018

Economy	• Economic growth thanks to low interest rates, increasing investments and consumer spending • Rising employment • Drop in unemployment to lowest level in 10 years	• Rising wages • Higher household spending power	• Rapid scale-back in ECB's monetary (stimulation) policy • Uncertain international influences, such as impact of Brexit and trade protectionism
Residential market - Rental	• Tight market for owner-occupier homes is driving up demand for rental homes • Shortage of both mid-segment rental homes in the < €1,000 p.m. price range and the segment above this	• (Excessive) influence of local authorities on regulation of rental market reduces investment opportunities	• Loss of momentum due to limited investment opportunities and lack of locations • Low inflation limits potential for rental increases
Residential market - Owner-occupier	• Continued high demand for owner-occupier homes • Low interest rates	• A potential rise in interest rates makes it more difficult for first-time buyers to buy homes	• Declining housing supply in popular areas • Increasing tightness right across the residential market • Mortgage requirements get stricter every year
Investment market	• Dutch investment market remains attractive due to low risk profile and stable returns • Medium-sized cities more and more interesting for investment assets	• Less focus on unit sales and more on retention and exploitation of existing residential properties • Limited supply of development locations or existing real estate	• Steadily shrinking supply for an ever-growing group of investors increases competition and decreases yields

Management agenda 2018

Portfolio Strategy

In the years ahead, our strategic targets will focus on:

- Strengthening focus on (potential) tenants
- Outperforming MSCI three-year average Netherlands "All Residential" benchmark – Total Return
- Increasing the size and improving the quality of our portfolio

Strengthening focus on (potential) tenants

Thanks to our focus on (future) developments in the Dutch residential market, such as the severe shortage of mid-rental segment homes, the declining size of households, changing housing demands and the rise of the sharing economy, we are in a better position to offer our tenants lifetime housing opportunities that meet their demands. Our revised Programme of Requirements also improves our ability to align our PMCs with the (future) demands of our tenant groups. And our unique, integrated business model means we can do this effectively and efficiently. Thanks to the growth of our portfolio through the addition of lifecycle-proof homes and the fact that we will offer new and innovative solutions that meet the needs of our tenants more effectively, we will create additional value for both our tenants and our shareholders.

Outperforming MSCI three-year average Netherlands "All Residential" benchmark - Total Return

The growth and management of our portfolio is aimed at the maximisation of performance, while maintaining a focus in the mid-rental segment. By pro-actively responding to trends in the Dutch real estate market, we will create additional rental and value growth. We will also make more and more use of internal and external data sources to support our research and decision-making, which will improve our ability to take well informed decisions with regard to our investments.

Increasing the size and improving the quality of our portfolio

We have set our sights firmly on value-enhancing and sustainable investments in our portfolio, targeting significant improvements in rental income and value. We will introduce alternative strategies and tactics for underperforming properties and we may consider block sales of underperforming properties. We will accelerate investments in energy-saving upgrades and we will manage these measures to outperform the targets set in the government's energy agreement 2020. We will improve the sustainability of our portfolio by introducing new and future-proof investments based on our defined 10 sustainability rules (e.g. no gas connections or the termination of gas connections and improvements to the sustainability of common areas). We will also install solar panels whenever and wherever possible, to generate energy for the common areas in our properties.

Vesteda will only acquire new buildings when they exceed the regulatory energy standards as required under the terms of the national building decree ("Bouwbesluit"). If needed, we will make additional investments to outperform the standards laid down in the decree and we will include these additional measures in our investment proposals.

Operations

The Operations department has set out a number of clear priorities for the years ahead. These include improving tenant satisfaction, the focus on process standardisation, embedding sustainability and optimising net rental income.

In terms of our plans for 2018, this means that among other things, we will focus on the continued development of tenant segmentation and custom-made services (e.g. rewarding loyalty) and the optimal use of social media platforms. On top of these efforts, we are planning a complete renewal of the Vesteda website and we will continue with the roll-out and optimisation of our digital rental process. In 2018, the Operations department will also play an important role in the implementation of the new ERP system. This new ERP system will generate a range of major synergies right across the organisation once it is up and running in 2019. For the Operations department, this means that among other things it will be able to improve the services we provide for our tenants and speed up the delivery of those services.

Acquisitions
Vesteda's target for the year ahead is to continue expanding the investment portfolio. We are looking to add more than 1,000 homes to our pipeline this year, both new build and existing properties, but quality will always take precedence over volume. We will take full advantage of our entrepreneurship and operational excellence in sourcing, selecting and executing transactions to acquire attractive projects in which we have relatively large influence on the design, life-cycle costs and sustainability of the product. We will continue to be selective in terms of the tender procedures we participate in. In addition, we will continue with our disciplined approach to development risk, but we do aim to invest more frequently in the early stages of the development process.

Our primary focus remains on the Randstad, the Brabant metropolitan area and the strong cities in the peripheral regions of the Netherlands. In these regions, Vesteda targets 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 will also acquire existing real estate, residential buildings or entire portfolios, which we can add to our investment portfolio and generate immediate returns.

Portfolio acquisition
In February 2018, Vesteda announced that it is in exclusive negotiations with NN Group to acquire a Dutch residential real estate portfolio of approximately 7,000 units. Closing of the transaction is subject to certain conditions being met.

Portfolio sale
During the course of 2017, Vesteda initiated a portfolio sale of 19 complexes consisting of approx. 1,900 residential units. The sale of these complexes will lead to our portfolio having a better fit with our strategy and our future ambitions. The transaction is expected to lead to a substantial book profit. Closing of the transaction is subject to certain conditions being met and is expected around the publication date of this annual report.

Corporate
New ERP platform
In 2018, we will continue 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). As part of this programme, it was concluded that the current IT architecture and (ERP) systems need to be replaced in order to support our integrated business model. After a thorough vendor selection process in 2017, we will implement a new ERP system in 2018, with Operations, Finance & Reporting, and Investment Management to be fully integrated. The new ERP platform is expected to be up and running in early 2019 and will act as the basis for the realisation of operational excellence, support growth and increase our competitive advantage.

CSSR
Our CSSR targets are an integral part of our business plan and are therefore firmly embedded in our business operations. In 2018, we will continue with our programme to reduce resource consumption and focus on alternative energy sources instead of non-renewable energy sources such as natural gas. Furthermore, we will continue to improve the sustainability of our portfolio. In addition, we aim to achieve the highest GRESB Rating, the Green Star rating with five out of five stars, in 2018.

Funding
Vesteda has no refinancing obligations for 2018. We will continue to actively manage the headroom under Vesteda's Revolving Credit Facility to ensure adequate headroom to cover our future refinancing commitments for 2019.

The focus in 2018 is on further optimisation of Vesteda's financing structure. Our debt funding strategy will be subject to an extensive benchmarking and strategic review to validate or adjust our existing funding targets. Optimisation of our existing loan portfolio could include the renegotiation of the terms of existing debt or pre-payment of debt capital and the replacement with new facilities with longer maturity at relatively lower interest costs.

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.

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.

Jaap Blokhuis (1958)

Dutch. Former CEO of Multi Corporation and Redevco.

Areas of expertise: management, finance, investments, compliance, risk management.

Ancillary positions: member of the Supervisory Board of Heembouw Holding B.V. and advisor to Egeria Real Estate Investments.

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 position: member of the Supervisory Board of Pink and Nelson B.V.

John de Die (1960)

Dutch. CFOO 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, Board member of Stichting VUmc Fonds, lecturer at Amsterdam Business School (UVA).

Seada van den Herik (1972)

Dutch. Managing director of Onderlinge 's-Gravenhage. Former CEO of Zwitserleven and former board member of Vivat Verzekeringen.

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

Ancillary positions: managing director of N.V. Levensverzekering-Maatschappij "De Hoop", member of the Supervisory Board of SPF Beheer, member of the Supervisory Board of N.V. Neerlandia van 1880.

The table below provides an overview of the composition of the Supervisory Committee as per 19 March 2018 and the rotation schedule.

Composition and rotation schedule of the Supervisory Committee

Name	Committee	Date of first appointment	End of current term
Jaap Blokhuis	Audit Committee	11 September 2017	11 September 2021 (first term)
Hans Copier	NomRem Committee	12 February 2016	12 February 2020 (first term)
John de Die	Chairman Audit Committee	1 April 2011	1 April 2019 (second term)
Seada van den Herik	Chairman NomRem Committee	9 December 2015	9 December 2019 (first term)
Peter Kok (chairman)		1 July 2011	1 July 2019 (second term)

Report of the Supervisory Committee

Chairman's Statement

Last year was another successful year for Vesteda, as was 2016, with an excellent result of €701 million. This result was based on a strong operational performance, as well as on the continuing positive development of the Dutch residential market.

The strong, yet highly competitive, market that Vesteda operated in during 2017 required prudence on several levels. Severe competition to acquire projects was not allowed to result in any concessions in terms of returns, quality or location. Furthermore, Vesteda's long-term business model had to be solid and not depend on the volatility of the market. The Supervisory Committee believes that Vesteda's management has adhered to these principles when making investments or other business decisions throughout the year.

In 2016, Vesteda embarked on a path aimed at improving its organisational structure, which was successfully completed in 2017. The Supervisory Committee and its Committees closely monitored the execution of the transition to the new organisation. While reorganisations like these are never flawless, the Supervisory Committee is satisfied with the end result: one integrated company located in a new and transparent office.

The successful implementation of the new structure does not mean that there are no additional challenges ahead. In 2017, Management engaged in the process of selecting a new ERP system, and will work on the implementation of this new system throughout 2018. The Supervisory Committee and Audit Committee closely followed the selection process and we were pleased to see that Management ensured this process was solid in terms of analysing Vesteda's ERP requirements, the functionality offered by various vendors and the eventual selection of the preferred vendor. The Supervisory Committee shall closely monitor the implementation of this new ERP system in 2018.

While the company was managing a number of major changes and projects, the Acquisitions team worked hard on expanding Vesteda's pipeline. This resulted in various successful acquisitions, some of which, such as Kolenpark in Groningen and Punt Sniep in Diemen, had to be approved by the Supervisory Committee given the transaction size.

At Supervisory Committee level, there were a number of developments last year. In early 2017, the Supervisory Committee appointed the undersigned as its Chairman. For the sake of continuity, we proposed to the participants that they extend my tenure by one year, which they approved unanimously. In addition, the Supervisory Committee initiated a structured process to search for a new member of the Supervisory Committee, resulting in the unanimous appointment of Mr. Blokhuis. Lastly, the Supervisory Committee was pleased to propose the re-appointment of Mr. Van der Baan as CEO for another four years. We are of the opinion that Mr. Van der Baan has played an instrumental role in the recent success of and changes within Vesteda and we are pleased that the participants unanimously agreed with us.

I would like to conclude by thanking my fellow Supervisory Committee members for their commitment and diligence during 2017. Together, we would like to thank the Company's CEO, Mr. Van der Baan, the CFO, Mr. Vervoort, the members of the Management Team and all other Vesteda employees for making 2017 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's business, as described in more detail in the section Corporate governance and Risk management of this report.

In exercising its duties in 2017, the Supervisory Committee and its Committees placed special emphasis on the following topics:

- Search and extension: the process of recruiting a new member of the Supervisory Committee and reviewing the extension of the tenure of the CEO
- Risk and assurance: the restructuring of Vesteda's ISAE framework and risk management framework
- IT: the review of Vesteda's IT framework and selection of a new ERP system
- Reorganisation: progress and impact on organisation
- Finance and reporting: change of auditor and Business Plan
- Organisation: recruitment processes and remuneration

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

Meetings and Attendance Record

The Supervisory Committee comprises Mr. Blokhuis, 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. Blokhuis joined the Supervisory Committee in September 2017.

In 2017, the Supervisory Committee met 16 times, 11 times in person and five times via conference call. Most 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 in the absence of the Managing Board present, among other things to perform its self-assessment and to discuss the recruitment process of the new member of the Supervisory Board and the extension of the contract of the CEO.

Below you will find an overview[19] of the attendance record per member of the Supervisory Committee:

Overview of attendance record Supervisory Committee

Name	Supervisory Committee	Audit Committee	Nomination & Remuneration Committee
Jaap Blokhuis	4/4	1/1	n.a.
Hans Copier	16/16	n.a.	4/4
John de Die	15/16	6/6	n.a.
Seada van den Herik	15/16	n.a.	4/4
Peter Kok	15/16	4/5	n.a.

19 Attendance is expressed as the number of meetings (including conference calls) attended of the number the members were eligible to attend.

The activities of the Supervisory Committee in 2017 are summarised in the schedule below:

Supervisory Committee (SC) activities 2017 (including Committees)

Q1	Q2	Q3	Q4
• Search new member SC	• Search new member SC	• Q2 report	• Business plan 2018-2022
• Targets and bonus Managing Board and MT	• Extension tenure CEO	• Extension tenure CEO	• Q3 report
• Remuneration senior management	• IT	• Benchmark remuneration senior management	• Private placement under EMTN programme
• ISAE 3402	• ISAE 3402	• IT	• IT/ approval ERP purchase
• Report external auditor	• Q1 report	• MSCI	• MSCI
• Financial statements and allocation of net income	• Hold/sell analysis and portfolio strategy	• Investment proposals	• ISAE 3402
• Q4 2016 report	• Update EMTN programme	• Treasury	• Treasury
• Portfolio strategy	• Investment proposal	• Progress reorganisation	• Treasury practices
• Investment proposal	• Progress reorganisation	• Meeting newly appointed Works Council	• Risk Management Framework
• Progress reorganisation	• Risk Management Framework	• Internal Audit Plan	• Tax
• Treasury	• Compliance	• Risk Management Framework	• Investment proposals
• Risk Management Framework		• Compliance	
• Compliance			

You will find additional information on the role and functioning of the Supervisory Committee and its committees in the Corporate governance section of this annual report.

Search for member Supervisory Committee and extension tenure CEO

At the end of 2016, it was announced that the Chairman of the Supervisory Committee, Mr. De Groof, would be stepping down as per 1 January 2017, leaving a vacancy in the Supervisory Committee. The Supervisory Committee immediately started the search process for a new member. Two executive search agencies with extensive experience were invited to pitch, after which one was engaged due to the lead partner's broad experience and network in the Dutch real estate market. The executive search agency presented a longlist which was discussed with the Chairman of the Supervisory Committee and the Corporate Secretary. The list showed a balanced representation of male and female candidates. The longlist was subsequently discussed by the entire Supervisory Committee, which selected six candidates for a shortlist, which comprised of three male and three female candidates. Three candidates were introduced to and interviewed by the Supervisory Committee. After due consideration, the Supervisory Committee resolved to nominate Mr. Blokhuis to the participants for appointment as member of the Supervisory Committee due to his knowledge of the Dutch real estate market, his experience as an executive, his background in supervisory roles and, last but not least, the personal fit with the other members of the Supervisory Committee. The participants unanimously approved the appointment of Mr. Blokhuis as per 11 September 2017.

Mr. Van der Baan was appointed as the CEO of Vesteda as per 1 January 2014 for four years. Given the upcoming expiration of his tenure, the Supervisory Committee discussed his possible reappointment and Mr. Van der Baan expressed his keen interest to stay on for a new term. Following this conversation, the Nomination and Remuneration Committee reassessed Mr. Van der Baan's performance against the CEO profile. This profile was slightly updated in accordance with Vesteda's business plan for the coming years. It was concluded that Mr. Van der Baan's performance, in terms of all required parameters, such as leadership and expertise, was "at target" or "excellent". In addition, Mr. Van der Baan's profile was held against the CFO's profile and it was concluded that they were still complementary to each other. Mr. Van der Baan's contract has been aligned with current legislation and Corporate Governance codes. His remuneration package has remained unchanged. The Supervisory Committee unanimously resolved to propose Mr. Van der Baan's reappointment and the participants unanimously resolved to reappoint him for four years as of 1 January 2018.

Risk and assurance

Vesteda has chosen to submit itself to the ISAE 3402 standard for service organisations. Under this standard, the external auditor issues an assurance report with respect to the set-up and effectiveness of Vesteda's control framework. Vesteda selects the relevant processes that are audited and included in the assurance report. Over 2016, Vesteda received a qualified auditor's report on the implementation of the possibly too extensive set of ISAE 3402 processes, which was disappointing. At the beginning of 2017, Vesteda's internal auditor reviewed the set-up of Vesteda's ISAE 3402 processes, their scope and the key controls identified. As a result, a project was set up to improve Vesteda's ISAE 3402 framework by a) executing a risk analysis, b) reducing the number of processes under the framework by selecting the most important (financial) business processes and c) focusing on a limited number of important, and improved, key controls. The Supervisory Committee was pleased with this thorough approach and the Audit Committee continued monitoring the progress throughout the year, via periodic updates from the Internal Auditor and the CFO. This approach led to receiving an unqualified ISAE 3402 statement over 2017.

Vesteda's risk management framework was formalised in early 2014, when Vesteda applied for a license under the Alternative Investment Fund Managers Directive (AIFMD). Vesteda's management informed the Audit Committee that it was of the opinion that the framework was due for an update. Not only was it deemed too detailed, it was also deemed to be putting too much focus on operational matters. Management was of the opinion that Vesteda's risk management would be more effective if it were to focus on key strategic issues and also take into account the business controls and compliance measures that had been implemented in the interim. Management presented a plan to revise the risk management framework and this plan was discussed with the Audit Committee. The Audit Committee monitored the progress of this process over the year and was informed of the actions taken, such as a thorough risk management assessment at strategic level, the establishment of a Risk Committee and the drafting of a new risk management charter, which was approved by the Audit Committee. A further outline of the revised risk management framework can be found in the Risk management section of this Annual Report.

IT

In early 2017, the Internal Auditor reported to the Audit Committee that progress was being made in improving the functioning of IT within Vesteda, but that this was not yet deemed sufficient. The Internal Auditor noted that the company should devote sufficient attention to the systematic improvement of IT, not only to support the day-to-day business, but also for the successful implementation of a new ERP system and GDPR (General Data Protection Regulation (EU) 2016/679) compliance as per 25 May 2018. It was decided that IT should not only be discussed in the Audit Committee, but should also be periodically discussed in the meeting of the Supervisory Committee. In May, the Supervisory Committee discussed IT matters extensively and was given a presentation by the IT manager.

As part of the drive to improve the IT structure, Management established the need for an integrated IT system to support and connect various business processes. In line with this, management initiated a diligent process to find a suitable ERP system to replace the applications currently being used. Both the Audit Committee and the Supervisory Committee were informed periodically of the progress of this process, which included a request for proposal, demonstrations and reference visits by Vesteda's team. The Supervisory Committee was pleased to see that Management ensured a thorough and structured process was being followed. In the fourth quarter of the year, the Supervisory Committee approved the purchase of the ERP system, which will be implemented in 2018. The Supervisory Committee will monitor the implementation, and the effects on the ongoing business, closely.

Reorganisation

In 2016, Vesteda announced a major reorganisation, which included the following measures: a) maintaining a statutory Managing Board of two managing directors (CEO and CFO) and cutting the Management Team to the Director Operations, Director Acquisitions and Director Portfolio Strategy; b) integrating tactical asset management activities and property management into one division, Operations; c) creating the Portfolio Strategy department; d) integrating financial processes and creating one Finance & Control department and e) relocating activities from Maastricht and Amsterdam to one new centralised location in Amsterdam. The Supervisory Committee closely monitored the progress of the reorganisation, the impact on staffing and employees, the discussion with the Works Council, and the issues that arose along the way.

Finance and reporting

In early 2017, the Supervisory Committee discussed the preliminary results for 2016 and audit matters with Deloitte. The 2016 financial statements and the 2016 annual report were discussed in the presence of Vesteda's auditor. The auditor emphasized a review of the reporting with a fresh look, as it was the first review of the annual statements after taking over from EY. The auditor also indicated that the cooperation with Vesteda went well. The auditor stated that there were no material audit findings.

The Supervisory Committee discussed the performance versus the budget on a quarterly basis. The overall trend was outperformance on most line items compared to 2016 and the budget. Maintenance costs were below budget for a considerable period of the year, but ended on budget. The continuing positive revaluations of Vesteda's property substantially exceeded the budget.

The Supervisory Committee discussed the results of the MSCI IPD/ROZ Residential Benchmark 2016. Vesteda showed an outperformance on a three-year basis. The Supervisory Committee was provided with an analysis of the results and underlying causes.

The Supervisory Committee extensively discussed Vesteda's hold/sell analysis and its forecast for the targets set out in the business plan.

In the fourth quarter of the year, the Managing Board consulted the Supervisory Committee on the content of the business plan for 2018-2022. The Supervisory Committee was able to provide its advice and deemed this to be a very efficient process. The Supervisory Committee supported the Managing Board's decision to give participants the opportunity to express their views on certain strategic topics at the informal Annual Participants' Day.

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

Organisation

The Supervisory Committee devoted considerable time and attention to the recruitment processes and organisational changes as described earlier. At Supervisory Committee level, the composition of the Committees of the Supervisory Committee was adjusted due to the fact that Mr. Blokhuis joined the Supervisory Committee. As part of his introduction, Mr. Blokhuis 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.

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. In terms of the 2016 bonuses, the Supervisory Committee focused on ensuring a balanced remuneration for all relevant positions eligible for the bonus schemes. With regards to the targets for 2017, the Supervisory Committee approved a revised structure, which links stronger to Vesteda's KPIs as set out in the business plan and which gives the Supervisory Committee more discretion in assessing qualitative targets.

The Supervisory Committee also approved an amendment to the phantom share plan (to include senior staff), an updated version of the Manager Rules, a minor adjustment to the remuneration policy of the Managing Board and a proposal for an indemnity agreement, as submitted to and approved by the participants.

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.

Miscellaneous

The Supervisory Committee held meetings in the absence of the management, including meetings with the risk management officer, the internal auditor and the external auditor. On various occasions, individual members of the Supervisory Committee met with senior officers of Vesteda to gain information on current matters.

The Supervisory Committee approved several investment proposals, such as, Kolenpark in Groningen, Punt Sniep in Diemen and the "Heijmans Portfolio" (which was subsequently approved by the Participants), and discussed a number of proposed investments in the pre-approval phase. In certain instances, the Supervisory Committee went on site visits to assess investment proposals.

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.

The Supervisory Committee received an annual update from the newly-appointed Compliance Officer on regulatory and legal matters related to the business. Compliance was further addressed on a quarterly basis in the Audit Committee.

The Supervisory Committee performed a self-assessment at the end of 2016. In view of the fact that a new member joined the Supervisory Committee in the third quarter of the year, the Committee decided to postpone its self-assessment over 2017 to the beginning of 2018.

On the whole, the Supervisory Committee and the Managing Board worked well together in 2017. Information was provided in a timely fashion and was clear and sufficient for the Supervisory Committee to perform its duties.

Audit Committee

The Audit Committee comprises Mr. De Die and Mr. Blokhuis and met six times in the year under review. Mr. Kok stepped down in the fourth quarter of 2017 as a member of this Committee.

The Audit Committee discussed in detail the periodic statements and the 2016 annual financial statements in the presence of the fund's CEO, CFO and external auditor. The committee discussed key audit findings and principal assumptions, judgments and valuations, and the external auditor reported its findings. The external auditor informed the Audit Committee that final materiality had been set at €30 million and that any unadjusted differences of €1.5 million or more would be reported to the Audit Committee. The Audit Committee also assessed the independence of the auditor. The Chairman of the Audit Committee met and spoke with the external auditor on several occasions in the absence of the Managing Board, in order to remain directly informed.

In May 2017, Vesteda successfully raised €280 million from its current participants. The Audit Committee extensively discussed the set-up and timing of the equity raise ahead of this process.

The Audit Committee assessed the external auditor, Deloitte, and evaluated that the transition to this new auditor went well. The Audit Committee approved Deloitte's Audit Plan 2017.

The Audit Committee received quarterly updates from the Internal Auditor and discussed in detail the topics of ISAE 3402, IT and risk management, as described above. The Internal Auditor also reported on compliance with privacy legislation in view of the fact that the General Data Protection Regulation (GDPR) is due to come into effect on 25 May 2018. The Audit Committee discussed the project that was initiated to prepare for this new legislation. The Audit Committee approved the Internal Audit Plan for 2017.

In terms of governance, the Audit Committee approved the charters of Internal Audit, Compliance and the newly established Risk Committee.

The Audit Committee discussed in more detail Vesteda's refinancing activities in 2017 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 under the EMTN programme and discussed the unwinding of derivatives in the context of the overall financing structure.

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 content of the Intertrust reports is satisfactory.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee ("NR Committee") comprises Mrs. Van den Herik and Mr. Copier and met four times in 2017.

At the beginning of the year, the NR Committee was engaged in the evaluation of Management's targets for 2016. It also worked closely with management to set up a new target structure for 2017, focusing on greater connection with Vesteda's KPIs as set out in the business plan and more discretion for the Supervisory Committee in the assessment of whether qualitative targets have been met. In doing so, the NR Committee is of the opinion that it has set up a robust system that can form the basis for the setting of targets in the coming years.

The NR Committee monitored the transition to the new organisational structure, and in particular the impact on the employees, on an ongoing basis. The NR Committee recognised that the changes had a considerable impact on certain departments, such as Finance & Control and Digital & Innovation. The Chairman of the NR Committee visited Vesteda's Atlas location to get a sense of the atmosphere in the workplace.

The CEO and HR Director have periodically updated the NR Committee on their meetings with the Works Council, particularly in light of the reorganisation. The NR Committee was informed that the working relationship with the Works Council was constructive. The NR Committee met the newly appointed Works Council in a constructive meeting, and addressed a broad range of topics in an open and personal atmosphere.

The NR Committee reviewed certain governance topics related to organisation and remuneration in the light of the Dutch Corporate Governance Code. The NR Committee concluded that most items had already been addressed or were being addressed.

The NR Committee was presented with an analysis of the diversity of Vesteda's workforce. Both management and the NR Committee stressed the importance of diversity and the elimination of any gender pay gaps. The NR Committee concluded that while gender diversity could be improved at Supervisory Committee and management level, the overall gender diversity and equal pay at Vesteda are adequate.

The NR Committee engaged an external consultancy firm to provide a benchmark for the remuneration of management and senior staff. It concluded that the remuneration of almost all positions was in line with the Vesteda remuneration policy and with the benchmark. Overall, remuneration should not be a reason for employees to leave Vesteda, but nor should it be the only reason that people want to work at Vesteda.

In view of succession planning, the NR Committee extensively discussed the high potentials within the organisation and the development of these high-quality employees. Additionally, the NR Committee stressed the importance of solid succession planning for senior management, both short term and longer term. The NR Committee also met with young professionals who are part of Vesteda's trainee programme.

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 2018. Furthermore, Vesteda convened one extraordinary Participants' Meetings for the appointment of Mr. Blokhuis as a member of the Supervisory Committee. 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 reappointment of Mr. Van der Baan as managing CEO. In addition, participants attended the annual informal Participants' Day in September, during which they were both informed on the progress of the company's plans and invited to provide input on certain items.

Amsterdam, 19 March 2018

Supervisory Committee

Peter Kok, Chairman
Jaap Blokhuis
Hans Copier
John de Die
Seada van den Herik

Key portfolio developments

Introduction

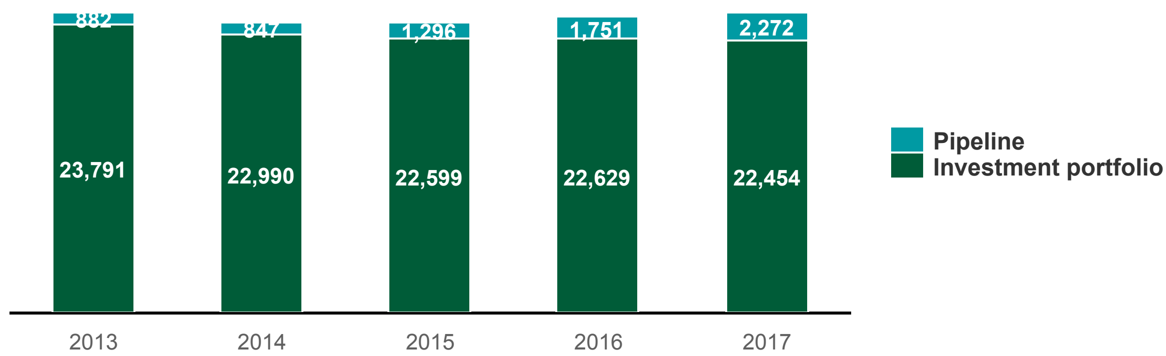
The composition of the portfolio is based on the following three pillars:

- 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.

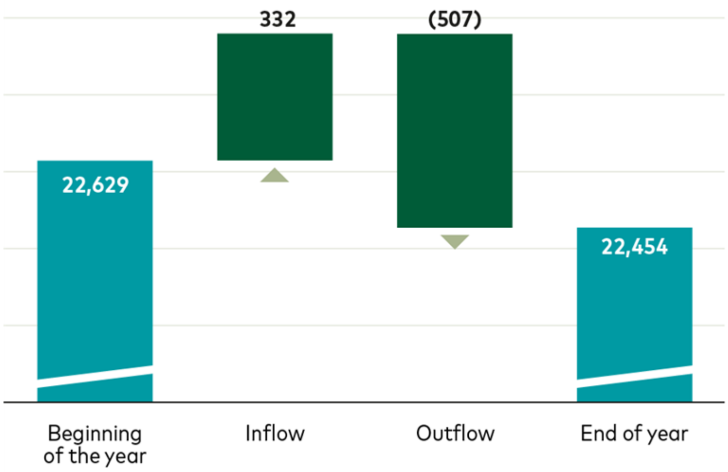
Units

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.

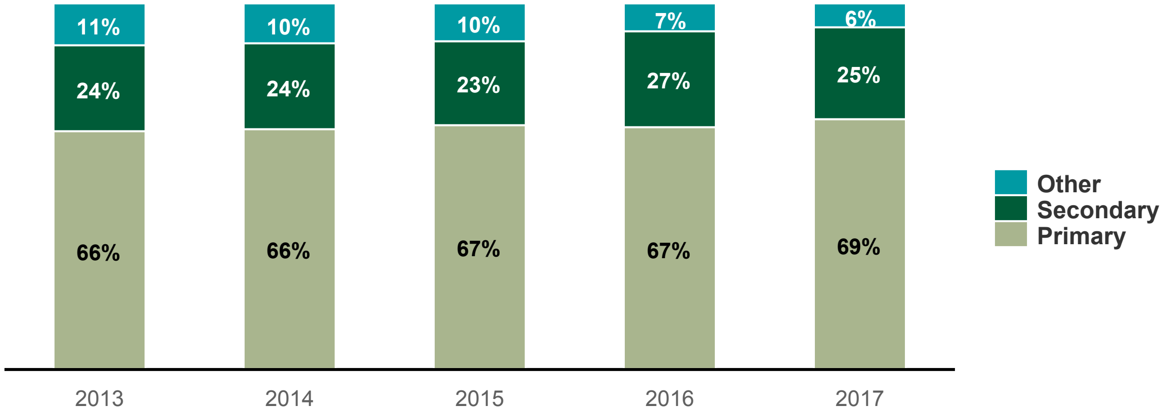
Changes in investment portfolio (number of units)



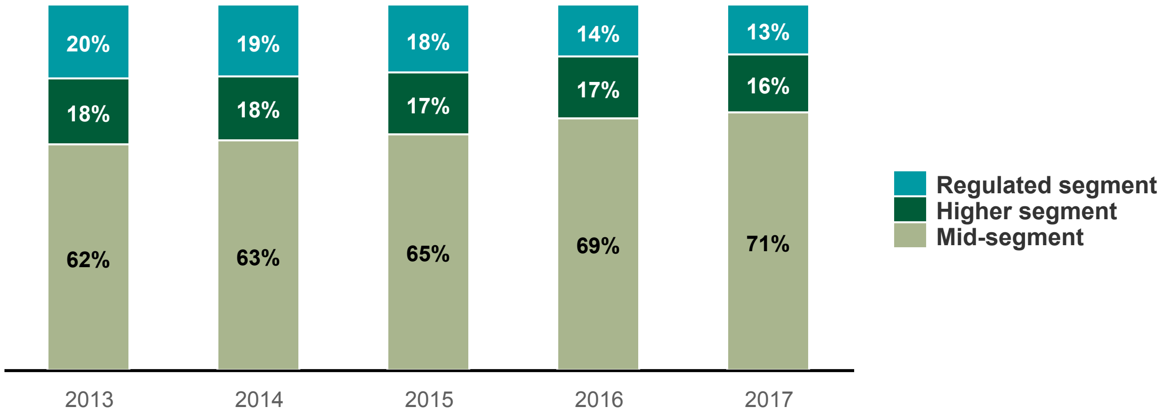
The total number of residential units stood at 22,454 at year-end 2017, a slight decrease of 0.8% compared to year-end 2016.

At year-end 2017, 69% of the investment portfolio was located in the primary part of the portfolio compared with 67% at year-end 2016. 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 71% at the end of 2017, from 69% at the end of 2016.

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



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



Income from investment portfolio

Market rents and theoretical rent

The market rent was 1.5% above the theoretical rent at year-end 2017. Reversionary potential improved to +1.5% from -0.1% in 2016. The strong market rent growth underlines the quality of our portfolio.

Investment portfolio, market rent and theoretical rent

Year-end (€ million)	2017	2016	2015	2014	2013
Market rent	264	250	243	244	243
Theoretical rent	260	251	244	248	249

Rental income trends

In 2017, the average monthly rental income per unit rose by 3.2% to €910. The main driver of this increase was the average annual rent increase of 2.9% on 1 July 2017. 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 rental increase was slightly dampened by the impact of lower realised rents from re-lettings (-0.1%) and was positively impacted by the on average higher rents of residential units that were added to the investment portfolio compared to the homes that were sold (+0.7%).

Investment portfolio, average monthly rent

Year-end (€)	2017	2016	2015	2014	2013
Average monthly rent	910	882	856	843	827

Investment portfolio, average rental increase by source

Beginning of year compared with year-end	2017	2016
Like-for-like rental increase	2.8%	2.4%
- Average rental increase for current tenants	2.9%	2.6%
- Re-letting	(0.1%)	(0.2%)
Inflow and outflow of properties in the portfolio	0.7%	0.6%
Total increase in average rent	**3.2%**	**3.0%**

Total theoretical rent measured at year-end[20] increased by 2.6%, as the negative impact from the in-and outflow (-0.2%) was largely compensated by the like-for-like rental increase (+2.8%).

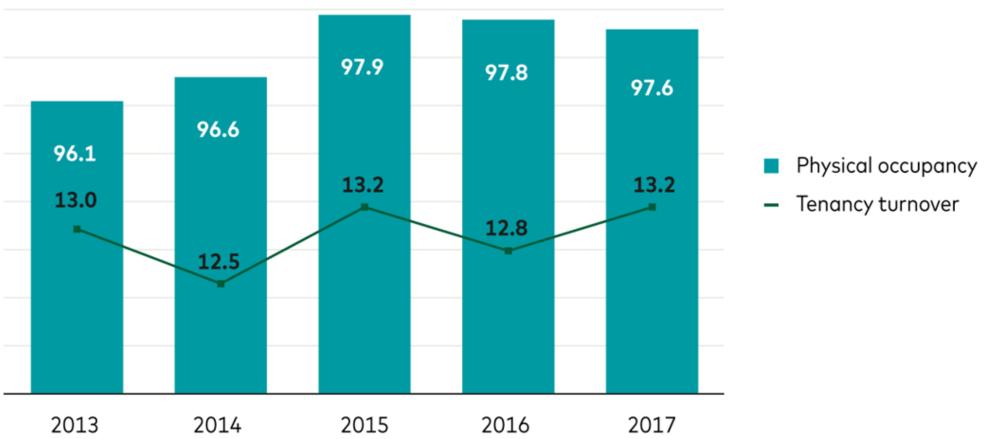
Investment portfolio, development of total theoretical rent at year-end

Beginning of year compared with year-end	2017	2016
Like-for-like rental increase	2.8%	2.4%
- Average rental increase for current tenants	2.9%	2.6%
- Re-letting	(0.1%)	(0.2%)
Inflow and outflow of properties in the portfolio	(0.2%)	0.9%
Total increase in theoretical rent	**2.6%**	**3.3%**

The occupancy rate (in units, year-end) fell slightly to 97.6% in 2017, from 97.8% in 2016. This was due to a strong increase in the refurbishment of units to achieve higher rents, in line with our strategy of rent optimisation. This decrease was partly compensated by a decrease in vacancy as a result of individual unit sales and re-letting. Tenancy turnover increased to 13.2% from 12.8% in 2016.

20 Theoretical rent is measured at one point in time (year-end) and therefore it does not correspond with the increase in theoretical rent in 2017 compared to 2016 which can be derived from Note 5 in the section Notes to the consolidated financial statements.

Physical occupancy and tenancy turnover



Realised rental income

Investment portfolio, realised rental income

(€ million)	2017	2016	2015	2014	2013
Gross rental income	247	242	237	237	240
Net rental income	184	182	176	176	181
Gross/net ratio	25.7%	24.9%	25.5%	25.9%	24.8%
Gross/net ratio landlord excl. landlord levy	24.1%	23.3%	23.6%	24.7%	24.7%

In 2017, the gross/net ratio increased to 25.7% from 24.9% in 2016, due to an increase in planned maintenance costs and an increase in the landlord levy to 0.536% from 0.491%. The income-related rent increase for the regulated sector did not fully compensate for the additional costs resulting from the landlord levy.

Value of investment portfolio

The table below shows the value of the investment portfolio, which had increased to €4,778 million as at 31 December 2017, an increase of 13.6% compared with the previous year (2016: €4,207 million).

Investment portfolio, value

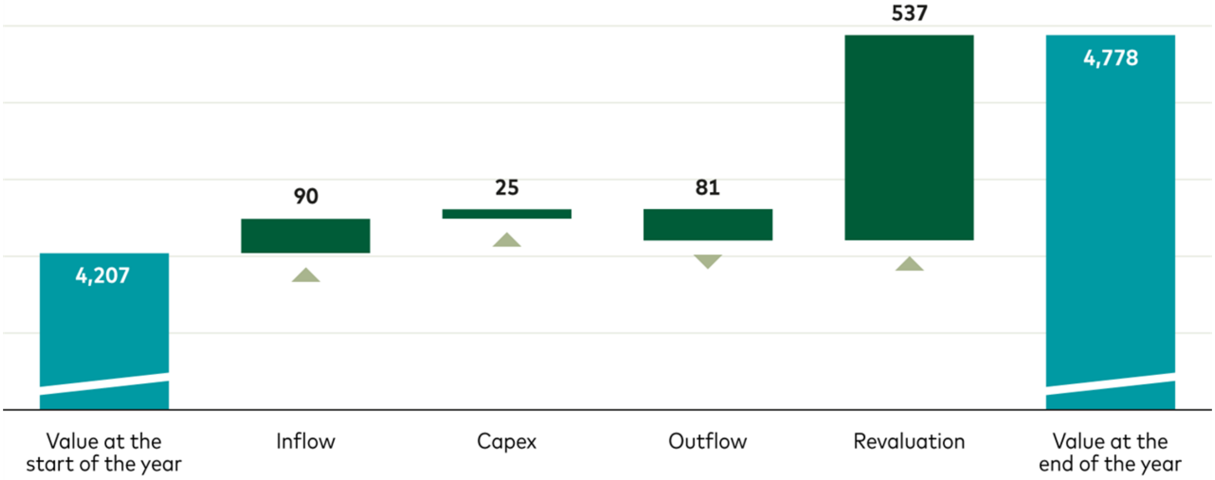
Year-end (€ million)	2017	2016	2015	2014	2013
Single family houses*	1,753	1,578	1,474	1,399	1,429
Apartments*	3,025	2,629	2,252	2,193	2,226
Total	**4,778**	**4,207**	**3,726**	**3,593**	**3,655**
Total number of residential units	**22,454**	**22,629**	**22,599**	**22,990**	**23,791**

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

Value changes in detail

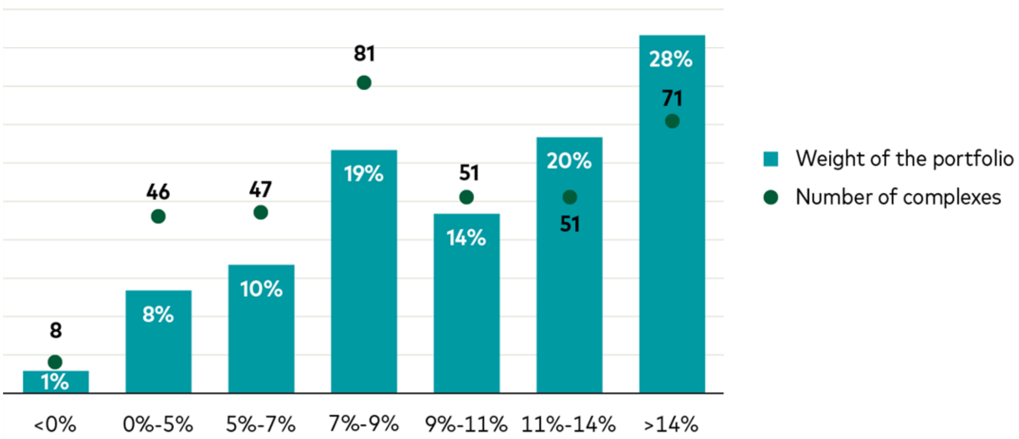
Based on the value at the beginning of 2017, the revaluation of the investment portfolio was 12.7%. This positive revaluation was the main driver of the 13.6% net increase in the value of the investment portfolio. The graph below shows the changes and the impact of revaluation.

Investment portfolio, changes in value (in € million)



Capital expenditures were slightly higher than in 2016 (€25 million versus €23 million), largely due to the increased investments in improvements to the sustainability of our portfolio. Inflow and outflow led to a net inflow of €9 million or 0.2% in the value of the portfolio. Property revaluations added €537 million, or 12.7%, to the value of the portfolio.

Revaluation (number of residential complexes)



The portfolio revaluation amounted to 12.7% for 2017. This positive result was largely related to the primary region (+13.7%) and the higher rental segment (+15.0%). The strong revaluation in the higher segment was due to the location of these assets, with 50% located in Rotterdam and Amsterdam.

Average value per residential unit

The average value per residential unit in the portfolio had increased by 14.5% to €213,000 at year-end 2017. This increase was largely the result of the revaluation of 12.7%. 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)	2017	2016	2015	2014	2013
Average value per residential unit	213	186	160	152	151

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 third consecutive year. In 2017, the gross initial yield declined by 50 basis points to 5.4%. This decline in yield is the result of favourable market circumstances and increased competition, which was also reflected in the positive revaluation of the portfolio.

Portfolio, gross yield

(in %)	2017	2016	2015	2014	2013
Gross yield	5.4	5.9	6.6	6.9	6.8

Segmentation of investment portfolio

The tables below provide insight into the distribution of our properties and their characteristics in the portfolio on 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%	1991
Primary	62%	69%	1991
Secondary	29%	25%	1988
Other	9%	6%	1986
> € 1,200	9%	16%	2006
Non-reg. - € 1,200	70%	71%	1989
Regulated	22%	13%	1981

	Gross/net ratio	Gross financial vacancy	Occupancy rate	Rent 2017 vs 2016	Annual rent increase	Revaluation 2017
Fund	26%	3.1%	97.6%	2.4%	3.0%	12.7%
Primary	23%	3.4%	97.3%	5.0%	3.1%	13.7%
Secondary	24%	1.6%	98.4%	0.2%	2.7%	11.6%
Other	28%	2.0%	98.5%	(3.5%)	2.8%	7.2%
> €1,200	24%	6.2%	93.7%	0.7%	2.5%	15.0%
Non-reg. - €1,200	24%	2.3%	98.1%	4.1%	2.5%	13.4%
Regulated	34%	1.9%	98.1%	(1.6%)	2.3%	10.6%

The relatively high vacancy in the primary region was due to an increased focus on the refurbishment of units to optimise rental income. In addition, renovation works were planned for a large residential complex in Amsterdam which also increased vacancy in the primary region. This was also the main driver behind the higher vacancy in the >€1,200 rental segment.

Corporate Sustainability and Social Responsibility

General

Vesteda sees Corporate Sustainability and Social Responsibility (CSSR) as vitally important for the long-term value development of our portfolio, our organisation as a whole and the society in which we operate. We believe that our efforts in the field of CSSR improve and strengthen Vesteda, both directly and indirectly, that they result in future-proof returns on our investments, and that they help us to create value for all our stakeholders. 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 five strategic projects in the context of these pillars in 2017: Portfolio Sustainability Improvement, Measuring & Managing Resource Consumption, Electric Cars De Boel, Stakeholder Engagement, Well Being, and Sustainable Acquisitions.

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.

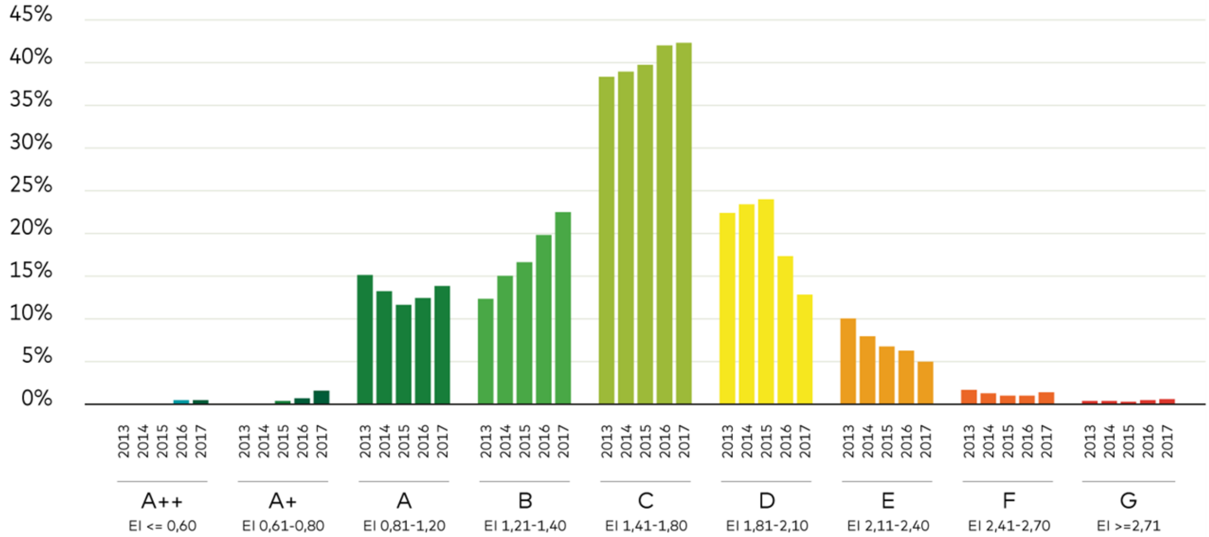
Strategic project: Portfolio Sustainability Improvement

In 2015, Vesteda's participants approved a plan to allocate €23 million over five years to improving the energy performance of Vesteda's buildings, 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 homes will have energy label A, B or C; no more than 20% of Vesteda's homes will have energy label D; and Vesteda will have zero homes with labels E, F, or G.

In 2017, we improved the energy performance of 1,908 housing units. We spent €1.5 million on these improvements. Since 2016, we spent €3.4 million of the budget of €23 million. In addition, we fully integrated our portfolio improvement initiatives in our regular maintenance planning, leading to increased efficiency in the long term.

- The percentage of homes in our portfolio with a green energy label (A++, A+, A, B, of C) increased to 81% in 2017 from 75% the previous year. This means that we exceeded our target of 77% for the end of 2017.
- The percentage of homes with a D label declined to 13%, from 17% the previous year.
- The percentage of homes with an E or worse energy label declined to 7%, from 8% the previous year. This means that we did not achieve our target of less than 5% in 2017. This was due to the fact that we integrated our label improvement initiatives in our regular maintenance planning, resulting in short-term delays. At the end of 2017, Vesteda had 1,497 homes with energy label E or worse, compared to 1,709 the previous year.

Changes energy labels homes 2013 through 2017



In 2017, Vesteda introduced the following measures to improve the energy performance of the homes in its portfolio:

Overview of energy performance measures 2017

Years (in number of properties)	2017	2016	2015	2014	2013	2012
High efficiency boilers	1,010	1,564	1,026	663	489	746
DC ventilators	481	731	364	-	-	-
High efficiency glazing	891	439	555	481	186	402
Roof insulation	-	273	-	74	57	100
Cavity-wall insulation	64	87	-	66	-	1
Under-floor insulation	23	21	1	-	8	40
LED lighting (complexes)	5	2	-	-	-	-
Solar panels* (complexes)	2	3	-	-	-	-

In 2016, we applied for the SDE+ operating grant (Stimulation of Sustainable Energy Production) for the exploitation of solar panels. This Dutch government subsidy was allocated to twelve complexes for a total of €0.10 per kWh. In 2017, we developed a business case for all twelve of these complexes and proceeded to commission the installation of solar panels on nine out of twelve complexes. The installation will take place in 2018, and a total of 1,700 solar panels are expected to be installed.

Healthy and safe homes

Our aim is to provide our tenants with safe and healthy homes. 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-2017 based on number of complexes	Status end-2016 based on number of complexes
No inspection necessary based on construction year	40%	40%
Inspected	53%	47%
To be inspected	7%	13%

The percentage of complexes yet to be inspected stood at 7% at year-end 2017. In 2017, we carried our various asbestos clean-up activities at five complexes. These involved clean-up operations in a total of 57 homes.

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 2017, we used statements from the specialist technical installation companies over 2016 and 2017 to determine the percentage of central heating installations and combined heat and power installations (see below) that received timely maintenance.

This percentage (71%) is 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.

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.

These percentage (58%) is 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.

Lifts

Vesteda has closed a contract with a certified lift inspection firm, which conducts periodic inspections and issues inspection reports. Legislation stipulates that lifts must be inspected and certified once every 18 months. In 2017, 260 lifts (98%) were inspected.

In 2017, 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 our lifts every three days. This means that if someone gets stuck in a lift, it is possible to reassure them and call in assistance to free them. In 2017, 194 lifts (100%) were inspected and tested.

Risk map

Vesteda uses an internal risk map to identify potential risks in 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 we can draw up budgets to deal with risks in the future. In 2017, the risk maps of a total of 54 complexes were updated.

Fire safety

In 2017, Vesteda had a total of 31 complexes surveyed for fire safety by an organisation specialised in building safety and regulations, based on the risks identified in the risk maps. We have incorporated the outcome of these surveys in the maintenance plans and the maintenance budgets for those complexes.

This survey was in addition to the structural maintenance and checks Vesteda carries 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.

Sustainability in the chain

Since 2016, we have asked all our largest suppliers to sign the IVBN sustainability declaration for suppliers. We use the term suppliers for parties that have a contract with our Operations department and that deliver goods and services that have an impact on one or more of our buildings. By signing the IVBN sustainability declaration, our suppliers endorse IVBN's vision on sustainability and corporate social responsibility and declare that they will act in accordance with same.

In 2017, Vesteda's decided to make the IVBN sustainability declaration an integral part of the tender process by new (master) service agreements.

A total of 131 suppliers have so far signed the declaration. These suppliers represent more than 84% of the activities that our Operations department outsourced in 2017. For 2018, Vesteda's Procurement department is planning to initiate discussions with any contract suppliers who have declined to sign the declaration, to ascertain the exact reasons why they do not wish to sign. The procurement department intends to develop a well-founded plan of approach for this purpose in 2018 and to include this in the Monitoring Contract Management report, which is compiled twice a year.

In 2018, we will also take additional steps in the optimisation of the process for the outsourcing of one-off projects in our buildings.

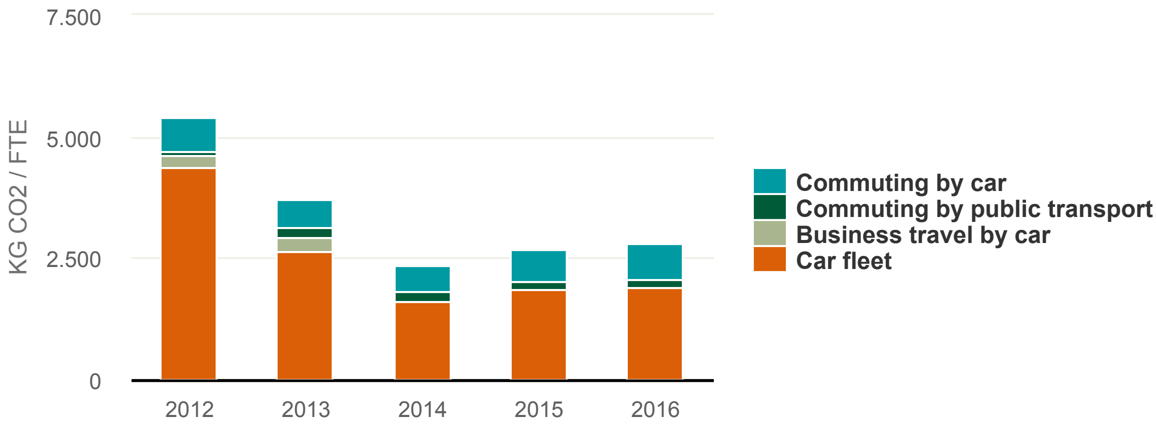
Strategic project: Electric Cars De Boel

In 2016, we developed a business case for the use of electric cars at our new Amsterdam head office De Boel, based on a ride sharing principle for both our employees and De Boel tenants. In 2017, we proceeded with the implementation of the business case. We signed a contract with BMW for the lease of 10 electric cars, and the use of the WeGo app. We started the pilot phase in September 2017 and went live in January 2018.

Mobility

Vesteda's aim is to reduce its CO2 emissions due to mobility. In 2016, the total CO2 footprint of our organisation was 734 tonnes of CO2, which was a reduction of 9% compared to 2015. Transport accounted for 53% of our CO2 footprint, or a total of 386 tonnes of CO2. This is a reduction of 19% compared to 2015. However the average transport-related CO2 emissions per FTE increased by 5% in 2016. This was due to the departure of employees without a car in our car fleet, thereby increasing the average CO2 emissions per FTE. The figure below shows the transport-related CO2 emissions between 2010 and 2016 per FTE. The results for 2017 were not available at the writing of this report.

Transport-related CO2 emissions between 2012-2016



Strategic project: Measuring & Managing Resource Consumption

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[21] in the common areas of our buildings to maximise the quality of the data we acquires. In 2017, we increased the percentage of buildings fitted with smart meters to 71%, from 46% in 2016. This includes buildings in which we are not the sole owner. These buildings are operated by a residents association (VvE), which means that the association must approve any measures. We expect to increase the number of smart meters in 2018.

We aim to reduce the energy consumption of the common areas in our investment portfolio by 20% between 2016 and 2020. In 2017, we reduced our electricity consumption by 4.4% and our natural gas consumption by 1.4% on a like-for-like basis. The results are shown in the figure below.

Energy, GHG and Water public areas

	Absolute		like-for-like		
	2017	2016	2017	2016	Δ %
Energy					
Total energy consumption (x 1,000 kWh)	13,128	13,511	12,361	12,925	(4.4)
Corresponding properties	174	166			
Percentage covered in portfolio	81%	77%			
Total natural gas consumption (x 1,000 m3)	2,969	2,851	2,812	2,851	(1.4)
Corresponding properties	30	28			
Percentage covered in portfolio	91%	85%			
Greenhouse Gas					
Indirect greenhouse gas emissions (x 1,000 kg CO2)	2,273	2,670	2,000	2,461	(18.7)
Direct greenhouse gas emissions (x 1,000 kg CO2)	5,603	5,380	5,305	5,380	(1.4)
Total greenhouse gas emissions (x 1,000 kg CO2)	7,875	8,050	7,306	7,842	(6.8)
Water					
Total water (x1,000 m3)	78	106	74	75	(1.3)
Corresponding properties	62	70			
Percentage covered in portfolio	29%	33%			

The data for natural gas consumption relates to complexes in which the heating of the residential units is provided by a central installation (33 complexes in total). There is no data available for complexes with individual heating for residential units.

Social - Engaged stakeholders and socially engaged organisation

We believe it is important to engage in sustainable relationships with our tenants, our participants 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 in general and to the neighbourhoods where our complexes are located in particular.

21 A smart meter makes it possible to automatically measure the consumption of small meter consumer connections, maximising the quality of the acquired data.

Strategic project: Stakeholder Engagement
In 2017, we deployed various initiatives with and for our stakeholders.

- We developed a communication plan to increase the engagement with our stakeholders. This will help us to better understand their needs, and provide a platform to inform them of our initiatives. The plan will be implemented in 2018.
- We organised a residential conference with housing corporation Woonstad. The purpose of the conference was to exchange best practices in various fields, including sustainability.
- We organised two GoGreen events (DoeGroen dagen), one in Zoetermeer and one in Amsterdam De Aker. The purpose of the events was to strengthen the bond with our tenants, and to inspire both our tenants and our employees to go green. During these events, we distributed and planted garden plants, and worked jointly with our tenants to improve the public spaces via various gardening initiatives.
- We sponsored the Motown Movement, an initiative of students from the Technical University Delft. The goal of the Motown Movement is to make sustainable housing accessible for everyone.
- We contributed to the Voedselbank food bank and hosted a dinner with refugees, under the umbrella of the Havendiner Foundation.

Strategic project: Health & Well Being
Our aim is to have a positive impact on the health and well-being of our tenants and employees. In order to do this, we deployed various initiatives:

- We participated in the Health & Well Being module of GRESB 2017, with the purpose of obtaining a baseline measurement for our health and well-being activities.
- We developed the first draft of our Health & Well-Being policy, in which we outline our goals and methods to increase the health of both our tenants and employees.
- We signed up to a partnership with the Blue Building Institute, in which we pledged to help implement the WELL Building Standard™ in the Netherlands via a pilot project.[22]
- We assessed the possibility of obtaining a WELL certificate for projects in our pipeline. We will proceed with the selection of one complex for WELL certification in 2018.
- Our CEO, Gertjan van der Baan, gave a presentation on WELL at the 'Dag van de Publieke Financiering' (day of public financing) symposium, with the purpose of sharing our knowledge of, and experience with, health & well-being and the WELL Building Standard™ in the market.

Governance - Responsible business and transparent organisation

Our aim is to be seen as a sustainable investment by our participants. We are 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: Sustainable Acquisitions
After defining the 'Ten Rules of the Game' in 2016, we continued with the implementation of these rules in 2017. The 'Ten Rules of the Game' serve as a guideline for our employees in the execution of their tasks. We formed a project group and organised two additional workshops. This led to various initiatives, such as the acquisition of the pipeline projects Punt Sniep in Diemen and Diepstroeten in Assen. In 2018, we will define the sustainability goals for our Ten Rules of the Game in more detail, and implement them in our processes.

GRI
In both 2015 and 2016, Vesteda used the GRI-G4 standards to report on its CSSR policy in its annual report. For 2017, Vesteda is once again reporting on the basis of GRI Standards. For more information, please see the section About this report.

22 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).

GRESB

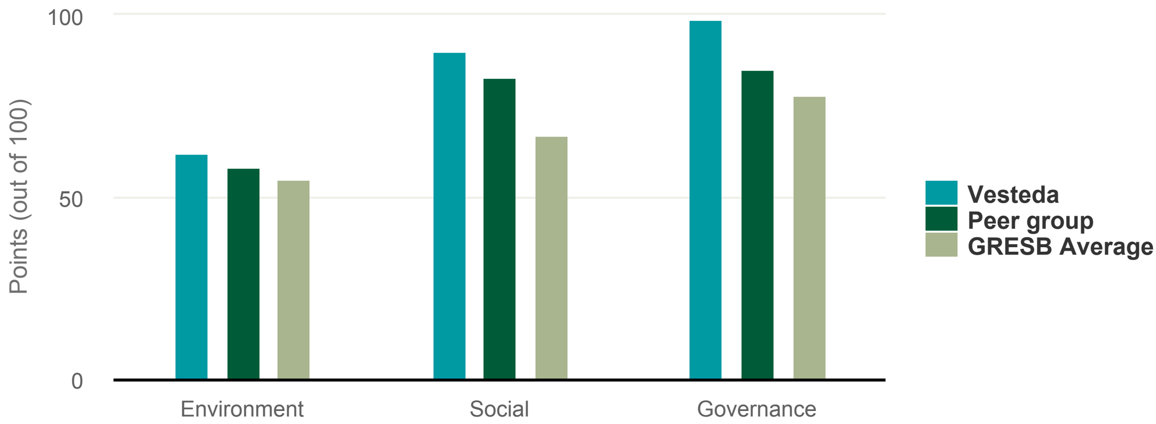
Since 2010, the Global Real Estate Sustainability Benchmark (GRESB) has provided a tool to compare the sustainability of property investment funds. GRESB is designed to identify the sustainability performance of the real estate sector and is now a widely-recognised and well-respected initiative. The 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.

In 2017, Vesteda was awarded four out of five stars and a Green Star rating for its sustainability performance. Vesteda remains committed to being a top player in the field of sustainability at a national level.

In 2017:

- Our ranking went from 5th out of 10 to 6th out of 13.
- Our overall score increased to 76 points from 67 out of 100 (peer average: 70 points, global average 63 points)
- Our Environmental score increased to 62 points from 51 out of 100 (peer average 58, global average 55 points)
- Our Social score increased to 90 points from 78 out of 100 (peer average 83, global average 67 points)
- Our Governance score increased to 99 points from 95 out of 100 (peer average 85, global average 78 points)

ESG breakdown GRESB 2017



Our GRESB score 2017 per aspect is visible in the graph below.

GRESB score 2017

Organisation

Organisational structure

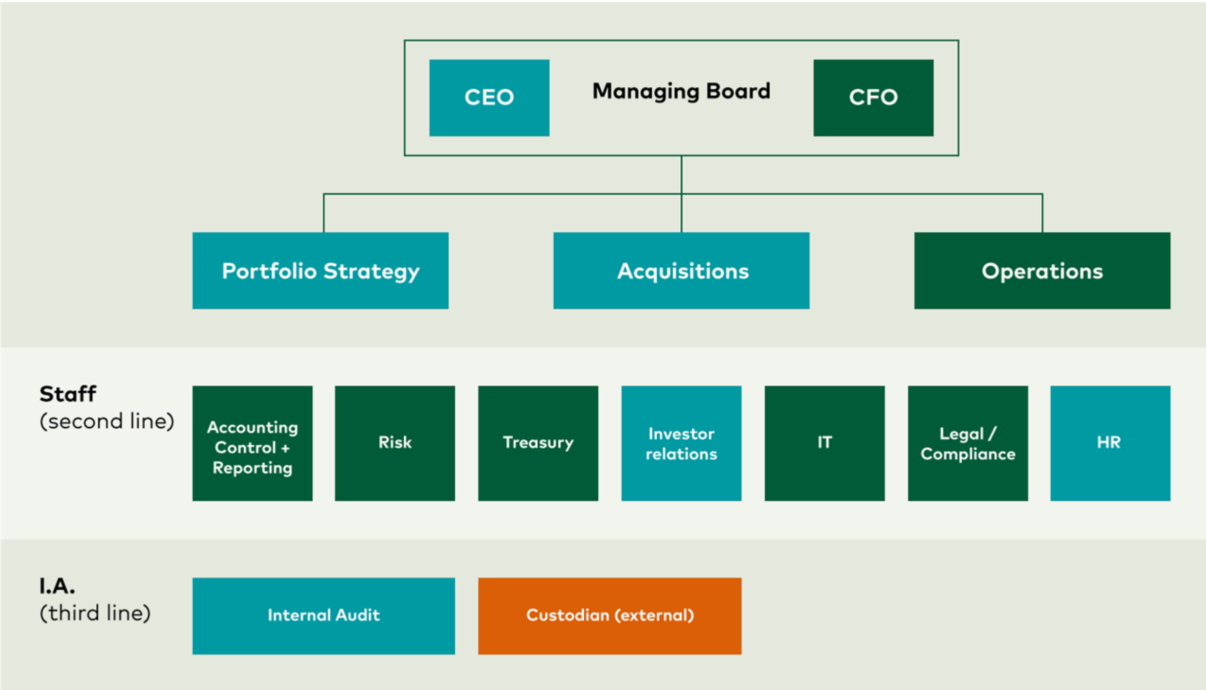
Vesteda is an internally managed fund with in-house property management. At year-end 2017, Vesteda employed a total of 176 FTEs.

In 2017, we implemented the new organisational and operational structure. In addition, we transferred our back office activities from Maastricht to Amsterdam in the first half of 2017 and in October 2017, we centralised all head-office activities in our new head office 'De Boel' in Amsterdam, directly adjacent to Amsterdam's Zuidas business district. In addition to our head office, we have six regional offices for the daily management of our investment portfolio.

Our organisational structure consists of three core departments: Portfolio Strategy, Acquisitions and Operations. The three directors of these core departments form Vesteda's Management Team. The Managing Board of Vesteda consists of Gertjan van der Baan (CEO) and Frits Vervoort (CFO).

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

Organisational structure



Workforce

At year-end 2017, Vesteda employed 176 FTEs, a decline of 2.8% compared to the number of employees at year-end 2016 (181 FTEs). The number of employees had declined to 191 at year-end 2017, from 202 at year-end 2016.

Employees

Number of FTEs	2017	2016	2015	2014	2013
Year-end	176	181	179	189	227
Annual average*	175	179	179	211	235

* Average of 12x month-end balances

Number of employees	2017	2016	2015	2014	2013
Year-end	191	202	199	213	256

The average age of Vesteda employees dropped to 41.5 years of age in 2017 from 42.7 years of age in 2016. The largest portion (36%) of the workforce is between 35 and 45 years of age. The representation of the group younger than 35 years of age increased to 27%.

Workforce, by age

% of employees	2017	2016	2015	2014	2013
younger than 35 years	27	20	20	19	20
35 to 45 years	36	39	41	39	37
45 to 55 years	25	28	24	26	27
over 55 years	12	13	15	16	16
Total	100	100	100	100	100

For the first time in Vesteda's history the male/female ratio changed in favour of the male population. At the end of 2017, 51% of the workforce was male, an increase of 3% compared to year-end 2016 (48%).

In 2017, 70 new employees joined Vesteda (44% female/56% male) and 81 employees left the company (52% female/48% male). Most of the departing employees 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.

The male/female ratio within the Managing Board is 100/0. In 2017, 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 qualifications 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 fact that there are relatively fewer female candidates in the real estate sector we do not foresee an equal distribution in the medium term.

At year-end 2017, 36% of Vesteda's employees had a temporary contract (36 males and 32 females) and 64% (61 males and 62 females) had fixed contracts. Furthermore, at the end of 2017, 33% of Vesteda's employees worked part-time, with 49 of these females versus 14 males. Most full-time employees are male (83 males versus 45 females).

Workforce, by gender

% of employees	2017	2016	2015	2014	2013
Male	51	48	49	47	45
Female	49	52	51	53	55
Total	100	100	100	100	100

Total remuneration

Total remuneration was €11.6 million (93% fixed and 7% variable) in 2017, which was slightly lower than the previous year (total remuneration 2016: €11.9 million).

Bonuses

Vesteda has a bonus scheme with a collective component that includes criteria such as the realised operational result, GRESB-score, tenant satisfaction score and increase of gross rental income. The variable remuneration also includes an individual component and in some cases a team component. Variable remuneration is only paid, in full or in part, if Vesteda's realised results meet the targets sufficiently. This requirement was met in 2017.

Organisation, employee, trainee development and training

In 2017, Vesteda completed the implementation of the new organisational structure that it started in October 2016. Our organisational structure has been brought into line with the fully integrated business concept. Strategy, focus, core values and -activities are 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. The reorganisation was largely completed in June 2017. Employees who lost their position as a result of the new structure and the closure of our Maastricht office were eligible for the social plan, which provided for redundancy pay and outplacement. In 2017, Vesteda hired a large number of employees in Amsterdam, as a result of the closure of the Maastricht office. Three employees decided to follow their job from Maastricht to Amsterdam.

In 2017, we continued to implement the company-wide culture and organisation change programme called 'Vesteda Verbetert' (Vesteda Improves). Our aim is to transform Vesteda into a High Performance Organisation (HPO).

The HPO philosophy has been shared with and is backed by all 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 impacts all departments, teams and individual employees. It will lead to additional synergies and continuous improvement in all business chains and processes.

Concrete actions were taken to further streamline the organisation and its processes and to stimulate and enable cooperation. The relocation in October 2017 to one head office in Amsterdam will help to enhance cooperation.

After identifying Vesteda's unique mission, vision and core values in 2016, Vesteda devoted a great deal of attention in 2017 to explaining and working with the corresponding behavioural characteristics needed to achieve the desired organisation. The company developed an employee onboarding programme to introduce our new employees to our core values, culture and operations, to both welcome them to the organisation and provide them with the necessary knowledge to be successful and productive. In November, we introduced Impraise as an important feedback tool for the further empowerment of all employees and our culture. We started with a feedback event and invited each employee to ask five colleagues how they meet our core values. In 2018, we will roll out more events through Impraise and decide how the tool will or can be implemented in the performance cycle, supplemented by feedback workshops. The Works Council is closely involved in the evaluation of the use and success of the tool.

In November, we also started a new trainee programme, which we expect to lay the ground for challenging jobs at Vesteda. During the two-year programme, the four trainees will be given various assignments, changing the department they work in on average every six months. They have also been assigned a group (CSSR) project to develop their teamwork skills. The traineeship includes a personal leadership programme, with personal coaching, intervision and development workshops. Trainees are also supported by a mentor (MT members), a line manager and HR.

In 2017, Vesteda invested €401,000 (or 3.8% of the gross payroll) in the education and development of individual employees, the teams, CSSR workshops and the Vesteda Verbetert programme.

Absenteeism
Absenteeism remained low and showed only a small increase of 0.1% to 2.4% in 2017 from 2.3% in 2016.

Absenteeism

%	2017	2016	2015	2014	2013
Total absenteeism	2.4	2.3	3.1	4.4	3.9
Absenteeism excluding long-term leave (> one year)	2.4	2.3	3.1	4.4	3.6

Works Council
In February 2017, Vesteda elected a new Works Council. All five of the candidates were installed as members. We also drew up new regulations for a Works Council consisting of seven members. The Works Council will prepare additional elections in early 2018 for an additional two members.

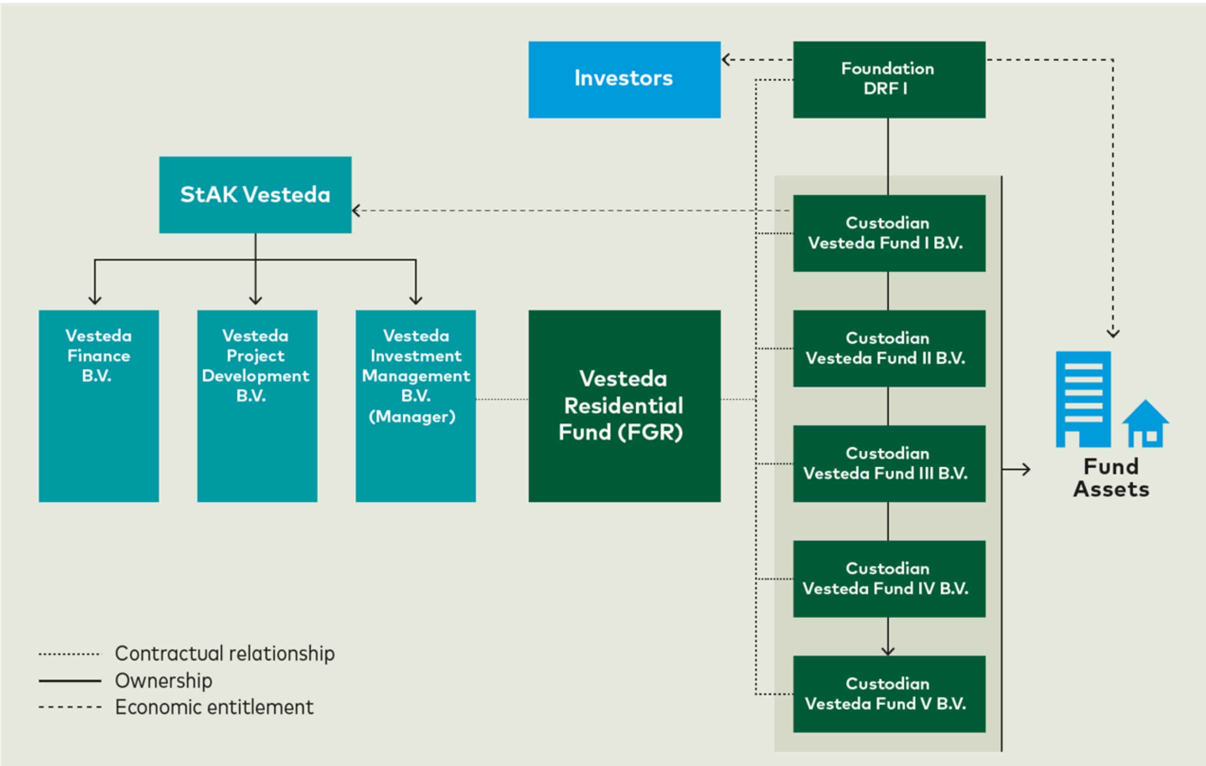
In 2017, the Works Council and the Managing Board met a number of times according to a schedule. The meetings between the Managing Board and the Works Council were constructive. Topics addressed included the integration of salary scales, the trainee programme, the onboarding programme, new Works Council regulations, the introduction of the Impraise tool and the new ERP system in preparation for the issuance of an opinion in early 2018. In the first half of the year, the agenda was largely determined by the implementation of the new organisational structure and the closure of the former head office in Maastricht.

Governance and risk management

Legal structure

Vesteda has the legal structure shown below, as set out in the fund's Terms and Conditions.

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 conditions specified therein. 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. is responsible for development projects in the committed pipeline and certain selected acquisition projects.

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 - AFM*) and the Dutch Central Bank (*De Nederlandsche Bank - DNB*). The manager obtained a licence 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 necessary, the manager is required to convene 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 comprises five members, who are listed in the section Members of the Supervisory Committee in this Annual Report.

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, finance 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. By attending these meetings, the members of the Supervisory Committee have ample opportunities to interact with Vesteda's executives. In addition, the members of the Supervisory Committee have individual meetings with Vesteda executives on an ad-hoc basis.

Remuneration of Supervisory Committee members

For the remuneration of the Supervisory Committee, please see Note 29 in the section 'Notes to the consolidated financial statements' of this report.

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 2017 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, comprised 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 latter to the extent applicable and practical in respect of the fund).

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 employment contracts of members of the Managing Board include provisions related to severance pay. The amount of the severance pay 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 comprises the base salary, the variable bonus, pension expenses and other employer charges. For a detailed overview of the remuneration of the Managing Board, please see Note 28 in the section 'Notes to the consolidated financial statements' of this report.

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.

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 you have adhered to the rules of conduct that we have laid down.

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, acceptance of corporate gifts, and invitations to events abroad. Any report to the Compliance Officer will be included in a confidential register. No material incidents were reported in 2017.

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, when 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. To facilitate reporting, Vesteda introduced Speakup, which 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 AIFMD 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 2017, 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 and as a result, no material sanctions were received.

Risk management

Risk management has been ingrained in Vesteda's strategic and operational processes. We have defined our 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.

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. Vesteda's internal control systems include various 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 the internal control systems.

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. We refer to Note 26 in the section 'Notes to the consolidated financial statements' of this report for a description of our financial risk management objectives and policies.

Evaluation and adjustments to the risk management framework

Vesteda evaluates its internal risk management and control system at least annually. Until 2017, Vesteda's risk management framework, designed in 2014, was based on sixteen risk areas that were considered the most relevant and significant risk areas for Vesteda. Feedback from the business, the internal auditor and the Managing Board in early 2017, indicated the need to address risk management on a more strategic level and to simplify the risk reporting process by aligning the various internal controls within the business processes and the reporting in same. Following this feedback, we implemented a revised risk management framework as described in the section below.

Risk Committee

As part of the new risk management approach, a Risk Committee has replaced the former Risk Management Officer function. The Committee's tasks include (but are not limited to):

- Advising the Managing Board and the Management Team on risk management
- Advising and facilitating the design and maintenance of the operational risk management policy
- Ensuring the appropriate yearly review of the risk management policy by the Managing Board and the Management Team
- Designing and maintaining the strategic risk management policy
- Increasing awareness of risk management throughout Vesteda
- Monitoring of the effectiveness of key controls relating to strategic risks, compliance risks and operational risks
- Reporting on risk management to the Managing Board and the Management Team, the Audit Committee and the Supervisory Committee

The Risk Committee is chaired by the CFO, who is already charged with risk management at Vesteda. Other members of the Risk Committee include the director Operations, the Corporate Secretary/General Counsel, the Finance & Control Manager and the Compliance Officer. The Internal Auditor will also join the meetings of the Risk Committee but is not a member of the Risk Committee itself. A Risk Charter defines the roles and responsibilities, the tasks, authorities and reporting requirements of the Risk Committee. The Audit Committee approved the Risk Charter in November 2017.

The scope of risk management

Vesteda distinguishes the following three main risk areas:

1. Strategic risks relating to risks with respect to the strategic targets of Vesteda as defined in the integrated strategic framework and the five-year business plan

In the second half of 2017, Vesteda reviewed the most relevant and significant strategic risks. This is described in more detail below in the section Strategic risk analysis.

2. Operational risks relating to failure of systems and processes

Operational risk management continues to be part of the business processes and is governed by specific guidelines, policies and key controls designed to manage these operational risks and that are subject to internal reviews and external audits, where appropriate.

Each year, Vesteda's external auditor provides assurance with respect to the design and effective operation of controls based on the International Standards on Assurance Engagements (ISAE), Standard 3402, type II. Vesteda selects the relevant controls to be audited and concluded upon in the assurance report. In 2017, based on a recommendation by Vesteda's internal auditor, Vesteda changed the scope of the ISAE 3402, type II audit to a more limited number of revised and improved key controls within the most important business processes. These processes and key controls also include the internal control measures relating to the strategic building blocks of Acquisition, Property Sales and Operations, which building blocks were therefore not part of the separate strategic risk analysis performed in 2017.

3. Compliance risks related to non-compliance with legislation and regulations

Vesteda has a dedicated Compliance Officer, recruited in 2017, who reports on a quarterly basis to the Managing Board and Supervisory Committee. The scope of the work of the Compliance Officer is set out in a Compliance Charter which was approved by the Managing Board in May 2017. Both internal and external developments, such as trends, risk-increasing developments, incidents and new or changed laws and regulations, can lead to a once-established programme (in parts) to be revised or to be adjusted. The Compliance Officer constantly monitors these developments, responds to them and discusses them (where necessary) in the quarterly consultation or on an ad hoc basis with the Managing Board and/or the Supervisory Committee. If necessary, the Compliance Officer adjusts its activities (advice, monitoring) accordingly. The annual compliance programme therefore has a dynamic character. It is also possible that the results of an (un)planned compliance monitoring gives cause to prioritise a topic where this was not planned before. The compliance charter gives substance to this dynamic of compliance activities in various areas.

The Risk Committee, as described above, focuses on providing support and advice with respect to strategic risks and defining the policy framework for operational risk management. Operational risk management continues to be the responsibility of the business. The Risk Committee will monitor the effectiveness of operational controls and compliance.

Strategic risk analysis

In the second half year of 2017, Vesteda conducted an extensive risk analysis based on Vesteda's integrated strategic framework (see section Strategy and long-term objectives of this report), focusing on the risks associated with Vesteda's strategic objectives relating to tenants, information technology, organisation, portfolio strategy, participants, funding and corporate sustainability and social responsibility.

This risk analysis was performed jointly by the Managing Board, the Management Team and various business and staff managers.

For almost all of the building blocks in our strategic framework an assessment was made of the risks that the strategic objectives may not be met within a time horizon of three years. Acquisitions, Property Sales and Operations were not included in the assessment, as these key operational processes are covered by ISAE (see also under Operational risks relating to failure of systems and processes).

For each risk identified, the following analysis was performed:

- The gross risk: the inherent risk related to the specific strategic building block
- The likelihood that the risk will occur within the time horizon
- The control measures taken to mitigate and/or prevent the risk
- An evaluation as to whether and to what extent the current control measures are sufficient to mitigate and/or prevent the risk, which results in the net risk
- The impact of the risk if the risk actually occurs. The impact depends on the specific risk and was measured against strategic targets (e.g. performance against MSCI benchmark, participant and tenant satisfaction, GRESB score, etc.) or was expressed in financial terms (e.g. percentage of group equity, impact on rental income, etc.)

This risk analysis was performed jointly by the Managing Board, the Management Team and various business and staff managers. For the strategic areas where the net risk, in combination with the potential impact of the risk and the likelihood of occurrence, could be regarded as relatively high an additional review and evaluation of the control measures will be performed in 2018, including (if necessary) additional control measures to be taken. This pertains to the following risks:

Risks related to Information Technology (IT)

- Inability to develop and/or implement new technologies and innovations
- Insufficient data security and system failures

In 2018, Vesteda will be implementing a new ERP system, which will address the first IT risk and which will also be a platform for future IT related innovations. The second IT risk is partly mitigated by the outsourcing of our IT-service delivery function to a third party service provider, which is subject to a yearly ISAE 3402 Type II Service Organisation Control Report. The new ERP system, when implemented, will also reduce the risk of system failures, by reducing the number of legacy applications and applying more recent and stable technology. Additionally, we will review our information security processes and implement a new Information Security Policy in 2018.

Risks related to Portfolio Strategy

- The risk that increases in market rents are capped as a result of governmental decision making

Recently, a number of city councils, such as Amsterdam and Utrecht, have announced proposals, plans and/or concrete measures to regulate the rental of residential properties, restricting rights of landlords to lease rental properties in the mid-rental or other segments by (among other things) capping the rents of new build residential properties, capping rent increases and prescribing a minimum amount of square metres for new build residential properties. Such increased regulation may have a negative impact on the realisation of Vesteda's portfolio strategy.

We like to participate actively in negotiations with city councils and various representational bodies, such as Platform Amsterdam Middenhuur (PAM) and IVBN, to explain Vesteda's view that maintaining a balanced residential supply, also in core urban regions, is to the advantage of all stakeholders.

Risks related to Corporate Sustainability and Social Responsibility (CSSR)

This is the risk that Vesteda is unable to meet its CSSR targets and ambitions.

Vesteda's two ambitious CSSR targets are:

- By the end of 2020, at least 80% of Vesteda's homes will have energy label A, B or C; no more than 20% of Vesteda's homes will have energy label D; and Vesteda will have no homes with labels E, F or G.
- Vesteda aims to achieve a GRESB five-star rating in 2018 and a GRESB number three position in 2018

To mitigate the risk of Vesteda not meeting its CSSR's ambitions (please refer to the section CSSR for more detailed information), Vesteda has implemented various control measures, such as:

- Frequent monitoring of CSSR-performance against targets in the five-year business plan and yearly budget
- A specific CSSR-investment programme and investment budget at complex level

Specific actions to further improve controls on CSSR in 2018 include a review of the various CSSR KPIs to improve reporting efficiency and effectiveness and the recruitment of a dedicated CSSR professional to assist and accelerate the realisation of the targets by the business.

'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 above Risk management section of this report. Based on this assessment we have concluded with reasonable, but not absolute, assurance that:

- the annual report provides sufficient insights into any failings in the effectiveness of the internal risk management and control systems;
- the aforementioned systems provide reasonable assurance that the financial reporting does not contain any material inaccuracies;
- based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis; and
- 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 controls, 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.

About this report

Content report

The aim of this report is to inform Vesteda's most important stakeholders. By identifying the parties that Vesteda influences and the parties that exert influence on Vesteda, 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

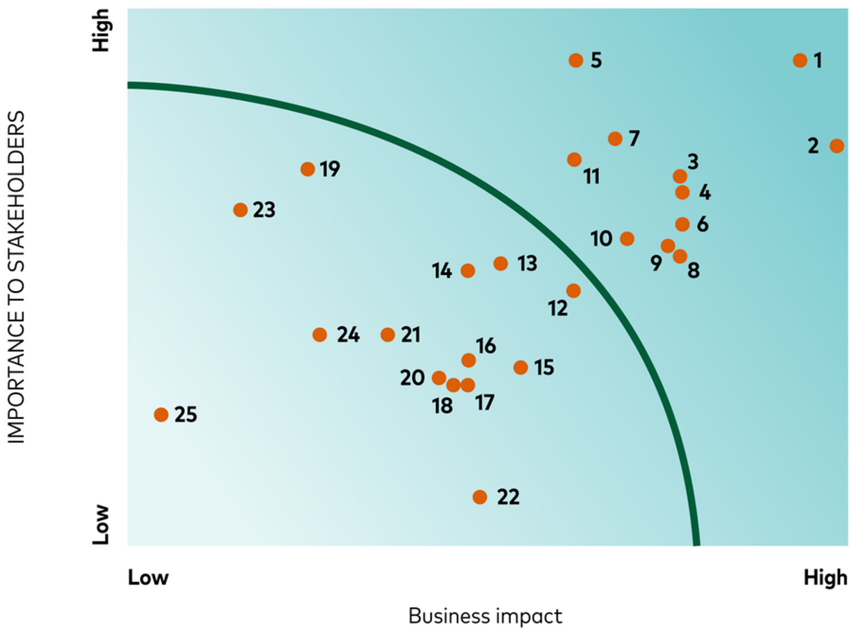
GRI

This report has been prepared in accordance with the GRI Standards: Core Option. A key requirement to conform to the GRI guidelines is the execution of a materiality analysis and the translation of the outcomes of this to the annual reporting. In 2016, Vesteda executed such a materiality analysis. To be able to disclose information that is in accordance with recent aspects relevant to stakeholders, Vesteda executed a re-assessment of the 2016 materiality assessment in August and September 2017.

The first step of the materiality reassessment was the update of the 2016 topics via a media-analysis and desk research, both performed simultaneously. Based on the insights gained from the work performed, the importance of each material aspect from the external stakeholders' point of view and from Vesteda's perspective was updated and consolidated in the materiality matrix (second step). This matrix is included below. There were no significant changes in the materiality of aspects for Vesteda; no new aspects had to be added to the materiality matrix, neither were aspects deleted. Vesteda has therefore decided to base its 2017 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) Economic performance, 2) Tenant satisfaction, 3) Sustainable innovations, 4) Business integrity, 5) Transparency, 6) Sustainability in the supply chain, 7) Sustainable construction and maintenance, 8) Green certification, 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



1. Economic performance
2. Tenant satisfaction
3. Sustainable innovations
4. Business integrity
5. Transparency
6. Sustainability in the supply chain
7. Sustainable construction and maintenance
8. Green certification
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. Diversity and equal opportunity
18. Employee awareness for sustainability
19. Good reputation
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 GRI 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 3 of this report shows the link between the material aspects and the so-called GRI 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

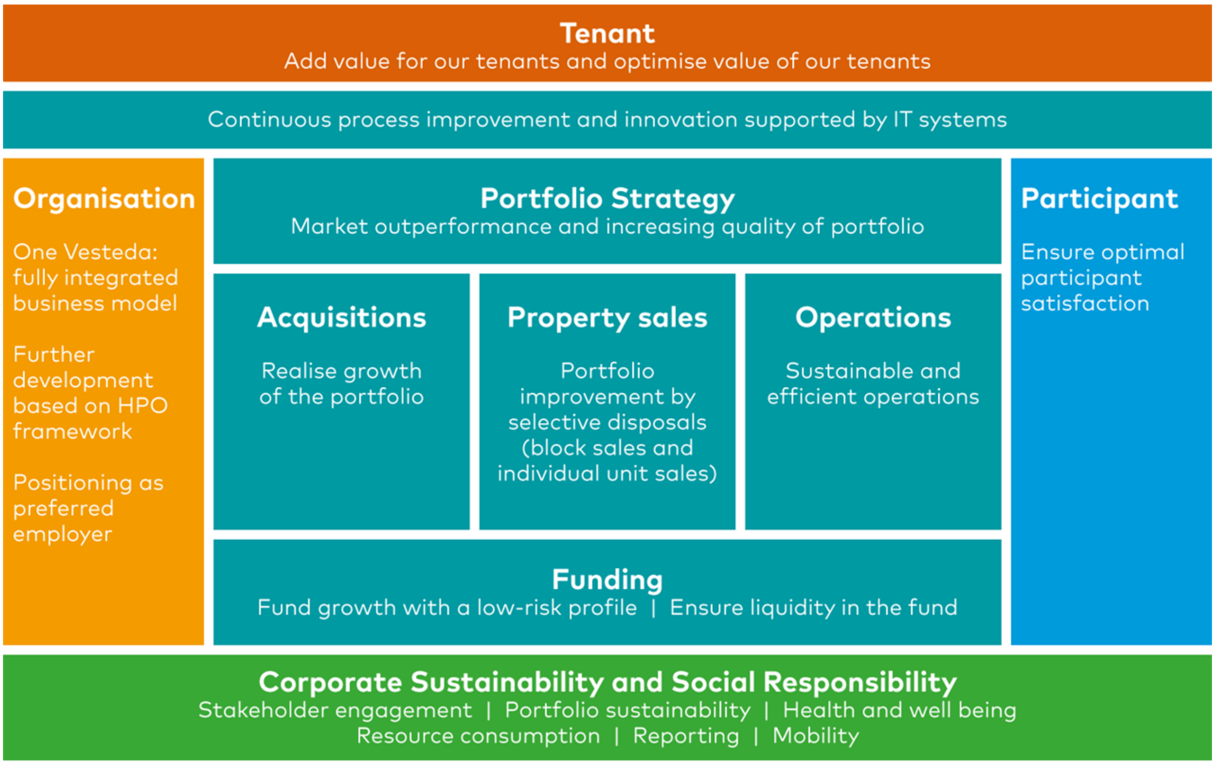
Vesteda also assessed the scope (boundaries) of the various material aspects. All material aspects have boundaries that go beyond the borders of the Vesteda organisation. It is obvious that the satisfaction of our tenants is also influenced by the service quality of our external service providers, such 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, the 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 is one aspect that lies very specifically beyond our own organisation. However, as an organisation we will impose certain requirements with respect to sustainability on the partners with whom we choose to do business. 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 monitoring regarding healthy buildings, while service providers are responsible for the proper and timely maintenance of the properties and tenants are responsible for the proper use of the home and the timely disclosure of any defects in the home. 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 are 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 specifically in the realised result. The realised result is largely determined by rental income less property- 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 2017.

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 involved is generally limited and the selling party is the most important partner. In the case of new build real estate, Vesteda has chosen to no longer develop real estate under its own management, instead opting for turnkey agreements for residential 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. Our Operations department strives to increase top-line rental income, reduce 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 this 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 Tenant platform • Individual tenant associations per residential building • Day-to-day contact through Operations • Tenant satisfaction survey • Additional tenant satisfaction survey to measure their 'At home' feeling • Social media/webcare • Mijn Vesteda (My Vesteda) • Vesteda website • Tenant satisfaction Task force and client panels	• Rent policy, maintenance policy, sustainability measures, quality of life in residential complexes	• Knowledge sharing and transparency • Improved management of suppliers • Improved communications • Digitalisation of rental process • Optimisation of renovation process for bathrooms, kitchens and toilets • DoeGroenDagen (go green days).
Employees	• Questionnaire (HPO) • Vesteda Improves project • Regular meetings (for example presentation Business Plan; presentation quarterly results; onboarding lunch meetings with Managing Board; monthly inspiration sessions) • via Intranet • via Impraise feedback tool • Through Works Council	• Restructuring and relocation to one head office, CSSR initiatives, new mission, vision and company values and behavioural apects, 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 • Property Tours • InvestorWeb (for participants)	• Strategy • Pipeline funding • Funding structure • Portfolio acquisitions / sales • Required returns • CSSR • ISAE • Changes in Supervisory Committee	• Clear boundaries for development risk • Clear criteria to improve reporting • Continued attention for CSSR
Lenders/Debt investors	• Annual credit review meetings • Regular debt investor/lender meetings • Information for debt investors on website • Financial covenant reporting	• Strategy • Leverage • Reporting • Governance • Cash management	• Transparent reporting standards; improved reporting • Funding strategy (long-term leverage) • Development risk

Stakeholders	Dialogue	Content dialogue	Impact dialogue on policy Vesteda
		• CSSR	
Partners/business partners and local authorities	• (Regular) meetings • Attending/giving lectures at business events/conferences • Attending conferences such as Expo Real, Provada and INREV • Through membership and meetings of NeVaP, NEPROM, IVBN, INREV and ULI • Joining expert meetings and working groups	• Discuss propositions for acquisitions • Discuss local policies and market develoments • 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	• Translation of market developments into our Business Plan • Investing in knowledge of disruptive technologies for residential real estate investments • Adopting and improving best practices
Advisors/real estate experts	• Regular meetings with Vesteda Advisory Committee • Conference with Dutch housing association • Partnership signed with the Blue Building Institute • Workshop on sustainability • Attending/giving lectures at business events	• Sustainability • KPIs • Healthy living • Social cohesion	• Research into CSSR and continued embedding in policy

INREV Guidelines Compliance Statement

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 2017, Vesteda performed a self-assessment with regard to the level of compliance with the INREV Guidelines. INREV published the revised INREV Guidelines in 2014 incorporating industry standards in the fields of Reporting, Fee and Expense Metrics, Property Valuation, INREV NAV, Liquidity, Corporate Governance, and Sustainability Reporting.

The overall INREV Guidelines Compliance Rate of the Vesteda Residential Fund is 80%, based on 7 out of 7 assessments. The table below shows the compliance rate for each completed module of this self-assessment

Compliance with the INREV Guidelines Assessment Results

INREV Module	Guidelines	Level of adoption or compliance
1	Reporting (83%)	The manager has to a large extent complied with all the requirements of the Reporting module.
2	Fee and Expense Metrics (58%)	Vesteda intends to calculate and disclose forward-looking TER/REER in the fund documentation. Vesteda has to a large extent complied with all other requirements and recommendations.
3	Property Valuation (100%)	The manager has complied with all the requirements of the Property Valuation module.
4	INREV NAV (90%)	The manager has to a large extent complied with all the requirements of the INREV NAV module.
5	Liquidity (100%)	The manager has complied with all the requirements of the Liquidity module
6	Corporate Governance (62%)	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.
7	Sustainability Reporting (69%)	We are to a large extent compliant with the INREV Sustainability Reporting 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 the intensity ratios for energy and GHG emissions per property type.

The Vesteda annual report is drawn up in accordance with IFRS accounting policies, 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 included an additional segment to this report on the INREV NAV and metrics. Please see section 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 a selection of the sustainability data included in the accompanying Annual Report for the year ended ended 31 December 2017 (hereafter: the Report) of Vesteda Residential Fund FGR ("the Company") at Amsterdam.

The objective of the review was to provide limited assurance on the sustainability data as included in the following chapters: Management Report, Paragraph key developments (pages 22-26) and Paragraph Tenant Survey (pages 33-35). Corporate Sustainability and Social Responsibility (pages 56-66). Governance and risk management, Section Ethics and integrity (page 71), About this Report (pages 76-82) and Annex 2: GRI Content Index for 'In accordance' - Core.

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 2017.

in accordance with the Sustainability Reporting Guidelines GRI Standards: Core Option 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 GRI Standards: Core Option and the internally applied reporting criteria as disclosed 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 GRI Standards: Core Option 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, March 19, 2018

Deloitte Accountants B.V.

J. Holland

Vesteda Residential Fund FGR financial statements 2017

Consolidated statement of comprehensive income

(Amounts in € million)

	notes	2017	2016
Gross rental income	5	247	242
Service charges income	6	10	10
Revenues		**257**	**252**
Property operating expenses (excluding service charges)	7	(57)	(55)
Service charges	6	(16)	(15)
Net rental income		**184**	**182**
Result on projects in progress		-	1
Result on property sales	8	13	14
Management expenses	9	(16)	(22)
Financial results	10	(43)	(33)
Realised result before tax		**138**	**142**
Unrealised result	11	544	391
Result before tax		**682**	**533**
Tax	12	-	-
Result after tax (attributable to equity holders of the parent/participants)		**682**	**533**
Other comprehensive income that will be reclassified subsequently to profit or loss			
- Unwind transaction derivatives		12	-
- Positive revaluation derivatives		6	4
- Revaluation of PPE		1	-
Other comprehensive income, net of tax	13	**19**	**4**
Total comprehensive income (attributable to equity holders of the parent)		**701**	**537**
Earnings per participation right in €			
Basic and diluted earnings, on result after tax	20	24.87	20.65
Comprehensive income per participation right in €			
Basic and diluted earnings, on total comprehensive income		25.58	20.81

Consolidated statement of financial position

(Amounts in € million)

	notes	2017	2016
ASSETS			
Non-current assets			
Intangible fixed assets		-	-
Investment property	14	4,778	4,207
Investment property under construction	15	257	135
Property, plant and equipment	16	14	4
Financial assets	17	11	1
		5,060	**4,347**
Current assets			
Inventory property		-	-
Trade and other receivables	18	10	11
Cash and cash equivalents	19	14	17
		24	**28**
Total assets		**5,084**	**4,375**
EQUITY AND LIABILITIES			
Equity			
Group equity	20	3,819	3,045
Non-current liabilities			
Financial liabilities	21	1,172	1,231
Provisions	22	-	18
Derivative financial instruments	23	-	19
		1,172	**1,268**
Current liabilities			
Provisions	22	27	14
Trade and other payables	24	66	48
		93	**62**
Total liabilities		**1,265**	**1,330**
Total equity and liabilities		**5,084**	**4,375**
Net Asset Value (NAV) per participation right in €			
Basic IFRS NAV	20	135.44	118.05

Consolidated statement of changes in equity

(Amounts in € million)

	Fund equity	General paid-in surplus	Reserve Property	Reserve Derivatives	Reserve Other reserve	Total equity
As at 1 January 2016	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	-
Distribution paid		(121)				(121)
As at 31 December 2016	**25**	**1,657**	**794**	**(19)**	**588**	**3,045**
Result for the year			402		280	682
Other comprehensive income			1	19		20
Total comprehensive income	**-**	**-**	**403**	**19**	**280**	**702**
Realised from property sales			(11)		11	-
Capital paid in	3	277				280
Costs new equity		(1)				(1)
Distribution paid		(206)				(206)
As at 31 December 2017	**28**	**1,727**	**1,186**	**-**	**879**	**3,819**

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

Certain figures have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Consolidated cash flow statement

(Amounts in € million)

	notes	2017	2016
Operating activities			
Result for the year after tax		682	533
Adjustments to reconcile result after tax to net cash flow from operating activities			
Unrealised result	11	(544)	(391)
Depreciation of property, plant and equipment	16	1	1
Financial assets	17	-	-
Amortisation of financing costs	21	1	2
Provisions	22	(4)	6
Interest expense	10	29	31
Unwind transaction derivatives	13	12	-
Result on property sales	8	(13)	(14)
		(518)	**(365)**
Working capital adjustment		20	(3)
Net cash flow from operating activities		**184**	**165**
Investing activities			
Capital expenditure in investment property	14	(35)	(122)
Sales revenues of investment property	14	94	98
Capital expenditure on property, plant and equipment	16	1	-
Capital expenditure on investment property under construction	15	(216)	(117)
Capital expenditure in participation LRC BV	20	-	(15)
Net cash flow from investing activities		**(156)**	**(156)**
Financing activities			
Loans drawn	21	100	192
Disagio on bonds	21	-	1
Financing costs	21	-	-
Loan repayment	21	(161)	(53)
Capital paid in	20	280	-
Costs new equity	20	(1)	-
Distribution paid	20	(206)	(121)
Redemption	20	-	-
Interest paid		(31)	(31)
Unwind transaction derivatives paid	13	(12)	-
Net cash flow from financing activities		**(31)**	**(12)**
		(3)	**(3)**

	notes	2017	2016
Net increase/decrease in cash and cash equivalents		(3)	(3)
Cash and cash equivalents at the beginning of the period	19	17	20
Cash and cash equivalents at 31 December	**19**	**14**	**17**

Non-cash transactions

In 2017 and 2016, 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 (the Fund) and the affiliated entities (the Vesteda Companies) for the year ended 31 December 2017 were authorised for issue in accordance with a resolution of the Managing Board on 19 March 2018. Vesteda Residential Fund FGR (the Fund) is a mutual fund. Vesteda Investment Management B.V. is the fund manager, its registered office is located at De Boelelaan 759, 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). Compared to the Annual Report 2016 no financial restatements, such as mergers or acquisitions, have occured.

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 (IFRS Interpretation Committee) and the IASB (International Accounting Standards Board) 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 ('Autoriteit Financiële Markten' an independent conduct supervisor), 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 2017 consolidated financial statements.

In addition, based on the requirements of Part 9 of Book 2 of the Dutch Civil Code, Vesteda prepared the 2017 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 2017. 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 B.V., Amsterdam - 100%
- Stichting Dutch Residential Fund I, Amsterdam - 100%
- Custodian Vesteda Fund I B.V., Amsterdam - 100%
- Custodian Vesteda Fund II B.V., Amsterdam - 100%
- Custodian Vesteda Fund III B.V., Amsterdam - 100%
- Custodian Vesteda Fund IV B.V., Amsterdam - 100%
- Custodian Vesteda Fund V BV, Amsterdam - 100%
- Vesteda Finance B.V., Amsterdam - 100%
- Vesteda Project Development B.V., Amsterdam - 100%

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

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

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

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

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

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

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

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

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

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

Any investment retained is recognised at fair value.

3. Significant accounting judgements, estimates and assumptions

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

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

Judgements

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 14 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.

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 and issue and redemption of participation rights.

Vesteda Investment Management B.V., Vesteda Project Development B.V., Vesteda Finance B.V., Custodian Vesteda Fund (CVF) I B.V., CVF II B.V., CVF III B.V., CVF IV B.V. and CVF V B.V. 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
Investment property
Investment property is measured at fair value. The fair value of investment property is determined by independent real estate valuation experts using recognised valuation techniques as defined in the standards of the Royal Institution of Chartered Surveyors (RICS) and other professional bodies. The fair values of properties are determined on the basis of recent real estate transactions - if available - with similar characteristics and locations to those of the Vesteda Companies' assets.

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

The Discounted Cash Flow Method involves the projection of a series of periodic cash flows associated with either an operating property or a development property. An appropriate, market-derived discount rate is applied to this projected cash flow series, to establish an indication of the current value of the income stream associated with the property. The calculated periodic cash flow is typically estimated as gross rental income less vacancy and collection losses and less operating expenses/outgoings. A series of periodic net operating incomes, along with an estimate of the reversion/terminal/exit value (which uses the traditional valuation approach) anticipated at the end of the projection period, are discounted to current value. The aggregate of the net current values equals the market value of the property.

The total portfolio is appraised comprehensively by external appraisers in the course of the year. Vesteda's goal is to conduct comprehensive appraisals on approximately 25% of the portfolio each quarter. The remainder of the quarterly appraisals 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 recognised valuation techniques.

The fair value is assessed by reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and less an estimate of the time value of money to the date of completion.

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

Provisions for contractual obligations
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 B.V. 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.

The Fund 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 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 participants have entrusted the manager, Vesteda Investment Management B.V., with the management and operation of the Fund. The manager carries out its task in the sole interest of the participants and within the boundaries described in the Fund's Terms and Conditions. The manager, in its capacity as manager (beheerder) and operator of the Fund, is subject to 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 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 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 recognised when it becomes receivable. Incentives for tenants 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
Property operating expenses comprise costs directly attributable to a specific property. These costs are mainly maintenance costs, property tax and other levies, insurance premiums, management and letting fees and service costs not chargeable to tenants.

Other income
Other income is recognised when realised.

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

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

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

Vesteda is valuing its investment property per complex instead of per individual unit. As indicated in Note 14, 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 appraiser 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 recognised as it accrues using the effective interest method. Financial results also includes amortisation of financing costs and the cost of the unwind transaction derivatives.

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

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

Corporate income tax
Entities within the Vesteda Companies which are subject to corporate income tax, have no difference between accounting and taxable income. As such, taxation on income is calculated by applying the standard rate of tax to the taxable amount. If such a taxable amount is negative, Vesteda only recognises a benefit if there is a possibility to carry back the loss to years where taxes have been paid and if a refund is expected. 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.

Property, plant and equipment
The former head office in Maastricht has been sold in the course of 2017 and has given way to a new office on the Zuidas in Amsterdam. The latter office is reappraised on a quarterly basis by an external appraiser. Positive revaluation of the new office will be recognised directly in the group equity if revaluation losses occurs in excess of the positive revaluation reserve in group equity it 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 recognised 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 recognised 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 (NRV).
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 fair value. 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 amortisation. Amortisation 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.

Positive revaluation of the derivative will be recognised directly in the group equity where else any revaluation losses or the unwindment of the derivative in excess of the positive revaluation reserve in group equity is recognised directly in the statement of comprehensive income.

The determination of the fair value for derivatives is based on the discounted cash flow approach in line with IAS 39.

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

Gross rental income is made up as follows:

	2017	2016
Theoretical rent	254	248
Loss of rent	7	6
Gross rental income	**247**	**242**

Theoretical rent increased despite the fact that the number of units of the portfolio decreased by 175 units, from 22,629 (2016) to 22,454 (2017). This increase can mainly be explained by both rent optimisation and the application of the annual rent increase. The loss of rent increased, this is mainly due to the inflow of new complexes, which are not rented in full directly when inflow is established.

6. Service charges income

Service charges income is made up as follows:

	2017	2016
Total service charges	16	15
Non-recoverable service charges	6	5
Service charges income	**10**	**10**

7. Property operating expenses

Property operating expenses are made up as follows:

	2017	2016
Property (and related) taxes	10	10
Landlord levy	4	4
Property management costs	7	7
Maintenance costs	25	23
Fitting out costs	2	2
Letting and marketing fees	3	3
Miscellaneous operational costs	6	6
Total	**57**	**55**

Operating expenses including non-recoverable service charges, amounted to 25.7% of gross rental income in 2017 (2016: 24.9%).

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

8. Result on property sales

The result on property sales is made up as follows:

	2017	2016
Result on property sales of investment property	13	14
Total	**13**	**14**

The total result of €13 million (2016: €14 million) is related to individual unit sales.

As indicated in the accounting policies, the result 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 3.5% higher than the average vacant value of the complex (of which the sold units are part of) as per the latest external appraisal.

9. Management expenses

The management expenses comprise:

	2017	2016
Salaries	14	24
Social security charges	1	1
Pension charges	2	2
Depreciation expenses	1	1
Other operating expenses	11	7
Gross property management costs	**29**	**35**
Presented within net rental income	(13)	(13)
Total	**16**	**22**

Management expenses came in at €16 million, significantly less than the €22 million recorded in 2016. This can mainly be explained by the reorganisation provision in 2016 (amounting to €7 million). Back-office activities of the Vesteda organisation have been centralised at the Amsterdam office during 2017.

The Vesteda Companies employed an average of 197 people (2016: 201) during the year; this was an average of 178.8 FTEs (2016: 180.3 FTEs).

All employees are employed in the Netherlands.

10. Financial results

The financial results are made up as follows:

	2017	2016
Interest expenses	30	31
Amortisation of financing costs	1	2
Unwind transaction derivatives	12	-
Total	**43**	**33**

11. Unrealised results

The unrealised results are made up as follows:

	2017	2016
Revaluation investment property	537	375
Revaluation investment property under construction	22	9
Movements in provisions for contractual obligations	(19)	8
Additions other provisions	4	(1)
Total	**544**	**391**

The revaluation increased significantly due to continuing favourable market conditions especially in the primary regions.

12. Tax

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

	2017	2016
Result before tax	682	533
Income tax expense calculated at 25%	171	133
Effect of income that is exempt from taxation	(169)	(131)
Effect of unused tax losses and tax offsets not recognised as deferred tas assets	(2)	(2)
Income tax expense recognised in profit or loss	**-**	**-**

There is no deferred tax asset for tax loss carry forwards and differences in measurement for expected profitability of Vesteda Project Development B.V. in the future has been recognised.

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

2010	40
2011	14
2012	13
2015	2
2016	0
2017	0
Total	**69**

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

13. Other comprehensive income

The other comprehensive income during the year is made up as follows:

	2017	2016
Positive revaluation derivatives	6	4
Unwind transaction derivatives	12	-
Positive revaluation Property, Plant and Equipment	1	-
Total	**19**	**4**

14. Investment property

The investment property is made up as follows:

	2017	2016
Investment property as at 1 January	**4,207**	**3,726**
Acquisitions	10	99
Capital expenditure on owned property	25	23
Transfer from property under construction	80	68
Property sales	(81)	(84)
Revaluation	537	375
Investment property as at 31 December	**4,778**	**4,207**

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.

The appraisals 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:

	2017		2016	
Average	Sell	Hold	Sell	Hold
Discount rate (%)	6.3	5.7	6.2	5.8
Exit yield (%)	5.8	6.2	6.4	6.9
Rental growth (%)	1.9	1.9	1.7	1.8
Vacant value growth (%)	2.3	2.2	1.9	1.9

Sell	2017			2016		
Region	primary	secondary	other	primary	secondary	other
Discount rate (%)	6.2	6.4	6.6	6.1	6.3	6.5
Exit yield (%)	5.6	6.1	6.9	6.2	6.5	7.2
Rental growth (%)	2.0	1.8	1.8	1.7	1.7	1.6
Vacant value growth (%)	2.4	2.0	1.9	2.0	1.8	1.7

Hold	2017			2016		
Region	primary	secondary	other	primary	secondary	other
Discount rate (%)	5.5	5.9	6.4	5.7	6.0	6.5
Exit yield (%)	5.8	6.6	7.3	6.6	7.6	7.5
Rental growth (%)	2.0	2.0	1.9	1.8	1.9	1.7
Vacant value growth (%)	2.3	2.2	1.8	1.9	1.8	1.7

Sell	2017			2016		
Rental segment	<700	>700 < 1200	> 1200	<700	>700 < 1200	> 1200
Discount rate (%)	6.3	6.3	6.2	6.3	6.2	6.1
Exit yield (%)	6.5	5.8	5.3	7.0	6.4	6.0
Rental growth (%)	1.9	1.9	2.0	1.7	1.7	1.8
Vacant value growth (%)	2.2	2.3	2.3	1.8	1.9	2.1

Hold	2017			2016		
Rental segment	<700	>700 < 1200	> 1200	<700	>700 < 1200	> 1200
Discount rate (%)	6.0	5.6	5.5	6.0	5.7	5.8
Exit yield (%)	7.1	5.9	5.7	7.5	6.6	6.5
Rental growth (%)	1.9	2.0	2.0	1.8	1.9	1.8
Vacant value growth (%)	2.1	2.2	2.4	1.9	1.9	1.8

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 2017			
Discount rate	4,451	4,207	3,955
Exit yield	4,450	4,207	4,009
Rental growth	4,047	4,207	4,366
Vacant value growth	4,141	4,207	4,275
As at 31 December 2017			
Discount rate	5,119	4,778	4,562
Exit yield	5,164	4,778	4,593
Rental growth	4,672	4,778	5,017
Vacant value growth	4,763	4,778	4,928

15. Investment property under construction

	2017	2016
As at 1 January	**135**	**77**
Capital expenditure on property under construction	216	117
Transfer to investment property	(80)	(68)
Revaluation	22	9
Transfer from provisions	(26)	-
Transfer to PP&E	(10)	-
As at 31 December	**257**	**135**

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 units.

The costs to come until completion amount up to €138 million (2016: €142 million). This amount is included in construction contracts in Note 31.

16. Property, plant and equipment

	Buildings	Others	Total
As at 1 January 2016	**3**	**2**	**5**
Depreciations	-	(1)	(1)
As at 31 December 2016	**3**	**1**	**4**
Investments	2	-	2
Transfer from IPUC	10	-	10
Disposal of former head office	(3)	-	(3)
Depreciations	-	-	-
Revaluation	1	-	1
As at 31 December 2017	**13**	**1**	**14**

The former head office in Maastricht was sold in 2017 (disposal of €3 million). The new head office in Amsterdam "De Boel" is transferred from Investment Property Under Construction to Property, Plant and Equipment in the last quarter of 2017. The economic life of the building is set at twenty five years and the residual value amounts to €5 million. The building is valued at fair value by an independent appraiser for an amount of €11 million. For the determination of the fair value we refer to the explanation provided in Note 4.

The investments recorded in 2017 mainly relate to the fixtures & fittings (amortisation period of 10 years) and furniture (amortisation period of 5 years) for the new office.

The value of the other property, plant and equipment amounts to €1 million (2016: €1 million).

17. Financial assets

The financial assets movements are made up as follows:

	LRC*	Other Participations	Total
Financial assets as at 31 December 2016	**-**	**1**	**1**
Contribution and loans provided	26	-	26
Repayment of loans	(27)	-	(27)
Transfer from provision	11	-	11
Financial assets as at 31 December 2017	**10**	**1**	**11**

	2017	2016
Total invested	27	28
Provision	(17)	(46)
Net balance	**10**	**(18)**
Recorded as provision	-	18
Financial assets as at 31 December 2017	**10**	**-**

In above stated specification the investment of * LRC (Leidsche Rijn Centrumplan B.V.) is made up.

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 (see Note 22).

18. Trade and other receivables

The trade and other receivables are made up as follows:

	2017	2016
Loans receivable	4	4
Trade receivables	5	5
Other receivables	1	2
Total	**10**	**11**

Loans receivable relate to amounts overdue for an amount of €17 million (2016: €17 million), for which a provision for doubtfulness is recorded for an amount of €13 million (2016: €13 million). The trade receivables include a provision for doubtfulness of €1 million (2016: €1 million) for overdue amounts.

19. Cash and cash equivalents

The cash and cash equivalents are made up as follows:

	2017	2016
Cash at bank and on hand	14	17
Total	**14**	**17**

With the exception of €0.1 million blocked cash (2016: €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.

20. Group equity

The participation rights issued can be specified as follows:

	2017	2016
As at 1 January	**25,795,084**	**25,795,084**
Issued in the year	2,399,720	-
Redeemed in the year	-	-
As at 31 December	**28,194,804**	**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.

During the 2016 annual meeting of participants, it was decided that Vesteda will pay a quarterly interim distribution as of 2017. The aforementioned interim distribution amounts to 60% of the budgeted distribution for 2017, and was paid out in three installments (€26 million) during the financial year, each within two weeks after quarter end. The distribution paid in April 2017 also included the €128 million distribution (€4.96 per participation right) regarding the financial results of 2016. The remaining 40% will be paid out in two installments after closing of the financial year 2017. One in January, shortly after the fourth quarter and one after the adoption of the distribution proposal in April 2018. The total distribution for financial year 2017 proposed will be €138 million.

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 was 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.

Vesteda participants invested in 2017 a total of €280 million in the growth of Vesteda's rental portfolio. Vesteda will use the investment to finance the continued growth of the rental portfolio, both for the financing of the Vesteda's existing committed pipeline and for future acquisitions.

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 at least €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 2017, no redemption requests were issued by the participants. It will be proposed to the Annual Meeting of Participants to be held on 4 April 2018 that the amount of €50 million made available for redemption requests in 2017 will not be rolled over to the financial year 2018.

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 table below reflects the income and number of participation rights used in the basic earnings per participation right computations:

	2017	2016
Result after tax attributable to equity holders	682	533
Weighted average number of participation rights	27,419,004	25,795,084
Earnings per participation right in €		
Basic and diluted earnings, on result after tax	24.87	20.65

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:

	2017	2016
NAV attributable to equity holders of the parent	3,819	3,045
Participations at year-end	28,194,804	25,795,084
Net Asset Value (NAV) per participation right in €		
Basic and diluted IFRS NAV	135.44	118.05

There is no difference between basic and diluted IFRS NAV.

21. Financial liabilities

The financial liabilities are made up as follows:

	Term facilities	Mortgage	Bonds	Total
As at 1 January 2016	**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**
Drawn			100	100
Discount			1	1
Repayments	(85)	(75)		(160)
Financing costs			(1)	(1)
Amortisation			1	1
As at 31 December 2017	**475**	**-**	**697**	**1,172**

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 B.V.
2. Bonds, issued under the EMTN programme as public senior unsecured notes or privately placed notes by Vesteda Finance B.V.

In 2017, Vesteda Residential Fund FGR discontinued its mortgage borrowing under existing financing arrangements and no longer provides Investment Property as collateral for its debt funding. Custodian Vesteda Fund V BV repaid its mortgage loan facilities with lender FGH Bank in August 2017.

1) Term facilities

Corporate unsecured funding

Vesteda Finance B.V. acts as borrower and issuer of all corporate unsecured debt on behalf of Vesteda Residential Fund FGR. As per 31 December 2017, Custodian Vesteda Fund I B.V., Custodian Vesteda Fund III B.V. and Custodian Vesteda Fund IV B.V. act as guarantors for all obligations of the corporate unsecured debt that is borrowed or issued by Vesteda Finance B.V.:

- 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. The remaining legal term is 3.42 years. At year-end 2017 from the total facility of €600 million an amount of €277 million is outstanding and an amount of €323 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 8 May 2021. The intended remaining term to maturity of the notes is 3.35 years.
- A second €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 1.80%, payable on a semi-annual basis and are due on 16 December 2026. The intended remaining term to maturity of the notes is 8.96 years.

2) Bonds

In 2017 Vesteda Finance B.V. 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 1.65 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 4.82 years.
- In December 2017, Vesteda Finance B.V. issued additional €100 million senior unsecured notes under its programme for the issuance of Euro Medium Term Notes (EMTN) as a private placement transaction. The notes were rated BBB+ at time of issuance by Standard & Poor's:
    - A tranche of €35 million senior unsecured notes pay an annual fixed coupon of 1.899% and are due on 15 December 2027. The intended remaining term to maturity of the notes is 9.96 years;
    - A tranche of €65 million senior unsecured notes pay an annual fixed coupon of 2.478% and are due on 15 December 2032. The intended remaining term to maturity of the notes is 14.96 years.

22. Provisions

The non-current provisions movement are made up as follows:

	2017	2016
As at 1 January	**18**	**42**
Decrease	-	(9)
Investments	-	(15)
Transfer Non-Current to Current	(18)	-
As at 31 December	**-**	**18**

The current provisions movements are made up as follows:

	2017	2016
As at 1 January	**14**	**7**
Additions	19	8
Decrease	(4)	-
Used	(4)	(1)
Released	(1)	-
Transfer to IPUC	(26)	-
Transfer to Financial Assets	11	-
Transfer Provisons from non current to current	18	-
As at 31 December	**27**	**14**

In circumstances where provisions for onerous contracts arise at the same time that financial assets are presented at balance sheet date for the related contract, these balances are netted at balance sheet date. In case of a positive balance the net position is presented as a financial asset. In case of a negative balance the net position is presented as a provision.

Transfer to financial assets in 2017 of €11 million related to participation in Leidsche Rijn Centrumplan B.V. Leidsche Rijn Centrumplan B.V. is the development vehicle in which ASR and Vesteda Project Development B.V. together develop the LRC plan in Utrecht. Vesteda Project Development B.V. holds 22% in this entity.

In total 561 housing units are involved.

The current provisions are made up as follows:

	2017
Contingencies and commitments	25
Reorganisation	1
Other	1
As at 31 December	**27**

23. Derivative financial instruments

The derivatives financial instruments movement are made up as follows:

	2017	2016
As at 1 January	**19**	**23**
Fair value gain	(7)	(4)
Unwind transaction	(12)	-
As at 31 December	**-**	**19**

Derivatives

Ref.	Instrument type	Notional amount	Fixed rate	Effective date	Termination date	Fair value 2017
1)	IRS	340	1.999%	27.10.2015	19.12.2017	-
		340				**-**

Hedging of Loan Portfolio

Vesteda Finance B.V. 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. In December 2017 the remaining €215 million notional of the IRS was unwound for a total consideration of €12 million. As a result of the unwind in 2017, Vesteda has no interest derivatives outstanding per year end 2017 for hedging of its Loan Portfolio.

According to the VRF Terms and Conditions, Vesteda is required to hedge a minimum of 70% of existing interest rate exposure. At 31 December 2017, 77% of interest rate exposure was hedged through fixed rate interest loans.

24. Trade and other payables

The trade and other payables are made up as follows:

	2017	2016
Trade payables	11	8
Amounts received in advance	19	15
Interest	5	6
VAT integration levy	2	3
Holiday days and holiday pay	1	1
Tax and social security contributions	5	5
Other	23	10
Total	**66**	**48**

25. Transactions with related parties

Vesteda has a pension plan with ABP; during 2017 premiums were paid for an amount of €2 million (2016: €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 the managing Board and the Supervisory Committee is explained in Note 28 and respectively Note 29.

26. 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. As per December 2017, Vesteda Residential Fund FGR has no derivative financial instruments outstanding.

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.

Vesteda must at all times meet its obligations under the loans it has taken out including the interest cover ratio with a minimum of 2.0 and loan-to-value covenant with a maximum of 50%.

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 or fixed rate debt. 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. As per December 2017, Vesteda Residential Fund FGR has no derivative financial instruments outstanding. At 31 December 2017, 77% of Vesteda's borrowings are subject to fixed interest (2016: 92% hedged, including derivatives).

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 2017 for an interest rate risk sensitivity scenario. The analysis has been prepared on the basis that the amount of net debt and the ratio of fixed-to-floating interest rates of the debt are constant. As Vesteda Residential Fund FGR has no derivative financial instruments outstanding as at the reporting date, no impact of the interest rate risk sensitivity on equity or the fair value of derivative financial instruments can be reported.

- 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.

An immediate increase of one percent point in the interest rates as at 31 December 2017 would increase the theoretical annual interest expense by €1.8 million, assuming that the composition of the financing is unchanged.

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 meet 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 at least 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

	On demand	< = 3 months	4-12 months	>1 year	Total
Year ended 31 December 2017					
Interest-bearing loans and borrowings	-	-	-	1,177	1,177
Interest	-	1	23	96	120
Deposits from tenants	14	-	-	-	14
Finance leases	-	-	-	-	-
Financial derivatives	-	-	-	-	-
Trade and other payables	14	25	-	-	39
	28	**26**	**23**	**1,273**	**1,350**
Year ended 31 December 2016					
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**

Estimated interest obligations for the revolving credit facility are based on the year-end outstanding amount.

Fair value of financial Instruments

This section describes the comparison between the carrying amounts of Vesteda Companies' financial instruments and their estimated fair values. Trade and other receivables and Trade and other payables are carried at amortised cost, but given their short duration, the fair value does not significantly deviate from the carrying amount (Level 3 valuation).

Cash and cash equivalents are recognised at fair value. With respect to financial assets, management concluded that the carrying amount is an appropriate estimate of the fair value. The derivatives are carried at their fair values (Level 2 valuation). With respect to the floating rate financial liabilities (both short term and long term), these are carrying a variable interest based on Euribor plus a mark-up, which does also take into account the perceived credit risk of the Vesteda Companies. As a result, their carrying amount approximates the fair value.

The fair value measurement of senior public notes that are issued by Vesteda Finance B.V. 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 B.V. 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 are observable at commonly quoted intervals.

The fair value measurement of the senior notes that were placed by Vesteda Finance B.V. under its EMTN programme as a private placement transaction 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 are observable at commonly quoted intervals.

The senior public notes, the senior private notes as well as the senior notes privately placed under the EMTN programme are 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	630	1
Senior private notes	300	314	2
	900	**944**	

The €600 million senior public notes represent an equivalent fair value estimate per year-end 2017 of €630 million.

The €200 million of senior private notes represent an equivalent fair value estimate per year-end 2017 of €213 million.

The €100 million of senior notes issued under the EMTN programme as a private placement represent an equivalent fair value estimate per year-end 2017 of €101 million.

In terms of value hierarchy the senior public notes can be qualified as Level 1 and the senior private notes as well as the senior notes privately placed under the EMTN programme 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 and the senior notes privately placed under the EMTN programme is determined based on inputs other than quoted prices.

27. 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 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

	2017	2016
Carrying amount of interest-bearing loans and borrowings	1,172	1,231
Unamortised issuing costs	5	6
Principal amount of interest-bearing loans and borrowings	**1,177**	**1,237**
External valuation of completed investment property	4,778	4,207
External valuation of investment property under construction	257	135
Total valuation of investment property	**5,035**	**4,342**
Loan to value ratio	23.4%	28.5%

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

28. 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 three risk/compliance members (the HR Manager, the Compliance Officer and the Internal Auditor).

In 2017 the company was charged €850,000 (2016: €972,000) for the remuneration of the Managing Board.

In addition social security charges and pension contributions were €64,000 (2016: €70,000) for the Managing Board.

The 2017 remuneration charges below include reservations for variable remuneration over 2017 to be awarded in 2018. The variable remuneration to be rewarded will partly have a deferred component. After approval of the annual accounts 2017, the Supervisory Committee will grant the target rewards for the Managing Board for the year 2017.

	Managing Board	Other Identified Staff*
Charged to the company in 2017 (accrual basis)		
Base salary charges	658,000	880,000
Variable remuneration charges 2017 (for future cash or shares)	192,000	164,000
Social security charges & pension contributions	64,000	165,000
Total charged to the company in 2017	**914,000**	**1,209,000**
*Other identified staff as per 31.12.2017		
# phantom shares granted before 2016	1,824	553
# phantom shares granted in 2016	810	766
# phantom shares cashed in 2016	0	241
# phantom shares granted end of 2016	**2,634**	**1,078**
# phantom shares granted in 2017	1,146	1,086
# phantom shares cashed in 2017	0	299
# phantom shares granted end of 2017	**3,780**	**1,865**
# phantom shares not locked up end of 2017	1,580	406
# phantom shares locked up until May 2018	688	435
# phantom shares locked up until May 2019	730	260
# phantom shares locked up until May 2020	324	306
# phantom shares locked up until May 2021	458	458

As per year end 2017 one phantom share represents a value of €131.83 (based on INREV NAV excluding to be paid distribution of 2017).

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 and Compliance Officer have no bonus scheme whereas the HR Manager is entitled to the performances with a maximum of 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 2017.

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 HR Manager , 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 phantom share 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 claw back provisions. Up and until 2017 these provisions have not been applicable.

29. Supervisory Committee remuneration

The total remuneration for the Supervisory Committee members in 2017 (January until August: four members, September until December: five members) was €190,000. In 2016, total remuneration was €224,000 (January: five members, February and March: six members, April until December: five members).

30. Service fees paid to external auditors

Management expenses include the following amounts recognised as fees: to Deloitte €326,000 (Deloitte 2016: €273,900) for audit services and to Deloitte €165,000 (Deloitte 2016: €39,875 and EY 2016: €125,000) for audit-related services. All amounts are excl. VAT.

31. Contingencies and commitments

The total liabilities for obligations entered into for construction contracts, rental and lease installments are €270 million (2016: €290 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	188	-	1
Due between 1 and 5 years	80	-	1
	268	**-**	**2**

As part of the provisions in Note 22 are applicable for future investment portfolio, the liabilities are also adapted for commitments of the future investment portfolio.

32. New and amended standards and interpretations

Changes in accounting policies and disclosures

Vesteda applied certain standards and amendments for the first time in 2017. However, they do not impact the annual consolidated financial statements of the consolidated financial statements of Vesteda.

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

- Amendments to IAS 7 Disclosure Initiative

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 does not anticipate that the application of these amendments will have a material impact on the consolidated financial statements.

New and amended standards and Interpretations, effective for financial years starting after 1 January 2017

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 *
IFRS 15	Revenue from Contracts with Customers (and the related Clarifications) *
IFRS 16	Leases **
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions *
Amendments to IAS 40	Transfers of Investment Property *

* Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

** 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. Overall, Vesteda expects no significant impact on its balance sheet and equity.

(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 expects no significant impact as no hedge accounting is applied at this time.

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 recognise 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.

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 recognised 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 has preliminary assessed the impact of IFRS 16, but the impact is expected to be limited to ground lease payments and the commercial investment property portfolio. Ground lease payments during 2017 amounted to €1.0 million. With regard to the commercial investment property portfolio, 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:

- 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.
- 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.
- A modification of a share-based payment that changes the transaction from cash-settled to equity-settled should be accounted for as follows:
  - the original liability is derecognised;
  - 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
  - any difference between the carrying amount of the liability at the modification date and the amount recognised 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, however not yet endorsed by the EU. 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 40 Transfers of Investment Property

- The amendments clarify that a transfer to, or from, investment property necessitates an assessment of whether a property meets, or has ceased to meet, the definition of investment property, supported by observable evidence that a change in use has occurred. The amendments further clarify that the situations listed in IAS 40 are not exhaustive and that a change in use is possible for properties under construction (i.e. a change in use is not limited to completed properties). The amendments are effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. Entities can apply the amendments either retrospectively (if this is possible without the use of hindsight) or prospectively. Specific transition provisions apply. Given the nature of Vesteda's business and previous transactions, no significant impact is expected.

33. Other information

Proposals to investors

Proposed appropriation of result for 2017

The Managing Board proposes that the profit for the year of €682 million 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 €138 million for the year 2017, of which €78 million paid in financial year 2017 and €26 million paid in January 2018. The annual accounts will be presented for adoption at the General Meeting of Participants on 4 April 2018. After the adoption the €34 million as a final distribution of 2017 will be paid.

Subsequent event

Sale of Urban Core Portfolio

On the 9th of March 2018, Vesteda signed a Sale and Purchase Agreement for the sale of 19 complexes consisting of approximately 1,900 residential units. The sale of these complexes will lead to our portfolio having a better fit with our strategy and our future ambitions. Closing of this transaction is subject to approval by the meeting of participants of the Vesteda Residential Fund to be held on the 4th of April 2018. The net proceeds of the transaction amount to €264 million and are substantially higher than the book values at year-end 2017.

Independent auditor's report

To the participants of Vesteda Residential Fund FGR

Report on the audit of the consolidated financial statements 2017 included in the annual accounts

Our opinion

We have audited the accompanying consolidated financial statements 2017 of Vesteda Residential Fund FGR, based in Amsterdam.

In our opinion the accompanying consolidated financial statements give a true and fair view of the financial position of Vesteda Residential Fund FGR as at 31 December 2017, and of its result and its cash flows for 2017 in accordance with International Financial Reporting Standards as adopted by the European Union (EU- IFRS) and 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 2017.
2. The following statements for 2017: 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 consolidated financial statements" section of our report.

We are independent of Vesteda Residential Fund FGR in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firm supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

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 19, 2018 we issued a separate auditor's report on the company financial statements.

Materiality

Based on our professional judgement we determined the materiality for the consolidated financial statements as a whole at €38 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 consolidated financial statements for qualitative reasons.

We agreed with the Supervisory Committee that misstatements in excess of €1.9 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 consolidated financial statements. We have communicated the key audit matters to the Supervisory Committee. The key audit matters are not a comprehensive reflection of all matters discussed.

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

Risk	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 14 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 current provisions are included in Note 22 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.

Report on the other information included in the annual accounts

In addition to the consolidated financial statements and our auditor's report thereon, 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 consolidated 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 consolidated financial statements.

Management is responsible for the preparation of the 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 the year 2016 and have operated as statutory auditor ever since that date.

Description of responsibilities regarding the consolidated financial statements

Responsibilities of management 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the consolidated financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the consolidated financial statements

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

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

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

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

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

We communicate with the supervisory board 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 identified during our audit.

We provide the supervisory board 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 board, we determine the key audit matters: those matters that were of most significance in the audit of the consolidated financial statements. 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 19, 2018

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 2017 figures	Actual impact on 2016 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	Yes	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)

	2017 IFRS	Adj.	2017 INREV	2016 IFRS	Adj.	2016 INREV
Gross rental income	247		247	242		242
Service charge income	10		10	10		10
Property operating expenses (excluding service charges)	(57)		(57)	(55)		(55)
Service charges	(16)		(16)	(15)		(15)
Other income	-		-	-		-
Net rental income	**184**		**184**	**182**		**182**
Result on projects in progress	-		-	1		1
Result on disposals	13		13	14		14
Management expenses	(16)		(16)	(22)		(22)
Financial results	(43)		(43)	(33)		(33)
Realised result before tax	**139**		**139**	**142**		**142**
Unrealised result	**544**		**544**	**391**		**391**
Result before tax	**682**		**682**	**533**		**533**
Tax	-		-	-		-
Result after tax (attributable to equity holders of the parent)	**682**		**682**	**533**		**533**
Other comprehensive income that will be reclassified subsequently to profit or loss						
- Unwind transaction derivatives	12		12	-		-
- Positive revaluation derivatives	6		6	4		4
Positive revaluation on Property, Plant and Equipment	1		1			
Fair value adjustment on liabilities		(2)	(2)	-	(29)	(29)
Acquisition costs on Investment property under construction		2	2			
Other comprehensive income, net of tax	**19**		**19**	**4**		**(25)**
Total comprehensive income (attributable to equity holders of the parent)	**701**		**701**	**537**		**508**

Consolidated statement of financial position in accordance with INREV valuation principles

(Amounts in € million)

	31 December 2017 IFRS	Adj.	31 December 2017 INREV	31 December 2016 IFRS	Adj.	31 December 2016 INREV
Assets						
Non-current assets						
Intangible fixed assets	-		-	-		-
Investment property	4,778		4,778	4,207		4,207
Investment property under construction	257	2	259	135		135
Property, plant and equipment	14		14	4		4
Financial assets	11		11	1		1
	5,060		**5,062**	**4,347**		**4,347**
Current assets						
Inventory property	-		-	-		-
Trade and other receivables	10		10	11		11
Cash and cash equivalents	14		14	17		17
	24		**24**	**28**		**28**
Total assets	**5,084**	**2**	**5,086**	**4,375**		**4,375**
Equity and liabilities						
Equity						
Group equity	3,819	(42)	3,777	3,045	(42)	3,003
Non-current liabilities						
Financial liabilities	1,172	44	1,216	1,231	42	1,273
Provisions	-		-	18		18
Derivative financial instruments	-		-	19		19
	1,172	**44**	**1,216**	**1,268**	**42**	**1,310**
Current liabilities						
Provisions	27		27	14		14
Trade and other payables	66		66	48		48
	93		**93**	**62**		**62**
Total liabilities	**1,265**	**44**	**1,309**	**1,330**	**42**	**1,372**
Total equity and liabilities	**5,084**	**2**	**5,086**	**4,375**	**-**	**4,375**

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 2016	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**
Result for the year	-	-	402	-	280	682
Other comprehensive income	-	-	1	19	-	20
Total comprehensive income	**-**	**-**	**403**	**19**	**280**	**702**
Realised from sales	-	-	(11)	-	11	-
Distribution	-	(206)	-	-	-	(206)
Capital paid in	3	277	-	-	-	280
Costs new equity	-	(1)	-	-	-	(1)
Changes according to INREV	-	-	2	-	(2)	-
As at 31 December 2017	**28**	**1,727**	**1,188**	**-**	**835**	**3,778**

Certain figures have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

INREV expense metrics

	2017	2016
Total Expense Ratio (NAV)	0.47%	0.80%
Total Expense Ratio (GAV)	0.35%	0.54%
Real Estate Expense Ratio (GAV)	1.36%	1.48%

The decrease in ratio of the Total Expenses Ratio (both NAV and GAV) from 2016 to 2017 is mainly due to the reorganisation provision (€7 million) made in 2016.

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 2016 – Q4 2017), divided by five. The quarterly figures of Q1, Q2 and Q3 2017 are unaudited.

The weighted average INREV GAV is calculated as the closing INREV gross asset value of five individual quarters (Q4 2016 – Q4 2017), divided by five. The quarterly figures of Q1, Q2 and Q3 2017 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 2017	31 December 2016
NAV per the IFRS financial statements		3,819	3,045
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		3,819	3,045
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	(44)	(42)
Revaluation to fair value of construction contracts for third parties	11		
Set-up costs	12		
Acquisition expenses	13	2	
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		**3,777**	**3,003**

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 2017, 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 2017.

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 2017.

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 2017, 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 2017, 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 2017, 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 2017, 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 2017, 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 2017, an adjustment has been made for the revaluation to fair value of the fixed interest debt financial liabilities of €44 million (2016: €42 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 2017, 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 capitalised 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 capitalising 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.

As per 31 december 2017 Vesteda has adjusted for any paid acquisition expenses on the current portfolio for €2 million.

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 recognised 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 2017, 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 2017, 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 2017, 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 2017, 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 in accordance with INREV valuation principles

Our Opinion

We have audited the accompanying financial overviews 2017 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, i.e. INREV valuation principles, as set out on page 132 up to and including page 135.

The financial overviews comprise:

1. The consolidated statement of financial position as at 31 December 2017.
2. The following statements for 2017: the consolidated statements of comprehensive income and changes in equity.
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 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, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

Description of the 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) as set out on page 132 up to and including page 135.

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.
- Evaluating whether the financial overviews represent the underlying transactions and events free from material misstatement.

We communicate with management 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 identified during our audit.

Amsterdam, March 19, 2018

Deloitte Accountants B.V.

J. Holland

Annexes

Annex 1: Key figures past ten years

	2017	2016	2015	2014	2013	2012	2011	2011	2010	2009	2008
	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	DG	DG	DG	DG
Statement of financial position											
Year-end, amounts in € million											
Total assets	5,084	4,375	3,839	3,667	3,782	4,158	4,497	4,513	4,707	4,932	5,107
Equity	3,819	3,045	2,629	2,262	2,280	2,423	2,670	2,671	2,793	2,941	3,264
Debt capital	1,177	1,237	1,098	1,265	1,350	1,523	1,649	1,649	1,695	1,758	1,725
Leverage (%)	23	28	29	35	36	37	37	37	36	36	34
Portfolio value											
Year-end, amounts in € million											
Development portfolio	248	135	77	13	23	12	24	76	163	254	279
Investment portfolio	4,778	4,207	3,726	3,593	3,655	3,970	4,265	4,248	4,402	4,484	4,699
Total portfolio	**5,019**	**4,342**	**3,803**	**3,605**	**3,678**	**3,982**	**4,289**	**4,324**	**4,565**	**4,738**	**4,978**
Units											
Year-end											
Number of residential units	22,454	22,629	22,599	22,990	23,791	25,100	25,828	25,828	26,732	27,243	27,624
Number of commercial m2	38,722	35,406	34,319	36,359	36,640	50,491	55,410	55,410	57,515	51,663	43,179
Number of parking/garage spaces	9,226	9,094	9,293	9,335	9,527	10,217	10,427	10,427	10,177	9,699	9,457
Occupancy rate											
Year-end											
Investment portfolio (%)	97.6	97.8	97.9	96.6	96.1	95.6	95.7	95.7	95.2	95.3	97.1
Net rental income											
Amounts in € million											
Investment portfolio, at start of year	4,207	3,726	3,593	3,655	3,970	4,265	4,402	4,402	4,484	4,699	4,799
Net rental income	184	182	176	176	181	177	173	173	175	180	176
Net rental income (%)	4.4	4.9	4.9	4.8	4.6	4.2	3.9	3.9	3.9	3.8	3.6
Tenant satisfaction											
Rating (out of 10)											
Investment portfolio	6.9	7.0	6.9	6.9	6.9	7.0	7.0	7.0	6.9	7.0	7.0
Operating result											
Amounts in € million											
Realised result from letting	138	141	122	110	104	98	88	89	110	109	110
Realised result from project development	-	1	-	4	(1)	(1)	(4)	(13)	(27)	-	(3)
Unrealised results	544	391	169	22	(163)	(234)	(138)	(123)	(177)	(372)	(119)
Total operating result	**682**	**533**	**291**	**136**	**(60)**	**(137)**	**(49)**	**(47)**	**(94)**	**(263)**	**(12)**
Operating return											
As % of opening equity											
Realised return from letting	4.5	5.3	5.4	4.8	4.3	3.6	3.1	3.2	3.7	3.4	3.3
Realised return from project development	-	0.1	-	0.2	(0.1)	-	(0.1)	(0.5)	(0.9)	-	(0.1)
Unrealised return	17.9	14.9	7.5	1.0	(6.7)	(8.7)	(4.9)	(4.4)	(6.0)	(11.4)	(3.6)
Total operating return	**22.4**	**20.3**	**12.9**	**6.0**	**(2.5)**	**(5.1)**	**(1.9)**	**(1.7)**	**(3.2)**	**(8.0)**	**(0.4)**
Employees											
Year-end											
FTE	176	181	179	189	227	253	305	305	332	346	337
Result											

	2017	2016	2015	2014	2013	2012	2011	2011	2010	2009	2008
Amounts in € million											
Total operating result	682	533	291	136	(60)	(137)	(49)	(47)	(94)	(263)	(12)
Derivatives	18	4	25	(4)	41	(30)	11	11	21	(35)	(92)
- revaluation	*6*	*4*	*11*	*(16)*	*41*	*(30)*	*11*	*11*	*21*	*(35)*	*(92)*
- unwind	*12*	-	*14*	*12*	-	-	-	-	-	-	-
Revaluation of PPE	1	-	-	-	-	-	-	-	-	-	-
Total comprehensive result	**701**	**537**	**316**	**132**	**(19)**	**(167)**	**(38)**	**(36)**	**(73)**	**(298)**	**(104)**
Return											
As % of opening equity											
Total operating return	22.4	20.3	12.9	6.0	(2.5)	(5.1)	(1.9)	(1.7)	(3.2)	(8.0)	(0.4)
Revaluation of derivatives	0.6	0.1	1.1	(0.2)	1.7	(1.1)	0.4	0.4	0.7	(1.1)	(2.7)
Total return	23.0	20.4	14.0	5.8	(0.8)	(6.2)	(1.5)	(1.3)	(2.5)	(9.1)	(3.1)
Distribution to investors											
Amounts in € million											
Opening equity	3,045	2,629	2,262	2,280	2,423	2,670	2,799	2,793	2,941	3,264	3,368
Paid distribution to investors	206	121	107	100	74	120	109	109	84	146	80
Distribution to investors (%)	6.8	4.6	4.7	4.4	3.1	4.5	3.9	3.9	2.9	4.5	2.4
Distribution to investors											
Amounts in € participation											
Opening equity	118.03	101.93	94.07	92.77	96.47	104.15	109.29	109.06	114.87	127.49	131.52
Paid distribution to investors	7.98	4.71	4.43	4.07	2.95	4.68	4.25	4.25	3.28	5.69	3.12
Distribution to investors (%)	6.8	4.6	4.7	4.4	3.1	4.5	3.9	3.9	2.9	4.5	2.4

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

GRI Content Index for 'In accordance' - Core *

Indicator	Disclosure	Reference
GRI 102: General disclosures		
1. Organisational profile		
102-1	Name of the organisation	About Vesteda, p.6
102-2	Activities, brands, products, and services	About Vesteda, p.6 Key portfolio characteristics, p.8
102-3	Location of the organisation's headquarters	De Boelelaan 759, 1082 RS Amsterdam
102-4	Number of countries operating	Vesteda operates exclusively in the Netherlands. About Vesteda, p.6 Key portfolio characteristics, p.8
102-5	Nature of ownership and legal form	Governance and risk management - Legal structure, p.67
102-6	Markets served	Vesteda operates exclusively in the Netherlands. About Vesteda, p.6 Key portfolio characteristics, p.8
102-7	Scale of the reporting organisation	Key portfolio characteristics, p.8 Key developments 2017, p.11 Organisation, Organisational Structure and Workforce, p.63-64 Notes to the consolidated financial statements, p.92, p.107-109
102-8	Information on employees and other workers	Organisation, Organisational Structure and Workforce, p.64 Of Vesteda's total workforce there is no significant share of workers who are not employees.
102-9	Supply chain	Key developments, p.22-24 CSSR, Sustainability in the chain, p.59 Governance and risk management - Legal structure, p.67 Value chain, p.79
102-10	Significant changes to the organisation and its supply chain	About Vesteda, Key milestone dates in the life of the fund, p.7 Key Developments 2017, p.11 CSSR, Sustainability in the chain, p.59
102-11	Precautionary Principle or approach	Risk related to Portfolio Strategy, the risk that Vesteda is unable to meet its CSSR targets and ambitions, p.74-75 'In control' statement, p.75
102-12	External initiatives	Key developments, Portfolio Strategy, relative performance: MSCI, p.23 Financial and non-financial inormation: INREV Guidelines, p.82 Ethics and integrity, Code of Conduct, p.71 Corporate Sustainability and Social Responsibility, Governance - Responisble business: GRESB, p.62
102-13	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) Founding partner of the Green Business Club Zuidas (GBC-Z). (Corporate Sustainability and Social Responsibility, Envrionmental - Improve sustainability, sustainability in the chain: IVBN)
2. Strategy		
102-14	Statement from senior decision-maker	Foreword Managing Board, p.12-13
3. Ethics and integrity		
102-16	Values, principles, standards, and norms of behavior	Governance and risk management - Ethics and Integrity, p.71
4. Governance		
102-18	Governance structure	Governance and risk management, p.67-70
5. Stakeholder Engagement		
102-40	List of stakeholder groups	About this report, Content report, p.76
102-41	Collective bargaining agreements	The percentage of total employees covered by collective bargaining agreements was 91% at year-end 2017, p.142 About this report, Dialogue with stakeholders, p.80-81
102-42	Identifying and selecting stakeholders	About this report, Content report, p.76

102-43	Approach to stakeholder engagement	About this report, Dialogue with stakeholders, p.80-81
102-44	Key topics and concerns raised	About this report, Dialogue with stakeholders, p.80-81
6. Reporting practice		
102-45	Entities included in the consolidated financial statements	Notes to the consolidated financial statements - 2: Basis of preparation, p.91-92 All entities included in the financial statements are also in scope for the rest of the report.
102-46	Defining report content and topic Boundaries	About this Report, Material aspects, p.76 About this report, Scope, p.78 Notes to the consolidated financial statements - 2: Basis of preparation, p.91-92
102-47	List of material topics	About this Report, Material aspects, p.76
102-48	Restatements of information	Notes to the consolidated financial statements - 2: Basis of preparation, p.91
102-49	Changes in reporting	About this Report, Material aspects, p.76
102-50	Reporting period	January - December 2017
102-51	Date of most recent report	The Vesteda annual report 2016 was published on 12 April 2017
102-52	Reporting cycle	Annually
102-53	Contact point for questions regarding the report	Colophon, p.159
102-54	Claims of reporting in accordance with the GRI Standards	About this report, Material aspects, p.76
102-55	GRI content index	Annex 2: GRI Content Index for 'In accordance' - Core, p.142-147
102-56	External assurance	Assurance report of the independent auditor, p.83-84
GRI 103: Management approach		
103-1	Explanation of the material topic and its Boundary	About this Report, Material aspects, p.76-77
103-2	The management approach and its components	About this Report, Material aspects, p.76-77 Value chain, p.79 Dialogue with stakeholders, 80-81
103-3	Evaluation of the management approach	About this Report, Material aspects, p.76-77 Value chain, p.79 Dialogue with stakeholders, 80-81 Governance and risk management - The scope of risk management, p.72-73
Topic Specific Standards		
GRI 201: Economic performance (Economic performance)		
201	Management approach disclosures	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.
201-1	Direct economic value generated or distributed	Management Report - Notes to the results, Key figures, p.27 Management Report - Notes to the results, Key figures, Equity, p.29-30 Notes to the consolidated financial statements, 7. Property operatings expenses, p.100 Notes to the consolidated financial statements, 9. Management expenses, p.101 Notes to the consolidated financial statements, 12. Tax, p.101
GRI 205: Anti-corruption (Business Integrity)		

205	Management approach disclosures	Business integrity is closely linked to our reputation, given that acting with integrity also protects our reputation and the reputation of the industry we operate in. Our integrity concerns all of Vesteda's employees. 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 a KYC test, employees have to abide by our code of conduct, we have a whistle blower scheme and we screen certain parties we conduct business with. 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. All employees are responsible for safeguarding and implementing our integrity policy on a day to day basis. The Compliance Officer firstly draws up the policy and any changes to said policy for approval by senior management. Any cases of integrity incidents are registered and are taken in regard in potential policy renewal. The Compliance Officer monitors the correct implementation of the approved policy by the business and reports any material integrity incidents to senior management each quarter. The senior management is responsible for the correct implementation of and compliance with the policy Business Integrity.
205-3	Confirmed incidents of corruption and actions taken	Governance and risk management - Ethics and Integrity, p.71
GRI 308: Supplier environmental assessment (Sustainability in the supply chain)		
308	Management approach disclosures	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 within our supply chain. As of 2016, we started asking our significant suppliers and a number of other preferred suppliers to sign the IVBN's sustainability declaration suppliers. This sustainability declaration covers environmental, social and ethical topics. The responsibility for this process is part of the Operations department and specifically of the team leader contract management and procurement. It is our goal to take care of embedding the supplier declaration in our internal processes in such a way that all new suppliers, before engaging with Vesteda, sign and work in accordance with the IVBN.
308-1	Percentage of new suppliers that were screened using environmental criteria	Corporate Sustainability and Social Responsibility - Sustainability in the chain, p.59
GRI 414: Supplier social assessment (Sustainability in the supply chain)		
414	Management approach disclosures	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 within our supply chain. As of 2016, we started asking our significant suppliers and a number of other preferred suppliers to sign the IVBN's sustainability declaration suppliers. This sustainability declaration covers environmental, social and ethical topics. The responsibility for this process is part of the Operations department and specifically of the team leader contract management and procurement. It is our goal to take care of embedding the supplier declaration in our internal processes in such a way that all new suppliers, before engaging with Vesteda, sign and work in accordance with the IVBN.
414-1	New suppliers that were screened using social criteria	Corporate Sustainability and Social Responsibility - Sustainability in the chain
GRI 416: Customer health and safety (healthy buildings and sustainable innovations)		

416	Management approach disclosures	Vesteda believes it is important that the homes in our portfolio are healthy. This implies that they are free of high-risk asbestos, 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 well-being of our tenants. Asbestos Houses built before 1994 can contain asbestos. This is not necessarily a health threat. 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. 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, to improve their life-time, 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. Risk map Our ambition is to draw up a risk map for every residential building. We use these maps to identify the most significant risks and follow these up. The Operations department is responsible for both the execution of this aspect and the management of the process.
416-1	Assessment of the health and safety impacts of product and service categories	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.
Own indicator	Relevant initiatives & activities regarding sustainable innovations	Corporate Sustainability and Social Responsibility - Strategic project: Electric Cars De Boel, p.59
GRI 419: Socioeconomic compliance (Compliance)		

419	Management approach disclosures	Governance and risk management - 3. Compliance risks related to non-compliance with legislation and regulations, p.73 In addition to having a good reputation and to be a good and reliable investment, we also have to comply with all relevant laws and regulations (internal and external). Compliance is therefore a part of our Corporate Governance. With respect to compliance, two of our main aims are to incur no (monetary) sanctions and to retain our AFM license. In 2017, we have appointed a Compliance Officer (CO). Our CO is responsible for the overall compliance programme and monitoring that compliance is embedded in our organisation. The CO monitors our compliance and reports to the Managing Board and Nomination and Remuneration Committee. If necessary, the CO adjusts its activities (advice, monitoring) accordingly. The annual compliance programme therefore has a dynamic character. Additionally, the Compliance Officer is also acting as "Compliance Officer AIFMD" (Alternative Investment Fund Manager Directive) and monitors compliance with the laws and regulations supervised by the AFM, our CFO is responsible for fiscal compliance, and our General Counsel is responsible for legal compliance. The Risk Committee manages 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.
419-1	Non-compliance with laws and regulations in the social and economic area	There were no significant fines paid by Vesteda in 2017. Governance and risk management - Ethics and Integrity, p.71
GRI CRE - Products and services (green certification & sustainable construction and maintenance)		
	Management approach disclosures	We use sustainable maintenance and renovation to improve the living environment of our tenants. This can include getting rid of draughts and mould. We also strive, among other things, to improve the energy labels of our homes. By aiming for sustainable maintenance and renovation, we also try to play our part in global developments such as the government's Energy Agreement and agreements reached at the climate summit COP21. Our goal is to make sure that 80% of Vesteda's portfolio has a green label (at least energy label C) by 2020. The remaining 20% should have at least energy label D, and 0% should have energy label E, F or G. Portfolio Strategy is responsible for the progress in and supervision of our energy labels. The labels are updated according to energy-related measures and based on expiry dates (10 years). An overview is reported each quarter and sent to Operations. In 2015, Vesteda 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. 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 2017 through 2020.
GRI CRE8	Products and Service Labelling	Corporate Sustainability and Social Responsibility - Strategic project: Portfolio Sustainability Improvement, p.56 Corporate Sustainability and Social Responsibility - Strategic project: Sustainable acquisitions, p.61
Other for Vesteda material indicators that are not included in the topic specfic GRI indicators		
Transparency and Corporate Governance		

Own indicator	Management approach disclosures	To be a good and reliable investment, we have to make sure our organisation is well managed and controlled. 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. Further, to the extent practicable and applicable, Vesteda applies the principles of the Dutch Corporate Governance Code. 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, within the framework of the Terms and Conditions of the Fund. The Supervisory Committee, comprising a minimum of five members, is responsible for the supervision of the fund. The Supervisory Committee has also set up an Audit Committee and Nomination and Remuneration Committee. Every Supervisory Committee member is independent in the sense defined in the Dutch Corporate Governance Code. With respect to its composition, Supervisory Committee strives to achieve the best possible balance between know-how and experience in the fields of management, compliance, risk management, financial reporting and knowledge of real estate and investments. To monitor the transparency of our organisation we use the self-assessment of the INREV Guidelines. Over 2017, our overall compliance rate with the INREV Guidelines was 80%. We have not set quantitative targets on transparency and corporate governance. Results of the self-assessment are evaluated internally.
	Insight in Corporate governance	Governance and Risk management, p.67-70
	Transparency is in accordance with INREV Guidelines	About this report - INREV Guidelines, p.82
Tenant satisfaction		
Own indicator	Management approach disclosures	A home is a basic need and we want to provide our tenants with a safe home and good services. We conduct two types of surveys to monitor our performance. This year, we invested in a new partnership with external party CustomEyes to conduct the yearly image survey. This is part of a sector-wide benchmark. The results are shared with tenants and evaluated within the Vesteda Managing Board. The Portfolio Strategy department is responsible for this. Our target for this survey is a tenant satisfaction score of at least 7. Second, to monitor and improve the services we provide, external party KCM conducts continuous surveys based on direct feedback from our tenants. Our Operations department is in daily contact with our tenants, dealing with the intake of new tenants, requests for repair and maintenance, and handling complaints. We use the findings of these surveys for a process of continuous improvement in our service levels. The targets for this survey are as follows: Repair requests at least a 7.6, Intake at least a 7.3, My Vesteda at least a 7.5, Complaints at least a 5.7 (ones and tens are not counted in this score).
	Outcomes of the tenant satisfaction benchmark and the KCM survey	Tenant survey, p.33-36

* Unless otherwise indicated, all GRI Standards listed refer to the 2016 version of the Standards.

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.
SDE+	The SDE+ (in Dutch: Stimulering Duurzame Energieproductie) is an operating grant. With SDE+ the Ministry of Economic Affairs and Climate Policy aims to encourage the production of renewable energy in the Netherlands.
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 (NRVT or Dutch Register of Real Estate Appraisers), 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.

In 2017, the valuations of the properties in the portfolio were conducted by the following agencies:

- CBRE Valuation Advisory (Q1, Q2, Q3)
- Dynamis Taxaties (Q1, Q2, Q3)
- DTZ Zadelhoff v.o.f. (Q1, Q2)
- Colliers International Consultants (Q1, Q2, Q3, Q4)
- Cushman & Wakefield (Q1, Q2, Q3, Q4)
- Capital Value Taxaties (Q1, Q2, Q3, Q4)
- Jones Lang LaSalle (Q2, Q3, Q4)

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. In order to guarantee their independence and objectivity, every appraisal agency is contracted for a period of maximum four years.

For the purpose of the valuations, Vesteda divides the portfolio properties into four equal sub portfolios, each with its own appraisal agency. Once a property has been valued by the same appraisal agency for 3 years, it is assigned a different appraisal agency, 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 x 100) | **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	9	9	0	10	0	0	102
Abcoude, Ereprijs, Fluitekruid App. II, UT, 1989	100%	M	P	25	0	25	20	0	0	230
Abcoude, Ereprijs, Fluitekruid II, UT, 1989	100%	M	P	50	50	0	48	0	0	609
Abcoude, Fluitekruid, Fluitekruid App. I, UT, 1989	100%	M	P	23	0	23	18	0	0	211
Abcoude, Fluitekruid, Fluitekruid I, UT, 1989	100%	M	P	31	31	0	34	0	0	401
Almere, Dek, Noorderplassen, FL, 2004	100%	M	S	32	32	0	49	0	0	372
Almere, Fellinilaan, Fellinilaan, FL, 1998	100%	M	S	42	0	42	43	0	0	480
Almere, Gleditsiastraat, Parkwijk, FL, 1995	100%	M	S	62	62	0	85	0	0	644
Almere, Harderwijkoever, Boulevardflat, FL, 1984	100%	M	S	178	0	178	148	0	179	1,581
Almere, Havenhoofd, Havenhoofd, FL, 1986	100%	M	S	47	0	47	45	0	0	467
Almere, Jacques Tatilaan, Filmwijk, FL, 1998	100%	M	S	90	90	0	114	0	0	943
Almere, Jarenweg, Seizoenenbuurt, FL, 1999	100%	M	S	40	40	0	45	0	0	391
Almere, Koetsierbaan, Side by Side toren I, FL, 2007	100%	M	S	14	0	14	16	0	12	202
Almere, Koetsierbaan, Side by Side toren II, FL, 2007	100%	M	S	82	0	82	83	1	88	1,037
Almere, Lotusbloemweg, Bloemenbuurt, FL, 1990	100%	M	S	59	59	0	67	0	0	606
Almere, Marktmeesterstraat, Bankierbaan, FL, 1988	100%	R	S	100	0	100	91	0	0	839
Almere, Marktmeesterstraat, Marktmeesterstraat, FL, 1989	100%	R	S	28	0	28	24	0	0	234
Almere, Marktmeesterstraat, U Blok - Centrum, FL, 1989	100%	R	S	104	0	104	92	0	83	921
Almere, Messiaenplantsoen, Messiaenplantsoen, FL, 1990	100%	M	S	76	0	76	62	0	0	652
Almere, Nova Zemblastraat, Eilandenbuurt, FL, 2003	100%	M	S	43	43	0	49	0	0	466
Almere, Preludeweg, Muziekwijk Preludeweg, FL, 1994	100%	M	S	115	115	0	145	0	0	1,229
Almere, Raaigrasstraat, Kruidenwijk, FL, 1988	LH	M	S	84	84	0	97	0	0	834
Almere, Rondostraat, Muziekwijk Rondostraat, FL, 1992	100%	M	S	25	25	0	33	1	0	288
Almere, Simon Vestdijkstraat, Literatuurwijk, FL, 1998	100%	M	S	38	38	0	47	0	0	387
Almere, Slagbaai, Waterwijk, FL, 1983	100%	M	S	21	21	0	23	0	0	189
Almere, Vrije Zeestraat, Oostvaardersbuurt, FL, 2001	100%	M	S	42	42	0	55	0	0	430
Almere-Stad, Quickstepstraat, Danswijk, FL, 1999	100%	M	S	33	33	0	37	0	0	318
Amersfoort, Amsterdamseweg, Puntenburg Hoogbouw, UT, 2011	100%	M	P	49	0	49	58	2	54	752
Amersfoort, Blekerssingel, Willem III Swaenenborgh, UT, 1988	100%	M	P	13	0	13	11	0	0	131
Amersfoort, Blekerssingel, Willem III, UT, 1988	100%	M	P	18	0	18	15	0	0	182
Amersfoort, Bombardonstraat, Zielhorst App., UT, 1990	100%	M	P	36	0	36	29	0	0	346
Amersfoort, Bombardonstraat, Zielhorst, UT, 1990	100%	M	P	20	20	0	20	0	0	208
Amersfoort, Bruggensingel-Zuid, Kattenbroek App., UT, 1991	100%	M	P	55	0	55	53	0	0	543
Amersfoort, Groote Kreek, Kattenbroek Eiland, UT, 1993	100%	M	P	101	101	0	139	0	0	1,268
Amersfoort, Grote Koppel, Zeven Provinciën, UT, 2004	100%	M	P	58	0	58	66	0	0	835
Amersfoort, Kasteel, Kattenbroek, UT, 1991	100%	M	P	79	79	0	106	0	0	936
Amersfoort, Parelvisserspad, Schuilenburg, UT, 1969	100%	M	P	116	116	0	142	0	50	1,321
Amersfoort, Zeeuwsestraat, Puntenburg Laagbouw, UT, 2010	100%	M	P	59	0	59	57	0	59	770

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Amstelveen, Groenhof, Cirrus, NH, 1972	100%	M	P	75	0	75	62	0	13	693
Amstelveen, Westelijk Halfrond, Stratus; Multatuli; Meridiaan, NH, 1974	100%	R	P	160	0	160	132	0	24	1,377
Amsterdam, B. Merkelbachsingel, 14Noord, NH, 2015	LH	M	P	14	0	14	13	0	0	174
Amsterdam, Bart de Ligtstraat, Julianapark, NH, 1991	LH	H	P	40	40	0	51	0	16	665
Amsterdam, Bert Haanstrakade, IJzicht, NH, 2009	LH	H	P	120	0	120	149	10	129	2,200
Amsterdam, Bijlmerdreef, Gerenstein-Gallery, NH, 2007	LH	M	P	96	0	96	94	0	0	1,053
Amsterdam, Bonhoeffersingel, Midden Akerveldsepolder App. I, NH, 1989	LH	M	P	48	0	48	36	0	0	462
Amsterdam, Bonhoeffersingel, Midden Akerveldsepolder I, NH, 1989	LH	M	P	160	160	0	184	0	0	1,990
Amsterdam, Brigantijnkade, Steigereiland Tjalk, NH, 2010	LH	H	P	26	0	26	32	7	46	577
Amsterdam, Ceramiquelaan, De Zeearend, NH, 2012	LH	H	P	9	0	9	10	0	16	191
Amsterdam, Churchilllaan, Churchilllaan Amsterdam, NH, 1926	LH	M	P	168	0	168	135	13	0	2,453
Amsterdam, Cornelis Outshoornstraat, De Drie Bouwmeesters App., NH, 2006	LH	M	P	46	0	46	43	0	48	517
Amsterdam, De Boelelaan, De Boel, NH, 1963	LH	M	P	154	0	154	112	32	17	2,912
Amsterdam, Diopter, Diopter, NH, 1998	LH	M	P	53	53	0	66	0	0	680
Amsterdam, Galjootstraat, Steigereiland Klipper, NH, 2009	LH	M	P	59	0	59	59	0	68	880
Amsterdam, Gustav Mahlerlaan, New Amsterdam, NH, 2008	LH	H	P	171	0	171	204	25	198	4,370
Amsterdam, Hammerbystraat, De Willem Barentsz, NH, 2012	LH	H	P	13	0	13	14	0	14	233
Amsterdam, Henri Dunantstraat, De Dunant, NH, 2017	LH	H	P	73	23	50	73	0	22	1,139
Amsterdam, Hooivletstraat, Steigereiland Schoener, NH, 2009	LH	M	P	59	0	59	59	0	68	874
Amsterdam, Ijburglaan, Blok 4 App., NH, 2003	LH	H	P	26	0	26	34	0	26	449
Amsterdam, Ijburglaan, Blok 4 Maisonnettes, NH, 2003	LH	H	P	11	0	11	24	0	11	252
Amsterdam, Ijburglaan, De Ontdekking, NH, 2008	LH	M	P	43	0	43	47	0	43	658
Amsterdam, Ijburglaan, De Uitkijk, NH, 2005	LH	M	P	31	0	31	37	0	34	467
Amsterdam, J.P. Kloosstraat, De Hagen, NH, 2016	LH	M	P	64	0	64	55	0	64	869
Amsterdam, Jan Puntstraat, Huizingalaan, NH, 1990	LH	M	P	167	0	167	149	0	143	2,082
Amsterdam, Jean Desmetstraat, Jean Desmetstraat, NH, 2008	LH	H	P	12	12	0	14	0	12	201
Amsterdam, John Blankensteinstraat, De Generaal, NH, 2017	LH	M	P	56	0	56	44	0	45	775
Amsterdam, Joris Ivensstraat, De Waterlinie, NH, 2004	LH	H	P	41	0	41	44	4	58	706
Amsterdam, Leusdenhof, Nellestein, NH, 1980	LH	R	P	206	0	206	185	3	253	1,870
Amsterdam, Maliebaan, Julianapark App., NH, 1991	LH	M	P	186	0	186	155	0	0	2,570
Amsterdam, Mijndenhof, Mijndenhof, NH, 1984	LH	M	P	109	109	0	102	0	0	1,203
Amsterdam, Olympiaplein, Olympiaplein, NH, 1926	LH	M	P	29	0	29	27	0	0	405
Amsterdam, Overhoeksparklaan, De Europa, NH, 2011	LH	H	P	61	0	61	72	0	91	1,455
Amsterdam, Pieter Calandlaan, Calandtoren, NH, 2004	LH	M	P	65	0	65	62	15	67	993
Amsterdam, Pieter Postpad, De Drie Bouwmeesters , NH, 2006	LH	M	P	37	37	0	51	0	0	527
Amsterdam, President Kennedylaan, Kennedylaan, NH, 1939	LH	M	P	8	0	8	6	0	0	83
Amsterdam, Purperhoedenveem, Boston, NH, 2006	LH	H	P	90	0	90	95	0	0	1,624
Amsterdam, R. Bloemgartensingel, Midden Akerveldsepolder App. II, NH, 1990	LH	M	P	48	0	48	36	0	0	445
Amsterdam, R. Bloemgartensingel, Midden Akerveldsepolder II, NH, 1990	LH	M	P	177	177	0	226	0	0	2,174
Amsterdam, Snelleveldstraat, Reigersbos, NH, 1984	LH	M	P	153	153	0	144	1	0	1,673
Amsterdam, Veemkade, Detroit, NH, 2004	LH	H	P	81	0	81	107	25	0	1,992
Amsterdam, Wethouder Abrahamspad, Wethouderbuurt, NH, 1986	LH	M	P	178	178	0	191	1	0	1,894
Amsterdam, Wethouder Driessenstraat, Wethouderbuurt, NH, 1987	LH	M	P	155	155	0	179	0	0	1,750
Amsterdam, Withoedenveem, Parkeergarage Nieuw Amerika, NH, 2006	LH	-	P	0	0	0	-	0	292	484
Amsterdam, Wolbrantskerkweg, De Drie Wachters, NH, 2005	LH	R	P	108	0	108	95	0	82	838
Amsterdam, Zuidelijke Wandelweg, De Miranda, NH, 1998	100%	M	P	90	0	90	91	34	92	1,728

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Apeldoorn, Disselhof, De Stadhouder, GD, 2009	100%	M	P	76	0	76	89	0	117	965
Arnhem, Amsterdamseweg, Rosorum, GD, 2009	100%	H	P	20	0	20	16	0	16	352
Arnhem, Boreasplantsoen, Lunahof, GD, 2016	100%	M	P	31	31	0	37	0	26	338
Arnhem, Castorstraat, Helioshof, GD, 2015	100%	M	P	29	29	0	32	0	29	304
Arnhem, Ginnekenstraat, Kroonse Wal, GD, 1988	100%	M	P	30	0	30	26	0	0	260
Arnhem, Hooghalensingel, Vredenburg, GD, 1974	100%	M	P	111	111	0	140	0	5	1,105
Arnhem, Hoogvliethof, Elderveld, GD, 1976	100%	M	P	59	59	0	68	0	13	524
Assen, Aardbeihof, Kloosterhoven, DR, 2004	100%	H	S	1	1	0	1	0	0	15
Assen, Groenkampen, Peelo, DR, 1986	100%	R	S	42	42	0	51	0	0	355
Assen, Roegoorn, Marsdijk, DR, 1990	100%	M	S	24	24	0	24	0	0	257
Assen, Zuidhaege, Zuidhaege, DR, 1997	100%	M	S	60	0	60	57	0	56	642
Beek, Kastanjelaan, Spaubeek, LB, 1983	100%	M	O	11	11	0	12	0	0	100
Bergen op Zoom, Agger, Bergse Plaat Agger, NB, 1993	100%	M	S	15	15	0	18	0	0	165
Bergen op Zoom, Ansjovislaan, De Weer I, NB, 1994	100%	M	S	33	0	33	37	0	38	359
Bergen op Zoom, Ansjovislaan, De Weer II, NB, 1994	100%	M	S	76	0	76	84	0	84	836
Bergen op Zoom, Ansjovislaan, Laguna, NB, 2008	100%	M	S	33	0	33	35	0	33	410
Bergen op Zoom, Ansjovislaan, Villa Murano, NB, 2009	100%	M	S	17	0	17	18	0	17	202
Bergen op Zoom, Duvenee, Bergse Plaat Duvenee, NB, 1991	100%	M	S	92	92	0	111	0	0	932
Bergen op Zoom, Statietjalk, Landmark, NB, 2004	100%	M	S	15	0	15	18	0	15	195
Bergen op Zoom, Zandstraat, Leemberg, NB, 1975	100%	R	S	24	24	0	21	0	0	190
Breda, Argusvlinder, Argusvlinder, NB, 1999	100%	R	P	64	0	64	42	0	0	437
Breda, Blauwtjes, Blauwtjes, NB, 1999	100%	M	P	36	0	36	33	0	41	389
Breda, Ceresstraat, Drie Hoefijzers, NB, 2011	100%	M	P	42	0	42	49	0	46	618
Breda, Johanna van Polanentoren, De Stadswachter, NB, 2016	LH	M	P	75	0	75	69	0	75	904
Breda, Lachappellestraat, Lachappellestraat, NB, 1961	100%	R	P	34	0	34	23	0	13	283
Breda, Lovensdijkstraat, Nieuw Vredenbergh , NB, 2011	100%	H	P	124	0	124	148	0	130	2,003
Breda, Lovensdijkstraat, Serviceresidentie Vredenbergh, NB, 2004	LH	M	P	102	0	102	65	17	56	1,429
Breda, Markhoek, Marckhoek, NB, 2014	100%	H	P	23	0	23	27	0	25	447
Breda, Nonnenveld, Het Paleis, NB, 2005	100%	M	P	47	0	47	63	0	48	732
Brummen, Buizerdstraat, De Enk, GD, 1974	100%	M	O	34	34	0	41	0	1	328
Bunnik, Esdoorn, Dalenoord, UT, 1989	100%	M	P	15	15	0	14	0	0	146
Bunnik, Koekoeksbloem, Dalenoord App., UT, 1989	100%	M	P	16	0	16	12	0	0	145
Capelle a/d IJssel, Doelen, Doelen en Louvre, ZH, 1983	100%	M	P	72	72	0	71	0	0	712
Capelle a/d IJssel, Librije, Hermitage, ZH, 1983	100%	M	P	49	49	0	48	0	0	487
Capelle a/d IJssel, Rigoletto, Louvre/Rigoletto, ZH, 1983	100%	R	P	56	0	56	43	0	0	466
Capelle a/d IJssel, Slotplein, Slotplein, ZH, 1997	100%	M	P	80	0	80	86	0	0	939
Culemborg, Akelei, Voorkoop, GD, 1985	100%	M	S	16	16	0	20	0	0	172
Den Bosch, A. der Kinderenlaan, Amazones, NB, 2014	100%	H	P	42	0	42	49	0	59	721
Den Bosch, Bordeslaan, Armada, NB, 2004	100%	H	P	4	0	4	5	0	8	77
Den Bosch, Goudsbloemvallei, Goudsbloem, NB, 2017	100%	M	P	25	0	25	24	0	38	309
Den Bosch, Hofvijver, Jheronimus, NB, 2014	100%	H	P	44	0	44	45	0	48	698
Den Bosch, Kruiskampsingel, Meanderflat, NB, 1968	100%	R	P	91	0	91	78	0	14	781
Den Bosch, Natewischstede, Maaspoort, NB, 1987	100%	M	P	48	48	0	45	0	0	490
Den Bosch, Pisastraat, Pisastaete, NB, 1989	100%	M	P	57	0	57	46	0	72	578
Den Haag, De Brink, De Brink, ZH, 1975	100%	R	P	103	6	97	78	0	92	806
Den Haag, Laakweg, Piazza, ZH, 1998	LH	M	P	73	0	73	65	0	58	694
Den Haag, Leyweg, De Leyster, ZH, 2013	LH	M	P	49	0	49	52	0	64	568
Den Haag, Noorderbrink, De Brinken, ZH, 1975	100%	M	P	224	224	0	273	0	0	2,831
Den Haag, Prins Willem Alexanderweg, La Fenêtre, ZH, 2005	LH	H	P	71	0	71	88	0	83	1,178
Den Haag, Van Hogenhoucklaan, Hubertusstaete, ZH, 2010	100%	H	P	7	0	7	9	0	10	171
Den Haag, Westkapellelaan, Westkapellelaan, ZH, 1972	100%	M	P	96	0	96	79	0	25	896
Deventer, Bitterzoet, Colmschate I, OV, 1984	100%	M	P	59	59	0	67	0	0	538
Deventer, Bitterzoet, Colmschate II, OV, 1985	100%	M	P	39	39	0	45	0	0	350
Diemen, Biesbosch, Biesbosch, NH, 1978	100%	M	P	117	117	0	151	0	0	1,518
Diemen, Hartschelp, Hartschelp, NH, 1983	100%	M	P	62	62	0	66	0	0	768
Diemen, Ouddiemerlaan, De Diemer, NH, 2017	LH	M	P	98	0	98	75	0	98	1,134
Diemen, Polderland, Polderland, NH, 1986	100%	M	P	169	169	0	183	0	0	1,945
Doetinchem, Boekweitdreef, De Huet, GD, 1983	100%	M	O	49	49	0	55	0	0	428
Doetinchem, Lorentzlaan, Boerhaavelaan, GD, 1973	100%	M	O	112	112	0	144	0	0	1,011

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Dordrecht, Spuiboulevard, Paradium 3, ZH, 1967	100%	M	O	62	0	62	53	0	0	676
Dordrecht, Van Ravesteyn-erf, Groene Oever, ZH, 1995	100%	M	S	84	0	84	77	0	0	863
Duiven, Thuvinestraat, Eltingerhof, GD, 1975	100%	R	O	59	59	0	66	0	0	487
Eindhoven, Bisschopsmolen, Woenselse Watermolen, NB, 1988	100%	M	P	202	202	0	243	0	0	2,357
Eindhoven, Cassandraplein, De Ranken, NB, 2008	100%	H	P	30	0	30	35	10	32	601
Eindhoven, Generaal Marshallweg, Rapenland, NB, 1984	100%	M	P	25	25	0	24	0	0	249
Eindhoven, Generaal Stedmanstraat, Stedman Staete, NB, 1984	100%	R	P	54	0	54	39	0	0	452
Eindhoven, Monseigneur Swinkelstraat, Kloosterdreef, NB, 2008	100%	M	P	36	0	36	40	0	36	482
Eindhoven, Opwettensemolen, Opwettensemolen I, NB, 1986	100%	M	P	178	0	178	133	0	112	1,721
Eindhoven, Opwettensemolen, Opwettensemolen II, NB, 1989	100%	M	P	18	0	18	15	0	0	170
Eindhoven, Picushof, Picushof App., NB, 2002	100%	M	P	36	0	36	33	0	0	432
Eindhoven, Smalle Haven, Vestedatoren, NB, 2006	100%	H	P	26	0	26	34	9	63	703
Eindhoven, Tesselschadelaan, Granida, NB, 2004	100%	H	P	20	0	20	22	0	35	358
Eindhoven, Tongelresestraat, Picushof , NB, 2001	100%	M	P	22	22	0	27	0	0	272
Eindhoven, Venbergsemolen, Venbergsemolen, NB, 1989	100%	M	P	134	0	134	113	0	0	1,342
Emmen, Eidereend, Eendenveld, DR, 1990	100%	M	S	33	33	0	35	0	0	306
Emmen, Klepel, De Klepel, DR, 1990	100%	M	S	40	0	40	36	0	45	401
Enschede, Mooienhof, Twentec, OV, 2003	100%	M	P	87	0	87	90	9	0	953
Enschede, Walkottelanden, Stroinkslanden, OV, 1982	100%	M	P	29	29	0	31	0	0	271
Geldrop, Herdersveld, Grote Bos, NB, 1978	100%	M	O	54	54	0	55	0	0	541
Geleen, Dassenkuillaan, Dassenkuil II, LB, 1988	100%	M	O	7	7	0	7	0	0	65
Geleen, Schrynwerkersd, Dassenkuil I, LB, 1987	100%	M	O	6	6	0	6	0	0	56
Grave, Estersveldlaan, Estersveld, NB, 1972	100%	M	O	26	26	0	31	0	21	243
Groningen, Bloemersmaborg, Klein Martijn, GR, 1997	100%	M	P	28	0	28	29	0	0	333
Groningen, Reitdiephaven, Reitdiep Haven, GR, 2010	100%	M	P	47	0	47	45	0	49	596
Groningen, Steenhouwerskade, Zuiderhavenring I, GR, 1982	100%	M	P	53	0	53	47	0	92	642
Groningen, Steenhouwerskade, Zuiderhavenring II, GR, 1983	100%	M	P	70	0	70	56	0	0	695
Groningen, Van Goghstraat, Waterrand, GR, 1994	100%	M	P	72	0	72	59	0	74	769
Groningen, Zuiderweg, Hoogkerk, GR, 1976	100%	R	P	100	100	0	103	0	18	833
Haarlemmermeer, Jacob Boekestraat, Warande, NH, 1969	100%	M	P	32	32	0	37	0	16	375
Heemstede, Floradreef, Prinseneiland, NH, 1990	100%	M	S	38	38	0	43	0	0	448
Heerenveen, Barten, Nye Haske, FR, 1987	100%	M	O	69	69	0	80	0	0	658
Heerlen, Dillegaard, Douve Weien Dillegaard, LB, 1983	100%	R	O	55	0	55	39	0	11	403
Heerlen, Marjoleingaard, Douve Weien Marjoleingaard, LB, 1982	100%	M	O	40	40	0	43	0	0	368
Heerlen, Palestinastraat, Giesen-Bautsch, LB, 1980	100%	M	O	23	23	0	25	0	0	214
Heerlen, Poelmanstraat, Douve Weien Oude Molenweg, LB, 1978	100%	M	O	79	79	0	81	0	0	766
Heerlen, Putgraaf, Putgraaf Parkflat, LB, 1982	100%	R	O	93	0	93	71	0	175	854
Heerlen, Putgraaf, Putgraaf Residentie, LB, 1989	100%	M	O	67	0	67	60	0	75	672
Heerlen, Sint Pietershof, Klein Vaticaan, LB, 2004	100%	M	O	14	0	14	16	0	14	206
Heerlen, Vrusschemigerweg, Douve Weien Vrusschemigerweg, LB, 1979	100%	M	O	82	82	0	93	0	0	824
Hengelo, 't Swafert, t Swafert I, OV, 2000	100%	R	S	346	0	346	199	0	0	1,964
Hengelo, het Swafert, t Swafert II, OV, 2000	100%	R	S	68	0	68	46	1	0	516
Hengelo, het Swafert, t Swafert III, OV, 2000	100%	R	S	3	0	3	1	0	0	49
Hengelo, Jan van Galenstraat, Gerarduspark, OV, 1995	100%	M	S	44	0	44	35	0	0	385
Hillegom, J.Prinsheem, Prinsheem, ZH, 1983	100%	M	S	64	64	0	67	0	0	689
Hillegom, L. van Deysselaan, L. van Deysselaan, ZH, 1983	100%	M	S	36	36	0	38	0	0	375
Hilversum, Loosdrechtse Bos, Zonnestraal App., NH, 2004	LH	H	P	42	0	42	62	0	48	1,073
Hoogezand-Sappemeer, Gerbrandyhof, Drevenborg, GR, 1991	100%	M	O	39	0	39	33	0	0	369
Huis ter Heide, Ruysdaellaan, De Horst, UT, 2003	100%	H	P	51	0	51	28	0	0	897
Huizen, Herik, Huizermaat, NH, 1976	100%	M	S	199	199	0	186	0	29	2,161
Kerkrade, Mijnwg, Straterweg, LB, 1987	100%	M	O	27	27	0	28	0	0	255
Leeuwarden, De Malus, De Malus, FR, 2007	100%	M	P	31	0	31	29	0	0	326
Leeuwarden, Frittemastate, Camminghaburen, FR, 1989	100%	M	P	14	14	0	14	0	0	147

City, Street, Name, Province, Construction year	LAND	RS	R	U	FH	APP	UA	COG	P	RENT
Leeuwarden, Frittemastate, Groene Hart, FR, 1986	100%	M	P	134	134	0	155	0	4	1,199
Leeuwarden, Krommezijl, Krommezijl, FR, 2005	100%	M	P	34	0	34	42	0	34	411
Leeuwarden, Stizenflora, Aldlan Oost, FR, 1977	100%	M	P	160	160	0	165	0	11	1,451
Leeuwarden, Ubbemastins, Parkflat, FR, 1987	100%	M	P	62	0	62	54	0	0	544
Leiden, Molenzicht, Molenzicht, ZH, 1979	100%	R	P	30	0	30	23	0	1	247
Leiden, Parkzicht, Parkzicht, ZH, 1979	100%	R	P	97	0	97	75	0	0	809
Leiden, Stadzicht, Stadzicht, ZH, 1979	100%	R	P	63	0	63	47	0	1	514
Leiderdorp, Laan van Berendrecht, Parkpromenade Berendrecht, ZH, 2004	100%	H	S	72	0	72	102	4	0	1,355
Leiderdorp, Lokhorst, De Horsten, ZH, 1970	100%	M	S	54	0	54	52	0	14	511
Leiderdorp, Roodborststraat, Vogelwijk, ZH, 1972	100%	R	S	45	0	45	34	0	8	362
Leiderdorp, Rozemarijntuin, Voorhof App., ZH, 1978	100%	R	S	120	0	120	93	0	9	988
Leiderdorp, Waterleliekreek, Voorhof, ZH, 1978	100%	M	S	78	78	0	97	0	0	930
Leidschendam, Neherpark, Neherpark, ZH, 2009	100%	H	S	30	0	30	33	0	35	443
Leidschendam, Schadeken, 't Lien, ZH, 1985	100%	M	S	127	127	0	135	0	0	1,512
Lelystad, Kogge, De Kogge I, FL, 1977	100%	M	O	54	54	0	59	0	0	496
Lelystad, Kogge, De Kogge II, FL, 1977	100%	M	O	50	50	0	56	0	0	446
Lelystad, Tjalk, Tjalk, FL, 1981	100%	R	O	100	100	0	104	0	0	790
Leusden, Hertenhoeve, Hertenhoeve, UT, 1979	100%	M	P	40	40	0	37	0	14	437
Leusden, Madelagehof, Nieuw Princenhof, UT, 2016	100%	M	P	25	25	0	28	0	0	315
Maarssen, de Hoopkade, Hoogevecht, UT, 2010	100%	H	P	18	0	18	23	0	33	371
Maarssen, de Hoopkade, Neerbeek, UT, 2011	100%	H	P	10	0	10	12	0	16	190
Maarssen, J. Homan van der Heideplein, Cruydenborgh, UT, 2010	100%	H	P	10	0	10	11	0	12	161
Maarssen, J. Homan van der Heideplein, Nieuw Vechtevoort, UT, 2012	100%	M	P	34	0	34	34	0	35	481
Maarssen, Proostwetering, Sluisoord, UT, 2009	100%	H	P	23	0	23	28	0	33	392
Maarssen, Proostwetering, Soetendael (9a), UT, 2012	100%	H	P	5	0	5	6	0	5	92
Maarssen, Proostwetering, Soetendael, UT, 2012	100%	H	P	18	0	18	18	0	18	285
Maastricht, Akerstraat, Porta I, LB, 1993	100%	M	S	57	0	57	56	0	47	620
Maastricht, Avenue Ceramique, Toren van Siza, LB, 2001	100%	H	S	40	0	40	47	7	0	825
Maastricht, Avenue Ceramique, Wiebengahal, LB, 2006	LH	-	S	0	0	0	-	34	0	268
Maastricht, Bellefroidlunet, Stoa, LB, 2002	100%	H	S	66	0	66	104	1	88	1,855
Maastricht, Bergruimte, Porta II, LB, 1994	100%	R	S	58	0	58	45	0	41	521
Maastricht, Boschcour, Piazza Céramique Stadswoningen , LB, 2007	100%	H	S	3	0	3	5	0	0	55
Maastricht, Boschcour, Piazza Céramique, LB, 2007	100%	H	S	55	0	55	69	8	85	1,073
Maastricht, Ellecuylgaard, Eyldergaard, LB, 1982	100%	M	S	18	18	0	21	0	0	185
Maastricht, Erasmusdomein, Erasmusdomein, LB, 1986	100%	M	S	81	0	81	64	0	50	788
Maastricht, Heerderweg, Heerderweg, LB, 1985	100%	R	S	202	0	202	145	0	108	1,640
Maastricht, Kasteel Caestertstraat, Nazareth , LB, 1987	100%	M	S	7	7	0	8	0	0	63
Maastricht, Mosalunet, Cortile II, LB, 2003	100%	M	S	54	0	54	56	0	0	720
Maastricht, Papenweg, Terminus, LB, 2008	100%	H	S	7	0	7	9	4	1	220
Maastricht, Plein 1992, La Residence, LB, 2000	100%	H	S	28	0	28	31	0	0	409
Maastricht, Prins Bisschopsingel, Poort Waerachtig, LB, 2009	100%	H	S	25	0	25	37	0	37	534
Maastricht, Sphinxlunet, Cortile I, LB, 1999	100%	M	S	37	0	37	39	5	0	575
Maastricht, Sphinxlunet, Cortile III, LB, 2002	100%	M	S	66	0	66	70	0	0	898
Maastricht, Sphinxlunet, Cortile Parking, LB, 1999	100%	-	S	0	0	0	-	0	189	195
Maastricht, Stellalunet, Maison Céramique, LB, 2010	100%	H	S	13	0	13	15	10	24	398
Maastricht, Via Regia, Sterflat Via Regia, LB, 1977	100%	R	S	48	0	48	31	0	59	323
Middelburg, Touwbaan, Maisbaai, ZE, 1990	100%	M	S	45	0	45	46	0	37	479
Nieuwegein, Hermesburg, Batau Noordrand, UT, 1988	100%	M	P	56	56	0	57	0	0	602
Nieuwerkerk a/d IJssel, Bladmos, Zuidplaspolder, ZH, 1979	100%	M	P	30	30	0	32	0	0	304
Nieuw-Vennep, Haendelplein, Getsewoud, NH, 2002	100%	M	P	76	0	76	56	0	0	723
Nijmegen, Lankforst, Lankforst, GD, 1969	100%	M	P	61	61	0	77	0	10	581
Nijmegen, Nw Marktstraat, Kronenburger, GD, 1991	100%	M	P	122	0	122	117	3	131	1,437
Nijmegen, Rode kruislaan, Park Heyendaal, GD, 1996	100%	M	P	68	0	68	70	0	0	871
Nijmegen, Weezenhof 67, Weezenhof II, GD, 1973	100%	M	P	48	48	0	52	0	19	483
Nijmegen, Weezenhof, Weezenhof I, GD, 1972	100%	M	P	67	67	0	88	0	17	703
Noordwijk, Fuikhoren, Fuikhoren, ZH, 1985	100%	M	S	67	67	0	75	0	0	728
Noordwijk, Schaalhoren, Schaalhoren, ZH, 1983	100%	M	S	65	65	0	67	0	0	700

City, Street, Name, Province, Construction year	LAND	RS	R	U	FH	APP	UA	COG	P	RENT
Oosterhout, Beethovenlaan, Oosterheide II, NB, 1971	100%	M	S	16	16	0	22	0	6	162
Oosterhout, Verdistraat, Oosterheide I, NB, 1969	100%	M	S	21	21	0	27	0	8	199
Oss, Kerkstraat, Boschpoort, NB, 1982	100%	R	O	8	0	8	6	10	35	147
Ouder-Amstel, Clarissenhof, Clarissenhof, NH, 1977	100%	M	P	101	101	0	101	0	8	1,234
Papendrecht, Pontonniersweg, Buitenwaard, ZH, 1991	100%	M	S	62	0	62	70	0	15	755
Purmerend, Cocqgracht, De Purmer, NH, 1983	LH	M	P	70	70	0	63	0	0	620
Purmerend, De Oeverlanden, De Ooievaar, NH, 2008	100%	M	P	30	0	30	29	0	30	348
Renkum, Graaf van Rechterenweg, Rechterenborg, GD, 1993	100%	M	O	62	0	62	57	0	39	636
Rhoon, Marskramer, Baljuw, ZH, 1982	100%	M	O	67	67	0	71	0	0	695
Rijswijk, Churchilllaan, Churchilllaan, ZH, 1969	100%	M	P	215	0	215	229	0	19	2,091
Rijswijk, Hilvoordestraat, Over De Bogaard, ZH, 1979	LH	R	P	122	0	122	63	0	0	881
Rijswijk, Prinses Beatrixlaan, Bogaardhoek , ZH, 1975	100%	R	P	57	0	57	43	1	56	462
Rijswijk, Prinses Beatrixlaan, Boshoek , ZH, 1975	100%	R	P	146	0	146	120	1	136	1,214
Rijswijk, Prinses Beatrixlaan, Middenhoek, ZH, 1975	100%	R	P	75	0	75	55	1	80	594
Roermond, Achter de Cattentoren, Casimir, LB, 2010	100%	M	O	39	0	39	44	0	49	477
Roermond, Ambachtsingel, Hoogvonderen, LB, 1981	100%	M	O	36	36	0	42	0	0	308
Roosendaal, Dolomietdijk, Kortendijk Oost, NB, 1981	100%	M	S	17	17	0	20	0	0	158
Roosendaal, Pastoor van Akenstraat, Molenbeekstraat, NB, 1970	100%	M	S	21	21	0	28	0	4	197
Rotterdam, Admiraal de Ruyterweg, Linker Rottekade, ZH, 1985	LH	R	P	246	0	246	149	3	159	1,933
Rotterdam, Admiraliteitskade, Oostmolenwerf, ZH, 1994	LH	M	P	86	0	86	77	3	69	1,163
Rotterdam, Bottelroos, Heydnahof, ZH, 1983	LH	M	P	161	161	0	175	0	0	1,826
Rotterdam, Buitenbassinweg, Buitenbassinweg, ZH, 1991	LH	M	P	72	0	72	60	0	0	657
Rotterdam, Cromme Meth, Cromme Meth, ZH, 1987	LH	M	P	15	15	0	15	0	0	145
Rotterdam, De Monchyplein, Boston, ZH, 2017	100%	M	P	48	0	48	43	0	48	780
Rotterdam, Den Uylsingel, Dosiotoren, ZH, 1989	LH	M	P	56	0	56	44	0	0	497
Rotterdam, Gedempte Zalmhaven, De Hoge Heren I, ZH, 2000	LH	H	P	140	0	140	167	5	330	2,784
Rotterdam, Gedempte Zalmhaven, De Hoge Heren II, ZH, 2001	LH	H	P	55	0	55	66	0	0	818
Rotterdam, Govert Terlouwstraat, Ringvaartplasbuurt I, ZH, 1990	LH	M	P	53	53	0	57	0	0	612
Rotterdam, Govert Terlouwstraat, Ringvaartplasbuurt II, ZH, 1991	LH	M	P	42	42	0	47	0	0	515
Rotterdam, Hamelpad, Sneevlietstraat, ZH, 1984	LH	M	P	52	52	0	50	0	0	508
Rotterdam, Ien Daleshof, Parktoren Prinsenland, ZH, 2009	100%	H	P	47	0	47	52	3	66	816
Rotterdam, Kouwenbergzoom, Loreleiflat, ZH, 1992	LH	M	P	53	0	53	46	0	0	567
Rotterdam, Landverhuizersplein, Montevideo, ZH, 2005	LH	H	P	52	0	52	64	0	52	991
Rotterdam, Maashavenkade, Parkkwartier Katendrecht, ZH, 2010	100%	M	P	27	0	27	25	0	28	344
Rotterdam, Nieuwehaven, Oude Haven, ZH, 1991	LH	M	P	89	0	89	79	6	40	1,007
Rotterdam, Stekelbrem, Brembuurt, ZH, 1973	100%	M	P	105	105	0	136	0	21	1,353
Rotterdam, Strevelsweg, Poort Van Zuid, ZH, 1994	LH	M	P	70	0	70	62	0	66	688
Rotterdam, Ton Wijkampstraat, Zevenkamp, ZH, 1988	LH	M	P	49	49	0	53	0	0	555
Rotterdam, van der Hoevenplein, New Orleans, ZH, 2010	100%	H	P	171	0	171	176	50	205	4,228
Rotterdam, Verlengde Nieuwstraat, Markthal, ZH, 2014	100%	M	P	102	0	102	111	0	102	1,547
Rotterdam, Watertorenweg, Watertorenweg, ZH, 1990	LH	M	P	84	0	84	70	0	0	767
Sassenheim, Caleche, Brik, ZH, 1986	100%	M	S	61	61	0	64	0	0	622
Sassenheim, Landauer, Berline en Landauer, ZH, 1985	100%	M	S	37	37	0	39	0	0	379
Schagen, Fazantenhof, Fazantenhof, NH, 1973	100%	M	O	58	58	0	75	0	0	604
Schiedam, Chopinplein, Groenoord I Chopinplein, ZH, 1971	100%	R	S	114	0	114	102	0	6	946
Schiedam, Chopinplein, Groenoord II Griegplein, ZH, 1971	100%	R	S	96	0	96	86	0	5	791
Schiedam, Chopinplein, Groenoord III Sibeliusplein, ZH, 1971	100%	R	S	94	0	94	83	0	9	776
Schiedam, Huis Te Merwestraat, Woudhoek, ZH, 1984	LH	M	S	184	184	0	195	0	0	2,063
Sittard, Blijdestein garage, Blijdestein, LB, 1986	100%	R	O	50	0	50	36	0	12	417
Sittard, Kollenberg, Kollenbergerhof, LB, 1988	100%	M	O	23	23	0	26	0	0	215
Sittard, Ruttenlaan, Kollenbergerhof App., LB, 1987	100%	R	O	52	0	52	38	0	78	452
Stiens, St. Vitusplein, Sint Vitusplein, FR, 1999	100%	R	O	27	0	27	20	0	0	191
Susteren, Raadhuisplein, Middelveld, LB, 1983	100%	R	O	5	5	0	4	0	0	42
Tilburg, Anna Paulownahof, Koningsplein, NB, 1989	100%	R	P	179	0	179	127	0	53	1,514
Tilburg, Buxusplaats, HollandCarré, NB, 2007	100%	M	P	100	0	100	113	0	107	1,307

City, Street, Name, Province, Construction year	LAND	RS	R	U	FH	APP	UA	COG	P	RENT
Tilburg, Hillegomlaan, Reeshof, NB, 1990	100%	M	P	56	56	0	73	0	0	558
Tilburg, Schoolstraat, Schoolstraat, NB, 1989	100%	M	P	174	0	174	140	0	45	1,642
Vaals, Bloemendalstraat, Bloemendal, LB, 1998	100%	M	O	21	0	21	19	0	18	209
Valkenburg a/d Geul, Cauberg, Caubergklooster, LB, 2007	100%	H	O	39	0	39	27	0	0	816
Valkenburg a/d Geul, Oranje Nassau, Nassauflat, LB, 1982	100%	R	O	88	0	88	59	0	87	724
Valkenburg a/d Geul, Spoorlaan, De Valk/Spoorlaan, LB, 1994	100%	M	O	18	0	18	18	0	14	183
Velsen, Maanbastion, Maanbastion, NH, 1990	100%	M	S	93	0	93	67	0	32	901
Velsen, Sterbastion, Sterbastion, NH, 2001	100%	M	S	67	0	67	63	0	0	677
Venlo, Gebroeders Daelstraat, Vijverzicht, LB, 1991	100%	M	O	10	10	0	11	0	0	94
Venlo, Gruttostraat, Gruttohof, LB, 1997	100%	R	O	15	0	15	14	0	28	134
Venlo, Gruttostraat, Haegerbroek, LB, 1995	100%	M	O	10	10	0	14	0	0	107
Venlo, Harry Hollastraat, Groeneveld, LB, 1993	100%	M	O	21	21	0	25	0	0	221
Venlo, Harry Meijerstraat, Vijverzicht App., LB, 1991	100%	R	O	61	0	61	56	0	0	517
Venlo, Klingerbergsingel, Klingerberg, LB, 1984	100%	M	O	24	24	0	27	0	0	218
Venlo, Morion, Morion, LB, 2000	100%	M	O	16	16	0	19	0	0	159
Vleuten-De Meern, Molenpolder, Meiborg, UT, 2003	100%	M	P	28	0	28	43	0	42	421
Vleuten-De Meern, Molenpolder, Weideborg, UT, 2003	100%	M	P	32	0	32	33	2	31	367
Vleuten-De Meern, Ridderhoflaan, Secr.Versteeglaan, UT, 1969	100%	M	P	123	123	0	147	0	6	1,430
Voorburg, Appelgaarde, Appelgaarde, ZH, 1976	100%	M	S	59	59	0	68	0	0	770
Voorburg, Distelweide, Distelweide, ZH, 1974	100%	H	S	40	40	0	45	0	14	602
Voorburg, Kersengaarde, Kersengaarde, ZH, 1976	100%	M	S	118	118	0	141	0	0	1,561
Voorburg, Populierendreef, Populierendreef, ZH, 1975	100%	R	S	99	0	99	67	0	154	760
Voorburg, Rodelaan, Rodelaan, ZH, 1976	100%	R	S	115	0	115	80	0	61	924
Voorhout, Zwanebloemstraat, Bloemenschans, ZH, 1985	100%	M	S	41	41	0	47	0	0	438
Wageningen, Elstar, Park Haagsteeg, GD, 2010	100%	M	P	28	0	28	35	0	28	400
Wageningen, Morfelden-Walldorfplein, Nobelpark, GD, 2011	100%	M	P	28	0	28	30	0	28	347
Wassenaar, Van Polanenpark, van Polanenpark, ZH, 1972	100%	M	P	55	55	0	77	0	14	756
Wassenaar, van Wassenaer Obdamlaan, Zijlwatering, ZH, 1992	100%	H	P	32	32	0	43	0	0	548
Weert, Ceres, Ceres, LB, 2009	100%	M	O	40	0	40	41	0	40	487
Wijchen, Abersland, Abersland I, GD, 1987	100%	M	O	39	39	0	39	0	0	360
Wijchen, Abersland, Abersland II, GD, 1988	100%	M	O	23	23	0	25	0	0	213
Woerden, Hoge Rijndijk, Heeren van Woerden, UT, 2010	100%	M	P	46	0	46	37	0	69	555
Zoetermeer, Bordeauxstraat, Frankrijklaan, ZH, 1987	100%	M	S	41	41	0	42	0	0	452
Zoetermeer, Bunuelstrook, De Stroken I, ZH, 1979	100%	M	S	244	244	0	284	0	0	2,460
Zoetermeer, Disneystrook, De Stroken II, ZH, 1979	100%	M	S	94	94	0	110	0	0	941
Zoetermeer, Dunantstraat, Dunantstraat, ZH, 1973	100%	R	S	137	0	137	119	4	0	1,122
Zoetermeer, Elia Kazanstrook, De Stroken App., ZH, 1980	100%	M	S	48	0	48	49	2	9	459
Zoetermeer, Gaardedreef, Seghwaert, ZH, 1978	100%	M	S	14	14	0	15	0	0	145
Zoetermeer, Heijermanshove, De Hoven, ZH, 1979	100%	M	S	82	28	54	72	0	0	734
Zoetermeer, Reimsstraat, Reimsstraat, ZH, 1987	100%	M	S	108	0	108	82	0	108	1,115
Zoetermeer, Zilverberg, Meerzicht, ZH, 1975	100%	M	S	39	39	0	47	0	76	474
Zutphen, Verdistraat, Ravel, GD, 2007	100%	M	O	34	0	34	43	0	34	478
Zwolle, Schie, AA landen I, OV, 1969	100%	M	P	126	126	0	153	0	74	1,401
Zwolle, Stadhouderlaan, Oldenelerlanden, OV, 1988	100%	M	P	67	67	0	78	0	0	669
Zwolle, Tak van Poortvlietware, Ittersumerlanden II, OV, 1987	100%	M	P	39	39	0	44	0	5	379
Zwolle, Van Bosseware, Ittersumerlanden I, OV, 1984	100%	M	P	106	106	0	126	0	0	999
Zwolle, Zaan, AA landen II, OV, 1970	100%	M	P	43	43	0	53	0	27	469
				22,454	**8,852**	**13,602**	**22,457**	**387**	**9,226**	**258,961**

Colophon

The Vesteda Annual Report 2017 is published in the English language only.

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Publication

Publisher
Vesteda Investment Management B.V.

De Boelelaan 759
1082 RS Amsterdam
PO Box 75675
1070 AR Amsterdam
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Design
Cascade visuele communicatie, Amsterdam

Realisation
F19 Digital Reporting, Eindhoven

Photography
Corné Bastiaansen Photography, Hilversum

www.vestedareport.com